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PROCEEDINGS AND DEBATES OF THE *105th* CONGRESS, SECOND SESSION

SENATE—*Monday, September 28, 1998*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear Father, You replenish our diminished strength with a fresh flow of energy and resiliency. The tightly wound springs of tension within us are released and unwind until there is a profound peace inside. We relinquish our worries to You and our anxiety drains away. We take courage because You have taken hold of us. Now we know that courage is fear that has said its prayers. We spread out before You the challenges of the week ahead and see them in the proper perspective of Your power. We dedicate ourselves to do things Your way under Your sway. And now, we are filled with Your joy which is so much more than happiness. We press on to the work of this week with enthusiasm. It's great to be alive! In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. KYL. Thank you, Mr. President.

SCHEDULE

Mr. KYL. Mr. President, for the benefit of all Members, I would like to announce that there will be a period of morning business today until 2 p.m. Following morning business, the motion to proceed to the Internet tax bill will be the pending business. Members are encouraged to come to the floor to discuss the important issue of Internet tax.

At 3:30 p.m., under the previous order, the Senate will resume consideration of the so-called Vacancies Act for debate only until 5:30 p.m. Following that debate, the Senate will proceed to a cloture vote on the vacancies bill. Therefore, the first vote of today's session will occur at 5:30 p.m. Following that vote, the Senate may consider any other legislative or executive items cleared for action. Members are reminded that second-degree amendments to the vacancies bill must be filed by 4:30 p.m. today.

Mr. President, I now ask unanimous consent that Senators FEINSTEIN and KYL control the time during morning business from 12:45 until 1:30 p.m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KYL. I thank my colleagues for their attention.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered. The Senator from New Mexico is recognized.

PRIVILEGE OF THE FLOOR

Mr. BINGAMAN. Mr. President, I ask unanimous consent that floor privileges be granted to Dr. Ken Whang, of the staff of the Joint Economic Committee, during morning business today.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with Senators permitted to speak for up to 5 minutes each.

ORDER OF PROCEDURE

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

R&D TAX CREDIT

Mr. BINGAMAN. Mr. President, both the House and the Senate are working on what is likely to be a final tax bill for this Congress. As we go about considering tax bills, I hope my colleagues on both sides of the aisle will be thinking about the long-term economic effects of the legislation.

Let me start, of course, by making a distinction that should be obvious to all of us who work around here. That is the distinction between tax bills that are paid for and tax bills that are not paid for and that instead obtain the revenue for the tax cuts from the surplus that we anticipate.

I agree with the President that if we do a tax bill this year—and I hope we are able to do a tax bill—that we will pay for the tax bill, that we take whatever revenue is required to make those cuts in taxes, and that we will find revenue in the current budget with which to do that.

I do not think the American people want us to go ahead and begin to spend an anticipated surplus which we have not even realized as yet. Unfortunately, some of the tax proposals—particularly the one passed by the House on Saturday—have that very major defect.

But let me get back to the primary subject of my comments, which is that if we pass tax legislation we need to be thinking about the long-term economic effects of such legislation. Will such bills enhance our economy by promoting sound investments and sustained future economic growth? Or, instead, will they threaten our projected budget surplus and Social Security without really doing anything for the future economic well-being of the country?

I raise these questions because there is one crucial element of our Tax Code, more than any other provision in the code, that is directed at our future economic growth. In all the discussions of taxes that have occurred over the past few months, that provision appears to have been given very short shrift. I am referring to the research and experimentation tax credit, commonly called

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

the R&D tax credit, which is slated for yet another minimal, temporary extension, the way tax bills seem to be evolving here today.

As I am sure most of my colleagues are well aware, investment in research and development is the single largest contributing factor to our past, present and future economic growth. In an economy that is increasingly knowledge-based and increasingly globalized, it is also an important factor in the competitiveness of American industry. Research leads to improved productivity, economic growth, better jobs and new technologies—technologies that have spawned entire new industries and revolutionized the way people do business around the world. But our research tax policy has not been keeping pace with today's economic realities.

Research investment is of greater and greater importance to American industry. But the on-again-off-again research credit is becoming less and less certain. It was allowed to expire for the ninth time this past June, and is slated for a renewal for less than 2 years.

Research is being done by large and small businesses in a growing variety of different industries. The way that the credit is currently structured, some companies derive incentive value from it, but others, even though they may be making identical research investments, do not get value.

Research is also being done increasingly in partnerships. Without partnerships between industry and Federal laboratories, we would never have created the Internet. Without collaborations between independent industry and universities, we would never have biotech. Without alliances among large and small firms, and in broad-based research consortia, we would not be seeing the efficiency gains in our manufacturing base that have been bridging the benefits of technological advances to every corner of our economy. But the research credit, as it is currently structured, does little, if anything, to encourage these partnerships.

Research is changing. It is important to American business. Its importance to American business is growing. Yet, our policy is stuck in an outdated status quo.

We have an R&D tax credit that is complicated and difficult for many companies—especially small companies—to use. We have an R&D tax credit that offers almost no incentive—less than three cents per additional dollar of research investment—for many of our, historically, most innovative research-intensive companies. We have an R&D tax credit that does nothing to encourage the interchange of ideas between industry and our great universities, Federal laboratories and other companies. We have an R&D tax credit that cannot even be relied upon as an incentive that will last for more than 1 or 2 years at a time. So the obvious question is: What kind of a commitment is this to America's economic future?

The U.S. Senate has an opportunity, as we consider tax legislation in the remaining days of this Congress, to move beyond this sorry status quo. Improvements to our research tax policy could not come at a more critical time—while our economy and our Federal finances are in good order but as we look with some anxiety toward prospects for continued prosperity.

I introduced legislation this summer—Senate bill 2268—to improve the research credit. As the ranking member of the Joint Economic Committee, I then organized a workshop in conjunction with the Senate Science and Technology Caucus on the topic of R&D tax credits. That workshop received the views of a broad range of experts from government, industry and universities who have studied the problems of the current R&D tax credit, and have proposed changes to make it more effective.

Invitations to attend the workshop on the tax issues were sent to legislative assistants from every Member in the Senate. As a result of that workshop, and the input that I have received from other experts in research groups and small businesses, I have developed an improved research and development tax credit proposal that adds to Senate bill 2268 provisions that will make the bill even more effective in stimulating partnerships through public-benefit research consortia, and that will provide small, high-tech businesses with tax credits for patent filing so that small businesses can more effectively defend their inventions, both here and abroad.

Mr. President, I ask unanimous consent that the text of this new proposal be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BINGAMAN. Some of my colleagues will undoubtedly be concerned about the cost of improving and making permanent the R&D tax credit, even though improvements like those in S. 2268 are long overdue. But I think there is an even more important cost to consider. What will it cost us if we don't improve the R&D tax credit?

Limiting an extension of the R&D tax credit to 20 months, as has been proposed in some of the legislation working its way through Congress, just because of the budgetary scoring consequences, and with full knowledge that we will be back in 20 months with another temporary extension that will also be limited by scoring considerations, is a false economy. The long-term revenue cost to the Treasury of ten one-year extensions of the credit, or five two-year extensions, or one ten-year extension are all the same. We are kidding ourselves if we think we were really saving any money by continuing with these piecemeal, temporary extensions. In fact, this scoring-driven strategy of repeated short-term extensions is worse than a fiscal parlor-trick. It is irresponsible public policy. Why? Because the unpredictable, on-off nature of the short-term extensions keeps America from fully realizing the long-term investments that a R&D tax credit should produce. Thus, we are failing to maximize the public benefits of the tax credit, we are reducing the degree to which it can stimulate research and invigorate our economy, and we are losing future tax revenues that would come from R&D-driven economic growth.

Our current policy, of piecemeal extension of an archaic, decreasingly effective tax structure, has gone on for 17 years now—a little longer than I have served in the Senate—and I am not the first to propose that we take a better approach. My colleague, the senior Senator from New Mexico, has proposed similar improvements to the R&D tax credit. Improving and making permanent the R&D tax credit should be a bipartisan cause. When the Senate considers tax legislation, I look forward to working on this issue with all of my colleagues who care about our economic future, and I urge the members of this body to treat research and development as an urgent priority in our upcoming deliberations.

EXHIBIT 1

SEC. 1. PERMANENT EXTENSION OF RESEARCH CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Section 45C(b)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1998.

SEC. 2. IMPROVED ALTERNATIVE INCREMENTAL CREDIT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (as amended by section 1) is amended by adding at the end the following new subsection:

"(h) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

"(1) IN GENERAL.—At the election of the taxpayer, the credit under subsection (a)(1) shall be determined under this subsection by taking into account the modifications provided by this subsection.

"(2) DETERMINATION OF BASE AMOUNT.—

"(A) IN GENERAL.—In computing the base amount under subsection (c)—

"(i) notwithstanding subsection (c)(3), the fixed-base percentage shall be equal to 85 percent of the percentage which the aggregate qualified research expenses of the taxpayer for the base period is of the aggregate gross receipts of the taxpayer for the base period, and

"(ii) the minimum base amount under subsection (c)(2) shall not apply.

"(B) START-UP AND SMALL TAXPAYERS.—In computing the base amount under subsection (c), the gross receipts of a taxpayer for any taxable year in the base period shall be treated as at least equal to $1,000,000.

"(C) BASE PERIOD.—For purposes of this subsection, the base period is the 6-taxable year period preceding the taxable year (or, if shorter, the period the taxpayer (and any predecessor) has been in existence).

"(3) QUALIFIED RESEARCH.—

"(A) IN GENERAL.—Notwithstanding subsection (d), the term 'qualified research' means research with respect to which expenditures are treated as research and development costs for the purposes of a report or statement concerning such taxable year—

"(i) to shareholders, partners, or other proprietors, or to beneficiaries, or

"(ii) for credit purposes.

Such term shall not include any research described in subparagraph (F) or (H) of subsection (d)(4).

"(B) FINANCIAL ACCOUNTING STANDARDS.—

"(i) IN GENERAL.—Subparagraph (A) shall only apply to the extent that the treatment of expenditures as research and development costs is consistent with the Statement of Financial Accounting Standards No. 2 Accounting for Research and Development Costs.

"(ii) SIGNIFICANT CHANGES.—If the Secretary determines that there is any significant change in the accounting standards described in clause (i) after the date of enactment of this subsection—

"(I) the Secretary shall notify the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate of such change, and

"(II) such change shall not be taken into account for any taxable year beginning before the date which is 1 year after the date of notice under subclause (I).

"(C) TRANSITION RULE.—At the election of the taxpayer, this paragraph shall not apply in computing the base amount for any taxable year in the base period beginning before January 1, 1999.

"(4) ELECTION.—An election under this subsection shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary."

(b) CONFORMING AMENDMENT.—Section 41(c) of the Internal Revenue Code of 1986 is amended by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 3. MODIFICATIONS TO CREDIT FOR BASIC RESEARCH.

(a) ELIMINATION OF INCREMENTAL REQUIREMENT.—

(1) IN GENERAL.—Paragraph (1) of section 41(e) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—The amount of basic research payments taken into account under subsection (a)(2) shall be determined in accordance with this subsection.".

(2) CONFORMING AMENDMENTS.—

(A) Section 41(a)(2) of such Code is amended by striking "determined under subsection (e)(1)(A)" and inserting "for the taxable year".

(B) Section 41(e) of such Code is amended by striking paragraphs (3), (4), and (5) and by redesignating paragraphs (6) and (7) as paragraphs (3) and (4), respectively.

(C) Section 41(e)(4) of such Code (as redesignated) is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(D) Clause (i) of section 170(e)(4)(B) of such Code is amended by striking "section 41(e)(6)" and inserting "section 41(e)(3)".

(b) BASIC RESEARCH.—

(1) SPECIFIC COMMERCIAL OBJECTIVE.—Section 41(e)(4) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended by adding at the end the following new subparagraph:

"(F) SPECIFIC COMMERCIAL OBJECTIVE.—For purposes of subparagraph (A), research shall not be treated as having a specific commercial objective if all results of such research are to be published in such a manner as to be available to the general public prior to their use for a commercial purpose."

(2) EXCLUSIONS FROM BASIC RESEARCH.—Section 41(e)(4)(A) of the Internal Revenue Code of 1986 (as redesignated by subsection (a)) is amended by striking clause (ii) and inserting the following:

"(ii) basic research in the arts or humanities."

(c) EXPANSION OF CREDIT TO RESEARCH AT FEDERAL LABORATORIES.—Section 41(e)(3) of the Internal Revenue Code of 1986 (as redesignated by subsection (a)(2)(C) of this section) is amended by adding at the end the following new subparagraph:

"(E) FEDERAL LABORATORIES.—Any organization which is a federal laboratory within the meaning of that term in section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6))."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 4. CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.

(a) CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.—Subsection (a) of section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and by adding at the end the following new paragraph:

"(3) 20 percent of the amounts paid or incurred during the taxable year (including as contributions) to a qualified research consortium."

(b) QUALIFIED RESEARCH CONSORTIUM DEFINED.—Subsection (f) of such Code is amended by adding at the end the following new paragraph:

"(6) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization which—

"(A) either—

"(i) is described in section 501(c)(3) and is exempt from taxation under section 501(a) and is organized and operated primarily to conduct scientific or engineering research; or

"(ii) is organized and operated primarily to conduct scientific or engineering research in the public interest (within the meaning of section 501(c)(3));

"(B) is not a private foundation;

"(C) to which at least 5 unrelated persons paid or incurred (including as contributions), during the calendar year in which the taxable year of the organization begins, amounts to such organization for scientific or engineering research; and

"(D) to which no single person paid or incurred (including as contributions) during such calendar year more than 50 percent of the total amounts received by such organization during such calendar year for scientific or engineering research.

All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related persons for purposes of subparagraphs (C), and as a single person for purposes of subparagraph (D)."

(c) CONFORMING AMENDMENT.—Paragraph (3) of section 41(b) of such Code is amended by striking subparagraph (C).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 5. IMPROVEMENT TO CREDIT FOR SMALL BUSINESSES.

(a) ASSISTANCE TO SMALL AND START-UP BUSINESSES.—The Secretary of the Treasury or his delegate shall take such actions as are appropriate to—

(1) provide assistance to small and start-up businesses in complying with the requirements of section 41 of the Internal Revenue Code of 1986, and

(2) reduce the costs of such compliance.

(b) REPEAL OF LIMITATION ON CONTRACT RESEARCH EXPENSES PAID OR INCURRED TO SMALL BUSINESSES.—Section 41(b)(3) of the Internal Revenue Code of 1986 (as amended by section 4) is amended by adding at the end the following new subparagraph:

"(C) PAYMENTS TO ELIGIBLE SMALL BUSINESSES.—

"(i) IN GENERAL.—Subparagraph (A) shall be applied by substituting '100 percent' for '65 percent' with respect to amounts paid or incurred by the taxpayer to an eligible small business.

"(ii) ELIGIBLE SMALL BUSINESS.—For purposes of this subparagraph, the term 'eligible small business' means a small business with respect to which the taxpayer does not own (or is not considered as owning within the meaning of section 318) 50 percent or more—

"(I) if the small business is a corporation, of the outstanding stock of the corporation (either by vote or value), and

"(II) if the small business is not a corporation, of the capital or profits interest in the small business.

"(iii) SMALL BUSINESS.—For purposes of this subparagraph—

"(I) IN GENERAL.—The term 'small business' means, with respect to any calendar year, any person if such person employed an average of 500 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

"(II) STARTUPS, CONTROLLED GROUPS, AND PREDECESSORS.—Rules similar to the rules of subparagraphs (B) and (D) of section 220(c)(4) shall apply for purposes of this clause."

(c) CREDIT FOR PATENT FILING FEES.—Section 41(a) of the Internal Revenue Code of 1986 (as amended by section 4) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) 20 percent of the patent filing fees paid by a small business (as defined in subsection (b)(3)(C)(iii)) to the United States or to any foreign government."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

Mr. President, I yield the floor and I suggest the absence of a quorum

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KYL. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

VICTIMS' RIGHTS

Mr. KYL. Madam President, Senator FEINSTEIN and I have been granted time in this period of morning business to discuss a matter that we began working on about 2½ years ago, and we wanted to give a report to you, to the Members of the U.S. Senate, and, frankly, to all Americans who are interested in the subject of victims' rights.

In April of 1996, during National Victims' Rights Week, along with Representative HENRY HYDE, chairman of the House Judiciary Committee, we introduced a Federal constitutional amendment to guarantee certain rights, fundamental constitutional rights, to all victims of violent crime. Since that time, we have worked with victims' rights groups across the country, with law enforcement officials, with our colleagues in the House of Representatives and here in the Senate, of course, with the Department of Justice, the Attorney General, and even the President of the United States, to craft an amendment that could gain acceptance in the two legislative bodies, and then be adopted by the people of the United States as an amendment to the Constitution. We have come a long way since that time.

I want to take this time to join with Senator FEINSTEIN in giving a brief report about our progress, with the conclusion that we are not going to be presenting this amendment at this late date in this session of the Congress, but that we do hope to have a vote on this amendment in the U.S. Senate early next year.

I want to begin by thanking my colleague, Senator FEINSTEIN from California. She has been an extraordinarily important proponent of crime victims' rights around the country; therefore, it was important for her to be one of the prime sponsors of this constitutional amendment. Her experience brought to bear on the subject made it much easier for people to join with us in the effort, and the work she had done with victims' rights groups before we introduced the amendment was important in galvanizing the support of those groups around the country to support this amendment and to work on the versions of it as we had to hone the language to meet the objections and concerns of various people around the country. I want to thank her also for her patience in working with me and her willingness to spend many, many long hours in working out the details of this amendment and meeting with various groups, trying to gather support among both the outside groups and our colleagues that would guarantee passage of the amendment.

In the final version that passed the Senate Judiciary Committee in July of this year by a bipartisan vote of 11–6, we had sponsorship by 30 Republicans and 12 Democrats. You can see by this bipartisan vote of 11–6 it required cooperation of Republicans and Democrats to move this matter forward. So there is nothing partisan about the matter of victims' rights.

I mentioned the fact that we had over 60 drafts of this amendment. What that demonstrates I think is that Senator FEINSTEIN and I have been willing to meet with anyone at any time to hear their concerns, and objections in some cases, about what we are trying to do in specifics. We have been able to mold an amendment which meets their concerns to the extent that we have this strong, strong support.

I note that in a brand new publication from the Department of Justice called "New Directions From the Field: Victims' Rights and Services for the 21st Century," hot off the press, the very first recommendation of this report from the Department of Justice is that victims' rights should be embodied in an amendment to the U.S. Constitution.

I would like to read from this report for a moment, if I might, because this is recommendation from the field No. 1.

> The United States Constitution should be amended to guarantee fundamental rights for victims of crime.

What are these rights? They are the same ones that Senator FEINSTEIN and I propose in our amendment.

> Constitutionally protected rights should include the right to notice of public court proceedings and to attend them; to make a statement to the court about bail, sentencing, and accepting a plea; to be told about, to attend, and to speak at parole hearings; to notice when the defendant or convict escapes, is released, or dies; to an order of restitution from the convicted offender; to a disposition free from unreasonable delay; to consideration for the safety of the victim in determining any release from custody; to notice of these rights; and to standing to enforce them.

I would like to read on from this report the reasons stated for the conclusion that we need a Federal constitutional amendment, because these reasons summarize a great deal of testimony that we heard in the hearings we held which demonstrated that mere State statutes, or State constitutional provisions, are not adequate to provide a uniform floor of rights for all victims of serious crime in the United States.

Here is what this report goes on to say:

> A federal constitutional amendment for victims' rights is needed for many different reasons, including: (1) to establish a consistent "floor of rights" for crime victims in every state and at the federal level; (2) to ensure that courts engage in a careful and conscientious balancing of the rights of victims and defendants; (3) to guarantee crime victims the opportunity to participate in proceedings related to crimes against them; and (4) to enhance the participation of victims in the criminal justice process.

The report goes on to say:

> A victims' rights constitutional amendment is the only legal measure strong enough to rectify the current inconsistencies in victims' rights laws that vary significantly from jurisdiction to jurisdiction on the state and federal levels. Such an amendment would ensure that rights for victims are on the same level as the fundamental rights of accused and convicted offenders. Most supporters believe that it is the only legal measure strong enough to ensure that the rights of victims are fully enforced across the country. They also believe, however, that the efforts to secure passage of a federal constitutional amendment for crime victims' rights should not supplant legislative initiatives at the state and federal level.
>
> Granting victims of crime the ability to participate in the justice system is exactly the type of participatory right the Constitution is designed to protect and has been amended to permanently ensure. Such rights include the right to vote on an equal basis and the right to be heard when the government deprives one of life, liberty, or property.

Madam President, hot off the press from the Department of Justice, the No. 1 recommendation is a Federal constitutional amendment to do the things that the amendment which Senator FEINSTEIN and I have introduced would do for crime victims around this country.

I know Senator FEINSTEIN is going to talk for a moment about how the scales of justice are imbalanced, and what our amendment is intended to do is right that imbalance between the legitimate rights of the accused on the one hand and the legitimate rights of victims on the other hand.

Let me get to the bottom line for those who have been wondering what the status of this amendment is and where we are going to go from here.

In July, as I said, the Senate Judiciary Committee passed out on a bipartisan basis, 11 to 6, the latest version of the amendment that Senator FEINSTEIN and I have proposed. As noted, it has some 42 cosponsors. Since that time, we have sought to obtain floor time to debate and eventually vote on our constitutional amendment.

Madam President, as you are aware, it has been very difficult, in the waning weeks of this congressional session, to get floor time to take up even the most mundane of bills, because the Senate is very much concentrated on getting the appropriations bills passed so that we can fund the Government for the next year. And, of course, with the campaign coming up, leaders are very definitely committed to an adjournment date of around October 9 or 10.

Senator FEINSTEIN and I conferred with the various leaders of the victims' rights movement and with our colleagues to determine what the best course of action would be. We understood that for something as important as amending the Constitution, we wanted to do it right. The last thing that Senator FEINSTEIN or I would ever do is to try to hurry an amendment to the U.S. Constitution, to try to push this through without an adequate debate, without giving everyone an opportunity to have their say.

As I said, we have made changes to the extent of 62 different drafts, which I think establish our bona fides in wanting to hear from everyone with an interest in this important subject.

We determined, under the circumstances, rather than trying to amend another piece of legislation with our amendment or to try to rush this through in some way, that we would continue to work at the grassroots level with organizations that support the amendment, continue to work with the administration, whose support for an amendment has been very helpful, and continue to work with our colleagues to gain even more support in terms of cosponsorship, so that when we do bring it to the floor, we will have had the widest possible discussion and opportunity for everyone to participate. We understand that will make it more likely that this important effort will have quick success in the House of Representatives and, importantly, in the State legislatures, which would then have to ratify the amendment.

Madam President, we decided that under the circumstances it was better for us not to try to rush that amendment to the floor here in the waning days, literally, of this Congress, but that we would be willing to defer action until early next year. I know that both Senator FEINSTEIN and I would like to see this matter dealt with perhaps during Crime Victims Week in April of next year.

But whatever the timing that is appropriate, we will be urging our colleagues early in the year to join us in cosponsoring the amendment in its final version and ensuring quick passage out of the Judiciary Committee, again because, of course, we will be in a new Congress and we will need to act anew on the legislation because of that and to secure the support of the leadership to quickly bring the amendment then to the floor of the Senate so that we can have a thorough debate and, hopefully, to pass the amendment out, sending it to the House for its subsequent action.

We hope that with that kind of a timetable, with that kind of an opportunity for everybody to participate, we will in the year 1999 have adopted a constitutional amendment that can then be acted upon by the States once and for all to protect the rights of crime victims around this country.

I want to close these brief remarks by again thanking Senator FEINSTEIN and all of the others who have been so active in this effort. The outside groups I will name at another occasion, because they deserve very special recognition for all of the effort that they have put into this.

But, frankly, the amendment would not have gotten to this point without the strong and active support of one of the strongest supporters of victims' rights that I know in the United States, my friend and colleague from California, Senator FEINSTEIN.

At this point, I would be happy to yield for her to make comments.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair and I thank the Senator from Arizona.

I want Senator KYL to know that it has really been a very great pleasure for me to work with the Senator over these past 2 years. I think it has been for me one of the best experiences I have had in the time I have been in the Senate, and that is two Senators from different political parties sitting down to try to work out something which is enormously difficult to do, and that is the drafting of a new constitutional amendment.

The Senator mentioned that we have done 60-plus drafts, and that we have met with the Attorney General, the White House, met members of victims' groups. The Senator brought in the counsel for victims. Larry Tribe, from Harvard University, worked with us, and we believe, I think, that we have an amendment that will now stand the test of public scrutiny and stand the test of time.

I want to share, Madam President, with the Senate how I first became involved in victims' rights. It was in the mid-1970s in San Francisco when a man broke into a home on Portrero Hill. He tied the man in the home to a chair and murdered him by beating him with a hammer, a chopping block and a ceramic vase. He then repeatedly raped his 24-year-old wife, breaking several of her bones. He slit her wrist and tried to strangle her with a telephone cord before setting their home on fire and leaving them to go up in flames.

Miraculously, this young woman, whose name I purposely left out of this, is still alive. She testified against him. He is still in State prison, to the best of my knowledge. But when I became mayor she used to call me every year and say, "I'm terrified that he might get out. I don't know if and when he will get out. His parole is coming up. Could you help me?"

I recognized then that there really were no rights that victims had. In 1982, California became the first State in the Union to apply some victims' rights. It was a bill of rights. It passed the electorate overwhelmingly. That is the reason when people saw the family of Nicole Brown Simpson and Ronald Goldman in court it wasn't because they had Federal rights or constitutional rights; it was because the constitution of the State of California provided that right in 1982. Some 28 other States have followed.

So you might say, "Well, what's the problem?" The problem is each State is different, and there is no basic floor of rights guaranteed to every victim. Therefore, if rights come in conflict, obviously, the rights provided in the Constitution prevail.

Now, what rights are in the Constitution? These are the constitutional rights today. You will see the rights of the accused, 15 specific rights guaranteed in the Constitution: the right to counsel, the right to due process, to a speedy trial, to a prohibition against double jeopardy, self-incrimination, against unreasonable searches and seizures, to have warrants issued only on probable cause, a jury of your peers, to be informed of accusations, and so on. You will then on the other side see the rights granted to victims are "none."

Well, one has to look back and say, how did this happen? I have looked back, and how it happened is very interesting. Our Founding Fathers, when they included the rights of the accused in the Constitution, did not think to include the rights of crime victims. Then again in 1789 there were not 9 million victims of violent crimes every year. As a matter of fact, there were not much more than 4 million people in all of our colonies. In fact, there are more victims of violent crime each year, by far, than there were people in the country when the Constitution was written.

Additionally, the way the criminal justice system worked then, victims did not need a guarantee of these rights. In America, up to the late 18th century and well into the 19th century, the concept of the public prosecutor did not exist. Victims could and did commence criminal cases themselves, by hiring a sheriff to arrest the defendant and then initiating a private prosecution. The core rights in our amendment—to notice, to attend, to be heard—were inherently made available to the victim.

As Juan Cardenas, writing in the Harvard Journal of Law and Public Policy, observed:

> At trial, generally, there were no lawyers for either the prosecution or the defense. Victims of crime simply acted as their own counsel, although wealthier crime victims often hired a prosecutor.

Gradually, public prosecution replaced the system of private prosecution. With the explosive growth of crime in this country in recent years—the rate of violent crime has more than quadrupled in the last 35 years—it became easier and easier for the victim to be left out of the process.

Another scholar noted:

> With the establishment of the prosecutor, the conditions for the general alienation of the victim from the legal process further increase. The victim is deprived of his ability to determine the course of a case and is deprived of the ability to gain restitution from the proceedings. Under such conditions, the incentives to report crime and to cooperate with the prosecution diminish. As the importance of the prosecution increases, the role

of the victim is transformed from principal actor to a resource that may be used at the prosecutor's discretion.

So there was no need to guarantee those rights in 1789, and, as we all know, the Constitution protects people from government rather than providing most people with certain basic rights. But the criminal justice system has changed dramatically since then and the prevalence of crime has changed dramatically. So we believe that the need and circumstances both combine to restore balance to the criminal justice system by guaranteeing the rights of violent crime victims in the United States.

I am very proud to have 12 coauthors on the Democratic side for this constitutional amendment, and I am particularly proud to have the support of Senator BIDEN of Delaware. Senator BIDEN of Delaware was the chairman of the Judiciary Committee, I say to the Senator from Arizona, when I came on that committee back in 1992 and was very helpful to me in learning the ropes of the committee. I have great respect for him. So it was very significant to me when we worked with him, made certain compromises in the amendment, and gained his support.

Mr. KYL. Might I just interrupt the Senator to also note that, as supporters of the amendment, we have the current chairman of the Judiciary Committee, Senator HATCH, and also, as I indicated earlier, the chairman of the House Judiciary Committee, Representative HYDE. So this amendment certainly has the support of the people who have been in the leadership of the committee as well as the current leadership of the committee.

Mrs. FEINSTEIN. That is right. And I am delighted the Senator is in the Chamber, because many people have said about this amendment, "Well, why isn't Federal law enough?" And if the Senator will recall, we both voted for the Federal clarification law in the case of Oklahoma City that would give victims the right to be notified, to be present in the courtroom, and to make a statement. And even after we clarified the law, the Federal judge held that if a victim was present, that victim could not make a statement. So this again is, I think, an additional rationale for this constitutional amendment.

I do want to point out the valuable support of Professor Laurence Tribe of the Harvard Law School, and I would like to just briefly quote portions of his testimony last year before the House hearing on the amendment.

> The rights in question—rights of crime victims not to be victimized yet again, through the processes by which Government bodies and officials prosecute, punish, and release the accused or convicted offender—are indisputably basic human rights against government, rights that any civilized society of justice would aspire to protect and strive never to violate.
>
> Our Constitution's central concerns involve protecting the rights of individuals to participate in all those governmental processes that directly and immediately involve those individuals and affect their lives in some focused and particular way . . . The parallel rights of victims to participate in these proceedings are no less basic, even though they find no parallel recognition in the explicit text of the Constitution of the United States.
>
> The fact that the States and Congress, within their respective jurisdictions, already have ample affirmative authority to enact rules protecting these rights is . . . not a reason for opposing the amendment altogether . . . The problem, rather, is that such rules are likely, as experience to date sadly shows, to provide too little real protection whenever they come into conflict with bureaucratic habit, traditional indifference, sheer inertia, or any mention of an accused's rights regardless of whether those rights are genuinely threatened.

So, in a sense, this is all the heart of our argument. Today, the accused, the defendant, has 15 specific rights in the Constitution.

The victim of a violent crime, or any other crime, has no rights in the Constitution. Consequently, there is no protected, no basic floor of rights across this Nation. Each State varies. And when one of these rights conflicts with a right guaranteed to a victim by a State constitutional amendment, the Federal Constitution will always prevail. We believe very strongly that 15 rights should be balanced by the 7 rights that we would provide to victims under this constitutional amendment.

"The right to receive notice of the proceedings." What could be more basic? Somebody assaults you, somebody has raped you, somebody has robbed you—at least you receive a notice to the hearing.

"The right to attend the trial, and any other public proceeding at which the defendant is present."

"The right to be heard at certain stages in the proceeding: The release of the offender; acceptance of a plea bargain; and sentencing.

"The right to be notified of the offender's release or escape."

This is something for me which goes back to the 1974 case of a woman having to call to plead to know when her husband's murderer and her own attacker would be released, and because she does not have that information to this day guaranteed to her, to this day she lives in anonymity. She has changed her name and she has changed her place of residence because she believes one day he will get out and one day he will come after her. No American should have to live that way. That is a basic right we provide in this constitutional amendment.

"The right to an order of restitution, albeit $1, presented by a judge," which is significant to every victim. We had interested victims testify to this. Senator KYL, I am sure, will remember how meaningful and important just the simple act of restitution was to them.

"To have the safety of the victim considered in determining a release from custody." These are, in essence, the basic rights that we would provide to begin to balance this scale of justice throughout time. The only way it can be done is by adding a constitutional amendment to the U.S. Constitution.

I, once again, thank Senator KYL. It has been a great pleasure for me. I hope we will have the time to debate this fully on the floor and have a vote. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Madam President, let me just add some additional thanks to those that Senator FEINSTEIN has indicated here. Before I do, I note the illustrative chart that Senator FEINSTEIN has been referring to refers to the rights of the defendants there. I think it is instructive that for those who say we should not be providing victims' rights by amending the U.S. Constitution, it is very instructive that most of those rights for defendants were added by amendment to the U.S. Constitution. They were not embodied in the original text of the Constitution. So, as times changed and as we determined that rights needed to be added, we did that for the defendants. Now, as Senator FEINSTEIN has pointed out, it is time to add some coequal rights for victims of violent crime.

There are some additional people I think we would be remiss in not thanking at this time. Laurence Tribe certainly was mentioned by Senator FEINSTEIN; Professor Paul Cassell at the University of Utah was equally helpful to us, in drafting language changes.

Mrs. FEINSTEIN. If the Senator will yield for just one moment?

Mr. KYL. Yes, of course.

Mrs. FEINSTEIN. On Paul Cassell, I think the Senator will remember, in the Judiciary Committee he had very compelling testimony and he submitted a brief which he had written particularly on this. I found it very, very compelling. I would like to refer to it in the text of our remarks, so people who might be interested would go back and read that brief.

Mr. KYL. I thank Senator FEINSTEIN. I might add, anyone interested in obtaining more information about what we are doing, and in getting information about the specific provisions, the testimony of the witnesses who answered a lot of the questions that, frankly, our colleagues had, they can contact us. We can provide them transcripts of the hearings, very erudite writings of the people like Laurence Tribe and Paul Cassell who have been working for a long period of time and have so much to contribute, as well as information from people at the Department of Justice and others.

I would also like to thank Steve Twist, an attorney in Arizona, who has spent thousands of hours pro bono, a lawyer who has spent much of his career in advancing the cause of victims' rights and who, frankly, was one of my mentors in learning about this subject and who has also helped us throughout this process.

Also, there are two particular brilliant lawyers on our staff who deserve a lot of credit, Neil Quinter, a member of Senator FEINSTEIN's staff with her today, and Stephen Higgins, a member of my staff; both lawyers who have spent far more than the usual amount of time on a piece of legislation, working this, because not only is it a very interesting legal challenge but also a personal commitment on their parts as much as it is for us.

I indicated we would probably thank a lot of people at another time. Certainly the victims' rights groups and representatives who have been so important in advancing this cause at the grassroots level. But I thought it important, at least at this time as we wind up this session, to note the people who have, professionally, been so helpful to us. We will be working on this over the next 2 or 3 months as we prepare for the next legislative session.

I will allow Senator FEINSTEIN to close. I am pleased to announce that while we have not been able to get this amendment to the floor for consideration by our colleagues today, or this year, I am quite optimistic we will be able to do that early in the next session of the Senate. I think the additional time we take to allow everyone to have their say, to ask the questions they need to ask, that will allow this to come at a time when we can have a full debate, that that will permit us to adopt this amendment next session and send it to the States for ratification.

Again, I thank Senator FEINSTEIN for her wonderful cooperation and inspiration on this amendment.

Mrs. FEINSTEIN. If the Senator will yield on one point, I would like to add to those thanks, and thank him for being so generous. I would like to add Roberta Roper of the National Victims Constitutional Amendment Network, who worked with Steve Twist so actively; David Beatty of the National Victims Center; and John Stein and Marlene Young of the National Organization for Victim Assistance.

If I might say this: Some people have pooh-poohed—maybe pooh-poohed is not a good senatorial word—let me say denigrated this concept. As one who sat on 5,000 cases, sentencing them, setting sentences and granting paroles for 6 years of my life, I can tell you that I believe this constitutional amendment will make more of a difference in the criminal justice system than virtually anything else that could be done. I think it is extraordinarily important. I know the Senator joins me in this, and I hope we will be able to have that full debate early on in the next Congress.

Mr. KYL. Madam President, it seems like there is always one more thing we want to say on this important subject. Again, we cannot possibly thank everyone here today, but one of the organizations—now that Senator FEINSTEIN mentions a couple of other people—Mothers Against Drunk Driving have been enormously helpful at the grassroots, working with our colleagues gaining cosponsorships. I would be remiss if I did not mention them.

Again, we will have many more opportunities to discuss this. I urge anyone who has questions about it to be in touch with us. But it is certainly an effort that I am going to be pleased to work on in the next session.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. What is the parliamentary situation?

The PRESIDING OFFICER. We are in morning business.

Mr. BUMPERS. Is there any particular order, Madam President?

The PRESIDING OFFICER. The Senator has the right to speak.

TAX CUT AND THE BUDGET

Mr. BUMPERS. Madam President, I want to speak for just a few minutes on what the House did last Saturday in announcing that they had passed an $80 billion tax cut. To tell you the truth, I take a lot of ribbing around here about the length of this cord. And to really say everything I need to say and want to say about what the House did Saturday would take another 10 feet on this cord, because I really think it is one of the most irresponsible acts—knowingly irresponsible acts—I have ever seen since I have been in the Senate. To add insult to injury, I heard a young Congressman Saturday evening on the news saying, "After all, the Republicans created this surplus. They ought to have some say so about how it is going to be used."

I have heard hyperbole in my day, but I think that exceeds anything I have ever heard in my life, because it was in 1993, on the floor of the U.S. Senate, where we had to bring the Vice President of the United States over to pass a bill that President Clinton had submitted to us under which he promised would result in balanced budget. When he ran for President in 1992, he didn't promise a balanced budget. What he promised was that he would reduce the annual deficit by 50 percent during his first 4 years in office.

Bear in mind that the 2 years before President Clinton took office, under President Bush—and you can go back as far as 1981—the deficits started running totally out of control, as every economist in the Nation said they would, after we cut taxes and increased spending in 1981 as a part of the Reagan revolution.

By the time George Bush finished his term, if I am not mistaken, the last two deficits for 1991 and 1992 were about $250 billion to $300 billion a year. It was frightening. I am just 1 of 100 Senators here, but I can tell you, I had decided that the place was utterly out of control.

So when the President promised the American people he would cut the annual deficits in half and submitted what was called OBRA 93, the Omnibus Reconciliation Act of 1993, it did, in fact, raise taxes and it cut spending by an equal amount. We were supposed to raise taxes by $250 billion and cut spending by $250 billion for an impact over the ensuing 5 years of a reduction of the deficit by $500 billion.

The people of the country, shortly thereafter, became rather excited about it. The bond daddies in New York City, who pretty much determine economic policy in this country, were excited, too. After all, they said, maybe these clowns really are serious for a change.

I will tell you how serious it was. As I said, when we tallied up the vote, it was 50 ayes and 50 nays. Vice President GORE sat in the Chair of the Presiding Officer, which is his constitutional duty, and untied the vote. So the Clinton bill, OBRA 93, passed 51 to 50 without one single Republican vote. Not one. It had come from the House of Representatives to us where it had passed the House of Representatives without one—without one—single Republican vote. The bill passed the entire Congress, House and Senate, without one Republican vote on either side, and this young House Member stood up on the floor of the House on Saturday and announced to the world, "After all, the Republicans created this surplus."

When President Clinton became President and we passed that bill, OBRA 93, in August of 1993, we made it retroactive. Not fair. It really wasn't fair. I didn't like it myself, but I voted for it. A lot of fairly wealthy people—and I have a few wealthy friends, my brother one of them, and he practically threatened to cut me out of his will because we made it retroactive.

What happened as a result of making it retroactive? I will tell you precisely what happened. Instead of the projected $290 billion deficit for 1994, it turned out to be $254 billion, $36 billion less than had been anticipated. $36 billion less than each of the 2 preceding years of the Bush administration. The projections for 1994 had been $290 billion to $300 billion. That year, it turned out to be $207 billion, and people began to get excited about the deficit suddenly going down for a change. People's confidence level rose. The unemployment rate began to go down. When people have confidence, they spend money. The economy began to really soar, and the more it soared, the more taxes people paid.

When 1995 rolled around, it went from—it wasn't $290 billion, as had been predicted the preceding 4 years. It was down to $154 billion in 1995. People were really getting excited. These are sort of round figures. I am not sure of the precise figures, but they are close enough.

In 1996, the deficit went to $107 billion, and in 1997, $22 billion. By this time, the whole country is absolutely incredulous. They cannot believe that a country that had shown every sign of taking leave of its senses had suddenly come to its senses, and the deficit, which was $300 billion a year as far as the eye could see the day Bill Clinton was inaugurated, was suddenly $22 billion last year.

Right now, 3 days from now, on Thursday of this week we feel—OMB and the Congressional Budget Office feel—that the surplus could run between $50 billion and $63 billion. It is the first time in 30 years, and the only reason we did it 30 years ago was because Lyndon Johnson dumped the Social Security trust fund into the budget, and the Social Security trust fund caused us to have a surplus in 1969. We haven't had one since until this year, which hopefully will materialize on Thursday. And this young House Member says the Republicans created this surplus, that they have some rights about what to do with it. They have some rights, of course, but I cannot tell you how offended I am by that when the 1993 bill is the very thing that cost the Democrats control of Congress.

Two of the finest Senators I have ever known in my life, good friends, lost their seats because they voted for that bill. The House Members were swept out totally because of that bill. I have said on the floor before and I will repeat it, if that is what it took—no matter how traumatic it is to me that the Democrats lost control and still don't have control of Congress—that it was not too big a price to pay to get our fiscal house in order. And here are the Republicans, again, at the same old stand with the same old economic policy saying, "We've got to cut taxes."

What is the tax cut? It is the same old tax cut: 53 percent of it goes to the wealthiest 15 percent of the people in America. If I were rich, I would be a Republican, too. No, I wouldn't. My father would be whirling in his grave if I did a thing like that.

Well, let me give you the bad news. The bad news is, the surplus is not real. It is not a certifiable surplus. Do you know why? Because we still use Social Security in the budget. If we had truth in budgeting around here, where all the trust funds—the Social Security trust fund, the highway trust fund, the airport trust fund, the pension funds—if all of those funds were taken out of the budget, not only would we not be looking at a surplus, we would be looking at a very healthy deficit.

And so as rhapsodic and euphoric as most people are about what we call a surplus for the first time in 30 years, it is not a surplus. There is $100 billion in the budget this year that is money right out of the Social Security trust fund. You take the $100 billion Social Security trust fund out, and you have a healthy $40- to—I don't know what the figure is—somewhere $40-plus billion deficit.

This is no time—we know that Social Security under the present system is going to be totally bankrupt in about the year 2029; and by the year 2013, we are going to be paying out more every year than we take in, which is a far cry from a $100 billion surplus we are getting a year now. I think the Social Security trust fund in about the year 2013 will have over $3 trillion in it—$3 trillion. You think about all that money, but by the year 2029 it will be dead broke, it will be on a pay-as-you-go basis. We will be taking in money one day and paying it out the next. There will be no trust fund.

So when the President said, "Social Security first," he meant that.

What does "Social Security first" mean? It means that you do not pay for tax cuts with Social Security trust funds. Right now, if we raid the surplus, we are raiding the Social Security trust fund.

As I said in the beginning, I need about 10 more feet of cord on this thing to say everything I want to say. I just do not speak well unless I have an opportunity to walk up and down this aisle. All I want to say to my brethren on the other side —good friends, people whom I like—and I am not in the business of giving Republicans political advice; they have been doing reasonably well without me. But I will say this: They should know—and they do know it, and I think they had a few defectors over in the House the other day who said, "I'm not about to go home and face people and tell them that I have just voted for a tax cut for the wealthiest people in America and I did it out of the Social Security trust fund." I would love to run against somebody who voted that way. I would do my very best to hammer them into the ground, because it is an honest accusation and it is pointing out to the American people what irresponsible conduct this Congress is capable of engaging in.

So I do not think it is any secret to the Speaker of the House or any of the House Republicans who voted for it. And, quite frankly, I do not think it is going anywhere in the U.S. Senate. And in the unlikely chance it should also pass the Senate, I do not think there is a chance in the world that President Clinton—I do not care how weak he is or how weak he is perceived to be, I can almost give you an ironclad promise he will veto that bill. And I promise you, the veto will not be overridden.

While President Clinton has been a friend of mine for 25 years—I guess longer than anybody in the Senate—he is a friend of mine, I do not deny that, has been; we come from the same State; we share the same political friends at home. I do not have any doubt about his absolute commitment on things like this. I am trusting him completely when he says he will veto the bill, and, as I say, I am going to do everything that I can to make sure it never reaches his desk.

Having said that, let me say one final thing. Madam President, in 1981, Ronald Reagan said he would balance the budget by 1984. Ray Thornton—a former Member of the House, told me his 81-year-old father-in-law said one day somebody told him, "Ronald Reagan is going to balance the budget by spending more money and cutting taxes"—take in less and spend more. He said, "What a dynamite idea. I wonder why nobody ever thought of that before."

The day Ronald Reagan held up his hand and was inaugurated, the national debt was $1 trillion; and 8 years later when he left, it was $3.2 trillion. He managed to triple it in 8 years. But you know something? I voted with the President in 1981, not quite the way he suggested, but I voted for the spending cuts that he proposed and against the tax cuts. FRITZ HOLLINGS and Bill Bradley and I were the only three Senators who voted that way, and we would have balanced the budget in 1984 if everybody had voted that way. But, as you know, everybody did not vote that way.

So what happened was, we wound up doubling defense spending within 4 years after Ronald Reagan was elected President—doubled it within 4 years. That was back when we found out, after throwing all that money at the Pentagon, they we were paying $7,000 for toilet seats and $7,000 for coffee makers—the same thing everybody does when you throw that much money at them.

Madam President, I have said about all I want to say except, I will be lying prostrate at the end of this cord in this aisleway the day that tax cut passes here. I plead with my colleagues, let's do something completely apart from politics. Let's not do something that is as irresponsible as that is. Nobody, I guess, ever lost an election by voting for a tax cut.

People here are getting pretty apprehensive about voting against a so-called marriage penalty. The one thing you never hear is that many married people already have a bonus. There is a marriage penalty for some, but many married people are a lot better off filing joint returns than they are filing as single persons.

I would not mind addressing the problem of what the House did the other day which, I think, amounts to an average of $240 a year. That is about $20 a month. Well, that is not beanbag for some people, but it is not enough to rape and pillage the Social Security trust fund for when those very people we are trying to help are also concerned about that Social Security trust fund being viable when they get to 65 years of age. And you ask them, "Would you rather be assured that the Social Security trust fund will be there for you when you retire or would you rather have a $20-a-month tax cut?" Talk about no-brainers.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Madam President, as I understood the parliamentary situation, at the hour of 2 p.m. there will be 1½ hours to debate the motion to proceed to the Internet bill. Is my understanding of that correct?

The PRESIDING OFFICER. We are in morning business until 3:30.

Mr. BUMPERS. Until 3:30.

MAIL-ORDER CATALOG SALES

Mr. BUMPERS. Madam President, I rise today to once again address an issue that I have addressed a number of times here in the U.S. Senate. It deals with mail-order catalog sales. Everybody within earshot of my voice knows what I am talking about because when they come home at night and pick their mail up, they will find mail-order catalogs. At my house, the average is about 6 to 10 mail-order catalogs on a daily basis. You can buy anything under the shining sun. If you save all of those catalogs, sooner or later you will get one to offer you every product that can be bought in any retail house in America.

Now, I have two reasons for my strong feelings about this. No. 1, I was a small town Main Street merchant, as well as a practicing lawyer. Most people don't know it, but I was the only lawyer in town—you are listening to the whole South Franklin Bar Association right now—in a little town of 1,200 to 1,500 people.

When I got out of law school, I knew I wouldn't be able to make a living practicing law so I bought back a business that my father had owned before he and my mother were tragically killed in an automobile accident. I was in law school in Chicago at the time, and 3 years later when I got out of law school, I had no intention of going back to the small town. I had left Arkansas to go to Chicago law school because I didn't think Arkansas was nearly big enough for me. But because of that and the fact that Mrs. Bumpers' family all lived in this little town, we went home and I bought the hardware, furniture and appliance business that my father had owned, hoping that it would sustain me while I built my law practice.

Believe you me, I needed a lot of sustaining while I was building a law practice. People would walk into my office and say, "Aren't you sort of a lawyer?" And I would have to grudgingly admit yes, that is exactly what I was—"sort of a lawyer."

So I speak today as a former retail merchant in a little country town in Arkansas called Charleston. But I also speak as the former Governor of Arkansas where in 1971 I had to raise the income tax because we felt that the sales tax, which is a regressive tax, was already about as high as we could make it.

That was quite an undertaking because some of the wealthy people in my State, many years before, had seen to it that the constitution of Arkansas provided that any tax other than a sales tax would require a 75-percent vote of both houses of the legislature. You think about that. If you wanted to raise the sales tax, which affects working people and poor people more than anybody else, it would only require a 51-percent majority; but if you wanted to raise the income tax, which hit the wealthy people, it required a 75-percent vote. I remember it took nine votes in the Arkansas State Senate before we passed an income tax bill. That bill, which raised the marginal rate from 4 to 7 percent, is the thing that made my State—I don't say this to boast, but every economist and every political scientist will tell you that it is the one thing that made Arkansas fairly stable economically thereafter.

Do you know something? While it is a very volatile thing, I got a lot of hate mail when I was championing it, but I got about 65 percent of the vote next time I ran, which shows that people are not dumb, if you go to them and explain your actions. You can always trust the American people to do the right thing. Winston Churchill once said, "You can always depend on the American people to do the right thing once they have explored all the other possibilities."

The truth of the matter is, when you talk sense to the American people, they respond sensibly. So this problem of mail-order catalog houses is simply this: If you wanted to come into my store and buy a $500 refrigerator, the tax on that was 5 percent, or $25. If you want to order that refrigerator from a mail-order catalog house in another State, there is no $25 tax, no tax of any kind. If you want to buy almost anything under the shining sun, from a toboggan to hunting boots, you can find a mail-order catalog that sells those items. A lot of these companies will tell you in their advertising that there is no sales tax. They tell you "no sales tax," even though, actually, 45 of the 50 States in this country have what is called a "use tax," and that applies to out-of-State purchases.

Do you know what the problem with that is? You might say, well, what are you up there shouting and shooting your mouth off about if there is already a use tax in 45 out of 50 States. I will tell you why. It is very simple. The tax is on the purchaser, not the seller. So if I buy that refrigerator and they said "no sales tax," that is a deception.

Arkansas has a use tax, which is a tax on anything brought into the State. But the only problem is, it is on me and I don't even know the tax exists. I promise you—I don't know how many people are within earshot of what I am saying, but I guarantee you that precious few of them know there is a use tax on anything they buy from a mail-order catalog house. They don't know it, so they don't pay it.

Maine has become so frustrated that they have a provision in their income tax return requiring them to multiply .004 or .0004, by your adjusted gross income and send it in. That is to make up for anything you bought out of a mail-order catalog, whether you bought anything or not. I said, in 1995—the last time I offered this amendment—that I think it is very suspect, from a constitutional standpoint, to tax people on mail-order sales when you didn't buy anything. Yet, Maine has been doing that.

A lot of people—for example, Indiana—do a little auditing from time to time. Ten thousand people in Indiana—and 1994 is the latest figures we have—paid some kind of a use tax for buying stuff from mail-order houses in another State. But what they collect is just nothing. In 1994—again, the last year we have figures for—if mail-order catalog houses in this country had collected sales taxes on all the merchandise they sold into these States, they would have paid the States, counties and the cities in the neighborhood of $3 billion. My guess would be that 4 years later, that is in the vicinity of $4 billion-plus, because retail sales have skyrocketed since 1994.

But, look, in 1994—as I say, the last time I debated this subject was in 1995—in 1994, my State lost $19.6 million, California lost $482 million, Illinois lost $233 million. That is the reason the National Governors' Conference, National Conference of Mayors, and the National Association of Municipalities favor my amendment. I have a list of the various organizations that support my amendment.

I ask unanimous consent that I be permitted to have printed in the RECORD a list of organizations that favor my amendment.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING THE BUMPER'S AMENDMENT

The International Council of Shopping Centers.

Marine Retailers Association of America.

National Home Furnishing Association.

North American Retail Dealers Association.

World Floor Covering Association.

National Conference of State Legislatures.

National Governors' Association.

National League of Cities.

National Association of Counties.

United States Conference of Mayors.

International City/County Management Association.

Council of State Governments.

Mr. BUMPERS. Senator GRAHAM and I are going to offer this amendment, if we get a chance, on this bill.

What brought all of this about? Well, first of all, it was about 1967, the Supreme Court, in a decision commonly referred to as the National Bellas Hess case, a big mail-order house. I forget where they are located. The Supreme Court said: You States, you cities, and you counties may not charge a use tax on mail-order sales coming into your State from another State unless that mail-order house has a physical presence in your State. Eddie Bauer used to be just a mail-order house. Now Eddie Bauer has outlets in just about every State in the Nation.

For example, if you order something out of the Eddie Bauer catalog and you are a Maryland resident, they will charge you sales tax. You can't buy it without paying the sales tax because they have a physical presence in Maryland. But most of these people like Lands' End and L.L. Bean don't have a physical presence in your State and they don't collect sales taxes. But the Supreme Court said in the National Bellas Hess case, you can't charge sales tax or use tax on mail-order sales because it violates the due process clause, and it is a violation of the interstate commerce clause. That sounds like the end of the story.

However, in 1992, the State of North Dakota challenged the Bellas Hess decision. They went to the Supreme Court and said we think the case was wrongly decided, and lo and behold, the Supreme Court agreed with them on 50 percent of it. They said it was no longer a violation of the due process clause for a State to require a mail-order house in another State to collect sales taxes for them. But the Court found that there was still a violation of the interstate commerce clause. The Supreme Court throughout its history has been very, very zealous in making sure that we didn't pass any laws, or that no State passed a law, that interfered with interstate commerce.

In that decision 25 years later, Quill versus North Dakota, the Supreme Court said requiring companies to collect use taxes was still a violation of the interstate commerce clause unless Congress gives the states permission to collect these taxes. So that is what I am attempting to do.

Senator WYDEN is a dear friend, and one of the finest men to ever serve in the U.S. Senate, in my humble opinion. However, his bill prevents the states from passing any taxes on the Internet for a two year period. My amendment would not exempt the Internet. My amendment would make it possible for the states to require out-of-state companies to collect use taxes whether the products were sold over the Internet or via mail order catalog.

I chaired the Small Business Committee for a long time. I made speeches about being a small businessman a lot of times on the floor of the Senate. But you tell me, is it fair for a Main Street merchant to collect sales taxes on every single thing he sells, from a loaf of bread on up, to support the fire department, to support the police, to support the local schools, to support everything under the shining sun in that community, that county, that State—is it fair for a Main Street merchant who is there with the people, contributing to everything that comes down the pike—is it fair to make him collect the sales tax, but his competitors, who are selling $300-plus billion worth of things over the Internet by the year 2002 and over $100 billion a year on mail-order sales, not collect a dime?

I stand corrected. There are a very, very few who do charge sales taxes, just because they are good citizens.

Let me digress a moment to tell you who one of those good citizens is—none other than our distinguished Senator from Utah, Senator BENNETT.

Senator BENNETT and some of his colleagues a few years ago started an office supply business. He told me that as they sat around discussing various aspects of that business and how they were going to form it, and so on, the question came up: What are we going to do about sales taxes? He said they talked about it and they concluded that they would be a lot better citizens and would feel a lot better about it if they just voluntarily collected taxes on all of the office equipment that they sold.

Incidentally, this business has some retail outlets here in Washington and in Maryland. They would now be required to collect the sales tax because they simply have a physical presence. But they did it long before they were a physical presence; at one time they were a pure mail-order house.

Senator BENNETT joined the Small Business Committee when I was chairman of that committee. In a hearing one day, he said, "Don't let them tell you how complex this is and how difficult it would be for them to collect taxes in every State for every State municipality and every county in the country." Senator BENNETT says it is the easiest thing in the world. At the end of the month, they push a button on their computer and the checks go out.

One thing Senator GRAHAM and I would do would be to give companies the option of collecting a blended rate which covers all state and local taxes. By giving the companies this option, we can reduce the burden on remote sellers when local sales taxes vary within a state.

But the point I am trying to make is, Senator BENNETT told me it is not complicated to collect use taxes. When the debate begins on this amendment, if and when it ever does, I hope my colleagues will take stock of the fact that one of their own colleagues says that is a bogus, specious argument.

Madam President, sometimes these mail-order houses say, "Well, we don't ask for any services. We don't need police protection. We don't need fire protection. Our kids don't go to school in your State. So why should we be penalized and be required to pay taxes when we are not a burden in your community and in your State?"

With these mail-order catalogs, one of the biggest problems States and municipalities particularly have is disposing of the waste in their landfills. You ask them: What is one of the biggest problems you have in your landfills and operating your landfills? They will tell you it is the unbelievable, staggering tonnage of mail-order catalogs. If I throw 10 of them a day away, multiply that by the people of this country who get those things every day, then call your mayors back home and ask them why they are for the Bumpers-Graham proposal. I will tell you exactly why they are for it. They are for it because they have to dispose of that stuff. They are for it because they don't believe it is right to penalize Main Street merchants by making them collect all the taxes and these people mailing things through the mail every day are getting a free ride.

Back to Senator WYDEN. As I said a moment ago, I don't know of any Senator—certainly not many Senators in the Senate—for whom I have as much respect as I have for Senator WYDEN. But I don't agree with his bill either. When you consider the fact that I have been fighting the battle for years—this losing battle, I might add—for years I have been fighting that losing battle with mail-order houses, which have increased their sales to well over $100 billion a year, and the States are getting whacked, because they are not collecting the taxes on it. But I say that is just a pittance compared to Internet sales and what they are going to be 3 years from now.

According to an article in Time magazine—the most comprehensive article I have read was in Time magazine dealing with this very subject of Internet sales. You can buy an automobile on the Internet. You can buy tapes. You can buy movies. You can buy anything on the Internet.

Amazon Books I don't think has ever made a dime, and their stock is just shooting through the roof. What do you think about Main Street bookstores in the country that are paying taxes for the books they sell in Washington, DC, Maryland, and Virginia, but not Amazon? And Amazon sales are soaring.

But the final point I want to make is that sales of merchandise over the Internet, that you would otherwise buy from a Main Street merchant, are calculated by the year 2002, no later than 2003, to be $300 billion. Now, 5 percent of that in sales taxes, which is about the average, is $15 billion a year that the States are not collecting—$15 billion in taxes that the Main Street merchant is not getting, and it is a travesty.

You should never say on the Senate floor, "I don't think my amendment is going to pass." Considering the fact that in 1995 I did not get one single Republican vote, I think it is fair to say I probably "ain't" going to pick up a bunch of them next time. But you know something. Somebody asked me one time, "Why are you quitting? Why are you not running again?" And I said, "Because I have tackled too many losing causes. I don't enjoy it. I don't enjoy losing anymore than Notre Dame enjoys losing a football game, and the few victories I get and I have had in the Senate are simply not enough to offset the trauma of the many losses I have sustained."

And that is not to denigrate anybody. We are all independent here. We think freely. We are supposed to be representing our constituents back home. And I guess most people just look at this differently.

So I may not win this one either, in fact I probably won't. And that does not dampen my enthusiasm for what I am talking about, nor does it dampen the meritorious nature of what I consider a meritorious cause. I am going back to the beginning because I used to be a small town merchant. I had to compete with big companies. I had to compete with mail-order houses even back then, in the 1950s and 1960s. And I did not enjoy a minute of it. I was on the school board. I was president of the chamber of commerce. I was chairman of the annual banquet of the chamber. I was chairman of the Christmas parade. I did all of those things. And yet I had to compete with people who did not have any of those responsibilities and did not contribute one red cent to my hometown or my home State. And yet for some reason or other, as meritorious as it seems to sound right now, I don't know how other people justify their vote against this when, as I say, the mayors, the Governors, the city councilmen, municipalities, everybody under the shining Sun charged with the responsibility of making their hometown and their home State function, favors mine and Senator GRAHAM's amendment.

Madam President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

THE HOUSE-PASSED TAX CUT

Mrs. HUTCHISON. Madam President, I want to speak for a few moments about the action that was taken by the House of Representatives last week in passing a tax cut for the middle-income, hard-working Americans. I commend the House for doing that and hope that the Senate will follow suit. I think it is very important that every year we give the taxpayers back something of what they have worked so hard to earn when we are looking at a surplus. That is, in fact, what we are looking at.

You know, if I had said to my constituents 5 years ago, "I'm running for the U.S. Senate, and I'm going to balance the Federal budget," most of them would have probably smiled benignly and thought, "Oh, at least she is naive enough to think that she can make a difference."

Well, in fact, that is exactly what has happened. I did run saying that I wanted to work to balance the budget. I did not promise that I would come to Washington and do it alone, but I did say that this is something I thought our Congress should do. In fact, in the Congress that came in in 1994, we did make the promise and keep the promise that we would balance the Federal budget. In fact, this year, we will see that balanced budget.

So then, of course, the question comes, What are we going to do with the new surplus? Of course, there are lots of ideas. Of what we think is going to be a $1.5 trillion surplus over the next few years, the lion's share should go toward making sure that Social Security is secure—no question about it. But an $80 billion tax cut every year, I think, will stimulate the economy, will do what is right by America, and will correct some inequities that we have found in the Tax Code—the major portion of what the House passed is the bill that I introduced with Senator FAIRCLOTH last year and the year before; and that is to reduce the marriage tax penalty.

In fact, if a policeman who makes about $33,000 a year in Houston, TX, marries a schoolteacher in Pasadena, TX, they have a penalty of $1,000, or a little more; and every person in those income categories in our country has the same. In fact, the average is about $1,400. Now, this is a young couple who gets married that wants to start saving to buy a new house or buy another car, have their nest egg, get started in life. And they get hit with a $1,000 penalty.

That is not what was ever intended. But the Tax Code, because there are more two-income-earner couples now than when the last revision of the Tax Code was passed, in fact, has penalized those two-income-earning couples, many of whom have two incomes because they are trying to make ends meet. So we are taking away a part of their quality of life. So I commend the House for saying it is time to correct that inequity and it is our highest priority. I am pleased that they passed the bill that Senator FAIRCLOTH and I introduced. It is our highest priority.

It will also help ease the burden for small business owners and farmers and ranchers and others who have been able to accumulate something to realize the American dream; and that is, that they would give their children a better start than they had by increasing the inheritance tax—the death tax—exemption to $1 million starting January 1 of next year. I think that is the right thing to do. It will begin to ease the tax on the elderly. I think we should do that.

We have already eased the capital gains tax. I hope we can eliminate that. But, Madam President, I think it is important that we, every year, make a little bit more progress in giving the hard-working Americans more of the money they earn back to them so they can decide how to spend the money for their families rather than having Government decide for them.

I hope the Senate will pass tax cuts. It is a high priority. I think we can have two goals that are very clear: We are going to save Social Security; and we are going to give a little bit of the money people work so hard to earn back to them to get our Government in perspective.

I think it is time that we lowered the opportunities for spending at the Federal level, let the States and local governments have more leeway, have families have better opportunities to spend the money they earn, and to make sure that Social Security is secure. I think those are the right priorities for spending that surplus. I hope the Senate will follow suit.

Thank you, Madam President.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

TAX CUTS AND SOCIAL SECURITY

Mr. DORGAN. Madam President, the subject about which my colleague from Texas just spoke and the subject addressed by a couple of my colleagues earlier today, the question of a proposed tax cut, is one that I think will engender a great deal of debate in the coming weeks, not with respect to the question of whether the American people could use a tax cut or deserve a tax cut, not about whose money it is. The issue, instead, is going to be, that there is an election 5 weeks from tomorrow.

On Saturday of this past weekend, the House of Representatives passed an $80 billion tax cut. And the discussion by many, including those on the other side of the aisle, and by those on the other side of the Capitol, is about what to do with the so-called "surplus."

I want to make the point again, as I have made before, that there is not at this point a budget surplus, evidenced by the fact that even though there are those who say there is a budget surplus, the Federal debt will increase this year to next year, and next year to the year after.

Now, why would the Federal debt be increasing if there is a surplus? The answer is, the Federal debt is increasing because there is not a surplus. What is called a surplus, in fact, is the Social Security dedicated funds that are to go into a "trust" fund to be used on behalf of future generations.

This chart shows that what is called a surplus can only be called a surplus if you take these Social Security funds and put them over here. Take the Social Security moneys away, and you don't have a surplus in the 5-year budget window. Instead, you are short $130 billion. The point is that, without using the Social Security revenues in the trust fund, there is no surplus.

Now, there have been two arguments made in the last days about this subject. One is we are not using Social Security trust funds; the second is that we are only using 10 percent of the surplus. Those arguments don't mean very much to me. These numbers do not lie.

The Federal debt will increase. To those who argue for this tax cut by saying that there is a surplus, I would simply point to the following fact: the Federal debt will continue to increase because there is no surplus.

We have made enormous progress in tackling this Federal budget deficit. Most people would not have predicted we would have been this successful. And we have very nearly balanced the Federal budget, but not quite. We will have truly and honestly balanced the Federal budget when you can call it "in balance" without using the Social Security trust funds, and that is not now the case.

If we here in the Senate debate using Social Security trust funds for this tax cut, we should be honest and call it theft. It will be a theft; yes, theft. It will be a theft to use the trust funds to give a tax cut. If that debate exists, I will offer an amendment to take the word "trust" out of the trust fund. Why call it a trust fund if people reach in and grab the money and use it for something else?

I happen to believe that most of the recommendations on tax changes are recommendations that I support: Eliminating or substantially reducing the marriage tax penalty makes good sense; full deductibility for health insurance for sole proprietorship, and I've supported that for years. I can go down the list. All of them, or almost all of them, make good sense.

But none of them make good sense if they are paid for with Social Security trust funds, the funds that were taken from American workers' paychecks and pledged to go into a trust fund to be used for only one dedicated purpose.

What the supporters of this tax cut are saying is, let us use those funds now, 5 weeks from election day, so we can tell the American people we gave them an $80 billion tax cut in the coming 5 years. I believe that those who support it should have to say, we took $80 billion out of the Social Security trust funds. We took that money despite the fact we told you we were going to save it for your future. We took it and we used it for something else.

That is not honest budgeting. Try to do that in a business, try to claim in a business that you have now reached a break-even stage, or you are even seeing profits in your business because you have been able to take your employees' retirement funds and show them as part of your business profit, you would get sent off to 5 years of hard tennis at some minimum security prison someplace. That is against the law. You can't do that. That is stealing from the funds. You can't do that. And you ought not be able to do it in Congress.

One thing the American people ought to be able to rely on is that when taxpayers put money into trust funds that comes straight from their paychecks, and which we promise is going to stay in this trust fund to be used for their future, we ought not allow this money to be used, 5 weeks from an election day, so that the majority party can brag to the American people that they handed out a tax cut.

If they do that, and if they brag about it, I want them to brag with full disclosure. Let's see if they will brag about taking money out of the Social Security trust funds. That would be theft in any other avenue of public or private life, and it ought to be theft here as we describe it.

This will consume a fair amount of debate in the coming couple weeks of the closing days of this Congress. I would like to see a tax cut. I support most of the provisions of the tax cut that was debated this weekend, but I will not ever support a proposition that says take the trust funds from the Social Security accounts and use those to give a tax cut 5 weeks before the election.

That is not good government, not good politics, not good for this country's future. I hope in the next 10 or so days of legislative activity those of us who feel that way will band together and say to this majority that appears determined to want to do this that we will not let them. When this country has truly balanced its budget, when we have finished the job—and we have come a long way and made a great deal of progress on fiscal policy—then, and only then, is it time to talk about the kind of tax cuts that are being discussed.

I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

PROGRESS IN THE MIDDLE EAST PEACE PROCESS

Mrs. FEINSTEIN. Madam President, I rise today to take note of the first signs of progess in the Middle East peace process in many months. This morning, Prime Minister Benyamin Netanyahu of Israel, and Chairman Yasser Arafat of the Palestinian Authority met with President Clinton at the White House to try to move the implementation of the stalled Oslo peace ageeements forward.

While no agreement was reached, these talks produced enough progress for the President to decide to send Secretary of State Albright and Special Middle East Coordinator Dennis Ross to the Middle East next week to try to bring the parties to an agreement. Prime Minister Netanyahu and Chairman Arafat are expecting to return to Washington in mid-October, with the hope that they will be able put the finishing touches on a deal at that time.

The progress representated by today's meeting is significant, I believe, for several reasons. First, it reminds us of the essential need for there to be strong American leadership if there is to be progress on the Middle East. No Middle East peace agreement has ever been concluded without high-level U.S. involvement, and this time is no differnt. The personal attention of the President of the United States and the Secretary of State are crucial to advancing this process, especially at a time when the parties have reached an impasse.

Among supporters of Israel, who long for it to live at peace with its neighbors, there is broad recognition of the centrality of the American role in Middle East peacemaking. That certainly is the view expressed by a group of over 100 senior Jewish community leaders from California, in a letter they sent to Presdient Clinton last week.

This letter is signed by 105 prominent Jewish leaders (rabbis, community activists, academics, and philanthropists). It expresses what I believe to be the widespread feeling of the American Jewish community. In clear language, they appeal to the President not to lose sight of the essential American role in helping Israel reach the peace it is longing for. They write:

> We have been strongly supportive of your Administration's efforts to narrow the gaps between the two parties and help them to reach an agreement. As in past Arab-Israeli negotiations, the American role in getting both sides to say yes is indispensable. Although mediating this complex dispute can be a thankless task, and some naysayers may urge you to put the peace process on the back burner, now is not the time to stop searching for ways to help both peoples resolve their differences.

Today's meeting shows that the President shares their sense of urgency and is taking it to heart.

I ask unanimous consent that this letter and the 105 signatories be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mrs. FEINSTEIN. Today's meeting is also important, not just because of what it says about the process and the U.S. role, but also for what the prospect is that it can yield an agreement in just a few more days or a few weeks. Far too much time has been lost.

Israel and the Palestinians have been stuck for months on how to complete the interim agreements launched by the Oslo process, so that they can move on to the critical final status talks. These interim talks deal with hard and important questions: How much of the West Bank Israel will redeploy from, what steps the Palestinian Authority will take to ensure a sustained crackdown on terrorist groups, how the security services of the two sides will work together to prevent acts of terrorism, and the understanding that both sides must refrain from unilateral actions that undermine the other side's confidence in the peace process.

Nothing about these talks is easy, but the time has long since come for both sides to take politically difficult, but fundamentally necessary, decisions that will allow this process to move forward. Israel's security and Palestinian dreams of self-determination can only be realized through a mutually agreed permanent peace agreement.

To the extent that today's meeting and the talks set for upcoming days represent a chance to complete the interim agreements and begin final status talks, there is reason for hope. The final status talks—which are supposed to be completed by May 4, 1999, but will probably take much longer—are going to be difficult enough. They will deal with the hardest questions of all: sovereignty, settlements, refugees, water, and Jerusalem.

Every day these final status talks are delayed, they only become more difficult. Every day they are delayed, the temptation on each side to take unilateral measures only increases. Every day they are delayed is another opportunity for extremists on each side to use violence to try to destroy the chances for peace altogether.

If the Israeli government and the Palestinian Authority are truly committed to peace, as I believe they are, they cannot let that happen. They must work hard in the next several days to complete the interim agreement, and then move quickly to make progress in the final status talks.

At this season of renewal in the Jewish calendar, when a new year and new beginnings are at hand, it is my hope and prayer that a new day may at last be dawning in the lives of Israelis and Palestinians. For that to happen, their leaders, with the strong support of the United States, must act to now to seize the opportunities that are before them.

I thank the Chair and yield the floor.

EXHIBIT 1

September 24, 1998.

Hon. WILLIAM JEFFERSON CLINTON,
The White House, Washington, DC.

DEAR MR. PRESIDENT: As American Jews dedicated to Israel's security and to a strong U.S.-Israel relationship, we want to express our appreciation for your steadfast commitment to the Jewish state and its quest for a secure peace.

As you face the many formidable challenges confronting your Administration and our country, we urge you to reestablish the Middle East peace process as an urgent American priority. We believe it is important for the U.S. to encourage Israel and the Palestinian Authority to redouble their efforts to achieve an agreement on further Israeli redeployment and enhanced security measures as soon as possible. The longer this process drags on inconclusively, the greater the danger of a total collapse of the entire peace process, which inevitably will lead to more violence and bloodshed.

We have been strongly supportive of your Administration's efforts to narrow the gaps between the two parties and help them to reach an agreement. As in past Arab-Israeli negotiations, the American role in getting both sides to say yes is indispensable. Although mediating this complex dispute can be a thankless task, and some naysayers may urge you to put the peace process on the back burner, now is not the time to stop searching for ways to help both peoples resolve their differences.

The success of the peace process is, in our view, crucial to Israel's long-term security and the strategic interests of the United States. Polls consistently show that this position reflects the widespread feeling in the American Jewish community. We hope that, buoyed by this support, you will keep striving to remove obstacles from the road to a secure Arab-Israeli peace.

Sincerely,

SIGNATORIES TO LETTER TO PRESIDENT BILL CLINTON FROM CALIFORNIA JEWISH LEADERS

Rabbi Mona Alfi, Sacramento; Eric Alon, Palos Verdes Estes; Rabbi Melanie Aron, Los Gatos; Arnold J. Band, UCLA; Rabbi Lewis M. Barth, Los Angeles; Rabbi Haim Dov Beliak, Los Angeles; Michael Berenbaum, Los Angeles; Rabbi Brad L. Bloom, Sacramento; Martin Block, San Diego State University; Donna Bojarsky, West Hollywood; Harry R. Brickman, UCLA.

Eli Broad, Los Angeles; Rabbi Samuel G. Broude, Oakland; Rabbi Steven A. Chester, Oakland; Rabbi Helen Cohn, San Francisco; Bruce C. Corwin, Beverly Hills; Rabbi Mark Diamond, Oakland; Rabbi Shelton J. Donnell, Santa Ana; Richard Dreyfuss, West Hollywood; Rabbi Steven J. Einstein, Fountain Valley; Irwin S. Field, Beverly Hills; Rabbi Harvey J. Fields, Beverly Hills; Sybil Fields, Beverly Hills; Rabbi Allen I. Freehling, Los Angeles.

Elaine Galinson, La Jolla; Murray Galinson, La Jolla; Rabbi Robert T. Gan, Los Angeles; Rabbi Laura Geller, Beverly Hills; Don L. Gevirtz, Santa Barbara; Guilford Glazer, Beverly Hills; Stanley P. Gold, Beverly Hills; Carole Goldberg, UCLA; Danny Goldberg, Malibu; John Goldman, Atherton; Lucy Goldman, La Jolla; Jona Goldrich, Culver City.

Bram Goldsmith, Beverly Hills; Osias Goren, Pacific Palisades; Rabbi Roberto D. Graetz, Lafayette; Danny Grossman, San Francisco; Lois Gunther, Los Angeles; Richard Gunther, Los Angeles; Rabbi Jason Gwasdoff, Stockton; Rabbi Johanna Hershenson, Aliso Viejo; Stanley Hirsh, Los Angeles; Rabbi Steven B. Jacobs, Woodland Hills; Carol Katzman, Los Angeles; Rabbi Bernie King, Irvine.

Rabbi Allen Krause, Aliso Viejo; Luis Lainer, Los Angeles; Mark Lanier, Los Angeles; Susan B. Landau, Los Angeles; Gary Lauder, San Francisco; Laura Lauder, San Francisco; Rabbi Martin Lawson, San Diego; Irwin Levin, Los Angeles; Carol Levy, Los Angeles; Mark C. Levy, Santa Monica; Peachy Levy, Santa Monica; Rabbi Richard N. Levy, Los Angeles.

Rabbi Alan Lew, San Francisco; Rabbi David Lieb, San Pedro; Peter Loewenberg, UCLA; Rabbi Brian Lurie, Ross; Rabbi Janet Marder, Los Angeles; Michael Medavoy, Culver City; Arnold Messer, Beverly Hills; Rabbi Herbert Morris, San Francisco; David Myers, UCLA; Raquel H. Newman, San Francisco; Joan Patsy Ostroy, Los Angeles; Norman J. Pattiz, Culver City.

Debra Pell, San Francisco; Joseph Pell, San Francisco; Sol Price, San Diego; Jon Pritzker, San Francisco; Lisa Pritzker, San Francisco; Arnold Rachlis, Irvine; David Rapoport, UCLA; Rob Reiner, Beverly Hills; Kenneth Reinhard, UCLA; Rabbi Steven Carr Reuben, Pacific Palisades; Rabbi Moshe Rothblum, North Hollywood.

Edward Sanders, Los Angeles; Rabbi Harold Schulweis, Encino; Paul Siegel, La Jolla; Rabbi Robert A. Siegel, Fresno; Alan Sieroty, Los Angeles; Rabbi Steven L. Silver, Redondo Beach; Richard Sklar, UCLA; Terri Smooke, Beverly Hills; Marcia Smolens, San Francisco; Fredelle Z. Spiegel, UCLA; Steven L. Spiegel, UCLA; Rabbi Jonathan Stein, San Diego.

Arthur Stern, Beverly Hills; Faye Straus, Lafayette; Sandor Straus, Lafayette; Rabbi Reuven Taff, Sacramento; Allan Tobin, UCLA' Rabbi Martin Weiner, San Francisco; Sanford Weiner, Los Angeles; Howard Welinsky, Culver City; Steven J. Zipperstein, Stanford University.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

JUVENILE DIABETES FOUNDATION "WALK TO CURE DIABETES"

Mr. DOMENICI. Madam President, on September 26, people all across America joined in the Juvenile Diabetes Foundation's "Walk to Cure Diabetes."

Today, approximately 16 million Americans suffer from diabetes. Heart and kidney disease, strokes, blindness, loss of limbs, and nerve damage are just some of the complications associated with this dread disease. An estimated 179,000 people die from this deadly disease and its complications every year. Unfortunately, diabetes rates are growing worldwide.

I rise today to commend the "Walk to Cure Diabetes," which is an effort to increase public awareness about this disease and to raise private sector funding for the search for a cure.

In Albuquerque, my hometown, hundreds of New Mexicans participated in the "Walk to Cure Diabetes." They joined thousands of Americans who walked and ran to raise more than $40 million to support research for better diagnosis, treatment and, ultimately, a cure to diabetes.

I am heartened by the fact that participation in this grassroots effort is growing in New Mexico, where diabetes hits especially hard among our American Indian and Hispanic people. Among these populations, this disease is exacting a devastating toll.

I would like to thank the "Team Domenici" runners, most of whom are associated with Albuquerque's Mountainside YMCA, who will represent my support for this endeavor. These "Walk to Cure Diabetes" team members included: Mary Howell, Chris Howell, Loretta Koski, Rosanna Thomas, Kim Babb, Loren Schneider, Mike Green, Chrissy Dukeminier, Becky Voccio, Stephanie Browne, Carole Smith, Jim Hughes, Debby Baness, and Lisa Breeden.

Where the Juvenile Diabetes Foundation and other organizations work to shore up private sector support, I am pleased that Congress and the administration have strengthened the federal government's investment in diabetes treatments and the search for a cure.

When we negotiated the five-year Balanced Budget Agreement in 1997, I was pleased to have initiated $30 million annually for a five-year Indian Health Service (IHS) diabetes treatment effort aimed at American Indian populations where diabetes rates are almost three times the rate in the general population. We also provided another $150 million over five years for the Centers for Disease Control (CDC) for a similar effort aimed specifically at juvenile diabetes.

As part of these national efforts, new resources will be put toward understanding Type 1 diabetes, which adversely afflicts thousands of young Americans. This form of diabetes occurs when the insulin-producing cells in the pancreas are inexplicably destroyed.

This infusion of Federal resources will also allow the IHS and CDC to establish a Diabetes Prevention Research Center in Gallup, N.M., to develop coordinated preventative efforts to help control the growing number of diabetes cases among American Indians.

Dr. Gerald Bernstein of the American Diabetes Association has reported that the gene that predisposes a person to diabetes is five times more prevalent in American Indians than in whites, and twice as prevalent in blacks, Hispanics and Asians than in non-Hispanic whites. In the 1950's, the IHS officially reported negligible rates of diabetes among Navajo Indians. In less than 50 years, diabetes has gone from negligible to rampant and epidemic.

In part, the diabetes problem in the United States can be helped by lifestyle changes among those people predisposed to the disease. A concerted effort is needed to teach people how proper nutrition, early detection and treatment can help save lives. This will not be easy. In the case of Navajo and Zuni Indians, for example, prevention can be difficult to incorporate into daily reservation life. Exercise programs may not be readily available, dietary changes may be contrary to local custom for preparing foods, or soft drinks may be routinely substituted for drinking water that is not plentiful or potable.

These kinds of factors in Indian life will be studied carefully at the Gallup Diabetes Prevention Research Center. Recommendations and CDC assistance will be provided to IHS service providers throughout the Navajo Nation, the Zuni Pueblo, and other Apache and Pueblo Indians in New Mexico and Arizona. The improved diagnostic and prevention programs will flow from this Gallup center to all IHS facilities around the country.

Through these efforts we hope diabetes rates will drop, and not continually increase as they have for the past four decades. The number of U.S. diabetes cases reported annually between 1980 and 1994 has risen steadily, from 5.5 million cases to 7.7 million cases. The number of diagnosed cases is up from 1.6 million Americans in 1958.

The human toll is devastating and the medical costs of treating diabetes will continue to escalate unless our medical and prevention research efforts are more successful. While we still have not found a cure for diabetes, enough is known today to significantly control the negative end results of diabetes like blindness, amputation, and kidney failure.

The "'Walk to Cure Diabetes" has been helpful in raising public awareness of the growing diabetes problem. I am pleased that we in the Senate join this effort through federal funding, policy initiatives and moral support.

Madam President, I would encourage my colleagues to note the 1998 "Walk to Cure Diabetes." It is one step in the American quest to attack this awful disease and improve the situation for all the people who are susceptible to the ravages of diabetes.

URGENT SUPPLEMENTAL FUNDING

Mr. DOMENICI. Madam President, I come to the floor not to discuss the pros and cons of an urgent supplemental, or any of the ingredients contemplated to be within it, but to render an accounting to the Senate, as best I can, of the request that the President has made for urgent supplemental funding that would come as an emergency funding, which means we would be spending the surplus that we have worked so hard to protect to pay for these items.

The calculations that the Budget Committee staff has worked up for me would indicate that, as of now, the President's requests amount to $14.148 billion. That means that the President asks us to spend $14.148 billion for such things as agriculture emergencies, Y2K emergencies—the computer situation that may result in a disaster if we don't try to use some new system and the purchase of new computers to alleviate the problem that may occur in the year 2000—there is some Bosnia money; embassy security money; interior security, or terrorism money; state embassies money; treasury security; and an economic support fund. They are listed in detail in this statement.

I ask unanimous consent that this part of the budget bulletin, issued by the Budget Committee staff on September 28, which encapsulates these and then goes through a narrative as to how each one has occurred, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EMERGENCY, EMERGENCY: WHO'S GOT THE REQUEST?

President's pending request fiscal year 1998 emergency funding

[In millions of dollars]

Request	*Amount*
Y2K, contingency	3,250
Agriculture:	
President	1,800
Daschle/Harkin (net impact)	5,200
Defense:	
Bosnia[1]	1,859
Embassy Security	200
Disaster Recovery	224
Disaster Recovery, contingency	30
Interior—Security: Terrorism	6
State—Embassies	1,398
Justice	22
Treasury—Security	90
Funds to President:	
Economic Support Fund	50
Security Assistance	20
Total	14,148

[1] FY 1999 Emergency Funding.

In terms of how much emergency spending has come out of the surplus, the Bulletin notes that $5.7 billion in FY 1998 supplemental emergency appropriations has already been enacted since the beginning of the year. The continuing issue for this week is how much additional emergency spending does the President thus far want to take from the surplus: $14.1 billion for a 1998 total of $19.8 billion.

> Last week's Bulletin, expected that the President's requests for emergency appropriations for both Fiscal Year 1998 and 1999—but not yet acted upon by Congress—total $8.0 billion.
>
> Following last week's Bulletin, on Tuesday, September 22, President Clinton made official the Administration's request for emergency funding in a number of areas, that had been assumed would be requested but had not been official transmitted to Congress.
>
> The Bulletin now believes it can accurately quantify the President's emergency requests pending before Congress. The table above allocates the pending $14.148 billion of Presidential emergency request to each affected agency, except for Y2K contingency appropriations. The Y2K emergency appropriation request transmitted on September 2 would be made available to the Office of the President for unanticipated needs to be transferred as necessary to affected agencies.
>
> Officially, the September 22 emergency request for agricultural programs was for $1.8 billion. However, President Clinton states: "The proposals I am transmitting today do not include income assistance to farmers for low commodity prices. On September 10, Secretary Glickman communicated the Administration's support for such assistance through Senators Daschle and Harkin's proposal to remove the cap on marketing loan rates for 1998 crops." CBO estimates the 1999 cost of such a proposal would reach $6.2 billion, with repayments in 2000 of nearly $1.0 billion. Hence, the table below includes a net cost for this Clinton supported emergency proposal of $5.2 billion.
>
> On September 22 the President requested $1.8 billion for emergency expenses arising from the "consequences of recent bombings of our embassy facilities."
>
> The President has still not requested amounts anticipated for defense readiness. The President did send a letter to Chairman of the Armed Services Committee, Strom Thurmond, on September 22 stating that: "I have asked key officials of my Administration to work together over the coming days to develop a fully offset $1 billion funding package for these [defense] readiness programs." But this does not constitute an official request for emergency defense funding from the Administration.

Mr. DOMENICI. Madam President, I do not pass judgment on whether each and every one of these is something we should fund, nor whether each and every one of them is something we should not fund. I merely want to state to the Senate, and to those who are interested, that there seems to be a big argument going on now as to what is happening to the surplus and whether or not the Republicans in the U.S. House who want a tax bill are spending the surplus.

Actually, I will tell everybody that in the first year, the 1999 year, that bill spends $7 billion of the surplus—if anybody is interested. The President's request for supplemental funding, emergency funding, not included in the budget—therefore, using the same fund—in the first year already amounts to $14.148 billion, and I believe I can say it is growing, because there is nothing in this number for special moneys that the Defense Department might need. There is some indication of a billion dollars for readiness. But the President's people are quick to say that won't be new money, it will be offset. Well, we will see what they are offsetting it with.

The chiefs of staff are meeting here in the Congress to tell us what they think they need for readiness, and I understand their message is not a good one. It is one that says we are really getting behind with reference to the kinds of things needed to keep a strong military which is totally built around voluntarism—such things as getting behind in the amount of pay we are giving them, the kind of pensions we are giving them, and the readiness equipment. So we don't have anything in this accumulation that equals $14.148 billion. There is nothing for that part of anything that would be an emergency.

I want to make one observation. Again, on this occasion, in speaking to the Senate and to anybody interested, I am not passing judgment on the use of the surplus for any of these things, I am merely saying that there is one surplus and there are two ways to use it. One is to spend it; one is to cut taxes. They both, in a sense, spend it, or some small portion of it. I just want everybody to know that the President of the United States, who seems to be saying, "Don't cut any taxes," is at the same time saying, however, "Give me $14.148 billion in new money," out of that same surplus for things that the country needs that he calls emergencies. They are all listed and they are all detailed in this statement that has been printed in the RECORD.

I repeat, I don't believe, from the surplus standpoint, that there is any difference between the two. In other words, if you want to spend a huge amount of the surplus and you want to spend it for $100 billion worth of American programs, needed or otherwise, you have diminished it by $100 billion. If you choose to cut taxes by $100 billion, you have diminished this surplus by $100 billion. It is the same diminution. It is the same reduction, the exact same effect. We estimate the surplus to be $1.6 trillion over the next decade. And now we will engage here and elsewhere in a debate with reference to these emergency supplementals, which will be year long, which will spend some of that. We will engage in a discussion of whether there should be some for tax cuts.

I repeat. The tax cut bill that the House proposed in the first year is $7 billion. The new expenditures requested by the President is $14.1 billion. It seems to me that deserves consideration when we start saying we shouldn't have tax cuts, but we should spend the money.

I yield the floor.

FEDERAL VACANCIES REFORM ACT OF 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of debate of Senate bill 2176, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 2176) to amend sections 3345 through 3349 of title V, United States Code (commonly referred to as the "Vacancies Act") to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes.

The Senate resumed consideration of the bill.

Mr. THOMPSON. Madam President, the Senate today will vote on whether to invoke cloture on the Federal Vacancies Reform Act. This legislation, which enjoys bipartisan cosponsorship, is necessary to restore the Senate's authority as an institution in the process of appointing important Federal officials.

Madam President, I request that I be allotted 20 minutes of our time.

The PRESIDING OFFICER. The Senator has that right.

Mr. THOMPSON. Madam President, I want to make sure that we reserve plenty of time for the distinguished Senator from West Virginia, Senator BYRD, who is really in many ways the author of this legislation and has been such a guiding light and firm supporter for so long a period of time.

Article II, section 2 of the Constitution provides that

> The President shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, other public ministers and consuls, judges of the Supreme Court and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law, but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or the heads of departments.

This is an important provision of the Constitution's system of checks and balances.

The Supreme Court, in 1997, said that the appointments clause "is more than just a matter of etiquette or protocol; it is among the significant structural safeguards of the constitutional scheme." By requiring the participation of the Senate with the President and selecting officers, the framers believed that persons of higher quality would be appointed than if one person alone made those appointments.

One of the ways in which those persons would be better would be in respecting individual liberties.

So the appointments clause serves to protect better government administration and the rights of the American people.

The appointments clause was also adopted because manipulation of official appointments was one of the revolutionary generation's greatest grievances against executive power.

As participants in the appointments process, we Senators have an obligation, I believe, to ensure that the appointments clause functions as it was designed, and that manipulation of executive appointments not be permitted. Nonetheless, we also need to recognize that despite the appointments clause, there will be times when officers die or resign in office. Their duties should continue to be performed by someone else on a temporary basis. It may not be possible as a matter of logistics that each temporary official serving as an acting officer in a position subject to the appointments clause will himself or herself receive Senate confirmation. Early Congresses recognized the need for persons to serve temporarily in advice and consent positions when vacancies arose, even when the person had not received Senate confirmation.

The Vacancies Act has existed one way or another since then, with length of temporary service increasing to 120 days in legislation that was passed in 1988. The 1886 Vacancies Act was intended to provide the exclusive means for filling temporary appointments. And it has operated that way for several years.

However, in 1973, the Justice Department, in seeking to appoint a temporary FBI Director in the midst of the Watergate scandal, appointed L. Patrick Gray without complying with the terms of the Vacancies Act. The Department for the first time made a public declaration that its organic statute created an alternative method for designating temporary appointments at the Department of Justice not subject to any time limit was there position. Since 1973 the Department has continued to make acting appointments outside the strictures of the Vacancies Act.

The Justice Department relies on its organic statute's "vesting and delegation" provision, which states that the Attorney General can designate certain other powers to whomever she chooses in the Department, since specific statutory functions were not given to the subordinate officials. The Department makes this claim although current law states that a

> . . . temporary appointment . . . to perform the duties of another under the Vacancies Act . . . may not be made otherwise than as provided by the Vacancies Act.

But the Justice Department's organic statute was designed simply to coordinate all Federal Government litigation, and did not change the Vacancies Act.

The legislative history of the Department's organic statute confirmed this. In 1988, Congress, recognizing that the Justice Department was not applying the Vacancies Act as Congress clearly intended, sought to amend the act to make it more clear. They changed the law to eliminate this unsupported position of the Justice Department largely through the efforts of Senator JOHN GLENN of Ohio. The Department of Justice, however, refused to read the language as Congress intended, relying on its same old arguments.

As a result, the Department of Justice believes that the Attorney General can designate acting officers for 2 or even 3 years. The head of the Criminal Division—an important position with respect to guidance in Federal prosecutions, including independent counsel—was vacant for 2½ years without a nomination.

An acting Solicitor General served an entire term at the Supreme Court, and no nomination for the position was ever sent to the Senate. Even the administration claims that an acting person can serve for only 120 days. But after an acting person served for 181 days, the administration designated another person to serve as the Acting Assistant Attorney General for Civil Rights.

Today all 14 Departments have similar language in their organic statutes. Now many Departments, at DOJ's urging, are claiming similarly that the Vacancies Act doesn't apply to them either as an exclusive means for filling vacancies.

There is no time limit on temporary services. That has been adhered to under the organic statutes, making both the Vacancies Act and the appointments clause effective nullities, according to the Comptroller General. The Comptroller General disagrees with the Justice Department's reading of current law, and all of the other Departments who have tagged along after the Justice Department.

Each Department has at least one temporary officer now who has served longer than 120 days, allowed by the Vacancies Act. The nomination should be able to be sent to the Senate within 4 months. Since the President lacks any inherent authority to make appointments for offices that require Senate confirmation, the President's noncompliance with the Vacancies Act means noncompliance with the Constitution.

As of earlier this year, when the Governmental Affairs Committee held its hearing on oversight of the Vacancies Act, of the 320 executive Department's advice and consent positions, 64 were held by temporary officials. Of the 64, 43 served longer than 120 days before a nomination was even submitted to the Senate. Other Departments are following Justice's lead.

The acting head of the Census Bureau is neither the first assistant, nor a person who has been confirmed by the Senate, which is what the Vacancies Act currently requires.

Of the nine vacant advice and consent positions at Commerce, seven have been filled by acting officers for more than 120 days. And one had been acting temporarily for 3 years.

It is true that the Senate has not always acted on nominees as soon as it should. But that issue should be addressed separately.

Many of the criticisms of the Senate's handling of the nominations is unwarranted since vacancies often remain open for lengthy periods before nominations are submitted.

The Senate is now being publicly criticized for holding up the confirmation of Richard Holbrooke to be the U.N. Ambassador, for example, when in fact the administration has not even submitted his nomination to the Senate. The fact is that the administration is under a current statutory duty to have acting officers serve for 120 days, which can be extended simply by the administration sending the Senate a nominee.

That means that if the Senate does not act it has to bear the responsibility for an acting person's service at that point. Responsibility is clearly placed where it belongs if an acting person continues to serve. But since the administration does not follow existing law, the Senate in many instances never gets a chance to even consider a permanent nominee.

Under the administration's view, the entire set of confirmed officials in our Government could resign the day after they were confirmed, and acting officials who have not received the advice and consent of the Senate can run the Government indefinitely.

That situation is completely at odds with what constitutional scheme and the framers created to protect individual liberties.

There is another reason this bill should be enacted—the Court ruling recently that undermines the Vacancies Act further. Under the current law, if a vacancy in a covered position occurs, the first assistant to that officer becomes the acting officer for up to 120 days. In the alternative, the President can designate another Senate confirmed officer to act as the acting officer for 120 days. The 120 days can be extended if the President submits a permanent nominee for the position to the Senate. That creates an incentive for the President to submit nominations to the Senate. Recent court interpretations have greatly confined the operation of the Vacancies Act.

In March, the United States Court of Appeals for the District of Columbia circuit approved the legality of actions taken by an acting director of the Office of Thrift Supervision who had served for 4 years without a nomination for the position ever having been submitted to this body. The Senate-confirmed director resigned in 1992 and purported to delegate all of his authority to OTS' deputy director for Washington operations. This person, who was neither the first assistant nor the Senate-confirmed individual, served as the acting director until October 1996.

The President then invoked the Vacancies Act to designate a confirmed HUD official to serve as the acting director and submitted the nomination to the Senate for the position within 120 days. The bank challenging the legality of the acting officer's appointment argued that the 120 days had expired 120 days after the Senate-confirmed director's resignation created a vacancy, long before the Senate-confirmed person was named the acting officer. But the Court held that the 120 days is a limitation only on how long an acting officer can serve, not a limitation on how soon after the vacancy arises that the President must submit a nomination.

It allowed the later Senate-confirmed director to ratify the actions of the prior acting director. Thus, if there is no first assistant, the President can wait for 4 years to send a nomination to the Senate while an acting official, in this case selected by the head of the agency, not the President, runs an important agency. This is not what the framers thought that they had established. It runs contrary to the Vacancies Act itself and corrective action therefore is necessary.

In any case, this administration, as stated above, has allowed many acting officers to serve for more than 120 days as permitted by the Vacancies Act without submitting a nomination to the Senate. The Vacancies Act presently has no enforcement mechanism, so once again the Senate's constitutional advice and consent prerogative is undermined. In Federalist Paper 76 Hamilton cautioned that:

> A man, who had himself the sole disposition of offices, would be governed much more by his private inclinations and interests than when he was bound to submit the propriety of his choice to the discussion and determination of a different and independent body; and that body, an entire branch of the legislature. The possibility of rejection would be a strong motive to care in proposing.

So by disregard of the Vacancies Act and installing at its sole disposition numerous officials to important positions in the Government who escape the independent body's review is contrary to the original intent of the framers. Without a possibility of rejection, there is much less care taken in the proposing. S. 2176 will restore the constitutional balance and cloture should be invoked on the bill.

Madam President, let me briefly discuss the provisions of S. 2176. Upon the death, resignation or inability to serve of an officer of an executive Agency, the first assistant to the officer becomes the acting officer subject to the bill's time limits. Because of additional background processing that is now required of nominees, the bill proposes lengthening the time of acting service from the current 120 days to 150 days.

If the President so directs, a person who has already received Senate confirmation to another position can be made the acting officer in lieu of the first assistant. This is basically the framework, Madam President, that is currently the law except we are extending the time period that the President has within which to make his decision. The first assistant has to have served 180 days in the year preceding the vacancy in order to be the acting officer, in order for someone to be put in in a very short period of time to be the first assistant so that they may then be appointed the acting officer.

The acting officer may serve 150 days beginning on the date the vacancy occurs. The acting officer may continue to serve beyond 150 days if the President submits a nomination for the position even if that occurs after the 150th day. So at the 150-day expiration, the President still has it within his sole discretion to make the nomination; just simply send the nomination up and the acting officer can come back once again and assume his duties. If a first or second nomination is withdrawn, rejected, or returned, the person can serve as the acting officer until 150 days after the withdrawal, rejection, or return.

Recognizing the large number of positions that are to be filled in a new administration, the bill extends the 150-day period by 90 days for any vacancies that exist when a new President is inaugurated or that arise in the 60 days following a new Presidential inauguration.

The bill will extend the provisions of the Vacancies Act to cover all advice and consent positions in executive Agencies except those that are covered by express specific statute that provide for acting officers to carry out the functions and duties of the office. Forty-one current statutes now allow the President or the head of an executive Department to designate or provide automatically for a particular officer to become an acting officer. The bill also exempts multimember commissions, and it retains holdover provisions of current law.

The bill expressly states that vesting and delegation statutes do not constitute statutes that govern the appointment of acting officers to specific positions. The bill will thus end the specious argument of the Justice Department that it and other Departments' organic statutes provide an additional means, and really a superseding means of appointing acting officials apart from the Vacancies Act.

The bill also creates an enforcement mechanism for the Vacancies Act, something that is also sorely needed. Today, acting officers regularly exceed the 120-day limitation without consequence. Under 2176, an office becomes vacant if 150 days after the vacancy arises no Presidential nomination for the position has been submitted to the Senate. For offices other than the heads of Agencies, the functions and duties that are specifically to be performed only by the vacant officer can be performed by the head of that particular agency. That means that all functions and duties of every position can be performed at all times. But if a nomination is not submitted within the Vacancies Act period, only the head of the Agency can perform the specific duties of the vacant offices. Hopefully, that will create an incentive for the President to go ahead and submit a nomination. As soon as the nomination is submitted, the acting officer can then resume performing the duties and functions of the vacant office. No one may ratify any actions taken in violation of the bill's vacant office provisions.

Madam President, this approach will not penalize the acting person in any way, but it will encourage the submission of nominees within 150 days without jeopardizing the performance of any Government function if that deadline is missed.

The Vacancies Reform Act also establishes a reporting procedure. Each Agency head will report to the General Accounting Office on the existence of vacancies, the person serving in an acting capacity, the names of any nominees, and the date of disposition of such nominee. The Comptroller General will then report to the Congress, the President, and the Office of Personnel Management on the existence of any violations of the Vacancies Act. This will provide useful information to the President so he will know the progress of the 150-day clock and will benefit the Senate as well.

This bill has been modified to take into account objections raised by members of the committee and elsewhere as well as the administration. In committee, we lengthened the Presidential transition period. We permitted the President to name an acting officer by submitting a nomination even after the 150-day period has expired. We agreed to consider shortening the length of service prior to the vacancy a first assistant must satisfy to become an acting officer. This bill is institutional and not partisan. Members should vote for cloture in recognition of the fact that the Senate and the Presidency will not always be controlled by the parties that control these institutions today, and in recognition of the duty that we all share to uphold the Constitution and protect the legitimate prerogatives of this institution.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan

PRIVILEGE OF THE FLOOR

Mr. LEVIN. Madam President, I ask unanimous consent that a legislative fellow on my Governmental Affairs subcommittee staff, Antigone Potamianos, be granted floor privileges during consideration of S. 2176.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON. Madam President, I yield such time to the Senator from West Virginia as he may consume.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, I thank the distinguished Senator from Tennessee, Mr. THOMPSON, who is chairman of the Governmental Affairs Committee in the Senate. Let me commend him and his committee for reporting this bill. That committee has worked long and hard and very industriously in an effort to craft legislation that, in its final analysis, goes a long way toward protecting the prerogatives of the Senate under the Constitution, in particular with reference to the appointments clause, which appears in article II, section 2, of the Constitution.

Madam President, nearly two weeks ago, on September 15th, I had the high privilege of addressing my colleagues in the Old Senate Chamber as part of the Leadership Lecture Series sponsored by the distinguished Majority Leader. In my remarks, I emphasized two points which I thought were important for all Senators to consider. First, I maintained that, if the legislative branch were to remain a coequal branch of our government, then it must be eternally vigilant in protecting the powers and responsibilities vested in it by the Constitution. Secondly, I noted that, throughout its history, the Senate has been blessed with individuals who were willing to rise above party politics, and instead act in the best interest of this nation and this institution.

The legislation before us today goes to precisely the type of concern I raised in my remarks. S. 2176, the Federal Vacancies Reform Act, would strengthen existing law, thus protecting the Senate's constitutional "Advice and Consent" role in the process of nominating and appointing the principal officers of our government. And, because this bill speaks to the very integrity of the separation of powers and the system of checks and balances embedded in our Constitution, it is a measure which I believe all Senators can support, regardless of party affiliation.

To give my colleagues some idea of the dimensions of this problem, earlier this year, I asked my staff to survey the various cabinet-level departments to ascertain how many of these so-called "advice and consent" positions were being filled in violation of the Vacancies Act. I can report that the trend is disturbing: Of the 320 departmental positions subject to Senate confirmation, 59, or fully 18 percent, were being filled in violation of the Vacancies Act. At the Department of Labor, for example, one-third of all advice and consent positions were being filled in violation of the Vacancies Act. At the Department of Commerce, 9 of 29, or 31 percent, of those positions were being filled in violation of the Act. And, at the Department of Justice, 14 percent of the advice and consent positions were being filled by individuals in contradiction of the Vacancies Act. Clearly a problem exists.

As my colleagues know, the process used by the President to staff the executive branch is laid out in the Appointments Clause of the Constitution. That clause, found in Article II, section 2, states, in part, that the President

> . . . shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the Supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law: but the Congress may by Law vest the Appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law, or in the Heads of Departments.

Because vacancies in these advice and consent positions may arise from time to time when the Senate is not in session, the Constitution also provides that

> The President shall have Power to fill up all Vacancies that may happen during the Recess of the Senate, by granting Commissions which shall expire at the End of their next Session.

Madam President, in an effort to secure the Senate's constitutional authority under the Appointments Clause, Congress established a statutory scheme that lays out not only the order of succession to be followed should one of these senior positions become vacant, but which also sets a strict limit on the length of time an individual may temporarily fill such a position. That legislation, which has been in place since July of 1868, is known as the Vacancies Act, and is codified in sections 3345 through 3349 of Title 5 of the U.S. Code.

For those who may not be familiar with the Vacancies Act, this is the essence of what it says. First, section 3345 provides that if the head of an executive department—a member of the President's Cabinet, for example—dies, resigns, or is otherwise sick or absent, his or her first assistant shall perform the duties of that office until a successor is appointed. Second, section 3346 states that when a subordinate officer—generally those positions at the deputy and assistant secretary levels—dies, resigns, or is otherwise sick or absent, that officer's first assistant also moves up to take over the duties of the office until a successor is appointed. And third, despite either of those self-executing methods for temporarily filling a vacant position, section 3347 authorizes the President to direct any other officer, whose appointment is subject to Senate confirmation, to exercise the duties of the vacant office. In any event, absent a recess appointment, those three sections of the Vacancies Act provide the exclusive statutory means of temporarily filling a vacant advice and consent position.

But whichever method is used—either automatic succession, as contained in sections 3345 and 3346, or presidential selection, as contained in section 3347, Madam President, the key to protecting the Senate's constitutional role in the appointments process lies in section 3348 of the Vacancies Act. That section plainly states that, should one of these positions become vacant due to death or resignation, it shall not be filled on a temporary basis for more than 120 days, unless a nomination is pending before the Senate. Originally, Madam President, when the legislation was enacted in 1868, the period of time was only 10 days. And then in 1891 that period was extended to 30 days. And in 1988 that period was extended to 120 days.

It is precisely that time restriction on the filling of these vacant positions that is, I believe, the linchpin of this issue. Without that barrier, without the 120-day limitation on the length of time a vacancy may be temporarily filled, no President need ever forward a nomination to the U.S. Senate. Instead, the President—any President, Democrat or Republican—can staff the executive branch with "acting" officials, who may occupy the vacant position for months, or even years at a time, as the distinguished manager of the bill, Mr. THOMPSON, has already alluded to.

In short, to eliminate the time constraint in the Vacancies Act, or to effectively eliminate it by tolerating noncompliance, is to wholly undermine the integrity of the U.S. Senate's constitutional advice and consent authority. So this is a serious matter.

Yet, despite the seemingly plain language of this 130-year-old Act, the Department of Justice has challenged the force of the Act on the grounds that those provisions are not the only statutory means of filling a vacancy. In fact, for more than a quarter of a century, through Democratic administrations and Republican administrations, the Justice Department has simply refused to comply with the requirements of the Vacancies Act. Instead, the Department claims that the Act is somehow superceded by other statutes which give the Attorney General overall authority to run the Department of Justice.

On December 17, 1997, I wrote to the Attorney General requesting clarification of the Department's position with respect to the Vacancies Act. Specifically, I wanted to know whether or not the Attorney General believed that this 130-year-old statute had any application to the Justice Department. On January 14 of this year I received a response to my letter in which the Department reiterated its position that the Attorney General's authority under sections 509 and 510 of Title 28 ". . . is independent of, and not subject to, the limits of the Vacancies Act."

For the benefit of those who have never read those two sections of Title 28, let me refer to the relevant language so that everyone will understand the fallacy of the Justice Department's argument. Section 509 states that, with certain exceptions that are not at issue here today, "all functions of other officers of the Department of Justice and all functions of agencies and employees of the Department of Justice are vested in the Attorney General. . . ." Section 510, meanwhile, states that "the Attorney General may from time to time make such provisions as he considers appropriate authorizing the performance by any other officer, employee, or agency of the Department of Justice of any function of the Attorney General."

Those two very broad, very general provisions—the first placing all functions of the Department under the control of the Attorney General, and the second allowing the Attorney General to delegate those functions—are being used to justify what amounts to an end run around the Vacancies Act, which is protective of the Senate's rights under the Appointments Clause of the Constitution.

As I have noted, defiance of the plain language of the Vacancies Act is not an isolated case. In 1973, for example, the Department of Justice refused to admit that L. Patrick Gray, who had been appointed acting Director of the Federal Bureau of Investigation following the death of J. Edgar Hoover in May of 1972, was serving in that capacity in violation of the time limitation contained in the Vacancies Act. In 1982, the Department's Office of Legal Counsel dismissed out of hand—dismissed out of hand the restrictions of the Vacancies Act as simply "inapplicable" to the Department—meaning the Justice Department. In 1984, the Department again asserted that ". . . the specific provisions of 28 U.S.C. §510 override the more general provisions of the Vacancies Act." And, in 1989, the Justice Department determined that the Vacancies Act ". . . does not extinguish other statutory authority for filling vacancies and that the Act's limitations do not apply to designations made pursuant to those authorities."

Madam President, I submit that that position is untenable, and is untenable for two simple reasons: First, there is no historical basis—absolutely none—for the suggestion that Congress ever meant sections 509 and 510 of Title 28 to exempt the Department of Justice from the requirements of the Vacancies Act. And, secondly, the logical extension of the Department's argument—now get this, the logical extension of the Department of Justice's argument would render meaningless—meaningless the entire advice and consent prerogative contained in the Appointments Clause, article II section 2, of the U.S. Constitution.

Turning first to the Department's claim that sections 509 and 510 of Title 28 somehow preempt the Vacancies Act, I note that those provisions trace their origin to, and are a codification of, a 1950 congressional action known as Reorganization Plan No. 2. As my colleagues may know, throughout the 1950's, Congress passed a series of plans designed to reorganize the various executive branch departments. The purpose of Plan No. 2 was to establish direct lines of authority and responsibility within the Department of Justice, and to give the Attorney General overall responsibility for the effective and economic administration of the Department.

However, there is nothing—I repeat, absolutely nothing—in the language of Plan No. 2 that would indicate that it was ever meant to supersede the Vacancies Act. On the contrary, as the Senate's report which accompanied the measure made clear at that time, and I quote from that committee report, "Plan No. 2 does not give to the Department of Justice any more powers, authority, functions or responsibilities than it now has." What could be more clear?

Finally, it is worth noting that the general language contained in Plan No. 2 is virtually identical to language found in the reorganization plans for the Departments of the Interior, Labor, Commerce, and Health and Human Services. In fact, every one of the 14 cabinet-level departments has these general provisions in its basic charter. Every one! Every one of the 14 cabinet-level departments. And it is precisely that common linguistic thread that leads to the second fatal flaw of the Justice Department's analysis.

If we accept this fallacious argument—that these broad, housekeeping provisions somehow override, or are, in the Department's words, "independent of, and not subject to" the more specific provisions of the Vacancies Act—then any executive branch department—any executive branch department whose functions are vested in the department's head, who, in turn, can delegate those functions to subordinate officers, would be exempt from the provisions of the Vacancies Act. Of course, exemption from the Vacancies Act would then mean that an individual could be appointed to an advice and consent position for an indefinite period of time. Who thinks that the Founding Fathers meant for that to be?

Consequently, to accept the position of the Department of Justice is to accept the position that the United States Senate—that is this body—with the concurrence of the House of Representatives, has systematically divested itself of its constitutional responsibility to advise and consent to Presidential nominations.

Madam President, I wonder how many Senators believe that. I wonder how many of my colleagues are prepared to accept such a specious argument. How many of my colleagues truly believe that the Senate has simply handed over one of the most effective checks against the abuse of executive power? How many will agree that we have given away what the Supreme Court has rightly characterized as ". . . among the significant structural safeguards of the constitutional scheme"? It was referring to the Appointments Clause in the Edmund v. United States case of 1997.

I, for one, do not subscribe to that specious argument, nor do I believe that any other Senator would support such a contention.

After all, don't we swear an oath, "so help me God," to support and defend the Constitution of the United States, before we enter into office?

At the same time, it is not fair to say the fault for this situation lies entirely in the executive branch; a part of it lies with us. An honest assessment of this matter will show that Congress must bear a good deal of the responsibility for its failure to aggressively demand strict compliance with the provisions of the Vacancies Act.

For 46 years I have been in the Congress, and I have noticed a steady decline in the desire, the willpower, and the determination of Members of Congress to speak out in protection of the powers of the legislative branch.

When I came here it wasn't like that, but more and more and more, it seems that there is an inability, or at least an unwillingness, on the part of Congress to stand up in support of its constitutional powers against the executive branch and those in the executive branch who would make incursions into and upon the constitutional powers of the Congress.

Each of us, individually and collectively, must concede that this institution, this Senate, and the other body, have been less than strenuous in protecting the constitutional rights and powers of the legislative branch.

Congress did, of course, make an attempt to assert the supremacy of the Vacancies Act when it last amended the statute some 10 years ago. That was the second year of the 100th Congress. I was majority leader in the Senate at that time, and on April 20, 1988, the Senate's Committee on Governmental Affairs, in a report accompanying a broader bill of which the Vacancies Act amendments were a part, stated thusly:

> . . . the present language, however old, makes clear that the Vacancies Act is the exclusive authority for the temporary appointment, designation, or assignment of one officer to perform the duties of another whose appointment requires Senate confirmation. The exclusive authority of the Vacancies Act would only be overcome by specific statutory language providing some other means for filling vacancies. As such, the Committee expressly rejects the rationale and conclusions of other interpretations of the meaning and history of the Vacancies Act. . . .

That was the language that was contained in the 1988 committee report.

And yet, despite that language, it remains a fact that the Vacancies Act has not been complied with. As a result, the time has come, and the time is now, for Congress to take the matter into its own hands and address the situation foursquare, right head on. That is what we are attempting to do here. I believe that S. 2176, the Federal Vacancies Reform Act, is the vehicle that will accomplish that goal.

This bill was introduced on June 16 by Senators THOMPSON, THURMOND, LOTT, ROTH, and myself. Three months before, on March 16, I had introduced S. 1761, the Federal Vacancies Compliance Act. Although my bill took a slightly different approach, I believe it is fair to say that it served as a basis for the bill before us today. I was privileged, through the courtesy of the distinguished chairman of the committee, Mr. THOMPSON, to be the lead witness at the March 18 hearing held by the Governmental Affairs Committee. Senator LEVIN was there; Senator GLENN was there; Senator DURBIN was there; and other Senators, I believe.

This legislation here today is the result of months of study, months of discussion, and months of difficult negotiation. By extending the time limitation on how long an acting official may serve, it is a bill that clearly recognizes the realities inherent in today's nominating process. It is a bill that goes out of its way to accommodate the inauguration of a new President by giving the new administration up to 8 months to forward nominations, something not currently contained in the Vacancies Act. So we are going the extra mile in an effort to accommodate the problems of the executive branch. And it is a bill that works to encourage the timely forwarding of nominations. Most importantly, though, it is a bill which will, once and for all, put an end to these ridiculous, specious, fallacious arguments that the Vacancies Act is nothing more than an annoyance to be brushed aside.

Madam President, it is time for this institution to state, in no uncertain terms, that no agency—no agency—will be permitted to circumvent the Vacancies Act, or any other Act for that matter, designed to safeguard our constitutional duties. We cannot, as James Madison warned in Federalist 48, simply rely upon the "parchment barriers" of the Constitution if we are to remain a coequal branch of this government.

I urge my colleagues to reflect upon this issue, and, in so doing, to hopefully conclude, as I have, that what is at stake here is something much greater than the Vacancies Act. I hope all Senators will understand that, each time a vacancy is filled by an individual in violation of the Vacancies Act, yet another pebble is washed off the riverbank of the Senate's constitutional role, and that, as more and more of these pebbles tumble downstream, the bank weakens, until, finally, it collapses. But above all, I hope my colleagues will agree that we have a responsibility to the American people and to this institution, the Senate of the United States, to shore up that riverbank, to stop the erosion that has taken place, and to reverse the wretched trend of acquiescing on our constitutional duties that seems to have so ominously infected this Senate.

Let us wait not a day longer in defending the Senate's rights of the Constitution. We are told by the great historian Edward Gibbon that the Seven Sleepers of Ephesus were seven youths in an old legend who were said to have fled to the mountains near Ephesus in Asia Minor to escape the prosecution of the emperor Decius, who reigned in the years 249–251 A.D. Pursuers discovered their hiding place and blocked the entrance. The seven youths fell into a deep slumber, which was miraculously prolonged, without injury in the powers of life. After a period of 187 years, the slaves of Adolius removed the stones to supply materials for some rustic edifice. The light of the sun darted into the cavern and awakened the sleepers, who believed that only a night had passed. Pressed by the calls of hunger, they resolved that Jamblichus, one of their number, should secretly return to the city to purchase bread. The youth, Jamblichus, could no longer recognize the once familiar aspect of his native country. His singular dress and obsolete language confounded the baker, and when Jamblichus offered to pay for the food with coins 200 years old and bearing the stamp of the tyrant Decius, he was arrested as a thief of hidden treasure and dragged before a judge. Then followed the amazing discovery, said Gibbon, that two centuries had almost elapsed since Jamblichus and his companions had escaped from the rage of a pagan tyrant. The emperor Theodosius II believed a miracle had taken place, and he hastened to the cavern of the Seven Sleepers, who related their story, following which they all died at the same moment and were buried where they had once slept.

Madam President, the moral of the story, as far as I am concerned, is this: The Senate has slept on its rights for all too many years.

Let us awaken to the threat posed by circumventions by the executive branch of the appointments clause and act to preserve the people's rights and the people's liberties, assured to them by the checks and balances established by our forefathers.

In the proverbs of the Bible, we read: "Remove not the ancient landmark, which thy fathers have set." The landmark of the appointments clause was established by our forefathers. We can suffer its removal only at our peril, at the Senate's peril, and at the people's peril. Let us, as Senators, not be found wanting at this hour.

It would require more than "a mere demarkation on parchment" to protect the constitutional barriers between the executive and legislative departments. It will require nothing less than an ambition that counteracts ambition. Senators, vote for this legislation. Vote for cloture today so that we can move on with the legislation. In the words of Hamilton, in the Federalist No. 76, "It would be an excellent check upon a spirit of favoritism in the President, and would tend greatly to preventing the appointment of unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity. And, in addition to this, it would be an efficacious source of stability in the administration."

Madam President, I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Madam President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Madam President, I, too, think we need to amend the Federal Vacancies Act, because the current act has too many loopholes and insufficiently protects the constitutional prerogative of the Senate to have Senate-confirmed officials serving in top positions in the executive branch. It is because I believe we should amend the Federal Vacancies Act that I voted to report the bill out of committee and, along with, I think, all or most of our colleagues, voted to proceed to Senate consideration of the bill.

But I will oppose cloture on the bill at this time, because if we adopt cloture now, it would mean that relevant amendments could not be considered. After cloture, only what are called germane amendments, as we all know, can be considered. That is a very narrow and a very strict rule. And for us to preclude the possibility of relevant amendments, relevant to this subject, being offered, without the opportunity even to offer those amendments, it seems to me, does not do justice to this subject.

I commend Senator BYRD and Senator THOMPSON for bringing this issue to our attention. Senator BYRD was the witness who appeared before our committee—and the Chair is also a distinguished member of this committee—and brought to our attention, very forcefully, the current loopholes that exist, at least the alleged loopholes that exist, in the Federal Vacancies Act.

These loopholes have been used by Presidents—I think inappropriately used. And surely Senator BYRD has laid out a very powerful case in this bill. And Senator THOMPSON and others laid out a very powerful case that we should close those loopholes. But we should close those loopholes considering relevant amendments in the process. And obtaining cloture immediately upon proceeding to the consideration of the bill will preclude the consideration of relevant amendments.

The bill before the Senate would make several important changes to the current Vacancies Act to close a number of those loopholes. First, it would make clear that the act is the sole legal statutory authority for the temporary filling of positions pending confirmation. Both Senator BYRD and Senator THOMPSON have stated forcefully why it is so important for us to close that loophole. In our judgment, that loophole does not exist. I think in the opinion of probably most Senators that loophole does not exist. But, nonetheless, whether it is a real one or an imaginary one, it has been used by administrations in order to have people temporarily fill positions pending confirmation for just simply too long a period of time, which undermines the Senate's advice and consent authority.

So the first thing this bill would do would be to make clear that the act, the Federal Vacancies Act, is the sole legal statutory authority for temporarily filling positions pending confirmation. Agencies would no longer be able to claim that their organic statutes trump the act and empower them to have acting officials indefinitely.

Second, the act's time period authorizing an individual to be acting in the vacant position would be increased to 150 days from the date of the vacancy. The current act provides for 120 days, and it is unclear on whether the period runs from the date of the vacancy or the date a person assumes the acting position.

Finally, the bill would provide for an enforcement mechanism for violations of the time period. And that is really an important point, because without some kind of an enforcement mechanism, these violations can take place without being corrected.

So the enforcement mechanism provides that if no nomination is submitted within the 150-day period, the position would have to remain vacant and any duties assigned just to that position by statute could be performed only by the agency head. As soon as a nomination is submitted, the bill provides that an acting official could then assume the job temporarily until the Senate acts on the nomination.

While the staff was making efforts to try to negotiate a unanimous consent agreement and perhaps a managers' amendment for Senate consideration of this bill, a cloture motion was filed. In my judgment, it was filed prematurely. And now if, indeed, this cloture motion passes, amendments which are relevant to this subject, important amendments, relevant to this subject, would not be subject to consideration and debate by the U.S. Senate.

Again, I am one who would like very much to see a reform of the Vacancies Act and to see that reform enacted in this Congress. Senator BYRD and Senator THOMPSON and others deserve the thanks of all of us for bringing the Senate's attention to this issue. Senator BYRD, again, took the lead in prompting the Governmental Affairs Committee to hold a hearing on this topic last March and pointed out the Justice Department's regrettable practice of having persons serve as acting officials in top-level positions for significant periods of time without Senate confirmation.

By having acted, officials serve in this way; and ignoring the purpose of the existing Vacancies Act, the Department delays or avoids Senate confirmation.

The Vacancies Act was originally enacted in 1868. Its whole purpose is to encourage the President to submit nominations in a timely fashion. In 1988, the Governmental Affairs Committee amended the act to preclude an agency—in particular, the Justice Department—from avoiding Senate confirmation and the requirements of the Vacancies Act by arguing that the act did not apply to their Departments. Unfortunately, the technical language that the committee used back then to accomplish this didn't do the job, at least in the eyes of the Department of Justice, and some agencies—and the Department of Justice, for one—have continued to operate outside of the intent of that law.

The bill before the Senate, then, attempts to rein in agencies like the Justice Department. It also attempts to set clearer guidelines on what agencies can and can't do with respect to vacancies, and it creates an action-enforcing mechanism that will encourage Presidents to act promptly on submitting nominations.

Now, in the eyes of many Members of this body, the Senate also has an important responsibility to act promptly on the nominations once they are received. That is why it would be relevant to debate the question as to whether or not a bill which amends the Vacancies Act to force the President to make timely nominations—in order to evade the clear constitutional role of the Senate in advising and consenting to such nominations—that such a bill could also appropriately address the Senate's duty to act on such nominations once they are submitted. That doesn't mean approve the nominations, that simply means to act on those nominations.

When we take up this subject of nominations, we need a bill which will ensure that nominations are made in a timely way, but we also have to avoid crafting an unrealistic bill that could leave many key positions vacant. I don't think any of us want to do that. That is why this bill extends the time that a new administration would have in order to fill these positions without triggering the action-enforcing mechanism.

We need to recognize, however, that this vetting process for nominees—the exploratory process, the FBI checks—has become much more complicated and complex than it was even a decade ago when the act was last amended. Increasingly adversarial confirmation proceedings have required that background investigations and other steps in the vetting process are more thorough and lengthy.

We asked the Congressional Research Service to look at the length of time it took for the first Clinton administration to make nominations and the time for Senate confirmation of those nominations, and to compare those numbers to the time it took the first Reagan administration in 1981 to make those nominations and for the Senate to act on those nominations. The results reflect that both the nomination and the Senate confirmation process are simply taking longer. In 1981, President Reagan took an average of 112 days to submit a nomination; President Clinton, in 1993, took an average of 133 days to make a nomination.

In addition to Presidents taking longer because the process simply takes longer, the Senate is also taking much longer to confirm nominees. In 1981, the Senate took an average of 30 days to confirm nominees; in 1993, the Senate took an average of 41 days to confirm Clinton administration nominees. So the reality that it takes a greater period of time for these nominations to be made should be reflected in the bill. It is reflected by a 30-day extension for the time period, which we have all referred to. Whether or not that is enough is subject to debate, and there will be amendments on that subject as well.

As I have indicated, in addition to crafting a bill that reflects today's more adversarial nominations climate, there are many who feel strongly that we in the Senate should acknowledge our own responsibility to act on nominations that we receive from the administration. We, in the Senate, rightfully want to protect our constitutional prerogative to advise and consent on nominations and not to have positions filled by people whose nominations have not been confirmed by the Senate. By the same token, we should discharge our duties in a prompt matter once those nominations are submitted to us.

Currently, there are many, many examples of the Senate failing, both in committee and on the floor, to act on nominations. We are appropriately critical of the administration for not sending up nominations in a timely way, but it is also appropriate for us as an institution to act one way or the other on those nominations once they are received. It is the desire of some of our colleagues to offer amendments that would require the Senate to act in a timely fashion on nominations, both by considering them in committee and by requiring a vote on them on the Senate floor. Again, not a positive vote guaranteed, just a vote.

Madam President, I think this bill moves us in the right direction. It is a bill that would close loopholes which many of us did not think even existed but which are being utilized by administrations to make appointments of these temporary people for long periods of time without submitting the nominee's name to the Senate for advice and consent. There are many provisions about which concerns have been raised, and it is perfectly appropriate, I believe, for those issues to be debated and to be resolved here on the Senate floor.

I also would plan on offering an amendment to provide for a cure of a violation; that is, to allow an official to temporarily act in a vacant position once a nomination has been submitted, even if that nomination is submitted during a long recess. The bill is not clear, in my judgment, as to what happens when the 150-day period runs prior to, for instance, a sine die recess but when the intention to nominate a particular person is submitted to the Senate to the extent that is permitted during a sine die recess.

It would seem to me that, just as the bill appropriately holds the 150-day period when a nomination is submitted and permits somebody to serve in that capacity where there is an intent to nominate, so if the 150-day period happens to run out before a recess but the intention to nominate a particular person is submitted to the Senate during that recess, then also a temporary appointment ought to be permitted.

Madam President, I will offer an amendment at an appropriate time to have a person as an acting official permitted after the 150-day period has expired, when a recess occurs and the nominee or a nominee's name is submitted to the Senate during that recess.

There are a number of concerns which a number of our colleagues have raised with the bill as drafted, and some of these concerns, again, would be reflected in relevant amendments but which are not technically germane and would be precluded and foreclosed if cloture were invoked.

For example, the bill restricts who can be an acting official, in case of a vacancy, to a first assistant or another advice and consent nominee. That is too restrictive a pool of acting officials and does not give this administration, or any administration, the ability to make, for instance, a long-time senior civil servant within the agency an acting official. Such senior civil servants may be the best qualified to serve as acting officials. First assistants may not exist for all vacant positions. Further, designating another advice and consent nominee to serve as an acting official takes that person away from the duties of their regular job. The category of persons who can act needs to be made larger, in my judgment, and in the judgment of others who will be offering amendments along this line—who, at least, want to offer amendments along this line, assuming that they are afforded the opportunity to do so.

This provision that I have referred to, the restriction that I have referred to, may be operating particularly harshly at the start of a new administration when many vacancies exist. At such times, not many first assistants may be holding over from previous administrations. Therefore, the first assistant slots may be empty, also. Similarly, few other Senate-confirmed officers will exist that the President could choose from to serve in a vacant position. One of our colleagues intends to offer an amendment to allow qualified civil servants to be acting officials, also. And again, this amendment, like some of the other amendments that are sought to be offered here, may not be technically germane and can be foreclosed after cloture.

I don't think it is appropriate that relevant amendments should be foreclosed. That is why I am somebody who believes we need to amend the Federal Vacancies Act in order to close the existing loophole, and in order to protect the constitutional prerogative of the President, and I also want to protect the prerogative of Senators to offer relevant amendments. That is the issue we are going to be voting on—whether or not Senators ought to have an opportunity to offer relevant amendments, or whether they should be precluded from doing that by cloture being invoked so prematurely, when a bill has just been brought to the floor, and then being denied the opportunity to offer amendments on issues that are clearly relevant to this issue.

So the bill is an important one. The issue is an important one. I think we are all in the debt of the sponsors for bringing this bill to the floor. It is appropriate that the Senate debate this bill and that Senators who have relevant amendments, although not technically germane, be offered the opportunity to offer those amendments, have them voted on, and to have these issues, some of which I have discussed, resolved.

I hope we will vote against cloture and that we will proceed to continue on the bill and have people offer amendments—hopefully relevant amendments—and to try to work out a unanimous consent agreement to see if we can't come up with a list of relevant amendments that people could offer on this subject so that they would not be foreclosed, being in a postcloture situation, from offering amendments that are relevant to this important issue, but not technically germane.

I yield the floor.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. THOMPSON. Madam President, I yield the Senator from South Carolina 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. THURMOND. Madam President, I rise today in support of cloture on S. 2176, the Federal Vacancies Reform Act. This legislation should be entirely nonpartisan because it is essential to the advice and consent role of the Senate.

Recent Administrations, both Republican and Democrat, have failed to send nominations to the Senate in a timely manner. Instead, they have appointed people to serve in an acting capacity for long periods of time without seeking confirmation.

This is a matter of great significance. One of the primary fears of the Founders was the accumulation of too much power in one source, and the separation of powers among the three branches of government is one of the keys to the success of our great democratic government. An excellent example of the separation of powers is the requirement in Article 2, Section 2 of the Constitution that the President receive the advice and consent of the Senate for the appointment of officers of the United States. As Chief Justice Rehnquist wrote for the Supreme Court a few years ago, "The Clause is a bulwark against one branch aggrandizing its power at the expense of another branch."

The Vacancies Act is central to the Appointments Clause because it places limits on the amount of time that the President can appoint someone to an advice and consent position in an acting capacity without sending a nomination to the Senate. For too many years, the Executive Branch has failed to comply with the letter or the spirit of the law.

I raised this issue for the first time this Congress in April of last year at a Justice Department oversight hearing. At the time, almost all of the top positions at the Justice Department were being filled in an acting capacity. They included the Associate Attorney General, Solicitor General, Assistant Attorney General for Civil Rights, Assistant Attorney General for the Criminal Division, and Assistant Attorney General for the Office of Legal Counsel.

President Clinton allowed the Criminal Division of the Justice Department to languish for over two and one half years before submitting a nomination. The government had an Acting Solicitor General for an entire term of the Supreme Court. Most recently, the President installed Bill Lann Lee as Acting Chief of the Civil Rights Division in blatant disregard of the Judiciary Committee's decision not to support his controversial choice. Mr. Lee has been serving as Acting Chief for ten months, and the President apparently has no intentions of nominating someone the Judiciary Committee can support.

Let me be clear. The issue is not about any one President or any one nominee. It is about preserving the institutional role of the Senate. A Republican President has no more right to ignore the appointments process than a Democrat President.

I responded to this problem by introducing a resolution about one year ago. However, I soon realized that a total rewrite of the Vacancies Act with an enforcement mechanism would be required to force the Executive Branch to follow the law in this area. Thus, earlier this year, I sponsored a bill on behalf of myself and the Majority Leader to rewrite the law regarding vacancies.

Today, I am pleased today to be an original cosponsor of S. 2176, the bill that we are debating today. It contains the two primary objectives that I outlined when I testified before the Governmental Affairs Committee earlier this year: the need to totally redraft the Vacancies Act and to provide a mechanism for enforcement. Senator THOMPSON has done a fine job in drafting S. 2176 and in shepherding it through the Governmental Affairs Committee. He has worked hard to create a bipartisan consensus for this legislation. In that regard, I am pleased that my distinguished colleague who is an expert on the institution of the Senate, Senator BYRD, is an original cosponsor of this legislation.

S. 2176 would correct the Attorney General's misguided interpretation of the current Vacancies Act. In fact, she practically interprets the Act out of existence. Based on various letters to me, it is clear that if her interpretation were correct, no department of the Federal government would be bound by the Vacancies Act. There would be no limitation on the amount of time someone could serve in an acting capacity. There would be no limitation on how long the advice and consent role of the Senate could be ignored.

Additionally, the bill has an enforcement mechanism, while the current law has none. Because there is no consequence if the Vacancies Act is violated today, the Executive Branch simply ignores it. This change is essential for the Act to be followed in the future. The bill provides that the actions of any person serving in violation of the Vacancies Act are null and void, until a nominee is forwarded. There can be no argument that this will paralyze an office because the President can make the office active by simply forwarding a nomination.

It is also important to note that the bill gives the President an extra 30 days to submit a nomination. It extends the time from 120 days to 150 days, with even more time at the start of the administration. These were concessions to the Executive Branch. Indeed, the bill overall makes no more change than necessary in the Vacancies Act to make sure it will be followed in the future.

The question before us is cloture on S. 2176. We should invoke cloture now and move to any amendments that members wish to propose. Cloture on the motion to proceed was easily invoked last week in a completely bipartisan vote, and I hope we can get a similar consensus today.

Madam President, we must act in a bipartisan fashion to preserve the advice and consent role of the Senate. We must require any administration in power, whether Democrat or Republican, to respect this Constitutional role of the Senate. As the Supreme Court has stated, "The structural interests protected by the Appointments Clause are not those of any one branch of Government but of the entire Republic." By passing the Vacancies Reform Act, we can reaffirm the separation of powers for the sake of the Senate and the entire Republic.

Madam President, I yield the floor.

Mr. LEVIN. Madam President, I yield 15 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 15 minutes.

Mr. DURBIN. Thank you, Madam President.

I thank the Senator from Michigan for yielding.

Madam President, I rise today to oppose this effort to bring to a close debate on the Vacancies Act reform legislation, S.2176. I urge my colleagues to join me in voting against cloture.

Without so much as a blink, a breath, or a blush, a cloture motion on the bill itself was immediately filed last Thursday morning on the heels of the Senate's agreement to proceed to this bill. This quick flinch maneuver is an attempt to deny Members the opportunity to offer meaningful relevant amendments to improve this legislation, such as those I intend to pursue to address the Senate's responsibility to act expeditiously on pending nominations.

Before I outline the importance of assessing both sides of the process and outline my specific reservations about the bill as presently drafted, I wish to emphasize that I share the convictions and concerns of the sponsors, notably Senators BYRD, THURMOND, and THOMPSON, about the critical need to preserve and protect the constitutional prerogative of the Senate to advise and consent to Presidential nominations to executive branch positions. I am sure that I am not alone in this view.

I appreciate the sponsors' zeal to remedy what has grown to be, numerous instances and examples throughout the government, of outright challenges to Senate authority by ignoring the Vacancies Act. There has been flagrant and contagious disregard for the application of the existing law as the sole mechanism for temporarily filling advise and consent positions while awaiting the nomination and confirmation of the official candidate.

I wholeheartedly concur that this law needs clarification so that moves to end-run its application are halted. The bill as advanced by the Governmental Affairs Committee laudably addresses this exclusivity question.

Thus, I do not oppose efforts to bolster the Vacancies Act as the exclusive mechanism (with limited and explicit exceptions) for the president to designate officials to temporarily fill vacancies in positions requiring Senate confirmation.

Unfortunately, in its current form this bill goes well beyond that justifiable but limited goal in several respects. Moreover, it fails to go far enough to address the Senate's duty to timely act on nominations.

While the Administration may well bear some responsibility for the slow pace of nominations, I am dismayed that the Senate would want to so severely restrict the ability to fill vacant positions temporarily and to conduct the people's business while at the same time impeding the nominations process and confirming nominees at a snail's pace.

The Senate bears partial responsibility for the time it takes to nominate officials for Senate confirmed positions. This Congress has subjected the Administration's nominees to unprecedented scrutiny, using almost any prior alleged indiscretion—no matter how trivial—by a nominee as an excuse to delay or prevent a vote.

Senators have also interjected themselves into the President's nominations process to an unparalleled degree. As a result, that front-end process—the selection, recruitment, and vetting of candidates—takes longer than ever before.

The nomination and confirmation process, it has been observed, is one of "the President proposing, the Senate disposing." If the Senate expects adherence to the rigid parameters this bill would impose on advancing candidates, we as its Members need to be ready and willing to diligently consider these candidates for public office and take prompt and deliberate action to confirm or reject them.

The Senate has frequently declined to exercise its advice and consent responsibility in a timely and appropriate manner. Too often, nominations die in Committee, languish interminably on the Executive Calendar, or simply take months or years to move through this Chamber.

Just as the President has a responsibility to forward nominees to the Senate in a timely fashion, we in the Senate have a concomitant obligation to discharge our constitutional prerogative of advice and consent on those candidates in an efficient and expeditious fashion.

We cannot simply confront practical deficiencies in the front-end phase of the process for recruiting and evaluating qualified candidates and ignore our own responsibilities.

We owe it not only to the Executive, but to the American public, to offer—not withhold—our advice and where appropriate, our consent.

I have filed and certainly hope to have an opportunity to offer some relevant amendments designed to address those instances of dilatory Senate Committee processing and floor inaction once a nominee is advanced to the calendar.

One amendment would provide that any nomination submitted to the Senate that is pending before a Senate committee for 150 calendar days shall on the day following such 150th day, be discharged and placed on the Senate executive calendar and be considered as favorably reported.

Another amendment would require the Senate to take up for a vote any nomination which has been pending on the Executive Calendar in excess of 150 days. Such Senate consideration must occur within 5 calendar days of the 150th day. In effect, it creates an end point after which we can no longer hold up a nominee.

I am not suggesting that we would give our consent to all of these nominees. I am basically saying that this process should come to a close. The Senate should vote. It should make its decision.

If we want to reasonably time-limit the front end of the process—with which I do not disagree—and promptly fill vacancies, we need to be equally willing to build some finality into the back-end of the process and impose some time limits on our own consideration of these candidates.

The first problem I find with this bill is that filling positions in the Government requires time far longer than that specified in this bill.

I have an amendment which suggests increasing the 150-day period to 210 days. I am sure people are wondering, if they are following this debate, why it would take so long for any kind of process to review a nominee. Well, as it turns out, the average number of days that a vacancy exists prior to a Senate nomination for the White House is 313 days. What could possibly take 313 days in investigating the qualifications of an individual to fill the job?

Consider all of the things that are going to be investigated. Not only the lengthy forms the individual must fill out, ethics disclosures, financial statements, fingerprints and the like, but also an FBI investigation, a Federal Bureau of Investigation report on that person, the opportunity for groups to contact the White House and say that they either oppose or support the individual, the opportunity for Members of Congress to come forward and suggest to the administration that they either support that nominee or they oppose it. And as it turns out, some of these things such as an FBI report may not happen as quickly as some people imagine. We have heaped on that agency additional responsibilities every year. We entrust them with very important jobs. We tell them that we want them to fingerprint and make certain that those who want to be citizens of the United States, in fact, have no criminal record in any foreign country. That is a valid question, but it is an additional administrative responsibility.

The list goes on and on and on. As a consequence, when the administration comes to this agency, and it is only one example, and asks for a timely review of an individual nominated for a position, they sometimes have to wait in line. And while they wait the clock is ticking.

And consider this as well. As a result of this legislation, saying the administration shall only have 150 days, what if in the midst of this process—say, for example, 4 or 5 months into the process—the administration reaches a conclusion that the individual should not go forward and the nomination should not be sent to the Senate. Does the clock start to run again? No. The clock continues to run 150 days, so the new nominee, starting over going through all these processes, trying to clear all these hurdles, is still burdened by the original clock ticking at 150 days. I don't think it is realistic. I don't think it is fair. Merely adding 30 additional days to the current 120-day timeframe within which an acting official may temporarily perform the duties and functions of the vacant office unless the Senate has forwarded a nominee to the Senate within that span is impractical. It is unrealistic, and I do not believe it is adequate.

Mr. BYRD. Madam President, will the Senator yield?

Mr. DURBIN. I will be happy to yield.

Mr. BYRD. The Senator from Illinois has suggested an amendment, Madam President, as far as I am concerned, I could accept. Why not let us invoke cloture; that amendment is certainly a germane amendment, and have the Senator put it up for action by the Senate? I am one who would vote for it.

Mr. DURBIN. I thank the Senator from West Virginia, and I certainly appreciate those comments. But we are told by the Senate Parliamentarian that the amendment would be relevant but not germane, and therefore any action for cloture which would put a burden on the Senate to act within a certain period of time on nominees that are sent would be wiped away, or could be wiped away by this cloture motion.

Mr. BYRD. Madam President, will the Senator yield further?

Mr. DURBIN. I will be happy to yield.

Mr. BYRD. I may have misunderstood the Senator. I thought the Senator was suggesting that the 150 days is not enough and that he would like to see 30 additional days. That would certainly seem to be germane as far as I am concerned.

Mr. DURBIN. If the Senator will allow me to respond, that amendment is germane. The only other amendments which would impose a responsibility on the Senate to move a nominee out of committee within 150 days after it is sent from the White House or to move it off the Executive Calendar for a vote within 150 days, I am told by the Senate Parliamentarian, may not be allowed if cloture is invoked.

Mr. BYRD. Yes. I expect the Parliamentarian is right on that. I would not argue with that, nor would I probably support it.

If the Senator will allow me, the Constitution doesn't say that the Senate has to confirm the nominees. It simply says the President cannot have the full responsibility and power himself to name people to important positions. This is a matter that has to be shared under the Constitution between the President and the Senate. This constitutional provision—the appointments clause—I am trying to protect today is being given the runaround by the Justice Department and several other Departments, and I want to protect that constitutional power that is given to the Senate. As to whether or not the Senate acts on nominations, the Constitution doesn't require the Senate to act, but I think that the Senate does act, and would continue to act, on nominations within a reasonable period of time.

Having been the majority leader of the Senate during three different Congresses, I can say to the distinguished

Senator that when I was majority leader we had nominations left on the calendar at the end of a Congress, in all three of the Congresses in which I served as majority leader. When we adjourned sine die that Executive Calendar was not wiped clean. We all did the best we could, but we did leave some nominations on the calendar. And I certainly share the Senator's feeling that the Senate ought to act expeditiously, in a reasonable fashion, but when it comes to requiring the Senate to act on all nominations, I don't think the Constitution requires that. And I might have to part company with the Senator at that point. But some of his other suggestions, I think, are very well made.

Mr. DURBIN. I thank the Senator from West Virginia. It pains me to believe we would have a difference of opinion, but those things do occur. I am certain the Senator as majority leader did his constitutional responsibility—there has never been a doubt about that—and also acted with dispatch in a timely manner.

I think the Senator makes a good point. We not only want to protect the clear constitutional responsibility and right of the Senate in this process, we want to bring the best men and women forward to continue serving our Government, and we want it all done in a timely fashion. My concern with this bill is it addresses one side of the equation. It says to the executive branch, you have to move in a more timely fashion to bring these men and women to the Senate for consideration. If we are clearly looking for filling vacancies in a timely fashion, that is only half the process. Once the nomination is brought to the Senate, we should move in a timely fashion, too. Otherwise, using the old reference to equity, we don't come to this argument with clean hands, and that is why I think there should be some symmetry here in the requirement of the executive as well as the legislative branch.

Mr. BYRD. Madam President, will the Senator yield?

Mr. DURBIN. I will be happy to yield.

Mr. BYRD. And I thank him for yielding. The Senator, as I think I understand, suggested that if we are going to deal with one part of the equation, namely, the nominating process by the executive, and protect ourselves in that regard, we ought to be equally interested in dealing with the other half of the equation by requiring action by the Senate to confirm or reject nominees.

May I with great respect suggest—and I am doing this for the record. I am sure I am not ahead of the Senator in thinking this—I am trying to address the constitutional side of the equation and stop the administration, not only this administration but also previous administrations, from conducting a runaround of the constitutional advice and consent powers of the Senate. I am suggesting we deal with that constitutional side of the equation.

Now, the other side, which the distinguished Senator mentions, if he will pardon my saying so, I think what he is talking about is the political side of the equation. That part is not included in the Constitution. The Constitution doesn't require the Senate to act on any nomination. But that is the political side. I would like to deal with the constitutional side, and that is the purpose of this legislation. And then we can do the best we can on dealing with the political side. The Senator is quite right; neither side comes into this matter with perfectly clean hands. That is an old equity maxim.

It reminds me of Themistocles who happened to say, one day, "that he looked upon it as the principal excellence of a general to know and foresee the designs of the enemy;" Aristides answered, "that is indeed a necessary qualification; but there is another very excellent one, and highly becoming a general, and that is to have clean hands." The same thing would apply here. Neither party has clean hands when it comes to moving all nominations sent by a President to an up or down vote. As majority leader during the Presidential years of Mr. Carter and again during the 100th Congress, I can remember that the calendars were not always cleared of items that had been reported by committees when adjournments sine die occurred. I hope that we will not get bogged down in this way about a purely political matter when a far more important constitutional matter, important to the prerogatives of the Senate in the matter of appointments is at hand.

And let me state to the Senator the number of nominees that were left on the executive calendar when I was majority leader, at the time of sine die adjournment.

When I was majority leader—I will just take one Congress, for example, the 100th Congress.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

Mr. BYRD. Mr. President, I ask unanimous consent the Senator have an additional 5 minutes.

Mr. LEVIN. Reserving the right to object, and I surely hope I will not, I wonder how much time remains.

Mr. BYRD. And that that time not be charged against either side.

The PRESIDING OFFICER. The Senator from Michigan has 21 minutes; the Senator from Tennessee has 9 minutes. Is there objection to the request?

Mr. LEVIN. The modified request, we have no objection to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I will just say this. To show that we all sometimes fail to have clean hands, when I was majority leader in the second session of the 100th Congress—I don't mind saying this—the civilian nominations totaled 516, including 112 nominations carried over from the first session; 335 of these were confirmed, 170 were unconfirmed, and 11 were withdrawn. So, this is a failing that can be ascribed to both Democrats and Republicans when they are in control of the Congress.

But, yet, I come back to my original premise; namely, that the Constitution did not require me to call up all those nominations off the calendar. It didn't say I had to do that. But it did say, with respect to nominations, that appointments to vacancies were to be shared by the President and the Senate, and that is what this bill is contemplating to enforce and what I am fighting for today.

I thank the distinguished Senator.

Mr. DURBIN. I thank the Senator from West Virginia.

I would just say that I can't believe that I hurried back from Chicago this morning to come to the floor of the U.S. Senate to actually engage my friend and fellow Senator from West Virginia in any debate about the Constitution. I plead nolo contendere. I am not able to join you in that. And I can't even reach back in Greek or Roman history for any kind of solace or defense.

I am not sure who the author was, it could have been a Greek or Roman, maybe a West Virginian, or even an Illinoisan, who once said the profound statement, "What is sauce for the goose is sauce for the gander," and that is what I am attempting to argue here. That is, if we are going to impose on the executive branch a requirement to produce the nominee in 150 days, or if the time goes beyond that to suffer the possibility of not having an acting person in that slot, then we should accept the responsibility on the Senate side as well, to act in a timely manner on these nominees.

Mr. BYRD. Mr. President, will the Senator yield? I hope he will forgive me.

Mr. DURBIN. I will be happy to yield.

Mr. BYRD. I am not here to engage in challenging his statements. He is one of the fine Members of this Senate; one of the newer Members, in a way. He served a long time in the House of Representatives. He comes to the Senate well prepared to be a good Senator, and he is a good Senator.

But, again, I am concerned about that part of the responsibility which the Constitution places on both the executive and the legislative. I think the legislative is being given the runaround by the Judiciary Department. It has not just been during this administration. It has been, as I say, going on for over 25 years, and this is an opportunity for us to correct that, I hope we would vote for cloture and perhaps some of the Senators' amendments—

which are certainly worthy of consideration and probably of adoption, some of them—could be given a chance to be offered and debated. I hope we would invoke cloture, indeed, to have an opportunity to do that.

Mr. DURBIN. I thank the Senator from West Virginia.

I think what we have found is that rarely do we visit this rather obscure area of the law, the Vacancies Act. I am hoping in this visitation on one side, that we have some balance and impose requirements on the Senate to act in a timely fashion, as we impose a requirement on the executive branch to report a nominee in a timely fashion. But I also hope the time periods that we choose are realistic. I think anyone involved in this process at any level understands that when a person's name comes up in nomination, they are subjected to far greater scrutiny than ever before. It discourages many good people from even trying public service, and I am sure that many have been disappointed.

But let us, I hope, during the process of this debate, be sensitive to this reality. And it is a reality that, under the bill, the meter keeps on ticking even when this scrutiny is underway, even if it is interrupted and a new nominee is proposed for a post. And if, in fact, at 150 days the nomination is not forthcoming, then, as I understand this bill, we would preclude the President from filling the spot with an acting person. That, to me, is a sort of decision which on its face makes sense but may have some practical ramifications. It may affect the ability of the administration to choose the person most able to handle a matter that involves public health, public safety, or the national defense. I also think that this bill too narrowly restricts who can function in an acting capacity.

The PRESIDING OFFICER. The additional 5 minutes of the Senator has expired.

Mr. LEVIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Michigan has 21 minutes remaining.

Mr. LEVIN. I will be happy to yield an additional 5 minutes to the Senator from Illinois.

Mr. DURBIN. Mr. President, I am concerned this bill too narrowly restricts those who can function in an acting capacity. I am worried that, in fact, the administration will not be able to pick that person best able to fill the spot, to conduct the duties, and to perform the functions of the office in the best way. I don't think that serves our country well. This bill could preclude the President from naming the most qualified person to serve as an acting officer. I do not think that will help us in any way.

Third, while it would not affect this President, experience has shown that at the beginning of a new administration filling positions in the Government requires far longer than specified in this bill. At the outset of any new administration, the President must nominate individuals to at least 320 positions in 14 different executive departments. The new President cannot possibly make all the required nominations within the 240 days allowed by this bill.

In 1993, when the nominations process was, if anything, simpler than today, the new administration was able to forward only 68 percent of the nominees within the first 240 days. Unless this time period is changed, the next administration could face departmental shutdowns because of this bill.

The enforcement mechanism of this bill, which establishes that no one can perform the functions and the duties of the vacant office, is a sanction which would lead to administrative immobilization.

I would like to also note it is ironic that we are here today debating whether to close off consideration of a measure designed to limit how long an acting official may temporarily fill an executive branch vacancy and legally perform the duties while awaiting an advancement of a nominee. The impetus is on the President to send nominees more expeditiously; yet with acting officials in many of these agencies, the work can continue. Such is not the case with the sister branch of Government which has eluded our debate here today, the Judiciary. In fact, a more serious crisis sits on the doorstep of the U.S. Senate, one that has been sorely neglected this year by many of the same people on the other side of the aisle who are proposing this change in the Vacancies Act.

We must recognize there is no similar vehicle or parallel authority like the Vacancies Act for filling vacancies on the Federal bench. There are presently 22 candidates to fill judicial vacancies on the Executive Calendar of the U.S. Senate, and 24 pending before the Senate Judiciary Committee—3 of those from my State. Unlike the executive branch where qualified acting officials may step in, in the judicial branch we don't have "acting" or "interim" judges.

I think, frankly, if we are going to assume some responsibility here, as we should, and impose responsibility on the executive branch, we should meet our responsibility. I think that responsibility requires us to act in a timely fashion on nominees sent before us. The reason I oppose cloture is I would like to see that the Senate shall also be held to the responsibility of acting in a timely fashion. If, after 150 days languishing in a committee there is no report on an individual, the name should come to the floor. If, after 150 days languishing on the Executive Calendar that name has not been called for a vote, it should be. Vote the person up or down. They are qualified or they are not. But to impose all of the burden on the executive branch and to step away from our responsibility I don't think is fair. It doesn't engage the symmetry, which I think is important.

I will concede, as Senator BYRD has said, the constitutional question is directly addressed by this bill, but I think there is a larger question about the process and whether or not we meet our twin goals: timely consideration and ultimately the very best and most able people who are selected to serve us in Government.

Mr. President, I yield back my remaining time.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. THOMPSON. Mr. President, I have a couple of points. With regard to the desire for symmetry, I point out that the symmetry and the balance are provided for in the Constitution itself. It is not symmetrical to take a constitutional provision and our constitutional duties, on the one hand, and equate it with legislation that people might be for or against, on the other. The Constitution provides that the President has the power to make the appointment, but only with the advice and consent of the Senate. It is part of our separation of powers, part of our checks and balances. Therein is the balance.

What we have today is a situation where the President, the current President, as Presidents in the past, has made nominations and figured out ways around the prerogatives of the Senate. We are in a situation today where we are not doing our duty. The U.S. Senate is not doing its duty in upholding its right and protecting and preserving its right.

We can bring this matter back. We cannot have cloture and bring this matter back time and time again. But we must recognize, with the provision, of course, of being able to offer germane amendments, we must recognize that this situation is ongoing. We can debate legislation at any time. If it is deemed desirable to put a time limit on the U.S. Senate to consider appointments, we can debate that.

I think it is very bad legislation. As most Senators, I think, know, there is more than one reason why nominations languish up here sometimes. Sometimes they languish for very good reasons. Sometimes it is an attempt to work with the White House with regard to someone who has problems. Instead of just saying no and sending it back or telling them to take it back, we find ways to work around the problems we have. There are many reasons why that would be bad legislation, but it is something that can be considered at any time.

We have had this vacancies situation with us about 130 years now in terms of this legislation, and there are all kinds of things that can be added to it at this date, that it would probably be better if it were considered separately and invoke cloture today so we can address a problem that is really important in terms of the constitutional responsibilities of this body.

With regard to the other objections of the bill and talking about that this is too confining on the front end, actually we either are continuing practices that have been with us for 130 years or we are making them more liberal. We are giving the President greater leeway. We are giving him 150 days instead of 120 under current law. If we do not pass this legislation, he will keep 120 days instead of the 150 we are trying to give him. People are concerned about a new President coming in. We have added an additional 90 days to the 150 days in which a new President will have to make his nominations. We also added another liberalizing provision that, if he lets the 150 days expire and then there is a period of time and then he makes the nomination, the acting person can go back and resume his duties. These are all liberalizing provisions.

I understand the need to consider amendments. I was hoping that the possibility of germane amendments would get us through this, in light of the fact that we have spent a lot of time working on a bipartisan basis and making several changes.

We have made changes since this legislation was introduced to allow the President to cure a vacancy by sending up a nomination even after 150 days; by modifying the exclusion provision to exclude chief financial officers, for example; to allow a 150-day period when it expires during a recess to be extended to the second day after the Senate reconvenes; to reduce from 180 days to 90 days the length of time a first assistant held that position and can be eligible to be a nominee; extended the transitional period following a new President's inauguration, as I said, from 180 days to 240 days. In most of these cases, we have worked out on a bipartisan basis extensions and liberalizations from what is the current law.

While there would not be an opportunity to offer relevant amendments that are not germane, I suggest that this is something whose time has come and that we would be doing a disservice if we did not go ahead and move this legislation—something that, as I say, has to do—it is not just a normal piece of legislation, it has to do with the carrying out of our constitutional duties.

I yield the floor.

Mr. GLENN. Mr. President, I rise today to discuss S. 2176, the "Federal Vacancies Reform Act of 1998" introduced this summer by Senator THOMPSON, Chairman of the Governmental Affairs Committee with jurisdiction over the Act. I want to thank Senator LEVIN for managing the bill today. I also want to thank Chairman THOMPSON for the accommodations his staff has afforded Democratic staff in the negotiations leading up to this brief debate. We, on our side of the aisle, were blindsided, to say the least, by the filing of the cloture petitions last week as staff were negotiating the terms of a unanimous consent agreement on, and the substance of a managers' amendment to this very bill.

As we know, the Vacancies Act governs the temporary filling of what we call "advise and consent" or PAS positions (Presidentially-appointed, Senate-confirmed) in the Executive Branch. As I have said many times before, I remain concerned about two important goals of any new law we pass: (1) As Senator BYRD—the best expert this body has on Senate procedure and constitutional law—has repeatedly noted, this is one of the Senate's most important and serious constitutional prerogatives in that we are expected—required, in fact, under the Constitution—to provide our advise and consent on the nominees the President submits to us for our consideration; and (2) maintaining the smooth functioning of government with the large number of vacancies we seem to have to deal with. On one hand, we have more slots in government than ever before which means more vacancies. On the other hand, our confirmation process is long and tedious keeping acting officials (many of whom are very qualified to fill their slots) in their positions for longer than we intend.

Combined, these concepts make the continuity of the functioning of government a challenge to achieve, but certainly not impossible. We should be creating a process that reflects reality and provides the proper safeguards and enforcement mechanisms.

I believe the bill as it stands now improves on current law, but I think there is still work to be done. The White House has issued a veto letter on this bill. While I consider this important legislation, I remain concerned about many of the issues raised by the Administration, and I have filed amendments to address many of these concerns.

For instance, are we being too limiting in who can become an acting official? Current law mandates that an acting official can be the first assistant or anyone the President designates. We will be narrowing current law to include the first assistant or any PAS official the President designates. The importance of this change is that in the absence of a first assistant or at the President's discretion, we will be requiring someone whom the Senate has already approved to fill a slot for which the Congress has required the Senate's advise and consent. But do we really want a President to designate a PAS from HUD to assume the additional responsibilities of a PAS position at Department of Education? Or vice versa? Do we want these folks who already have plenty of responsibility as it is to assume the added responsibility of a second position? With the vetting process taking longer and the noteworthy downsizing in government that has occurred over the last 6 years, perhaps it's time to consider a hybrid category of who can be a temporary acting official.

I intend to offer an amendment to add a third category which would include qualified individuals of a certain level or higher who are already within an agency in which a vacancy occurs. Such individuals—who could include high-level members of the civil service—would be familiar with the agency, its processes and culture; possess some institutional memory; and be fully capable of the task. This gives the President a larger pool from which to choose an acting official, particularly in a case where there is no first assistant, and the President must turn to another PAS official to temporarily fill the slot. In addition, it allows a larger category of who can act at the beginning of an administration to keep government functioning at a time when there are not many PAS officials. I think this amendment is critical to the success of the legislation, and I hope Senators on both sides will give it serious consideration. I will not be able to support the bill if this issue is not addressed in it.

In addition, I hope to offer amendments which would give the President the authority to extend the period for a temporary official if a case of national interest arose and a nomination for the position had not yet been sent up. In such cases, under the amendment the President upon certification to Congress of the particular national interest—be it national security, natural disaster, economic instability or public health and safety—would be able to extend the temporary appointment one time for 90 days.

Finally, I hope to offer an amendment which would further decrease the requirement for a first assistant who will be an acting officer and the nominee to 45 days. At the beginning of a new administration, there may not be enough PAS officials to perform their own duties let alone those of another position. This will be the case particularly where there is a change in party in the White House. In addition, because of the restriction in the bill on first assistants who serve in acting capacities who will also be the nominees, the administration will be required to fill the first assistant slot as well as the vacant PAS slot. My amendment would allow first assistants to be appointed, act in the vacant slot for 45 days and then be nominated to fill the slot on a permanent basis before the end of the 60-day period for which extensions are granted at the beginning of a new administration.

I hope that other amendments that may be offered which would impose the same constraints on the Senate as this legislation would impose on an administration will also have a fair opportunity to be considered. While some see no connection between the Vacancies Act and the responsibilities of the Senate to act on nominations; I believe the two are inextricably linked. I do not believe we can go forward in reforming one process until we commit to reforming our own.

I want to note that as the negotiations on this bill proceeded, we were not only looking to see how this law would operate in this second-term Democratic administration. Indeed, some day this law will be utilized by a Republican administration. With this in mind, we attempted to help craft a fair piece of legislation.

In that vein, I want to emphasize again that the process by which this bill has come to the floor for such limited debate with no opportunity for action prior to the cloture vote, is discouraging both for our faith in a fair process and for the fate of this legislation.

NOMINATION OF BILL LANN LEE

Mr. LEAHY. Mr. President, as the Senate considers possible amendments to the Vacancies Act, we have occasion to focus on the Senate's advice and consent role for all presidential nominations and the American people have an opportunity to review how well, or how badly, this Senate has fulfilled that constitutionally-mandated role.

It is important to explore ways to help the Executive Branch improve the process by which the President nominates, the Senate confirms and then the President appoints people to serve in important positions within the executive and judicial branches of our federal government. Indeed, I have often joined with Senator BYRD to defend the authority of the Senate on this issue and to protect the Senate's role against the executive encroachments by way of excessive use of the recess appointment power.

I recall when the Reagan and Bush administrations were abusing the power of recess appointment and note, by contrast, how sparingly President Clinton has used that constitutional authority. I am advised that while President Reagan made 239 recess appointments in 8 years and President Bush made 78 recess appointments in 4 years, President Clinton has used his recess appointment power only 45 times over the last 5 years.

I also recall how President Clinton acted with great restraint last year when he and the Attorney General joined to appoint Bill Lann Lee the Acting Assistant Attorney General for Civil Rights rather than using his power to make that a recess appointment.

Let us focus on the nomination of Bill Lann Lee. He was initially nominated to head the Civil Rights Division in July 1997. At the end of 1997, that nomination got caught up in one of the narrow, partisan-driven whirlwinds that hit Washington every now and then. The result was that the nomination became a victim of the anti-affirmative action lobby and was denied a vote by the full Senate. Bill Lee was mischaracterized last fall as a wild-eyed radical and as someone ready to impose an extreme agenda on the United States. He was misportrayed as a supporter of quotas. The Republican majority demonized this fine man and killed his nomination by denying him a Senate vote.

After looking at Bill Lee's record, I knew he was a man who could effectively lead the Civil Rights Division, enforce the law and resolve disputes. I reviewed his record of achievement and saw a practical, problem solver and noted last year that no one who has taken the time to review his record could call him an idealogue. I recognized that Bill Lee would be reasonable and practical in his approach to the job, and that he would be a top-notch enforcer of the Nation's civil rights laws.

Bill Lann Lee has been serving for almost 10 months now as the Acting Assistant Attorney General for Civil Rights, and he has established a solid track record. He is doing an outstanding job for all Americans. I have had a chance to take a close look at what he has been doing while serving as the acting head of the Civil Rights Division. What I find is a record of strong accomplishments. I see professionalism and effective problem solving. I find him enforcing the law in a sensible and fair manner.

Accordingly, I urge the Senate finally to consider the nomination of Bill Lann Lee and to confirm him to this important post. The President renominated Bill Lann Lee to be Assistant Attorney General in charge of the Civil Rights Division on January 29 of this year. Given his outstanding performance over the past 10 months, I urge the Senate to show him the fairness of a vote on his nomination. I am confident that when Senators consider his nomination and review his record, a majority of the United States Senate will vote to confirm this outstanding nominee.

It is to raise this matter to the attention of the American people and for action by the Senate, that I have filed an amendment to the Vacancies Reform Act bill to provide for a vote on the longstanding nomination of Bill Lann Lee before the Senate ends this year's session.

As we consider how to improve the Vacancies Act, the Senate would do well to consider its lack of action on the many outstanding nominations that the President has sent to us over the past several years on which the Senate has taken no vote. In addition to unprecedented delays in the consideration of judicial nominations—46 judicial nominations are pending and 22 are on the Senate calendar—there have been a number of executive branch nominations who have been denied consideration and a vote for many, many months.

Bill Lann Lee is an example. He was first nominated for the important position of Assistant Attorney General for Civil Rights on July 21, 1997, over 14 months ago. When no Senate vote was taken on his nomination last year, he was renominated on January 29, 1998. For the past 8 months his nomination has, again, been bottled up in committee.

This is an historic nomination. Bill Lann Lee is the first Asian-American to head the Civil Rights Division. He deserves to be confirmed by the Senate and to be accorded the full measure of recognition for all that he has achieved and all that he is doing on behalf of all Americans.

The Senate was denied the opportunity to vote on that nomination before adjournment in 1997. With one notable and courageous exception, the Republican majority of the Judiciary Committee would not report the nomination to the Senate so that the Senate could vote whether to confirm this outstanding nominee. Although the Republicans have a majority in the Senate, they have been unable to pass legislative proposals to undermine the nation's commitment to equal opportunity and civil rights. As a result, the Republican majority decided to stall the Lee nomination without a vote as a trophy to its extremist factions. This nomination could not be defeated in a fair up or down vote, so they determined to avoid that Senate vote altogether and at all costs.

I understand that Senator DURBIN, a thoughtful member of both the Senate Government Affairs Committee, from which this bill emerged, and the Senate Judiciary Committee, which refused to report the Lee nomination to the Senate for action, has filed a series of amendments to the Vacancies Reform Act to begin to deal with this aspect of the problem—Senate inaction on nominations. I will study those proposals with great interest.

I was disappointed this year that the Senate Judiciary Committee repeatedly postponed and eventually canceled hearings regarding the performance of the Civil Rights Division of the Justice

Department under the leadership of Bill Lann Lee. I was disappointed because such a hearing would have offered us a chance to look at the outstanding on-the-job performance of our Acting Assistant Attorney General for Civil Rights.

Over the past 10 months, the Division has focused most intensely on three areas of the law: violations of our Nation's fair housing laws, enforcement of the Americans with Disabilities Act ("ADA"), and cases involving hate crimes. Bill Lee and his team of civil rights attorneys have made advances in each of these areas of the law.

The Division has resolved a number of housing discrimination cases over the past few months, including the following: An agreement was reached with two large New Jersey apartment complexes resolving allegations that the defendants had discriminated against potential renters based on family status and race.

A housing discrimination case in Michigan was settled involving an apartment manager who told black applicants that no apartments were available at the same time that he was showing vacant apartments to white applicants. An agreement was also reached with the second largest real estate company in Alabama, which had been steering applicants to agents and residential areas based on race.

The Civil Rights Division has also focused on educating the public about the ADA and enforcing it where necessary. These cases have included: resolution of a case in Hawaii to allow those who are vision impaired to travel to the State without having to quarantine their guide dogs for four months in advance of arrival;

a consent decree with the National Collegiate Athletic Association so that high school athletes with learning disabilities have the opportunity to compete for scholarships and participate in college athletics; an agreement with private hospitals in Connecticut to ensure patients who are deaf have access to sign-language interpreters; and assistance to the State of Florida to update their building code to bring it into compliance with the ADA. Florida joins Maine, Texas and Washington State in having a certified building code thereby ensuring better compliance with the ADA by architects, builders and contractors within the State.

The Civil Rights Division has also resolved several hate crimes cases over the past 7 months, including:

> In Idaho, six men pleaded guilty to engaging in a series of racially motivated attacks on Mexican American men, women and children, some as young as 9; in Arizona, three members of a skinhead group pleaded guilty to burning a cross in the front yard of an African American woman; and in Texas, a man pleaded guilty to entering a Jewish temple and firing several gun shots while shouting anti-Semitic slurs.

The Division has also been vigorously enforcing its criminal statutes, including: indictments against three people in Arkansas charged with church burning; guilty pleas by 16 Puerto Rico correctional officers who beat 22 inmates and then tried to cover it up; cases arising from Mexican women and girls, some as young as 14, being lured to the U.S. and then being forced into prostitution; and guilty pleas from 18 defendants who forced 60 deaf Mexican nationals to sell trinkets on the streets of New York. Out of concerns about slavery continuing in the U.S., Bill Lann Lee has created a Worker Exploitation Task Force to coordinate enforcement efforts with the Department of Labor. I commend the Acting Assistant Attorney General for putting the spotlight on these shameful crimes.

Other significant cases which the Civil Rights Division has handled in the past few months include the following: several long-standing school desegregation cases were settled or their consent decrees were terminated, including cases in Kansas City, Kansas; San Juan County, Utah; and Indianapolis, Indiana. Japanese-Latin Americans who were deported and interned in the United States during World War II finally received compensation this year. Lawsuits in Ohio and Washington, D.C. were settled to allow women access to women's health clinics.

The record establishes that Bill Lann Lee has been running the Division the way it should be run. Here in Washington, where we have lots of show horses, Bill Lee is a work horse—a dedicated public official who is working hard to help solve our Nation's problems. I commend him and the many hardworking professionals at the Civil Rights Division.

Bill Lee has served as acting head of the Civil Rights Division for 10 months now. Given the claims made by many in the Senate last fall that Mr. Lee would lead the Division astray, you might expect that he would be in the headlines every day associated with some extreme decision. Instead, we have seen the strong and steady work of the Division—solid achievements and effective law enforcement.

A few weeks ago, I received a letter from Governor Zell Miller of Georgia that is emblematic of the record that Bill Lee has established. Governor Miller discusses Bill Lee's efficient and effective ability to settle an action which involved Georgia's juvenile detention facilities. He notes that he was not exactly a fan of the Civil Rights Division before Bill Lee came along and writes that he "was fearful that Georgia would be unable to get a fair forum in which to present our position, and that we would once again be compelled to engage in protracted and expensive litigation." Governor Miller writes that his fears were unfounded, that the parties engaged in "intensive and expeditious negotiations" and reached a fair agreement. Governor Miller also notes:

> I have indicated to Mr. Lee both personally and publicly that he and his staff treated Georgia with professionalism, fairness, and respect during our negotiations. Under the direction of Bill Lann Lee, what began as a potentially divisive and litigious process was transformed into an atmosphere where the State was able to have its case heard fairly, resulting in a reasonable agreement benefiting all parties. This is the way in which the Civil Rights Division should operate in its dealings with the states, and I am pleased to commend Mr. Lee and his staff for their efforts in this matter.

The Acting Assistant Attorney General continues to build on his reputation as a professional and effective negotiator, who routinely earns praise from opposing parties. I had high expectations for Bill Lann Lee when he was nominated and I have not been disappointed. He is doing a terrific job. It is time for the Senate to end his second-class status and confirm him.

We need Bill Lee's proven problem-solving abilities in these difficult times. It is wrong for the Senate to ignore his nomination any longer and a shameful slight to him, to his family and to all who care about fairness and equal rights.

I remember vividly when Mr. Lee appeared at his confirmation hearing almost one year ago. He testified candidly about his views, his work and his values. He understood that as the Assistant Attorney General for the Civil Rights Division his client is the United States and all of its people. He told us poignantly about why he became a person who has dedicated his life to equal justice for all when he spoke of the treatment that his parents received as immigrants.

Mr. Lee told us how in spite of his father's personal treatment and experiences, William Lee remained a fierce American patriot, volunteered to serve in the United States Army Air Corps in World War II and never lost his belief in America. He inspired his son and Bill now inspires his own children and countless others across the land. Mr. Lee noted:

> My father is my hero, but I confess that I found it difficult for many years to appreciate his unflinching patriotism in the face of daily indignities. In my youth, I did not understand how he could remain so deeply grateful to a country where he and my mother faced so much intolerance. But I began to appreciate that the vision he had of being an American was a vision so compelling that he could set aside the momentary ugliness. He knew that the basic American tenet of equality of opportunity is the bedrock of our society.

Bill Lann Lee has remained true to all that his father and mother taught him. I continue to work to end the ugliness of Senate inaction on his nomination. If opponents want to distort his achievements and mischaracterize his beliefs, let them at least have the decency to engage in that debate on the floor of the Senate so that this longstanding nomination can be acted upon—either vote it up or vote it down, but vote on it. His career of good works and current efforts should not be rewarded with continued ugliness. Such treatment drives good people from public service and distorts the role of the Senate. I have often referred to the Senate as acting at its best when it serves as the conscience of the nation. In this case, I am afraid that the Senate has shown no conscience.

Bill Lann Lee is a man of integrity, of honesty and of fairness. Born in Harlem, to Chinese immigrant parents, he has lived the American dream and stayed faithful to American values. He has done nothing to justify the unfair treatment by the Senate.

As a child he worked in his parents' laundry after school. He went on to graduate magna cum laude from Yale College and to obtain a law degree from Columbia University. Bill Lann Lee has spent his life helping others—helping them to keep their jobs, to keep their homes, to have a chance at a well-earned promotion and to raise healthy children.

As western regional counsel for the NAACP Legal Defense Fund, a public interest law firm founded by Thurgood Marshall in 1939, Mr. Lee litigated hundreds of cases ranging from employment discrimination claims to efforts to ensure probation offices are widely dispersed throughout Los Angeles to ensuring that poor children are tested for lead poisoning. His extensive experience and renowned skill at settling cases has served him well as Acting Assistant Attorney General for the Civil Rights Division.

Most impressive is the array of former opposing counsels and parties who support Mr. Lee's nomination. In addition to Governor Miller, consider the words of Los Angeles Mayor Richard Riordan: Our "negotiations could not have concluded successfully without Mr. Lee's practical leadership and expertise." I believe Mayor Riordan's enthusiastic support and assurance that Mr. Lee has "practiced mainstream civil rights law" should carry some weight.

Mr. Lee is a top quality candidate. He has all the essential qualities for this job—a legal career devoted to top-notch civil rights work, an outstanding degree of integrity and a commitment to practical solutions. This year he also has a proven track record as the Acting Assistant Attorney General.

No one can argue that the President has sent to us a person not qualified by experience to lead the Civil Rights Division. Bill Lee's record of achievement is exemplary. He is a man of integrity and honor and when he said to this Committee that quotas are illegal and wrong and that he would enforce the law, no one should have any doubt about his resolve to do what is right. The Senate should vote on this outstanding nominee. He is the right person to lead the Civil Rights Division into the next century. We need his proven problem-solving abilities in these difficult times.

Unfortunately, last year's consideration of this outstanding nominee took a decidedly partisan turn when the Speaker of the House chose to intervene in this matter and urge the Senate Republican Leader to kill this nomination. In his unfortunate letter, Speaker GINGRICH unfairly criticized Mr. Lee and accused him of unethical conduct. The allegations of wrongdoing carelessly lodged against Mr. Lee are contradicted by the Republican Mayor of Los Angeles, Richard Riordan, as well as the Vice-President of the Los Angeles Police Commission, T. Warren Jackson, the Assistant City Attorney, Robert Cramer, and the City Attorney, James K. Hahn, but the damage had been done.

I recall when times were different. I recall when charges were raised against Clarence Thomas and the Judiciary Committee held several days of additional hearings after that nomination had already been reported by the Judiciary Committee to the full Senate. There was a tie vote in Committee on the Thomas nomination, which would not have even been reported to the Senate had we not also voted virtually unanimously, with six Democrats joining seven Republicans, to report the Thomas nomination to the floor without recommendation. Of course, ultimately the nomination of Judge Thomas to become Justice Thomas was confirmed by the Senate.

It remains my hope that the Senate will now give Bill Lann Lee the same fairness that we showed Clarence Thomas and allow his nomination to be voted upon by the United States Senate. It would be ironic if, after the Senate proceeded to debate and vote on the Thomas nomination—one that included charges that he engaged in sexual harassment—the Republican leadership prevented the Senate from considering a nominee because he has worked to remedy sexual harassment and gender discrimination.

After consultation with Senators, the President acted after Congress's adjournment last fall to name Bill Lann Lee the Acting Assistant Attorney General for Civil Rights. The President then followed through on his commitments and renominated this distinguished civil rights attorney and public servant on January 29, 1998. This Senate is now approaching adjournment, again, and, again, the Senate is not voting whether to confirm or reject this nomination. The President has fulfilled his end of the bargain and acted with restraint and respect in this regard. The Senate has done nothing with respect to this nomination but ignore it. So, when we criticize this President for not sending up nominees fast enough, let us not forget that the Senate has now had ample opportunity for over two years to act on the nomination of Bill Lann Lee and the Senate has not.

Last year, I was honored to stand on the steps to the Lincoln Memorial, where the Rev. Martin Luther King Jr. spoke 35 years ago and inspired the nation toward the promise of equality. I heard our colleagues Senator KENNEDY and Senator FEINSTEIN speak about the continuing struggle to provide equal opportunity to all Americans. I took inspiration from the wisdom of Rep. JOHN LEWIS whose compass is ever true on these matters. We heard Rep. MAXINE WATERS declare in no uncertain terms the support of the Congressional Black Caucus for Bill Lann Lee, Representative PATSY MINK take pride in reiterating the support of the Congressional Asian Pacific Caucus and Representative XAVIER BECERRA add the support of the Congressional Hispanic Caucus.

I heard Justin Dart, a dedicated public servant who worked with President's Reagan and Bush, declare that people with disabilities support Bill Lann Lee and Representative BOB MATSUI recount the dark days before the civil rights laws when his family had to suffer the indignity of internment because of the Japanese ancestry.

Just last week when Congress presented Nelson Mandela with the Congressional Gold Medal, we drew upon the American tradition of Lincoln, King and so many who labored long and sacrificed much in the struggle toward equality for all Americans. We honored that past last week. We could extend it today by taking up and voting upon the nomination of Bill Lann Lee to be Assistant Attorney General for the Civil Rights Division. I call upon the party of Lincoln to be fair to Lee and vote on this nomination.

Let the Senate debate and vote on the nomination of Bill Lann Lee. If the Senate is allowed to decide, I believe he will be confirmed and will move this country forward to a time when discrimination will subside and affirmative action is no longer needed; a time when each child—girl or boy, black or white, rich or poor, urban or rural, regardless of national or ethnic origin and regardless of sexual orientation or disability—shall have a fair and equal opportunity to live the American dream.

JUDICIAL NOMINATIONS

Mr. President, as we debate how to change federal law to require executive nominations within certain time frames and to preclude responsibilities from been fulfilled when a confirmed nominee is not present, we also need to consider how the Senate fulfills its duties with regard to nominees who have been before us for many months without Senate action. Since July I have been comparing the Senate's pace in confirming much-needed federal judges to Mark McGwire's home run pace. As the regular season ended over the weekend, Mark McGwire's home run total reached 70. Unfortunately, the Senate's judicial confirmation total remains stalled at 39.

As recently as 1994, the last year in which the Senate majority was Democratic, the Senate confirmed 101 judges. It has taken the Republican Senate 3 years to reach the century mark for judicial confirmations—to accomplish what we did in one session.

The Senate went "0 for August," risks going "0 for September" and is threatening to go "0 for the rest of the year." Indeed, I have heard some say that the Republican Senate will refuse to confirm any more nominations all year. That would be wrong and would certainly harm the administration of justice and perpetuate the judicial vacancies crisis. Senate action has not even kept up with normal attrition over the past 2 years, let alone made a real difference in filling longstanding judicial vacancies. Both the Second Circuit and the Ninth Circuit have had to cancel hearings due to judicial vacancies. Chief Judge Winter of the Second Circuit has had to declare a circuit emergency and to proceed with only 1 circuit judge on their 3-judge panels. Recently, he has had to extend that certification of emergency.

Yet in spite of that emergency, the Senate continues to stall the nomination of Judge Sonia Sotomayor to the Second Circuit. Her nomination has been stalled on the Senate calendar for over six months. Chief Judge Winter's most recent annual report noted that the Circuit now has the greatest backlog it has ever had, due to the multiple vacancies that have plagued that court.

For a time Judge Sotomayor's nomination was being delayed because some feared that she might be considered as a possible replacement for Justice Stevens, should he choose to resign from the Supreme Court. After the Supreme Court term had ended and Justice Stevens had not resigned, the Senate might have been expected to proceed to consider her nomination to the Second Circuit on its merits and confirm her without additional, unnecessary delay. Unfortunately, that has not been the case.

When confirmed she will be only the second woman and second judge of Puerto Rican descent to serve on the Second Circuit. Just as Sammy Sosa is a source of great pride to the Dominican Republic and to Latin players and fans everywhere, Judge Sotomayor is a source of pride to Puerto Rican and other Hispanic supporters and to women everywhere.

Judge Sonia Sotomayor is a qualified nominee who was confirmed to the United States District Court for the Southern District of New York in 1992 after being nominated by President Bush. She attended Princeton University and Yale Law School. She worked for over 4 years in the New York District Attorney's Office as an Assistant District Attorney and was in private practice with Pavia & Harcourt in New York. She is strongly support by Senators MOYNIHAN and D'AMATO.

I note that one of her recent decisions, Bartlett v. New York State Board of Law Examiners, that had been criticized by her opponents, was affirmed in principal part on September 14 by a unanimous panel of the Second Circuit. In an opinion written by Judge Meskill, the Court agreed "with the district court's ultimate conclusion that Dr. Bartlett, who has fought an uphill battle with a reading disorder throughout her education, is among those for whom Congress provided protection under the ADA and the Rehabilitation Act." In this, as in her other decisions that opponents seek to criticize, Judge Sotomayor applies the law. That is what judges are supposed to do. This affirmance belies the charge that she is or will be a judicial activist.

Ironically, it was Judge Sotomayor who issued a key decision in 1995 that brought an end to the work stoppage in major league baseball. If only the breaking of the single season home run record could signal the end of the work stoppage in the Senate with respect to her nomination.

Instead of sustained effort by the Senate to close the judicial vacancies gap, we have seen extensive delays continued and unexplained and anonymous "holds" become regular order.

I began this year challenging the Senate to maintain the pace it achieved at the end of last year when 27 judges were confirmed in the last nine weeks. Instead, the Senate has confirmed only 39 judicial nominees in 25 weeks in session. Had the Senate merely maintained the pace that it set at the end of last year, the Senate would have confirmed 75 judges—not 39 judges—by now.

We have 22 qualified nominees on the Senate calendar awaiting action. Including those still pending before the Committee, we have a total of 46 judicial nominations awaiting action, some of whom were first received over 3 years ago.

The Senate continues to tolerate upwards of 75 vacancies in the federal courts with more on the horizon—almost one in 10 judgeships remains unfilled and, from the looks of things, will remain unfilled into the future. The Senate needs to proceed more promptly to consider nominees reported to it and to do a better job fulfilling its constitutional responsibility of advice and consent.

Unfortunately, the record that the Senate is on pace to set this year with respect to judicial nominations is the record for the amount of time it takes to be confirmed once the nomination is received by the Senate. For those few nominees lucky enough to be confirmed as Federal judges, the average number of days for the Senate confirmation process has continued to escalate. In 1996, that number rose to a record 183 days on average. Last year, the average number of days from nomination to confirmation rose dramatically yet again. From initial nomination to confirmation, the average time it took for Senate action on the 36 judges confirmed in 1997 broke the 200-day barrier for the first time in our history. It was 212 days.

The time is still growing and the average is still rising, to the detriment of the administration of justice. The average time from nomination to confirmation for judges confirmed this year is 259 days. That is three times as long as it was taking before this partisan slowdown.

I have urged those who have been stalling the consideration of the President's judicial nominations to reconsider and work to fulfil this constitutional responsibility. Those who delay or prevent the filling of these vacancies must understand that they are delaying or preventing the administration of justice. Courts cannot try cases, incarcerate the guilty or resolve civil disputes without judges.

The Federal judiciary's workload was at least 60 percent lower than it is today when the Reagan-Bush administrations took office. The Federal court's criminal docket alone is up from 28,921 cases in 1980 to 50,363 last year. That is an increase of over 70 percent in the criminal case filings in the federal courts.

During the Reagan and Bush administrations, whether it had a Democratic or Republican majority, the Senate promptly considered and confirmed judges and authorized 167 new judgeships in response to the increasing workload of the federal judiciary. While authorized judgeships have increased in number by 25 percent since 1980, the workload of the federal courts has grown by over 60 percent during the same period. That is why the prolonged vacancies being perpetuated by delays in the confirmation process are creating such strains within the federal courts.

Unlike other periods in which judicial vacancies could be attributed to newly-created judgeships, during the past four years the vacancies crisis has been created by the Senate's failure to move quickly to consider nominees to longstanding vacancies.

In the early and mid-1980's, vacancies were between 25 and 34 at the beginning of each session of Congress. By the fall of 1983, the vacancies for the entire Federal judiciary had been reduced to only 16.

With attrition and the 85 new judgeships created in 1984, vacancies reached 123 at the beginning of President Reagan's second term, but those vacancies were reduced to only 33 within two years, by the fall of 1986. A Democratic Senate in 1987 and 1988 reduced the vacancies still further to only 23 at the end of the 100th Congress.

It was not until additional judgeships were created in 1990 that the next significant increase in vacancies occurred and then, again, a Democratic Senate responsibly set about the task of helping fill those vacancies with qualified nominees. Although President Bush was notoriously slow to nominate, the Democratic Senate confirmed 124 nominees in President Bush's last two years in office and cut the vacancies in half.

With respect to the question of vacancies, it is also important to note that in 1997 the Judiciary Conference of the United States requested an additional 53 judgeships be created. The Republican Congress has refused to consider that workload justified request. My bill to meet that request, S. 678, the Federal Judgeship Act of 1997, has received no attention since I introduced it over a year ago. Had those additional judgeships been created, as they were in 1984 and 1990 under Republican Presidents, current judicial vacancies would number 128 and total almost 14 percent of the Federal judiciary.

Last week Senator GRAHAM spoke about authorizing the additional District Court judges recommended by the Judicial Conference and needed around the country. These are the judges who try Federal criminal cases and hear complex Federal civil litigation. Given the Republican Senate's tenacious refusal to consider and confirm judges for the vacancies that currently exist, it seems unlikely that the Republican majority would be willing to authorize the additional federal judicial resources that are needed around the country. That is a shame. The Senator from Florida is right to try and I join him in his efforts.

No one should take comfort from the number of confirmations achieved so far this year. It is only in comparison to the dismal achievements of the last 2 years that 39 confirmations could be seen as an improvement. The President has been doing a better job of sending the Senate scores of nominees more promptly. Unfortunately, qualified and capable nominees are still being delayed too long and stalled.

I have pledged to continue to work to end the judicial vacancies crisis and to support efforts to provide the Federal judiciary with the resources it needs to handle its growing caseload and serve the American people.

When the Senate is asked to consider amendments to the Vacancies Act, it should also reconsider its own inaction on the many outstanding nominees that the President has sent the Senate and that the Senate is refusing to consider.

Indeed, earlier this year I proposed a bill that requires the Senate to vote on nominations for Court of Appeals vacancies that created an emergency under federal law. The week after Chief Judge Winter of the Second Circuit certified such an emergency last spring, I introduced the Judicial Emergency Responsibility Act, S. 1906. The purpose of this bill is to supplement the law by which Chief Justice Winter certified the judicial emergency, a judicial emergency that still persists in the Second Circuit, and to require the Senate to do its duty and to act on judicial nominations before it recesses for significant stretches of time. The Senate should not be taking vacations when a Circuit Court is suffering from a vacancy emergency.

I introduced the bill just before the Senate adjourned for a 2-week recess and I urged prompt action on the nominations then pending to fill those Second Circuit vacancies. At that time, the nomination of Judge Sonia Sotomayor was among those favorably reported and had been on the Senate Calendar awaiting action for a month. That was 5 months ago. Still, there has not been any action.

I did not believe that the Senate should be leaving for a 2-week recess in April or a 4-week recess in August and leaving the Second Circuit with vacancies for which it had qualified nominations pending. I do not believe that the Senate should adjourn this year without voting on the many qualified judicial nominees that have been pending before the Senate for so long without action. I have been urging action on the nominees to the Second Circuit for more than a year. The Senate is failing in its obligations to the people of the Second Circuit, to the people of New York, Connecticut and Vermont. We should call an end to this stall and take action.

I intend to consult with the managers of the bill, but believe that I should offer S. 1906 as an amendment to the pending measure.

What the Senate is proceeding to do to the judicial branch in refusing to vote on nominees and perpetuating judicial vacancies is too reminiscent of the Government shutdown only a couple of years ago and the numerous times of late when the Republican congressional leadership has recessed without completing work on emergency supplemental and disaster relief legislation. As we approach the end of the session, the Republican Congress has yet to pass a budget or enact the 13 annual appropriations bills that are our responsibility. Must we wait for the administration of justice to disintegrate further before the Senate will take this crisis seriously and act on the nominees pending before it? I hope not.

I look forward to Senate debate on suggestions to impose responsibility upon itself in its treatment of judicial nominations.

The PRESIDING OFFICER. Who yields time?

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair. Mr. President, I yield myself up to 10 minutes from the time allocated to Senator LEVIN.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the Chair. Mr. President, let me say at the outset that the bill before us addresses a very important problem, which is to say the need to protect the Senate's constitutional role in the appointment of Federal officers. The Constitution, as my colleagues have indicated, provides that the President's power to appoint officers of the United States is to be exercised "by and with the Advice and Consent of the Senate. . . ."

Unfortunately, in too many cases over the course of the past several administrations, the Senate's constitutional prerogatives have too often been ignored through the executive's far-too-common practice of appointing acting officials to serve lengthy periods in positions that are supposed to be filled with individuals confirmed by the Senate. I think it is, therefore, entirely appropriate—indeed necessary—for Congress to act to remedy this situation.

I appreciate very much the leadership given by the Senator from West Virginia, the Senator from South Carolina, and the chairman of our committee, the Senator from Tennessee. I also appreciate those Senators' willingness to work with the members of the Governmental Affairs Committee, including this Senator, to accommodate some of the concerns we have had as the bill moved through committee.

The fact is, throughout that whole period of time, the effort to reform the Vacancies Act has been a truly bipartisan one, as it should be. Even though I believe there are some problems remaining with the bill, I also am confident that the process of resolving those problems has been conducted in good faith and with fairness on all sides.

I therefore regret that, along with many of my colleagues, I find myself in the situation I am today, which is to say, prepared to vote against cloture on this bill, because I believe there remain serious substantive problems with the bill, and the procedural situation we are in now with a cloture motion having been filed in an attempt to limit debate will frustrate our ability to work together to solve some of those remaining problems.

I think it is particularly unfortunate that we find ourselves in this position on this bill because I am confident that, were we not forced immediately into a cloture vote, we likely could work out the problems that remain with the bill. It remains my hope, if cloture is not obtained on the vote that will occur in a little more than 10 minutes, that we can continue to work together to achieve a unanimous consent agreement that will allow perhaps for amendments that are relevant, if not germane, according to the procedures of the Senate.

Let me briefly give an example of one of the problems that I think remains with the bill which is of concern to some. As the bill is currently drafted, only one of two individuals can serve as acting officials in the case of a vacancy: Either the first assistant to the vacant position, a term of art that generally refers to the top deputy; or someone already confirmed by the Senate for another position. Because individuals holding Senate-confirmed positions already have a lot to do, it almost always will be the first assistant who takes over as the acting.

But, by the terms of the bill, a first assistant apparently can take over only if he or she was the first assistant at the time of the vacancy. This severe limitation on the universe of individuals who may serve as acting is, in my view, a mistake that could be harmful to the functioning of the executive branch because it will have the effect of forcing many important positions to remain vacant, potentially for several months at a time. That is because there are many times when a vacancy occurs at a time that the first assistant position is also vacant.

There may be other times when a first assistant, who was there when the vacancy occurred, may want to leave his or her job during the pendency of that vacancy. In both situations, as I read the literal terms of the bill as it is before us, it would require that during the duration of the vacancy, which could be many months long, we would be requiring that no one other than people who had already been confirmed for other positions would be eligible to serve as the acting in the vacant position. We would be effectively denying the executive branch the ability to put someone else in that position on an acting basis.

Also troubling is what can happen when a new President comes into office. If individuals in Senate-confirmed positions leave before the new President takes office, as often happens, then the only people who would be qualified to serve as acting officials as the new administration gets off the ground, because they were the first assistants at the time of the vacancy, are holdovers, often political appointees from the previous administration. That could create an awkward situation that would require a new administration to staff itself with a previous administration's political appointees.

I am confident that we could work this problem out were the bill to come to the floor under the normal processes. But, unfortunately, in the posture that it is now in, it is not so.

So I must say I again will vote against cloture, but I do remain hopeful that if cloture is not granted on this next vote, we will be able to find a way together to continue the bipartisan path that this bill has taken, until this moment when it has reached the Senate floor, and find a way to find a common ground to move forward with this bill on which a lot of work has been done, and, though it is detailed and intricate, in which the public interest finds a great expression.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THOMPSON. May I inquire how much time remains?

The PRESIDING OFFICER. The Senator from Tennessee controls 4 minutes. The Senator from Michigan controls 8 minutes 23 seconds.

Mr. THOMPSON. I ask the Senator from West Virginia if he has additional comments.

I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. A couple quick points.

My friend from Connecticut makes good points, as usual. I point out, though, that the concern about, someone could not be a first assistant if they had not been there for so many days, that would not keep them from being the acting officer. If they were appointed to the permanent position, they would have needed to have been there for 90 days. But just to be the acting officer, anyone who serves in that position would become the acting officer without having been there any length of time.

With regard to the second concern with regard to a new administration, my understanding is there is always a holdover person who is a Senate-confirmed person who traditionally takes care of those problems—essentially the same situation we have had for the last 130 years with regard to those concerns, I believe.

I yield the Senator from West Virginia the remainder of my time, which I think is probably 2, 3 minutes.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I again thank the distinguished chairman for his outstanding service that he has performed in the interest of the Constitution, the interest of this institution, and the interest of the liberties of the people which we are all trying to protect in this measure.

Mr. President, I believe there—we only have less than 2 minutes; is that right?

The PRESIDING OFFICER. The Senator has 2½ minutes remaining.

Mr. BYRD. How much time does the distinguished Senator from Connecticut wish to——

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

Mr. BYRD. If the distinguished Senator from Connecticut will yield me a little of his time.

Mr. LIEBERMAN. I yield the Senator as much time as he wants.

Mr. BYRD. Mr. President, I am reminded of that situation which occurred in 63 B.C. Sallustius writes about. And it is referred to as the conspiracy of Catiline. After Caesar had spoken in the Roman senate, protesting against the death penalty for the conspirators, for the accomplices of Catiline, Cato the Younger was called upon by Cicero, the consul, to speak. Cato demanded that the accomplices of Catiline be put to death under the ancient laws of the republic.

From Cato's speech I quote only the following strain: "Do not think that it was by arms that our ancestors raised the state from so small beginnings to such grandeur, but there were other things from which they derived their greatness. They were industrious at home, just rulers abroad, and into the Senate Chamber they brought untrammeled minds, not enslaved by passion."

Now, Mr. President, I urge my colleagues in the Senate not to let their minds be trammeled with passion. Keep them untrammeled and focused on the injury that is being done to the Senate by the executive department in the flaunting and circumventing of the appointments clause, which this legislation addresses and is intended to secure for the Senate its rights and prerogatives under the Constitution.

Democrats and Republicans who reverence the Constitution and who pride themselves in having been given the honor to serve in this institution—the legislative branch—I hope will stand up for the institution and bind ourselves to the mast of the Constitution, as did Odysseus when the divine Circe bade him to stay away from the Sirens' isle.

I hope that we will keep in mind that we are making several improvements in this bill as it is written. And as the distinguished chairman of the Governmental Affairs Committee has so eloquently pointed out within the last few minutes, even without amendments this bill is a liberal advancement—liberal from the standpoint of the administration, whatever administration it might be, Democratic or Republican. It gives more time to the administration.

So if we turn down this opportunity, I hope the opportunity will come again. But if it does not, then the administration is the loser, as well as the Senate—but the Senate is the greater loser because of the constitutional requirements under the appointments clause which give the Senate a share in the appointments of individuals to important positions in the executive branch and the judicial branch.

I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut has 6 minutes remaining.

Mr. LIEBERMAN. I thank the Chair.

PRIVILEGE OF THE FLOOR

Mr. LIEBERMAN. I rise simply to make an unrelated motion. I ask unanimous consent that privileges of the floor be granted to Laureen Daly of my staff during the pendency of S. 442 and H.R. 3529.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, I think on this side we have spoken our piece. For the reasons indicated, we hope that our colleagues will vote against cloture and then that both sides can come together to achieve common ground and pass this important piece of legislation.

I, therefore, yield back the remaining time from our side.

The PRESIDING OFFICER. All time is yielded back.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 2176, the Vacancies Act:

Trent Lott, Strom Thurmond, Charles Grassley, Thad Cochran, Wayne Allard, Ben Nighthorse Campbell, Don Nickles, Orrin G. Hatch, Pat Roberts, Tim Hutchinson, Richard Shelby, Conrad Burns, Jim Inhofe, Connie Mack, Fred Thompson, Spencer Abraham.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule has been waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on Senate bill 2176, the Federal Vacancies Reform Act of 1998, shall be brought to a close? The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri (Mr. BOND), the Senator from New York (Mr. D'AMATO), and the Senator from Alabama (Mr. SESSIONS) are necessarily absent.

Mr. FORD. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Illinois (Ms. MOSELEY-BRAUN), the Senator from Nevada (Mr. REID), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Oregon (Mr. WYDEN) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. REID) would vote "no."

The yeas and nays resulted—yeas 53, nays 38, as follows:

[Rollcall Vote No. 289 Leg.]

YEAS—53

Abraham
Allard
Ashcroft
Bennett
Brownback
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
DeWine
Domenici
Enzi
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—38

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Inouye
Johnson
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Murray
Reed
Robb
Rockefeller
Sarbanes
Wellstone

NOT VOTING—9

Bond
D'Amato
Hollings
Kennedy
Moseley-Braun
Reid
Sessions
Torricelli
Wyden

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 38. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

The majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENTS

Mr. LOTT. Mr. President, I ask unanimous consent that at 10 a.m. on Tuesday, September 29, and notwithstanding rule XXII, the Senate proceed to the consideration of a conference report to accompany H.R. 6, the Higher Education Act, and there be 30 minutes equally divided for debate on the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that following the debate on the education conference report, it be temporarily set aside and the Senate return to the consideration of the conference report to accompany H.R. 4013, the Department of Defense appropriations bill and there be 10 minutes of debate equally divided on that report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask unanimous consent that following debate on the defense conference report, it be temporarily set aside and the Senate then proceed to vote on adoption of the higher education conference report, to be followed immediately by a vote on the adoption of the defense conference report.

And finally, I ask unanimous consent that the cloture vote on the motion to proceed to the Internet tax bill occur immediately following the aforementioned stacked votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Further, I ask unanimous consent that all votes following the first vote on Tuesday morning be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Finally, I ask unanimous consent that following the last vote in the stacked sequence Tuesday morning, there be a period of morning business until 12:30 p.m., with the time equally divided between Senators WELLSTONE and JEFFORDS, or their designees; further that when the Senate reconvenes at 2:15, there be an additional period for morning business until 3:15 p.m. equally divided between the two aforementioned Senators, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I note that the time that we have designated here for Senators JEFFORDS and WELLSTONE is so that they can go over the final details of what is included in the higher education bill. This is a very important bill, a lot of good work has been done, and I commend all the Senators involved for completing that.

I yield the floor.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 10 minutes each until 7 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

ENERGY AND WATER APPROPRIATIONS HOLD

Mr. DOMENICI. Mr. President, I note the presence of the minority leader in the Chamber. I wish to state for the Senate that I understand the Energy and Water appropriations bill has a hold on the minority side, and I wanted to say if it has to do with the Tennessee Valley Authority, I would like very much to discuss that with the Senator because there is nothing we can do about it in this bill. But there is another thing we are going to do in another bill, and we would like to share that with you, whoever has the hold. I would very much like to do that. If that is the only hold, we can't fix the bill as far as TVA, but we can take some action to try to alleviate the problem in another way before we leave.

I yield the floor.

Mr. DASCHLE. Mr. President, let me just respond to the distinguished Senator from New Mexico. I have discussed——

Mr. FORD. Mr. President, may we have order.

The PRESIDING OFFICER (Mr. ALLARD). The Senate will please come to order.

Mr. DASCHLE. I have discussed the matter with the Senator who has the hold, and I think there will be some effort made to resolve the matter either tonight or tomorrow morning, so we will proceed with every expectation we can come to some resolution soon.

Mr. DOMENICI. I thank the Senator.

Mr. DASCHLE. I yield the floor.

ACCESS TO CHINESE MARKETS

Mr. GORTON. Mr. President, it looks like the administration has just experienced a tardy but welcome revelation, Mr. President. After 6 years of coddling its rulers and selling out U.S. exporters, some in the administration are now beginning to realize that "engagement" has not moved China toward free trade but to greater protectionism.

The $50 billion a year and growing bilateral United States trade deficit, the largest with any trading partner in the world but Japan, wasn't enough. The continued and egregious market access barriers to U.S. agricultural products weren't enough. The defiant stance against WTO negotiators wasn't enough. And the flagrant violation of the intellectual property rights of the American software and entertainment industries wasn't enough.

But finally, China has pushed at least one member of the administration too far. The straw that broke the camel's back was China's decision to ban joint ventures in the telecommunications industry. In Beijing last Tuesday, David Aaron, Undersecretary for International Trade at the Department of Commerce, became the first American official in nearly a decade to speak openly about China's protectionist trade policy and to threaten retaliation.

Aaron is quoted in last Wednesday's Wall Street Journal as saying of the long list of trade barriers erected against American imports in China, "The list keeps getting longer, and nothing gets struck off it." He continues, "China is taking the trade relationship for granted. They want to export to us but not buy our products."

Yes; that is precisely what I have been arguing for 3 years. But an administration wedded to a policy of "engagement" with China no matter how unproductive refused to believe it until now. I cannot begin to express the sense of vindication I had when reading an article in last Wednesday's Washington Post that hinted at a new administration trade policy with China. Instead of continuing to hope that China's desire to join the community of free trading nations in the WTO would outweigh its protectionist tendencies, the administration is finally "threatening retribution in a much more concrete arena—the United States market . . ."

All well and good, but a day late and a dollar short. While President Clinton dismissed those of us in the antiengagement camp as ignorant, antifree traders, while the administration allowed the Government of the People's Republic of China to walk all over the United States for 6 years, and while the United States trade deficit ballooned out of control, my home State of Washington suffered the consequences.

Since 1972, China has refused to allow Pacific Northwest wheat into its market. This nontariff barrier erected against our wheat is based on a bogus phytosanitary concern with the spread of a wheat disease called TCK smut. For more than 20 years, the United States has presented Chinese officials with irrefutable scientific evidence which proves conclusively that there is absolutely no risk of introducing TCK smut into China.

China's ban on Pacific Northwest wheat is in violation of international standards requiring that import barriers imposed in the name of food safety be based on sound science. But it is protectionism, not sound science, that serves as the basis for China's ban on Washington State wheat.

For the past 3 years, I and several of my colleagues from the Pacific Northwest, have written to the President and Vice President to ask for assistance in tearing down this deplorable trade barrier. Our entreaties have been totally ignored, Mr. President, and the wheat farmers in my home State of Washington have suffered at the hands of the administration's weakness.

Instead, the administration turned a blind eye to the wheat ban and hundreds of other Chinese protectionist policies, arguing all along that continuing to grant most-favored-nation trading status to China was the best and only way of improving our trade relationship with China.

In addition, our apples are barred from Chinese markets. Our insurance firms can't do business in China. Our telecommunications equipment is barred.

The Chinese are not stupid. In fact, one might argue that they are brilliant strategists, having convinced the United States to sit on its hands while China pillaged the United States market. That the President, the leader of the strongest nation in the world, rolled over and played dead in the face of Chinese threats is an embarrassment to the United States. He betrays the free people of Taiwan—who do buy our goods and services. But he will sell China what it will gladly purchase—our defense secrets. He allows our intellectual property to be stolen with impunity.

The President knows that China is the world's largest emerging market. With a billion potential consumers for United States goods and an insatiable need for infrastructure improvements and technology, the Chinese market is among the most appealing in the world. In the fact of this prize, the administration simply caved in to the demands of China's dictators.

What the administration has ignored until this week, is that the United States is China's most important market as well. In fact, the United States absorbs 30 percent of China's exports. And today, with the financial crisis having drastically decreased demand throughout Asia, the American market is even more important to China.

In its rush to expand its economy and catch up with the rest of the world, China, since the late 1980's, has embarked on a full scale effort greatly to increase its overseas exports and thus to foster an economic boom within its own borders. Without the United States market, China's economic growth would come to a screeching halt.

That is why, Mr. President, I have argued for 3 years that we should use the United States market as leverage in our trade disputes with China. But the administration refused to accept the logic of this strategy—until, that is, Secretary Aaron spoke so frankly in Beijing on Tuesday. I implore the administration, with its newfound wisdom, to take Aaron's advice and start tomorrow not just to threaten, but to impose retaliation against China unless it makes dramatic changes in its trade policy immediately.

To make such threats without following through would be disastrous. The administration must act on its words and impose trade restrictions on China immediately unless it takes drastic steps to eliminate market access barriers to United States exports.

The administration should start with the most egregious barrier of all, the ban on Pacific Northwest wheat. If, by next week, China has not succumbed to the irrefutable scientific evidence and allowed Pacific Northwest wheat into its market, the United States must take retaliatory action. If China won't let our wheat into its market, we shouldn't let China's textiles into our market. It is a simple solution, and it will work. China wants our markets. It won't risk losing them, even if the price is open markets to American goods and services.

The PRESIDING OFFICER. The Senator from Kansas.

CUT TAXES NOW

Mr. BROWNBACK. Mr. President, during the past several weeks the Senate has spent its time debating spending legislation. Now with only 10 days remaining in the second session of this 105th Congress we are going to begin considering a supplemental spending bill.

The American people are currently facing tax rates that are near all-time highs. These excessive taxes are being imposed on the American people in spite of the fact that for the first time in a generation the Federal books are balanced. The first time since 1969, since Neil Armstrong walked on the Moon, the books are balanced and we have these near all-time high tax rates.

Congress did some work in balancing the budget and restraining spending, but Americans did most of the work. And now that there is a surplus, they should be the first ones to get some relief. Currently, on average, 21 million American married couples are forced to shoulder an additional, on average, $1,400 in taxes simply because they are married. That is ridiculous. Congress now has the opportunity to correct this injustice by repealing the marriage penalty. And I want to say this very clearly: We can do so without touching the Social Security trust fund.

We need to enact profamily, progrowth tax relief and eliminate the marriage penalty. That is an important first step that we need to move forward on reducing our horrendously high taxes in America. America clearly needs strong families. The family is the building block for our country and our hope for the future, and it is unconscionable the Tax Code of the United States is being used to subsidize something against the family, to penalize those who are married rather than living together, and creating disincentives towards marriage. We need to eliminate the marriage penalty during the remaining 11 days of this session of Congress. We have the time. We have the opportunity. The House has passed an $80 billion tax package that includes elimination of a portion of the marriage penalty. The Senate needs to move forward with this now.

The American people should be the first to benefit from our budget surplus with a reduction in their taxes this year. And we can do it without touching the Social Security trust fund. Elimination of the marriage penalty will serve this purpose. First, it will restrain the growth in the Federal Government, and more importantly will begin to keep Washington taxmongers out of people's wallets and out of their lives.

During debate on the Treasury-Postal appropriation bill, the Senate spoke overwhelmingly in favor of a complete elimination of the marriage penalty. We need as large a tax cut as is possible, and in particular, as large a cut in the marriage penalty as possible.

Finally, I would like to state my willingness to work in a bipartisan way with my colleagues across the aisle in providing the type of tax relief that I know we both want to give married couples laboring under this oppressive Tax Code.

A couple of days ago, some of my colleagues were on the floor demanding that the Chairman of the Federal Reserve Board begin to implement expansionary monetary policy by cutting interest rates. Cutting interest rates would incentivize investment and act as a stabilizing effect on many worldwide financial markets now teetering under a cloud of uncertainty.

I think that is good, that the Federal Reserve should consider moving towards a more expansionist monetary policy, but I don't think we should require the Fed to do that. I believe we should let the Federal Reserve do its job and we should concentrate on doing our job. If Congress has the will to enact progrowth fiscal policy, I suggest it begin to do so by enacting the largest tax cut possible so we can help stimulate the financial markets, help in this uncertain financial situation that we have, and continue the growth taking place.

We have a unique opportunity to substantially change our Tax Code treatment of married people. We can do so without touching the Social Security trust fund. There are other people who want to spend that money. I think we need to leave the money alone, create a real Social Security trust fund, and at the same time let's give people a little bit of their money back with a tax cut. The House has done this. Let's work together, let's push to finally be able to get some of that tax relief put in place.

Last year, we cut taxes for the first time in 16 years. We need to continue that effort to cut taxes to continue to stimulate the economy, to continue to give people back a little bit of their money. We should start with married two-wage-earner couples who are being penalized by a Tax Code that doesn't make any sense at this point.

So I urge my colleagues, let's work with the House and make this tax cut a reality. We can do it. We have spent a year talking about spending. Let's take a few days to talk about tax cuts.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, September 25, 1998, the Federal debt stood at $5,523,820,694,890.03 (Five trillion, five hundred twenty-three billion, eight hundred twenty million, six hundred ninety-four thousand, eight hundred ninety dollars and three cents).

One year ago, September 25, 1997, the Federal debt stood at $5,387,704,000,000 (Five trillion, three hundred eighty-seven billion, seven hundred four million).

Twenty-five years ago, September 25, 1973, the Federal debt stood at $459,982,000,000 (Four hundred fifty-nine billion, nine hundred eighty-two million) which reflects a debt increase of more than $5 trillion—$5,063,838,694,890.03 (Five trillion, sixty-three billion, eight hundred thirty-eight million, six hundred ninety-four thousand, eight hundred ninety dollars and three cents) during the past 25 years.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT—PM 160

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources.

To the Congress of the United States:

I transmit herewith the Annual Report of the Railroad Retirement Board for Fiscal Year 1997, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 28, 1998.*

MESSAGES FROM THE HOUSE

At 4:46 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4579. An act to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 4112. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 6:27 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4060) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103) making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on September 28, 1998 he had presented to the President of the United States, the following enrolled bill:

S. 1379. An act to amend section 552 of title 5, United States Code, and the National Security Act of 1947 to require disclosure under the Freedom of Information Act regarding certain persons, disclose Nazi war criminal records without impairing any investigation or prosecution conducted by the Department of Justice or certain intelligence matters, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7216. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Table of Allotments, FM Broadcast Stations (Canton and Glasford, Illinois)" (Docket 97–186) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7217. A communication from the Chief Counsel of the Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Regulations Governing Book-Entry Treasury Bonds, Notes, and Bills; Determination Regarding State Statutes; Wisconsin, New Hampshire and Michigan" (Circ. No. 2–86) received on September 24, 1998; to the Committee on Finance.

EC–7218. A communication from the Benefits Administrator of the AgAmerica Western Farm Credit Bank, transmitting, pursuant to law, the Bank's annual retirement plan report for calendar year 1997 and the Audited Retirement Plan Financial Statements for calendar year 1996 and 1997; to the Committee on Governmental Affairs.

EC–7219. A communication from the Assistant Attorney General, Office of Justice Programs, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Bulletproof Vest Partnership Grant Act of 1998" (RIN1121–AA48) received on September 22, 1998; to the Committee on the Judiciary.

EC–7220. A communication from the Deputy Assistant Secretary for Policy, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Interim Rule Amending Summary Plan Description Regulation" (RIN1210–AA55) received on September 22, 1998; to the Committee on Labor and Human Resources.

EC–7221. A communication from the Director of the Office of Regulations Management, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled "Claims Based on Ionizing Radiation (Prostate Cancer and Any Other Cancer)" (RIN2900–AI00) receive on September 22, 1998; to the Committee on Veteran Affairs.

EC–7222. A communication from the Acting Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species; Threatened Status for Johnson's Seagrass" (I.D. 052493B) received on September 22, 1998; to the Committee on Environment and Public Works.

EC–7223. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report on the State of Louisiana's federally approved Coastal Wetlands Conservation Plan; to the Committee on Environment and Public Works.

EC–7224. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "The Price-Anderson Act—Crossing the Bridge to the Next Century: A Report to Congress"; to the Committee on Environment and Public Works.

EC–7225. A communication from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Transfer for Disposal and Manifests; Minor Technical Conforming Amendment" (RIN3150–AF99) received on September 21, 1998; to the Committee on Environment and Public Works.

EC–7226. A communication from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Physical Protection for Spent Nuclear Fuel and High-Level Radioactive Waste: Technical Amendment" (RIN3150–AG00) received on September 21, 1998; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

H.R. 700. A bill to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians (Rept. No. 105–349).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment:

S. 2351. A bill to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System (Rept. No. 105–350).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with amendments:

S. 2469. A bill to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System (Rept. No. 105–351).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 2470. A bill to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System (Rept. No. 105–352).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment:

S. 2474. A bill to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System (Rept. No. 105–353).

S. 2505. A bill to direct the Secretary of the Interior to convey title to the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, to the University of Idaho (Rept. No. 105–354).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 8. A bill to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicles emissions, and for other purposes (Rept. No. 105–355).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HARKIN:

S. 2521. A bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that Offices of Inspector General shall be treated as independent agencies in the preparation of the United States Budget, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DEWINE (for himself, Mr. COVERDELL, Mr. GRAHAM, Mr. FAIRCLOTH, Mr. BOND, Mr. D'AMATO, Mr. BREAUX, Mr. HELMS, Mrs. FEINSTEIN, Mr. MACK, Mr. HATCH, Mr. CRAIG, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. ALLARD, Mr. FRIST, Mr. MURKOWSKI, Mrs. HUTCHISON, Ms. LANDRIEU, Mr. BROWNBACK, Mr. BURNS, Mr. BENNETT, Mr. ASHCROFT, Mr. COCHRAN, Mr. BAUCUS, Mr. SMITH of Oregon, Mr. ROBERTS, Mr. CLELAND, and Mr. GRASSLEY):

S. 2522. A bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries; to the Committee on Foreign Relations.

By Mr. GRAMM (for himself and Mrs. HUTCHISON):

S. 2523. A bill to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the "J.J. 'Jake' Pickle Federal Building"; to the Committee on Environment and Public Works.

By Mr. HATCH:

S. 2524. A bill to codify without substantive change laws related to Patriotic and National Observances, Ceremonies, and Organizations and to improve the United States Code; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HARKIN:

S. 2521. A bill to amend the Inspector General Act of 1978 (5 U.S.C. App.) to provide that Offices of Inspector General shall be treated as independent agencies in the preparation of the United States Budget, and for other purposes; to the Committee on Governmental Affairs.

INSPECTOR GENERAL ACT AMENDMENTS

• Mr. HARKIN. Mr. President, I introduce a bill to establish a more independent budget process for the Inspector Generals of each federal Department.

Under our current budget process, each Federal Department Secretary has the power to determine the budget of its Inspector General or IG. While our Department Secretaries generally do a fine job of overseeing their respective Departments and agencies, I feel that it is a conflict of interest for the head of an executive agency to also determine the funding levels for an office whose main function is investigating that agency. In the interest of proper checks and balances, I would hope that we could establish true independence for the IGs budgets.

The IGs are our government watchdogs. Yet, too often, their budgets have been cut back. The United States Government is wrestling with streamlining its programs and revamping how it does business. But it has been the IG offices which have largely identified the waste, fraud, and abuse in the Federal Government and allow this body to make significant budget cuts in an effective manner. We need stronger watchdogs, not weaker.

The offices of Inspectors General has served this country well in making sure that the taxpayers' dollars are not misspent. This spring, for example, the Department of Defense's IG, Eleanor Hill, testified before the House Oversight Subcommittee. She described over $15 billion in fiscal year 1996 funds that were put to better use as a result of IG efforts. Hill pointed out that, "At the Department of Defense, since FY 1989, IG audit reports have identified almost $16 billion in agreed upon savings. During the same period, monetary recoveries through investigations by the Defense Criminal Investigative Service, the criminal investigative arm of my office, have totaled over $4.5 billion. Historically, our criminal investigators alone have returned at least $15 in recoveries and fines for every dollar spent on their operations."

In her testimony, DOD Inspector General Eleanor Hill concludes with what she feels are the greatest concerns for the future of the Office of Inspector General. She points out examples of crimes on the Internet, the overload of paperwork and false claims. But the biggest problem, according to Ms. Hill, "has been the continuing difficulties we face in coping with programmed downsizing." As we attempt to cut wasteful spending and streamline offices, it is the Office of Inspectors General which must not be put on the chopping block.

Unfortunately, the support for the IG's has been often reduced more than for other parts of the government. For example, the Department of Energy faced an 11% cut for FY 1996, but a 21% cut in its IG budget. It is my fear that as we continue to cut budgets, the IGs will be first on the chopping blocks at a time when we need them even more to identify wasteful and outdated programs.

It should be obvious, Mr. President, that those who could be investigated by the Inspectors General should not be given the responsibility of developing and approving IG budgets. The Securities and Exchange Commission's budget is not decided by Wall Street firms; The Nuclear Regulatory Commission's budget is not decided by the Nation's nuclear power companies. Congress must ensure that no department secretary can take vengeance upon an aggressive IG office.

My bill aims to ensure an effective and independent Federal Inspector General system and allow each IG, in consultation with its parent Department, to decide the budget of the IG's office. This bill would provide greater autonomy for the office and prevent strong criticism of a Department, or the singling out of wasteful programs, from affecting watchdog funding.

We have seen repeatedly how a valuable resource like the Inspector General's office has been able to bring this body's attention, and the American public's attention, to some of the wasteful spending of the Federal Government. I urge my colleagues to support this important legislation.•

By Mr. DEWINE (for himself, Mr. COVERDELL, Mr. GRAHAM, Mr. FAIRCLOTH, Mr. BOND, Mr. D'AMATO, Mr. BREAUX, Mr. HELMS, Mrs. FEINSTEIN, Mr. MACK, Mr. HATCH, Mr. CRAIG, Mr. ABRAHAM, Mr. HUTCHINSON, Mr. ALLARD, Mr. FRIST, Mr. MURKOWSKI, Mrs. HUTCHISON, Ms. LANDRIEU, Mr. BROWNBACK, Mr. BURNS, Mr. BENNETT, Mr. ASHCROFT, Mr. COCHRAN, Mr. BAUCUS, Mr. SMITH of Oregon, Mr. ROBERTS, Mr. CLELAND, and Mr. GRASSLEY):

S. 2522. A bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries; to the Committee on Foreign Relations.

WESTERN HEMISPHERE DRUG ELIMINATION ACT

Mr. DEWINE. Mr. President, today I am pleased to join with over 25 of my Senate colleagues to reintroduce the Western Hemisphere Drug Elimination Act. Our bipartisan legislation calls for an additional $2.6 billion investment in international counter-narcotic efforts over the next 3 years. With the additional resources provided in this legislation, we can begin to restore a comprehensive eradication, interdiction and crop substitution strategy.

I say "restore," Mr. President, because we currently are not making the same kind of effort to keep drugs from entering the United States that we used to. Drugs are now easy to find, and easy to buy. As a result, the amount of drugs sold on our streets, and the number of people who use drugs, especially young people, is unprecedented.

The facts demonstrate this sobering trend. The August 1998 National Household Survey on Drug Abuse report by the Substance Abuse and Mental Health Administration list the following disturbing facts:

In 1997, 13.9 million Americans age 12-and-over cited themselves as "current users" of illicit drugs—a 7-percent increase of 1996's figure of 13 million Americans. That translates to nearly a million new users of drugs each year.

From 1992–1997, the number of children aged 12 to 17 who are using illegal drugs has more than doubled, and has increased by 27 percent just from 1996–1997 alone.

For kids 12 to 17, first time heroin use, which can be fatal surged an astounding 875 percent from 1991–1996. The overall number of past month heroin users increased 378 percent from 1993 to 1997.

We cannot in good conscience and with a straight face say that our drug control strategy is working. It is not. More children are using drugs. With an abundant supply, drug traffickers now are seeking to increase their sales by targeting children ages 10 through 12.

This is nothing less than an assault on the future of our children, and the future of the country itself. This is nothing less than a threat to our national values, and yes, even our national security.

All of this begs the question: What are we doing wrong? Clearly, there is no one simple answer. However, one thing is clear: our overall drug strategy is imbalanced. To be effective, our national drug strategy must have a strong commitment in the following three areas: (1) demand reduction, which consists of prevention, treatment, and education programs. These are administered by all levels of government—Federal, State and local—as well as nonprofit and private organizations; (2) domestic law enforcement, which again, has to be provided by all three levels of government; and (3) international eradication and interdiction efforts, which are the sole responsibility of the Federal Government.

These three components are interdependent. A strong investment in each of them is necessary for each to work individually and collectively. For example, a strong effort to destroy or seize drugs at the source or outside of the United States both reduces the amount of drugs in the country, and drives up the street price. And as we all know, higher prices will reduce consumption. This in turn helps our domestic law enforcement and demand reduction efforts.

As any football fan will tell you, a winning team is one that plays well at all three phases of the game—offense, defense, and special teams. The same is true with out antidrug strategy—all three components have to be effective if our strategy is going to be a winning effort.

While I think the current administration has shown a clear commitment to demand reduction and domestic law enforcement programs, the same cannot be said for the international eradication and interdiction components. This was not always the case.

In 1987, the $4.79 billion Federal drug control budget was divided as follows: 29 percent for demand reduction programs; 38 percent for domestic law enforcement; and 33 percent for international eradication and interdiction efforts. This balanced approach worked. It achieved real success. Limiting drug availability through interdiction drove up the street price of drugs, reduced drug purity levels, and consequently reduced overall drug use. From 1988 to 1991, total drug use declined by 13 percent—cocaine use dropped by 35 percent. And there was a 25 percent reduction in overall drug use by adolescent Americans.

This balanced approach ended in 1993. By 1995, the $13.3 billion national drug control budget was divided as follows: 35 percent for demand reduction; 53 percent for law enforcement; and 12 percent for international and interdiction efforts. Though the overall antidrug budget increased almost threefold from 1987 to 1995, the percentage allocated for international eradication and interdiction efforts decreased dramatically. This distribution only recently has started to change, but the imbalance is still there. In the President's proposed $17 billion drug control budget for 1999, 34 percent would be allocated for demand reduction; 52 percent for law enforcement; and 14 percent for international and interdiction efforts.

Those are the numbers, but what really matters are what these numbers get you in terms of resources. The hard truth is that our drug interdiction presence—the ship, air and man power dedicated to keeping drugs from reaching our country—has eroded dramatically. Here are just a few examples:

The Department of Defense funding for counter-narcotics decreased from $504.6 million in 1992 to $214.7 million in 1995, a 57 percent decrease in only 3 years. As a result, flight hours by Airborne Warning and Control Systems—known as AWACs planes—dropped from 38,100 hours in 1992 to 17,713 hours by 1996, a 54 percent reduction.

At the beginning of the decade, the U.S. Customs Service operated its counter-narcotics activities around the clock. This made sense because drug trafficking truly is a 7-day/24-hour enterprise. Today, the Customs Service does not have the resources needed to maintain around-the-clock operations. At a recent hearing on our original legislation, a representative of the U.S. Customs Service testified that the Customs Service has 84 boats in the Caribbean conducting drug apprehension efforts—down from 200 vessels in 1990. The Customs Service estimates that they expect to have only half of the current fleet of 84 vessels by the year 2000.

Mr. President, these are shocking statistics. And perhaps more than the budget numbers themselves, these statistics demonstrate the imbalance in our overall strategy. I have witnessed the lack of our resources and commitment in the region first hand. This past year I traveled to the Caribbean several times to see our counter-narcotics operations there. I met with the dedicated people on the frontlines of our drug interdiction efforts. I witnessed our strategy in action, and sat down with the experts—both military and civilian—who are charged with carrying out the monitoring, detection and interdiction of drugs.

On one of my recent trips I saw that in particular, Haiti has become an attractive rest-stop on the cocaine highway. It is strategically located about halfway between the source country—Colombia—and the United States. As the poorest country in the hemisphere, it is extremely vulnerable to the kind of bribery and corruption that the drug trade needs in order to flourish.

Not surprisingly, the level of drugs moving through Haiti has dramatically increased. A U.S. Government interagency assessment on cocaine movement found that the total amount of cocaine coming to the United States through Haiti jumped from 5 percent in 1996 to 19 percent by the end of 1997.

In response, we initiated a U.S. law enforcement operation called Operation Frontier Lance, which utilized Coast Guard Cutters, speedboats, and helicopters to detect and capture drug dealers on a 24-hour-per-day basis. This operation was modeled after another successful interdiction effort that was first done off the coast of Puerto Rico, called Operation Frontier Shield.

Both these operations were done at two different time periods. Operation Frontier Shield utilized nearly two dozen ships and aircraft; and Operation Frontier Lance utilized more than a dozen ships and helicopters. To make Frontier Lance work required that we borrow a few ships and helicopters from operations elsewhere in the Caribbean. Because of our scare resources, we had to rob Peter to help Paul.

These operations produced amazing results. The 6 month operation in Puerto Rico resulted in the seizure of more than 32,900 pounds of cocaine and 120 arrests. The 3 month operation in Haiti and the Dominican Republic resulted in 2,990 pounds of cocaine seized and 22 arrests.

These operations demonstrate we can make a big difference if we provide the right levels of material and manpower to fight drug trafficking. One would think that these operations would serve as a model for the entire region. Instead of maintaining these operations, we ended them. This potential roadblock on the cocaine highway is no more.

Now, in Puerto Rico we only have a combined total of six air and sea assets doing maintenance operations.

In Haiti and the Dominican Republic, we have only one ship and one helicopter devoted for the drug operation. Keep in mind that since refugees remain a major problem in this area, these very few vessels are not dedicated solely to drug interdiction. Amazingly, no sooner than we build an effective wall against drug traffickers, we tear it down.

While in the region, I was surprised to learn that in the Eastern Pacific, off the coast of Mexico and Central America, the coast is literally clear for the drug lords to do their business. This is, without any doubt, unacceptable.

Again, we have no presence there because we lack the resources. An interdiction plan does exist for the region, which would involve the deployment of several ships and planes in the region. This operation, unfortunately, was canceled before it even got started because the resources were needed elsewhere. To date, the coastal waters in the Eastern Pacific remain an open sea expressway for drug business.

Mr. President, through my visits to the region, I have seen firsthand the dramatic decline in our eradication and interdiction capability. The results of this decline have been a decline in cocaine seizures, a decline in the price of cocaine, and an increase in drug use. This has to stop. It is a clear and imminent danger to the very heart of our society.

That is why the legislation I am introducing today is timely. We need to dedicate more resources for international efforts to help reverse this trend. Now I want to make it very clear that I strongly support our continued commitment in demand reduction and law enforcement programs! In the end, I believe that reducing demand is the only real way to permanently end illegal drug use. However, this will not happen overnight. That is why we need a comprehensive counter drug strategy that addresses all components of this problem.

There's another fundamental reason why the Federal Government must do more to stop drugs either at the source or in transit to the United States. If we don't, no one else will. Let me remind our colleagues that our antidrug efforts here at home are done in cooperation with state and local governments and scores of nonprofit and private organizations. However, only the Federal Government has the responsibility to keep drugs from crossing our borders.

It's not just an issue of responsibility—it's an issue of leadership. The United States has to demonstrate leadership on an international level if we expect to get the full cooperation of source countries, such as Colombia, Peru and Bolivia, as well as countries in the transit zone, including Mexico and the Caribbean Island governments. There's little incentive for these countries to invest their limited resources, and risk the lives of their law enforcement officers to stop drug trafficking, unless we provide the leadership and resources necessary to make a serious dent in the drug trade.

Our bill is designed to provide the resources and demonstrate to our friends in the Caribbean, and in Central and South America that we intend to lead once again. With this legislation, we can once again make it difficult for drug lords to bring drugs to our Nation, and make drugs far more costly to buy. It's clear drug trafficking imposes a heavy toll on law abiding citizens and communities across our country. It's time we make it a dangerous and costly business for drug traffickers themselves. A renewed investment in international and interdiction programs will make a huge difference—both in the flow and cost of illegal drugs. It worked before and we believe it can work again.

Mr. President, as I said at the beginning, my colleagues and I are reintroducing this legislation. Since we introduced our original bill in July, we have received a number of suggestions on ways to improve the legislation, including several provided in conversations I personally had with General Barry McCaffery, the Director of the Office of National Drug Control Policy—otherwise known as the Drug Czar's Office. Some of these suggestions were incorporated in the House bill first introduced by Congressmen BILL MCCOLLUM of Florida and DENNIS HASTERT of Illinois. The House passed the McCollum/Hastert bill with overwhelmingly bi-partisan support. The final vote was 384 to 39! Clearly, the overwhelming, bi-partisan show of support for the Western Hemisphere Drug Elimination Act is a wake up call for leadership—it's time the United States once again lead the way in a comprehensive and balanced strategy to reduce drug use. And the time for leadership is now.

Since House passage of the bill, I have reached out once again to General McCaffrey, and to my friends on the Democrat side of the aisle, on how we can work together to pass this legislation before we adjourn. I made it clear to General McCaffrey of my commitment to work with him and the Administration to strengthen our drug interdiction efforts, and our overall antidrug strategy. Again, I received several suggestions to improve the bill from the General, but the Administration has shown no interest in getting this bill passed this year.

The resources we would provide in our legislation should be of no surprise to General McCaffrey or anyone involved in our drug control policies. The vast majority of the items in this bill are the very items which the Drug Enforcement Administration, the Coast Guard and Customs Service have been requesting for quite some time now. Many of these items are detailed, practically item per item and dollar amount, in a United States Interdiction Coordinator report, known as USIC, which was requested by the General.

The bill we introduce today represents a good faith effort by the sponsors of this legislation to get something done this year. It includes almost all the changes made in the House-passed bill, and incorporates virtually every suggestion made to me by General McCaffrey. Of central concern to the General, as he expressed in his recent testimony before the Senate Foreign Relations Committee, was the need for greater flexibility. The bill we introduce today provides flexibility for the agencies to determine and acquire the assets best needed for their respective drug interdiction missions. It also provides more flexibility for the Administration in providing needed resources to Latin American countries.

Mr. President, thanks to the suggestions we have received, the bill we are introducing today is a better bill. It has far more bipartisan support than the first version. Again, the growing support for this legislation is not surprising. This is not a partisan issue—we need to do more to fight drugs outside our borders.

Let's be frank—in this antidrug effort—Congress is the antidrug funder, but the agencies represented here—the Drug Enforcement Administration, Customs, Coast Guard, State and Defense Departments, and the Drug Czar's Office—they are the antidrug fighters. The dedicated men and women at these agencies are working to keep drugs out of the hands of our kids, and all we're trying to do is to give them the additional resources they have requested to make that work result in a real reduction in drug use. This bill is just the first step in our efforts to work with the agencies represented here. I expect to do more in the future.

Finally, Mr. President, I want to make it clear that while this bill is an authorization measure, I have already started the process to request the money needed for this bill over 3 years. Even though we introduced the bill for the first time in late July, we have already secured $143 million through the Senate passed FY 1999 appropriation measures. Senators COVERDELL, GRAHAM of Florida, GRASSLEY, BOND, FAIRCLOTH, and myself requested these funds through the various appropriation measures.

The cosponsors of this bill also are requesting the assistance of Senators STEVENS and BYRD—the Chairman and Ranking Member of the Senate Appropriations committee—in obtaining funding as part of any emergency supplemental appropriations bill we may consider before we adjourn. Given that it will take some time to dedicate some of our larger assets, such as boats, airplanes, and helicopters, we need to start our investment as soon as possible. I understand a similar effort is underway in the House of Representatives.

Mr. President, I recognize that even as we finally are beginning to balance our budget, we still have to exercise fiscal responsibility. I believe effective drug interdiction is not only good social policy, it is sound fiscal policy as well. It is important to note that seizing or destroying a ton of cocaine in source or transit areas is more cost-effective than trying to seize the same quantity of drugs at the point of sale. But more important, are the short and long term costs if we do not act to reverse the tragic rise in drug use by our children.

Let me remind my colleagues that there are more than twice the number of children aged 12 to 17 using drugs today than there were five years ago. With more kids using drugs, we have more of the problems associated with youth drug use—violence, criminal activity and delinquency. We will have more of the same unless we take action now to restore a balanced drug control strategy. We have to have all the components of our drug strategy working effectively again.

We did it before and we succeeded.

If we pass the Western Hemisphere Drug Elimination bill we can take the first step toward success. We can provide the resources, and most importantly, the leadership to reduce drugs at the source or in transit.

In the end, Mr. President, that's what this bill is about—it's about leadership—effective leadership. We have an opportunity with this legislation to show and exercise leadership. I hope we can seize this opportunity to stop drug trafficking, and more important, to save lives.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Western Hemisphere Drug Elimination Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and statement of policy.

TITLE I—ENHANCED SOURCE AND TRANSIT COUNTRY COVERAGE

Sec. 101. Expansion of radar coverage and operation in source and transit countries.
Sec. 102. Expansion of Coast Guard drug interdiction.
Sec. 103. Expansion of aircraft coverage and operation in source and transit countries.

TITLE II—ENHANCED ERADICATION AND INTERDICTION STRATEGY IN SOURCE COUNTRIES

Sec. 201. Additional eradication resources for Colombia.
Sec. 202. Additional eradication resources for Peru.
Sec. 203. Additional eradication resources for Bolivia.
Sec. 204. Miscellaneous additional eradication resources.
Sec. 205. Bureau of International Narcotics and Law Enforcement Affairs.

TITLE III—ENHANCED ALTERNATIVE CROP DEVELOPMENT SUPPORT IN SOURCE ZONE

Sec. 301. Alternative crop development support.
Sec. 302. Authorization of appropriations for Agricultural Research Service counterdrug research and development activities.
Sec. 303. Master plan for mycoherbicides to control narcotic crops.

TITLE IV—ENHANCED INTERNATIONAL LAW ENFORCEMENT TRAINING

Sec. 401. Enhanced international law enforcement academy training.
Sec. 402. Enhanced United States drug enforcement international training.
Sec. 403. Provision of nonlethal equipment to foreign law enforcement organizations for cooperative illicit narcotics control activities.

TITLE V—ENHANCED DRUG TRANSIT AND SOURCE ZONE LAW ENFORCEMENT OPERATIONS AND EQUIPMENT

Sec. 501. Increased funding for operations and equipment; report.
Sec. 502. Funding for computer software and hardware to facilitate direct communication between drug enforcement agencies.
Sec. 503. Sense of Congress regarding priority of drug interdiction and counterdrug activities.

TITLE VI—RELATIONSHIP TO OTHER LAWS

Sec. 601. Authorizations of appropriations.

TITLE VII—CRIMINAL BACKGROUND CHECKS ON PORT EMPLOYEES

Sec. 701. Background checks.

TITLE VIII—DRUG CURRENCY FORFEITURES

Sec. 801. Short title.
Sec. 802. Drug currency forfeitures.

SEC. 2. FINDINGS AND STATEMENT OF POLICY.

(a) FINDINGS.—Congress makes the following findings:

(1) Teenage drug use in the United States has doubled since 1993.

(2) The drug crisis facing the United States is a top national security threat.

(3) The spread of illicit drugs through United States borders cannot be halted without an effective drug interdiction strategy.

(4) Effective drug interdiction efforts have been shown to limit the availability of illicit narcotics, drive up the street price, support demand reduction efforts, and decrease overall drug trafficking and use.

(5) A prerequisite for reducing youth drug use is increasing the price of drugs. To increase price substantially, at least 60 percent of drugs must be interdicted.

(6) In 1987, the national drug control budget maintained a significant balance between demand and supply reduction efforts, illustrated as follows:

(A) 29 percent of the total drug control budget expenditures for demand reduction programs.

(B) 38 percent of the total drug control budget expenditures for domestic law enforcement.

(C) 33 percent of the total drug control budget expenditures for international drug interdiction efforts.

(7) In the late 1980's and early 1990's, counternarcotic efforts were successful, specifically in protecting the borders of the United States from penetration by illegal narcotics through increased seizures by the United States Coast Guard and other agencies, including a 302 percent increase in pounds of cocaine seized between 1987 and 1991.

(8) Limiting the availability of narcotics to drug traffickers in the United States had a promising effect as illustrated by the decline of illicit drug use between 1988 and 1991, through a—

(A) 13 percent reduction in total drug use;

(B) 35 percent drop in cocaine use; and

(C) 16 percent decrease in marijuana use.

(9) In 1993, drug interdiction efforts in the transit zones were reduced due to an imbalance in the national drug control strategy. This trend has continued through 1995 as shown by the following figures:

(A) 35 percent for demand reduction programs.

(B) 53 percent for domestic law enforcement.

(C) 12 percent for international drug interdiction efforts.

(10) Supply reduction efforts became a lower priority for the Administration and the seizures by the United States Coast Guard and other agencies decreased as shown by a 68 percent decrease in the pounds of cocaine seized between 1991 and 1996.

(11) Reductions in funding for comprehensive interdiction operations like OPERATION GATEWAY and OPERATION STEELWEB, initiatives that encompassed all areas of interdiction and attempted to disrupt the operating methods of drug smugglers along the entire United States border, have created unprotected United States border areas which smugglers exploit to move their product into the United States.

(12) The result of this new imbalance in the national drug control strategy caused the drug situation in the United States to become a crisis with serious consequences including—

(A) doubling of drug-abuse-related arrests for minors between 1992 and 1996;

(B) 70 percent increase in overall drug use among children aged 12 to 17;

(C) 80 percent increase in drug use for graduating seniors since 1992;

(D) a sharp drop in the price of 1 pure gram of heroin from $1,647 in 1992 to $966 in February 1996; and

(E) a reduction in the street price of 1 gram of cocaine from $123 to $104 between 1993 and 1994.

(13) The percentage change in drug use since 1992, among graduating high school students who used drugs in the past 12 months, has substantially increased—marijuana use is up 80 percent, cocaine use is up 80 percent, and heroin use is up 100 percent.

(14) The Department of Defense has been called upon to support counter-drug efforts of Federal law enforcement agencies that are carried out in source countries and through transit zone interdiction, but in recent years Department of Defense assets critical to those counter-drug activities have been consistently diverted to missions that the Secretary of Defense and the Chairman of the Joint Chiefs of Staff consider a higher priority.

(15) The Secretary of Defense and the Chairman of the Joint Chiefs of Staff, through the Department of Defense policy referred to as the Global Military Force Policy, has established the priorities for the allocation of military assets in the following order: (1) war; (2) military operations other than war that might involve contact with hostile forces (such as peacekeeping operations and noncombatant evacuations); (3) exercises and training; and (4) operational tasking other than those involving hostilities (including counter-drug activities and humanitarian assistance).

(16) Use of Department of Defense assets is critical to the success of efforts to stem the flow of illegal drugs from source countries and through transit zones to the United States.

(17) The placement of counter-drug activities in the fourth and last priority of the Global Military Force Policy list of priorities for the allocation of military assets has resulted in a serious deficiency in assets vital to the success of source country and transit zone efforts to stop the flow of illegal drugs into the United States.

(18) At present the United States faces few, if any, threats from abroad greater than the threat posed to the Nation's youth by illegal and dangerous drugs.

(19) The conduct of counter-drug activities has the potential for contact with hostile forces.

(20) The Department of Defense counterdrug activities mission should be near the top, not among the last, of the priorities for the allocation of Department of Defense assets after the first priority for those assets for the war-fighting mission of the Department of Defense.

(b) STATEMENT OF POLICY.—It is the policy of the United States to—

(1) reduce the supply of drugs and drug use through an enhanced drug interdiction effort in the major drug transit countries, as well support a comprehensive supply country eradication and crop substitution program, because a commitment of increased resources in international drug interdiction efforts will create a balanced national drug control strategy among demand reduction, law enforcement, and international drug interdiction efforts; and

(2) develop and establish comprehensive drug interdiction and drug eradication strategies, and dedicate the required resources, to achieve the goal of reducing the flow of illegal drugs into the United States by 80 percent by as early as December 31, 2001.

TITLE I—ENHANCED SOURCE AND TRANSIT COUNTRY COVERAGE

SEC. 101. EXPANSION OF RADAR COVERAGE AND OPERATION IN SOURCE AND TRANSIT COUNTRIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are authorized to be appropriated for the Department of the Treasury for fiscal years 1999, 2000, and 2001 for the enhancement of radar coverage in drug source and transit countries in the total amount of $14,300,000 which shall be available for the following purposes:

(1) For restoration of radar, and operation and maintenance of radar, in the Bahamas.

(2) For operation and maintenance of ground-based radar at Guantanamo Bay Naval Base, Cuba.

(b) REPORT.—Not later than January 31, 1999, the Secretary of Defense, in conjunction with the Director of Central Intelligence, shall submit to the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate a report examining the options available to the United States for improving Relocatable Over the Horizon (ROTHR) capability to provide enhanced radar coverage of narcotics source zone countries in South America and transit zones in the Eastern Pacific. The report shall include—

(1) a discussion of the need and costs associated with the establishment of a proposed fourth ROTHR site located in the source or transit zones; and

(2) an assessment of the intelligence specific issues raised if such a ROTHR facility were to be established in conjunction with a foreign government.

SEC. 102. EXPANSION OF COAST GUARD DRUG INTERDICTION.

(a) OPERATING EXPENSES.—For operating expenses of the Coast Guard associated with expansion of drug interdiction activities around Puerto Rico, the United States Virgin Islands, and other transit zone areas of operation, there is authorized to be appropriated to the Secretary of Transportation $151,500,000 for each of fiscal years 1999, 2000, and 2001. Such amounts shall include (but are not limited to) amounts for the following:

(1) For deployment of intelligent acoustic detection buoys in the Florida Straits and Bahamas.

(2) For a nonlethal technology program to enhance countermeasures against the threat of transportation of drugs by so-called Go-Fast boats.

(b) ACQUISITION, CONSTRUCTION, AND IMPROVEMENT.—

(1) IN GENERAL.—For acquisition, construction, and improvement of facilities and equipment to be used for expansion of Coast Guard drug interdiction activities, there is authorized to be appropriated to the Secretary of Transportation for fiscal year 1999 the total amount of $630,300,000 which shall be available for the following purposes:

(A) For maritime patrol aircraft sensors.

(B) For acquisition of deployable pursuit boats.

(C) For the acquisition and construction of up to 15 United States Coast Guard 87-foot Coastal Patrol Boats.

(D) For—

(i) the reactivation of up to 3 United States Coast Guard HU–25 Falcon jets;

(ii) the procurement of up to 3 C–37A aircraft; or

(iii) the procurement of up to 3 C–20H aircraft.

(E) For acquisition of installed or deployable electronic sensors and communications systems for Coast Guard Cutters.

(F) For acquisition and construction of facilities and equipment to support regional and international law enforcement training and support in Puerto Rico, the United States Virgin Islands, and the Caribbean Basin.

(G) For acquisition or conversion of maritime patrol aircraft.

(H) For acquisition or conversion of up to 2 vessels to be used as Coast Guard Medium or High Endurance Cutters.

(I) For acquisition or conversion of up to 2 vessels to be used as Coast Guard Cutters as support, command, and control platforms for drug interdiction operations.

(J) For acquisition of up to 6 Coast Guard Medium Endurance Cutters.

(K) For acquisition of up to 6 HC–130J aircraft.

(2) CONTINUED AVAILABILITY.—Amounts appropriated under this subsection may remain available until expended.

(c) REQUIREMENT TO ACCEPT PATROL CRAFT FROM DEPARTMENT OF DEFENSE.—The Secretary of Transportation shall accept, for use by the Coast Guard for expanded drug interdiction activities, 7 PC–170 patrol craft offered by the Department of Defense.

SEC. 103. EXPANSION OF AIRCRAFT COVERAGE AND OPERATION IN SOURCE AND TRANSIT COUNTRIES.

(a) DEPARTMENT OF THE TREASURY.—Funds are authorized to be appropriated for the Department of the Treasury for fiscal years 1999, 2000, and 2001 for the enhancement of air coverage and operation for drug source and transit countries in the total amount of $886,500,000 which shall be available for the following purposes:

(1) For procurement of 10 P–3B Early Warning aircraft for the United States Customs Service to enhance overhead air coverage of drug source zone countries.

(2) For the procurement and deployment of 10 P–3B Slick airplanes for the United States Customs Service to enhance overhead air coverage of the drug source zone.

(3) In fiscal years 2000 and 2001, for operation and maintenance of 10 P–3B Early Warning aircraft for the United States Customs Service to enhance overhead air coverage of drug source zone countries.

(4) For personnel for the 10 P–3B Early Warning aircraft for the United States Customs Service to enhance overhead air coverage of drug source zone countries.

(5) In fiscal years 2000 and 2001, for operation and maintenance of 10 P–3B Slick airplanes for the United States Customs Service to enhance overhead coverage of the drug source zone.

(6) For personnel for the 10 P–3B Slick airplanes for the United States Customs Service to enhance overhead air coverage of drug source zone countries.

(7) For construction and furnishing of an additional facility for the P–3B aircraft.

(8) For operation and maintenance for overhead air coverage for source countries.

(9) For operation and maintenance for overhead coverage for the Caribbean and Eastern Pacific regions.

(10) For purchase and for operation and maintenance of 3 RU–38A observation aircraft (to be piloted by pilots under contract with the United States).

(b) REPORT.—Not later than January 31, 1999, the Secretary of Defense, in consultation with the Secretary of State and the Director of Central Intelligence, shall submit to the Committee on National Security, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House of Representatives and to the Committee on Armed Services, the Committee on Foreign Relations, and the Select Committee on Intelligence of the Senate a report examining the options available in the source and transit zones to replace Howard Air Force Base in Panama and specifying the requirements of the United States to establish an airbase or airbases for use in support of counternarcotics operations to optimize operational effectiveness in the source and transit zones. The report shall identify the following:

(1) The specific requirements necessary to support the national drug control policy of the United States.

(2) The estimated construction, operation, and maintenance costs for a replacement counterdrug airbase or airbases in the source and transit zones.

(3) Possible interagency cost sharing arrangements for a replacement airbase or airbases.

(4) Any legal or treaty-related issues regarding the replacement airbase or airbases.

(5) A summary of completed alternative site surveys for the airbase or airbases.

(c) TRANSFER OF AIRCRAFT.—The Secretary of the Navy shall transfer to the United States Customs Service—

(1) ten currently retired and previously identified heavyweight P–3B aircraft for modification into P–3 AEW&C aircraft; and

(2) ten currently retired and previously identified heavyweight P–3B aircraft for modification into P–3 Slick aircraft.

TITLE II—ENHANCED ERADICATION AND INTERDICTION STRATEGY IN SOURCE COUNTRIES

SEC. 201. ADDITIONAL ERADICATION RESOURCES FOR COLOMBIA.

(a) DEPARTMENT OF STATE.—Funds are authorized to be appropriated for the Department of State for fiscal years 1999, 2000, and 2001 for the enhancement of drug-related eradication efforts in Colombia in the total amount of $201,250,000 which shall be available for the following purposes:

(1) For each such fiscal year for sustaining support of the helicopters and fixed wing fleet of the national police of Colombia.

(2) For the purchase of DC–3 transport aircraft for the national police of Colombia.

(3) For acquisition of resources needed for prison security in Colombia.

(4) For the purchase of minigun systems for the national police of Colombia.

(5) For the purchase of 6 UH-60L Black Hawk utility helicopters for the national police of Colombia and for operation, maintenance, and training relating to such helicopters.

(6) For procurement, for upgrade of 50 UH-1H helicopters to the Huey II configuration equipped with miniguns for the use of the national police of Colombia.

(7) For the repair and rebuilding of the antinarcotics base in southern Colombia.

(8) For providing sufficient and adequate base and force security for any rebuilt facility in southern Colombia, and the other forward operating antinarcotics bases of the Colombian National Police antinarcotics unit.

(b) COUNTERNARCOTICS ASSISTANCE.—United States counternarcotics assistance may not be provided for the Government of Colombia under this Act or under any other provision of law on or after the date of enactment of this Act if the Government of Colombia negotiates or permits the establishment of any demilitarized zone in which the eradication of drug production by the security forces of Colombia, including the Colombian National Police antinarcotics unit, is prohibited.

SEC. 202. ADDITIONAL ERADICATION RESOURCES FOR PERU.

(a) DEPARTMENT OF STATE.—Funds are authorized to be appropriated for the Department of State for fiscal years 1999, 2000, and 2001 for the establishment of a third drug interdiction site in Peru to support air bridge and riverine missions for enhancement of drug-related eradication efforts in Peru, in the total amount of $3,000,000, and an additional amount of $1,000,000 for each of fiscal years 2000 and 2001 for operation and maintenance.

(b) DEPARTMENT OF DEFENSE STUDY.—The Secretary of Defense shall conduct a study of Peruvian counternarcotics air interdiction requirements and, not later than 90 days after the date of enactment of this Act, submit to Congress a report on the results of the study. The study shall include a review of the Peruvian Air Force's current and future requirements for counternarcotics air interdiction to complement the Peruvian Air Force's A-37 capability.

SEC. 203. ADDITIONAL ERADICATION RESOURCES FOR BOLIVIA.

Funds are authorized to be appropriated for the Department of State for fiscal years 1999, 2000, and 2001 for enhancement of drug-related eradication efforts in Bolivia in the total amount of $17,000,000 which shall be available for the following purposes:

(1) For support of air operations in Bolivia.

(2) For support of riverine operations in Bolivia.

(3) For support of coca eradication programs.

(4) For procurement of 2 mobile x-ray machines, with operation and maintenance support.

SEC. 204. MISCELLANEOUS ADDITIONAL ERADICATION RESOURCES.

Funds are authorized to be appropriated for the Department of State for fiscal years 1999, 2000, and 2001 for enhanced precursor chemical control projects, in the total amount of $500,000.

SEC. 205. BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS.

(a) SENSE OF CONGRESS RELATING TO PROFESSIONAL QUALIFICATIONS OF OFFICIALS RESPONSIBLE FOR INTERNATIONAL NARCOTICS CONTROL.—It is the sense of Congress that any individual serving in the position of assistant secretary in any department or agency of the Federal Government who has primary responsibility for international narcotics control and law enforcement, and the principal deputy of any such assistant secretary, shall have substantial professional qualifications in the fields of—

(1) management; and

(2) Federal law enforcement or intelligence.

(b) FOREIGN MILITARY SALES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, upon the receipt by the Department of State of a formal letter of request for any foreign military sales counternarcotics-related assistance from the head of any police, military, or other appropriate security agency official, the principle agency responsible for the implementation and processing of the counternarcotics foreign military sales request shall be the Department of Defense.

(2) ROLE OF STATE DEPARTMENT.—The Department of State shall continue to have a consultative role with the Department of Defense in the processing of the request described in paragraph (1), after receipt of the letter of request, for all counternarcotics-related foreign military sales assistance.

(c) SENSE OF CONGRESS RELATING TO DEFICIENCIES IN INTERNATIONAL NARCOTICS ASSISTANCE ACTIVITIES.—It is the sense of Congress that the responsiveness and effectiveness of international narcotics assistance activities under the Department of State have been severely hampered due, in part, to the lack of law enforcement expertise by responsible personnel in the Department of State.

TITLE III—ENHANCED ALTERNATIVE CROP DEVELOPMENT SUPPORT IN SOURCE ZONE

SEC. 301. ALTERNATIVE CROP DEVELOPMENT SUPPORT.

Funds are authorized to be appropriated for the United States Agency for International Development for fiscal years 1999, 2000, and 2001 for alternative development programs in the total amount of $180,000,000 which shall be available as follows:

(1) In the Guaviare, Putumayo, and Caqueta regions in Colombia.

(2) In the Ucayali, Apurimac, and Huallaga Valley regions in Peru.

(3) In the Chapare and Yungas regions in Bolivia.

SEC. 302. AUTHORIZATION OF APPROPRIATIONS FOR AGRICULTURAL RESEARCH SERVICE COUNTERDRUG RESEARCH AND DEVELOPMENT ACTIVITIES.

(a) IN GENERAL.—There is authorized to be appropriated to the Secretary of Agriculture for each of fiscal years 1999, 2000, and 2001, $23,000,000 to support the counternarcotics research efforts of the Agricultural Research Service of the Department of Agriculture. Of that amount, funds are authorized as follows:

(1) $5,000,000 shall be used for crop eradication technologies.

(2) $2,000,000 shall be used for narcotics plant identification, chemistry, and biotechnology.

(3) $1,000,000 shall be used for worldwide crop identification, detection tagging, and production estimation technology.

(4) $5,000,000 shall be used for improving the disease resistance, yield, and economic competitiveness of commercial crops that can be promoted as alternatives to the production of narcotics plants.

(5) $10,000,000 to contract with entities meeting the criteria described in subsection (b) for the product development, environmental testing, registration, production, aerial distribution system development, product effectiveness monitoring, and modification of multiple mycoherbicides to control narcotic crops (including coca, poppy, and cannabis) in the United States and internationally.

(b) CRITERIA FOR ELIGIBLE ENTITIES.—An entity under this subsection is an entity which possesses—

(1) experience in diseases of narcotic crops;

(2) intellectual property involving seed-borne dispersal formulations;

(3) the availability of state-of-the-art containment or quarantine facilities;

(4) country-specific mycoherbicide formulations;

(5) specialized fungicide resistant formulations; or

(6) special security arrangements.

SEC. 303. MASTER PLAN FOR MYCOHERBICIDES TO CONTROL NARCOTIC CROPS.

(a) IN GENERAL.—The Director of the Office of National Drug Control Policy shall develop a 10-year master plan for the use of mycoherbicides to control narcotic crops (including coca, poppy, and cannabis) in the United States and internationally.

(b) COORDINATION.—The Director shall develop the plan in coordination with—

(1) the Department of Agriculture;

(2) the Drug Enforcement Administration of the Department of Justice;

(3) the Department of Defense;

(4) the Environmental Protection Agency;

(5) the Bureau for International Narcotics and Law Enforcement Activities of the Department of State;

(6) the United States Information Agency; and

(7) other appropriate agencies.

(c) REPORT.—Not later than March 1, 1999, the Director of the Office of National Drug Control Policy shall submit to Congress a report describing the activities undertaken to carry out this section.

TITLE IV—ENHANCED INTERNATIONAL LAW ENFORCEMENT TRAINING

SEC. 401. ENHANCED INTERNATIONAL LAW ENFORCEMENT ACADEMY TRAINING.

(a) ENHANCED INTERNATIONAL LAW ENFORCEMENT ACADEMY TRAINING.—Funds are authorized to be appropriated for the Department of Justice for fiscal years 1999, 2000, and 2001 for the establishment and operation of international law enforcement academies to carry out law enforcement training activities in the total amount of $13,400,000 which shall be available for the following purposes:

(1) For the establishment and operation of an academy which shall serve Latin America and the Caribbean.

(2) For the establishment and operation of an academy in Bangkok, Thailand, which shall serve Asia.

(3) For the establishment and operation of an academy in South Africa which shall serve Africa.

(b) MARITIME LAW ENFORCEMENT TRAINING CENTER.—Funds are authorized to be appropriated for the Department of Transportation and the Department of the Treasury for fiscal years 1999, 2000, and 2001 for the joint establishment, operation, and maintenance in San Juan, Puerto Rico, of a center for training law enforcement personnel of countries located in the Latin American and Caribbean regions in matters relating to maritime law enforcement, including customs-related ports management matters, as follows:

(1) For each such fiscal year for funding by the Department of Transportation, $1,500,000.

(2) For each such fiscal year for funding by the Department of the Treasury, $1,500,000.

(c) UNITED STATES COAST GUARD INTERNATIONAL MARITIME TRAINING VESSEL.—Funds are authorized to be appropriated for the Department of Transportation for fiscal years 1999, 2000, and 2001 for the establishment, operation, and maintenance of maritime training vessels in the total amount of $15,000,000 which shall be available for the following purposes:

(1) For a vessel for international maritime training, which shall visit participating Latin American and Caribbean nations on a rotating schedule in order to provide law enforcement training and to perform maintenance on participating national assets.

(2) For support of the United States Coast Guard Balsam Class Buoy Tender training vessel.

SEC. 402. ENHANCED UNITED STATES DRUG ENFORCEMENT INTERNATIONAL TRAINING.

(a) MEXICO.—Funds are authorized to be appropriated for the Department of Justice for fiscal years 1999, 2000, and 2001 for substantial exchanges for Mexican judges, prosecutors, and police, in the total amount of $2,000,000 for each such fiscal year.

(b) BRAZIL.—Funds are authorized to be appropriated for the Department of Justice for fiscal years 1999, 2000, and 2001 for enhanced support for the Brazilian Federal Police Training Center, in the total amount of $1,000,000 for each such fiscal year.

(c) PANAMA.—

(1) IN GENERAL.—Funds are authorized to be appropriated for the Department of Transportation for fiscal years 1999, 2000, and 2001 for operation and maintenance, for locating and operating Coast Guard assets so as to strengthen the capability of the Coast Guard of Panama to patrol the Atlantic and Pacific coasts of Panama for drug enforcement and interdiction activities, in the total amount of $1,000,000 for each such fiscal year.

(2) ELIGIBILITY TO RECEIVE TRAINING.—Notwithstanding any other provision of law, members of the national police of Panama shall be eligible to receive training through the International Military Education Training program.

(d) VENEZUELA.—There are authorized to be appropriated for the Department of Justice for each of fiscal years 1999, 2000, and 2001, $1,000,000 for operation and maintenance, for support for the Venezuelan Judicial Technical Police Counterdrug Intelligence Center.

(e) ECUADOR.—Funds are authorized to be appropriated for the Department of Transportation and the Department of the Treasury for each of fiscal years 1999, 2000, and 2001 for the buildup of local coast guard and port control in Guayaquil and Esmeraldas, Ecuador, as follows:

(1) For each such fiscal year for the Department of Transportation, $500,000.

(2) For each such fiscal year for the Department of the Treasury, $500,000.

(f) HAITI AND THE DOMINICAN REPUBLIC.—Funds are authorized to be appropriated for the Department of the Treasury for each of fiscal years 1999, 2000, and 2001, $500,000 for the buildup of local coast guard and port control in Haiti and the Dominican Republic.

(g) CENTRAL AMERICA.—There are authorized to be appropriated for the Department of the Treasury for each of fiscal years 1999, 2000, and 2001, $12,000,000 for the buildup of local coast guard and port control in Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

SEC. 403. PROVISION OF NONLETHAL EQUIPMENT TO FOREIGN LAW ENFORCEMENT ORGANIZATIONS FOR COOPERATIVE ILLICIT NARCOTICS CONTROL ACTIVITIES.

(a) IN GENERAL.—The Administrator of the Drug Enforcement Administration, in consultation with the Secretary of State, may transfer or lease each year nonlethal equipment, of which each piece of equipment may be valued at not more than $100,000, to foreign law enforcement organizations for the purpose of establishing and carrying out cooperative illicit narcotics control activities.

(b) ADDITIONAL REQUIREMENT.—The Administrator shall provide for the maintenance and repair of any equipment transferred or leased under subsection (a).

(c) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) all United States law enforcement personnel serving in Mexico should be accredited the same status under the Vienna Convention on Diplomatic Immunity as other diplomatic personnel serving at United States posts in Mexico; and

(2) all Mexican narcotics law enforcement personnel serving in the United States should be accorded the same diplomatic status as Drug Enforcement Administration personnel serving in Mexico.

TITLE V—ENHANCED DRUG TRANSIT AND SOURCE ZONE LAW ENFORCEMENT OPERATIONS AND EQUIPMENT

SEC. 501. INCREASED FUNDING FOR OPERATIONS AND EQUIPMENT; REPORT.

(a) DRUG ENFORCEMENT ADMINISTRATION.—Funds are authorized to be appropriated for the Drug Enforcement Administration for fiscal years 1999, 2000, and 2001 for enhancement of counternarcotic operations in drug transit and source countries in the total amount of $58,900,000 which shall be available for the following purposes:

(1) For support of the Merlin program.

(2) For support of the intercept program.

(3) For support of the Narcotics Enforcement Data Retrieval System.

(4) For support of the Caribbean Initiative.

(5) For the hire of special agents, administrative and investigative support personnel, and intelligence analysts for overseas assignments in foreign posts.

(b) DEPARTMENT OF STATE.—Funds are authorized to be appropriated for the Department of State for fiscal year 1999, 2000, and 2001 for the deployment of commercial unclassified intelligence and imaging data and a Passive Coherent Location System for counternarcotics and interdiction purposes in the Western Hemisphere, the total amount of $20,000,000.

(c) DEPARTMENT OF THE TREASURY.—Funds are authorized to be appropriated for the United States Customs Service for fiscal years 1999, 2000, and 2001 for enhancement of counternarcotic operations in drug transit and source countries in the total amount of $71,500,000 which shall be available for the following purposes:

(1) For refurbishment of up to 30 interceptor and Blue Water Platform vessels in the Caribbean maritime fleet.

(2) For purchase of up to 9 new interceptor vessels in the Caribbean maritime fleet.

(3) For the hire and training of up to 25 special agents for maritime operations in the Caribbean.

(4) For purchase of up to 60 automotive vehicles for ground use in South Florida.

(5) For each such fiscal year for operation and maintenance support for up to 10 United States Customs Service Citations Aircraft to be dedicated for the source and transit zone.

(6) For purchase of non-intrusive inspection systems consistent with the United States Customs Service 5-year technology plan, including truck x-rays and gamma-imaging for drug interdiction purposes at high-threat seaports and land border ports of entry.

(d) DEPARTMENT OF DEFENSE REPORT.—Not later than January 31, 1999, the Secretary of Defense, in consultation with the Director of the Office of National Drug Control Policy, shall submit to the Committee on National Security and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Armed Services and the Select Committee on Intelligence of the Senate a report examining and proposing recommendations regarding any organizational changes to optimize counterdrug activities, including alternative cost-sharing arrangements regarding the following facilities:

(1) The Joint Inter-Agency Task Force, East, Key West, Florida.

(2) The Joint Inter-Agency Task Force, West, Alameda, California.

(3) The Joint Inter-Agency Task Force, South, Panama City, Panama.

(4) The Joint Task Force 6, El Paso, Texas.

SEC. 502. FUNDING FOR COMPUTER SOFTWARE AND HARDWARE TO FACILITATE DIRECT COMMUNICATION BETWEEN DRUG ENFORCEMENT AGENCIES.

(a) AUTHORIZATION.—Funds are authorized to be appropriated for the development and purchase of computer software and hardware to facilitate direct communication between agencies that perform work relating to the interdiction of drugs at United States borders, including the United States Customs Service, the Border Patrol, the Federal Bureau of Investigation, the Drug Enforcement Agency, and the Immigration and Naturalization Service, in the total amount of $50,000,000.

(b) AVAILABILITY.—Funds authorized pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

SEC. 503. SENSE OF CONGRESS REGARDING PRIORITY OF DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES.

It is the sense of Congress that the Secretary of Defense should revise the Global Military Force Policy of the Department of Defense in order—

(1) to treat the international drug interdiction and counter-drug activities of the Department as a military operation other than war, thereby elevating the priority given such activities under the Policy to the next priority below the priority given to war under the Policy and to the same priority as is given to peacekeeping operations under the Policy; and

(2) to allocate the assets of the Department to drug interdiction and counter-drug activities in accordance with the priority given those activities.

TITLE VI—RELATIONSHIP TO OTHER LAWS

SEC. 601. AUTHORIZATIONS OF APPROPRIATIONS.

The funds authorized to be appropriated for any department or agency of the Federal Government for fiscal years 1999, 2000, or 2001 by this Act are in addition to funds authorized to be appropriated for that department or agency for fiscal year 1999, 2000, or 2001 by any other provision of law.

TITLE VII—CRIMINAL BACKGROUND CHECKS ON PORT EMPLOYEES

SEC. 701. BACKGROUND CHECKS.

(a) BACKGROUND CHECKS.—Upon the request of any State, county, port authority, or other local jurisdiction of a State, the Attorney General shall grant to such State, county, port authority, or other local jurisdiction access to information collected by the Attorney General pursuant to section 534 of title 28, United States Code, for the purpose of allowing such State, county, port authority, or other local jurisdiction to conduct criminal background checks on employees, or applicants for employment, at any port under the jurisdiction of such State, county, port authority, or other local jurisdiction.

(b) PORT DEFINED.—In this section, the term "port" means any place at which vessels may resort to load or unload cargo.

TITLE VIII—DRUG CURRENCY FORFEITURES

SEC. 801. SHORT TITLE.

This title may be cited as the "Drug Currency Forfeitures Act".

SEC. 802. DRUG CURRENCY FORFEITURES.

(a) IN GENERAL.—Section 511 of the Controlled Substances Act (21 U.S.C. 881) is amended by inserting after subsection (j) the following:

"(k) REBUTTABLE PRESUMPTION.—

"(1) DEFINITIONS.—In this subsection—

"(A) the term 'drug trafficking offense' means—

"(i) with respect to an action under subsection (a)(6), any illegal exchange involving a controlled substance or other violation for which forfeiture is authorized under that subsection; and

"(ii) with respect to an action under section 981(a)(1)(B) of title 18, United States Code, any offense against a foreign nation involving the manufacture, importation, sale, or distribution of a controlled substance for which forfeiture is authorized under that section; and

"(B) the term 'shell corporation' means any corporation that does not conduct any ongoing and significant commercial or manufacturing business or any other form of commercial operation.

"(2) PRESUMPTION.—In any action with respect to the forfeiture of property described in subsection (a)(6) of this section, or section 981(a)(1)(B) of title 18, United States Code, there is a rebuttable presumption that property is subject to forfeiture, if the Government offers a reasonable basis to believe, based on any circumstance described in subparagraph (A), (B), (C), or (D) of paragraph (3), that there is a substantial connection between the property and a drug trafficking offense.

"(3) CIRCUMSTANCES.—The circumstances described in this paragraph are that—

"(A) the property at issue is currency in excess of $10,000 that was, at the time of seizure, being transported through an airport, on a highway, or at a port-of-entry, and—

"(i) the property was packaged or concealed in a highly unusual manner;

"(ii) the person transporting the property (or any portion thereof) provided false information to any law enforcement officer or inspector who lawfully stopped the person for investigative purposes or for purposes of a United States border inspection;

"(iii) the property was found in close proximity to a measurable quantity of any controlled substance; or

"(iv) the property was the subject of a positive alert by a properly trained dog;

"(B) the property at issue was acquired during a period of time when the person who acquired the property was engaged in a drug trafficking offense or within a reasonable time after such period, and there is no likely source for such property other than that offense;

"(C)(i) the property at issue was, or was intended to be, transported, transmitted, or transferred to or from a major drug-transit country, a major illicit drug producing country, or a major money laundering country, as determined pursuant to section 481(e) or 490(h) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(e) and 2291j(h)), as applicable; and

"(ii) the transaction giving rise to the forfeiture—

"(I) occurred in part in a foreign country whose bank secrecy laws render the United States unable to obtain records relating to the transaction by judicial process, treaty, or executive agreement; or

"(II) was conducted by, to, or through a shell corporation that was not engaged in any legitimate business activity in the United States; or

"(D) any person involved in the transaction giving rise to the forfeiture action—

"(i) has been convicted in any Federal, State, or foreign jurisdiction of a drug trafficking offense or a felony involving money laundering; or

"(ii) is a fugitive from prosecution for any offense described in clause (i).

"(4) OTHER PRESUMPTIONS.—The establishment of the presumption in this subsection shall not preclude the development of other judicially created presumptions, or the establishment of probable cause based on criteria other than those set forth in this subsection.".

(b) MONEY LAUNDERING FORFEITURES.—Section 981 of title 18, United States Code, is amended by adding at the end the following:

"(k) REBUTTABLE PRESUMPTION.—In any action with respect to the forfeiture of property described in subsection (a)(1)(A), there is a rebuttable presumption that the property is the proceeds of an offense involving the felonious manufacture, importation, receiving, concealment, buying, selling, or otherwise dealing in a controlled substance (as defined in section 102 of the Controlled Substances Act), and thus constitutes the proceeds of specified unlawful activity (as defined in section 1956(c)), if any circumstance set forth in subparagraph (A), (B), (C), or (D) section 511(k)(3) of the Controlled Substances Act (21 U.S.C. 881(k)(3)) is present.".

Mr. COVERDELL. Mr. President, I am pleased today to join my colleagues from both sides of the aisle in reintroducing the Western Hemisphere Drug Elimination Act of 1998. This legislation authorizes a $3 billion, three year initiative to enhance international drug eradication, interdiction and crop substitution efforts.

The other body has already adopted a companion version of this bill in a 384–39 vote. That level of support reflects, I believe, a growing recognition by members of Congress that our current approach to the drug war is not working. While treatment and education and other demand reduction activities are vital to an overall drug strategy, you do not win a war by only treating the wounded. A balanced strategy is essential and we have in recent years neglected the interdiction and international components of our counterdrug efforts.

The result has been a flood of drugs into our streets and schools and neighborhoods and disturbing increases in drug use.

On August 21, 1998, the National Household Survey on Drug Abuse, conducted by the Substance Abuse & Mental Health Administration, was released. That report indicates that in 1997, 13.9 million Americans 12-and-over cited themselves as "current users" of illicit drugs—a 7-percent increase from 1996. Current illicit drug use among our nation's youth continues to increase at an alarming rate. From 1992–1997, youth aged 12 to 17 using illegal drugs has more than doubled (120 percent)—with a 27 percent increase from 1996–1997 alone.

On September 1, 1998, the Back to School 1998: CASA Teen Survey, conducted by the National Center on Addiction & Substance Abuse at Columbia University, was released. A majority (51 percent) of high school students say the drug problem is getting worse. For the fourth straight year, both middle and high school students say that drugs are their biggest concern. More than three-quarters of high school teens report that drugs are used, sold and kept at their schools—an increase from 72 percent in 1996 to 78 percent in 1998.

This newly drafted version of the Western Hemisphere Drug Elimination Act reflects testimony heard at the joint hearing of the Senate Foreign Relations Committee and the Senate Caucus on International Narcotics Control held on September 15. General Barry McCaffrey, Director of the Office of National Drug Control Policy, as well as officials from the Departments of State and Defense, the Drug Enforcement Administration, the U.S. Customs Service and the United States Coast Guard testified. The committees also heard from experts of the General Accounting Office and the Institute for Defense Analysis.

General McCaffrey in particular asked for greater flexibility in the provisions of the bill and we have granted that request. Our legislation still authorizes new aircraft, cutters, and "go-fast" boats for the Coast Guard and Customs Service. But we give these agencies the flexibility to prioritize from a menu of option and determine for themselves which are the greatest needs.

The bill supports increased eradication and interdiction efforts in Bolivia, Colombia, Peru, and Mexico, as well as assistance for alternative crop development support in the Andean region. But again, we have tailored its provisions to give the State Department needed flexibility in determining priorities and adjusting to changing conditions.

The bill also provides for development of international law enforcement training and improvements in drug transit and source zone law enforcement operations and equipment.

Mr. President, the Western Hemisphere Drug Elimination Act of 1998 is a bipartisan effort to restore a balanced drug strategy. I urge all Senators to support it.

Mr. D'AMATO. Mr. President, I am pleased to join with my colleagues as original co-sponsor of the revised Western Hemisphere Drug Elimination Act of 1998. This bill reflects a balanced approach in curbing the flow of narcotics over our borders; to stop the drugs before they arrive in the United States.

Illegal drug use by our children and youth is taking an enormous toll on families and communities all over the country. A study released by the National Institute on Drug Abuse found that cocaine and marijuana use among high school seniors has increased 80 percent since 1992. Even more alarming is that heroin use among twelfth graders doubled.

The effects of drugs are astounding. It is estimated that drug-related illness, death and crime cost the United States approximately $67 billion a year. That is $1,000 for every man, woman and child in America. The resources we spend to combat drugs could have been used for so many other valuable social and economic development programs. That is why, after decades of trying to combat the scourge of drugs, we must finally put a stop to it.

New York State is no stranger to the plight created by illegal drugs. Last year, almost 40 percent of the heroin seized at our international borders was seized in the New York metropolitan area. This disproportionate amount of drugs destined for New York communities underscores my intention to do what is necessary to end the flow of drugs into our country.

An effective counter-narcotics control strategy should be balanced and coordinated—including interdiction, prevention and law enforcement. But a disturbing trend has emerged. Since 1987, the percentage of the national drug control budget earmarked for interdiction and international efforts has decreased from 33 percent to just 12 percent. That is a trend we intend to reverse with this bill.

This is an opportunity to make a commitment to substantially reducing drug availability in the United States. In this spirit, the sponsors of this bill have consulted with the Office of National Drug Control Policy to improve on certain aspects of this legislation. But one thing won't change. This bill will provide the necessary resources, $2.6 billion over three years, to increase our interdiction efforts. We can all agree on one thing—we have to stop the drugs before they reach our communities. And it's important to mention that the House of Representatives overwhelmingly approved a similar bill.

The Western Hemisphere Drug Elimination Act of 1998 reaches that goal by providing a comprehensive eradication, interdiction and crop substitution strategy. This initiative will make supply reduction a priority again—guaranteeing valuable equipment for our law enforcement including speed boats at least as fast as those belonging to the drug lords. Our radars and early warning aircraft will be improved so that they will detect the small and elusive drug planes that smuggle tons of narcotics destined for out streets. This initiative will restore balance to the drug control strategy and make significant inroads toward keeping drugs from reaching our neighborhoods, and more importantly, our children.

This initiative recognizes that drug availability can be decreased by operating against every level of the drug process—from the growing fields to the clandestine laboratories to the trafficking. By continuing to work with reputable law enforcement in narcotic source and transit countries, we may be able to eradicate drugs at their origin.

The importance of this legislation cannot be underestimated. Everyday, our men and women of law enforcement, at the Federal, State and local levels, make great sacrifices as they face the heavy burden of fighting the drug war. They protect the citizens of this country and we should respond by providing them with all the tools they need to get the job done. These people have committed themselves to eliminating illegal drugs from our streets. Now we must demonstrate to them that we will support them in their struggle—a struggle they carry on to protect us.

I commend the sponsors of this bill for working toward an agreement on this bill and I urge my colleagues to support its enactment.

Mr. BREAUX. Mr. President, I rise today in support of S. 2341, the Western Hemisphere Drug Elimination Act, introduced by Senator DEWINE, myself and 29 of our distinguished colleagues.

Research shows that increased Federal, State and local efforts are needed to enforce the already existing laws, as well as to pass proactive legislation to deal with ever changing trends in substance abuse. Unfortunately, there is compelling evidence that over the past decade the changing trends indicate that drug use has increased, particularly among young people. My colleagues and I believe that the growth in drug use has some connection to the decline in resources dedicated to drug interdiction efforts outside our borders over this period. While previous budgets have appropriately devoted resources to demand and domestic law enforcement programs, evidence also shows that there must be a returned focus on interdiction and eradication programs. I have continued to support a continued Federal commitment to demand reduction and law enforcement programs since ultimately these activities drive the drug trade in the United States. However, we can not reverse the disturbing increases in drug use unless we also dedicate more funds to drug interdiction and restore a more balanced drug control strategy.

Mr. President, I believe that this $2.6 billion over 3 years initiative to enhance international eradication, interdiction and crop substitution efforts targets the threat to the United States caused by drug lords. Furthermore, by addressing the very highlights of the bill and appropriating the necessary monies, drug lords and drug traffickers will be more clearly targeted. While this bill is very detailed, let me mention a few of the highlights:

It would improve our aircraft, maritime and radar coverage of both drug-source and drug-transit countries;

It would enhance drug-eradication and interdiction efforts in source countries;

It would enhance the development of alternative crops in drug-source countries; It would support international law enforcement training;

It would enhance law enforcement interdiction operations.

Mr. President, all too often, the drug smugglers have the upper hand with state-of-the-art boats and aircraft. I might add the United States specifically lacks adequate surface assets and is using aircraft with 1990 technology. I believe that this bill will help turn the tide in the war on drugs by equipping the Coast Guard, Customs, DEA, DOD and other law enforcement agencies with the latest in proven technology.

Mr. President, I want my colleagues to take note of the fact that an identical bill H.R.4300 has already been passed in the House of Representatives by a vote of 384–39. I urge my colleagues to support the Western Hemisphere Drug Elimination Act and make it far more difficult for drug lords to bring drugs to our Nation. I believe that increasing funds for eradication and interdiction efforts will make a difference.

By Mr. HATCH:

S. 2524. A bill to cofidy without substantive change laws related to Patriotic and National Observances, Ceremonies, and Organizations and to improve the United States Code; to the Committee on the Judiciary.

U.S. CODE REVISIONS

Mr. HATCH. Mr. President, I rise to introduce today a bill to amend title 36 of the U.S. Code, to codify certain laws related to patriotic and national organizations that were enacted after the cut-off date for the title 36 codification recently enacted by Public Law 105–225. The bill makes technical corrections in title 36 and repeals obsolete and unnecessary provisions.

ADDITIONAL COSPONSORS

S. 614

At the request of Mr. BREAUX, the name of the Senator from Michigan

(Mr. ABRAHAM) was added as a cosponsor of S. 614, a bill to amend the Internal Revenue Code of 1986 to provide flexibility in the use of unused volume cap for tax-exempt bonds, to provide a $20,000,000 limit on small issue bonds, and for other purposes.

S. 1021

At the request of Mr. HAGEL, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1021, a bill to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes.

S. 1464

At the request of Mr. HATCH, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1464, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes.

S. 1707

At the request of Ms. MIKULSKI, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 1707, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for improved safety of imported foods.

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2046

At the request of Mr. ASHCROFT, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 2046, a bill to ensure that Federal, State and local governments consider all nongovernmental organizations on an equal basis when choosing such organizations to provide assistance under certain government programs, without impairing the religious character of any of the organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such programs, and for other purposes.

S. 2176

At the request of Mr. LEAHY, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2176, a bill to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the "Vacancies Act"), to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes.

S. 2196

At the request of Mr. GORTON, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2196, a bill to amend the Public Health Service Act to provide for establishment at the National Heart, Lung, and Blood Institute of a program regarding lifesaving interventions for individuals who experience cardiac arrest, and for other purposes.

S. 2217

At the request of Mr. FRIST, the names of the Senator from Pennsylvania (Mr. SANTORUM) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2233

At the request of Mr. CONRAD, the names of the Senator from Utah (Mr. BENNETT), the Senator from Pennsylvania (Mr. SANTORUM), and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2263

At the request of Mr. GORTON, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 2263, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the National Institutes of Health with respect to research on autism.

S. 2296

At the request of Mr. MACK, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2296, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 2358

At the request of Mr. ROCKEFELLER, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2358, a bill to provide for the establishment of a service-connection for illnesses associated with service in the Persian Gulf War, to extend and enhance certain health care authorities relating to such service, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Louisiana (Ms. LANDRIEU), and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2392

At the request of Mr. BENNETT, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 2392, a bill to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000.

At the request of Mr. BINGAMAN, his name was added as a cosponsor of S. 2392, supra.

At the request of Mr. LEAHY, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 2392, supra.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from South Carolina (Mr. THURMOND) and the Senator from Utah (Mr. BENNETT) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the names of the Senator from Vermont (Mr. JEFFORDS), the Senator from Maine (Ms. COLLINS), the Senator from Oklahoma (Mr. NICKLES), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Alaska (Mr. STEVENS), the Senator from Oklahoma (Mr. INHOFE), the Senator from Kentucky (Mr. MCCONNELL), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Virginia (Mr. WARNER), the Senator from Missouri (Mr. ASHCROFT), the Senator from Idaho (Mr. CRAIG), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. BENNETT), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Kansas (Mr. BROWNBACK) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 274

At the request of Mr. FORD, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of Senate Resolution 274, a resolution to express the sense of the Senate that the Louisville Festival of Faiths should be commended and should serve as model for similar festivals in other communities throughout the United States.

SENATE RESOLUTION 278

At the request of Mr. HATCH, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Resolution 278, a resolution designating the 30th day of April of 1999, as "Dia de los Ninos: Celebrating Young Americans," and for other purposes.

AMENDMENTS SUBMITTED

INTERNET TAX FREEDOM ACT

ABRAHAM AMENDMENT NO. 3665

(Ordered to lie on the table.)

Mr. ABRAHAM submitted an amendment intended to be proposed by him to the bill (S. 442) to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes, as follows:

At the appropriate place, insert the following:

TITLE II—GOVERNMENT PAPERWORK ELIMINATION ACT

SEC. 201. SHORT TITLE.

This title may be cited as the "Government Paperwork Elimination Act".

SEC. 202. STUDIES ON USE OF ELECTRONIC SIGNATURES TO ENHANCE ELECTRONIC COMMERCE.

The Secretary shall conduct an ongoing study of the enhancement of electronic commerce and the impact on individual privacy due to the use of electronic signatures pursuant to this title, and shall report findings to the Commerce Committee of the House and to the Commerce, Science, and Transportation Committee of the Senate not later than 18 months after the date of enactment of this title.

SEC. 203. ELECTRONIC AVAILABILITY OF FORMS.

(a) NEW FORMS, QUESTIONNAIRES AND SURVEYS.—The head of an agency or operating unit shall provide for the availability to the affected public in electronic form for downloading or printing through the Internet or other suitable medium of any agency form, questionnaire, or survey created after the date of enactment of this title that is to be submitted to the agency by more than 1,000 non-government persons or entities per year, except where the head of the agency or operating unit determines by a finding that providing for such availability would be impracticable or otherwise unreasonable.

(b) ALL FORMS, QUESTIONNAIRES, AND SURVEYS.—As soon as practicable, but not later than 18 months after the date of enactment of this title, each Federal agency shall make all of its forms, questionnaires, and surveys that are expected to be submitted to such agency by more than 1,000 non-government persons or entities per year available to the affected public for downloading or printing through the Internet or other suitable electronic medium. This requirement shall not apply where the head of an agency or operating unit determines that providing such availability for particular form, questionnaire or survey documents would be impracticable or otherwise unreasonable.

(c) APPLICABILITY OF SECTION.—The requirements of this section shall not apply to surveys that are both distributed and collected one-time only or that are provided directly to all respondents by the agency.

(d) AVAILABILITY.—Forms subject to this section shall be available for electronic submission (with an electronic signature when necessary) under the provisions of section 208, and shall be available for electronic storage by employers as described in section 207.

(e) PAPER FORMS TO BE AVAILABLE.—Each agency and operating unit shall continue to make forms, questionnaires, and surveys available in paper form.

SEC. 204. PAYMENTS.

In conjunction with the process required by section 208—

(1) where they deem such action appropriate and practicable, and subject to standards or guidance of the Department of the Treasury concerning Federal payments or collections, agencies shall seek to develop or otherwise provide means whereby persons submitting documents electronically are accorded the option of making any payments associated therewith by electronic means.

(2) payments associated with forms, applications, or similar documents submitted electronically, other than amounts relating to additional costs associated with the electronic submission such as charges imposed by merchants in connection with credit card transactions, shall be no greater than the payments associated with the corresponding printed version of such documents.

SEC. 205. USE OF ELECTRONIC SIGNATURES BY FEDERAL AGENCIES.

(a) AGENCY EMPLOYEES TO RECEIVE ELECTRONIC SIGNATURES.—The head of each agency shall issue guidelines for determining how and which employees in each respective agency shall be permitted to use electronic signatures within the scope of their employment.

(b) AVAILABILITY OF ELECTRONIC NOTICE.—An agency may provide a person entitled to receive written notice of a particular matter with the opportunity to receive electronic notice instead.

(c) PROCEDURES FOR ACCEPTANCE OF ELECTRONIC SIGNATURES.—The Director, in consultation with the Secretary, shall coordinate agency actions to comply with the provisions of this title and shall develop guidelines concerning agency use and acceptance of electronic signatures, and such use and acceptance shall be supported by the issuance of such guidelines as may be necessary or appropriate by the Secretary.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) Under the procedures referred to in subsection (a), an electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the title, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 206. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to the title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 207. EMPLOYER ELECTRONIC STORAGE OF FORMS.

If an employer is required by any Federal law or regulation to collect or store, or to file with a Federal agency forms containing information pertaining to employees, such employer may, after 18 months after enactment of this title, store such forms electronically unless the relevant agency determines by regulation that storage of a particular form in an electronic format is inconsistent with the efficient secure or proper administration of an agency program. Such forms shall also be accepted in electronic form by agencies as provided by section 208.

SEC. 208. IMPLEMENTATION BY AGENCIES.

(a) IMPLEMENTATION.—Consistent with the Privacy Act of 1974 (5 U.S.C. 552a) and after consultation with the Attorney General, and subject to applicable laws and regulations pertaining to the Department of the Treasury concerning Federal payments and collections and the National Archives and Records Administration concerning the proper maintenance and preservation of agency records, Federal agencies shall, not later than 18 months after the enactment of this title, establish and implement policies and procedures under which they will use and authorize the use of electronic technologies in the transmittal of forms, applications, and similar documents or records, and where appropriate, for the creation and transmission of such documents or records and their storage for their required retention period.

(b) ESTABLISHMENT OF A TIMELINE FOR IMPLEMENTATION.—Within 18 months after the date of enactment of this title, Federal agencies shall establish timelines for the implementation of the requirements of subsection (a).

(c) GENERAL ACCOUNTING OFFICE REPORT.—The Comptroller General shall report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Commerce 21 months after the date of enactment of this title on the proposed implementation policies and timelines described in subsections (a) and (b).

(d) IMPLEMENTATION DEADLINE.—Except where an agency makes a written finding that electronic filing of a form is either technically infeasible, economically unreasonable, or may compromise national security, all Federal forms must be made available for electronic submission within 60 months after the date of enactment of this title.

SEC. 209. SENSE OF THE CONGRESS.

Because there is no meaningful difference between contracts executed in the electronic world and contracts executed in the analog world, it is the sense of the Congress that such contracts should be treated similarly under Federal law. It is further the sense of the Congress that such contracts should be treated similarly under State law.

SEC. 210. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 211. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 212. DEFINITIONS.

For purposes of this title:

(1) SECRETARY.—The term "Secretary" means the Secretary of Commerce.

(2) AGENCY.—The term "agency" means executive agency, as that term is defined in section 105 of title 5, United States Code.

(3) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(4) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(5) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

FEDERAL VACANCIES REFORM ACT OF 1998

THOMPSON AMENDMENT NO. 3666

(Ordered to lie on the table.)

Mr. THOMPSON submitted an amendment intended to be proposed by him to amendment No. 3656 submitted by Mr. GLENN to the bill (S. 2176) to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the "Vacancies Act") to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes; as follows:

In the matter proposed to be inserted strike "General Schedule." and insert "General Schedule; and

"(C) is not a limited term appointee, limited emergency appointee, or noncareer appointee (as such terms are defined under section 3132(a), (5), (6), and (7)), or an appointee to a position of a confidential or policy-determining character under schedule C of part 213 of title 5, Code of Federal Regulations.".

DURBIN AMENDMENTS NOS. 3667–3668

(Ordered to lie on the table.)

Mr. DURBIN submitted two amendments intended to be proposed by him to the bill, S. 2176, supra; as follows:

AMENDMENT NO. 3667

At the appropriate place, add the following:

"§ 3349d. Nominations reported to Senate

"Any nomination submitted to the Senate that is pending before a committee of the Senate for more than 150 calendar days, shall on the day following such 150th calendar day be discharged from such committee, placed on the Senate executive calendar, and be deemed as reported favorably by such committee.".

AMENDMENT NO. 3668

At the appropriate place, add the following:

"§ 3349d. Consideration of nomination in Senate

"(a) Any nomination remaining on the Senate executive calendar for 150 calendar days shall be considered for a vote by the Senate in executive session within the next 5 calendar days following such 150th day in which the Senate is in session.

"(b) The Senate may waive subsection (a) by unanimous consent.".

YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

HATCH (AND OTHERS) AMENDMENT NO. 3669

Mr. ROBERTS (for Mr. HATCH for himself, Mr. LEAHY, and Mr. KYL) proposed an amendment to the bill (S. 2392) to encourage the disclosure and exchange of information about computer processing problems and related matters in connection with the transition to the Year 2000; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Year 2000 Information and Readiness Disclosure Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1)(A) At least thousands but possibly millions of information technology computer systems, software programs, and semiconductors are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process those dates.

(B) The problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, government, and safety and defense systems, in the United States and throughout the world.

(C) Reprogramming or replacing affected systems before the problem incapacitates essential systems is a matter of national and global interest.

(2) The prompt, candid, and thorough disclosure and exchange of information related to year 2000 readiness of entities, products, and services—

(A) would greatly enhance the ability of public and private entities to improve their year 2000 readiness; and

(B) is therefore a matter of national importance and a vital factor in minimizing any potential year 2000 related disruption to the Nation's economic well-being and security.

(3) Concern about the potential for legal liability associated with the disclosure and exchange of year 2000 readiness information is impeding the disclosure and exchange of such information.

(4) The capability to freely disseminate and exchange information relating to year 2000 readiness, solutions, test practices and test results, with the public and other entities without undue concern about litigation is critical to the ability of public and private entities to address year 2000 needs in a timely manner.

(5) The national interest will be served by uniform legal standards in connection with the disclosure and exchange of year 2000 readiness information that will promote disclosures and exchanges of such information in a timely fashion.

(b) PURPOSES.—Based upon the powers contained in article I, section 8, clause 3 of the Constitution of the United States, the purposes of this Act are—

(1) to promote the free disclosure and exchange of information related to year 2000 readiness;

(2) to assist consumers, small businesses, and local governments in effectively and rapidly responding to year 2000 problems; and

(3) to lessen burdens on interstate commerce by establishing certain uniform legal principles in connection with the disclosure and exchange of information related to year 2000 readiness.

SEC. 3. DEFINITIONS.

In this Act:

(1) ANTITRUST LAWS.—The term "antitrust laws"—

(A) has the meaning given to it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition; and

(B) includes any State law similar to the laws referred to in subparagraph (A).

(2) CONSUMER.—The term "consumer" means an individual who acquires a consumer product for purposes other than resale.

(3) CONSUMER PRODUCT.—The term "consumer product" means any personal property or service which is normally used for personal, family, or household purposes.

(4) COVERED ACTION.—The term "covered action" means civil action of any kind, whether arising under Federal or State law, except for an action brought by a Federal, State, or other public entity, agency, or authority acting in a regulatory, supervisory, or enforcement capacity.

(5) MAKER.—The term "maker" means each person or entity, including the United States or a State or political subdivision thereof, that—

(A) issues or publishes any year 2000 statement;

(B) develops or prepares any year 2000 statement; or

(C) assists in, contributes to, or reviews, reports or comments on during, or approves, or otherwise takes part in the preparing, developing, issuing, approving, or publishing of any year 2000 statement.

(6) REPUBLICATION.—The term "republication" means any repetition, in whole or in part, of a year 2000 statement originally made by another.

(7) YEAR 2000 INTERNET WEBSITE.—The term "year 2000 Internet website" means an Internet website or other similar electronically accessible service, clearly designated on the website or service by the person or entity

creating or controlling the content of the website or service as an area where year 2000 statements concerning that person or entity are posted or otherwise made accessible to the general public.

(8) YEAR 2000 PROCESSING.—The term "year 2000 processing" means the processing (including calculating, comparing, sequencing, displaying, or storing), transmitting, or receiving of date data from, into, and between the 20th and 21st centuries, and during the years 1999 and 2000, and leap year calculations.

(9) YEAR 2000 READINESS DISCLOSURE.—The term "year 2000 readiness disclosure" means any written year 2000 statement—

(A) clearly identified on its face as a year 2000 readiness disclosure;

(B) inscribed on a tangible medium or stored in an electronic or other medium and retrievable in perceivable form; and

(C) issued or published by or with the approval of a person or entity with respect to year 2000 processing of that person or entity or of products or services offered by that person or entity.

(10) YEAR 2000 REMEDIATION PRODUCT OR SERVICE.—The term "year 2000 remediation product or service" means a software program or service licensed, sold, or rendered by a person or entity and specifically designed to detect or correct year 2000 processing problems with respect to systems, products, or services manufactured or rendered by another person or entity.

(11) YEAR 2000 STATEMENT.—

(A) IN GENERAL.—The term "year 2000 statement" means any communication or other conveyance of information by a party to another or to the public, in any form or medium—

(i) concerning an assessment, projection, or estimate concerning year 2000 processing capabilities of an entity, product, service, or set of products and services;

(ii) concerning plans, objectives, or timetables for implementing or verifying the year 2000 processing capabilities of an entity, product, service, or set of products and services;

(iii) concerning test plans, test dates, test results, or operational problems or solutions related to year 2000 processing by—

(I) products; or

(II) services that incorporate or utilize products; or

(iv) reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.

(B) NOT INCLUDED.—For the purposes of any action brought under the securities laws, as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), the term year 2000 statement does not include statements contained in any documents or materials filed with the Securities and Exchange Commission, or with Federal banking regulators, pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 781(i)), or disclosures or writing that when made accompanied the solicitation of an offer or sale of securities.

SEC. 4. PROTECTION FOR YEAR 2000 STATEMENTS.

(a) EVIDENCE EXCLUSION.—No year 2000 readiness disclosure, in whole or in part, shall be admissible against the maker of that disclosure to prove the accuracy or truth of any year 2000 statement set forth in that disclosure, in any covered action brought by another party except that—

(1) a year 2000 readiness disclosure may be admissible to serve as the basis for a claim for anticipatory breach, or repudiation of a contract, or a similar claim against the maker, to the extent provided by applicable law; and

(2) the court in any covered action shall have discretion to limit application of this subsection in any case in which the court determines that the maker's use of the year 2000 readiness disclosure amounts to bad faith or fraud, or is otherwise beyond what is reasonable to achieve the purposes of this Act.

(b) FALSE, MISLEADING AND INACCURATE YEAR 2000 STATEMENTS.—Except as provided in subsection (c), in any covered action, to the extent that such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable under Federal or State law with respect to that year 2000 statement unless the claimant establishes, in addition to all other requisite elements of the applicable action, by clear and convincing evidence, that—

(1) the year 2000 statement was material; and

(2)(A) to the extent the year 2000 statement was not a republication, that the maker made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) with a reckless disregard as to the accuracy of the year 2000 statement; or

(B) to the extent the year 2000 statement was a republication that the maker of the republication made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) without notice in that year 2000 statement that—

(I) the maker has not verified the contents of the republication; or

(II) the maker is not the source of the republication and the republication is based on information supplied by another person or entity identified in that year 2000 statement or republication.

(c) DEFAMATION OR SIMILAR CLAIMS.—In a covered action arising under any Federal or State law of defamation, trade disparagement, or a similar claim, to the extent such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable with respect to that year 2000 statement, unless the claimant establishes by clear and convincing evidence, in addition to all other requisite elements of the applicable action, that the year 2000 statement was made with knowledge that the year 2000 statement was false or made with reckless disregard as to its truth or falsity.

(d) YEAR 2000 INTERNET WEBSITE.—

(1) IN GENERAL.—Except as provided in paragraph (2), in any covered action, other than a covered action involving personal injury or serious physical damage to property, in which the adequacy of notice about year 2000 processing is at issue, the posting, in a commercially reasonable manner and for a commercially reasonable duration, of a notice by the entity charged with giving such notice on the year 2000 Internet website of that entity shall be deemed an adequate mechanism for providing that notice.

(2) EXCEPTION.—Paragraph (1) shall not apply if the court finds that the use of the mechanism of notice—

(A) is contrary to express prior representations regarding the mechanism of notice made by the party giving notice;

(B) is materially inconsistent with the regular course of dealing between the parties; or

(C) occurs where there have been no prior representations regarding the mechanism of notice, no regular course of dealing exists between the parties, and actual notice is clearly the most commercially reasonable means of providing notice.

(3) CONSTRUCTION.—Nothing in this subsection shall—

(A) alter or amend any Federal or State statute or regulation requiring that notice about year 2000 processing be provided using a different mechanism;

(B) create a duty to provide notice about year 2000 processing;

(C) preclude or suggest the use of any other medium for notice about year 2000 processing or require the use of an Internet website; or

(D) mandate the content or timing of any notices about year 2000 processing.

(e) LIMITATION ON EFFECT OF YEAR 2000 STATEMENTS.—

(1) IN GENERAL.—In any covered action, a year 2000 statement shall not be interpreted or construed as an amendment to or alteration of a contract or warranty, whether entered into by or approved for a public or private entity.

(2) NOT APPLICABLE.—

(A) IN GENERAL.—This subsection shall not apply—

(i) to the extent the party whose year 2000 statement is alleged to have amended or altered a contract or warranty has otherwise agreed in writing to so alter or amend the contract or warranty;

(ii) to a year 2000 statement made in conjunction with the formation of the contract or warranty; or

(iii) if the contract or warranty specifically provides for its amendment or alteration through the making of a year 2000 statement.

(B) RULE OF CONSTRUCTION.—Nothing in this subsection shall affect applicable Federal or State law in effect as of the date of enactment of this Act with respect to determining the extent to which a year 2000 statement affects a contract or warranty.

(f) SPECIAL DATA GATHERING.—

(1) IN GENERAL.—A Federal entity, agency, or authority may expressly designate a request for the voluntary provision of information relating to year 2000 processing, including year 2000 statements, as a special year 2000 data gathering request made pursuant to this subsection.

(2) SPECIFICS.—A special year 2000 data gathering request made under this subsection shall specify a Federal entity, agency, or authority, or, with its consent, another public or private entity, agency, or authority, to gather responses to the request.

(3) PROTECTIONS.—Except with the express consent or permission of the provider of information described in paragraph (1), any year 2000 statements or other such other information provided by a party in response to a special year 2000 data gathering request made under this subsection—

(A) shall be exempt from disclosure under subsection (b)(4) of section 552 of title 5, United States Code, commonly known as the "Freedom of Information Act";

(B) shall not be disclosed to any third party; and

(C) may not be used by any Federal entity, agency, or authority or by any third party, directly or indirectly, in any civil action arising under any Federal or State law.

(4) EXCEPTIONS.—

(A) INFORMATION OBTAINED ELSEWHERE.—Nothing in this subsection shall preclude a

Federal entity, agency, or authority, or any third party, from separately obtaining the information submitted in response to a request under this subsection through the use of independent legal authorities, and using such separately obtained information in any action.

(B) VOLUNTARY DISCLOSURE.—A restriction on use or disclosure of information under this subsection shall not apply to any information disclosed to the public with the express consent of the party responding to a special year 2000 data gathering request or disclosed by such party separately from a response to a special year 2000 data gathering request.

SEC. 5. TEMPORARY ANTITRUST EXEMPTION.

(a) EXEMPTION.—Except as provided in subsection (b), the antitrust laws shall not apply to conduct engaged in, including making and implementing an agreement, solely for the purpose of and limited to—

(1) facilitating responses intended to correct or avoid a failure of year 2000 processing in a computer system, in a component of a computer system, in a computer program or software, or services utilizing any such system, component, program, or hardware; or

(2) communicating or disclosing information to help correct or avoid the effects of year 2000 processing failure

(b) APPLICABILITY.—Subsection (a) shall apply only to conduct that occurs, or an agreement that is made and implemented, after the date of enactment of this Act and before July 14, 2001.

(c) EXCEPTION TO EXEMPTION.—Subsection (a) shall not apply with respect to conduct that involves or results in an agreement to boycott any person, to allocate a market or fix prices or output.

(d) RULE OF CONSTRUCTION.—The exemption granted by this section shall be construed narrowly.

SEC. 6. EXCLUSIONS.

(a) EFFECT ON INFORMATION DISCLOSURE.—This Act does not affect, abrogate, amend, or alter the authority of a Federal or State entity, agency, or authority to enforce a requirement to provide or disclose, or not to provide or disclose, information under a Federal or State statute or regulation or to enforce such statute or regulation.

(b) CONTRACTS AND OTHER CLAIMS.—

(1) IN GENERAL.—Except as may be otherwise provided in subsections (a) and (e) of section 4, this Act does not affect, abrogate, amend, or alter any right established by contract or tariff between any person or entity, whether entered into by a public or private person or entity, under any Federal or State law.

(2) OTHER CLAIMS.—

(A) IN GENERAL.—In any covered action brought by a consumer, this Act does not apply to a year 2000 statement expressly made in a solicitation, including an advertisement or offer to sell, to that consumer by a seller, manufacturer, or provider of a consumer product.

(B) SPECIFIC NOTICE REQUIRED.—In any covered action, this Act shall not apply to a year 2000 statement, concerning a year 2000 remediation product or service, expressly made in an offer to sell or in a solicitation (including an advertisement) by a seller, manufacturer, or provider, of that product or service unless, during the course of the offer or solicitation, the party making the offer or solicitation provides the following notice in accordance with section 4(d):

"Statements made to you in the course of this sale are subject to the Year 2000 Information and Readiness Disclosure Act (___ U.S.C. ___). In the case of a dispute, this Act may reduce your legal rights regarding the use of any such statements, unless otherwise specified by your contract or tariff.".

(3) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to preclude any claims that are not based exclusively on year 2000 statements.

(c) DUTY OR STANDARD OF CARE.—

(1) IN GENERAL.—This Act shall not impose upon the maker of any year 2000 statement any more stringent obligation, duty, or standard of care than is otherwise applicable under any other Federal law or State law.

(2) ADDITIONAL DISCLOSURE.—This Act does not preclude any party from making or providing any additional disclosure, disclaimer, or similar provisions in connection with any year 2000 readiness disclosure or year 2000 statement.

(3) DUTY OF CARE.—This Act shall not be deemed to alter any standard or duty of care owed by a fiduciary, as defined or determined by applicable Federal or State law.

(d) INTELLECTUAL PROPERTY RIGHTS.—This Act does not affect, abrogate, amend, or alter any right in a patent, copyright, semiconductor mask work, trade secret, trade name, trademark, or service mark, under any Federal or State law.

(e) INJUNCTIVE RELIEF.—Nothing in this Act shall be deemed to preclude a claimant from seeking injunctive relief with respect to a year 2000 statement.

SEC. 7. APPLICABILITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, this Act shall become effective on the date of enactment of this Act.

(2) APPLICATION TO LAWSUITS PENDING.—This Act shall not affect or apply to any lawsuit pending on July 14, 1998.

(3) APPLICATION TO STATEMENTS AND DISCLOSURES.—Except as provided in subsection (b)—

(A) this Act shall apply to any year 2000 statement made beginning on July 14, 1998 and ending on July 14, 2001; and

(B) this Act shall apply to any year 2000 readiness disclosure made beginning on the date of enactment of this Act and ending on July 14, 2001.

(b) PREVIOUSLY MADE READINESS DISCLOSURE.—

(1) IN GENERAL.—For the purposes of section 4(a), a person or entity that issued or published a year 2000 statement after January 1, 1996, and before the date of enactment of this Act, may designate that year 2000 statement as a year 2000 readiness disclosure if—

(A) the year 2000 statement complied with the requirements of section 3(9) when made, other than being clearly designated on its face as a disclosure; and

(B) within 45 days after the date of enactment of this Act, the person or entity seeking the designation—

(i) provides individual notice that meets the requirements of paragraph (2) to all recipients of the applicable year 2000 statement; or

(ii) prominently posts notice that meets the requirements of paragraph (2) on its year 2000 Internet website, commencing prior to the end of the 45-day period under this subparagraph and extending for a minimum of 45 consecutive days and also by using the same method of notification used to originally provide the applicable year 2000 statement.

(2) REQUIREMENTS.—A notice under paragraph (1)(B) shall—

(A) state that the year 2000 statement that is the subject of the notice is being designated a year 2000 readiness disclosure; and

(B) include a copy of the year 2000 statement with a legend labeling the statement as a "Year 2000 Readiness Disclosure".

(c) EXCEPTION.—No designation of a year 2000 statement as a year 2000 readiness disclosure under subsection (b) shall apply with respect to any person or entity that—

(1) proves, by clear and convincing evidence, that it relied on the year 2000 statement prior to the receipt of notice described above and it would be prejudiced by the retroactive designation of the year 2000 statement as a year 2000 readiness disclosure; and

(2) provides to the person or entity seeking the designation a written notice objecting to the designation within 45 days after receipt of individual notice under subsection (b)(1)(B)(i), or within 180 days after the date of enactment of this Act, in the case of notice provided under subsection (b)(1)(B)(ii).

SEC. 8. NATIONAL INFORMATION CLEARINGHOUSE AND WEBSITE.

(a) NATIONAL WEBSITE.—

(1) IN GENERAL.—The Administrator of General Services shall create and maintain until July 14, 2002, a national year 2000 website, and promote its availability, designed to assist consumers, small business, and local governments in obtaining information from other governmental websites, hotlines, or information clearinghouses about year 2000 Processing of computers, systems, products and services, including websites maintained by independent agencies and other departments.

(2) CONSULTATION.—In creating the national year 2000 website, the Administrator of General Services shall consult with—

(A) the Director of the Office of Management and Budget;

(B) the Administrator of the Small Business Administration;

(C) the Consumer Product Safety Commission;

(D) officials of State and local governments;

(E) the Director of the National Institute of Standards and Technology;

(F) representatives of consumer and industry groups; and

(G) representatives of other entities, as determined appropriate.

(b) REPORT.—The Administrator of General Services shall submit a report to the Committees on the Judiciary of the Senate and the House of Representatives and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives not later than 60 days after the date of enactment of this Act regarding planning to comply with the requirements of this section.

THOMPSON AMENDMENT NO. 3670

Mr. ROBERTS (for Mr. THOMPSON) proposed an amendment to amendment No. 3669 proposed by Mr. HATCH to the bill, S. 2392, supra; as follows:

Redesignate section 8 as section 9 and insert the following after section 8:

SEC. 8. YEAR 2000 COUNCIL WORKING GROUPS.

(1) WORKING GROUPS.—The President's Year 2000 Council) referred to in this section as the "Council") may establish and terminate working groups composed of Federal employees who will engage outside organizations in discussions to address the year 2000 problems identified in section 2(a)(1) to share information related to year 2000 readiness, and otherwise to serve the purposes of this Act.

(2) List of Groups.—The Council shall maintain and make available to the public a printed and electronic list of the working groups, the members of each working group, and a point of contact, together with an address, telephone number, and electronic mail address for the point of contact, for each working group created under this section.

(3) Balance.—The Council shall seek to achieve a balance of participation and representation among the working groups.

(4) Attendance.—The Council shall maintain and make available to the public a printed and electronic list of working group members who attend each meeting of a working group as well as any other individuals or organizations participating in each meeting.

(5) Meetings.—Each meeting of a working group shall be announced in advance in accordance with procedures established by the Council. The Council shall encourage working groups to hold meetings open to the public to the extent feasible and consistent with the activities of the Council and the purposes of this Act.

(b) FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the working groups established under this section.

(c) Private Right of Action.—This section creates no private right of action to sue for enforcement of the provisions of this section.

(d) Expiration.—The authority conferred by this section shall expire on December 31, 2000.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, September 30, 1998, at 9:15 a.m. to conduct a markup, on S. 1870, to amend the Indian Gaming Regulatory Act; H.R. 1805, Auburn Indian Restoration Act; and S. 2097, to encourage and facilitate the resolution of conflicts involving Indian tribes. To be followed immediately by a hearing on S. 2010, to provide for business development and trade promotion for Native Americans. The hearing will be held in room 485 of the Russell Senate Office Building.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that S. 2513, a bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; S. 2413, a bill to provide for the development of a management plan for the Woodland Lake Park tract in Apache-Sitgreaves National Forest in the State of Arizona reflecting the current use of the tract as a public park; and S. 2402, a bill to direct the Secretary of Agriculture to convey certain lands in San Juan County, New Mexico, to San Juan College has been added to the agenda of the Subcommittee on Forests and Public Land Management hearing on the Forest Service cabin fees which is scheduled for Thursday, October 1 at 2:30 p.m. in SD–366 of the Dirksen Senate Office Building.

For further information, please call Amie Brown or Bill Lange at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON RULES AND ADMINISTRATION

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Monday, September 28, 1998, at 5:30 p.m. to mark up S. 2288, the Wendell H. Ford Government Publications Reform Act of 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the Courts, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Monday, September 28, 1998, at 1 p.m. to hold a hearing in room 226, Senate Dirksen Building, on: "Administrative Oversight of Financial Control Failures at the Department of Defense."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DEDICATION OF A WORLD WAR II MEMORIAL HONORING THE POW/MIAS OF WHITE COUNTY, TENNESSEE

• Mr. FRIST. Mr. President, on Sunday, September 20th, I traveled to Sparta, TN, to deliver remarks at the dedication of a memorial honoring the brave Americans from White County, Tennessee who were prisoners of war or missing in action during World War II. I ask that my remarks be printed in the Record.

Dedication of a World War II Memorial Honoring the POW/MIAS of White County, Tennessee

It is an honor and a special privilege for me to participate in the dedication of this memorial to the World War II POWs and MIAs of White County. To each and every one of them—those who died, and those we are blessed to still have with us—we owe an unending debt of love, respect, and gratitude for the sacrifice they made, the pain they suffered, and the trauma they endured to ensure that the flame of freedom would never be extinguished.

Their wounds, and the wounds of their families, are ones that do not close easily with the passage of time. Rather, they abide as long as even one missing American remains unaccounted for. And so, we must not only remember, but re-dedicate ourselves to the accounting of every last American serviceman from Korea, and Viet Nam and, yes, even World War II, for America can never move forward by leaving even one missing son behind.

Many of you here today were their comrades-in-arms—in Italy and France; in Germany and Japan. You fought the same battles. You flew the same missions. You sacrificed for the same noble cause. All of you were different. You came from different states and different backgrounds, but you shared one thing in common: you loved America; you were willing to die for freedom.

And so, to you also, we offer our love, our thanks, and our promise that we will never forget not only those who died and those who returned, but those who fate is still unknown.

And we promise to remember something more: We promise to remember that peace is a fragile thing; that strength is the only way to avoid war; and that freedom is always just one generation away from extinction.

If we remember those things, no future American generation will be required, as you were, to place themselves in harm's way to secure for their posterity the benefits and blessings of freedom.

Before I close, I'd like to mention one last thing, and that's my thanks to the American Legion who has stood steadfast and determined in the fight to account for every American from every war who is still a prisoner or missing in action.

I thank them for that, and all the other sponsors of today's ceremony. May this marker we dedicate today, forever guard the memory of those who are gone; salute the courage of those who returned, and stand like a beacon of hope for every American whose homecoming we still await.

God bless you, and God bless the United States of America.•

THE MAMMOGRAPHY QUALITY STANDARDS REAUTHORIZATION ACT

• Ms. MIKULSKI. Mr. President, I rise today to celebrate the Senate passage of the Mammography Quality Standards Reauthorization Act (MQSA). It is timely and appropriate that the Senate took action on this important legislation in time for Breast Cancer Awareness Month in October and on the eve of the march against cancer right here in Washington. The bill that the Senate passed reauthorizes the original legislation which passed in 1992 with bipartisan support.

What MQSA does is require that all facilities that provide mammograms meet key safety and quality-assurance standards in the area of personnel, equipment, and operating procedures. Before the law passed, tests were misread, women were misdiagnosed, and people died as a result of sloppy work. Since 1992, MQSA has been successful in raising the quality of mammography services that women receive.

What are these national, uniform quality standards for mammography? Well, facilities are required to use equipment designed specifically for mammography. Only radiological technologists can perform mammography.

Only qualified doctors can interpret the results of mammography. Facilities must establish a quality assurance and control program to ensure reliability, clarity and accurate interpretation of mammograms. Facilities must be inspected annually by qualified inspectors. Finally, facilities must be accredited by an accrediting body approved by the Secretary of Health and Human Services.

This current reauthorization makes some improvements to the current law. It ensures that women will receive direct written notification of their mammogram results. MQSA already requires written notification of mammography results to self-referred women. Now this provision will apply to all women. Women won't assume that "no news is good news" when this isn't always the case. They will know what their results are, so that they can get any follow up care they need. The Agency for Health Care Policy Research has cited studies that show that direct communication with patients, which is in addition to written communication to health care providers, dramatically increases compliance with follow up recommendations. Women are entitled to know the results of their exams. This new provision will ensure that women are informed and active participants in their health care decisions.

This legislation also allows the Secretary of Health and Human Services to establish a demonstration program for less than annual inspections for facilities that have excellent track records. This program will not be implemented before April 1, 2001, which is almost two years after the final regulations implementing MQSA go into effect. The facilities that participate in this program will continue to be inspected to ensure that they continue to comply with MQSA standards. A strong inspection program under MQSA is extremely important to assure the public that quality standards are being met. In a 1997 GAO report which evaluated the MQSA inspection program, GAO praised the program. I am very interested in the results of this demonstration. This demonstration program will provide us with an important opportunity to see if less than annual inspections are just as effective in making high-quality facilities comply with MQSA. It should allow the FDA to focus more of its attention on ensuring compliance with MQSA standards by facilities where problems have been identified in the past. The best way to protect the public health is for the FDA to focus its resources on the problem facilities.

This bill also contains a few minor changes to the law to ensure that: patients and referring physicians be advised of any mammography facility deficiency; women are guaranteed the right to obtain an original of their mammogram; physicians who review facility images on behalf of accreditation bodies are highly qualified and subject to high ethical standards; and both state and local government agencies are permitted to have inspection authority.

I like MQSA because it has saved lives. The front line against breast cancer is mammography. We know that early detection saves lives. But a mammogram is worse than useless if it produces a poor-quality image or is misinterpreted. The first rule of all medical treatment is: Above all things, do no harm. And a bad mammogram can do real harm by leading a woman and her doctor to believe that nothing is wrong when something is. The result can be unnecessary suffering or even a death that could have been prevented. That is why this legislation is so important. And that is why I am so pleased that this law is being reauthorized, so that we don't go back to the old days when women's lives were in jeopardy.

I want to make sure that women's health needs are met comprehensively. It is expected that 178,700 new cases of breast cancer will be diagnosed and about 43,900 women will die from the disease in 1998. This makes breast cancer the most common cancer among women. And only lung cancer causes more deaths in women.

We must aggressively pursue prevention in our war on breast cancer. I pledge to fight for new attitudes and to find new ways to end the needless pain and death that too many American women face. This bill is an important step in that direction.

As the 105th Congress comes to a close, we can look back on some great bipartisan victories and other great bipartisan frustrations. But one area Republicans and Democrats have always worked together on is women's health. I am proud of this bill's broad bipartisan support. I want to take this opportunity to thank all 56 cosponsors of my MQSA bill here in the Senate for their support. I also want to recognize Congresswoman NANCY JOHNSON and Delegate ELEANOR HOLMES NORTON as the original sponsors of the House MQSA bill. I applaud the Democrats and Republicans of the House Commerce Committee, especially Congressmen BLILEY, DINGELL, BILIRAKIS, and BROWN for their leadership on MQSA. A special thanks also goes to Senator JEFFORDS for working with me to make reauthorization of MQSA a reality. As Dean of the Democratic Women, I want to also thank the Dean of the Republican Women, KAY BAILEY HUTCHINSON, for always reaching out to work together on the issues that matter most to American women and their families. MQSA is a shining example of what the U.S. Congress can accomplish when both Republicans and Democrats work together for the good of the American people.•

MR. OKTOBERFEST

• Mr. INHOFE. Mr. President, while I was the mayor of Tulsa, we started an Oktoberfest to benefit the "River Parks" which is an area around the Arkansas River for jogging, cycling or walking. Tulsa Oktoberfest is known as one of the best in world and a large reason for that is due to Josef Peter Hardt, whom I dubbed "Mr. Oktoberfest."

Born in Oberhausen (Rhineland) Germany, Josef emigrated to Ithaca, New York in 1951 and moved to Tulsa in 1955. His professional career was in broadcasting, retiring as the manager of commercial productions of Channel 2 in 1993. His civic career consisted of work in the Theater Tulsa, television and film production, one founders of Tulsa's Oktoberfest, an active member of the German American Society Arts Association and German American Society Building Corporation in Tulsa.

Because of his active involvement in the German American Society, he was awarded the Bundesverdienstkreuz (Distinguished Service Cross) by the Counsel General for the Federal Republic of Germany, on the tenth anniversary of the German American Society of Tulsa. During that occasion, the Honorable Peter Maier-Oswald noted that "Joe Hardt has always worked for his old country and his new country to promote relations between the two."

Our first Oktoberfest consisted of a small tent on the banks of the Arkansas River in 1979 and now draws over 200,000 people over a four day period. Since the beginning, Josef, has held various jobs but perhaps the one for which he will be remembered most is that of MC. As this is the last year of his active involvement in Tulsa's Oktoberfest, I wanted to take this opportunity to commemorate his leadership and faithful service to his community. We will miss seeing and hearing him as the MC, but he will always be Mr. Oktoberfest in my book.•

TRIBUTE TO JOSEPH R. HAROLD

• Mr. KERRY. Mr. President, I rise today to pay tribute to a special individual, one whom the people of Massachusetts are proud to call one of our own.

On Sunday, September 27th, 1998, elected officials, friends, family and the communities of Quincy and Dorchester will join to recognize the contributions of Mr. Joseph Harold by celebrating the designation of the Joseph R. Harold, Sr. MBTA Old Colony Rail Bridge. This important structure will bridge these two communities in much the same way Joseph Harold did in his life.

Service to community and nation can define one's life, and such is the case with Mr. Harold. After graduating from Boston English High School, he served in the U.S. Infantry under General

George Patton. His service with that historic leader earned him a Bronze Star for bravery in an assault on the Siegfried Line, a Battlefield Commission to Second Lieutenant, and three Battle Stars.

His commitment to those that served in the military would remain throughout his life, demonstrated by his 43 year service as the State Adjutant for the Disabled American Veterans. For those decades, Mr. Harold was a principled advocate for any man or woman who had served, logging thousands of hours on behalf of countless individuals. The depth of his conviction will allow his impact on national veterans issues to reach far into the future.

Mr. Harold's death in 1994 was an unfortunate loss for the state of Massachusetts, but his career of advocacy and compassion serves as an inspiration to all citizens. This is demonstrated by the fund established in his honor at the Quincy Historical Society in June of 1997. This fund will collect, preserve and display military items of historical significance for the city, and that is a fitting tribute to a man who did so much for the communities he loved.

I am proud to join with his sons, former State Senator Paul Harold and William Harold, his seven grandchildren, and the communities of Dorchester and Quincy in honoring Joseph Harold.•

TRIBUTE TO SUMMIT DESIGN AND MANUFACTURING

• Mr. BURNS. Mr. President, I rise today to pay tribute to one of Montana's newest and brightest stars. Summit Design and Manufacturing, a Montana-based company located in Helena, Montana, recently took a giant leap on the stepping stones of success.

It is both an honor and a great pleasure to announce that Summit Design and Manufacturing was recently awarded the "Outstanding Team Player Award" by Lockheed Martin for work they have performed on the F–22 fighter aircraft. This award is given to only 5 Lockheed Martin suppliers selected from a pool of around 4,500 suppliers program wide. Even more impressive is that Summit's selection is the first time this type of supplier has received such an award.

Since their start-up in June 1997, Summit has grown from four employees to 15 and now boasts deliveries for the F–22 program at approximately $2 million is sales for the past 12 months. In less than a year, this company has become one of Montana's technological advantages over the rest of the nation.

Besides performing design and manufacturing work on the F–22 in Montana, other involvement with Lockheed Martin has included producing parts and tools for the X–33 Spacecraft, Joint Strike Fighter and the C–130J aircraft programs.

I often say that folks in Montana are very special people and I commend Tom Hottman and Summit Design and Manufacturing for their perseverance and commitment in today's small business society.•

MINIMUM WAGE

• Mr. ABRAHAM. Mr. President, I rise today to clarify my position on the minimum wage vote that took place last week. In 1996, I voted to increase the minimum wage by a total of 90 cents. I did this with the understanding that the minimum wage has not been increased since 1989. As many are aware, the last increment of the 1996 increase went into effect on September 1, 1997. Senator KENNEDY is now proposing to increase the minimum wage by another dollar one year after the last increase took effect. Mr. President, I believe this is simply too soon because the current U.S. economic situation is unstable. Given the wild fluctuations in financial markets, continued economic stagnation in Asia, and job losses in our manufacturing sector, imposing additional costs on the private sector—particularly the small business sector—is very risky at this time.

I also have concerns about the effect that increasing the minimum wage has on low-skilled workers. Studies that examine the effect of the 1996 wage increase only heighten my concern. For instance, a recent review of data from the Bureau of Labor Statistics concludes that the October 1, 1996, 50-cent minimum wage hike led to 128,000 lost jobs among teen workers and up to 380,000 lost jobs overall. According to a study done by the Employment Policies Institute, the employment rate of teenagers declined by 0.14 percent after the increase. The decline in employment for black teenage males was even worse—1.0 percent.

Minimum wage jobs provide workers with valuable on-the-job training. A full 60 percent of today's workforce cites a minimum wage job as their first work experience. As we begin to move people from welfare to work, it will become increasingly important that they have positions available to them to gain this experience. Mr. President, I do not believe that this is the time to put the availability of low-skilled jobs at risk.

Finally, Mr. President, this amendment was offered to the Consumer Bankruptcy Reform Act. I believe this legislation contained important reforms that needed to be passed this year. The Consumer Bankruptcy Reform Act of 1998 received bipartisan support and passed out of the Judiciary Committee by a 16–2 vote. I was concerned that adding this amendment would stop the underlying bill from passing this Congress.

For all of the above mentioned reason, I chose to vote to table the minimum wage increase amendment at this time.•

RECOGNIZING CINDY GEORGER

• Mr. CRAIG. Mr. President, I rise to speak about an outstanding individual from the State of Idaho who is deserving of not only our praise, but our wholehearted respect. In the turmoil of daily life, it is easy to get so caught up in our own affairs that we forget those less fortunate around us. Cindy Georger is not one of those people. She has unselfishly dedicated her time and energy to one of the most important battles raging in our Nation today—the fight against illiteracy. Although this struggle continues even during our high-tech entry into the 21st century, small battles are being won every day by people like Cindy.

Mrs. Georger, a Boise resident, has volunteered at "Learning Lab, Inc." since 1994. This is a nonprofit organization providing literacy programs in three sectors: Adult Basic Skills, English as a Second Language, and Family Literacy. She has assisted with children ages 3 to 5 who have at least one functionally illiterate parent.

In volunteering with these children, Mrs. Georger is serving two equally important purposes. She is both tutoring children—undoubtedly one of the noblest of causes—and inspiring the parents of those children. By helping the parents, she is not only promoting literacy, but also family values, by encouraging them to take the time to sit down and read with their children. What a gift to give to a child—what a gift to give to a family.

In a Nation facing an unparalleled struggle to maintain family values, and plagued with reports of the American family as increasingly apathetic, it is easy to get disheartened, but through people like Cindy Georger it is possible to look to the future with hope—hope for a time when people care about others, when family returns to the top of everyone's agenda, and when every American knows how to read.

I would like to thank Cindy Georger for her time, dedication, and efforts to promote and teach literacy. Her services, and the services of volunteers like Cindy throughout Idaho and the Nation, are the instruments through which the battle of illiteracy can and will be won.•

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ROBERTS. I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: Calendar Nos. 726, 728, 730, 731, 732, 788, 789, 790, 796, and No. 853. I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations appear at this point in the RECORD, and the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Steven Robert Mann, of Pennsylvania, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Turkmenistan.

Elizabeth Davenport McKune, of Virginia, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

Melissa Foelsch Wells, of Connecticut, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Estonia.

Richard E. Hecklinger, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Thailand.

Theodore H. Kattouf, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the United Arab Emirates.

THE JUDICIARY

Carl J. Barbier, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Gerald Bruce Lee, of Virginia, to be United States District Judge for the Eastern District of Virginia.

Patricia A. Seitz, of Florida, to be United States District Judge for the Southern District of Florida.

William B. Traxler, Jr., of South Carolina, to be United States Circuit Judge for the Fourth Circuit.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Robert M. Walker, of Tennessee, to be Deputy Director of the Federal Emergency Management Agency.

MONTREAL PROTOCOL NO. 4—TREATY DOCUMENT NO. 95-2(B)

Mr. ROBERTS. Mr. President, I ask unanimous consent that the Senate proceed to consider the following treaty on today's Executive Calendar, No. 22. I further ask unanimous consent that the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification; all committee provisos, reservations, understandings, declarations, be considered agreed to; that any statements be inserted in the CONGRESSIONAL RECORD as if read; and I further ask consent that when the resolution of ratification is voted upon, the motion to reconsider be laid upon the table, the President be notified of the Senate's action, and, following the disposition of the treaty, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. I ask for a division vote on the resolution of the ratification.

The PRESIDING OFFICER. A division is requested. Senators in favor of the ratification will rise and stand until counted.

All those opposed to ratification, please rise and stand until counted.

On a divisions, two-thirds of the Senators present and having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification is as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Montreal Protocol No. 4 to Amend the Convention for the Unification of Certain Rules Relating to International Carriage by Air, signed at Warsaw on October 12, 1929, as amended by the Protocol done at The Hague on September 8, 1955 (hereinafter Montreal Protocol No. 4) (Executive B, 95th Congress, 1st Session), subject to the declaration of subsection (a), and the provisos of subsection (b).

(a) DECLARATION.—The Senate's advice and consent is subject to the following declaration:

(1) TREATY INTERPRETATION.—The Senate affirms the applicability to all treaties of the constitutionally based principles of treaty interpretation set forth in Condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988, and Condition (8) of the resolution of ratification of the Document Agreed Among the States Parties of the Treaty on Conventional Armed Forces in Europe, approved by the Senate on May 14, 1997.

(b) PROVISOS.—The resolution of ratification is subject to the following provisos:

(1) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes legislation or other action by the United States of America that is prohibited by the Constitution of the United States as interpreted by the United States.

(2) RETURN OF PROTOCOL NO. 3 TO THE PRESIDENT.—Upon submission of this resolution of ratification to the President of the United States, the Secretary of the Senate is directed to return to the President of the United States the Additional Protocol No. 3 to Amend the Convention for the Unification of Certain Rules relating to International Carriage by Air, signed at Warsaw on October 12, 1929, as amended by the Protocols done at The Hague, on September 28, 1955, and at Guatemala City, March 8, 1971 (Executive B, 95th Congress).

Mr. BIDEN. Mr. President, I am pleased to support Montreal Protocol No. 4, which will simplify the rules for cargo and baggage liability in international air traffic. It is important for the Senate to act now, because Protocol No. 4 has already entered into force. Consequently, U.S. carriers and cargo companies are unable to take advantage of these simplified rules, at a significant economic cost. U.S. industry estimates that Protocol No. 4 will save them $1 billion annually.

The treaty has been pending in the Senate for over 20 years. It failed to gain support not because it is controversial, but because it has been the victim of misfortune—having been paired, in its submission to the Senate, with Montreal Protocol No. 3, a treaty placing unreasonably low limits on personal liability in international air traffic. I oppose Protocol No. 3, because I believe strongly that limits on personal liability contained in the treaty are an anachronism. Such limits may have been warranted when the underlying Warsaw Convention was drafted in 1929, a time when the airline industry was in its infancy. Now, however, when international air carriers are large corporations with significant financial resources—and thus fully capable of purchasing adequate insurance—there is no justification for such limits.

For the past two decades, the aviation industry and the Executive Branch unsuccessfully sought ratification of Protocol No. 3 and No. 4. Only once did the Protocols reach the full Senate floor. In 1983, the Senate voted 50-42 to approve them, far short of the two-thirds necessary for advice and consent to ratification.

Recognizing that Protocol No. 3 cannot be approved by the Senate, the industry and the Executive have effectively abandoned the effort, and have requested the Senate to proceed with consideration of Protocol No. 4. The resolution of ratification of Protocol No. 4 will bring a formal end to the misguided effort to approve No. 3: the resolution directs the Secretary of the Senate to return Protocol No. 3 to the President.

More importantly, the industry, acting through its association, the International Air Transport Association, has taken steps to waive these personal liability limits. Consequently, most of the leading air carriers have agreed in their contracts with passengers to waive all personal liability limits, and agreed to strict liability up to 100,000 Special Drawing Rights, or about $130,000.

These are positive developments, and I commend the airlines for taking these steps. Although not all carriers have waived the liability limits, all of the major U.S. carriers have, as have many of the leading foreign carriers which fly to the United States. I urge the Department of Transportation to make every effort to ensure that all carriers involved in international air traffic which fly within or to or from the United States do so as soon as possible.

I hope that these measures, which are based on contract, not on any domestic law or international treaty, will eventually be codified in a new international instrument—an instrument that would firmly establish international norms and provide certainty for carriers and passengers alike. Negotiations toward that end are ongoing under the auspices of the International Civil Aviation Organization (ICAO).

One sticking point in these negotiations has been the question of a "fifth jurisdiction." Under the current Warsaw Convention, a suit may be brought in any one of four places: the place of incorporation of the carrier, the carrier's principal place of business, the place where the ticket was sold, and the place of the ultimate destination of the passenger. Notably missing from this list is the place where the passenger lives, or, in legal terms, his "domicile." As a practical matter, most Americans will be able to sue in U.S. court under the existing four jurisdictions; but there will be cases in which a passenger buys a ticket overseas on a foreign carrier—which would probably preclude that passenger from bringing a suit in a U.S. court.

The Clinton administration is pressing for inclusion of the fifth jurisdiction in any new international instrument. I commend the Administration for taking this position. Including a fifth jurisdiction should be considered an essential element of any new international agreement on passenger liability.

At this point, I would like to call the attention of my colleagues and the Executive Branch to a speech delivered earlier this year by Lee Kreindler regarding these negotiations. Mr. Kreindler, an aviation attorney with over four decades of experience, has provided a helpful guide to the current legal situation in this area and to the ICAO negotiations.

I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. BIDEN. Mr. President, Montreal Protocol No. 4 is a useful step in modernizing the rules of cargo and baggage in international air traffic. I urge my colleagues to support it.

EXHIBIT 1

CLOUDS ON THE LIABILITY HORIZON AND WHAT WE CAN DO ABOUT THEM

(By Lee S. Kreindler)

I am honored to appear on this symposium, the second straight year in which I have been on your program. After all, as a plaintiff's laywer, I have spent much of the last forty five years bringing legal actions against IATA's members, the international airlines. More important than that, perhaps, I have spent most of that time being highly critical of IATA's role in promoting the Warsaw Convention and its progeny, and in defending and preserving a limit of liability that to me, and all of my clients, has been abhorrent.

Now I find myself applauding your monumental efforts, and, particularly the monumental efforts of your distinguished general counsel, Lorne Clark, to put an end to limits of liability in personal injury and death cases. I find that, after all these years, we are in synchronization, pulling together to create a system that will protect the interests of your member carriers' customers, the flying public, and their families, and at the same time preserve the interests of your airline members. To me this is an uplifting and energizing experience.

I want IATA's efforts to establish a fair and enforceable system of liability in international air law, as well as my own efforts, to succeed. I have nothing but praise for IATA's courage in leading its member airlines to waive the liability limits of the Warsaw Convention. The IATA Agreement was long and hard in coming, but it was a remarkable achievement given the political and economic realities of the world. You deserve enormous credit for bringing it about. I say that, as your long time adversary, without condition or qualification. You have done a wonderful job, for which the flying public owes you thanks.

I think it would be a great mistake, however, to revel in the glory of accomplishment, and ignore problems and threats which could very well bring this brave new dream crashing down. And so my concern now, as a friend, is that the new system, because of its inherent weaknesses, may fail. Indeed, I see clouds on the horizon, and I want to address them with you while there is still time to deal with them, so that, together, we can build a strong and lasting structure that can and will withstand the storms that are sure to come.

Problems With the IATA–ATA Agreements and the Resulting System—A Foundation Based on Contract

The basic law in international airline liability is still provided by the Warsaw Convention, which was effectively modified in 1966, with respect to transportation involving the United States, to increase the passenger injury and death limitation to $75,000. Onto this convention there have now been engrafted three agreements, the IATA Intercarrier Agreement (IIA), the Agreement on Measures to Implement the IATA Intercarrier Agreement (MIA), and the ATA Intercarrier Agreement, also known as Provisions Implementing the IATA Intercarrier Agreement (IPA), applicable, at least, to those carriers which have signed the agreements.

Each of the three agreements, IIA, MIA, and IPA is a private contractual agreement sponsored by either IATA or ATA and signed by individual airlines. Some of these agreements, by some of the signatory airlines, have been incorporated in tariffs, which have been filed with the U.S. Department of Transportation. This does not, however, turn them into "law." They are still private contracts which, by virtue of the tariffs, are incorporated in the airline's conditions of contract.

In the first of these agreements, IIA, the signatory airlines agreed to "take action" to waive the limitation of liability on recoverable compensatory damages, which, since the Montreal Agreement of 1966 has effectively been $75,000 per passenger on a substantial part of international airline travel, including all transportation involving the United States.

In the MIA the signatory carriers agree to implement the IIA by incorporating various provisions in their contracts of carriage and tariffs where necessary. Under the most important provision the carrier agrees that it will not invoke the limitation of liability in Article 22 (1) of the Convention as to any claim of recoverable compensatory damages under Article 17. In order words, each carrier waives the Warsaw limit.

The second provision each carrier agrees to in MIA is to not avail itself of any defense under Article 20 (1) of the Convention with respect to claims up to 100,000 SDRs. Article 20 (1), sometimes called the exculpatory clause, provides that the carrier can exculpate itself from liability completely if it can show it took all necessary measures to avoid the damage. Thus, in agreeing to waive this defense up to 100,000 SDRs each carrier has subjected itself to absolute or strict liability up to that amount. In not making this waiver above 100,000 SDRs the carrier has accepted the burden of proving the taking of all necessary measures. Proving that is a virtual impossibility in all cases except terrorist cases, other situations entirely caused by a third party, and possibly clear air turbulence cases.

Thus while this provision may not have substantial practical significance the principle of the carrier having the burden of proof regarding its absence of fault has become a precedent which may affect the formulation of a new convention or protocol.

Rights of Recourse, Including Indemnity and Contribution

The MIA goes on to provide that the signatory airline "reserves all defenses available under the Convention to any such claim." And it adds that "With respect to third parties, the carrier also reserves all rights of recourse . . . including rights of contribution and indemnity."

It may be well and good for the signatory airlines to reserve all rights of recourse against a manufacturer, for example, in a contract between itself and other airline, but there is real doubt that this can have any legal and binding effect without the consent of such third party and possibly without the consent of the passenger himself. The fact that this reservation of rights is a creature of private contract, rather than law or legal judgments, is, in my opinion, a fatal flaw in the system in terms of legal enforceability.

An impleaded third party, such as a manufacturer, or its insurer, will be free to claim that the airline, or its insurer, which made a payment pursuant to IIA, was a "volunteer", and was a collateral source whose payment may not be created to damages owed the passenger or his estate by the manufacturer.

It is my understanding that George Tompkins and Lorne Clark have requested the manufacturers to provide a statement of policy that they will not assert a "volunteer" defense in the event that an airline settles a claim in excess of the applicable limit of liability in any suit for contribution or indemnity, and it is my further understanding that the request is being favorably considered.

However, in my opinion, the problem can't definitively be cured by consent of the third party defendant. Under this system the airline can offer to pay unlimited damages, and it may try to insist that a passenger or passenger's family execute a general release, releasing third parties, but the passenger does not have to accept that. The passenger can sue the airline under the IIA and MIA, as a third party beneficiary, and can maintain a wholly independent action against a negligent manufacturer or air traffic control facility. In other words there is the theoretical possibility here of double recoveries. The passenger can recover on his case against the airline, which is based on the IIA and MIA contracts and then take the position, on his case against the manufacturer, or other third party, that the airline was collateral source for which the manufacturer may not get a credit. For the recourse provisions of IIA, MIA, and IPA to be meaningful the payment of damages by the airline would have to be the result of *law* and not private contract.

This problem of recourse runs through all three of these agreements, and, in my opinion, can be solved only by a new convention or protocol, establishing a legal basis for the payment of unlimited damages by an airline.

That is not the only problem presented by IIA agreements.

Domicile, "Subject To Applicable Law"

IIA states as an objective "that recoverable compensatory damages may be determined and awarded by reference to the law of the domicile of the passenger."

When one examines the MIA, however, it provides that at the option of the carrier it may include a provision in its conditions of carriage and tariffs that, "subject to applicable law", recoverable compensatory damages . . . may be determined by reference to the law of the domicile or permanent residence of the passenger."

In the IPA there is no option provision. It simply states that "subject to applicable law, recoverable compensatory damages * * * may be determined by reference to the law of the domicile or permanent residence of the passenger."

Thus the intent of the drafters, as shown by the language of the three agreements, would appear to have been to apply the law of the passenger's domicile or permanent residence. In actual fact, however, there was no such uniform agreement to apply the law of domicile, and the language can best be explained by the political, or negotiating constraints if any agreement at all was to be achieved.

Briefly stated, the United States carriers, with the prodding of the U.S. Department of Transportation, insisted on language applying the law of domicile. To European carriers, however, their law did not apply law of domicile. Generally there courts would apply the law of the place of the accident or the law of the forum. Thus in the face of the language in IIA, pointing to law of domicile, they insisted on language making it clear that would only be at the option of the airline.

The U.S. carriers, on the other hand, all signed the IPA, and thereby accepted law of the passenger's domicile on cases against them.

The agreements may not do that, however, because the language, "subject to applicable law" may dictate some other law!

Let's assume, for example, a case brought under the IPA in which the deceased passenger was domiciled in Pennsylvania, which has relatively liberal death damages law. Let's say the airplane crashed into the high seas. When the case is brought in the United States will the Death on the High Seas Act be applied, or the law of Pennsylvania?

In the first instance the decision will be up to the airline, or, more likely, the airline's insurer. Let's suppose the airline, faithful to the text of the IIA agreements, makes an offer under Pennsylvania law standards. But let's assume the passenger, or the lawyer for the estate of the passenger, rejects the offer as being insufficient. The matter would then go to court. In court the passenger (or the estate's) lawyer, asserts that the law of Pennsylvania will govern damages, pointing to the IIA Agreements.

What position does the airline take in court? And what position will the court take? After all the Death on the High Seas Act is a United States statute.

As for the carrier, one might hope it would feel morally bound to accept the law of the domicile of the passenger, but history suggests that economics will determine its position, or, more precisely, its insurer's position.

Let's take a similar case under the IPA, where the airplane has crashed over land, as in the Pan Am 103 Lockerbie bombing. Let's assume the action is started in Florida, as, indeed, a significant number of Lockerbie cases were. In those Lockerbie cases the court, stating that it was applying Florida choice of law rules, applied the law of the place of the accident, Scotland.

What will the situation be under the Intercarrier Agreements including the IPA? Will the carrier, and the court, enforce the law of the passenger's domicile, or will they apply the law of the place of accident?

Again, history suggests that the parties are likely to be motivated by economics.

In short, the words, "subject to applicable law" are likely to introduce conflict and uncertainty in many cases brought under the IPA. I would respectfully suggest that those words be removed from the IPA Agreement, and that it simply provide that the law of the passenger's domicile will be applied.

Successive Carriage

Another problem arises by virtue of Article 30 (1) and (2) of the Warsaw Convention which deal with the liability of successive carriers. Article 30 (2) states: "(2) . . . the passenger or his representative can take action only against the carrier who performed the transportation during which the accident or delay occurred. . . ."

It may turn out, of course, that all carriers sign and adhere to the Intercarrier Agreement, and they will, therefore, all be subject to it. But, given the nature of the world, it is probable that some, or even many, will not sign on. If the second, or third, successive carrier is the one on which the accident happens, it may choose not to waive the limit, despite the claim by the plaintiff that the successive carrier is bound by the original contract of carriage. Then where are we?

I understand that carriers now signing the IIA Agreements are limiting their waivers of the limit to accidents occurring on their own part of the carriage, so passengers may still be subject to the limit in other cases.

But the injured passenger, or his family if he has been killed, will, nevertheless, argue that the carrier which issued the ticket must be liable for damages without limitation, and that he or his estate is an authorized third party beneficiary. An action will be brought against that carrier for unlimited damages. The Warsaw Convention, which was supposed to have simplified liability rules will be the very cause of the dispute in these cases.

If, indeed, waivers of the limit do not apply to successive carriers, then the IATA agreements will be something of a cruel hoax in successive carriage situations and may well inspire intense adverse passenger group reactions.

The 5th Jurisdiction

Article 28 of the Warsaw Convention permits suit to be brought in any one of four places; the place of incorporation of the carrier, its principal place of business, the place where the contract of carriage was made (i.e. where the ticket was sold), and, finally, the place of ultimate destination of the passenger. Notably absent is the place of the passenger's domicile. In most cases the place of the passenger's domicile will coincide with one of the places suit can be brought anyway, so there is no problem. But there are occasional cases where an American, for example, will buy a ticket while on a trip, away from home. American damage standards are considerably higher than those of other countries, generally, and in that rare case the American passenger, or his family, will be denied the higher American standards.

It is generally recognized that the place of domicile is the place which has the greatest interest in the question of damages, and the denial of domicile law is very troubling to parties and governments alike.

The United States Government, and particularly the Department of Transportation and Department of State, have taken the position that any new regime of law, in international airline transportation, must provide for suits in "the 5th Jurisdiction", i.e., the place of the passenger's domicile. Non American carriers have resisted the proposal, for reasons that baffle me. It seems to me that from the airline's standpoint the point is not worth fighting about, if the carriers can get an otherwise favorable system. There are simply not enough such cases to provide a real stumbling block.

The IATA intercarrier agreements do not and cannot solve the problem, and they cannot because of the Warsaw Convention's proscription against changing jurisdictional rules (See Article 32). The United States has gone along with the intercarrier agreements because of the predominant interest in getting the airlines to abandon the limits, notwithstanding their failure to adopt the 5th jurisdiction, but the point remains one of contention for any new convention or protocol.

Fault or No Fault?

Finally, important lawyers in the United States DOT seem to be locked into an anti-fault mode of thinking on any new system, whether it be based on the intercarrier agreements or a new convention or protocol. This probably goes back to attitudes developed in 1966 at the time of the Montreal Agreement, when State Department lawyers obtained from the airlines and IATA an agreement to accept absolute liability up to a limit of $75,000 as a tradeoff for perpetuation of the Warsaw Convention and its limited liability regime. The DOT has viewed absolute, no-fault, liability as being in the passenger interest. Most passenger groups, however, as well as lawyer groups which customarily represent passengers, view the fault system as a fundamental necessity which is critically important from the safety perspective for the protection of passengers as well as society in general. They point to numerous contributions to airline safety made by tort cases and their examination into both negligence and accident causation.

The contribution of the tort system to aviation safety is well recognized, also, by aviation insurers and their lawyers. Sean Gates, a London solicitor and senior partner of Beaumont and Son, one of the leading firms representing aviation underwriters, has expressed himself as strongly opposed to absolute liability for international airlines, both because he is opposed to abandonment of the fault system, and because he doesn't see why airlines alone in our society should be held to be guarantors of safety. Anthony Mednuik, one of the world's leading underwriters, and presently Managing Director of the British Aviation Insurance Group, has similarly expressed himself as strongly opposed to abandoning the fault system. He did so most recently at a large meeting in Amelia Island, Florida, in October, of the Aircraft Builders Council, which consists of both aviation manufacturers and underwriters, and again at an aviation insurance and law symposium in London in November, sponsored by Lloyds of London Press. And George N. Tompkins, Jr. one of the top airline defense lawyers in the United States has recommended the following language to the ICAO Secretariat Study Group, of which he is a member: "No limit of liability on the recoverable damages mentioned in A above if the passenger/claimant proves negligence or fault on the part of the carrier. This would not impose an undue burden on the passenger/claimant and would serve to preserve the "Warsaw Convention" as a fault based system."

This difference of opinion on the fault system is not a factor affecting the intercarrier agreements since they are already in place and they have been based on strict liability up to 100,000 SDRs and presumptive liability above that amount if the carrier fails to show its complete absence of fault, but it will be a significant factor in the effort to achieve a new convention or protocol.

Thus we have a situation where the IATA agreements, however noble their purpose and laudable their execution, provide an insufficient basis for a satisfactory future regime in international air law, and where there is considerable doubt that, on a political level, the problems and differences of fault/no fault, limitations of venue, rights of recourse, and successive carriage, can be overcome, so as to create a reasonable new convention or protocol. The prospect exists that there will be no satisfactory new convention or protocol, and that the intercarrier agreements will fail to provide a workable system. It is uncertain where such an outcome would lead, but one virtual certainty would be complete abandonment of the Warsaw Convention, and the airlines would not be happy about that.

So, where do we go from here?

The Need to Work Together

Everyone involved, from IATA and airlines, to the United States Government and other governments, to passengers' groups and plaintiffs' lawyers, has something to lose from a failure to come up with a satisfactory new liability regime. The obvious answer to the problem is the formulation of a new and widely acceptable convention or protocol which will have the force of law to handle not only airline liability, but rights of recourse, successive carriage, choice of law and adequate venue.

The Need for Ratifiability

At the excellent Lloyds of London Press Aviation Insurance and Law Symposium in November, in London, Don Horn, Associate General Counsel for International Affairs of the United States Department of Transportation, pointed out the truism that the first requirement for any new convention (or protocol) is that it must be ratifiable.

I respectfully suggest that that is a good place to start in our consideration of the new convention or protocol. Whatever we come up with must be ratifiable. It must be ratifiable by the United States, and it must be approval by the international airlines.

Excellent preparatory work has been done by the ICAO Study Group and the ICAO Legal Committee. The pattern of a splendid convention or protocol is now clear, and available. In general it has been set forth by the Study Group. It will provide for a two tier liability system, with absolute liability up to the threshold number of 100,000 Special Drawing Rights, and negligence liability above that. It must provide for the addition of the "fifth jurisdiction." In other words, passenger's domicile must be added to the other available venues, place of incorporation of the carrier, place of its principal place of business, and place where the ticket was bought.

For those international airlines and insurers who are reluctant to accept the fifth jurisdiction I would point out three things. First, there is an element of compromise inherent in the United States Government acceptance of the two tier concept on fault. The position of the U.S. has been to favor absolute liability across the board. This is not in the airline interest, and in my humble opinion, not in the public interest, but that, as I understand it, has been its position. Acceptance of the two tier system by the United States will have another laudable effect. It will insure support of the new convention or protocol in the United States on the part of passengers', consumers, and lawyers' groups who believe that the fault system is one of society's basic protections. Were the United States to hold out for absolute liability across the board, and were that part of the new Convention or protocol I would expect intense opposition to the new convention or protocol in the United States.

The second point is that in terms of cost to airlines or insurers the fifth jurisdiction is deminimus. There are, simply, very few cases where an American domiciliary buys a ticket in another country and cannot sue in the United States under one of the four presently permissible jurisdictions. I have been practicing aviation law for forty five years, and I have probably handled as many airline cases as any other lawyer in the world, and I can only remember one case involving an American passenger where I was unable to sue in the United States because of Article 28.

Finally, the overall benefit to airlines, and all others, of having a viable new convention or protocol would be enormous. It would be foolish to jeopardize its chances because of opposition to the fifth jurisdiction.

Burden of Proof on the Second Tier

As indicated above, the new convention proposed by the Legal Committee of ICAO prescribes a two tier system of liability. There is absolute liability for damage up to 100,000 SDRs and negligence liability above that. In an exercise of indecision, however, the drafters set forth three alternative provisions on who shoulders the burden of proving negligence. The concept of placing the burden on the defendant airline of showing its freedom from fault grows from Article 20 of the Convention which provides that to exculpate itself the airline must show that it took all necessary measures to avoid the damage. Generally speaking, however, it is the plaintiff who has the burden of proving negligence.

The concept of providing three alternative suggestions is not sound and will lead to confusion and uncertainty. Obviously, it is to the plaintiff's advantage to place the burden on the defendant, but I don't consider it a make or break matter. Again, it is more important to get the broad outlines of the convention established than to fight about each of its terms.

Convention or Protocol?

Similary, the question of whether this should be a brand new convention or a protocol to the Warsaw Convention is less important than the substance of the new instrument. People I respect, including Lorne Clark and George Tompkins, who know far more than I do about the politics of enacting a new convention, tell me that it will be much easier to enact a protocol, so, for that reason alone I favor it.

I would urge a note of caution, however. The Warsaw Convention has a very bad history and reputation with many people, including me and my clients. For many of them it has ruined their lives. I would eliminate all extolatory language praising the Warsaw Convention, such as the introductory language in the ICAO Legal Committee draft, regardless whether it is new convention or protocol.

Simpler and Shorter is better

I would suggest that all references to cargo be removed. It is not necessary to include it in the new instrument. In fact, it may be completely resolved by the ratification of Montreal Protocol 4. The simpler and shorter the new instrument is, the better.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

Mr. ROBERTS. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of Calendar No. 584, S. 2392.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2392) to encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the Year 2000.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Year 2000 Information and Readiness Disclosure Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1)(A) At least thousands but possibly millions of information technology computer systems, software programs, and semiconductors are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process those dates.

(B) The problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, government, and safety and defense systems, in the United States and throughout the world.

(C) Reprogramming or replacing affected systems before the problem incapacitates essential systems is a matter of national and global interest.

(2) The prompt, candid, and thorough disclosure and exchange of information related to year 2000 readiness of entities, products, and services—

(A) would greatly enhance the ability of public and private entities to improve their year 2000 readiness; and

(B) is therefore a matter of national importance and a vital factor in minimizing any potential year 2000 related disruption to the Nation's economic well-being and security.

(3) Concern about the potential for legal liability associated with the disclosure and exchange of year 2000 readiness information is impeding the disclosure and exchange of such information.

(4) The capability to freely disseminate and exchange information relating to year 2000 readiness, solutions, test practices and test results, with the public and other entities without undue concern about litigation is critical to the ability of public and private entities to address year 2000 needs in a timely manner.

(5) The national interest will be served by uniform legal standards in connection with the disclosure and exchange of year 2000 readiness information that will promote disclosures and exchanges of such information in a timely fashion.

(b) PURPOSES.—Based upon the powers contained in article I, section 8, clause 3 of the Constitution of the United States, the purposes of this Act are—

(1) to promote the free disclosure and exchange of information related to year 2000 readiness;

(2) to assist consumers, small businesses, and local governments in effectively and rapidly responding to year 2000 problems; and

(3) to lessen burdens on interstate commerce by establishing certain uniform legal principles in connection with the disclosure and exchange of information related to year 2000 readiness.

SEC. 3. DEFINITIONS.

In this Act:

(1) ANTITRUST LAWS.—The term "antitrust laws"—

(A) has the meaning given to it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition; and

(B) includes any State law similar to the laws referred to in subparagraph (A).

(2) CONSUMER.—The term "consumer" means an individual who acquires a consumer product other than for purposes of resale.

(3) CONSUMER PRODUCT.—The term "consumer product" means any personal property or service which is normally used for personal, family, or household purposes.

(4) COVERED ACTION.—The term "covered action" means any civil action of any kind, whether arising under Federal or State law, except for any civil action arising under Federal or State law brought by a Federal, State, or other public entity, agency, or authority acting in a regulatory, supervisory, or enforcement capacity.

(5) MAKER.—The term "maker" means each person or entity, including a State or political subdivision thereof, that issues or publishes any year 2000 statement, or develops or prepares, or assists in, contributes to, or reviews, reports or comments on during, or approves, or otherwise takes part in the preparing, developing, issuing, approving, or publishing any year 2000 statement.

(6) REPUBLICATION.—The term "republication" means any repetition, in whole or in part, of a year 2000 statement originally made by another.

(7) YEAR 2000 INTERNET WEBSITE.—The term "year 2000 Internet website" means an Internet website or other similar electronically accessible service, clearly designated on the website or service by the person or entity creating or controlling the content of the website or service as an area where year 2000 statements concerning that person or entity are posted or otherwise made accessible to the general public.

(8) YEAR 2000 PROCESSING.—The term "year 2000 processing" means the processing (including calculating, comparing, sequencing, displaying, or storing), transmitting, or receiving of date data from, into, and between the 20th and 21st centuries, and during the years 1999 and 2000, and leap year calculations.

(9) YEAR 2000 READINESS DISCLOSURE.—The term "year 2000 readiness disclosure" means any written year 2000 statement, clearly identified on its face as a year 2000 readiness disclosure inscribed on a tangible medium or stored in an electronic or other medium and retrievable in perceivable form and issued or published by or with the approval of an entity with respect to year 2000 processing of that entity or of products or services offered by that entity.

(10) YEAR 2000 STATEMENT.—

(A) IN GENERAL.—The term "year 2000 statement" means any communication or other conveyance of information by a party to another or to the public, in any form or medium—

(i) concerning an assessment, projection, or estimate concerning year 2000 processing capabilities of any entity, product, or service, or a set of products and services;

(ii) concerning plans, objectives, or timetables for implementing or verifying the year 2000 processing capabilities of an entity, a product, or service, or a set of products or services;

(iii) concerning test plans, test dates, test results, or operational problems or solutions related to year 2000 processing by—

(I) products; or

(II) services that incorporate or utilize products; or

(iv) reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.

(B) NOT INCLUDED.—The term does not include for the purposes of any action brought under the securities laws, as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), any document or material filed with the Securities and Exchange Commission, or with Federal banking regulators, pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 781(i)), or any disclosure or writing that when made accompanied the solicitation of an offer or sale of securities.

SEC. 4. PROTECTION FOR YEAR 2000 STATEMENTS.

(a) EVIDENCE EXCLUSION.—No year 2000 readiness disclosure, in whole or in part, shall be admissible against the maker of the disclosure to prove the accuracy or truth of any year 2000 statement set forth in that disclosure, in any covered action brought by another party except that—

(1) a disclosure may serve as the basis for a claim for anticipatory breach or repudiation or a similar claim against the maker, to the extent provided by applicable law; and

(2) the court in any covered action shall have discretion to limit application of this subsection in any case in which the court determines that the maker's use of that disclosure amounts to bad faith, or fraud, or is otherwise is beyond what is reasonable to achieve the purposes of this Act.

(b) FALSE, MISLEADING AND INACCURATE YEAR 2000 STATEMENTS.—Except as otherwise provided in subsection (c), in any covered action, to the extent that such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable under Federal or State law with respect to that year 2000 statement unless the claimant establishes, in addition to all other requisite elements of the applicable action, by clear and convincing evidence, that—

(1) the year 2000 statement was material; and

(2)(A) to the extent the year 2000 statement was not a republication of a year 2000 statement originally made by a third party, that the maker made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) with a reckless disregard as to the accuracy of the year 2000 statement; or

(B) to the extent the year 2000 statement was a republication of a year 2000 statement originally made by a third party, that the maker of the republication made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) without notice in that year 2000 statement that—

(I) the maker has not verified the contents of the republication; or

(II) the maker is not the source of the republished year 2000 statement, the republished statement is based on information supplied by another person or entity, and the notice or republished statement identifies the source of the republished statement.

(c) DEFAMATION OR SIMILAR CLAIMS.—In a covered action arising under any Federal or State law of defamation, trade disparagement, or a similar claim, to the extent such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable with respect to that year 2000 statement, unless the claimant establishes by clear and convincing evidence, in addition to all other requisite elements of the applicable action, that the year 2000 statement was made with knowledge that the year 2000 statement was false or made with reckless disregard as to its truth or falsity.

(d) YEAR 2000 INTERNET WEBSITE.—

(1) IN GENERAL.—Except as provided in paragraph (2), in any covered action, other than a covered action involving personal injury or serious physical damage to property, in which the adequacy of notice about year 2000 processing is at issue, the posting, in a commercially reasonable manner and for a commercially reasonable duration, of a notice by the entity charged with giving such notice on the year 2000 Internet website of that entity shall be deemed to be an adequate mechanism for providing that notice.

(2) EXCEPTION.—Under paragraph (1) the notice shall not be adequate if the trier of fact finds that the use of the mechanism of notice—

(A) is contrary to express prior representations made by the party giving notice;

(B) is materially inconsistent with the regular course of dealing between the parties; or

(C) occurs where there have been no prior representations regarding the mechanism of notice and no regular course of dealing exists between the parties and where actual notice is clearly the most commercially reasonable means of providing notice.

(3) CONSTRUCTION.—Nothing in this subsection shall—

(A) alter or amend any Federal or State statute or regulation requiring that notice about year 2000 processing be provided using a different mechanism;

(B) create a duty to provide notice about year 2000 processing;

(C) preclude or suggest the use of any other medium for notice about year 2000 processing or require the use of an Internet website; or

(D) mandate the content or timing of any notices about year 2000 processing.

(e) LIMITATION ON EFFECT OF YEAR 2000 STATEMENTS.—

(1) IN GENERAL.—In any covered action, a year 2000 statement shall not be interpreted or construed as an amendment to or alteration of a contract or warranty, whether entered into by or approved for a public or private entity.

(2) NOT APPLICABLE.—

(A) IN GENERAL.—This subsection shall not apply—

(i) to the extent the party whose year 2000 statement is alleged to have amended or altered a contract or warranty has otherwise agreed in writing to so alter or amend the contract or warranty;

(ii) to a year 2000 statement made in conjunction with the formation of the contract or warranty; or

(iii) if the contract or warranty specifically provides for its amendment or alteration through the making of a year 2000 statement.

(B) RULE OF CONSTRUCTION.—Nothing in this subsection is intended to affect applicable Federal or State law in effect as of the date of enactment of this Act with respect to determining the extent to which a year 2000 statement within the scope of clause (i), (ii), or (iii) of subparagraph (A) affects a contract or warranty.

(f) SPECIAL DATA GATHERING.—

(1) IN GENERAL.—A Federal entity, agency, or authority may expressly designate a request for the voluntary provision of information relating to year 2000 processing, including year 2000 statements, as a special year 2000 data gathering request made pursuant to this subsection.

(2) SPECIFICS.—A special year 2000 data gathering request made under this subsection shall specify a Federal entity, agency, or authority, or with the consent of the designee, another public or private entity, agency or authority, to gather responses to the request.

(3) PROTECTIONS.—Except with the express consent or permission of the provider of information described in paragraph (1), any year 2000 statements or other such other information provided by a party in response to a special year 2000 data gathering request made under this subsection—

(A) shall be exempt from disclosure under subsection (b)(4) of section 552 of title 5, United States Code, commonly known as the "Freedom of Information Act" ;

(B) shall be prohibited from disclosure to any third party; and

(C) may not be used by any Federal entity, agency, or authority or by any third party, directly or indirectly, in any civil action arising under any Federal or State law.

(4) EXCEPTIONS.—

(A) INFORMATION OBTAINED ELSEWHERE.—Nothing in this subsection shall preclude a Federal entity, agency, or authority or any third party from separately obtaining the information submitted in response to a request under this subsection through the use of independent legal authorities, and using such separately obtained information in any action.

(B) VOLUNTARY DISCLOSURE.—A restriction on use or disclosure of information under this subsection shall not apply to any information disclosed to the public with the express consent of the party responding to the request or disclosed by such party separately from a response to a special year 2000 data gathering request.

SEC. 5. TEMPORARY ANTITRUST EXEMPTION.

(a) EXEMPTION.—Except as provided in subsection (b), the antitrust laws shall not apply to conduct engaged in, including making and implementing an agreement, solely for the purpose of—

(1) facilitating responses intended to correct or avoid a failure of year 2000 processing in a computer system, in a component of a computer system, in a computer program or software, or services utilizing any such system, component, program, or hardware; or

(2) communicating or disclosing information to help correct or avoid the effects of year 2000 processing failure.

(b) APPLICABILITY.—Subsection (a) shall apply only to conduct that occurs, or an agreement that is made and implemented, after the date of enactment of this Act and before July 14, 2001.

(c) EXCEPTION TO EXEMPTION.—Subsection (a) shall not apply with respect to conduct that involves or results in an agreement to boycott any person, to allocate a market or fix prices or output.

(d) RULE OF CONSTRUCTION.—The exemption granted by this section shall be construed narrowly.

SEC. 6. EXCLUSIONS.

(a) EFFECT ON INFORMATION DISCLOSURE.—This Act does not affect, abrogate, amend, or alter the authority of a Federal or State entity, agency, or authority to enforce a requirement to provide or disclose, or not to provide or disclose, information under a Federal or State statute or regulation or to enforce such statute or regulation.

(b) CONTRACTS AND OTHER CLAIMS.—

(1) IN GENERAL.—Except as may be otherwise provided in subsections (a) and (e) of section 4, this Act does not affect, abrogate, amend, or alter any right established by contract or tariff between any person or entity, whether entered into by a public or private person entity, under any Federal or State law.

(2) OTHER CLAIMS.—In any covered action brought by a consumer, this Act does not apply to a year 2000 statement expressly made in a solicitation, including an advertisement or offer to sell, to that consumer by a seller, manufacturer, or provider of a consumer product.

(3) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to preclude any claims that are not based exclusively on year 2000 statements.

(c) DUTY OR STANDARD OF CARE.—

(1) IN GENERAL.—This Act shall not impose upon the maker of any year 2000 statement any more stringent obligation, duty, or standard of care than is otherwise applicable under any other Federal law or State law.

(2) ADDITIONAL DISCLOSURE.—This Act does not preclude any party from making or providing any additional disclosure, disclaimer, or similar provisions in connection with any year 2000 readiness disclosure or year 2000 statement.

(3) DUTY OF CARE.—This Act shall not be deemed to alter any standard or duty of care owed by a fiduciary, as defined or determined by applicable Federal or State law.

(d) INTELLECTUAL PROPERTY RIGHTS.—This Act does not affect, abrogate, amend, or alter any right in a patent, copyright, semiconductor mask work, trade secret, trade name, trademark, or service mark, under any Federal or State law.

(e) INJUNCTIVE RELIEF.—Nothing in this Act shall be deemed to preclude a claimant from seeking temporary or permanent injunctive relief with respect to a year 2000 statement.

SEC. 7. APPLICABILITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, this Act shall become effective on the date of enactment of this Act.

(2) APPLICATION TO LAWSUITS PENDING.—This Act shall not affect or apply to any lawsuit pending on July 14, 1998.

(3) APPLICATION TO STATEMENTS AND DISCLOSURES.—Except as provided in subsection (b)—

(A) this Act shall apply to any year 2000 statement made on or after July 14, 1998 through July 14, 2001; and

(B) this Act shall apply to any year 2000 readiness disclosure made after the date of enactment of this Act through July 14, 2001.

(b) PREVIOUSLY MADE READINESS DISCLOSURE.—

(1) IN GENERAL.—For the purposes of section 4(a), a person or entity that issued or published a year 2000 statement after January 1, 1996, and before the date of enactment of this Act, may designate that year 2000 statement as a year 2000 readiness disclosure if—

(A) the year 2000 statement complied with the requirements of section 4(b) when made, other than being clearly designated on its face as a disclosure;

(B) within 45 days after the date of enactment of this Act, the person or entity seeking the designation provides notice—

(i) by individual notice that meets the requirements of paragraph (2) to all recipients of the applicable year 2000 statement; and

(ii) a prominent posting notice that meets the requirements of paragraph (2) on its year 2000 Internet website, commencing prior to the end of the 45-day period under this subparagraph and extending for a minimum of 45 consecutive days and also by using the same method of notification used to originally provide the applicable year 2000 statement.

(2) REQUIREMENTS.—A notice under paragraph (1)(B) shall—

(A) state that the year 2000 statement that is the subject of the notice is being designated a year 2000 readiness disclosure; and

(B) include a copy of the year 2000 statement with a legend labeling the statement as a "Year 2000 Readiness Disclosure".

(c) EXCEPTION.—No designation of a year 2000 statement as a disclosure under subsection (b) shall apply with respect to any person or entity that—

(1) proves, by clear and convincing evidence, that it relied on the year 2000 statement prior to the receipt of notice described above and it would be prejudiced by the retroactive designation of the year 2000 statement as a disclosure; and

(2) provides to the person or entity seeking the designation a written notice objecting to the designation within 45 days after receipt of individual notice under subsection (b)(2)(B)(i), or within 180 days after the date of enactment of this Act, in the case of notice provided under subsection (b)(2)(B)(ii).

SEC. 8. NATIONAL INFORMATION CLEARINGHOUSE AND WEBSITE.

(a) NATIONAL WEBSITE.—

(1) IN GENERAL.—The Administrator of General Services shall create and maintain a national year 2000 website, and promote its availability, designed to assist consumers, small business, and local governments in obtaining information from other governmental websites, hotlines, or information clearinghouses about year 2000 Processing of computers, systems, products and services, including websites maintained by independent agencies and other departments.

(2) CONSULTATION.—In creating the national year 2000 website, the Administrator of General Services shall consult with—

(A) the Director of the Office of Management and Budget;

(B) the Administrator of the Small Business Administration;

(C) the Consumer Product Safety Commission;

(D) officials of State and local governments;

(E) the Director of the National Institute of Standards and Technology;

(F) representatives of consumer and industry groups; and

(G) representatives of other entities, as determined appropriate.

(b) REPORT.—The Administrator of General Services shall submit a preliminary report to the Committees on the Judiciary of the Senate and the House of Representatives and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives not later than 60 days after the date of enactment of this Act regarding planning to comply with the requirements of this section.

Amend the title so as to read: "To encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000.".

AMENDMENT NO. 3669

(Purpose: To provide a substitute)

Mr. ROBERTS. Senators HATCH, LEAHY, and KYL have a substitute amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS] for Mr. HATCH, for himself, Mr. LEAHY, and Mr. KYL, proposes an amendment numbered 3669.

Mr. ROBERTS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 3670 TO AMENDMENT NO. 3669

(Purpose: To provide for the establishment of working groups as a part of the President's Year 2000 Council)

Mr. ROBERTS. Senator THOMPSON has an amendment at the desk and I now ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. ROBERTS], for Mr. THOMPSON, proposes an amendment numbered 3670 to amendment No. 3669.

Mr. ROBERTS. Mr. President, I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Redesignate section 8 as section 9 and insert the following after section 8:

SEC. 8. YEAR 2000 COUNCIL WORKING GROUPS.

(a) IN GENERAL.—

(1) WORKING GROUPS.—The President's Year 2000 Council (referred to in this section as the "Council") may establish and terminate working groups composed of Federal employees who will engage outside organizations in discussions to address the year 2000 problems identified in section 2(a)(1) to share information related to year 2000 readiness, and otherwise to serve the purposes of this Act.

(2) LIST OF GROUPS.—The Council shall maintain and make available to the public a printed and electronic list of the working groups, the members of each working group, and a point of contact, together with an address, telephone number, and electronic mail address for the point of contact, for each working group created under this section.

(3) BALANCE.—The Council shall seek to achieve a balance of participation and representation among the working groups.

(4) ATTENDANCE.—The Council shall maintain and make available to the public a printed and electronic list of working group members who attend each meeting of a working group as well as any other individuals or organizations participating in each meeting.

(5) MEETINGS.—Each meeting of a working group shall be announced in advance in accordance with procedures established by the Council. The Council shall encourage working groups to hold meetings open to the public to the extent feasible and consistent with the activities of the Council and the purposes of this Act.

(b) FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the working groups established under this section.

(c) PRIVATE RIGHT OF ACTION.—This section creates no private right of action to due for enforcement of the provisions of this section.

(d) EXPIRATION.—The authority conferred by this section shall expire on December 31, 2000.

Mr. THOMPSON. Mr. President, this country will face an unprecedented problem on January 1, 2000, when many computer systems, in the form of software, hardware and embedded chips, will interpret the year as 1900 rather than 2000, potentially resulting in extensive failures of critical operations. The fix to this problem is not a technological challenge, but a management challenge due to its massive nature and the limited time we have to fix it. With less then 465 days until the new millennium, this problem will affect every level of government, every size of business, and literally every person in this great nation.

Although the Year 2000 Information and Readiness Disclosure Act does not represent the silver bullet to remedy this problem, I rise today to voice my support for this legislation. This bill will encourage both public and private sector entities to disclose year 2000 related information, in the form of product readiness, proposed solutions and testing processes, thereby increasing the ability of governments and businesses to update their own systems and avoid potentially catastrophic failures.

Mr. President, I had a number of concerns with this legislation in its original form. First of all, this legislation preempts State and local liability law. Typically, neither I nor many of my colleagues would support such preemption of State authority; however, this problem warrants drastic action. In fact, State and local government associations have expressed their support for this bill.

Second, this legislation reduces the standard of care required in providing accurate information as currently defined in State and local statutes. Due to the critical nature of this problem, I can support this provision for cases where businesses are sharing information with the intent to identify a common solution and prevent a potentially catastrophic failure. However, in its original form, this bill would have extended this protection to sellers of year 2000 remediation products and services whose statements may be motivated solely by financial interests.

Mr. President, to address these concerns I introduced an amendment in the Judiciary Committee which failed to pass. However, I worked with the Committee and other interested parties to develop language that achieved all the goals and intentions of my original amendment. This language has been adopted in section 6(b), and all interested parties agree we have strengthened the bill. My language will mitigate against false and inaccurate year 2000 solicitations while promoting the open sharing of information needed to solve the year 2000 problem. Further, it will expressly prevent vendors which sell year 2000 remediation products from taking advantage of unknowing customers by making the protections of the bill unavailable to any seller of these products who does not inform in writing any entity, including businesses, governments, and nonprofit organizations, that its legal rights under State law are reduced by this bill. By imposing a higher duty of care in these instances, failures will be prevented.

Since my concerns have been addressed, I support immediate passage of this bill.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the amendment be agreed to, the substitute amendment be agreed to, the bill be read the third time and passed, as amended, the motion to reconsider be laid upon the table, the amendment to the title be agreed to, and the title, as amended, be agreed to, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 3669 and 3670) were agreed to.

The committee amendment, as amended, was agreed to.

The bill (S. 2392), as amended, was considered read the third time and passed, as follows:

S. 2392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Year 2000 Information and Readiness Disclosure Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1)(A) At least thousands but possibly millions of information technology computer systems, software programs, and semiconductors are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process those dates.

(B) The problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, government, and safety and defense systems, in the United States and throughout the world.

(C) Reprogramming or replacing affected systems before the problem incapacitates essential systems is a matter of national and global interest.

(2) The prompt, candid, and thorough disclosure and exchange of information related to year 2000 readiness of entities, products, and services—

(A) would greatly enhance the ability of public and private entities to improve their year 2000 readiness; and

(B) is therefore a matter of national importance and a vital factor in minimizing any potential year 2000 related disruption to the Nation's economic well-being and security.

(3) Concern about the potential for legal liability associated with the disclosure and exchange of year 2000 readiness information is impeding the disclosure and exchange of such information.

(4) The capability to freely disseminate and exchange information relating to year 2000 readiness, solutions, test practices and test results, with the public and other entities without undue concern about litigation is critical to the ability of public and private entities to address year 2000 needs in a timely manner.

(5) The national interest will be served by uniform legal standards in connection with the disclosure and exchange of year 2000 readiness information that will promote disclosures and exchanges of such information in a timely fashion.

(b) PURPOSES.—Based upon the powers contained in article I, section 8, clause 3 of the Constitution of the United States, the purposes of this Act are—

(1) to promote the free disclosure and exchange of information related to year 2000 readiness;

(2) to assist consumers, small businesses, and local governments in effectively and rapidly responding to year 2000 problems; and

(3) to lessen burdens on interstate commerce by establishing certain uniform legal principles in connection with the disclosure and exchange of information related to year 2000 readiness.

SEC. 3. DEFINITIONS.

In this Act:

(1) ANTITRUST LAWS.—The term "antitrust laws"—

(A) has the meaning given to it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition; and

(B) includes any State law similar to the laws referred to in subparagraph (A).

(2) CONSUMER.—The term "consumer" means an individual who acquires a consumer product for purposes other than resale.

(3) CONSUMER PRODUCT.—The term "consumer product" means any personal property or service which is normally used for personal, family, or household purposes.

(4) COVERED ACTION.—The term "covered action" means civil action of any kind, whether arising under Federal or State law, except for an action brought by a Federal, State, or other public entity, agency, or authority acting in a regulatory, supervisory, or enforcement capacity.

(5) MAKER.—The term "maker" means each person or entity, including the United States or a State or political subdivision thereof, that—

(A) issues or publishes any year 2000 statement;

(B) develops or prepares any year 2000 statement; or

(C) assists in, contributes to, or reviews, reports or comments on during, or approves, or otherwise takes part in the preparing, developing, issuing, approving, or publishing of any year 2000 statement.

(6) REPUBLICATION.—The term "republication" means any repetition, in whole or in part, of a year 2000 statement originally made by another.

(7) YEAR 2000 INTERNET WEBSITE.—The term "year 2000 Internet website" means an Internet website or other similar electronically accessible service, clearly designated on the website or service by the person or entity creating or controlling the content of the website or service as an area where year 2000 statements concerning that person or entity are posted or otherwise made accessible to the general public.

(8) YEAR 2000 PROCESSING.—The term "year 2000 processing" means the processing (including calculating, comparing, sequencing, displaying, or storing), transmitting, or receiving of date data from, into, and between the 20th and 21st centuries, and during the years 1999 and 2000, and leap year calculations.

(9) YEAR 2000 READINESS DISCLOSURE.—The term "year 2000 readiness disclosure" means any written year 2000 statement—

(A) clearly identified on its face as a year 2000 readiness disclosure;

(B) inscribed on a tangible medium or stored in an electronic or other medium and retrievable in perceivable form; and

(C) issued or published by or with the approval of a person or entity with respect to year 2000 processing of that person or entity or of products or services offered by that person or entity.

(10) YEAR 2000 REMEDIATION PRODUCT OR SERVICE.—The term "year 2000 remediation product or service" means a software program or service licensed, sold, or rendered by a person or entity and specifically designed to detect or correct year 2000 processing problems with respect to systems, products, or services manufactured or rendered by another person or entity.

(11) YEAR 2000 STATEMENT.—

(A) IN GENERAL.—The term "year 2000 statement" means any communication or other conveyance of information by a party to another or to the public, in any form or medium—

(i) concerning an assessment, projection, or estimate concerning year 2000 processing capabilities of an entity, product, service, or set of products and services;

(ii) concerning plans, objectives, or timetables for implementing or verifying the year 2000 processing capabilities of an entity, product, service, or set of products and services;

(iii) concerning test plans, test dates, test results, or operational problems or solutions related to year 2000 processing by—

(I) products; or

(II) services that incorporate or utilize products; or

(iv) reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.

(B) NOT INCLUDED.—For the purposes of any action brought under the securities laws, as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), the term year 2000 statement does not include statements contained in any documents or materials filed with the Securities and Exchange Commission, or with Federal banking regulators, pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 781(i)), or disclosures or writing that when made accompanied the solicitation of an offer or sale of securities.

SEC. 4. PROTECTION FOR YEAR 2000 STATEMENTS.

(a) EVIDENCE EXCLUSION.—No year 2000 readiness disclosure, in whole or in part, shall be admissible against the maker of that disclosure to prove the accuracy or truth of any year 2000 statement set forth in that disclosure, in any covered action brought by another party except that—

(1) a year 2000 readiness disclosure may be admissible to serve as the basis for a claim for anticipatory breach, or repudiation of a contract, or a similar claim against the maker, to the extent provided by applicable law; and

(2) the court in any covered action shall have discretion to limit application of this subsection in any case in which the court determines that the maker's use of the year 2000 readiness disclosure amounts to bad faith or fraud, or is otherwise beyond what is reasonable to achieve the purposes of this Act.

(b) FALSE, MISLEADING AND INACCURATE YEAR 2000 STATEMENTS.—Except as provided in subsection (c), in any covered action, to the extent that such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable under Federal or State law with respect to that year 2000 statement unless the claimant establishes, in addition to all other requisite elements of the applicable action, by clear and convincing evidence, that—

(1) the year 2000 statement was material; and

(2)(A) to the extent the year 2000 statement was not a republication, that the maker made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) with a reckless disregard as to the accuracy of the year 2000 statement; or

(B) to the extent the year 2000 statement was a republication that the maker of the republication made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) without notice in that year 2000 statement that—

(I) the maker has not verified the contents of the republication; or

(II) the maker is not the source of the republication and the republication is based on information supplied by another person or entity identified in that year 2000 statement or republication.

(c) DEFAMATION OR SIMILAR CLAIMS.—In a covered action arising under any Federal or State law of defamation, trade disparagement, or a similar claim, to the extent such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable with respect to that year 2000 statement, unless the claimant establishes by clear and convincing evidence, in addition to all other requisite elements of the applicable action, that the year 2000 statement was made with knowledge that the year 2000 statement was false or made with reckless disregard as to its truth or falsity.

(d) YEAR 2000 INTERNET WEBSITE.—

(1) IN GENERAL.—Except as provided in paragraph (2), in any covered action, other than a covered action involving personal injury or serious physical damage to property, in which the adequacy of notice about year 2000 processing is at issue, the posting, in a commercially reasonable manner and for commercially reasonable duration, of a n tice by the entity charged with giving such notice on the year 2000 Internet website of that entity shall be deemed an adequate mechanism for providing that notice.

(2) EXCEPTION.—Paragraph (1) shall not apply if the court finds that the use of the mechanism of notice—

(A) is contrary to express prior representations regarding the mechanism of notice made by the party giving notice;

(B) is materially inconsistent with the regular course of dealing between the parties; or

(C) occurs where there have been no prior representations regarding the mechanism of notice, no regular course of dealing exists between the parties, and actual notice is clearly the most commercially reasonable means of providing notice.

(3) CONSTRUCTION.—Nothing in this subsection shall—

(A) alter or amend any Federal or State statute or regulation requiring that notice about year 2000 processing be provided using a different mechanism;

(B) create a duty to provide notice about year 2000 processing;

(C) preclude or suggest the use of any other medium for notice about year 2000 processing or require the use of an Internet website; or

(D) mandate the content or timing of any notices about year 2000 processing.

(e) LIMITATION ON EFFECT OF YEAR 2000 STATEMENTS.—

(1) IN GENERAL.—In any covered action, a year 2000 statement shall not be interpreted or construed as an amendment to or alteration of a contract or warranty, whether entered into by or approved for a public or private entity.

(2) NOT APPLICABLE.—

(A) IN GENERAL.—This subsection shall not apply—

(i) to the extent the party whose year 2000 statement is alleged to have amended or altered a contract or warranty has otherwise agreed in writing to so alter or amend the contract or warranty;

(ii) to a year 2000 statement made in conjunction with the formation of the contract or warranty; or

(iii) if the contract or warranty specifically provides for its amendment or alteration through the making of a year 2000 statement.

(B) RULE OF CONSTRUCTION.—Nothing in this subsection shall affect applicable Federal or State law in effect as of the date of enactment of this Act with respect to determining the extent to which a year 2000 statement affects a contract or warranty.

(f) SPECIAL DATA GATHERING.—

(1) IN GENERAL.—A Federal entity, agency, or authority may expressly designate a request for the voluntary provision of information relating to year 2000 processing, including year 2000 statements, as a special year 2000 data gathering request made pursuant to this subsection.

(2) SPECIFICS.—A special year 2000 data gathering request made under this subsection shall specify a Federal entity, agency, or authority, or, with its consent, another public or private entity, agency, or authority, to gather responses to the request.

(3) PROTECTIONS.—Except with the express consent or permission of the provider of information described in paragraph (1), any year 2000 statements or other such other information provided by a party in response to a special year 2000 data gathering request made under this subsection—

(A) shall be exempt from disclosure under subsection (b)(4) of section 552 of title 5, United States Code, commonly known as the "Freedom of Information Act";

(B) shall not be disclosed to any third party; and

(C) may not be used by any Federal entity, agency, or authority or by any third party, directly or indirectly, in any civil action arising under any Federal or State law.

(4) EXCEPTIONS.—

(A) INFORMATION OBTAINED ELSEWHERE.—Nothing in this subsection shall preclude a Federal entity, agency, or authority, or any third party, from separately obtaining the information submitted in response to a request under this subsection through the use of independent legal authorities, and using such separately obtained information in any action.

(B) VOLUNTARY DISCLOSURE.—A restriction on use or disclosure of information under this subsection shall not apply to any information disclosed to the public with the express consent of the party responding to a special year 2000 data gathering request or disclosed by such party separately from a response to a special year 2000 data gathering request.

SEC. 5. TEMPORARY ANTITRUST EXEMPTION.

(a) EXEMPTION.—Except as provided in subsection (b), the antitrust laws shall not apply to conduct engaged in, including making and implementing an agreement, solely for the purpose of and limited to—

(1) facilitating responses intended to correct or avoid a failure of year 2000 processing in a computer system, in a component of a computer system, in a computer program or software, or services utilizing any such system, component, program, or hardware; or

(2) communicating or disclosing information to help correct or avoid the effects of year 2000 processing failure

(b) APPLICABILITY.—Subsection (a) shall apply only to conduct that occurs, or an agreement that is made and implemented, after the date of enactment of this Act and before July 14, 2001.

(c) EXCEPTION TO EXEMPTION.—Subsection (a) shall not apply with respect to conduct that involves or results in an agreement to boycott any person, to allocate a market or fix prices or output.

(d) RULE OF CONSTRUCTION.—The exemption granted by this section shall be construed narrowly.

SEC. 6. EXCLUSIONS.

(a) EFFECT ON INFORMATION DISCLOSURE.—This Act does not affect, abrogate, amend, or alter the authority of a Federal or State entity, agency, or authority to enforce a requirement to provide or disclose, or not to provide or disclose, information under a Federal or State statute or regulation or to enforce such statute or regulation.

(b) CONTRACTS AND OTHER CLAIMS.—

(1) IN GENERAL.—Except as may be otherwise provided in subsections (a) and (e) of section 4, this Act does not affect, abrogate, amend, or alter any right established by contract or tariff between any person or entity, whether entered into by a public or private person or entity, under any Federal or State law.

(2) OTHER CLAIMS.—

(A) IN GENERAL.—In any covered action brought by a consumer, this Act does not apply to a year 2000 statement expressly made in a solicitation, including an advertisement or offer to sell, to that consumer by a seller, manufacturer, or provider of a consumer product.

(B) SPECIFIC NOTICE REQUIRED.—In any covered action, this Act shall not apply to a year 2000 statement, concerning a year 2000 remediation product or service, expressly made in an offer to sell or in a solicitation (including an advertisement) by a seller, manufacturer, or provider, of that product or service unless, during the course of the offer or solicitation, the party making the offer or solicitation provides the following notice in accordance with section 4(d):

"Statements made to you in the course of this sale are subject to the Year 2000 Information and Readiness Disclosure Act (___ U.S.C. ___). In the case of a dispute, this Act may reduce your legal rights regarding the use of any such statements, unless otherwise specified by your contract or tariff.".

(3) RULE OF CONSTRUCTION.—Nothing in this Act shall be construed to preclude any claims that are not based exclusively on year 2000 statements.

(c) DUTY OR STANDARD OF CARE.—

(1) IN GENERAL.—This Act shall not impose upon the maker of any year 2000 statement any more stringent obligation, duty, or standard of care than is otherwise applicable under any other Federal law or State law.

(2) ADDITIONAL DISCLOSURE.—This Act does not preclude any party from making or providing any additional disclosure, disclaimer, or similar provisions in connection with any year 2000 readiness disclosure or year 2000 statement.

(3) DUTY OF CARE.—This Act shall not be deemed to alter any standard or duty of care owed by a fiduciary, as defined or determined by applicable Federal or State law.

(d) INTELLECTUAL PROPERTY RIGHTS.—This Act does not affect, abrogate, amend, or alter any right in a patent, copyright, semiconductor mask work, trade secret, trade name, trademark, or service mark, under any Federal or State law.

(e) INJUNCTIVE RELIEF.—Nothing in this Act shall be deemed to preclude a claimant from seeking injunctive relief with respect to a year 2000 statement.

SEC. 7. APPLICABILITY.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this section, this Act shall become effective on the date of enactment of this Act.

(2) APPLICATION TO LAWSUITS PENDING.—This Act shall not affect or apply to any lawsuit pending on July 14, 1998.

(3) APPLICATION TO STATEMENTS AND DISCLOSURES.—Except as provided in subsection (b)—

(A) this Act shall apply to any year 2000 statement made beginning on July 14, 1998 and ending on July 14, 2001; and

(B) this Act shall apply to any year 2000 readiness disclosure made beginning on the date of enactment of this Act and ending on July 14, 2001.

(b) PREVIOUSLY MADE READINESS DISCLOSURE.—

(1) IN GENERAL.—For the purposes of section 4(a), a person or entity that issued or published a year 2000 statement after January 1, 1996, and before the date of enactment of this Act, may designate that year 2000 statement as a year 2000 readiness disclosure if—

(A) the year 2000 statement complied with the requirements of section 3(9) when made, other than being clearly designated on its face as a disclosure; and

(B) within 45 days after the date of enactment of this Act, the person or entity seeking the designation—

(i) provides individual notice that meets the requirements of paragraph (2) to all recipients of the applicable year 2000 statement; or

(ii) prominently posts notice that meets the requirements of paragraph (2) on its year 2000 Internet website, commencing prior to the end of the 45-day period under this subparagraph and extending for a minimum of 45 consecutive days and also by using the same method of notification used to originally provide the applicable year 2000 statement.

(2) REQUIREMENTS.—A notice under paragraph (1)(B) shall—

(A) state that the year 2000 statement that is the subject of the notice is being designated a year 2000 readiness disclosure; and

(B) include a copy of the year 2000 statement with a legend labeling the statement as a "Year 2000 Readiness Disclosure".

(c) EXCEPTION.—No designation of a year 2000 statement as a year 2000 readiness disclosure under subsection (b) shall apply with respect to any person or entity that—

(1) proves, by clear and convincing evidence, that it relied on the year 2000 statement prior to the receipt of notice described above and it would be prejudiced by the retroactive designation of the year 2000 statement as a year 2000 readiness disclosure; and

(2) provides to the person or entity seeking the designation a written notice objecting to the designation within 45 days after receipt of individual notice under subsection (b)(1)(B)(i), or within 180 days after the date of enactment of this Act, in the case of notice provided under subsection (b)(1)(B)(ii).

SEC. 8. YEAR 2000 COUNCIL WORKING GROUPS.

(a) IN GENERAL.—

(1) WORKING GROUPS.—The President's Year 2000 Council (referred to in this section as the "Council") may establish and terminate working groups composed of Federal employees who will engage outside organizations in discussions to address the year 2000 problems identified in section 2(a)(1) to share information related to year 2000 readiness, and otherwise to serve the purposes of this Act.

(2) LIST OF GROUPS.—The Council shall maintain and make available to the public a printed and electronic list of the working groups, the members of each working group, and a point of contact, together with an address, telephone number, and electronic mail address for the point of contact, for each working group created under this section.

(3) BALANCE.—The Council shall seek to achieve a balance of participation and representation among the working groups.

(4) ATTENDANCE.—The Council shall maintain and make available to the public a printed and electronic list of working group members who attend each meeting of a working group as well as any other individuals or organizations participating in each meeting.

(5) MEETINGS.—Each meeting of a working group shall be announced in advance in accordance with procedures established by the Council. The Council shall encourage working groups to hold meetings open to the public to the extent feasible and consistent with the activities of the Council and the purposes of this Act.

(b) FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the working groups established under this section.

(c) PRIVATE RIGHT OF ACTION.—This section creates no private right of action to sue for enforcement of the provisions of this section.

(d) EXPIRATION.—The authority conferred by this section shall expire on December 31, 2000.

SEC. 9. NATIONAL INFORMATION CLEARINGHOUSE AND WEBSITE.

(a) NATIONAL WEBSITE.—

(1) IN GENERAL.—The Administrator of General Services shall create and maintain until July 14, 2002, a national year 2000 website, and promote its availability, designed to assist consumers, small business, and local governments in obtaining information from other governmental websites, hotlines, or information clearinghouses about year 2000 Processing of computers, systems, products and services, including websites maintained by independent agencies and other departments.

(2) CONSULTATION.—In creating the national year 2000 website, the Administrator of General Services shall consult with—

(A) the Director of the Office of Management and Budget;

(B) the Administrator of the Small Business Administration;

(C) the Consumer Product Safety Commission;

(D) officials of State and local governments;

(E) the Director of the National Institute of Standards and Technology;

(F) representatives of consumer and industry groups; and

(G) representatives of other entities, as determined appropriate.

(b) REPORT.—The Administrator of General Services shall submit a report to the Committees on the Judiciary of the Senate and the House of Representatives and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives not later than 60 days after the date of enactment of this Act regarding planning to comply with the requirements of this section.

The title was amended so as to read: "To encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000."

MEASURE READ THE FIRST TIME—H.R. 4579

Mr. ROBERTS. Mr. President, I understand that H.R. 4579 has arrived from the House and is at the desk. I now ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for other purposes.

Mr. ROBERTS. I now ask for its second reading and would object to my own request.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

CONVICTED PERSONS BENEFITS CORRECTION

Mr. ROBERTS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 534, H.R. 3096.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3096) to correct a provision relating to termination of benefits for convicted persons.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. ROBERTS. Mr. President, I ask unanimous consent that the bill be considered read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3096) was considered read the third time, and passed.

ORDERS FOR TUESDAY, SEPTEMBER 29, 1998

Mr. ROBERTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. on Tuesday, September 29. I further ask that when the Senate reconvenes on Tuesday, immediately following the prayer, the Journal of the proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, and the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERTS. Mr. President, I further ask consent that the Senate stand in recess from 12:30 to 2:15 p.m. to allow the weekly party caucuses to meet.

PROGRAM

Mr. ROBERTS. Mr. President, for the information of all Senators, when the Senate reconvenes on Tuesday at 10 a.m., there will be a period of debate until approximately 10:40 a.m. in relation to the Higher Education and Department of Defense conference reports. At the conclusion of that debate time, the Senate will proceed to three stacked votes, the first on adoption of the Higher Education conference report, followed by a vote on adoption of the Defense Appropriations conference report, followed by a cloture vote on the motion to proceed to the Internet tax bill. Following those votes, the Senate will begin a period of morning business until 12:30 p.m. and then recess until 2:15 p.m. to allow the weekly party caucuses to meet. After the caucus meetings, the Senate will resume morning business until 3:15 p.m., at which time the Senate could consider any legislative or executive items cleared for action. The leader would like to remind all Members that there will be no votes on Tuesday afternoon and all day Wednesday in observance of the Jewish holiday.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. ROBERTS. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:49 p.m., adjourned until Tuesday, September 29, 1998, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 28, 1998:

THE JUDICIARY

ALEX R. MUNSON, OF THE NORTHERN MARIANA ISLANDS, TO BE JUDGE FOR THE DISTRICT COURT FOR THE NORTHERN MARIANA ISLANDS FOR A TERM OF TEN YEARS. (REAPPOINTMENT)

EDWARD J. DAMICH, OF VIRGINIA, TO BE A JUDGE OF THE UNITED STATES COURT OF FEDERAL CLAIMS FOR TERM OF FIFTEEN YEARS, VICE JAMES F. MEROW, TERM EXPIRED.

NANCY B. FIRESTONE, OF VIRGINIA, TO BE A JUDGE OF THE UNITED STATES COURT OF FEDERAL CLAIMS FOR A TERM OF FIFTEEN YEARS, VICE MOODY R. TIDWELL III, TERM EXPIRED.

EMILY CLARK HEWITT, OF MASSACHUSETTS, TO BE A JUDGE OF THE UNITED STATES COURT OF FEDERAL CLAIMS FOR A TERM OF FIFTEEN YEARS, VICE ROBERT J. YOCK, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate September 28, 1998:

DEPARTMENT OF STATE

STEVEN ROBERT MANN, OF PENNSYLVANIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF TURKMENISTAN.

ELIZABETH DAVENPORT MCKUNE, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE STATE OF QATAR.

MELISSA FOELSCH WELLS, OF CONNECTICUT, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ESTONIA.

RICHARD E. HECKLINGER, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF THAILAND.

THEODORE H. KATTOUF, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE UNITED ARAB EMIRATES.

FEDERAL EMERGENCY MANAGEMENT AGENCY

ROBERT M. WALKER, OF TENNESSEE, TO BE DEPUTY DIRECTOR OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

CARL J. BARBIER, OF LOUISIANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA.

GERALD BRUCE LEE, OF VIRGINIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF VIRGINIA.

PATRICIA A. SEITZ, OF FLORIDA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF FLORIDA.

WILLIAM B. TRAXLER, JR., OF SOUTH CAROLINA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE FOURTH CIRCUIT.

HOUSE OF REPRESENTATIVES—*Monday, September 28, 1998*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 28, 1998.

I hereby designate the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority leader, the minority leader or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

LIVABLE COMMUNITIES

Mr. BLUMENAUER. Mr. Speaker, 10 days ago our community in Portland, Oregon celebrated an opening of a new light rail line, but what brought together the Vice President of the United States, numerous administration officials and over a quarter million Oregonians was not just an engineering achievement but it was, indeed, to celebrate another chapter in Oregon's success story of livable communities.

It showed the power of careful investments in transportation and land use planning. For less than the cost of an additional freeway lane, which would have been very hard to build even if we had the extra money, we have been able to move over 25,000 people per day on the new line and, indeed, have the potential to double that capacity for the relatively modest additional investment of buying more rail cars.

The investment has also sparked 6,000 new housing units that have been built, that are under construction or through the permit process along the light rail line and, indeed, has strengthened our downtowns, not just in the city of Portland but smaller communities along the line.

This billion dollar investment in light rail by integrating engineering and artists into the planning process also provided fascinating public art which will enrich the community for decades to come. Vice President GORE clearly articulated the administration's commitment to protect our environment, avoiding sprawl, and giving more choices to families.

That is an important part of why I am in Congress, so that we can deal with what America's families really care about, making sure that children are safe when they go out the door to school in the morning, that the families are economically secure and healthy, physically and environmentally.

It is not too late for this Congress to address ways to promote more livable communities. We can begin by implementing the transit pass rule change that has been finally approved by the House so that we do not just give free parking to our employees, encouraging them to clog our already congested highways and pollute the air, but maybe an incentive to use the $10 billion transportation system that the Federal Government has helped invest in. The Federal Government can also lead by example, by having higher standards of building design. Maybe even the House will approve my legislation with an amendment in the Treasury, Postal bill that would require the post office to not build in floodplains, that it would not violate local regional transportation plans, and to work with citizens in the downtowns of our cities, large and small.

Perhaps the national park system could be a laboratory in Yellowstone or Yosemite for how to plan the transportation and land use. Or I would hope that perhaps the Federal Government could address the foolish use of taxpayer dollars like the $114,000 home in metropolitan Houston that we have already spent over $800,000 repairing flood damage over the last 20 years.

Every year we make huge expenditures for economic development, crime and education, which are in fact merely spending to fight the symptoms of dysfunctional communities. Last week in Portland we celebrated smart growth of a livable community. My hope is that we in Congress will do everything in our power to give every American community those tools.

TAX CUTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, we have two weeks left on this legislative calendar this year. I just wanted to report that I am glad to see that we are focusing on doing the people's business.

This last Friday and Saturday the taxpayers of Illinois, the south suburbs, south side of Chicago that I have the privilege of representing, celebrated a great victory when this House adopted the 90–10 plan, a plan that is a twofer, a big win for the folks who pay the bills back home in Illinois.

I am proud that we set aside $1.4 trillion in extra tax revenue, money that is part of the surplus that resulted from the first balanced budget in 28 years, that we are setting aside $1.4 trillion to save Social Security.

I am also proud that in the 90–10 plan that we eliminate the marriage tax penalty for the majority of those who suffer it. In fact, 28 million married working couples will benefit. When you think about it, $1.4 trillion is twice what the President asked for last January when we all stood up and applauded the President in his great speech talking about saving Social Security first. There was $600 billion available in surplus tax revenue at that time. We have given the American people more than twice what the President asked for, $1.4 trillion, and we also eliminate the marriage tax penalty for the majority of those who suffer it.

I have often asked over the past year, is it right, is it fair that 28 million married working couples pay higher taxes under our current Tax Code just because they are married? Is it right, is it fair that a working couple that is married pays higher taxes than an identical couple with identical income that lives together outside of marriage? No, that is wrong.

Last Friday and Saturday, not only did we begin an effort to save Social Security, but we eliminated the marriage tax penalty for the majority of those who suffer it.

Just to give an idea of how this will impact the people of the south suburbs of Illinois, we will take a couple in Joliet, a machinist and a school teacher. They have a combined adjusted gross income of $50,000. They are middle class. Under our current Tax Code, after you subtract personal exemptions, use the current standard deduction for those who file jointly of $6,900,

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

of course they pay about $5,700 in taxes.

But under the 90–10 plan we double the standard deduction for married working couples to twice what a single person obtains by raising it to $8,500. This machinist and this school teacher in Joliet, Illinois will see an extra $240 in higher take-home pay. We eliminate the marriage penalty for the majority of those who suffer it. And not only is this a big victory for married working couples, but I also want to point out, as a result of doubling the standard deduction, that we simplify the Tax Code for 6 million married working couples, 6 million married working couples who will no longer have to itemize. They will no longer need to use the schedule A. They will only need to use the 1040-EZ.

That is a big victory, when you can help bring fairness to the Tax Code as well as simplify the Tax Code. And those who voted against it, of course it is a political season, will say just about anything. We are just a few short weeks from election. They were somehow claiming that our efforts to eliminate the marriage tax penalty and to help 28 million married working couples, that somehow hurts the Social Security Trust Fund. Wait a second. We just set aside $1.4 trillion for Social Security in surplus tax revenue.

So we asked in the Committee on Ways and Means, which I am proud to be a member of, the gentleman from Texas (Mr. ARCHER) asked the representative, the Deputy Commissioner of the Social Security Administration, Judith Chesser, the chairman said, "As a result of the tax bill," which I pointed out eliminates the marriage tax penalty for the majority of those who suffer it, "being considered by the Committee on Ways and Means, will there be any impact on the monies in the Social Security Trust Fund?"

Judith Chesser, Deputy Commissioner, Social Security Administration, had a very simple answer, something unusual for somebody who represents a bureaucracy. Usually they talk a lot. Her answer was simple: No, the tax cut has absolutely no impact on the Social Security trust fund.

So we had a big victory, working on our effort to save Social Security and, of course, to eliminate the marriage tax penalty for the majority of those who suffer it.

If we look back over the last several years, I am one of those who came to Washington to change how Washington works. That is why I am so proud that we balanced the budget, first time in 28 years, and cut taxes for the middle class for the first time in 16 years.

In 1996 this House made a commitment, and it became law, to help loving families who would like to provide a home for a child in need of adoption, an adoption tax credit. That is now law, a key part of the Contract with America.

In 1997 another key part of the Contract with America became law as well. That is a $500 per child tax credit which will benefit 3 million Illinois children, $1.5 billion in higher take-home pay that will stay home in Illinois rather than going to Washington.

We had a big victory this past weekend. We have a great opportunity as we focus on doing the people's business. Let us save Social Security. Let us eliminate the marriage tax penalty. I hope that the Senate will give the same level of bipartisan support on saving Social Security, eliminating the marriage tax penalty that we gave it in the House.

MANAGED CARE FLIGHT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentlewoman from California (Mrs. CAPPS) is recognized during morning hour debates for 5 minutes.

Mrs. CAPPS. Mr. Speaker, I rise today to bring to the attention of the House a crisis that is looming throughout the country and is happening right now in my district, the central coast of California.

In the past several weeks, many of the managed care companies, primarily in San Luis Obispo County, have announced that they will no longer be offering seniors the option of Medicare HMOs. This pullout could begin as early as January.

Mr. Speaker, these actions are causing tremendous turmoil in my district. Thousands of senior citizens will face extreme hardship, including large increases in out-of-pocket expenses, confusion over benefits and other transition complications. It is estimated that over 50,000 seniors will lose access to Medicare HMOs in San Luis Obispo County and perhaps thousands more in Santa Barbara County. By early next year, only one HMO option may be available for seniors in San Luis Obispo.

Why is this happening? There seem to be two reasons. First and most critically, reimbursement rates for HMOs in my district have historically been among the lowest in California and the country. To be precise, Santa Barbara and San Luis Obispo Counties are the third and fourth lowest in the State. In both counties, HMOs receive less than $400 per beneficiary per month. However, just next door in Ventura County to the south, managed care companies receive more than $500. And in Los Angeles County, a few miles away, the reimbursement rate is almost $650.

While the reimbursement rates are low in my district, the cost of living is anything but. Anyone who has visited the central coast of California knows that housing prices are high, rents are high, and health care costs reflect that reality. We have excellent health care, but it is not cheap.

The second reason for the HMO pullout are the recent rulings by the Health Care Financing Administration which may be exacerbating an already bad situation in my district and across the country, especially in rural and underserved areas. New administrative burdens, higher-than-expected health care inflation, and smaller annual reimbursement increases may be adding to the reasons managed care companies across the country are withdrawing Medicare products from the market.

To address this crisis, I have recently written to the chairman of the Subcommittee on Health. I know that this subcommittee is looking into the nationwide flight of managed care companies from Medicare products. I want the Chair to hear firsthand how this is occurring in my district and to urge the adoption of bipartisan legislation to address this issue.

The bipartisan Medicare Health Plan Fair Payment Act, of which I am proud to be a cosponsor, will address the chronic underpayment of health plans in rural areas.

Low reimbursement rates discourage companies from offering their products in rural areas. That means fewer health care options for seniors and sometimes no options at all. We need to make sure we are paying these companies enough to get them to offer products our seniors clearly want. That is the first step.

Next I have written to HCFA to alert them to the seriousness of this situation for my constituents. I want HCFA to wake up and see what is happening on the central coast of California.

What I see are seniors frightened that their health plans are being taken from them and frustrated that they have to switch plans or go back to basic Medicare with all its high costs and confusing rules. I join the Senate Finance Committee Chairman, BILL ROTH, in urging HCFA to look at its recent actions that may be adding to this crisis in rural America. HCFA needs to be flexible in how these new rules are implemented.

Finally, I have called on the governor of our great State to advise him of the powers of his office in this matter. Many Members may not be aware of a little-known provision in the Balanced Budget Act of 1997. It allows a governor to request that HCFA redefine the service areas that managed care companies must cover within their State. While service areas are now county by county, they could encompass several counties over the entire State.

□ 1045

What that means is that the governor could require that managed care companies cover low-reimbursement, low-profit areas along with the high-reimbursement, high-profit areas. This simple tool, if wielded properly, could provide an incentive for managed care companies to increase coverage throughout States like California that have some high-profit areas and some low-profit areas.

Mr. Speaker, this Congress has made a lot of noise about increasing senior citizens' access to managed care and about controlling Medicare costs through increased use of managed care. Seniors in my district have expressed a desire to join HMOs, and we should make it easier for them to do so. And yet managed care companies are pulling out of my district, and others across the country, like rats deserting a sinking ship, and they are leaving frightened, frustrated and stranded seniors in their wake. This is simply wrong.

We must take action. The actions I have outlined above would ensure that seniors in my district and seniors across the country have access to reliable, quality and affordable health care. There is no excuse for not acting now, before this Congress goes home to campaign, before this Congress renames another post office, before we disintegrate into yet another partisan fight about this issue or that. We need to consider now this bipartisan issue facing seniors with Medicare and HMOs.

PURPOSE OF IMPEACHMENT PROCEEDINGS IN HOUSE

The SPEAKER pro tempore (Mr. PETRI). Under the Speaker's announced policy of January 21, 1997, the gentleman from Arkansas (Mr. HUTCHINSON) is recognized during morning hour debates for 5 minutes.

Mr. HUTCHINSON. Mr. Speaker, for the last 2 weeks, the House Committee on the Judiciary has worked diligently to review the referral of the Independent Counsel, as directed by the resolution of this House and adopted by a bipartisan majority. Now, after completion of that important task, the committee can focus on its second responsibility: To determine whether there is reasonable cause to believe that impeachable offenses may have been committed.

If the committee, and later the House, says yes, there is reasonable cause to believe, that does not mean there should be an impeachment or that anyone is guilty. It simply says there is enough merit to have a formal inquiry and hearings. That is an effort to get all the facts from all the parties in an attempt to get at the truth. These steps should not be taken lightly, because they have serious ramifications, but it does not represent the final conclusion nor does it indicate the outcome of this constitutional process.

As the committee considers this issue, it is important to make three points.

First of all, there are those that say we need to define what is an impeachable offense before we even consider the referral of the Independent Counsel. But I would say it is not our responsibility to define the term "high crimes and misdemeanors" set forth in our Constitution. Our Founding Fathers did not define it, previous Congresses did not define it, and it is not our duty to define it for the uncertain future. Indeed, to get some kind of narrow restrictive standard would be an unwise precedent that could hamstring future Congresses from doing their duty.

It is our responsibility not to define it but to reach a conclusion; to conclude whether the allegations and the facts presented to us may constitute impeachable offenses. This point was made very clearly by the staff report of the House Committee on the Judiciary in 1974, prior to the Watergate impeachment hearings. The staff said, "This memorandum offers no fixed standards for determining whether grounds for impeachment exists. The Framers did not write a fixed standard. Instead, they adopted from English history a standard sufficiently general and flexible to meet future circumstances and events, the nature and character of which they could not foresee."

That leads me to the second point. Even though we cannot define impeachable offenses to a greater degree than the Constitution, we should recognize the uniqueness of the language "high crimes and misdemeanors". While criminal conduct may constitute an impeachable offense, every crime may not rise to that level. The Framers of the Constitution focused on the public trust at stake, and impeachment is designed to address conduct that violates that high trust. If the House considers the report from the Independent Counsel in that way, we distinguish the important constitutional concern from that of conduct which may be personal in character and not violative of the public trust.

Our Founding Fathers illustrated their intent that "high crimes and misdemeanors" embrace a breach of the public duty. The Constitution itself describes officeholders under the Constitution as those who hold an office of trust or profit, directly associating public office with a notion of trust. In the Federalist papers, Alexander Hamilton was quoted as saying, "The subject of its impeachment jurisdiction are those offenses which proceed from the misconduct of public officers."

The third point I would emphasize is that the constitutional idea of impeachment is not about punishment. There are those, including some of my colleagues on the other side of the aisle, who say that impeachment is to punish officers for misconduct, if established. The purpose of an impeachment proceeding is not to punish, but the purpose is to repair the breach. This would occur either from the conclusion that the facts do not merit further inquiry, from an acquittal in the Senate, or from a conviction that may result from removal from office. Certainly there must be consequences to a finding that there has been a breach of the public trust, but pursuit of punishment should not be our motive.

In the end, the question we must ask ourselves is whether we are willing to close down the constitutional process or whether we will seek out all the facts and bring this matter to a close. It is certainly a difficult time for our country, but if we remind ourselves of the principles established by the drafters of our Constitution, then we will keep our feet on solid ground throughout this proceeding and we will be judged well by history.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the galleries that they are here as guests of the House, and that any manifestation of approval or disapproval of proceedings from the gallery is a violation of the rules of the House.

CONGRESS SHOULD PASS D.C. APPROPRIATION BILL SO CAPITAL CAN CONTINUE TO MAKE PROGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized during morning hour debates for 5 minutes.

Ms. NORTON. Mr. Speaker, October 1st is fast approaching, this Thursday, and we will be at the end of the fiscal year, with miles to go and much to do in order to fulfill our most basic responsibility, and that is to pass 13 appropriations bills.

As co-chair of the Women's Caucus, along with the gentlewoman from Connecticut (Mrs. NANCY JOHNSON), I am pleased that the House has gotten through four of the seven priority bills chosen by the Women's Caucus. That brings credit to this House. I hope that the House also will bring itself credit by the way its treats the Capital of the United States.

The District's appropriation is one of those left hanging and unresolved. The city is not a Federal agency, and when it is on tenterhooks wondering whether its appropriation will go through or, as in the case of the CR, held to last year's spending limits, a living, breathing city suffers.

The problem with our bill comes from 10 hours during which attachments of every kind were put on our bill, attachments at war with the democratically voiced views of the residents of the District of Columbia:

Adoption forbidden for unmarried couples, even though we have children languishing in foster care; vouchers once again put on our appropriation, although the President had not 3 months prior vetoed such a bill; a police helicopter of the Park Service funded out of D.C. funds; advisory neighborhood commissions defunded entirely, though they are the lifeline of neighborhood life in the District of Columbia to keep the services coming at the neighborhood level. The District deserves better.

This Friday, the District is about to break ground on a new convention center funded entirely by the private sector. Most such centers in this country are funded with public funds.

The schools have shown enormous progress. We now have perhaps more charter schools per capita than any other jurisdiction in the United States. We had a magnificent summer school called Summer Stars. To make sure that we eliminate social promotion, children went not only to catch up but to get ahead. Test scores were up significantly on the Stanford 9 even before summer school—scores up in every grade.

We have a new vigorous control board that is keeping the District's feet to the fire and preparing the District for the return of home rule. This is a city that has come back. We have just had an election with fresh leadership promised next year, vigorous new leadership committed to getting the city's House in total order, even more than is being done now.

This is the kind of progress that one would think that the Congress would want to encourage. Ten hours of attachments to our appropriation did just the opposite. It dispirited residents who have suffered greatly in the past few years and have taken great pride that their city is coming up and coming alive.

This is a time for the House and the Senate to encourage the capital, it is not the time to punish the residents of the Nation's capital. By October 1st we hope that this body will have shown that it does indeed take pride in the progress the Nation's capital is beginning to make.

ISSUES THAT CONCERN AND SOMETIMES CONFUSE THE AMERICAN PUBLIC

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Illinois (Mr. EWING) is recognized during morning hour debates for 5 minutes.

Mr. EWING. Mr. Speaker, I come here today with some concerns. We all, over the weekend, had maybe time to watch the reporting of political events in America, and I come here, I guess, to speak to the people of this great country and to the people in my district about things that concern me; things that are going on in America today that concern all Americans.

There is in the political system today the effort by many, on both sides of the aisle, to put their spin out on what is happening in America. I guess the first point that bothers me is the spinning of all these issues. We want the American people to understand that we are here to do their business and to uphold the law. The American people, I believe, want justice and fairness. They want the laws of this country to be applied to all of us, equally. And sometimes, with all that is going on, we might find that the American public is confused about whether that is happening and whether, in fact, it will happen.

Our system works. We must give it time to work. I would like to say to people that I am talking about the debate here on the House floor, and the political rancor that sometimes seizes the Capitol and the parties. This is where we make our decision. This is where we decide where the compromise is. This is where we decide what is fair. We do not, any of us in this body, worry that we have to look down Pennsylvania Avenue and see tanks rolling up the street because someone in power decides that they are being unfairly treated by this body. This is where our system works.

The bottom line on the first point I want to make is, too much spin from any source, on any side, of what is going on in America today is wrong, and I believe and hope that the American people can see that.

The second point that I thought was brought up a lot on the Sunday talk shows dealt with attacks on the Congress. Some of those attacks came from the First Couple, attacks made mostly at fund-raising events around the country.

A little aside. My wife traveled to Washington on Friday evening, because we were in session, and her plane was delayed for several hours because of the arrival in Chicago of Air Force One. That is disconcerting. This is one of the major airports in America, and we appear to have an imperialism that affects the chief executive. The rest of the country can cool their heels and wait while the First Family or the President comes in for a fundraiser. I think we should watch that in America.

We do not want an imperial presidency, we do not want maybe 1200 people going to China at the cost of $40 million or more. We have to watch that. And it is very easy to get into a pattern where that becomes more and more the norm instead of the exception.

□ 1100

But some of the criticisms leveled at the Republican Congress dealt with education, improving education, affordable child care, expanding health care, protecting the environment, stabilizing the international economy.

I would just like to talk about each of those points for just a minute, to answer the criticism of the administration in regard to that.

Improving education. I would like to know what Dollars to the Classroom is, if that is not a big improvement to education. I can imagine that almost every teacher in America will be glad to see $400 average go to their classroom for education. What we are doing with the reenactment and the renewal of the higher education bill is indeed very important. What we are doing with the $500 child tax credit certainly makes child care more affordable.

Expanded health care. We passed a bill out of this House that provides more health care for more Americans than ever before, and we hope the Senate will soon move on that.

In closing, there is much been said about attacks on this Congress. I think there is much to be said for what we have done, and I appreciate the time to come here and speak about it.

HIGH CRIMES AND MISDEMEANORS

The SPEAKER pro tempore (Mr. PETRI). Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, I come here on the floor today to talk about the definition and the meaning of "high crimes and misdemeanors." The Constitution states that the "President and all civil officers of the United States shall be removed from office on impeachment for conviction of treason, bribery, or other high crimes and misdemeanors."

This is the standard under which the House Judiciary Committee is currently evaluating Judge Starr's report. But Mr. Speaker, what exactly are high crimes and misdemeanors? To define "high crimes and misdemeanors" is to get to the heart of the task of the Committee on the Judiciary. Constitutional provisions related to impeachment arise from English practice, wherein impeachment was employed to remove an official who had abused his office but was under the protection of the Crown.

To answer that question, I looked to the intent of the Framers of the Constitution. They envisioned a government where the only type of person who could achieve the office of the President would, by definition, be a virtuous person. Should a lack of virtue result, the impeachment process was designed to remedy resulting serious offenses against the public trust and our system of government.

In fact, James Madison said that the aim of the Constitution was to "prevent the degeneracy of our leaders. The method of this prevention is the impeachment process."

Our Founding Fathers adopted this view of impeachment from English law. In English law, the phrase "high crimes and misdemeanors" was used since the 14th century to address political crimes. This is over 600 years of history. Thus, the phrase "high crimes and misdemeanors" actually had nothing to do with criminal law. In the Federalist Papers, Hamilton described impeachment crimes as "those offenses which proceed from the misconduct of public men, or, in other words, from the abuse or violation of some public trust."

The report of the Committee on the Judiciary in the Nixon impeachment proceedings in 1974 rejected criminality as a necessary element of impeachment. Thus, impeachment is not a criminal proceeding. It charges only "political" crimes and imposes purely political punishments. Thus, one not need commit a crime to have committed an impeachable offense.

In defending the President, some say that the "treason, bribery, or other high crimes and misdemeanors" language in Article II, Section 4 of the Constitution has a very narrow and precise meaning. And Democrats warn us that the Framers of the Constitution would be appalled today if Americans deviated from the meaning they had in mind and impeached a President over something as minor, in their opinion, as sex and lies.

The reality is that the definition of "high crimes and misdemeanors" is a term which is open to significant interpretation in light of 600 years of history. So, eventually, the American people had the responsibility to ask themselves whether they are witnessing behavior unbecoming an American President and whether the law and simple decency have rightful places in the conduct of our leaders and public officials.

We work very hard to teach our children the difference between right and wrong. We must, therefore, insist on the same from our leaders. In this case, if impeachable offenses were committed, the President must be held accountable.

Furthermore, Congress has a constitutional duty to the public to investigate and remedy breaches of the public trust. Mr. Speaker, holding the President accountable would ensure that future holders of the office would also be held accountable. To neglect to do so would debase our Constitution.

In America, no one is above the law. As former Representative Peter Rodino, a Democrat from New Jersey, a House Judiciary Committee chairman during the Watergate hearings, said, "We cannot turn away, out of partisanship or convenience, from problems that are now our responsibility to consider."

Has the President demeaned the Office of the Presidency? That is the question. If so, then we must consider impeachment. Let the courts decide after the impeachment process what punishment should apply thereafter.

SEEKING A NEW STRATEGY IN AMERICA'S WAR ON POVERTY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida (Mr. SCARBOROUGH) is recognized during morning hour debates for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, in listening to those who have discussed the matters before Congress regarding the President, I agree these are very pressing constitutional issues that we face. Regrettably, the Presidential crisis has magnified the extremes in our political culture.

I have received troubling phone calls from both sides of the political spectrum. Those supporting the President suggest that Congress drop this matter immediately. And on the other side, detractors of the President demand that we force him immediately from office without him receiving due process.

Like so many others across American, I believe there is a more reasonable approach that emphasizes the importance of following the Constitution. We must do our job, and at the end of the process, we must prove two things:

First, for the sake of all Americans, we must show that no man is above the law. Secondly, we must show for the sake of the President and the public servants that work in Washington, D.C., no public servant will be held "below the law." We must not hold the President or any official to a legally higher standard than any of us would face. Those are our challenges.

I wanted to come to this Chamber today, though, to speak briefly about another Democrat, the gentleman from Ohio (Mr. HALL) who today is holding meetings and going throughout the city of Washington, D.C., to address a crisis that is still pressing 35 years after the advent of the great society. That crisis is poverty, and that crisis of poverty still exists in Washington, D.C., and still exists across this country.

Sadly, it still is surprising to some people that poverty is still with us. Reports suggests that poverty is eradicated, that it has been miraculously wiped away from the face of American civilization. Regrettably, this is not true.

Two forms of poverty still exist today. One is the poverty that we are familiar with, the poverty that we have grown up hearing about, about children living in squalor, experiencing hunger. But a second poverty exists that is a far more dangerous poverty. That is the poverty of indifference.

The situation in Washington, D.C., remains dire. The first time I came to this city I was shocked to see people living in poverty in the shadow of the United States Capitol. We were warned not to stray too far from the Capitol or the Mall after dusk. How did we get to such a place in the United States of America, within the shadow of our Nation's Capitol? Such a situation is not acceptable.

Washington has repeated its mistakes over the past 35 years by refusing to dare to make a difference. If inner cities faced a social ill, Washington tried to micromanage each such problem by creating huge, hulking bureaucracies. By taking money from Americans from Maine over to Hawaii, and by bringing that money to Washington, D.C., Congress has long suggested that it knows better than communities how to end the scourge of poverty. As a result, the war on poverty has almost exclusively been waged from inside the walls of Federal bureaucracies.

Sadly, this centralized, bureaucratic approach has not worked for the past 40 years. It will not work for the next 40 years. Therefore, we have no other choice but to create a new approach for the war on poverty.

"Insanity" is defined as doing the same thing over and over again and expecting a different outcome. That is what we have been doing in Washington, D.C. We continue to take money from across America, funnel it to bureaucracies, allow bureaucracies to singularly wage the war on poverty, and ignore the failings we have fostered.

Drive through the South Bronx and decide for yourself whether we are better off today than we were 35 years ago. Drive through South Central Los Angeles or Gary, Indiana, and ask that same question. Or drive 5 minutes from the Nation's Capitol and go through Anacostia, and then decide whether Anacostia is better off today than when we started our bureaucratic war on poverty 35 years ago. I would suggest to my colleagues it is not.

Bobby Kennedy once said, "This is the violence of institutions: indifference and inaction and slow decay. This is the violence that afflicts the poor, that poisons relations between men because their skins have different colors. This is the slow destruction of a child by hunger, and schools without books and homes without heat in the winter." And yet, 30 years after Senator Kennedy's death, the poverty of indifference still afflicts our institutions.

Last week a small, incremental approach was suggested in a tax bill that passed our House of Representatives. It was a tax incentive-based approach that provided tax relief for 20 defined renewal communities. While the family development accounts, the commercial revitalization credit and the work opportunity tax credits suggest a hopeful beginning, these incentives by themselves are far too incremental to make a difference.

Still, it is a beginning. Congress must be willing to begin the unbridling of the free enterprise system in our center cities, and provide businesses incentives to beat back the effects of poverty in these neighborhoods.

Waging and winning such a war is good for all Americans, save drug dealers and demagogues. It is good for our national soul and good for our economy. Imagine moving through the next century with our national center cities emerging as economic engines instead of economic drains. It is a possibility we must consider. Repeating the mistakes of the past 35 years is not an option.

We must seek a new strategy in our war against poverty.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 12 noon.

Accordingly (at 11 o'clock and 12 minutes a.m.), the House stood in recess until 12 noon.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SUNUNU) at 12 noon.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

The scriptures exhort us to begin each day with joyful singing and with gladness of heart. The scriptures further proclaim that we should enter God's gates with thanksgiving and his courts with praise. Yet, we know, O loving and gracious God, that for some people there is no singing a new song, nor is there thanksgiving or gladness. Remind each of us, O God, what we can do to alleviate the hurt of others or cause their pain to diminish. May the hungry find food, the lonely know friendship, and those who experience the ravages of war find peace and rest. And may Your blessing, O God, that surrounds us and gives us hope be with us and all Your people now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1 of rule 1, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4057. An act to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 4057) "An Act to amend title 49, United States Code, to reauthorize programs of the Federal Aviation Administration, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCAIN, Mr. STEVENS, Mr. GORTON, Mr. HOLLINGS, and Mr. FORD, to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2511. An act to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees.

A TAX CUT, SOCIAL SECURITY COMPROMISE

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTKNECHT. Mr. Speaker, on Saturday, I was forced to choose between keeping my promise to provide additional tax relief to working families and my pledge that every penny of Social Security taxes should go only to Social Security.

The Democrats' demagoguery rings hollow. For 40 years they raided the trust fund. All of this year's $80 billion surplus will go towards debt, not new programs. But there was a grain of truth to the arguments that they raised. Ending the marriage penalty and making Social Security solvent are not mutually exclusive. A compromise can be reached so that tax cuts can be phased in after our obligations to Social Security have been met. This could begin as early as next March.

When Americans allowed Washington to take money from their paychecks to fund Social Security, they never told Washington to keep the change.

PAYING TRIBUTE TO FORGOTTEN BASEBALL HEROES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, congratulations to "Big Mac McGwire" and "Slamming Sammy Sosa." Their achievements and their character are in fact role models for all of America's youth.

Today I rise, however, to pay tribute to 2 sort of forgotten past baseball heroes. Josh Gibson of the old Negro leagues hit 85 home runs in the early 1930s. Thank God it was recognized and he was placed into the Hall of Fame. The other forgotten man is the kid from Fargo. He stood right next to Babe Ruth for 37 years. Two-time MVP, home run king, and a good person, Roger Maris.

I say to my colleagues, it is time for baseball to do the right thing like they did with Josh Gibson; it is time to put the kid from Fargo, Roger Maris, in the Hall of Fame. Sammy and Big Mac showed just what a tremendous achievement Roger Maris and Josh Gibson had, in fact, achieved.

CHINA'S FUNDAMENTAL RIGHT TO RELIGIOUS FREEDOM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today to speak on behalf of the imprisoned religious believers in China.

Chinese officials imprisoned Pastor Xu Yongze for setting up a house church and for working with overseas organizations. Reports suggest that since his arrest on March 16, 1997, authorities have beaten and tortured Pasture Xu and prevented his family from seeing him.

Further, the government rearrested 65-year-old Bishop Su Zhimin for sending a letter to Chinese authorities protesting religious freedom violations. Bishop Su spent 20 years in prison for the crime of respecting the authority of the Vatican and refusing to join China's State-sponsored church, the Catholic Patriotic Association.

Mr. Speaker, I urge the Chinese government to release Pastor Xu and Bishop Su, and begin to protect the Chinese people's fundamental right to religious liberty.

DO NOT PROMISE TO BUILD A BRIDGE WHEN THERE IS NO RIVER TO CROSS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the Democrats and President Clinton have repeatedly stated that every penny of the surplus should be saved for Social Security, every penny. What the Democrats are not saying is that President Clinton is already spending the surplus. That is right. He has already spent $2.9 billion on our mission in Bosnia, and this fall the Clinton administration is proposing to spend billions more from the surplus.

Bosnia or America? Well, as important as Bosnia may be, the Democrats and the President cannot have it both ways. While the President and his Democratic leadership want to spend the surplus on the people of Bosnia, Republicans want it to be used for taxpayers of America.

Mr. Speaker, I urge the Democratic leadership to come clean, to tell the American people why they do not want hard-working Americans to keep more of their hard-earned money, how they want higher taxes and how they want to spend the resources of hard-working men and women on more and more, bigger and wasteful, unnecessary bureaucracy and government.

I do not doubt for a minute that Americans will see through the illusions of the Democratic rhetoric and demagoguery. Before the November 3 elections, Democrats and the President may want to remember this: Do not promise to build a bridge when there is no river to cross.

DEMOCRATS DISREGARD TRUTH AND ACCURACY

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, let us examine for a moment the Republican charge that Democrats had 40 years to do something about Social Security, but did not set aside one dime in all of that time.

Well, the charge is quite true, the proof being, of course, that if they had, where is the money that they put aside? As everyone who knows how Social Security works would attest, there is no real Social Security Trust Fund. And funds that come in for Social Security are paid out as soon as they come in for the reasons that the previous speaker mentioned.

Is there a Democrat that can deny that? Is there a Democrat that can deny that the Democrats controlled this body for 40 years? How truly ironic that the very same Democrats that are attacking Republicans for setting aside over $1 trillion for Social Security put aside exactly zero when they were in the majority.

This I think is an excellent example of the other side's disregard for the truth and the accuracy. Do not seniors deserve better?

CORPS OF ENGINEERS WORK FOR THE PEOPLE

(Mr. NORWOOD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NORWOOD. Mr. Speaker, I am sure my colleagues can remember the unfortunate boating death that claimed the lives of a couple of Cleveland Indian players a few years ago. One of the contributing factors to their deaths were the guide wires that are used to keep docks in place.

Guide wires are the only authorized method for keeping docks in place at Thurmond Lake in Georgia. Why? Because the Corps of Engineers' Savannah office said so. Spud polls, a much safer and more practical action because of their effectiveness at adjusting to the water fluctuations from Thurmond Dam's releases, are not politically correct. The only thing wrong with spud polls is that some tree-hugging bureaucrats do not like them.

"Do as I say, not as I do." That is the motto of the Corps' Savannah office.

Mr. Speaker, I think it is time the Corps understood that they work for the people and not the other way around. It is also time for the Corps to start obeying Federal laws like the Clean Water Act before it bullies any more of my constituents for being out of compliance.

ETHICAL MELTDOWN IN AMERICA

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, every day across America patriotic Americans feel frustrated by what they see on the news about White House scandals and the media's reaction to them. These same people who have worked to bring sexual harassment to our attention now say with a straight face that how women are treated in the workplace is a private matter.

Nightly, we are treated to commentaries which seem to suggest that character does not matter, that we must adhere to two different standards, ethical standards for our public officials, one when the Dow is above 9,000, and the other when the economy is in a slump.

The majority of Americans today know the truth and can see through the spin, retractions and the legalisms. Many in my district believe that we are witnessing a moral Chernobyl right before our eyes, an ethical meltdown that sends a message to every child in America that some people do not have to take responsibility for their actions.

A healthy democracy requires not only that leaders take responsibility for their actions, but a Nation of citizens who demand that they do.

TRIBUTE TO LEE HAMILTON

(Mr. HOUGHTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, the gentleman from Indiana (Mr. HAMILTON) is retiring from this House at the end of this year. LEE has represented the ninth district of Indiana for 17 terms, 34 years. He is an extraordinary man. I happen to think that the idea of curtailing terms is a good idea, but if there ever is an excuse for not doing it, for not having term limits, it is LEE HAMILTON.

This is a man who has all the characteristics that we want here. He has extraordinary judgment. Whenever I have a problem, he is the first person I like to talk to. He has a sense of history. He has a sense of this place. He has a sense of what service versus self-service is.

Also, he really believes in the Arthur Vandenberg School of Government, which is partisanship stops at the water's edge. In all of the things he has done, he has always reached for bipartisanship. This is a fine man. He is now going to the Woodrow Wilson School, and his goal there will be to try to bridge the gap between the academic and the political policy of the schools of thought.

Mr. Speaker, he is an extraordinary man for an extraordinary time, and we will miss the gentleman from Indiana (Mr. HAMILTON). I say that as a Republican to a Democrat who I admire so much.

ISSUE OF HOSTILE TAKEOVERS NEEDS TO BE EXAMINED

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the issue of hostile takeovers has risen in resonance over the last several years whereby one company seeks, by methods that are sometimes not clear to everyone, to take over another entity.

In our own district in Pennsylvania, Amp, Incorporated, which employs thousands of people in our area and which has a tremendous, widely accepted reputation internationally for commercial activity, is now the target of such a hostile takeover. The results of such a move could result in the loss of jobs and in the loss from our community of an entity which has always been community-minded, and which has helped in a thousand different ways the stability, both economic and social, of our area.

We in the Congress owe it to ourselves and to the American public to examine this issue of hostile takeovers, to see how in the long run it can be removed from the scene and normal commercial activity take its place.

WE CAN SAVE SOCIAL SECURITY AND ELIMINATE THE MARRIAGE TAX PENALTY

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, in the next 2 weeks, we have a lot to do, and of course we want to do the people's business.

This past weekend this House of Representatives did the right thing. We set aside $1.4 trillion in surplus tax revenue for the effort to save Social Security, and we passed legislation which will eliminate the marriage tax personality.

I have often asked in the well of this House over the last year, is it right, is it fair that under our current Tax Code, 28 million married working couples pay higher taxes, just because they are married.

Well, we have addressed that. On Saturday we passed and sent to the Senate legislation whose centerpiece eliminates the marriage tax penalty for the majority of those who suffer. In fact, for 28 million couples they will see an extra $240, enough money for a car payment in extra take-home pay because of lower taxes.

Now, those who opposed it, particularly those on the Democratic side of the aisle, claim somehow that our effort to eliminate the marriage tax penalty hurts the Social Security Trust Fund.

Now, on the Committee on Ways and Means, which I am proud to be a member of, we asked a representative of the Social Security Administration, Judy Chesser, the Deputy Commissioner of the Office of Legislation and Congressional Affairs, if this tax cut to eliminate the marriage tax penalty impacts Social Security. She gave us a simple answer: No.

Let us save Social Security. Let us eliminate the marriage tax penalty.

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HOSTILE TAKEOVERS WITH A POSITIVE IMPACT

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, a previous speaker talked about a hostile takeover with negative impact. I would like to talk about a hostile takeover with a very positive impact.

Yesterday the New York Yankees won their 114th game, to set an all-time record for an American League club. In addition to that, Bernie Williams won the American League batting championship with a .339 average. In addition to that, David Cone, after 10 years without winning 20 games, won his 20th game.

In addition to that, the wonder boy, Shane Spencer, who came up from the minor leagues and captivated the hearts of all America, he has more home runs per game at bat ratio than Mark McGuire. He got number 10 yesterday, his third grand slam in 9 days. Joe Torre, that magnificent manager, brought them all together under the leadership of George Steinbrenner.

All America is smiling today. Mark McGuire has his 70 home runs, the New York Yankees are the American League all-time champion, and I invite all the Members to come witness what baseball has to offer America in Cooperstown, New York, that mecca of baseball. Come see it.

TAX CUT PACKAGE UNDER VICIOUS ATTACK BY LIBERALS

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, the House of Representatives passed a tax cut package this past Saturday that, not surprisingly, is under vicious attack by liberals.

Think about that for a second. The very idea that government could get by with a little less so that families could have a little more is so offensive to Liberals who worship at the alter of big government, no matter how much it wastes and no matter how dismal its results.

We have heard over and over again that tax cuts are an election year gimmick. This is quite revealing about the different attitudes of Conservatives and Liberals when it comes to the relationship between the governed and their Washington masters.

Conservatives have a respect for work. They believe that it is a fundamental principal of freedom to have the right to the fruits of your labor. Liberals act like people who work extra hard, who go the extra mile to get extra education and are thereby rewarded for those efforts with a higher income, have something to apologize for.

In their view tax cuts are not even legitimate. They are nothing more than an election year gimmick. Liberalism speaks for itself.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SUNUNU). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules, but not before 5 p.m. today.

NUTRIA ERADICATION AND CONTROL PILOT PROGRAM

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4337) to authorize the Secretary of the Interior to provide financial assistance to the State of Maryland for a pilot program to develop measures to eradicate or control nutria and restore marshland damaged by nutria.

The Clerk read as follows:

H.R. 4337

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NUTRIA ERADICATION AND CONTROL PILOT PROGRAM.

(a) GRANT AUTHORITY.—The Secretary of the Interior (in this section referred to as the "Secretary"), subject to the availability of appropriations, may provide financial assistance to the State of Maryland for a pilot program to develop measures to eradicate or control nutria and restore marshland damaged by nutria.

(b) GOALS.—The pilot program shall develop methods to—

(1) eradicate nutria in Maryland;

(2) eradicate or control nutria in other States; and

(3) develop methods to restore marshland damaged by nutria.

(c) ACTIVITIES.—The Secretary shall require that the pilot program consist of management, research, and public education activities carried out in accordance with the document entitled "Marsh Restoration: Nutria Control in Maryland Pilot Program Proposal", dated July 10, 1998.

(d) COST SHARING.—

(1) FEDERAL SHARE.—The Federal share of the costs of the pilot program may not exceed 75 percent of the total costs of the pilot program.

(2) IN-KIND CONTRIBUTIONS.—The non-Federal share of the costs of the pilot program may be provided in the form of in-kind contributions of materials or services.

(e) LIMITATION ON ADMINISTRATIVE EXPENSES.—Not more than 10 percent of financial assistance provided by the Secretary under this section may be used for administrative expenses.

(f) AUTHORIZATION OF APPROPRIATIONS.—For financial assistance under this section, there are authorized to be appropriated to the Secretary $2,900,000 for fiscal years 2000, 2001, and 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4337, a bill that implements the nutria eradication and control pilot program for the State of Maryland. This legislation was introduced by the gentleman from Maryland (Mr. GILCHREST), from Kennedyville, a small town on the eastern shore. This bill was the subject of a subcommittee hearing on July 16.

At that time, the subcommittee received testimony from a diverse group of witnesses who strongly supported immediate action. In fact, H.R. 4337 incorporates the recommendations of a comprehensive report entitled "Marsh Restoration: Nutria Control in Maryland." This report was a consensus document approved by the U.S. Fish and Wildlife Service, the Maryland Department of Natural Resources, the University of Maryland, the Salisbury Zoological Park, and Ducks, Unlimited.

By way of background, nutria are large, semi-aquatic rodents that are native to South America. Nutria may weigh up to 20 pounds and live along the banks of lakes, marshes, ponds, and rivers. These large water rats are surface-feeding mammals that are extremely destructive to marsh vegetation.

Nutria were introduced in Maryland in the 1950s to assist with the clothing industry. Today, there is no market for that fur and no natural predators to control them. As a result, the nutria population has skyrocketed. It has been estimated that there are now between 35,000 and 50,000 nutria living at the Blackwater National Wildlife Refuge in Maryland.

This refuge has 17,000 acres of marsh that are essential habitat to thousands of nesting and migratory birds. Regrettably, this habitat is being systematically destroyed because of the appetites of these South American rodents. This is causing serious problems for native wildlife, fish, plants, and marsh ecosystems.

H.R. 4337 authorizes $2.9 million over 3 years to help alleviate the nutria problem. While this may not solve the problem entirely, it is a positive step in the right direction. In fact, the refuge manager of Blackwater National Wildlife Refuge testified that "These wetlands, which provide significant ecological, cultural, and economic benefits, will continue to disappear at an increasing rate unless prompt action is taken."

Mr. Speaker, I urge an aye vote on H.R. 4337, and I want to pay special compliments to the gentleman from Kennedyville, Maryland (Mr. GILCHREST) for his leadership in this matter.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I certainly would like to commend the gentleman from New Jersey (Mr. SAXTON), the chairman of the Subcommittee on Fisheries Conservation, Wildlife, and Oceans, for bringing this legislation to the floor. I also want to commend my good friend, the gentleman from Maryland (Mr. GILCHREST) for his sponsorship of this legislation.

Mr. Speaker, this bill authorizes Federal financial assistance to the State of Maryland to develop methods to eradicate or at least control nutria. These submarine rodents were accidentally released into the wild, and have wreaked havoc with wetlands in Louisiana, Maryland, and elsewhere.

The foraging habits of nutria are especially destructive to marsh grasses. Nutria have thrived in their newfound homes in our North American swamps and marshes. Given all the other threats to wetlands these days, nutria must be brought under control.

The State of Maryland has developed a comprehensive plan for nutria eradication, and Federal support will greatly expedite its implementation. If we can come up with a method to control these destructive rodents, the plan can be modified and used in other places where nutria are a problem.

Mr. Speaker, this is sound public policy to deal with a strange yet important threat to our vanishing wetlands. I urge my colleagues to support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from Kennedyville, Maryland (Mr. GILCHREST), the author of the bill.

Mr. GILCHREST. Mr. Speaker, I thank the chairman for yielding time to me, and for his generous help on this legislation.

This bill will go far to preserve and restore Blackwater Refuge on the Eastern Shore of Maryland, and to provide a base of information and experience to help other States devise ways to deal with this little critter we call nutria.

The Blackwater National Wildlife Refuge was established in 1933 to protect habitat for migrating and wintering birds. The refuge is currently home to more than 250 species of birds, including bald and golden eagles, cormorants, great blue herons, northern loons, ospreys, and 20 different varieties of ducks.

It is also home to the Delmarva fox squirrel, a critically endangered species that is found almost exclusively in only 4 counties in my district.

Of the 20,000 acres protected by the refuge, almost 17,000 acres are or were marshland. Seven thousand of those marshland acres have been lost to erosion. One of the reasons for the loss is the reason for the bill we are discussing today, the rabid appetite of this little critter from South America known as the nutria.

Nutria are large, semi-aquatic rodents native to South America, and were introduced to Maryland in the 1950s to support the fur industry. As demand for nutria fur dropped off, and with no natural predators, nutria populations took off. From far less than 150 animals in 1968, today we have between 35,000 and 50,000 of them.

Nutria are surface-feeding herbivores that can be extremely destructive to marsh vegetation. They forage directly on the vegetative root mat, leaving the marsh pitted with digging sites, riddled swim canals, and extremely susceptible to erosion associated with tidal currents, wave action, and sea level rise.

While it is impossible to quantify exactly what percentage of marsh loss is due to nutria, recent studies have shown that excluding or controlling nutria substantially slows the rate of erosion. In Louisiana, for example, where there is still some market for nutria, the Department of Wildlife and Fisheries has documented substantial habitat damage in coastal wetlands for every year that the annual harvest falls below 500,000, as it has every year since 1988.

The bill will authorize the Fish and Wildlife Service to work with the State of Maryland and other partners to extensively trap nutria, to develop methods to eradicate or control nutria that may be applied in other affected States, and to begin to restore marshland damaged by the nutria.

The proposal, which is the centerpiece of this bill, was developed jointly by Federal, State, and local and private partners. This bill authorizes $2.9 million over the next 3 years to implement a pilot program, and requires that nonfederal partners bear 25 percent of the cost of the program. It also includes a limitation that administrative expenses may not be used for more than 10 percent of the Federal share.

This is an important piece of legislation, not only that it is going to reduce the problems nutria have caused in the State of Maryland, and extend some of that information to the State of Louisiana, but we certainly do not want nutria to extend their way up to the State of New Jersey. I am sure the chairman of the Subcommittee on Fisheries Conservation, Wildlife, and Oceans would go along with that, along with a brother that I have in the pine barrens up there.

Unless action is taken, seriously, Mr. Speaker, this will only get worse, and the marsh habitat that is so critical to migratory waterfowl will disappear. We know while people need a certain area, a certain habitat, and sometimes suburbs to live in, the migrating waterfowl need a habitat that is not being destroyed.

Again, I would like to thank the gentleman from New Jersey (Mr. SAXTON) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) for all of their good work on this legislation, and I urge the support of my colleagues to pass the nutria eradication and control program bill.

Mr. FALEOMAVAEGA. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 4337.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4337, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MIGRATORY BIRD HUNTING AND CONSERVATION STAMP PROMOTION ACT

Mr. SAXTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4248) to authorize the use of receipts from the sale of the Migratory Bird Hunting and Conservation Stamps to promote additional stamp purchases, as amended.

The Clerk read as follows:

H.R. 4248

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Migratory Bird Hunting and Conservation Stamp Promotion Act".

SEC. 2. PROMOTION OF STAMP SALES.

(a) IN GENERAL.—Section 4 of the Act of March 16, 1934 (chapter 71; 16 U.S.C. 718d), popularly known as the Migratory Bird Hunting Stamp Act, is amended—

(1) in subsection (b) by striking "subsection (c)" and inserting "subsections (c) and (d)"; and

(2) by adding at the end the following:

"(d) PROMOTION OF STAMP SALES.—(1) The Secretary of the Interior may utilize funds from the sale of migratory-bird hunting and conservation stamps, not to exceed $1,000,000 in each of fiscal years 1999, 2000, 2001, 2002, and 2003, for the promotion of additional sales of those stamps, in accordance with a Migratory Bird Conservation Commission-approved annual marketing plan. Such promotion shall include the preparation of reports, brochures, or other appropriate materials to be made available to the public that describe the benefits to wildlife derived from stamp sales.

"(2) The Secretary of the Interior shall include in each annual report of the Commission under section 3 of the Migratory Bird Conservation Act (16 U.S.C. 715b) a description of activities conducted under this subsection in the year covered by the report.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SAXTON) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SAXTON).

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Mr. SAXTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4248, the Migratory Bird Hunting and Conservation Stamp Promotion Act. This bill was introduced primarily by our colleague the gentleman from California (Mr. CUNNINGHAM), who has done such a great job and has been such a great advocate of the bill. He is the primary reason that we are here today.

Joining him is of course the gentleman from Michigan (Mr. DINGELL), the gentleman from Tennessee (Mr. TANNER), and the gentleman from Pennsylvania (Mr. WELDON), who also were very, very hard workers on the bill.

The bill was the subject of a subcommittee hearing on July 16th. At that time, every witness testified in strong support of trying to promote additional duck stamp purchases. In fact, the U.S. Fish and Wildlife Service, which has endorsed the bill, testified that additional opportunities to increase revenues to the Migratory Bird Conservation Fund from increased duck stamp sales do exist, and this bill is a good route to get that done.

Since Congress approved the Migratory Bird Hunting Stamp Act of 1934, every waterfowl hunter 16 years and older has been required to purchase a valid Federal duck stamp. The cost of the stamp has increased from $1 to its present cost of $15. These funds, which exceed a total of $500 million, have been used to purchase some 5 million acres of prime wildlife habitat. This habitat is essential to literally millions of migratory birds.

Unfortunately, the sale of duck stamps has declined in recent years. In fact, nearly 1 million less duck stamps were sold last year than two decades ago.

H.R. 4248 is designed to reverse that trend. Under the terms of this legislation, up to $1 million per year in duck stamp receipts would be spent to create a promotional program to increase the sale of duck stamps. This promotional program would be crafted to appeal to a growing number of bird watchers, wildlife artists, stamp collectors, and those Americans who simply enjoy wildlife.

If successful, this program will generate millions of dollars in new revenues which would be used to buy additional waterfowl habitat in the United States.

Mr. Speaker, this bill is strongly supported by many conservation organizations, including Ducks Unlimited, the Izaak Walton League, and the Wildlife Legislative Fund of America.

I urge an "aye" vote on the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, my sincere thanks and appreciation to the chairman of the Subcommittee on Fisheries Conservation, Wildlife and Oceans, the gentleman from New Jersey (Mr. SAXTON) for bringing this legislation to the floor. I also want to commend my good friend the gentleman from California (Mr. CUNNINGHAM) for his primary sponsorship of this legislation.

Mr. Speaker, I might add, this does have bipartisan support, especially friends from this side of the aisle, the gentleman from Michigan (Mr. DINGELL) and the gentleman from Tennessee (Mr. TANNER).

Mr. Speaker, the Migratory Bird Hunting and Conservation Stamp Promotion Act is a sound piece of legislation. This bill will allow the Fish and Wildlife Service to spend $1 million a year in revenues from the migratory bird hunting stamp to promote sales of those stamps to a broader range of users, including bird watchers, photographers, and other conservationists.

It is estimated that as many as 25 million Americans enjoy observing birds and spend as much as $20 billion a year to do so. They travel to see over 800 species of birds that reside in the United States. I might add, Mr. Speaker, I invite all my fellow Americans and bird watchers of America to come and observe the only bat that flies during the day like a bird, and it is the flying fox in the Samoan Islands.

Many of these birds are undergoing serious conservation problems. These problems are no less serious than the declines of game birds in the 1920s which inspired hunters, conservationists and Federal lawmakers to pass the Migratory Bird Conservation Act of 1929. That act, Mr. Speaker, authorized the duck stamp program.

Since that time, Mr. Speaker, the program has been enormously successful and has helped protect some 5 million acres of land for habitat. Many waterfowl populations have recovered tremendously. Millions of acres of habitat have been protected. But even as duck stamp sales to hunters have began to level off, the need to continue to acquire and protect habitat for wildlife has increased tremendously.

Mr. Speaker, an amendment in this bill would encourage the Fish and Wildlife Service to describe the benefits to wildlife which are derived from the sales of these stamps. By demonstrating to bird watchers and conservationists just how these funds contribute to the recovery and relief of some of the many species of wildlife which continue to decline, the Service can be assured of finding a growing number of Americans who are willing to contribute to the protection of habitat for their future.

I am confident that the Fish and Wildlife Service, Mr. Speaker, and the conservation community can work together to make this bill a success and continue to protect valuable habitat for all of those who enjoy this Nation's natural resources.

Mr. Speaker, I urge my colleagues to support this legislation, and, again, I commend my good friend, the gentleman from California, for his prime sponsorship of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. SAXTON. Mr. Speaker, I yield such time as he may consume to the gentleman from San Diego, California (Mr. CUNNINGHAM) who has worked so hard and in such a dedicated way to sponsor this bill and bring it to the floor.

Mr. CUNNINGHAM. Mr. Speaker, I think if you take a look at what this entire subcommittee and committee has done this year, it is very, very noteworthy; from a disabled bill, to a tuna-dolphin bill, as well as future legislation, in a bipartisan way. It is gratifying when we have so many bad days, "bad hair" days here in Congress, that this subcommittee and committee has "good hair" days for us, and I appreciate it.

The gentleman from American Samoa (Mr. FALEOMAVAEGA), see, that is not bad for an Irish kid from northern L.A., but I would like to thank him for his support for this.

Who I would really like to thank is a staffer named Tim Charters. Tim has poured his life and his lifeblood into this. Here is a young man that knew very little about conservation and the outdoors; and in the last 2 years, I cannot keep him out of the woods, and I cannot keep him out from looking and working in conservation programs. So I would like to thank Tim Charters.

I thank the gentleman from Tennessee (Mr. TANNER), the gentleman from Michigan (Mr. DINGELL), and the gentleman from Pennsylvania (Mr. WELDON), that have helped make this possible, and the gentleman from Maryland (Mr. GILCHREST) in the full committee, along with the gentleman from New Jersey (Mr. PALLONE). It is gratifying.

But I will not reiterate some of the things that my colleague, the gentleman from New Jersey (Mr. SAXTON), chairman of the committee, has said, but this money used from the duck stamp is basically used to buy property for conservation.

In every State, we have lands where there is MSP or whether we are trying to connect lands so that critters can grow and have a quarter to prosper, there is never enough funds. With a dwindling of the duck stamp, we are looking for new ways to generate revenue.

The duck stamp group had, there is precedence for this because what they have done in the past is even made quilts and got a contract to make quilts with the duck stamp on it and other images of it, and we sell that to earn money to buy property for the environment and conservation programs like this one.

So it is a good bill, and it is bipartisan. Very few people know that this entire program started in 1934, the duck stamp. It has been immensely popular and it has been successful and at the same time responsible.

One supporter of this plan is Mr. James Mosher, a conservation director for the Izaak Walton League, who says this legislation will significantly increase revenue from duck sales, consequently leading to the enhancement of habitat acquisition and migratory bird conservation.

We have some tremendous problems with migratory birds, for example, the Salton Sea in which the gentlewoman from California (Mrs. BONO) is trying to save.

Migratory birds are at risk. We need to protect them. Some of our wetlands are at risk. This bill helps that.

I would like to submit the rest of my statement for the RECORD, and it is with gratification and much happiness that I support this bill, ask my colleagues to support it and want to personally thank them for all their help.

Mr. FALEOMAVAEGA. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from American Samoa.

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to again thank the gentleman for his eloquent statement. Maybe something that our colleagues here in the House and even the American public do not know, but the fact is that watching birds is a $20 billion industry here in America.

I want to say to my good friend, the gentleman from California (Mr. CUNNINGHAM), for myself, who actually experienced seeing these terns who come all the way from Alaska to Hawaii and even to my islands in Samoa, just to watch these little birds, it is amazing how these little birds can fly for such a tremendous distance.

I am sure that my good friend, who is an excellent jet fighter pilot, can attest to the fact that it is amazing how nature and how these migratory birds can fly for so far and yet be so small in form. It is just amazing.

I think it is an excellent way to promote that we need more funds, and I sincerely hope that this legislation will pass. Again, I want to commend the gentleman for yielding to me.

Mr. CUNNINGHAM. Mr. Speaker, this is a private/public partnership in which we engage, and I thank the gentleman.

Mr. Speaker, I rise today in support of the Migratory Bird Hunting and Conservation Stamp Promotion Act (H.R. 4248). I am proud to be joined in this effort by my fellow Sportsmen's Caucus Co-Chairman JOHN TANNER and Migratory Bird Conservation Committee members, Representative JOHN DINGELL and Representative CURT WELDON.

This legislation will allow the Federal Duck Stamp office to use money from the Migratory Bird Conservation Fund (MBCF) to create an advertising program for the promotion of the federal duck stamp. This promotional program will be similar to the program used by the Postal Service to promote its stamp sales and stamp collecting.

Since Congress created the Federal Duck Stamp in 1934, it has been one of America's most successful conservation initiatives. It has generated more than $500 million for the conservation of wildlife habitat. This money has permanently protected more than 5 million acres of prime wildlife habitat. This program is successful. It is also responsible, because it focuses 98 percent of the program's revenue to purchase habitat.

H.R. 4248 is important because in recent years duck stamp sales have leveled off. Unless we find new ways to promote the Duck Stamp and generate additional revenues, the MBCF will be unable to keep pace with the increasing costs of purchasing land for conservation. By passing this legislation, the Migratory Bird Conservation Commission will be able to promote the benefits of the Federal Duck Stamp. In doing so, they will sell more stamps and generate more funds for habitat conservation.

One supporter of this plan is Mr. James Mosher, Conservation Director for the Izaak Walton League, says this "legislation will significantly increase revenue from stamp sales, consequently leading to enhancement of habitat acquisition and migratory bird conservation efforts."

This legislation has some precedence. In 1984, Congress allowed the Migratory Bird Conservation Committee to use MBCF funds to administer a program to license the image of the Duck Stamp. Today the Duck Stamp image is printed on products like throw rugs, T-shirts, ties, and other items. These licensing agreements generated $65 thousand in 1997, and more than $770 thousand since 1984. This additional funding has been added to the MBCF and useed to protect and preserve habitat.

Mr. Speaker, one may ask whether money we use for the Duck Stamp promotion program wouldn't be better invested in habitat conservation. In fact, Ducks Unlimited, one of America's most prominent conservation organizations, addressed that exact issue in its letter of support for this legislation.

Quoting from Mr. Scott Sutherland and Mr. Fred Abraham's letter, "While Ducks Unlimited is always concerned that the maximum amount of funds raised actually go into protecting habitat in the refuge system, we believe that this temporary set-aside for marketing will eventually lead to more funds being available for the refuge system."

This legislation is supported by the U.S. Fish and Wildlife Service Federal Duck Stamp Office, Ducks Unlimited, the Wildlife Legislative Fund of America, and the Izaak Walton League.

I urge my colleagues to join me and pass this legislation and preserve more of our nation's wildlife habitat.

Mr. FALEOMAVAEGA. Mr. Speaker, I have no additional speakers, and I yield back the balance of my time.

Mr. SAXTON. Mr. Speaker, I also have no additional speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SAXTON) that the House suspend the rules and pass the bill, H.R. 4248, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SAXTON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on H.R. 4248, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

ENERGY CONSERVATION REAUTHORIZATION ACT OF 1998

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4017) to extend certain programs under the Energy Policy and Conservation Act and the Energy Conservation and Production Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4017

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Energy Conservation Reauthorization Act of 1998".

SEC. 2. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

(a) STATE ENERGY CONSERVATION PROGRAM.—Section 365(f) of the Energy Policy and Conservation Act (42 U.S.C. 6325(f)) is amended to read as follows:

"(f) For the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.".

(b) SCHOOLS AND HOSPITALS.—Section 397 the Energy Policy and Conservation Act (42 U.S.C. 6371f) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.".

SEC. 3. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENT.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 422. For the purpose of carrying out the weatherization program under this part, there are authorized to be appropriated for fiscal years 1999 through 2003 such sums as may be necessary.".

SEC. 4. ENERGY SAVINGS PERFORMANCE CONTRACTS.

(a) SUNSET.—Section 801(c) of the National Energy Conservation Policy Act (42 U.S.C. 8287(c)) is amended by striking "five years after" and all that follows through "subsection (b)" and inserting "on October 1, 2003".

(b) DEFINITION.—Section 804(1) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(1)) is amended to read as follows:

"(1) The term 'Federal agency' means each authority of the Government of the United States, whether or not it is within or subject to review by another agency.".

SEC. 5. TECHNICAL AMENDMENTS.

(a) ENERGY POLICY AND CONSERVATION ACT.—The Energy Policy and Conservation Act is amended—

(1) in the table of contents—

(A) by striking "Sec. 301." and all that follows through "Reports to Congress.'.";

(B) by striking "efficiency" and inserting "conservation" in the item relating to section 325;

(C) by striking "and private labelers" in the item relating to section 326;

(D) by striking the items relating to part E of title III;

(E) by inserting after the items relating to part I of title III the following:

"PART J—ENCOURAGING THE USE OF ALTERNATIVE FUELS

"Sec. 400AA. Alternative fuel use by light duty Federal vehicles.
"Sec. 400BB. Alternative fuels truck commercial application program.
"Sec. 400CC. Alternative fuels bus program.
"Sec. 400DD. Interagency Commission on Alternative Motor Fuels.
"Sec. 400EE. Studies and reports.";

(F) by inserting "Environmental" after "Energy Supply and" in the item relating to section 505; and

(G) by striking the item relating to section 527;

(2) in section 321(1) (42 U.S.C. 6291(1))—

(A) by striking "section 501(1) of the Motor Vehicle Information and Cost Savings Act" and inserting "section 32901(a)(3) of title 49, United States Code"; and

(B) by striking the second period at the end thereof;

(3) in section 322(b)(2)(A) (42 U.S.C. 6292(b)(2)(A)) by inserting close quotation marks after "type of product";

(4) in section 324(a)(2)(C)(ii) (42 U.S.C. 6294(a)(2)(C)(ii)) by striking "section 325(j)" and inserting "section 325(l)";

(5) in section 325 (42 U.S.C. 6295)—

(A) by striking "paragraphs" in subsection (e)(4)(A) and inserting "paragraph"; and

(B) by striking "BALLASTS;" in the heading of subsection (g) and inserting "BALLASTS";

(6) in section 336(c)(2) (42 U.S.C. 6306(c)(2)) by striking "section 325(k)" and inserting "section 325(n)";

(7) in section 345(c) (42 U.S.C. 6316(c)) by inserting "standard" after "meets the applicable";

(8) in section 362 (42 U.S.C. 6322)—

(A) by inserting "of" after "of the implementation" in subsection (a)(1); and

(B) by striking "subsection (g)" and inserting "subsection (f)(2)" in subsection (d)(12);

(9) in section 391(2)(B) (42 U.S.C. 6371(2)(B)) by striking the period at the end and inserting a semicolon;

(10) in section 394(a) (42 U.S.C. 6371c(a))—

(A) by striking the commas at the end of paragraphs (1), (3), and (5) and inserting semicolons;

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by striking the colon at the end of paragraph (6) and inserting a semicolon;

(11) in section 400 (42 U.S.C. 6371i) by striking "(a)";

(12) in section 400D(a) (42 U.S.C. 6372c(a)) by striking the commas at the end of paragraphs (1), (2), and (3) and inserting semicolons;

(13) in section 400I(b) (42 U.S.C. 6372h(b)) by striking "Secretary shall," and inserting "Secretary shall";

(14) in section 400AA (42 U.S.C. 6374) by redesignating subsection (i) as subsection (h);

(15) in section 503 (42 U.S.C. 6383)—

(A) by striking "with repect to" and inserting "with respect to" in subsection (b); and

(B) by striking "controlling" and inserting ", controlling," in subsection (c)(1); and

(16) in section 552(d)(5)(A) (42 U.S.C. 6422(d)(5)(A)) by striking "notion" and inserting "motion".

(b) ENERGY CONSERVATION AND PRODUCTION ACT.—The Energy Conservation and Production Act is amended—

(1) in the table of contents—

(A) by striking "rules and regulations" and inserting "regulations and rulings" in the item relating to section 106; and

(B) by striking the item relating to section 207 and inserting the following:

"Sec. 207. State utility regulatory assistance.
"Sec. 208. Authorization of appropriations."; and

(2) in section 202 (42 U.S.C. 6802) by striking "(b) DEFINITIONS.—".

(c) NATIONAL ENERGY CONSERVATION POLICY ACT.—The National Energy Conservation Policy Act is amended—

(1) in the table of contents—

(A) by striking ", installation, and financing" and inserting "and installation" in the item relating to section 216;

(B) by striking "Ratings" and inserting "Rating Guidelines" in the item relating to part 6 of title II;

(C) by striking the item relating to section 304; and

(D) by striking "goals" and inserting "requirements" in the item relating to section 543;

(2) in section 216(d)(1)(C) (42 U.S.C. 8217(d)(1)(C)) by striking "explictly" and inserting "explicitly";

(3) in section 251(b)(1) (42 U.S.C. 8231(b)(1))—

(A) by striking "National Housing Act to projects" and inserting "National Housing Act) to projects"; and

(B) by striking "accure" and inserting "accrue";

(4) in section 266 (42 U.S.C. 8235e) by striking "(17 U.S.C." and inserting "(15 U.S.C."; and

(5) in section 551(8) (42 U.S.C. 8259(8)) by striking "goethermal" and inserting "geothermal".

SEC. 6. MATERIALS ALLOCATION AUTHORITY EXTENSION.

Section 104(b) of the Energy Policy and Conservation Act is amended by striking "(1) The authority" and all that follows through "(2)".

SEC. 7. BIODIESEL FUEL USE CREDITS.

(a) AMENDMENT.—Title III of the Energy Policy Act of 1992 (42 U.S.C. 13211–13219) is amended by adding at the end the following new section:

"SEC. 312. BIODIESEL FUEL USE CREDITS.

"(a) ALLOCATION OF CREDITS.—

"(1) IN GENERAL.—The Secretary shall allocate one credit under this section to a fleet or covered person for each qualifying volume of the biodiesel component of fuel containing at least 20 percent biodiesel by volume purchased after the date of the enactment of this section for use by the fleet or covered person in vehicles owned or operated by the fleet or covered person that weigh more than 8,500 pounds gross vehicle weight rating.

"(2) EXCEPTIONS.—No credits shall be allocated under paragraph (1) for a purchase of biodiesel—

"(A) for use in alternative fueled vehicles; or

"(B) that is required by Federal or State law.

"(3) AUTHORITY TO MODIFY PERCENTAGE.—The Secretary may, by rule, lower the 20 percent biodiesel volume requirement in paragraph (1) for reasons related to cold start, safety, or vehicle function considerations.

"(4) DOCUMENTATION.—A fleet or covered person seeking a credit under this section shall provide written documentation to the Secretary supporting the allocation of a credit to such fleet or covered person under paragraph (1).

"(b) USE OF CREDITS.—

"(1) IN GENERAL.—At the request of a fleet or covered person allocated a credit under subsection (a), the Secretary shall, for the year in which the purchase of a qualifying volume is made, treat that purchase as the acquisition of one alternative fueled vehicle the fleet or covered person is required to acquire under this title, title IV, or title V.

"(2) LIMITATION.—Credits allocated under subsection (a) may not be used to satisfy more than 50 percent of the alternative fueled vehicle requirements of a fleet or covered person under this title, title IV, and title V. This paragraph shall not apply to a fleet or covered person that is a biodiesel alternative fuel provider described in section 501(a)(2)(A).

"(c) CREDIT NOT A SECTION 508 CREDIT.—A credit under this section shall not be considered a credit under section 508.

"(d) ISSUANCE OF RULE.—The Secretary shall, before January 1, 1999, issue a rule establishing procedures for the implementation of this section.

"(e) COLLECTION OF DATA.—The Secretary shall collect such data as are required to make a determination described in subsection (f)(2)(B).

"(f) DEFINITIONS.—For purposes of this section—

"(1) the term 'biodiesel' means a diesel fuel substitute produced from nonpetroleum renewable resources that meets the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act; and

"(2) the term 'qualifying volume' means—

"(A) 450 gallons; or

"(B) if the Secretary determines by rule that the average annual alternative fuel use in light duty vehicles by fleets and covered persons exceeds 450 gallons or gallon equivalents, the amount of such average annual alternative fuel use.".

(b) TABLE OF CONTENTS AMENDMENT.—The table of contents of the Energy Policy Act of 1992 is amended by adding at the end of the items relating to title III the following new item:

"Sec. 312. Biodiesel fuel use credits.".

SEC. 8. REPORT CONCERNING COMPLIANCE WITH ALTERNATIVE FUEL VEHICLE PURCHASING REQUIREMENTS.

(a) IN GENERAL.—Section 310 of the Energy Policy Act of 1992 (42 U.S.C. 13218) is amended—

(1) by striking the heading and inserting the following:

"SEC. 310. REPORTS.";

(2) by inserting "(a) GENERAL SERVICE ADMINISTRATION PROGRAM REPORT.—" before "Not later than"; and

(3) by adding at the end the following:

"(b) COMPLIANCE REPORT.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and annually thereafter for the next 14 years, the head of each Federal agency which is subject to this Act and Executive Order No. 13031 shall prepare, and submit to Congress, a report that—

"(A) summarizes the compliance by such Federal agency with the alternative fuel purchasing requirements for Federal fleets under this Act and Executive Order No. 13031; and

"(B) includes a plan of compliance that contains specific dates for achieving compliance using reasonable means.

"(2) CONTENTS.—

"(A) IN GENERAL.—Each report submitted under paragraph (1) shall include—

"(i) any information on any failure to meet statutory requirements or requirements under Executive Order No. 13031;

"(ii)(I) any plan of compliance that the agency head is required to submit under Executive Order No. 13031; or

"(II) if a plan of compliance referred to in subclause (I) does not contain specific dates by which the Federal agency is to achieve compliance, a revised plan of compliance that contains specific dates for achieving compliance; and

"(iii) any related information the agency head is required to submit to the Director of the Office of Management and Budget under Executive Order 13031.

"(B) PENULTIMATE REPORT.—The penultimate report submitted under paragraph (1) shall include an announcement that the report for the next year shall be the final report submitted under paragraph (1).

"(3) PUBLIC DISSEMINATION OF REPORT.—Each report submitted under paragraph (1) shall be made public, including—

"(A) placing such report on a publicly available website on the Internet; and

"(B) publishing the availability of the report, including such website address, in the Federal Register.".

(b) CLERICAL AMENDMENT.—The table of contents for the Energy Policy Act of 1992 contained in section 1(b) of that Act (106 Stat. 2776 et. seq.) is amended by striking the item relating to section 310 and inserting the following:

"Sec. 310. Reports.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentlewoman from Missouri (Ms. MCCARTHY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. DAN SCHAEFER).

GENERAL LEAVE

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House considers H.R. 4017, the Energy Conservation Reauthorization Act of 1998. The bill reauthorizes various conservation programs authorized by the Energy Policy and Conservation Act of 1975 and the Energy Conservation Production Act of 1976. It reduces the energy bills paid by low income consumers, cuts the energy bills paid by the taxpayers by improving the energy efficiency of Federal legislative and judicial facilities, and promotes energy security by encouraging the use of biodiesel fuel to reduce dependence on petroleum motor fuels.

H.R. 4017 has three main parts. First, the bill reauthorizes three conservation programs through the fiscal year of 2003. The bill reauthorizes two Energy Policy and Conservation Act conservation programs, the State Energy Conservation Program and Institutional Conservation Program, and an Energy Conservation and Production Act conservation program, the weatherization assistance program.

These are real vital programs. The weatherization assistance program reduces the burden of energy costs to low income families, particularly the elderly, persons with disabilities and families with children. Weatherization grant awards are provided to all States, the District of Columbia and, under certain circumstances, the Indian tribal organizations.

Between 60,000 and 70,000 households are served every year. There are about 750 local community action agencies participating in this weatherization program. Based on priorities established through energy audits, the program provides for installation of cost-effective weatherization measures such as caulking and weather-stripping, wall and attic insulation and heating system improvements.

The Subcommittee on Energy and Power of the Committee on Commerce held a hearing on reauthorization of these programs on September 16, 1997. That hearing demonstrated broad public support for reauthorization of these programs. The weatherization program is particularly important to low income consumers in the Northeast and the Midwest. There is a need for the House to act, since authorization for all these programs has long since expired, in some cases as long ago as fiscal year 1993.

Second, H.R. 4017 permits greater use of energy savings performance contracts under the National Energy Conservation Policy Act. NECPA, which we call it, authorizes Federal agencies to enter into energy savings performance contracts with energy service companies to improve the energy efficiency of Federal facilities.

□ 1245

These contracts allow contractors to pay for the cost of acquiring and installing energy efficient equipment at Federal facilities, services which are being paid for through shared energy savings. However, authority to enter into these contracts is limited to Federal executive branch agencies. The bill amends the definition of Federal agency. In this particular legislation, it includes the legislative and the judicial branches. That change could result in significant energy savings at legislative and judicial agency facilities and further cut the Federal energy bills paid by our American taxpayers.

Third, the bill promotes energy security by encouraging the use of biodiesel fuel to displace reliance on petroleum motor fuel. The DOE alternative fuels program was established by the Energy Policy Act of 1992 in order to displace petroleum motor fuels and reduce U.S. dependence on motor oil. Under the act, the Federal Government, State governments, and alternative fuel providers were required to purchase alternative fueled vehicles. That was the hope, that these alternative fueled vehicles would use alternative fuels and displace petroleum fuels.

The act directed DOE to develop a program to replace 10 percent of our petroleum motor fuels by the year 2000, and 30 percent by the year 2010. However, alternative fuels currently account for only .2 percent of motor fuel usage. DOE is nowhere near achieving the goals established by the Energy Policy Act for the alternative fuels program.

One reason alternative fuels represent such a small share of motor fuel use is that many alternative fueled vehicles do not run on alternative fuels. Two-thirds of alternative fuels can use either petroleum motor fuels or alternative fuels, and it is apparent that many of these vehicles run largely on petroleum fuels. This bill is an important step in the right direction. It introduces incentives for replacement fuel use by providing credits for use of biodiesel.

I want to take a moment to commend the authors of the biodiesel provisions, the gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY), for their leadership and determination on this issue. They have pushed hard for action to help the biodiesel industry and soybean farmers. The gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. MCCARTHY) have also heard the concerns of their colleagues who had problems with an earlier version of this legislation and have developed an approach that represents a consensus opinion. They deserve very much credit for going the extra mile to build a broad support.

H.R. 4017 was introduced jointly by myself and the ranking member of the Subcommittee on Energy and Power the gentleman from Texas (Mr. HALL). The bill was drafted jointly by majority and minority committee staff. This legislation is also supported by the Department of Energy, energy efficiency and consumer organizations, and the biodiesel and natural gas vehicle industry. The bill includes an amendment that reflects an understanding with the Committee on Science.

The bill reported by the committee would have reauthorized two export promotion programs. The Committee on Renewable Energy Commerce and Trade, and the Committee on Energy Efficiency Commerce and Trade.

CORECT is an interagency working group chaired by DOE, composed of representatives of 14 agencies, whose mission is to promote the export of U.S. renewable energy technology. CORECT is also an interagency working group whose mission is to promote the export of energy efficiency.

I will enter into the RECORD the exchange of letters between the Committee on Commerce and the Committee on Science on this particular issue.

H.R. 4017 is not controversial and was proved by the Committee on Commerce by a voice vote. I urge my colleagues to support this very important legislation.

COMMITTEE ON COMMERCE
Washington, DC, September 28, 1998.
Hon. F. JAMES SENSENBRENNER,
Chairman, Committee on Science,
Washington, DC.

DEAR JIM: Thank you for your September 17, 1998 letter concerning H.R. 4017, the Energy Conservation Reauthorization Act of 1998.

As your letter indicates, in response to some concerns of you and your Members, we have agreed to delete certain provisions of the bill relating to export promotion programs.

Again, thank you for your interest in H.R. 4017. As requested, I will ensure that a copy of this exchange of letters is inserted into the Record during the consideration of the legislation.

Sincerely,
TOM BLILEY,
Chairman.

COMMITTEE ON SCIENCE,
Washington, DC, September 17, 1998.
Hon. THOMAS BLILEY,
Chairman, Committee on Commerce,
House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: After our phone conversation staff was able to work out an agreement on H.R. 4017, the Energy Conservation Reauthorization Act of 1998.

The Committee on Science will not seek a referral on the bill. By doing so we are not waiving any of our jurisdictional claims and reserve the right to seek conferees on this legislation for provisions which may fall within the jurisdiction of the Science Committee should the House passage of H.R. 4017 result in a House-Senate Conference.

I would ask that this letter be placed in the Record at the appropriate place during the consideration of H.R. 4017.

I look forward to working with you on this and other legislation.

Sincerely,
F. JAMES SENSENBRENNER, Jr.,
Chairman.

Mr. Speaker, I reserve the balance of my time.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield myself such time as I may consume.

I rise today to join in support of H.R. 4017, the Energy Conservation and Reauthorization Act. The act contains an amendment which I have sponsored along with the gentleman from Illinois (Mr. SHIMKUS).

I want to thank the chairman of the subcommittee, the gentleman from Colorado (Mr. DAN SCHAEFER) who is retiring after long and distinguished service to this body and to this Nation and who will be sorely missed by those on the subcommittee, and the ranking member of the subcommittee, the gentleman from Texas (Mr. HALL) for all of their assistance in perfecting this legislation.

H.R. 4017, as amended, would change the Energy Policy Act of 1992, by allowing covered fleets to meet a portion of their annual vehicle acquisition requirements under the act through the purchase and use of a 20/80 blend of biodiesel fuel, usually called B–20, that is produced from domestic renewable resources such as soybean oil, rapeseed, cottonseed, sunflower oil, beef tallow, pork lard, yellow grease and corn oil.

The amendment incorporated into the bill establishes this as a pilot program that can be used to evaluate new means to meet those standards in the EPACT program that our Nation seeks in order to reduce our dependence on imported petroleum and improve our air quality.

This amendment provides more choice and greater flexibility to fleet operators throughout this Nation, and I wanted to talk a little about my community of Kansas City because we are now in our own pilot program to try to see how biodiesel will work and whether indeed it will help us reduce our air emissions so that we meet those quality standards we seek.

This year in Kansas City we have had 5 instances of air quality rising above

Federal pollution limits of 125 parts per billion. Any more occurrences and stricter air pollution limits for Kansas City businesses will trigger sanctions, and this is certainly something that no one in our community seeks.

We know that biodiesel is an alternative, along with the others in the national act, that can help us meet those goals. An ozone red alert is issued when ozone levels are expected to rise above 110 parts per billion. Those are the alerts that we seek to avoid in Kansas City.

Mr. Robert Sellers, who maintains our Kansas City Area Transportation Authority fleet, testified before the Subcommittee on Energy and Power meetings and told us that in our efforts in Kansas City to meet these environmental goals, we have put four buses in use in a 10-month test using B-20 biodiesel. They have traveled over 90,000 miles and consumed over 28,000 gallons of B-20. And we made a comparison with those using regular diesel fuel, and the results were outstanding.

One important point to note for other communities as they seek this alternative is that no modifications are necessary to tanks or pumps or other fueling infrastructure in order to use B-20 fuel. No changes needed to be made to the engines of the buses or their refueling systems. No additional maintenance or service requirements are necessary for B-20 buses. The fuel economy we found in our pilot program in Kansas City of the B-20 buses was similar to the pure diesel buses.

Further, I observed this myself firsthand, black exhaust smoke was visibly reduced. I did not see any in the buses that I traveled on, and exhaust odor was noticeably improved in the B-20 buses. Most importantly, I think, Mr. Speaker, the project generated a really positive response from the citizens in the area and the local media.

Therefore, I really do appreciate the good work of all individuals in reaching a compromise so that B-20 fuel can be used throughout this Nation in a pilot program to help all of us meet the broader goals that H.R. 4017 seeks; again, cleaning up our environment, getting creative solutions to that difficult problem, and also making sure that we are reducing our import of foreign oil.

The market that will be created, by the way, in Missouri alone, when we move to B-20 throughout our urban areas, is a very positive one, and I know others will speak to that today. Our top cash crop is soybean, and that is a major use for B-20 fuels in the State and throughout the Midwest. The market that will be created for all agricultural waste produced on soybean farms and all of our farms can be put to good use, B-20 fuel, and will really create jobs and a stronger economy for our agriculture communities throughout the Midwest and the Nation.

I urge everyone to support 4017, show their commitment to clean air and a strong economy.

As amended, H.R. 4017 provides more choice and greater flexibility for fleet operators who want to comply with the requirements of EPACT but may find this compliance difficult. H.R. 4017 is a "win-win" solution to the problem of compliance for communities like my own all over America.

B20 biodiesel fuel substantially reduces air emissions from motor vehicles. Testing results reported in March 1998, but the United States Environmental Protection Agency show that the use of biodiesel fuel reduces particulate matter emissions by 30%, hydrocarbon emissions by 95%, and carbon monoxide emissions by 50%, when compared to normal diesel fuel.

According to this study, the overall ozone-, or smog-forming potential of exhaust emissions from biodiesel is one-half that of conventional diesel fuel. The air quality of benefits of biodiesel are especially relevant for my hometown, Kansas City, Missouri. This year alone, Kansas City has had five instances of air quality rising above federal pollution limits of 125 part-per-billion. Any more occurrences and stricter air pollution limits on Kansas City businesses will be triggered. For example, public utilities in the area may have to increase rates on customers to clean up their generation process.

Biodiesel is going to improve air quality in our city. An ozone "Red Alert" is issued when ozone levels are expected to rise above 100 parts-per-billion in a 1-hour time period. Red Alerts are a cautionary measure, intended to warn people with lung conditions to avoid heavy outdoor activities. In Kansas City, ozone levels have topped 110 parts-per-billion on 9 days this summer. Using biodiesel fuel can greatly reduce ozone levels and thus improve our air quality:

Biodiesel fuel is biodegradable and nontoxic, and it is a renewable fuel, which makes it an option for long-term use. The blending of diesel and biodiesel fuel does not affect the performance or emissions of the fuel, and economic research conducted both by Booz-Allen and Hamilton and the University of Georgia indicates that when all capital, operating, and maintenance costs are considered, a 20% blend of biodiesel—B-20—has the lowest annualized cost on a "per gallon consumed" basis versus other alternative fuels.

The Clean Air Act sets standards to move toward a healthier and more aesthetically pleasing environment. However, as our nation moves toward these admirable goals, we must recognize that some areas of the country—because of population density, geographic characteristics, and industrial concentrations—will find it more difficult to meet the new standards. We must look for creative solutions to the difficult problem of cleaning up our environment. H.R. 4017 provides such a solution.

Because Missouri's top cash crop is soybeans, the use of B-20 fuel in this state would not only help to meet the Clean Air Act standards, but it would also positively impact the state's economy, by creating a market for the agricultural waste. This market would create opportunities for agriculture, industry, and government to work together toward a sustainable future.

I urge my colleagues to join me in voting for H.R. 4017, and to show their commitment to clean air and a strong economy. Thank you. I yield back the balance of my time.

Mr. Speaker, I reserve the balance of my time.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. SHIMKUS), key sponsor of the bill, who has worked so hard on this, along with the gentlewoman from Missouri (Ms. MCCARTHY).

Mr. SHIMKUS. Mr. Speaker, I rise today in support of H.R. 4017, because there is a very important policy change that will benefit the soybean farmers in my district and across the Nation.

This legislation allows biodiesel to participate in the energy markets of this oil addicted Nation. To begin, biodiesel is a renewable alternative fuel, primarily derived from agricultural feedstock such as soybeans, conola, rapeseed, and can even be made out of used deep fryer fat from fast food restaurants. In fact, already Columbus Foods in Chicago, a fuel supplier of biodiesel, processes used restaurant grease to make this fuel.

This is grease that would otherwise be sent to the local land fill. The Shimkus-McCarthy biodiesel provision of H.R. 4017 would amend the Energy Policy Act of 1992 and would allow fleet managers to purchase and use biodiesel in vehicles that are owned and operated by their fleets.

This legislation is significant, because EPACT is a failure and for the first time we are providing a strong incentive for fleet managers to actually use alternative fuel rather than simply acquire additional alternative fueled vehicles which may never run on the alternative fuel they were designed for.

This legislation provides fleet managers the flexibility to operate their heavy-duty diesel vehicles on blends of biodiesel, where the biodiesel component of the blend is at least 20 percent of the volume of the fuel. Fleets may count the biodiesel portion of that blend toward a portion of their annual vehicle purchase requirement.

A minimum of 450 gallons of biodiesel must be purchased and consumed by a covered fleet to qualify the use of fuel as a substitute for one vehicle acquisition. No credit is given for the nonbiodiesel portion of the fuel blend. No credit is given for the vehicles operating on the biodiesel blended full. Only the purchase and consumption of biodiesel is rewarded.

This bill contains several safeguards to protect the integrity of the existing EPACT alternative fuel vehicle program and to assure full compliance with the fuel purchase provisions of the amendment. Fleets seeking to substitute their biodiesel fuel use for vehicle purchases must provide written documentation to the secretary establishing the total volume of biodiesel blended fuel consumed in fleet vehicles.

No credits will be given for biodiesel used in vehicles that have already been counted by a fleet toward its alternative fuel vehicle acquisition requirements in that or any previous year. In addition, no credits will be given for use of biodiesel in any vehicles where the use of that fuel is otherwise required by any other State or Federal laws. Finally to maintain a diversified market for alternative fuel vehicles, fleets may only substitute their accumulated annual biodiesel fuel consumption for up to one half of their total annual alternative fueled vehicle fuel purchases requirements.

It is intention of this legislation to establish this program as a pilot that can be used to evaluate new means to utilize the EPACT program to meet its goals of helping our Nation reduce its dependence on imported petroleum.

This bill does not create any new mandates or impose any new requirements on covered fleets. Instead it provides more choice and greater flexibility for fleet operators who already are burdened with the responsibility of complying with the requirements of EPACT. It simply rearranges the existing EPACT purchase requirement program to directly reward the use of alternative fuels.

With that, Mr. Speaker, I will conclude by thanking the coach, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentleman from Virginia (Mr. BLILEY) for their support and encouragement, and my colleagues, the gentleman from Texas (Mr. BARTON) and the gentlewoman from Missouri (Ms. McCARTHY), for helping me craft this bipartisan common sense legislation, and to my staff, Dan Blankenburst and Matt Johnson.

As a former high school teacher, I have found that teaching how a bill becomes law is a little more tricky than I could have ever guessed. They helped steer me through the political and governmental mind fields. They deserve enormous credit and thanks.

I ask all my colleagues to vote yes.

Ms. McCARTHY of Missouri. Mr. Speaker, I yield 2 minutes to the gentlewoman from Missouri (Ms. DANNER).

Ms. DANNER. Mr. Speaker, I rise today to speak in favor of the Energy Conservation Reauthorization Act. I am particularly pleased that this bill contains the biodiesel provision sponsored by the gentleman from Illinois (Mr. SHIMKUS) and the gentlewoman from Missouri (Ms. McCARTHY).

Under the 1992 Energy Policy Act, Federal, State and local government automobile fleets are required to purchase alternatively fueled vehicles in order to reduce both American dependence on foreign oil and reduce harmful automobile emissions. The Shimkus-McCarthy provision will accomplish these goals while also providing America's soybean farmers with a new market.

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This will be accomplished without any new Federal mandates and at no expense to the Federal Treasury. In fact, the Congressional Budget Office estimates that it will save $40 million over the next 5 years. These savings result from the fact that biodiesel can be used in vehicles designed to run on standard diesel fuel produced solely from petroleum, while most other alternative fuels require fleets to purchase new vehicles specifically designed to burn an alternative fuel.

As previous speakers have indicated, the Shimkus-McCarthy language will amend the Energy Policy Act to include biodiesel as an approved alternative fuel. Because bioddiesel burns more cleanly than traditional diesel fuel, its use will reduce emissions of particulate matter, carbon monoxide, hydrocarbons, and sulfur oxides. At the same time, because the fuel is derived in part from soybeans, it creates a new market for farmers who are suffering through a period of extremely low prices.

In short, Mr. Speaker, this provision advances the national security and environmental goals of the Energy Policy Act, helps our farmers, and saves the government millions of dollars. Clearly, this is a change much to be desired.

In closing, I wish to commend my friends and colleagues who introduced and promoted this legislation and I look forward to having it become law.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I thank the chairman for yielding me this time, and I want to wish him well in his plans after he leaves this House. It has been a real pleasure to serve with him.

And I also want to salute my colleagues, one of our new members of the Illinois delegation, the gentleman from Illinois (Mr. JOHN SHIMKUS), and his partner in this process, the gentlewoman from Missouri (Ms. KAREN McCARTHY), for their leadership on an important issue.

It is not often that we have an initiative that is before the House that is a two-fer and even a three-fer, and today we have an issue before the House that is good for the environment and good for Illinois farmers. That is why I think this legislation is so very, very important, because we have an opportunity to help Illinois agriculture, we have an opportunity to help air in Illinois, and to help our environment, whether we live in the city, the suburbs, or the country, and I represent all three.

Today we have an opportunity to promote something called biodiesel. And the definition of biodiesel is that it is a renewable alternative fuel, primarily derived from agricultural feedstock, such as soybeans, canola, rapeseed and even deep fryer fat. Well, the big winners, clearly, in this legislation are Illinois farmers who grow soybeans.

As we look back over the last year, I remember almost a year ago that we had $6 soybeans at the local grain elevator in Illinois. Today the cash price for soybeans is $4.78. Farm prices have plummeted, as we have lost the Asian market, and we need markets back.

It is initiatives like this, thanks to the initiative of the gentleman from Illinois (Mr. JOHN SHIMKUS) and the gentlewoman from Missouri (Ms. McCARTHY) that we will help Illinois farmers. It is estimated this legislation will help raise the price of Illinois soybeans from 7 to 14 cents because of the market this legislation will create for Illinois soybeans. Greater demand raises prices. This will not only be good for those on the farm, but those in town, where farmers spend their money.

I also want to point out the other benefit of this legislation. This legislation will help clear the air. All of us have followed a city bus and smelled the air. And this, of course, will help clear the air. It is good for the environment, it is good for Illinois farmers, and I ask for an "aye" vote.

Ms. McCARTHY of Missouri. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I also join the preceding speakers in strongly supporting this legislation.

Those of us representing farm country know we are in the middle of a deep crisis, because commodity prices have collapsed. We need to pass disaster relief responding to the production and price collapse that we see throughout farm country. In addition, though, we need to work on structural issues that build markets for the long haul, and certainly increasing our effort at renewable fuels, such as biodiesel, is a step in that right direction.

By allowing vehicle fleet managers that use diesel the ability to use biodiesel in their fleets and earn the required credits under EPACT, we clean the air and we bolster prices. It is a very good move, and my congratulations to the sponsors of this legislation. Please vote for it.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I stand in strong support as cosponsor of this legislation.

Ms. McCARTHY of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, I thank my colleague from Missouri for yielding me this time and I wish to compliment the gentleman from Illinois on the biodiesel provision to H.R. 4017.

Let us do something that really makes sense, and this bill, this effort does just that. Among other things, it helps increase the market for farmers for soybeans. We need to do this as part of the Freedom to Farm Act, which phases out, as my colleagues know, the Federal payment to farmers. It helps expand and develop our rural economies.

I ask my colleagues to please come with me in their mind's eye to the 4th Congressional District of Missouri and look at the acres and acres and fields and fields of soybeans. It adds as much as 7 cents to the value of a bushel of soybeans. But more than that, as the gentlewoman from Kansas City, Missouri, pointed out, the fact that there have been some environmental problems in the city that she represents, it helps clean the environment. Using biodiesel can cut emissions of particulate matter and hydrocarbons in half.

It provides fleet managers, as has already been mentioned by the gentleman from Illinois, with the flexibility to comply with Federal mandates and reduces their natural reliance on foreign oil. That is most important. Our addiction to foreign oil must be reduced.

According to a 1996 Department of Agriculture study, a modest national market for biodiesel of 50 to 100 million gallons a year could increase soybean producers' incomes in the State that I represent, the State of Missouri, by over $15 million annually.

Since 1992, soybean producers have spent over $20 million in research and education to develop a biodiesel industry. It is here, it makes sense, it makes absolute sense to adopt this, and I urge that this be a union unanimous vote in favor of this provision.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield myself the balance of my time to close.

I rise once again, Mr. Speaker, to urge my colleagues to vote for H.R. 4017, because it represents a bipartisan agreement that helps our environment, is good for our economy, aids our farmers and our metropolitan areas in their quest to meet Federal air quality standards, improve the quality of life for their residents and keep our agriculture strong in this country.

H.R. 4017 reauthorizes several small but important energy conservation and export promotion programs for 5 years. I worked on these programs, Mr. Speaker, before coming to this august body as a member of the State Legislature in Missouri, so I know of their worth and their value to communities and States throughout the Nation.

The State Energy Conservation Program and Institutional Conservation Program is one such component. The programs to enhance renewable energy, commerce and trade, as well as programs on energy efficiency, and weatherization conservation reauthorized in this Energy Conservation and Production Act are all valuable components to meeting those goals set forth in the national policy that we are reauthorizing today.

Mr. Speaker, it also makes congressional and judicial branch agencies eligible to enter into energy saving performance contracts. That is good for our national budget. That is good for America. Mr. Speaker, biodiesel presents a chance for us to make a choice that is good for our country and good for our environment. I urge all my colleagues to vote for H.R. 4017.

Biodiesel makes sense. Allowing biodiesel to be used to meet up to 50 percent of the alternative fueled vehicle requirements under EPAct will help metropolitan areas to meet the goals outlined in EPAct. According to the Department of Energy's own analysis from July 1997, our Nation will not reach the petroleum displacement goals as outlined in EPAct—10 percent by 2000 and 30 percent by 2010. The Department's latest numbers indicate that since 1992 only about 3.1 percent displacement has occurred. Most of this, 2.9 percent was due to oxygenates which were required by the Clean Air Act. Only about 0.2 percent was due to alternative fuel use by Alternatively Fueled Vehicles. Further, the Natural Gas Vehicle Coalition supports this legislation.

Biodiesel is good for the environment. Biodiesel has been tested by the Department of Energy, the United States Department of Agriculture, and the Environmental Protection Agency, and they have all found that biodiesel provides substantial energy benefits. If I may quote from the lifecycle analysis conducted by the EPA:

> Biodiesel can play a role in reducing emissions of many air pollutants, especially those targeted by the EPA in urban areas. These include particulate matter, carbon monoxide, hydrocarbons, sulfur oxides . . . and air toxics.

Biodiesel is economically feasible. Not only will using biodiesel reduce our dependence on foreign petroleum supplies, it will also create new domestic markets for agricultural waste products.

This Act is significant for our country. Improving on the Energy Policy Act is critical for energy efficiency, clean air and trade through promoting agribusiness. Throughout my career in public service I have championed initiatives which strike a balance between industry and the environment.

Mr. Speaker, I yield back the balance of my time.

Mr. DAN SCHAEFER of Colorado. May I ask the Speaker how much time I have remaining?

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Colorado has 6½ minutes remaining.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield the balance of my time to the gentleman from Missouri (Mr. HULSHOF).

Mr. HULSHOF. Mr. Speaker, I rise today in strong support of H.R. 4017, the Energy Conservation Reauthorization Act, and I especially want to commend the distinguished chairman, the gentleman from Colorado (Mr. DAN SCHAEFER), and the ranking member, the gentleman from Texas (Mr. HALL), for their bipartisan cooperation in bringing this bill to the floor.

We have heard this bill reauthorizes a number of important programs, two I want to focus on just briefly. One of those important programs is the weatherization assistance. This program really helps families with lower incomes, particularly the elderly.

Don Patrick, the director of the Northeast Community Action Center in Missouri, in the 9th Congressional District, allowed me to tag along to see firsthand some of the weatherization projects that they were actually doing for some of the elderly citizens in the 9th Congressional District. This clearly is a program that needs to be continued, and I give it my full support.

But, secondly, this bill, and a lot of the discussion, has focused on the alternative fuel of biodiesel. And as the Speaker knows, I have tried to be a champion on alternative fuels in this body, and so I am proud to lend my support to biodiesel. It is environmentally friendly and something that not only, as has been talked about, helps clear the air but helps promote our agriculture products.

The thing that is especially good about this bill, Mr. Speaker, if we look back in 1992, the Energy Policy Act actually imposed requirements on the managers of motor vehicle fleets that before they could make new vehicle acquisitions, that they would have to go through certain requirements each year. And what this bill does is strongly encourage those fleet managers to include the purchase or use of biodiesel in those cars and trucks.

One reason that I think this is so good is we are using the carrot rather than the stick approach. We are rewarding the use of alternative fuels to achieve the goals of EPACT to displace imported petroleum rather than the stick approach. This is not a Federal mandate. We are not creating or complicating the Tax Code with new tax breaks, nor are we increasing Federal spending.

As has been touched on before, by increasing markets, in fact, the gentleman from North Dakota who was here to speak talked about in this difficult time for America's farmers and ranchers that if we can not only strengthen our export markets, but if we can look within our own borders and try to strengthen domestic markets, and this bill does that, by increasing markets for soybeans, we are directly helping each and every soybean producer across the country.

Now, in the State of Missouri, we have over 32,000 soybean producers that plant 4.9 million acres of soybeans in fields all across the State. And by inclusion of biodiesel, we could see as much as 7 cents a bushel added to the value of soybeans that they are selling at the grain elevator.

I had occasion just this morning to speak with a soybean producer on the phone from Missouri, my father, who was extremely excited that we are looking for ways to expand markets, because clearly farmers and ranchers across the country are having a difficult time.

Mr. Speaker, in conclusion, at a time when American agriculture, where our critically important foreign markets are sagging, there can be no clearer reason for moving forward in the expansion of markets. We should do that in any way we can. And I think due credit should go not only to my freshman colleague, the gentleman from Illinois (Mr. SHIMKUS), but also the gentlewoman from Missouri (Ms. MCCARTHY), a neighbor; and I wish to thank them for their work in bringing this bill together.

Let us pass this bill, because it is right for the environment and it is right for our farmers. I urge every Member of this body to vote "aye" on H.R. 4017.

Mr. MARKEY. Mr. Speaker, I rise in opposition to H.R. 4017.

While all of us would support a clean reauthorization of the Energy Policy and Conservation Act, I must reluctantly oppose this bill because of the serious concerns I have regarding the Shimkus amendment that was adopted during the Commerce Committee's markup of this legislation. In its present form, this provision would have a negative impact on efforts to promote development of cleaner alternative fueled vehicles and reduce our Nation's dependence on imported oil. For this reason, I, along with the gentleman from California (Mr. WAXMAN), the gentleman from New Jersey (Mr. PALLONE), the gentlelady from Oregon (Ms. FURSE) and the gentlelady from Colorado (Ms. DEGETTE) all were opposed to the Shimkus amendment when it was considered in the Committee.

One of the primary goals of the Energy Policy Act of 1992 (or "EPAct") was to enact a comprehensive national energy policy that strengthens U.S. energy security by reducing dependence on imported oil. Currently, the United States consumes 7 million barrels of oil more per day than it produces. EPAct establishes goals of a 10 percent displacement in U.S. motor fuel consumption by the year 2000 and a 30 percent displacement in U.S. motor fuel consumption by the year 2010 through the production and increased use of replacement fuels. The Act also allows the Secretary to revise these goals downward. According to the latest projections by the Energy Information Administration, the transportation sector will consume 15.8 million barrels per day of petroleum in 2010. Of this total, about 9.2 million barrels per day of petroleum are projected to be used by light duty vehicles. The Energy Information Administration also estimates that 60 percent of our total petroleum demand will be imported in 2010.

Significant gains in displacing petroleum motor fuel consumption by the year 2010 are expected to occur by replacing gasoline with alternative fuels such as electricity, ethanol, hydrogen, methanol, natural gas and propane, in a portion of the U.S. car and truck population, which is projected to be in excess of 200 million vehicles in the year 2010. Currently, alternative fueled vehicles comprise a small fraction of the total U.S. vehicle stock. To enable the Act's displacement goals to be met, alternative fuels must be readily accessible and motor vehicles that operate on these alternative fuels must be available for purchase. Thus, two important elements of reducing petroleum motor fuel consumption are: a nationwide alternative fuels infrastructure and the availability of alternative fueled vehicles for purchase at a reasonable cost by the general public in a wide variety of vehicle types and fueling options. Under EPAct, a motor fuel must meet three requirements to be considered to be an alternative fuel. First, it must foster substantial environmental benefits. Second, it must be substantially non-petroleum. Third, it must promote energy security goals of the Act.

While I share the stated concern of some supporters of the Shimkus amendment that many alternative fueled vehicles acquired in response to EPAct do not actually operate on alternative fuels, the Shimkus amendment doesn't even adopt this shortcoming in current law. The amendment would allow the Secretary of Energy to allocate credits for each qualifying volume of the biodiesel fuel purchased for heavy vehicles to satisfy EPAct requirements imposed on certain covered persons and fleets. The sponsors of the Shimkus amendment agreed to make certain modifications in this amendment prior to the Committee markup, such as striking the transferability of these credits, making certain modifications in the definition of biodiesel that clarifies that it covers only fuel substitutes produced from non-petroleum renewable resources, and making certain clarifications in the DOE authority to lower the percentage of qualifying biodiesel volume for reasons relating to cold start, safety and vehicle function considerations. While these changes have helped to improve the amendment, and I commend the gentleman from Illinois (Mr. SHIMKUS) and the gentlelady from Missouri (Ms. MCCARTHY) for agreeing to make them I still have significant concerns about the language adopted by the Committee.

First, I question whether it makes sense to allow biodiesel fuel to be used to meet up to 50 percent of the alternative fueled vehicle requirements under EPAct. The purpose of the alternative fuels program was to create incentives for private sector investments in new and more environmentally benign technologies which could meet our Nation's long term energy and transportation needs without reliance on imported oil—much of which comes from the Middle East. The Shimkus amendment could undermine this important energy security goal by reducing by up to half the number of alternative fueled vehicles acquired in this country each year. Congress decided in 1992 to encourage the shift from petroleum by first getting alternative fueled vehicles on the road so that the infrastructure for alternative fuels could be supported. Allowing use of a fuel which is 80 percent petroleum to displace the acquisition of vehicles which don't rely on petroleum-based fuels will do little to help the U.S. achieve energy independence from oil imports. In fact, according to DOE staff, switching every single diesel vehicle in the United States to B–20 would only displace 4.2 percent of petroleum usage.

Second, alternative fuels under EPAct are required to foster substantial environmental benefits. It is my understanding that NO_x emissions, a leading source of health-threatening smog, are not reduced in biodiesel blends with less than 35 percent biomass derived fuel. Moreover, I note that diesel-fueled vehicles are the source of more than 40 percent of the pollutants from motor vehicles and are also the primary transportation source of fine particulate matter (PM), which has been determined to be a major public health problem. Additionally, in August 1998 the California Air Resources Board designated diesel particulates as carcinogenic toxic air contaminants. The decision means that California State regulators must examine strategies to limit human exposure to the chemicals and illustrates the growing consensus on the need to further reduce dangerous diesel emissions.

Allowing a fuel which is largely petroleum-based to receive credits to meet up to 50 percent of the alternative fuels requirements of EPAct will complicate efforts to achieve the fundamental purposes of the alternative fuels program. Therefore, if this legislation moves forward, I and others on this side of the aisle would be far more comfortable if biodiesel credits were limited to a much lower level of between 20 to 30 percent.

Third, I have concerns about the definition of "qualifying volume" of biodiesel fuel. Under the amendment, a minimum of 450 gallons of biodiesel fuel qualifies for one credit. I think this quantity is far too low. Under current law, the purchase of an alternative fueled vehicle—which may serve in a fleet for an average of 5 or 6 years—is worth one credit. Under the Shimkus amendment, a vehicle which burns 450 gallons of biodiesel per year would receive one credit for every year it is in service, or 5–6 credits.

Mr. ABERCROMBIE. I would like to express my strong support for the Shimkus-McCarthy Biodiesel Provision in H.R. 4017.

Biodiesel fuel is a renewable alternative fuel primarily derived from agricultural feedstock such as soybeans, canola, rapeseed, and even deep fryer fat. Biodiesel has many advantages as a renewable fuel resource. It reduces tailpipe emissions, visible smoke, and noxious odors and can be operated in conventional diesel engines with no engine modifications. Biodiesel can be blended with conventional diesel fuel and still achieve substantial emission reductions. Another advantage is that the primary by product of biodiesel is glycerine, which has numerous commercial applications from toothpaste to cough syrup.

One example of the utility of biodiesel can be seen on the island of Maui, Hawaii. Maui was faced with used cooking oil disposal problems because of the shortage of landfill space. Pacific Biodiesel, a fuel manufacturing company on Maui, worked with island officials to identify ways to meet this challenge.

Pacific Biodiesel processes recycled cooking oil into cleaner, safer diesel fuel. The Pacific Biodiesel plant has a production capability of 200,000 gallons of premium biodiesel fuel per year. All the fuel they process is derived from recycled vegetable oil and is biodegradable. On Maui, this fuel is used for transportation, heating, and air-conditioning. Boats and tourist hotel buses on the island use biodiesel as their fuel.

The success of Pacific Biodiesel has potential as a model for other islands. It also shows that, by using biodiesel, we can reduce the environmental impact of diesel-powered vehicles, provide new outlets for agriculture, and create new jobs. Produced and used throughout Europe and in parts of Japan, this renewable energy source offers a host of environmental advantages that are gaining worldwide attention.

I urge the House to pass H.R. 4017 and recommend it for quick consideration in the Senate.

Mr. GUTKNECHT. Mr. Speaker, I strongly support H.R. 4017 because it is a win win-win proposition. Americans win with cleaner air. We win with greater energy independence. And, we win with higher farm income and a stronger rural economy.

As one who fought for the 5.4 cent ethanol blenders' tax credit and as one who originally cosponsored H.R. 4017, I want to commend my colleagues in the 105th Congress for their outstanding record of achievement in the advancement of renewable fuels. It was the 105th Congress that extended the critical ethanol blenders' tax credit to the year 2007, and it is this Congress which now proposes to formally recognize biodiesel as an alternative fuel.

Biodiesel is proven to reduce harmful air pollutants—and does it without imposing costly and burdensome regulations. Biodiesel will build on ethanol's success by further reducing our dependence on foreign energy making America's future more secure. And, biodiesel promises to add between 7 and 10 cents per bushel to the price of soybeans. That's good news if you come from Mankato, Minnesota where we crush more beans each day than anywhere else on Earth.

Mr. Speaker, this is an especially good day for Minnesota farmers and I want to compliment my good friend and colleague, Congressman JOHN SHIMKUS, for his leadership throughout the 105th Congress in making it possible. I am proud to be an original sponsor of this legislation and I urge its adoption.

Mr. DREIER. Mr. Speaker, it's no secret that air quality has long been a major problem in Los Angeles. We've attempted to fight the problem in a variety of ways, including construction of a metrorail system, improvements in bus transportation through the region, reduction in pollutants emitted by cars and business, and other methods. While we have made progress, there is no question that it remains a challenge in need of innovative, market-based solutions.

One such approach is to encourage the increased use of cleaner-burning fuels like biodiesel, as Congress sought to do when it passed the Energy Policy Act of 1992 (EPACT). As compared to conventional fuels, biodiesel can cut emissions of particulate matter and hydrocarbons in half. But while the Act prompted fleet managers to purchase alternative-fuel vehicles, it did not provide meaningful incentives to actually use cleaner fuels, such as biodiesel. As a result, fleet managers currently must purchase vehicles that are designed to run on alternative fuels, but have no reason to actually use alternative fuels in them.

H.R. 4017, the Energy Conservation Reauthorization Act, addresses that problem, providing that the purchase and consumption of biodiesel fuel counts toward fulfilling EPACT requirements. By making it sensible to actually use clean-burning fuels, this legislation will make it possible to realize the most important goal of EPACT—cleaner air.

Besides its value as a relatively clean-burning fuel, an important advantage of biodiesel fuel is that it is renewable. It can be made from agricultural feedstock, such as soybean and canola, and even from used deep-fryer fat from fast-food restaurants. As a substitute for gasoline or petroleum-based diesel fuel, the increased use of this type of renewable fuel not only contributes to cleaner air, it also reduces U.S. dependence on imported oil.

As an early cosponsor of Mr. SHIMKUS' legislation to amend the Energy Policy Act, I want to commend both him and Ms. MCCARTHY, the original authors of the legislation, as well as Mr. SCHAEFER, the Chairman of the Energy and Power Subcommittee, for bringing this commonsense bipartisan legislation to the House floor. I encourage all Members to support its adoption.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. DAN SCHAEFER) that the House suspend the rules and pass the bill, H.R. 4017, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 417) to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 417

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ENERGY POLICY AND CONSERVATION ACT AMENDMENTS.

The Energy Policy and Conservation Act is amended—

(1) at the end of section 154 by adding the following new subsection:

"(f) No later than October 1, 1997, the Secretary shall prepare a statement of policy on Strategic Petroleum Reserve development, maintenance and drawdown. The statement of policy shall evaluate the effect of sales of petroleum from the Strategic Petroleum Reserve under authorities other than those provided by this Act on the ability of the United States to fulfill its obligations under the international energy program. The statement of policy shall evaluate the effectiveness of the Strategic petroleum Reserve at reducing the impact of severe energy supply interruptions, in light of existing quantities of petroleum in the Strategic Petroleum Reserve, and the likelihood of purchases of additional petroleum for storage. The statement of policy shall set forth alternative strategies for drawdown and the criteria to be employed at the time of drawdown to select among such strategies. The statement of policy shall be published in the Federal Register and be subject to public comment, and may be prepared without regard to the requirements of section 553 of title 5, United States Code, section 501 of the Department of Energy Organization Act (42 U.S.C. 7191), and section 523 of this Act.";

(2) by amending section 166 (42 U.S.C. 6246) to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 166. There are authorized to be appropriated for each of fiscal years 1998 through 2000 such sums as may be necessary to implement this part.";

(3) at the end of part B of title I by adding the following new section:

"USE OF UNDERUTILIZED FACILITIES

"SEC. 168. (a) Notwithstanding section 649(b) of the Department of Energy Organization Act (42 U.S.C. 7259(b)), the Secretary is authorized to store in underutilized Strategic Petroleum Reserve facilities, by lease or otherwise, petroleum product owned by a foreign government or its representatives. Petroleum product stored under this section is not part of the Strategic Petroleum Reserve, is not subject to part C of this title, and notwithstanding any provision of this Act, may be exported from the United States.

"(b) Beginning on October 1, 2002, funds resulting from the leasing or other use of a Reserve facility under subsection (a) shall be available to the Secretary, without further appropriation, for the purchase of petroleum products for the Reserve.";

(4) in section 181 (42 U.S.C. 6251) by striking "1997" other places it appears and inserting in lieu thereof "2000";

(5) by striking "section 252(l)(1)" in section 251(e)(1) (42 U.S.C. 6271(e)(1)) and inserting "section 252(k)(1)";

(6) in section 252 (42 U.S.C. 6272)—

(A) in subsections (a)(1) and (b), by striking "allocation and information provisions of the international energy program" and inserting "international emergency response provisions";

(B) in subsection (d)(3), by striking "known" and inserting after "circumstances" "known at the time of approval";

(C) in subsection (e)(2) by striking "shall" and inserting "may";

(D) in subsection (f)(2) by inserting "voluntary agreement or" after "approved";

(E) by amending subsection (h) to read as follows:

"(h) Section 708 of the Defense Production Act of 1950 shall not apply to any agreement or action undertaken for the purpose of developing or carrying out—

"(1) the international energy program, or

"(2) any allocation, price control, or similar program with respect to petroleum products under this Act.";

(F) in subsection (k) by amending paragraph (2) to read as follows:

"(2) The term 'international emergency response provisions' means—

"(A) the provisions of the international energy program which relate to international allocation of petroleum products and to the information system provided in the program, and

"(B) the emergency response measures adopted by the Governing Board of the International Energy Agency (including the July 11, 1984, decision by the Governing Board on 'Stocks and Supply Disruptions') for—

"(i) the coordinated drawdown of stocks of petroleum products held or controlled by governments; and

"(ii) complementary actions taken by governments during an existing or impending international oil supply disruption"; and

(G) by amending subsection (l) to read as follows:

"(l) The antitrust defense under subsection (f) shall not extend to the international allocation of petroleum products unless allocation is required by chapters III and IV of the international energy program during an international energy supply emergency.";

(7) by amending the last sentence of section 256(h) (42 U.S.C. 6276(h)) to read as follows: "There are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary to carry out this part.";

(8) in section 281 (42 U.S.C. 6285) by striking "1997" both places it appears and inserting in lieu thereof "2002".;

(9) in section 365(f)(1) (42 U.S.C. 6325(f)(1)) by striking "not to exceed" and all that follows through "fiscal year 1993" and inserting in lieu thereof "for each of fiscal years 1998 through 2002 such sums as may be necessary";

(10) by amending section 397 (42 U.S.C. 6371f) to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 397. For the purpose of carrying out this part, there are authorized to be appropriated for each of fiscal years 1998 through 2002 such sums as may be necessary."; and

(11) in section 400BB(b) (42 U.S.C. 6374a(b)) by amending paragraph (1) to read as follows:

"(1) There are authorized to be appropriated to the Secretary for carrying out this section such sums as may be necessary for each of fiscal years 1998 through 2002, to remain available until expended.".

SEC. 2. PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES AND FREELY ASSOCIATED STATES.

(a) Section 161 of the Energy Policy and Conservation Act (42 U.S.C. 6241) is amended by adding at the end the following:

"(j) PURCHASES FROM STRATEGIC PETROLEUM RESERVE BY ENTITIES IN INSULAR AREAS OF UNITED STATES AND FREELY ASSOCIATED STATES.—

"(1) DEFINITIONS.—In this subsection:

"(A) BINDING OFFER.—The term 'binding offer' means a bid submitted by the State of Hawaii for an assured award of a specific quantity of petroleum product, with a price to be calculated pursuant to paragraph (2) of this subsection, that obligates the offeror to take title to the petroleum product without further negotiation or recourse to withdraw the offer.

"(B) CATEGORY OF PETROLEUM PRODUCT.—The term 'category of petroleum product' means a master line item within a notice of sale.

"(C) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity that owns or controls a refinery that is located within the State of Hawaii.

"(D) FULL TANKER LOAD.—The term 'full tanker load' means a tanker of approximately 700,000 barrels of capacity, or such lesser tanker capacity as may be designated by the State of Hawaii.

"(E) INSULAR AREA.—The term 'insular area' means the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and the Freely Associated States of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

"(F) OFFERING.—The term 'offering' means a solicitation for bids for a quantity or quantities of petroleum product from the Strategic Petroleum Reserve as specified in the notice of sale.

"(G) NOTICE OF SALE.—The term 'notice of sale' means the document that announces—

"(i) the sale of Strategic Petroleum Reserve products;

"(ii) the quantity, characteristics, and location of the petroleum product being sold;

"(iii) the delivery period for the sale; and

"(iv) the procedures for submitting offers.

"(2) IN GENERAL.—In the case of an offering of a quantity of petroleum product during a drawdown of the Strategic Petroleum Reserve—

"(A) the State of Hawaii, in addition to having the opportunity to submit a competitive bid, may—

"(i) submit a binding offer, and shall on submission of the offer, be entitled to purchase a category of a petroleum product specified in a notice of sale at a price equal to the volumetrically weighted average of the successful bids made for the remaining quantity of the petroleum product within the category that is the subject of the offering; and

"(ii) submit 1 or more alternative offers, for other categories of the petroleum product, that will be binding if no price competitive contract is awarded for the category of petroleum product on which a binding offer is submitted under clause (i); and

"(B) at the request of the Governor of the State of Hawaii, a petroleum product purchased by the State of Hawaii at a competitive sale or through a binding offer shall have first preference in scheduling for lifting.

"(3) LIMITATION ON QUANTITY.—

"(A) IN GENERAL.—In administering this subsection, in the case of each offering, the Secretary may impose the limitation described in subparagraph (B) or (C) that result in the purchase of the lesser quantity of petroleum product.

"(B) PORTION OF QUANTITY OF PREVIOUS IMPORTS.—The Secretary may limit the quantity of a petroleum product that the State of Hawaii may purchase through a binding offer at any offering to 1/12 of the total quantity of imports of the petroleum product brought into the State during the previous year (or other period determined by the Secretary to be representative).

"(C) PERCENTAGE OF OFFERING.—The Secretary may limit the quantity that may be purchased through binding offers at any offering to 3 percent of the offering.

"(4) ADJUSTMENTS.—

"(A) IN GENERAL.—Notwithstanding any limitation imposed under paragraph (3), in administering this subsection, in the case of each offering, the Secretary shall, at the request of the Governor of the State of Hawaii, or an eligible entity certified under paragraph (7), adjust the quantity to be sold to the State of Hawaii in accordance with this paragraph.

"(B) UPWARD ADJUSTMENT.—The Secretary shall adjust upward to the next whole number increment of a full tanker load if the quantity to be sold is—

"(i) less than 1 full tanker load; or

"(ii) greater than or equal to 50 percent of a full tanker load more than a whole number increment of a full tanker load.

"(C) DOWNWARD ADJUSTMENT.—The Secretary shall adjust downward to the next whole number increment of a full tanker load if the quantity to be sold is less than 50 percent of a full tanker load more than a whole number increment of a full tanker load.

"(5) DELIVERY TO OTHER LOCATIONS.—The State of Hawaii may enter into an exchange or a processing agreement that requires delivery to other locations, if a petroleum product of similar value or quantity is delivered to the State of Hawaii.

"(6) STANDARD SALES PROVISIONS.—Except as otherwise provided in this Act, the Secretary may require the State of Hawaii to comply with the standard sales provisions applicable to purchasers of petroleum product at competitive sales.

"(7) ELIGIBLE ENTITIES.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C) and notwithstanding any other provision of this paragraph, if the Governor of the State of Hawaii certifies to the Secretary that the State has entered into an agreement with an eligible entity to carry out this Act, the eligible entity may act on behalf of the State of Hawaii to carry out this subsection.

"(B) LIMITATION.—The Governor of the State of Hawaii shall not certify more than 1 eligible entity under this paragraph for each notice of sale.

"(C) BARRED COMPANY.—If the Secretary has notified the Governor of the State of Hawaii that a company has been barred from bidding (either prior to, or at the time that a notice of sale is issued), the Governor shall not certify the company under this paragraph.

"(8) SUPPLIES OF PETROLEUM PRODUCTS.—At the request of the governor of an insular area, or President of a Freely Associated State, the Secretary shall, for a period not to exceed 180 days following a drawdown of the Strategic Petroleum Reserve, assist the insular area in its efforts to maintain adequate supplies of petroleum products from traditional and non-traditional suppliers.".

(b) REGULATIONS.—

"(1) IN GENERAL.—The Secretary of Energy shall issue such regulations as are necessary to carry out the amendment made by subsection (a).

"(2) ADMINISTRATIVE PROCEDURE.—Regulations issued to carry out the amendment made by subsection (a) shall not be subject to—

(A) section 523 of the Energy Policy and Conservation Act (42 U.S.C. 6393); or

(B) section 501 of the Department of Energy Organization Act (42 U.S.C. 7191).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) takes effect on the earlier of—

(1) the date that is 180 days after the date of enactment of this Act; or

(2) the date that final regulations are issued under subsection (b).

SEC. 3. ENERGY POLICY ACT OF 1992 AMENDMENT.

Section 2603 of the Energy Policy Act of 1992 (25 U.S.C. 3503) is amended in subsection (c) by striking "and 1997" each place it appears and inserting "1997, 1998, 1999, and 2000" in lieu thereof.

SEC. 4. ENERGY CONSERVATION AND PRODUCTION ACT AMENDMENT.

Section 422 of the Energy Conservation and Production Act (42 U.S.C. 6872) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 422. For the purpose of carrying out the weatherization program under this part, there are authorized to be appointed for each of fiscal years 1998 through 2002 such sums as may be necessary.

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MOTION OFFERED BY MR. DAN SCHAEFER OF COLORADO

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore (Mr. SUNUNU). The Clerk will report the motion.

The Clerk read as follows:

Mr. DAN SCHAEFER, of Colorado moves to strike out all after the enacting clause of S. 417, and insert in lieu thereof the provisions of H.R. 4017 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, and was read the third time.

The title of the Senate bill was amended so as to read: "A bill to extend certain programs under the Energy Policy and Conservation Act and the Energy Conservation and Production Act, and for other purposes."

The motion to reconsider was laid on the table.

A similar House bill (H.R. 4017) was laid on the table.

GENERAL LEAVE

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 417.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENDING DEADLINE UNDER FEDERAL POWER ACT APPLICABLE TO CONSTRUCTION OF HYDROELECTRIC PROJECT IN STATE OF ARKANSAS

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4081) to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

The Clerk read as follows:

H.R. 4081

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DEADLINES.

Notwithstanding the time limitations of section 13 of the Federal Power Act (16 U.S.C. 806), the Federal Energy Regulatory Commission, upon the request of the licensee for FERC Project No. 10455 (and after reasonable notice), is authorized, in accordance with the good faith, due diligence and public interest requirements of section 13 and the Commission's procedures under such section, to extend the time required for commencement of construction of the project for up to a maximum of 3 consecutive 2-year periods. This section shall take effect for the project upon the expiration of the extension (issued by the Commission under section 13) of the period required for commencement of such project.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. DAN SCHAEFER) and the gentlewoman from Missouri (Ms. MCCARTHY) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. DAN SCHAEFER).

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4081 extends the construction period for a hydroelectric project in the State of Arkansas.

Under section 13 of the Federal Power Act, project construction must begin within 4 years of issuance of the license. If construction has not begun by that time, FERC cannot extend the deadline and must terminate the license. H.R. 4081 provides up to 6 additional years to commence construction if the sponsor pursues the commencement of construction in good faith and with due diligence.

These types of bills have not been controversial in the past. The bill does not change the license requirements in any way and does not change environmental standards, but merely extends the construction deadline.

There is a need to act on this, since the construction deadline for the River Mountain Pumped Storage Project expires next month. If Congress does not act, FERC will terminate the license, the project sponsor will lose $8 million they have invested in the project, and the local community will lose the prospect of significant job creation and added revenues. According to the project sponsor, construction of the River Mountain project will create 585 jobs and generate $1 billion for the local economy. If we do not act, the local community will lose these jobs and these revenues.

These extension bills have not proved controversial in the past. H.R. 4081 was approved by the Committee on Commerce by unanimous voice vote. I would ask its full support.

Mr. Speaker, I reserve the balance of my time.

Ms. MCCARTHY of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H.R. 4081, legislation to extend the deadline under the Federal Power Act applicable to construction of a hydroelectric project in the State of Arkansas.

H.R. 4081 would authorize FERC, upon the request of the licensee and in accordance with the requirements of section 13 of the Federal Power Act, to extend the deadline for commencement of construction for 3 consecutive 2 year periods. FERC does not object to the enactment of this legislation.

Mr. Speaker, this legislation is not controversial. A companion Senate bill has been approved by their Energy and Natural Resources Committee. I urge my colleagues to support this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I do not have any other speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. DAN SCHAEFER) that the House suspend the rules and pass the bill, H.R. 4081.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4081.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AFRICA SEEDS OF HOPE ACT OF 1998

Mr. BEREUTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4283) to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes.

The Clerk read as follows:

H.R. 4283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Africa: Seeds of Hope Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and declaration of policy.

TITLE I—ASSISTANCE FOR SUB-SAHARAN AFRICA

Sec. 101. Africa Food Security Initiative.
Sec. 102. Microenterprise assistance.
Sec. 103. Support for producer-owned cooperative marketing associations.
Sec. 104. Agricultural and rural development activities of the Overseas Private Investment Corporation.
Sec. 105. Agricultural research and extension activities.

TITLE II—WORLDWIDE FOOD ASSISTANCE AND AGRICULTURAL PROGRAMS

Subtitle A—Nonemergency Food Assistance Programs

Sec. 201. Nonemergency food assistance programs.

Subtitle B—Bill Emerson Humanitarian International Food Security Trust Act of 1998
Sec. 211. Short title.
Sec. 212. Amendments to the Food Security Commodity Reserve Act of 1996.
Subtitle C—International Fund for Agricultural Development
Sec. 221. Review of the International Fund for Agricultural Development.
TITLE III—MISCELLANEOUS PROVISIONS
Sec. 301. Report.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) Findings.—Congress finds the following:

(1) The economic, security, and humanitarian interests of the United States and the nations of sub-Saharan Africa would be enhanced by sustainable, broad-based public and private sector agricultural and rural development in each of the African nations. The United States should support such development.

(2) According to the Food and Agriculture Organization, the number of undernourished people in Africa has more than doubled, from approximately 100,000,000 in the late 1960s to 215,000,000 in 1998, and is projected to increase to 265,000,000 by the year 2010. According to the Food and Agriculture Organization, the term "under nutrition" means inadequate consumption of nutrients, often adversely affecting children's physical and mental development, undermining their future as productive and creative members of their communities.

(3)(A) Currently, agricultural production in Africa employs about two-thirds of the workforce but produces less than one-fourth of the gross domestic product in sub-Saharan Africa, according to the World Bank Group.

(B) Africa's food imports are projected to rise from less than 8,000,000 metric tons in 1990 to more than 25,000,000 metric tons by the year 2020.

(4) African women produce up to 80 percent of the total food supply in Africa according to the International Food Policy Research Institute.

(5) The most effective way to improve conditions of the poor is to increase the productivity of the agricultural sector. Productivity increases can be fostered by increasing research and education in agriculture and rural development.

(6)(A) In November 1996, the World Food Summit set a goal of reducing hunger worldwide by 50 percent by the year 2015 and encouraged national governments to develop domestic food plans and to support international aid efforts.

(B) Since then, several agencies of the United Nations, including the International Fund for Agricultural Development (IFAD), whose mission is to provide the rural poor and women in the developing world with cost-effective ways of overcoming hunger, poverty, and malnutrition, have undertaken a cooperative initiative on Africa.

(7) Although the World Bank Group recently has launched a major initiative to support agricultural and rural development, only 10 percent, or $1,200,000,000, of its total lending to sub-Saharan Africa for fiscal years 1993 to 1997 was devoted to agriculture.

(8)(A) The future prosperity of the United States food processing and agricultural sector is increasingly dependent on exports and the liberalization of global trade.

(B) Africa represents a huge potential market for United States food and agricultural products.

(9)(A) Increased private sector investment in African countries and expanded trade between the United States and Africa can greatly help African countries achieve food self-sufficiency and graduate from dependency on international assistance.

(B) Development assistance, technical assistance, and training from bilateral governmental and multilateral entities, as well as nongovernmental organizations and land-grant universities, can facilitate and encourage commercial development in Africa, such as improving rural roads, agricultural research and extension, and providing access to credit and other resources.

(10)(A) Several United States private voluntary organizations have demonstrated success in empowering Africans through direct business ownership and helping African agricultural producers more efficiently and directly market their products.

(B) Rural business associations, owned and controlled by farmer shareholders, also greatly aid agricultural producers to increase their household incomes.

(11)(A) Over a decade ago, the Development Fund for Africa (DFA) was enacted into law "to help the poor majority of men and women in sub-Saharan Africa to participate in a process of long-term development through economic growth that is equitable, participatory, environmentally sustainable, and self-reliant.".

(B) In recent years, political change and economic recovery in Africa have amplified the importance of this policy objective while generating new opportunities for its advancement.

(C) Despite these developments, funding for the Development Fund for Africa has declined from a high of $811,000,000 for 1993 to approximately $635,000,000 for 1997.

(12)(A) United States bilateral development and humanitarian assistance to sub-Saharan Africa is approximately one-tenth of 1 percent of the total annual budget of the United States Government.

(B) Funding for agricultural development worldwide by the United States Agency for International Development has declined from 36 percent of its total budget in 1988 to 15 percent in 1997.

(13) The United States Agency for International Development has initiated an Africa Food Security Initiative in an effort to improve child nutrition and increase agricultural income in Africa.

(b) Declaration of Policy.—It is the policy of the United States, consistent with title XII of part I of the Foreign Assistance Act of 1961, to support governments of sub-Saharan African countries, United States and African nongovernmental organizations, universities, businesses, and international agencies, to help ensure the availability of basic nutrition and economic opportunities for individuals in sub-Saharan Africa, through sustainable agriculture and rural development.

TITLE I—ASSISTANCE FOR SUB-SAHARAN AFRICA

SEC. 101. AFRICA FOOD SECURITY INITIATIVE.

(a) Additional Requirements in Carrying Out the Initiative.—In providing development assistance under the Africa Food Security Initiative, or any comparable or successor program, the Administrator of the United States Agency for International Development—

(1) shall emphasize programs and projects that improve the food security of infants, young children, school-age children, women and food-insecure households, or that improve the agricultural productivity, incomes, and marketing of the rural poor in Africa;

(2) shall solicit and take into consideration the views and needs of intended beneficiaries and program participants during the selection, planning, implementation, and evaluation phases of projects; and

(3) shall ensure that programs are designed and conducted in cooperation with African and United States organizations and institutions, such as private and voluntary organizations, cooperatives, land-grant and other appropriate universities, and local producer-owned cooperative marketing and buying associations, that have expertise in addressing the needs of the poor, small-scale farmers, entrepreneurs, and rural workers, including women.

(b) Sense of Congress.—It is the sense of Congress that, if there is an increase in funding for sub-Saharan programs, the Administrator of the United States Agency for International Development should proportionately increase resources to the Africa Food Security Initiative, or any comparable or successor program, for fiscal year 2000 and subsequent fiscal years in order to meet the needs of the countries participating in such Initiative.

SEC. 102. MICROENTERPRISE ASSISTANCE.

(a) Bilateral Assistance.—In providing microenterprise assistance for sub-Saharan Africa, the Administrator of the United States Agency for International Development shall, to the extent practicable, use credit and microcredit assistance to improve the capacity and efficiency of agriculture production in sub-Saharan Africa of small-scale farmers and small rural entrepreneurs. In providing assistance, the Administrator should take into consideration the needs of women, and should use the applied research and technical assistance capabilities of United States land-grant universities.

(b) Multilateral Assistance.—

(1) In general.—The Administrator of the United States Agency for International Development shall continue to work with other countries, international organizations (including multilateral development institutions), and entities assisting microenterprises and shall develop a comprehensive and coordinated strategy for providing microenterprise assistance for sub-Saharan Africa.

(2) Additional requirement.—In carrying out paragraph (1), the Administrator should encourage the World Bank Consultative Group to Assist the Poorest to coordinate the strategy described in such paragraph.

SEC. 103. SUPPORT FOR PRODUCER-OWNED COOPERATIVE MARKETING ASSOCIATIONS.

(a) Purposes.—The purposes of this section are—

(1) to support producer-owned cooperative purchasing and marketing associations in sub-Saharan Africa;

(2) to strengthen the capacity of farmers in sub-Saharan Africa to participate in national and international private markets and to promote rural development in sub-Saharan Africa;

(3) to encourage the efforts of farmers in sub-Saharan Africa to increase their productivity and income through improved access to farm supplies, seasonal credit, technical expertise; and

(4) to support small businesses in sub-Saharan Africa as they grow beyond microenterprises.

(b) Support for Producer-Owned Cooperative Marketing Associations.—

(1) Activities.—

(A) In general.—The Administrator of the United States Agency for International Development is authorized to utilize relevant foreign assistance programs and initiatives for sub-Saharan Africa to support private producer-owned cooperative marketing associations in sub-Saharan Africa, including rural business associations that are owned and controlled by farmer shareholders.

(B) ADDITIONAL REQUIREMENTS.—In carrying out subparagraph (A), the Administrator—

(i) shall take into account small-scale farmers, small rural entrepreneurs, and rural workers and communities;

(ii) shall take into account the local-level perspectives of the rural and urban poor through close consultation with these groups, consistent with section 496(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(e)(1)); and

(iii) should take into consideration the needs of women.

(2) OTHER ACTIVITIES.—In addition to carrying out paragraph (1), the Administrator is encouraged—

(A) to cooperate with governments of foreign countries, including governments of political subdivisions of such countries, their agricultural research universities, and particularly with United States nongovernmental organizations and United States land-grant universities, that have demonstrated expertise in the development and promotion of successful private producer-owned cooperative marketing associations; and

(B) to facilitate partnerships between United States and African cooperatives and private businesses to enhance the capacity and technical and marketing expertise of business associations in sub-Saharan Africa.

SEC. 104. AGRICULTURAL AND RURAL DEVELOPMENT ACTIVITIES OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) PURPOSE.—The purpose of this section is to encourage the Overseas Private Investment Corporation to work with United States businesses and other United States entities to invest in rural sub-Saharan Africa, particularly in ways that will develop the capacities of small-scale farmers and small rural entrepreneurs, including women, in sub-Saharan Africa.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Overseas Private Investment Corporation should exercise its authority under law to undertake an initiative to support private agricultural and rural development in sub-Saharan Africa, including issuing loans, guaranties, and insurance, to support rural development in sub-Saharan Africa, particularly to support intermediary organizations that—

(A) directly serve the needs of small-scale farmers, small rural entrepreneurs, and rural producer-owned cooperative purchasing and marketing associations;

(B) have a clear track record of support for sound business management practices; and

(C) have demonstrated experience with participatory development methods; and

(2) the Overseas Private Investment Corporation should utilize existing equity funds, loan and insurance funds, to the extent feasible and in accordance with existing contractual obligations, to support agriculture and rural development in sub-Saharan Africa.

SEC. 105. AGRICULTURAL RESEARCH AND EXTENSION ACTIVITIES.

(a) DEVELOPMENT OF PLAN.—The Administrator of the United States Agency for International Development, in consultation with the Secretary of Agriculture and appropriate Department of Agriculture agencies, especially the Cooperative State, Research, Education and Extension Service (CSREES), shall develop a comprehensive plan to coordinate and build on the research and extension activities of United States land-grant universities, international agricultural research centers, and national agricultural research and extension centers in sub-Saharan Africa.

(b) ADDITIONAL REQUIREMENTS.—Such plan shall seek to ensure that—

(1) research and extension activities will respond to the needs of small-scale farmers while developing the potential and skills of researchers, extension agents, farmers, and agribusiness persons in sub-Saharan Africa;

(2) sustainable agricultural methods of farming will be considered together with new technologies in increasing agricultural productivity in sub-Saharan Africa; and

(3) research and extension efforts will focus on sustainable agricultural practices and will be adapted to widely varying climates within sub-Saharan Africa.

TITLE II—WORLDWIDE FOOD ASSISTANCE AND AGRICULTURAL PROGRAMS

Subtitle A—Nonemergency Food Assistance Programs

SEC. 201. NONEMERGENCY FOOD ASSISTANCE PROGRAMS.

(a) IN GENERAL.—In providing nonemergency assistance under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), the Administrator of the United States Agency for International Development shall ensure that—

(1) in planning, decisionmaking, and implementation in providing such assistance, the Administrator takes into consideration local input and participation directly and through United States and indigenous private and voluntary organizations;

(2) each of the nonemergency activities described in paragraphs (2) through (6) of section 201 of such Act (7 U.S.C. 1721), including programs that provide assistance to people of any age group who are otherwise unable to meet their basic food needs (including feeding programs for the disabled, orphaned, elderly, sick and dying), are carried out; and

(3) greater flexibility is provided for program and evaluation plans so that such assistance may be developed to meet local needs, as provided for in section 202(f) of such Act (7 U.S.C. 1722(f)).

(b) OTHER REQUIREMENTS.—In providing assistance under the Agriculture Trade Development and Assistance Act of 1954, the Secretary of Agriculture and the Administrator of United States Agency for International Development shall ensure that commodities are provided in a manner that is consistent with sections 403 (a) and (b) of such Act (7 U.S.C. 1733 (a) and (b)).

Subtitle B—Bill Emerson Humanitarian International Food Security Trust Act of 1998

SEC. 211. SHORT TITLE.

This subtitle may be cited as the "Bill Emerson Humanitarian International Food Security Trust Act of 1998".

SEC. 212. BILL EMERSON HUMANITARIAN TRUST ACT.

(a) IN GENERAL.—Section 302 of the Agricultural Act of 1980 (7 U.S.C. 1736f–1) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting "OR FUNDS" after "COMMODITIES";

(B) in paragraph (1)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(D) funds made available under paragraph (2)(B)."; and

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "Subject to subsection (h), commodities" and inserting "Commodities"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) FUNDS.—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

"(i) with respect to fiscal year 2000 and subsequent fiscal years, from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation for the release of eligible commodities under subsections (c)(2) and (f)(2), except that, of such funds, not more than $20,000,000 may be expended for this purpose in each of the fiscal years 2000 through 2003 and any such funds not expended for the fiscal year allocated shall be available for expenditure in subsequent fiscal years; and

"(ii) from funds authorized for that use by an appropriations Act.";

(2) in subsection (c)(2)—

(A) by striking "ASSISTANCE.—Notwithstanding" and inserting the following: "ASSISTANCE.—

"(A) IN GENERAL.—Notwithstanding"; and

(B) by adding at the end the following:

"(B) LIMITATION.—The Secretary may release eligible commodities under subparagraph (A) only to the extent such release is consistent with maintaining the long-term value of the trust.";

(3) in subsection (d)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) subject to the need for release of commodities from the trust under subsection (c)(1), for the management of the trust to preserve the value of the trust through acquisitions under subsection (b)(2).";

(4) in subsection (f)—

(A) in paragraph (2), by inserting "OF THE TRUST" after "REIMBURSEMENT" in the heading; and

(B) in paragraph (2)(A), by inserting "and the funds shall be available to replenish the trust under subsection (b)" before the end period; and

(5) by striking subsection (h).

(b) CONFORMING AMENDMENTS.—

(1) Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended by striking the title heading and inserting the following:

"TITLE III—BILL EMERSON HUMANITARIAN TRUST".

(2) Section 301 of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 note) is amended to read as follows:

"SEC. 301. SHORT TITLE.

"This title may be cited as the 'Bill Emerson Humanitarian Trust Act'.".

(3) Section 302 of the Agricultural Act of 1980 (7 U.S.C. 1736f–1) is amended—

(A) in the section heading, by striking "**RESERVE**" and inserting "**TRUST**";

(B) by striking "reserve" each place it appears (other than in subparagraphs (A) and (B) of subsection (b)(1)) and inserting "trust";

(C) in subsection (b)—

(i) in the subsection heading, by striking "RESERVE" and inserting "TRUST";

(ii) in paragraph (1)(B), by striking "reserve," and inserting "trust,"; and

(iii) in the paragraph heading of paragraph (2), by striking "RESERVE" and inserting "TRUST"; and

(D) in the subsection heading of subsection (e), by striking "RESERVE" and inserting "TRUST".

(4) Section 208(d)(2) of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)(2)) is amended by striking "Food Security Commodity Reserve Act of 1996" and inserting "Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1 et seq.)".

(5) Section 901b(b)(3) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(b)(3)), is amended by striking "Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1)" and inserting "Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1 et seq.)".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. REPORT.

Not later than 6 months after the date of enactment of this Act, the Administrator of the United States Agency for International Development, in consultation with the heads of other appropriate agencies, shall prepare and submit to Congress a report on how the Agency plans to implement sections 101, 102, 103, 105, and 201 of this Act, the steps that have been taken toward such implementation, and an estimate of all amounts expended or to be expended on related activities during the current and previous 4 fiscal years.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this Member rises in strong support of the Africa Seeds of Hope Act, H.R. 4283, which was introduced by this Member and the gentleman from Indiana (Mr. HAMILTON), the distinguished ranking member of the full committee, and the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, and many others.

This legislation was overwhelmingly passed by the House Committee on International Relations on July 22, 1998, and it was discharged by the House Committee on Agriculture on September 11, 1998. It currently has over 100 bipartisan cosponsors.

Additionally, an earlier version of the legislation, H.R. 3636, has other cosponsors. The bills are very much similar. A companion bill was introduced by the junior Senator from Ohio, Mr. DEWINE, and the senior Senator from Maryland, Mr. SARBANES, on July 9, 1998. That legislation currently has 16 bipartisan cosponsors.

The Africa Seeds of Hope Act helps U.S. agriculture while promoting sustainable development in sub-Saharan Africa so Africans can be less dependent on U.S. humanitarian assistance in the future. That is why H.R. 4283 has the support of both agricultural and humanitarian organizations and the U.S. Department of Agriculture. This win-win combination of grassroots supporters has been the foundation of America's long-term, goodwill-building, humanitarian food aid efforts since World War II.

The Africa Seeds of Hope Act has been endorsed by over 220 agricultural and humanitarian organizations, including the Association for International Agriculture and Rural Development, the Coalition for Food Aid, numerous land grant colleges and universities, InterAction, and major U.S. private voluntary agencies such as CARE, World Vision, ACDI/VOCA, Catholic Relief Services, Technoserve, Africare, OXFAM, Islamic African Relief Agency USA, and the Mormon World Hunger Committee.

In addition, this legislation has the support of most Christian denominations, Catholic religious communities, and mission groups. And editorial pages from over 20 major newspapers across the country have endorsed H.R. 4283.

Mr. Speaker, a recent article in the Washington Post entitled "Africa's Agricultural Rebirth" quoted a Vice-Minister of Agriculture from Ethiopia as saying, "You cannot detach economic development from food self-sufficiency." That profound truth is the essence of the Africa Seeds of Hope Act.

There may be some people who believe or give the impression they believe that an admittedly very important trade liberalization effort alone can remedy all of Africa's woes. I support such legislation. But I would say that equally wrongheaded are some in the nongovernmental organization community who initially expressed their opposition to trade liberalization, saying it would hurt Africa's poor.

The Africa Seeds of Hope Act bridges these disparate and unnecessarily conflicting ideological points of view with a reconciling view. That view is that liberalized trade plus targeted foreign assistance to Africa's small farmers together can best serve sub-Saharan Africa and make it prosper.

Several months ago, with the support of this Member, the House of Representatives passed the Africa Trade Growth and Opportunities Act. In doing so, the House took the very important step towards greater trade with a continent in desperate need of private-sector led economic growth. By focusing on sustainable agriculture, research, rural finance, and food security, the Africa Seeds of Hope Act is directly aimed at helping the 76 percent of the sub-Saharan African people who are small farmers, thus providing another important step towards increased African trade.

Improving the efficiency of these farmers is crucial to ensuring that our overall strategy, our trade strategy, is successful. As a longtime supporter of aid to Africa through the creation of the Development Fund for Africa out of the House International Relations Committee on a bipartisan bill some years ago, and other mechanisms, I tell my colleagues that I believe H.R. 4283, in conjunction with our new trade initiatives, will help coordinate and focus America's resources on both trade and aid in Africa.

If trade is to prosper in sub-Saharan Africa, we need to better direct our scarce aid resources so that they stimulate private-sector development and investment or help ease the suffering in those places either overlooked by the private sector or suffering from natural disasters.

Our legislation attempts to refine our assistance programs for sub-Saharan Africa and ensure that agriculture and rural development are not neglected. For example, this legislation requires the Agency for International Develop, AID, to reverse its negative funding trend for agricultural research and development. This will address the legitimate concerns of U.S. land grant institutions and the Agency for International Development, which is increasingly ignoring sustainable agriculture in its development mandate.

Also, the micro-enterprise program is recognized by this legislation and emphasized as an excellent tool to help remedy rural finance and investment shortcomings in sub-Saharan Africa. Moreover, H.R. 4283 attempts to better coordinate our international agriculture research programs with our domestic agriculture research so that farmers in Africa as well as farmers in the United States can benefit from AID-funded agriculture research.

The Africa Seeds of Hope Act refocuses our food assistance programs on long-term development assistance instead of being evaluated on the basis of short-term or immediate results that are often antithetical to their original purpose. This will enable nongovernmental organizations and private voluntary organizations to design and implement food assistance programs that are cost-effective and ultimately succeed in graduating people and countries from those programs.

Finally, H.R. 4283 also establishes a Bill Emerson Humanitarian Trust in honor of the late distinguished and much admired Congressman from Missouri who was a leader in America's food aid efforts. This important mechanism allows the USDA to purchase surplus agricultural commodities when prices are low, isolate them from the market, and distribute them at times of international disasters and famines. This cost-effective mechanism is especially beneficial to U.S. farmers because it takes U.S. commodities off the market when commodity prices are at their lowest, such as now.

The Bill Emerson Humanitarian Trust I think is a worthy tribute to our late colleague. And this gentleman would like to thank the distinguished gentlewoman from Missouri (Mrs. EMERSON) for allowing us to further honor her late husband in this manner.

Finally, this Member would like to thank first and foremost the distinguished gentleman from Indiana (Mr. HAMILTON) for working with me in helping us to refine this legislation, and beyond that to thank the distinguished gentlewoman from California (Ms. WATERS), the distinguished gentlewoman from Georgia (Ms. MCKINNEY), and the distinguished gentlewoman from North Carolina (Ms. CLAYTON), for their special efforts with the Congressional Black Caucus on behalf of the Africa Seeds of Hope Act.

This Member would also like to thank the distinguished gentlewoman from Connecticut (Mrs. JOHNSON) and the distinguished gentlewoman from the District of Columbia (Ms. NORTON) for their work with the Congressional Women's Caucus on behalf of the legislation.

In conclusion, Mr. Speaker, the Africa Seeds of Hope Act is legislation that benefits farmers in Africa as well as the United States. If my colleagues have any questions about this measure, this Member urges them to read the supportive letter from the USDA signed by Secretary Glickman that the gentleman from Indiana (Mr. HAMILTON) and this Member are making available on the floor today.

Mr. Speaker, for all of these reasons and others, I surge my colleagues to support the Africa Seeds of Hope Act.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to urge my colleagues to support the bill. I want to begin by commending my good friend the gentleman from Nebraska (Mr. BEREUTER) for his outstanding work in writing this bill, his leadership in bringing it to the floor today. He really has done exceptional work. And I want to thank him also for working closely with me and my staff to craft a bipartisan bill.

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He deserves most of the credit for the bill that we hopefully are about to pass.

The bill has very broad support, as the gentleman from Nebraska (Chairman BEREUTER) mentioned, I think 103 cosponsors in the House, 19 cosponsors in the Senate, and it has been endorsed by 220 agricultural and humanitarian organizations. It is my understanding that the administration supports the bill as well.

It has certainly received very wide praise and support in the press.

The bill strengthens U.S. humanitarian assistance, it promotes U.S. agriculture, and it provides for a sustainable common-sense policy with regard to development in sub-Saharan Africa.

The purpose of the bill I think is twofold: First, the bill seeks to promote sustainable agricultural development and food security in sub-Saharan Africa; and, second, it replaces the Food Security Commodity Reserve with the Bill Emerson Humanitarian Trust. Apart from the rest of the bill, the trust has its own benefits, which I will mention in a moment.

The Africa Seeds of Hope Act promotes the goals I have laid out in four ways.

First, it promotes long-term economic development by strengthening agriculture and rural markets. This bill requires the development of a microenterprise strategy for Africa and provides support for producer-owned marketing associations. It also directs the Department of Agriculture to ensure that international and U.S. agricultural research is coordinated to respond to the needs of African farmers and supports their self-reliance.

Second, the bill maximizes the efficiency of current aid programs. Rather than ask for more aid, the bill bolsters the existing Africa food security initiative. It directs U.S. agencies to target their resources and programs to those who need it most, women, children and the poor.

Third, the bill requires that U.S. aid programs be developed and conducted in consultation with the African people and with nongovernmental organizations that have expertise in addressing the needs of the poor, small scale farmers and rural workers. By ensuring that agricultural programs target and include the community they are designed to serve, we move closer to ending hunger in Africa.

Fourth, the bill improves the current Food Security Commodity Reserve by establishing the Bill Emerson Trust Fund. The trust allows the United States to respond to humanitarian crises in the early stages and paves the way for a more rapid and less costly recovery. It also helps American farmers, by giving the Department of Agriculture the ability to buy commodities from the market when prices are low. The problem with the reserve today is the manner in which it is replenished. When the reserve releases commodities today, Public Law 480 food assistance program funds cannot be used to replenish the reserve. The Seeds of Hope Act sets up a new trust that can be replenished. This bill gives the government the ability to purchase commodities on the market when prices are low, such as this year. The replenishment authority is limited to $20 million for each fiscal year 2000 through 2003, allowing it to stay within reasonable budgetary constraints.

This change has two benefits. First, the trust now sets up an orderly way to respond to humanitarian crises without disrupting local markets. Second, the trust can now be operated in a businesslike manner. Commodities can be purchased in advance when prices are low, taken off the market and set aside to respond to humanitarian crises.

This is an important bill, particularly in the year when the president visited sub-Saharan Africa focusing U.S. attention on the continent. We should build on that focus by passing a bill to improve U.S. assistance to sub-Saharan Africa and to provide the President with increased humanitarian tools.

It is also important because if this bill were in place today, we would be able to help support American farms by purchasing commodities on the U.S. market when the prices are low.

I urge my colleagues to support the bill. I say to the gentleman.

Mr. Speaker, I yield three minutes to the distinguished gentlewoman from North Carolina (Mrs. CLAYTON), one of the sponsors of the bill.

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me time.

I wish to thank the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Indiana (Mr. HAMILTON) for their leadership in bringing this bill to the floor and for us having this opportunity to vote on it.

First I want to acknowledge and salute the distinguished ranking member of the Committee on International Relations, the gentleman from Indiana (Mr. HAMILTON), who is retiring at the end of the 105th Congress. As the son of a Methodist minister, he was instilled with values that have served him well in his 34 years as a Member of the U.S. House of Representatives. His love of people and his love of country, his belief in decency and human dignity, his commitment to do the right thing for the right reason, has been unmistakably his mark in the Congress. As the director of the Wilson Center, I am certain that he will continue his leadership on humanitarian endeavors. The Africa Seeds of Hope legislation that we consider is but one example of his leadership.

Mr. Speaker, I rise in strong support of this legislation, which promotes sustainable agricultural development and food security in sub-Saharan Africa. Agriculture is the key to most of the African economies. Statistics show that the number of people starving in sub-Saharan Africa with inadequate access to basic food has doubled to 215 million persons since 1973. If current trends continue, that number will increase by some additional 50 million people over the next 12 years.

Africa Seeds of Hope seeks to boost sustainable agriculture and food security through coordinated U.S. assistance programs and the involvement of the African people. It directs the U.S.

Department of Agriculture to develop a plan for coordinating agriculture research to respond to the needs of African farmers and support self-reliance. It targets limited foreign aid monies on proven strategies for enabling self-sufficiency through microcredit loans to small entrepreneurs, the engines of economic development.

This will give small farms and entrepreneurs, especially women, access to credit loans and other resources necessary to stimulate agricultural production and small enterprises. In addition, this bill requires the U.S. aid programs be developed and conducted in consultation with the African people and with a nongovernmental organization that has demonstrated expertise in addressing the needs of the poor, small scale farmers and rural workers. It also establishes the Emerson Trust, honoring the work of our former representative and colleague, Representative Emerson, for the work he has provided for hunger worldwide.

Passage of this legislation will increase self-reliance of the African people and will help reduce the chance of a food crisis. In the long run, it can also strengthen trade between the United States and Africa.

I urge my colleagues to support the Africa Seeds of Hope Act. It deserves the support of all our colleagues.

Mr. BEREUTER. Mr. Speaker, I am pleased to yield such time as he may consume to the distinguished gentleman from Illinois (Mr. EWING), a cosponsor, who has been very supportive and helpful in the crafting of this legislation.

Mr. EWING. Mr. Speaker, I thank the gentleman for yielding me time, and I congratulate the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Indiana (Mr. HAMILTON) for bringing forth this legislation, H.R. 4283.

This bill is supported by over 220 academic institutions, including the University of Illinois in my district. Nongovernmental and private voluntary organizations and the United States Department of Agriculture also support this bill.

Action on this bill is meant to address a very legitimate concern that some of the academic institutions have, such as the University of Illinois, they are land grant universities, that the Agency for International Development has increasingly ignored sustainable agriculture in its development mandate.

This bill, the Africa Seeds of Hope Act, goes a long way in helping American agriculture, while promoting sustainable development in sub-Saharan Africa. Nations will be less dependent on U.S. humanitarian needs in the future.

Under Public Law 480, Title II, food aid is provided to people in the poorest regions of the world largely through programs conducted by private volunteer organizations. H.R. 4283 helps make these programs more efficient. The Africa Seeds of Hope Act would direct that the U.S. Agency for International Development be more flexible in its administration of Title II so that private voluntary organizations can develop programs that best meet local needs and provide humanitarian relief.

The legislation's purview corrects the view that liberalized trade plus targeted foreign assistance towards Africa's small farmers can best help Africa prosper and grow as a region.

I want to thank again the sponsors of this bill. This is a good piece of legislation, and I hope that all of my colleagues will join me in overwhelmingly passing this bill.

Mr. HAMILTON. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to close by thanking all of my colleagues who supported this legislation, and especially to recognize the important and, in fact, crucial role that my distinguished colleague, the gentleman from Indiana (Mr. HAMILTON) has played. He has made many contributions to public life in this country through his role here as a Member the House of Representatives. We will miss him greatly. Here is one more contribution he has helped us make.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I strongly support this measure because it directs our Nation's government to place a higher priority on assisting the agricultural and rural development of the sub-Saharan African regions. It is imperative that we continue to support those in need across the globe.

The past twenty-five years have been trying for many of the people in sub-Saharan Africa. Over 215 million people have had inadequate access to food. This situation is unacceptable.

As Americans and fellow members of the human race, we can advocate and make changes in Africa. We can touch the lives of those who live in extreme poverty miles from our shores.

This year, individuals and congregations across the country have worked together to form Bread for the World's Offering of Letters, Africa: Seeds of Hope. Thousands of citizens have written those of us here at Congress, and they have supported aid to Africa. These voices cannot go unheard. It is time for us to respond.

By requiring the Agency for International Development (AID) to use credit and microcredit assistance to improve the capacity and efficiency of agricultural production in sub-Saharan Africa of small-scale farmers and small rural entrepreneurs. This aid is integral to the development of Africa because the majority of Africans are dependent on agriculture for both food and income. Africa cannot prosper if its agriculture does not prosper first.

Agriculture is the largest sector of sub-Saharan African economies. Achieving food security in Africa will require a tripling of Africa's food supply by 2050. Although this goal seems insurmountable, I am certain that we can fulfill it if we allocate the proper resources.

This measure also takes into consideration the needs of women. I appreciate this portion of the measure because in many African countries, eighty percent of food is produced by women farmers. Ignoring this important sector of the population would result in the utter failure of the assistance to Africa project. Women spend a significant part of the income they earn on food for the family. In comparison, men spend far less. Studies indicate a direct correlation between increased incomes for women and improvements in family food security. By making good agricultural land and resources to women, we can make great strides toward improving Africa's current plight.

This measure also emphasizes programs and projects that improve the food security of infants, young children, school-age children. It is scientifically clear that good nutrition is vital to the development of children. In African countries where people live on less than $1 a day, children simply cannot obtain the necessary nourishment. It is appalling that children go hungry, and such a situation is intolerable. By assisting Africa, we can provide the necessary food and nourishment that will feed the bodies and spirits of these children.

Providing greater assistance to sub-Saharan Africa will allow its countries to further develop their agricultural methods. Increased agricultural research is necessary to provide sustainable agricultural production. Financial assistance from America would allow these countries to introduce both the necessary studies and the subsequent agricultural methods developed by such research.

I also applaud this measure's commitment to emergency food aid. It is important that we streamline this program so we can more rapidly and effectively respond to food emergencies. U.S. food aid to Africa alone has saved hundreds of thousands of lives.

Food aid, coupled with long-term solutions such as the development of agricultural methods, will ensure that Africa will strengthen its agricultural foundation. I applaud proponents of this measure for recognizing the elements necessary for the revitalization of Africa.

Mr. HALL of Ohio. Mr. Speaker, I rise in strong support of H.R. 4283, the Africa Seeds of Hope Act, of which I am pleased to be an original co-sponsor. Passage of this bill, will be a small but important step forward for United States assistance to Africa, and for the United States' interests in helping Africa's poorest to help themselves.

House passage of this legislation will also be a fitting tribute to our greatly respected colleague, and Ranking Member of the Committee on International Relations, the Honorable LEE HAMILTON of Indiana. This legislation comes before us today, thanks to his leadership and hard work, and that of Representative DOUG BEREUTER of Nebraska.

Congressman HAMILTON's voice of wisdom, reason, and integrity will be sorely missed in this institution, which he served with such distinction throughout his remarkable career. His perspectives on national and international issues alike consistently reflected the midwestern values, pragmatism, and concern for social justice for which he is so widely known and admired. Those values are reflected as well in the Africa Seeds of Hope Act, a well-reasoned package of proposals aimed at helping Africa's poor rural majority to help themselves.

The United States' renewed focus on trade and investment in Africa holds much long-term promise for African development, and I hope we eventually pass the Africa Trade bill that has been before Congress this year. However, even the best trade strategy will fail if it leaves Africa's poor majority behind, or weakens our commitments to humanitarian and development assistance in Africa. Because despite impressive gains in some countries, Africa is still home to too many of the world's poor and hurting. Our policies toward Africa cannot overlook the alarming facts that: Sub-Saharan Africa is the only region where the nutritional situation has deteriorated in the past three decades, and this slide will continue without greater policy attention and direct intervention. One of every five African children dies before his or her fifth birthday, and Africa's infant and child mortality rates are the world's highest (one and a half times the world average). One-third of all Sub-Saharan African children under age five suffer from malnutrition. Half of Africa's children are not immunized against polio, tetanus, and measles.

These realities require immediate attention if the benefits of trade- and investment-led development are to reach Africa's poor, largely rural, majority. Without a strong and vibrant agriculture sector, Africa cannot thrive. To that end, the Africa Seeds of Hope Act is designed to better focus existing programs of assistance to Africa on small-holder agriculture and the rural producers who are the backbone of most African economies.

I have been privileged to travel throughout much of the African continent over the years, and everywhere—even in the midst of wars and famines—I have found its people to be resilient, resourceful, and industrious. This bill is a small but important step in helping to unleash Africa's vast potential to feed itself, to thrive, and to prosper as a trading partner of increasing importance to our own economy.

I salute Congressmen HAMILTON and BEREUTER for their leadership on this important bill, and I urge my colleagues to support it. Finally, my thanks and appreciation also go to Senator MIKE DEWINE of Ohio, for introducing a Senate version of this bill, S. 2283, and for his commitment to moving this legislation in the Senate. I am grateful for his humanitarian vision and leadership in the Senate, and his ethic of care and concern for the poor and the hurting.

Mr. BEREUTER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 4283.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TRADEMARK ANTICOUNTERFEITING ACT OF 1998

Mr. GOODLATTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3891) to amend the Trademark Act of 1946 to prohibit the unauthorized destruction, modification, or alteration of product identification codes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trademark Anticounterfeiting Act of 1998".

SEC. 2. PROHIBITION AGAINST UNAUTHORIZED ALTERATION OF PRODUCT IDENTIFICATION CODES.

(a) IN GENERAL.—Chapter 65 of title 18, United States Code, is amended by inserting after section 1365 the following:

"§ 1365A. Unauthorized modification of product identification codes

"(a) DEFINITIONS.—In this section—

"(1) the term 'consumer'—

"(A) means—

"(i) the ultimate user or purchaser of a good; or

"(ii) any hotel, restaurant, or other provider of services that must remove or alter the container, label, or packaging of a good in order to make the good available to the ultimate user or purchaser; and

"(B) does not include any retailer or other distributor who acquires a good for resale;

"(2) the term 'good' means any article, product, or commodity that is customarily produced or distributed for sale, rental, or licensing in interstate or foreign commerce, and any container, packaging, label, or component thereof;

"(3) the term 'manufacturer' includes the original manufacturer of a good and a duly appointed agent or representative of that manufacturer acting within the scope of its agency or representation;

"(4) the term 'product identification code'—

"(A) includes any number, letter, symbol, marking, date (including an expiration date), code, software, or other technology that is affixed to or embedded in any good, by which the manufacturer of the good may trace the good back to a particular production lot or batch or date of removal, or carry out product recalls or otherwise identify the date of manufacture, the date of expiration, or other comparable critical data; and

"(B) does not include copyright management information conveyed in connection with copies or phonorecords of a copyrighted work or any performance or display of a copyrighted work;

"(5) the term 'Universal Product Code' refers to the multidigit bar code and number representing goods in retail applications; and

"(6) the term 'value' means the face, par, or market value, whichever is the greatest.

"(b) PROHIBITED ACTS.—Except as otherwise authorized by Federal law, it shall be unlawful for any person, other than the consumer or the manufacturer of a good, knowingly and without authorization of the manufacturer—

"(1) to directly or indirectly alter, conceal, remove, obliterate, deface, strip, or peel any product identification code affixed to or embedded in that good;

"(2) to directly or indirectly affix or embed a product identification code to or in that good which is intended by the manufacturer for a different good, such that the code no longer accurately identifies the source of the good;

"(3) to directly or indirectly affix to or embed in that good any number, letter, symbol, marking, date, code, or other technology intended to simulate a product identification code; or

"(4) to import, export, sell, distribute, or broker that good, in a case in which the person knows that the product identification code has been altered, concealed, removed, obliterated, defaced, stripped, peeled, affixed, or embedded in violation of paragraph (1) or (2), or in a case in which the person knows that the good bears an unauthorized number, letter, symbol, marking, date, or other code in violation of paragraph (3).

"(c) APPLICABILITY.—The prohibitions set forth in subsection (b) shall apply to product identification codes (or simulated product identification codes in a case to which subsection (b)(3) applies) affixed to, or embedded in, any good held for sale or distribution in interstate or foreign commerce or after shipment therein.

"(d) EXCLUSION.—

"(1) UPC CODES.—Nothing in this section prohibits a retailer or distributor from affixing to a good—

"(A) a Universal Product Code or other legitimate pricing or inventory codes or information, or

"(B) information required by State or Federal law,

if such code or information does not (or can be removed so as not to) permanently alter, conceal, remove, obliterate, deface, strip, or peel any product identification code.

"(2) REPACKAGING FOR RESALE.—(A) Nothing in this section prohibits a distributor from removing an article, product, or commodity of retail sale from a shipping container and placing such article, product, or commodity in another shipping container for purpose of resale in a quantity different from the quantity originally provided by the manufacturer or from replacing a damaged shipping container, if, except as provided in paragraph (1), such article, product, or commodity of retail sale retains its original product identification code, without any obstruction or alteration, and if—

"(i) such distributor is registered with all applicable Federal and State agencies;

"(ii) such distributor repackages the article, product, or commodity in full compliance with all applicable State and Federal laws and regulations; and

"(iii) the act of repackaging does not result in a prohibited act under section 301 of the Federal Food, Drug, and Cosmetic Act or violate any other applicable State or Federal law or regulation.

"(B) As used in this paragraph, the term 'shipping container' means—

"(i) a container or wrapping used for the transportation of any article, product, or commodity in bulk or in quantity to manufacturers, packers, or processors, or to wholesale or retail distributors thereof; and

"(ii) containers or wrappings used by retailers to ship or deliver any article, product, or commodity to retail customers, if such containers and wrappings bear no printed matter pertaining to any particular article, product, or commodity.

"(e) CRIMINAL PENALTIES.—Any person who willfully violates this section shall—

"(1) be fined under this title, imprisoned not more than 1 year, or both;

"(2) if the total retail value of the good or goods involved in the violation is greater than $5,000, be fined under this title, imprisoned not more than 5 years, or both;

"(3) if the person acts with reckless disregard for the risk that the health or safety of the public would be threatened and under circumstances manifesting extreme indifference to such risk, and the violation threatens the health or safety of the public, be fined under this title, imprisoned not more than 10 years, or both;

"(4) if the person acts with reckless disregard for the risk that another person will be placed in danger of death or bodily injury and under circumstances manifesting extreme indifference to such risk and—

"(A) serious bodily injury to any individual results, be fined under this title, imprisoned not more than 20 years, or both; or

"(B) death of an individual results, be fined under this title, imprisoned for any term of years or for life, or both; and

"(5) with respect to any second or subsequent violation, be subject to twice the maximum term of imprisonment that would otherwise be imposed under this subsection, fined under this title, or both.

"(f) INJUNCTIONS AND IMPOUNDING, FORFEITURE, AND DISPOSITION OF GOODS.—

"(1) INJUNCTIONS AND IMPOUNDING.—In any prosecution under this section, upon motion of the United States, the court may—

"(A) grant 1 or more temporary, preliminary, or permanent injunctions on such terms as the court determines to be reasonable to prevent or restrain the alleged violation; and

"(B) at any time during the proceedings, order the impounding, on such terms as the court determines to be reasonable, of any good that is in the custody or control of the defendant and that the court has reasonable cause to believe was involved in the violation.

"(2) FORFEITURE AND DISPOSITION OF GOODS.—Upon conviction of any person of a violation of this section, the court shall—

"(A) order the forfeiture of any good involved in the violation that is in the custody or control of the defendant or that has been impounded under paragraph (1)(B); and

"(B) either—

"(i) order the destruction of each good forfeited under subparagraph (A); or

"(ii) if the court determines that any good forfeited under subparagraph (A) is not unsafe or a hazard to health, dispose of the good by delivery to such Federal, State, or local government agencies as, in the opinion of the court, have a need for such good, or by gift to such charitable or nonprofit institutions as, in the opinion of the court, have a need for such good, if such disposition would not otherwise be in violation of law and if the manufacturer consents to such disposition and is given the opportunity to reapply a product identification code to the good.".

"(g) CIVIL REMEDIES.—

"(1) IN GENERAL.—Any person who is injured by a violation of this section, or threatened with such injury, may bring a civil action in an appropriate United States district court against the alleged violator.

"(2) INJUNCTIONS AND IMPOUNDING AND DISPOSITION OF GOODS.—In any action under paragraph (1), the court may—

"(A) grant 1 or more temporary, preliminary, or permanent injunctions on such terms as the court determines to be reasonable to prevent or restrain the violation;

"(B) at any time while the action is pending, order the impounding, on such terms as the court determines to be reasonable, of any good that is in the custody or control of the alleged violator and that the court has reasonable cause to believe was involved in the violation; and

"(C) as part of a final judgment or decree—

"(i) order the destruction of any good involved in the violation that is in the custody or control of the violator or that has been impounded under subparagraph (B); or

"(ii) if the court determines that any good impounded under subparagraph (B) is not unsafe or a hazard to health, dispose of the good by delivery to such Federal, State, or local government agencies as, in the opinion of the court, have a need for such good, or by gift to such charitable or nonprofit institutions as, in the opinion of the court, have a need for such good, if such disposition would not otherwise be in violation of law, and if the manufacturer consents to such disposition and is given the opportunity to reapply a product identification code to the good.

"(3) DAMAGES.—

"(A) IN GENERAL.—Subject to subparagraph (B), in any action under paragraph (1), the plaintiff shall be entitled to recover the actual damages suffered by the plaintiff as a result of the violation, and any profits of the violator that are attributable to the violation and are not taken into account in computing the actual damages. In establishing the violator's profits, the plaintiff shall be required to present proof only of the violator's sales, and the violator shall be required to prove all elements of cost or deduction claimed.

"(B) STATUTORY DAMAGES.—In any action under paragraph (1), the plaintiff may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits described in subparagraph (A), an award of statutory damages for any violation under this section in an amount equal to—

"(i) not less than $500 and not more than $100,000, with respect to each type of goods involved in the violation; and

"(ii) if the violation threatens the health and safety of the public, as determined by the court, not less than $5,000 and not more than $1,000,000, with respect to each type of goods involved in the violation.

"(4) COSTS AND ATTORNEY'S FEES.—In any action under paragraph (1)—

"(A) in addition to any damages recovered under paragraph (3), a prevailing plaintiff may recover the full costs of the action; and

"(B) the court, in its discretion, may also award reasonable attorney fees to the prevailing party.

"(5) REPEAT VIOLATIONS.—

"(A) TREBLE DAMAGES.—In any case in which a person violates this section within 3 years after the date on which a final judgment was entered against that person for a previous violation of this section, the court, in an action brought under this subsection, may increase the award of damages for the later violation to not more than 3 times the amount that would otherwise be awarded under paragraph (3), as the court considers appropriate.

"(B) BURDEN OF PROOF.—A plaintiff that seeks damages as described in subparagraph (A) shall bear the burden of proving the existence of the earlier violation.

"(6) LIMITATIONS ON ACTIONS.—No civil action may be commenced under this section later than 3 years after the date on which the claimant discovers the violation.

"(7) INNOCENT VIOLATIONS.—In any action under paragraph (1), the court in its discretion may reduce or remit the total award of damages in any case in which the violator sustains the burden of proving, and the court finds, that the violator was not aware and had no reason to believe that the acts of the violator constituted a violation.".

(b) CONFORMING AMENDMENT.—The table of sections for chapter 65 of title 18 United States Code, is amended by inserting after the item relating to section 1365 the following:

"1365A. Unauthorized modification of product identification codes.".

SEC. 3. ATTORNEY GENERAL REPORTING REQUIREMENTS.

Section 2320(f) of title 18, United States Code, is amended—

(1) by inserting "unauthorized modification of product identification codes under section 1365A," after "involve"; and

(2) in paragraph (4), by inserting "1365A," after "sections".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. GOODLATTE) and the gentleman from Michigan (Mr. CONYERS) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. GOODLATTE).

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3891, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the Trademark Anticounterfeiting Act of 1998. This important legislation will provide law enforcement the tools they need to combat the growing crime of altering or removing product identification codes from goods and packaging. This bill will also provide manufacturers and consumers with civil and criminal remedies to fight those counterfeiters and illicit distributors of goods with altered or removed product codes. Finally, this bill will protect consumers from the possible health risks that so often accompany tampered goods.

Product codes play a critical role in the regulation of goods and services. For example, when problems arise over drugs or medical devices regulated by the Food and Drug Administration, the product codes play a vital role in conducting successful recalls. Similarly, the Consumer Product Safety Commission and other regulators rely on product codes to conduct recalls of automobiles, dangerous toys and other items that pose safety hazards.

Product codes are frequently used by law enforcement to conduct criminal investigations as well. These codes have been used to pinpoint the location and sometimes the identity of criminals. Recently, product codes aided in the investigation of terrorist acts, including the bombing of Olympic Park in Atlanta and the bombing of Pan Am Flight 103 over Lockerbee, Scotland.

At the same time, manufacturers have limited weapons to prevent unscrupulous distributors from removing the coding to divert products to unauthorized retailers or place fake codes on counterfeit products.

□ 1345

For example, one diverter placed genuine, but outdated, labels of brand name baby formula on substandard baby formula and resold the product to retailers. Infants who were fed the formula suffered from rashes and seizures. We cannot take the chance of any baby being harmed by infant formula or any other product that might be defaced, decoded or otherwise tampered with. FDA enforcement of current law has been vigilant and thorough, but this potentially serious problem must be dealt with even more effectively as counterfeiters and illicit distributors utilize the advanced technologies of a digital age in their crimes.

Mr. Speaker, my legislation will provide Federal measures which will further discourage tampering and protect the ability of manufacturers to implement successful recalls and trace product when needed. It would prohibit the alteration or removal of product identification codes on goods or packaging for sale in interstate or foreign commerce, including those held in areas where decoding frequently occurs.

The legislation will also prohibit goods that have undergone decoding from entering the country, prohibit the manufacture and distribution of devices primarily used to alter or remove product identification codes, and allow the seizure of decoded goods and decoding devices. It will require offenders to pay monetary damages and litigation damages in the event of repeat violations.

The bill will also impose criminal sanctions, including fines and imprisonment, for violators who are knowingly engaged in decoding violations. The bill would not require product codes, prevent decoding by authorized manufacturers, or prohibit decoding by consumers.

It also includes language offered by my colleague, the gentleman from Florida (Mr. WEXLER) that would allow for repackaging of products for legitimate resale purposes. The bill also includes language to address concerns raised by the gentleman from Arkansas, (Mr. HUTCHINSON), on behalf of Wal-Mart, to protect those who unknowingly had violated any portion of the bill.

This legislation is a good approach designed to strengthen the tools of law enforcement, provide greater security for the manufacturers of products, and most importantly, provide consumers with improved safety from tampered with or counterfeit goods.

Mr. Speaker, I urge my colleagues to join me in supporting passage of this bill which will go a long way toward closing the final gap in Federal law enforcement tools to protect consumers and the products they enjoy.

Mr. Speaker, I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I yield myself 1 minute.

I greet my dear colleagues on the other side, the distinguished members of the Committee on the Judiciary, with a question or two that makes this anticounterfeiting act a little bit suspect.

Now, there is nobody in the Congress supporting counterfeiting, but this legislation and its claim to help consumers by assisting in the recall of defective merchandise falls on its face, because the problem is, not only is this information already protected by current law, but the bill is not limited to products which implicate public health, nor is it limited to recall information. Instead, it covers any product sold in the country from books to perfume, and I think it is quite broad.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. FORBES) who, along with the gentleman from New York (Mr. SCHUMER), has worked on this matter.

Mr. FORBES. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

I rise to strongly oppose H.R. 3891 because of its effects on the retail sector of our economy and on American consumers seeking quality products at discount prices. This bill, unfortunately, does nothing to stop counterfeiting of goods. Instead, it stops legal sales by discount retailers.

If made law, H.R. 3891 will have a substantial negative impact on the United States economy, preventing millions of dollars in legitimate sales. Numerous products like cameras, watches and name brand clothing and electronics presently available at discount prices will disappear, if this bill becomes law, from discount shelves. Consumer prices will rise and jobs will be lost among retailers, distributors and importers.

H.R. 3891 purports to eliminate counterfeit goods. I support that most worthy objective. But I regrettably have to conclude that the bill does not further that goal. Despite the fact that it is named the Trademark Anticounterfeiting Act, the legislation does not prohibit or discourage the manufacture, sale or distribution of counterfeit goods, nor does it punish the use of phoney product identification codes.

Instead, the bill prohibits the removal of genuine product identification codes from products. Because the bill deals only with the removal of genuine manufactured goods, by definition, it could have little or no effect on stopping or discouraging counterfeit goods.

Mr. Speaker, the true effect of H.R. 3891 will be to limit the distribution of genuine goods to discount stores. Brand name products are often sold in what is called the parallel market or the gray market. Legitimacy of this multibillion dollar market, which encompasses a wide variety of products such as cameras, clothing, electronic products, perfume and watches, has been upheld by numerous Federal courts, including the Supreme Court. Parallel market imports constitute, at retail, a multibillion dollar industry.

The billions of dollars in savings enjoyed by American consumers because of the parallel market has been well chronicled. Parallel or gray market imports are responsible for increasing the buying power of U.S. consumers over the last decade by preventing foreign manufacturers from monopolizing the distribution of products to U.S. retailers.

Americans will pay hundreds of millions of dollars more, unfortunately, each year to foreign manufacturers if this bill becomes law. Even though the parallel market is completely legal and benefits in a great way consumers, some product manufacturers believe that the parallel market is not in their best interests. So if they have these great lots of unsold products that they want to move in the discount area, manufacturers, by virtue of enactment of this bill, would really have the ability to go after the manufacturer of these products and in a subtle way either limit their distribution or certainly limit the consumers' benefit, that being a reduction in cost.

The ultimate goal of manufacturers is to control the final retail price of their products. When done explicitly, the practice known as resale price maintenance has been plainly illegal under antitrust laws since the beginning of this century. The reason resale price maintenance is illegal is because we want retail outlets to compete on price when competition yields the best deal for consumers.

Manufacturers' use of product identification codes as cutoff access to the parallel market is simply resale price maintenance in disguise, and while I certainly appreciate the worthy nature, perhaps the goal of the authors of this legislation, I would suggest that this bill is far too broad. Proponents claim it will protect consumers by assisting the recall of defective merchandise; certainly a worthy goal, but if this is the purpose, the bill could easily be limited to products which implicate real public health and safety concerns, such as food, medicine and children's car seats and baby pajamas.

Mr. Speaker, numerous laws are already on the books that regulate the marketing of products which are of special concern for public safety: The Federal Food, Drug and Cosmetic Act, the Consumer Product Safety Act, Federal Meat Inspection Act, the Tariff

Act, the Lanham Act, and the Anticounterfeiting Consumer Protection Act of 1996.

Mr. CONYERS. Mr. Speaker, will the gentleman yield?

Mr. FORBES. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I want to thank the gentleman for his very thoughtful introduction into this discussion, pointing out that we are all against counterfeiting, that there are all kinds of laws which I am going to point out to my friends on the other side, and suggest a way that we could remedy this.

Mr. FORBES. Mr. Speaker, I rise to express my strong opposition to the "Trademark Anticounterfeiting Act" (H.R. 3892) because of its effects on the retail sector of our economy and on American Consumers seeking quality products at discount prices.

This bill does nothing to stop counterfeiting of goods. Instead it stops legal sales by discount retailers.

If made law, the "Trademark Anti-counterfeiting Act" will have a substantial negative impact on the U.S. economy preventing millions of dollars in legitimate sales. Numerous products like cameras, watches and name brand clothing and electronics presently available at discount prices will disappear from discount shelves. Consumer prices will rise and jobs will be lost among retailers, distributors and importers.

The bill purports to eliminate counterfeit goods. I support this objective, but the bill does not further that goal.

Despite the fact that it is named the "Trademark Anti-counterfeiting Act," this legislation does not prohibit or discourage the manufacture, sale or distribution of counterfeit goods, nor does it punish the use of phony product identification codes.

Instead, this bill prohibits the removal of genuine product identification codes from products.

Because the bill deals only with the removal of genuine manufacturer codes, by definition it can have no effect on stopping or discouraging counterfeit goods.

The true effect of H.R. 3891 will be to limit the distribution of genuine goods in discount stores. Brand-name products are often sold in what is called the "parallel market" or the "gray market."

The legitimacy of this multi-billion dollar market, which encompasses a wide variety of products, such as cameras, clothing, electronic products, perfume and watches, has been upheld by numerous federal courts, including the U.S. Supreme Court.

In March of this year, the U.S. Supreme Court ruled In Quality King Distributors, Inc. v. L'anza Research Int'l, Inc. that the "parallel market" is protected under our copyright laws. Similarly, as far back as 1987, the U.S. Supreme Court rejected an attack on the "parallel market" under our trademark law.

"Parallel Market" imports constitute at retail a multi-billion dollar industry. Parallel or "Gray Market" imports were responsible for increasing the buying power of U.S. consumers over the last 10 years, by preventing foreign manufacturers from monopolizing the distribution of their products to U.S. retailers.

The billions of dollars in savings enjoyed by American consumers because of the "parallel market" have been well chronicled in nationally recognized trade publications like the Chain Store Age Executive and the Discount Store News.

Americans will pay hundreds of millions of dollars more each year to foreign manufacturers if this bill is made law. Even though the "parallel market" is completely legal and benefits consumers, some product manufacturers believe that the parallel market is not in their interest.

In an effort to keep their products out of discount stores, some place codes on the products that enable them to trace the chain of distribution of a particular item and then retaliate against distributors that sell goods into the "parallel market."

The ultimate goal of these manufacturers is to control the final retail price of their products. When done explicitly, this practice, known as "resale price maintenance," has been plainly illegal under antitrust laws since 1908. The reason resale price maintenance is illegal is because we want retail outlets to compete on price—that competition yields the best deals for customers.

Manufacturers' use of product identification codes to cut off access to the parallel market is simply resale price maintenance in disguise. We should not change Federal law to assist manufacturers in this anticonsumer practice, yet that would be the effect of H.R. 3891.

I am also very concerned that the "Trademark Anti-competitiveness Act" is far too broad. Proponents claim it will protect consumers by assisting recall of defective merchandise. If this is the purpose, the bill can easily be limited to products which implicate real public health and safety concerns, such as food, medicine and children's car seats and baby pajamas.

Instead this bill covers any product sold in the U.S., no matter how benign, including such harmless items as books, clothing and furniture. There is no reason for including these everyday, innocuous products within the scope of the bill.

In addition, the bill addresses a problem that is already addressed by other, more comprehensive statutes.

Numerous laws already regulate the marking of products which are of special concern for public safety. Some of these laws include: the Federal Food, Drug & Cosmetic Act; the Consumer Product Safety Act; the Federal Meat Inspection Act; the Tariff Act of 1930; the Lanham Act; and the Anti-counterfeiting Consumer Protection Act of 1996 that applies Racketeer Influenced and Corrupt Organizations Act (RICO) penalties to counterfeiters.

Finally, this bill would have disastrous impacts on interstate commerce and on our legal system. It renders billions of dollars worth of merchandise illegal overnight.

The legislation criminalizes the act of decoding products and mandates the seizure and destruction of these decoded products. The avalanche of litigation that would follow between manufacturers and resellers and between retailers and their suppliers would be enormous.

If the bill is meant to avoid counterfeiting, then it should not apply to genuine products. If the bill seeks to address the issue of consumer protection in recalls, then it should do so without granting a limited group of product manufacturers broad anti-competitive powers.

Many parties that will be affected by H.R. 3891 have not had their concerns heard by this House. If made law, this bill will result in serious unforeseen hardships to consumers and businesses alike. I strongly urge that this bill be amended to avoid these negative consequences.

I urge my colleagues to vote against this bill, and I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina (Mr. COBLE), the chairman of the Subcommittee on Intellectual Property.

Mr. COBLE. Mr. Speaker, I thank the gentleman from Virginia and commend him for the diligent hard work that he has put forward on this bill, and I urge my colleagues to support it.

Mr. Speaker, H.R. 3891 safeguards the ability of manufacturers to control the use of their products with which valuable marks are associated by protecting the integrity of corresponding "product identification codes" contained in product packaging. These codes, Mr. Speaker, comprised of numbers, letters, symbols, or expiration markings affixed to goods, enable manufacturers, it seems to me, to trace products back to a particular production lot, batch, or date of removal. In my opinion, this bill will further legitimate commercial interests, maintain the value of trademarks affiliated with goods, and promote public health and safety.

Finally I should note, and I am not sure this has been mentioned yet, that H.R. 3891 contains an "innocent infringer" exception to the bill adopted during subcommittee markup, and other changes which the gentleman from Virginia (Mr. GOODLATTE) has authored to preserve the ability of distributors to engage in lawful diversion of products. These additions to the bill, it seems to me, will ensure that public health and safety will be advanced on the one hand, but not on the other hand, at the expense of lawful commercial practices.

Mr. Speaker, I again thank the gentleman from Virginia for his work in bringing the bill to the floor, and I urge its adoption today.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this discussion on the floor is tracking the same discussion that we had in the Committee on the Judiciary, and so perhaps we are so absorbed with the presidential scandal that maybe the members on the committee just cannot focus on this subject.

What is the matter, I say to my colleagues? We already told my colleagues that there are six Federal food, drug and cosmetic laws already on the books regulating for public inspection, plus the Federal Meat Inspection Act, the Tariff Act of 1930, the Lanham Act, Anticounterfeiting Consumer Protection Act of 1996, and the Consumer Product Safety Act.

My colleagues get on the floor, and I do not want to say they are taking advantage of the lack of knowledge of the rest of the Members of the House, but my colleagues know that there are dozens of bills fighting counterfeiting and that the real problem, I say to my colleague from Virginia (Mr. GOODLATTE), is that they are not being properly enforced; and that if the gentleman would have tailored his bill in a reasonable way to limit recall information, to protect the bar code issue, but just to open it up, I am going to have to say something here as politely as I am able to.

What the gentleman is doing is attacking the parallel market. The gentleman is going after the wholesalers, and wait until the citizens find out about this. What the gentleman is saying is that all the companies that sell below the wholesale houses, the pharmaceuticals, the TJ Maxxes, the RiteAids, all of them are going to be wiped out by a very cute way that the gentleman is handling this, because I think there is a motive here.

If the gentleman was really after counterfeiting, the gentleman would tailor it so that we can all get it.

□ 1400

What the gentleman from Virginia (Mr. GOODLATTE) is doing is protecting the high end retailers in America. I think we went through this in the Committee on the Judiciary. Why does the gentleman not come clean and say it?

They deserve congressional representation, but to mask it into an anticounterfeiting act, where we pick up designer jeans, cameras, perfumes, and all of these items that are sold in cut rate and wholesale situations, the gentleman knows that that is what the goal of this is. So why do we not just call it for what it is?

I am protecting the people in America that want to go to the malls and get a good deal. I am protecting the people that want to buy at discounted prices. What the gentleman is doing is putting the parallel market out of business. Why does the gentleman not come clean and admit it, or concede it, or maybe we will stipulate it? But do not talk about this as an anticrime issue. It is simply not that.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I certainly hope that the gentleman from Michigan (Mr. CONYERS) is not attempting to protect those folks who are violating the law and attempting to defraud consumers in this country.

Let me just point out who it is that supports this bill. The gentleman says we are attacking the gray market, but the National Association of Mass Retailers does not oppose this bill. It is supported by the United States Chamber of Commerce. It is supported by the AFL–CIO. It is supported by the National Association of Manufacturers, and it is supported by the National Consumers League.

We are protecting consumers here, and we are not doing anything to affect those people who legitimately sell in the parallel market. I hope they continue to do so. That is certainly not what we are trying to affect here.

We are trying to help law enforcement be able to trace product codes. It would be a shame if the batteries sold to the perpetrator of the Atlanta bombings were tampered with by somebody because it was not against the law to tamper with the identification code, and the FBI was not able to trace, as they were in that case, those products back to where they were sold to help identify the perpetrators.

The same thing with the bombing over Lockerbie, Scotland. We do not know what kind of product may be used in a law enforcement investigation. It might be something related to a product that is for health and safety, but it might not be.

If Members were to, for example, exempt clothing from this, there are all kinds of product defects that take place with clothing. They can catch on fire, and people need to have the ability to be contacted and notified that there is a problem.

Limiting it to health and safety does not take into consideration products like baby toys, batteries. Where do we draw the line? Predatory pricing can be addressed through current antitrust laws. Those laws exist on the books. There are not laws on the books today prohibiting fraud from taking place when somebody tampers with or removes a code. That is why we make this distinction.

In response to retail concerns, we have added language making the bill only applicable to those who knowingly perform one of the prohibited acts, so I cannot imagine why there would be any effort to protect those people who knowingly want to perpetrate a fraud like this. That is why we have the support of groups like the National Consumers League.

The bill also includes additional protections in the bill for innocent infringers. We are not targeting those folks. The current law does not adequately address the problem of product code tampering. That is what we are addressing in this bill. We are not addressing the parallel market.

Those who were concerned about that entered into detailed negotiations with us with other members of the committee. I am sorry that the gentleman did not choose to participate in those negotiations, but we worked with several members of the committee on both sides of the aisle to make changes to address those concerns. Those concerns have been addressed.

We are simply going after the bad guys, I would say to the gentleman from Michigan. I would hope that he would change his mind about the importance of this bill, both from the standpoint of protecting consumers, and from the standpoint of helping law enforcement address a serious problem.

Mr. Speaker, I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, does the gentleman know what I am going to do? I am going to see that the gentleman does not get two-thirds on the vote today, that is what I am going to do for this bill, because the gentleman is misrepresenting the fact that there is no protection against trademark counterfeiting. May I refer the gentleman to the law? The gentleman has been on the committee some number of years now.

The Federal Food, Drug, and Cosmetic Act, 21 United States Code, annotated Section 301. Section 331 deals with adulteration and misbranding. How can the gentleman say there is nothing protecting us against counterfeiting? Section 333 provides for seizure of adulterated drugs or cosmetics. Has the gentleman ever heard of the law? Section 342 addresses false or misleading labels. Section 350–A regulates infant formula.

The gentleman did not come to the floor not knowing this. The gentleman knew this, because the gentleman from New York (Mr. SCHUMER) took 30 minutes explaining it, and the gentleman said we would work it out. We have not worked anything out. That is why I am opposed to it.

By the way, since the Chamber of Commerce supports this, the discount drugstores do not support it, the Price Club does not support it, Rite Aid does not support it. The discounters and the parallel market are going to get wiped out, and the gentleman knows it. The gentleman knows it.

We have got all of these counterfeiting laws. Sections 351 and 352 govern adulterated or misbranded drugs or devices. Section 361 and 362 addresses cosmetics that are adulterated or misbranded. We have a Federal Meat Inspection Act, a Tariff Act, an anticounterfeiting Consumer Protection Act of 1996. The gentleman was in on it. The gentleman helped pass it.

Now the gentleman is coming here arguing that this is for the benefit of the good guys, and the gentleman does not want me helping the bad guys. I want to suggest to the gentleman that it may be just the opposite.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Michigan (Mr. CONYERS) that the legislation that he cited, some of which I authored and he supported, does not address issues where the law is intended to apply for reasons other than harm to the consumer. So if it is a matter of law enforcement, tracing the location of a product, it does not apply.

This legislation makes it clear that we cannot tamper with a product code because doing so is perpetrating a fraud, for one reason or another. But secondly, keeping that code on the product helps us to give law enforcement the tools they need to track down criminals.

In many, many cases criminals use products in the commission of a crime. When we can trace those products back to what store they were purchased from, where they were distributed from, we have a much greater chance of narrowing the field of suspects and tracking down who it was who actually purchased that product.

For that reason, and the others that I have already cited, the bill has strong support from a wide array of groups, from labor unions to retailers to manufacturers to law enforcement to consumers, and ought to deserve the same kind of broad-based bipartisan support here on the floor of the House of Representatives.

We did conduct further discussions with the gentleman from New York (Mr. SCHUMER) and others in the committee following the markup in the committee, and we reached agreement with a number of folks about changes which were made and incorporated into the legislation. Did we make everybody happy? No, because there are some folks out there who want to take labels off of products or change the labels in order to mislead folks about what is going on. That is simply what this legislation is directed at attacking.

Mr. Speaker, I would ask the gentleman to reconsider his opposition to the bill. I would love to have his support for the bill, but I think he is on the wrong side of what is in the best interests of consumers, law enforcement, manufacturers, retailers, all across the board.

Mr. Speaker, I would again reserve the balance of my time, and urge the Members to support this legislation.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say to my good friend, the gentleman from Virginia, I have never been, nor my staff, invited to participate in one single negotiation. If the gentleman from New York (Mr. SCHUMER) has, that would be almost unbelievable. I know he has not, either. Does the gentleman say he has?

Mr. GOODLATTE. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. No, not at this point.

Mr. GOODLATTE. The gentleman asked the question. I will be happy to answer it.

Mr. CONYERS. Does the gentleman remember what he told me earlier, that he has time that he can yield to himself?

Mr. Speaker, the point that I am making is that I have never been in any negotiations. I voted against this measure. It is a funny thing about this big rush on the bill, and there was not much notice about this bill. It came up at the last minute with no notice. There has been no opportunity to amend the bill, I say to the gentleman from Virginia (Mr. GOODLATTE). Why not? Because the gentleman does not think he needs to, because he can get two-thirds. I have news for the gentleman.

The fact of the matter is that this bill will allow all kinds of manufacturers to terminate distributors who sell their goods at a deep discount. We know that is what is behind it. And citing the Chamber of Commerce and my friends in labor, and by the way, I would love to compare my labor record with the gentleman's some day off the floor, we have groups of consumers, working people, discount organizations, that do not think we need a bill with this latitude.

We have been through this, so the gentleman is going to railroad it through on a suspension: perfume, cameras, designer jeans, jewelry, watches, shirts. I ask the gentleman to tell me, why do those items need to be covered?

Mr. GOODLATTE. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Virginia.

Mr. GOODLATTE. Mr. Speaker, I thank the gentleman for yielding. The reason why items need to be covered is——

Mr. CONYERS. These items.

Mr. GOODLATTE. Any item is potentially left at the scene of a crime. Any item could be left at the scene of a crime and could be traced to determine who it was that committed the crime.

Mr. CONYERS. Reclaiming my time, now the gentleman has said something that the gentleman never said in the committee, and certainly it goes against any negotiations with whomever the gentleman entered into them with.

If the gentleman is now telling me we should cover all items in the market, then I guess, if I can quote the gentleman on that in my handout, I think that will take care of it for today. The gentleman thinks everything should be covered; not just these items not covered, but all items should be covered, everything in commerce? If that is the gentleman's position, that just reinforces my opposition to it.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me first say to the gentleman from Michigan, nothing is being railroaded. As the gentleman has quite accurately pointed out, for something to pass on suspension, it requires a two-thirds vote. If it were brought up under a rule it would only take a majority vote, so we are not trying to put anything over on anybody.

Frankly, it surprised me that the gentleman came down here to oppose it. We had no idea that the gentleman was opposed to the legislation at this point. The gentleman never indicated any reservations about the bill. If he had done so, we would have wanted to include him in any negotiations that we had, because we were working very diligently to pull together the support necessary to pass this important legislation.

But the gentleman is entirely inaccurate when he says there is no opportunity for amendment. The bill itself at the desk is a manager's amendment taken from suggestions made by those who had concerns in the Committee on the Judiciary meeting, and we did not reach agreement with everybody. It is hard to reach agreement with everybody. But we reached agreement with some of those who raised reservations, and we changed the bill accordingly.

Mr. Speaker, I am sorry that the gentleman has the opposition. I would love to have sat down with him ahead of time and attempted to work those matters out, if it were possible. But I was never notified that the gentleman was going to oppose the legislation. I do not believe the basis on which the gentleman is opposing it is appropriate. It is simply not the case that this is going to damage the parallel markets or the so-called gray markets.

□ 1415

We have addressed concerns raised by a number of folks to make sure that that in fact would not be the case.

Mr. Speaker, I reserve the balance of my time.

Mr. CONYERS. Mr. Speaker, how much time remains?

The SPEAKER pro tempore (Mr. SUNUNU). The gentleman from Michigan (Mr. CONYERS) has 3½ minutes remaining. The gentleman from Virginia (Mr. GOODLATTE) has 5½ minutes remaining.

Mr. CONYERS. Mr. Speaker, could we even up the time a little bit.

Mr. GOODLATTE. Mr. Speaker, I yield 30 seconds to the gentleman from Michigan (Mr. CONYERS) since he was kind enough to yield to me a little while ago.

Mr. CONYERS. Mr. Speaker, I would like to introduce myself to the gentleman from Virginia (Mr. GOODLATTE).

I am the ranking member of the committee. I had no notice that the bill was being brought up. The information was delivered through the minority leadership of the House.

So to tell me that I should have been following my colleague all along is a little bit odd. What we are trying to say here is that we never had a chance to amend the bill. And to tell me that there is a manager's amendment at the desk that I never participated in now shows that the bill was amended without me is not insulting, but it almost suggests that I don't understand the process.

The SPEAKER pro tempore. The time of the gentleman from Michigan (Mr. CONYERS) has expired.

Mr. CONYERS. Mr. Speaker, I yield myself 2 additional minutes.

The problem is this, why do we need the gentleman from Virginia (Mr. GOODLATTE) to apply anticounterfeiting provisions to general items like jeans and perfume? Could the gentleman tell me what health problems he has discovered that makes them to be included. It is not a crime to sell these goods in the parallel market. The gentleman knows the case law on this as well as I.

Mr. Speaker, I yield to the gentleman from Virginia (Mr. GOODLATTE).

Mr. GOODLATTE. Mr. Speaker, in the case of perfume, it is easy to have a product that the code can be tampered with and put in a product that came in the original bottle that has been tampered with, adulterated, could cause harm when applied to the skin. With regard to blue jeans, they might be flammable. They might be in a suitcase in an airplane that is blown up in the sky and could help to identify where it came from.

Mr. CONYERS. Mr. Speaker, reclaiming my time, we had hearings, and there were no cases like these hypotheticals cited. So what is the gentleman doing? I mean, is this reality legislation or what? Can the gentleman tell me the jeans and perfume, one might be adulterated and the other might be flammable? I have the transcript of the hearings, and there is nothing in them about that. Now, maybe yes; but in reality, no.

So I think there is an economic motivation that is not going to be good for the parallel market. Is the gentleman's constituents not like mine? They like to go and shop for discounts sometimes. What is the gentleman telling them?

Mr. GOODLATTE. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Virginia.

Mr. GOODLATTE. Mr. Speaker, I like to shop for discounts myself.

Mr. CONYERS. Then why is the gentleman doing this to the parallel market?

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLATTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just say to the gentleman that it is impossible to define what products might be used by law enforcement at some point in time to trace a product code.

Mr. FORBES. Mr. Speaker, will the gentleman yield?

Mr. GOODLATTE. I yield to the gentleman from New York.

Mr. FORBES. Mr. Speaker, is my good friend the gentleman from Virginia (Mr. GOODLATTE) making a case that everything that is sold in the United States should have a product code so we can trace all goods?

Mr. GOODLATTE. Reclaiming my time, no, I am only making a case that if a code is put on the product by the manufacturer, the Congress, the people should not be questioning the reason for doing that by allowing the removal of that code for various reasons, one of which is tracing products that may have been adulterated and need to be recalled, may have defects and need to be recalled, products that may be used by law enforcement, may be discovered at the scene of the crime and can trace a crime.

There is no compelling argument why somebody should be able to pull the code off the product and continue to sell the product without having that kind of consumer protection. That is why the National Consumer League supports the bill.

Mr. FORBES. Mr. Speaker, will the gentleman yield?

Mr. GOODLATTE. I yield further to the gentleman from New York.

Mr. FORBES. Mr. Speaker, would the gentleman not agree that there is an attempt by some manufacturers when they are tracing products at discount houses and they see those same products are in competition with their own sales that they cut off distribution to those discount houses?

Mr. GOODLATTE. Mr. Speaker, reclaiming my time, that is against the law, and we have antitrust laws that prohibit that very activity that the gentleman has just described. And when that occurs, I have seen many instances where cases are brought for that kind of discriminatory treatment in the marketplace, and those laws should be enforced.

But it certainly should not interfere with a manufacturer's legitimate need and law enforcement's legitimate need to have those product codes not tampered with, falsified on the product. I think that is outrageous.

Mr. FORBES. Mr. Speaker, will the gentleman further yield?

Mr. GOODLATTE. I yield further to the gentleman from New York.

Mr. FORBES. Mr. Speaker, is the gentleman aware that there are representatives of various manufacturers that do go into these discount houses and they look at these product lines and they look at the labeling and they have taken, in the past, action against some of these folks that are working in the parallel market?

Mr. GOODLATTE. Mr. Speaker, reclaiming my time, if they do so, then they should be prosecuted under the laws that already exist on the books if they are doing so in the discriminatory manner that the gentleman describes.

Mr. Speaker, I reserve the balance of my time, and I inquire how much time is remaining.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. GOODLATTE) has 2 minutes remaining. The gentleman from Michigan (Mr. CONYERS) has 90 seconds remaining.

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am in a state of exhaustion now. The rational processes have taken flight in this discussion. We get no notice. We found out about it this morning. The bill is too broad. That was complained of in the committee.

The gentleman has introduced a manager's amendment and said, well, we amended the bill. We gave our colleagues a unilateral manager's amendment. Are they not happy?

This bill would make it easier for manufacturers to terminate discounters. That is the economic question underneath it. Let us not fool ourselves. There is no question this bill would lead to less discounting. I hope the gentleman's constituents would be happy to find that out in the event that this bill becomes law.

Let us send the bill back to committee so that we can get a narrow bill that will really be good for the consumers.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. FORBES) for any closing comments if he has any.

Mr. FORBES. Mr. Speaker, I thank the gentleman from Michigan, and I would just urge my colleagues to oppose this measure. If our attempt is to be able to trace consumer products, then let us call it what it is and let us get a bill on the floor that labels every product ever sold in the United States of America. Unfortunately, I think this is a back-door attempt to really raise the price of consumer goods, to thwart the discount market, and to make it tougher on consumers.

I am sorry for that. I would urge my colleagues to please reject this bill.

Mr. GOODLATTE. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, let me just say, in response to the gentleman from New York (Mr. FORBES), that if his statement were accurate, then organizations like the National Association of Mass Retailers and the National Consumers League would oppose this legislation, and they do not.

The reason they do not is that they share the concerns that many have about product safety. They share the concerns that many have about law enforcement and they share the concerns that many have about what motivations somebody has for pulling off the product identification code from a product and then wanting to resale it.

What are they hiding from? I would suggest to my colleagues that they are hiding from the fact that there are criminal activities that take place by those who adulterate products, who change products, and they should not be allowed to do that by altering or removing these codes. That is what this legislation clearly addresses.

It is clearly needed because all the laws cited by the gentleman from Michigan (Mr. CONYERS), which are very good laws, some of which I introduced myself, do not cover the specific facts and the specific instances of removing and tampering with labels that are addressed in this bill, and that is why the legislation is supported by the AFL-CIO.

I am pleased to have their support for this legislation. It is not often that they come together and agree with manufacturers, and the United States Chamber of Commerce and consumers, but when we have that kind of collection of support, and the needs of law enforcement, we ought to take advantage of the opportunity to pass a very good bill and ignore the concerns of a very narrow, limited group of people who are not just in the gray market, which we support, but which are involved in criminal activity in the gray market, which we do not support and which this bill attacks. I urge my colleagues to support this legislation.

Mr. SCHUMER. Mr. Speaker, I rise in strong opposition to H.R. 3891, the Trademark Anticounterfeiting Act. In my view, this legislation would be devastating to consumers seeking quality products at discount prices.

H.R. 3891 will have a substantial negative impact on the U.S. economy. It will preclude millions of dollars in legitimate sales. Numerous products presently available at discount prices will disappear from discount shelves. Consumer prices will rise and jobs will be lost among retailers, distributors, and importers.

Furthermore, H.R. 3891 will place additional burdens on law enforcement and on the courts. This legislation, however, provides no funding for these additional enforcement responsibilities.

The Trademark Anticounterfeiting Act, H.R. 3891, is intended to eliminate counterfeit goods from the marketplace. I support this goal; however, we find nothing in this bill to further this goal. This legislation does not prohibit or discourage the manufacture, sale, or distribution of counterfeit goods.

The real goal of this bill is to stop the legitimate practice known as the "parallel market" or "gray market." This is a perfectly legal market where middle men buy overstock from high end retail stores, and resell the goods to discount retailers. The high end manufacturers of these products have decided that too many consumers are buying their goods at discount stores and want to use this bill to cut off the middle men who supply discount stores.

In an effort to keep their products out of discount stores, some manufacturers place codes on the products. These codes are used to trace the product through its chain of distribution for ammunition against the distributors that sell their goods in the parallel market. The goal of these manufacturers is to control the final retail price of their products. When done explicitly, "resale price maintenance" has been plainly illegal under antitrust laws since 1908. The manufacturers use of product identification codes to cut off access to parallel markets is simply resale price maintenance in disguise.

The proponents of this bill have claimed that it will protect consumers by assisting in the recall of defective merchandise. If this is the purpose, the bill can easily be limited to products which implicate real public health and safety concerns, such as food, medicine, and products for children (like car seats and baby pajamas). Alternatively, parallel market resellers could be given some of the responsibility for enabling recalls.

But instead of these sensible, targeted approaches, the bill as written is astonishingly sweeping. It covers any product sold in the U.S.—from books to clothing to furniture. No reason whatever has been articulated for including these everyday, non-threatening products within the scope of the bill.

As a result of the broadly defined "product identification code", resellers will have no way to determine upon looking at a product which codes or markings constitute a product identification code. The language of H.R. 3891 is far too vague and it needs to be refined.

In addition, the bill addresses a problem that is already addressed by other, more comprehensive statutes. Numerous laws already regulate the marking of products which are of special concern for public safety.

Finally, H.R. 3891 would impose broad new burdens on law enforcement and the judiciary. By failing to provide a transition period, this law would render billions of dollars worth of merchandise illegal overnight. The avalanche of litigation that is likely to follow between manufacturers and resellers and between retailers and their suppliers is likely to be enormous due to the broad impact of this bill on the U.S. marketplace.

Further, this legislation criminalizes the act of decoding products and mandates the seizure and destruction of these decoded products. Presumably, the burden of investigating and prosecuting such acts will fall to our law enforcement agencies. No funding has been allocated to defray the extra burden on these agencies or to employ additional personnel.

Once again, I strongly oppose this bill. If this bill is meant to avoid counterfeiting, then it should not apply to genuine products. If this bill seeks to address the issue of consumer protection in recalls, then it should do so without granting a limited group of product manufacturers broad anti-competitive powers.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 3891, as amended.

The question was taken.

Mr. FORBES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

SIDNEY R. YATES FEDERAL BUILDING

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4595) to redesignate a Federal building located in Washington, D.C., as the "Sidney R. Yates Federal Building," as amended.

The Clerk read as follows:

H.R. 4595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDESIGNATION.

The Federal building located at 201 Fourteenth Street Southwest in the District of Columbia, and known as the Auditors Main Building, shall be known and designated as the "Sidney R. Yates Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Sidney R. Yates Federal Building".

SEC. 3. EFFECTIVE DATE.

This Act shall take effect on January 3, 1999.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4595 is a simple naming resolution which redesignates the Federal building located at 201 14th Street, Southwest, Washington, D.C., currently known as the Auditors Main Building, as the Sidney Yates Federal Building.

Our colleague, the gentleman from Illinois (Mr. YATES) is retiring at the end of this Congress after serving with distinction for 24 terms of office. He was first elected to Congress in 1948 and held his seat continuously but for a brief 2-year absence in 1963 to 1964. He has served as a member of the Committee on Appropriations during his terms and became chairman of the Subcommittee of Interior of the Committee on Appropriations in 1975, holding the chairmanship for 20 years.

The gentleman from Illinois (Mr. YATES) was born in Chicago, Illinois, in 1909. He attended the University of Chicago, where he earned his law degree in 1933. He commenced practice in Chicago and became the assistant attorney general with the Illinois Commerce Commission back in 1937.

The gentleman from Illinois (Mr. YATES) also served in the United States Navy from 1944 to 1946, attaining the rank of lieutenant.

This is a fitting honor for our revered colleague and I am pleased to support the bill and urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this bill. The gentleman from Illinois (Mr. YATES) is one of our great Members, but I want to offer something to the Congress a little bit different than usual about the gentleman from Illinois. Years ago, he was a star basketball player at the University of Chicago. In fact, he played center. Today, the centers are 7 feet 2, 7 feet 5, even taller.

While he was a center at the University of Chicago, they played against the great George Mikan team, the great Hall of Famer, the first big man superstar in America, and I would say to my colleagues in the Congress of the United States, the gentleman from Illinois (Mr. YATES) played George Mikan tough.

He has made it tough all through his life for those who he competed against but he was always fair. He has been loved in every profession. He has been loved in every community. He is absolutely endeared and loved by this House.

I want to say, even though he did not have a jump shot and he was known for the old fashioned two-handed set shot, he was absolutely devastating with a hook shot with either hand, and he has taken that type of competitiveness, zeal, spirit, team work, to the Congress.

There has not been one bill dealing with arts in this country that failed to experience the fingerprints of the gentleman from Illinois (Mr. YATES). If there is a father and champion of the arts, it is the gentleman from Illinois (Mr. YATES).

Mr. Speaker, I rise in absolute support of this tribute. It is worthy. It is deserving.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to rise to honor our longest-serving House Member, the distinguished gentleman from Illinois, Mr. SIDNEY R. YATES, by redesignating a Washington, D.C. Federal building in his name. Elected in 1948, Congressman YATES is departing this year after his 24th term. His impressive dedication to public service began after Congressman YATES had served the United States in the Navy from 1944 to 1946.

SID YATES has served on the Appropriations Committee and for nearly 20 years was known as a significant member of the panel's "College of Cardinals." He ends his career as the Ranking Member of the Interior Appropriations Subcommittee.

As Chairman of the House International Relations Committee, I commend SID for his dedication to foreign affairs and his willingness to accommodate the administration and International Relations Committee Members.

A man whose work ethic extended above and beyond the call of duty, SID has earned a reputation as taskmaster. His hearings are among the most detailed in the House, and he always does much of his own research. On the floor, SID YATES has always demonstrated a great command of facts, and during hearings would often take the lead in examination and cross-examination of witnesses with an expertise which became legendary.

Mr. Speaker, I invite our colleagues to wholeheartedly support this bill to redesignate a Federal building located in Washington, D.C., as the SIDNEY R. YATES Federal Building. Please join with us to honor SID YATES for his 24 outstanding Congressional terms.

Mr. PORTER. Mr. Speaker, I rise in strong support of this bill. As all of my colleagues are aware, the gentleman from Illinois has worked tirelessly, throughout his extensive tenure in Congress, on numerous issues but especially on the effective management of our public lands. While this legislation provides recognition in Washington for the work that the gentleman from Illinois has done, the impact of this work is felt far beyond the beltway. His efforts can be seen in every National Park, Refuge, Wilderness, Grassland, Prairie, and Forest across the Nation.

When SID YATES first entered Congress in 1948, there were 29 million recreational visitors to our National Parks. Last year, there were over 279 million. The popularity of, and experiences provided by, these parks is due in large part to the vision of SID YATES. He knew that the number of visitors to these parks would only increase and he wanted to be sure that the Park System had the needed capacity.

I am fortunate to have served many years with SID in Congress, representing the district just north of his. He is a man that I hold in highest respect for the work he has done and the character and integrity that he has brought to this institution. He will be missed but his contributions will never be forgotten.

□ 1430

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I urge an aye vote, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 4595, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to redesignate the Federal building located at 201 Fourteenth Street Southwest in the District of Columbia as the 'Sidney R. Yates Federal Buiding'.".

A motion to reconsider was laid on the table.

RICHARD C. WHITE FEDERAL BUILDING

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3598) to designate the Federal building located at 700 East San Antonio Street in El Paso, Texas, as the "Richard C. White Federal Building".

The Clerk read as follows:

H.R. 3598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 700 East San Antonio Street in El Paso, Texas, shall be known and designated as the "Richard C. White Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Richard C. White Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

H.R. 3598 designates the Federal building located in El Paso, Texas as the Richard C. White Federal Building. Congressman White represented the 16th district of Texas of the United States House of Representatives for 9 successive terms from 1965 to 1983.

He was known for his dedication to public and community service. He served in the United States Marine Corps during World War II, receiving the military Order of Purple Heart. He also served in the Texas State House of Representatives from 1955 to 1958.

In 1983, after serving his ninth congressional term, Congressman White returned to his family in El Paso to resume his legal career and serve as a civic leader. He passed away in February of this year.

As a dedicated public servant of the people of El Paso, Texas this is a fitting tribute. Again, I support the bill and urge my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

Richard White was a former colleague from Texas who represented the 16th district from 1965 until 1983. The gentleman from Texas (Mr. REYES) who currently holds this seat, former border patrol agent and a very fine Member, is the sponsor of this bill.

Congressman White was a native Texan, University of El Paso, received his law degree from the University of Texas in Austin.

He served his country with honor and distinction. In the United States Marines stationed in the Pacific, he saw active duty and was awarded the military Order of the Purple Heart. He served on many committees in the Congress, including Arms Services, Interior, Post Office and Civil Service, Committee on Science and Technology. He was known as a consensus builder and a team player.

In 1983, he retired to El Paso and resumed his legal career. He was a devoted husband, father of 7 children. His values and character and integrity and leadership skills were assets to the United States of America and certainly to this Congress.

It is absolutely proper and fitting that this tribute be made, naming this Federal building.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman for yielding time to me.

I rise in support of the bill, H.R. 3598, and urge the House to pass it. I am proud to have authored this legislation to name the Federal building in El Paso, Texas after Richard C. White, the man who represented the people of El Paso in Congress for 9 terms, from 1965 to 1983.

In his years of service to our Nation and to the people of the 16th district of Texas, Congressman White showed genuine concern for his constituents and a commitment to do all that was in his power to help those whom he served. He truly led a life filled with integrity, compassion and contributed to the welfare of others. And he made a lasting impression on the lives of all who knew him.

I am proud to have personally known Congressman White. The more I learned about this individual, the more respect and admiration I and members of my family had for this fine gentleman and representative of the people's House.

He made a lifetime commitment to his community and to his country. As a young man he served as a marine in World War II, seeing combat in Bougainville, Guam and Iwo Jima, where he was wounded and received the Purple Heart for his service to his country.

His military service was only the beginning of a lifetime of public service. Upon returning to the States, he began an outstanding career in 1949 as a lawyer advocating for the people of El Paso.

Heeding a for even greater community service, Congressman White launched a distinguished career as a State legislator, serving first in the Texas legislature from 1955 to 1958. From the beginning he worked hard to improve the quality of life along the Texas border and left behind a strong legacy for all border legislators.

Among his numerous legislative accomplishments, he focused on health care and environmental issues, establishing a nursing school at the University of Texas at El Paso and creating the Hueco Tanks State Park.

Thereafter he sought to make an even greater impact by serving at the national level and began a congressional career in 1965 as a representative for the 16th district of Texas.

Many of my colleagues were his colleagues and remember his powerful advocacy on behalf of El Paso and for the well-being of the Nation as a whole.

I can tell them that as I now serve in the seat he formerly held, I take great pride in working to meet the high standards that he set for all of us here in Congress. Congressman White personified the meaning of honorable leadership and public service. He stood for high ethics and moral values, and he always stood by his word.

Many of my colleagues recall his work on the Committee on Armed Services which reflected an unyielding commitment to our national security. He provided unwavering support for air defense through El Paso's Flort Bliss Army Post and drafted the reorganization of the Joint Chiefs of Staff.

In addition, he brought the needs of El Paso and the border to the forefront. He created the Chamizal Border Highway and the Chamizal National Memorial and enacted the Scenic Rivers bill. Moreover, I know that many of you were proud to have served with him on the Interior and Insular Affairs committee, the Post Office and Civil Service Committee and the Committee on Science, Space, and Technology.

While Richard White was known for his legislative accomplishments, maybe his greatest accomplishment was serving as a tremendous role model for countless young people from El Paso, the State of Texas and this great country.

He had a kind word for everyone he met and never failed to take time to encourage our children to reach their full potential. This was reflected in his dedication as a family man. And despite having attained seniority and earning the admiration of his peers in Congress, Richard White left this body after 9 terms in 1983, to return to that family that he so much loved in El Paso.

He was the proud father of 7 children and was devoted to spending more time with each and every one of them as they grew up. Nonetheless, after leaving Congress, he continued working towards the betterment of El Paso. He remained active in numerous community affairs and lent his wisdom to me and the 16th district as a mentor and as a civic leader. I can say that Richard White made the most of his life by touching the lives of all those around him. He will always be remembered as a wonderful Congressman and wonderful husband, a tremendous father, friend, role model and a great person.

He was a true gentleman who is profoundly missed and it is only fitting that we honor and remember him by passing this legislation today and naming the El Paso Federal building in his name.

I would like to thank my colleague, the gentleman from Texas (Mr. ARMEY) the majority leader, and also the minority leader, the gentleman from Missouri (Mr. GEPHARDT) for scheduling this bill on the floor today. I would also like to thank Committee on Transportation and Infrastructure chairman, the gentleman from Pennsylvania (Mr. SHUSTER), and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR) for their full support of this legislation.

In addition, I want to thank the Subcommittee on Public Buildings and Economic Development, the gentleman from California (Mr. KIM), and the ranking member of the subcommittee, the gentleman from Ohio (Mr. TRAFICANT) for giving me this opportunity to speak on behalf of Richard White today.

I appreciate the work of their staffs in moving this legislation forward. I would also like to extend my extreme gratitude to the 41 Members who cosponsored H.R. 3598 and the other 16 Members who agreed to cosponsor the bill after it came out of committee.

Congressman White would have been pleased to know of his many friends in the 105th Congress who knew him and respected him and who remember his legacy of public achievement and leadership on behalf of this great Nation.

With passage of this bill, I look forward to the Senate's quicken enactment of the bill and the President's signature.

Richard White, thank you and gracias for your leadership and inspiration.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 3598.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

JERE COOPER FEDERAL BUILDING

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2730) to designate the Federal building located at 309 North Church Street in Dyersburg, Tennessee, as the "Jere Cooper Federal Building".

The Clerk read as follows:

H.R. 2730

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building located at 309 North Church Street in Dyersburg, Tennessee, shall be known and designated as the "Jere Cooper Federal Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the "Jere Cooper Federal Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT), each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2730 designates the Federal building in Dyersburg, Tennessee as the Jere Cooper Federal building. Congressman Jere Cooper was born on a farm near Dyersburg, Tennessee in 1893. He attended local schools and earned a degree in law from Cumberland University in 1914.

In 1917, after commencing his legal practice, he enlisted in the Second Tennessee Infantry National Guard and was commissioned a first lieutenant. He served his country during World War I and was promoted to captain, serving as a regimental adjutant until his discharge in 1919.

Congressman Cooper began his political career as a member of the city council and city attorney from 1920 through 1928. He was also elected to the post of State Commander of the American Legion of Tennessee in 1921. In 1929, he was elected to the 71st United States Congress, representing a major portion of what is now the 8th congressional district of Tennessee.

He served his district for 14 succeeding Congresses, until his death in 1957. As a member, Congressman Cooper's distinguished himself on the Committee on Ways and Means as both a member and as chairman and served as chairman of the Joint Committee on Internal Revenue Taxation also.

I support the bill and urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield myself such time as I may consume.

I want to join and associate myself with the remarks of the gentleman from California (Mr. KIM) on the bill.

I would also like to comment a little bit out of school about the fine efforts of the gentleman from Texas (Mr. REYES) for bringing the previous bill to the floor in honoring the great member from his district that he now represents so well.

On H.R. 2730, no question that we have a man that had a great impact on America, chairman of the Committee on Ways and Means, a leader, always prepared to stand up and do what he felt was right. I think it is absolutely firring that we join with the sponsor the gentleman from Tennessee (Mr. TANNER) to go ahead and support this designation. It is aptly fitting.

Mr. TANNER. Mr. Speaker, I rise today in support of H.R. 2730, a bill introduced to designate the Federal building in Dyersburg, Tennessee as the Jere Cooper Federal Building.

U.S. Representative Jere Cooper represented in Congress a major portion of what is now the 8th Congressional District of Tennessee. During his nearly three decades of service, he distinguished himself on the House Ways and Means Committee as both a member and as its chairman. His service began in 1929 when our country was in the depths of the Great Depression and continued through some of our nation's greatest challenges—World War II, the Korean War and the beginning of the cold war. He served his district, the State of Tennessee, and the Nation with pride and distinction.

Representative Cooper was born on a farm near Dyersburg in Dyer County, Tennessee, on July 20, 1893. In 1917, after earning a law degree from Cumberland College, he enlisted in the Second Tennessee Infantry, National Guard and was commissioned a first lieutenant. He served his country in France and Belgium during World War I. He was promoted to captain and served as regimental adjutant until discharged from the Army. He also served as the state Commander of the American Legion in Tennessee. He was first elected to the Seventy-First Congress and to the next fourteen Congresses serving from March 4, 1929, until his death in December 18, 1957. He served as the distinguished chairman of the Ways and Means Committee in the Eighty-Fourth and Eighty-Fifth Congresses.

I believe that designating the Federal building in Dyersburg, Tennessee as the Jere Cooper Federal Building is a befitting honor and memorial, and I urge my colleagues to support H.R. 2730, a bill to honor the late Representative Jere Cooper.

Mr. TRAFICANT. Mr. Speaker, I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 2730.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

THURGOOD MARSHALL UNITED STATES COURTHOUSE

Mr. KIM. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2187) to designate the United States Courthouse located at 40 Foley Square in New York, New York, as the "Thurgood Marshall United States Courthouse".

The Clerk read as follows:

H.R. 2187

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The United States courthouse located at 40 Foley Square in New York, New York, shall be known and designated as the "Thurgood Marshall United States Courthouse".

SEC. 2. REFERENCES.

Any references in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Thurgood Marshall United States Courthouse".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. KIM) and the gentleman from Ohio (Mr. TRAFICANT), each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. KIM).

□ 1445

Mr. KIM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 2187, again, designates the United States Courthouse at 40 Foley Square in New York City as the Thurgood Marshall United States Courthouse.

Thurgood Marshall was born in Baltimore, Maryland. He graduated cum laude from Lincoln University in 1930, and graduated top of his class from Howard University School of Law in 1933.

Upon graduation from law school, Justice Marshall began his legal career with the National Association for the Advancement of Colored People. It was during this time, as chief counsel, that he organized efforts to end segregation in voting, housing, public accommodations and education. This legislation led to the landmark Supreme Court decision of Brown v. Board of Education which declared segregation in public schools to be unconstitutional.

In 1961, Justice Marshall was appointed to the Second Circuit Court of Appeals by President Kennedy, and 4 years later was chosen by President Lyndon Johnson to be the first African American Solicitor General. Two years later, in 1967, President Johnson nominated Justice Marshall to become the first African American Justice of the Supreme Court, where he served with distinction until his retirement in 1991. Justice Marshall died in 1993, and laid in state at the Supreme Court, a rare and privileged honor.

This is a fitting tribute to an honored jurist and great historical figure.

I support this bill and urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. ENGEL), the sponsor of the bill, and I commend him for the outstanding job and the efforts he has put forth in ensuring this be brought before the Congress.

Mr. ENGEL. Mr. Speaker, I thank my friend, the gentleman from Ohio (Mr. TRAFICANT), for those words and, Mr. Speaker, I rise to encourage my colleagues to support H.R. 2187, a bill which I introduced last year to name the Federal Courthouse at Foley Square in New York City as the Thurgood Marshall United States Courthouse.

By naming the Foley Square Courthouse after Justice Marshall, Congress would send a signal to the American people and the entire world of the importance of the principle of equality under the law.

As my colleagues know, the late Thurgood Marshall was not only the first African American Justice of the United States Supreme Court, he also was one of the greatest trial and appellate lawyers in the history of our Nation. Through his skill, advocacy, and dedication to the cause of civil rights, he led the charge for equality not only for African Americans but for all Americans.

Thurgood Marshall was born on July 2nd, 1908 in Baltimore, Maryland. After attending public schools in Maryland, he received his Bachelor's Degree from Lincoln University in Pennsylvania, and his law degree from Howard University right here in Washington, D.C., where he graduated first in his class.

After handling a variety of private legal cases, Thurgood Marshall was appointed in 1936 as special counsel to the NAACP, the National Association for the Advancement of Colored People. Only 3 years later Marshall founded the NAACP Legal Defense and Education Fund, one of the great protectors of civil rights in our country's history.

While at the NAACP, Thurgood Marshall won 29 of 32 cases he argued before the United States Supreme Court. Most prominent of Marshall's victories was Brown v. Board of Education, in which the Supreme Court struck down the "separate but equal" policy that was used to justify school segregation. While at NAACP, Marshall also won important cases against discriminatory poll taxes, racial restrictions in housing, and whites-only primary elections.

In September 1961, after such a distinguished career with the NAACP, President John F. Kennedy appointed Thurgood Marshall as the first African American to sit as a judge on the United States Court of Appeals for the Second Circuit. And later, President Lyndon B. Johnson appointed Marshall as the first African American to serve as the United States Solicitor General.

On June 13, 1967, President Johnson appointed Thurgood Marshall as the first African American to sit as an Associate Justice of the Supreme Court. During his tenure on the court, Marshall became known for his heartfelt attacks on discrimination, unyielding opposition to the death penalty, and support for free speech and civil liberties.

The Courthouse at Foley Square in Manhattan, in New York City, has gone unnamed since its construction in 1935. I believe that identifying this courthouse with Justice Marshall would be a fitting tribute to his life's pursuit of justice and equality under the law.

This is a very, very famous courthouse. Indeed, when I first announced my candidacy for Congress 10 years ago, back in 1988, I announced it at the steps of the Federal Courthouse at Foley Square. It is a very, very important and well-known courthouse in the entire New York City metropolitan area.

Mr. Speaker, it is important to note that the New York State Senate, the New York State Bar Association and the New York State County Lawyers' Association, of which Marshall was a long-time member, have endorsed this bill. This bill has been endorsed in a bipartisan fashion with cosponsors of the bill, many cosponsors of the bill, including my colleagues, the gentleman from Westchester County, in New York, the chairman of the Committee on International Relations (Mr. GILMAN); the gentlewoman from New York (Mrs. KELLY); and the gentlewoman from New York (Mrs. LOWEY). And there are others as well.

I urge my colleagues to offer this tribute to Justice Thurgood Marshall and to support H.R. 2187. This is certainly a bill on which everyone agrees, and I am very grateful to the chairman of the committee, the gentleman from Pennsylvania (Mr. SHUSTER), who was very instrumental in helping me get this bill to the floor; the ranking member, the gentleman from Minnesota (Mr. OBERSTAR); my friend, the gentleman from Ohio (Mr. TRAFICANT); and the gentleman from California (Mr. KIM). I want to thank everybody for this. This is truly a bipartisan effort.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from New York, the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from New York (Mr. ENGEL) for bringing this matter to the floor, for working so diligently, and giving proper recognition to an outstanding leader in our country, an outstanding jurist, one we can all be proud of when we associate the name of Thurgood Marshall with a Federal Courthouse. Again, I join in support of the gentleman's measure.

Mr. TRAFICANT. Mr. Speaker, I yield such time as he may consume to the gentleman from Maryland (Mr. CUMMINGS), the former Speaker of the State Legislature of Maryland, who is doing an outstanding job down here.

Mr. CUMMINGS. Mr. Speaker, I thank the gentleman for yielding me this time, and I wanted to take a moment to also thank the gentleman from New York (Mr. ENGEL) for the introduction of this legislation.

I feel very close to this legislation because Thurgood Marshall lived in a home which is literally about eight blocks from where I live in Baltimore right now. As a matter of fact, we also share something else in common, in that we are both graduates of Howard University.

I think Thurgood Marshall brought to our Nation a sense of fairness, and he is one who consistently stood up for the things that he believed in. Another interesting thing that I love about him is that a lot of his research for his cases was done in Clarendon County in South Carolina. That is where my mother and father were sharecroppers.

And so Thurgood Marshall has played a very, very significant role in the city of Baltimore. And, of course, he was turned away at one time from the University of Maryland Law School, which is the law school I attended and graduated from.

I think it is very fitting that this courthouse be named after Mr. Marshall. I would say to the gentleman from New York (Mr. ENGEL), that my only regret is we could not name a courthouse in Baltimore after Mr. Marshall, for he is truly a hero for all of us.

And he is one who is set out amongst lawyers, as we look at lawyers, and young African American lawyers looking for a role model. Thurgood Marshall was that role model, and I am sure he was a role model for many, many other lawyers and for many other people. So I want to thank the gentleman for this legislation.

Mr. TRAFICANT. Mr. Speaker, without a doubt Howard University has produced an awful lot of fine graduates.

I would just like to associate myself with all the remarks made, but I would like to steal a quote from FDR, when he talked about a day that would live in infamy. I would like to talk about a legal case that will literally live in infamy, the 1954 *Brown* v. *Board of Education of Topeka* case. That case handled by our great Supreme Court Justice Thurgood Marshall. The bottom line, racial segregation in the United States public schools was declared unconstitutional by the efforts of that legal case in 1954 that lives in infamy.

I want to commend the gentleman from New York (Mr. ENGEL) and the gentleman from New York (Mr. GILMAN) for this legislation. It is absolutely appropriate.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KIM. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SUNUNU). The question is on the motion offered by the gentleman from California (Mr. KIM) that the House suspend the rules and pass the bill, H.R. 2187.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 4595, as amended, H.R. 2187, H.R. 3598, and H.R. 2730, the bills just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDING FAIR LABOR STANDARDS ACT TO PERMIT CERTAIN YOUTH TO PERFORM CERTAIN WORK WITH WOOD PRODUCTS

Mr. GOODLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4257) to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products, as amended.

The Clerk read as follows:

H.R. 4257

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPTION.

Section 13(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(c)) is amended by adding at the end the following:

"(6)(A) Subject to subparagraph (B), in the administration and enforcement of the child labor provisions of this Act, it shall not be considered oppressive child labor for an individual who—

"(i) is at least 14 but under the age of 18, and

"(ii) is a member of a religious sect or division thereof whose established teachings do not permit formal education beyond the eighth grade,

to be employed inside or outside places of business where machinery is used to process wood products.

"(B) The employment of an individual under subparagraph (A) shall be permitted—

"(i) if the individual is supervised by an adult relative of the individual or is supervised by an adult member of the same religious sect or division as the individual;

"(ii) if the individual does not operate or assist in the operation of power-driven woodworking machines;

"(iii) if the individual is protected from wood particles or other flying debris within the workplace by a barrier appropriate to the potential hazard of such wood particles or flying debris or by maintaining a sufficient distance from machinery in operation; and

"(iv) if the individual is required to use personal protective equipment to prevent exposure to excessive levels of noise and saw dust.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4257 addresses a unique problem resulting from the application of the child labor provisions of the Fair Labor Standards Act.

Children in the Amish community complete their formal classroom education at age 14 or 15. In fact, the Amish faith teaches that their children's formal classroom education should end after the 8th grade, after which they learn by doing, through work under the supervision of their parents or another community member.

For many years, most Amish youth worked in agriculture on their family farm. However, as every other farmer is suffering and struggling today, most Amish youth no longer have that opportunity. For a variety of reasons, the Amish have, in recent years, been forced to rely more and more on other occupations. Many have gone into operating sawmills and other types of woodworking.

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So increasingly, the opportunities to learn by doing for Amish young people are in these types of workplaces.

The problem is that the Department of Labor's Regulations prohibit 14- and 15-year-olds from working in any sawmill or woodworking shop and severely limit the work of 16- or 17-year-olds in these workplaces.

In recent years the Department of Labor has undertaken a number of enforcement actions against Amish employers. As a result, Amish youth no longer have the opportunity to learn skills and work habits through the community's traditional means. As the Amish struggle to raise their children and preserve their way of life, the Department of Labor's actions are, in effect, undermining the Amish culture.

H.R. 4257 is a narrow bill which addresses this specific problem. It would allow persons between the age 14 and 18 to work in sawmills and woodworking shops so long as they do so under the supervision of an adult relative or a member of the same faith. The young person would not be permitted under any circumstances to operate or assist in the operation of any power-driven woodworking machine. Again, I repeat they would not be permitted to operate or assist in the operation of any machinery.

A young person must be protected from wood particles or other wood flying debris within the workplace by a barrier or by maintaining an appropriate physical distance from operating the machinery. In addition, the young person must be protected from excessive levels of noise and sawdust by the use of personal protective equipment.

An amendment accepted during the Committee on Education and the Workforce markup made several changes to the bill to address safety concerns raised by some members of the committee. Subsequent to the committee's markup, the sponsors of the bill, the gentleman from Pennsylvania (Mr. PITTS) and the gentleman from California (Mr. MARTINEZ), had further discussions with other Democrats regarding strengthening the protection for Amish teens under the bill. These discussions have resulted in development of the substitute amendment which further defines the term "barrier."

While I would remind my colleagues that the Amish young people addressed by this bill must be working for relatives and other members within the Amish community, the additional protections provided by this substitute amendment will further assure the safety of these young people.

I want to particularly commend other Members who have been working over the past months to address this problem, particularly the gentleman from Pennsylvania (Mr. PITTS), the gentleman from Pennsylvania (Mr. PETERSON), the gentleman from California (Mr. MARTINEZ), and the gentleman from Indiana (Mr. SOUDER).

Members have made repeated attempts to work out an administrative solution with the department, but the department has been unwilling or unable to alleviate the conflict between the current regulation and the Amish community's way of life. That is why we are fixing the problem through legislation.

This bill allows the Amish to continue in their traditional way of training their children in a craft or occupation while ensuring the safety of those who work in woodworking occupations. I would urge my colleagues to support this bipartisan legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, first of all, I want to commend and thank the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from California (Mr. MARTINEZ), the gentleman from Pennsylvania (Mr. FATTAH), the gentleman from Indiana (Mr. SOUDER), and the gentleman from Pennsylvania (Mr. PETERSON) for their work on this issue in a bipartisan manner.

Mr. Speaker, today we are addressing an issue important to the Amish communities of more than 20 States in this country. In my district alone, approximately 30,000 Amish reside. People around the world know the old-order Amish to be a people who till the land and who live a disciplined, simple life.

Traditionally, Amish communities are centered around the family farm. Amish parents show their children how to make a living by caring for crops and animals. However, combine the high growth rate and the soaring price of farm land and many Amish have been forced to look for alternatives to farming.

Amish have now developed numerous small businesses in such things as carriages, lumber, clocks, wagons, cabinetry, and quilts. And it is in these businesses, just like on the farm, that the Amish train their youth to work and to learn the trade of their parents.

As my colleagues may know, in the Amish culture idleness is forbidden. Therefore, because Amish school is only up to the 8th grade, and that is by the approval of the courts and the State governments, and this is according to their religious beliefs, younger kids must immediately begin to learn a vocation after they finish the 8th grade.

And this is a vital extension of Amish schooling. It is sort of like an apprenticeship program. They do not have the benefit of shop class or vo-tech like many of the other youngsters have. It is not uncommon for Amish teens to accompany a parent to the workplace. The Amish call this learning by doing.

Mr. Speaker, the reason we are here to discuss this issue today is because this hard-working community and its apprenticeship tradition is being threatened. Unfortunately, small Amish-owned businesses have received costly fines from the Department of Labor for having their young adults work alongside their fathers and uncles, even in family businesses.

Mr. Speaker, action of the Department of Labor have severely threatened the life-style and the religion of this respected and humble community. All the Amish folks want is to be left alone, to teach their youth the necessary skills and work ethic, and to bring up the next generation in a way that will allow them to be diligent and responsible.

The Amish do not accept any assistance whatsoever from government programs, and our government should not interfere with this humble community. Several of my colleagues, along with our Amish constituents, have met with the Department of Labor officials several times over the past 2 years to find an administrative solution to this problem. Unfortunately, the Department of Labor has done nothing to recognize the unique situation of the Amish.

This community, which does not have the benefit of shop class, as I said, or vo-tech schools like most youth of their age, instead have family learning situations. They have a responsibility to evaluate the Amish in this light. That is why the gentleman from California (Mr. MARTINEZ) and I, along with numerous other Members, have introduced H.R. 4257.

This narrow legislation will allow only young adults of the Amish faith to accompany a parent or a relative to work in places of business, including those where machinery is used to process wood products. They cannot use these machines or power tools, but they can be on the premises with certain safety precautions and they can do such things such as sweep sawdust, stack planks, glue lumber, and do paperwork.

This legislation takes all the necessary health and safety requirements seriously. It requires that young adults be supervised. It prohibits them from operating machinery. It provides numerous safety protections.

Mr. Speaker, many communities like Lancaster County, Pennsylvania greatly appreciate the heritage and work ethic of the Amish. We want to keep them as part of our communities. However, if the Amish continue to be attacked by the State and Federal governments, they will be driven out of our communities. Their strong heritage will be undermined by governmental interference.

I urge my colleagues to protect the Amish heritage. Support H.R. 4257.

Mr. CLAY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I oppose H.R. 4257 because it creates a dangerous exception to our country's most critical child protection law. Current law prohibits all minors under 18 years of age from working in sawmill operations and the logging industry. It specifically prohibits such youth from operating power-driven woodworking machines.

This bill would permit 14-year-old children to work in one of the most hazardous, dangerous industries in the country. The occupational fatality rate in the lumber and wood products industry is five times higher than the national average. Workers in the industry have been killed as a result of being crushed by forklifts. They have been killed when loads fell off the forklifts. They have been suffocated by sawdust.

An Amish elder, William Burkholder, told our committee how he lost several fingers when, during a moment of inattention, he set his hand on a conveyor belt and he ran his hand into a saw. Inexperience and lack of maturity all serve to make the potential risk faced by minors even greater than they are for adults.

It is unreasonable to expect a 14-year-old to maintain the kind of continuous safety concern we expect of adults. In this industry, that moment of inattention can be fatal.

Injury data collected over several decades consistently showed that the lumber and wood products industry is particularly hazardous work for adults, and it will be even worse for children. The 1996 occupational fatality rate of 25.6 work-related deaths per 100,000 workers was more than 5 times the national average.

One of the most important functions of the child labor laws is to ensure that children are not employed in circumstances that are unduly hazardous to their health. Fourteen-year-olds do not possess the full autonomy of choice and may not possess the full capacity for choice possessed by adults, and they should not be placed in harm's way.

I do not, Mr. Speaker, mean to imply that the proponents of this legislation are indifferent to the health and safety of Amish children. I understand the concern that children be employed in occupations common to the Amish community. However, to permit children to be employed in an industry where the threat of serious injury or death is so high, I think should be unacceptable.

Mr. Speaker, for all of these reasons, I oppose H.R. 4257.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Speaker, I would first like to compliment the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Pennsylvania (Mr. PITTS) and all of those that worked so hard on this legislation.

But in response to what we just heard about a dangerous exception, I want to share that they will not be near conveyor belts or saws or chippers, and Amish mills do not own or use forklifts or have sawdust silos, so the concerns that we just heard are really not valid.

H.R. 4257 provides a narrow and specific solution to an instance where the Federal Government has gone too far in ruining an historic culture. As many of us know, Amish children complete formal schooling in the 8th grade, which is around the age of 14. Typically, Amish youth then pursue either their parents' or close relatives' trade and business. While the Amish way of subsistence life tends them toward farming, several other trades are practiced, including blacksmithing, woodworking, and lumbering.

I worked for a summer. I had two Amish men working for me remodeling a couple of buildings, and I was always amazed at how they would drive a large spike in about two swings. And the one young man said, "If you started as young as I did with a hammer in your hand and were taught how to hit a nail directly, and then as you got older developed the strength, you could drive a nail that fast, too."

The time period between the ages of 14 and 18 is an importantly critical transition with the Amish culture. Unfortunately, the Department of Labor descended upon Amish mills in my district and the district of the gentleman from Pennsylvania (Mr. PITTS) and other districts and particularly targeted them.

While no one here would advocate that children operate saws and other equipment in the mill, they should be able to perform the simple and safe tasks of stacking lumber and sweeping the mill. The sad situation is that the hazardous orders invoked by the department forbid even this approach, a simple, common-sense strategy to preserving the Amish culture.

H.R. 4257 encompasses a sensible solution in a fashion which has addressed many concerns regarding safety that include such items as hearing protection and barriers and the rare instance of flying debris.

I would like to address the issue of safety briefly. In my dealings with the Amish, I have come to learn of a culture which strives to instill a sense of utmost respect for everything. This, coupled with a dedicate work ethic, ensures a complete understanding of equipment and work environment. As such, safety is first and foremost during this transition.

In closing, this bill addresses an issue which the American people have been yearning for, reasonable solutions to a variety of problems that maintain the integrity of the law but allow for creativity and flexibility. We did not get that from the department.

The Amish do not have their hand out. They are not even asking for a hand up. They want an ill-advised Federal bureaucracy to untie their hands so they can continue to be a hardworking and self-sustaining society and a very vital part of America.

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Mr. GOODLING. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana (Mr. SOUDER), a member of the committee.

Mr. SOUDER. Mr. Speaker, I too want to thank the chairman for his leadership on this, as well as the gentleman from Pennsylvania (Mr. PITTS), the gentleman from California (Mr. MARTINEZ) and the gentleman from Pennsylvania (Mr. PETERSON). As we have gone through our meetings with the Department of Labor, it has been a frustrating experience, and I certainly hope we will not only overwhelmingly pass this bill today, but be able to move it through the Senate and get it signed into law.

I have a slightly different perspective than many here because my family once was Amish. My great-great-grandfather, great grandfather was one of the first Amish settlers in Northeastern Indiana. My family left the Amish faith around the turn of the century, but I still have many friends and many family members who are in the Amish faith around the small town that I grew up in and where our family business is located.

They are not a people who are looking for trouble. They are looking for a place where they can be left alone, and they will go to the jungles of Brazil, if that is necessary.

The question is, in the United States of America anymore, are we going to allow people to practice their religious freedom and to practice their faith the way they choose? We are not asking that we put safety at risk. The bill explicitly says that the individual cannot operate or assist in the operation of power-driven woodworking machines.

As far as opening up a loophole that might broaden so that others might try to get this exemption, as long as they are willing to give up their TVs, their radios, their telephones, ride around in Amish buggies, perhaps they can change and get into this loophole.

But this is a very narrow category for a group of people who have already been cleared by this government several decades ago to have a different form of school, where they can leave at junior high level and go into apprenticeships. They cannot make enough money in many areas anymore to do this with just farming. Most have gone into some form of woodworking, whether it is carpentry, pallets, home building, cabinets or whatever.

If we in fact shut them down and shut their young people's opportunities down, they will be forced to move and to go somewhere else. That is the fundamental question here: Can we accommodate just slightly with the safety, and, by the way, what a joke. We are seeing kids dying in automobile wrecks, dying of drug abuse, and we are worried whether one, even with this blockage, might somehow have an accident while they are working? The amount of deaths and accidents in the Amish community compared to that in the English community, as they call the others around them, is minuscule.

That is not what this is about. It is not about safety. It is a question of whether the humble powerless people like the Amish can be free to practice their worship yet here in America, or whether we are going to be so uniform and so inflexible in this government that we will drive them out.

Mr. MARTINEZ. Mr. Speaker, last spring the Committee on Education and the Workforce heard testimony from members of the Amish community who expressed concern over their inability to comply with certain aspects of the Fair Labor Standards Act. Since that time, I have been working with the gentleman from Pennsylvania, the author of this bill, to reach some sort of arrangement under which the Amish could take their children with them to work while at the same time provide them with the safest environment possible. I believe that H.R. 4257 creates such an arrangement.

H.R. 4257 is necessary because, although the Amish are trying very hard to adapt in this increasing high-tech world while at the same time maintain a part of their tradition, this is becoming increasingly difficult given the fact that historically Amish farmland is disappearing rapidly.

Take, for example, Lancaster County, Pennsylvania, which is home to nearly one-fifth of the nation's Amish population and is the fastest growing county in Pennsylvania. Land prices and property taxes, which can run as high as $8,000 to $10,000 an acre, have forced many Amish to abandon farming and caused Lancaster County to lose more than 100,000 acres of farmland to development, which is significant when you consider that the average Amish farm is only 100 acres. As a result, townhouses and swimming pools now stand on the fertile land that the Amish have tended for over three centuries. In fact, last year, the world monument fund named Lancaster County one of the world's 100 most endangered historic sites, putting it in the company of the Taj Mahal and the ruins of Pompeii.

However, the Amish are doing their best to adapt in the face of their rapidly changing environment. For instance, whereas 95 percent of Amish men previously made their living on the farm, now as many as 50 percent work in non-farm occupations, primarily in the lumber and woodworking industries, as saw mills are prevalent in Amish country and recent tourist interest in the Amish way of life has created a demand for Amish-made goods, particularly furniture and crafts. However, while these jobs suit the traditionally hardworking and industrious Amish men, they do come with complications.

Amish children finish their formal education after the 8th grade, at approximately age 14. At this time, Amish boys go to work with their families, which used to be on the farm. However, Amish men have found that when they take their sons with them to work in the saw mills and woodshops, they risk the possibility of being fined by the Department of Labor for violating child labor laws, which prevent minors from performing hazardous duties.

Obviously, none of us want to put young people in harm's way. But this situation is causing a dilemma in the Amish community and has forced hundreds of young men between the ages of 14 and 18 to be forced to remain home idle for lack of a job—a grave sin according to Amish doctrine and a potential social problem for the rest of America—a fact evidenced by several recent news reports regarding the Amish becoming involved in drugs.

As I mentioned, Mr. Pitts and I have been working together for several months to find a satisfactory solution to this complicated problem. The result of our efforts is H.R. 4257. H.R. 4257 not only requires that the Amish children be protected from dangerous machinery, flying objects, excessive noise, and saw dust, it requires that the Amish children be supervised by an adult relative or member of the sect.

Who better to ensure the safety of a young person than a father, uncle, brother, or close family friend, who cares about that young person? If your son, nephew, or brother were dangerously close to hazardous machinery, would you stand idly by? I know I would not, and I am confident that the Amish, who are so focused on family that they prohibit phones from the home for fear they will interfere with family time, would not either.

We are a Nation of immigrants, with different backgrounds and beliefs, founded on the premise that its citizens should be free to acknowledge their backgrounds and practice their beliefs. As responsible lawmakers it is our duty to develop policy that allows individuals to do this. As such, I urge my colleagues to support H.R. 4257.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GOODLING) that the House suspend the rules and pass the bill, H.R. 4257, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

DRIVE FOR TEEN EMPLOYMENT ACT

Mr. FAWELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2327) to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors between 16 and 18 years of age who engage in the operation of automobiles and trucks, as amended.

The Clerk read as follows:

H.R. 2327

SECTION 1. SHORT TITLE.

This Act may be cited as the "Drive for Teen Employment Act".

SEC. 2. AUTHORITY FOR MINORS TO OPERATE MOTOR VEHICLES.

(a) AMENDMENT.—Section 13(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(c)) is amended by adding at the end the following:

"(6) In the administration and enforcement of the child labor provisions of this Act, employees who are under 17 years of age may not drive automobiles or trucks on public roadways. Employees who are 17 years of age may drive automobiles or trucks on public roadways only if—

"(A) such driving is restricted to daylight hours;

"(B) the employee holds a State license valid for the type of driving involved in the job performed and has no records of any moving violation at the time of hire;

"(C) the employee has successfully completed a State approved driver education course;

"(D) the automobile or truck is equipped with a seat belt for the driver and any passengers and the employee's employer has instructed the employee that the seat belts must be used when driving the automobile or truck;

"(E) the automobile or truck does not exceed 6,000 pounds of gross vehicle weight;

"(F) such driving does not involve—

"(i) the towing of vehicles;

"(ii) route deliveries or route sales;

"(iii) the transportation for hire of property, goods, or passengers;

"(iv) urgent, time-sensitive deliveries;

"(v) more than 2 trips away from the primary place of employment in any single day for the purpose of delivering goods of the employee's employer to a customer (other than urgent, time-sensitive deliveries);

"(vi) more than 2 trips away from the primary place of employment in any single day for the purpose of transporting passengers (other than employees of the employer);

"(vii) transporting more than 3 passengers (including employees of the employer); or

"(vii) driving beyond a 30 mile radius from the employee's place of employment; and

"(G) such driving is only occasional and incidental to the employee's employment.

For purposes of subparagraph (G), the term 'occasional and incidental' is no more than one-third of an employee's worktime in any workday and no more than 20 percent of an employee's worktime in any workweek.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) defining the term "occasional and incidental" shall apply to all pending cases, actions, or citations in which a final judgment has not been entered, except that it shall not apply to any case, action, or citation involving property damage or personal injury.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. FAWELL) and the gentleman from Tennessee (Mr. FORD) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. FAWELL).

Mr. FAWELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2327, the Drive for Teen Employment Act. This is a bipartisan bill introduced by the gentleman from Texas (Mr. COMBEST) and the gentleman from Texas (Mr. GREEN) and my colleague on the Committee on Education and Workforce, the gentleman from California (Mr. MARTINEZ).

Mr. Speaker, the purpose of the bill is to modify the Department of Labor's overly restrictive interpretation of its own regulation which essentially prohibits 16 and 17 year old employees from driving on public roads while they are employed. This current interpretation, which is not required by the regulation itself, was announced in the context of enforcement actions against certain employers who had no advance notice of the department's narrow interpretation of the child labor laws.

While the Department of Labor's regulations allow "occasional and incidental" driving by 16 and 17 year olds, the department has in recent years claimed that this regulation prohibits those under 18 from any driving during employment except perhaps in "rare and emergency" situations.

Not only is the department's current interpretation not consistent with the regulation itself, but it has had the effect of denying important job opportunities for teenagers without any demonstrated increase in safety. As a result, innocent small business owners have been fined by the Department of Labor on the basis of an interpretation of a regulation of which they did not even have notice.

As introduced and passed by the Committee on Education and Workforce, H.R. 2327 put into law a new test with regard to the amount of time that teenage employees could drive to allow them to drive up to one-third of the workday, one-fifth of the workweek, and 50 miles from the place of employment.

The bill also retained all of the other conditions on teenage drivers that are part of the current regulation: The vehicle must weigh less than 6,000 pounds, the driving is restricted to daylight hours, the minor holds a state driver's license, the vehicle is equipped with a seat belt or similar restraining device for the driver and for each helper, and the employer has instructed each minor that seat belts must be used. That the driving does not involve the towing of other vehicles is also a requirement, and the driving must be "occasional and incidental" through the minor's employment.

Subsequent to the committee's markup of the bill, the sponsors of the bill had lengthy negotiations with the Department of Labor and other interested members of the committee. These talks have resulted in the development of the bipartisan substitute amendment which we are considering today.

Under the substitute, only 17 year olds are permitted to drive during employment. In addition, there is a limitation on the number of trips per day that a 17 year old may drive for the purpose of delivering packages or transporting other persons.

This substitute amendment would not decrease safety on the road or endanger young people. It simply provides a reasonable and practical solution to an overly restrictive and unfairly enforced interpretation by the Department of Labor, which has denied job opportunities to young people without increasing safety.

These new restrictions will make driving on the job by teens safer, and employers will still have every incentive to ensure that their teenage employees drive safely.

I would like to commend my colleagues, the gentleman from Texas (Mr. COMBEST), the gentleman from Texas (Mr. GREEN) and the gentleman from California (Mr. MARTINEZ) for their persistence and hard work and a lot of negotiating to bring this substitute amendment to the floor, and I would urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. FORD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 2327, the Drive for Teen Employment Act, as amended. I want to begin by thanking the gentleman from Texas (Mr. COMBEST), the gentleman from California (Mr. MARTINEZ) and the gentleman from Texas (Mr. GREEN), as well as my friend the gentleman from Illinois (Mr. FAWELL), for all of their hard work and persistence in drafting this substitute amendment and for addressing many of the legitimate concerns raised by the Department of Labor, child labor advocacy groups, and many Democrats on the Committee on Education and Workforce. Because of their efforts, we are able to have a bipartisan bill before us today.

As the gentleman from Illinois (Mr. FAWELL) so eloquently stated, under current law teenagers age 16 and 17 are significantly restricted in driving as part of their job responsibilities. In particular, teens may not spend more than 20 percent of their workday driving, and may not spend more than 5 percent of their workweek driving.

The substitute amendment that the gentleman from Illinois (Mr. FAWELL) is offering today would prohibit 16 year olds from driving and would permit 17 year olds with certain existing and new restrictions to drive as part of their job responsibilities for up to one-third of the workday and up to one-fifth of the workweek.

In short, H.R. 2327 will allow thousands of teenagers, including those participating in the school-to-work programs, the ability to pursue a broader range of work opportunities, even including those involving driving.

Although this legislation is a step forward, I and many of my colleagues had some concerns. Specifically, a high accident rate amongst teenagers, the fact that teens are young and inexperienced drivers, and our responsibility to protect teenagers from the dangers and perils in the workplace as we do other workers.

According to the Insurance Institute for Highway Safety, the death rate for 16 year olds has been on an upward trend, increasing from 19 per every 100,000 deaths in 1975, to 35 per 100,000 in 1996. Conversely, the death rate among older teens has declined slightly.

In an effort total address these real concerns, H.R. 2327 provides greater protection than even current regulations in circumstances that are most likely to result in injury or even death to the minor and to others. Before a 17 year old may be employed to drive, the minor must have a valid license, must have completed an approved driver education course and must have a clean driving record at the time of hire.

The vehicle the minor is driving must be limited in size and must be equipped with seat belts for all passengers. The minor must be instructed by the employer regarding the required use of seat belts.

Driving is restricted to a 30 mile radius from a teenager's place of employment. Minors are prohibited from driving that involves the towing of vehicles, route sales or deliveries, transportation for hire of property, goods or passengers or urgent time sensitive deliveries.

Finally, this legislation will ensure that driving only occurs occasionally by placing a limit of two trips per day on the number of times a minor may drive to deliver goods to a customer or transport non-employee passengers.

The legislation would leave intact current requirements that encourage safe driving by teens and require them to be in compliance with all state laws governing driving. Although the intent and effect of this legislation is to increase the time a 17 year old is allowed to drive while working, it does so in a manner that is fully cognizant of the health and safety risks that come with driving.

I do not wish to mislead my colleagues, however. As in any situation where one seeks to reconcile conflicting interests, the reconciliation will not please everyone. Some of my colleagues may continue to have concerns about this legislation and some child labor advocacy groups may still oppose H.R. 2327. However, like the gentleman from Illinois (Mr. FAWELL), I strongly believe that this legislation strikes a sensible balance, for it allows 17 year olds the ability and opportunity for more work opportunities and the ability to be more efficient and productive employees. It also improves upon existing safety and health protections for minors and the for public.

Mr. Speaker, I urge the adoption of H.R. 2327.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend from Tennessee for yielding me time.

Mr. Speaker, I rise in support of this legislation, and I thank the gentleman from Texas (Mr. COMBEST), the gentleman from Texas (Mr. GREEN) and the gentleman from California (Mr. MARTINEZ) of the committee for their outstanding work, and thank the chairman of the subcommittee, the gentleman from Illinois (Mr. FAWELL), for bringing this to the floor.

Mr. Speaker, I am absolutely not in favor of any watering down or weakening of the child labor laws and protections of this country. Decades ago people fought very hard to achieve those laws, and I do not want to see them weakened in any way.

I believe that this is not a weakening of child labor laws, with all due respect to those who raise objections. I think there are three important safeguards in this bill that continue to protect child labor.

Safeguard Number 1 is the requirement that the minor who is involved have a valid state driver's license in effect at the time he or she is working. That is very important, because a state is not going to give a young person a driver's license who is not worthy or permit that driver's license to stay in effect if the driver is unsafe.

The second important check are the many limitations in this bill that both the gentleman from Tennessee (Mr. FORD) and the gentleman from Illinois (Mr. FAWELL) describe, limitations on the number of hours the young person may drive, limitations on the miles the young person may drive, limitations on the weight of the vehicle, no authority for towing another vehicle and proper instruction on proper safety uses of the vehicle.

The final check I think is one that comes from common sense. We certainly know that there are some reckless teenage drivers. There are some reckless drivers of every age. I think the best check against reckless teenage drivers are the auto dealers who are responsible for the vehicles. The last thing in the world that a responsible auto dealer wants to do is to have an employee of that dealership take the vehicle out on the road and drive it recklessly, because they are either going to be liable to the owner of the car, if it is being repaired, or the factory, if the car has not yet been sold.

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Common sense tells us that the employers are not likely to entrust the operation of these cars to highly irresponsible drivers.

Finally, let me say that I think that this is a bill that is really a youth employment bill. There are many young people, male and female, who have gotten their start working part-time at an auto dealership. Frankly, if the young person is not permitted to drive on occasion, his or her value to the auto dealer as an employer is rather diminished.

We are challenged in this country and in this Congress with coming up with ways that private sector employers can reach out and employ young people who are trying to help support their families or earn money for their education. I can think of no better way than the elimination of arbitrary and capricious rules. I believe that this legislation, supported by both Democrats and Republicans, is an example of legislation that removes such arbitrary and capricious rules. I am pleased to support it. I thank my friend, the gentleman from Tennessee (Mr. FORD), for his leadership in this effort.

Mr. FORD. Mr. Speaker, I thank the gentleman from New Jersey. We are blessed to have two erudite Members on this side, Mr. Speaker; first, the gentleman from New Jersey (Mr. ANDREWS), and secondly, the gentleman from Oregon (Mr. BLUMENAUER).

Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman for yielding, and for the vocabulary lesson. I do not know whether to have that taken down or not, but I am going back and check.

I have been following this legislation carefully, and I marvel at the hard work of the committee for bringing it forward. In 1994, the Department of Labor did, in fact, adopt a new interpretation of the Federal Child Labor regulations that effectively eliminated occasional and incidental driving by teenage employees of auto dealers.

In my community in the Pacific Northwest, this interpretation that was adopted without notice or rulemaking led to the imposition of over $200,000 in fines against more than 60 auto dealers in the Pacific Northwest, people who in my experience are pretty straight-ahead folks, good public citizens and easy to work with.

The process by which the new rule was adopted I think was bad; the fines were worse. I am pleased that we are taking steps here to eliminate the most severe consequence, which was the decision on the part of many auto dealers to no longer hire teenagers for after-school and summer service for porters and lot attendants. These were jobs that gave young people the opportunity to earn money and gain career-building experience.

I personally benefited in my formative years with employment opportunities that were auto-related, and frankly, I do identify with the comments of my friend from New Jersey that in fact probably these young people were as safe and perhaps safer, because one is not going to entrust valuable property to people one thinks are irresponsible. Bear in mind these are some of the same young drivers that some would have us protect, who are out driving large machines without supervision, without the experience at times that they would have in the employment situation.

Mr. Speaker, I am pleased that we are taking steps to remedy this. I am sorry that it took so long. I do think that the job limits that have been adopted, the protections, the restrictions, are more than adequate. Some may argue that it goes a little further than necessary, particularly at a time when there are some in this body who are calling for the imposition of adult criminal sanctions against teenagers.

I think what the committee has done, coming forward to provide employment opportunities, is sensible. It will remove the concerns that auto dealers and many business owners have for hiring teenagers for jobs that require limited driving, and it does give the Department of Labor clear and fair guidelines to enforce.

Mr. Speaker, I appreciate the work that has been done.

Mr. GREEN. Mr. Speaker, I rise in strong support of H.R. 2327, the Drive for Teen Employment Act. I have been working on this bill for three years and believe we have reached the right balance between safety and common-sense. I would like to express my appreciation to my colleague from Texas, Mr. COMBEST, as well as the Democratic Members of the Education and Workforce Committee, for the opportunity to address my safety concerns. This bill will help increase employment opportunities for 17-year-olds, and I urge my colleagues to support it.

H.R. 2327 addresses the ability of licensed 17-year-olds to drive limited amounts on the job. Under current law, minors are permitted to drive on the job within certain limits. However, the Department of Labor has narrowly defined these restrictions to the point that minors would be prohibited from driving on the job under most circumstances. Fines have been levied against automobile dealerships and other businesses for having teens complete such tasks as moving cars after they are washed or returning vehicles from the gasoline station.

The Drive for Teen Employment Act merely established a clear definition for limited driving, while maintaining injury-prevention measures on the job. This bill will allow limited driving by a 17-year-old in low risk and supervised settings and provides numerous safeguards, including: work-related driving is restricted to daylight hours; towing is prohibited; the driver must hold a state driver's license and must have completed a state approved driver education course; the driving is capped at 20 percent of the work week; minors must not have any record of moving violations at the time of hire; driving distance is limited to a 30-mile radius; route deliveries and route sales are prohibited; and urgent, time-sensitive deliveries are prohibited.

By establishing safety precautions and clear guidelines for employers, we can encourage much-needed employment for teenagers, while maintaining safety measures on the job. I encourage my colleagues to support this bill.

Mr. COMBEST. Mr. Speaker, I have had a long interest in reforming regulations that do not pass what I call "The Stupid Test." I believe the teen driver regulation is a poster child for failing "The Stupid Test."

In 1993, the Department of Labor made a major regulatory change in the working definition of what incidental and occasional meant for licensed 16 and 17 year olds driving in the workplace. The change limits those under age 18 from driving more than one incident a week. The Department did this with no formal rule making and without informing any small businesses. Businesses first learned of the change when they received fines for non-compliance.

One such incident involved a 17 year-old student working in a high school sponsored co-op program at a local bank in Milan, Illinois. This young lady was in the bookkeeping department and would occasionally make trips to a branch bank four miles away. The bank was fined $500 because of her occasional driving. Does it make any sense that these teens can drive an unlimited amount when they are not working, but while under supervised protection at work, they are completely prohibited from driving?

In Washington State alone, it is estimated that this regulation resulted in the loss of at least 1,000 job opportunities for teens. The irony is that while the Department of Labor is spending upwards of $900 million annually on summer jobs programs, their own regulations is restricting the hiring of teens.

My co-authoris GENE GREEN and MARTY MARTINEZ have helped negotiate a good bill that, while not going as far as the bill reported out of the House Education and Workforce Committee, it at least establishes some reasonable definition for what driving activities 17 year olds can perform. We reluctantly agreed to preclude 16 year olds from the bill after opposition from the Department of Labor.

Under the bill driving is allowed as long as it does not exceed one-third of an employee's worktime in any workday and no more than 20 percent of an employees worktime in any work week. The bill limits the daily delivery of goods to two trips, although under the bill an employers vehicle is not considered a good.

This legislation has been endorsed by the National Small Business United, National Automobile Dealers Association, National Community Pharmacists Association and the National Association of Minority Automobile Dealers.

We simply seek to bring a clearer, more reasonable standard for workers and business and hope you will support passage of H.R. 2327.

Mr. MARTINEZ. Mr. Speaker, I rise today in support of H.R. 2327, the Drive for Teen Employment Act.

Under current law, minors are permitted to drive on the job under occasional and incidental circumstances, and until 1994, automobile dealerships across the country regularly employed minors to wash and detail cars, move cars on the lots, and occasionally drive an automobile to a nearby lot or gas station. These jobs provided employment for thousands of young people.

However, in 1994, the Department of Labor, without any rulemaking, decided to define occasional and incidental so narrowly as to prohibit minors from driving on the job under almost all circumstances. The Department then fined 60 Seattle area auto dealers nearly $200,000 for alleged child labor law violations and caused nearly 1,000 16 and 17 year olds to become unemployed.

To address this problem, my colleague from Texas, Mr. COMBEST, introduced H.R. 2327. H.R. 2327, as passed by the Committee on Education and the Workforce, included provisions to permit 16 and 17 year olds to drive during daylight hours for no more than one-third of the day and no more than 20 percent of the work week. It also prohibited minors from towing or driving outside of a 50 mile radius from the job site.

Since the bill was reported by the Committee, several of my colleagues and I have worked with Mr. COMBEST to further restrict the provisions of the bill and make it even better.

The bill before you today pertains only to 17 year olds, requires that the minor have a clean driving record, and limits driving to a 30-mile radius.

This bill merely removes the concerns small business owners have about hiring teenagers for jobs that require limited driving and establishes clear guidelines to assist the Department in enforcing a regulation under its jurisdiction.

At a time when, according to Secretary of Labor Alexis Herman, "despite the strong economy, young people living in high-poverty areas don't have jobs," H.R. 2327 makes good sense.

I urge my colleagues to support it.

Mr. FORD. Mr. Speaker, I yield back the balance of my time.

Mr. FAWELL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Illinois (Mr. FAWELL) that the House suspend the rules and pass the bill, H.R. 2327, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors who are 17 years of age and who engage in the operation of automobiles and trucks."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FAWELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2327 and on H.R. 4257.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CONFERENCE REPORT ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999

Mr. YOUNG of Florida. Mr. Speaker, pursuant to the order of the House of Friday, September 25, 1998, I call up the conference report on the bill (H.R. 4103), making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, September 25, 1998, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 25, 1998 at page H8657.)

The SPEAKER pro tempore. The gentleman from Florida (Mr. YOUNG) and the gentleman from Pennsylvania (Mr. MURTHA) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4103, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I call up the conference report on the Defense Appropriations bill, which is a very good conference report, and it is a good defense appropriations bill as far as it goes. The problem is, this bill does not make adequate funds available to meet some of the shortfalls that have been identified by the Army and the Navy and the Marine Corps and the Air Force.

The bill is $488 million below the President's budget request, but it is only below the President's budget request because the military construction allocation was so low, so critically low that we had to transfer that much of our authority to the Subcommittee on Military Construction.

Despite this, in the conference report before the House we added $202 million over the budget request for a higher pay raise for the troops than was proposed by the President. We increased net funding for the Readiness accounts, Operation and Maintenance, by more than $500 million over the President's budget, while we cut a lot of unnecessary administrative and headquarters costs. We added $370 million over the budget request for National Guard and Reserve training and operations.

We provided $135 million for the Department of Defense-sponsored Peer Review Breast Cancer Research program. The President's budget requested no funds for that program. We also provided $50 million for the DOD-sponsored Peer Review Prostate Cancer Research program, again funds that were not included in the budget request. We provided $735 million for Defense counter-drug and drug interdiction programs.

Mr. Speaker, the list of the needs of the Department of Defense and the services is very long, and some of the more obvious are:

FY 1999 PRESIDENT'S BUDGET IS NOT ADEQUATE

Under the President's proposed FY 1999 defense budget, this will be the fourteenth straight year defense spending has fallen, when inflation is taken into account (every year since FY 1985). The cumulative decline since 1985 is nearly 40 percent.

When considered in constant dollars, the President proposed FY 1999 defense budget is the lowest in nearly forty years.

Moreover, the President's proposed plan for defense over the next five years (FY 1999–2003) is more than $54 billion less than what is needed to keep up with inflation.

FORCE STRUCTURE CUTS/INCREASED DEPLOYMENTS

The size of the active duty military force has been cut by 36 percent (or over 700,000 troops) over the past ten years.

Yet that smaller force is being asked to deploy more and more often.

Army overseas deployment are up 300 percent from the rates sustained during the Cold War. This year, on average, on any given day one of three Army soldiers is deployed outside of the United States.

The Army had 18 active divisions during Desert Storm. We are down to 10 divisions today.

For the Navy today, on any given day 57 percent of its ships are at sea on deployment. In 1992 the figure was 37 percent.

The number of Air Force personnel deployed away from home today is four times higher than in 1989—yet the Air Force is more than one-third smaller.

Through FY 2003, the President budget plans on cutting a total of 103,000 active duty and reserve military personnel from existing levels (54,000 active duty and 49,000 reserve personnel).

So while their missions are going up, because of budget constraints the military continues to shrink in size.

MANPOWER PROBLEMS

The services are having growing problems retaining personnel. Some examples:

Air Force pilot retention is down significantly. A few years ago the re-enlistment rate was near 75 percent. Today it is at 36 percent, well below the Air Force target of 58 percent.

Both the Navy and the Air Force are well below their targets for re-enlistments of first-term personnel. The Air Force is 18 percent below it re-enlistment goal, the Navy 7 percent. A recent Navy Times survey reveals that that 75 percent of respondents intend to leave the service.

READINESS PROBLEMS

Mission-capable rates for both Air Force and Navy aircraft have dropped every year since 1991. There are increasing shortages of spare parts and cannibalization of existing aircraft is on the rise. Last year Congress had to add over $600 million for aviation spare parts. CINCPAC has testified that his command's cannibalization rate has doubled since 1996.

Due to funding shortages the Army has cut programmed tank training by over 20 percent in each of the past two years.

FUNDING AND BUDGET PROBLEMS

For FY 1999, the military services and the Guard have provided Congress with specific program shortfalls of $12 billion that are not funded in the President's budget.

The President's FY 1999 budget proposes cutting the Military Construction budget by over $1.4 billion from current levels—a 15 percent cut.

The President's FY 1999 budget cuts Army, Marine Corps and Air Force depot maintenance by over $315 million from current levels. Army depot maintenance is proposed for a one-year reduction of 23 percent, while Marine Corps depot maintenance is cut by 40 percent.

The President's FY 19999 budget cuts real property repair and maintenance by nearly 15 percent, or over $600 million from this year's levels.

The President's FY 1999 budget proposes cutting Research and Development by nearly $600 million, or a 2 percent cut.

PERSONNEL AND READINESS-RELATED FUNDING SHORTFALLS

The President's FY 1999 budget does not contain any funding for the Bosnia deployment. This is a shortfall of nearly $1.9 billion.

The Service Chiefs have identified FY 1999 personnel/readiness shortfalls of nearly $3.3 billion, including: Personnel: $250 million short;

O&M: over $3 billion short, including depot maintenance ($350 million short), real property maintenance ($1.3 billion short), spare parts ($256 million short), active and reserve forces training ($400 million short), and base operations ($750 million short).

Army Chief of Staff Reimer told you: "If we can't get these shortfalls fixed, the Army is going under."

WEAPONS MODERNIZATION SHORTFALLS

The Joint Chiefs of Staff have repeatedly identified a need for annual procurement funding of $60 billion. The FY 1999 budget proposes only $48 billion. Under the President's budget, the "$60 billion procurement target" will not be reached for another three years (FY 2001).

For FY 1999, the Service chiefs have identified another $5 billion in shortfalls relating to procurement and RDTE.

This includes $1 billion in "non-glamorous" items such as trucks/engineering vehicles ($230 million short), basic equipment for soldiers ($245 million) and modifications for aging equipment ($457 million).

SERVICE-SPECIFIC MODERNIZATION PROBLEMS

Army: The Army's medium truck fleet currently averages over 25 years old. More than one-half of the current inventory qualifies for antique license plates. Under the current budget plan this fleet will not be replaced for another 30 years.

The Army has a requirement for 18,000 additional HMMWV vehicles. The FY 1999 budget proposes buying 9 vehicles.

Navy: The Navy budget proposes construction of only six ships in FY 1999 and is at similar levels for the foreseeable future. This is far below the ten ships per year which are needed to support the current fleet level of 326 ships (which is a far cry from the Reagan-era goal of a "600 ship Navy").

Marine Corps: Commandant of the Marine Corps has said repeatedly: "My annual procurement budget is $500 million short."

In the FY 1999 budget the Marines are getting $750 million in procurement. This means the USMC modernization budget is funded at only 60 percent of requirements.

Air Force: For FY 1999 the Air Force is requesting procurement of only two fighter aircraft. If approved by the Congress this would be the lowest in the history of the Air Force.

H.R. 4103 - DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1999

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I						
MILITARY PERSONNEL						
Military Personnel, Army	20,452,057,000	21,002,051,000	20,908,851,000	20,822,051,000	20,841,687,000	+389,630,000
Military Personnel, Navy	16,493,518,000	16,613,053,000	16,580,253,000	16,532,153,000	16,570,754,000	+77,236,000
Military Personnel, Marine Corps	6,137,899,000	6,272,069,000	6,241,169,000	6,253,169,000	6,263,367,000	+125,468,000
Military Personnel, Air Force	17,102,120,000	17,311,663,000	17,201,563,000	17,205,660,000	17,211,987,000	+109,867,000
Reserve Personnel, Army	2,032,046,000	2,152,075,000	2,171,675,000	2,152,075,000	2,167,052,000	+135,006,000
Reserve Personnel, Navy	1,376,601,000	1,367,379,000	1,427,979,000	1,367,379,000	1,426,683,000	+50,082,000
Reserve Personnel, Marine Corps	391,770,000	401,888,000	403,513,000	401,888,000	406,616,000	+14,846,000
Reserve Personnel, Air Force	815,915,000	856,176,000	850,576,000	856,176,000	852,324,000	+36,409,000
National Guard Personnel, Army	3,333,867,000	3,404,595,000	3,413,195,000	3,499,595,000	3,489,987,000	+156,120,000
National Guard Personnel, Air Force	1,334,712,000	1,376,097,000	1,372,997,000	1,376,097,000	1,377,109,000	+42,397,000
Total, title I, Military Personnel	69,470,505,000	70,777,086,000	70,551,811,000	70,486,263,000	70,607,566,000	+1,137,061,000
TITLE II						
OPERATION AND MAINTENANCE						
Operation and Maintenance, Army	16,754,306,000	17,223,063,000	16,938,503,000	17,212,463,000	17,185,623,000	+431,317,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	
(By transfer - Quality of Life Enhancements)				(-130,000,000)		
(By transfer - Pentagon Renovation Transfer Fund)				(-96,000,000)	(-96,000,000)	(-96,000,000)
Operation and Maintenance, Navy	21,617,766,000	21,877,202,000	21,638,999,000	21,813,315,000	21,872,399,000	+254,633,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	
(By transfer - Quality of Life Enhancements)				(-48,000,000)		
(By transfer - Pentagon Renovation Transfer Fund)				(-32,067,000)	(-32,067,000)	(-32,067,000)
Operation and Maintenance, Marine Corps	2,372,635,000	2,523,703,000	2,585,118,000	2,576,190,000	2,578,718,000	+206,083,000
(By transfer - Quality of Life Enhancements)				(-36,000,000)		
(By transfer - Pentagon Renovation Transfer Fund)				(-9,513,000)	(-9,513,000)	(-9,513,000)
Operation and Maintenance, Air Force	18,492,883,000	19,127,004,000	19,024,233,000	19,064,941,000	19,021,045,000	+528,162,000
(By transfer - National Defense Stockpile)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	
(By transfer - Quality of Life Enhancements)				(-50,000,000)		
(By transfer - Pentagon Renovation Transfer Fund)				(-52,200,000)	(-52,200,000)	(-52,200,000)
Operation and Maintenance, Defense-Wide	10,369,740,000	10,750,601,000	10,604,542,000	10,259,231,000	10,914,076,000	+544,336,000
(By transfer - Pentagon Renovation Transfer Fund)				(-90,020,000)	(-90,020,000)	(-90,020,000)
Operation and Maintenance, Army Reserve	1,207,891,000	1,202,622,000	1,201,222,000	1,202,622,000	1,202,622,000	-5,269,000
Operation and Maintenance, Navy Reserve	921,711,000	928,639,000	949,039,000	928,639,000	957,239,000	+35,528,000
Operation and Maintenance, Marine Corps Reserve	116,366,000	114,593,000	119,093,000	114,593,000	117,893,000	+1,527,000
Operation and Maintenance, Air Force Reserve	1,632,030,000	1,744,696,000	1,735,996,000	1,744,696,000	1,747,696,000	+115,666,000
Operation and Maintenance, Army National Guard	2,419,632,000	2,436,815,000	2,570,315,000	2,661,815,000	2,678,015,000	+258,383,000
Operation and Maintenance, Air National Guard	3,013,282,000	3,093,933,000	3,075,233,000	3,113,933,000	3,106,933,000	+93,651,000
Overseas Contingency Operations Transfer Fund	1,884,000,000	746,900,000	746,900,000	746,900,000	439,400,000	-1,444,600,000
United States Court of Appeals for the Armed Forces	6,952,000	7,324,000	7,324,000	7,324,000	7,324,000	+372,000
Environmental Restoration, Army	375,337,000	377,640,000	342,640,000	370,640,000	370,640,000	-4,697,000
Environmental Restoration, Navy	275,500,000	281,600,000	281,600,000	274,600,000	274,600,000	-900,000
Environmental Restoration, Air Force	376,900,000	379,100,000	379,100,000	372,100,000	372,100,000	-4,800,000
Environmental Restoration, Defense-Wide	26,900,000	26,091,000	26,091,000	23,091,000	26,091,000	-809,000
Environmental Restoration, Formerly Used Defense Sites	242,300,000	195,000,000	195,000,000	225,000,000	225,000,000	-17,300,000
Overseas Humanitarian, Disaster, and Civic Aid	47,130,000	63,311,000	56,111,000	50,000,000	50,000,000	+2,870,000
Former Soviet Union Threat Reduction	382,200,000	442,400,000	417,400,000	440,400,000	440,400,000	+58,200,000
Pentagon Renovation Transfer Fund				279,820,000		
(By transfer)					(279,820,000)	(+279,820,000)
Contingency operations MWR fund				50,000,000		
Quality of Life Enhancements, Defense	360,000,000		850,000,000		455,000,000	+95,000,000
(By transfer)				(264,000,000)		
Total, title II, Operation and maintenance	82,895,461,000	83,542,237,000	83,942,459,000	83,532,313,000	84,042,814,000	+1,147,353,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)	(-129,820,000)	(150,000,000)	
TITLE III						
PROCUREMENT						
Aircraft Procurement, Army	1,346,317,000	1,325,943,000	1,400,338,000	1,406,852,000	1,388,268,000	+41,951,000
Missile Procurement, Army	762,409,000	1,205,766,000	1,140,823,000	1,188,739,000	1,226,335,000	+463,926,000
Procurement of Weapons and Tracked Combat Vehicles, Army	1,298,707,000	1,433,808,000	1,513,540,000	1,484,065,000	1,548,340,000	+249,633,000
Procurement of Ammunition, Army	1,037,202,000	1,006,855,000	1,099,155,000	996,655,000	1,065,955,000	+28,753,000
Other Procurement, Army	2,679,130,000	3,196,811,000	3,101,130,000	3,395,729,000	3,339,486,000	+660,356,000
Aircraft Procurement, Navy	6,535,444,000	7,466,734,000	7,599,966,000	7,473,403,000	7,541,709,000	+1,006,265,000
Weapons Procurement, Navy	1,102,193,000	1,327,545,000	1,191,219,000	1,324,045,000	1,211,419,000	+109,226,000
Procurement of Ammunition, Navy and Marine Corps	397,547,000	429,539,000	473,803,000	488,939,000	484,203,000	+86,656,000
Shipbuilding and Conversion, Navy	8,235,591,000	6,252,672,000	5,873,452,000	6,067,272,000	6,035,752,000	-2,199,839,000
Other Procurement, Navy	3,144,205,000	3,937,737,000	3,990,553,000	3,866,475,000	4,072,662,000	+928,457,000
Procurement, Marine Corps	482,398,000	745,858,000	812,616,000	954,177,000	874,216,000	+391,818,000
Aircraft Procurement, Air Force	6,480,983,000	7,756,475,000	8,384,736,000	7,967,023,000	8,095,507,000	+1,614,524,000
Missile Procurement, Air Force	2,394,202,000	2,359,803,000	2,191,527,000	2,219,299,000	2,069,827,000	-324,375,000
Procurement of Ammunition, Air Force	398,534,000	384,161,000	388,925,000	384,161,000	379,425,000	-19,109,000
Other Procurement, Air Force	6,592,909,000	6,974,387,000	7,034,217,000	6,904,184,000	6,960,483,000	+367,574,000
Procurement, Defense-Wide	2,106,444,000	2,041,850,000	2,055,432,000	1,932,250,000	1,944,833,000	-161,611,000
National Guard and Reserve Equipment	653,000,000		120,000,000	500,000,000	352,000,000	-301,000,000
Total, title III, Procurement	45,647,215,000	47,849,546,000	48,471,235,000	48,577,038,000	48,590,420,000	+2,943,205,000

H.R. 4103 - DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1999 — continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE IV						
RESEARCH, DEVELOPMENT, TEST AND EVALUATION						
Research, Development, Test and Evaluation, Army	5,156,507,000	4,780,545,000	4,987,446,000	4,891,640,000	5,031,788,000	-124,719,000
Research, Development, Test and Evaluation, Navy	8,115,866,000	8,108,923,000	8,297,986,000	8,215,519,000	8,636,849,000	+520,983,000
Research, Development, Test and Evaluation, Air Force	14,507,804,000	13,598,093,000	13,577,441,000	13,693,153,000	13,758,811,000	-748,993,000
Research, Development, Test and Evaluation, Defense-Wide	9,821,760,000	9,314,665,000	8,776,318,000	9,032,908,000	9,036,551,000	-785,209,000
Developmental Test and Evaluation, Defense	258,183,000	251,108,000	263,606,000	249,106,000	258,606,000	+423,000
Operational Test and Evaluation, Defense	31,384,000	25,245,000	35,245,000	25,245,000	34,245,000	+2,861,000
Total, title IV, Research, Development, Test and Evaluation	37,891,324,000	36,078,577,000	35,918,042,000	36,107,571,000	36,756,650,000	-1,134,674,000
TITLE V						
REVOLVING AND MANAGEMENT FUNDS						
Defense Working Capital Funds	971,952,000	94,500,000	94,500,000	94,500,000	94,500,000	-877,452,000
Transfer stockpile balances to working capital fund		(350,000,000)	(350,000,000)			
Reserve mobilization income insurance fund		37,000,000				
National Defense Sealift Fund:						
Ready Reserve Force	302,000,000	311,266,000	311,266,000	335,000,000	311,266,000	+9,266,000
Acquisition	772,948,000	106,900,000	362,100,000	334,566,000	397,100,000	-375,848,000
(Transfer out)			(-28,800,000)		(-28,800,000)	(-28,800,000)
Total	1,074,948,000	418,166,000	673,366,000	669,566,000	708,366,000	-366,582,000
Total, title V, Revolving and Management Funds	2,046,900,000	549,666,000	767,866,000	764,066,000	802,866,000	-1,244,034,000
(By transfer)		(350,000,000)	(350,000,000)			
TITLE VI						
OTHER DEPARTMENT OF DEFENSE PROGRAMS						
Defense Health Program:						
Operation and maintenance	10,095,007,000	9,653,435,000	9,725,235,000	9,684,935,000	9,727,985,000	-367,022,000
Procurement	274,068,000	402,387,000	402,387,000	402,387,000	402,387,000	+128,319,000
Research and development				250,000,000	19,500,000	+19,500,000
Total, Defense Health Program	10,369,075,000	10,055,822,000	10,127,622,000	10,337,322,000	10,149,872,000	-219,203,000
Chemical Agents & Munitions Destruction, Army: 1/						
Operation and maintenance	462,200,000	531,450,000	508,650,000	491,700,000	491,700,000	+29,500,000
Procurement	72,200,000	140,870,000	124,670,000	115,670,000	115,670,000	+43,470,000
Research, development, test and evaluation	66,300,000	182,780,000	162,780,000	172,780,000	172,780,000	+106,480,000
Total, Chemical Agents	600,700,000	855,100,000	796,100,000	780,150,000	780,150,000	+179,450,000
Drug Interdiction and Counter-Drug Activities, Defense	712,882,000	727,582,000	764,595,000	742,582,000	735,582,000	+22,700,000
Office of the Inspector General	138,380,000	132,064,000	132,064,000	132,064,000	132,064,000	-6,316,000
Total, title VI, Other Department of Defense Programs	11,821,037,000	11,770,568,000	11,820,381,000	11,992,118,000	11,797,668,000	-23,369,000
TITLE VII						
RELATED AGENCIES						
Central Intelligence Agency Retirement and Disability System Fund	196,900,000	201,500,000	201,500,000	201,500,000	201,500,000	+4,600,000
Intelligence Community Management Account	121,080,000	136,623,000	136,123,000	134,623,000	129,123,000	+8,043,000
Transfer to Dept of Justice	(27,000,000)	(27,000,000)	(27,000,000)	(27,000,000)	(27,000,000)	
Payment to Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Fund	35,000,000	15,000,000	15,000,000	25,000,000	25,000,000	-10,000,000
National Security Education Trust Fund	2,000,000	5,000,000	3,000,000	3,000,000	3,000,000	+1,000,000
Total, title VII, Related agencies	354,980,000	360,123,000	355,623,000	364,123,000	358,623,000	+3,643,000
TITLE VIII						
GENERAL PROVISIONS						
Additional transfer authority (sec. 8005)	(2,000,000,000)	(2,000,000,000)	(2,000,000,000)	(1,775,000,000)	(1,650,000,000)	(-125,000,000)
Indian Financing Act incentives (sec. 8024)	8,000,000	2,000,000	2,000,000	8,000,000	8,000,000	
Disposal & lease of DOD real property (sec. 8040)	64,000,000	25,000,000	25,000,000		25,000,000	-39,000,000
Overseas Military Fac Investment Recovery (sec. 8044)	30,000,000	38,000,000	38,000,000	38,000,000	38,000,000	+8,000,000
Export loan guarantee PGM (sec. 8075)	1,000,000					-1,000,000
Rescissions (sec. 8058)	-176,100,000		-268,370,000	-69,800,000	-415,908,666	-239,808,666
Flying Hour/readiness offset	-1,253,000,000					+1,253,000,000
FFRDC's/consultants (sec. 8034)	-71,800,000		-62,000,000		-62,000,000	+9,800,000
Advisory and assistance services	-300,000,000					+300,000,000
RDT&E, Def-Wide dual-use program	2,000,000					-2,000,000
Fisher Houses (sec. 8089)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Travel Cards (sec. 8090)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Warranties	-75,000,000					+75,000,000
Excess Inventory	-100,000,000					+100,000,000
National Missile Defense Offset	-474,000,000					+474,000,000
Intrepid	13,000,000					-13,000,000

H.R. 4103 - DEPARTMENT OF DEFENSE APPROPRIATIONS BILL, 1999 — continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Expiring Balances	-100,000,000					+100,000,000
National Security Strategy Study Group	3,000,000					-3,000,000
Lexington Bluegrass	4,000,000					-4,000,000
Defense reform initiative (DRI) Title II savings (sec. 8105)				-150,000,000	-70,000,000	-70,000,000
Ship Transfers (sec. 8110)			-636,850,000	-637,000,000	-636,850,000	-636,850,000
National Defense stockpile transaction fund asset sale credit (sec. 8109)				-100,000,000	-100,000,000	-100,000,000
Inflation Savings (sec. 8108)			-204,100,000	-400,600,000	-400,600,000	-400,600,000
Procurement Reductions (sec. 8134)					-142,100,000	-142,100,000
Foreign Currency Fluctuations (sec. 8135)					-193,600,000	-193,600,000
Fuel Repricing (sec. 8136)					-502,000,000	-502,000,000
Total, title VIII	-2,418,900,000	71,000,000	-1,100,320,000	-1,305,400,000	-2,446,058,888	-27,158,888
EMERGENCY FUNDING						
Bosnia (Emergency Funding)		1,858,600,000		1,858,600,000		
Supplemental (P.L. 105-174) (emergency funding)	2,834,775,000					-2,834,775,000
Total, Emergency funding	2,834,775,000	1,858,600,000		1,858,600,000		-2,834,775,000
BUDGET SCOREKEEPING ADJUSTMENTS						
Adjustment for unapprop'd balance transfer (Stockpile)	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	
Stockpile collections (unappropriated)	-150,000,000	-150,000,000	-150,000,000	-150,000,000	-150,000,000	
Emergency funding	-2,834,775,000	-1,858,600,000		-1,858,600,000		+2,834,775,000
Total adjustments	-2,834,775,000	-1,858,600,000		-1,858,600,000		+2,834,775,000
Total, Department of Defense	247,708,522,000	250,998,803,000	250,727,097,000	250,518,092,000	250,510,548,312	+2,802,026,312
RECAPITULATION						
Title I - Military Personnel	69,470,505,000	70,777,086,000	70,551,811,000	70,486,263,000	70,607,566,000	+1,137,061,000
Title II - Operation and Maintenance	82,895,461,000	83,542,237,000	83,942,459,000	83,532,313,000	84,042,814,000	+1,147,353,000
(By transfer)	(150,000,000)	(150,000,000)	(150,000,000)	(-129,820,000)	(150,000,000)	
Title III - Procurement	45,647,215,000	47,849,546,000	48,471,235,000	48,577,038,000	48,590,420,000	+2,943,205,000
Title IV - Research, Development, Test and Evaluation	37,891,324,000	36,078,577,000	35,918,042,000	36,107,571,000	36,756,650,000	-1,134,674,000
Title V - Revolving and Management Funds	2,046,900,000	549,666,000	787,866,000	784,066,000	802,866,000	-1,244,034,000
(By transfer)		(350,000,000)	(350,000,000)			
Title VI - Other Department of Defense Programs	11,821,037,000	11,770,568,000	11,820,381,000	11,992,118,000	11,797,668,000	-23,369,000
Title VII - Related agencies	354,980,000	360,123,000	355,623,000	364,123,000	358,623,000	+3,643,000
Title VIII - General provisions	-2,418,900,000	71,000,000	-1,100,320,000	-1,305,400,000	-2,446,058,888	-27,158,888
Emergency funding	2,834,775,000	1,858,600,000		1,858,600,000		-2,834,775,000
Budget adjustments	-2,834,775,000	-1,858,600,000		-1,858,600,000		+2,834,775,000
Total, Department of Defense	247,708,522,000	250,998,803,000	250,727,097,000	250,518,092,000	250,510,548,312	+2,802,026,312
Allocation recap (sec. 302b):						
Mandatory	196,900,000	201,500,000	201,500,000	201,500,000	201,500,000	+4,600,000
Discretionary:						
Non-defense	27,000,000	27,000,000	27,000,000	27,000,000	27,000,000	
Defense	247,484,622,000	250,770,303,000	250,498,597,000	250,289,592,000	250,282,048,312	+2,797,426,312
Total discretionary	247,511,622,000	250,797,303,000	250,525,597,000	250,316,592,000	250,309,048,312	+2,797,426,312
Grand total	247,708,522,000	250,998,803,000	250,727,097,000	250,518,092,000	250,510,548,312	+2,802,026,312

1/ Included in Budget under Procurement title.

Mr. YOUNG of Florida. Mr. Speaker, I wish to engage in a colloquy with the gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Virginia.

Mr. DAVIS of Virginia. Mr. Speaker, I thank the gentleman for yielding. Let me say, I was in a markup in another committee.

Mr. Speaker, I rise to engage the distinguished chairman, the gentleman from Florida (Mr. YOUNG) on a colloquy regarding two important Department of Defense health care initiatives, AIMCARE and the Composite Health Care System II.

Mr. Chairman, DOD has competitively selected Anesthesia Information Management System, AIMCARE, that automates the collection of operating room data and clinical processes. This system offers DOD significant cost savings of over 70 percent with "Enterprise" implementation rather than "hospital by hospital" implementation. This 70 percent savings a represents savings of over $10 million, that is being made available in the first quarter of fiscal year 1999.

Am I correct in my understanding that, resources permitting, the Department is interested in taking advantage of this opportunity?

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. DAVIS of Virginia. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I would respond that the gentleman is absolutely correct in his understanding.

Mr. DAVIS of Virginia. I thank the gentleman. With regard to the CHCSII, I have raised concerns with the chairman that, although I support the conference report which authorizes DOD to do field testing of this system at Tripler Army Medical Center in Honolulu, Hawaii, I hope to receive an assurance that since current software development and integration is taking place in the national capital region, that these activities will be maintained in the national capital region.

Mr. YOUNG of Florida. Mr. Speaker, I would like to assure the gentleman from Virginia that it is the intent of the conferees to maintain software integration and development for the CHCSII system in the national capital region.

Mr. DAVIS of Virginia. Mr. Speaker, I thank the gentleman for his hard work on this vital legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MURTHA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the chairman and I this year have visited a number of installations throughout the country. We found shortages over the last 2 or 3 years, and the list that the chairman put in the RECORD, I hope Members will pay attention to.

Readiness has slipped substantially. Some of our units are deployed that are not C–1, and that is a dangerous situation. As a matter of fact, we feel there are shortages which really hurt our national security. Without the supplemental, this bill will not be adequate. It is absolutely essential that we pass a supplemental, not offset, and I look forward to working with the chairman, and I am hoping we can get an adequate amount of money for Y2K, for computer security, for Bosnia, and for O&M in the supplemental.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I yield myself such time as I may consume.

I would like to pay tribute to the gentleman from Pennsylvania (Mr. MURTHA) for the great job and the support that he has given us as we prepared this bill in the subcommittee and in the full committee and on the floor of the House, and then through the conference with the other body.

Also, I would like to mention our counterparts in the Senate, Senator TED STEVENS and Senator DAN INOUYE, as we worked closely with them for weeks leading up to our final conference. We found them to be very cooperative, very constructive, and certainly committed to the security of our Nation.

Each and every member of our subcommittee has a vast amount of knowledge about our National Security that they bring to the table. In addition to JACK on that side of the aisle, NORM DICKS, MARTY SABO, JULIAN DIXON, and PETE VISCLOSKY all have made valuable contributions throughout the years they have served on this subcommittee. On our side of the aisle we have JERRY LEWIS, JOE SKEEN, DAVE HOBSON, HENRY BONILLA, GEORGE NETHERCUTT, ERNEST ISTOOK, and DUKE CUNNINGHAM. All of them devote a tremendous amount of time and energy helping us craft this bill.

In addition we are fortunate to have Chairman BOB LIVINGSTON, and Ranking Minority Member DAVE OBEY serving on this subcommittee. They provide valuable leadership during the particularly tough times as we bring this bill through the process.

There are two other members that I have saved for last. They are JOE MCDADE and BILL HEFNER who are both retiring this year, JOE, BILL, and I all joined this subcommittee together 18 years ago and this will be the last time that it will be my privilege to bring a bill to the floor with them.

JOE MCDADE has dedicated his entire life to this institution. No constituency in the Nation, is better represented than the people of the 10th district of Pennsylvania. Anywhere you go in his district you will come across some project that would not be there if it weren't for JOE. He is a great Congressman, and a loving husband and father. I will miss him, but as one who also has a young son I know he will be very happy with the time he will now have to do the things we all would like to do with our growing boys. JOE, thank you for being my friend.

BILL HEFNER is one of the most unique members in the Congress. Behind that self depreciating personality and slow Southern drawl is a very intelligent Congressman who has used his considerable legislative talent to make the quality of life much better for millions of service members and their families. I have had the privilege of traveling with BILL and his wife Nancy to some of the hot spots in the world. He is a true patriot and great member of this body. BILL we will all miss you.

Also, Mr. Speaker, I would like to call special attention to the staff of our subcommittee. I am providing all of the names of all of our staffers for the record, including the associate staff members of our committee members, because they have all contributed just tremendously to the work of our subcommittee.

I do want to specifically mention the chief of staff and the clerk of the subcommittee, Kevin Roper, who has spent many, many long hours, many, many days, many weeks, many months, getting us to where we are today. I would say that Kevin has a brain somewhat like a computer. One can punch up almost any subject and he can bring it up, and if one checks it out one will find that it is very accurate.

Also, Greg Dahlberg, who represents the minority on the subcommittee, and who is equally aggressive in meeting the responsibilities of the subcommittee. I take my hat off and salute both of them and the staffs who worked with them.

JACK and I are very fortunate to have a professional staff which is beyond a doubt the best on the hill. They also work many long hours and have become true professionals in their areas of expertise. They are Doug Gregory, Alicia Jones, Dave Kilian, Betsy Phillips, Julie Pacquing, Greg Walters, Trish Ryan, Tina Jonas, Paul Juola, Steve Nixon, Dave Norquist, Jenny Mummert, and Sherry Young. Julie Pacquing is retiring this year after many years of service to the Appropriations Committee. She has played a very valuable role particularly in the Intelligence part of our lives that we can't talk about and she will be missed by all of us. I also want to note that Trish Ryan and her husband Terry, and Steve Nixon and his wife Nancy are about to become parents for the first time. We are all one big happy family on this subcommittee and we all look forward to the births of Trish and Steve's children.

I also want to take this opportunity to thank the staff members of the full committee who hardly ever get any recognition, but play very important roles in putting all of our products together. They are ably led by Jim Dyer our Staff Director. We also appreciate the good work of Dennis Kedzior, John Mikel, Chuck Parkinson, Elizabeth Morra, Di Kane, Tracey La Turner, Sandy Farrow, Theodore Powell, and Larry Boarman. At the Computer Shop we also want to thank Ken Marx and Dale Oak. For this conference alone we had 12 computer runs. In case you are interested there are 2,686 separate line items that we track in this bill, 947 of which were in conference.

Each member of our committee also has staff who play an important role. At the risk of leaving someone out, let me thank them for all of their work throughout the year. They are Jake O'Donnell, Letitia White, Bruce Donisthorpe, Kenny Kraft, Marc Lubin, Rob Neal, Nancy Nowak, Bill Berl, Les Dixon, Steve McBee, Irene Schecter, Dan Beck, Alan Dillingham, Paul Cunningham, and John McNutt. In particular, I want to thank Paul Cambon and Carman Scialabba who work for BOB LIVINGSTON and JACK MURTHA.

And finally, I want to thank a couple of people who serve on my personal staff and JACK's who help us in too many ways to mention here. They are my Administrative Assistant Harry Glenn and Jane Porter of my office. In JACK's office I want to thank Colette Marchesini-Pollock.

As I said in the beginning, this is a very involved process, creating a conference agreement appropriating $250 billion. There are a lot of very capable members and staff who work many many long hours throughout the year to produce this product, but particularly at this time of the year. I thank each and every one of you, and I also thank your families who lend you to us, particularly mine. We know that this work is tough on our families and we appreciate your understanding. We know that there are some back to school nights that don't get attended, and some high school football games and half time shows that are missed. We know there are birthday parties that get postponed, as well as baby showers. But please know that this Congressman, and this Congress appreciate your unselfish contribution to the National Security of this great Nation.

Also, I would be remiss if I did not mention the staff of the subcommittee in the Senate, headed by Steve Cortese, because they have also been extremely cooperative and extremely constructive in the effort that we have put forth.

On the Senate side, Steve Cortese and Charlie Houy, as Majority and Minority Staff Directors, work together and with our staff in a very accommodating manner. They have assembled a very talented group of professional staffers, and let me thank each of them here for their work on behalf of the Conference: Mary Marshall, John Young, Sid Ashworth, Susan Hogan, Gary Reese, Tom Hamkins, Carolyn Willis, and Mazie Mattson. They also rely on help from the Full Committee including Jay Kimmitt, Dona Pate, and Justin Weddle.

Mr. Speaker, I reserve the balance of my time.

Mr. NETHERCUTT. Mr. Speaker, I strongly support passage of the Fiscal Year 1999 Department of Defense Conference Report.

Mr. YOUNG and Mr. MURTHA deserve credit for putting together an outstanding conference report. In my four years on the National Security Subcommittee, this bill was certainly the most difficult to reach agreement on, because of the very tight constraints imposed by the Balanced Budget Agreement. I think all of the members of the Subcommittee would agree that our allocation this year was far below what is needed to meet the needs of the Department of Defense. Despite these pressures, our Subcommittee staff once again worked long hours to put together a very balanced package that addresses the immediate needs of the Defense Department.

I commend the efforts of the Chairman and Ranking Member on behalf of the health research programs contained within this bill. The Department of Defense oversees some of the most productive health research efforts sponsored by the federal government, with very real quality of life benefits for our men and women in uniform. We were not able to do all that we would have liked for health research, but I believe this conference package addresses some of the most urgent research needs of the Department of Defense. I am particularly supportive of the funding this bill provides for diabetes research. In Fiscal Year 1998, we were able to provide $4 million to initiate a diabetes detection, prevention and care program for the Departments of Defense and Veterans Affairs, utilizing the technology and methods of the Joslin Diabetes Center. While I wish we had been able to maintain the House funded level of $6.4 million for this program in this bill, the $4.5 million the conference agreement provides will allow continuation of the Diabetes Pilot Program, [Program Element #630002, Project #9411]. I anticipate significant findings from this promising project, which will benefit soldiers and their families alike.

I hope that Fiscal Year 1999 marks the low point for defense spending. We continue to face shortfalls in all accounts and urgently need to correct the downward trend for defense spending. But within the constraints imposed by the Balanced Budget agreement, this is an excellent bill and I urge my colleagues to support it.

Mr. FRELINGHUYSEN. Mr. Speaker, I am pleased to rise today in support of H.R. 4103, the Conference Report on Defense Appropriations. I want to recognize the hard work of our chairman, the gentleman from Florida (Mr. YOUNG). He, along with the other conferees and the Defense Appropriations Subcommittee staff, faced many difficult choices in putting together this bill, and I commend them for all their hard work.

As many people are learning, the Department of Defense is facing less funding for the fourteenth straight year. Our armed forces are forced to do more with less. The conferees face difficult decisions in determining how much to provide for troop support, operations and maintenance, procurement of new and existing vehicles and weapon systems, and investing in future technology and weapons development.

I think this bill strikes an important balance. It provides a pay increase of 3.6 percent for military personnel. It provides an extra $500 million over the President's request for Operations and Maintenance, the so-called "readiness accounts." The frequent overseas deployments of our troops are siphoning funds from these accounts, and the House Members recognize the importance of replenishing funds for training and maintenance.

Most importantly, this conference report reflects the importance of continuing to develop new technologies and weapons systems. As we try to prepare and equip our troops for the battlefields of the future, countless engineers are working in government laboratories and research facilities to develop the weapons, the ammunition, the vehicles and the technology our armed forces need to defend the United States. The military's research and development is critical to keeping our men and women in uniform safe and well-equipped wherever they serve, whether home or abroad.

This bill allows for these important efforts to continue and expand. I thank the conferees for providing an additional $4 million for the Crusader Advanced Field Artillery System, which is being developed by the men and women at Picatinny Arsenal in my district. As I have said before, this critical program is a key element of the Army's long-term plans, and is faster and more lethal than the Paladin tank, which is currently in use.

Mr. Speaker, every day our men and women in uniform put their lives on the line to defend us. They deserve to have the tools they need to protect us, and should be compensated for their work. We cannot forget our debt to them, and we must work to provide them with the support they need to do their jobs. We owe them nothing less.

Today we vote to provide funds, support our soldiers and all those who prepare and equip them. An affirmative vote assures that this critical work continues.

Mr. HEFLEY. Mr. Speaker, I rise to express serious reservations about the defense appropriations conference report. I do not dispute the funding decisions made by the conferees. In the main, Chairman YOUNG and Mr. MURTHA have brought back to the House a bill that addresses the pressing defense needs of the Nation in a manner as consistent with the authorization bill as they possibly could have.

As the Chairman of the Subcommittee on Military Installations and Facilities, however, I am concerned about several authorization provisions in this bill.

Buried in this legislation are six real property matters that should be addressed in the defense authorization process. Section 8132 would authorize the Secretary of the Air Force to convey excess relocatable housing units at Malmstrom Air Force Base. Section 8139 mandates the Secretary of the Air Force to convey certain property in the State of New Hampshire. Section 8140 would permit the Secretary of the Navy to engage in a lease of property to the University of Central Florida. Section 8141 would authorize the Secretary of the Air Force to lease certain property from the City of Phoenix near Luke Air Force Base. Section 8143 would provide the authority to the Secretary of the Navy to convey property with consideration to the City of Seattle and, finally, section 8144 would authorize the Secretary of the Army to convey an Army Reserve Center to the City of Reading, Pennsylvania.

None of these real estate matters, all properly within the jurisdiction of the authorization committee, were raised with the committee during consideration of the defense authorization bill nor were they raised with conferees during negotiations with the Senate on H.R. 3616, the National Defense Authorization Act for Fiscal Year 1999. None of these provisions were in the House-passed version of the defense appropriations bill. Most of these provisions came to conference as amendments to the Senate version of H.R. 4103 while the bill was being considered on the floor in the other body. Some of the provisions have murky origins in the conference itself.

None of the offending provisions, to the best of my understanding, address an urgent need that cannot wait for the next authorization cycle. These provisions may have merit, but none have been reviewed adequately. To his credit, Chairman YOUNG fought to keep these provisions—and more—out of this bill. Regretfully, he was not completely successful. As a chairman, I understand what it takes to get out of conference. Compromise with the other body is a necessary component of any conference, but we should refrain from needlessly blurring the line between the authorization and appropriations process.

Beyond the real estate issues contained in this bill, I am deeply concerned about two other provisions in the area of base closure and realignment.

Section 8142, which would give the Secretary of the Army the authority to retain military family housing at Fort Buchanan, Puerto Rico, in support of the relocation of U.S. Army South, is a direct contravention of a decision made in the 1995 BRAC round to dispose of those units.

Many in this House have criticized the President for his circumvention of the BRAC process for political reasons at McClellan Air Force Base and Kelly Air Force Base. While section 8142 is intended to help the Army and is not purely political, it's effect is the same. We should not begin to engage in a case-by-case undoing of prior BRAC decisions for any reason in the absence of an authorized realignment process. I hope we are not opening Pandora's box should this legislation receive the approval of the House today.

Finally, I question the wisdom of requiring the Secretary of the Air Force to expend $7.6 million from the base closure and realignment accounts for demolition and other base conversion activities at Norton Air Force Base. The expenditures required by section 8145 are not related to any military mission and they are not required to comply with routine environmental remediation requirements. It is extremely unwise to tap the BRAC accounts to subsidize local reuse efforts. In that context, I find it equally unwise to continue the practice of permitting the use of other DOD resources for conversion activities at other BRAC locations.

For these reasons, and despite the fact that this is otherwise a very good bill, I regret that I must vote "no."

Mr. PORTER. Mr. Speaker, I rise today to expres smy strong support for the conference report to H.R. 4103, the Department of Defense Appropriations Act for Fiscal Year 1999. I would also like to take this opportunity to recognize the distinguished Chairman of the Appropriations Subcommittee on National Security for his role in crafting a conference report that truly reflects our nation's priorities and ensures the continued preeminence of our military. He is to be commended for acknowledging the effect quality of life issues has on our military's performance.

I am especially pleased with the provisions that express our concern for the welfare of the men and women in the armed services and their families. H.R. 4103 includes $35 million for Impact Aid, a program which provides funds to schools that experience a reduced property tax base as a result of their location near a military installation. Military personnel should not be forced to choose between their career and their children's education. This conference report also includes a much needed 3.6 percent military pay raise, a half percent above what was requested. Mr. Chairman, quality of life issues in our military have been neglected for too long. It is time that we address them and I believe that this conference report begins to do that. I urge my colleagues to give this conference report their strongest support.

Mr. MURTHA. Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Florida. Mr. Speaker, I urge enactment and passage of this conference report, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

Pursuant to clause 5 of rule I, further proceedings on this question will be postponed.

CONFERENCE REPORT ON H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999

Mr. McDADE. Mr. Speaker, pursuant to the order of the House of Friday, September 25, 1998, I call up the conference report on the bill (H.R. 4060), making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, September 25, 1998, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of September 25, 1998, at page H8842).

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. McDADE) and the gentleman from Indiana (Mr. VISCLOSKY) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. McDADE).

GENERAL LEAVE

Mr. McDADE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am honored to be able to present today the energy and water bill to the Members of the House and to strongly urge and recommend that it be passed. It was perhaps the most difficult energy and water bill that we have ever had, principally because the budget that was submitted to us was inadequate from the beginning.

In terms of real dollars, it is the lowest budget ever presented for construction programs of the Corps of Engineers.

□ 1545

Obviously, that required us to do a great deal of putting and taking to try to put together a bill that would develop the infrastructure of this country, protect health and safety, and keep our economy going by keeping our ports open and efficient.

Given that background, Mr. Speaker, I want to say that I have been extraordinarily privileged, as the chairman of this subcommittee, to have an extraordinary group of people to work with.

Jim Ogsbury has been my chief of staff, and one would not find a more faithful and bright person; Jeanne Wilson is an absolute encyclopedia and an intellectual dynamo; Don McKinnon is a gentleman that I have known for some time, and he has been extraordinarily helpful; Bruce Heide handled the entire Corps of Engineers budget, and obviously, from what I have said, he did a superb job.

My friend, the gentleman from California (Mr. FAZIO), is not currently on the floor because of other business, but I want to offer him a tribute, as well, because without his cooperation and assistance the bill would not be here today.

Mr. Speaker, this is a $20.9 billion bill, in gross terms. About $4 billion goes to the Corps of Engineers to promote public health and safety, et cetera. About $823 million goes to the Bureau of Reclamation for water projects in the west. Although there is a cut in the Bureau's budget, Mr. Speaker, we fully fund operation and maintenance of Bureau projects, to make sure that those projects are run efficiently and serve the public.

$16.4 billion is appropriated to the Department of Energy. About $12 billion is provided for defense activities and $4 billion is for nondefense activities. As Members of the House know, defense activities include the maintenance of the nuclear stockpile, using science-based intelligence in lieu of nuclear weapons testing, which has been foresworn by this country. The Department has an awesome responsibility, and every year must certify to the President that the stockpile is indeed efficient and reliable.

On the nondefense side of bill, there is a host of energy supply activities, scientific research, et cetera, all of which are very interesting and important. The genome mapping project, the nuclear physics program, the high energy physics program, and other related programs are also funded in this bill.

Finally, there is $126 million in for independent agencies, such as the Appalachian Regional Commission, which has been diligently serving the people of this Nation for approximately 25 years.

Mr. Speaker, I am going to file a more lengthy statement with my remarks for the benefit of Members, or anyone else, who might want to take a look.

Mr. Speaker, I rise today in support of the conference report accompanying H.R. 4060, the Energy and Walter Development Appropriations Bill for Fiscal Year 1999. Total spending in this $21 billion measure is $388 million below the Administration's request for energy and water programs. The bill is within its 302(b) allocation for both outlays and budget authority.

Mr. Speaker, I believe that the Energy and Water Bill represents legislation of which the entire membership of this body may be proud. It continues, at responsible levels, investments in public infrastructure, scientific research, and economic development. At the same time, it is a fiscally austere bill, which reduces funding for less productive Federal spending programs. I am pleased that the conferees from the House and Senate, as stewards of the taxpayers' hard-earned dollars, were able to strike such a responsible balance.

The irresponsible budget request of the Administration, which slashed funding for the civil works program of the U.S. Army Corps of Engineers, presented a considerable challenge to the committee on conference. If the committee on conference had accepted the Administration's proposal—which represented the lowest budget in the history of the civil works program—then scores of ongoing construction projects would be terminated; dozens more would be placed on fragile life support; project completion schedules would be extended; costs would rise; and contractor shutdowns would be legion. Far from adopting this reckless budget, however, the conference agreement appropriates nearly $4 billion for the Corps—an increase of $716 million above the budget request.

For the construction program of the Corps, the conference agreement provides $1.43 billion for fiscal year 1999. While this is a modest $27 million reduction from the House-passed level, it is an increase of $190 million over the Senate-passed level and an increase of $624 million—or 77%—over the Administration's inane budget. It will ensure the continued effectiveness of the civil works program, which has had such success in protecting our communities from the devastating consequences of flooding and which has been so instrumental in the vitality of America's waterborne commerce.

Furthermore, the conference agreement includes $1.65 billion for operation and maintenance of Corps of Engineers projects. This sum, along with the $105 million in emergency appropriations enacted earlier this year, will help protect our investment in critical water infrastructure. The agreement also provides $161 million for studies and investigations of Corps projects and $140 million to continue the Formerly Utilized Sites Remedial Action Program (FUSRAP). The FUSRAP program was transferred from the Department of Energy to the Army Corps of Engineers last year amidst some controversy. I am pleased to report that, from all accounts, the transfer has been successful. Cleanups are proceeding on schedule, and we expect that the transfer will save the taxpayers substantial sums of money over the remaining life of the program.

Mr. Speaker, the conference agreement takes a significant step in the downsizing of the Bureau of Reclamation. In recognition that the Bureau's historical mission—reclamation of the West through the construction of large water storage and distribution facilities—has largely been accomplished, the Bureau has undertaken a variety of new and expanded activities in recent years. These activities include: extensive "partnering" with other water resource interests, provision of technical assistance, water conservation and management planning, strategic analyses, development of integrated management programs and system integration alternatives, resource inventories, and environmental enhancements.

The conference agreement helps control Bureau of Reclamation mission creep by restricting the amount of resources available for new activities within the capabilities of other Federal and local resource agencies. The agreement, however, fully funds operation, maintenance and rehabilitation requirements for projects throughout the country. Furthermore, it provides funding to continue cost-shared studies and investigations that have been initiated in prior years. The agreement reflects the Committee's intention to protect the substantial Federal investment in water resource infrastructure while downsizing the Bureau and reducing unnecessary Federal involvement in local resource management.

Title III of the final conference agreement provides $16.4 billion for the Department of Energy (DOE). $11.86 billion—or 57% of the total provided in the bill—is dedicated to the atomic energy defense activities of DOE. Of this amount, $4.4 billion is included for weapons activities. Although the tensions of nuclear brinkmanship are less today than at any time during the Cold War, our responsibilities for the stewardship and maintenance of the nuclear stockpile are not. Few responsibilities of the Federal government are of more moment than the continued safety and reliability of our nuclear weapons. The Committee has provided generously for the execution of these responsibilities and has invested enormous amounts in the science-based stockpile stewardship program of DOE. By focusing on the simulation of nuclear weapons through advanced computational and laboratory capabilities, the program is expected to serve as a surrogate for nuclear weapons testing.

The bill also provides substantial resources for the domestic energy supply and scientific research activities of DOE. The $2.68 billion provided for the Science account includes $130 million to initiate construction of the Spallation Neutron Source at the Oak Ridge National Laboratory in Tennessee. This state-of-the art neutron facility will help keep the United States at the forefront of biological and materials sciences. In addition, funds provided for the Science account will help realize returns on our investment in scientific facilities by increasing user time at such facilities and maximizing their utilization.

The agreement also includes $223 million—an increase of $1.6 million over the budget request—for fusion energy sciences. To better reflect the program's transformation from one that is largely focused on technology development into one focused principally on basic research, the program has been moved out of the Energy Supply account and into the Science account.

The agreement provides $727 million for Energy Supply activities of DOE. This includes $365.9 million for solar and renewable programs, an increase of $19.6 million over fiscal year 1998. In addition, nuclear energy programs are funded at $284 million, a reduction of $41.8 million below the President's budget request. The conference agreement does provide $19 million for the nuclear energy research initiative, a new research program devoted to enhancing the viability of nuclear power through improvements in safety, efficiency, and reliability.

The total amount appropriated for independent agencies is $125.7 million, a decrease of $151.9 million from fiscal year 1998, and $373 million below the President's request. Consistent with the legislation passed by Congress last year, no appropriations have been provided for the Tennessee Valley Authority. For fiscal year 1999 and thereafter, TVA is empowered and directed to fund stewardship activities with internally generated savings and revenues. Absorbing the modest costs of stewardship activities will have no appreciable effect on an agency projected to receive $6.5 billion in revenues in fiscal year 1999, and whose customers have enjoyed below-market rates for Federally-produced power for decades.

The conference agreement also includes $66.4 million for the Appalachian Regional Commission, $16.5 million for the Defense Nuclear Facilities Safety Board, and $465 million for the Nuclear Regulatory Commission. The conference agreement does include $20 million, as recommended by the Senate, for the Denali Commission. The agreement, however, makes this particular appropriation subject to authorization.

Mr. Speaker, I am grateful to my colleagues on the Subcommittee for their dedicated work on behalf of this conference agreement. Although there were a number of contentious issues to be resolved with the other body, the conferees worked in a bipartisan spirit of cooperation and comity to get the job done. It has been an honor and a pleasure to work with my talented and committed colleagues, and I thank them for their devoted efforts.

I would like to pay special tribute to the Ranking Minority Member of the Subcommittee, the Honorable Vic Fazio. In tribute to his many years of service on this Subcommittee, the committee on conference has renamed the Yolo Basin Wetlands in California as the Vic Fazio Yolo Wildlife Area. Given his enormous efforts to preserve and protect this critical natural resource, I believe this action to be a fitting tribute indeed.

Mr. Speaker, I urge all of my colleagues to support the conference agreement accompanying the Energy and Water Development Appropriations Bill for Fiscal Year 1999.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, 1999 (H.R. 4060)

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF DEFENSE - CIVIL						
DEPARTMENT OF THE ARMY						
Corps of Engineers - Civil						
General investigations	156,804,000	150,000,000	162,823,000	165,390,000	161,747,000	+4,943,000
Construction, general	1,469,373,000	806,000,000	1,456,529,000	1,240,086,000	1,429,885,000	-39,488,000
Contingent emergency appropriation	5,000,000			5,000,000		-5,000,000
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	296,212,000	280,000,000	312,077,000	313,234,000	321,149,000	+24,937,000
Operation and maintenance, general	1,740,025,000	1,603,000,000	1,637,719,000	1,667,572,000	1,653,252,000	-86,773,000
Emergency appropriations (P.L. 105-174)	105,185,000					-105,185,000
Regulatory program	106,000,000	117,000,000	110,000,000	106,000,000	106,000,000	
Flood control and coastal emergencies	4,000,000					-4,000,000
Formerly utilized sites remedial action program	140,000,000					-140,000,000
Defense function		140,000,000	140,000,000	140,000,000	140,000,000	+140,000,000
General expenses	148,000,000	148,000,000	148,000,000	148,000,000	148,000,000	
Total, title I, Department of Defense - Civil	4,169,599,000	3,244,000,000	3,967,148,000	3,785,282,000	3,960,033,000	-209,566,000
TITLE II - DEPARTMENT OF THE INTERIOR						
Central Utah Project Completion Account						
Central Utah project construction	23,743,000	22,189,000	24,189,000	28,189,000	25,741,000	+1,998,000
Fish, wildlife, and recreation mitigation and conservation	11,610,000	12,476,000	10,476,000	10,476,000	10,476,000	-1,134,000
Utah reclamation mitigation and conservation account	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
Program oversight and administration	800,000	1,283,000	1,283,000	1,283,000	1,283,000	+483,000
Total, Central Utah project completion account	41,153,000	40,948,000	40,948,000	44,948,000	42,500,000	+1,347,000
Bureau of Reclamation						
Water and related resources	694,348,000	640,124,000	596,254,000	671,869,000	617,045,000	-77,303,000
(By transfer)		(25,800,000)	(25,800,000)	(25,800,000)	(25,800,000)	(+25,800,000)
Emergency appropriations (P.L. 105-174)	4,520,000					-4,520,000
Colorado River Dam fund (by transfer, permanent authority)	(-5,592,000)					(+5,592,000)
Loan program	10,425,000	12,425,000	12,425,000	12,425,000	8,421,000	-2,004,000
(Limitation on direct loans)	(31,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(38,000,000)	(+7,000,000)
Central Valley project restoration fund	33,130,000	49,500,000	33,130,000	39,500,000	33,130,000	
California Bay-Delta ecosystem restoration	85,000,000	143,300,000	75,000,000	65,000,000	75,000,000	-10,000,000
Policy and administration	47,558,000	48,000,000	46,000,000	48,000,000	47,000,000	-558,000
Total, Bureau of Reclamation	874,981,000	893,349,000	762,809,000	836,794,000	780,596,000	-94,385,000
Total, title II, Department of the Interior	916,134,000	934,297,000	803,757,000	881,742,000	823,096,000	-93,038,000
(By transfer)	(-5,592,000)	(25,800,000)	(25,800,000)	(25,800,000)	(25,800,000)	(+31,392,000)
TITLE III - DEPARTMENT OF ENERGY						
Energy supply	905,807,000	1,129,042,000	862,834,000	798,864,000	727,091,000	-178,716,000
Non-defense environmental management	497,059,000	452,000,000	466,700,000	418,254,000	431,200,000	-65,859,000
Uranium enrichment decontamination and decommissioning fund	220,200,000	272,000,000	225,000,000	196,827,000	220,200,000	
Science	2,235,708,000	2,470,460,000	2,399,500,000	2,634,207,000	2,682,860,000	+447,152,000
Nuclear Waste Disposal	160,000,000	190,000,000	160,000,000	190,000,000	169,000,000	+9,000,000
Departmental administration	224,155,000	245,788,000	175,365,000	234,755,000	200,475,000	-23,680,000
Miscellaneous revenues	-136,738,000	-136,530,000	-136,530,000	-136,530,000	-136,530,000	+208,000
Net appropriation	87,417,000	109,258,000	38,835,000	98,225,000	63,945,000	-23,472,000
Office of the Inspector General	27,500,000	29,500,000	14,500,000	27,500,000	29,000,000	+1,500,000
Environmental restoration and waste management:						
Defense function	(5,520,238,000)	(5,783,000,000)	(5,663,651,000)	(5,583,500,000)	(5,576,824,000)	(+56,586,000)
Non-defense function	(717,259,000)	(739,000,000)	(691,700,000)	(615,081,000)	(651,400,000)	(-65,859,000)
Total	(6,237,497,000)	(6,522,000,000)	(6,355,351,000)	(6,198,581,000)	(6,228,224,000)	(-9,273,000)
Atomic Energy Defense Activities						
Weapons activities	4,146,692,000	4,500,000,000	4,142,100,000	4,445,700,000	4,400,000,000	+253,308,000
Defense environmental restoration and waste management	4,429,438,000	4,259,903,000	4,358,554,000	4,293,403,000	4,310,227,000	-119,211,000
Defense facilities closure projects	890,800,000	1,006,240,000	1,038,240,000	1,048,240,000	1,038,240,000	+147,440,000
Defense environmental management privatization	200,000,000	516,857,000	266,857,000	241,857,000	228,357,000	+28,357,000
Subtotal, Defense environmental management	5,520,238,000	5,783,000,000	5,663,651,000	5,583,500,000	5,576,824,000	+56,586,000
Other defense activities	1,666,008,000	1,667,160,000	1,781,260,000	1,658,160,000	1,696,676,000	+30,668,000
Defense nuclear waste disposal	190,000,000	190,000,000	190,000,000	185,000,000	189,000,000	-1,000,000
Total, Atomic Energy Defense Activities	11,522,938,000	12,140,160,000	11,777,011,000	11,872,360,000	11,862,500,000	+339,562,000

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, 1999 (H.R. 4060)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Power Marketing Administrations						
Operation and maintenance, Alaska Power Administration	3,500,000					-3,500,000
Capital assets acquisition	10,000,000			5,000,000		-10,000,000
Operation and maintenance, Southeastern Power Administration	12,222,000	8,500,000	8,500,000	8,500,000	7,500,000	-4,722,000
Operation and maintenance, Southwestern Power Administration	25,210,000	26,000,000	24,710,000	26,000,000	26,000,000	+790,000
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	189,043,000	215,435,000	205,000,000	212,018,000	203,000,000	+13,957,000
(By transfer, permanent authority)	(5,592,000)					(-5,592,000)
Falcon and Amistad operating and maintenance fund	970,000	1,010,000	970,000	1,010,000	1,010,000	+40,000
Total, Power Marketing Administrations	240,945,000	250,945,000	239,180,000	252,528,000	237,510,000	-3,435,000
Federal Energy Regulatory Commission						
Salaries and expenses	162,141,000	168,898,000	166,500,000	168,898,000	167,500,000	+5,359,000
Revenues applied	-162,141,000	-168,898,000	-166,500,000	-168,898,000	-167,500,000	-5,359,000
Total, title III, Department of Energy	15,898,574,000	17,043,365,000	16,203,560,000	16,476,755,000	16,423,306,000	+524,732,000
(By transfer)	(5,592,000)					(-5,592,000)
TITLE IV - INDEPENDENT AGENCIES						
Appalachian Regional Commission	170,000,000	67,000,000	65,900,000	67,000,000	66,400,000	-103,600,000
Denali Commission				20,000,000	20,000,000	+20,000,000
Defense Nuclear Facilities Safety Board	17,000,000	17,500,000	16,500,000	17,500,000	16,500,000	-500,000
Nuclear Regulatory Commission:						
Salaries and expenses	468,000,000	483,340,000	462,700,000	466,000,000	465,000,000	-3,000,000
Revenues	-450,000,000	-152,341,000	-444,700,000	-416,000,000	-444,800,000	+5,200,000
Subtotal	18,000,000	330,999,000	18,000,000	50,000,000	20,200,000	+2,200,000
Office of Inspector General	4,800,000	5,300,000	4,800,000	4,800,000	4,800,000	
Revenues	-4,800,000	-1,749,000	-4,800,000	-4,800,000	-4,800,000	
Subtotal		3,551,000				
Total	18,000,000	334,550,000	18,000,000	50,000,000	20,200,000	+2,200,000
Nuclear Waste Technical Review Board	2,600,000	2,950,000	2,600,000	2,600,000	2,600,000	
Tennessee Valley Authority: Tennessee Valley Authority Fund	70,000,000	76,800,000		70,000,000		-70,000,000
Total, title IV, Independent agencies	277,600,000	498,800,000	103,000,000	227,100,000	125,700,000	-151,900,000
Scorekeeping adjustments	-529,705,000	-424,000,000	-424,000,000	-432,000,000	-424,000,000	+105,705,000
Grand total:						
New budget (obligational) authority	20,732,202,000	21,296,462,000	20,653,465,000	20,941,861,000	20,908,135,000	+175,933,000
Appropriations	(20,617,497,000)	(21,296,462,000)	(20,653,465,000)	(20,933,861,000)	(20,908,135,000)	(+290,638,000)
Emergency appropriations	(109,705,000)					(-109,705,000)
Contingent emergency appropriation	(5,000,000)			(8,000,000)		(-5,000,000)
(By transfer)		(25,800,000)	(25,800,000)	(25,800,000)	(25,800,000)	(+25,800,000)

Mr. Speaker, I reserve the balance of my time.

Mr. VISCLOSKY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would begin by saying that I support passage of H.R. 4060, the appropriation measure funding the energy and water projects for the United States of America for the next fiscal year.

I particularly want to point out at this moment my particular regard for three of the members of the subcommittee who will not be with us next year because of retirements. First of all, the yeoman's service the gentleman from Mississippi (Mr. PARKER) has provided to the subcommittee over years. I appreciate all of his efforts and the contributions that he has made.

Secondly, I want to also thank the gentleman from California (Mr. FAZIO) for all that he has done for his country, for this institution, for the committee on which we serve. The reason I am here today is the gentleman from California (Mr. FAZIO) is about the business of this government doing the agriculture appropriation conference for the committee.

Finally, Mr. Speaker, I think it is a tremendous coincidence for me personally that the first bill that I will manage for the Democratic side will, as I would understand it, be the last bill that the gentleman from Pennsylvania (Mr. MCDADE) will be managing on the Republican side.

Having met the gentleman from Pennsylvania (Mr. MCDADE) in 1977 as a member of a congressional staff, I must say that I am honored by the pure coincidence and great privilege that this is the gentleman's last bill and my first. It is a moment that I will remember forever, and also the gentleman's friendship.

Mr. Speaker, I reserve the balance of my time.

Mr. MCDADE. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. KNOLLENBERG), a valued member of our subcommittee.

Mr. KNOLLENBERG. Mr. Speaker, I rise in strong support of this conference report, and first I want to pay tribute to the gentleman from Pennsylvania (Chairman JOE MCDADE) for his outstanding leadership, work, and cooperation. All of that is commendable, but we are very, very sorry to see him go. Believe me, we have appreciated having the gentleman's leadership here.

I also want to thank the subcommittee staff of the Subcommittee on Energy and Water, who have been working on a number of important provisions that are in this bill.

I just want to focus on a couple of areas where we have made, I think, great progress this year to clean up the former defense nuclear facilities. Specifically, in addition to the $4.2 billion we provided for defense environmental management, we provided over $1 billion for defense facilities closure projects, which provides funding for sites which have established a credible goal of completing cleanup by the end of fiscal year 2006.

The major environmental management sites, both Rocky Flats in Colorado and Fernald, Ohio, should be closed within the criteria of this program. It was just 2 years ago that DOE estimated that the total cost of the remaining clean-up of the environmental management sites at between, get this, between $189 and $265 billion over a 75-year period, almost as large in dollar amount as the S&L bailout.

That plan to us was unacceptable. Certainly, given the long-term funding outlook of all of the discretionary programs we had currently, entitlements and interest on the national debt constitutes, as I think everyone knows, about two-thirds of the budget, and in 10 to 12 years they are projected to consume 100 percent of the Federal revenues.

An accelerated clean-up schedule like the defense facilities closure projects will enable us to close some of the sites and free up funds to bring about closure to the entire environmental management program.

I also look forward to working with the new Secretary of Energy, Bill Richardson, and want to express the importance of closing out the remaining environmental management sites to him. I urge my colleagues to support this conference report.

Mr. VISCLOSKY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. I thank the gentleman for yielding time to me, Mr. Speaker.

I rise in support of the conference report on H.R. 4060, the fiscal year 1999 energy and water appropriations bill. First, I would like to thank the chairman, the gentleman from Pennsylvania (Mr. MCDADE) for his work on this bill, particularly as it relates to projects in and around my district in southeast Texas, and to the ranking member, the gentleman from California (Mr. FAZIO) for the work he did, as well as to my colleague, the gentleman from Texas (Mr. EDWARDS) a member of the subcommittee, who has done yeoman's service in looking out for the interests of our State.

Mr. Speaker, I would like to point out a couple of things. This bill carries forward with the funding necessary for the U.S. Army Corps of Engineers to meet the projects that were authorized, particularly the flood control and navigational improvements that were authorized for the 1996 Water Resources Development Act.

In particular, it is important to my area just earlier this month, after having gone through a long drought, the greater Houston area was hit with tropical storm Frances, flooding many neighborhoods along the Brays and Sims bayous in my district.

H.R. 4060 includes vital funding for several flood control projects, including those for the Brays and Sims as well as Hunting and White Oak bayous. I appreciate that the committee had the wisdom and foresight to see that the Corps got the funding that it needed for these projects.

Finally, Mr. Speaker, let me say that the bill includes $49 million for the deepening and widening of the Houston Ship Channel, the Nation's second largest port in terms of tonnage. This is a major part of the greater Houston area economy, having an indirect and direct effect on about 200,000 jobs, and this deepening and widening will allow the port to remain competitive, as we have more and more trade going on out of the Texas area.

Mr. Speaker, I want to thank all the Members of the committee, but particularly the chairman, who is departing, and the ranking member, the gentleman from California (Mr. Fazio), who is departing, and ask my colleagues to support the bill.

Mr. Speaker, I rise in support of the Conference report on H.R. 4060, the FY 1999 Energy and Water Appropriations bill. I would first like to thank Chairman MCDADE and Ranking Member FAZIO for their hard work on this important legislation. I would also like to thank my good friend from Texas, Mr. EDWARDS, for all the help he and his office have provided to projects in our state.

Mr. Speaker, I strongly support the decision of the Conference to ensure the U.S. Army Corps of Engineers receives adequate funding to continue their vital work in the areas of flood control and navigational improvements as authorized by the 1996 Water Resources Development Act.

I am very pleased by the support this legislation provides for addressing the chronic flooding problems of Harris County, Texas. Just this month, southeast Texas suffered significant flooding from Tropical Storm Frances including neighborhoods along the Brays and Sims Bayous in my district. H.R. 4060, includes vital funding for several flood control projects in the Houston area, including Brays, Sims, and Hunting and White Oak Bayous, which will provide much-needed protection for our communities.

I am most grateful for the subcommittee's decision to fund the Brays Bayou project at $4.5 million for FY '99. The Administration's FY '99 budget did not request any funding to continue work on this critical flood control project. However, the U.S. Army Corps of Engineers had initially requested $6 million to meet FY '99 construction needs. I am most apreciative that the Conference was able to fund this project while remaining within their budgetary spending caps as specified by the 1997 Balanced Budget Agreement.

This project is necessary to improve flood protection for an extensively developed urban area along Brays Bayou in southwest Harris

County. The project consists of 3 miles of channel improvements, three flood detention basins, and seven miles of stream diversion and will provide a 25-year level of flood protection. The project was originally authorized in the Water Resources Development Act of 1990, as part of a $400 million federal/local flood control project. Through Fiscal Year 1998, over $6 million has already been appropriated. The Harris County Flood Control District has expended over $21 million for preconstruction preparation in terms of land acquisition, easements, and relocations, plus an additional $2.5 million in engineering and construction. As part of the Water Resources Development Act of 1996, the project was authorized as a demonstration project for a new federal reimbursement program. This program is an effort to strengthen and enhance the Corps/Local Sponsor role by giving the local sponsor a lead role and providing for reimbursement by the Federal Government to the local sponsor for the traditional Federal portion of work accomplished.

I am also most grateful for the committee's decision to fund the Sims Bayou project at $12 million for FY '99, which is much improved over the Administration's request for this project. This project is necessary to improve flood protection for an extensively developed urban area along Sims Bayou in southern Harris County. This project, authorized as part of the 1988 WRDA bill, consists of 19.3 miles of channel enlargement, rectification, and erosion control beginning at the mouth of the bayou at the Houston Ship Channel and will provide a 25-year level of flood protection. This continuing project has received over $100 million to date in state and federal funding and is scheduled to be completed two years ahead of schedule in 2004.

Mr. Speaker, I am also pleased that this legislation provides $49 million to fund continuing construction on the Houston Ship Channel expansion project. This project offers tremendous economic and environmental benefits and once completed, will enhance one of our region's most important trade and economic centers. The Houston Ship Channel desperately needs expansion to meet the challenges of expanding global trade and to maintain its competitive edge as a major international port. Currently, the Port of Houston is the second largest port in the United States in total tonnage, and is a catalyst for the southeast Texas economy, contributing more than $5 billion annually and providing 200,000 jobs.

However, the Port's capacity to increase tonnage and create jobs is limited by the size of the channel. Hence the need for the Houston Ship Channel expansion project, which calls for deepenning the channel from 40 to 45 feet and widening it from 400 to 530 feet. The ship channel modernization, considered the largest dredging project since the Panama Canal, will preserve the Port of Houston's status as one of the premier deep-channel Gulf ports and one of the top transit points for cargo in the world.

Again, I thank the Chairman and Ranking Member for their support, and I urge my colleagues to support this legislation.

Mr. KIND. Mr. Speaker. I rise today in strong support of the Energy and Water Appropriations Conference report and to commend my colleagues on the Conference Committee for their diligent work in bringing this Conference Report to the floor.

I would like to take a moment to highlight two items in this bill that are important to the citizens of western Wisconsin: The Upper Mississippi River System Environmental Management Program and the LaFarge Dam, located in the Kickapoo River Valley.

The Mighty Mississippi River runs through the heartland of our nation, and has been the focal point of our country's development throughout history. Today, Americans from 33 states live, work and play in its basin, and so it is only right that we recognize the Mississippi River as a nationally significant resource by funding programs such as the EMP, that serve the multi-purpose nature of this great river.

The Mississippi River is a working river with diverse uses. It carries the agricultural products of our nation's midsection to foreign markets while providing habitat for fish, wildlife and migrating waterfowl. Boaters and anglers use the rivers backwaters and side channels for a wide variety of recreational activities.

During this congress, I have worked with Rep. OBERSTAR, Rep. LEACH and Rep. GUTKNECHT to form the bipartisan Upper Mississippi River Task Force. Sixteen members of Congress—eight members from each side of the aisle—have joined together, to recognize the national importance of the navigational, recreational, and environmental benefits this nation enjoys because of a healthy, vibrant Mississippi River. The Upper Mississippi River Task Force has repeatedly voiced its unwavering support for fully funding the EMP. I thank the members of the Task Force for their bipartisanship, diligence and perseverance in supporting our nation's interest in the Mississippi River.

The EMP is unique in its multi-agency and multi-state cooperation in addressing the diverse needs of the resource. This Appropriations bill provides $18.9 million for the long-term resources monitoring and habitat restoration and enhancement efforts of the EMP. I commend the Army Corps of Engineers, the U.S. Fish and Wildlife Service, the U.S. Geological Survey, and the states of Wisconsin, Illinois, Iowa, Minnesota and Missouri for their participation in such a successful program.

This appropriations bill also provides $2.8 million in much needed funding for the LaFarge Dam project in my district in Western Wisconsin. The Water Resources Development Act of 1996 provisionally deauthorized the Army Corps of Engineers' La Farge Dam Project, located on the Kickapoo River in western Wisconsin. It also called for the transfer of ownership 8700 acres to the State of Wisconsin and Ho-Chunk Indian Nation.

This funding will provide the Army Corps of Engineers the resources it needs to continue the relocation of a state highway, conduct an environmental clean-up of reserve land, make safety modifications to the site, and address cultural resources issues in compliance with federal law. This funding will finally make the Kickapoo Reserve accessible to hikers, canoeists and outdoor enthusiasts for generations to come.

I applaud the Appropriations Committee for its diligence in protecting these priorities and providing the financial resources we need to preserve and protect the integrity of our nation's most treasured natural resources, our nation's rivers.

Ms. PRYCE of Ohio. Mr. Speaker, with the adoption today of the conference report on H.R. 4060, the Fiscal Year 1999 Energy and Water Development Appropriations, I would like to express my sincere gratitude to the House and Senate conferees for the inclusion of $14 million for the West Columbus Floodwall Project. Each year, as the appropriations process unfolds in Congress, I have made budget requests for the Floodwall Project, and have closely monitored the process to ensure that it receives the funding it needs. I remain committed toward achieving this goal. The $14 million included in this conference report will allow this project to proceed on-schedule and on-budget.

The threat of a major flood disaster continues to loom Columbus and Central Ohio. In 1913, 1937, and 1959, melting snow and heavy rains caused the Scioto River to overflow its banks. The resulting catastrophic floods caused the loss of many lives, destroyed homes and businesses, and damaged millions of dollars worth of residential and commercial property. Until the Floodwall Project is completed, the potential for a major flood disaster will continue to threaten citizens, homes, and businesses located in the very heart of downtown Columbus that borders the Scioto River. Currently, approximately 17,000 residents continue to be placed at risk of life, injury, and hardship. Should a 100-year frequency flood occur prior to completion of the project, the damages are estimated at $365 million and should a 500-year flood occur, the damages are estimated to exceed $455 million.

While risk to human life and safety is of paramount concern, completion of the Floodwall will also permit important new development along the Columbus riverfront. Columbus is now the largest city in Ohio and the sixteenth largest city in the United States. Its economy is strong and the city is experiencing rapid growth. New construction in the downtown riverfront area, however, will not be able to proceed until the Floodwall construction is completed. Without the important protection of the Floodwall, this looming risk will deter future business and housing development, economic growth, infrastructure improvements, and recreational opportunities in the city. Currently, flood plain zoning restrictions continue to remain in place for 5,520 residences and 650 non-residential structures, as well as the future development of 2,800 acres. It is, therefore, imperative to the city's growth and economic health that the Floodwall Project continue on schedule. Therefore, it is not only the safety of Columbus residents and businesses, but also the future growth of the city's downtown which depends on the timely completion of this important project.

On behalf of those that continue to live with the threat of a major disaster in Columbus and Central Ohio, let me again thank all the Members for their assistance on this very important project.

Mr. VENTO. Mr. Speaker, I rise with specific concerns regarding the Energy and Water Appropriation measure. When conference with the Senate was sought the full House accepted my instruction which put the House on record in opposition to the Senate provision regarding the Denali Commission which provided the authorization of an economic development commission with such sums as necessary and then topped it off with a $20 million appropriation. Little was understood, surely no hearings and no clear concept of what the purpose and cost would be were understood with the Senate language. The House on a voice vote said no to this policy path and process by accepting the veto instruction.

In conference I understand that the Senate advocate insisted upon this provision and that the best the House conferees could do was to fence, to subject to authorization the $20 million that was included in the final conference that we are being asked to agree to today.

I must say I'm disappointed with this result and hope that the House can forestall any quick action to free up this $20 million solely for Alaska. This state has a significant oil reserve and billions in revenue that flows exclusively to the residents that have no income tax and little in other state-wide taxes that prevail in the other forty nine states. Alaska should look first to its own resources for the purposes anticipated by this commission provision and Congress should not short cut the normal process of open hearing and a good understanding of the topic. Nevertheless, we should and I'm hopeful that given the chance to review and limit this policy that the Congress would act responsibly. Therefore, I intend to vote for this measure with the hope that the intent of a true authorization, a complete evaluation, approved by the Congress is going to be implemented.

Mr. GREEN. Mr. Speaker, I rise in strong support of the Conference Report on H.R. 4060, the Energy and Water Development Appropriations Act for FY 1999. Included in this important conference report is an appropriation for the continued dredging project for the Houston Ship Channel. This has been a long time coming and we have all worked very hard to get to this point.

The expansion of the Houston Ship Channel is important on many levels. The Port of Houston, connected to the Gulf of Mexico by the 53-mile ship channel, is the busiest U.S. port in foreign tonnage, second in domestic tonnage and the world's eighth busiest U.S. port overall. With more than 6,435 vessels navigating the channel annually and an anticipated increase over the next few years, the widening of the channel from 400 to 520 feet and its deepening from 40 to 45 feet is a necessary step in safeguarding the economic viability of the port and the City of Houston.

The port provides $5.5 billion in annual business revenues and creates 196,000 direct and indirect jobs in our communities. By generating $300 million annually to the federal government from customs fees generated by port activities and $213 million annually in state and local taxes, this Ship Channel dredging project will more than pay for itself.

We have made a good first step. For Fiscal Year 1998, the Congress approved $20 million to begin construction. With the leadership and dedication of my colleagues, Chairman JOSEPH MCDADE and ranking Member VIC FAZIO, as well as Congressman CHET EDWARDS, we have secured $49 million for fiscal year 1999.

We still have a lot of work to ensure that the deepening and widening project remains on schedule. Working together, I know we will be successful.

Mr. STRICKLAND. Mr. Speaker, today I rise in support of H.R. 4017, the Energy Conservation Reauthorization Act of 1998. The bill supports the continued funding of worthy programs that stemmed from the Energy Policy and Conservation Act and the Energy Conservation and Production Act. During the mark-up of H.R. 4017 in the Commerce Committee, the bill was amended to include a provision that would make our Nation less dependent on foreign oil supplies by promoting the use of biodiesel fuel in the Federal Government.

I am proud to rise as a cosponsor of a provision that will provide credit for those who consume the biodiesel blend, B–20, an alternative fuel. Currently, Federal, local, and municipal agencies must add alternatively fueled vehicles to their fleets. B–20 is an easily-accessible alternative fuel that is a combination of many of the farm products produced in southern Ohio. The bill authorizes fleet managers using biodiesel in their motor vehicles to receive credit toward the requirements for alternatively fueled vehicles established under current law.

Of equal importance is the positive effect this bill will have on farming communities across the country including those in the Sixth Congressional District of Ohio. This bill supports farm incomes by increasing demand for soybeans, natural fats, and other farm products. This measure is critical, given the current economic woes of farmers in Ohio and the rest of this country. H.R. 4017 does not create any new mandates on covered fleets, and actually provides fleet operators greater flexibility in compliance with existing law. The Energy Conservation Reauthorization Act modified the purchase requirement program to reward the use of alternative fuel sources. In sum, the bill promotes U.S. energy security and regulatory flexibility while assisting America's farmers.

Mr. VISCLOSKY. Mr. Speaker, I yield back the balance of my time.

Mr. MCDADE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

Pursuant to clause 5 of rule I, further proceedings on this question will be postponed.

APPOINTMENT OF CONFEREES ON H.R. 3150, BANKRUPTCY REFORM ACT OF 1998

Mr. GEKAS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3150) to amend Title 11 of the United States Code, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. NADLER

Mr. NADLER. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

> Mr. NADLER moves that the managers on the part of the House at the conference on the disagreeing votes of the two houses on the Senate amendment to the House bill (H.R. 3150) be instructed to agree to section 405 of the Senate amendment.

The SPEAKER pro tempore. The gentleman from New York (Mr. NADLER) will be recognized for 30 minutes, and the gentleman from Pennsylvania (Mr. GEKAS) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am offering this motion in response to a disturbing practice that unfortunately has become all too common. Credit card companies have told the Congress that they need this bill to provide protection from irresponsible borrowers who abuse the bankruptcy system to evade debts that they can repay.

I do not agree with the bill and I do not agree with that contention, but even if that were true, the practice that some credit card companies have now engaged in is unconscionable. Some credit card companies now discriminate against the most responsible borrowers by cutting off their credit card or charging other fees to borrowers who commit the terrible sin of paying their bills in full and on time each month.

This form of discrimination against the most responsible borrowers is intolerable and outrageous. On the one hand they are telling us that borrowers are irresponsible and we should do something about that. On the other hand, they want the right to discriminate against borrowers who act responsibly.

Mr. Speaker, in response to this phenomenon, the other body adopted an amendment offered by the junior Senator from Rhode Island, Mr. REED, which would prohibit this practice. It is an amendment to the Truth in Lending Act. It makes sense, it is fair, and it reinforces the theme that the sponsors of this bill have been stressing, the theme of shared responsibility in lending between borrower and creditor.

□ 1600

The House bill tightens the noose around the necks of bankrupt Americans, but does nothing to ensure that banks are also required to act responsibly. This amendment and the others adopted by the Senate will help bring some balance to an unbalanced bill.

Mr. Speaker, this is a real problem. Around the country, credit card customers who are most responsible with their borrowing practices have received letters from issuers which say, and I am now going to quote,

> Our records indicate this account has had no finance charges assessed in the last 12 months. Unfortunately, the expense incurred by our company to maintain and service your account has become prohibitive; and, as a result, in accordance with the terms of your card holder agreement, we are not reissuing your credit card.

The message is clear. Be responsible but not too responsible. It reveals the true agenda of the supporters of this bill, which is not to encourage responsible borrowing but to allow banks to squeeze borrowers even further.

The banks were able to kill an amendment to prohibit the outrageous double fees at ATMs, a little balance and fairness. Credit card companies have claimed that they need to cancel accounts which do not incur finance charges because the cost of servicing these accounts is, quote, "prohibitive." That is not true.

Each year, an average $3,000 is charged to a credit card. The 2 percent interchange fees on these cards, which equals $60, would seem to more than cover the average industry cost of $25 needed to service an account for a year.

Americans hold over $450 billion in consumer debt; and with the average interest rate on credit card balances at 17.7 percent in an era of low interest rates generally, the overall profitability of credit card lending is apparent. In fact, we know that the credit card departments are the major profit centers in the banks today.

This amendment also will not bar lenders from cutting off cards or charging fees for other legitimate reasons. It would only block those actions if they are used to discriminate against the most responsible and conscientious borrowers.

Mr. Speaker, I urge my colleagues to support the motion to instruct the conferees. Let us have a bill which stresses balance and a shared responsibility in the credit card market.

Let me say also, Mr. Speaker, I hope, let me take this opportunity to express the hope, that the published reports that we have seen in which Members of the majority party have indicated that the Members from this House will get together with the majority party members from the other House and make an agreement and a deal behind the scenes and by implication will shut out the minority and to make a conference a sham, I hope that those reports are inaccurate. I hope that will not happen.

I hope that what has happened in certain other conferences where a behind-the-scenes deal is made and the conference is a sham and the members of both bodies from the minority party are completely shut out and are presented with a completed bill, take it or leave it, I hope that is not going to be repeated in this instance. Because if we are going to have a responsible bill that the President will not veto, that would be a very bad idea if that were to occur.

Mr. Speaker, I reserve the balance of my time.

PERMISSION TO POSTPONE ELECTRONIC VOTE ON MOTION TO INSTRUCT CONFEREES

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that any recorded vote, if demanded, which may be requested on a motion to instruct conferees on the bill, H.R. 3150, be postponed until after 5 p.m. today.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the motion made by the gentleman from New York.

The Members should recognize, as in every other case, when a motion to instruct conferees takes place that it is kind of a suggestive motion, that it is not binding on the committee nor on the conference nor on the House itself.

But as a question of comity and of good faith, if a motion such as this should pass, I think the chairman of the conference should bring it up at the conference and note for the record that such a motion carried in the House.

If this should carry, I want the gentleman from New York to know that I as one will convey in the conference the notions that are expressed in the motion.

There are a couple things, though, that have to be made of record. At the start, the subject matter that the gentleman brings to the floor via this motion to instruct is probably not germane. If it were a complete House measure which we were discovering here, it is possible that we would not even be discussing it because the subject matter does not pertain to our portion of the bankruptcy realm. But, rather, this motion goes to something that is exclusively in the jurisdiction of the Committee on Banking and Financial Services. So we have that.

So just as I say to the gentleman from New York that I pledge to him, if this motion should carry, that I will in good faith mention that this motion was carried to the conference, I will just as strongly say that the House believes on its own that it is not germane, and that it should not be considered from a standpoint of other than what it is, a Senate proposal at the time of the conference.

Mr. NADLER. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from New York.

Mr. NADLER. Mr. Speaker, I believe that it is germane simply because it is in the Senate bill, and that makes it conferenceable and germane.

Mr. GEKAS. Mr. Speaker, reclaiming my time, there is no question that the conference can deal with it. What I am saying to the gentleman from New York is, in companionship with the pledge I make to the gentleman that I will carry his wishes as it were through this motion to the conference, I will also point out at that time that the House is not enamored of and was not enamored of this provision during the regular House debate, not only because it was not worthwhile on its merits as we would say, but also because it would never reach the floor for discussion at all because it is not germane at all to the issue of bankruptcy reform as reflected in H.R. 3150. But having said that, I am willing to proceed as I outlined in my opening remarks.

Mr. Speaker, the gentleman from Texas (Mr. BENTSEN) had approached me at the outset, and I agreed that I would submit to interrogation, so I yield to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I appreciate the gentleman for yielding.

Mr. Speaker, it has come to my attention that the bill as written by the Senate that we are discussing today would further encroach upon the rights of the States to set their own laws and policies with respect to homestead.

As the gentleman knows, I had raised objections to the House bill which I realize that he worked quite diligently on trying to temper some of the concerns that Members from my State of Texas and I think Florida and others had. While I would like to go much further than what is in the House bill, in fact I would prefer a complete elimination of the homestead provisions, because I think they really are not to the point of what the bill is trying to address, I am eager to learn what the House position may be with respect to the Senate language.

I would just tell the gentleman, from this Member's perspective as one who did vote for the bill when it came out of the House, if it includes the language that is in the Senate bill, I will find it next to impossible if not impossible to support a conference report or to override a potential veto of the President as has been mentioned.

Quite frankly, it is still hard. Some of my support, and I think some of my colleagues from my State support, on the House bill was with the understanding that we might even do better than we did in the House.

Mr. GEKAS. Mr. Speaker, reclaiming my time, the gentleman from Texas (Mr. BENTSEN) should know, first of all, that we intend to defend strenuously the House position on homestead exemption. We believe it is the right course to adopt. We enter the conference unyielding on that point.

We believe that the States should retain the right under even the current law to set its own standards for homestead exemption.

We are buttressed on a couple of points by the fact, number one, that one of the gentleman's colleagues from Texas, the gentleman from Texas (Mr. SMITH), a member of the Committee on the Judiciary, is also strongly juxtaposed to this issue and has prevailed upon us to consider that position just as the gentleman has on the floor here today. He being a member of the Committee on the Judiciary adds weight to the argument that the gentleman has advanced.

Number three, we believe that the Senate, in the final analysis, will be able to move closer to our position. We have that by way of rumor or innuendo, shall we say, but we hope to press the point to the point that that innuendo will turn to support for our portion of this bill.

So with that, the gentleman should feel confident that at least moving into the conference the House position on homestead exemption will be the source of staunch defense.

Mr. BENTSEN. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Texas.

Mr. BENTSEN. Mr. Speaker, I appreciate the gentleman's comments. This motion to go to conference came up quickly.

The gentleman will be receiving a letter today, as will the gentleman from New York (Mr. NADLER), from myself and a number of my Texas colleagues on this issue in staking out our position. I appreciate the gentleman's comments and perhaps the members of the other body, if we had gone back to where we were prior to the beginning of this century when they were elected by their legislatures, would be more favorably inclined towards the will of their own legislatures rather than what they would seek to impose upon them.

So I appreciate the gentleman's comments and hope that the House stays the course.

Mr. GEKAS. Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would observe that the distinguished chairman of the subcommittee a moment ago, on the motion to instruct, talked about its germaneness to the House bill. Although he said it was conferenceable, he conceded that it was conferenceable, I am not clear but I think he said he objected to it but he did not discuss it on the merits. He did not say why it is a good idea or a bad idea.

I would like to hear whether he agrees with this or whether he thinks this is a good idea or a bad idea, whether he thinks that it is right that credit card companies are going to cut off the credit or discriminate against the 40 percent of credit card holders who pay their balances in full each month? In other words, does he oppose this or not?

I would like to know anybody's views on the merits of this.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think the proper thing for the gentleman from New York (Mr. NADLER) and me to do is to ask for a special order and debate his proposition for an hour in the well sometime when we are prepared for it.

At this juncture, where we are now, the gentleman should recognize that the merits of this proposition have not been debated in full, either in our committee, nor analyzed by our staff, nor in any way the subject of conversation or informal conference, as it were, between the gentleman from New York (Mr. NADLER) and me, but we ought to do it some time in the context of a full debate on the floor by way of a joint special order, if the gentleman wishes.

Suffice it to say that I will live up to my pledge, unless he keeps on insisting on debating it now, in which case I may have to retract my willingness to openly state the gentleman's wishes on this matter.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this provision is in the Senate bill. It was fully debated on the Senate floor. It has been a matter of discussion. It has been debated in the Committee on Banking and Financial Services of this House and, frankly, if we were going to have a special order that would be after the instructions to the conferees were voted or not voted.

Frankly, I am a little surprised that no one has anything to say about the merits of this idea. Perhaps they think it is self-evident. I certainly do.

The 40 percent of credit card holders who pay their bills on time should not have their credit withdrawn for that or be discriminated against in other ways. I hope, therefore, the House will vote for this motion, which I recognize is not binding on the conferees, any instruction is not, but is a good expression of the will of the House, which hopefully the conferees will take into account.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am tempted to go for a full vote of the House just to try to get my point across to the gentleman from New York (Mr. NADLER). I am withholding my own inclination to disallow this thing wholly on the basis of a vote which I believe I can try to muster a majority to refuse the gentleman's motion.

He refuses to understand that as a matter of comity and courtesy, I am willing to transfer, to carry his point of view to the conference, even though I have strong feelings about the fact that that is not the salient point of the conference in total bankruptcy reform.

☐ 1615

But if he keeps insisting about wanting to continue debate, I may want to have a full vote. At this juncture, I will vouch for myself and for him, that the pressure is off on this and that we are going to proceed to a voice vote.

Is the gentleman willing to agree to proceed to a voice vote?

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding me the time, and I thank the gentleman from Pennsylvania (Mr. GEKAS). I think we have an expanded opportunity to work out some issues. And let me add my expression of concern but also recognition, I think the chairman has recognized this issue, and I am delighted that the gentleman from New York (Mr. NADLER) has refreshed our memories and brought this very important point to our attention; that is, the question of those credit users, borrowers who in actuality pay on time or pay in full, for those individuals to be deprived of credit or to be put in a more disadvantaged position than otherwise.

Might I cite another example that does not go to this particular point, and I believe the gentleman from Pennsylvania (Mr. GEKAS) may be aware of this, is the complete consumption or being consumed throughout the Nation by credit cards. We have found many of my constituents who may not, in certain instances, be eligible for credit cards cannot even pay with cash. We have heard the stories of not being able to rent cars and purchase other large items, if you desire to purchase it without a credit card. So this idea of finding out that those who would be willing, if they had a credit card, to pay in advance I think is an important instruction.

I look forward to working with both the gentleman from New York (Mr. NADLER) and the chairperson on addressing these questions. I might add, if I might inquire of the gentleman from Pennsylvania (Mr. GEKAS), I am concerned, coming from Texas, as to how we might fix the homestead problem. It was raised by my colleague, the gentleman from Texas (Mr. BENTSEN).

I understand that the Senate bill makes it worse, and it makes it very difficult for us in Texas because of the different rules that we have. Is the gentleman familiar with the homesteading problem, the cap with respect to the amount of monies able to be preserved on one's homestead?

Mr. GEKAS. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, I seem to recall that the gentlewoman did not support the House bill and in doing so on the whole, it appears that she rejected the homestead exemption language that we have in the House.

But I must say to the gentlewoman that the homestead exemption in the House, which we believe is the strongest version of that issue that is possible, is one that we plan to defend staunchly at the conference. We have been in consultation with her colleagues, her governor, and with our colleague on the Committee on the Judiciary, the gentleman from Texas (Mr. SMITH), who has kept us in tune with the wishes of the Texas legislature and of the Governor and of his colleagues in the Texas delegation in the Congress. So we intend to work hard to preserve the exemption that is now part of the House language.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the gentleman is absolutely right. I voted against the bill. I thought it was a bad bill. But that bill, as far as I am concerned, did not totally answer the concern that I had with the homesteading question. I am very delighted that we will try and fix or we will attempt to make it better, both out of the Senate and maybe even better than what was reported out of the House.

My final point will be that I think one of the missing items that could be worked upon as well is the question dealing with educating credit users. I hope that in this conference there will be some discussions about those issues and, as well, I particularly raise the concerns I had about this bill in its lack of protection for child support and alimony.

With that, I would simply say that it is important that we put forward the best bill we can in protecting those who are most in need.

I rise to support this amendment in response to a disturbing practice that, unfortunately, has become all too common.

Credit card companies have told the Congress that they need protection from irresponsible borrowers who try to abuse the bankruptcy system to evade debts they can repay.

Yet, some credit card companies have been discriminating against the most responsible borrowers by cutting off the credit cards, or charging other fees, to borrowers who pay their bills in full and on time each month.

This form of discrimination against the most responsible borrowers is intolerable and outrageous. On the one hand, they are telling us that borrowers are irresponsible, and on the other hand, they want the right to discriminate against borrowers when they act responsibly.

In response to this phenomenon, the Other Body adopted an amendment offered by the Junior Senator from Rhode Island [Mr. REED] which would prohibit the practice. It is an amendment to the Truth in Lending Act, it makes sense, it is fair, and it re-enforces the theme the sponsors of this bill have been stressing—the theme of shared responsibility in lending.

The House bill tightens the noose around the necks of bankrupt Americans, but does nothing to ensure that banks are also required to act responsibly. This amendment, and others adopted by the Senate will bring some balance to an unbalanced bill.

This is a real problem. Around the country, credit card customers who are most responsible with their borrowing practices, have received letters from issuers which say—and I am quoting here:

> Our records indicate this account has had no finance charges assessed in the last 12 months. Unfortunately, the expense incurred by our company to maintain and service your account has become prohibitive, and as a result, in accordance with the terms of your cardholder agreement, we are not reissuing your credit card.

The message is clear: be responsible, but don't be too responsible, and it reveals the true agenda of the supporters of this bill, which is not to encourage responsible borrowing, but to allow banks to squeeze borrowers. The banks were able to kill an amendment to prohibit the outrageous double fees at ATM's. A little balance and fairness.

Credit card companies have claimed that they need to cancel accounts which do not incur finance charges because the cost of servicing these accounts is "prohibitive." That's not true.

Each year, an overate of $3,000 is charged to a credit card. The 2 percent interchange fee on these charges, which equals $60, would seem to more than cover the average industry cost of $25 needed to service an account for a year.

Americans hold over $450 billion in consumer debt, and with the average interest rate on credit card balances at 17.7 percent, the overall profitability of credit card lending is apparent.

This amendment also will not bar lenders from cutting off cards or charging fees for other legitimate reasons. It would only block those actions if they are used to discriminate against the most responsible and conscientious borrowers.

I urge my colleagues to support the motion to instruct conferees. Let's have a bill which stresses balanced and shared responsibility in the credit market.

Mr. NADLER. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. LAFALCE), ranking member of the Committee on Banking and Financial Services.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise in support of the motion to instruct House conferees on the Bankruptcy Reform Act. I wish to commend my colleague, the gentleman from New York (Mr. NADLER) for his leadership in directing the House's attention to the important issues raised in the Senate bill by the Reed amendment. At a time of escalating consumer debt and record bankruptcies, it would be everyone's objective or it should be everyone's objective to encourage consumers to be more responsible in managing debt, particularly credit card debt.

This is a primary reason for enacting legislation to create a needs-based bankruptcy system. Unfortunately, many credit card companies have taken an opposite approach. Rather than encouraging responsible use of credit cards and reduction of credit card debt, they are imposing penalties on the 40 percent of their card holders who act responsibly and regularly pay off their credit card balances.

Press articles began appearing 2 years ago describing how one credit card issuer, then another, had begun imposing minimum finance charges or maintenance fees on the accounts of card holders who regularly paid off the card balances each month. Last year we read that several credit card issuers had also begun canceling the accounts of card holders who regularly paid their card balances in full.

These seemingly self-defeating actions were guided by the cynical theory that if consumers are going to pay fees anyway, they can be induced to run up their card balances and pay interest charges. The provisions added to the Senate bankruptcy reform bill by the Reed amendment are almost identical to proposals that I introduced in the House this summer. They would prohibit a credit card issuer from imposing fees or charges on a credit card account or canceling or refusing to renew such account solely because the cardholder pays off the card balances on time and does not incur finance charges.

At a time when Congress is seeking to induce debtors to be more responsible in managing debt, the credit card companies are actually punishing debtors for doing just that. These practices are unfair, they are costly to consumers, and they are inconsistent with the purposes of the bankruptcy legislation.

Part of the reason I voted against the bankruptcy legislation was the bill's inattention to legitimate consumer concerns in the bankruptcy process. The Reed amendment language in the Senate bill offers one important area where we can improve this legislation for America's consumers.

Mr. Speaker, we need policies that encourage responsible use of credit cards and reduction of consumer debt, not policies that impose penalties on consumers who want to repay their debts.

I urge adoption of the Nadler motion to instruct the House conferees to accept these very important provisions in the Senate bankruptcy bill.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am going to ask for a vote on this motion because I understand the intent of the distinguished chairman when he says he will convey to the conferees, if we do not seek a vote, he will convey to the conferees our views on this matter, but he will also tell them it is not germane to the House bill. In other words, he will quietly seek, the majority will quietly seek to kill this amendment and we will never hear about it again. So I want a vote on this motion.

This motion really shows what is going on here. Look at this chart here. We are told that the increasing number of bankruptcies is because middle-income and low-income Americans are generally deadbeats, that they are people of no character, that the moral stigma associated with welching on your debts is no longer around, people go bankrupt very easily. That is the whole basis for this unfortunate bill.

Whereas in fact, we know that 15 years ago, in 1983, the average bankruptcy filer had debts, personal debts equal to 75 percent of his annual income. Today the average chapter 7 filer, the average bankruptcy filer has debts equal to 125 percent of his annual income. So today it is not that people are filing for bankruptcy as the first thing when they get into trouble. It is that they are in way over their heads. They are in way over their heads, and they do not file until they are absolutely desperate. Their debts are 125 percent of their annual income.

The banks, having extended the credit recklessly, now want to do two things they want to do to the person who has gotten in over their head, because they keep throwing credit cards and credit at people who do not have that kind of income, they want us to crack down on bankruptcy so people cannot get out from under their debt. That is the chief point of this bill.

Now they also want to say to those people who actually pay their debts on time, let us milk them for more money, too. If you have a credit card and you use it and you pay your bill in full on time every month, they are not making enough money off you. So they want and they are starting to say, we are going to cancel your credit card, or we are going to charge you a higher fee. And the Reed amendment says they cannot do that. They cannot charge a higher fee to someone who pays his debts in full each month than to someone who does not, and they cannot eliminate the credit card for that reason.

It is not a sin to pay your debts on time. Look at that quote from the letter I read before from the bank, I forget which bank, to a creditor, You pay your debts on time and that is terrible. It costs us a lot of money.

Let us look at this chart here. This chart shows the profitability of the credit cards as against the profitability of the banking system. Look at it here. The banking system's return on assets has averaged, since 1971, about 1 percent. Went down in 1987, with the stock market crash, to a little over, about a third of a percent and more recently was up at about 1.5 and 1⅔ percent, but about 1 percent.

But look at the profitability of the credit cards. We all know what has happened to the credit cards. In the early 1980s, we deregulated the banks. We eliminated the interest rate ceiling on credit cards because in the late 1970s we had huge inflation and the interest rate was below the inflation level and the banks lost money for a couple years.

So we said, no more limits. What happened? Well, the interest rates shot up. Interest rates on everything else, car loans, mortgages, cost of money to the banks has come way down, but the credit cards have stayed up there at almost 18 percent average. Do you know what the mortgage rate is today? It is 6.25 or 6.3 percent on a mortgage, on a 30-year mortgage. It is somewhat similar to single digits for car loans. But for credit cards, the average is 17.7 percent.

So what happened to the profitability? Here is where we deregulated the interest rates. It went up to about 5 percent and for the last 17 or 18 years, it has stayed between 5 and 4 percent, most recent measurement about 4⅔ percent, 4 times, 3½ to 4 times higher than the general profitability of the whole system.

So that banks are making out like bandits on the credit cards. They are making plenty of money. But it is not enough. After all, they have lent recklessly in foreign countries and we have got to really squeeze the American consumer to pay the banks back for what they have lost on investments in Russia and Argentina and other places. So let us squeeze the people. Those who got into, got in over their heads, who have debts amounting to more than 100 percent of their annual income and are filing for bankruptcy, let us pass this bill. Let us spend $40 million in campaign contributions and lobbying to pass this bill to enable us to really squeeze these consumers and make it harder for someone in over his head to go bankrupt and, for those who go bankrupt, make it harder for them to get out of it.

But that is not enough. Quite separate from this bill, let us tell those terrible people who actually pay their debts on time every month, we do not want your business, because we are not making enough money off you. We are making real money.

□ 1630

The 2 percent interchange fees on these charges equal $60. The average cost of servicing the account is $25. It seems to average, my arithmetic tells me, a $35 profit per year without any interest. But that is not enough. They are using the ability to cut off people from credit or to impose extra fees for the sin of paying their bills on time.

This amendment, Mr. Speaker, does not, unfortunately, deal with the other evils in this bill, but this amendment, which the Senate voted for, which is in the Senate version of the bill, simply says a creditor may not solely, because a consumer has not incurred finance charges in connection with an extension of credit, one, refuse to renew or continue to offer the extension of credit to that consumer; or, two, charge a fee to that consumer in lieu of a finance charge. That is the entire amendment.

So we will have a vote on the floor. Let the American people see who in this House thinks that the banks should be able to gouge in this way the debtor who pays his debts on time and who does not. I urge the Members of this House to vote for this motion to instruct the conferees to agree to the Senate amendment and it will show us who cares about consumers, at least a little, and who only cares about the profitability of the credit card companies.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Just as the overwhelming argument that had been heard throughout the bankruptcy bill debate about how the debtor is being crushed by our bill, the argument against that is the one that now prevails against the argument from the gentleman from New York. We maintain that if we do not reform the bankruptcy bill, every consumer in the United States is faced with higher consumer costs, higher interest rates, higher cost of goods at the supermarket, let alone at the credit market.

Now, what happens here, if this Senate provision remains in the bill, the one to which the gentleman from New York commands our attention, then the likely result will be higher annual fees for the rest of the debtors who consume credit on the credit market and higher interest rates because the losses that might be incurred by the credit companies in this particular facet of their enterprise has to be passed on to other customers. Who are they? They are all consumers who rely on credit across the land for the ability to purchase goods, to feed their families, to do all that is necessary to maintain a standard of living on the part of everyone.

So here is the question that is going to be answered by the gentleman's vote on the pending question that will come before the House on the motion to instruct. If my colleagues want to see higher annual fees for credit cards, if they want to see higher interest rates for credit cards, if they want to see our students, who want loans, to have to pay higher annual fees or higher interest rates, or to see a family that needs to borrow some money for improvement of some facet of their family life; if my colleagues want them to pay higher annual fees and higher interest rates, then they should vote in favor of the motion to instruct.

If, however, my colleagues believe, as I do, that just like bankruptcy, if it goes too far and is not controlled, it will cost all of us in interest rates, in cost of goods and cost of doing business in our country, then my fellow Members will vote against the motion to instruct; to preserve the path that we have already prepared to bring down interest rates, to reduce the cost of what bankruptcy does to the Nation, and to allow our families to be able, without more fees to pay and more interest to pay for credit, to be able to add to their families' stability.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, this is an issue of principal. If an individual makes a loan, it is simple, they pay it back. When an individual goes in to borrow, whether it is from their colleague, a bank, whether it is a savings and loan or whatever, they know what the interest rates are and they should adhere to the rules of that loan. If they do not, it is called responsibility. They should take responsibility for that action and pay it back. And if they cannot, then it is called accountability. We must all account for the fact that we did not take into account all the different areas in which we cannot pay back that loan, whether it is from our brother, a bank or anybody else.

The gentleman speaks about the rich versus the poor and the credit card companies making all this money. No one makes an individual go get a credit card. No one makes an individual borrow from their uncle or father or whatever it happens to be. But if they do, they darn sure better pay it back, because we do have laws in this Nation, versus someone saying, oh, someone is preying on the other individual.

Interest rates, according to Alan Greenspan, are below 2 and 8 percent lower than if a liberal Congress would have ruled since 1994 because of the balanced budget. Now, think how an 8 percent increase on a credit card would have affected these people. It would have been disastrous.

The other liberal answer is to tax people. And they talk about how in 1993, that, oh, they balanced the budget by increasing taxes on people. Well, they increased the tax on Social Security, some of our poorest people in our Nation. They increased the tax on the middle class. They cut the COLA of the military and the veterans. But yet now they cry the rich versus the poor and the profitability of credit card companies.

It is based on principle, Mr. Speaker, it is based on responsibility, and it is based on accountability; some things my liberals friends fail to recognize.

Mr. NADLER. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from New York (Mr. NADLER) has 9 minutes remaining, and the gentleman from Pennsylvania (Mr. GEKAS) has 15 minutes remaining.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume.

I would simply observe, Mr. Speaker, that the gentleman from California apparently was unaware of the subject matter of this motion. We are not talking here about people who are irresponsible, if that is what it is; or perhaps just down on their luck; perhaps they did not have health insurance and needed an expensive operation; got laid off, whatever. We are talking here about people who pay their debts on time every month and for whom the credit card companies now want to say they cannot get credit because they pay their debts. That is what the subject of this motion is. So let us not talk about irresponsibility.

And let us not debate about the balanced budget. That is a separate debate. Let us talk about what we are talking about, and what we are talking about is this motion to agree with the Senate amendment, which says that the credit card companies should not be able to charge extra or to eliminate credit all together to a credit card holder simply because he or she commits the terrible sin of paying their debt on time. That is the amendment. So let us not talk about responsibility here. This person is meeting his responsibility or her responsibility.

Now, I would like to address the argument of the gentleman from Pennsylvania, who says that if the banks are not earning enough money from these people because they pay their debts on time, and they are not paying, therefore, interest charges; if we do not allow the banks to shut off credit to them; if we do not allow the banks to charge them a special extra fee, to penalize them for paying their debts on time, then that extra cost of the banks will be passed on to the consumer. Frankly, that is not true. In fact, it is nonsensical and history proves it.

When we voted in the early 1980s to deregulate interest rates, we were told, hey, the inflation rate in 1979 was 17, 18 percent. We cannot have an interest rate ceiling of 6 percent. The bank is losing money. So we will deregulate the interest rate, we will let the banks charge 20, 21 percent and, of course, when general interest rates come down, the credit card interest rates will also come down.

Well, the general interest rates came down. The current Federal Reserve rate is 5.25 percent, and they are thinking of lowering it further. Mortgage rates have come down, car loans have come down, everything has come down except credit card interest rates. They came down from 22 to about 18 percent, but they are way up there, and that is why the profitability jumped.

And who in this country really believes that if we allow the banks to gouge people who pay their debts on time that this profitability will not simply go up? Who believes that banks will pass that savings on to the consumer? Who believes that they will lower the interest rates that they have held artificially high by semi-monopolistic practices for the last 15 years? That is absurd.

I daresay if I proposed an amendment to mandate that the banks lower the interest rates to reflect this cost, people on that side of the aisle would say, that is terrible, that is socialistic, I do not know what it is, it is paternalistic. But the banks are not going to lower the interest rates. They have not for the last 15 years. It is way above their costs. And that is why from everything else they do they are making a profit in the 1 to 2 percent range. From credit cards they are making a profit in the 4 to 5 percent range because they are gouging the consumers now. They will continue to gouge the consumers. And this is one more way of gouging the consumers they have invented. And the gentleman thinks we should not prevent them from enjoying the fruits of their inventiveness on a new way to gouge consumers.

So I hope we pass this; we accede to the Senate amendment, and at least have a little control here and a little sympathy for the responsible consumer who pays his debts.

Mr. Speaker, I reserve the balance of my time.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

It is obvious to me that the gentleman from New York, if I could have his attention, does not have much faith in the free enterprise system. He keeps insisting that, even with strong competition in the banking industry, that somehow they will not allow the market to control whether or not credit interest rates will go down or up. But everyone knows, who has a scintilla of an idea about the free enterprise system, that competition, especially among banks, among credit lenders, is severe and that credit competition allows costs, annual fees, interest rates to be modified from region to region, from different kinds of loans to other different kinds of loans.

And I daresay that anything that we do, like the proposition that the gentleman espouses, that is now contained in the Senate bill and is the subject of his motion, if that remains in place, the student who is in college, who wants to borrow some money to use for a continuation of his studies at college will shop around and find an interest rate or an annual fee type of credit charge that best suits his needs. If the gentleman prevails in this, that student will have less choice. And whatever choice he does have will contain almost automatically annual fees that would not have existed before and higher interest charges for the purposes that the student wants to use: for books, for maintenance of his life-style in college, to perpetuate his existence at college even.

So why does the gentleman from New York want to risk having this student, or a family that wants to get together and have some additional credit for an addition to their house, or for some joint vacation that the family wishes to take, all of a sudden, in this free competitive market that we are talking about, the gentleman wants to add another burden, another crimp on the competitive angle of the enterprise system in the credit industry, and force upon this family the possibility of having less credit areas in which to shop for good credit, good rates, one that does not have as high an annual fee as others and, instead, will force the family to have to look at higher annual fees, higher interest costs, and perhaps even force them to forego the vacation, or forego the extra semester in college, or forego the ability to build an addition to their home, or forego a new appliance in their family atmosphere. Why? Because the credit companies, those wishing to offer credit, will be constrained one step more if they cannot recover some of their losses in different ways by being able to impose certain annual fees and credit charges.

☐ 1645

This is a call to increase annual fees, for all of us to increase credit rates, interest rates for all of us, in the name of not allowing the banks or the credit card companies to get away with fees and credit interest costs.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I believe the free enterprise system is by far the best economic system that we have discovered thus far in terms of the production of wealth in services. It produces a bounty of goods to distribute.

But the free market is not perfect. If it were perfect, we would not have this problem. If it were perfect, we would not have to regulate HMOs, which gouge their customers and sacrifice the quality of medical care to the bottom line, although I am sure some people think that is impossible in a free enterprise system.

The market is not perfect. If it were perfect, interest rates on credit cards would not average today's 17.7 percent. It is an oligopoly. Yes, there are some banks, banks we never heard of in some small town somewhere that will offer a credit card at 11 percent or 9 percent. But the big ones that have 90 percent of the business, that spend a lot of money on marketing, they are up in 17 and 18 and 21 and 19 percent, and they get away with it because the free market is not perfect. We need this protection.

Mr. GEKAS. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Pennsylvania (Mr. GEKAS) has 11½ minutes remaining.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, now we hear that the HMOs gouge and the banks gouge. I suppose lawyers and doctors and dentists gouge, and the mom-and-pop grocery store gouges and everybody else gouges. Maybe the gouges are in the free market so people can select between gouges and thus reduce the cost of goods, et cetera.

The gentleman from New York (Mr. NADLER) overlooks the fact that in this competitive system that we have, that 11 percent which he mentions in the hometown, in the small town, will be very attractive to this student that I am talking about. He is not going to go to the big bank where 18 percent is charged. He has got a choice.

What we are saying is that the more constraints we put on the big banks and the little banks, that student will not be able to get the 11 percent anymore because that 11 percent company is going to have to raise its interest rates if some of these artificial constraints are put on them.

By his very example, he demonstrates why his motion should not carry. His motion is a constraint on the free market. His motion to instruct the conferees dampens the right and the ability of a student who requires credit to continue in college, constrains the family that needs extra credit for family needs and stability. For the economy itself, where we need fewer restraints on free enterprise, the gentleman offers even more ways to strangle it.

I hope that the body will vote an energetic "no" on the motion to instruct conferees on this bad idea.

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from New York (Mr. NADLER) has 4 minutes remaining.

Mr. NADLER. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. NADLER) for yielding.

The motion of the gentleman is so obviously reasonable that I am unsure why we are even furthering the debate. As I understood the remarks of the chairman early on, if we had taken a voice vote we might have moved this forward. But I simply want to correct some of the comments made as to the enormous burden on our credit card companies.

The hearings that we held, few that they were, evidenced that there were very, very few default problems and loaded monetary problems or impact with our credit card companies. So I think that we are distorting this guilt that we are promoting in suggesting that our credit card companies, our banks, are suffering.

But I wanted to emphasize women in this particular motion, for many of my constituents came to me, particularly on the drastic and dastardly provisions impacting alimony and child support which still have not been corrected. But certainly many of them said that we try to manage our money and in managing our money, many of them have credit cards and attempt to pay off those credit card bills either in full or certainly timely. Women are being denied credit by this kind of legislation. The motion of the gentleman from New York (Mr. NADLER) should be passed.

Mr. GEKAS. Mr. Speaker, may I ask how much time is remaining?

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GEKAS) has 10 minutes remaining. The gentleman from New York (Mr. NADLER) has 3 minutes remaining.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is another element of this that is being overlooked by the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from New York (Mr. NADLER), all of those who are criticizing so vehemently the free enterprise system and the people who are in business to extend credit, when the entire country, our family strongholds, run on the basis of credit extension, the entire system. That is such an obvious basic standard under which we live that it always galls me to listen to the rhetoric that would tear apart a credit system that enables us to have the highest standard of living that the world has ever known.

I am saying to my colleagues, and I would like to see anyone refute it, that the high standard of living that we have is 85 to 90 percent based on the fact that we have a marvelous credit extension system.

Now, having said that, I will always be mindful of the fact that credit unions, the most basic of neighborhood organizations and groups that are eager to extend credit to their membership, credit unions would be harmed by what the gentleman wishes to do here.

We have debated on this floor many, many times the value of credit unions, how people get together in the workplace, form a credit union, and then on a very tight system of profitability offer to each other the ability to have credit and to be able to purchase household goods, et cetera. The credit unions have to very carefully balance their books through annual fees and what interest rates they are going to charge, et cetera. They are very competitive.

Why in the world must we entertain always propositions that put the constraints on the credit extension on which the whole basic economy of our country is based?

Mr. Speaker, I reserve the balance of my time.

Mr. NADLER. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY of Massachusetts. Mr. Speaker, first of all let me commend the gentleman from New York (Mr. NADLER) for the fine work that he has done on this bill despite long odds early on in this debate.

I rise in strong support of the motion to instruct. This motion instructs conferees to insist upon the provisions in the Senate bill which outlaw the outrageous credit card practices that encourage higher debt and more bankruptcies.

All year long Congress has been teaming with credit card lobbyists pushing for legislation making it harder for consumers, for working Americans, to get relief from crushing debt woes. Some people think this bill only deals with credit card debt. The truth of the matter is all credit will be subject to these kinds of provisions.

These lobbyists were quite clever. Rather than admitting that their agenda was even greater profits in an industry characterized by 22 percent interest rates and mushrooming finance charges, they said bankruptcy reform was pro-consumer. The same people that send out hundreds of millions of dollars in unsolicited credit card offers each year argued that consumer debt was too high. The same people that buried consumers teetering on the verge of bankruptcy with 22 percent interest rates and unconscionable fees, argued that there were too many bankruptcies.

The simple truth is, Mr. Speaker and members of the committee, let me explain: Just last week my son, who is yet to turn 18, will turn 18 next week, received an unsolicited credit card offer of $3,000 from a credit card company. It is these kinds of unsolicited offers that go out to kids across America.

I sent my staff into high schools around this city and found that in every high school class we visited credit card companies were offering kids under the age of 18 credit cards without any provisions as to whether or not the kids can pay their debts back. Then what happens? We see in BJ's Holding Company, whatever it is, the name of the firm, that if they pay their bill on time, BJ's cancels their credit card.

The GE fee, if they pay their bill on time, if they are a good hard-working American and they pay their credit card bill on time, what does GE do? They cancel their credit card. These are the provisions that we ought to be standing up and making certain are contained in this bill.

I know my friend the gentleman from Pennsylvania (Mr. GEKAS) has a great deal of consumers that I am sure he represents, and I hope that he would support the provisions in the Senate bill that incorporate these basic protections against the consumer.

Mr. GEKAS. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GEKAS) has 8 minutes remaining. The gentleman from New York (Mr. NADLER) has 30 seconds remaining.

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Massachusetts (Mr. KENNEDY) misapprehends the entire argument here in debate. His very concern about consumers, his stated concern about consumers is what drove us in the first place to bring about bankruptcy reform, because the consumers of our Nation have had to pick up the tab right across the board for those who fail to repay their debts even when they have the ability to repay their debts. Now, that is the core of the problem in bankruptcy.

Yet, while the detractors of our efforts on bankruptcy reform were attacking it on the consumer basis, they were also saying part of the problem is that credit card companies are too free, just like the gentleman from Massachusetts (Mr. KENNEDY) is saying, in distributing these cards to everybody and these people pick them up and use credit.

Now he is in favor of an amendment of the Senate that tightens up, that does not permit the extension of credit to some people. He wants to make it easier yet for people to have credit cards. That is a position against his own position. If his motion carries and this is removed, there will be creditors who are willing to have even more credit extended, and more consumers will want more credit and have nothing to stop them from more credit, exactly the position that he says causes the problem in the first place.

It is a convoluted argument. On one hand he says credit card companies swamp the American public with credit cards. Now this one which says that a credit company should be more discriminating in how to extend credit, then we have got to remove that discrimination, make the credit card company more easily distribute credit cards all over the place.

Mr. KENNEDY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Speaker, I appreciate the gentleman yielding.

The truth is that what we are talking about here is not whether or not we should be allowing tens of thousands, for every single American 10 new credit cards provided each year. The question is whether or not we should be allowing companies to cancel only those credit cards that are being paid on time. That is what these companies are doing.

I am not in favor of expanding credit to those people that cannot pay. We are asking the companies that cancel credit cards when an individual simply pays on time to outlaw that practice.

Mr. GEKAS. Mr. Speaker, reclaiming my time, the gentleman makes an argument that I am certain the Committee on Banking and Financial Services would entertain at any given time, if only he would present it to them. Because that has to do with the whole competitive system of banks and credit cards and nothing really to do with the debate that brought about bankruptcy reform which is contained in 3150. This was added at the last moment.

But, in general, his argument has to do with the right of the credit card company to discriminate as to whom to give a credit card. He still maintains that they are too free in sending out thousands of credit cards to people, but then he says we should not let the credit company discriminate as to whom they should issue a credit card. How can we sustain both arguments? It does not make any sense.

What he is really saying, I say to the gentleman from Massachusetts (Mr. KENNEDY), is that this is an issue on credit card extension and credit extension generally that belongs in the Committee on Banking and Financial Services, on issues that have nothing to do with the narrow scope of the bankruptcy bill. It has to do with the ability of people to repay debts and allowing a channel for doing so.

□ 1700

That is exactly what the bankruptcy bill does. I believe very strongly that to adopt the motion that has been made here and to allow the Senate amendment to survive would mean increased costs for consumers generally across the land, all of us who use credit cards, for those who need to make available to students a credit system that will allow them to get credit, without the specter of higher annual fees or higher interest rates, which can be forced upon them if you insist that credit card companies would have to extend credit the way you want them to do it, not the way that the market itself demands. You insist that they should not be able to cut off someone and charge an annual fee because you know better than they what the market conditions are at a particular time, for which their profit margins and cost margins dictate that they have got to charge an annual fee, even to the good customer, or else they would not be able to offer credit to anybody. But you would substitute your judgment and say, by darn, they have got to do that, while at the same time you say the credit card companies are too free in sending out credit cards all over the landscape. It makes no sense at all.

I maintain that in the motion to instruct, we ought to vote no to preserve the stability of the competitive system in credit extension.

Mr. Speaker, I yield back the balance of my time.

Mr. NADLER. Mr. Speaker, I yield the balance of my time to the gentleman from Massachusetts (Mr. KENNEDY).

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from Massachusetts is recognized for 30 seconds.

Mr. KENNEDY of Massachusetts. Mr. Speaker, let me just say that there is a bizarre twisting of the truth. What we have here is a situation where, yes, we want people to have access to credit, but we do not want people to have access to credit that the credit card companies simply know cannot pay back their bills. That is true with young kids, that is true with people that are overindebted, and it is true when we have a situation where the credit card company is not interested in costs, they are interested in profits. What they do not want is they do not want people who pay on time, because they cannot charge the 22, 25 and 30 percent interest rates, which is where they make their money.

Vote for the Nadler bill, vote for the motion to instruct; stand up for the American consumer.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. NADLER).

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. NADLER. Mr. Speaker, I demand a recorded vote.

The SPEAKER pro tempore. Pursuant to the order of the House of today, further proceedings on this motion will be postponed.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each postponed question on which further proceedings were postponed earlier today.

Votes will be taken in the following order.

Motion to suspend the rules and pass H.R. 3891, as amended, de novo;

Conference report on H.R. 4103, by the yeas and nays;

Conference report on H.R. 4060, by the yeas and nays; and

The motion to instruct on H.R. 3150, de novo.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

TRADEMARK ANTICOUNTERFEITING ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3891, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 3891, as amended.

The question was taken.

Mr. FORBES. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 245, nays 167, not voting 22, as follows:

[Roll No. 470]

YEAS—245

Abercrombie
Aderholt
Archer
Baesler
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Bryant
Bunning
Burr
Burton
Buyer
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chambliss
Chenoweth
Coble
Collins
Condit
Cook
Cooksey
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Davis (FL)
Davis (VA)
Deal
Delahunt
Dooley
Doolittle
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Furse
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Harman
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hinchey
Hobson
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kennedy (RI)
Kim
Kind (WI)
Kingston
Kleczka
Knollenberg
Kucinich
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas
Maloney (CT)
Maloney (NY)
Matsui
McCollum
McCrery
McDade
McGovern
McInnis
McIntosh
McIntyre
McKeon
McNulty
Menendez
Metcalf
Mink
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Oxley
Packard
Pappas
Parker
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rothman
Roukema
Royce
Ryun
Salmon
Sánchez
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Wexler
White
Whitfield
Wicker
Wilson
Wolf
Woolsey
Young (AK)
Young (FL)

NAYS—167

Ackerman
Allen
Andrews
Bachus
Baldacci
Barcia
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Brady (TX)
Brown (OH)
Calvert
Campbell
Chabot
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Cox
Coyne
Danner
Davis (IL)
DeFazio
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Doyle
Dreier
Edwards
Engel
Ensign
Filner
Foley
Forbes
Ford
Fossella
Frost
Gejdenson
Gephardt
Gilman
Green
Gutierrez
Hall (OH)
Hastert
Hastings (FL)
Hefner
Hilliard
Hinojosa
Hoekstra
Jackson (IL)
Jackson-Lee (TX)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kelly
Kennedy (MA)
Kildee
Kilpatrick
King (NY)
Klink
Klug
Kolbe
LaFalce
Lampson
Lantos
Lazio
Leach
Lee
Levin
Lewis (GA)
Livingston
Lowey
Luther
Manton
Manzullo
Markey
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McHale
McHugh
McKinney
Meehan
Meek (FL)
Meeks (NY)
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Mollohan
Murtha
Nadler
Oberstar
Olver
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rohrabacher
Roybal-Allard
Rush
Sabo
Sanders
Sandlin
Sanford
Sawyer
Scott
Serrano

Shaw
Shays
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Snowbarger
Snyder
Solomon
Stark
Stokes
Stupak
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weller
Weygand
Wise
Wynn
Yates

NOT VOTING—22

Armey
Baker
Brown (FL)
Callahan
Christensen
Coburn
Combest
Fowler
Goss
Jenkins
John
Kennelly
Largent
Martinez
Miller (CA)
Neal
Paxon
Poshard
Pryce (OH)
Ros-Lehtinen
Schumer
Taylor (MS)

□ 1731

Ms. WATERS, Mrs. KELLY, and Messrs. GREEN, GEJDENSON, HEFNER, LIVINGSTON, SMITH of Michigan, WYNN, DEUTSCH, LAZIO of New York, McHUGH, HASTERT, TIERNEY, MEEHAN, BLUMENAUER, CALVERT, COSTELLO, ROHRABACHER, COYNE, FOSSELLA, SOLOMON, SANFORD and GUTIERREZ changed their vote from "yea" to "nay."

Messrs. SCARBOROUGH, FATTAH, SPRATT, McINTYRE, ABERCROMBIE, ADAM SMITH of Washington, ROTHMAN, HINCHEY, and ROYCE changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. ROS-LEHTINEN. Mr. Speaker, I was unavoidably detained and wish to be recorded as a "no" vote on the motion to suspend the rules and pass H.R. 3891 (Rollcall 470).

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional question on which the Chair has postponed further proceedings.

CONFERENCE REPORT ON H.R. 4103, DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. The pending business is the vote on the conference report on H.R. 4103.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to the provisions of clause 7 of rule XV, the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 369, nays 43, not voting 22, as follows:

[Roll No. 471]

YEAS—369

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Bachus
Baesler
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fox
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Roybal-Allard
Royce
Ryun
Sabo
Salmon
Sánchez
Sandlin
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Serrano
Sessions
Shadegg
Shaw
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—43

Barrett (WI)
Blumenauer
Campbell
Conyers
Davis (IL)
DeFazio
Delahunt
Doggett
Filner
Frank (MA)
Franks (NJ)
Furse
Gutierrez
Hefley
Hoekstra
Hooley
Jackson (IL)
Kleczka
Kucinich
Lee
Lofgren
Luther
McDermott
McKinney
Minge
Nadler
Oberstar
Obey
Owens
Paul
Payne
Petri
Rivers
Rush
Sanders
Sanford
Sensenbrenner
Shays
Stark
Upton
Velázquez
Vento
Yates

NOT VOTING—22

Armey
Baker
Brown (FL)
Callahan
Christensen
Combest
Fowler
Goss
Jenkins
John
Kennelly
Largent
Lewis (CA)
Martinez
Miller (CA)
Paxon
Poshard
Pryce (OH)
Ros-Lehtinen
Schumer
Taylor (MS)
Waters

□ 1738

Messrs. BERRY, CONDIT and FATTAH changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. LEWIS of California. Mr. Speaker, on rollcall No. 471, I was inadvertently detained. Had I been present, I would have voted "yea."

CONFERENCE REPORT ON H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. The pending business is the vote on the conference report on H.R. 4060.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to the provisions of clause 7 of rule XV, the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 389, nays 25, not voting 20, as follows:

[Roll No. 472]

YEAS—389

Abercrombie
Ackerman
Allen
Andrews
Archer
Baesler
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clyburn
Coble
Coburn
Collins
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Fossella
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tauscher
Tauzin
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—25

Aderholt
Bachus
Blunt
Chenoweth
Clement
Cramer
Crane
Ensign
Ford
Gejdenson
Gibbons
Gordon
Hilleary
Kleczka
McKinney
Neumann
Paul
Petri
Pickering
Roemer
Royce
Sanford
Sensenbrenner
Stearns
Tanner

NOT VOTING—20

Armey
Baker
Brown (FL)
Callahan
Christensen
Combest
Fowler
Goss
Jenkins
John
Kennelly
Largent
Martinez
Miller (CA)
Paxon
Poshard
Pryce (OH)
Ros-Lehtinen
Schumer
Taylor (MS)

☐ 1746

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3150, BANKRUPTCY REFORM ACT OF 1998

The SPEAKER pro tempore (Mr. SHIMKUS). The pending business is the vote on the motion to instruct on H.R. 3150 offered by the gentleman from New York (Mr. NADLER) on which further proceedings were postponed earlier today.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. NADLER).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. NADLER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 295, noes 119, not voting 20, as follows:

[Roll No. 473]

AYES—295

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Bachus
Baesler
Baldacci
Barcia
Barrett (NE)
Barrett (WI)
Bass
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (OH)
Bunning
Buyer
Canady
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Coburn
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Doyle
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gilman
Gonzalez
Goode
Gordon
Graham
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hayworth
Hefner
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hoyer
Hulshof
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kingston
Kleczka
Klink
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
LaTourette
Lazio
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Moran (KS)
Morella
Murtha
Nadler
Neal
Ney
Northup
Oberstar
Obey
Olver
Ortiz

Owens
Pallone
Pappas
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pomeroy
Portman
Price (NC)
Quinn
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Rivers
Rodriguez
Roemer
Rogers
Rothman
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Scott
Sensenbrenner
Serrano
Shadegg
Sherman
Shimkus
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith, Adam
Snyder
Souder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Talent
Tanner
Tauzin
Thompson
Thune
Thurman
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wynn
Yates

NOES—119

Archer
Ballenger
Barr
Bartlett
Barton
Bateman
Boehner
Bonilla
Brady (TX)
Bryant
Burr
Burton
Calvert
Camp
Campbell
Cannon
Chabot
Chambliss
Chenoweth
Coble
Collins
Cooksey
Crane
Crapo
Davis (VA)
Deal
DeLay
Dickey
Dooley
Doolittle
Dreier
Dunn
Everett
Fossella
Frelinghuysen
Gekas
Gibbons
Gilchrest
Gillmor
Goodlatte
Goodling
Granger
Hastings (WA)
Hefley
Herger
Hill
Hostettler
Houghton
Hunter
Istook
Johnson (CT)
Jones
Kasich
Kelly
Kim
King (NY)
Klug
Knollenberg
Latham
Leach
Lewis (CA)
Linder
Lucas
Maloney (CT)
Manzullo
McCollum
McCrery
McIntosh
McKeon
Metcalf
Miller (FL)
Moran (VA)
Myrick
Nethercutt
Neumann
Norwood
Nussle
Oxley
Packard
Parker
Paul
Pease
Petri
Pitts
Pombo
Porter
Radanovich
Riggs
Riley
Rogan
Rohrabacher
Roukema
Ryun
Sanford
Schaefer, Dan
Schaffer, Bob
Sessions
Shaw
Shays
Shuster
Skeen
Smith (NJ)
Smith (OR)
Smith, Linda
Snowbarger
Solomon
Spence
Stearns
Stump
Sununu
Tauscher
Taylor (NC)
Thomas
Thornberry
Tiahrt
Watts (OK)
White
Young (AK)
Young (FL)

NOT VOTING—20

Armey
Baker
Brown (FL)
Callahan
Christensen
Combest
Fowler
Goss
Jenkins
John
Johnson, Sam
Kennelly
Martinez
Miller (CA)
Paxon
Poshard
Pryce (OH)
Ros-Lehtinen
Schumer
Taylor (MS)

□ 1756

Mr. GILCHREST changed his vote from "aye" to "no."

Messrs. WELLER, BASS, SHIMKUS and ROYCE changed their vote from "no" to "aye."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Without objection, the Chair appoints the following conferees:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. HYDE, McCOLLUM, GEKAS, GOODLATTE, BRYANT, CHABOT, CONYERS, NADLER, BOUCHER, and Ms. JACKSON-LEE of Texas.

There was no objection.

SENSE OF CONGRESS THAT MEMBERS SHOULD FOLLOW EXAMPLES DISPLAYED BY JACOB CHESTNUT AND JOHN GIBSON

Mr. NEY. Mr. Speaker, I ask unanimous consent that the Committee on House Oversight be discharged from further consideration of the concurrent resolution (H.Con.Res 317), expressing the sense of Congress that Members of Congress should follow the example of self-sacrifice and devotion to character displayed by Jacob Chestnut and John Gibson of the United States Capitol Police, and asks for its immediate consideration.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

Mrs. MYRICK. Mr. Speaker, reserving the right to object, this past July, the United States Congress and our entire nation were gripped by a terrible tragedy, the deaths of the Capitol Police Officers Jacob Chestnut and John Gibson. Officers Chestnut and Gibson gave their lives defending the United States Capitol, all of us who work in this complex and the American people who visit it to see their democracy in action. They died heroically while defending our democracy.

The outpouring of affection and gratitude for these two men was as deep and genuine as any I have witnessed, and I am certain that the many tributes to them served as a comfort to their families.

□ 1800

Of course, no words or tributes can replace their loss. In the aftermath of this tragedy and the heartfelt sympathy of the American people, we in this body were briefly changed. We came together as one family to pay our respects, to reflect on the almost surreal tragedy of that July afternoon and, for a time, respect, civility and comity ruled the day.

In fact Pastor Marcom, in delivering Officer Chestnut's eulogy, remarked on the change that tragedy had on our relations with one another, and he speculated that probably the next week it would be business as usual. In the weeks and months since this time, I have thought long and hard about what we all experienced. I am convinced that what we admired about Officer Gibson and Officer Chestnut and what made them heroes is not the way they died but the way in which they lived.

Officers Chestnut and Gibson were honest, genuine, hard-working family men who loved their jobs and loved their country. In an age where too many people seem consumed by life's most superficial pleasures, they showed us that America is populated by common men of the most substantial and admirable character.

Of course, the great tragedy is that it took their deaths for us to recognize what heroes they had been all along.

Mr. Speaker, there is a lesson here. We would do well to learn it. While we too often argue, bicker and consume ourselves with political maneuvering and intrigue, the Nation cries out for real leadership, not in words but in deeds. These complicated times demand a Congress dedicated to integrity, good works and behavior that reflects admirably, not just on ourselves but on our sacred rights and responsibilities as constitutional officers. But that is too rarely the case.

Simply put, Mr. Speaker, we are too much like a caricature of ourselves and too little like Officers Jacob Chestnut and John Gibson. We are too much like adversaries and too little like we were in the days after the gun fire erupted in the Capitol.

This resolution asks that we honor those officers by living our lives and performing our duties with the same dignity, love and respect with which these men lived their lives and performed their duties.

This resolution asks us to honor them by honoring the people they protected and the people we represent, by living up to a standard of service and behavior that we can be proud of, as much as we were proud of the service of these two men. This resolution asks us to exemplify what is best in America, to lead rather than follow. If one thinks about it, it is really not much to ask, and it is long, long overdue.

Mr. Speaker, I would like to thank the honorable gentleman from Georgia (Mr. LEWIS), my friend, for his assistance with this resolution, as well as the gentleman from Texas (Mr. DELAY), the honorable majority whip, for his continued courage in the aftermath of a tragedy that struck him so close to home.

Mr. Speaker, in drafting this resolution, we consulted the United States Capitol Police and the Chestnut and Gibson families, who believe it to be appropriate and fitting.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. FOSSELLA). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Whereas Jacob Chestnut and John Gibson of the United States Capitol Police laid down their lives for their country and all of us;

Whereas beyond the devotion of Jacob Chestnut and John Gibson to duty, honor, and country was their commitment to respect;

Whereas Jacob Chestnut and John Gibson were simple, humble, private men who deeply moved this nation simply by doing their jobs;

Whereas the focus on their exemplary personal character could not have come at a time of greater need as many in our country seem more and more dedicated to self-indulgence; and

Whereas the Members of Congress have an unparalleled opportunity to be urgently needed role models of respect and dignity with no loss of personal principles: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Members of Congress should follow the example of Jacob Chestnut and John Gibson by living lives of love, respect, and integrity every day at all times, including on the floor of the Senate and House of Representatives, and should deserve the title "Honorable" by setting an example so that Jacob Chestnut and John Gibson did not die in vain.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED FROM COMMITTEE ON RULES

Mr. HASTINGS of Washington (during consideration of conference report on H.R. 6) submitted a privileged report (Rept. No. 105–754) on the resolution (H. Res. 558) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

Mr. GOODLING. Mr. Speaker, pursuant to the order of the House of Friday, September 25, 1998, I call up the conference report on the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of Friday, September 25, 1998, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Friday, September 25, 1998, at page H8978).

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Missouri (Mr. CLAY), each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of the conference report on H.R. 6, the Higher Education Amendments of 1998. I want to express my sincere appreciation to the members of the conference committee for the efforts they put forth in resolving the differences between the House and the Senate bill. This has truly been a bipartisan, bicameral effort.

Particularly I want to thank the gentleman from California (Mr. MCKEON) and the gentleman from Michigan (Mr. KILDEE) for their efforts in putting this legislation together and for their determination in finding a solution to the 1998 interest rate problem.

Without their efforts, millions of students could not begin this academic year with the student loans they need to pay for college. Also I want to thank the ranking member of the committee the gentleman from Missouri (Mr. CLAY) for his efforts in resolving this issue and many others that arose throughout the process.

I especially want to thank the Speaker of House, the gentleman from Georgia (Mr. GINGRICH), the majority leader, the gentleman from Texas (Mr. ARMEY), and chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH). Without their help, this interest rate solution would not have been possible. All three contributed to ensuring that we could pay for this provision, which is now budget neutral, without passing any of the costs on to students.

Considering H.R. 6, we will complete a process that began in subcommittee of the gentleman from California (Mr. MCKEON) 2 years ago. The Higher Education Act currently provides more than $40 billion per year in student financial assistance.

The legislation will benefit millions of students across the country in the pursuit of a higher education. This bill will improve programs such as Work-Study, Pell Grants, TRIO and, of course, student loans that help millions of students pay for college.

This legislation will do a number of important things. However, none may be as important as our efforts to keep student loans available for all students. As all of my colleagues know, we have been struggling for the past year and a half with the student loan interest rate issue that is the direct result of the Student Loan Reform Act of 1993. As a parent, I am keenly aware of the burden being placed on our youth by student loan debt.

I am personally committed to ensuring that our students entering college this fall have student loans, Pell grants and campus-based aid available to them to help offset the rising college costs facing this country today, very important.

I am especially pleased that the interest rate fix contained in H.R. 6 will ensure uninterrupted access to private capital for our Nation's students while at the same time provide today's borrowers with the lowest student loan interest rate in 17 years. Students, college leaders and bankers have all praised the compromise on interest rates included in the House and Senate bills. Major student groups have described this proposal as, and I quote, a realistic, fair and evenhanded compromise that protects students' needs for lower borrowing rates.

The American Council on Education and 10 other major higher education groups representing over 3600 colleges and universities praised the fact that the proposal ensures the continued availability of capital in the guaranteed student loan program.

As far as college costs are concerned, I would like to note that H.R. 6 will implement a number of the recommendations of the Commission on the Cost of Higher Education. Those who run institutions of higher education have to understand, we do not put more money into loans and grants so that they can raise their tuition rates. They have to tighten their belt just as businesses have to all over the country in order to make sure that college education is affordable.

H.R. 6 takes needed steps in that direction by ensuring parents and students that they have access to information on the price and the price increases at America's colleges and universities as well as information on the factors which are driving tuition increases.

I would like to single out one specific cost-saving provision which permits colleges to offer their faculty age-based voluntary retirement incentives. Championed by my good friend, the gentleman from Illinois (Mr. FAWELL), the retiring chairman of the Subcommittee on Employer-Employee Relations, this initiative will likely be Mr. FAWELL's last to become law in his distinguished 14-year career in the U.S. House of Representatives.

The provision will help both colleges and older faculty by allowing the institution to offer additional benefits to professors as an incentive to voluntarily retire.

As far as campus crime is concerned, we are fulfilling our promise to stress safety on our college campuses and have numerous issues in this legislation in order to make college campuses safer and make sure parents and students understand the problems on college campuses.

Teacher training is near and dear to me. It focuses on improving teacher quality. It will not matter whether our pupil-teacher ratio is one to one or one to 10, if there is not a well-trained teacher in the classroom, that will not make any difference.

The only difference it makes is that there are not 30 in there who may be under the influence of an unqualified teacher.

Under this legislation, States will be encouraged to undertake a wide variety of efforts to improve the quality and ability of classroom teachers. We also have to get those quality classroom teachers where they are most needed. I would like to thank the gentleman from South Carolina (Mr. GRAHAM) and the gentleman from Michigan (Mr. KILDEE) for working together to create an initiative under this legislation that provides loan forgiveness for teachers who agree to teach in high-poverty, urban or rural schools.

The literacy provision is important. This provision will encourage students to become involved in their communities, help children learn to read by ensuring that colleges use more of their work-study dollars to fund these initiatives.

I want to take a moment to thank the hard-working staff of the Committee on Education and the Workforce who shepherded this bill through many long days of negotiation and changes. In particular, Sally Stroup was very helpful to me in balancing the many interests that are represented in this bill. She, along with Pam Davidison, should be proud of our accomplishments today. George Conant was our point person on the National Commission on the Cost of Higher Education, whose report resulted in putting college cost accountability into high education for the first time in American history. Parents will be much better informed of how and why tuitions are rising.

Vic Klatt was our orchestra leader on the bill, pulling together the strings, the brass, the percussion and certainly the wind section, there was a lot of that, so we all sounded well tuned and harmonious. Jo-Marie St. Martin, with the help of Linda Stevens, actually got this 800-page bill through the legislative process so that today we can send this bill to the Senate and then to the President for his signature.

And Marshall Grigsby, Mark Zuckerman, Karen Weiss, Callie Cauffman, D'Arcy Philips and Sally Lovejoy for all the work they put into bringing this day to fruition.

Let me just say that the legislation before us today is truly one of the most important things that we in the 105th Congress will do this year. I hope the press will spend some time writing about it instead of everything else that they write about.

It will ensure that every American has access to a quality postsecondary education at an affordable price. This is a bipartisan bill that makes much needed reform to help students, parents and schools. I urge my colleagues to support the conference agreement.

Vote yes on the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. CLAY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am pleased to supported H.R. 6, the Higher Education Amendments of 1998. It represents a significant step forward in increasing our Federal investment in higher education.

Both the House and Senate have worked for over over a year to fashion legislation that I believe strengthens our country's commitment to higher education. When this bill is enacted, it will make a college education more affordable by significantly reducing student loan interest rates, by increasing Pell grant award levels, and improving the calculation of benefits for independent and dependent students.

The bill adopts a number of measures that enhance support for minority and disadvantaged students by strengthening the TRIO program and other programs supporting historically black colleges and universities, Hispanic serving institutions, tribally controlled colleges, and institutions serving significant numbers of native Alaskan and Hawaiian students.

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This bill includes the High Hopes Program of President Clinton and the gentleman from Pennsylvania (Mr. FATTAH). This new program will greatly enhance the opportunity for low-income middle-school-aged students to dream of a college education.

The bill also creates a major new effort to recruit and train teachers for our Nation's public schools. The new grant program provides for partnerships between States, institutions of higher education and local school districts, designed to increase the number of certified teachers available and to improve upon how those teachers are trained. Also included in that initiative is a loan forgiveness provision designed to attract the best and brightest to our classrooms.

This bill will also allow the Department of Education to strengthen and improve the way it administers all of the student financial aid.

Mr. Speaker, I strongly encourage my colleagues to vote "yes" on the conference report on the Higher Education Amendments of 1998.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield 6 minutes to the gentleman from California (Mr. MCKEON), the subcommittee chairman who worked long and hard to bring this legislation to the floor.

Mr. MCKEON. Mr. Speaker, I thank the chairman for yielding me this time, and I rise in strong support of the conference report to H.R. 6, the Higher Education Amendments of 1998.

It is hard to believe that it has been almost 2 years since the gentleman from Michigan (Mr. DALE KILDEE), the ranking member on my subcommittee, and I sat down to begin the reauthorization process. At that meeting we agreed that we would work together to develop legislation that would make college more affordable, simplify the student aid system, and stress academic quality. By adopting this conference report, we will accomplish those goals.

This legislation would not be possible without the remarkable bipartisan, bicameral spirit of this conference committee. I am sure that some are surprised that this Congress, in this political environment, would be able to produce a conference report of this magnitude.

I would first like to thank the chairman of the Committee on Education and the Workforce, the gentleman from Pennsylvania (Mr. BILL GOODLING), for his support and leadership on this important legislation. Additionally, the full committee ranking member, the gentleman from Missouri (Mr. BILL CLAY), along with all members of the conference committee, including the gentleman from Wisconsin (Mr. TOM PETRI), the gentleman from South Carolina (Mr. LINDSEY GRAHAM), the gentleman from Indiana (Mr. MARK SOUDER), the gentleman from Pennsylvania (Mr. JOHN PETERSON), the gentleman from Florida (Mr. CLAY SHAW), the gentleman from Michigan (Mr. DAVE CAMP), the gentleman from Missouri (Mr. JIM TALENT), the gentleman from California (Mr. MARTY MARTINEZ), the gentleman from New Jersey (Mr. ROB ANDREWS) and the gentleman from Michigan (Mr. SANDER LEVIN) and their staffs deserve a great deal of thanks for their hard work and dedication.

I also want to thank the gentleman from Texas (Mr. RUBEN HINOJOSA) and the gentleman from Pennsylvania (Mr. CHAKA FATTAH) for their hard work and amendments that they worked on, that I did not always agree with, but I appreciate the effort they put forth and the great work that they did.

And the members of the Senate Committee on Labor and Human Resources, including ranking member TED KENNEDY, DAN COATS and CHRISTOPHER DODD, should be recognized for their commitment to getting this conference completed. And in particular JIM JEFFORDS, the chairman, because he was always willing to work directly with me in putting this conference report together.

I would like to stress how thankful I am for the commitment of the gentleman from Michigan (Mr. KILDEE) to this legislation. Whenever a problem would arise, we would simply call the other in order to work out a solution.

This legislation is one of the most significant things this Congress will do for students and their families this year. It will bring us closer to my goal of ensuring that every American who wants a quality education at an affordable price will be able to get it.

As many of my colleagues know, one of the biggest challenges we faced during this reauthorization process was saving the student loan program. The scheduled change in the interest rate jeopardized access to private capital for students. After working extensively with all parties involved, the student groups, the higher education and lending communities, and Republican and Democrat Members of Congress, we found a solution that keeps student loans available for all students and provides current students with the lowest rates in 17 years.

Further, more Americans will be able to afford college through meaningful changes to the financial need analysis formula. These changes focus more resources towards the students with the greatest need and provide students with greater incentives to work and save for college.

The legislation before us will simplify the student aid system by bringing it into the next century. It will create a performance-based organization within the Department of Education that is focused on providing quality service to students and parents. For the first time, the department student financial aid systems will be run like a business, adopting the best practices from the private sector and focusing on bottom line results. Parents and students deserve a modern student aid system that meets their needs. This legislation will give the Secretary the tools he needs to provide it.

Additionally, H.R. 6 revises the guaranty agency system by changing the financing structure to give these entities the flexibility they need in order to use the latest private sector business practices, operate more efficiently, ensure program integrity and, most importantly, provide real savings to the Federal Government.

Furthermore, H.R. 6 contains provisions that implement a number of recommendations of the National Commission on the Cost of Higher Education. One of these provisions requires the Secretary to make available all information on each school's tuition, price and price increases. As a result, students and parents will be able to make more informed choices about the schools they choose, and colleges will be held more accountable for cost increases.

It is important to note that this legislation is paid for. I want to personally thank the Speaker, the gentleman from Georgia (Mr. GINGRICH), and the chairman of the Committee on the Budget, the gentleman from Ohio (Mr. KASICH), as well as the majority leader, the gentleman from Texas (Mr. ARMEY), and David Hobbs from the staff of the gentleman from Texas, for their hard work and support in making this solution possible.

In conclusion, I want to take a moment to recognize the outstanding staff members who have made this legislation a reality: George Conant, Pam Davidson, Vic Klatt, Sally Lovejoy, D'Arcy Philps, Jeff Andrade, Steve Cope, Margot Schenet, and from my personal staff, Karen Weiss and Bob Cochran. But the one person who deserves the most thanks is Sally Stroup, because without her leadership and expertise, we would not be here today.

With Washington divided on partisan lines on so many issues, it is remarkable to bring together congressional Republicans, Democrats, student groups, educators and the financial community to gain consensus on this higher education bill. The bipartisan support for H.R. 6 was evident when the House originally passed the bill on a 414 to 4 vote; then when the Senate passed it 96 to 1.

We can complete the legislative process today by adopting this conference report and sending it down to the President. So I urge my colleagues to vote "yes" on the Higher Education Amendments of 1998.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. HINOJOSA).

Mr. HINOJOSA. Mr. Speaker, I rise today to express my strong support for H.R. 6, the Higher Education Amendments of 1998 conference report.

As a member of the House Committee on Education and the Workforce, and Chair of the Education Task Force of the Congressional Hispanic Caucus, I can say without reservation that this is one of the single most important pieces of legislation Congress will vote on for students and families this year.

Simply put, H.R. 6 will go a long way towards strengthening higher education for the next century. This bill will expand postsecondary education opportunities for low-income individuals and increase the affordability of postsecondary education for middle income families.

Included in the reauthorization conference report are provisions of my own bill, H.R. 2495, the Higher Education for the 21st Century Act. One of the reasons I came to Congress was to effect the very type change this bill will accomplish for a deserving segment of the population that has been overlooked for far too long.

I am proud to say that through the combined efforts of the Congressional Hispanic Caucus, the gentleman from Pennsylvania (Mr. GOODLING), the ranking member, the gentleman from Missouri (Mr. BILL CLAY), Secretary of Education Dick Riley, the gentleman from California (Mr. BUCK MCKEON), and the gentleman from Michigan (Mr. DALE KILDEE), the bill we have before us today will create a new and separate title for Hispanic-serving institutions, well over 100 colleges and universities across the country with an undergraduate enrollment at least 25 percent Hispanic.

It will increase the authorization level for HSIs to $62.5 million, funds that can be used for construction of new classrooms, laboratories, libraries, the purchase of books and periodicals, technological improvements and, most importantly, improving and expanding graduate and professional opportunities for Hispanic students. And, yes, H.R. 6 will also improve teacher quality, preparation and improvement.

Mr. Speaker, I ask for the support of all my colleagues to pass the bill on behalf of every American who wants to pursue a higher education.

Mr. GOODLING. Mr. Speaker, I yield 3 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA), an important member of the committee who is always helping us with education issues.

Mrs. ROUKEMA. Mr. Speaker, I thank the chairman for yielding me this time, and I must say, with others who have already spoken, that this is one of the most significant bills that we will be passing in this Congress, without a doubt. I must say so because these are the issues that count with the American people.

To be competitive in the global economy, we need to provide our country's youth with the means to a better education. It is the essence of the American dream. And that is what we are looking at here today. This is the legislation that will enable young people across the Nation to have the skills and the good jobs at good wages that they need.

I might say this has always been, as the chairman has said, one of my favorite subjects on the Committee on Education and the Workforce. And there have been lots and lots of good things said about this, but I want to stress at least two issues that I have particularly focused on in this, and that is the student loan interest rate issue. It at first was controversial, but we were able to work it out. And I believe that we worked it out and resolved the potential crisis of the loan interest rate issue very, very well. We are helping students while they can save the cost of higher education.

I am speaking here wearing really two hats, as a member of this committee and also as the chairwoman of the Subcommittee on Financial Institutions and Consumer Credit of the Committee on Banking and Financial Services, so I know the issue from both sides of the coin. And this legislative fix is necessary to ensure the banks do not leave the market, and yet at the same time provide the students with a lower interest rate than would have been necessary before.

I also want to point out, as a continuum of our reforms on scam schools, that we are now including the Pell Grant program in the reforms. So that those students who receive Pell Grants will not be taken in by scam schools and, at the same time, the money will go back into the revolving fund so that it will help more students get the access to the schools that they need.

I must also make the point that there are child care provisions here which many of us worked on, and I think they are all good, particularly for those who have young children and want to go back and complete their education.

In conclusion, I must say that these are the issues that count with the American people. Let us pass this conference report and continue keeping education as the essence and put these young people on the road to the American dream.

Mr. Speaker, I rise in strong support of the Higher Education Conference Report that we have before us today.

This bill is one of the most significant bills we will complete this Congress, and we are doing this with bipartisan support! These are the issues that count for the American people.

To be competitive in the global economy, we need to provide our country's youth with the means to better their education. This is the essence of the American dream.

Mr. Speaker, this is the legislation that will enable young people across this nation to obtain the education they need to develop their skills so that they may get the good job at good wages. In this exchange, our students get the job, they want the roof over their head and America gets hard-working, productive members of our society.

Among the many important provisions of this bill, are that this bill assures that the student loan program will be available for all families who need loans, encourages the provision of campus-based child care, cuts down on scam schools and works on the training of our teachers.

It is a good bill that makes sense for today's students!

STUDENT LOAN INTEREST RATE ISSUE

With this bill, I believe we have resolve the potential crisis of the federal student loan interest rate issue. The proposal in this legislation will help save access to higher education, while helping students save on the cost of higher education.

I am speaking today wearing two hats. One—as a longtime Member of the Postsecondary Education Subcommittee. The other hat—I serve as Chairman of the House Subcommittee on Financial Institutions of the House Banking Committee.

So I know this program from both sides—so to speak.

This legislative "fix" is necessary to ensure the banks do not leave the market, and to provide students with a lower interest rate.

Pell Grant Reform

Clearly, one of the biggest problems facing students today is the cost of higher education. While we must do everything we can to put higher education within reach of every student, we also must do everything we can to ensure to protect our scarce resources—to ensure that they are not misused or wasted or squandered.

With this in mind I (along with Representative BART GORDON of Tennessee) introduced a provision that is now a part of this Higher Education Act package which prevents a postsecondary school from participating in the Pell Grant program if that school is already ineligible to participate in the federally guaranteed student loan program because of high default rates—these are the SCAM schools—

This will recover millions of dollars currently being squandered and instead put that money to work with hard-working students at legitimate schools!

Child Care

This conference report includes an amendment I offered at Committee to help society with today's child care problems. This problem is especially great for men and women who want to further their education to make a better life for them and their family. This is near impossible to achieve when reliable, quality child care is not available.

We need to help students solve the child care problem. And we need to give institutions the means to put their proposals to the test. This bill helps us do that!

Conclusion

For all of these reasons, and many others that I do not have time to discuss today, this legislation is critical to all students.

Let's pass this conference report, and continue education as the road to the American dream!

Mr. CLAY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, I thank the gentleman for yielding me this time.

This conference report on H.R. 6, the higher education bill, is the culmination of almost 2 years of bipartisan work on behalf of students and parents across this country. When we first started this process at the beginning of last year, the gentleman from California (Mr. MCKEON) and I set out to produce a bill that would enjoy widespread support. We decided to meet at least once a month for breakfast, without staff. And although this made our staffs very nervous, our breakfast meetings helped smooth out the rough spots and kept us moving with a truly bipartisan spirit. The gentleman from California (Mr. MCKEON) is truly an outstanding lawmaker. In light of our understanding that this bill was too important to be bogged down in bipartisan differences, we both had to give ground and to compromise.

Mr. Speaker, I am proud of this bill and I am especially grateful for the hard work of all our staffs in getting us to this day. On the Republican side I want to acknowledge the excellent work of Bob Cochran and Karen Weiss of the personal staff of the gentleman from California; and Vic Klatt, George Conant, Pam Davidson, Sally Lovejoy, D'Arcy Philps, Lynn Selmser, and David Frank of the committee staff.

And I want to offer my special to Sally Stroup, who put her heart and soul into this effort. Her expertise and thoughtfulness were essential to making this process work.

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On the Democratic side, I want to thank Callie Coffman of my staff and Chris Mansour of my personal staff, and Mark Zuckerman, Marshall Grigsby, Peter Rutledge, Alex Nock and Gail Weiss of the committee staff.

Finally, I would like to thank my former staff member and dear friend, David Evans. The contributions he has made to the formulation of this bill deserve our collective gratitude.

I would be remiss in not thanking the fine people of the Congressional Research Service, Jim Steadman, Margot Schenet, and Barbara Miles. Steve Cope in the Legislative Counsel's Office and Deb Kalcevic at the Congressional Budget Office did exceptionally fine work.

For the millions who must borrow to help pay for college, we have sought to keep the cost of borrowing down. Under this bill, students will have the lowest interest rates in over 17 years. They will also be allowed to refinance their student loans at a lower interest rate. And next year the authorization level for the maximum Pell Grant will be $4,500, showing our concern that students have a heavy burden of debt.

We have created a new campus-based child care program to assist low-income parents in school, increased income protection for both dependent and independent students, and expanded the savings protection allowances. We strengthen the TRIO programs. We expand college work-study. We simplify the Perkins Loan program. We revamp the State incentive grant program. And we establish a new gear-up program to help young people complete a high school education and go on to college.

Because of this bill, an individual who enters teaching, remains in the profession, and teaches in a poverty high school could have a significant portion of their student loans forgiven.

I am particularly pleased that this bill strengthens programs to support tribal, Hispanic-serving, and historically black colleges and universities.

Most important, this bill is a reaffirmation that we in Congress remain deeply committed in a bipartisan way to expanding educational opportunities for all Americans.

Mr. GOODLING. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. PETERSON), another member of the committee for yielding time to me.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the chairman.

I would like to announce that we have no gridlock in Washington on the Committee on Education and the Workforce. I think we have a committee that is very productive and I am very pleased as a freshman to be a part of it. I was very pleased and I want to thank the chairman for the chance that he gave me to serve on my first conference committee in Congress. I will always be grateful.

I want to congratulate the gentleman from Pennsylvania (Mr. GOODLING), the chairman, and the gentleman from Missouri (Mr. CLAY), the ranking member, for their leadership, and the gentleman from California (Mr. MCKEON) the subcommittee chairman, and the gentleman from Michigan (Mr. KILDEE) for their leadership and their breakfast sessions. That is my favorite meal, so next year invite me.

Also, I think we owe a great debt of gratitude to the staff. We may have argued now and then, but they do good work and I want to commend them here publicly.

This act will ensure that college will be more affordable, with the lowest interest rates in 17 years. It will simplify the student aid system by using the same application no matter which program. It will improve academic quality, campus safety, and provide greater access to all aspects of higher education.

Last week, we debated a bill that I struggled with. I do not often struggle, but I struggled with where we allowed more immigrants, high skilled workers, to be allowed to come into this country. That was a bill that companies begged for because they did not have the ability to expand and grow. The high tech, fastest growing companies in this country were struggling to hire those high tech workers that were needed, so we had to increase the immigrant pool.

I view this as a partial indictment on our higher education community. But we in this bill have focused on this, and high skilled, technically trained workers are on a more even ground than they were before. In this country we need a combination of academic and technology. Through much bloodletting and compromising, H.R. 6 provides the opportunity for our Nation's youth to pursue their education, whether it is academic, technical, or a combination thereof.

Also, the conference report adopts the House admonition to the department that higher education consists of not only traditional but also nontraditional opportunities, an incentive provision calling for proprietary school liaisons, and several provisions ensuring against fraud and abuse.

An issue that has not been mentioned here tonight is a provision to fight drugs. I do not think there is any cause, in my view, that is more worthy than to help protect our young people in basic and higher education against drugs. This has a provision, if they are caught in possession or in selling, 1 year, they are out for a year; second offense, 2 years; third time, indefinitely. That is a lot tougher than the National Football League, because one of those players could be arrested today and they will be playing next Sunday.

It also provides incentives for distance learning, the wave of the future. It gives the Secretary of Education the authority to waive certain Federal restrictions that prevent students from receiving financial aid for some types of distance education programs. It also gives the Secretary the authority to promote and study distance learning techniques that will expand student access to higher education. In my view, the higher education community in this country is way behind the technology curve in delivering educational opportunities through distance learning.

It also will help those who serve our country. It exempts veterans' benefits from being counted against students when they apply for student loan subsidies. Previously, students receiving benefits under the Montgomery bill would have had their aid reduced.

I urge all my colleagues to support this bill.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend the gentleman from Missouri (Mr. CLAY) for yielding.

I rise in strong support of this bill and urge its passage. Let me thank the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from California (Mr. MCKEON), the gentleman from Missouri (Mr. CLAY), and the gentleman from Michigan (Mr. KILDEE) for their leadership in this effort, for the staffs of the committee and the Members. And let me especially thank Audrey Williams and Edgar Ho from my office, who worked so very hard on this bill in making it a reality.

I am especially pleased that among the provisions that I offered, the committee has seen fit to include four provisions which I think are very important:

First, every student in America will know of their right to have an income-contingent loan, that is, to pay back their loan as a function of their income; so that, as their income rises, so will their payment, and if their income falls, so will their payment.

Second, a student who cannot receive a loan from a private lender has his or her right reaffirmed as a lender of last resort to go to either a guaranty agency or the direct loan program or both, and I think that is very important.

Third, I appreciate the fact that we have once again restored the incentive for private career schools, some of our very best job trainers, to train those who most need help in job training to move from welfare to work.

Finally, I appreciate the fact that the committee has included very visionary legislation which permits colleges and universities to offer voluntary early retirement packages to professors throughout the country. This will save a significant amount of money for the higher education system. It will open up faculty slots for young professors, particularly young women and minority professors, and I believe it will inject new blood onto our campuses where it is needed most.

I urge the passage of the bill. I look forward to the day when the President signs this bill, because I believe with that signature he will be widening even further the doors of educational opportunity for people throughout this country.

I urge the passage of the bill.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I join in the accolades toward the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from Missouri (Mr. CLAY), and the gentleman from California (Mr. MCKEON) for their hard work and their coming together to put together one of the most important bills that this body will vote on.

I also want to thank on my staff Gina Mahoney, who has done such hard work, and somebody who left our staff who the gentleman from Michigan (Mr. KILDEE) recognized, David Evans, for his hard work as well.

Father Hesberg, who has been noted as a leader in America on education, religious and civil rights issues, once said, "As education goes, so goes America."

Well, my colleagues, this bill puts education in the forefront and will help America get better and better. It does a number of things. It puts higher emphasis on academic quality. It emphasizes new ideas. It encourages regulatory simplification.

I am proud of this legislation to support students across the United States in the best higher education system in the entire world. There are some 3,000 post-secondary institutions in this country consistently turning out some of the best scientists, some of the best lawyers, some of the best teachers, some of the best researchers and doctors in the entire world, and this will continue to make our higher education system the best, second to none, in the world.

This bill reflects a number of priorities: The lowest interest rates since 1981 for our students, a revamped teacher training program which includes my alternative route certification bill, more choices for students when consolidating their loans, permits universities to offer early retirement packages to their faculty, provides regulatory relief to the nine colleges and universities in my district.

I encourage bipartisan support for this bill to pass smoothly and swiftly through the United States Congress.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I too am a proud member of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, which crafted this reauthorization. And I can assure my colleagues that the Higher Education Amendments of 1998 make higher education more affordable for all students.

The amendments also make education safer, particularly for women, because we have included grants to combat violent crimes against women on campuses. Mr. Speaker, 20 percent of college women will be victims of sexual assault at some time during their years on campus. These are our daughters, our sisters, our mothers. They should not have to learn in fear, and this bill invests in their safety.

This conference report also includes a provision on prepaid college tuition plans. These plans let families lock in the cost of tomorrow's college tuition at today's prices. We need to get the word out so that families across the country can benefit from these well-thought-out plans.

I am also pleased that we are supporting teacher training partnerships in this conference report. Partnerships for Professional Renewal, based on a successful program at Sonoma State University in my district, funds partnerships between teachers' training programs and local schools.

I thank the gentleman from Missouri (Mr. CLAY), I thank the gentleman from Michigan (Mr. KILDEE), I thank the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from California (Mr. MCKEON), for their bipartisan leadership on this reauthorization. They put the interests of students and families first. We can be proud to vote for the Higher Education Amendments of 1998.

The gentleman from Pennsylvania (Mr. GOODLING) is perfectly correct, this is a good-news day and it should be reported.

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. FATTAH).

Mr. FATTAH. Mr. Speaker, let me first thank the gentleman from Pennsylvania (Mr. GOODLING), the chairman and my colleague, and the gentleman from Missouri (Mr. CLAY), the ranking member, and all those who labored. Especially the gentleman from California (Mr. MCKEON), Chair of the subcommittee, did a great job on this bill, working with the gentleman from Michigan (Mr. KILDEE), and the staff who have already been mentioned, but we all need to remember their very hard work that will make it possible for tens of millions of American families to be able to improve the life chances of their young people.

This is a moment in which this Congress acts as statesmen more concerned about the next generation than the next election, and it is a moment we all can take pride in.

I would like to refer, obviously, to the High Hopes 21st century initiative which has now been termed Gear-Up in this bill. But beyond the semantics, what it really means is that we are going to reach out to young people in 6th and 7th grade, more than a million of them, each and every year from this point forward in thousands of junior high and middle schools across this country, and let them in on a secret that we have all known for a very long time, and that is that college is available to them if they are willing to work hard enough to get there.

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I would like to thank President Clinton for his embrace and support of this initiative. It was made possible because of the bipartisan support here in this House. Many, many of my colleagues, more than 200 of them on both sides of the aisle, have been helpful in moving this initiative forward.

I would like to point out the strong support on the conference committee, which I believe is indicative of the bipartisan support for this bill, the gentleman from Indiana (Mr. SOUDER) and the gentleman from Pennsylvania (Mr. PETERSON) on the Republican side, and the gentleman from Missouri (Mr. CLAY), the gentleman from Michigan (Mr. KILDEE) and the gentleman from New Jersey (Mr. ANDREWS) really shepherding this particular provision through the conference committee. A conference is simply an opportunity for the House and the Senate to meet and to arrive at a shared consensus about the direction of public policy. I think this conference committee and all that it embodies represents the best of public policy.

This Congress indeed has a lot to be proud of, and I am happy to have played a part in the higher education amendments of 1998.

Mr. CLAY. Mr. Speaker, I yield two minutes to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. McCARTHY of New York. Mr. Speaker, I rise in strong support of the conference report for H.R. 6. We certainly have heard everyone here, back and forth, saying what a great bill it is, and it is. It has been a pleasure in my freshman year, which is actually two years, but we are freshmen for a long time around here, to share in the work that everybody did.

This is what should be getting through to the American people, that we are doing our work and we do care about certainly our young people out there. I commend everybody that put their hard work in, because we do care about our children and we care about the future of our children, and it just goes to show that when you work in a bipartisan way, you can get things done.

I am really pleased that H.R. 6 still includes many of the provisions of my bill, the America's Teacher Preparation Improvement Act. We know if we do not teach our teachers to be better teachers, our children are going to suffer. I think that is wonderful having that in there.

I am also pleased that H.R. 6 includes legislation that the gentleman from New York (Mr. ENGEL) and I introduced to protect consumers. H.R. 6 requires the Department of Education to put out up-to-date information about financial aid scholarship scams on its web site.

We wish we could have put even more into this particular bill, but, as always, there are restraints. But it represents a major step forward for making college accessible and affordable. I urge my colleagues to support it.

We can make college affordable for every person in this country. That is our job, and we have taken a giant step towards that. I thank everyone so much.

Mr. GOODLING. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in praise of the gentleman from Pennsylvania (Chairman GOODLING), the gentleman from California (Mr. MCKEON), the gentleman from Michigan (Mr. KILDEE), the gentleman from Missouri (Mr. CLAY) and all of the members of the conference committee on H.R. 6 for their hard work and their leadership. They deserve great credit for this thoughtful and carefully crafted bill that will increase access to a higher education for millions of Americans.

For most Americans, student loans are the primary source of education funding. From the GI Bill to Pell Grants and the Stafford Loan Program, financial aid has enabled millions of working class families to send their children to college.

This legislation will provide college students with the lowest interest rates for academic loans in 17 years. It expands the Pell Grant Program and also improves campus based aid programs like Supplemental Education Opportunity Grants. It improves teacher preparation and provides loan forgiveness for teachers who work in areas where the poverty rate is high. They have simplified the process of applying for student loans and there is more access to crime statistics and information to allow them to have an accurate picture of campus safety.

I am particularly pleased that the conference report on H.R. 6 includes legislation I introduced to expand access to a higher education for low income parents. My legislation, H.R. 3296, the College Access Means Parents in School Act, the CAMPUS Act, will enable more low income women to get a college education by providing campus-based child care centers. The conference report authorizes $45 million for competitive grants to institutions of higher education for the establishment of child care centers on college campuses serving the needs of low income students.

I do not have to tell you about the benefits of that, that when you motivate these parents and they have high quality child care, they will graduate faster with a higher grade point average. The good news is, as I mentioned, that students who have access to campus-based child care centers are more likely to stay in school and graduate than the average college student. What great preparation this is for them.

Again, I want to commend the conferees, the staff and the leaders of the House Committee on Education and Workforce and the Senate Labor and Human Resources Committee for their excellent endeavors on the reauthorization of the higher education bill. I urge all of my colleagues to support this bill.

I would also like to just add a note of congratulations to us for having had the gentleman from Illinois (Mr. FAWELL) with us here in the House of Representatives because of the great leadership he has given to that committee and to all of the other committees, the Committee on Science also on which he serves with me, and the integrity and character he has bought to this House of Representatives.

Mr. CLAY. Mr. Speaker, I yield two minutes to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Speaker, I would also like to add my congratulations to the gentleman from Missouri (Mr. CLAY), the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from Michigan (Mr. KILDEE), the gentleman from Massachusetts (Mr. MEEHAN) and the members of the conference committee for including many of the provisions in a bill I introduced, H.R. 3311, to improve international education programs in this final version of the reauthorization of the Higher Education Act.

As a member of the Committee on International Relations and the Committee on Education and Workforce, I know that in order to be competitive in this global economy, we must continue to encourage and support programs designed to educate our students in foreign languages, diplomacy and international affairs.

Throughout the years, Title VI of the Higher Education Act has been extremely effective in helping colleges and universities reach that goal. The inclusion of Technological Innovation and Cooperation for Foreign Information Access Grants in the conference report of the reauthorization of the Higher Education Act enables institutions and libraries to engage in collaborative international education projects utilizing innovative technology. This kind of program is timely as universities and libraries are faced with escalating costs of access to international resources.

This bill also allows the Institute for International Public Policy to expand the current Junior Year Abroad Program to permit summer internship experiences. And to assist in the cooperation of Federal support for the Minority International Affairs Program, this bill creates a seven member interagency committee on minority careers in international affairs. I am also pleased that the conferees have chosen to keep the international education program in its own separate title.

Overall, I believe the reauthorization of the Higher Education Act will provide our Nation's students expanded access to a college education. By increasing the authorization of the Pell Grant award to $4,500, we help students afford the cost of college without having to rely on loans and increase their debt. I only encourage the Committee on Appropriations to meet this authorization level.

The New Teacher Training Program included in this bill will increase the number of teachers who are trained in low income areas.

Mr. Speaker, as I conclude, I would just urge my colleagues to support this bill for final passage.

I only encourage the appropriations committee to meet this authorization level. The new teacher training program included in this bill will increase the number of teachers who are trained in low-income areas.

This extra hand in our overcrowded low income area schools will enable school children to receive more one on one attention in the classroom. And the Gear Up program, based on Representative FATTAH's and President Clinton's High Hopes program, will give students in low income areas the encouragement, the hope and the tools to go on to college. There are some concerns I have regarding the effects of some of the provisions of this bill on proprietary schools.

However, overall this bill contains many valuable programs that will help our inner city and low income youth realize the dream of going to college and the student financial aid programs will help students make that dream a reality. That is why I will support this bill today and encourage my colleagues to do the same.

Mr. CLAY. Mr. Speaker, I yield two minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in strong support of this legislation. As a freshman member of this body, the United States Congress, I lobbied hard to get on the Committee on Education and the Workforce and the Subcommittee on Higher Education, and it was exactly for this evening and this purpose, to be able to stand up and proudly support an outstanding piece of bipartisan legislation that really goes to the hopes and dreams of what my life has been about.

Growing up in western Wisconsin as a young student, my hope and dream was to be able to go on to school, go on to college. My father was a telephone repairman with five kids. He was in no position to be able to afford sending myself or any of my brothers or sister on to school. But for the existence of programs that are being reauthorized in this legislation today, the student loan program, the Work Study Program, expansion of the Pell Grant program, I in no way would have had the financial means to go on to school.

Now representing western Wisconsin, a place that has five state universities and seven technical school campuses and a private college, this legislation represents to me the fact that many, many more students growing up in western Wisconsin will now have the financial ability to go on to higher education, which is really the underpinning of the great American dream and that which we cherish so much in this country.

I commend the ranking members, the gentleman from Missouri (Mr. CLAY) and the gentleman from Michigan (Mr. KILDEE), for the fine work they have done; the gentleman from Pennsylvania (Chairman GOODLING) and the gentleman from California (Chairman MCKEON).

I also want to especially commend the gentleman from Pennsylvania (Mr. FATTAH) for the hard work that he put in for the Gear Up for High Hopes Program, that he worked incredibly hard on, not only in the Committee, but with every member of this body, who he probably spoke to two or three times to get their support.

This truly is an historic night, Mr. Speaker, an opportunity for us to encourage the rest of our colleagues to support what is probably going to be the shining example of the 105th Congress, of how we can bridge the partisan gap and come together and do what we think is in the best interests of this country and the future of our Nation.

Mr. CLAY. Mr. Speaker, I yield two minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, as a former member of the Committee on Education and Workforce, I rise today to state my strong support for this higher education the amendments conference report. If one goes down the list of all the goods things in this bill, increasing

Pell Grants, lowering interest rates on student loans, strengthening direct loan and guaranteed loan programs, improving teacher quality, preparation and recruitment, making needs analysis more fair and reasonable, establishing the Gear Up Mentoring Initiative, strengthening TRIO, the historically Black colleges and Hispanic-serving institutions, we know we have a really, really good bill.

I am also thankful that my bill, which requires the Department of Education to directly link its web site to free data bases of accurate information concerning scholarships, fellowships and any other financial aid information, is also included in this conference report.

I introduced this bill with my good friend and colleague, the gentlewoman from New York (Mrs. MCCARTHY) back in April of 1997. Our provision within the conference report is vital in not only empowering parents and students, but in preventing fraud.

In September of 1996, the Federal Trade Commission began its investigation, Project ScholarScam, into unscrupulous companies that preyed on American families' anxieties about how to finance their children's college tuition.

These scholarship scams guaranteed or promised scholarships and grants in exchange for advance fees. Once these fees were collected, no scholarships or grants were ever provided. Sometimes these companies would ask for a student's checking account to confirm eligibility, then debit the account without the student's consent. American families by the thousands were defrauded and student's hopes were disheartened.

Currently my daughter is a senior in high school and I for one know firsthand the difficulties in meeting the skyrocketing costs of higher education. Our provision is a major step forward in preventing future scholarship scams and is a vital tool in empowering parents to look for creative ways to finance a college education.

I urge my colleagues to vote for H.R. 6, and I commend all the people involved, the gentleman from Missouri (Mr. CLAY), the gentleman from California (Mr. MCKEON) and the gentleman from Pennsylvania (Mr. GOODLING).

Mr. CLAY. Mr. Speaker, I yield two minutes to the gentleman from Virginia (Mr. SCOTT)

Mr. SCOTT. Mr. Speaker, I want to commend the conferees for producing a conference report which will serve as a foundation for a stronger system of higher education in this country.

More students will be able to afford a college education due to the lower interest rates on new loans and the increase in Pell Grant levels. We also target middle school students through the new Gear Up Program, which encourages colleges to provide students with information on college opportunities as well as mentoring and tutorial programs so they will be prepared to enter college after high school.

I am also pleased that the conference report retains provisions that I offered during committee deliberations. One will help students with high child care expenses qualify for student aid, and another provision rewards colleges for effectively collecting overdue loans.

At the same time, I have concerns about provisions in the conference report that may adversely affect Historically Black Colleges and Universities. The conference report only extends the current exemptions that those schools enjoy for one year, whereas the Senate version would have extended it for four years.

There is also a new provision which jeopardizes Pell Grants for students who attend schools with high default rates, many of which have high default rates because of open enrollment practices.

While I support the conference report, I hope the Committee on Education and the Workforce will be able to revisit these issues which are critical to the survival of schools which offer opportunities to those most in need. On balance, however, Mr. Speaker, there is no question that this bill represents a major step forward and should be approved.

Mr. CLAY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to take just a moment to recognize a friend and a colleague on the committee who is retiring from Congress after 14 years of service to his constituents and to the House of Representatives.

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I have served with the gentleman from Illinois (Mr. FAWELL) on the Committee on Education and the Workforce since he first came to Congress. In the years that we have worked together, I have known the gentleman to be a committed and tireless member of the committee, a member who could be counted on to fight in the legislative trenches, but who was also able to work in a bipartisan manner to craft legislation to better the lives of working Americans.

From his leadership on health care and pension matters to his efforts to improve productivity, safety and health in the workplace and his overall philosophy that there should be a level playing field between labor and management, the gentleman from Illinois has been at the front lines in all of the major workplace policy debates in Congress.

I know that my colleagues will agree that the gentleman is renowned in the House, among other things, for his expertise in labor, health care and pension law. In committee, the gentleman was also known for taking excellent notes during hearings and markups. Many of my colleagues gained a great deal of their knowledge over the years by picking over his shoulder while he wrote.

Mr. Speaker, the gentleman from Illinois (Mr. FAWELL) has been a valued member of our committee and of the House as a whole because he always fought for what he thought was right, he never compromised his principles, and he always kept his sense of humor. He always made sure he knew more about the matter at hand than his opponents.

Mr. Speaker, I know I speak for all of my colleagues when I say to HARRIS, we will miss working with you, we will miss the benefit of your knowledge, your energy, your persistence, your attention to detail, and your good humor. It would be difficult, if not impossible, for Congress to do the people's work without the knowledge and commitment of Members like HARRIS FAWELL.

HARRIS, we wish you well in whatever future activities you have planned, and I am certain that you and your family will enjoy life after Congress, and I am told there is life after Congress, although I do not want to find out just yet. It is us who will not enjoy it quite as much because you will not be here.

Mr. Speaker, I yield 2½ minutes to the gentleman from Illinois (Mr. FAWELL).

Mr. FAWELL. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. GOODLING) very much. His friendship and leadership over 14 years, and it does not seem like 14 years, means a great deal to me. I cannot think of anybody who has as much moral authority to speak on educational matters than the gentleman from Pennsylvania (Mr. GOODLING) who was a teacher and a principal all of his life. He has stood for quality education, and I hope the gentleman continues to serve on and on here. The gentleman is doing obviously a tremendous job.

My congratulations on what has been accomplished here in regard to having this Higher Education Amendments Act finally passed. So many people put so much time in on it. My comments were meant only to refer to a bipartisan provision in Part D of Title IX that allows age-based voluntary retirement incentives. It was based on a piece of legislation that I had, and I am glad that that is a part of the bill, because I think it makes it a little bit better perhaps, adds more quality in the bill, and it is a quality bill.

I do want to just say "thanks" to all of my colleagues on the committee, and I still think of it as the Committee on Education and Labor. It really is education, labor, pension and health.

But that extends also to the gentleman from Missouri (Mr. CLAY) on the other side of the aisle. We have differed at times in regard to how we view legislation, but I would never question the commitment and the intent of the good mind of the gentleman from Missouri, and the gentleman from California (Mr. MCKEON), who did so much in shepherding the Higher Education bill.

The other day I was defending Congress and they said, well, there are no longer any Mr. Smiths who come to Washington or Mrs. Smiths, or Ms. Smiths. And I said, oh, yes, there are. And they said, who? And I was caught right there, and right away the name of the gentleman from California (Mr. MCKEON) came to mind. I said, there is a guy without guile; he works hard, he is an intelligent man, he gives an awful lot, we are lucky to have him.

Mr. Speaker, we are lucky to have an awful lot of Members in this Congress. Ninety-nine and nine-tenths percent of the men and women here are fantastic people, and we are backed up by staff that do so very, very much.

Let me just sneak in one other comment. People think that Washington is kind of a creepy place, at times. Let me tell my colleagues, there are so many awesome good young people who are our staff, and not just on this committee, but elsewhere, that I stand in awe of the young people that I see coming along. I am in my third generation with watching my own generation, watching my children's generation, and now watching my grandchildren, and I report to my colleagues, this country is in good shape, because the young people I see coming along with each generation are just that much better than their predecessors.

So I leave Congress with a lot of good feelings, knowing that the City of Washington is a very fine place to live and to work, and I shall miss you all. By golly, I shall miss you. I may creep back here once in a while to give you some advice, but I thank you for all the tremendous help that so many of you have given to me. I do appreciate it.

Mr. GOODLING. Mr. Speaker, I yield 45 seconds to the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Speaker, I quickly would like to share my admiration for the gentleman from Illinois (Mr. FAWELL). I have known him less than 2 years, and he is somebody in Congress that I admire greatly. His district in Congress and the small business community is going to miss him.

The gentleman has a clear, thoughtful voice, a deep understanding of the issues, and the gentleman brings a passion to the debate. The gentleman has the zeal of a freshman and the wisdom of a long-term Member. The gentleman's arguments are very pragmatic and thoughtful, whether it is modernizing archaic labor laws or fighting for affordable health care for small business, and he has a passion for that.

Mr. Speaker, HARRIS FAWELL is the kind of Member I hope to become.

Mr. GOODLING. Mr. Speaker, I yield 45 seconds to the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I have been here now 6 years and I have been able to serve with the gentleman from Illinois (Mr. FAWELL) for that whole 6 years, and the last 4 years we have served as subcommittee chairmen together. We have a meeting about once a month at 7 o'clock in the morning and the full committee chairman and the subcommittee chairmen all get together, and during that time I have gotten to know the gentleman. I have gotten to know his integrity, his sincerity, his devotion that he brings to the cause, and I have never heard him say one negative thing about another person, on either side of the aisle. I have never heard him say anything disparaging. I just have the greatest respect for this man, and we really are going to miss him.

I talked to him the other day and I said, "I do not know who is going to take your place; I do not know who knows anything like you do about ERISA." And I just want to say, HARRIS, we will really miss you. Thank you for all you have done for the country.

Mr. GOODLING. Mr. Speaker, I yield myself the balance of my time to merely thank again all of those who made this evening possible. But I want to go a little bit beyond that. Every now and then I hear reports that is a "do-nothing Congress." Well, I want to tell my colleagues a little bit about this committee. It is anything but a do-nothing committee.

Just to tick off a few off the top of my head, we reauthorized IDEA Special Ed; we reauthorized Head Start, it is in conference; we reauthorized Higher Education; we passed Dollars to the Classroom; we passed Bilingual Reform; we passed the Testing Prohibition bill; we passed the Emergency Consolidation Loan Bill and bailed out the Department. We passed the National Committee on College Costs; we passed the Equitable Child Care resolution. We passed the Job Training bill for the 21st century. We authorized Vocational Education for the 21st Century. We passed the Charter School bill; we passed the Reading Excellence bill; we passed the Juvenile Justice bill, and we passed the Child Nutrition bill.

It does not sound like a "do-nothing Congress" to me, at least not a do-nothing committee. Can my colleagues imagine what these staff members have had to do during this entire time because of this tremendous agenda that we put forth from this committee. This is a "do-everything" committee for the benefit of all, and particularly for young people in this country.

Mr. PRICE of North Carolina. Mr. Speaker, I rise today in support of the conference agreement to reauthorize the Higher Education Act. For the last thirty years, the Higher Education Act has enabled countless Americans to pursue their dreams.

One year ago, I held a forum in my district involving students, educators, and administrators to share their concerns and priorities about higher education. I am pleased that many of the issues addressed at that forum have been included in this reauthorization bill.

Some of these provisions include: simplifying and streamlining students loans and providing the lowest interest rate on student loans in 17 years; increasing maximum Pell grant awards to $4500 next year and up to $5800 by 2003; continuing to provide long-term low-interest loans to almost 800,000 students with financial need through the Perkins Loan program; readjusting the formula used to analyze financial needs in order to encourage students to work and save for their college education; and providing loan forgiveness for students who teach in low-income areas; and allowing historically black colleges and universities more flexibility in funding and expanding graduate programs through changes made in title III.

I am especially pleased that the Campus-Based Child Care Act, on which I worked with Congresswoman MORELLA and other members, is included in this conference report. This will provide seed money so that colleges and universities may provide quality child care on campus. This is one of the most forward-thinking parts of this Higher Education Act and will allow many low-income single and working parents to attend college when they couldn't before—including many who will be making the transition from welfare to work.

I congratulate the chairman, the committee, and the conferees on coming together to craft this reauthorization. I am happy to support the bill and encourage my colleagues to do the same.

Mr. KIND. Mr. Speaker, first, I would like to commend Ranking Member KILDEE and Chairman MCKEON for all of their hard work on making this important legislation bipartisan. This bipartisan conference agreement on the Higher Education Reauthorization Act includes a number of important initiatives to increase access to college, lower the student loan interest rate, and prepare more students for college.

Increasing access to quality higher education must be our nation's number one priority and this legislation helps us accomplish this goal. This legislation increases the maximum Pell Grant award $3,000 to $4,500. The Pell Grant is crucial to giving students the financial assistance they need to afford a higher education. The increased award level is important to keep peace with the increasing cost of a college degree.

One of the biggest concerns I hear from students in western Wisconsin, is the growing debt burden they face upon graduation. This legislation will ease that burden and give more students an opportunity receive financial aid assistance, by lowering the student loan interest rate. The bill slashes the interest rate from 8.25 to 7.46 percent, which will save college students hundreds and thousands of dollars over their loan repayment period.

This legislation also expands and creates initiatives designed to encourage students from disadvantaged backgrounds to pursue higher education. The highly successful TRIO outreach project is expanded and a new national effort called GEAR UP has been created to provide support services, mentoring and early intervention counseling to encourage students to strive for and attain an education beyond high school.

I am pleased to support this bipartisan conference agreement, which will provide students in western Wisconsin with increased access, affordability and quality higher education.

Mr. SPRATT. Mr. Speaker. I am pleased to have the opportunity to vote to help students go to college, and a vote for the conference report on the Higher Education Act Reauthorization is just that—a vote for students.

This bill will lower interest rates on student loans, help disadvantaged middle school students prepare for college, improve preparation and training for teachers, and promote distance-learning through expanded student aid and partnership models that will reach more students. These provisions and others targeted at improving the efficiency and access of student aid programs will help make college affordable for more students, and make attending college a reality for more students.

The bill has merit, but as the ranking Democrat on the Budget Committee I have to express my disappointment that Congress did not find a way to pay for these improvements. Because all costs are not offset according to the Office of Management and Budget, this bill will add to the PAYGO scorecard, expanding the sequester already in the cards for Fiscal Years 2001 and 2002 unless we take additional action before then.

This bill is another example of Congress acting without a guiding budget resolution or plan. This is the first year since the Budget Act became law, a quarter century ago, that Congress has failed to pass a budget resolution conference agreement. The failure of this bill to contain offsets is partly a result of Congress's failure to do its job and pass a budget resolution. We want the benefits of improved public policies, but lack the fiscal discipline to pass a final Congressional Budget Resolution. The American public deserves a Congress that can deliver on our fiscal obligations, and the Republicans in this Congress are shirking that responsibility.

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in strong support of this conference agreement on the Higher Education Amendments. I support this bill because it further expands the Pell Grant Program, provides the lowest student loan interest rates in nearly two decades, and addresses a new and exciting facet of education, distance learning.

Last year, my colleagues and I worked very hard to increase Pell grant appropriations contained in this year's budget. This trend is continued in this bill, which authorizes significant increases to the largest federal student aid grant program available.

This program is vital to my own state of Connecticut, where 69 percent of all federal student aid to students is in the form of Pell grants. Unfortunately, in the past, funding for this program has not kept pace with the growth of tuition fees. While tuition in Connecticut has risen 110 percent since 1989, federal resources have increased by only 37 percent.

This bill provides desperately needed resources to those who have demonstrated the ability and desire to achieve. It is a victory for those of us fighting to improve our higher education system, and fighting to make the opportunity of going to college a reality for every person in this country who desires to reach for it.

With this bill today we are going to pass a comprehensive higher education program. I urge my colleagues to give the same support to our other important education initiatives, hiring 100,000 new teachers to reduce class size, and providing comprehensive school construction and modernization bonds. If students are to succeed, they must have the resources to meet the challenges of obtaining a quality education today. This bill provides them with that fighting chance.

Mr. KLINK. Mr. Speaker, Chairman GOODLING, and Mr. CLAY, Chairman MCKEON and Mr. KILDEE and the rest of my former colleagues on the committee are to be congratulated for your good work on this legislation.

In the larger scheme of things, H.R. 6 is good for the country and good for our future. Making higher education more accessible to students will make America stronger and more competitive in the global marketplace.

This legislation will increase the maximum Pell grant, provide more funding for work study, increase resources for teacher training and rework the needs formula for student aid to target more money to those students with fewer resources to pay. It also reduces student loan interest to the lowest level in almost 20 years. All these things will increase access to higher education.

I am also pleased that the conference report includes several reforms in student loan management that I have been working on for years, many of which were in my bill, H.R. 2140, the Federal Accountability and Institutional Reform in Education Act (FAIR ED Act).

These common-sense reforms to the student loan program will reduce defaults, bring greater fairness and accessibility to the student loan program, save the Federal Government millions of dollars a year and allow schools to spend more time teaching and less time on education finance.

H.R. 6 will help reduce student loan default rates by cutting the incentive that lenders and guarantors have to let a loan go into default. Currently, the Federal Government not only reimburses these agencies for 98 percent of every defaulted loan, but they also get to keep an additional 27 percent of whatever they collect from defaulted borrowers.

H.R. 6 reduces those percentages to 95 percent and 23 percent, respectively. The bill will ultimately allow for recovery of only 118 percent of a defaulted loan instead of 125 percent. My legislation would have limited reimbursement to 100 percent of any loan, but H.R. 6 is a step in the right direction.

H.R. 6 will also increase communication in the education community in order to reduce student loan defaults. It will require student loan servicers to contact the school before allowing a loan to go into default. Very often schools have more recent information on students. That information can lead to actual contact with the student, which can reduce the likelihood of the student's loan going into default.

Furthermore, this legislation will prohibit guaranty agencies from requiring schools to pay a fee for student loan information. This information can help keep loans out of default and it should be available to schools without cost.

In addition, H.R. 6 will help institutions serving at risk students by requiring the department to retain the eligibility of schools serving those populations, provided they meet specific graduation and job placement requirements.

H.R. 6 will also allow for increased accuracy in default rates by removing students who defaulted loans but have been brought into repayment from the school's default rate.

H.R. 6 will also establish parallel student repayment terms and conditions within the Federal Family Education Loan and the Federal Direct Student Loan Programs. This will provide for income-contingent repayment and loan consolidation options, which are currently available under direct lending, but not in the FFEL Program.

Finally, H.R. 6 will make several changes that were not in my legislation but will be good for students and educators. It fixes the onerous 85/15 rule by changing the requirement that 15 percent of a schools revenue come from non-Federal Title 4 sources to ten percent. The 85/15 rule is now the 90/10 rule and that is a good reform, especially for students and schools in low-income areas.

H.R. 6 also provides for a liaison in the Department of Education for career schools. These institutions are training many of today's workers and they deserve a voice at the Department.

Lastly, H.R. 6 will require that the Department publish the rules and regulations that students and schools must follow on time. If schedules are good for the students and schools, they should be good for the Department and they should be followed.

I commend Chairman GOODLING and members of the committee for a solid piece of legislation and I urge my colleagues to support H.R. 6.

Mrs. CLAYTON. Mr. Speaker, good, quality and affordable education in post secondary institutions is a goal to which all of us should aspire.

Our goal is to provide students with the tools they may use to pursue higher education by authorizing the maximum Pell grant award of $4,500 in 1999–2000 with increases in subsequent years; a more student friendly formula for determining the amount of student financial aid; and a two-tier interest rate structure.

In order to reach this goal, we must function as a partnership, at all levels of government and in the private sector.

This conference report to H.R. 6, the Higher Education Amendments Act of 1998, achieves this goal.

Furthermore, I recommend the conference committee for supporting a provision that I proposed in the House passed bill.

This provision increases voter registration among college students requiring colleges and universities that receive federal funding to provide voter registration forms to students.

Providing the opportunity of voter registration to students allows them to exercise one of their most fundamental rights.

I am pleased that my colleagues also value the importance of involving the most mobile group of our country in the political process.

Therefore, I urge my colleagues to support this conference report to H.R. 6.

Ms. DELAURO. Mr. Speaker, I rise today in strong support of the Higher Education Amendments conference report. In today's world, a college diploma is the key to success. But the rising cost of college tuition puts that diploma out of reach for many American students.

The Higher Education Act will help make the dream of a college diploma a reality for more families by making more financial aid available for some of our nation's neediest citizens. Students whose families earn incomes of $12,000 or less a year will be able to receive more financial aid through Pell Grants than ever before. The bill will also strengthen the formula which determines how much aid a student qualifies for, and allow young people to earn money and save for their education without being penalized by losing financial aid.

I am particularly pleased that this conference report contains provisions for campus-based child care. Many people with young children, who want to attend college and build a better life for themselves and their families, find themselves unable to go to school simply because they can not find high quality and affordable child care. This important program will allow parents to attend college with the security of knowing their children are well care for.

As a member of the Labor-Health and Human Services-Education Appropriations Subcommittee, I will work to ensure that this important program gets funding for fiscal year 1999, so parents can immediately begin to take advantage of campus-based child care.

I urge my colleagues to support the Higher Education Act.

Mr. MARTINEZ. Mr. Speaker, I rise today in support of the conference report on H.R. 6, the Higher Education Amendments of 1998.

I would like to begin by commending Chairman GOODLING and Ranking Member CLAY, and Subcommittee Chairman MCKEON and Ranking Member KILDEE, for their bipartisan leadership and their tireless effort to increase the accessibility and quality of higher education for all Americans.

Over two years ago, Mr. MCKEON and Mr. KILDEE began the process of reauthorizing the Higher Education Act with four goals in mind: making higher education more affordable; simplifying the student aid system; promoting academic quality; and improving access to postsecondary education. The bill we have before us today goes to great lengths in achieving these goals.

This conference agreement makes higher education more affordable by expanding the Pell Grant Program and nearly doubling the maximum Pell award over the next five years. It significantly increases the authorization for the College Work-Study program and nearly doubles the allowance for child care. It modifies the need analysis formula to encourage savings and allow students and parents to keep more of their money through increased income protection. It reduces new student loan interest rates to their lowest rate in 17 years and allows students to consolidate and refinance existing loans at a lower rate. Finally, the conference agreement requires the National Center for Education Statistics to conduct a study on the rising cost of tuition.

This conference agreement simplifies the student aid process by creating a Performance Based Organization within the Department of Education to provide quality service to students and parents and to ensure that the student financial aid system is run in a professional, business-like manner. It also requires the Department to develop a single, more simple student aid application and a single, more simple promissory note.

This conference agreement promotes academic quality by increasing institutional standards and providing assistance to those institutions that do not meet those standards. It also authorizes grants to states to improve teacher training programs and directs states to use a percentage of those grants to recruit quality teachers. Finally, it encourages qualified individuals to go into the field of teaching by creating a loan forgiveness program for teachers.

This conference agreement makes postsecondary education more accessible to all Americans, particularly low-income and minority students. It increases the authorization level and scope of the TRIO programs and creates the GEAR Up program to allow low-income students to participate in early-intervention and college awareness activities. It also increases the authorization levels for historically black colleges and universities, Hispanic serving institutions, and tribally controlled colleges. Finally, it creates grants to institutions serving a percentage of Native Alaskans and Hawaiians.

I am particularly pleased with what this bill does for Hispanics. Previously, Hispanic serving institutions were buried in title III. However, as a result of this conference agreement, HSIs will have their own title and a greatly increased authorization level. No longer will the Department be able to ignore the importance of these institutions which will only continue to grow as the Hispanic community continues to grow. As a matter of fact, the Census Bureau projects that by 2050, Hispanics will make up 25 percent of the population. It is only fitting that this reauthorization recognize the significance of these institutions which will play an even greater role in educating future generations.

For the above reasons, I strongly support this conference report and urge my colleagues to do the same.

Mr. EWING. Mr. Speaker, I am proud to rise in support of this legislation which will reauthorize the Higher Education Act of 1965. With seven institutions of higher education in my district, this bill is of great importance to my constituents.

While reauthorizing many existing programs this legislation establishes new programs which will provide low-income and disadvantaged students access to a college education. We are all aware of how important a college education is to our children who will be working in an increasingly global economy.

We must prepare our children for the world they will face and increasing the maximum Pell grant levels each school year until 2003–2004, providing low interest student loans, and expanding the work-study program are all ways to provide an affordable college education.

There are also a number of provisions included in this bill which will help to improve the recruitment and quality of the teachers we entrust with our children. It achieves this by granting states the ability to reform accountability and certification requirements for their current teachers and provides loan forgiveness for teachers who choose to go to low-income areas to teach. We must provide all students with a quality education if we expect them to succeed.

There is also an important provision which provides $5 million for fiscal year 1999 for a new grant and award program which would encourage colleges to establish alcohol and drug abuse prevention and education programs. I believe that other institutions should follow the lead of the University of Illinois and its Alcohol 101 program to help deter the increasing use of drugs and alcohol on campus.

Along with the drug and alcohol provisions there is also an incentive to help keep our children safe by requiring administrators and institutions to submit campus crime statistics to the Secretary of the Department of Education. It is important that parents have accurate records of the amount and types of crimes taking place. There are also grants, through the Justice Department, authorized to develop and strengthen effective security and investigation strategies, along with victim services. It is very important that our children are protected while they are on campus.

I am proud to vote for the legislation and am proud of the work this Congress has done to improve the education of the most essential people in this country—our children. Mr. Speaker, I urge all of my colleagues to support this important legislation.

Mr. BARRETT of Nebraska. Mr. Speaker, today the House continues a commitment made more than 40 years ago, that if you have the ability, but not the means, you can get a college education.

I'm particularly pleased H.R. 6 will provide loan forgiveness to qualified teachers working at schools located in low-income areas. Many rural school administrators have told me they are having a difficult time attracting teachers trained in the sciences and mathematics. With these provisions, rural schools now be able to recruit such people and meet an ever growing challenge.

We've all heard from students who were denied federal student aid because they earned too much in the summer or throughout the year. Fortunately, there are provisions in the bill permitting students to earn a bit more and still qualify for student aid. Specifically, the agreement increases the income protection allowance to $2,200, and adjusts it annually to keep pace with inflation.

Mr. Speaker, I support the conference report. And, I congratulate Chairman GOODLING and Chairman MCKEON, ranking members CLAY and KILDEE for their good work.

Mrs. MCCARTHY of New York. Mr. Speaker, the conference report for H.R. 6 includes many provisions that I have long supported, and which are very important to my constituents on Long Island. I am especially pleased that the bill increases the authorization for the maximum Pell grant to $5,800 by the 2003–2004 academic year. I also am pleased that we have taken action to ensure that the FFEL and Direct Loan programs can continue providing financial aid to students.

As the sponsor of the America's Teacher Preparation Improvement Act of 1997, I have worked hard to ensure that the final version of H.R. 6 makes a strong statement in support of teachers. I am delighted that the conference report includes many of the provisions of my bill, including: replacing 17 ineffective programs with a consolidated program; creating partnerships between education schools, school districts and community groups; funding grants to recruit new teachers, including minorities, veterans and people changing careers; helping teachers learn the latest technology; providing mentoring for teachers in their first years on the job; helping states recruit teachers for undeserved areas; and helping the education system toughen the standards for preparing teachers. These provisions will help ensure that every classroom has a well-prepared teacher.

H.R. 6 also includes legislation that I introduced with Congressman ENGEL, H.R. 1440. Our bill ensures that students have reliable information about financial aid. While the Internet offer many legitimate scholarships, the World Wide Web also is home to scam artists who promise students financial aid—for a hefty fee—but don't deliver. H.R. 6 directs the Education Department to place information on its Web site about legitimate and fraudulent financial aid offers on the Internet.

As an original cosponsor of H.R. 3293, the Women's Higher Education Opportunity Act of 1998, I am very pleased that H.R. 6 includes several provisions to help women students, including grants to help colleges and universities establish child care centers for students with children, and grants to combat violent crime against women on campus.

Similarly, I am pleased that the bill incorporates provisions of H.R. 715, the Accuracy in Campus Crime Reporting Act, legislation I cosponsored to improve safety on campuses. H.R. 6 expands the list of crimes that schools must report to the public, and requires institutions of higher education to keep daily logs of crimes reported to police or campus security. This will go a long way towards ensuring that students can learn in a safe environment.

I was concerned that the House-passed H.R. 6 would have eliminated a separate authorization for the Jacob Javits Fellowship program for competitive grants for doctoral-level study in the arts, humanities and social sciences. I joined Congressman PAYNE to urge the conferees to maintain the Javits program. I am pleased that they did.

Finally, H.R. 6 includes a new program which will help grade school students prepare for college, and ensure they can afford it. The GEAR-UP program, based on legislation I cosponsored, H.R. 777, the 21st Century Scholars Act, lets young people know that higher education is a reality for them.

As I said, this bill contains many provisions to make college more accessible. However, I am deeply concerned that one provision will actually make college less accessible.

H.R. 6 eliminates schools from the Pell Grant Program if they are eliminated from student loan programs for having three consecutive years of cohort default rates over 25 percent. While supporters of the provision maintain it is needed to prevent fly-by-night colleges from defrauding students with Federal money, the reality is that this provision will cause many excellent schools that serve low-income populations to shut their doors.

I would like to call my colleagues' attention to a recent GAO report which evaluated several studies of default rates. According to GAO, "A key theme from these studies is that student loan repayment and default behavior are primarily influenced by individual borrower characteristics rather than by the characteristics of the educational institutions they attend."

We need to hold schools accountable. But we need to look very closely at the measurements we use to determine how well they are performing. I fear that the end result of this provision will be that many low-income students will not have access to a higher education. At a time when we are trying to move more people off welfare and into the workforce, the last thing we should do is make education unaffordable. This is a provision which I believe we will need to revisit next year.

On balance, H.R. 6 makes huge strides toward making higher education accessible and affordable. And it is faithful to the spirit of the original 1965 Higher Education Act. I urge my colleagues to support it.

Mr. WELLER. Mr. Speaker, while I intend to support the conference report, I have concerns regarding Section 972. This provision would raise the Ginnie Mae Guranty fee by 3 basis points beginning in the Year 2004. Such an increase unduly burdens low and moderate-income American families, and there is really no financial justification for the increase.

As you may be aware, Ginnie May guarantees payments to investors if private mortgage servicers are unable to make scheduled payments. Seviceers are charged a guaranty fee of 6 basis points for this added protection.

I believe that increasing the Ginnie May guaranty fee would subject homebuyers to an unnecessary tax on homeownership. The measure would cost homebuyers hundreds of dollar at in additional expenses at closing and prohibit thousands of families from achieving the dream of homeownership.

In addition, increasing the Ginnie Mae Guaranty fee have absolutely no financial basis. Recently, the independent auditor, KPMG, confirmed that Ginnie May is financially sound. In act, Ginnie May had a record profit of $601 million in 1997. In other words, Ginnie Mae's profit exceeded U.S. ticket sales or the movie, "Titanic." In 1997 alone, Ginnie May collected a total of $326 million in guaranty fees. It paid out only $11 million in unreimbursed claims. From these statistics, It is apparent that Ginnie Mae does not need a financial boost from the increase fee.

You should also do bear in mind that the Senate already rejected the Ginnie Mae Guaranty fee increase by a wide margin. During consideration of the fiscal year 1999 VA/HUD appropriations bill, the Senate voted to take the Nickles amendment by a margin of 69–27. The Nickles amendment would have increased the Ginnie Mae guaranty fee by 6 basis points. In light of this recent precedent, I see no reason why we should now accept this harmful provision.

I am opposed to raising the Ginnie Mae Guranty fee. I believe it is bad public policy and will harm those low and moderate income families that the Higher Education bill is trying to assist. I think it was a mistake to include this provision in the conference report, and I hope that in the future, we make greater attempt to find out.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. FOSSELLA). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

EXTENDING QUARTERLY FINANCIAL REPORT PROGRAM ADMINISTERED BY SECRETARY OF COMMERCE

Mr. MILLER of Florida. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2071) to extend a quarterly financial report program administered by the Secretary of Commerce, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mrs. MALONEY of New York. Mr. Speaker, reserving the right to object, and I will not object, but I would like very much for the gentleman to explain the bill.

Mr. MILLER of Florida. Mr. Speaker, will the gentlewoman yield?

Mrs. MALONEY of New York. I yield to the gentleman from Florida.

Mr. MILLER of Florida. Mr. Speaker, S. 2071 extends for 7 years the Quarterly Financial Report Program administered by the Secretary of Commerce. Current authorization for the program expires at the end of the fiscal year.

I want to thank the gentlewoman from New York (Mrs. MALONEY), the ranking member of the committee, for her support of this bill.

The Quarterly Financial Report Program is a survey of businesses conducted by the Census Bureau that documents the financial conditions for manufacturing, mining, wholesale, and retail corporations each calendar quarter. The program has been in place continuously for more than 50 years, since 1947.

It is a closely-watched principal economic indicator that provides critical data that are used in quarterly Gross Domestic Product estimates, as well as in the Flow of Funds account of the Federal Reserve and other official estimates. It also provides a performance benchmark that businesses use to assess their performance.

The Quarterly Financial Report does not duplicate any other data. It differs from the data collected by the Securities and Exchange Commission, since it measures only domestic operations of publicly held corporations and includes data on privately held companies that otherwise would not be available.

Since the program was last reauthorized in 1993, significant progress has been made in reducing the reporting burden. The total number of firms sampled has been cut. Moreover, to target the reduction in the reporting burden on small business and medium-sized business, limits have been placed on their reporting frequency. For example, firms with assets of less than $50 million may now be selected to report for one 2-year period only once a decade. Plans are under way to further reduce the reporting burden by allowing businesses to report electronically.

Mr. Speaker, I urge my colleagues to pass S. 2071 to avoid a gap in critical data that measure our Nation's economy.

Mrs. MALONEY of New York. Mr. Speaker, reclaiming my time, I also rise in support of S. 2071.

Extension of the authority of the Department of Commerce to conduct the Quarterly Financial Report is critical to the U.S. statistical system. This program provides financial data essential to the calculation of key government measures of the economy and has been designated by the Office of Management and Budget as one of the Nation's principal economic indicators.

The Quarterly Financial Report Program provides the most current and comprehensive quarterly financial data on business conditions and financial activity of U.S. corporations. It is the primary source of current estimates of the corporate profits used to derive the quarterly estimates of the Gross Domestic Product. These corporate profits estimates are also included with those select series prepared monthly by the Council of Economic Advisors for the Joint Economic Committee to provide quick picture data of the domestic economy.

Quarterly Financial Report data are a major building block for the Federal Reserve Board's Flow of Funds accounts and are the Federal Reserve Board's sole source of unconsolidated, nonfinancial data. Quarterly Financial Report data are also used by a host of private sector analysts to evaluate investment opportunities, compare their financial condition with industry trends, and analyze the performance of the small business sector.

Mr. Speaker, the extension of the authority is needed to continue this important program without interruption. I strongly urge passage of this legislation.

Mr. Speaker, I withdraw my reservation of objection.

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The SPEAKER pro tempore (Mr. PETERSON of Pennsylvania). Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2071

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF QUARTERLY FINANCIAL REPORT PROGRAM.

Section 4(b) of the Act entitled "An Act to amend title 13, United States Code, to transfer responsibility for the quarterly financial report from the Federal Trade Commission to the Secretary of Commerce, and for other purposes", approved January 12, 1983 (Public Law 97-454; 13 U.S.C. 91 note), is amended by striking "September 30, 1998" and inserting "September 30, 2005".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. MILLER of Florida. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 a.m. tomorrow, Tuesday, September 29, 1998.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD FOR FISCAL YEAR 1997—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Transportation and Infrastructure and the Committee on Ways and Means.

To the Congress of the United States:

I transmit herewith the Annual Report of the Railroad Retirement Board for Fiscal Year 1997, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 28, 1998.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

THE PRESCRIPTION DRUG FAIRNESS FOR SENIORS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I rise today to call attention to a serious problem that affects the elderly and people without health insurance in my home State of Ohio and across the country.

Older Americans are having an increasingly difficult time affording prescription drugs. By one estimate, one in eight senior citizens in America has been forced to choose between buying food and buying medicine.

In an effort to discover why this is the case, I unveiled a study last week conducted at my request by the minority staff of the House Committee on Government Reform and Oversight that investigated prescription drug prices in my northeast Ohio district.

What this study reveals is startling. Seniors and those who buy their own prescription drugs in northeast Ohio are charged more than double for their prescription drugs compared to what drug manufacturers charge most-favored customers. Those preferred customers are HMOs, insurance companies, and large institutions.

To conduct this study, members of my staff obtained the prices of 10 brand name drugs with the highest sales to the elderly, including Ticlid for stroke victims and Zocor to treat high cholesterol.

The results are based on a survey of retail prescription drug prices in chain and independently-owned drug stores across my district. These prices were compared to the prices paid by the drug companies' most-favored customers.

For the 10 drugs cited above, the study found that the average difference between the price paid by a senior citizen and the price paid by an HMO was 98 percent, almost double the price for a senior citizen. Similar studies have recently been conducted by other Democratic Members in their districts, including the gentleman from Maine (Mr. TOM ALLEN), the gentleman from Massachusetts (Mr. JOHN TIERNEY), the gentleman from Wisconsin (Mr. TOM BARRETT), the gentleman from California (Mr. HENRY WAXMAN), and the gentleman from Texas (Mr. JIM TURNER). The average price differential of these studies combined is 108 percent.

With this in mind, I hasten to say that the high price of prescription drugs is not the fault of the pharmacist or the pharmacies. Pharmacies in fact have very small markups for prescription drugs, sometimes as low as 3 percent.

The problem is with large drug companies who drive up prices. Drugmakers whose annual profits top $20 billion make six times more profit on prescription drugs than do retail pharmacists. It is no secret that greed is the driving force behind this problem. Because HMOs buy their drugs in bulk, manufacturers sell to HMOs at a discount, and then conveniently shift that cost to the drugmaker on the backs of our seniors.

Pharmacies, as to our seniors, have no real choice in the matter. Unfortunately, seniors, many of whom are on fixed incomes, are obviously the ones who suffer. As we all know, the later years of life often bring reduced incomes and higher health care costs. Few elderly can escape this dilemma. We have a responsibility to take steps to make medicine more affordable for older Americans.

I want to tell the story of one elderly woman who lives in Elyria, Ohio, in the county in which I live, and is a victim of this ongoing price discrimination. This woman, who asked to remain anonymous, is 67 years old. She suffers from poor eyesight, high blood pressure, and a number of other serious ailments. She takes 13 prescription medicines. Her only income is social security, which is roughly $800 per month. While she has some insurance coverage, this woman's drug costs amount to almost 40 percent of her income. She said after she pays for her medicine, she has about $20 to buy groceries for the whole month.

More tragically, she has had to begin reducing some of the dosages to save money. She is supposed to take four pills a day. She will cut them into half and take four half pills a day, for instance.

This situation is surely unacceptable. The bottom line is we need to take steps to protect the elderly, who should not suffer this indignity. Our Nation's seniors should not bear the burden of paying for pharmaceutical company profits.

To address this issue head on, I signed on as an original cosponsor to a bill introduced by the gentleman from Maine (Mr. TOM ALLEN) to reduce the costs of prescription drugs for senior citizens. The Prescription Drugs Fairness for Seniors Act aims to protect senior citizens from drug price discrimination by making prescription drugs available to Medicare beneficiaries at the reduced price.

The bill achieves this by allowing pharmacies that serve seniors in Medicare to buy prescription drugs at the best market price available under the Federal supply schedule, which will reduce prescription drug prices for senior citizens by up to 50 percent.

An elderly person's well-being and quality of life are often determined by access to medicine prescribed by their doctor. This legislation directly addresses a problem we can no longer ignore. I urge my colleagues to act on behalf of the elderly and support this important measure, H.R. 4627.

A TRIBUTE TO WAYZATA HEAD FOOTBALL COACH ROGER LIPELT UPON HIS RETIREMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. RAMSTAD) is recognized for 5 minutes.

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to a Minnesotan who represents the greatness and goodness that is America. I rise today to pay tribute to one of our State's top teachers and coaches who personifies Minnesota values. I rise today to pay tribute to my good friend of some 20 years, Coach Roger Lipelt of Wayzata High School.

Roger Lipelt, the highly successful head coach and outstanding teacher at Wayzata the past 22 seasons, is retiring this year after a legendary career. Under Coach Lipelt, the Wayzata Football Trojans have won 204 games and 11 conference championships. His boys' tennis team won a State title several years ago.

Coach Roger Lipelt has received countless honors during his brilliant coaching career: Coach of the Year, Head Coach of the Minnesota All-Star Football Team, Hall of Fame selection by his alma mater, Hamline University, to name just a few.

Despite all the attention this legendary coach has drawn, if a stranger walks up to Roger Lipelt and asks him what he does, he will most likely say, "I am mainly a social studies teacher."

Yes, teaching is what Roger Lipelt is mainly about. Roger has taught all of his students and his athletes many valuable lessons about life, about winning and losing, about family and faith, about love of country and community, and about how to treat other people.

Through his inspirational leadership and by his example, Roger Lipelt has profoundly affected the lives of countless young people, and shown them the way to lead healthy and productive lives. Never give up on yourself, Roger Lipelt tells his students and his athletes. For 22 years, Roger's spirited coaching has made the Wayzata Football Trojans one of the most consistently successful football teams in the State of Minnesota, season after season.

Mr. Speaker, I have known Roger Lipelt, I am grateful to say, for two decades. I could tell the Members firsthand the power and the guidance he has brought to so many young people's lives. He has been a member for many years of a small Bible study group that I am part of. We meet every Saturday at a local restaurant in Wayzata. Members of our Saturday morning group have been truly blessed by Roger's friendship and his faith.

Above all, Roger Lipelt's life is about faith, family, and friends. Roger's love for his family is an inspiration to all of us who know him. Roger's wonderful wife, Jo, and their daughters Heidi, Heather, and Holly, have been Roger's biggest boosters, and have shown all of us the true meaning and the importance of family.

Mr. Speaker, on behalf of all those people whose lives Roger Lipelt has touched through the years, I am honored to stand here today to pay tribute to our Wayzata hero on his well-deserved retirement. We wish Roger and Jo Lipelt many more years of happiness together.

Congratulations, Coach, on a great career, and thanks for all the memories. Thanks, also, Coach, for putting the ball in the air.

REGARDING STATEMENTS BY CHAIRMAN HYDE OF THE COMMITTEE ON THE JUDICIARY

Mr. CONYERS. Mr. Speaker, today the distinguished chairman of the Committee on the Judiciary held a press conference in which he made announcements which I had, until I read the report, known nothing about. There are comments here that I think require us to examine this quite carefully.

First of all, the gentleman from Illinois (Chairman HYDE) has indicated his intention to vote for an inquiry of impeachment of the President of the United States, quite within his scope of his duties, or any other Member, for that matter. But to suggest that Democrats ought to vote in the committee along with him to show bipartisanship I think stretches the bounds of reasonableness to a breaking point.

Every Member in this body has their own responsibility and inquiry within themselves to determine, especially on the Committee on the Judiciary, whether or not there should be an inquiry.

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The fact that the gentleman from Illinois (Mr. HYDE) has decided that there should be, should not influence anybody else in this body. For him to suggest that Democrats should show bipartisanship by voting with him is, indeed, an incorrect position which I hope he will repair immediately tomorrow.

I just left his office, and he was not there. The office was closed. But one of his staffers was nice enough to inform me that I am on his schedule to meet with him tomorrow.

The gentleman from Illinois (Mr. HYDE) cannot dictate what the Committee on the Judiciary's Members, 21 Republicans and 16 Democrats, are going to vote a week from now. He cannot do it. Neither can I. Neither can the Speaker.

To announce to the press unilaterally that that vote will take place a week from today begs common sense. We are out until Thursday. There is a weekend of 2 days. We are supposed to come back on Monday, and the most important vote of the Committee on the Judiciary in its recent history is supposed to happen between 9 a.m. and 5 p.m. a week from today. I suggest that is an incorrect way to proceed. It is unilateral. I am reading about it.

When by chance does the committee get a chance to examine the materials for something other than looking for redactions to send out to the American people? We still have not finished. Because we sent over staffers to find out that there are even more boxes in the independent counsel's office in which he said he deemed them irrelevant and of no consequence to the Committee on the Judiciary.

Well, thank you, Mr. Starr. But I think that is within our jurisdiction to make the determination whether anything is irrelevant or not. He sent us 37 boxes. Send it all and let us examine it all.

But let us not be deceived. Going through materials for redactions that may contain 6(e) materials, that is Grand Jury materials that are accorded privacy, or that there may be defamatory materials that will harm innocent Americans, or that women's phone numbers and addresses should be redacted is a completely different matter from examining the materials with an eye to whether or not we should have an inquiry of impeachment.

THE EXPORT ENHANCEMENT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. LUCAS) is recognized for 5 minutes.

Mr. LUCAS of Oklahoma. Mr. Speaker, fiscal year 1998 ends in 3 days, and President Clinton has let cob webs grow on the Export Enhancement Program.

Yes, as our farmer constituents struggle through one of the most devastating downturns in commodity prices our country has seen, our President has sat on $150 million that could have been and should have been utilized to prevent the loss of markets in wheat, wheat flour, vegetable oil, and other commodities.

The 1996 farm bill made over $1.5 billion available for EEP, and this administration has used it to move some frozen chickens and some barley. They should be ashamed.

This administration's trade policy should be called promises made, promises broken. Understanding the need to open new markets for our commodities, the President has promised to utilize EEP to its fullest. This is a promise he has not kept.

In March of this year, I joined my colleagues from Oklahoma in sending a letter to Secretary Glickman outlining our thoughts on the need for the administration to utilize EEP. I would like to read the letter we sent.

> Dear Mr. Secretary: It has come to our attention that according to the United States Department of Agriculture . . . February supply/demand report, the season average price for wheat is expected to decline by at least twenty percent compared to the 1996/97 season. This price decline is causing serious concern to our producers, and we strongly urge the Department to use all discretionary programs to strengthen market prices and export opportunities for U.S. producers.
>
> We believe the Department should aggressively utilize export enhancement tools in strategic markets, including the Export Enhancement Program (EEP) and the GSM credit programs. All agree that export growth is fundamental to improved market prices for producers. As we talk it our producers/constituents throughout Oklahoma, they time and time again express great dissatisfaction with the Department's reluctance to use the EEP to counter competitive subsidization of wheat in world markets. The unwillingness to utilize this program has weakened its effectiveness both as a deterrent to unfair trade practices and as a means of gaining access to markets.
>
> As U.S. producers lose market share to a growing list of countries with state trading enterprises, it is imperative that the Department implement a long-term strategy to counter these entities. As you begin the preparation for the next round of World Trade Organization Negotiations in Agriculture, we hope that you will utilize all export tools available.
>
> Thank you for consideration. We are looking forward to your response. FRANK D. LUCAS, J.C. WATTS, Jr., ERNEST ISTOOK, STEVE LARGENT, WES WATKINS, and TOM COBURN.

How did he respond? Nearly $50 million a month has sat idly by as our markets have dried up throughout the world as the administration plays partisan politics with the future of our producers. I would argue that one of the main problems plaguing those trying to earn a living off this land is this administration's lack of an agricultural trade policy. Mr. President, this needs to change.

SAVING SOCIAL SECURITY WHILE PROVIDING TAX RELIEF

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, I want to echo everything that my distinguished friend, the gentleman from Oklahoma (Mr. LUCAS), just said because that is a very important issue to the farmers and ranchers in my home State of South Dakota.

What I would like to do this evening is just for a few minutes here discuss some things I think are very important to the future of our country as well, and to say that a couple of years ago about this time there was a debate going on in this country over the airwaves about the Republican so-called commitment to destroy Medicare, and we heard over and over on the airwaves, from candidates who were seeking elective office, that this somehow was going to come to pass, and here we are two years later.

Of course, after that, when we came back in January, when those of us who were freshmen came and joined the Congress, and then last summer we passed the balanced budget agreement and believe it or not the plan at that time that was characterized as destroying Medicare then became our plan to save Medicare. A lot of our friends on the other side, who ran campaigns in the fall of 1996 attacking Republican candidates for what they perceived as a plan to destroy Medicare, ended up voting for a plan that then became a plan to save Medicare and actually spent less on Medicare than the very plan that they spent all of 1996 attacking.

Now, I just use that as an illustration to point out some of the hypocrisy that you are going to hear, and I want the American people to listen very carefully to this because the same thing is going to happen again this year. We have already heard it start.

On Saturday, we passed historic legislation to set aside money for Social Security. Ninety percent, or $1.4 trillion, of the projected surplus that will come into this country is going to be walled off and set aside to save Social Security. That is a commitment that we have made.

The balance, the remaining 10 percent, or about $80 billion, is going to be used to bring tax relief to the American people.

Already our friends on the other side have been relentlessly attacking the Republican plan to destroy Social Security, and I just want those who are watching this evening across America, the taxpayers of this country, the people who should care very deeply about this issue, to know one thing. You are going to hear over and over and over again repeated a parade of speakers on this floor in this House, and on the airwaves this fall, about attempts to kill Social Security. I want you to know they are flatly untrue.

What we are trying to do is to save Social Security, not only for the current generation but for generations to come, and that is why we are taking advantage of this historic opportunity to dedicate and set aside $1.4 trillion of that surplus to save Social Security.

What I would like to do this evening is talk about the other 10 percent, and that is those dollars that we have committed to give back to the taxpayer some of their hard earned money. We did it in a way on Saturday with a vote that was historic because it will deliver tax relief to families by relieving the marriage penalty. It will also allow small savers to set aside more in terms of dividends and interest and to protect that from income tax and lessen their tax liability there, but also for the farmers and ranchers of this country, and in my State, who are very near and dear to my heart.

This is such a wonderful plan for agriculture. If we think about the things that are accomplished in this tax relief bill and the problems that we are facing in agriculture today, we have an economic disaster in rural America. We have historically low prices. We have a price crisis, and we need to do everything that we can to help our farmers recover.

We are going to vote upon an ag assistance package later on hopefully this week that will provide some needed assistance out there, but at the same time we can couple that with tax relief that will put some dollars into their pocket.

One of the things that we did is we lessened the death tax and so that those farmers and ranchers who want to pass on their operation to the next generation will be able to do so without facing the undertaker and the IRS at the same time.

We also allow for the deductibility of health insurance premiums for self-employed people, farmers and ranchers and small business people who can benefit tremendously from being able to deduct health insurance premiums that they are paying.

There is a provision in there that makes permanent income averaging for farmers and ranchers who have very volatile income. Some years it is up. Some years it is down. This allows them to spread it out over time and thereby lessen their tax liability.

There is a loss carryback provision that allows farmers who have had losses in the last couple years to offset those losses against more profitable years and therefore get a tax refund this year. There are expensing provisions that they can use again to help them reduce their tax liability.

This is an incredible package for the farmers and ranchers of this country and it is, again, as I said earlier, done in a way that allow us to accomplish tax relief and yet make a long-term commitment to saving Social Security for the future of our country.

These are important provisions in this bill. I was proud to support it. I hope that we can move this bill forward and pass it in the Senate and have the President sign it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Members are reminded to address their remarks to the Chair and not the viewing audience.

THE DISTINGUISHED CAREER OF REPRESENTATIVE LEE HAMILTON OF INDIANA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana (Mr. VISCLOSKY) is recognized for 60 minutes as the designee of the minority leader.

Mr. VISCLOSKY. Mr. Speaker, it is an honor to stand before the Members of the House tonight in a special order devoted to honoring our colleague, the gentleman from Indiana (Mr. HAMILTON) who will be retiring from this institution after serving for 34 years.

The gentleman from Indiana (Mr. HAMILTON) has had a distinguished career, and I would note that literally, depending on the day the 106th Congress is sworn in next year, Mr. HAMILTON may also hold the historical record of having served in this House longer than anyone else in the history of the State of Indiana.

I am here tonight, and I know my colleagues are here tonight, not because of the quantity of the service of the gentleman from Indiana but the quality of the man and the quality of his service; the quality of his mind, which is exceptional; the quality of his service. He has been selfless every day of those 34 years as far as his commitment to the American people and to those who he has served internationally; and the quality of his person, his ethical conduct, his commitment to his God, to his family and, again, to the people that he has represented in the Ninth District of Indiana.

Seventeen years ago, as a young man, I decided to run for the United States Congress, and at that time the gentleman from Indiana (Mr. HAMILTON) gave me a gift. He gave me the gift of his intelligence and he gave me the gift of his support.

Following my election, 14 years ago, as a Member, the gentleman from Indiana gave me additional gifts: The gift of his patronage in the House of Representatives and the gift of his counsel.

□ 1945

To all of us, he has given the gift of his time, whether as chairman of the Joint Economic Committee, where he attempted to ensure that every American had the fairest chance for the best job in the world's strongest economy, whether it was chairing the House Intelligence Committee to ensure that our Nation was secure above all others, or whether it was his distinguished service on the Committee on International Relations as chair and ranking member, where he ensured that the voice of those least fortunate or those most in danger was always heard.

But on a personal note, I must emphasize that what I will miss most about LEE HAMILTON is our extended conversations about the Indiana University football team. I say that simply because LEE was the athlete I never was and never will be and would point out to those who might not know that while at Central High School, LEE was best known for his skill on the basketball court. And as a senior he led his team to the final game of the State basketball tournament in Indiana before being sidelined with an injury. Though Central lost the championship, LEE was honored with the Trester award given to the senior in the final four who best exemplifies excellence in both athletics and scholarship.

In recognition of his athletic accomplishments, LEE was inducted into the Indiana Basketball Hall of Fame in 1982, certainly a very rarefied group. I would simply, in my remarks, wish LEE, his wife, Nancy, and their children Debbie, Tracy and Doug, every joy and every happiness that life has to offer.

Mr. Speaker, I rise today to pay tribute to a colleague and mentor, LEE HAMILTON.

LEE will retire this year after thirty-four years of distinguished service in the House of Representatives. The leadership LEE demonstrates in his roles as the senior member of our delegation and the Chairman of the International Relations Committee are only the most recent examples of greatness in a career that spans decades.

When I first ran for Congress in 1984, LEE was a confidant and a valuable resource. When I won the Democratic primary, LEE became my patron. And, after I became a Member of Congress, LEE's opinions on policy and the issues of the day were among the first I sought. Needless to say, this House will be a different place for me, without LEE HAMILTON.

The one thing that each of us has a finite amount of, is time. One thing LEE has always been ready to share with me, and each member, is his time. On both the professional and personal levels, LEE never hesitates to lend an ear and impart sage counsel.

I would point out that it is not just his friends and colleagues for whom LEE makes time. LEE has always striven to make sure the voices of those less fortunate, in our nation, and throughout the world, are heard. As Chairman of the Joint Economic Committee, he also worked to make sure that we have the strongest of economies in this country, and that every American has the chance to get a good job.

When you think of LEE, you think of someone who is judicious, deliberate, and serious about his work, without being serious about himself.

Aside from his interest in international affairs, LEE is deeply committed to the people of Indiana's ninth congressional district, the state of Indiana, and this nation. Now, LEE will take his commitment to public service to Indiana University, where he can keep a closer eye on the I.U. football program.

Congressman HAMILTON will be dearly missed in the counsels of government everywhere. He is a gentleman in the truest sense of the word. I wish LEE, Nancy, and their family continued success and happiness in the future.

Mr. Speaker, I yield to the gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, it is with mixed emotions that I rise to join in this special order for our good friend and colleague from Indiana, the ranking Democratic minority member of our Committee on International Relations, LEE HAMILTON.

On the one hand I am delighted with this opportunity to pay tribute to a Member of Congress who has exemplified and personified the highest standards of public service to our Nation for a period that extended over more than a third of our century.

I want to thank our colleague, the gentleman from Indiana (Mr. BURTON), distinguished chairman of our Committee on Government Reform and Oversight, and the gentleman from Indiana (Mr. VISCLOSKY) for taking the initiative in arranging for this special order this evening.

On the other hand, I am saddened that this well-deserved tribute is occasioned by the fact that LEE HAMILTON has decided to retire at the end of this Congress. I say it is premature. The courage, fortitude and plain midwestern common sense that have been his trademark will be long remembered and deeply missed.

LEE was first elected to Congress in 1964 and he was already a veteran House Member of four terms when, in January of 1973, I was privileged to join him as a freshman on what was then the House Committee on Foreign Affairs in the 93rd Congress. At that time Doc Morgan of Pennsylvania was our chairman, and our good friend PETER FRELINGHUYSEN of New Jersey was our ranking Republican. But LEE became my squad leader, so to speak, as chairman of the Subcommittee on Near East and South Asia, to which I was assigned as a junior member. And so began a working relationship that has spanned more than three decades, although our joint service on that subcommittee lasted only through that Congress.

We did not serve together on the subcommittee again until 1985, when LEE HAMILTON was chairman of the Subcommittee on Europe and the Middle East and I became its ranking Republican.

You might say that since then we have been joined at the gavel.

I was privileged to serve with LEE as cochairman of the Task Force on Foreign Assistance that was established by our good friend and former chairman, Dante Fascell from Florida during the 101st Congress. The report of our task force was a groundbreaking achievement that has served as a blueprint for many of the reforms that have helped to make our foreign assistance programs and the Agency for International Development, which administers them, even more effective.

The trademark of LEE HAMILTON's service in Congress has been his thoughtful and analytical approach to foreign policy. At times we may have disagreed, but we have always been able to work together on so many important foreign policy issues.

LEE HAMILTON has been a man of candor, of conviction and integrity. His sage and deliberate counsel will long be missed as Congress continues to take up the many complex foreign policy issues that face our Nation. We hope LEE will not be a stranger to this body.

In closing, Mr. Speaker, permit me to say to LEE HAMILTON, God bless, Godspeed, and best wishes for success and happiness to both Nancy and yourself in all of your future endeavors.

Mr. VISCLOSKY. I yield to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank my good friend from the northwestern part of the great State of Indiana, and I thank my friend, the gentleman from Indiana (Mr. BURTON), from down south of me, more of southern Indiana, who join together in paying tribute to LEE and Nancy Hamilton. I know Nancy joins us in the gallery this evening as well, too.

I recall, Mr. Speaker, that John Quincy Adams, after he had served in the presidency, was elected to the United States Congress. When asked about his service in the United States Congress, he said that it was probably the highest honor he served, a great compliment to this distinguished institution.

I do not think it is overemphasizing anything at all when we talk about LEE HAMILTON's 34 years of service to the people of Indiana, to the people of this country, and to those who have served with him over those 34 years in this body, to say that LEE HAMILTON has lived up to those kinds of accolades and expectations laid out by John Quincy Adams.

He ranks up there with the people that I look up to and admire through the history of this country. I will talk a little bit about some of those names as I close.

I want to talk about three instances, very briefly, Mr. Speaker, that really epitomize and bring out the talents and the skills of LEE HAMILTON. First, the Iran Contra hearings. These hearings, LEE HAMILTON conducted with civility and bipartisanship. He had a tight grasp of the law, a firm understanding of how to apply it fairly, and he epitomized, I think, what we vitally need in this body today, and that is that sense of objectivity and fairness and application of the law.

Secondly, on the Persian Gulf, that was my very first vote as a freshman Member of Congress, and I looked to the distinguished gentleman from Indiana (Mr. HAMILTON) for his understanding of foreign policy, for his spirited argument on why we should wait and have sanctions apply. And I think LEE's statement that I reread a few weeks ago probably is as applicable today as it was 8 years ago.

And thirdly, I think LEE HAMILTON has overseen and contributed to some of the most fundamental changes over these 34 years to make the domestic and the foreign policy institutions that we have in this country adopt to world changes and make sure we stay in a peaceful environment and an environment that is prosperous for our people; not an easy task at all, as we have seen such change from the Cold War to the new environment in 1998.

I do not think anybody can be a public servant and have public service as their goal without a family that supports them. I cannot think of anybody that my wife Sally looks up to more than Nancy Hamilton. Nancy's paintings adorn LEE HAMILTON's office. They are all over his office. They are beautifully done and show her talent, her skill and her commitment.

LEE and Nancy's children, Debbie and Tracy and Doug, are also in different areas that epitomize LEE and Nancy's teachings and their parental skill and their devotion to family.

In conclusion, Mr. Speaker, Ernest Hemingway, in John Kennedy's book Profiles in Courage, talked about the meaning of courage. And he defined it as grace under pressure, grace under pressure.

I do not think anything epitomizes LEE HAMILTON or Nancy Hamilton or their family more than grace, more than civility, more than helping the people of Indiana, intelligence, commitment, wit, style, charm and devotion to this great country of ours.

LEE will continue to live up to those standards and goals, as he works at the Woodrow Wilson Center and establishes a center for a better understanding of Congress at Indiana University. I think we could all use a better understanding of Congress. LEE's work is cut out for him. We wish him well. We pray for him, and we wish his family well.

Mr. VISCLOSKY. Mr. Speaker, I yield to the gentleman from Indiana (Mr. BURTON), the senior Member of the Indiana delegation.

Mr. BURTON of Indiana. Mr. Speaker, that means that I am now going to be the oldest.

Mr. Speaker, you can tell an awful lot about people by their children. And I regret that I never had the chance to meet LEE HAMILTON's mom and dad, because they sure raised a wonderful son. I know his brother is a minister. I have never had the pleasure of meeting him, but I understand he is a wonderful guy as well.

Let me just say that in the time that I have worked with LEE HAMILTON on the Committee on International Relations, I have not known a nicer fellow than LEE HAMILTON. Obviously, we have strong differences of opinion on issues, but LEE handles those strong differences in a way that even though you strongly differ with him, you still like him.

That is very difficult in a body such as this. Sometimes our tempers get awfully hot and we explode and we say things that we do not mean, and we even say things about our colleagues that we should not say. But LEE HAMILTON has never made that mistake. I have watched him year after year on this floor and in the committee, and he handles those issues with diplomacy and understanding and tact. And he has just been an exemplary Member of this body and an exemplary member of the Committee on International Relations.

I, too, am a great admirer of athletic prowess, and I was talking to LEE just a few moments ago. I knew that he had won the Trester award when he was in high school back in 1908, excuse me, 1948. I am just teasing, in 1948.

And it came to my attention tonight that he was disabled in the State championship game by a torn cartilage in his knee, and they worked all afternoon trying to fix it so he could play that night, and he was only able to play about 3 or 4 minutes. With all deference to the team that won the State championship in 1948, I am confident that if LEE HAMILTON had been able to play the whole game in sound physical condition, his team would have been the State champion. But I doubt, LEE, if you would have won the Trester award had that happened.

Let me just say, once again, in closing that LEE HAMILTON will be missed by both Democrats and Republicans in this body because he is a good man. He is a kind man. He is a thoughtful man. He is a caring man. And he is a man that will be remembered by every Member who has served with him as a great Congressman.

Thank you, LEE, for all your service.

Mr. VISCLOSKY. Mr. Speaker, I thank the gentleman for his remarks.

I yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding to me.

Maxwell Anderson wrote of George Washington: There are some men who lift the age they inhabit until all men walk on higher ground in that lifetime. LEE HAMILTON, by his presence, has lifted the age in which he has inhabited the House of Representatives. Perhaps the greatest comment on a person's life is the legacy one leaves behind, and LEE's legacy will be his unwavering dedication to the House and our legislative responsibilities in regard to our Nation's role in world affairs as well as domestic challenges.

□ 2000

LEE has long recognized that we must not look only inward, we must be a Nation actively engaged in the word around us. LEE has been a leader in promoting an appropriate role for Congress in the foreign policy-making process and, at the same time, educating legislators, his colleagues, on world affairs and their need to understand those issues.

He nonetheless never has forgotten his roots in the soil of Indiana. Buckeyes and Hoosiers are down to earth people, well grounded, if you will. That grounding in love of country and a profound understanding of its good people augmented LEE's ability to represent our Nation's foreign policy in Congress and overseas. Now he leaves us to embark on a new mission as Director of the Woodrow Wilson Center.

I have raised some challenges to the Wilson Center in the past few years, because I believe that the center has strayed from its mission and its dedication to serving the public purpose. With LEE's leadership, I am confident that the Wilson Center will be in good hands and will be responsive to fulfilling its goals. I am also pleased that in this new assignment I will have the opportunity to continue working with LEE.

I wish LEE and Nancy the best for their continued success; LEE in the role of inspiring Americans through the Wilson Center; and Nancy in the world of beauty through art.

Mr. VISCLOSKY. Mr. Speaker, I appreciate the gentleman's participation, and yield to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank my friend from Indiana for yielding to me. I too want to rise before this body tonight and offer my sincere thanks and congratulations to LEE HAMILTON.

LEE, I was 1 year old when you joined this great body, the United States Congress. Not to date you or anything. As a freshman Member, when I am back home in Western Wisconsin people come up to me and ask me how do you do it, how do you come up to speed with all the procedures and all the substance that you are confronted with out in Washington, D.C. And in a large respect it is by just listening and getting feedback from the people who sent me there to represent them. But I also tell them that as a new Member you seek out role models in this body, people who you can admire and emulate, that you can sit back and watch and listen to, see how they conduct themselves, see how they handle themselves during debate, and sit next to them at times before votes and as policy is starting to develop, especially in the area of foreign policy, and just pick their brains.

And, LEE, I am not too proud to admit tonight to you and to the Nation that you have always been one of my role models as a freshman Member. There have been countless times when I have taken the opportunity, that we so often have in between votes, to sit down next to you and talk to you about events in China, Kosovo, Bosnia or Russia, understanding the wisdom and experience that you bring and insight that you bring to these discussions that we wrestle with day-to-day in the United States Congress.

I have always been amazed at how oftentimes you turn the subject back to me in your questions, about me personally and the family and the children, my athletic career, which too was shortened because of a career-ending injury, and your intense interest on the Wisconsin Badgers. I was not so sure if it was because of your interest in Big 10 football, or if you were just getting a scouting report for Indiana University before the big game.

But I really have admired you and I have appreciated all the advice and counsel you have given me, someone who has an interest in foreign policy, having studied abroad, in London for a couple of years; having traveled in Europe extensively, Central Europe, North Africa, and realizing the importance that foreign policy decision-making is to this place, the United States Congress.

It is my only hope, LEE, that when I finish my career here, however long the people in Western Wisconsin want me to represent them, that I will have lived up to the very high standard of personal integrity and honor that you have brought to this institution; that you have established while you have been here. I think the Woodrow Wilson Center and Indiana University are extremely lucky to get you, your wisdom, your integrity and your experience with the greatest Democratic institution in the world.

I wish you and your family a very long and very happy retirement. Thank you, LEE.

Mr. VISCLOSKY. Mr. Speaker, I appreciate the gentleman's participation and would recognize and yield to the gentleman from Indiana (Mr. PEASE).

Mr. PEASE. Mr. Speaker, I thank my colleague from Indiana for yielding to me, and I rise to add my voice to the chorus commenting on the contributions and virtues of my friend from Indiana, the distinguished Congressman from the 9th district, LEE HAMILTON.

It is typical of us Hoosiers to be obsessed with basketball and politics. Mr. HAMILTON is the quintessential Hoosier, because he has excelled in both. As a high school athlete, he propelled the Evansville Central Golden Bears to the Indiana High School State championship basketball game. And the Bears would have won if the future Congressman had not suffered an injury during the afternoon game.

He was awarded the coveted Trester award, which goes annually to the high school basketball player who has the best mental attitude. It is the most prestigious award conferred on an Indiana high school athlete, and it defines all that is best in sportsmanship and fair play. He went on to DePauw University, a fine institution, coincidentally in my district, where he also excelled in basketball and academics.

He is the son and brother of United Methodist ministers. Perhaps this background is responsible for the strong moral and ethical behavior that he has demonstrated over his lifetime and his career in the House of Representatives. He is well-respected by Members of both major political parties in Indiana.

Mr. HAMILTON and Senator DICK LUGAR make joint appearances in Indiana each year to enlighten the members of the press and others about the current aspects of United States foreign policy. I hope you will forgive my Hoosier pride for my belief that these two gentlemen are among the most knowledgeable Members of Congress on foreign policy issues.

There is no doubt that LEE HAMILTON could have had his party's nomination in Indiana for governor, for United States Senator, perhaps on more than one occasion. However, his devotion to his work in the United States House of Representatives precluded his accepting those opportunities, which many, though probably none in this chamber, would have thought were promotions.

On a personal note, let me say that Mr. HAMILTON, who came to this House when I was in junior high school, has been an example, a mentor, and a leader, but, most important, a friend to me as a freshman Member of this House. He has helped me professionally, he has supported me personally. His staff has helped mine as they have learned how this place works, and they reflect his professionalism and his ethical action.

LEE, please accept my thanks for all you have done for me, for our State, for our Nation. My best wishes to you and Nancy as you begin a new career, and may God continue to bless your life and your work. I thank the gentleman from Indiana.

Mr. VISCLOSKY. Mr. Speaker, I deeply appreciate the gentleman's participation and would yield to the gentleman from Ohio (Mr. PORTMAN).

Mr. PORTMAN. Mr. Speaker, I thank the gentleman for yielding to me, and I guess I have to start off by saying how old I was when LEE HAMILTON was first elected. LEE, I was 10, and it was shortly thereafter, living in Cincinnati, Ohio, in a district that actually borders Mr. HAMILTON'S district, we are in Southwestern Ohio, he is in Southeastern Indiana, that I began to hear about LEE HAMILTON.

I worked up here on the Hill briefly for my predecessor, Bill Gradison, and looked up to Mr. HAMILTON as someone of high integrity. And particularly in the foreign policy area, he was deemed, even in those early days, as being truly an expert.

He has been talked about tonight by a lot of people, including the chairman of the Committee on International Relations as an expert on international matters, and he is. Free trade is something that LEE has taken a courageous stand on over the years in that context, and I appreciate what he has done for our country in that regard. He has often stood up against his own party and done what is not necessarily popular politically, whether it is free trade generally or talking about our misguided sanctions policy, because he believes strongly in the fact that through trade we will create jobs and make a better country. He has put the Nation first, I really think, on foreign policy, again and again. And I am one of those who want to stand up here tonight and tell him that we appreciate that.

I got to work with LEE not too long ago on the Tropical Forest Conservation Act. Again, he put the interests of his country first and, frankly, gave us credibility to be able to promote that idea, which is a debt-for-nature swap. It makes all the sense in the world. I then went down with LEE to Santiago, Chile, for the Summit of the Americas, several months ago, and got to see him in action not only as someone who is highly regarded by the current administration, in terms of his foreign policy expertise, they do turn to him frequently, that is when all the right decisions are made, LEE, I understand, but also by leaders from around the hemisphere. There were 34 presidents there from 34 countries in our hemisphere, and it was amazing the respect that he has among those leaders and among their foreign ministers, their trade ministers and so on. And I got to see that firsthand, LEE, and was greatly impressed.

Again, he came to my aid recently. I told him on that trip to Santiago about an effort underway to try to pay tribute to George Bush, our only President who had served as the Director of the Central Intelligence Agency. And it was LEE HAMILTON who stood up, when needed, and provided a strong bipartisan support for that effort, which I think will probably be enacted into law, LEE, here in the next few weeks. And, again, I personally appreciate what you did there, putting your country first and making sure that this place continues to operate on a bipartisan basis.

One thing I want to mention briefly, if I might, and is something that folks may not be as familiar with about LEE's background and his interests. He has been known, again, as truly one of the most distinguished leaders on foreign policy in this body, but he has also focused on illegal drugs in a very interesting way, not only on the interdiction side, which would make sense, given his focus and his experience, but also in his own back yard, in rural Indiana.

LEE has held meetings throughout rural Indiana, talking with law enforcement officials, talking with parents, talking with school administrators, talking with people in the trenches who are trying to deal with the problem of illegal drugs. He has spearheaded a project called Rural Indiana Profile, a comprehensive study that gives community officials, public officials throughout Indiana a sense of what is going on in our rural communities with regard to the illegal drug problem that is robbing so many of our young people of their dreams, indeed of their lives at times. And, LEE, I want to thank you for that, which is something that probably is not well-known in this body.

He was also a strong supporter of the Drug-Free Communities Act that was signed into law last year because of his recognition that we are not going to solve this problem just by focusing on source country problems, interdiction, but that we also have to look into our own hearts to see what we are doing wrong in our own communities and to begin to change the attitudes of our young people.

Mr. Speaker, my neighbor, LEE HAMILTON, is truly an example of the best in public service. The gentleman from Wisconsin said earlier that he has been a role model. He certainly should be a model for all of us who have been fortunate enough to serve with him in Congress. I will miss his friendship in Congress. I hope we can stay in touch in his new role at Woodrow Wilson School and at Indiana University. I will miss his common sense. He has the most commonsensical haircut in the United States Congress, incidentally. And I wish him very well in his new responsibilities and also in his renewed responsibilities.

I know he had other opportunities to lead this country and to serve this Nation in very substantial and prestigious ways with the current administration and, instead, chose to remain here, closer to his family, closer to his beloved wife, and so I also wish him luck in his renewed responsibilities as a husband, as a father, and as a grandfather.

Mr. VISCLOSKY. Mr. Speaker, I appreciate the gentleman's participation very much, and now yield to the gentlewoman from Indiana (Ms. CARSON).

Ms. CARSON. Mr. Speaker, I want to thank very much the gentleman from Indiana (Mr. VISCLOSKY) for arranging for this special tribute to the Honorable LEE HAMILTON. This tribute is reminiscent of a poet that wrote many years ago that "He shall be like a tree that is planted by the rivers of water that bring forth fruit in its season."

I rise today to pay tribute to a towering figure in the House of Representatives and this Nation, and certainly on behalf of the State of Indiana. It comes as no surprise to those who have observed the Honorable LEE HAMILTON that he is the son and brother of Methodist ministers. In a political world sometimes characterized by dishonesty and backstabbing and inter-party feuding, LEE HAMILTON stands out as a rock of integrity and someone that certainly I have been extremely blessed to have had an opportunity to know even before I became a Member of this distinguished body.

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In the 34 years that the gentleman from Indiana (Mr. HAMILTON) has been in the House of Representatives, he has built bonds of trust on both sides of the political aisle, and he can always be counted on to put the country ahead of any partisan political politics.

He is a man of great intellect. He has become perhaps the leading congressional spokesman on our relations with foreign lands and peoples. He also is a leading exemplar of the concept all too rare in Congress today, that politics stops at the water's edge.

The gentleman from Indiana (Mr. HAMILTON) has been a forceful advocate for honor with pragmatism in foreign affairs regardless of which party controls the White House. As chair of the Committee on Foreign Affairs and ranking member of the Committee on International Relations, the gentleman from Indiana (Mr. HAMILTON) has been a strong defender of the President's right to determine foreign policy, but was opposed to Presidents in both parties when he thought they were wrong. He exemplifies the highest degree of courage and commitment to the patriotism that all of us enjoy.

I remember in 1987 Mr. HAMILTON served as House chairman for the committee investigating the Iran-Contra matter. In his post he was stern, but a fair inquisitor in terms of where we were and where we ought to be in that particular situation. He is a firm believer in the rule of law. In the Iran-Contra investigation, he decried the establishment of a government within a government that was not ruled by the democratic process. He has always been guided by his belief that all public officials should be accountable to the law and to the voters.

It is for all of those reasons and certainly more than I could delineate here tonight that I am just happy that I have had an opportunity to stand in the Chamber that the gentleman from Indiana (Mr. HAMILTON) has served so well for so many years. And even though he has chosen not to run again for the House of Representatives, he will always be a Member of the House of Representatives because he will continuously be sought after for his wise advice, especially on foreign affairs.

The gentleman from Indiana (Mr. HAMILTON), in closing, exemplifies what a gentleman's gentleman is like. Andy Jacobs told me a few minutes ago that Mr. HAMILTON has always been a very civil person and very determined and dedicated.

I pay a special tribute to LEE HAMILTON, and certainly to Nancy, as he begins his next life as a scholar and a statesman in the academic community. And I certainly wish him good luck and Godspeed and thank him very much for all that he has done for Americans. It has really been a pleasure to have known him.

Mr. VISCLOSKY. Mr. Speaker, I yield to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I have been privileged in preparing my remarks to have the benefit of the wisdom of Mr. Ben Cole, who for many years was the Washington correspondent of the Indianapolis Star and who I have the privilege of calling father-in-law. And Ben told me that in all of his time watching the Members of the House of Representatives from the Hoosier State, there is no one who in commitment to principle, integrity, intelligence, stands out more than the gentleman from Indiana (Mr. HAMILTON).

But passing now to my own remarks, as I say informed by my father-in-law, let me say there has been too much of a note of sadness here about the departure of Mr. HAMILTON from the political world. There should instead be a note of celebration at his admission to the world of professors.

Mr. Speaker, I ask to advise the gentleman from Indiana (Mr. HAMILTON) that this is a much better world and he has the qualities that will make him a superb teacher. Here is what I see when I make that statement.

First of all, a good teacher knows his subject and the students know it real fast if he does not. And just from what I have seen on the Committee on International Relations, Mr. HAMILTON knows the subject matter. People come to him because they know that he can recite it from memory, he can recite it from his experience, he can recite it because he has studied it. The gentleman from Indiana (Mr. HAMILTON) will be a superb teacher for that reason.

Secondly, students catch on if we are one-sided and they turn off. Nothing is worse than using the platform of a professor to be a proselytizer, and that happens on the right as much as on the left. Mr. HAMILTON does not use that platform to proselytize. As a professor, Mr. HAMILTON will find his students excited and interested because they will know that his point of view is not predetermined as to whether their point of view will be welcome in class discussion or not, but rather that he will be seeking the truth and inspiring them to find the truth through their own processes and their own gifts that God gives them.

And third and last, probably the most important aspect of a good professor is that there be something deep that the student sees, something worth admiring. Any idiot can hand out a grade. What matters is that the students admire the professor because there is something worth admiring in that professor. And that is what all of our colleagues have spoken to tonight. That is why we have as many Republicans as Democrats taking part in this special order.

Mr. Speaker, Mr. HAMILTON's students will see in this teacher a person who went into public life for all the right reasons, who went into the field of international relations in order to do his best for the people whom God made on this earth who may not have as many advantages as those of us with the tremendous privilege of being born in the United States.

I close by commenting with all sincerity that the students of the gentleman from Indiana (Mr. HAMILTON) will see in him a peacemaker whom our Lord has blessed; those who seek peace shall be called the children of God. And they will see in him a man who seeks after justice, who hungers and thirsts for justice, for he will be satisfied.

Mr. Speaker, on the graduation of our colleague the gentleman from Indiana (Mr. HAMILTON) from this institution to the new and in many ways more important institution of teaching, I offer my congratulations and my expectations of continued excellence in every respect.

Mr. VISCLOSKY. Mr. Speaker, I appreciate the participation of the gentleman from California (Mr. CAMPBELL).

I yield to the gentleman from New Jersey (Mr. PAYNE).

Mr. PAYNE. Mr. Speaker, I too join my colleagues in praising our friend and colleague, the gentleman from the great State of Indiana (Mr. HAMILTON). I know I speak for other Members in saying that it will be sad to see him leave this place.

As a member of the Committee on International Relations, which Mr. HAMILTON is the ranking member, he has held many hearings, timely hearings succinctly on issues of great concern to American people and people throughout the world.

I thank the gentleman from Indiana (Mr. VISCLOSKY) and the others who have called this special order because I know that the 9th District will be pleased to have Mr. HAMILTON come home. He has developed a reputation here in Congress as a very thoughtful and committed person. To countries going through transition, in particular trying to struggle with democracy and new issues, he has had keen interest in that. He is an independent thinker and treats foe and friend alike.

In some of the hearings, we would hear him question members of the administration, whether it was this current administration or previous administrations run by the other party. And so he is an independent thinker, a person who has served for 33 years in this House.

In 1964 the gentleman from Indiana (Mr. HAMILTON) was elected to Congress at his first attempt at public office, which is a very unique and honorable position to be in. As a matter of fact, it was not until my third attempt that I was able to get here, so I should have studied Mr. HAMILTON's techniques a little earlier before I took the challenge on.

But during his tenure in Congress, he has often been tapped for key leadership positions. In 1993 to 1994, as my colleagues know, he chaired the House Committee on Foreign Affairs, currently serves as our ranking member, and also chaired the House Intelligence Committee, and cochaired the House-Senate Committee which investigated the Iran-Contra affair.

Mr. HAMILTON has taken a lead in working to make Congress more effective. In 1991 he sponsored legislation to create a joint committee on the organization of Congress. Under his leadership, this committee recommended major reforms to Congress, a number of which have been adopted, and he continues to push vigorously for enactment of further reforms.

His leadership on the Joint Economic Committee has allowed Mr. HAMILTON to give even greater emphasis to some of the key interests in Congress, ensuring a sound and healthy economy and promoting economic development. Through his continuing service on the panel, the gentleman from Indiana (Mr. HAMILTON) has held many hearings and discussions on economic challenges facing the 9th District, and he has worked long to improve education and job training and the infrastructure in southern Indiana.

I am pleased to hear that he will not go far from issues of real concern to all of us, as he will be appointed as the new director of the Woodrow Wilson International Center for Scholars. He will continue the legacy that he left behind and will continue to work for all the people of the world.

I have enjoyed working with him. I know during 1992, when we had to reduce our standing committees or our subcommittees in the Committee on International Affairs from 8 to 6, I was very interested in the fact that I wanted the Subcommittee on Africa to remain as a standing subcommittee, and working with Mr. HAMILTON, working with other members of the committee, we were able to preserve it during that cut and even further when we reduced the number of subcommittees to five. And it has been his support that has allowed us to continue to move forward.

So I wish him well in his retirement. I started as a teacher and tried to come to Congress. He came to Congress and will end as a teacher. And so I do want to compliment him again for his success.

Mr. VISCLOSKY. Mr. Speaker, reclaiming my time, I appreciate the remarks of the gentleman from New Jersey (Mr. PAYNE), and I do have some concern based on the comments made by the gentleman from California (Mr. CAMPBELL) about Mr. HAMILTON's impact on academic politics, but I guess only history will tell the story.

Mr. Speaker, before I conclude my remarks, I would simply reference several essays that the gentleman from Indiana (Mr. HAMILTON) wrote a number of years ago about the influence of religion on politics. I have kept those theses that Mr. HAMILTON prepared, and was struck by the theme of both articles, and that is his abhorrence of those who are intolerant to others' ideas and the civility in which he connoted that we ought to, again, respect our differences of opinion, seek a responsible middle ground, and recognize that we have a country to govern in a moral perspective and that we ought to balance those two interests. I think it represents the gentleman that Mr. HAMILTON is and every good thing that that term connotes.

Mrs. NORTHUP. Mr. Speaker, I am proud to be here today to honor LEE HAMILTON, who has served this distinguished body for 33 years.

Divided only by the Ohio river, his district of Southern Indiana and my district of Louisville, Kentucky have shared a great deal together: The tribulations of the river flooding, the highs and lows of economic success, and the community spirit which makes Kentuckiana what it is today.

LEE HAMILTON is a part of that spirit.

While his talents have served his district and mine, his work on international issues has made him well known and well respected worldwide.

As the former chairman of the Committee on Foreign Affairs, and now the ranking member of the House Committee on International Relations, LEE has represented our country with the utmost dignity and dedication to helping others internationally, while maintaining our nation's place in international affairs.

Although he has served this Congress for many years and in the role of both the majority and the minority, LEE has always been able to work on a bipartisan nature.

Last year, I had an opportunity to work with LEE on a project that would help bring our districts even closer by providing the infrastructure needed to cross the Ohio River. Although we may be from different political parties, and even though he had been here many years and I was just a freshman, LEE HAMILTON treated me with the same respect as he has treated more senior members.

For this, I will always admire and respect him.

Mr. Speaker, it is only appropriate that we honor LEE HAMILTON today to thank him for his service and to wish him the best in the future. His presence in Congress will be missed by his colleagues and his district.

Mr. DREIER. Mr. Speaker, few of our former colleagues can claim, upon retirement, to have had a profoundly positive impact on the House of Representatives, but LEE HAMILTON is clearly one of them. His fairness and professionalism as a committee chairman, his leadership on trade and foreign policy issues, and his respect for the institutions of government are attributes that I strive to emulate in my day-to-day work as a Member of Congress.

Serving with LEE on the Joint Committee on the Organization of Congress in 1993 was a particularly rewarding experience, and I value our resulting friendship. Although our reform efforts did not meet with immediate success, LEE's leadership was instrumental to our later success in adopting a number of significant institutional reforms with strong bipartisan support.

Commentators regulatory highlight the partisanship that so often prevails on Capitol Hill these days. LEE is certainly a good Democrat, but he understands the value and importance of listening to other people's ideas, even if they come from Republicans. Our Joint Committee was evenly balanced between Democrats and Republicans and I can attest that LEE gave everybody a chance to be heard. He found friends and allies on both sides of the aisle.

I know I speak for many of our colleagues in saying that LEE's decision to retire at the end of this Congress is more than a personal loss. The institution will be losing one of its most respected Members and effective advocates. At a time when citizens generally view Congress skeptically and many of our colleagues feed their skepticism and even cynicism by blaming Congress for things that go wrong, no one has stood up more for the institution than LEE HAMILTON.

Fortunately, when LEE retires from Congress at the end of this year, he will remain close by as a result of his new career as director of the Woodrow Wilson International Center for Scholars. There, he will undertake a project to combat public cynicism toward and distrust of Congress. I am confident that he will do an outstanding job, I look forward to playing a role in making the project an enormous success.

Mr. ROTHMAN. Mr. Speaker, I rise today to join my colleagues in honoring LEE HAMILTON, a man who has rendered thirty three years of distinguished service as a member of the U.S. House of Representatives.

It was nearly two years ago that I, as a freshman member of Congress, first met LEE HAMILTON. Having been newly assigned to the House International Relations Committee, LEE HAMILTON was there to assist me during my very first days on the committee. And whether it has been learning more about the foreign policy challenges facing America, or working to build a consensus to support American efforts to bring peace abroad, LEE HAMILTON has always been there for me and the Democrats who serve on the International Relations Committee.

For all his work to enhance and advance American interests abroad, LEE HAMILTON deserves our enduring thanks. He has been a champion of U.S. engagement abroad, fighting this fight, often in the face of isolationists here in this very Congress.

I wish LEE HAMILTON the best as he takes leave of this body. I know that I and my colleagues on the House International Relations Committee, both Democrat and Republican, will miss his remarkable contributions, not only to our committee, but to the entire Congress and to our entire nation. LEE HAMILTON is and will continue to be a leading voice on foreign affairs.

Mr. Speaker, over eight decades ago President Woodrow Wilson remarked that "there must be, not a balance of power [in the world], but a community of power; not organized rivalries, but an organized peace." LEE HAMILTON, to his credit, has worked to advance this goal like no other member of Congress during his 18 terms in the House of Representatives. For that our nation is eternally grateful.

Mr. SKAGGS. Mr. Speaker, when the gentleman from Indiana retires at the end of this session of Congress, this body will be losing one of its most thoughtful leaders.

LEE HAMILTON will be rightly lionized as an expert and a statesman in foreign policy matters; a Member whose thinking is consistently sought out to illuminate foreign policy debates. During his tenure on the International Relations Committee, he has brought a reasoned and careful approach to foreign policy. He's been irrepressibly constructive, keeping in mind the longer-range goal of leading Congress and the country along the path of international engagement where he knew we needed to go. He's never shrunk from being one of the few to stand up against popular but wrong-headed policies, even if that meant being on the losing end of a very lop-sided vote. He has been even-handed in the hard cases in foreign policy, such as U.S. policy toward the Middle East, or Cuba.

This body will also be losing a Member who cares deeply about the institutions of government, particularly Congress and its role under the Constitution. He played a leading role in one of Congress' best hours in recent years—the 1991 debate about whether to go to war with Iraq. He led the inquiry into the Iran-Contra scandal—an abuse that threatened our Constitutional order more than any in recent years. He led the panel in the 103rd Congress that resulted in important institutional reforms, including the gift ban and the application of workplace rules to Congress, that were implemented in the next Congress. LEE served as Chairman of the Intelligence Committee and of the Joint Economic Committee. He has been a workhorse on often unheralded projects, like the panel that reviewed government secrecy.

While focusing on Congress' role in foreign policy, LEE has also been mindful that Congress should not encroach on powers and responsibilities that are properly the President's. He has often worked to be sure that Congress' zeal on a particular issue does not tie the President's hands and impair the flexibility he needs in conducting our foreign policy.

LEE HAMILTON is a serious legislator, and a work-aholic. He is never too busy to discuss issues at length with other Members—or with his constituents. With all the time he spends on the big picture and on U.S. foreign policy, LEE has never forgotten the people of Indiana's 9th Congressional District. At a time when more and more Members are abandoning town meetings, LEE has continued to see the value in that kind of direct contact with the people he serves, hosting several meetings each year in the 20 counties of the 9th.

LEE HAMILTON is irreplaceable. He is a role model others can aspire to follow. I hope the 106th Congress will see Members of LEE HAMILTON'S stature. But if it doesn't, it will have the benefit of his example and his legacy.

At a time when Washington desperately needs all the grown-ups we can find, LEE HAMILTON has been a reliable adult. We all join in thanking LEE for his exemplary public service and wishing all the best.

Mr. ROEMER. Mr. Speaker, LEE HAMILTON is a tall order to follow. I am not making allusions to his height, although he is a tall man. But he stands tall in so many other ways. He is the conscience of America's foreign policy. He is the soul of dignity in politics. He is an institutional memory of the Congress. He is the epitome of clear, concise thinking and reasoning.

LEE HAMILTON is also the Dean of my State's delegation. He has been and remains to me an inspiration, a mentor, and a true friend. I will miss his presence here dearly.

Mr. Speaker, five decades ago, a young athlete at Evansville Memorial High School gained a reputation for dogged hard work, dedication, and perseverance. This student, LEE HAMILTON, would maintain the same reputation in the congressional career that began 16 years later, and keep it for over 30 years. When I first arrived here nearly 8 years ago, LEE was here to show me the many ropes. His quiet dignity, hard work, and keen knowledge of the issues has been a fine example every day since.

LEE has a talent for respecting the past while building the future, for defending and maintaining what is good in the world, and educating colleagues and citizens about what must change. He is a traditional man with conservative instincts, yet can still inspire young people and new Members with ideas about the future. Like the best thinkers of any generation, LEE teaches us that progressive ideas work best on solid foundations.

It is sad to reflect on the loss of talent that LEE HAMILTON's departure brings to the Congress. LEE is the epitome of bedrock values, straightforward thinking, and most of all, Hoosier common sense. He leaves a gap that will not be filled easily or soon.

Mr. Speaker, I join all of our colleagues in saluting LEE HAMILTON and his wife, Nancy, their children and family. I wish them all the very best for the future. I want LEE to know that following in his shoes is, for me, a very tall order. But LEE set such a good example, and has been such a good teacher, that he has given us all a very tall head start. I sincerely am indebted to him, as is the Nation, for his service, his leadership, and his dedication. I will have very few such friends in this life, indeed.

Mr. HALL of Ohio. Mr. Speaker, I rise today to express my thanks to one of our nation's tireless advocates of responsible and thoughtful American foreign policy. LEE HAMILTON is known around the world for the critical role he has played in shaping our relations with other countries.

But his also is a familiar hand in guiding our country's domestic initiatives, and by adding his strong voice to so many noble causes, LEE has has ensured that the voices of millions of Americans have been heard.

LEE'S name is recognized all over the world—in the powerful circles in New York, Geneva, Rome, Beijing, and Tokyo—and it is synonymous with integrity. His work has left its mark in other places too, because it has made a real difference to countless millions who lack power and, often, hope. Most recently, he made sure that the Freedom to Farm Act of 1996 included provisions for hungry and poor people.

Mr. Speaker, LEE HAMILTON is a legend in this Congress, and in our capitol. He was a work horse, chairing the House Foreign Affairs Committee, the Intelligence Committee, the Iran-Contra Committee, and undertaking countless other assignments that are essential to an effective Congress.

The tremendous strides we have made in almost every measurement of poverty have come during LEE HAMILTON'S tenure, and many of them bear evidence of his involvement. For example, the number of people who die every day of hunger and its related diseases is just half what it was when he first came to Congress. At 24,000 a day, that number is still tragically high, but initiatives that bear Lee's fingerprints are continuing to lessen such suffering.

And that is just one example. From infant mortality, to teaching literacy, to fighting disease, the people of the world have made unprecedented strides in the past three decades. Throughout this era, LEE HAMILTON has often been at the center of the battles that matter most: the struggles to ease suffering and make life better from millions of people.

Mr. Speaker, these are difficult times for the Congress, especially when we take up foreign policy. It is hard to imagine our debates without LEE HAMILTON'S measured contributions to them. It is harder still to assure our allies abroad that without LEE HAMILTON Congress will remain a reasonable partner in efforts to deal with the political and economic challenges ahead.

For many of us who have spent our careers in Congress secure in the knowledge that we can always turn to this senior statesman to improve our understanding or polish our approach, LEE'S retirement will be a personal loss. It has been an honor to serve with you, LEE, and you will be missed.

I join my colleagues in wishing LEE HAMILTON all the best, in thanking him for his dedicated service, and in appealing for his continued presence as we debate how America can best serve the people we represent in both our foreign policy and domestic policy.

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to LEE HAMILTON who is retiring from the House after 34 years of exemplary service. The House is losing its most respected voice on foreign policy issues, and for that the institution will be poorer.

LEE began his service in 1965, after winning election to the Congress in his first attempt. He has served the people of the Ninth District well, and they have returned him to Washington in every election since. That's a pretty good streak and it reflects the winning tradition that LEE established early in life, beginning with his leadership of Central High's basketball team all the way to the State championship.

During his tenure in Congress, LEE was often tapped to lead in very difficult situations. In 1986, he co-chaired the Iran-Contra investigation and in 1992 he chaired the Joint Committee on the Organization of Congress.

But his expertise in foreign policy rose to the fore and he was rewarded with the chairmanship of the Foreign Affairs Committee during the 103rd Congress. LEE has always led the sometimes lonely fight for the Clinton administration's policies but he has never shied away from letting the President know when the policy was wrong.

LEE's tenure on the Joint Economic Committee allowed him to pursue his interests in ensuring a sound economy and promoting economic development in order to bring economic and infrastructure development to the people of the Ninth District.

Mr. Speaker, we wish LEE well in his new roles at the Wilson Center and with Indiana University and we hope that we can continue to call on his expertise, as the Congress deals with future foreign policy issues.

Mr. BERMAN. Mr. Speaker, I rise to honor the service to the United States of America by Mr. LEE H. HAMILTON.

In my 16 years in the House of Representatives I have come to know and admire LEE for the wisdom and seriousness which he brings to consideration of the people's business. The Hoosiers of the Ninth District lose a great congressman with LEE's retirement.

In 34 years few can challenge his record for thoughtful integrity in the face of strong political pressure. While confronting some of the nation's most serious foreign policy challenges, he always approached every issue with intellectual depth.

He led the Congress in defending the President when under partisan attack, but he worked hard to ensure that the administration did not make foreign policy decisions without full consideration of every option and insisted that action be taken only after the administration had developed a rationale for its policy which would have the support of the American people.

His reputation for probity and judicious reflection have made him the leader of choice when the Congress faced difficult foreign policy issues, whether as chairman of the Select Committee on Iran-Contra or more recently of the Select Subcommittee on Iran Arms Transfers to Bosnia. I have had the honor of serving with Mr. HAMILTON on one of those select committees and seen first hand how the nation has been well assisted by his probing intellect.

I have also been proud to serve with Mr. HAMILTON when he was chairman of the Foreign Affairs Committee. In his years as chairman, he demonstrated again and again the ability to forge the type of bipartisan political coalition essential to making government work for the people. LEE had a instinctive understanding that democracy was more important than politics and that he was elected to serve all the people, rather than a narrow agenda agreeable to the few.

The Ninth District has lost a great Representative in the retirement of Mr. HAMILTON. We honor more than Mr. HAMILTON today, we honor the principles which he has stood for against so many pressures for so long. I wish I could say that in losing Mr. HAMILTON, some are gaining more but I am afraid that his retirement is the country's loss.

I thank you for your service to the Congress and the American people. I salute you. I will miss you on the committee but I know you will not have gone far and we will continue to benefit from your expertise on foreign policy at the Wilson Center.

Mr. LANTOS. Mr. Speaker, it is truly a pleasure for me to join our colleagues in paying tribute to our colleague and my friend, Congressman LEE H. HAMILTON of Indiana, for his distinguished service to our nation as a Member of Congress for 34 years. I can think of few members who can rival his intelligence, wit, integrity, and commitment to public service.

For the past 18 years that I have been a Member of this body, I have served on the House Committee on Foreign Affairs/International Relations, and during that entire time I have served with LEE HAMILTON. For well over a decade, I sat next to him on the Subcommittee on Europe and the Middle East, which LEE chaired for two decades. When LEE served as chairman of the full Committee on Foreign Affairs, I headed one of the subcommittees, and in that capacity we worked closely together for two years.

Mr. Speaker, it has been truly an honor to serve with LEE over these many years, and to admire his commitment to democracy and America's international interests in the broadest and most positive sense. From the cold war to the collapse of the Iron Curtain to the serious challenges of the post-cold-war world, LEE has stood as a pillar of principle in defending the values that we in America cherish. In combating world hunger, firmly backing foreign assistance to the developing democracies in Eastern Europe, and fighting for developing programs for sustainable development in Africa, he has never hesitated to use his superb intellect and creativity to address our national concerns. Even when we have disagreed on policy matters, I have found it impossible to keep from admiring his independence, integrity, and moral conviction underlying his beliefs. LEE HAMILTON is a statesman, a leader, a champion for the American people.

Mr. Speaker, I also want to say something about LEE's wife, Nancy Hamilton. Of all of LEE's many good decisions, his judgment in marrying Nancy was probably his best. She has been a steadfast and dependable companion throughout his service in the Congress. She has not only brightened LEE's office with her outstanding and original art, she has added an air of elegance and quality to all that LEE has done.

While I have no doubt that LEE will continue to serve our country and the state of Indiana even though he will be retiring from the U.S. Congress. I believe that I speak for all of my colleagues in the House when I say that LEE's voice of reason and the integrity that he brings to our deliberations will be sorely missed.

Mr. Speaker, we all owe the people of southeastern Indiana an enormous debt of gratitude for giving us LEE HAMILTON.

Mr. RAHALL. Mr. Speaker, it is with great sadness that I rise to pay tribute to my esteemed colleague, LEE HAMILTON, as he retires from the House of Representatives after 34 years of service to Indiana's Ninth District, and to our Nation.

LEE HAMILTON arrived in Washington to begin his long tenure in the House during the Lyndon Johnson administration. As those times demanded, he was present for the creation of such landmark legislation as the Elementary and Secondary and Higher Education Acts, helping assure an educated citizenry so that the socio-economic needs of this country might be met. He also presided over the enactment of legislation to assist those living at or below poverty—especially the children—as Johnson's War on Poverty began, and the President's Great Society began to take shape.

LEE HAMILTON was here in 1965 when the Medicare Program for senior citizens health care was enacted, lifting many seniors out of poverty once they no longer had to choose between paying for health care and eating, providing seniors with a healthier, quality life of hope and dignity.

There was much going on in this House when LEE HAMILTON arrived from Jeffersonville, Indiana to begin his service as the representative of the Ninth District of that great state, and aside from domestic issues, LEE was soon to become deeply involved in international issues as well.

As LEE HAMILTON's distinguished service grew and flourished on behalf of those who needed federal support in order to obtain an education, food, shelter and health care, he quietly became our most able leader in International affairs. As the chair of the International Relations Committee for many years, and as its current ranking member, LEE has devoted himself to leading this country through the cold war, helping bring about the fall of the Berlin Wall and the dissolution of the former Soviet Union and the Communist threat.

LEE HAMILTON too great care to help ensure America's security in an unsafe world.

LEE's lifetime commitment to public service, under the administrations of seven Presidents from both parties, has never faltered. His enormous achievements are a testament to a remarkable life of selfless duty and an unstinting commitment to the peace and prosperity of the people of Indiana as well as our Nation, for which we owe him a great debt of gratitude.

LEE is known for his unimpeachable integrity, his gentle voice of reason, and a firm hand, and I have personally benefited from both his reason and his strength.

I take this opportunity, Mr. Speaker, to publicly thank LEE for his assistance to me over the years with concerns I have had over events in the Middle East, and especially in the land of my grandfathers, Lebanon. His deep understanding of the culture, history and traditions of the Middle Eastern countries is enormous. I know there have been many times over the years when, at my request and no matter how busy he was, he has taken the time to share with me and my colleagues his remarkable insight into how best to address events in a troubled area in times of great distress.

I thank him also for his direct assistance to me as I have endeavored to bring humanitarian and non-lethal military assistance into

Lebanon as that country struggles to return to its former state of independence and sovereignty after a 17 year civil war.

And so it is with warmest personal regard, highest esteem and deepest appreciation that I rise to pay tribute to LEE HAMILTON as he takes his leave of this House where he has served with distinction for more than three decades. I wish him God Speed, and great personal happiness and success as he embarks upon his newly chosen career path.

Mr. LUTHER. Mr. Speaker, the House of Representatives will lose one of it's most respected members with the retirement of LEE HAMILTON. As a junior member of the International Relations Committee, I have come to greatly admire LEE's evenhanded and bipartisan approach. At a time when far too often questions of foreign policy become mired in partisan battles, I believe it is essential that we continue LEE's tireless efforts to achieve bipartisanship on international relations matters.

Because of his extraordinary leadership in foreign affairs, many people don't realize LEE's many other significant accomplishments. For example, he was among the first to call on Congress to reform its internal operations. In 1992 he served as co-chairman of the Joint Committee on the Organization of Congress which was among the first to recommend long overdue ideas, which we now take for granted, such as the gift ban, tightening lobbying regulations and applying laws of the workplace to Congress.

Coming from Minnesota where we have had great leaders like Hubert Humphrey, Walter Mondale and former Congressman Don Fraser, I have been particularly impressed with LEE's leadership on international issues. Just one current example is his highlighting the many negative effects that the proliferation of unilateral economic sanctions have had on our relationship with our economic allies. As many of you know, LEE is the lead House author of legislation which would establish a more disciplined and deliberative process for imposing unilateral sanctions.

I am going to miss LEE HAMILTON not just because he is an excellent leader on foreign policy and an admirable person, but because he is the kind of person we need more of in Congress. A person truly dedicated to making government work better for our employers, the people we represent. As a relatively new person to this institution, I sincerely thank him for the guidance he has given me and for his outstanding service to the people of our country and the world.

Mr. FROST. Mr. Speaker, I rise today to commend LEE HAMILTON for his 34 years of service to the House of Representatives and our great Nation. LEE HAMILTON is one of the greatest statesmen of our time and I am honored to be able to count LEE HAMILTON as a friend, fellow Democrat, role model, and inspiration. Through his hard work, dedication, sensitivity, and strong ethical underpinnings; LEE HAMILTON has forged a path in the U.S. House that all politicians strive to duplicate.

LEE is one of the most influential policy makers of this century, both domestically and internationally. This is not by accident—his hard work and determined spirit, coupled with his strong efforts to promote ethical behavior in those that govern, has distinguished him as an exemplary statesman and policy maker, a positive role model not only to those of us in Washington, but for our Nation and future generations.

LEE has excelled as a U.S. leader at the forefront of world affairs by distinguishing himself as a thoughful policy maker, with a strong understanding of the difficult issues that effect the world political environment. To name but a few examples: His support of the Middle East peace process over the entirety of his career and his leadership in initiating and crafting U.S. aid to the former Soviet Union in the late 1980's and early 1990's has helped to craft the social, political, and economic environment of both of these regions.

But probably the most important contribution LEE has made to this House is the contribution he has made to the foreign affairs debate over the last three decades. LEE has been instrumental in not only addressing the important issues; but in bringing the foreign policy debate to a new level. He has served to broaden Members' understanding of the issues through his careful review of these issues. LEE has impacted the foreign affairs agenda for an entire generation of Americans—for both Congressman, political leaders, and individual citizens.

LEE HAMILTON stands for all that is good about the American political system. It has been an honor to serve with him and follow his example of ethical behavior, dedication to the American people, the determination to bring and keep important issues at the forefront of the national American debate. LEE's contribution to this House will be sorely missed, but luckily in his new capacity as director of the Woodrow Wilson Center, we in Congress will be able to continue to rely on his valuable contributions to the foreign policy debate.

Ms. ROS-LEHTINEN. Mr. Speaker, if there is a Member who deserves recognition for his years of service to his constituents, to the country, and to this institution—it is LEE HAMILTON.

Throughout his distinguished career as a Representative from the Ninth District of Indiana, LEE has challenged generations of Members to research the issues, make them their own, to defend their positions with vigor—even if that position meant being philosophically and fundamentally opposed to LEE's views.

LEE and I have certainly had our fair share of disagreements on U.S. foreign policy, in particular, when it came to the best approach to bring about freedom and democracy to the Cuban people. However, he was always respectful of differing views, advocating open, comprehensive, and frequent—very frequent—debate.

LEE has been more than a participant in the formulation of foreign policy. He is truly dedicated to studying the nuances of world events. He excels in times of crises and thrives on analyzing the potential impact of global developments on U.S. national security.

Whether the issue is the proliferation of chemical and biological weapons, or climate change and the Kyoto Protocol, or reform in Latin America or NATO enlargement, we have grown to expect LEE HAMILTON to know every intricacy and to be able to encapsulate the contending approaches.

While he may be leaving this body, I am certain his involvement in foreign affairs will continue. We would not want it any other way.

We are all the better for having had LEE HAMILTON as a Member of this body for over three decades.

He is a scholar, an exemplary public servant, a formidable adversary, and a gentleman.

LEE, you will be missed.

Mr. VISCLOSKY. Mr. Speaker, it is certainly my honor to yield to the gentleman from Indiana (Mr. HAMILTON), our leader in the Indiana delegation.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for yielding. And of course, first I want to express my appreciation to my friends and Indiana colleagues, the gentleman from Indiana (Mr. BURTON) and the gentleman from Indiana (Mr. VISCLOSKY), for making arrangements for this special order. I am most grateful to them.

Secondly, I want to express my thanks to all of the Members who have spoken and a large number of Members who have submitted their statements to me, many of which I have had an opportunity to read.

I must say that the constant references to my age and the references to how young they were when I first came to Congress have made me feel a little uneasy tonight, but it has impressed me about how young the Members of this institution are and how able they are as well.

All of their remarks have been very kind and generous, and of course for me memorable. I shall think very often of this evening and the comments that have been made about me. I have always wanted to walk off the stage before I was kicked off or shoved off, and I think their comments tonight have made me think I have done that.

I had the Library of Congress check the other day, and I have worked with 1,515 House colleagues. I guess with most of those colleagues I have had differences from time to time, but I think I can say that I have liked all of them, I have enjoyed their friendship, and I have certainly tried to respect them.

The Members of this House reflect the American people I believe more than any other institution in America, at least so far as I know. Getting to know the Members has been just an extraordinary privilege. The recollections of my colleagues form in my mind an endless line of splendor. Working with them has given me insights into the vastness and the complexity and the diversity of this country. It has reinforced my belief in representative government and the crucial role that Congress plays in reflecting the diverse points of view, acting as a national forum in this room, managing conflict in the country, and over time, usually but not always, developing a consensus that reflects the collective judgment of the people.

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I have been impressed almost daily with the enormous importance and resilience of the institution of the Congress and the Members who make up this body. It has always been a source of great pride for me to say, as I have done on so many occasions, that I am a Member of the House of Representatives.

So it has been a great privilege to work in this chamber and in this Capitol building in the area of my interest, which is public policy. I have been grateful for every day that I have been part of this House. I do not know of any place in the world that I would have preferred to be.

I am pleased that this evening my colleagues, for whom I have the greatest respect and affection, have noted my work, and I thank you all.

GENERAL LEAVE

Mr. VISCLOSKY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the special order just given.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EFFECTS OF HURRICANE GEORGES ON THE VIRGIN ISLANDS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the Virgin Islands (Mrs. CHRISTIAN-GREEN) is recognized for 5 minutes.

Ms. CHRISTIAN-GREEN. Mr. Speaker, before I begin, I would like to join my colleagues in adding my commendations, gratitude and well-wishes to the gentleman from Indiana (LEE HAMILTON) and Mrs. Hamilton as he retires from this House.

Mr. Speaker, today I rise to inform the House of the relative good fortune fared by my constituents when the Virgin Islands was hit by Hurricane Georges last Monday. We are sure it is only through prayers and the grace of God that the storm downgraded from a category 4 to a 2 before it passed over our islands, and the eye, which was to have traversed my home Island of St. Croix, shifted and instead passed between the islands. Thus we were spared the widespread devastation suffered by many of our neighboring Caribbean islands.

By all accounts, the Virgin Islands and Virgin Islanders responded well to the challenges presented to us by Hurricane Georges. As of midday last Wednesday morning, less than 48 hours after Georges, life was almost back to normal on the island of St. Thomas. Although we were and still have power outages, the resilient island of St. Croix has held its own. We suffered no deaths directly attributable to the storm and no major injuries on any of our islands.

Despite the fact that over all the islands only suffered mild damage, we must not forget that there are those individuals who suffered significant damage to their homes and businesses. Some hotels and shops suffered minor damages, but most have remained intact and open for business. Crop and fruit farmers suffered total losses, and livestock farmers and fishermen were also severely affected. Many public buildings suffered moderate damage and curtailed services, but our hospitals and health department facilities stood up well and no services were disrupted there.

Mr. Speaker, while I rise tonight to give thanks for our good fortune in the Virgin Islands, I must also ask my colleagues to continue to pray and support the people of the other Caribbean islands, as well as the residents of South Florida and the Gulf Coast, who were not as lucky as we were.

On our sister U.S. island of Puerto Rico, at least three people were directly killed by the storm and damages surpassed nearly $2 billion. Likewise, in the Dominican Republic and Haiti, over 300 persons have been reported dead and damages have been estimated in excess of $1 billion.

I look forward to joining our First Lady and my other colleagues tomorrow to view firsthand their damages and early recovery efforts and to bring the prayers, support and good wishes of this House, as well as of their sisters and brothers from my district and the U.S. Virgin Islands.

While we must express our concern and extend aid to the residents of the larger Caribbean islands of Puerto Rico, the Dominican Republic and Haiti, we must not forget our smaller neighbors to the south, like Antigua and St. Kitts, which also suffered serious devastation from Georges. On Antigua, two persons lost their lives and hundreds of homes lost their roofs. Similarly devastated was St. Kitts, where 3 persons were reported dead and 85 percent of the homes on the island were reported damaged. The residents of these smaller islands also need our help.

Mr. Speaker, I must also thank director of the Federal Emergency Management Agency, James Lee Witt, and his entire Washington headquarters and Virgin Islands field office staff for the opportunity to participate in all of the relevant briefings and for their immeasurable assistance in keeping us informed of the status of the storm and the extent of the damage we suffered once the storm had passed.

On this latter point, I want to particularly thank Barbara Russell of FEMA and her team who rode out the storm in the Virgin Islands and provided early information as well as critical help in damage assessment and coordination of the initial response. Special commendations to Colonel Gene Walker, his assistant, Elroy Harrison, the entire VITEMA staff and Emergency Service Coordinating Team for their preparation and response, and to the hundreds of volunteers who gave up their time to help. We especially thank President Clinton for his immediate response to our request for disaster assistance, and he and Mrs. Clinton for their concern, as well as the Members of his cabinet.

One of the most difficult aspects of experiencing a hurricane is not being able to obtain information about an affected area when long distance phone service has been disrupted, as it was in our case. I especially want to thank my Washington office staff for their tireless work in keeping Virgin Islanders and others here on the mainland informed on how their relatives and friends in the islands were faring.

My Washington office was open around the clock from the point when we were certain on Monday the 21st that we were going to be hit and for 72 hours afterward. In addition to fielding telephone calls, we were pleased to be able to inform business people, students, friends and relatives of Virgin Islanders viewing the storm via mainland media through press conferences and interviews on TV and radio, as well as providing the most reliable information through several Internet sources, including our own web site. I also want to thank the many Virgin Islanders who came to my office to assist.

Mr. Speaker, the Virgin Islands is a testament to the effectiveness of mitigation, for without the many improvements made in the wake of the major storms of the last nine years, we would not have been able to bounce back. We still have work to be done and that needs to be addressed.

Today the Virgin Islands are back, businesses are open and we welcome you. Our hotels, our beaches, our tropical breezes and the warm hospitality of our people welcome you back to our shores.

TRIBUTE TO BONNIE LOIS KELLEY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana (Mr. BURTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. BURTON of Indiana. Mr. Speaker, I will not take the full 60 minutes. I will just take a few minutes here tonight to talk about my mother, Bonnie Lois Kelley. She was born in February 1920, and she died last Wednesday. We had the funeral on Saturday.

She was one of those unique individuals that never gets much attention, but she did a tremendous job in raising three children through a great deal of hardship. She was five feet and one-half inch tall, but, to me and my brother and sister, she was ten times that height.

She married when she was 18 to a brutal person, my father, who was 6-foot-8 and who terrorized her and my brother and sister and I for 12 long years. I can remember during all that time, every time that my father started to mistreat me or my sister or my brother, she would stand between us and take the body blows and stand up for us, no matter what the cost, and many times the cost was almost her life. She finally was able to get away from him when I was 12 years old, after 13 years of married torture.

I can remember many times she would take us to the police department in the middle of the night. Back in those days there was not much sympathy from a lot of the people in blue toward abused wives and children. I can remember one night the police told her that if she did not take the children home at that moment, which was about 1 o'clock in the morning, with her face all bruised, that they would arrest her, which I could not understand.

Anyhow, she finally met a really nice fellow, after she was divorced from my father. Incidentally, my father came in through the floor of the house where we lived on the West side of Indianapolis with a sawed-off shotgun and took her away after breaking down the door, and we did not know whether she was dead or alive for many days, and we spent quite a bit of time at the Marion County Guardian's Home while she was away. But, thankfully, she was able to get away from him and survive.

She finally met a very nice man, Kindeth A. Kelley, who ended up becoming my stepfather on December 23rd, 1950. He and my mother were married for 48 years. He worked in a foundry as a sand hog and later as a foreman of that foundry for a long, long time, I think it was 30-some years, and my mother worked in Ayres Tea Room as a waitress for 18 years.

The thing I recall about her was that she never complained. She would get up every morning and go to work at the tea room, work all day long on her feet, and come home at night and fix dinner for us, and I never heard her complain once. Those were very difficult times.

Looking back on those times, I realize how really wonderful she was. I do not recall that I told her very many times how much I appreciated her, but I did, and I was able to at least convey some of that to her in her last days.

There are so many things that you would like to say about your mother at a time like this, and you just cannot recall all of them. But she was really something special. She instilled in her children a love of nature, a love of art, and a love of music and poetry. In fact, she requested that I memorize a lot of poems when things were going very difficult for the family in my formative years. Those poems, that poetry, gave me a lot of strength and courage during some very difficult times that I encountered in my life.

One of the poems that she asked me to commit to memory was one that I would like to just recite for my colleagues who may be paying attention tonight, Mr. Speaker.

When things go wrong, as they sometimes will,
When the road you are trudging seems all uphill;
When care is pressing you down a bit,
Rest, if you must, but don't you quit.
'Cause life is queer with its twists and turns,
As every one of us sometimes learns;
And often the goal is nearer than it seems,
To a faint and faltering man.
Often the loser has given up,
When he might have captured the victor's cup;
And he learned too late when the night came down,
How close he was to the golden crown.
Success is failure turned inside out,
The silver tint on the clouds of doubt;
So stick to the fight,
When you're hardest hit;
It's when things go wrong,
That you mustn't quit.

My mother was not a quitter; my stepfather, who really was my father because he treated us so well, was not a quitter; and I will never forget as long as I live the wonderful things that she did for me and the things she taught me.

OMISSION FROM THE CONGRESSIONAL RECORD OF SATURDAY, SEPTEMBER 26, 1998

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4112. Making appropriations for the Legislative Branch for the fiscal year ending September 30, 1999, and for other purposes.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. COMBEST (at the request of Mr. ARMEY) for today on account of personal reasons.

Mrs. FOWLER (at the request of Mr. ARMEY) for today and tomorrow on account of family medical emergency.

Mr. GOSS (at the request of Mr. ARMEY) for today and on September 29 on account of illness in the family.

Mr. JENKINS (at the request of Mr. ARMEY) for today on account of a death in the family.

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for today on account of personal business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. VISCLOSKY) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Ms. CHRISTIAN-GREEN, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

(The following Members (at the request of Mr. LUCAS of Oklahoma) to revise and extend their remarks and include extraneous material:)

Mr. RAMSTAD, for 5 minutes, today.

Mr. CASTLE, for 5 minutes, today.

Mr. BATEMAN, for 5 minutes each day, today and on September 29.

Mr. METCALF, for 5 minutes, today.

Mr. LUCAS, for 5 minutes, today.

Mr. THUNE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. VISCLOSKY) and to include extraneous material:)

Mr. VENTO.
Mr. KIND.
Mr. HAMILTON.
Mr. STARK.
Mr. FRANK of Massachusetts.
Mr. STOKES.
Mr. EVANS.
Mr. BERMAN.
Mr. FROST.
Mr. ROTHMAN.
Ms. VELÁZQUEZ.
Ms. DELAURO.
Mr. CLAY.
Mr. SKELTON.
Mr. MARTINEZ.
Mr. LANTOS.
Mr. MARKEY.
Mr. KUCINICH.

(The following Members (at the request of Mr. LUCAS of Oklahoma) and to include extraneous material:)

Mr. BOB SCHAFFER of Colorado.
Mr. SAXTON.
Mr. DREIER.
Mr. GILMAN in two instances.
Mr. PORTER.
Mr. GEKAS.
Ms. PRYCE of Ohio.
Mr. ENSIGN.
Mr. HUTCHINSON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2511

An Act to authorize the Secretary of Agriculture to pay employees of the Food Safety and Inspection Service working in establishments subject to the Federal Meat Inspection Act and the Poultry Products Inspection Act for overtime and holiday work performed by the employees; to the Committee on Agriculture; in addition to the Committee on Government Reform and Oversight for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADJOURNMENT

Mr. BURTON of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, September 29, 1998, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11302. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—Common Crop Insurance Regulations; Guaranteed Production Plan of Fresh Market Tomato Crop Insurance Provisions [7 CFR Part 457] received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11303. A letter from the Manager, Federal Crop Insurance Corporation, Department of Agriculture, transmitting the Department's final rule—Nursery Crop Insurance Regulations; and Common Crop Insurance Regulations; Nursery Crop Insurance Provisions (RIN: 0563–AB65) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11304. A letter from the Federal Register Liaison Officer, Office of Thrift Supervision, transmitting the Office's final rule—Agency Disapproval of Directors and Senior Executive Officers of Savings Associations and Savings and Loan Holding Companies [No. 98–96] (RIN: 1550–AB10) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11305. A letter from the Assistant Secretary, Occupational Safety and Health Administration, Department of Labor, transmitting the Department's final rule—Methylene Chloride; Final Rule [Docket No. H–71] (RIN: 1218–AA98) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

11306. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Canton and Glasford, Illinois) [MM Docket No. 97–186] (RM–9130) received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11307. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Detroit, Howe and Jacksboro, Texas, Antlers and Hugo, Oklahoma) [MM Docket No. 97–26] (RM–8968) (RM–9089) (RM–9090) received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11308. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Sturgis, Kentucky) [MM Docket No. 96–226] (RM–8893) received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11309. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Beaver Dam and Brownsville, Kentucky) [MM Docket No. 98–17] (RM–8819) received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11310. A letter from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Physical Protection For Spent Nuclear Fuel And High-Level Radioactive Waste: Technical Amendment (RIN: 3150–AG00) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11311. A letter from the Assistant Secretary for Export Administration, Department of Commerce, transmitting the Department's final rule—Revocation of Reexport Authorization Issued Prior to June 15, 1996 [Docket No. 980821223–8223–01] (RIN: 0694–AB74) received August 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11312. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Final Rule to List the San Bernardino Kangaroo Rat as Endangered (RIN: 1018–AE59) September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11313. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Oil and Gas and Sulphur Operations in the Outer Continental Shelf; Subpart J—Pipelines and Pipeline Rights-of-Way (RIN: 1010–AC39) received August 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11314. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—An update of Addresses and OMB Information Collection Numbers for Fish and Wildlife Service Permit Applications (RIN: 1080–AF07) received Spetember 16, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11315. A letter from the Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Indiana Regulatory Program [SPATS No. IN–131–FOR; State Program Amendment No. 95–13] received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11316. A letter from the Director, Office of Surface Mining Reclamation and Enforcement, transmitting the Office's final rule—Ohio Regulatory Program [OH–218–FOR; Amendment Number 61] received September 24, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11317. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Documentation Of Nonimmigrants Under The Immigration And Nationality Act, As Amended—Fees For Application And Issuance Of Nonimmigrant Visas [Public Notice 2894] received Septemebr 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

11318. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Glaser-Dirks Flugzeugbau GmbH Model DG–400 Gliders [Docket No. 98–CE–12–AD; Amendment 39–10757; AD 98–19–17] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11319. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes [Docket No. 98–NM–26–AD; Amendment 39–10764; AD 98–19–23] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11320. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes [Docket No. 98–NM–17–AD; Amendment 39–10763; AD 98–19–22] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11321. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 757–200 Series Airplanes [Docket No. 96–NM–232–AD; Amendment 39–10765; AD 98–19–24] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11322. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777–200 Series Airplanes Equipped with Air Cruisers Evacuation Slide/Rafts [Docket No. 97–NM–95–AD; Amendment 39–10766; AD 98–19–25] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11323. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model CL–600–2B19 (Regional Jet Series 100) Series Airplanes [Docket No. 98–NM–236–AD; Amendment 39–10767; AD 98–20–01] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11324. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company Models T210N, P210N, and P210R Airplanes [Docket No. 97–CE–62–AD; Amendment 39–10773; AD 98–05–14 R1] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11325. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; CFM International CFM56-5B/2P Series Turbofan Engines [Docket No. 97–ANE–29–AD; Amendment 39-10286; AD 98-02-04] (RIN: 2120–AA64) received September 23, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11326. A letter from the Chairman, Federal Maritime Commission, transmitting the Commission's final rule—Update of Existing and Addition of New Filing and Service Fees [Docket No. 98–09] received September 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11327. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Contracting by Negotiation [48 CFR Parts 1801, 1802, 1803, 1804, 1805, 1814, 1815, 1816, 1817, 1832, 1834, 1835, 1842, 1844, 1852, 1853, 1871, and 1872] received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

11328. A letter from the Chief Counsel, Bureau of the Public Debt, transmitting the Bureau's final rule—Regulations Governing Book-Entry Treasury Bonds, Notes, and Bills; Determination Regarding State Statutes; Wisconsin, New Hampshire and Michigan [Department of the Treasury Circular, Public Debt Series, No. 2–86] received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11329. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Lay Order Period; General Order; Penalties [T.D. 98–74] (RIN: 1515–AB99) received September 21, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11330. A letter from the Director, Office of Management and Budget, transmitting the OMB Sequestration Update Report to the President and Congress for FY 1999; to the Committee on Appropriations.

11331. A letter from the Commissioner for Rehabilitation Services, Department of Education, transmitting the annual report of the Rehabilitation Services Administration on Federal activities related to the administration of the Rehabilitation Act of 1973, Fiscal Year 1995, pursuant to 29 U.S.C. 712; to the Committee on Education and the Workforce.

11332. A letter from the Secretary of Health and Human Services, transmitting the annual summary report on the findings of the monitoring reviews, this initial report covers fiscal years 1994 through 1997; to the Committee on Education and the Workforce.

11333. A letter from the Acting Museum Director, Holocaust Memorial Museum, transmitting the consolidated report on accountability and proper management of Federal Resources as required by the Inspector General Act and the Federal Financial Manager's Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

11334. A letter from the Benefits Administrator, Western Farm Credit Bank, transmitting transmitting the annual report disclosing the financial condition of the Retirement Plan and Annual Report as required by Public Law 95–595, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

11335. A letter from the Director, Financial Services, Library of Congress, transmitting the financial statements for the first nine-months of fiscal year 1998, which ended on June 30, 1998, and the comparable data for the same period of the previous fiscal year for the Capital Preservation Fund; to the Committee on House Oversight.

11336. A letter from the the Kenneth W. Starr, the Office of the Independent Counsel, transmitting starr; (H. Doc. No. 105—316); to the Committee on the Judiciary and ordered to be printed.

11337. A letter from the Secretary of Health and Human Services, transmitting a report that the Department of Health and Human Services is allotting emergency funds made available under section 2602(e) of the Low-Income Home Energy Act of 1981, pursuant to 42 U.S.C. 8623(g); jointly to the Committees on Commerce and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. House Resolution 494. Resolution expressing the sense of the House of Representatives that the United States has enjoyed the loyalty of the United States citizens of Guam, and that the United States recognizes the centennial anniversary of the Spanish-American War as an opportune time for Congress to reaffirm its commitment to increase self-government consistent with self-determination for the people of Guam (Rept. 105–751). Referred to the House Calendar.

Mr. BURTON: Committee on Government Reform and Oversight. H.R. 2943. A bill to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes (Rept. 105–752). Referred to the Committee of the Whole House on the state of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1608. A bill to authorize the Pyramid of Remembrance Foundation to establish a memorial in the District of Columbia or its environs to soldiers who have died in foreign conflicts other than declared wars (Rept. 105–753). Referred to the Committee of the Whole House on the State of the Union.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 558. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 105–754). Referred to the House Calendar.

Mr. GILMAN: Committee on International Relations. H.R. 633. A bill to amend the Foreign Service Act of 1980 to provide that the annuities of certain special agents and security personnel of the Department of State be computed in the same way as applies generally with respect to Federal law enforcement officers, and for other purposes; with an amendment (Rept. 105–755 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on Government Reform and Oversight discharged from further consideration. H.R. 633 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 633. Referral to the Committee on Government Reform and Oversight extended for a period ending not later than September 28, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. LAZIO of New York (for himself, Mr. Stark, Mr. Hastert, Mr. Camp, Mrs. Kelley, Mrs. Morella, Mr. Rogan, Mr. Ehlers, Mr. Barrett of Wisconsin, Mr. Shays, Ms. Pryce of Ohio, Mr. McHugh, and Mr. Vento):

H.R. 4650. A bill to amend title XIX of the Social Security Act to extend the authority of State Medicaid fraud control units to investigate and prosecute fraud in connection with Federal health care programs and abuse of residents of board and care facilities; to the Committee on Commerce.

By Mr. MCCOLLUM (for himself and Mr. Conyers):

H.R. 4651. A bill to make minor and technical amendments relating to Federal criminal law and procedure; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 4652. A bill to provide for adjustment of status for certain nationals of Bangladesh; to the Committee on the Judiciary.

By Mr. GEJDENSON (for himself and Mrs. Kennelly of Connecticut):

H.R. 4653. A bill to amend title XVIII of the Social Security Act to prevent sudden disruption of Medicare beneficiary enrollment in Medicare+Choice plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. LOWEY (for herself and Mr. Barton of Texas):

H.R. 4654. A bill to provide the Secretary of Health and Human Services and the Secretary of Education with increased authority with respect to asthma programs, and to provide for increased funding for such programs; to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. LANTOS (for himself, Mr. Gilman, Mr. Hamilton, Mr. Smith of New Jersey, Mrs. Maloney of New York, Ms. Woolsey, Mr. Franks of New Jersey, Mr. Ackerman, Mr. Berman, Mr. Brown of Ohio, Mr. Burton of Indiana, Mr. Chabot, Mr. Deutsch, Mr. Faleomavaega, Mr. Foley, Mr. Fox of Pennsylvania, Mr. Frost, Mr. Frank of Massachusetts, Mr. Hastings of Florida, Mr. Horn, Mrs. Lowey, Mr. Menendez, Ms. Ros-Lehtinen, Mr. Sanders, Mr. Schumer, Mr. Sherman, Mr. Sisisky, Mr. Waxman, and Mr. Wexler):

H. Res. 557. A resolution expressing support for U.S. government efforts to identify Holocaust-era assets, urging the restitution of individual and communal property, and for other purposes; to the Committee on International Relations.

By Mr. EHLERS (for himself and Mr. ROYCE):

H. Res. 559. A resolution condemning the terror, vengeance, and human rights abuses against the civilian population of Sierra Leone; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

400. The SPEAKER presented a memorial of the Senate of the State of Hawaii, relative to Senate Resolution 41 memorializing the Congress of the United States to propose an amendment to the Constitution of the United States, for submission to the states for ratification, to limit the number of terms a person may serve in the United States House of Representatives to no more than six and to limit the number of terms a person may serve in the United States Senate to no more than two; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 372: Mrs. EMERSON.

H.R. 902: Mr. GOODE and Mr. HYDE.

H.R. 1375: Mr. HEFLEY and Mr. SHADEGG.

H.R. 1531: Mr. LEWIS of California.

H.R. 1608: Mrs. FOWLER and Mr. ENGLISH of Pennsylvania.

H.R. 2327: Mr. NEY and Mr. SHADEGG.

H.R. 2882: Mr. NEY, Mr. BONILLA, and Mr. ROTHMAN.

H.R. 2950: Mrs. CUBIN.

H.R. 3081: Mr. WEYGAND, Ms. HOOLEY of Oregon, Mr. BOUCHER, Ms. BROWN of Florida, Mr. NEAL of Massachusetts, Mr. BILBRAY, Mr. TIERNEY, Mr. COYNE, Mr. DEFAZIO, Mrs. JOHNSON of Connecticut, Mr. THOMPSON, Ms. SÁNCHEZ, Mr. BENTSEN, and Mrs. MEEK of Florida.

H.R. 3779: Ms. ROYBAL-ALLARD, Mr. JOHNSON of Wisconsin, and Mr. RODRIGUEZ.

H.R. 3783: Mr. GILMAN, Mrs. MYRICK, and Mrs. KELLEY.

H.R. 3792: Mr. MANTON.

H.R. 3833: Mr. LIPINSKI and Mr. PASCRELL.

H.R. 4073: Mr. RANGEL, Mr. SHERMAN, and Mr. WAXMAN.

H.R. 4126: Mr. ADAM SMITH of Washington.

H.R. 4219: Ms. KAPTUR and Mr. EDWARDS.

H.R. 4339: Mr. OLVER and Mr. FORD.

H.R. 4362: Mr. FORBES, Mr. HOLDEN, Ms. RIVERS, Mr. HINCHEY, Mr. BERMAN, Mr. MCDERMOTT, and Mr. BISHOP.

H.R. 4399: Mr. THUNE.

H.R. 4448: Mr. HORN, Mr. BERMAN, Mr. STARK, Mr. HILLIARD, and Mr. ACKERMAN.

H.R. 4455: Mrs. ROUKEMA.

H.R. 4489: Mr. HILLIARD and Ms. SLAUGHTER.

H.R. 4492: Mr. PICKETT.

H.R. 4513: Mr. BLUNT and Mr. STUMP.

H.R. 4514: Mr. SAWYER.

H.R. 4531: Mr. MORAN of Virginia, Mr. LEWIS of Georgia, and Mr. SHERMAN.

H.R. 4597: Mr. POSHARD.

H.R. 4627: Mr. LUTHER.

H.R. 4634: Mr. FOLEY.

H.R. 4647: Mr. BARRETT of Nebraska, Mr. MCHUGH, Mr. SMITH of Michigan, Mr. POSHARD, Mr. TOWNS, Mr. NETHERCUTT, Mr. FOLEY, Mr. WELLER, Mrs. EMERSON, Mr. BLUNT, Mr. THUNE, Mr. BOSWELL, Mrs. CLAYTON, Mr. LUCAS of Oklahoma, Mr. CANADY of Florida, Mr. COSTELLO, Mr. LEWIS of Kentucky, Mr. HASTERT, Mr. GUTKNECHT, and Mr. PETERSON of Minnesota.

H.J. Res. 123: Mr. FOX of Pennsylvania.

H. Con. Res. 229: Mr. BURR of North Carolina and Mr. HAMILTON.

H. Con. Res. 274: Mr. FOX of Pennsylvania, Ms. KILPATRICK, Mr. ADERHOLT, Mr. REGULA, Mr. BOYD, and Mrs. MEEK of Florida.

H. Con. Res. 317: Mr. FRANKS of New Jersey and Mr. QUINN.

H. Con. Res. 328: Mr. KENNEDY of Rhode Island, Mr. BUYER, and Mr. BONIOR.

H. Con. Res. 329: Mr. METCALF, Mr. FRANK of Massachusetts, and Mr. GUTIERREZ.

H. Res. 519: Mr. KING of New York.

EXTENSIONS OF REMARKS

END-USE MONITORING AND HUMAN RIGHTS IN COLOMBIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. HAMILTON. Mr. Speaker, I call my colleagues' attention to the attached letters regarding human rights in Colombia. As is detailed in the letters, the Administration and U.S. Southern Command maintain strict end-use monitoring of U.S. provided security assistance and have taken some preliminary steps to develop an intrusive vetting procedure for participants in U.S.-provided military training. There is a long way to go before we can be sure that all U.S. assistance and U.S. training are used properly and for their stated purpose. In the meantime, however, the Administration and U.S. Southern Command are taking a series of positive steps.

DEPARTMENT OF DEFENSE, UNITED STATES SOUTHERN COMMAND, OFFICE OF THE COMMANDER IN CHIEF,
Miami, FL, August 24, 1998.

Hon. LEE H. HAMILTON,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN HAMILTON: Again, I want to express my appreciation for your continued interest in our region. In response to your 5 August 1998 letter, I will explain our individual selection and vetting procedure for U.S. sponsored training, comment on collective vetting procedures and provide my observation of the Colombian military's progress regarding human rights.

The five-step individual vetting procedure is intended to be helpful in scrutinizing nominees for human rights abuses, drug trafficking, corruption, criminal activities, and other behavior inconsistent with U.S. foreign policy goals. If an individual's reputable character cannot be validated they will not be selected for training regardless of the training location.

Step one begins when the U.S. Military Group/security assistance office announces course availability and requests the host government to submit nominees. Per established agreement, by submitting specific nominees, the host government verifies they have conducted an internal background investigation concluding the nominees are of reputable character. This completes step two. During step three, relevant U.S. Embassy agencies conduct respective background checks of the nominees. Fourth, the Military Group interviews each nominee for suitability and as a fifth step generates an invitational travel order for the approved nominee. Records are maintained for a minimum of 10 years.

As you know, we offer collective training and assistance for counternarcotics purposes to individuals and units in the Colombian security forces. However, the current unit vetting procedures and legal requirements for each type of collective training (to include Joint Combined Exchange Training) require further clarification and development. We are working diligently with the Military Group, the State Department and the Colombian Military to make the unit vetting procedures as standardized and specific as those already in existence for individuals. We believe it is vitally important to continue to train the Colombian military within the letter and spirit of applicable law to ensure that respect for individual human rights is a fundamental consideration of every soldier in uniform.

I am encouraged by the trends of Colombian military leaders regarding human rights. As General Tapias and his command assume their leadership roles, I confidently predict continued progress. As you know, five years ago the Colombian security forces were charged with over 60 percent of the human rights violations—today that figure is closer to seven percent. Some 150 human rights offices now provide effective training at all levels and commanders are involved. The Pastrana administration's early change in military leadership will potentially reinforce this favorable trend and provide us an opportunity to engage new leaders receptive to institutional reform.

Colombian military leaders recently requested assistance in refining a military justice system that comports fully with domestic and international law. We will soon dispatch a team of legal and human rights experts to discuss strategies for improving a Colombian military legal corps whose members will advise field commanders regarding compliance with law, emphasize individual human rights, expedite the fair administration of justice and help determine appropriate penalties for violators. Shifts in attitude precede policy changes. Our engagement of the Colombian military is changing their attitude and consequently their policies toward human rights.

Once again, I embrace your support as we continue to foster greater security in Colombia and further hemispheric stability.

Very Respectfully,

C.E. WILHELM,
General, U.S. Marine Corps, Commander in Chief, U.S. Southern Command.

COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, August 5, 1998.

General C.E. Wilheim,
Commander in Chief, United States Southern Command, Miami, FL.

DEAR GENERAL WILHELM: I write in reply to your letter of July 15, 1998. Like your testimony before our Committee earlier this spring, your letter was responsive, straightforward and very helpful. I appreciated receiving it.

I would like to ask you to elaborate on the last paragraph of your July 15th letter. You wrote that U.S. SOUTHCOM has developed procedures to select and vet individuals in Columbia's security forces who receive U.S. training, that you provide collective training for units involved in counter-narcotics activities, and that you coordinate training with the Department of Defense and with the Department of State.

As you know, training programs in Columbia have come under considerable scrutiny. Recent reports on training programs do not mention the elaborate selection, vetting and coordination procedures to which you referred in your letter. I hope, therefore, that you will explain these procedures in greater detail:

1. What exactly are the procedures you have established to select individual students from the Colombian security forces for participation in U.S. training exercises? Do you vet such individuals for human rights abuse? What are the vetting procedures?

2. When you provide collective training to Colombian units, do you vet each individual member of that unit for records of gross violations of human rights?

3. Do these established procedures for selecting and vetting participants in training operations apply to missions in Columbia undertaken by the US Special Forces Command? Do the procedures apply also to Joint Combined Exchange Training (JCET)?

Lastly, I would also appreciate hearing your assessment of the respect for human rights among the Colombian security forces. Are you concerned, for example, about reports of ties between the Colombian Army and the irregular paramilitary forces that have committed human rights atrocities over the last several months? Do you have reason to believe that the Colombian military tolerates association between its soldiers and paramilitary units?

Thank you in advance for the consideration of this letter. I look forward to your response, which I intend to share with my colleagues in the Congressional Record.

With best wishes,

Sincerely,

LEE H. HAMILTON,
Ranking Democratic Member.

DEPARTMENT OF DEFENSE, UNITED STATES SOUTHERN COMMAND, OFFICE OF THE COMMANDER IN CHIEF,
Miami, FL, July 15, 1998.

Hon. LEE H. HAMILTON,
Rayburn House Office Building,
Washington, DC.

DEAR CONGRESSMAN HAMILTON: During a recent meeting at the National Security Council, I was pleased to learn of your interest in Colombia and the implementation of the August 1997 end-use monitoring agreement. I agree that violence in Colombia is escalating and that we bear a responsibility to assist the Colombian government consistent with both the letter and spirit of our own laws. The United States Southern Command is living up to that responsibility.

We are convinced, just as you are, that our counternarcotics goals and objectives cannot be realized in Colombia unless the military actively supports the National Police and Justice officials. With support from their administration, the Colombian military must develop a strategic plan that will rebuild their security forces, eliminate para-military violence, support the peace initiatives of the new administration, promote economic development and engrain a genuine respect for human rights. Respect for human rights will occur with institutional change,

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

commander involvement, military legal reform and non-government agency cooperation.

The August 1997 end-use monitoring agreement stipulates geographical restrictions on U.S. assistance to areas "characterized by the highest concentration of counternarcotics activity." An addendum to that agreement allows for redesignation of the areas over time; experience has taught us these criminals will take the path of least resistance. The intent of my comment to the New York Times was to suggest that there are no safe havens—because narcotraffickers operate outside a designated area does not guarantee them impunity.

Finally, our training activities in Colombia are vetted. We have established procedures to select individual students, provide collective training for units and focus counternaroctic assistance where it is most needed. We coordinate training and assistance within the Department of Defense, with the Department of State for sensitive training and always with the approval of the Ambassador. I assure you that we comply with both the letter and spirit of the end-use monitoring agreement as we strive to train a professional Colombian military supportive of our counternarcotics goals and sensitive to human rights.

Very Respectfully,

C.E. WILHELM,

General, U.S. Marine Corps, Commander in Chief, U.S. Southern Command.

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COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,

Washington, DC, June 11, 1998.

Hon. SAMUEL BERGER,

National Security Adviser, The White House, Washington, DC.

DEAR SANDY: I write to you in regards to U.S. policy toward Colombia, and to seek your assurance about implementation of the end-use monitoring agreement that the U.S. reached with the Colombian Army in August 1997.

Violence in Colombia is escalating. There are some 25,000 murders each year in that country, a great many of them politically motivated. While many of those murders are perpetrated by irregular paramilitary organizations, it is increasingly clear that these paramilitary organizations maintain ties with at least some parts of the Colombian Army.

I commend the strong steps the Administration has taken in defense of human rights in Colombia, particularly given this growing alliance between the military and irregular paramilitary organizations. You were right, for example, to suspend the visa of the Inspector General of the Colombian military, an individual with ties to the paramilitary organizations. I am especially supportive of the agreement the Administration reached in August 1997 with the Colombian Army on end-use monitoring of U.S.-provided assistance. The agreement calls for units that use U.S.-provided assistance to be vetted for human rights abuse. It also goes a step further and restricts the area within which U.S. assistance can be utilized to the region of the country where drug cultivation and production takes place. These are two important conditions that help ensure that U.S. assistance is used properly and for its stated purpose.

I am, however, concerned about recent statements in the press from high ranking U.S. personnel regarding these important end-use monitoring requirements. In a recent New York Times article, for example, the Commander in Chief of U.S. Southern Command was quoted as saying, "In terms of geograph, the use of resources, I'm personally not aware of any restrictions." I hope that this quotation is only a misunderstanding, and I look forward to your assurance that U.S. policy on end-use is being fully implemented.

Thank you in advance for your consideration of my letter. I look forward to hearing from you.

With best regards,

Sincerely,

LEE H. HAMILTON,

Ranking Democratic Member.

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CONGRATULATIONS TO OUTSTANDING ST. PAUL FAMILY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. VENTO. Mr. Speaker, I would like to submit for the record the following article from the Sunday, August 23, 1998 edition of the St. Paul Pioneer Press in recognition of the Crutchfield family of St. Paul, for their outstanding and tireless efforts in community service. My congratulations to the Crutchfields and their many admirable achievements.

This recognition is well deserved and is a small reward for the service that Dr. Charles Crutchfield and his wonderful wife, Pat Crutchfield, have performed. They have remained in a community of modest means, while actively involved in their church, educational and social life, attempting to help give back to their community their love and labor to make St. Paul a better place to extend hope and the opportunity to grow to succeed to make a difference. Through their example and sacrifice, they have walked the walk. The Crutchfields' reward has been the great success of their children and the extended family and community they have embraced and their payment our love, affection and heartfelt thanks.

Thanks to the Crutchfields of St. Paul. They make us proud—very proud.

[From the St. Paul Pioneer Press, Aug. 23, 1998]

AN OUTSTANDING FAMILY

(By Pat Burson)

In St. Paul, the Crutchfield name is synonymous with family, education, community and success.

Those attributes made the family of Dr. Charles E. Crutchfield, a nationally recognized obstetrician and gynecologist, and his wife of 22 years, Pat, a tireless community fund-raiser and volunteer, a natural choice to receive the 1998 Family of the Year award from the St. Paul Urban League, said president Willie Mae Wilson.

"It's an outstanding family," she said.

Pat Crutchfield said she was shocked and humbled to learn that her family had been selected.

"I was embarrassed," she added. "I never look at what we do, getting recognized for it. You just do it. I just feel like I'm doing what I'm supposed to do. Not anything special."

They're just being modest, said neighbor Dick Mangram, who has known the Crutchfields for about 30 years. Mangram, executive director of Hallie Q. Brown/Martin Luther King Community Center, also served on the St. Paul Urban League's board with Pat Crutchfield from 1982 to 1987.

"They're not the kind of people that will go around and toot their own horn," he said. "They're just good people. What you see is what you get. They're really proud to be right here in the city."

Charles Crutchfield was the first private black obstetrician/gynecologist in Minnesota. He entered private practice with his mentor, Dr. Joseph Goldsmith, in 1969. In addition to having a main office in the Fort Road Medical Center on West Seventh Street near downtown St. Paul, he and his partner, Dr. Rainer Rocheleau, also have offices in Apple Valley, Inver Grove Heights and White Bear Lake. Crutchfield has performed more than 3,000 operations and delivered almost 6,000 babies.

One of those deliveries earned him national media attention in December 1982, after he walked three miles in a blizzard to deliver a baby by emergency Caesarean section.

Crutchfield was honored in January by the Washington-based National Medical Association for his numerous contributions to the organization. He also has served as president of the Minnesota Association of Black Physicians.

In addition to the other medical and community organizations he is involved with, Crutchfield also is a physician and safety official for amateur boxing in Minnesota. He's an avid softball player and has even had his own team that his wife calls the "Crutchbangers."

A Chicago native, Pat Wilson Crutchfield moved with her family to the Twin Cities at age 4. Community service is part of the wellknown family's legacy. Her youngest brother, Steve Wilson, is president of Rondo Ave. Inc., which puts on the annual Rondo Days Parade. She had a Catholic education, attending St. Peter Claver Elementary School, Archbishop Murray High School and the College of St. Catherine.

Through United Hospital's "First Steps" program, Pat Crutchfield has helped many teen mothers cope with the challenges and the uncertainties they face. She wrote a popular weekly social column, "Pat's Tidbits," for the St. Paul Recorder and the Minneapolis Spokesman from 1990 to 1996. The column chronicled the births, deaths, reunions, club events, parties and other activities of Twin Cities African-Americans.

The couple met in June 1974 at Model Cities Health Center, a community clinic at 430 N. Dale St., where both were volunteers. She was 29 and single, a business services instructor and communications specialist at Northwestern Bell Telephone Co., now US West. He was six years her senior, separated and the father of three young sons. They were married Jan. 30, 1976.

On their honeymoon, the couple sketched a design of their dream home. The result is the three-story house on Aurora Avenue in St. Paul's Summit-University neighborhood, where they still live.

Their longevity in the area endears them to many who know them, including Steve Wilson.

"A lot of doctors, when they make it, the first thing they do is move to the suburbs," he said. "People ask (Crutchfield), 'Why do you stay?' And his answer has always been, 'Why would I leave?' "

The front yard is decorated with Pat Crutchfield's flower beds of canna lilies, peonies, pansies, roses and day lilies. Out back is Charles Crutchfield's pride and joy: his vegetable garden, with its assortment of greens, from collard to ruffled kale. He also has an orchard of apple, cherry, plum, pear and peach trees, wild strawberries and vines bearing seedless grapes

Things haven't always been rosy. In 1983, a jury found Charles Crutchfield was not at fault for the cerebral palsy of a child he delivered. The girls' parents had brought a civil lawsuit against Crutchfield for malpractice.

In 1984, Crutchfield was accused of rape in a civil lawsuit brought by Renee Reed, a woman he treated at a free clinic years before. She was seeking monetary damages for a 1982 sexual encounter the doctor said was consensual, part of a three-year affair. He, in turn, sued Reed's father and her spiritual adviser, claiming the men were attempting to extort money from him with the rape allegation. Reed was awarded $21,500 by the judge in the case. Her father won $5,000 when the extortion claim was denied.

Charles Crutchfield said his attorney told him the only reason he had to pay anything was because the judge felt he should at least cover part of the court costs and because he had admitted having the affair.

"This was strictly civil and had no criminal implications," Crutchfield added. "I was hurt, but my wife and I moved on with our lives, our family and our service to the community."

Added Pat Crutchfield: "It was one of our storms that we weathered, and it did bring us closer. It strengthened our marriage, our relationship."

Now they are facing a serious challenge involving the health of the family matriarch. Pat Crutchfield was diagnosed in 1992 with scleroderma, a fairly rare disease affecting the blood vessels and connective tissue. She has changed her hairstyle and wears long-sleeved blouses to cover areas where her skin has become hardened, a symptom of the disease.

The condition dramatically altered her role as family caretaker.

"I've never had a health problem. I've always been the doer for my family," she explained. "The biggest thing is that my family has had to care for me.

"They've had to take more responsibility, which has probably been good. It has changed us around as far as commitments that we make. We've had a couple of trips that we've had to cancel, or I've just stayed home. I just wasn't able.

"It beats me down," she conceded, though she refuses to allow it overtake her. "I stay down for a while, and then I jump up and keep stepping."

The Crutchfields say her illness has forced family members to rethink and reorder some of their priorities.

"The disease has made us appreciate what is important and what is not important," Charles Crutchfield said. "And all I do is support her and tell her she's the best."

And its effect on the family?

"It disrupted the family," he conceded. "It cracked it. It didn't break it."

Those who know Pat Crutchfield say the disease has left its mark on her body but cannot quench her spirit. One of them is childhood friend Dee Dee Ray. The women have known one another since grade school.

"Pat has such faith, and she always looks on the bright side," Ray said, "She's a very religious person. I've seen her make many, many novenas.... She doesn't give up hope. She just keeps going."

Even with their busy schedules and numerous commitments, the Crutchfields still have time for each other, whether it's visiting, talking on the phone or during harvesting, canning, preserving and freezing the home-grown bounty from their vegetable gardens and orchards.

Sunday dinners, birthdays and holidays are special times in their home, as is fight night, when about 40 to 50 of their closest friends come over to watch boxing and eat Charles Crutchfield's famous chili.

He learned about growing food while growing up in Jasper, Ala., a small, segregated coal-mining town. His father was a barber whose business was the oldest owned by an African-American in that town. Wanting their son to have a chance to fulfill his dream of becoming a doctor, his parents sent him to live with an aunt in Minneapolis in 1955. He is a graduate of North High School and the University of Minnesota School of Medicine.

The Crutchfields have instilled their value of education in their children. Since their children were small, they have always told them to "work hard, get good grades and always do your best."

It appears to have sunk in. Crutchfield's three sons with former wife, Dr. Susan Crutchfield-Mitsch, a family physician, are all in either the legal or medical profession. Charles III, 37, is a dermatologist, Carleton, 33 is an attorney and Chris, 28, also is an attorney and a staff assistant to state Rep. Andy Dawkins of St. Paul. Charles and Pat Crutchfields' daughter Raushana, 21, is a junior and psychology major at Virginia Union University in Richmond, Va., and son Rashad, 18, will be a senior at Concordia Academy in Roseville.

Rashad said he knows he's part of a very special family.

When asked if he'll be the next Crutchfield doctor or lawyer, he smiled. No, he said. Right now, he's leaning toward attending a college that specializes in film, theater arts or graphic design.

"I'm not that much for blood and guts, except in slasher films," he said.

"'Crutchfield.' I do see power in that name," he said proudly. "We're an African-American family that's just trying to find a way through life, trying to succeed."

TAX DEDUCTIONS FOR HEALTH INSURANCE DON'T HELP THE UNINSURED—WE NEED TAX CREDITS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. STARK. Mr. Speaker, in the $80 billion tax bill the House voted last week, the Republicans proposed to provide immediate, 100% deductibility for the self-employed (but not their workers!) to purchase health insurance. The issue is now before the Senate.

Democrats have proposed this type of tax relief before, but have tried to ensure it includes both the boss and the worker. It would be a little step toward helping people meet the costs of health insurance—but it would do almost zilch to reduce the number of America's 43 million uninsured.

Most uninsured either don't file tax returns, are in the zero tax bracket or, at most, the 15% bracket. We should admit that deductions will do little or nothing to make affordable individual health insurance policies bought at retail.

Today, the law allows a 45% deduction—scheduled to increase to 100% by 2007—for the self-employed (but not their workers) who buy health insurance. An immediate deduction for the purchase of insurance will help folks in the 36% and 39.6% bracket and make insurance more affordable for them—but these are taxpayers with incomes above $121,300 ($147,700 if a family) who almost certainly already have health insurance.

In June, the U.S. General Accounting Office issued a report showing how useless tax deductions are for helping the overwhelming number of uninsured.

First, the GAO pointed out that a tax deduction is good only if you itemize your deductions. But in 1995, only 29% of all tax filers itemized. Lower income people, of course, are less likely to itemize. Only 5% of those with adjusted gross incomes of less than $20,000 itemized that year.

Second, deductions are useful only if you pay taxes. Yet of the uninsured, about 13 million—more than the population of Virginia, Maryland and Delaware combined—were in the zero tax bracket and six million others didn't even have to file a return. A deduction is totally meaningless for them.

Third, deductions don't do much for the lower income—and it doesn't take a Sherlock Holmes to figure out that the lower income are the people who are uninsured. Twenty-plus million uninsured were in the 15% bracket and would be helped if they itemized—but not much. This tax bracket is for those individuals with taxable incomes of $24,000 or less, or if married and filing a joint return, $40,100 or less. As the GAO points out, "The value to a single tax filer in the 15-percent bracket who had paid $2,100 in premiums for single coverage would have been about $315 while the value to an individual in the highest bracket could have been $832 for this same premium amount. For a $5,664 premium for a family of four, the value to a family in the 15-percent bracket could have been about $850 compared to $2,243 for a family in the highest tax bracket."

Think of it: a family with taxable income below $40,100 is going to spend $4,832 out-of-pocket for health insurance, because they got a tax deduction of $850? I sincerely doubt it. The Congressional Joint Committee on Taxation has estimated that the benefits of a similar Senate bill would go 95% to the already insured; only 5% would go to benefit people previously uninsured.

Tax deductions will make little difference for those in need, but will provide additional savings for the already-insured upper income.

What we really need are tax credits—including refundable credits—that would be equal for all individuals and families to buy into reasonably priced, "wholesale" health insurance plans—plans that would be group health plans, such as Medicare or the Federal Employee Health plans.

Because credits would actually do something to help the 43 million uninsured, they will be expensive. We will need to talk about tobacco taxes and other revenue sources to pay for them. It will be tough. But if America want to really do something about the uninsured, let's be honest: Deductions won't do it. Credits will.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. STOKES. Mr. Speaker, I rise in strong opposition to H.R. 2621, the Reciprocal Trade Agreement Authorities Act, more commonly known as "Fast Track." The measure was pulled last year when it appeared that it would be defeated. Fast Track was a bad bill for hard-working families then, and it is a bad bill for them now.

The "Fast Track" debate is not simply a matter of whether we want to expand trade, more importantly, the question regarding free trade agreements is "how we go about pursuing negotiations and effectively addressing the subsequent effects of these pacts."

If the Congress delegates its negotiating authority to the President through Fast Track, this action would remove directly-elected Representatives from having any meaningful input into the negotiations of an agreement. This action could potentially have a profound impact, and negative implications on the economic future of all Americans, and all countries involved. What we need is "fair trade."

Mr. Speaker, we were sent here to represent the people of our respective districts—and—to delegate our authority, accountability, and responsibility for trade agreements would be blatantly negligent. The cost of this degree of irresponsibility is too great for companies and hard-working families to bear. The long-term cost is too high, the burden is too great, and the provisions are too unfair. Our country has paid too high a price already for free trade—what we need is "fair trade."

I have remained concerned for some time about the nature of the international trade agreements that our Government negotiates. They have not been fair to, nor appropriate for the American people.

It is for these reasons that I, in fact, opposed both the North American Free Trade Agreement (NAFTA) and the General Agreement on Tariffs and Trade (GATT). The lack of attention to fundamental labor rights, and environmental protections is blatantly irresponsible.

We should be passing trade measures that effectively strengthen the U.S. economy, and well-being of the American people, not those that jeopardize it. There are serious economic, social, environmental and political consequences that must be addressed in any trade agreement. Individual workers' rights, decent standards of living, and environmentally safe working and living conditions are fundamental to any workable trade agreement.

Mr. Speaker, the continuing pattern of deemphasizing the importance of internationally recognized labor rights in free trade treaties is dooming American workers to constant, unending pressure—to lower wages and benefits—under the disguise of improving our Nation's economic competitiveness internationally.

Ignoring environmental protections in trade agreements further leads to a diminished standard of living for generations to come.

Mr. Speaker, "Fast Track" is not a right, and the American people must not be held hostage to this "unfair trade agreement process." I strongly urge my colleagues to join me in voting no to "Fast Track." Vote "no" to H.R. 2621.

PROTECT SOCIAL SECURITY ACCOUNT

SPEECH OF

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. KOLBE. Mr. Speaker, I rise in strong support of H.R. 4578, the Republican plan to preserve 90 percent of the budget surplus for Social Security reform.

In supporting this bill, Republicans demonstrate our commitment to the 44 million people currently receiving Social Security benefits and the 82 million beneficiaries who will retire and begin collecting Social Security three decades from now. This bill sets aside $1.4 trillion dollars for Social Security—funds that will be used to strengthen a system that keeps millions of seniors out of poverty. Students of history will note this is $1.4 trillion dollars more than the Democrats set aside during their 40-year control of this chamber.

In supporting this bill, Republicans demonstrate that we are pro-active problem-solvers. Although the Social Security Trust Fund currently is running a surplus, we know that changing demographics—including the retirement of baby boomers like me—will threaten the long-term viability of the program. By setting aside $1.4 trillion, we guarantee that Congress will have the resources needed to implement a reform plan and preserve Social Security in perpetuity.

As Chairman ARCHER said earlier today, Republicans are committed to preserving Social Security and giving middle Americans much needed tax relief. Despite what the Democrats believe, these two are not mutually exclusive activities. The health of today's economy and a balanced budget generated from the prudent fiscal policies of GOP leadership give us the opportunity to do both.

Mr. Speaker, I take exception with the rhetoric coming from the other side of the aisle on this topic. The Democrats accuse Republicans of raiding the Trust Fund, yet these same members sat in a Ways and Means Committee hearing last week and heard Judy Chesser, Deputy Commissioner of the Social Security Administration say that wouldn't happen with a tax cut. When Ms. Chesser was asked whether this bill would affect the OASDI Trust Fund, she replied simply and clearly, "No."

The smear campaign Democrats are waging against this bill is irresponsible and absolutely false. America is fed up with lying; to set the record straight: This bill "steals" nothing—it "saves" money for Social Security. This bill "robs" from no one, it "gives" $1.4 trillion to our senior citizens.

PERSONAL EXPLANATION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. SAXTON. Mr. Speaker, due to the wedding of my son in Pennsylvania, I was unable to make rollcall votes 466, 467, 468, and 469. Had I been present I would have voted "aye" on rollcall vote 466, "yea" on rollcall vote 467, "no" on rollcall vote 468, and "aye" on rollcall vote 469.

TAXPAYER RELIEF ACT OF 1998

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the Taxpayer Relief Act of 1998, H.R. 4579, and in support of the Democratic substitute—which contains all of the tax cuts included in H.R. 4579. The Democratic substitute is a sound and responsible alternative as the tax cuts take effect only after Congress has enacted legislation to ensure the long-term solvency of Social Security.

At first glance, H.R. 4579 appears to be okay. In fact, it includes provisions that: Increase the standard deduction for married couples; provide the self-employed with a deduction for health insurance costs; and allow families, which take the $500 per child tax credit and the Hope Scholarship Credit, to apply such Credits against the alternative minimum tax. Each of these tax provisions are borrowed ideas that were originally proposed and sponsored by Democratic Members of Congress.

Mr. Speaker, the fact of the matter is that the Republican leadership wants to spend money that it does not have, and that's just irresponsible. This tax bill waives the Budget Act, which requires that all tax cuts be offset and paid for in full.

H.R. 4579 takes $177 billion away from Social Security over the next then years, and diverts it to tax cuts. The projected surplus is based solely on the Social Security Trust Fund. In fact, if it was not for the Social Security Trust Fund, we would not even show a budget surplus. The budget surplus is comprised of investments that American workers have made in Social Security. These funds have already been committed to the trust fund.

This is the wrong pot of money to tap. It will be several more years before the non-Social Security portion of the budget is in surplus. By raiding the trust fund, H.R. 4579 places the long-term solvency of Social Security in danger. This measure depletes critical resources necessary to ensure that we can provide retirement benefits to future generations of Social Security recipients.

Mr. Speaker, we must save Social Security first. With the Nation enjoying a record budget surplus, we promised the American people—that if they would help us to control spending, and help us to balance the budget—and that if we could yield a budget surplus—we would use those funds to protect Social Security. To act otherwise, would be to renege on that critical promise.

While I have always supported responsible tax cuts that are paid for out of the budget, I reject fiscally irresponsible and short-sighted efforts such as this. The American people do not want us to jeopardize their Social Security benefits. We must preserve the surplus for Social Security, strengthen the system and ensure that all Americans will be able to enjoy the retirement income security that is provided by Social Security well into the next century.

It is for these reasons that I urge my colleagues to join me in opposing H.R. 4579 and in supporting the Democratic substitute.

A TRIBUTE TO THOMAS M. BARRY

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. CLAY. Mr. Speaker, I rise today in tribute to an outstanding American and citizen from my home State of Missouri, Mr. Thomas M. Barry, on the occasion of his appointment as President of SBC International's Telkom South Africa operations.

Tom Barry represents the finest attributes of corporate service—his is a true American success story. For over 30 years he progressed through a number of assignments in Southwestern Bell's Missouri division before his appointment as assistant vice-president for external affairs in 1985. The following year Tom was named vice-president for public affairs for the company's five-State operating area. In 1990, he became the president and CEO of Metromedia Paging Services, then an SBC Communications, Inc. subsidiary. He became senior vice president for strategic planning for SBC in 1991 and the following year Tom Barry was designated senior vice president for Federal relations.

In all of his business before Congress and with my office, I have known Tom to be highly qualified to address the complex issues emerging in the telecommunications field. When Congress debated the Telecommunications Act of 1996, Tom demonstrated a unique understanding of the importance of balancing competing concerns, from his company's interest in competitive equities in the telecommunications industry to the importance of preserving universal telephone service and the need for "e-rate" discounts and telecommunications services for schools and libraries and rural health care centers.

I was pleased to learn that Tom will now turn his talents to addressing the telecommunications needs of the people of South Africa. I have been informed that the telephone penetration level in South Africa is only 10 percent among historically disadvantaged households, a group that represents 87 percent of the population.

SBC's Telkom South Africa operations, in conjunction with their partners, have promised to implement an aggressive plan to modernize the existing communications network and expand telecommunications services throughout the country for the benefit of all citizens. Tom Barry's next mission is to bring telecommunications services to more than 20,000 priority customers—including hospitals, schools, and community centers—throughout South Africa.

I am happy to join Tom's many friends and colleagues in congratulating him on a job well done in Washington and wishing him every continued success in his new undertaking as President of SBC International's Telkom South Africa office.

IN HONOR OF THE 125TH ANNIVERSARY OF ST. STANISLAUS CHURCH

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. KUCINICH. Mr. Speaker, I rise today in the midst of a year long celebration, to honor Saint Stanislaus Church on its 125th anniversary.

Located in Cleveland, Ohio's Historic Slavic Village, St. Stanislaus Church, a Victorian Gothic structure, originated to serve the Polish immigrants who worked in the steel mills in the 1870's. In 1877, under the leadership of Father F.A. Marshall, the rapidly growing community assumed the name of St. Stanislaus, a saint of the 11th century who was cherished by the Poles because of his valor to stand up to a corrupt king. In 1883, Father Anton Kolaszewski was initiated as the new pastor of St. Stanislaus church. As the congregation grew, so did the need for a larger church. In 1886 developments began and, six years later, a church that was built by the hands of its community was dedicated. Upon its completion, St. Stanislaus was considered the second-largest Gothic church in the United States.

Throughout the 1920's, 30's, and 40's the St. Stanislaus Parish, through the leadership of Fr. Protase Kuberek and Sir Sigismund Masalski, was known for its talented marching band and professional dramatic presentations in the Polish language. These social events provided by the church kept the city in harmony and the parish gratified of its heritage and religion. On September 19, 1969, a historic moment in St. Stanislaus chronicle occurred. The Archbishop of Krakow, Poland, Karol Cardinal Wojyla, presently Pope John Paul II, celebrated mass at the church in appreciation of the assistance the Polish Americans of Cleveland gave to Poland.

Today, under the leadership of Father William Gulas and through the dedication of its parishioners and help throughout the community, Saint Stanislaus Church is continuing to undergo a massive restoration and improvement project. The walls, columns and ceilings will be repainted to reveal original artwork and colors, scrolling and trimming. In addition, the floors, electrical systems, sound and heating systems and water-damaged plaster will all be repaired. Already hailed as the most extensive and complete restoration of any church in the United States, this 107 year old building will finally reveal its original beauty and elegance that once shined nearly 100 years ago.

My fellow colleagues, please join me in celebrating the 125th anniversary of Saint Stanislaus Church, a parish that has warmed the hearts it has touched and enhanced those who have witnessed its significance.

TRIBUTE TO NICK CANGIOLOSI

HON. STEVE R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. ROTHMAN. Mr. Speaker, I rise today to pay tribute to Nick Cangiolosi of Garfield, New Jersey, a man who embodies the American dream.

Having arrived in America a the age of fifteen from Palermo, Italy, Nick came to this country with nothing but hope in his heart and a determination to succeed. Like many Italian immigrants coming to America in the 20th century, Nick was a success story waiting to happen. With a remarkable work ethic, soon after his arrival in America, Nick gained the experience and resources to start a business with his brothers. To this day, the firm Nick began, Vinyl Building Products, enjoys a high degree of success.

Parallel with Nick's commercial success, he has established a track-record as model citizen. In the vibrant Italian-American community in New Jersey, Nick's history of volunteerism is legendary. He is also well-known throughout the entire state of New Jersey for his outstanding volunteerism and philanthropic efforts in support of a number of worthwhile causes and institutions. I know that among his many efforts, Nick is deeply involved as a member of the Board of Governors of the Hackensack University Medical Center, an outstanding hospital that serves the needs of thousands of New Jersey residents. Nick is also a distinguished member of the Steering Committee for Felician College in Lodi. New Jersey and a dedicated member of the St. Ciro Society.

Mr. Speaker, given all that Nick Cangiolosi has accomplished in his life, it comes as no surprise that he is to be honored on October 2, 1998, by the Bergen County Chapter of Boys' Towns of Italy. At this event, the Right Reverend Monsignor J. Patrick Carroll-Abbing, who is the founder of Boys' Town, will present Nick with his organization's prestigious Humanitarian Award. This honor rightly serve to recognizes Nick's selfless efforts on behalf of needy people throughout the world.

I would like to join Boys' Towns saluting Nick and the goodness and kindness he represents. The world is a better place because of the efforts of to Boy's Towns chapters around the world and the work of individuals like Nick Congiolosi. He is, simply put, an inspiration to the people of the Ninth Congressional District in New Jersey and to our Nation.

NUCLEAR THREATS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I recently received correspondence from Ms. Jennie B. Smith, of Ft. Collins, CO, in response to an article by Mr. Joseph C. Anselmo ("Defector Details Plan to Plant Nukes in U.S.") in Aviation Week & Space Technology on August 17, 1998. The referenced article details testimony by a former Russian intelligence agent concerning plans by the Soviet military to smuggle portable nuclear devices into the U.S. for use in the event of an all-out nuclear war. I hereby submit Ms. Smith's comments for the RECORD.

While we at Citizens for a Strong America (CFSA) cannot further substantiate or dispute the claims made by the high ranking Russian defector who spoke before the House panel, we would urge Congress to not minimize the possible truth in his claims. We agree with his warning that Russia "remains a serious threat to U.S. national security because of its proliferation of weapons for profit to nations such as Iran and Libya." However, we add that the breakup of the Soviet Union creates insecurity with their existing ICBMS in the hands of Russian states, unrest and near collapse of the Russian government, not to mention that Start II treaties are yet to be signed. Arms control has never deterred proliferation of weapons of mass destruction. Neither is it prudent on our part to ignore Alexander Lebed's own concerns of "scores" of unaccounted for Russian nuclear suitcases as merely an accounting system flaw, as Thomas Cochran suggests. While he reports that even the U.S. has had accounting problems with its own nuclear weapons, we would place more confidence in our accounting measures than Russia's. There are far too numerous accounts of the loose and dangerous lack of control within Russian military of their nuclear weapons and equipment. Clearly not an apple-to-apple comparison, and worrisome for the type of naiveté that keeps us undefended.

As a peaceful nation, we as Americans struggle with the possibility of the unthinkable, however, the threat of terrorism on our soil is a "clear and present danger". The primary mission of CSFA has been the deployment of a ballistic missile defense program for the U.S. and its allies as soon as possible. We believe a nuclear explosion on a large scale would be far more devastating and is a real and credible threat. Common sense, however, dictates that the United States government must counter both threats, a ballistic missile attack and "suitcase terrorism". At the current level of nuclear, biological, and chemical weapon proliferation among countries not bound by a policy of deterrence, we cannot afford to wait on either.

We, therefore, urge Congress to implement a dual-prong strategy to address terrorist threats, whether from ICBMs or suitcase weapons from any source: Deploy ballistic missile defense as soon as technologically possible; Increase funding for the development of nuclear, biological, and chemical weapon detection systems (Wide Area Tracking System); Increase the security of our borders from smugglers of weapons of mass destruction who could use similar modes as drug smugglers, e.g. cars, speedboats, small planes and hidden runways; and, Increase the security in our cities to reduce the threat of terrorist incidences from occurring, whether in planes, trains, buses, cars, subways, ships, buildings, airports.

Unrelated to the article, however, of note, the Clinton Administration's plan for missile defense is based on a purposefully incomplete assessment of the threat of missile attack on American soil, and is a senseless policy of intentional vulnerability, while cutting funding for R & D and deployment to a subsistence level. While the Administration and the Chairman of the Joint Chiefs of Staff, Gen. Hugh Shelton rely on the Intelligence Community to provide the necessary warning of the development and deployment by a rogue state of an ICBM threat to the U.S., the Rumsfeld Commission pointed out in their recent report that "through unconventional, high-risk development programs and foreign assistance, rogue nations could acquire an ICBM capability in a short time and that the Intelligence Community may not detect it." We were obviously underwarned about India and Pakistan's nuclear testing capabilities. (Inhofe News Release and Heritage Foundation Executive Memo 543 attached.)

Also of note, China produced 6 new CSS-4 ICBMs in the first 4 months of this year and will produce 2 more before relocating its production plant, increasing its nuclear arsenal by one-third, according to Pentagon intelligence officials. All were targeting the United States. The Rumsfeld Commission report stated: "China also poses a threat to the United States "as a significant proliferator of ballistic missiles, weapons of mass destruction and enabling technologies," citing extensive transfers to Iran, Pakistan and Saudi Arabia. The report also assesses that China is unlikely to reduce its transfers of technologies and experts to nations seeking missiles.

We support the Heritage Foundation's Missile Defense Study Team (Team B) solutions for Congress in acquiring missile defense: Ignore the ABM Treaty, "legally it is dead". (Heritage Foundation Executive Memo No. 543.) Establish a policy for deploying a national missile defense system as soon as technologically possible. (Unfortunately, Senate bill defeated 9/9/98 by one vote.) "Upgrade the Navy's fleet of Aegis cruisers; cost $3 billion, deployable the fiscal year 2002. Follow up with deployment of space-based interceptors and space-based lasers." Stop the delay; we do not have 10 years.

Mr. Speaker, these observations are representative of the growing concerns held by the many Americans paying attention to the topic of national security and terrorism.

Hearings held during the 105th Congress on the topics of ballistic missile defense and small-munitions terrorism have raised legitimate questions which must be resolved by this House. In pursuing such solutions, I commend Ms. Smith's comments to our colleagues. Thank you Mr. Speaker.

IN HONOR OF THE SEVENTY-FIFTH ANNIVERSARY OF THE TWENTY-NINTH STREET UNITED METHODIST CHURCH

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. GEKAS. Mr. Speaker, I would like to bring to the attention of my colleagues a church in my congressional district, the Twenty-Ninth Street United Methodist Church in Harrisburg, Pennsylvania. I am pleased to announce that this year the Twenty-Ninth Street Church celebrates the great achievement of its seventy-fifth anniversary.

The church was started as a Mission Church in 1924 by the Derry Street United Methodist Church. At its beginning, the Twenty-Ninth Street Church had sixty-nine members, one of whom remains an active participant today. Miss Elizabeth Ulrich attends services every Sunday as well as all of the church's social functions.

The year-long anniversary celebration began on February 15, 1998 with a talk by the Reverend G. Edgar Hertzler, the ninety-one year-old Pastor Emeritus of the church. Various activities including choral and social functions, combined worship services with Derry Street Church, and Hobby and Talent Night all build up to a message from Bishop Neil Irons who is slated to conclude the celebration on February 21, 1999. The Twenty-Ninth Street Church chose as its anniversary slogan, "1924—A Mission Church. 1999—A Church with a Mission." This slogan demonstrates the church's progress and development in the seventy-five years since its founding. It is evident to me that the members of the church recognize their strong ties to the past but also look ahead with a great eye to the future to ensure ongoing prosperity.

Let the record reflect that I am proud of the great accomplishments of the Twenty-Ninth Street United Methodist Church on its seventy-fifth anniversary, and that I believe the members of the church should also be proud of themselves. I wish the Twenty-Ninth Street Church continued success and good fortune.

HONORING TONY GALDI

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Ms. VELÁZQUEZ. Mr. Speaker, I submitted the following for the RECORD. Thank you, Major General Sinn for your invitation. Today, more than 53 years after his heroic deed, we present the Bronze Star for valor, one of this Nation's highest military honors, to Mr. Tony Galdi.

Our community is proud of Tony, a dedicated family man whose religious faith has given him strength and courage throughout his life. He retired a number of years ago from his family's import business. His days are spent playing chess with friends and pursuing his love of art. Like many who grew up in Brooklyn, Tony still misses the Dodgers but he enjoys watching his new adopted team, the Mets. He is joined today by his wife Delores, their family and close friends. We welcome them all.

Tony's story spans decades and continents, but across these divides friendship and loyalty have endured and have brought us to this moment. In 1943, he was inducted into the Army, trained to be an armored gunner and stationed in Scotland. During the summer of 1944, Corporal Galdi was sent to mainland Europe as part of the thousands of troops who were involved in the Normandy invasion. He spent the summer fighting in the French campaign with General Patton's Third Army. By the year's end, he joined the Ninth Army and had crossed into Germany. It was in Germany that Tony bravely earned today's honor.

It has been said that the ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stand during times of challenge. On a cold January day in 1945, Corporal Galdi stood poised on the edge of such a challenge and summoned all his mettle and his courage.

Two of Tony's comrades, First Sergeant Jim Hill and Corporal Louis Cristini, went into a mine field to recover a rifle dropped by a soldier killed in action. Minutes after entering the area one of the men triggered a mine, causing a massive explosion. Through the mist and smoke, Corporal Galdi could see that, while both men were still alive, Sergeant Hill's leg had been shattered by the explosion.

On that day in January, Corporal Galdi was alone, from family and home. He had to be scared; his friends were injured and dying. But he vanquished his fear and forged on, not for glory but for a cause larger then himself—the lives of his friends.

In the midst of this bloody chaos, Corporal Galdi took charge and bravely entered the mine field. Taking his life into his own hands, he sprinted 75 yards across a snow covered field that made detection of the mines impossible. He knew that with each step could lie the same fate as Sergeant Hill's or worse—death.

Upon reaching his friends, it was clear that Sergeant Hill was in dire straights. With the assistance of Corporal Cristini, they carried him back to the jeep and rushed him to the nearest field hospital. Sadly, Sergeant Hill died.

Because of who he is, Mr. Galdi never thought to tell this story and no one else thought to report it leaving this heroic act unrewarded. It was not until 1980, after the encouragement of his daughter, that he came forward.

Account after account by the men who served with Corporal Galdi praised his bravery. Sharp Stafford, Staff Sergeant for the battalion, upon recalling Tony's act years later called his deed"an act of heroism." On that day in January, no one doubted that Corporal Galdi deserved one of this nation's highest recognitions. We may all wonder why this has taken so long, but we do know why he is here today—because his friends never forgot what he did for one of their own.

On that mine field so many years ago, Tony Galdi performed a truly heroic deed and asked nothing in return. At long last, it is time to honor his unselfish act of bravery.

Mr. Galdi, on behalf of all Americans, we thank you for your service, for your courage, for your determination and for your loyalty to your fellow soldiers and country. We are all proud to call you an American. And I am proud to see you receive the Bronze Star for valor.

IN HONOR OF THIRD FEDERAL SAVINGS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. KUCINICH. Mr. Speaker, I would like to extend my best wishes to the Third Federal Savings in celebrating 60 years of service to the city of Cleveland and its surrounding area. Since 1938, Third Federal has provided its customers with the best rates, service and value available.

Because they wanted to help their neighbors save money and purchase homes, Ben S. Stefanski and his wife and partner, Gerome, envisioned an opportunity to charter a savings and loan institution designed to provide the community with safe and stable financing for anyone who wanted to own a home. Third Federal grew quickly in the postwar years, earning a solid reputation as a "good investment" that allowed for its expansion. In 1958, it took its first steps toward that goal by merging with Lincoln Heights Savings and then quickly added eight other offices and assets totaling $150 million.

Such phenomenal growth could not have happened without Third Federal's commitment to its key principals. This institution has thrived on the values of personal respect, responsibility and trust. Because of the bank's strong sense of history, tradition of hard work, and its pursuit of a clearly defined business goals, it continually provides outstanding financial services to its customers.

Today, Third Federal Savings issues more home mortgages than any other lending institution in Northeast Ohio and has acquired assets exceeding $5.6 billion. It is an organization that is built on, personal service, stability and sound financial management. It is continuing to enjoy solid growth by controlling costs and constantly searching for ways to improve service.

My fellow colleagues, please join me in celebrating the 60th anniversary of this outstanding lending institution. Third Federal Savings has accomplished great success by following a simple vision: to help its neighbors to save money and purchase homes in Northeast Ohio. This vision has stood the test of time to guide Third Federal in its journey to present success now and will continue to do so in the future.

TO HONOR LOUIS FRANCO, SR. FOR 50 YEARS OF CONTINUOUS SERVICE TO THE LODI FIRE DEPARTMENT

HON. STEVE R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. ROTHMAN. Mr. Speaker, I rise today to honor a man, Mr. Louis Franco, Sr., who has dedicated 50 years of his life to the Lodi, New Jersey Fire Department. This gentleman has tirelessly given to his community in serving the residents of Lodi, New Jersey. Mr. Franco began volunteering with Hose Company #2 as a young man. Year after year, he continued to serve the community of Lodi as a fireman. Such nobility, such commitment, such dedication, should be recognized and applauded at the highest levels. On behalf of the residents of Lodi, I commend Louis Franco, Sr. for his exemplary work.

Louis Franco, Sr. was born in Lodi on September 9, 1926. At the age of 22, Louis joined the Lodi Volunteer Fire Department. He has held many honorable positions during his 50 years of service. With time, his leadership evolved and he was elected to the offices of Lieutenant and Captain of Hose Company #2. Louis became Fire Chief in 1967, and he twice held the office of President. For the past thirty years, Louis has also been President of the Lodi Fireman's Relief Association. Additionally, he has been a lifetime member of the following organizations: the New Jersey State Fireman's Association, the New Jersey State Exempt Fireman's Association, the South Bergen Fire Chief's Mutual Aid Association, along with the New Jersey and New York Fireman's Association. He also holds a membership in the New Jersey State Fire Chief's Association and the Passaic-Bergen Firemen's League.

Louis has been married for 45 years to his lovely wife, Marie. He is also the proud father of three children: Emilia Franco-Duffy of Fair Lawn, Frank Salvatore of Virginia, and Louis Charles, a Lodi Police Officer. Louis and Marie are both proud grandparents to three grandchildren. Today, I also commend Louis for being a beloved husband, father, and grandfather.

I am proud to honor Mr. Louis Franco for his dedicated service to our community. Louis is a model citizen and I feel privileged to share these words about his steadfast dedication for 50 years in the Lodi Fire Department.

1998 ANNUAL ACHIEVEMENT AWARD

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. BERMAN. Mr. Speaker, my colleagues, Mr. SHERMAN and Mr. WAXMAN rise today to pay tribute to our close friend, Georgia Mercer, who is receiving the 1998 Annual Achievement Award from Action Democrats. We can think of no one who consistently over the years has done more for her community than Georgia. She has been devoted to an extraordinary number of organizations and important causes. Her dedication and compassion serve as an inspiration to us all.

It would be impossible in this short space to list all of Georgia's accomplishments. She is one of those special people who make every day count. Her zest for life is contagious. She is filled with ideas, suggestions and plans for improving the world.

Georgia's career has taken her from teaching fourth grade in the Los Angeles Unified School District to serving as a member of the Board of Directors of Valley Presbyterian Hospital. However, there are two causes that have consumed the bulk of her attention: women's rights and the Jewish community.

She served for 16 years with Women For, a non-partisan organization supporting issues and candidates; was a founding member of the Board of Directors of the Women's Campaign Fund; and spent many years on the staff of Planned Parenthood. Her involvement with the Jewish community includes membership on several committees of the Jewish Federation Council of Los Angeles and Founding President of the Board of Trustees of the New Reform Congregation.

In the past few months, Georgia received a prestigious appointment to the Board of the Los Angeles Community Colleges. The Board could not have made a better choice. For more than three decades Georgia has demonstrated her unshakable commitment to quality public education. We have no doubt that she will be an exceptional Trustee.

We ask our colleagues to join us in saluting Georgia Mercer, who has built a remarkable career around the idea of helping others. We are proud and honored to be her friends.

IN RECOGNITION OF UNIQUE PUBLIC-PRIVATE COOPERATION

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. FRANK of Massachusetts. Mr. Speaker, I was privileged last December to join with Vice President Gore and the Massachusetts Senators in a unique celebration to recognize an outstanding public-private partnership between Targeted Marketing Solutions Incorporated (TMSI) of Newton Upper Falls, Massachusetts and the United States Postal Service. At this ceremony, TMSI and the Postal Service were presented with the National Performance Review's Hammer Award, which honors civil servants and private groups that have implemented innovative programs that improve government efficiency and save the government money.

As we finish our work this Congress and look ahead to the turn of the century, I wanted to share with my colleagues part of the story of this innovative relationship, which I think exemplifies extremely well the power and potential of public sector-private sector cooperation. Indeed, I am hopeful that this model will serve to inspire other agencies and private groups to explore innovative ways to increase consumer satisfaction, in an efficient manner.

In 1993, TMSI approached the Postal Service with a way to help the Postal Service further their goals of reducing costs, using sound business principles to increase efficiency, while increasing customer satisfaction. In order to facilitate the process by which millions of Americans fill out a change of address card in order to get their mail forwarded when they move, TMSI proposed that they would print and distribute the Change of Address cards, making them more user-friendly, including moving tips and public service information. Moreover, their concept included the recruitment of move-related advertisers in order to reduce costs. The Mover's Guide was launched in 1994 nationally and is now saving the Postal Service millions of dollars in direct costs, as well as mail forwarding and increased postage costs each year.

This success was followed by the launch of the Welcome Kit in 1997, which is now sent to every mover at their new address to confirm change of address information, as well as public service information on motor vehicle registration, voter registration, federal moving related information, tips on settling in, and savings offers from move-related advertisers. Here again, this is all accomplished while saving taxpayers millions of dollars annually.

I was proud to take part last year in the celebration of this unique business relationship, including visiting TSMI's headquarters, and to witness the enthusiasm the people of TMSI and the Postal Service bring to their work in this area. I congratulate TMSI and the Postal Service on their innovation and determination. I hope, as I've said, that other individuals, companies, and agencies will be able to draw strength and inspiration from this success story. I look forward to learning of many similarly effective public-private alliances, which will no doubt be forged in the coming months and years ahead.

SALUTING HUNTERS AND ANGLERS ON THE 27TH ANNUAL NATIONAL HUNTING AND FISHING DAY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to join in celebrating the 27th anniversary of the National Hunting & Fishing (NHF) Day. NHF Day is a nationwide tradition that introduces millions of Americans to outdoor sports. The theme for this year, "A Natural Invitation to Step Outside," was chosen to encourage all Americans to head outside and share the values and fun the outdoors offers. According to Chris Chaffin, NHF Day Director, "It is more important now than ever to introduce newcomers to hunting, shooting, fishing and other activities because those who participate in these outdoor sports gain a lifetime of enjoyment, embrace an American tradition and share the values of stewardship and resource conservation for our future."

President Nixon and Congress established NHF Day in 1971 to recognize generations of hunters and anglers for the time and money that they have contributed to wildlife conservation efforts. To date, this totals more than $20 billion and uncounted hours of work on habitat improvement projects.

In fact, data from the U.S. Fish and Wildlife Service show hunters and anglers contributed nearly $1 billion to wildlife conservation for 1997. These revenues, raised through license sales, support state wildlife agencies and their conservation projects. This money is not general tax revenue, yet it benefits every American by promoting both a healthy environment and healthy wildlife. Moreover, these figures do not include the hundreds of millions of dollars raised through excise taxes on hunting and fishing equipment and donations to conservation organizations.

Of course, to hunters and anglers, this is nothing new. Over 100 years ago, they were the earliest and most vocal supporters of conservation and scientific wildlife management. They were the first to recognize that rapid development and the unregulated use of wildlife were seriously threatening the future of many species.

Led by President Theodore Roosevelt, these early conservationists called for the passage of the first laws to outlaw market hunting and provide funds to state wildlife agencies through sales of hunting and fishing licenses and taxes on sporting equipment. Hunters and anglers today provide more than 75% of the funding for these agencies. During the past century, sportsmen and sportswomen have worked countless hours to protect and improve millions of acres of vital wildlife habitat on lands available for the use and enjoyment of everyone.

In particular, I would like to highlight and praise the role of Colorado's hunters and anglers in wildlife conservation. According to 1997 figures, Colorado's sportsmen and sportswomen purchased over 1.4 million hunting and fishing licenses which generated almost $60 million for the Colorado Division of Wildlife. Projects such as the Greenback trout recovery, Frying Pan River trout stocking, Beaver Creek cutthroat trout restoration, Native Aquatic Species Restoration Facility in San Luis Valley (a first in the nation), and $300,000 for wetlands conservation in San Luis Valley, are all beneficiaries of these revenues.

In Colorado, as in the rest of the country, hunters and anglers, through license fees and excise taxes, have been the biggest single force behind the restoration of habitat and wildlife conservation. I, for one, would like to salute those hunters and anglers on this 27th observance of the National Hunting and Fishing Day.

IN HONOR OF DANIEL PENSIERO, JR.

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor the memory of Mr. Daniel Pensiero, Jr., a native of Cleveland, Ohio. Mr. Pensiero had a distinguished career in the food and travel industries. He was dedicated to his loving family and was involved in many community activities.

Daniel Pensiero, Jr. passed away on August 15, 1998 in Sun Valley, Idaho. Mr. Pensiero and his wife, Mildred, lived in Las Vegas, having moved from Chagrin Falls. He was born in Cleveland, Ohio. When he graduated from Baldwin-Wallace College in 1951, he went to work with his father, Daniel Webster, Sr., a food broker who owned the Carl Weber, Co. Mr. Pensiero became president of the company in 1971. After he merged it with another firm, it became Smith, Weber, & Swinton in 1986. He served as a chairman for 3 years. He then bought several travel agencies and merged them into the company A Ticket to

Ride, which he operated for 8 years. At the time of his death, Mr. Pensiero was a consultant for Stanislaus Foods, a manufacturer of tomato products.

Mr. Pensiero studied classical music as a child and enjoyed playing the piano. He cooked meals for his friends and family and loved to travel. He was a good friend to many. In addition, he was very active in fund raising for local charities.

Mr. Pensiero is survived by his wife, Mildred, children Debbie, David and his wife Cynthia, Daniel III, Jeffery, and his brother Donald A. Pensiero, M.D. Daniel Pensiero, Jr. lived an admired and honorable life. I would like to extend my deepest sympathy and condolences to his family and friends. He will be greatly missed by all who knew him.

IN RECOGNITION OF OPPORTUNITY, INC.

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. PORTER. Mr. Speaker, I am pleased to rise today to recognize Opportunity, Inc., an outstanding organization located in Highland Park, IL. This is truly a remarkable enterprise and a magnificent example of the initiative needed to help people move from welfare to work and a better life.

Opportunity, Inc. is a unique, not-for-profit contract manufacturer that employs 150 persons, most of whom have developmental, physical and/or emotional disabilities. Founded in 1976 by local construction executive John Cornell, who still serves as an Emeritus member of the Board of Directors, the company will hold its annual Handicapable Leadership Award Dinner in Chicago on October 6th. The keynote speaker will be Ken Bode, PBS Senior Correspondent, moderator of Washington Week in Review and Dean of the Northwestern University Medill School of Journalism.

The company's mission is twofold: (1) to provide a mainstream plant environment in which handicapable people can work and earn a paycheck as well as the dignity that comes from being employed productively on a full-time basis; and (2) to provide its private sector customers with the best possible quality, price and service.

As everyone understands, budget constraints compel us to look for ways to effectively address important needs without government subsidies, and Opportunity, Inc. is leading the way in this regard. A model of community response and innovation, the company demonstrates how competitive and productive handicapable employees can be. Opportunity, Inc. built and continues to operate the nation's only not-for-profit, certified class 100,000 "clean rooms" for medical and surgical packaging.

When I visited Opportunity, Inc., however, I learned that its business success, while impressive, pales in significance to the positive contributions it has made to its employees' lives. I experienced firsthand how proud, dedicated and competitive they are. As one man said to me, "Congressman, all we need is a fair chance to compete. That's what we get there at Opportunity and just look at the results!" Clearly, Opportunity, Inc. is an organization that lives up to its name.

Mr. Speaker, I am proud to represent a congressional district that includes enterprises of this caliber. It is my pleasure to salute the employees, management and directors of Opportunity, Inc. on the occasion of their annual dinner, and to extend my personal congratulations to Raymond J. Geraci, Mayor of Highland Park, Illinois, who is the recipient of this year's Handicapable Leadership Award for 20 years of service.

THE 50TH ANNIVERSARY OF THE FRAMINGHAM HEART STUDY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. MARKEY. Mr. Speaker, I submit the following address.

Good afternoon, everyone. Thank you for inviting me to this historic celebration—the commemoration of a 50 year milestone in the advancement of public health in the United States. No other community in America has ever contributed as much to the health of all Americans as the town of Framingham—a veritable medical mecca. We are here today to honor you and the gift of life you have given to our country.

I am pleased to be among so many friends and so many experts in the fields of medicine and research. Framingham is blessed with the very best State House delegation in Massachusetts—State Senator Dave Magnani, and State Representatives John Stefanini and John Stasik. And what a great local government—represented today by Chairman of the Board of Selectmen Chris Petrini. Our Master of Ceremonies, Dr. Timothy Johnson, a modern day Marcus Welby—he's on ABC now, but he was dispensing his outstanding medical advice to all of us in Boston long before he made it really big—right here on Channel 5.

Jay Lander and the many other study participants and their families whom we congratulate and thank today.

The guardians of the Framingham Study—Doctors William Castelli, Aram Chobanian, and Daniel Levy. One of the federal government's top health experts, Dr. Claude Lenfant, Director of the National Heart, Lung, and Blood Institute at NIH.

And to this distinguished public health pantheon we welcome a world leader, America's Doctor, the Surgeon General of all of these United States, the Pied Piper of Prevention, Dr. David Satcher. There is no kinder, wiser, more conscientious or creative caregiver in the land, and we are grateful for, and honored by his presence and his willingness to devote his great talents to helping all of America's people lead healthier and more productive lives.

As I was preparing for today's event, it occurred to me that the willingness of the people of Framingham to volunteer for this monumentally important civic cause has proven to be as critical to the promotion of our nation's health as the Minutemen of Middlesex County were to the promotion of our democracy. It is extraordinary to think in 1948, in a town of only 28,000 people, nearly one out of five residents stepped forward to answer the call for participation in this long-term affair of the heart. They devoted their lives to a revolutionary undertaking, demonstrating the same deeply felt spirit of voluntarism as their forebearers who took up their flintlocks to beat back King George III.

When the history of Western Medicine is written, every one of those first 5,000 volunteers, and every one of the subsequent wave of 5,000 offspring and spouse volunteers, and every one of the more than five hundred Omni Study volunteers, will be listed in the history books under the heading of "Public Health Patriots." Because for the past 50 years, you have opened your lives to save all of ours.

Make no mistake about it, the Framingham Heart Study has been revolutionary—changing the way our entire country thinks about medicine and revolutionizing our understanding of heart disease. Framingham has set the standard for the very best in medical research, bridging the gap between science and advocacy. It has made history as one of the first major health studies to include women who had long been neglected in the halls of public policy, in research studies, and in clinical practice. Fully 55 percent of the original cohort and 52 percent of the second generation "Offspring Study" were women. This fact is significant because heart disease was long believed to be only a man's disease—but thanks to Framingham we know that it is in fact the #1 killer of American women, that the symptiom presentation may be different in women than men, and that there are important steps that both women and men can take to protect themselves from the dangers of cardiovascular disease.

Research is medicine's "field of dreams" from which we harvest new findings about the causes, treatments, and prevention of disease. And we have harvested a great deal of knowledge about heart disease from our national investment in the Framingham Heart Study. In 1948, the United States Public Health Service wanted to know why the rates of heart disease were rising in America. Since then, the Study has been answering that question, and for the first time in history identified risk factors for heart disease. The federal government's total contribution to the Framingham Study has been just $43 million dollars—but that $43 million dollars has produced 50 years of data and over 1,000 scientific papers—the Holy Book for Healthy Hearts. I believe this is one of the best investments our government has ever made, because it has paid life-saving dividends: Since the time the study began, the death rate from heart disease has declined by 50 percent.

Perhaps the most long-lasting contribution of the Framingham Heart Study will be the way in which it turned the attention of medicine inexorably towards prevention as a strategy for reducing the ravages of disease and for improving the quality and quantity of our lives. Framingham has given us a public health model that extends well beyond the heart and challenges the mind as well. You see, we are finally waking up to the fact that only through lifestyle and behavioral changes will Americans achieve optimal health.

That is because at the turn of this century, in the year 1900, the average life expectancy in the United States was 48 years of age for women and 46 years for men. Americans died of infectious diseases, and for women, also from complications of childbirth. So, from the dawn of time to the year 1900, we had added just a few years to the lives of Americans. However, for a person born today, the average life expectancy is 79 years of age for women and 72 years for men. Over the last 98 years, through government sponsored public health interventions including better sanitation, immunization, and advances from our federal investment in medical research, we have added thirty bonus years to the lives of Americans.

Today, the major killers of people in the United States are chronic diseases—including heart disease, cancer, stroke, chronic lung disease and diabetes, for which over 50 percent of the cause are behavioral and lifestyle factors—smoking, poor diet, lack of physical activity, alcohol and illicit drug abuse, unsafe sexual practices, and not wearing a seatbelt.

As a result of the extraordinarily well-designed Framingham Heart Study, our nation learned about risk factors and adopted the prevention message that the Framingham Study put on the map. Healthy diet and exercise will help prevent heart disease, high blood pressure, diabetes, and some types of cancer. Conversely, cigarette smoking is the #1 preventable cause of death in America. It not only causes lung cancer and chronic lung disease, but it is a leading contributor to heart disease as well. Yet 1 in 4 Americans smokes, 1 in 3 high school seniors smoke, and one-third of them will die of their addiction. Furthermore, there is a growing epidemic of obesity and sedentary lifestyles in America.

But today we spend only one percent of a 1 trillion dollar health budget on prevention. I believe it is time to put prevention on the front burner of our nation's health care agenda where it belongs. Because more than any miracle drug we could discover, changing health-damaging behaviors and eliminating environmental health hazards could decrease premature death in America by one half, chronic disability by two-thirds, not to mention dramatically cut health care costs.

As we enter the 21st Century and adapt the Framingham Study to help us better understand all of the diseases that affect us today and into the future—diseases like Alzheimer's disease, diabetes, cancer, and the genetics of many other illnesses—the work of Framingham's Public Health Patriots will go on and on, and the rest of us will have even more reason to praise all of the volunteers gathered here this afternoon and the thousands of others who are with us in spirit.

In closing, I'd like to share an ancient proverb: "He, let's also make that she—who has health has hope. And he who has hope has everything." That's what this landmark Framingham Heart Study and your important contributions are all about—providing hope for a healthier future for the citizens of Framingham, of Massachusetts and for all Americans.

I am proud to represent you, I salute you, and I thank you with all of my heart for opening your lives to science to save our lives and the lives of generations of Americans to come.

TRIBUTE TO COLONEL DENNIS K. OBERHELMAN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. SKELTON. Mr. Speaker, let me take this opportunity to pay tribute to Marine Corps Colonel Dennis K. Oberhelman, who is retiring from the military after 28 years of exceptional service to our nation.

From 1996 to 1998, Col. Oberhelman served as Commanding Officer, Marine Corps Support Activity, Kansas City, Missouri. During this period of time, his leadership, innovative concepts, and farsighted planning were manifested in the overall effectiveness of Support Activity. He demonstrated outstanding skills in directing a quite diverse organization, from the command staff to the Marine Corps Regional Contracting Office, Family Services Center, and Housing Office. Col. Oberhelman ran a highly cohesive staff with a single focus on providing the best possible support to all Kansas City area military personnel as well as families living at Richards-Gebaur.

Col. Oberhelman has been at the forefront of every major military-related challenge in the Kansas City area. He helped to devise a five year plan for Richards-Gebaur, and worked toward bringing 300 additional Marines to the former Air Force facility. In addition, he worked toward the establishment of a TRICARE Prime Site there.

Col. Oberhelman has fostered good will within the Kansas City community, and he has developed a close working relationship with civic leaders and organizations. I am certain that Members of the House will join me in paying tribute to this outstanding American as he retires from active duty.

ADJUSTMENTS OF STATUS OF BANGLADESH NATIONALS, H.R. 4652

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. GILMAN. Mr. Speaker, it is with great pleasure that I rise to introduce H.R. 4652, a bill to provide for the adjustment of status of certain nationals of Bangladesh who have resided in the U.S. for over a decade. Despite attempts at promoting democracy and pluralism in Bangladesh, nearly half of that nation's population still lives below the poverty line. Per capita income is approximately $260 dollars per year making Bangladesh one of the poorest nations in the world.

The Monsoon's of 1998 have magnified Bangladesh's problems making it ever more difficult for the people of that nation to distribute the scarce resources available. With 830 people per square kilometer, Bangladesh is one of the world's most densely populated places. In 1992, nearly ⅔ of Bangladesh is one of the world's most densely populated places. In 1992, nearly ⅔ of Bangladeshi children suffered from severe malnutrition. The picture in Bangladesh remains exceedingly bleak.

The recent nuclear threats emanating from Bangladesh's larger neighbors have placed further burdens on a nation which has traveled so far in its quest for democracy yet remains precariously perched in a very dangerous neighborhood. Our colleagues should applaud Bangladesh for its efforts to reduce the problems associated with child labor over the last several years. We must, however, do more. We must do something vital and tangible to demonstrate our commitment to help a limited number of Bangladeshi people who have lived in this country for at least a decade, contributed to American society and in many cases, raised their American children.

The perils of living in poverty and climatic devastation in Bangladesh has forced some of these people to follow the same route of our own ancestors and seek refuge in the United States. Some of these people are suspended in a statute of permanent illegality, entangled in a labyrinth of changing, complex immigration laws. These people are not on our welfare roles and will not become wards of the state. They are good, hard working people with whom I have been proud to associate myself.

Mr. Speaker, let us do what is right, let us do what is just and let us do what is humane. Let us respect that role that immigrants have played in the cultural mosaic that is our United States. Accordingly, I invite my colleagues to join me in supporting this limited action to legalize those who truly are deserving of permanent residency in this great nation.

Mr. Speaker, I request that a copy of the bill be inserted into the RECORD following my remarks.

A bill to provide for adjustment of status for certain nationals of Bangladesh.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

This Act may be cited as the "Bangladeshi Adjustment Act".

SEC. 2. ADJUSTMENT OF STATUS FOR CERTAIN NATIONALS OF BANGLADESH.

(a) ADJUSTMENT OF STATUS.—

(1) IN GENERAL.—The status of any alien described in subsection (b) shall be adjusted by the Attorney General to that of an alien lawfully admitted for permanent residence, if the alien—

(A) applies for such adjustment before July 1, 2000; and

(B) is otherwise admissible to the United States for permanent residence, except in determining such admissibility the grounds for inadmissibility specified in paragraphs (4), (5), (6)(A), (7)(A), and (9)(B) of section 212(a) of the Immigration and Nationality Act shall not apply.

(2) RELATIONSHIP OF APPLICATION TO CERTAIN ORDER.—An alien present in the United States who has been ordered excluded, deported, removed, or ordered to deport voluntarily from the United States under any provision of the Immigration and Nationality Act may, notwithstanding such order, apply for adjustment of status under paragraph (1). Such an alien may not be required, as a condition of submitting or granting such application, to file a separate motion to reopen, reconsider, or vacate such order. If the Attorney General grants the application, the Attorney General shall cancel the order. If the Attorney General renders a final administrative decision to deny the application, the order shall be effective and enforceable to the same extent as if the application had not been made.

(b) ALIENS ELIGIBLE FOR ADJUSTMENT OF STATUS.—

(1) IN GENERAL.—The benefits provided by subsection (a) shall apply to any alien who is a national of Bangladesh and who has been physically present in the United States for a continuous period, beginning not earlier than the date the application for adjustment

under such subsection is filed, except an alien shall not be considered to have failed to maintain continuous physical presence by reason of an absence, or absences, from the United States for any periods in the aggregate not exceeding 180 days.

(2) PROOF OF COMMENCEMENT OF CONTINUOUS PRESENCE.—For purposes of establishing that the period of continuous physical presence referred to in paragraph (1) commenced not later than January 1, 1987, an alien—

(A) shall demonstrate that the alien, prior to January 1, 1987—

(i) performed service, or engaged in a trade or business, within the United States which is evidenced by records maintained by the Commissioner of Social Security; or

(ii) applied for any benefit under the Immigration and Nationality Act by means of an application establishing the alien's presence in the United States prior to January 1, 1987; or

(B) shall make such other demonstration of physical presence as the Attorney General may provide for by regulation.

(c) STAY OF REMOVAL; WORK AUTHORIZATION.—

(1) IN GENERAL.—The Attorney General shall provide by regulation for an alien subject to a final order of deportation or removal to seek a stay of such order based on the filing of an application under subsection (a).

(2) DURING CERTAIN PROCEEDINGS.—Notwithstanding any provision of the Immigration and Nationality Act, the Attorney General shall not order any alien to be removed from the United States, if the alien is in exclusion, deportation, or removal proceedings under any provision of such Act and has applied for adjustment of status under subsection (a), except where the Attorney General has rendered a final administrative determination to deny the application.

(3) WORK AUTHORIZATION.—The Attorney General may authorize an alien who has applied for adjustment of status under subsection (a) to engage in employment in the United States during the pendency of such application and may provide the alien with an "employment authorized" endorsement or other appropriate document signifying authorization of employment, except that if such application is pending for a period exceeding 180 days, and has not been denied, the Attorney General shall authorize such employment.

(d) ADJUSTMENT OF STATUS FOR SPOUSES AND CHILDREN.—

(1) IN GENERAL.—The status of an alien shall be adjusted by the Attorney General to that of an alien lawfully admitted for permanent residence, if—

(A) the alien is a national of Bangladesh;

(B) the alien is the spouse, child, or unmarried son or daughter, of an alien whose status is adjusted to that of an alien lawfully admitted for permanent residence under subsection (a), except that in the case of such an unmarried son or daughter, the son or daughter shall be required to establish that they have been physically present in the United States for a continuous period, beginning not later than January 1, 1987, and ending not earlier than the date the application for adjustment under this subsection is filed;

(C) the alien applies for such adjustment and is physically present in the United States on the date the application is filed;

(D) the alien is otherwise admissible to the United States for permanent residence, except in determining such admissibility the grounds for exclusion specified in paragraphs (4), (5), (6)(A), (7)(A), and (9)(B) of section 212(a) of the Immigration and Nationality Act shall not apply; and

(E) applies for such adjustment before July 1, 2000.

(2) PROOF OF CONTINUOUS PRESENCE.—For purposes of establishing the period of continuous physical presence referred to in paragraph (1)(B), and alien—

(A) shall demonstrate that such period commenced not later than January 1, 1987, in a manner consistent with submission (b)(2); and

(B) shall not be considered to have failed to maintain continuous physical presence by reason of an absence, or absences, from the United States for any period in the aggregate not exceeding 180 days.

(e) AVAILABILITY OF ADMINISTRATIVE REVIEW.—The Attorney General shall provide to applicants for adjustment of status under subsection (a) the same right to, and procedures for, administrative review as are provided to—

(1) applicants for adjustment of status under section 245 of the Immigration and Nationality Act; or

(2) aliens subject to removal proceedings under section 240 of such Act.

(f) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General as to whether the status of any alien should be adjusted under this section is final and shall not be subject to review by any court.

(g) APPLICATION OF IMMIGRATION AND NATIONALITY ACT PROVISIONS.—Except as otherwise specifically provided in this section, the definitions continued in the Immigration and Nationality act shall apply in the administration of this section. Nothing contained in this section shall be held to repeal, amend, alter, modify, affect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be granted the status of having been lawfully admitted for permanent residence under this section shall not preclude the alien from seeking such status under any other provision of law for which the alien may be eligible.

WORKFORCE IMPROVEMENT AND PROTECTION ACT OF 1998

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. STOKES. Mr. Speaker, I rise in strong opposition to the "Workforce Improvement and Protection Act of 1998," H.R. 3736, which is designed to increase the number of H–1B visas. This bill is especially detrimental to American workers in the computer programming, engineering and other skilled worker fields. This negative jobs bill takes critical jobs out of the hands of American workers and compromises the economic stability of American families.

High-tech companies complain they cannot find the numbers of technologically skilled employees that they need among the United States workforce. Yet, reports abound about widespread abuses where U.S. workers, in the information technology industry, have been laid off and replaced by nonimmigrant workers. These high-tech companies would rather bring in H–1B workers than invest in the American workforce.

While it is true that our Nation's workforce is experiencing critical skills gaps, the answer is not to take jobs out of the hands of our existing and future American work forces. Nor is it to ignore the fact that many of the 6.2 million—or 4.5 percent of the U.S. population—who remain unemployed need critical opportunities for job training and education. We cannot afford to abandon that segment of our population for short-sighted profit-making motives that put our Nation's long-term economic security at risk.

Mr. Speaker, we already know how this ends. Just consider what happened to our Nation's economy when we handed over our industrial-based jobs to the cheaper labor-force overseas. Many of our cities are still struggling to overcome the impact of that action.

While I am very concerned about ensuring that our Nation's high-tech industries have the most qualified workforce available in our labor market, I do not believe that simply raising the cap on H–1Bs will effectively address the long-term problem of the perceived labor shortage.

We must work together to increase U.S. enrollments in computer science and engineering programs. We must work together to ensure continuing education and training for U.S. workers as well as sustained efforts to prepare unskilled labor to compete in the technologically advanced workforce. And, we must work together to provide our Nation's current workforce with employment protections to ensure that they are not displaced by cheaper foreign workers. These are the components of a serious long-term strategy to address workforce shortages.

It is for these reasons that I urge my colleagues to join me in opposing H.R. 3736.

TRIBUTE TO THE HONORABLE VIC FAZIO

SPEECH OF

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 24, 1998

Mr. MATSUI. Mr. Speaker, I am pleased to rise before my colleagues today in support of this legislation that will help pay tribute to one of the most esteemed Members in this House. Contained in this legislation is a provision that will rename the Yolo Basin Wetlands in Yolo, CA in honor of Congressman VIC FAZIO.

Congressman FAZIO recognized the potential value of this area as a wetlands habitat long ago and has since played a significant role in turning what was once a dream into reality. The Wetlands represents the largest public/private restoration project in the West at more than 3,600 acres. The Yolo Basin Wetlands occupies a central location on the Pacific flyway and will benefit migratory and resident ducks, geese, swans, shorebirds, raptors and songbirds.

For more than a decade, VIC has worked tirelessly to guarantee the design and construction of the wetlands area. He has been involved every step of the way, making certain the project meets Army Corps of Engineers construction criteria and has remained the key figure in securing the federal funds needed for the Corps to build the project.

The gentleman from California is the first to recognize that the Yolo Basin Wetlands project truly is a cooperative venture—combining the efforts of local, State and Federal agencies as well as elected officials and private sector entities. In all, VIC FAZIO has become the centerpiece of more than 20 individual and agency partners involved in completing this effort.

Mr. Speaker, I would like to thank the conferees for their support of this provision and particularly appreciate the efforts of Chairman MCDADE to ensure that this language was included in the bill. As we say goodbye to one of the most beloved and well-respected Members of this governing body, I think it is important to remember the acts of dedication and generosity that define his career. I can think of no better way to recognize the more than 20 years of faithful public service my good friend from California has given to his community and his country than by renaming this beautiful wildlife area in his honor.

H. RES. 557 ON HOLOCAUST-ERA ASSETS AND THE FORTHCOMING WASHINGTON CONFERENCE ON HOLOCAUST ASSETS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. LANTOS. Mr. Speaker, I rise today to call the attention of my colleagues to House Resolution 557, which expresses support for U.S. government efforts to identify Holocaust-era assets and urging the restitution of individual and communal property. I introduced this resolution earlier today with my dear friend and our distinguished colleague, the Chairman of the International Relations Committee, Congressman BENJAMIN A. GILMAN.

Mr. Speaker, this resolution is a direct result of discussions which took place during a hearing of the International Relations Committee just during the first week of August. Stuart Eizenstat, our Undersecretary of State for Economic Affairs, testified before the Committee regarding the status of Holocaust restitution activities. During that hearing, he told our Committee that a resolution supporting the efforts of the Administration in its restitution activities and urging positive response from European governments would be helpful and positive action.

I want to call to the attention of our colleagues, Mr. Speaker, my profound respect and great admiration for the outstanding job that Mr. Eizenstat has done in dealing with issues related to Holocaust Restitution. Under his leadership, with the unswerving support of our exceptional Secretary of State, Madeleine Albright, the United States has set the example for other countries with the issue of Holocaust restitution.

In early December, Mr. Speaker, the United States will host the Washington Conference on Holocaust-era Assets, and this resolution emphasizes the importance of this conference in bringing about a resolution of matters related to restitution.

Mr. Speaker, a number of our distinguished colleagues are original cosponsors of this important resolution. In addition to the distinguished Chairman of the International Relations Committee, Mr. GILMAN of New York, the resolution has been cosponsored by the ranking Democratic member of the International Relations Committee, Mr. HAMILTON, and Mr. SMITH of New Jersey, Mrs. MALONEY of New York, Ms. WOOLSEY, Mr. FRANKS of New Jersey, Mr. ACKERMAN, Mr. BERMAN, Mr. BROWN of Ohio, Mr. BURTON, Mr. CHABOT, Mr. DEUTSCH, Mr. FALEOMAVAEGA, Mr. FOLEY, Mr. FOX, Mr. FROST, Mr. FRANK of Massachusetts, Mr. HASTINGS of Florida, Mr. HORN, Mrs. LOWEY, Mr. MENENDEZ, Ms. ROS-LEHTINEN, Mr. SANDERS, Mr. SCHUMER, Mr. SHERMAN, Mr. SISISKY, Mr. WAXMAN, and Mr. WEXLER.

Mr. Speaker, I urge my colleagues to join us as cosponsors of this important resolution. I ask that the text of the resolution be included in the RECORD.

H. RES. 557

Expressing support of U.S. government efforts to identify Holocaust-era assets, urging the restitution of individual and communal property, and for other purposes.

Whereas the Holocaust was one of the most tragic and complex horrors in this century, and survivors of that catastrophe are now reaching the end of their lives;

Whereas among the many atrocities committed by the Nazis was their systematic effort to confiscate property illegally and wrongfully from individuals, institutions, and communities solely because of religion or ethnicity;

Whereas the Nazi regime used foreign financial institutions to launder and hold property illegally confiscated from Holocaust victims, and some foreign financial institutions violated their fiduciary duty to their customers by converting to their own use financial assets belonging to Holocaust victims and denying heirs of these victims access to these assets through restrictive regulations and unreasonable interpretation of those regulations;

Whereas in the post-Communist period of transition many of the countries of Central and Eastern Europe have begun to enact legal procedures for the restitution of property confiscated or stolen from victims of the Holocaust to communities and to individual survivors of the Holocaust and their heirs;

Whereas, despite the enactment of legislation and the establishment of institutions to restore confiscated property in a number of countries, progress has been slow, difficult, and painful, and some countries have established restrictions which require those whose properties have been wrongfully plundered to reside in or be a current citizen of the country from which they now seek restitution or compensation;

Whereas the Tripartite Gold Commission has now concluded its activities, and under the leadership of the United States established an international Nazi Persecutees' Relief Fund, reached agreement with most of the countries which had gold on deposit with the Tripartite Gold Commission to donate their shares to this Persecutees' Fund, and the United States has pledged to contribute $25 million to this Fund;

Whereas two significant agreements have recently been reached, the first between Holocaust survivors and private Swiss banks and the second between Holocaust survivors and European insurance companies, which represent significant first steps in the international effort to provide belated justice to survivors and victims of the Holocaust and their heirs;

Whereas the Department of State and the United States Holocaust Memorial Museum will co-host the Washington Conference on Holocaust-Era Assets later this year in order to review current efforts, share research across national borders, renew efforts to open Nazi-era archives, and spur greater progress on the restitution of Holocaust-era assets; and

Whereas there is a growing international consensus and sense of urgency that, after a half century of indifference and inaction, justice must be obtained for victims and survivors of the Holocaust and their heirs; Now, therefore, be it

Resolved That the House of Representatives—

(1) recognizes the great responsibility which the United States has to Holocaust survivors and their families, many of whom are American citizens, to continue to treat the issue of Holocaust-era assets as a high priority and to encourage other governments to do the same;

(2) commends the agencies of the United States government for their untiring efforts and for the example they have set, including the publication of the May 1997 and June 1998 reports on U.S. and Allied Efforts to Recover or Restore Gold and Other Assets Stolen or Hidden by Germany in World War II and the efforts to return such assets to their rightful owners;

(3) commends those organizations which have played a critical role in the effort to assure compensation and/or restitution for survivors of the Holocaust, and in particular to the World Jewish Congress and the World Jewish Restitution Organization;

(4) welcomes the convening of the Washington Conference on Holocaust-Era Assets later this year by the United States Holocaust Memorial Museum and the Department of State and expresses the hope that this conference will contribute to the sharing of information and will spur greater progress on the restitution of Holocaust-era assets;

(5) commends those countries which have instituted procedures for the restitution of individual and communal property confiscated from Holocaust victims, and urges those governments which have not established such procedures to adopt fair and transparent legislation and regulations necessary for such restitution;

(6) calls upon countries in transition in Central and Eastern Europe to remove certain citizenship or residency prerequisites for individual survivors of the Holocaust seeking restitution of confiscated property;

(7) notes that former Communist countries which seek to become members of the North Atlantic Alliance and other international organizations must recognize that a part of the process of international integration involves the enactment of laws which safeguard and protect property rights that are similar to those in democratic countries which do not require artificial citizenship and residency requirements for restitution or compensation;

(8) commends those countries which have established significant commissions, such as the Presidential Advisory Commission on Holocaust Assets in the United States, to

conduct research into matters relating to Holocaust-era assets, to assure that information developed by these commissions is publicly available, to complete their major historical research efforts, and to contribute to the major funds established to benefit needy Holocaust survivors no later than December 31, 1999;

(9) commends those countries and organizations which have opened their archives and made public records and documents relating to the Nazi era, and urges all countries and organizations, including the United Nations, the Holy See, the International Committee of the Red Cross and national Red Cross organizations, to assure that all materials relating to that era are fully accessible to the public;

(10) urges all countries to develop and include as a part of their educational curriculum material on the Holocaust, the history of the Second World War, the evils of discrimination and persecution of racial, ethnic or religious minorities, and the consequences of the failure to respect human rights;

(11) appreciates the efforts of the government of Germany for successfully concluding an agreement with the Conference on Material Claims Against Germany on matters concerning restitution for Holocaust survivors from Central and Eastern Europe who have not yet received restitution, and urges the government of Germany to continue to negotiate with the Claims Conference to expand the eligibility criteria to ensure that all needy Holocaust survivors receive restitution;

(12) urges all countries to continue aggressive investigation and prosecution of individuals who may have been involved in Nazi-era war crimes, such as the Government of Germany which should investigate Dr. Hans Joachim Sewering for war crimes of active euthanasia and crimes against humanity committed during World War II;

(13) urges countries, especially Israel, Russia, Poland, and other Central and East European nations, and organizations such as the International Committee of the Red Cross and Israel's Jewish Agency to coordinate efforts to help reunite family members separated during the Holocaust; and

(14) directs the Clerk of the House to transmit a copy of this resolution to the Secretary of State and requests that the Secretary transmit copies to all relevant parties.

RECIPROCAL TRADE AGREEMENT AUTHORITIES ACT OF 1997

SPEECH OF

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Mr. EVANS. Mr. Speaker, I rise today in opposition to granting fast track trade negotiating authority. I oppose this legislation because of the adverse effects that the North American Free Trade Agreement (NAFTA), which was negotiated under "fast track" authority, has had upon working American families.

There is no question that NAFTA's track record has had an adverse effect on U.S. wages. This country has lost over a quarter of a million jobs. In my home state of Illinois, 23 companies have moved to Mexico as a result of NAFTA. Instead of the old, failed "fast track", we need a trade negotiating authority that gives the President the tools to negotiate trade agreements that reflect the wishes of most Americans—fair, responsible trade that protects the environment, working families and public health.

We have much to lose with this vote. U.S. taxpayers have invested billions to establish and maintain one of the safest food supplies in the world. Yet we undermine consumer protection by allowing food to be imported from countries where health and safety standards either do not exist or are not enforced. Under NAFTA, food imports from Mexico and Canada have dramatically overburdened the Food and Drug Administration's ability to adequately inspect food imports. More and more we hear of illnesses caused from foreign foods. We need to make international bodies and foreign governments with weaker standards accountable if we are to protect the health of all Americans. Granting fast track authority will only threaten the safety of our food supply.

As a representative from the Corn Belt, I understand our farmers are struggling through tough times with commodity prices that are the lowest they've been in years. However, trade negotiations take years. Our farmers need immediate relief. We should be looking at ways to put money in their pockets where they most need it and ways to help our trading partners get back on their economic feet. Fast track is not the cure-all to the farm crisis, it is, at the moment, a distraction.

Without labor, food safety, and environmental provisions in the fast track legislation, we have no guarantee that these issues will ever be addressed. I am not willing to risk the health and safety of my constituents on an authority that cannot safeguard their well-being. Lets fix the problems we have with unfair trade negotiations, lets not add to them. I urge all my colleagues to vote no on fast track.

PERSONAL EXPLANATION

HON. ASA HUTCHINSON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. HUTCHINSON. Mr. Speaker, during Roll Call Vote #466, I was unavoidably detained while engaged in Congressional duties. Had I been present, I would have voted Aye.

UNIFIED STRATEGY NEEDED TO FIGHT TERRORISM

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. SKELTON. Mr. Speaker, the August 7 bombings outside U.S. embassies in Nairobi, Kenya, and Dar-es-Salaam, Tanzania, were the latest crimes to be added to a growing list of terrorists attacks where Americans died brutally, without warning, and unnecessarily. These bombings join a list which includes the World Trade Center in New York City, Khobar Towers in Saudi Arabia, and the Federal Building in Oklahoma City.

Our Nation did respond to the killing of 12 Americans and nearly 300 Kenyans and Tanzanians. Based on evidence that further attacks were planned, United States armed forces struck terrorist-related facilities in Afghanistan and Sudan, targeting one of the most active terrorist bases in the world and a factory involved in the production of materials for chemical weapons. Two suspects have been arrested and others are being pursued. But in this tragedy's aftermath, the U.S. must also learn from the incidents and take steps to ensure that our citizens and installations are protected in the future.

Since June of 1997, I have released four reports prepared by the General Accounting Office (GAO) detailing U.S. efforts to combat terrorism. The first report, entitled, "Combating Terrorism: Status of DOD Efforts to Protect its Forces Overseas," dealt with anti-terrorism. It concluded that uniform security standards were necessary to ensure the safety of Americans around the world.

In September of 1997, GAO released a second report entitled, "Combating Terrorism: Federal Agencies' Efforts to Implement National Security Policy and Strategy." This report focused on counter terrorism—those offensive measures for deterring, resolving, and managing terrorist acts. It outlined specific roles and responsibilities of the 40 Federal departments, agencies, and bureaus involved in counter terrorism, as well as their respective capabilities.

"Combating Terrorism: Spending on Governmentwide Programs Requires Better Management and Coordination" was released in December of 1997. This third GAO report focused on total government-wide spending levels to combat terrorism. While it revealed that a significant amount of resources—more than $7 billion a year—were committed annually to combat terrorism, there were some deficiencies, including the absence of regular government-wide priorities, and the lack of an assessment process to coordinate and focus government efforts. Moreover, the report found that no government office or entity maintained the authority to enforce coordination.

In its fourth report, "Combating Terrorism: Threat and Risk Assessments Can Help Prioritize and Target Program Investments," GAO reviewed the implementation of the 1996 Defense Against Weapons of Mass Destruction Act, popularly known as the Defense Department's Nunn-Lugar-Domenici program. It recommended the adoption of a formal threat and risk assessment process to enhance state and local capabilities and suggested that the FBI lead this effort.

These GAO reports marked the first attempt by any government agency to take a comprehensive look at federal activities to fight terrorism. While we learned a great deal from these reports, we still have a long way to go. As the work of the GAO has helped us discover, our approach may be fundamentally flawed: Too many different federal agencies and local governments possess existing or emerging capabilities for responding to a terrorist attack; there are uneven and nearly incompatible levels of expertise; and our efforts are complicated by duplication and poor communication. To put it simply, with so many agencies involved, the left hand may not know what the right hand is doing. We must have a unified strategy to fight terrorism—we cannot have agencies fighting turf battles.

There has been some movement in the right direction to respond to the threat of terrorism. In May, the Administration announced the formation of ten regional rapid assessment teams. These teams are part of the Defense Department's overall effort to support local, state, and federal civil authorities in the event of an incident involving the use of weapons of mass destruction. Congress has included money in the Fiscal Year 1999 DOD Authorized bill for this program, which is coordinated through the National Guard. The Missouri National Guard will play a leading role as host to one of the ten regional terrorism response teams.

The recent bombings are a terrible reminder that we must take the threat of terrorism seriously. We must realize that the struggle against terrorism will be protracted, and moreover, we must resist complacency—we must not too quickly forget the death and destruction that can be wreaked by fanatical extremists committed to waging war on the United States.

America has battled terrorism for many years. We have acted to bring terrorists to justice, to penetrate their organizations, to disrupt their plans, and to isolate their sponsors. Nevertheless, it is a virtual certainty that American citizens and American facilities will be attacked again, and not just in the traditional terrorist ways. To a distressing extent, the information and components necessary to build nuclear, chemical, or biological weapons of mass destruction are increasingly and readily accessible. In addition, the dependence of our military services and critical civilian infrastructures on information technology has made us vulnerable to information warfare. This vulnerability requires vigilance and the development of protective and redundant systems so that we can maintain our decisive technological edge.

If Congress and the Administration are willing to develop a unified strategy and commit adequate resources, we can prepare an effective defense against terrorism. First, we must give careful scrutiny to the United States counter-terrorism and anti-terrorism programs and policies. In addition, we must insist that our military, law enforcement, intelligence, and diplomatic forces are effectively arrayed, equipped, and trained, and that they are given the authority to take action against terrorists. Finally, we must ensure that both anti-terrorism and counter-terrorism efforts are comprehensive and efficient.

ENCOURAGING ATTENTION TO CONFERENCE ON ENVIRONMENTAL POLLUTANTS

HON. JOHN E. ENSIGN

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. ENSIGN. Mr. Speaker, I would like to draw your attention to some important information that all members of Congress and governors will be receiving over the next couple of days. It relates to a critical environmental issue I have spoken about before—control of oxides of nitrogen (NO_x) emissions that threaten human health, agriculture and our natural environment.

Back in July, I told you about the RENO$_x$ 1998 conference being held in my home State. The purpose of this conference was to examine the consequences of NO_x pollution and to recommend strategies for reducing the millions of tons of NO_x produced each year by diesel trucks and buses and power generation boilers and furnaces.

This week, The Gunnerman Foundation, the lead sponsor of RENO$_x$ 1998, issued its report on the findings and recommendations of this international conference, which attracted some of the best minds from government, industry, academia and the scientific community to tackle the NO_x issue. Collectively, this group broadened our public knowledge of the NO_x issue and identified specific strategies for making meaningful reductions in this dangerous pollutant. I would encourage you to consider the group's recommendations. This information may serve very useful for us, as policy makers, to begin to address this environmental issue that affects everyone on this planet.

Rudolf Gunnerman, the Chairman of The Gunnerman Foundation whom I have spoken about before as an environmental technology pioneer, would like to work with Members of Congress to develop solutions that quickly and comprehensively address NO_x pollution. The urgency of this issue is obvious, because NO_x is a danger not only in the lower atmosphere but is a precursor to ozone depletion in the upper atmosphere. It is important to address this problem before there are serious consequences.

In that light, I hope that you will give this matter some serious thought and attention, so that we can begin to address this important issue after our fall recess.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, September 29, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 30

9:15 a.m.
Indian Affairs
Business meeting, to consider pending calendar business; to be followed by hearings on S. 2010, to provide for business development and trade promotion for Native Americans.
SR–485

OCTOBER 1

9:30 a.m.
Armed Services
To hold hearings on issues regarding plans for Department of Energy national security programs.
SR–222

Commerce, Science, and Transportation
To hold hearings on S. 2494, to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems.
SR–253

Energy and Natural Resources
To hold hearings on the nominations of Eljay B. Bowron, of Michigan, to be Inspector General, Department of the Interior, and Rose Eilene Gottemoeller, of Virginia, to be Assistant Secretary for Non-Proliferation and National Security, and David Michaels, of New York, to be Assistant Secretary for Environment, Safety and Health, both of the Department of Energy.
SD–366

Judiciary
Business meeting, to consider pending calendar business.
SD–226

10:00 a.m.
Foreign Relations
To hold hearings to examine the United States response to international parental abduction issues.
SD–419

Select on Intelligence
Closed business meeting, to consider pending business.
SH–219

10:30 a.m.
Rules and Administration
To resume hearings in open and closed sessions to examine United States Capitol security issues.
SR–301

2:00 p.m.
Environment and Public Works
Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee
To hold hearings to examine the state of current scientific understanding regarding the effects of mercury pollution on humans, and the Environmental Protection Agency's progress toward developing a rule to address the problem of regional haze within National Park areas.
SD–406

Governmental Affairs
International Security, Proliferation and Federal Services Subcommittee
To hold oversight hearings to examine United States Postal Service activities.
SD–342

Conferees
Closed, on H.R. 3694, to authorize funds for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the

Central Intelligence Agency Retirement and Disability System.
S-407, Capitol

2:30 p.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 2513, to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon, S. 2413, to provide for the development of a management plan for the Woodland Lake Park tract in Apache-Sitgreaves National Forest in the State of Arizona reflecting the current use of the tract as a public park, and S. 2402, to direct the Secretary of Agriculture to convey certain lands in San Juan County, New Mexico, to San Juan College.
SD-366

3:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

OCTOBER 2

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of John U. Sepulveda, of New York, to be Deputy Director of the Office of Personnel Management, and Joseph Swerdzewski, of Colorado, to be General Counsel of the Federal Labor Relations Authority.
SD-342

9:30 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Special on SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM
To hold hearings to examine general government emergency preparedness.
SD-192

Joint Economic
To hold hearings on the employment-unemployment situation for September.
1334 Longworth Building

10:00 a.m.
Armed Services
To hold hearings on ballistic missile defense programs, policies, and related issues.
SH-216

Judiciary
Antitrust, Business Rights, and Competition Subcommittee
To hold hearings to examine the status of international antitrust cooperation.
SD-226

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Frank E. Loy, of the District of Columbia, to be Under Secretary of State for Global Affairs.
SD-419

OCTOBER 6

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the American Legion.
345 Cannon Building

OCTOBER 7

10:00 a.m.
Joint Economic
To hold hearings on proposals to stabilize the international economy.
311 Cannon Building

CANCELLATIONS

OCTOBER 1

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

POSTPONEMENTS

SEPTEMBER 29

11:00 a.m.
Foreign Relations
Closed briefing to discuss fiscal year 1998 emergency supplemental funding for anti-terrorism programs and embassy security.
S-116, Capitol

2:00 p.m.
Judiciary
To hold hearings on the implementation of the Radiation Exposure Compensation Act.
SD-226

HOUSE OF REPRESENTATIVES—*Tuesday, September 29, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BURR of North Carolina).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> WASHINGTON, DC,
> *September 29, 1998.*
>
> I hereby designate the Honorable RICHARD BURR to act as Speaker pro tempore on this day.
>
> NEWT GINGRICH,
> *Speaker of the House of Representatives.*

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Let us pray using words of the penitential Psalm 51:

Have mercy on me, O God, according to thy steadfast love; according to thy abundant mercy, blot out my transgressions. Wash me thoroughly from mine iniquity and cleanse me from my sin.

Create in me a clean heart, O God, and put a new and right spirit within me. Cast me not away from thy presence and take not thy holy Spirit from me. Restore to me the joy of thy salvation, and uphold me with a willing spirit. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Virginia (Mr. BATEMAN) come forward and lead the House in the Pledge of Allegiance.

Mr. BATEMAN led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

> H.R. 3096. An act to correct a provision relating to termination of benefits for convicted persons.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

> S. 2392. An act to encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000.

IN SUPPORT OF H.R. 1194

(Mr. NORWOOD asked and was given permission to address the House for 1 minute.)

Mr. NORWOOD. Mr. Speaker, this sounds a little crooked, but I will see if I can get it straight. Four years ago Republicans inherited a Congress run by liberals for 40 years.

Now, during that time, our friends on the other side of the aisle passed some pretty cute environmental laws. Well, most of these laws make about as much sense as letting the fox guard the hen house. So what has happened? Federal entities like my friends at the Savannah District of the Corps of Engineers claim sovereign immunity so they do not have to comply with environmental laws.

On the other hand, private industry just gets sued so groups like the Sierra Club can make ends meet. Pretty clever.

I think it is time that my friends at the Corps of Engineers and all other Federal entities, for that matter, abide by the laws they set for you and me. Then instead of sneaking out the back door like they do now with this large loophole, they will realize how frivolous some of these laws actually are.

Cosponsor H.R. 1194 and stay tuned.

TAX CUTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, it was last year that Republicans passed tax cuts as part of the bipartisan balanced budget agreement. The President signed that legislation last summer.

This year the Congress and especially the leadership of the Republicans passed another tax cut. But this year the Democrats are attacking these tax cuts, calling them an election year gimmick.

This is a very strange attitude, but one that speaks volumes about what liberal Democrats think about tax cuts. Liberal Democrats do not think that Americans are overtaxed. They see no problem with a government that requires average Americans to work until mid-May, Tax Freedom Day, before having the right to keep the fruits of their labor. In fact, they act as if politicians are actually doing you a favor by letting you keep what already belongs to you.

The money that people earn belongs to them, not to the politicians here in Washington. It is time that the liberals and the Democratic leadership understand that and show some respect for the hard-working people of America.

CONGRATULATIONS TO SOUTHEASTERN MINNESOTA HIGH SCHOOL HONORS CHOIR

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTKNECHT. Mr. Speaker, I rise today to congratulate the Southeastern Minnesota High School Honors Choir and their director, Richard Kvam, on the successful completion of their European concert tour.

As the American representatives to an international competition of high school choirs, these 73 high schoolers from across the First Congressional District represented the best our country has to offer. They did not disappoint us, taking first place in the competition over choirs from as far away as South Africa, Denmark and Japan.

More important than their award, however, was the way that the students conducted themselves in concerts and impromptu performances throughout Austria, Germany and the Czech Republic. Whether singing in historic churches or modern airport terminals, they were always respectful of their European hosts. Best of all, they made beautiful music.

We in Minnesota have been blessed with an unusually strong choral music heritage. Our Honors Choir follows in the tradition of such internationally-acclaimed groups as the St. Olaf College Choir and the Dale Warland Singers.

As someone who has heard the Honors Choir perform on more than one occasion, I can attest to the fact that they deserve to be called the best in the world.

Congratulations, once again.

ADJOURNMENT TO THURSDAY, OCTOBER 1, 1998

Mr. BATEMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Thursday October 1, 1998.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ON THE DEATH OF MARY MATHEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. BATEMAN) is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, it is with exceeding regret that I advise my colleagues of the death of a great American and one of the most beloved Virginians of this era in the illustrious history of our Commonwealth.

My reference is to Mary Mathews, a Greek American who has been a towering example of patriotism. Mary had a love affair with her adopted country and, of all the people I have known, none surpassed her in her caring for those who serve our Nation in our military service.

Mary Mathews was the widow of Nick Mathews, himself a great American patriot. Together they founded and built Nick's Seafood Pavilion in Yorktown, Virginia and made it a highly successful and profitable restaurant operation. Their success, founded on their hard work and dedication to quality, was shared with their community, State and Nation. Their joint philanthropy while Nick lived and Mary's continued generosity after his death are legendary.

As a resident of Yorktown, which is the site of the battle that procured our Nation's independence, Mary had a special reverence for what Yorktown and the success of the American Revolution meant, not only to Americans but to people throughout the globe. Most appropriately, Mary Mathews was chosen by the Navy to be the sponsor of the Aegis Class Cruiser, U.S.S. Yorktown. She understood this to be a signal honor, and no ship or its crew were ever more generously recognized by their sponsor than the cruiser U.S.S. Yorktown by their sponsor Mary Mathews.

My wife, Laura, and I have had a warm, close relationship with Nick and Mary Mathews since at least May 29, 1954, when we stopped there for our first dinner as husband and wife following our wedding on that date. We were with Mary in Pascagoula, Mississippi when she, with great elan, christened the U.S.S. Yorktown, the day following the death of her beloved husband, Nick, before yielding to her grief.

We were with Mary when the U.S.S. Yorktown was sent by the Navy to Yorktown for its commissioning ceremony. You would have had to have been there to fully appreciate the joy that occasion gave to Mary Mathews and the special relationship between her and the crew of the U.S.S. Yorktown.

Finally, you needed to be on the site of the Battle of Yorktown, on October 19, 1981, when Mary Mathews, immigrant patriot, stood on the 200th anniversary of the surrender of Cornwallis, alongside President Reagan and President Mitterand of France, basking in the pride of being an American and living in one of America's special places, commemorating a very special event.

God bless Mary Mathews, and as she would say, God bless America, the land she so truly loved.

PRESCRIPTION DRUG PRICING

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, I rise today to bring the attention of the House to a veritable scandal occurring in our country today. Seniors on the central coast of California and throughout the country are paying outrageously high prices for their prescription drugs. Even worse, these inflated prices subsidize the discounts that high-profit HMOs get for the very same drugs.

Yesterday I released a report on the cost of prescription drugs for seniors in my district and, more importantly, a major reason that these costs are so high. The findings are startling.

Seniors in my district pay on average 133 percent more for the 10 most widely prescribed drugs than do HMOs buying the same drugs. These are drugs like Zocor for reducing cholesterol, Norvasc for reducing blood pressure, and Relafen for relief from arthritis, common prescription drugs.

Prescription drug companies give huge discounts to managed care companies for these and other drugs. Other buyers, like pharmacists, pay substantially more for the same drugs and must pass these higher costs on to seniors.

For example, my study found that Ticlid, one of the most widely prescribed medications for persons who have had strokes, sells to an HMO for around $34 for 60 tablets. Yet in my district the average price for seniors who have to pay for this drug themselves is more than $130, nearly a 300 percent markup over the price the HMO pays.

The huge difference in prices is not going to the retail pharmacist in Santa Barbara or Santa Maria or Arroyo Grande. On average the local pharmacists on the central coast are themselves paying $100 to $110 for Ticlid. The final price seniors pay includes only a reasonable markup to the outrageous price pharmacists are forced to pay to the drug companies.

□ 1015

No, the extra money that seniors pay goes to the drug company so that it can continue to give big discounts to the HMOs and managed care companies.

That seniors should be paying more money for drugs than they should, while HMOs reap huge profits, is a very sad story. And these are profits that are based partly on the huge discounts that they get from the drug companies. But there is even a sadder element. Many seniors simply cannot afford these high prices and so instead, because of their fixed incomes, they take half the prescribed dosage or they just do not buy these life-saving drugs because they cost too much.

For example, Clyde Vann, of Pismo Beach, told my staff that he pays over $300 per month for seven prescription drugs on his fixed income, and he is not even taking two others because he cannot afford the extra $150 a month. Harriet MacGregor of Santa Barbara told my staff that because of the high cost of her five prescriptions she must sometimes skip or reduce her dosage.

Mr. Speaker, this is intolerable. Senior citizens should not be subsidizing the big profits of HMOs, and they should not have to choose between filling their prescriptions or buying food or paying rent.

Last week I was proud to be an original cosponsor of legislation to address this issue. H.R. 4646 was introduced by my good friend and colleague, the gentleman from Texas (Mr. JIM TURNER), who is here today and will be also speaking to this topic. This bill will allow pharmacists the opportunity to receive the same big discounts that HMOs get for drugs that they dispense to seniors.

This legislation is long overdue and will ensure that seniors pay reasonable prices for the life-saving medications that they so desperately need, and I urge my colleagues on both sides of the aisle to support this legislation.

Mr. Speaker, I submit for the RECORD a document providing information on cost differentials on prescription drugs.

APPENDIX A.—INFORMATION ON PRESCRIPTION DRUGS ANALYZED IN THIS STUDY

Brand name drug	Dosage and form	Indication	Prices (Dollars)				Price differential (percent)
			FSS	Major wholesaler	AWP	Average retail price	
Ticlid	250 mg, 60 tablets	Stroke	$33.57	$99.44	$108.90	$131.24	291
Zocor	5 mg, 60 tablets	Cholesterol reducer	42.95	85.47	106.84	112.55	161
Prilosec	20 mg, 30 cap	Ulcer	58.38	99.20	108.90	131.47	125
Norvasc	5 mg, 90 tablets	Blood Pressure	58.83	97.92	125.66	128.78	119
Fosamax	10 mg, 30 tablets	Osteoporosis	31.86	50.91	51.88	69.22	117
Procardia XL	30 mg, 100 tab	Heart	67.35	105.05	131.31	143.75	113
Relafen	500 mg, 100 tab	Arthritis	62.58	88.88	111.10	132.78	112
Vasotec	10 mg, 100 tab	Blood Pressure	56.08	85.56	102.94	116.28	107
Cardizem CD	240 mg, 90 tablets	Angina	99.36	154.10	165.42	199.04	100
Zoloft	50 mg, 100 tab	Depression	123.88	172.44	215.55	232.50	88
Average price differential							133

H.R. 4646, THE PRESCRIPTION FAIRNESS ACT

The SPEAKER pro tempore (Mr. BURR of North Carolina). Under a previous order of the House, the gentleman from Texas (Mr. TURNER) is recognized for 5 minutes.

Mr. TURNER. Mr. Speaker, I thank the gentlewoman from California (Mrs. CAPPS) for her remarks regarding the legislation that she and 61 other Members of the House have joined in to try to address this very serious problem that faces many of our senior citizens: The high cost of prescription drugs.

The Committee on Government Reform and Oversight did a study at my request, in my district, in response to the many senior citizens who have contacted me telling me that they have noticed that it is becoming an increasing problem for them to pay for the high cost of prescription medication. One of these ladies is a constituent of mine in Orange, Texas. Her name is Frances Daley. I had the opportunity to visit with her in my district, when I was going around talking about H.R. 4646, the Prescription Fairness Act, that 62 of us in the House have introduced.

Ms. Daley is blind. She takes nine prescription medications. She spends an average of $450 a month on those nine medications. She lives on a meager Social Security check, $650 a month. With only $110 left after trying to pay for these prescription drugs, I asked Ms. Daley, "How do you do it?" And she leaned over to me, in a proud sort of way, and said, "I just take half my medication."

No senior citizen should be faced with the choice of taking only half of their medications. I even talked to senior citizens who quietly told me that they sometimes have to choose between buying food and buying medication.

While we have been very proud of the fact that Medicare has provided some protection for our senior citizens' health care, all the while we have failed to note that slowly prescription drug prices have been rising and rising and rising, to the point where many of our seniors can no longer pay for their prescription medications.

At my request and the request of several other members of our Committee on Government Reform and Oversight, the staff put together a study. We went out and we surveyed pharmacies in our own districts, just to find out what the price differential was between what our senior citizens are paying for drugs and what the big drug manufacturers' most favored customers are paying for those same drugs.

The results of that study are shown on this chart to my right. What we determined was that there are 10 drugs that are commonly prescribed for senior citizens. The 10 most commonly prescribed drugs are shown in the left-hand column. The name of the manufacturer is shown in the next column. The use of that drug is shown in the next column.

And in this column we see the prices that are paid by the big drug manufacturers' most favored customers. By "favored customers" we are talking about the big HMOs, the big hospital chains, and even the Federal Government. Those are the favored customers of the big drug manufacturers.

For Ticlid, the first example on the chart, which is used as a stroke medication, the most favored customers pay $33.57 to the big drug manufacturers for a typical prescription; about a month's supply of Ticlid. The retail price paid in the Second Congressional District of Texas, the average retail price, is $117.95. That is what the senior citizens pays when they walk into their local pharmacy.

The price differential is shown in the last column. For Ticlid, senior citizens in the Second Congressional District, and in most districts in this country, are paying over twice, 251 percent more for Ticlid than the most favored customers of the big drug manufacturers.

We took all 10, we averaged them, and as we can see in the bottom right-hand corner, there is over twice a difference between what senior citizens are paying in their local retail pharmacies and what the big drug companies are charging their most favored customers.

This is not right. This kind of price discrimination is placing the burden of paying the highest prices for prescription drugs in this country on the segment of our population that is least able to pay: our senior citizens who walk into their local pharmacy without insurance.

Our study showed many other examples of price discrimination. One drug, Synthorid, a hormone treatment, had a price difference of 1350 percent. The most favored customers were paying $1.78 for the prescription, while our senior citizens in their local pharmacies are paying $25.86.

Some would say, well, maybe the local pharmacies are getting rich. The truth is the markup on drugs at a local pharmacy is very small. Our study indicated that it ranged anywhere from a 1 percent markup to a high of 19 percent. So it is not our local pharmacies that are responsible for this problem. It goes back to the big drug manufacturers and their discriminatory pricing practices. It is wrong, and we need to do something about it.

H.R. 4646 addresses this problem by allowing our local pharmacies to buy directly from the Federal Government at these lower prices and then resale, resale to our senior citizens at much lower prices. We think this is a common sense solution, will cost the government nothing, but it should be done for folks like Ms. Daley in Orange, Texas. The big drug companies will not like it, but for Ms. Daley it is worth the fight.

* * *

RESPECT WILL OF HOUSE AND SENATE AND ALLOW WOMEN EQUAL BENEFITS UNDER FEDERAL HEALTH PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, last night the Treasury-Postal conference settled virtually everything except the controversy over contraceptives in this body.

Normally, such controversies concern differences between the House and the Senate. There are no differences between the House and the Senate on the matter of allowing Federal employees options for contraception. This matter was won in the House; it was won in the Senate. There is an attempt to undemocratically overturn the will of this House and the will of the Senate in conference. Both the House and the Senate understood that this no-cost health necessity for women is elementary. Yet a group of men, largely of men, in this body is trying to reverse what the majority of two houses have done.

What have we done? We simply require that health plans cover contraception as they do other prescriptions. Most of what men need in prescriptions are covered, yet many health plans do not cover contraception. This is essential for the health of American women, in this case Federal employees, because of vast differences in contraceptives.

We all know, for example, of the pill. And there are some people who cannot take the pill. Some kinds of contraception do not work for some people. Some have serious side effects. Some are uncomfortable. Some have long-term effects and people do not wish to take the risk.

Federal employees do not have the options necessary for their health today. Eighty percent, that is the vast majority of Federal plans, do not cover the range of available contraceptives and, thereby, are putting the health of women in the Federal service at risk. Ten percent do not cover contraception at all. Imagine that. Often plans cover abortion but not contraception. Really turns on its head the way we should be going at this issue.

One reason why women of reproductive age spend 68 percent more in out-of-pocket costs for health care is this failure to cover contraception which most American women use and need. Most Americans, including the majority of pro-life voters, support the requirement that health insurance cover contraception. So why is it, then, that the gentleman from New Jersey (Mr. CHRIS SMITH), the gentleman from Oklahoma (Mr. ISTOOK), and all the Republicans on the conference committee on the House side, and even the gentlewoman from Kentucky (Mrs. NORTHUP), who is on that committee, are trying to defeat the will of the majority in conference?

The bipartisan Women's Caucus of this House supports this measure. This measure was won fair and square in committee, and then there was an attempt to overturn it here in the House. Now it has been won fair and square in both Houses, and democracy does not yet rule.

This gets to be very personal, Mr. Speaker, because we are here not only talking about women's health, we are talking about the most personal side of their health: reproductive health. We have no right to limit what contraception a woman may use. The five leading methods, oral contraception, diaphragm, IUD, Norplant, and Depo-Provera, are none of them associated with abortion. That, of course, is already taken care of in the bill. Federal employees are put at considerable disadvantage by having their options limited in so basic a way.

Allow women equal benefits under Federal health plans. Let the will of the majority of the House and Senate prevail. Do not give in to an energetic minority not committed either to women or to democracy in this body.

□ 1030

A CHALLENGE TO AMERICA, RECOGNIZE THE FREEDOM IN WHICH WE LIVE

The SPEAKER pro tempore (Mr. BURR of North Carolina). Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, in less than a week the Committee on the Judiciary, of which I am a member, on October 5 will convene for what I believe will be an important hearing.

I thought it was important this morning, in light of the press conference yesterday of the chairman, the gentleman from Illinois (Mr. HYDE), to try to not only clarify for myself but to articulate some of the views of those of us who are Democrats juxtaposed against the chairman's remarks yesterday.

This committee now has a task that for many is not a pleasant task. It is not a pleasant time for America or Americans. It is a somber time and a highly serious commitment on all of our parts, for the concept of impeachment goes to the very infrastructure of this Nation.

As I reflected on the will of the Founding Fathers in their design of article 2, section 4, the impeachment provision, I now more than ever understood their thoughts. This fledgling nation they wanted to survive. How well they do, that in 1998, we live in a free nation, a sovereign nation, that respects the First Amendment and certain rights under the Bill of Rights, such as the Fifth Amendment of due process.

The Founding Fathers were immediate immigrants from desperate nations, or nations with monarchies. I believe what they said, that we will have a nation that elects, where the head of government is not a monarchy and we will have a right as a people to elect that person but as well we will have a right to remove that person.

At the same time, I would simply say that they did not want this process to be frivolous and without meaning. Nor did they give us any fine definition.

High crimes and misdemeanors, many may think of the word high as very important. If one reads further one might find that it is high, meaning against the crown. So, in fact, they did leave the definition of high crimes and misdemeanors to the ongoing time frame of when we might find it.

So in 1974, as the Nixon proceedings moved forward, we found that the Republicans, who were then in the minority, decided that high crimes had to be a commitment of a crime and as well it had to be against the government, for obviously Mr. Nixon was of the Republican Party.

We now have had 6 days of hearings in the Committee on the Judiciary. None of them have been on the issue of defining what high crimes and misdemeanors might portend to be in 1998. We have spent a lot of time playing to the public opinion, the media blitz. We have spent a lot of time releasing documents that most Americans thought were sacred because they were part of a grand jury system.

The Office of Independent Counsel uses the grand jury system. It is a system that any one of us could be using by way of the process in local communities, where by some unfortunate circumstances one is arrested and there is a grand jury proceeding and then possibly a trial, that grand jury documentation is never released to the public. In fact, Mr. Timothy McVeigh, well-known for the allegations and charges and then conviction of bombing the Oklahoma building, 168 people dead, none of the grand jury testimony in that proceeding was ever released.

So when this is played out in the public arena, it looks as if we have strident Democrats, some say political hacks, and the white-hat-wearing Republicans who want the people to know everything.

I do not want to be either, and this process by the Founding Fathers was not made to be any of that. It was given to us in trust because we are the representatives of the people. The President is elected by the people. Yet in this Committee on the Judiciary we cannot get a unanimous vote on accepting the Fifth Amendment as a guiding principle of what we would be doing; the rights of the accused to protect them in their life, liberty and the pursuit of happiness.

The chairman of the Committee on the Judiciary, the gentleman from Illinois (Mr. HYDE), says that the President in his guiding principles is not above the law, and I say he is absolutely right, but he is not below the law as well. He said he would be guided by the letter and the spirit of the constitution and yet in this hybrid process he has released willy-nilly the proceedings of the grand jury testimony.

We have a very important responsibility. It is frivolous, Mr. Speaker, that we would think in 2 days we can make a decision on an impeachment inquiry.

My challenge to America is to recognize the freedom in which we live and that democracy will only be preserved if we preserve it in the Committee on the Judiciary and treat everyone fairly.

U.S.-INDIA RELATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise this morning to talk about several important issues affecting the relationship between the two largest democracies in the world, that is the United States and India.

Yesterday, Congress took an important step towards getting those relations back in a positive direction. The House-Senate Conference on Agricultural Appropriations approved a provision that would give the President authority to waive sanctions that were imposed on both India and Pakistan as a result of the nuclear tests that those countries conducted earlier this year.

Mr. Speaker, it is important and necessary to provide the President with proper sanction waiver authority so that he may have more flexibility in negotiating with India and Pakistan.

Pursuant to the Glenn amendment to the Arms Export Control Act, the President was required to invoke severe economic sanctions after the nuclear tests in May. These unilateral sanctions prohibit a variety of commercial and technical transactions between the United States and India. U.S.-India economic relations were growing in a positive direction at the time of the tests. In fact, the U.S. was India's largest trading partner.

The sanctions that were imposed after the nuclear tests have disrupted a variety of bilateral assistance programs, including technical support for the development of financial institutions and other market reforms. These reforms offer short- and long-term opportunities for U.S. companies, large and small, to gain greater entry into India's vast consumer market and to help meet India's significant infrastructure improvement needs.

Under the unilateral sanctions, we stand to lose many of these opportunities. In addition, the sanctions require the U.S. to block international financial institutions from making loans to India.

The sanctions have not achieved the desired result, namely gaining India's support for the Comprehensive Test Ban Treaty. However, several rounds of negotiations between our deputy Secretary of State, Strobe Talbott, and the special envoy of India's Prime Minister Vajpayee, Mr. Jaswant Singh, have shown significant progress.

Giving President Clinton the authority to waive sanctions in exchange for significant agreements for India, as well as Pakistan, will help to move forward the process and ultimately enhance our nuclear non-proliferation efforts.

Mr. Speaker, I was joined by 21 of my colleagues from both sides of the aisle in this body in sending a letter to the conferees, to the ag conferees, urging them to support this important sanctions waiver provision, and I congratulate the conferees for approving this provision last night.

Yesterday evening, India's Prime Minister Vajpayee left the United States after a brief visit to New York that included a significant speech before the United Nations, as well as a meeting with his Pakistani counterpart Prime Minister Sharif. Prime Minister Vajpayee's speech to the U.N. General Assembly provided a positive foundation for improving U.S.-India relations.

I was also heartened by the new chapter in India-Pakistan ties signalled by Thursday's meeting between the two prime ministers of India and Pakistan.

By expressing India's readiness to sign the Comprehensive Test Ban Treaty, Prime Minister Vajpayee has helped to vastly improve the climate and relations between the United States and India.

I hope our administration will redouble its efforts to work with the Indian government to achieve results on nuclear proliferation of other issues.

I was also very encouraged by the outcome of the Indian and Pakistani prime ministers' meeting, particularly with regard to peacefully settling the Kashmir issue establishing better communications between the two governments and increasing economic and trade cooperation.

I agree that these issues, particularly the Kashmir issue, should be addressed on a bilateral basis between the two countries.

The prime minister of India's appeal for a concerted international plan to combat terrorism and safeguard human rights is consistent with American views on these issues and deserves the support of the United States and the international community. In fact, the leadership that the prime minister expressed on all of these issues points to the importance of finally granting India a permanent seat on the U.N. Security Council.

Besides the obvious justification for this step, the fact that India has one-sixth of the world's population and has contributed significantly to U.N. peacekeeping efforts, India offers a model for developing countries based on democracy and tolerance and as the prime minister's speech showed yesterday, India has important ideas on global stability issues that the rest of the world should listen to.

I have sponsored legislation expressing support for India's bid to become a permanent member of the Security Council and I hope that the prime minister's visit will add momentum to that effort. I also hope that the progress we have seen in the last few days creates the conditions to allow President Clinton's trip to South Asia to go forward in the near future.

Finally, Mr. Speaker, I just wanted to remind my colleagues here and the American people of an important milestone. October 2, this Friday, is the birthday of Mahatma Gandhi, who led India's independence effort. I mention Gandhi's birthday because this House recently approved legislation, that I cosponsored with my colleague, the gentleman from Florida (Mr. MCCOLLUM), that would authorize the government of India to establish a memorial to honor Mahatma Gandhi in Washington, D.C. There is similar legislation pending in the Senate, and I hope our colleagues in the other body will approve that legislation, ideally in time for the commemoration of Gandhi's birthday on Friday, and as another expression of friendship between our two countries.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Ms. NORTON) to revise and extend their remarks and include extraneous material:)

Mr. BLUMENAUER, for 5 minutes, today.

Mr. DIXON, for 5 minutes, today.

Ms. CAPPS, for 5 minutes, today.

Mr. TURNER, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. BERRY, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. GUTKNECHT) to revise and extend their remarks and include extraneous material:)

Mr. HULSHOF, for 5 minutes, on October 2.

Mr. SCARBOROUGH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Ms. NORTON) and to include extraneous material:)

Mr. LEVIN.

Mr. KIND.

Mrs. MINK of Hawaii.

Mrs. LOWEY.

Mr. LUTHER.

Mr. GEJDENSON.

Mr. VISCLOSKY.

(The following Members (at the request of Mr. GUTKNECHT) and to include extraneous material:)

Mr. PACKARD.

Mr. SCARBOROUGH.

Mr. LAZIO.

Mr. HORN.

(The following Member (at the request of Mr. PALLONE) and to include extraneous material:)

Mrs. MEEK of Florida.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 40 minutes a.m.), under its previous order, the House adjourned until Thursday, October 1, 1998, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

[Omitted from Record of September 28, 1998]

11337. A letter from the Committee on the Judiciary, transmitting the preliminary memorandum of the President of the United States concerning the Referral of the Office of the Independent Counsel and the initial response of the President of the United States to the Referral of the Office of the Independent Counsel; (H. Doc. No. 105–317); and ordered to be printed.

11338. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Limiting the Volume of Small Red Seedless Grapefruit [Docket No. FV98–905–4 IFR] received September 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11339. A letter from the Administrator, Food Safety and Inspection Service, transmitting the Service's final rule—Continuous Chilling of Split Poultry Portions [Docket No. 95–011F] (RIN: 0583–AB95) received September 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11340. A letter from the Office of the Independent Counsel, Kenneth W. Starr, transmitting supplemental materials to the Referral to the United States House of Representatives pursuant to title 28, United States Code, section 595(c) submitted by the Office of the Independent Counsel, September 9, 1998; (H. Doc. No. 105–316); to the Committee on the Judiciary and ordered to be printed.

[Submitted September 29, 1998]

11341. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—-Employment History, Verification and Criminal History Records Check [Docket No. 28859; Amendment No. 107–12, 108–17] (RIN: 2120–AG32) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11342. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A321 Series Airplanes [Docket No. 98–NM–246–AD; Amendment 39–10750; AD 98–19–08] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11343. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Hazardous Materials Regulations; Editorial Corrections and Clarifications [Docket No. RSPA–98–4404 (HM–189 0)] (RIN: 2137–AD27) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11344. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—-Drawbridge Operation Regulation; Lafourche Bayou, LA [CGD08–98–062—and—CGD08–98–052] (RIN: 2115–AE47) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11345. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC–8–102, -103, -106, -201, -202, -301, -311, and -315 Series Airplanes [Docket No. 98–NM–172–AD; Amendment 39–10781; AD 98–20–14] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11346. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Technical Amendments; Organizational Changes; Miscellaneous Editorial Changes and Conforming Amendments [USCG–1998–4442] (RIN: 2115–ZZ02) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11347. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; CFM International CFM56–7B and -7B/2 Series Turbofan Engines [Docket No. 98–ANE–55–AD; Amendment 39–10761; AD 98–19–20] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11348. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 340B Series Airplanes [Docket , No. 98–NM–176–AD; Amendment 39–10782; AD 98–20–15] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11349. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 Series Airplanes [Docket No. 98–NM–206–AD; Amendment 39–10783; AD 98–20–16] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11350. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 98–NM–257–AD; Amendment 39–10788; AD 98–20–20] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11351. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 98–NM–162–AD; Amendment 39–10779; AD 98–20–12] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11352. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes [Docket No. 98–NM–61–AD; Amendment 39–10777; AD 98–20–10] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11353. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace (Jetstream) Model 4101 Airplanes [Docket No. 97–NM–339–AD; Amendment 39–10776; AD 98–20–09] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11354. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9–10, -20, -30, -40, and -50 Series Airplanes and C–9 (Military) Airplanes [Docket No. 96–NM–244–AD; Amendment 39–10775; AD 98–20–08] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11355. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300 Series Airplanes [Docket No. 98–NM–169–AD; Amendment 39–10780; AD 98–20–13] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11356. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airspace Designations; Incorporation By Reference [Docket No. 29334; Amendment No. 71–30] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11357. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce, plc RB211 Trent 800 Series Turbofan Engines [Docket No. 98–ANE–33–AD; Amendment 39–10762; AD 98–18–21] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11358. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Transportation And Community And System Preservation Pilot Program—Implementation Of The Transportation Equity Act For The 21st Century [FHWA Docket No. FHWA–98–4370] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11359. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations: 2nd Annual Hobbs Island Regatta, Tennessee River mile 333.5 to 336.5, Huntsville, Alabama [CGD08–98–060] (RIN: 2115–AE46) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11360. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone: World Yacht Cruises Fireworks, New York Harbor, Upper Bay [CGD01–98–144] (RIN: 2115–AA97) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11361. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Around Alone Sailboat Race, Charleston, SC [CGD07–98–008] (RIN: 2115–AE46) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11362. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Drawbridge Operating Regulation; Portage Bayou, Tchoutacabouffa and Wolf Rivers, MS [CGD08–98–055] (RIN: 2115–AE47) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11363. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aerospatiale Model ATR72–212A Series Airplanes [Docket No. 98–NM–159–AD; Amendment 39–10756; AD 98–19–16] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11364. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model CL–215–6B11 (CL–415 Variant) Series Airplanes [Docket No. 98–NM–03–AD; Amendment 39–10487] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11365. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Willits, CA [Airspace Docket No. 96–AWP–26] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11366. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Crosby, ND [Airspace Docket No. 98–AGL–42] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11367. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Realignment of VOR Federal Airway V–485; San Jose, CA [Airspace Docket No. 95–AWP–6] (RIN: 2120–AA66) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11368. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 727 and Model 737 Series Airplanes Equipped with J.C. Carter Company Fuel Valve Actuators [Docket No. 96–NM–31–AD; Amendment 39–10736; AD 98–18–20] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11369. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce, plc RB211 Trent 700 Series Turbofan Engines [Docket No. 98–ANE–10–AD; Amendment 39–10754; AD 98–19–12] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11370. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce Limited, Aero Division-Bristol/S.N.E.C.M A. Olympus 593 Series Turbojet Engines [Docket No. 98–ANE–07–AD; Amendment 39–10753; AD 98–19–11] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11371. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes [Docket No. 98–NM–42–AD; Amendment 39–10760; AD 98–19–19] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11372. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airspace and Flight Operations Requirements for the Kodak Albuquerque International Balloon Fiesta; Albuquerque, NM [Docket No. 2979; SFAR No. 83] (RIN: 2120–AG61) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11373. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification to the Gulf of Mexico Low Offshore Airspace Area [Airspace Docket No. 97–ASW–23] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11374. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class D Airspace; San Diego-Gillespie Field, CA [Airspace Docket No. 98–AWP–21] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11375. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace (Jetstream) Model 4101 Airplanes [Docket No. 98–NM–152–AD; Amendment 39–10774; AD 98–20–07] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11376. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310 and A300–600 Series Airplanes [Docket No. 97–NM–310–AD; Amendment 39–10771; AD 98–20–05] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11377. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB 2000 Series Airplanes [Docket No. 98–NM–63–AD; Amendment 39–10768; AD 98–20–02] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11378. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aerospatiale Model ATR42 Series Airplanes [Docket No. 98–NM–44–AD; Amendment 39–10772; AD 98–20–06] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11379. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F.28 Mark 1000, 2000, 3000, and 4000 Series Airplanes [Docket No. 98–NM–28–AD; Amendment 39–10769; AD 98–20–03] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11380. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A319, A320, and A321 Series Airplanes [Docket No. 98–NM–15–AD; Amendment 39–10770; AD 98–20–04] (RIN 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11381. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9–80 Series Airplanes Equipped with Heath Tecna Aerospace Extended Spacial Concept Interior III Installed in Accordance with Supplemental Type Certificate SA4744NM [Docket No. 96–NM–270–AD; Amendment 39–10787; AD 98–20–21] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11382. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC–8–100, -200, and -300 Series Airplanes [Docket No. 98–NM–14–AD; Amendment 39–10789; AD 98–20–23] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11383. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A300, A310, and A300–600 Series Airplanes [Docket No. 97–NM–307–AD; Amendment 39–10788; AD 98–20–22] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11384. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–100 Series Airplanes [Docket No. 98–NM–256–AD; Amendment 39–10791; AD 98–20–25] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11385. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320–111, -211, and -231 Series Airplanes [Docket No. 98–NM–20–AD; Amendment 39–10792; AD 98–20–26] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11386. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 98–NM–96–AD; Amendment 39–10790; AD 98–20–24] (RIN: 2120–AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII,

Mr. GILMAN (for himself and Mr. COX of California) introduced a bill (H.R. 4655) to establish a program to support a transition to democracy in Iraq; which was referred to the Committee on International Relations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 864: Ms. DANNER, Mr. GEJDENSON, Mr. CALVERT, and Mr. FOLEY.

H.R. 4374: Mr. ABERCROMBIE, Mr. FILNER, Mr. FROST, Mr. REYES, Mr. KUCINICH, Mr. PETRI, and Mr. NEY.

H.R. 4449: Mr. REGULA, Mr. ADERHOLD, Mr. BISHOP, and Mr. BOEHLERT.

H. Con. Res. 279: Mr. ETHERIDGE, Ms. CARSON, Mr. CONYERS, Ms. LOFGREN, Mr. TORRES, Mr. HILLIARD, Ms. HOOLEY of Oregon, Mr. FILNER, Mr. FROST, and Mr. UNDERWOOD.

SENATE—*Tuesday, September 29, 1998*

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, our Father, the true Source of stability in stress, we claim Isaiah's promise, that Your wisdom and knowledge will be the stability of our times.—Isaiah 33:6. Your faithfulness is our foundation as we begin this new day; You will guide and strengthen us each step of the way. Quiet our turbulent, anxious hearts so we can hear the guidance You want to impart. Fill us with profound inner peace so we may be still until we are sure of Your will.

Give us tough faith for troubled times that is rooted in confidence that You will help us untangle knotty problems, change difficult situations, and deal with troublesome pressures. We admit our need for You; we submit to direction from You; and we commit our lives to serve You. In the Name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

THE PRAYER

Mr. JEFFORDS. Mr. President, first, let me thank the Chaplain for a powerful and an appropriate prayer.

SCHEDULE

Mr. JEFFORDS. This morning there will be a period of debate until approximately 10:40 a.m. in relation to the higher education and Department of Defense conference reports. At the conclusion of that debate time, the Senate will proceed to three stacked votes, the first on adoption of the higher education conference report, followed by a vote on the adoption of the Defense Appropriations conference report, followed by a cloture vote on the motion to proceed to the Internet tax bill.

Following these votes, the Senate will begin a period of morning business until 12:30 p.m. and then recess until 2:15 p.m. to allow the weekly party caucuses to meet. After the caucus meetings, the Senate will resume morning business until 3:15 p.m., at which time the Senate could consider any legislative or executive items cleared for action.

The leader reminds all Members that there will be no votes this afternoon and all day Wednesday in observance of the Jewish holiday.

I thank my colleagues for their attention.

MEASURE PLACED ON CALENDAR—H.R. 4579

Mr. JEFFORDS. Mr. President, there is a bill at the desk that is due for its second reading.

The PRESIDING OFFICER (Mr. GORTON). The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain expiring provisions, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for other purposes.

Mr. JEFFORDS. I would object to further proceedings on the measure at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

HIGHER EDUCATION AMENDMENTS OF 1998—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report accompanying H.R. 6, which the clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6) have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 25, 1998.)

The PRESIDING OFFICER. Time for debate on the conference report is limited to 30 minutes equally divided.

The Senator from Vermont is recognized.

PRIVILEGE OF THE FLOOR

Mr. JEFFORDS. Mr. President, I ask unanimous consent that Pam Moran, a fellow with the Committee on Labor and Human Resources, be allowed the privileges of the floor during consideration of the conference report accompanying H.R. 6, the Higher Education Amendments of 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. Mr. President, I think all you need to do is take a look at the conference report as it sits on the desk to understand the amount of work that has gone into this bill. This is an extremely important bill, and I am extremely pleased that the Senate is on the verge of sending to the President the Higher Education Amendments of 1998.

Today marks the culmination of 18 months of hard work that, for me, began with the Labor Committee's hearing in Burlington, Vermont last February.

The Higher Education Act is among the most significant statutes under the jurisdiction of the Committee on Labor and Human Resources. Since its inception in 1965, the Act has been focused on enhancing the opportunities of students to pursue postsecondary education. The grant, loan, and work study assistance made available by this Act has made the difference for countless millions in pursuing their dreams for a better life. The legislation we are considering today builds on the proud legacy of this Act.

In the face of rising college costs, Congress will provide students with the lowest cost loans in nearly two decades. With increasing concern about the quality of our nation's teachers, this bill will take giant steps in improving teacher preparation. And with students, parents, and—frankly—Senators concerned about the delivery of student aid, this bill completely overhauls the federal role by placing it in the hands of a professional and accountable agency within the Department of Education.

Getting to this point has been a challenging, but rewarding, journey. The process in both the House and Senate has been characterized by a spirit of bipartisanship, with members sharing the basic objective of making higher education programs work better for students and their families. I commend the work of the chairman of the House Committee on Education and the Workforce, Representative BILL GOODLING, and the committee's ranking member Representative BILL CLAY. The House subcommittee leadership, Representative BUCK MCKEON, and ranking member Representative DALE KILDEE have also done a yeoman's job throughout the process.

I would also like to acknowledge in particular the contributions of the labor committee's ranking minority member, Senator KENNEDY, and the efforts of Senator COATS and of Senator DODD. From the beginning, these three members have been steadfast in their

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

commitment to work through differences and to craft a solid piece of legislation.

At the start of the reauthorization process, we set out to achieve a number of important goals designed to strengthen higher education programs. I am pleased to say that this conference report achieves the major objectives identified at the beginning of our efforts: to assist students, to improve the quality of teaching, to maintain two viable loan programs, and to improve the delivery of student financial aid.

First, the final bill preserves the focus on students—who are the primary reason we have a Higher Education Act in the first place. Students now in school will be assured of receiving the lowest interest rate in nearly two decades on their loans.

Students now in high school who aspire to a college education will benefit from an expanded early intervention program known as GEAR UP, as well as continuing to receive services from the time-tested and highly regarded TRIO programs. The new GEAR UP program combines features of the existing National Early Intervention Scholarship Program, which I sponsored in 1992, with recommendations proposed by the Administration and included in the House bill. The GEAR UP program preserves the best features of the program now operating successfully in 9 states, while expanding the pool of participants and approaches involved in early intervention.

Students who have graduated and are faced with exceptionally high loan burdens will be able to take advantage of extended repayment options under the guaranteed loan program. In addition, the measure provides a four-month window within which students may obtain Direct consolidation loans at an interest rate set at the 91-day Treasury bill rate plus 2.3 percent.

Recognizing the toll which ever increasing colleges costs are placing on students, the bill builds on recommendations of the National Commission on the Cost of Higher Education so that students and their families can obtain useful cost information.

Second, perhaps the most exciting and far-reaching innovation in this legislation is its provisions dealing with teacher preparation. Numerous small, categorical—and unfunded—teacher training programs are repealed and replaced with a comprehensive model for change and improvement. The teacher quality provisions included in Title II of H.R. 6 are an important first step towards really improving teacher training. Working at both the state level to promote system-wide reforms and at the local level to develop partnerships to enhance the quality of teacher training, the bill offers a comprehensive and systematic approach to this pressing national need.

At its foundation, these provisions embrace the notion that investing in the preparation of our nation's teachers is a good one. Well prepared teachers play a key role in making it possible for our students to achieve the standards required to assure both their own well being and the ability of our country to compete internationally. In fact, the continued health and strength of our nation depends on our country's ability to improve the education of our young people. Integral to that is the strength and ability of our nation's teaching force. Without a strong, competent, well prepared teaching force, other investments in education will be of little value. I think these provisions will be viewed as one of the lasting achievements of this reauthorization.

In addition, the legislation provides loan forgiveness for students who go into teaching. It is my hope that this new benefit will expand the number of talented teachers serving school districts with large numbers of low-income children.

Third, this bill reflects a strong commitment to the maintenance of two viable loan programs—the guaranteed or Federal Family Education Loan Program (FFELP) and the Direct Loan Program. To the extent possible within budgetary constraints, the bill "levels the playing field" to assure the continuation of fair and healthy competition between the two programs. This bill extends the provisions of the Emergency Student Loan Consolidation Act of 1997 which permit Direct loans to be included in FFELP consolidation packages. Following a four-month period (October 1, 1998, to January 31, 1999) in which Direct consolidation loans will be set at the 91-day Treasury bill rate plus 2.3 percent, Direct and FFELP consolidation loans will carry the same interest rate. That rate will be the weighted average of the loans consolidated, rounded up to the nearly one-eighth of a percent and capped at 8.25 percent.

Among the most challenging tasks facing the committee was developing a student loan interest rate which could offer the lowest viable interest to students while assuring sufficient lender participation to preserve full access to loans. After extensive consultation with students, lenders, representatives of the higher education community, the administration and financial services experts, a compromise interest rate package was developed. Lender yield is reduced by 30 basis points, while students receive the significant interest rate reduction they have anticipated. This solution is by no means perfect, but it promises to preserve the stability of the FFEL program for the nearly 4 million students and their families who depend upon these loans each year.

Fourth, the legislation includes a number of initiatives designed to improve the delivery of student financial aid services. It includes a new guaranty agency financing model—the goal of which is to achieve cost savings and efficiencies in the delivery and administration of student aid while ensuring that students, lenders, the Federal government, and institutions of higher education receive high quality service. Additional efforts to improve the delivery of student aid programs include the development of a Performance Based Organization (PBO) to strengthen the management of key systems within the Department of Education. A number of provisions in the legislation also pave the way toward taking advantage of the efficiencies made possible through electronic processing and other technological advances.

Looking toward the future, the bill contains several provisions dealing with the Year 2000 computer problem. The Office of Management and Budget has raised serious questions about the Department of Education's ability to meet the timetable outlined by the General Accounting Office for the testing of software renovation work. Failure to renovate all mission critical systems could result in disruptions in the management and delivery of student financial aid to more than 8 million students. This is an area which the committee will be following closely in the months ahead.

Finally, I would point out that this legislation complies with the Budget Act. In order to bring the bill into balance, the conferees had to make a number of difficult decisions. In making these decisions, we attempted to select options which would maintain the lowest possible interest rates for students and which would preserve new student benefits such as extended repayment options under the guaranteed loan program and teacher loan forgiveness. I recognize that particular concern has been raised about provisions in the bill which eliminate a provision of the bankruptcy law that permits individuals filing for bankruptcy to have their student loans canceled if the loans have been in repayment for seven years or longer. Individuals who file for bankruptcy may still have their student loans canceled if the bankruptcy court determines that repaying the loans would cause undue hardship. Currently, the undue hardship option accounts for 70 percent of all student loan discharges. In addition, a number of options are available to assist borrowers who are having difficulties repaying their loans, including deferment, forbearance, cancellation and extended, graduated, income-contingent and income-sensitive repayment options. In just about every case, these options are preferable to declaring bankruptcy.

Over the years, the federal effort in higher education has been substantial, and this legislation will assure that it will continue to be so. The Higher Education Act currently provides $48.5 billion in student financial assistance for 8.5 million students and $216 million for institutional development. In 1995–96, 55 percent of undergraduate students received financial aid under this Act. Over the next ten years, the Federal government will guarantee over 88 million student loans—totaling over $383.5 billion. Over the next five years, the Federal government will provide more than 25.4 million Pell Grants.

As I said before, Mr. President, this conference report to the Higher Education Amendments of 1998 is the culmination of almost two years of good bipartisan work. Not only does it represent a huge victory for America's students, but it represents a victory for all Americans as it shows that Democrats and Republicans can work together when it comes to the needs of our next generation. This legislation gives millions of students the financial key to unlock the door to higher education. By lowering the interest rate for student loans to the lowest levels in nearly 20 years and by increasing the level of Pell grants, we are allowing higher-learning to mean higher-earnings for more of our children. Vermont has a proud tradition when it comes to higher education in the United States Senate, from Bob Stafford to Justin Smith Morrill. I can only hope that, with the passage of this legislation, I will have helped continue that tradition.

By increasing the access and quality of higher education, this bill will help ensure that our nation remains a leader in educational excellence for all of our citizens. It deserves the support of all members of the Senate.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, as I understand it we have 15 minutes; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. I yield 4 minutes to the Senator from Connecticut, 4 minutes to the Senator from Rhode Island, and I will yield myself, now, 4 minutes.

Mr. President, I want first of all to express my appreciation to my friend and colleague from Vermont, Senator JEFFORDS, for his leadership in this area. It follows a long tradition of Vermont Senators being committed to education policy. Senator Stafford, a long-time friend, was strongly committed to education. At a time when there are differences that are all too obvious between the two political parties, Senator JEFFORDS constancy and commitment in the area of higher education, I think, have been very, very impressive. All of us have enjoyed the opportunity to work with him.

I commend my friend and colleague, Senator DODD, who has been extremely active and involved in the workings of the higher education legislation, both in the committee and the conference, and has been a key player in his involvement and commitment in higher education.

I see, as well, my friend Senator REED, who has a particular interest in teacher training programs and has a long tradition, with Senator Pell of Rhode Island, and also in the House, of commitment to higher education. We have a number of others who I will describe in greater detail as time permits, but I am particularly appreciative of my colleagues' strong support.

The Education Act of 1998 is a strong and bipartisan bill that deserves the support of all Members. It renews our commitment to make higher education more affordable and more accessible to qualified students. The House and Senate passed the original versions of the bill almost unanimously, and the conference report preserves most of the best features of both bills. It enhances benefits for students, particularly for students who want to be teachers. It increases the maximum authorization for the Pell grants for the neediest students and expands the formula for calculating their financial need in order to protect a larger amount of income for working parents and students with greater opportunity for eligibility for those Pell grants.

The bill also reduces the cost of Pell grants by almost 1 percentage point. This reduction can make a significant difference for students who may face a mountain of debt when they graduate. This change will result in savings of $700 on the average debt of $13,000, and savings of over $1,000 on a debt of $20,000, which is enormously important to make these loans—and college—accessible for the sons and daughters of working families.

I am disappointed, however, we could not extend this benefit to all recent graduates. Under the bill, the rates for consolidation loans will be permanently lowered in both programs from their previous statutory rates. The bill does create a short time window for recent graduates to consolidate their existing loans under the Direct Lending Program at the same low rates applicable for new loans. This opportunity will be available for another 4 months in addition to the 3-month window already in effect, so the students will have a total of 7 months to consolidate their loans. Many of us would have liked to have had a longer period of time, but budgetary restraints constricted us. I think it is going to be enormously important that students and their parents look into the consolidations that can save them a great deal of money.

One of the key features of the bill is improving the training of teachers. The legislation supports local partnerships that include elementary-secondary schools and colleges and provides competitive grants to States. This assistance is urgently needed to strengthen teacher training. If we are to find an area of greatest need, probably in our whole education system, it is putting a well-qualified teacher in every classroom in this country.

Mr. President, I reserve the remainder of my time and I yield 4 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I thank my colleague from Massachusetts.

Let me quickly join with those who will commend our colleagues from Vermont and Massachusetts, the chair and the ranking member of the full committee, for their terrific work. I also want to thank our colleague from Indiana, Senator COATS, and others, whom the chairman of the committee put together to work on this bill as sort of a working group on higher education. Certainly without their efforts we would not be at the point we are today in proposing what I think is a good bill.

You can ask families all over this country what concerns them the most. And the answer, time and time again, is education—particularly higher education. Families know that there is little as important to their children's lifelong success as achievement in post-secondary education.

And families today are worried about higher education. They worry about its cost—which is growing in many instances at outrageous levels. They worry that too many students give up the dream of college long before graduation from high school. And they worry that colleges are not keeping up and educating their children for the next century.

These are fundamental concerns and they have been the driving force behind this strong legislation. For two years, I have been working with Senator KENNEDY, Senator JEFFORDS, Senator COATS and the other members of the Labor and Human Resources Committee, and, in the past few months with the House Education and Workforce Committee, to complete this important bill. And I think our bipartisan efforts have helped produce a bill that will help America's students and families.

It is a bill that, frankly, I think could have been better—but I believe that we have done a good job with the realities that we face.

This bill does four things that I think are commendable. One, it addresses the issues of college costs head-on—really for the first time in my memory here that we address this issue. Many of my colleagues may not be aware that over the past 20 years the cost of college has gone up 304 percent as compared to every other area of our economy where inflation has risen about 165 percent.

So we are looking at a tremendous increase in college costs for families all across this Nation.

For the first time, this bill will ensure that families have access to comprehensive, comparable information on cost. I am particularly pleased that these disclosure provisions will be enforced by the Secretary with the strong fine that I authored in the Senate bill. We also authorize a follow-up study on why costs are escalating, as recommended by the Cost of College Commission, and we direct the Bureau of Labor Statistics to develop a market-basket for higher education so that we finally have a workable yardstick with which to judge college costs.

I think that is a critical issue. Every year we see these costs go up, parents legitimately ask the question why. And while individual institutions can give some reasons, I think we need to get a better handle on that. The provisions in this bill are simply a first step and a warning to colleges: We are serious about this effort and will no longer sit idly by while costs increase far faster than inflation.

Second, the bill goes right to the heart of the student aid issue. We provide students with significantly improved loan rates, with a reduction in interest of nearly one percent. As a result of lowering the loan rates, students in my State could save as much as $650 a year. That may not seem like a lot to some, but to middle-income families in my State that kind of a savings can make a huge, huge difference.

I would also point out this bill, of course, raises the maximum amount that can be received under a Pell grant to $4,500. That makes a huge difference, again, for families that fall within the category of receiving that kind of assistance. So we really reach right out to those families with this bill and make a difference for them.

We also afford students with the largest loans new repayment options that will allow them to extend the time of repayment. And we provide new teachers serving in needy districts with loan forgiveness.

Third, we finally really understand the role here of the nontraditional student, which is critically important. The nontraditional student, candidly, is becoming the traditional student. The traditional student is the one who goes to college for 3 or 4 years without interruption. Today, more and more students are ones who work, who take a year off from studies while they work to save money to pay for the next year of education. People need education throughout their lives, so they go back to school. This bill really reaches into that community and provides some wonderful opportunities, including things like distance learning.

Senator KENNEDY of Massachusetts has for years talked about the importance of providing educational opportunity for people who do not have the time or the resources to go to a traditional setting but can, through distance learning, acquire the knowledge and skills necessary to improve not only the quality of their lives, but the quality of all of our lives through enhanced educational opportunity.

This bill would also help the non-traditional student through the high-quality, affordable campus-based child care programs for low-income students which I offered.

Last, beyond meeting the fundamental concerns of students, this bill will strengthen our educational institutions themselves. This bill fundamentally restructures federal support for teacher training and focuses support on high quality reforms that bring and keep excellent teachers in our classrooms. Plus, we restructured and improved federal support for developing institutions, like community colleges and colleges serving at-risk minority populations.

I am disappointed we did not include the Wellstone amendment on TANF eligibility for those pursuing post-secondary education. It is clear that education is the best long term solution to ending welfare dependency, but we were frankly unable to move the House conferees on this issue. I want to continue to work to move this initiative forward and pledge to work with Senator WELLSTONE to identify other legislative vehicles for this important reform. I was also disappointed that we were forced to adopt two provisions—eliminating the bankruptcy discharge of student loans after seven years of repayment and increasing the fee on Ginnie Mae loans—outside of our committee's jurisdiction to ensure that this bill was budget neutral.

Again, I admit that this legislation is not perfect. But on the whole, I think that this is a very good bill that will help American students and families, and it is evidence of what we are capable of doing when we all work together.

I ask unanimous consent the list of staff, key staff people who worked on this bill, be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Senator Jeffords' staff: Susan Hattan, Scott Giles, and Jenny Smulson.

Senator Kennedy's staff: Marianna Pierce and Jane Oates.

Senator Coats' staff: Townsend Lange.

Senator Dodd's staff: Suzanne Day.

Mr. KENNEDY. I yield 4 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island has 4 minutes.

Mr. REED. Mr. President, I first want to thank Senator KENNEDY for yielding me time and I add my commendation along with that of my colleagues to both Senator JEFFORDS and Senator KENNEDY for the remarkable work they have done. This has been a long process, but it has been one that has been very positive, collaborative, and collegial. Senator JEFFORDS and Senator KENNEDY have been very supportive of efforts by all the members of the committee and Members of this Senate to incorporate, to improve, and to bring forth today legislation of which I think we can all be proud.

This legislation does so much to improve the quality of educational opportunity in the United States. One of the keys to our country, not just its economic prowess but its social progress, is the ability of all of our citizens to go on to higher education. This bill will advance that goal significantly. I applaud all of those who participated in this process.

As my colleagues have mentioned, there are many important aspects of this legislation that should be noted. First of all, there is an increase in the authorization of the Pell grant, which will allow, particularly many low-income students, further access to higher education. There is a reduction in the interest rates which students will pay on loans, which will help them bear the burden of the ever-increasing cost of college. There is loan forgiveness for teachers, a revamping of our early intervention efforts, and a strengthening of the TRIO Program, which is a very important program that targets low-income students who will be the first in their family to attend college. Without TRIO, these students may not have the guidance, the information, and the support to make it into and stay in college. Also, there has been some significant effort to begin to address cost issues with respect to college education.

All of these are commendable, but there are two very important issues which I would like to stress. First, this Senate last year restored the State Student Incentive Grant Program, a very important program which takes limited Federal resources, matches them with State dollars, and provides grants to needy undergraduate and graduate students. The Conference Report contains legislation I introduced with Senator COLLINS to reform this program. It is now the LEAP Program, the Leveraging Educational Assistance Partnership Program. This revamped program will be a continuation and a strengthening of our commitment to ensure that all Americans have access to quality higher education.

Also, there is a very, very strong teacher training title in this bill. Again, I thank both Senator JEFFORDS and Senator KENNEDY for their efforts in this regard. We built on legislation I proposed, and we created a situation in which now there will be incentives for teacher colleges to have active partnerships with elementary and secondary schools.

We are trying to move in a direction of more clinical training for teachers.

One of the sad commentaries I have heard—and I am sure my colleagues have also—is that for so many teachers, on the first day of school, it is practically their first day in a classroom as a teacher. This should change. This approach of partnerships between higher education institutions and elementary and secondary schools, particularly one partnership model known as professional development schools, is a positive way to increase the professional development of our teachers, which could be the single most important factor in improving and reforming education in the United States today.

This legislation is not perfect, but it is a remarkable achievement based upon cooperation and a collegial approach to this issue.

I commend and thank my colleagues, particularly the chairman, Senator JEFFORDS, and the ranking member, Senator KENNEDY, for all of their work. I look forward to the speedy acceptance of this conference report.

I yield back my time to the Senator from Massachusetts.

INCLUSION OF THE FACULTY RETIREMENT INCENTIVE PROVISION

Mr. MOYNIHAN. Mr. President, I would like to bring to the attention of my colleagues a small, but important, provision included in the reauthorization of the Higher Education Act. Title IX clarifies existing law by making it permissible for colleges and universities to offer voluntary, age-based retirement incentives to tenured faculty in addition to their regular retirement benefits.

The inclusion of the Faculty Retirement Incentive Act in the Reauthorization of the Higher Education Act will provide a "safe harbor" for colleges and universities by clarifying that the early retirement incentives are permitted by the Age Discrimination in Employment Act. The faculty retirement incentive provision will benefit colleges and universities, as well as those faculty who choose to participate. As officials for the American Association of University Professors have stated, this provision will "provide greater flexibility in faculty retirement planning, offer a substantial retirement benefit to those professors who choose to retire under the terms of an incentive plan, and leave other professors whole in their choice to continue their careers."

At the beginning of the 105th Congress, Senator ASHCROFT and I introduced legislation similar to the age-based retirement incentives language the House included in its Higher Education reauthorization bill. I was very pleased to learn of the diligent effort of those on the House Education and Work Force Committee to add this provision to their bill.

I thank the members of the Senate Labor and Human Resources Committee for working with Senator ASHCROFT and me on this issue. I especially thank Chairman JEFFORDS and Senator KENNEDY for their thoughtful consideration of this measure and for allowing it to remain in the bill during conference. Lastly, I express my appreciation to Senator ASHCROFT for working closely with me on getting the Faculty Retirement Incentive bill into law.

Mr. HARKIN. Mr. President, few individual pieces of legislation embody the spirit of the American dream as does the Higher Education Act. First passed in 1965, this legislation opened the doors of college and a more prosperous future to millions of students. Without federal college grants and loans, most Americans would not be able to get the postsecondary education that is essential in today's competitive international economy.

The pending legislation—the Higher Education Amendments of 1998—strengthens our nation's commitment to a higher education and I am pleased to support this important piece of legislation. I congratulate Senators JEFFORDS, COATS, KENNEDY, and DODD for crafting a genuinely bipartisan bill. I appreciate their leadership and commitment to ensuring access to college for millions of Americans.

My colleagues have extolled the many fine features of this legislation—lower interest rates for students, improved teacher preparation programs and a modernization of the system for delivering student aid. I am in full agreement on the positive aspects of this legislation.

However, as we all know, legislation involves many compromises and I would feel remiss if I did not also express my disappointment about two provisions in the legislation.

We are all acutely aware of the soaring debt accumulated by U.S. students. The reduction in the interest rate by nearly eight tenths of a point, will provide critical relief to students. As a result, they will save hundreds of dollars.

The bill also allows individuals to refinance outstanding loans at a lower interest rate by extending the current interest rate on direct loans for four more months. Thereafter, the interest rate on consolidation loans will increase to the weighted average of the outstanding loans with a cap of 8.25%. The conferees rejected attempts to provide a longer period for consolidation at the lower interest rate with means that many students will be unable to refinance their loans to get more favorable rates.

Modest cuts in the generous subsidies to lenders and guarantee agencies would have enabled us to provide a longer window for consolidation. It is my sincere hope that we will continue to work together to extent this important benefit to make it easier for individuals to pay off their students loans.

Secondly, to pay for a lender subsidy for students, the legislation increased the fee that FHA mortgage borrowers will pay to Ginnie Mae in the future from 6 to 9 basis points. If not overturned at a later point, this provision will cost hundreds of extra dollars to modest income homebuyers in order to acquire a mortgage. Clearly, Ginnie Mae which makes insures the mortgages does not need the funding. This is a straightforward tax on modest income homebuyers, often making $25,000 to $40,000 per year inserted into this measure. The conferees may talk about their hope that the 3 basis points will be absorbed by mortgage bankers. But, given that competitive market, most of that cost will be passed on. I will work to overturn this inappropriate source of funds.

Even though I have reservations about some provisions in this legislation, I believe it is a strong bill and worthy of our support. The bill strengthens Federal student aid programs for the future, and I urge my colleagues to support the Higher Education Amendments of 1998.

Mr. TORRICELLI. Mr. President, I rise today to offer my appreciation to my colleagues on the Labor Committee for their hard work on the Higher Education Reauthorization Act of 1998. I am especially grateful to the Chairman and Ranking Member, Senator JEFFORDS and Senator KENNEDY, for their inclusion of two provisions I authored which are critical to the people of this Nation and of my state of New Jersey.

The first addresses the issue of campus safety. Mr. President, every year, over 10 million students and their parents agonize over where to attend college. They spend months researching schools and visiting campuses in an effort to find the perfect fit. Just as information is the key to making an informed choice about professors or scholarships, it is the key to choosing a safe learning environment. Currently, students and their parents do not have access to all the information.

Current law requires colleges and universities to report statistics on crimes that occur on their campuses. Reports of hate crimes, however, is limited to only those that result in murder, rape, or aggravated assault. This is the law notwithstanding the fact that these 3 categories of crimes only represent 16 percent of the total number of hate crimes that occur on college campuses every year. Over 80% take the form of other crimes, including simple assault and robbery.

An amendment I offered, which is now part of the Higher Education Act, will ensure that students and their parents have all the information necessary to choose a safe school. This amendment will require colleges and universities to report all hate crimes that involve either bodily injury or a serious property crime such as burglary or arson. It also expands the definition of a hate crime to protect women and the disabled. Current law only protects against crimes motivated by prejudice based on race, ethnicity, religion, or sexual orientation.

Our children are our future. Their college years are among the most exciting and formative of their lives. Expanding the types of hate crimes colleges and universities must report will empower students and parents with all of the information necessary to ensure that those years are as safe as possible.

I would also like to thank Senators JEFFORDS and KENNEDY for their inclusion of another amendment I authored which will freeze the status of a student reservist's grace period for paying back their education loans until they return from active duty service. All students are permitted a grace period of up to nine months after graduating or withdrawing from class before they must begin to repay their student loans. However, the typical length of active duty service for a reservist is currently 270 days, meaning that a student's grace period has often expired by the time they return home from military service.

We should not welcome our courageous men and women in uniform home from active duty by handing them a bill. Students who serve their country in the armed forces should at least have the peace of mind of knowing that their student loans are not increasing while they are abroad. This provision will provide them with that peace of mind.

For these two provisions and for all their hard work on this very important piece of legislation, I thank Senator JEFFORDS, Senator KENNEDY and all of my colleagues on the Labor Committee.

Mr. SHELBY. Mr. President, I would like to ask the distinguished floor manager of the bill a question.

Mr. JEFFORDS. Certainly, I will be happy to answer my colleague's question.

Mr. SHELBY. Under Title II of the pending legislation, entitled Improving Teacher quality, the Secretary of Education is authorized to make teacher training partnership grants. These partnerships may include non-profit education organizations, businesses and teacher organizations.

Mr. JEFFORDS. That is correct. The effort is to bring a broad range of opportunities to teacher preparedness and training.

Mr. SHELBY. I know that the Senator from Vermont is quite familiar with the work of the State Humanities Councils and he is aware of the extensive number of teacher institutes which they have supported over the past few years. In Virginia, for example, the council has sponsored teacher institutes on local and regional history. The Alabama Humanities Foundation's SUPER (School and University Partners for Educational Renewal) reached more than 800 Alabama teachers over a two year period.

Mr. JEFFORDS. Yes, I am well aware of the efforts of the state councils with respect to teacher institutes. Many of the Councils have worked closely with the school systems and local colleges and universities to present relevant and cost-effective teacher institutes. They have a long history in this effort and considerable experience.

Mr. SHELBY. I agree. Consequently, I simply wanted to make certain that state councils, which are non-profit entities, would qualify for participation in the teacher training partnerships.

Mr. JEFFORDS. I think they would certainly qualify and I would urge them to participate whenever they can.

Mr. SHELBY. I thank the chairman of the committee and I appreciate his response.

Mr. KERREY. Mr. President, I rise in support of H.R. 6, the Higher Education Amendments of 1998. As our economy becomes increasingly knowledge-based, this legislation represents an important step in helping individuals achieve the American Dream.

A college degree expands learning horizons and increases professional opportunities. One of the most satisfying efforts we can make as public officials and legislators is helping Americans acquire the knowledge and skills needed to seize these opportunities. This bipartisan conference agreement makes important strides both in improving the education students receive within colleges and universities and in increasing access to higher education.

Nationwide we have about 10 million students enrolled in four-year and two-year public colleges and universities. About 83,000 of those students are in school in Nebraska. We have about 2.5 million in private institutions—19,000 in Nebraska. This legislation helps those students stay in college and also opens the door for more students to obtain a college degree.

Approximately $50 billion in this bill is devoted to postsecondary grants and loans for students. This is a wise investment for all Americans because this financial assistance to obtain higher education helps individuals increase their earning power once they graduate. When we increase the income of Americans, we reduce spending and in turn reduce the tax burden on our citizens.

According to the US Census, college graduates make an average of $600,000 more over their lifetime than do individuals without a college degree. That differential has doubled in the last 15 years.

An individual with a bachelors degree can expect to earn $1.4 million over the course of a lifetime. With a professional degree, that person can earn over $3 million in a lifetime.

But currently, only 60% of high school graduates go on to college, and by the time they are 25 years old, only about 25% have a college degree. We need to focus more attention on those students who do not enroll in four-year institutions. For those students we need to create a more seamless transition from high school to the workplace, and we need to encourage those students to take advantage of the opportunities that community colleges offer.

For those students who choose to seek a college degree, this legislation helps to make college more affordable. For instance, it cuts the student loan interest rate from 8.25% to 7.46%, which will save approximately $11 billion for students over the life of their loans. In addition it increases aid to the neediest of students by increasing the authorization for maximum Pell Grants to $4,500 for 1999–2000. We still have much work to do as we try to figure out how to make higher education more affordable, but this bill is a step in the right direction.

The bill also authorizes $300 million to make significant improvements in teacher training. It establishes grants to partnerships between teacher education institutions and school districts to produce highly skilled teachers who are competent not only in their content area but also in the use of technology. It also encourages partnerships that recruit and train teachers to serve in high-need schools. In addition, it supports state-level efforts to improve teacher quality through State Teacher Quality Enhancement grants, which strengthen teacher certification standards and create alternative pathways into the teaching profession.

I am also pleased to contribute personally to this legislation in a number of ways. The bill authorizes a Web-Based Education Commission which will study the issue of quality control in educational software and determine the need for a Federal role in helping parents, students, and teachers identify high-quality educational software.

With Senator WELLSTONE and others, I helped expand student-aid eligibility for distance learning programs so that more non-traditional students will be able to obtain a college degree. We also worked together to achieve a $10 million authorization for Learn Anytime Anywhere Partnerships, which will provide competitive grants to partnerships between schools, community organizations, and other public and private institutions to develop innovative distance education models.

Mr. President, this is a good piece of legislation, and I am happy to be a part of it.

Mrs. FEINSTEIN. Mr. President, I am pleased today to support the conference agreement on H.R. 6, the Higher Education Act bill.

The bill has a number of provisions that will be helpful to my state:

It authorizes $300 million in new initiatives to strengthen teacher training for elementary and secondary.

It continues student loans and increases the maximum authorized Pell grant from $4,500 to $5,800 by 2003 to help low-income students get a college education.

It continues federal support for colleges and universities, such as science and engineering programs and graduate fellowships.

The opportunity to pursue an education, particularly a college education, has long been a hallmark of American society. In California, shifts in the economy make higher education more important than ever. Service-related jobs, such as those in high tech industries, have displaced many traditional manufacturing jobs. These new jobs require a level of knowledge and skill that can for the most part only be gained by a college education.

California has long been a leader in providing a strong higher education system. The University of California (UC) has nine campuses that serve 132,000 students. Total enrollment at UC is projected to grow by about 36,500 students by fall 2006.

The California State University System (CSU) consists of 22 regional campuses with 286,000 students. Enrollment is expected to grow by 31.4 percent or 105,809 students by year 2006.

Another important element of higher education in California is the California community college system, the largest community college system in the world. Its 106 campuses provided vocational, academic, and community service programs to over 1.5 million students of varying ages, income levels and educational backgrounds in 1997. Roughly three of four public postsecondary students were in enrolled in community colleges. The system is expected to increase by 28.9 percent as its attendance is projected to be over 1.8 million by fall 2006.

California faces huge challenges in higher education in the coming years:

First, enrollment in California's public schools, the college generation of the future, is growing at three times the national rate. Enrollment in the three major segments of higher education will increase by 28.9 percent, or by 549,144 students, between 1996 and 2006, according to the state's Department of Finance.

California will have this surge in college applicants because (1) the number of high school graduates has increased by 22 percent since 1993; (2) many adult workers are changing careers by choice because of organization restructuring, or to enhance their employment skills; (3) migration to California from other states and countries is continuing; and (4) more Californians over 40 are pursuing lifelong learning.

Second, California has 21,000 teachers on emergency credentials and will need up to 300,000 new teachers in the next decade.

Third, California has many first generation, bilingual and "nontraditional" students. California State University, for example, has a large number of "nontraditional" students, students who are older than the usual college age. This is because many community college graduates transfer to CSU and many CSU students are working people seeking to progress professionally or maintain technical proficiency. Similarly, approximately 41 percent of community college students are in the 20–29 age group.

I am pleased that the House-Senate conferees accepted several provisions that I authored to help students and institutions in my state:

First, the 5th year Pell grant: That authorizes the Secretary of Education to award on a case-by-case basis Pell grants for disadvantaged students for the fifth year of teacher education required in California to get a teaching credential. This could enable 12,000 disadvantaged students to become teachers in California, according to the Congressional Budget Office, at a time when we are facing a severe teacher shortage and have 21,000 teachers in the classroom on emergency credentials.

Second, distance learning: The bill also includes two of my amendments to the distance learning demonstration (teaching away from the traditional campus via a computer, teleconferencing or other technologies). The first, clarifies that university "systems" (e.g., UC system, CSU system) would be eligible and the bill increases the number of demonstration sites from five to fifteen.

Third, school districts with high numbers of limited English proficient students: The bill authorizes state grants for innovative ways to reduce teacher shortages in high poverty areas. At my suggestion, the bill includes as eligible or target areas, school districts with disproportionate numbers of limited English speaking children. In California, 1.3 million students have limited English proficiency, a tripling since 1986 and at least 87 languages are spoken.

Fourth, study of few borrowers: The bill provides that schools whose student loan default rate exceeds 25% for three years will be ineligible to participate in the student loan program. For schools like California's community colleges, that have just a few borrowers, this method gives the appearance of having a very high default rate. For example, if the school has only four borrowers but two defaulters, they would have a 50 percent default rate. The manager's amendment includes my suggestion of a study of the effectiveness of this measurement method by September 30, 1999.

Student financial aid is essential to enabling millions of students to get a higher education. The California Postsecondary Education Commission estimates that 50–55 percent of students at California's public and private institutions are receiving some form of state, federal or institutional financial assistance. Expenses for tuition and supplies at California's postsecondary institutions, public and private, averaged $19,500 during the 1997–98 school year. Most families have a hard time saving that kind of money.

By continuing federal student grant and loan programs, this bill will continue to open doors to education for many Californians.

The higher education bill is a bipartisan and constructive bill that will help our nation provide a college education to millions of Americans. I hope my colleagues and the President to join me in enacting this important bill.

Mr. DASCHLE. Mr. President, I am pleased to join my colleagues in support of the conference report on the Higher Education Act. This bipartisan legislation takes important steps to lower interest rates on student loans, recruit and train new teachers, and strengthen and preserve the federal commitment to reducing the cost of obtaining a college education. I commend Senator JEFFORDS and Senator KENNEDY for their good work and cooperation on this bill.

The importance of Higher Education Act cannot be understated. In our increasingly sophisticated economy, access to higher education can be the key to a brighter future for many young people. Our federal student aid programs, including Pell grants, student loans, campus-based aid and other programs have helped millions of students afford a college education. Through these programs, we provide $38 billion in financial assistance to more than 19.4 million students in postsecondary education institutions.

The legislation we are sending to the President improves these programs in a number of important ways. The maximum Pell Grant is increased to $4,500 in 1999, stepping up to $5,800 by 2004. Interest rates on student loans are cut from 8.25 percent to 7.46 percent, reducing the total cost to students by $11 billion. Borrowers will also be able to consolidate and refinance their loan balances at the new rate for four months. In addition, the bill creates a new program to provide help to disadvantaged students to make sure they know about higher education opportunities and are in a position to take advantage of them.

Other key aspects of this bill are provisions to improve teacher training and recruitment and to expand professional development opportunities for teachers. Grants will be available to develop partnerships between teaching colleges and school districts to improve teaching skills and integrate technology into the classroom. Support will also be available for partnerships that will recruit and train teachers willing to serve in high-need schools. We know that putting students in a classroom with a well-trained, qualified teacher is one of the most effective ways to help them achieve to the best of their abilities.

I am particularly pleased that the new law will expand opportunities for distance learning. This will help many people —especially those in rural areas, those with disabilities, and nontraditional students—gain access to programs in which they otherwise might not be able to participate.

The conference report retains a proposal, which I cosponsored, to encourage colleges to establish campus-based child care for low-income students. I also support provisions to help reduce binge-drinking on college campuses and reduce campus crime levels.

Finally, I strongly support the provision creating a new grant program for Tribal Colleges and Universities. These institutions do a remarkable job of creating educational opportunities for Native Americans. They need and deserve federal support. I call on the Appropriations Committee to fund these programs so that Native American students can have access to a higher education to advance their own skills and help their communities address the many challenges that exist today in Indian country.

I also would like to commend the conferees for their efforts to maintain a balance between the Family Federal Education Loan program and the Direct Loan program. There is strong evidence that a healthy competition between these two programs has strengthened both programs and ultimately been good for students, and I believe it is important that we work to maintain this balance.

I am disappointed about several aspects of this bill. It is unfortunate that resources were not available to reduce costs further for students and to extend the period for loan consolidation beyond four months.

I am also disappointed that Senator WELLSTONE's amendment, which would have enabled those receiving Temporary Assistance for Needy Families to attend post-secondary programs for 24 months and meet the work requirement, was not included in the final bill. I believe this proposal should be revisited because of the positive impact higher education degrees have been shown to exert on earnings, on access to health insurance, and on children's achievement levels, and because of the increased flexibility it offers for states. In South Dakota, access to higher education is particularly important on the reservations, where very few low-skill jobs are available. College degrees have empowered Native Americans to assume leadership and professional positions in their own tribes, and have enabled many to escape the path of poverty, lack of education and under-employment that traps too many living on the reservations. I appreciate the conference committee's willingness to give Senator WELLSTONE's proposal careful consideration, and I am hopeful that the awareness raised during this debate will eventually lead to expanded educational opportunities for low-income Americans struggling to become self-sufficient.

Despite these reservations, Mr. President, I believe this is a good bill that will continue our efforts to lower the cost barriers to higher education. The Higher Education Act is a vital investment in our Nation's future. By enacting this legislation, we will help millions of young people gain skills and develop their talents, and help our Nation build a strong work force, develop our intellectual capital, and nurture the leaders of the next generation. I urge my colleagues to join me in supporting this very important piece of legislation.

Mr. DOMENICI. Mr. President, I rise today in support of the Higher Education Act Amendments of 1998. By reauthorizing the Higher Education Act (HEA) the Senate is making a downpayment on our nation's future.

I would begin by saying: it is a simple fact that the future is prejudicial in favor of those who can read, write, and do math. A good education is a ticket to the secure economic future of the middle class. As the earning gap between brains and brawn grows ever larger almost no one doubts the link between education and an individual's prospects.

And that is what the Senate is doing today, improving the post-secondary educational system of our country.

What does the bill do in a nutshell? It improves financial aid opportunities for students, creates a unified program to promote excellence in the teachers our schools produce, and streamlines HEA by consolidating overlapping programs and eliminating unnecessary regulatory requirements.

Mr. President, before I make some specific comments about provisions in the bill, I would like to first talk about how important the bill is for New Mexico.

Approximately 100,000 students are enrolled in New Mexico's public colleges and universities, with about 53,000 students enrolled in community colleges and about 47,000 enrolled in universities. However, the number of high school graduates is expected to increase during the next decade and members of the current workforce are also expected to seek additional education during that period.

Consequently, the state must have a high-quality, low-cost college education available to a growing number of students, regardless of income level, ethnic background or place of residence.

Students attending New Mexico institutions received more than $200 million in financial aid, counting grants and loans from all sources, during the 1995–96 academic year. About 78 percent of that assistance came from federal sources, and during 1995–96, New Mexico students contracted for about $110 million in federal loans.

Thus, I believe that educational performance is a crucial element in New Mexico's capacity to prosper in the extremely competitive national and international economy.

New Mexico's colleges and universities directly and indirectly contribute to the economic vitality of the state, as they produce graduates with considerable intellectual depth and breadth, workers whose skills allow them to meet the demands of their employers, and first-rate research that helps to expand the boundaries of human knowledge.

Mr. President, I would now like to turn and make a few comments about several of the provisions in the bill and especially one that will benefit New Mexico.

Title V establishes a new part dedicated solely to supporting the needs of Hispanic Serving Institutions that is authorized at $62.5 million for fiscal year 1999. The funds may be used for construction or maintenance of instructional facilities, support of faculty exchanges and faculty development initiatives, the purchase of books and periodicals, technological and management improvements, and improving and expanding graduate and professional opportunities for Hispanic students.

New Mexico has 17 designated Hispanic Serving Institutions that serve more than 23,500 Hispanic students. These school include Albuquerque Technical Vocational Institute, College of Santa Fe, College of the Southwest, Eastern New Mexico University-Roswell, Luna Vocational Technical Institute, New Mexico Highlands University (NMHU), New Mexico Junior College, New Mexico State University (NMSU) Las Cruces, NMSU-Carlsbad, NMSU-Doña Ana, NMSU-Grants, Northern New Mexico Community College (NNMCC), Santa Fee Community College, University of New Mexico (UNM)-Los Alamos, UNM–Taos Education Center, UNM–Valencia County Branch, and Western New Mexico University.

Title II, entitled Teacher Quality, focuses on improving teacher quality and the recruitment of highly qualified. First, the bill seeks to improve student achievement, through quality improvement of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities. Second, the bill seeks to increase the number of students who complete high-quality teacher preparation programs.

Title III or the Institutional Aid Title creates a new grant program for

Tribal Colleges and Universities to strengthen services to Native American students. I am especially pleased with this new program because of my longstanding involvement with the issues affecting Native Americans. Tribally-controlled colleges in New Mexico like the Crownpoint Institute of Technology, the Institute of American Indian Arts in Santa Fe, the new Navajo Community College in Shiprock, and the Southwest Indian Polytechnic Institute (SIPI) in Albuquerque could potentially benefit.

Student financial aid is given a huge boost through several changes. First, the bill increases the maximum Pell Grant levels to the following amounts: $4,500 for academic year 1999–2000; $4,800 for academic year 2000–2001; $5,100 for academic year 2001–2002; $5,400 for academic year 2002–2003 and $5,800 for academic year 2003–2004.

The Federal TRIO Programs are given a boost through changes to the Student Assistance section in Title IV. I have always been a strong supporter of TRIO and most pleasing is how much the students, schools, and communities of New Mexico will benefit.

The 1,900 current TRIO programs provide benefits to 700,000 students nationwide. Two-thirds of participating students come from families where neither parent attended college and whose incomes are below $24,000.

The Dissemination/Partnership provision would encourage partnerships between TRIO programs and other community based organizations offering programs or activities serving at-risk students.

The Federal Family Education Loan Program (FFEL) is stabilized in the following way. Student loan rates will be equal to the 91-day-T-bill-plus-1.7-percent while students are in school, and plus-2.3-percent during repayment after graduation. The interest amount is capped at 8.25 percent and for PLUS loans, rates will be the 91-day-T-bill-plus-3.1 percent, capped at 9 percent for borrowers and lenders.

An innovative loan forgiveness program is also included for teachers. Up to $5,000 of a teacher's loans will be forgiven after five years of teaching for those choosing to teach in urban or rural school districts that serve large populations of low-income children.

Mr. President, in closing I believe we are taking an important step forward today by making an investment in our Nation's future with the reauthorization of the Higher Education Act.

Mr. AKAKA. Mr. President, I rise in support of the conference report to H.R. 6, the Higher Education Reauthorization Act. Passage of this important measure will ensure that access to higher education remains attainable for all Americans.

The increase in the Pell Grant eligibility included in the bill will help families and students offset the growing cost of higher education. This successful program has helped ensure that low-income and disadvantaged students have the opportunity to pursue a post-secondary education.

The bill also includes the continuation of the concept of the State Student Incentive Grants (SSIGs). The new modified program, Leveraging Educational Assistance Partnership Program, will continue the worthwhile effort of encouraging additional financial opportunities for students seeking a higher education.

The decrease in the student loan interest rate is another effort to ensure that students and their families are able to obtain a quality higher education. The decrease in the student loan interest rate helps students reduce the financial burden of higher education. Too often students are forced to chose between their education and the enormous financial hardship they must overcome to obtain the education they need to improve their lives. The agreement included in the bill helps to reduce the financial burden for students and their families.

Mr. President, the provisions in the bill relating to teacher development and preparation are important to ensure that we have the quantity and quality of teachers needed for the next generation of students. Across the country the shortage of teachers, particularly in critical subjects such as special education, math and science where there is serious demand, is having an adverse impact on our students. However, the problem is not just recruiting students to become teachers, the problem is making sure that students have the support and encouragement once they have chosen this honorable profession. Teacher development and preparation programs are essential if we are to stem the tide of teachers leaving the profession before retirement. Too many teachers are leaving to seek employment opportunities outside of the teaching profession because administrators and communities are failing to provide the support they need. The teacher development and preparation programs included in the bill will help to address this important issue.

Ensuring that our teachers obtain the educational background needed to achieve academic success must start at higher education institutions. Colleges and universities should not complain about the caliber of students pursuing higher education, while denying their educational degree programs the resources and the support that they need. The caliber of teachers leaving these institutions has a direct impact on the quality of students coming through the front door. The provisions in this bill help to address these concerns.

Mr. President, I would like to thank the Chairman, Senator JEFFORDS, and Senator KENNEDY, the Ranking Member, for their support on resolving the eligibility concerns surrounding the students from the Federated Associated States (FAS). The House, unfortunately, attempted to terminate the eligibility of college students from FAS for Pell Grants, Supplemental Education Opportunity Grants, and College Work Study. The House provision would have upset the unique relationship the United States has with the FAS and violated the legal and moral obligation we have with the countries under the U.S. Compact of Free Association with the Republic of Palau and the U.S. Compact of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands. It would have been an embarrassment if the U.S. failed to live up to its moral obligations in ensuring that FAS citizens were given the educational assistance necessary to become self-governing. The agreement worked out in conference ensures continued federal financial aid eligibility for FAS students and does not preclude the inclusion of such eligibility in the renegotiation of the Compact with the FAS.

Mr. President, I appreciate the opportunity to express my support for this important measure and look forward to its passage. Thank you, Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the Higher Education Act of 1998 is a strong, bipartisan bill that deserves the support of all Members of the Senate. It renews our commitment to make higher education more affordable and more accessible for all qualified students.

The House and Senate passed their original versions of the bill almost unanimously, and the conference report preserves most of the best features of both bills. It enhances benefits for students, and particularly for students who want to be teachers. It increases the maximum authorization for Pell grants for the neediest students, and expands the formula for calculating their financial need in order to protect a larger amount of income of working parents and students.

The bill also reduces the cost of student loans by almost one percentage point. This reduction can make a significant difference for students who may face a mountain of debt when they graduate. This change will result in savings of $700 on the average debt of $13,000, and savings of over $1,000 on a debt of $20,000.

I am disappointed, however, that we could not extend this benefit to all recent graduates. Under the bill, the rates for consolidation loans will be permanently lowered in both programs from their previous statutory rates. The bill does create a short window for recent graduates to consolidate their existing loans under the Direct Lending program at the same low rates applicable for new loans. This opportunity will be available for another 4 months, in addition to the 3 month-window already in effect, so students will have a total of 7 months to consolidate their loans.

One of the key features of the bill is improving the training of teachers. The legislation supports local partnerships that include elementary and secondary schools and colleges, and it also provides competitive grants to states. This assistance is urgently needed to strengthen teacher training. The bill also provides assistance for recruitment of new teachers, a critical need for many school districts. In addition, it provides loan forgiveness on student loans of up to $5,000 for those who teach for five years in high-need schools. I hope that we can build on this incentive in future years, as an important way to encourage more students to become teachers.

The bill also includes an early intervention initiative to encourage more middle-school students to understand that college is not out of reach. It incorporates ideas from the Administration and from Senator JEFFORDS in a new program, "Gear Up." We need to reach out to middle-school children to help them understand that a college education is attainable and affordable.

The bill also continues the program of Graduate Assistance in Areas of National Need, as a critical investment in graduate education. I am particularly pleased that the conference report preserves the portable Javits Fellowships for talented students in the arts, humanities, and social sciences.

The bill contains a new program based on initiatives sponsored by Congresswoman MEEK in the House and by myself in the Senate to encourage a higher quality of college teaching for students with disabilities. In recent years, it has become possible for many more students with disabilities to achieve the dream of a college education, and we need to do more to ensure that faculty members have the experience to teach them. This bill reaches out to all colleges and universities, and can include training for graduate teaching assistants—the faculty of the future.

The bill also expands federal aid for learning through distance education. Distance learning can open the doors of higher education to many students who cannot attend classes on college campuses because they live in remote areas, or because of their job and family responsibilities. The Department of Education will monitor the institutions participating in the distance program, and report to Congress on the results. Our goal is to ensure that distance education is of the same high quality as traditional education.

The bill also helps improve the delivery of federal financial aid, by creating a Performance Based Organization in the Department of Education. Its goal is to streamline and improve the financial aid functions of the Department, and give it more flexibility to deal with many aspects of federal aid. A principal goal of the PBO is to improve services for students, and the bill creates a new position called the Student Loan Ombudsman, which student groups have urged.

The bill also encourages improvements by guaranty agencies, by enabling them to enter into voluntary, flexible agreements with the Secretary of Education. Under these agreements, the agencies can do more to prevent defaults, instead of collecting from students after they have defaulted on loans. These voluntary flexible agreements will encourage the agencies to be more business-like and responsive to students.

This bill sets the stage for future reforms in student loans. The controversy about what level to set interest rates on these loans makes clear that Congress should stop setting the rates for banks. The best solution is to accept a market-based system for student loans, and let competition set the rates for lenders.

Many Members on both sides of the aisle and in both Houses are interested in this fundamental change, and I am pleased that the bill calls for a study of competitive mechanisms for the loans. This study will help Congress make thoughtful changes in a system that is now far too costly and inefficient.

I am disappointed that the conference report does not contain the amendment to the welfare reform act proposed by Senator WELLSTONE and passed by the Senate. Senator WELLSTONE's amendment would help welfare recipients attend college for two years. We have heard from many students who have been forced to abandon their pursuit of college education because of the harsh provisions of the welfare reform law. Senator WELLSTONE's amendment is well-designed to reduce this serious problem, and it deserves to be enacted.

Overall, the numerous positive changes in this legislation will strengthen higher education. I commend the constructive bipartisan spirit that has brought us to this point. It is fitting to enact this legislation at the beginning of the academic year, and I look forward to its adoption and its successful implementation.

Mr. President, on the teacher training provisions of this Act, which our friend and colleague, Senator REED, is so very interested in, one of the new features is a loan forgiveness program—$5,000 for a teacher who teaches for 5 years. This is a very modest forgiveness, but it really builds on the old National Health Service Corps which provided loan forgiveness for doctors to go into underserved areas. The forgiveness program was an important incentive and was really very, very important and has been effective. We hope this program will be as well.

Also, I want to mention the new program that builds on some initiatives of Senator JEFFORDS and the TRIO Program, which targets middle school classes to move the whole class toward continuing education. This has worked in different parts of the country. Now we have a program to encourage other schools to do that.

If any one of us goes to any school in this country, in an elementary and secondary class, and asks children, even in the most underserved part of our Nation, how many want to go to college, before you even get the words out of your mouth, every hand goes up. They get discouraged in later years. If they know they have the opportunity to continue their education if they apply themselves to their studies, it can have a dramatic impact in reducing dropouts and also antisocial behavior. This is a modest program, but it is very important.

I want to also mention, Mr. President, that this bill sets the stage for future reforms in student loans. The controversy over what level to set interest rates on these loans makes clear that Congress should stop setting the rates for banks. The best solution is to accept a market-based system for student loans and let competition set the rate for the lenders. We believe in competition. This is a good area in which to try it. We have many examples in different public policy areas of where auctions work. There is an excellent initiative in the House of Representatives by Republican Congressman PETRI to try an auction-based system. I am very hopeful we can find a bipartisan effort in this area to find the savings and return them to the students. It makes sense. That is a way we should proceed. We have a study of that program in this conference report.

Finally, I agree with my other colleagues. I am disappointed the conference did not accept what I think is the superb amendment of Senator WELLSTONE, which was adopted in this body, about continuing education and how this dovetails with the welfare reform program. Senator WELLSTONE will be over here to speak to that issue later on. I regret he was not successful, and I will certainly support his efforts later on to try to implement that program.

The PRESIDING OFFICER. All time has expired.

Mr. JEFFORDS. I yield the Senator 1 minute.

Mr. KENNEDY. Mr. President, I commend my colleagues on the Labor Committee for their skillful work on this bill. Senator JEFFORDS worked hard to accommodate all the concerns of all the members of the Committee, and kept the interests of students firmly in mind. Senator COATS and Senator DODD likewise contributed to the bipartisan spirit.

I also thank the following:

On Senator JEFFORD's staff, Susan Hattan, Jenny Smulson, Scott Giles, Cory Heyman, and Pam Moran.

From Senator COATS' staff, Townsend Lange.

From Senator DODD's staff, Suzanne Day and Megan Murray.

From my own office, Marianna Pierce, Jane Oates, and former fellows Gloria Corral, Jennifer Kron, Maria McGarrity, and Eileen O'Leary.

I also thank Debb Kalcevik from CBO; Margot Schenet, Jim Stedman, and Barbara Miles from CRS; and Mark Sigurski from the office of legislative counsel.

They have all done an excellent job, and deserve a large share of the credit for this achievement.

Mr. President, I want to single out, in particular, Marianna Pierce who is my chief of staff in the area of education. The members of the staff performed absolutely superbly and have played an indispensable role in helping all of us reach this point. I am enormously grateful to her and the other staff.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I am proud to say again that this bill preserves the focus on students, who are the primary reason we have a Higher Education Act in the first place. Students now in school will be assured of receiving the lowest interest rate on their loans in nearly two decades.

Students now in high school who aspire to a college education will benefit from an expanded early intervention program known as Gear Up, as well as continuing to receive services from the time-tested and highly regarded TRIO programs. The new Gear Up Program combines features of the existing National Early Intervention Scholarship Program, which I sponsored in 1992, with recommendations proposed by the administration and included in the House bill.

The Gear Up Program preserves the best features of the program now operating successfully in nine States while expanding the pool of participants and approaches involved in early intervention.

Students who have graduated and are faced with exceptionally high loan burdens will be able to take advantage of extended repayment options under the Guaranteed Loan Program. In addition, the measure provides a 4-month window within which borrowers now in repayment may refinance their loans through either the Federal Direct Loan Program or the Federal Family Education Loan Program.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Seven minutes 54 seconds.

Mr. JEFFORDS. Mr. President, Senator COATS is on his way. Let me, in the interim, mention that education, as we know now, is a top interest in poll after poll of Americans. They want to see their educational system reformed in a way that can lead them into a position where this Nation has the best educational system in the world. Unfortunately, that is not the case right now. But we are taking a huge step forward with the higher education bill, not just in that matter which affects the students in higher education, but also the second title of the bill which deals with reforming teacher preparation.

Nothing is going to change in the classroom until the teacher changes, and the teacher isn't going to change until the teacher knows what he or she has to do in order to make our system better.

As we move into the Elementary and Secondary Education Act reauthorization next year, we want to make sure that the universities are aware that they have a role to play in ensuring that every new teacher who comes into the system is ready for the changes which are necessary to make our educational system the best in the world.

I look forward, as we move forward into next year, to continuing the effort that our committee has taken to make this Nation's educational system the best in the world. I am confident we can do that.

But right now we do know we have much left to do. But hopefully working first with those who are teaching the teachers, we can make sure that we stop the flow in of young people who want to teach but do not have an adequate education at the universities and colleges that they should have in this day and age.

Mr. COATS. Mr. President, I am happy to rise today to speak in support of the conference report for the Higher Education Act Amendments of 1998. This higher education bill has been two years in the making and I know I join the rest of my colleagues in the Labor Committee, and in the Senate, in full support of this very important legislation.

This bill represents a strong bipartisan consensus in the Congress to ensure that students maintain access to post-secondary education through vital student opportunity programs, such as TRIO; healthy, stable, and streamlined loan programs; and a simplified student aid process. I am pleased to have had the opportunity to contribute to this important bill.

This conference report, like the underlying Senate bill, was developed with several fundamental principles. Our first, and most important theme, was to maintain the primary focus of the Higher Education Act since its inception in 1965—to ensure that students have access and opportunity to purse higher education.

One of the most important elements of this bill aimed at ensuring student access and opportunity is the new, low interest rate for student loans. This legislation sets a student loan repayment interest rate of 7.43 percent which represents a significant reduction in the interest rate for students. The interest rate that was scheduled to take effect on July 1, 1998 would have destabilized the successful Federal Family Loan Program by causing thousands of lenders to stop making student loans, resulting in high numbers of students without student loans for this school year. The interest rate included in this conference report provides a significant reduction to students while maintaining the long-term viability of the student loan programs and ensuring that students will continue to have access to private loans at the lowest interest rate in 17 years. Depending on the size of their loan, this low interest rate will save students hundreds, even thousands, of dollars over the course of the loan.

The conference report also offers students a low interest rate for consolidation loans.

This conference report strengthens the major student opportunity programs in the act by focusing much needed attention and resources on these vital programs, with particular attention to the needs of low-income students. This conference report reauthorizes the Pell Grant Program at its highest level ever, with maximum grant awards at $4,500 in the 1999–2000 school year and increasing to $5,800 in the 2003–2004 academic year. This bill also makes needed reforms to the TRIO program, which helps disadvantaged children prepare for college, and increases its authorization to $700 million.

The vital work-study programs are also continued and expanded in this conference report. The authorization for the College Work-Study Program is increased to $1 billion for fiscal year 1999 from the current funding level of $830 million.

The need analysis formula is also revised to ensure that the growing percentage of independents students will be able to retain a greater portion of their income.

Another critical principle for these amendments was the improvement and modernization of the student aid delivery system. This legislation creates a Performance-Based Organization (PBO) within the Department of Education aimed at providing quality service to students and parents. The utilization of this PBO which will incorporate the best and most successful practices in the private financial sector, coupled with other reforms aimed at streamlining the student aid regulatory requirements will result in a better managed and higher quality federal student aid system.

In addition to the development of the PBO, this bill includes significant reforms to the Federal Family Education Loan Program (FFELP), and specifically to guaranty agencies. This bill restructures the guaranty agency system to ensure that these important participants in the private loan program are given the flexibility they need to help students avoid defaulting on their loans while operating in a more cost effective and efficient manner which will benefit taxpayers as well as students and their families.

A third principle which guided these amendments was the need for much-needed reform of teacher preparation programs. I am very pleased that this bill includes a new initiative for teacher training and professional development aimed at addressing the shortage of qualified teachers in this country which replaces the existing teacher preparation programs with a single authorization for three separate grant programs.

This initiative encourages state level reforms intended to produce well trained and highly competent teachers, local level partnerships intended to improve under-performing teacher education programs, and provides a separate grant for States and partnerships to compete for funds specifically targeted toward teacher recruitment.

States will compete to receive 45 percent of these teacher training dollars and can use the grants to strengthen their teacher certification requirements, create or expand alternative certification programs to attract highly qualified people from other occupations to the teaching profession, to decrease the shortage of highly qualified teachers in high need areas, or to develop programs which reward excellent teachers and remove unqualified teachers.

Partnerships will compete for 45 percent of the funds as well, while 10 percent of the funds is reserved for recruitment grants.

This reauthorization was also guided by a strong desire to promote college cost-cutting measures, utilizing some of the recommendations of the Commission on the Cost of Higher Education which presented its findings earlier this year. This legislation includes initiatives to ensure that parents and students are kept apprised of college costs and provide with comparative data to keep colleges accountable and higher education affordable; burdensome federal regulations are reduced; and the national role in encouraging affordable higher education is strengthened.

This bill also streamlines and consolidates the many programs and activities which are found in the Higher Education Act. This act has become increasingly complex over the years and these amendments make great strides in simplifying the act and better targeting its programs and activities.

It has been a pleasure to be part of the development of this critical legislation. I have found the bipartisanship displayed throughout this process encouraging and I would like to thank the staff who have worked on this important legislation for the last two years: on Senator JEFFORD'S staff, Susan Hattan, Jenny Smulson, Scott Giles, Cory Heyman, and Pam Moran have done excellent work on this bill. In addition, Marianna Pierce with Senator KENNEDY and Suzanne Day with Senator DODD have worked diligently to ensure that this bill represents a strong bipartisan consensus. Thank you all so much for your long hours and excellent work.

Again, I am pleased to have been a part of crafting this important legislation.

STUDY OF MARKET MECHANISMS IN FEDERAL STUDENT LOAN PROGRAMS

Mr. DOMENICI. I would like to call attention to a study of market mechanisms in federal student loan programs, Section 801 of the conference report. I was pleased to see this issue addressed in the context of the Higher Education Act. As you know, Chairman JEFFORDS, our fiscal year 1999 Senate budget resolution raised concerns about the federal government setting interest rates for student loans and encouraged your Committee to look for a long term solution to the difficult problem of Congress setting these rates. I believe this study is a good first step and hopefully will give a good data on which to access where we go after the newly adopted student and lender rates sunset in 2003.

One matter I wish to clarify with the Chairman is the participation of the Congressional Budget Office (CBO) in this study. CBO is a critical non-partisan analytical body on which we in Congress rely. By law they can not recommend specific policies or endorse the policy recommendations of others. I would assume then that the purpose for which you seek CBO's participation in the study for their expertise on student loans, and in general, study design and analysis.

Mr. JEFFORDS. It is my understanding that the Budget Committee has asked CBO to conduct a broader-based study on student loan interest rates, subsidies, and the larger student aid program. I expect that study to be a valuable as well, and it is my view that the knowledge gained through this work could be of great benefit to the Department of Education and the Comptroller General as they undertake their own study. The role of CBO in the study contained in the conference agreement is to assist the other participants ask the right kinds of questions, use valid research and analytical tools, analyze the validity of the study's design or conclusions, where objective analysis can be brought to bear, and be an overall, non-partisan, resource for participants in the study.

Mr. DOMENICI. I appreciate the Chairman's clarification. The study language makes reference to additional or dissenting views. Is it the intent of the Committee that all members of the study group, including CBO, shall have the opportunity to express independent concurring or dissenting views within the context of the preliminary as well as final report to Congress.

Mr. JEFFORDS. That is correct.

Mr. DOMENICI. I thank the Chairman.

Mr. JEFFORDS. Mr. President, in closing, I am extremely pleased that the Senate with this vote, will have completed action on the conference report accompanying H.R. 6, the Higher Education Amendments of 1998.

The scope of the Higher Education Act is so broad that the reauthorization of all the programs it covers is necessarily a demanding and time-consuming task. Bringing this process to a conclusion would not have been possible without the concerted efforts of members of both parties in both the House and the Senate.

I express my particular gratitude to the members of the Labor and Human Resources Committee and their staffs, who have pulled together over the past 18 months to help shape a bill which will help ensure that our nation remains a leader in educational excellence for all of our citizens.

Each and every member of the committee made a positive contribution to the development and refinement of this measure. I very much value the time, effort, and commitment they have brought to this task.

I also extend my sincerest thanks to the many staff people who contributed to this product.

I particularly recognize the efforts of Marianna Pierce and Jane Oates with Senator KENNEDY, Townsend Lange with Senator COATS, and Suzanne Day and Megan Murray with Senator DODD. These individuals—along with my own staff members, Scott Giles, Susan Hattan, Cory Heyman, Pamela Moran, and Jenny Smulson—went "above and beyond" in terms of their diligent work on each and every aspect of this measure. I would also like to acknowledge the work of Heidi Scheuerman, Carolyn Dupree, and Leah Booth of my staff—who brought a semblance of control to the vast quantities of paper produced throughout this process.

I also recognize and thank the staff of other members of the committee—all of whom have shown great dedication to this cause:

Jackie Cooney with Senator GREGG;

Lori Meyer with Senator FRIST;

John Connelly with Senator DEWINE;

Chad Calvert with Senator ENZI;

Jenny Saunders and Rhett Butler with Senator HUTCHINSON;

Julian Haynes with Senator COLLINS;

Angie Stewart and Chas Phillips with Senator WARNER;

Robin Bowen and Holly Hacker with Senator MCCONNELL;

Bev Schroeder with Senator HARKIN;

Deborah Connelly with Senator MIKULSKI;

Alexander Russo and Rena Subotnik with Senator BINGAMAN;

Roger Wolfson and Robin Burkhe with Senator WELLSTONE;

Mike Egan with Senator MURRAY; and

Elyse Wasch with Senator REED.

I want to acknowledge the extraordinary assistance offered by Debb Kalcevic, Robin Seiler, Josh O'Hara, and Justin Latus with the Congressional Budget Office, Mark Sigurski with Senate Legislative Counsel, and Margot Schenet, Jim Stedman, and Barbara Miles, with the Congressional Research Service.

This process has been a collaborative and bipartisan one every step of the way. It has produced a measure of which we can all be proud.

Mr. President, I have no other requests for time. I yield back the remainder of my time.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of the conference report to accompany H.R. 4103, which the clerk will report.

The legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4103), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House Proceedings of the RECORD of September 25, 1998.)

The PRESIDING OFFICER. Time for debate on this conference report is limited to 10 minutes equally divided.

The Senator from Alaska.

Mr. STEVENS. Mr. President, the Senator from Arkansas wants 2 minutes. Please inform when I have used 3 minutes.

It is my privilege to present to the Senate this fiscal year 1999 Department of Defense Appropriations Act. I am especially pleased to present the bill with the full bipartisan support of the conferees on the bill and in partnership with my good friend, the distinguished Senator from Hawaii, Senator INOUYE.

Unlike the previous 3 years, the bill before the Senate matches the budget request levels sought by the President for 1999. Pursuant to the bipartisan budget agreement reached last year, we live within the budget authority and outlay limits on defense spending.

It is my judgment, though, that the levels set last year do not adequately fund readiness, quality of life, modernization, and the needs of our Armed Forces. I will be speaking more on that today.

The conference report before the Senate places a clear premium on meeting the personnel and readiness needs of the military. The bill provides the 3.6-percent pay increase for all uniformed personnel. The bill also increases funding for urgent operation and maintenance requirements for the military services.

The conferees on the bill also worked to address the top modernization priorities established by the service chiefs. The conferees did not solve funding challenges presented by the budget caps by taking large general reductions to procurement and research accounts.

Tough decisions were made on each program. Very few programs, Mr. President, were funded at the full House or Senate level. Where there was a difference, we sought to find a compromise between the House and Senate spending accounts.

One very important provision of the bill was offered in the Senate by Senator ROBERTS. That is on the prospect of deploying U.S. troops to Kosovo. Following consultations with Secretary Cohen and the Joint Chiefs Chairman General Shelton, the conferees modified the provision to focus attention on any additional deployment of U.S. troops to Yugoslavia—which does include Kosovo—Albania and Macedonia.

This reporting requirement, related to the introduction of ground troop units, does not apply forces introduced in accordance with U.N. Security Council 795 or other circumstances determined by the President to be an emergency necessitating the immediate deployment of forces.

In addition, the conferees added language making clear nothing in this section shall be deemed to restrict the authority of the President under the Constitution to protect the lives of U.S. citizens.

I again commend Senator ROBERTS for this initiative and believe the modifications included in the bill are consistent with past requirements enacted concerning the deployment of U.S. forces in this region. It will be very important in connection with any potential deployment to Kosovo.

As I noted earlier, there is not enough money for defense in this bill, Mr. President. We recently received a letter from the President identifying the need for additional funds for 1999. The Armed Services Committee today is hearing testimony on this issue from the service chiefs.

It is my intention to recommend to the Senate that additional funds be provided in the emergency supplemental bill for readiness, counterterrorism, the war on drugs, and intelligence needs.

Our committee will work with the Secretary of Defense and the Joint Chiefs to ensure we meet the needs they present to Congress.

Mr. President, let me close by recognizing the excellent work undertaken by our colleagues in the House, Chairman BILL YOUNG and Representative JACK MURTHA.

The four of us have been handling these defense bills for several years now, and it is truly a pleasure to work with them each year on this bill.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Thank you.

I thank the chairman for the outstanding work he has done on this bill. I will support the legislation. I think it is a commitment to our Nation's defense. The Senator from Alaska always does a good job on all the appropriations bills, but particularly this defense appropriations bill.

I am glad for several projects that I think are critical to our Nation's defense but are also critical to the State of Arkansas, including the MLRS system, manufactured in Camden, AR, Fort Chaffee in Ft. Smith, AR, the Pine Bluff Arsenal, and C–130s in Jacksonville.

I will vote for the bill. I do so with a deep reservation. I am puzzled, discouraged and disheartened by the exclusion of an amendment that passed unanimously in the Senate by a vote of 99–0—it passed the House of Representatives on separate votes of 415–1 and 366–54—which would have condemned China's policy of forced abortions and religious persecution and would have denied visas to the perpetrators.

I am just puzzled, and I am discouraged that an amendment that had such bipartisan support, that has no cost and no controversy, would have been dropped in conference.

Yesterday, President Jiang Zemin in China, according to the Washington Post today, issued a strident defense of the Tiananmen massacre in which hundreds—thousands of students were slain. At the very time that the President of China is defending that horrendous action, this body cannot lift even a timid voice in condemnation of it—even a mild rebuke of those abuses. I am appalled and I find it inexplicable that we remain silent and that the conference would have determined to drop this amendment that had such support in both bodies.

So while I vote for this conference report, I do so with a deep reservation and with the caveat that this Senator will use his breath, so long as he has the opportunity in the Senate, to continue to raise the issues of human rights abuses in China and to offer these kinds of amendments.

I yield the floor.

The PRESIDING OFFICER. All the time of the Senator from Alaska has been used.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, I rise to speak in strong support of this conference agreement. Chairman STEVENS has once again done an extraordinary job in moving this bill forward while protecting the interests of the Senate, and supporting our Nation's defense.

Quite often when we talk about defense we highlight the investment items such as tanks and missiles and ships and fighting aircraft. Mr. President, while these are all important, and in fact critical to ensuring a strong defense, whenever you meet commanders in the field, each one will tell you that the most important element of our defense is the men and women who are willing to serve us.

There are 1,396,000 men and women in the Active Forces and another 877,000 in our National Guard and Reserve. This represents less than 1 percent of our population. And they are the ones who are willing to sacrifice everything to stand in harm's way to defend all the rest of us.

Mr. President, we should be very grateful for their willingness to serve and, most important, we should demonstrate our gratitude by ensuring that they receive adequate compensation, good housing and quality medical care.

In this bill, we have made some progress on each of these fronts.

First, the bill provides for a 3.6 percent pay raise, one-half percent higher than requested by the administration.

Second, the conferees have added $505 million to cover real property maintenance needs for barracks and housing for our military personnel and their families.

Third, the bill has added $500 million for supporting our bases to make sure that there is enough money tc adequately operate the bases.

Finally, we have fully funded the Defense Health Program.

Mr. President, many of us have a real concern that our military no longer believes that we are doing enough to respond to their needs.

Last May, our chairman led a delegation to the Persian Gulf. It was very clear from the men and women with whom we spoke that there is growing dissatisfaction in our military with their working and living conditions, and pay.

We have tried to address these within the funding constraints that we face, but we believe more needs to be done.

We know we do not have all the answers on the best approach to fix this problem.

Therefore, the conferees have directed the Defense Department to review all aspects of its compensation package, from recruiting incentives to retirement, including all quality of life programs.

It is the intent of the managers that the Defense Department conduct this review in the next 3 months and provide the Congress with its recommendations in conjunction with its budget submission for fiscal year 2000.

Mr. President, this is a good package. The bill provides more money in title II for operation and maintenance than was requested by the President. It does a great deal to help our men and women in uniform, not as much as we would like, but more than DOD requested.

Considering the tough financial climate that we are living in, I must commend our chairman for forging this agreement and thank his staff too for their great assistance.

Mr. President, this is a good package, I recommend it to all of my colleagues.

Mr. President, I understand there is some concern regarding section 8115 in this conference report. It was my understanding that the provision regarded the deployment of additional ground troops to Yugoslavia, Albania, and Macedonia. We hope that those responsible for interpreting this legislation will understand this when they respond to this provision.

Mr. President, before I close, may I add my commendation to the extraordinary work of our staff, led by Steve Cortese and Charlie Houy.

Mr. STEVENS. Mr. President, I join Senator INOUYE in commending our staff and all those who worked on this bill, and particularly Senator ROBERTS, for his very significant amendment to this bill.

Mr. DOMENICI. Mr. President, I strongly support H.R. 4103, the Defense appropriations conference report for fiscal year 1999. The pending provides $250.5 billion in total budget authority and $168.1 billion in new outlays for the Department of Defense and related activities. When outlays from prior years and other adjustments are taken into account, outlays total $245.1 billion.

There are some major elements to this bill that are important for the Senate to review.

The bill is consistent with the bipartisan balanced budget agreement.

It funds a 3.6 percent pay raise for military personnel, rather than the 3.1 percent requested by the administration.

It contains quality-of-life enhancements for our Armed Forces, which total $455 million more than was requested.

I strongly support this bill, and I urge its adoption. I want to compliment the chairman of the Appropriations Committee on his very skillful handling of this important legislation and for his statesmanlike approach to some serious and troubling issues in this year's defense budget.

Mr. President, I ask unanimous consent that a Senate Budget Committee table displaying the budget impact of this bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

H.R. 4103, DEFENSE APPROPRIATIONS, 1999, SPENDING COMPARISONS—CONFERENCE REPORT

(Fiscal year 1999, in millions of dollars)

	Defense	Nondefense	Crime	Mandatory	Total
Conference Report:					
Budget authority	250,282	27	....	202	250,511
Outlays	244,876	27	....	202	245,105
Senate 302(b) allocation:					
Budget authority	250,324	27	....	202	250,553
Outlays	244,877	27	....	202	245,106
1998 level:					
Budget authority	247,340	27	....	197	247,564
Outlays	247,130	31	....	197	247,358
President's request:					
Budget authority	250,770	27	....	202	250,999
Outlays	246,493	27	....	202	246,722
House-passed bill:					
Budget authority	250,499	27	....	202	250,728
Outlays	245,408	27	....	202	245,637
Senate-passed bill:					
Budget authority	250,290	27	....	202	250,519
Outlays	244,938	27	....	202	245,167
Conference Report Compared To:					
Senate 302(b) allocation:					
Budget authority	−42	....	....	....	−42
Outlays	−1	....	....	....	−1
1998 level:					
Budget authority	2,942	....	....	5	2,947
Outlays	−2,254	−4	....	5	−2,253
President's request:					
Budget authority	−488	....	....	....	−488
Outlays	−1,617	....	....	....	−1,617
House-passed bill:					
Budget authority	−217	....	....	....	−217
Outlays	−532	....	....	....	−532
Senate-passed bill:					
Budget authority	−8	....	....	....	−8
Outlays	−62	....	....	....	−62

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. MURKOWSKI. Mr. President. I want to commend the managers of the bill, the senior Senator from Alaska, Senator STEVENS, and the senior Senator from Hawaii, Senator INOUYE, for their thoughtful work. I particularly want to thank the managers for their inclusion of a requirement in the conference report for a Department of Defense report on the troublesome security situation in the Taiwan Strait. I know that both Senator STEVENS and Senator INOUYE share my concern about stability in the Taiwan Strait.

This report, requested on or before February 1, 1999, is very timely. The twentieth anniversary of the Taiwan Relations Act is in April 1999. Does the senior Senator from Alaska agree that one of the principal purposes of this study should be to compare the security situation as it exists now in 1998 with that which existed in 1979, when Congress originally enacted the Taiwan Relations Act, P.L. 96–8?

Mr. STEVENS. Mr. President. My colleague from Alaska is correct. The

Committee believes that it is important for Congress to be fully and currently informed on the military balance in the tense Taiwan Strait, as Congress directed in the Taiwan Relations Act. The Committee expects the report to detail recent additions to the offensive military capabilities of the People's Republic of China, as well as new challenges to the deterrent forces of the Republic of China on Taiwan. This report should carefully examine the balance as it exists today, as it may exist in the future, given expected procurement programs, as well as comparing the balance with the situation that existed in 1979, when Congress adopted the Taiwan Relations Act.

Mr. MURKOWSKI. Mr. President. I would like to thank my friend from Alaska. I also wanted to note that it is important that the report provide a comprehensive analysis of the security balance in the Taiwan Strait. In addition to the traditional force-on-force analysis, I understand that it is the conferees intent that the report evaluate the capability of the People's Liberation Army (PLA) to conduct command and control warfare against Taiwan, including the PLA's capability for information dominance, air superiority, naval blockage, and amphibious invasion. This is an area that has not received enough attention in terms of evaluating Taiwan's defensive capabilities.

It is also my understanding that the conferees intend that this report evaluate the degree to which the PLA's modernization programs in the areas of submarine development, ballistic and cruise missile development, special operation forces, electronic warfare and computer virus attack capabilities have altered, or may in the future alter, the security and stability in the Taiwan Strait.

Mr. INOUYE. Mr. President. I would like to add my expression of support in this area to that articulated by the junior Senator from Alaska. I was pleased to work with my colleagues in the conference committee to shape this important provision. I look forward to reviewing this report from the Department of Defense early next year. I, too, believe that it is particularly important to focus on the qualitative balance now in 1998 as compared to that which existed in 1979, when Congress enacted the Taiwan Relations Act, with its Section 3 provisions regarding continued military sales to the Republic of China on Taiwan.

Mr. LAUTENBERG. Mr. President, I would like to engage in a colloquy with the distinguished Senator from Alaska, the Chairman of the Defense Appropriations Subcommittee.

The Conference Report accompanying H.R. 4013, the Fiscal Year 1999 Defense Appropriations bill, includes a funding level of $28 million specifically for making upgrades to the radars which will support the Navy Theater Wide missile defense system, through a competitive process. The Senate has a long history of supporting this effort by providing funding above the amount requested by the Administration. I concur fully with these additions.

The Navy Theater Wide program is an integral part of the overall architecture of missile defense which is being developed and built by our country today. However, in order to field a Navy Theater Wide system that will be available on the schedule that the Navy is pursuing, we must increase our efforts in the area of radar development. To date, the preponderance of the funds expended for the Navy Theater Wide program have gone toward development of the missile and the kill vehicle. While these are necessary elements of the Navy Theater Wide system, without the upgraded sensors to operate with them, the overall system will be less than fully capable. With the addition of the $28 million in this bill we are just beginning to make up for lost time. I wish we could have provided even more funds. However, I encourage the Navy and the Ballistic Missile Defense Organization to commence a vigorous effort to develop a radar system that will meet the stringent requirements of the Navy Theater Wide program. I believe the same radar system should also be compatible with meeting other fleet requirements, such as improving its ability to defeat cruise missiles.

Do you agree with my assessment of the situation?

Mr. STEVENS. I thank the Senator from New Jersey. He makes some very important and timely points. I, too, have been very supportive of the Navy Theater Wide program and will work closely with him to ensure that the entire system, including the radar, is developed on schedule. I fully support the conference's decision to provide $28 million for Radar Improvements Competition in Fiscal Year 1999 and I encourage the Navy to factor the radar development into their overall plan for Navy Theater Wide development and fielding.

Mr. LAUTENBERG. I thank the Senator from Alaska for his remarks. I applaud his efforts as Chairman of the Defense Subcommittee on this issue and for his dedication to our armed forces. I thank the chair and yield the floor.

Mr. KENNEDY. Mr. President, I would like to take this opportunity to again thank Senator STEVENS and Senator INOUYE for their efforts and leadership in putting the Fiscal Year 1999 Department of Defense Appropriations Conference Report together. I would also like to thank my colleagues for their continued support of photonics research and their leadership in providing continued funding for one of our most critical technologies. The vital nature of this photonics effort has been highlighted in recent Critical Technologies Reports to Congress.

Mr. President, I would like to clarify one point in the Conference Report before us, and to confirm the legislative intent of the Committee. I would like to ask the senator from Alaska, Senator STEVENS, and the Senator from Hawaii, Senator INOUYE, if the $2.5 million provided for photonics research in the RDT&E/Army section was intended to be provided to the Photonics Research Center which was funded in the Fiscal Year 1996 Defense Appropriations Bill?

Mr. STEVENS. Mr. President, first I would like to thank the Senator from Massachusetts and say that I am well aware of the critical role photonics is playing in our national security. I concur that the funding in question was intended to go to the Photonics Research Center that was funded in the FY 1996 DOD Appropriations Bill.

Mr. INOUYE. Mr. President, I, too, would like to thank the Senator from Massachusetts for his remarks. I have also supported funding for photonics research in the past. In the future, most of our weapons systems will depend on photonics for their effectiveness. If we are to maintain our competitive advantage, we must maintain an advantage in photonics research. I would also agree with the Senator from Alaska and his explanation of our Committee's legislative intent in providing additional funding for the Photonics Research Center.

Mr. KENNEDY. I would again like to thank my colleagues for their leadership on this vital technology and for clarifying the congressional intent of this funding.

ADVANCED MATERIALS INTELLIGENT PROCESSING CENTER

Ms. MOSELEY-BRAUN. Mr. President, I rise today to engage in a short colloquy with the distinguished Chairman of the Appropriations Committee, the senior Senator from Alaska, Senator STEVENS.

Mr. Chairman, as I understand it, the conference report included $3 million in the Research, Development, Test, and Evaluation Navy account of your Fiscal Year 1999 Department of Defense Appropriations bill for continued funding of the Advanced Materials Intelligent Processing Center in Evanston, Illinois. Mr. Chairman, I greatly appreciate the support that the subcommittee provides for this project. I would like to confirm that the intent of the conferees was to provide this additional $3 million to continue the activities of the Center in affiliation with the Naval Air Warfare Center in Lexington Park, Maryland, as well as other industrial and governmental partners. This continuation funding will allow the Center first to complete a state-of-the-art resin transfer molding system with all required equipment functionality, monitoring, and intelligent supervisory control, and then to transfer it to the Center's industrial and governmental partners for prove out in a production environment.

Mr. STEVENS. I thank the senior Senator from Illinois for her interest in this matter. I would like to confirm that the intent of our committee's action was as she stated.

Ms. MOSELEY-BRAUN. I thank the Senator from Alaska for his clarification on this matter, and for his assistance on this project. I also thank Senator INOUYE of the subcommittee for his support of this project. I would also like to say to my colleagues that I am confident the work of the Center can help reduce the cost of our defense systems through the use of faster, cheaper, and better means of processing composite materials for military hardware. These improvements will provide substantial dividends to the American people.

COST REDUCTION PROPOSAL FOR TERFENOL-D

Mr. GRASSLEY. Mr. President, I rise to engage in a brief colloquy with the distinguished Chairman of the Appropriations Committee, the Senator from Alaska, Mr. STEVENS.

Mr. STEVENS. I am delighted to respond to questions from the Senator from Iowa.

Mr. GRASSLEY. Mr. President, first, I commend the chairman for all his hard work on this very complex and extremely important bill.

One project that is of continuing interest to me is the cost reduction proposal for Terfenol-D, the smart alloy used in Navy advanced sonar systems. These essential cost reductions will enable significant cost and operational effectiveness enhancements of U.S. Navy surface ship, submarine and torpedo undersea warfighting capability. Furthermore, this program is essential if the U.S. Navy is to have a competitive advantage and not be at a disadvantage compared to the Chinese, Japanese and Russians as they invest in Terfenol-D manufacturing technology advancements.

As the chairman recalls, funding for this important project was included in the FY 98 Defense Appropriations bill only to be line item vetoed by the President. Due to the importance of the project, funds were included again in the FY 99 bill. However, because of the confusion caused by the line-item veto and the subsequent opinion by the Supreme Court, I would like to clarify with you that the full $3.0 million appropriated by the Congress in FY 98, line-item vetoed by the President and then nullified by the U.S. Supreme Court, continues to be available for its stated purpose of cost reduction for Terfenol-D. Moreover, it is my understanding that the $2.0 million currently provided in FY 99 is in addition to the $3.0 million provided in FY 98 for a total of $5.0 million over two years for this extremely important cost reduction initiative.

Mr. STEVENS. The Senator's assessment that the 2 years of consecutive funding for this program totals $5.0 million is correct. It was the intent of the Conferees to provide this level of funding for the successful completion of this important program that will greatly enhance the security of the United States and the safety of our men and women at sea.

Mr. GRASSLEY. I thank my distinguished colleague, the Chairman of the Appropriations Committee, for this important clarification.

SHIP SCRAPPING PROJECT

Mr. SPECTER. Mr. President, I have sought recognition to address my colleague, Chairman STEVENS, concerning funding for a ship disposal initiative in the Fiscal Year 1999 Defense Appropriations Act. At my request, funds were provided in the Senate bill for this program and I'm pleased to note that the conference report has preserved the Senate funding level of $7.5 million. This initiative has been crafted to address the Department of Defense Interagency Ship Scrapping Review Panel's recommendations for a pilot program.

It was my understanding that the $7.5 million provided under Operation & Maintenance for a ship disposal initiative would be used to implement a demonstration project at the Navy's only two fresh water reserve basins, where more than 300,000 tons of ships slated for scrapping are stored, and that these funds will be distributed evenly between the two sites—the Delaware River and the James River—for the first year of this demonstration project.

Earlier this year, I spoke with Philadelphia Mayor Ed Rendell and officials of the Philadelphia Industrial Development Corporation regarding their needs as we move ahead on revitalizing the Philadelphia Navy Shipyard. A key element of their plan is to demonstrate a ship scrapping project that assures responsible environmental health and safety management while reducing government costs for managing decommissioned ships.

Mr. STEVENS. The Senator from Pennsylvania is correct that the Senate included funding for this program at his request. The Committee and conferees were silent on the specific purpose of the program. I will add, though, that I support the intent of the Senator.

PROTECTING OUR STRATEGIC AIRLIFT

Mr. BIDEN. Mr. President, I support the defense appropriations conference report, but I would like to briefly comment on one issue—strategic airlift.

As we have learned in places like Kenya, Tanzania, Iraq, and Bosnia, the end of the Cold War has not brought stability to the world. That instability continually threatens our national security interests and has placed a high demand on our military assets.

Primary among those assets is strategic airlift. Using our military requires getting troops and equipment and weapons to strategic locations. I am very concerned that we are taking some short-cuts in this bill that directly impact that vital national security capability. In particular, I am concerned that the Senate did not fully fund the President's request for C–5 avionics modernization. Instead, this Conference Report provides only $33.7 million of $47.9 million dollars necessary to increase C–5 safety and reliability. While $33.7 million is a lot of money, we need to do more.

The $14.2 million cut delays installation of the Traffic Collision Avoidance System (TCAS) by a full-year. Other important modifications are also delayed, including the following: Enhanced Ground Proximity Warning System, Global Air Traffic Management, Flight Instrument and Engine Display System, and Automatic Flight Controls. These are the systems that navigate the plane and protect it against various forms of collision. As the skies continue to become more crowded, and as we rely on C–5s to provide airlift in all types of weather and over all kinds of terrain up-to-date avionics are critical.

The C–5 has served the nation well in all of our military actions overseas from the Yom Kippur War to current operations in Bosnia and Iraq. In Desert Storm, the C–5 delivered over 38 percent of all America's airlift. It is an absolutely essential part of the Air Force's airlift capacity. A capacity that is more critical than ever as we move to an Expeditionary Aerospace Force.

I want to point out here that it is not just me who believes the C–5 is a critical national defense priority. It is one of the Air Force's top priorities. Even now, I know that the Air Force is attempting to cobble together the needed $14.2 million from other accounts. The Air Force should not be put in this position. We should give them the money.

We have known for some time that the C–5 needs some modernization work. The Air Force is undertaking a study to determine how best to preserve and protect our strategic airlift. That larger study will look at many things—re-engining the C–5, buying more C–17s, refitting existing commercial airframes, exploring spare parts shortages and maintenance delays—but it will not change the need to modernize the avionics in the short-term. The Air Force is committed to this modernization and deserves our support.

Quite simply, the airlift of the United States military rests in the back of the C–5. In a world where threats appear in every corner of the globe, we cannot afford to shortchange the strategic airlift that protects our national security.

When we look at addressing readiness shortfalls in the military in a supplemental appropriations bill this year, I hope my colleagues will consider the need to restore $14.2 million to the C-5 Avionics Modernization accounts. The Air Force should know that we share its committment to strategic airlift.

Mr. STEVENS. Does the Senator yield back the balance of his time?

Mr. INOUYE. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

HIGHER EDUCATION AMENDMENTS—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on the conference report accompanying H.R. 6.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nebraska (Mr. HAGEL) and the Senator from Alabama (Mr. SESSIONS) are necessarily absent.

Mr. FORD. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Ms. MOSELEY-BRAUN) would vote "aye."

The PRESIDING OFFICER (Mr. ASHCROFT). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—96

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Enzi
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wellstone
Wyden

NOT VOTING—4

Hagel
Hollings
Moseley-Braun
Sessions

The conference report was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on adoption of the conference report accompanying H.R. 4103.

Mr. STEVENS. I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, is this a 10 minute vote?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nebraska (Mr. HAGEL) and the Senator from Alabama (Mr. SESSIONS) are necessarily absent.

Mr. FORD. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Ms. MOSELEY-BRAUN) would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—94

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Enzi
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—2

Feingold
Wellstone

NOT VOTING—4

Hagel
Hollings
Moseley-Braun
Sessions

The conference report was agreed to.

INTERNET TAX FREEDOM ACT—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The bill clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 509, S. 442, the Internet legislation:

> Trent Lott, John McCain, Dan Coats, Chuck Hagel, Larry Craig, Christopher Bond, Wayne Allard, Paul Coverdell, Tim Hutchinson, Jim Inhofe, Mike DeWine, Dirk Kempthorne, Strom Thurmond, Jeff Sessions, Conrad Burns, and Robert F. Bennett.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to S. 442, the internet tax freedom bill, shall be brought to a close? The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Nebraska (Mr. HAGEL), and the Senator from Alabama (Mr. SESSIONS) are necessarily absent.

Mr. FORD. I announce that the Senator from California (Mrs. BOXER), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 89, nays 6, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—89

Abraham
Akaka
Allard
Ashcroft
Baucus
Biden
Bingaman
Bond
Breaux
Brownback
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Collins
Conrad
Coverdell
Craig

D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wellstone
Wyden

NAYS—6

Bennett
Bumpers
Cleland
Enzi
Gorton
Graham

NOT VOTING—5

Boxer
Hagel
Hollings
Moseley-Braun
Sessions

The PRESIDING OFFICER. On this vote, the yeas are 87, the nays are 6. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. McCAIN. Mr. President, I ask unanimous consent when the Senate begins consideration of S. 442, the Internet tax bill, the Commerce Committee amendment be agreed to; and immediately following that action, the Finance Committee substitute be agreed to and considered original text for the purpose of further amendments. I also ask that during the Senate's consideration of S. 442 or the House companion bill, that only relevant amendments be in order.

I now ask that the motion to proceed be adopted and the Senate proceed to the bill following the period of morning business at 3:15 p.m. today.

Mr. GRAHAM. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. McCAIN. Mr. President, again, the Senator from Florida has chosen to object. We just had a vote, 89–6, which probably would have been 94–6. This is not the way the Senate should function, Mr. President—1, or 2, or 3, or 4, or 5, or 6 Senators should block this important legislation. We are going to have a motion or a vote on the motion to proceed, and we are going to file cloture and we will begin the 30 hours that will bring us to final conclusion on this vote.

If the Senator from Florida wants an amendment, we will debate it. If the Senator from Florida wants to change the bill, we will discuss it. But for the Senator from Florida, with one more week to go before we leave, to continue to block consideration of this legislation, I think is clearly thwarting not only the majority of the Senate, but the majority of the American people. His own President was out in the Silicon Valley at a soft money fundraiser bragging about the fact that the Congress will pass the Internet Tax Freedom Act, as he raised $25,000 a plate in a soft money fundraiser. And he took credit for H-1B, which Senator ABRAHAM was primarily responsible for.

We are growing weary of this. It is time we move forward with this legislation. It is time we save this critical technology, which is absolutely vital to the future of this Nation.

Mr. President, I want to state my intentions again, after consultation with the majority leader. That is, on Thursday morning, there will be a vote on the motion to proceed. It will be another 89–6 or 94–6 vote. We intend to file cloture at that time, and then we will have cloture on the bill, which will then allow us 30 hours of debate. I might point out that, in this present scenario, 1 hour of debate post-cloture on the motion to proceed is allowed per Senator. We will finish this legislation and go to conference in the House and make sure that we don't choke this baby in the cradle—which is called the Internet—which is vital to the future of the economy of this Nation and the world.

I yield the floor.

Mr. GRAHAM. Mr. President, we voted a few minutes ago to invoke cloture on the motion to proceed to the Internet Tax Freedom Act. I opposed that motion to proceed, as did the Senator from Wyoming, Senator ENZI, and a few others. I think it is incumbent upon us to state why we opposed it and why we did not oppose it.

None of us who opposed the motion to proceed did so because we are antagonistic to high technology. None of us did it because we failed to appreciate the importance of the Internet system and the enormous contribution that it has made in disseminating information to peoples around the world. No one opposed it because we failed to understand the economic importance of this both in terms of the industry itself and how this information industry makes the rest of our economy more efficient and productive. And none of us did it because we are mired in the past, because we have some childhood addiction to the way things have always been. We understand that the world is moving at an increasingly rapid pace and that these technologies are an important engine of that progress.

But why I believe we did oppose this motion to proceed was to slow down the consideration of a body whose whole purpose for being is to be a deliberative body on issues that are of importance to this Nation and its citizens.

I believe there has been an effort maybe to minimalize the importance of this legislation, the Internet Freedom Tax Act, and to focus on it almost as a cliche: if you are for high technology you are for this bill. If you are opposed to high technology, you are opposed to this bill. That simplicity hides the real importance of this issue.

To me, that importance can be described under two labels. The first label, Mr. President, is fundamental fairness. If I were to use an example that I suggested to the Senator from Wyoming, Senator ENZI, earlier today: if Main Street was divided and all the stores on the left side of Main Street were under a requirement to collect sales tax on each of their sales and all the stores on the right side of Main Street were exempt from that obligation to collect tax on exactly the same sales, we would say that is unfair.

Why should the hardware store on the left side be required to collect sales tax and therefore increase the ultimate cost to its customers of the hammers and saws and nails that were purchased, but the hardware store on the right side be exempt and therefore have that competitive advantage? Everyone would immediately say, "That's unfair. How could you tolerate such a situation?"

Well, we have essentially that situation today, Mr. President, as it relates to the sales that are made on both sides of Main Street where the sellers are required to collect State and local sales taxes, and remote sellers where you can pick up a catalog and order those same hammers and saws and nails and have them shipped to you by mail where there is no requirement of the seller to collect that sales tax. That creates a discriminatory situation in the marketplace.

This bill has as a principal objective to avoid discrimination against Internet sales. Now the question is going to be, Discrimination relative to what? To whom? Is it discrimination relative to the Main Street hardware store or is it discrimination relative to the catalog sale hardware store?

If it is the latter, then the Internet industry would be able to argue, "We shouldn't have to pay any taxes either. We shouldn't have to collect taxes because the sales are made over the Internet any more than our catalog brethren are not required to collect taxes for sales made through the post office or through telephones."

If, on the other hand, the question is discrimination against that Main Street hardware store, then the answer is the other way, that "Yes, just as Main Street has to collect, you should have to collect."

That issue of fairness then gets to the second issue of its effect on State and local governments. We in this Congress have had as one of our principal objectives to decentralize responsibility, to send more authority from Washington to the communities of America and support that principle. I am a Jeffersonian, and I believe the best government in general is that government which is closest to the people affected by a government's actions. But I understand, as we send more responsibility—whether it is in education or in health care or environmental protection or economic development—to our communities, that they are going to need a revenue base in which to carry out those responsibilities that we have just sent them.

This issue of discrimination of Internet sales has the potential of driving a major hole into the revenue sources upon which many States and local governments depend in order to provide those very services. The most at-risk service will clearly be education, since it is the largest responsibility of State and local government in terms of its importance to our future and in terms of its use of State and local resources.

So in my judgment, the most important education bill that we will debate in 1998 will be the Internet Tax Fairness Act because it has the greatest potential of fundamentally affecting what kind of education our children will receive in this and future generations.

So our reason for slowing this train down was to be able to elevate what I believe to be some very fundamental issues and provide us an opportunity to try to work through them so that we do not inadvertently, in the rush to show our support for high technology, have some very negative unintended consequences.

The good news, Mr. President, is those efforts have been underway for some time and I believe are close to bearing positive results. In the next couple of days, I anticipate there will be a meeting of many of us who were interested in this issue, from all points of view, to try to close the increasingly narrow gap that is necessary to have legislation that will achieve the desires of the sponsor, which is to give a pause and time and structure for thoughtful consideration of how the Internet transactions should be taxed for purposes of State and local government, as well as international transactions, and to allow the industry this brief period of moratorium from State and local taxes while a comprehensive set of policies is being developed.

What those of us who have been concerned about the rush to final judgment of this act have been seeking is to assure that that study will look at all of the means by which commerce is being conducted in America today so that we will receive from this moratorium and study a thoughtful set of policies that will not have the effect of eroding concepts of fairness in the marketplace and capacity of State and local governments to carry out their important responsibilities, particularly the education of our children.

So, Mr. President, those remarks are intended to de-escalate the emotion of this issue, elevate the importance of this to our Nation's future, particularly our future ability to prepare generations of Americans through quality education. And I express my appreciation to Senator WYDEN, to Senator ENZI, and to others who have been interested in this and have invested a considerable amount of their time, experience, understanding, and intellect in reaching a resolution that will be in America's interest. I believe we are close, and I look forward to reaching our destination.

I thank the Chair.

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. Mr. President, we just held a vote to proceed to debating the Internet tax bill. I did not vote to proceed to that bill, and I would like to take a minute to explain why I do not currently support the legislation that is before us. It doesn't have anything to do, as was said before, with whether we are high tech or not. I have been trying to get permission to bring a computer on the floor of the Senate. I work with the Internet. I understand how web sites work. I understand the advantages we could have with more utilization of computers. I understand how the Internet works, and I understand some of the spectacular advantages that we are already enjoying in this country, and some of the ones we could be enjoying to a greater level. I am not trying to keep that from happening.

There was mention in the motion to proceed that there was very little opposition. That is because it is a motion to proceed. There would be a much stronger opposition if the bill were to be voted on right now, without some of the requests that we have made for amendments—amendments that I think are simple enough that they could have been agreed to as part of a package.

I want to say right up front that my vote was not a vote in favor of taxes. I want to reduce taxes. I want to stop new taxes—particularly at the Federal level. That is a goal we should all work toward. Federal income taxes, FICA taxes, unemployment taxes, and user taxes are always at the top of the list of burdens on working Americans and small businesses. I want to tell you that this bill doesn't reduce any of those taxes. This bill is an easy way for us to look good. We get to be the tax cutters by placing mandates on the other levels of government. We are tying the hands of local government to be able to finance itself, and we make ourselves out to be the good guys.

I wish all the Members who voted for cloture today would get as serious about reducing Federal taxes as they seem to be about reducing local taxes. This bill will create an unfair playing field. Congress does have a constitutional responsibility to regulate interstate commerce, and I understand the desire of the bill's sponsors to protect and promote the growth of Internet commerce. But I am concerned that we are picking the tax winners and the tax losers. I want to tell you, the local Main Street retailers will be the losers, unless we have some corrections in this bill.

There is also nothing in this bill to protect against fraud. The barriers to entry are so low in the Internet commerce and so hard to track that it is difficult to draw comparisons with catalog companies. Catalogs can be tracked. Those orders can be tracked. The Internet is a whole different problem.

The fraud that can exist in it can go so far as to have a retailer in a town set up an Internet web site in a State that does not have sales taxes. And when you go to purchase in that store, you would purchase through their other corporation in that tax-free State and free yourself from paying any sales tax. That is nice if you do not have to pay sales tax, except most of the States in this Nation rely on some form of sales tax for education money. Some States, including mine, rely on sales tax. There is no income tax in Wyoming. There is no income tax in several other States. There are provisions in the bill for States that do not have income tax to be represented on the commission. I think it is imperative that there be a provision in this Internet bill that those States which do not have an income tax but do have a sales tax also have representation on that committee.

There should also be a requirement for legislative suggestions from the commission. Right now the commission in this bill is required to give a report. A report on what? I think it ought to be much more specific than that and actually get into the instructions for legislation, the actual wording for the legislation that would ensure an end to the moratorium and be sure that we have something we can actually use. There should be a strong reporting requirement for the commission.

I look forward to debating this bill in the coming days. I am not opposed to the idea, but I think we have to move closer to the House version of the bill. The House bill does empower the commission to look at the remote sales issue. It does require the commission to produce legislative recommendations. These are important components of the bill that are necessary to keep it fair for small retailers and small governments.

I come from government that is closest to the people. I was a mayor for 8 years, and I served in the State legislature for 10. In Congress, we make decisions every day that affect the lives of millions of people, but they do not live at the Federal level. They live at the local level. In local government, you make decisions every day that affect the lives of your friends and neighbors, ones who know you and know what you are working on. There is a big difference.

I am very concerned with any piece of legislation that mandates or restricts local government's ability to meet the needs of citizens, and this bill does exactly that. It may not seem like a big restriction, and it may not exceed the $50 million limit that Congress set in the Unfunded Mandates Reform Act, but it does establish a national policy against State and local government interference. It takes an affirmative step that ties the hands of local government.

What am I asking here? I am asking that we actually talk about some of the amendments that we need to have that maintain the status quo for State funding—not increases the tax, not decreases the tax, maintains the status quo. There are States that rely on this tax at the present time, and I will do everything I can to make sure that we do not take away the possibility, or the right, for those States to continue to operate.

We have to plug the loophole of the possibility for fraud, the possibility for fraud during the 2 years that there is a moratorium. If that gets established and allowed, we will have some of that happening for the rest of the time, and States again relying on the money will not have it.

That is a brief explanation. I will have an opportunity, I am sure, to expand on those considerably, but we do have concerns. That is why we are trying to make sure that we have an opportunity to have those addressed and to make sure they are addressed up front.

I thank the Chair and yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 p.m. with time equally divided between the Senator from Minnesota, Mr. WELLSTONE, and the Senator from Vermont, Mr. JEFFORDS, or their designees.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Mr. President, I yield myself 15 minutes from the control of the time of the Senator from Vermont, Senator JEFFORDS.

The PRESIDING OFFICER. The Senator from Maine is recognized.

HIGHER EDUCATION AMENDMENTS OF 1998

Ms. COLLINS. Mr. President, as a Senator from a State with an excellent records of accomplishment at the secondary education level, but a discouraging low rate of participation in higher education, I am extremely pleased to rise in support of the conference report on the higher education act amendments of 1998. Mr. President, I have had no higher priority than bringing this important legislation to completion this year.

I am very proud of the record of Maine's primary and secondary schools. We have one of the lowest high school dropout rates in the country, and we rank in the top third of the Nation for residents over 25 years old with high school diplomas. More important, the academic achievement of our schools is impressive. Education Week's "Quality Counts" assessment found that the performance of Maine's students in mathematics, science, and reading was at the very top of the Nation.

Unfortunately, Mr. President, there is one dark cloud in this otherwise very bright and sunny picture, and that is the low rate of participation in higher education by Maine's high school graduates. That low rate results not from a lack of interest or lack of ability, but rather from a lack of opportunity. The legislation we are considering today holds the key for young people of limited means to get through a door that, often for financial reasons, would otherwise remain closed to them.

This reauthorization of the Higher Education Act continues the historic commitment begun 40 years ago when Congress enacted the National Defense Education Act. In the NDEA, Congress stated, "The security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women."

In 1958, Congress was thinking of security in terms of the cold war and the recent launch of Sputnik by the Soviet Union. However, Mr. President, this statement remains equally valid today—although the challenge to our national security is greatly different. Today, we face an internal threat—not the threat of the rapidly advancing technology of a foreign enemy, but the quiet threat of failing to provide educational opportunity to all our citizens. Those deprived of that opportunity lose the chance to participate in our Nation's bright, technology-based economic future.

Given the well-established relationship between educational attainment and lifetime earnings, the consequences of not affording educational opportunity to lower-income Americans are predictable. Indeed, the result is a vicious cycle, in which the income gap leads to an education gap, which in turn leads to an even more pronounced income gap. Unless steps are taken to close the education gap, one that is rooted in economics rather than in ability, we lock the children of America's lower income families into a self-perpetuating cycle of inadequate education and low income.

The Higher Education Act seeks to close that education gap. It assumes that all qualified high school students graduating are entitled to higher education and strives to make this a reality through a program of grants, guaranteed loans, and Opportunity Programs.

The grant programs authorized by the Higher Education Act are the most important part of our attempt to assure access to higher education. Nationwide, Pell grants have assisted millions of students in obtaining postsecondary education. In Maine, 15,000 students were awarded $24 million in Pell Grants last year. In addition, Maine institutions received more than $6.5 million in Supplemental Education Opportunity Grants, which they distributed to the most needy students.

My strong belief in the importance of grant aid in expanding access to higher education has led me to introduce several bills to increase the level of Pell Grants for which students can qualify. One of these bills, the Working Students Income Protection Act, eliminated an unfair penalty that is imposed on low-income students who work to pay part of their educational expenses—just the kind of thing we ought to be encouraging. The bill was incorporated, I am pleased to say, into the Higher Education Act Amendments and, as a result, students may now earn $2,000 a year more before their Pell Grants are reduced.

The act also reflects my efforts to ensure that the formula used to calculate the amount of a student's Pell Grant reflects the true costs of dependent care. As we increase the maximum level of Pell Grants, we approach the point at which this arbitrary cap of $750, which is in the current law, would limit Pell Grants to some of the most deserving students—those balancing caring for their children and going to college. The changes in the Higher Education Act will prevent such students from having to choose between supporting their children and pursuing higher education.

In addition to Pell Grants, the Higher Education Act has provided funding for a joint Federal-State effort to award grants to needy students. This program is known as the State Student Incentive Grants Program. This bill incorporates a proposal authored by Senator REED of Rhode Island and myself to not only maintain this important program, but to expand it to fund a series of other State efforts to promote access to higher education for low-income students. This year, for every dollar in Federal SSIG funds, my State of Maine is contributing almost $50, and the result is that 10,000 students will receive a total of $5 million to further their education.

Mr. President, the combined Federal and State grant aid based on the Higher Education Act totals more than $35 million to students in Maine who are enrolled in institutions of higher education. This represents a direct investment in equal opportunity and bright futures for Maine families.

The other major financial assistance program in the Higher Education Act is the guaranteed student loan program. This reauthorization assures that students will continue to have access to both private loans, as well as those that come directly from the Department of Education, and it establishes the lowest interest rate in 17 years for guaranteed student loans. This is good news, indeed.

Mr. President, unless individuals from disadvantaged social and economic backgrounds aspire to higher education, no amount of financial aid will help them. Therefore, in reauthorizing the Higher Education Act, we are continuing a very successful effort by the Federal Government to put higher education on the radar screens of disadvantaged youths through the Opportunity or Trio Programs.

In my home State, TRIO programs, such as Talent Search and Upward Bound, have lifted the aspirations of thousands of young people who otherwise never would have even considered postsecondary education. I am very pleased to have worked for the extension and improvement of these programs along with the creation of an exciting new program known as Gear Up, through which colleges will reach out to entire middle school classes.

I have had the opportunity to visit outstanding Upward Bound programs at both the University of Maine at Orono and the University of Maine at Presque Isle. The high school students in these programs were enthusiastic, challenged, and so excited about their opportunities. As one student told me, "No one in my family has ever been to college. I had no idea that college could be part of my future—Upward Bound has given me confidence and experience; it's opened my eyes to all sorts of new opportunities."

The Federal Government cannot guarantee equal educational achievement, but we can take steps and must take steps to guarantee equality of access by removing the barriers that prevent students from lower- and middle-income families from pursuing postsecondary education. That is the very purpose of the Higher Education Act. Its student loan programs have assisted countless students in overcoming the financial obstacles to higher education while its opportunity programs, such as Upward Bound, have an admirable record of breaking down the social and academic areas.

Despite our successes, the statistics show that we have not yet done the job. The education gap still exists, and to close it we need to reaffirm and extend our commitment to equal access to education. Establishing equality of opportunity is the ultimate goal of the Higher Education Amendments of 1998.

The American people expect their Government to prepare our Nation for the next century. I can think of no better way to carry out that responsibility than to assist today's young people in realizing their full potential to become not just productive members of society but also the leaders upon whom America's future depends.

I am pleased to have played a role in bringing this very important legislation before the Senate today. I thank the Chair and yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Minnesota.

Mr. WELLSTONE. Mr. President, before I yield 5 minutes to Senator MURRAY, serving on the same committee, the Labor and Human Resources Committee, I thank Senator COLLINS for all the work she put into this piece of legislation. She clearly not only has a higher education background but she is very committed to education. It is wonderful to see Senators who have her commitment, and I thank her for her work.

Mr. President, I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I thank the Chair. I thank my colleague from Minnesota for yielding me time.

Mr. President, as a member of the conference committee, I wish to express my deep appreciation for the committee's work and its leadership in crafting the higher education reauthorization bill that is so vital to our country's future. This bill is a major victory for students and teachers across America. The committee provided the opportunity to hear from countless witnesses from across the Nation who testified on everything from default rates to job hunting, campus crime to child care.

Mr. President, throughout the committee's effort on this bill, I worked to strengthen our Nation's commitment to providing the strongest training possible for schoolteachers. I am most pleased with the bill's focus on teacher training and, in particular, its emphasis on technology training.

A year ago, I introduced the Teacher Technology Training Act to add technology to the areas of professional development and teacher training that are included in current law. I thank the chairman and the ranking members of both sides for their cooperation and support in adding these critical pieces to the bill.

The work of the committee on the teacher education provisions is really very historic and is a drastic overhaul of the previous teacher training section. Teacher quality grants will institute State level reforms to ensure both current and future teachers will possess the skills and academic knowledge to teach children effectively in their assigned areas. As a member of the Labor Appropriations Subcommittee, I will fight to ensure that this section is finally funded at a level that does make a difference in the classroom.

This teacher quality section particularly highlights training in the effective use of technology in our classrooms. All of us have witnessed the tremendous impact that technology now plays in our daily world. It affects the way we communicate, the way we conduct commerce, and the way our children learn in school. Young people today are in the midst of a technology explosion that has opened up limitless opportunities and possibilities in the classroom. In order for students to tap into this potential and be prepared for the 21st century, they have to learn how to use new technologies. But all too often teachers are expected to incorporate technology into their instruction without being given the training to do so.

We simply cannot allow students to teach our teachers in the rapidly expanding area of technology. I have toured several teaching schools and found them well supplied with up-to-date equipment. However, teaching students are often not provided adequate instruction in the use of that technology beyond simple communication purposes. It is not enough for a teacher to be able to just e-mail. They must use this education technology to advance their curriculum and to provide their students with resources along the information highway.

Last year, amazingly, just 10 percent of new teachers reported that they felt prepared to use technology in their classrooms; and only 13 percent of all public schools reported that technology-related training for teachers was mandated by the school, the district or teacher certification agencies; and only 18 States required preservice technology training.

This act will significantly turn those numbers around and provide our teachers with the training so critical to harnessing new technologies. So, again, I thank the conferees for their leadership on this effort. I also thank my colleague, Senator WELLSTONE, for his work on the TANF amendment. It is so important for literacy instruction and lifelong learning. I know this issue remained unresolved, and I hope my colleagues will listen to Senator WELLSTONE and will soon see the direct link between educational opportunities and economic self-sufficiency.

I believe this first generation of the new millennium will benefit immensely from the efforts put forth over this past year. From increases in financial aid, to campus security improvements, to technology instruction, this legislation will stand as a proud trademark of this Congress.

I thank the Chair. I yield my time back to my colleague from Minnesota.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I thank the Senator from Washington. I also echo what I said. There are some Senators here who have really dug into the committee. The same could be said for the Chair, who is on the Labor and Human Resources Committee. I think this is a bipartisan effort. I love Senator MURRAY's passion for children and education. I say to the Senator from Washington, I think probably more people and more families in Washington, Minnesota, Wyoming, and the country are more focused on education right now than any other issue. The Senator has been a real leader in the area, and I thank her.

Mrs. MURRAY. I thank the Senator.

Mr. WELLSTONE. Mr. President, I also want to thank colleagues on both sides. Senator JEFFORDS has done a great job in our committee. I feel a little awkward because there is a lot in this higher education bill that I worked on myself and with other colleagues in the committee. I think this is a good piece of legislation. I was pleased to vote for it. I am very pleased with the bill's distance education provisions, which I worked on a great deal. I think the Chair also is very interested in these issues, and we worked together on this portion of the bill. Distance education is very important for those of us who come from communities where we really still have strong rural parts to our States.

I think the bill's focus on applying Pell grants to summer school is really important, especially for our "nontraditional students," students who are older and going back to school. The bill's coordinated response dealing with violence on campus between local law enforcement and the institutions of higher education is real important; the bill's coordinated response to the problem of binge drinking also is terribly important.

I think there is much in this higher education bill that is important for our country. I thank colleagues. I also thank Roger Wolfson, who has been working with me, on my staff, and has really been responsible for some of the good amendments that we were, working with others, able to incorporate into this legislation. I have not covered all in this legislation that I feel very strongly about.

But I want to speak to one flaw in this higher education bill. I am going to speak about this with, I guess, some indignation. When we passed this higher education bill on the floor of the Senate, there was an amendment that dealt with the welfare bill, though it was an amendment to the higher education bill—and that is where it should have been. It passed 56 to 42; 11 Republicans joined Senate Democrats in supporting the provision. There were over 125 higher education and civil rights organizations that supported this amendment; there were strong editorials in the Boston Globe, the New York Times, Minnesota Star and Tribune and other newspapers around the country. As I think about Senators who were out here on the floor speaking about this, the Senator who maybe spoke with the most eloquence, certainly the strongest feeling, was the Senator from Kentucky, Senator FORD.

Any number of Senators supported this amendment which I am about to describe, even though they also supported the welfare bill. I did not support the welfare bill. They did. I will talk about that in a moment. But this amendment said nothing other than this: That any State that wanted to would be allowed to allow a parent, a welfare parent—almost all of these parents are women; I think the Chair, from what I know of him, would agree with me that men ought to be taking more responsibility for their children as well—that when it comes to single parents, mothers—we would allow States to allow these women to complete at least 2 years of higher education without having any State penalized for doing so.

Wyoming would not have to provide these two years, Minnesota would not have to provide these two years, but if Wyoming and Minnesota decide it would be better for these women to be able to complete 2 years of higher education, which could be vocational-technical or another program like a nursing assistant program, then the State should be able to do that and the State would not be penalized. It would not count against the State meeting its work participation requirement.

That amendment passed the U.S. Senate, and then it went to conference committee.

Mr. President, this is a single photograph. It is of Troyce Williams, but there are a lot of women like her. This all translates into human terms. She is a single mother of four children who is at the Minneapolis Community College, a community and technical college, at which she is trying to get her higher education completed. There are many, many women like her.

What I felt good about as a Senator was that after this amendment passed, we got all sorts of calls and all sorts of letters from people all across the country. This was an amendment that would have really made a difference. It would have really made a difference because what a lot of people in our community colleges and in our higher education community were saying was that we were going to speak up for our students. This was a mistake we made when we passed the TANF. When we passed the welfare bill we probably should have been clear at the Federal level we would have some language that would give States the flexibility, if they wanted to, to allow these parents to complete at least 2 years of higher education.

Now I am not going to bore anybody here today about all of the statistics that make the point that every single citizen in this country understands: If you are able to go on and complete 2 years or 4 years of higher education, you are going to be in a better position to find a good job and give your children the care you know they need and deserve.

This amendment passes. Then we go to conference committee. I am just furious about what happened in conference committee. We met, and the House conferees, the majority House conferees, Republicans, said no to the amendment, and they were not interested in talking about anything else by way of maybe something else we could do that would make a difference.

Mr. President, it is just simply bitterly ironic that the very women who are on the path to economic self-sufficiency, because they are trying to complete at least 2 years of higher education, all too often get driven out of school because States feel like they will be penalized if they do not get these women into the workforce. Then they get into the workforce and they find a job at $6 an hour, and then 1 year later they lose their medical assistance and they and their children are worse off. Whereas, if they could complete 2 years of higher education they would be better off.

We come to conference committee and I am just going to repeat what happened. I do no damage to the truth, because I want to make a point about what is at stake here—not just on this amendment but, sort of, politics in our country. The Chair may not agree with me, but I get to speak my piece on the floor of the Senate.

Now, the Republicans in the House come in and they say, "We want this Wellstone amendment out." Forget my name. I am not important. "We want this amendment out." And I will not use names because there is no one here to debate me and that would not be fair. On the House side, they are not here to debate me. So the person who is kind of the point person in making this argument says, "This would be a terrible amendment." And then I hear everybody saying, "This welfare bill was hallmark legislation. It is the best thing we have done in a half a century. It is so successful that we cannot touch it—this is nothing less than an effort to undermine this welfare bill."

Mr. President, first of all, a lot of people who voted for this amendment did not vote for this amendment to undermine the welfare bill. They thought it was a modification that was needed. They thought that the welfare bill would work better if we allowed States to allow these women to complete at least 2 years of higher education. But I am going to make another point.

I then turned—and for all I know the Chair was there at the conference committee—I turned to people who made this presentation and I said you keep talking about how successful this welfare bill is, and you talk about the number of people who are no longer on welfare, the number of women and children who are no longer on our welfare rolls. That is true; maybe 4 or 5 million fewer people.

My question for you, since you told me how successful it is—even though I would rather debate this in a higher education framework, let me raise this question. Let me raise this question on the floor of the U.S. Senate. We have seen a dramatic reduction in the welfare rolls. Have we seen a dramatic reduction in poverty? Can any of you, from any State, provide me with any data as to where these mothers and children are, what kind of jobs are these mothers receiving? What are the wages? Is there child care available for their 3- or 4-year-old? And when their first and second graders come home alone, sometimes in very dangerous neighborhoods, is there anybody there?

I have said this on the floor of the U.S. Senate. I am going to say it again. We all say how much we love children. These children count, too. There are children—I know, I have been in these neighborhoods—that go home alone, now, because their mothers are working. They are 7 years old. And they are told to go into their apartment and to lock the door and to take no phone calls, and don't go outside. There are children, when there is beautiful weather, they don't play outside because there is nobody there to take care of them. And these single mothers who are working are terrified as to what might happen to them.

I asked my colleagues on the Republican side in the House of Representatives, because they eliminate this amendment, since they are talking about how successful the welfare bill is, could they provide me with data? Not one of them could; not one of them.

I will debate anybody on the floor of the Senate, and I will debate anybody on the floor of the House on this question. The Swedish sociologist Gunnar Myrdal once said, "Ignorance is never random." Sometimes we don't know what we don't want to know. We don't know what is going on in these States. We don't know what is going on with these mothers and children.

I can't believe how punitive people can be. I can't believe how harsh they can be. Not one single argument was made against this amendment. Not one bit of data was presented to show that these mothers and these children are better off now, but they just eliminated it because they had the majority.

I am not whining. I am telling people in the country that this one small example, one small story, tells a larger story about what is at stake.

I am not out here, by the way, to defend the President's behavior, but I don't think the President is the issue this fall. He is not on the ballot. He will never be on the ballot again running for President. This election, I say to people in Minnesota and people around the country, is about you.

I just ask, what are these kinds of priorities? Just eliminate an amendment to the higher education bill that allows States to allow women, mothers of small children, to complete 2 years of higher education so they and their children will be better off? Eliminated.

Do you know that this past June, America—I think it was in June—in the same week this Republican majority voted to give a tax break to people with estates worth more than $17 million, they voted to eliminate the Low-Income Home Energy Assistance Program and voted to eliminate summer jobs for kids? Unbelievable.

People go to their pollsters and say, "What are the issues people care about?" The same Republicans who knocked out this amendment found out it is education—people care about education. They learned how to talk about education—I said "talk about education"—but they have cut funding for education. They have cut funding for K through 12 education.

It is interesting. We are at a crossroads with education. We are going to see a dramatic increase over the next 10 years by about 10 percent of high school students and about 6 percent of middle school students. The average age of our public school teacher is 50. We are going to need to hire about 1.3 million teachers in our country. We can have all sorts of men and women coming into education with creative new ideas, new energy, and all the rest—it is a golden opportunity—but we can't take advantage of a golden opportunity on a tin-plate budget.

The same people who are in the majority in the House of Representatives—so punitive, so harsh, so little compassion—voted to deny a single parent, a mother, the opportunity to finish 2 years of higher education so she can do better for her children. They gave a tax break to people with estates worth more than $17 million, but in the same week they eliminated the Low-Income Home Energy Assistance Program so that in my cold-weather State, elderly people, families with children, have a choice of eating or heating, but not both. They eliminate low-income home energy assistance, so people go cold in the winter, and knock out summer jobs for kids. They give speeches about being for education and children and then cut the budgets.

That is what is at stake this election. That is what is at stake. My strategy would be for people to turn out this fall. I think the Republican strategy is for people to be turned off this fall, low turnout.

I hope that from this example people in the country will realize that there is a lot at stake. If you care about a good education for all of our children, if you are committed to the idea of living-wage jobs, if you are committed to the idea of decent health care for every citizen, if you are committed to improving the standard of living for all the people in our country, if you believe that economic and educational opportunities are important, then I make this appeal to people in the country: Don't let people turn you off to politics.

This election this fall is not about President Clinton. We can talk about his behavior at another time. Nobody needs to approve of it. I don't know of anybody who does. But this election, I say to people in the country, is about you; it is about your families. This election this fall—the President is not on the ballot—is about these kinds of issues.

I hope people will turn out. I hope you will vote for education. This amendment was knocked out of the higher education bill in spite of the good support of Senator JEFFORDS. We supported it on the Senate side. I tell you, this GINGRICH-House Republican majority agenda is harsh, it is mean-spirited, and if you are committed to education for children, make sure you vote this election. If you believe in the importance of health care and you think good jobs are important, just make sure you vote this election. If you think it is wrong in the same week in the House of Representatives to give a tax break to people with estates over $17 million and eliminate the Low-Income Home Energy Assistance Program and eliminate summer jobs for kids—that is exactly what this majority did in the House—you make sure you vote this election.

If you are angry at people in Washington, DC, and the U.S. House and the U.S. Senate because you think that neither party is doing enough about your concerns and you think too much of our decisionmaking is dominated by special interest or big money or you feel locked out or all the rest, make sure you vote. Don't opt out. Don't let people turn you off. There is a lot at stake in elections in our country, and this is but one example.

I will get to speak more about this after our caucuses. I see my colleague, Senator GRAHAM. I wanted to start out congratulating my colleagues for the good work on the higher education bill.

Roger Wolfson, thank you for your help.

I want to tell you that what happened in the conference committee is just outrageous. There is nothing I can do about it, not now. I will bring this amendment back on the first bill I can amend. Of course, for the last couple of weeks there hasn't been an opportunity to amend any bills. I want to make sure people understand what is at stake.

In my not too humble opinion—and the Chair is a good friend; I really like him, and I hope it is mutual, so I don't mean this in a personal way—but what is at stake in these fall elections is critical.

I say to people in the country, this small story tells a larger story. I shudder at the thought of Speaker GINGRICH or, for that matter, on the Senate side as well, there being even more of a majority or more power, because I think it will be an agenda that will move our country back 60 years. People have learned how to talk about education, I say to my colleague from Florida, but the budgets don't reflect that. On the House side, they cut funding for education. There was no action whatsoever on health care. There is very little concern about what I call some really important family-value issues, and this is but one example.

Mr. President, I yield the floor to my colleague from Florida.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, is there a set time for the recess?

The PRESIDING OFFICER. There is a set time for the recess, 12:30 p.m.

Mr. GRAHAM. Mr. President, I ask unanimous consent that I be allowed to speak until 12:35.

The PRESIDING OFFICER. Without objection, it is so ordered.

(By unanimous consent, the remarks of Mr. GRAHAM are printed earlier in today's RECORD.)

MEASURE READ FOR THE FIRST TIME—S. 2529

Mr. GRAHAM. Mr. President, I understand that S. 2529 is at the desk, and I ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The bill clerk read as follows:

A bill (S. 2529) entitled the Patients' Bill of Rights Act of 1998.

Mr. GRAHAM. Mr. President, I now ask for its second reading, and I object on behalf of the Republican leader.

The PRESIDING OFFICER. The objection is heard.

The bill will be read the second time on the next legislative day.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:39 p.m., recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. SANTORUM].

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 3:15 p.m., with time to be equally divided between the Senator from Minnesota, Mr. WELLSTONE, and the Senator from Vermont, Mr. JEFFORDS, or their designees.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

HIGHER EDUCATION AMENDMENTS OF 1998

Mr. FORD. Mr. President, what is the legislative schedule now?

The PRESIDING OFFICER. There is an hour of morning business under the previous order equally divided between the Senator from Minnesota, Mr. WELLSTONE, and the Senator from Vermont, Mr. JEFFORDS.

Mr. FORD. I thank the Chair.

Will the Senator from Minnesota give me 10 minutes?

Mr. WELLSTONE. I will be pleased to yield the Senator from Kentucky 10 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 10 minutes.

Mr. FORD. Up to 10 minutes.

The PRESIDING OFFICER. Up to 10 minutes.

Mr. FORD. I may give back some.

I rise to speak about the conference report to H.R. 6, the Higher Education Amendments of 1998. I take this opportunity to commend my colleagues on the conference committee for the truly outstanding work they have done on behalf of our Nation's students and the higher education community. This legislation includes an important expansion of the Pell and work study programs, provides the lowest interest rates in 17 years for student borrowers, provides for loan forgiveness for teachers working in high poverty areas, and makes a continued commitment to improving our teacher preparation programs.

I know that the passage of this bill will have a significant impact on students and colleges in my State. While I am pleased with many provisions in this bill, I am extremely disappointed that the conference committee did not include the text of the Wellstone amendment. This amendment allowed up to 24 months of postsecondary or vocational education, removed the 30-percent limitation on education as a work activity for teen parents, and clarified that participation in a Federal work study program is a permissible work activity.

Instead, the conference report calls for a GAO study on this issue. I am personally aware of at least a half dozen studies—a half dozen studies—which already indicate that this is a problem for many low-income, single mothers. Why do you have to have a study to tell you that the more education you have the better job you can receive and the better the employer likes you? Instead of doing the right thing for these single mothers, trying to better themselves, our colleagues want to study the issue to death. What they ought to do is try living in the single mother's shoes for a day and see what it is to try to raise a family and attend school full time, while holding down a part-time job.

As many of my colleagues know, I supported and voted for welfare reform. It has been almost 2 years since Congress rewrote our Federal welfare laws in the hopes of breaking the cycle of dependency that was trapping too many Americans in poverty and despair. Much good has come of that law, including substantial drops in the welfare rolls and saving States like Kentucky $14 million. But despite its good intentions, the new welfare law is penalizing parents, particularly single mothers trying to improve their chances at getting good jobs.

Under the new law, a parent must work 20 hours to continue receiving aid. That might not seem particularly onerous, but the law also limits these single parents to just 1 year of education before requiring them to find work. As a result, too many promising, capable, nontraditional students are being forced out of postsecondary education due to the Federal restrictions.

My State is not a wealthy State. There are many single mothers trapped in the cycle of poverty. Recently, the University of Kentucky released a study which demonstrated that higher education greatly increases a person's ability to earn a living. The study found that a parent living in rural Kentucky needs to earn at least $10.61 an hour working full time, or $19,708 a year, to support two children on a basic budget. The study found that only women with a college degree—and let me repeat, only women with a college degree—earn above that threshold in Kentucky. This same study found that single mothers with a high school degree never, never reach that threshold. In fact, the average income for Kentucky women of any age with a high school degree is only 67 percent of that benchmark.

My State wants to go forward and help these women help themselves. A bipartisan bill in the 1998 Kentucky general assembly to improve access to education for welfare recipients was ultimately scrapped. Why was it scrapped? Due to the fear of Federal penalties. The State wanted to extend the opportunity, particularly to single mothers, and they were fearful because of Federal penalties.

I know the Wellstone amendment was perceived by some of my colleagues as an effort to undermine the welfare law and had little business being attached to a Higher Education Act. I am sorry that these colleagues decided to frame this issue in such a way. This was an amendment about education. This was an amendment about education. Education is the key to helping parents escape the low-paying jobs that only perpetuate the welfare wheel. If these single mothers have just a little more time to get an education, they will be able to compete for higher paying jobs which will help them keep their families from sinking.

Although I will not be here next year, I am heartened by the fact that there will be joint hearings on this issue and that my colleague from Minnesota, Senator PAUL WELLSTONE, will continue to advocate for this change.

I urge my colleagues to learn more about this pressing problem, pay full attention to these hearings, and talk to people in your State. I believe that my colleagues will find that this is a commonsense fix that will improve the welfare law. As someone who voted for this bill, I reiterate the Wellstone amendment was not about trying to undo welfare reform, but an attempt to help single mothers caught in a Catch-22. The Wellstone amendment is about helping families help themselves. I hope my colleagues will look beyond party lines next year and do the right thing.

I thank my friend from Minnesota and I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I know the time in the Senate for my colleague, Senator FORD, is limited. But I want to say to him, when we received 56 votes for this amendment on the floor of the Senate, in the aftermath of that a lot of people were just thrilled around the country, especially a lot of these mothers and a lot of the higher education community and a lot of States like Kentucky, and others that wanted to allow mothers to complete 2 years of education. I am not naive about this. I don't think we would have ever gotten the 56 votes if not for the voice of Senator FORD.

I wish he would not be leaving here. I don't think there is anybody more respected. I know we all come out here on the floor and we say these things about one another. But, you know what, I am sure most of the time it is sincere, but in the case of Senator FORD, when I hear him speak I just wish he wasn't leaving.

I think what happened with him and certainly what happened with me is I would travel in Minnesota and I would go to community colleges and maybe speak at a gathering. Maybe there would be a couple of hundred students, the majority of them were women, most of them were older, most of them were going back to school, and a good number of them were single parents. Their plea was: Please, Senator WELLSTONE, the only thing we are asking is try and let us finish our 2 years here.

Mr. FORD. May I say to my good friend, I found the same thing, too. We have several community colleges around the State. I have not talked to an employer yet who said he would not prefer to have an employee that was better educated. I have never talked to those from academia who would not tell me that at least, the minimum, 2 years of education would give, particularly a single-parent mother, the opportunity to secure the $10.91 per hour that was necessary to keep that family out of poverty. That is just a little over $19,000 a year to take care of three people. That does not sound like much. But you give them an opportunity to earn and compete. That is what this bill is all about, I thought, under welfare.

So, somehow, some way, our colleagues are going to have to understand the employer wants a better educated employee; the single-parent mother particularly wants to be able to get out of poverty and get away from that cycle. Whatever you can do next year—you don't have to have a study to understand that.

Mr. WELLSTONE. No.

Mr. FORD. I don't understand. They just tried to throw a wet blanket on it to say it was undoing welfare reform because, after we have had it in place for 2 years we found there was a kink in it? I didn't know that we were perfect.

Mr. WELLSTONE. Mr. President, the other thing that was interesting, this amendment just allows States to do this if they want to. No State was required to. Any State that thought it would be better for many of these women and children and their families, to allow these women to finish 2 years of education so they get a better job and their children would be better off, would be allowed to do so.

I will just say to my colleague from Kentucky, I was there in the conference committee. I think it was punitive for this amendment to be eliminated. I never heard anybody make a credible argument against it, I really didn't. There was not any credible argument made against it. I said here this morning, and I will say it one more time, I think this small story tells the larger story, the same Republican majority in the House, as we look to the elections in the fall, the same Republican majority in the same week in June—one more time, this bears repeating—voted to give a tax break to people with estates worth more than $17 million and at the same time voted to eliminate the Low-Income Home Energy Assistance Program and eliminate summer jobs for kids.

This is a kind of meanness that I think is just simply not the best for America. I want to say to all of my colleagues, I am going to really miss having Senator FORD with me. The first bill that comes out here, the first vehicle—if it is tomorrow, it is tomorrow; if it is next week, it is next week; if it is after, in January or February—I am going to be coming right back with this amendment again, right back with this amendment again. Because all across our country there are a lot of these women who have just essentially been driven out of school.

I cannot believe that is what we are doing. There is not one person I know, just on the basis of common wisdom about this, who doesn't know that a mother and her children are going to be better off if those mothers are allowed to complete 2 years of higher education. So we will be back. We will be back and we will pass this amendment.

Mr. President, I, again, will just finish speaking about this amendment if I refer to Latashie Brown, who is a single mother in her thirties from Minnesota. She decided to return to college to enhance her nursing skills and improve her earning power.

You have a single mother, she wants to go back to school, it is 2 years to get that associate's degree to go into nursing, to be a nursing assistant. And too many women like Miss Brown are just essentially being told you have to leave school because the States get penalized for not meeting the work requirements. We will be back.

CRISIS IN AGRICULTURE

Mr. WELLSTONE. Mr. President, I also want to bring up one other matter on the floor today because we are in another fight. You know, it seems like, with about 2 weeks to go, there is a whole lot that is actually going on here in the Congress. I think the tragedy of it is people may not be aware of all of it. But I will tell you, one issue that people in Minnesota, especially the farmers and people in greater Minnesota, are well aware of—we have a crisis in agriculture. We have a lot of people who are faced with record-low prices. There is no way farmers can cash-flow on the basis of $1.40 a bushel of corn.

Those farmers are being driven off the land. As those farmers get driven off the land, that is the death knell for many of our rural communities because it is those family farmers who live in those communities and buy in those communities that support our schools and support our small businesses and support our churches and support our synagogues—you name it. That is what is happening.

We put together a $7 billion package. Senator BAUCUS from Montana was part of that effort. I was hopeful because, whereas before our August recess I heard Senators come to the floor and say "stay the course." The Freedom to Farm bill—which I call the Freedom to Fail bill—it is the market. Stay the course. Stay the course.

I was thinking to myself, it is easy for people here to say "stay the course" while farmers in Minnesota are just being driven off their land.

That changed. Now, finally I think, at least I hope that everybody recognizes there is a crisis out there. I also believe that many people realize this Freedom to Fail bill is not working. We just eliminated the leverage for farmers to get a fair price in the marketplace. We capped the loan rate at $1.89 for a bushel of corn.

What in the world are we doing supporting a piece of legislation that keeps prices down when prices have plummeted to the point where you could be the best farmer in the world and you cannot make it?

So we put together a $7 billion package that has indemnity payments for farmers that have experienced crop failure and have had to deal with scab disease, had to deal with terrible weather like wet weather in Northwest Minnesota, and we did a couple of other things, the most important of which was to take the cap off the loan rate so that we could get the prices up and have some kind of safety net for farmers who otherwise are going to go under.

Mr. President, we had a farm rally in Worthington, MN, just Saturday a week ago—not this past Saturday. There were petitions—I won't include them in the RECORD because there are too many—there were petitions that were passed out that talked about the importance of a fair price for family farmers.

I thank all of the farmers and small business people and lenders who came to this rally—almost 1,000 people were there—in Worthington. These petitions are going out all across our State. Ted Winter, who is house majority leader, a farmer himself, has been one of the people who has taken the lead.

This is a plea from Main Street businesses in rural America, a plea from family farmers, a plea from rural citizens. They are saying to people in the U.S. Senate, "We are not asking for a handout, we are asking for a fair shake. We are asking you to take some action that corrects a major deficiency in a piece of legislation you passed"—the freedom to fail bill—"which is great for the grain companies but puts us family farmers under."

What we got yesterday by the same Republican majority that I was talking about earlier—you talk about partisanship. I don't know if it is partisanship on the floor of the Senate right now or just an honest-to-goodness debate. I argue that any majority that gives away a break to people who have over $17 million estates and cuts low-income energy assistance—those are priorities that are distorted priorities. I don't think that is the goodness of our country.

I argue that any majority that eliminates an educational opportunity for a single parent and her children—that is punitive.

And I argue that this package that was put together yesterday in the ag appropriations conference committee shut out—I say to my colleague from Montana—shut out the Democratic proposal. It is way too little, way too late, doesn't get the price up, deficient in all sorts of ways, and will not do the job. It is like my Republican colleagues in the House and the Senate labored mightily and produced a mouse. It is an insult.

We will on Thursday—Yom Kippur is tomorrow; it is a religious holiday for some of us—Thursday we will have a motion to recommit this to the conference committee. We will keep coming back and fighting it.

I say to family farmers in Minnesota, "Look, $4 billion doesn't get the price up, it isn't targeted, it helps landowners, not necessarily producers, doesn't help soybean growers, doesn't deal with the real issue."

People are not looking for handouts. They are not looking for more payments. They want to get the price up. I say to farmers in Minnesota, "Look, I have given this everything I have—everything I have," or "everything I had," if it is in the past tense. I will tell you that whatever is out there is just not going to do the job. I refuse to be a part of a phony argument where we pretend like we have come up with some agricultural crisis relief bill that does not provide the necessary relief for people so they can stay on their land and farm their land. This is not going to do the job.

You can say, "Well, but this goes part of the way." I suppose a quarter of a loaf of bread is better than none, but I am not going to be party to the argument that this is going to help the farmers or is anywhere near commensurate to the task before us.

The President has said that he is going to veto this. The administration is hanging in there tough. Let me tell you, Mr. President, I don't always agree with you on policies. I am a Democrat and quite often in disagreement with some of what the administration does. But I give credit where credit is due.

I am glad the President is hanging tough on this. I am glad that the President and the Vice President and Secretary Glickman—especially Secretary Glickman—are there for family farmers. I hope he vetoes this, and then I hope we sit down at the bargaining table and come back with a farm relief package that really provides relief.

I am tired of symbolic politics. We get ourselves in big trouble when we pretend like we put something together that is going to do the job. The Democrats' proposal, I say to my colleague from Montana, was barely a start. It was the best we felt we could do. It did not get the prices up there. It did not get the relief there. It was not all that we needed to do, but it was a credible start.

What has come out of this agricultural appropriations conference committee by the Republican majority—let me go on record and say this—is not a great step forward, it is a great leap sideways. It is not a step forward for family farmers, it is a great leap sideways. The family farmers in Minnesota and the people in greater Minnesota deserve better. They deserve better, and I am going to keep on fighting and raising heck on the floor of the Senate and in every other way I can until they get better. I believe I will be joined by many of my other colleagues as well.

Mr. President, I ask unanimous consent that a very eloquent piece by Steve Calvin, "We need to reconnect with the food supply," which was published in the Minnesota Star Tribune today, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Minnesota Star Tribune, Sept. 29, 1998]

WE NEED TO RECONNECT WITH FOOD SUPPLY

(By Steve Calvin)

The recent Great Upper Midwest Farm Price Crisis Rally was held at the Nobles County fairground in my hometown of Worthington, Minn. It was attended by sympathetic Democratic politicians and a small but enthusiastic crowd of 750 farmers. The invited Republican office holders had other priorities.

At a time when the "crisis" label is too widely used, there is agreement that the current farm situation is a disaster to rival the one that occurred in the 1980s. It is particularly ironic that this comes during a year when crop yields are bountiful. Yet this abundant harvest will likely be followed by foreclosures and personal tragedies.

There are many reasons for the current desperate situation. As usual, political hay is being made. Democrats blame the 1996 farm bill that gradually removed farm subsidies. Republicans say that the rationale for ending government involvement in agriculture is sound and that unforeseen global financial disruption dried up export markets. Truth is always more complicated than sound bites.

Though I was born in southwestern Minnesota, I grew up elsewhere and now live in the Twin Cities. I kept in touch with my roots through my grandfathers, who farmed for a combined 100 years. Five years ago I resisted the cabin-up-north urge and bought a farm down south. Though a small operation, it is currently home to a productively grazing flock of sheep and herd of cattle. However, my best credential for a comment on the farm crisis is that I am concerned about the source and security of our food supply.

Although fewer than 2 percent of Americans are engaged in agriculture, the family farm is still enshrined in our national psyche. Very few have a physical place where we can reconnect with our rural roots. The popularity of the animal barns at the State Fair is no surprise. Even though most of us could never tolerate the privations and efforts required of farming a generation ago we have a deep longing for what it represents. But farming has changed.

Developments in technology have reshaped agriculture. As always, change is doubled edged. A family farm may now encompass more than 1,000 acres. In 1950 this would have required three or four farm families. The consolidation has come at a price. Sometimes the advice to get big or get out trapped farmers in massive and ruinous debt. Thus the call for federal assistance.

The proper role of government in agriculture has always been hotly debated. My maternal grandfather and my great uncle were best of friends except when it came to that question. Grandpa saw the New Deal as the root of corruption of independent farming. Uncle Paul thought that government should guarantee the price of production. In their retirement the debate was suspended for reasons of health and family peace.

Whatever else they are, government programs are complicated. As the owners of 43 acres that were already enrolled in support programs, my wife and I receive the modest diminishing yearly payments of the 1996 Freedom to Farm Act. We have used the money for conservation projects. We also receive the voluminous regulations of the program. The dozen-plus years of postgraduate education that my wife and I share give us no help in understanding them.

Is the future agricultural landscape destined to be one of industrial mega-farms, dotted with a few decorative hobby farms? I hope not. If we are to have an agriculture that is safe, local, environmentally sound and affordable, government must serve as the impartial referee. The difficult debate will be in defining fair rules. The current situation favors the interests of agribusiness. Because of the influence that money has on the political system, change will be difficult.

On the other hand, farmers will not be guaranteed an income by federal programs. Those who plan to be farming very far into the next century will have to do so in innovative ways. Agricultural writers such as Wendell Berry, Wes Jackson and Gene Logsdon outline a future that includes a mosaic of profitable family farms across America. These farms will require a return to diverse enterprises and sustainable practices.

Nonfarming Americans have a stake in this too. That we pay such a small percentage of our incomes for food has lulled us into a false sense of security. We must reconnect with our food supply. This can be done by frequenting local farmers' markets and by joining the burgeoning community-supported agricultural movement, where product and meat can be obtained directly from farmers. We must know more about our food source than the location of the nearest food warehouse. Ignoring the current farm crisis may bring us closer to a much more dangerous food crisis.

Mr. WELLSTONE. Mr. President, I will conclude my statement by quoting the third to the last paragraph from the commentary of Dr. Calvin, who is a physician and a farmer:

> Is the future agricultural landscape destined to be one of industrial mega-farms, dotted with a few decorative hobby farms? I hope not. If we are to have an agriculture that is safe, local, environmentally sound and affordable, government must serve as the impartial referee. The difficult debate will be in defining fair rules. The current situation favors the interests of agribusiness. Because of the influence that money has on the political system, change will be difficult.

That is true, change will be difficult, but not for a moment, those of us who come from States like Minnesota, do we intend to give up on this fight. The family farm structure of agriculture and food policy is our most precious priority. We have just begun to fight on this.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota controls the time.

Mr. WELLSTONE. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. WELLSTONE. Mr. President, I yield the 7 minutes I have, and perhaps if the Senator needs more, the Senator from Vermont, Senator JEFFORDS, will yield some of his, but I yield to my colleague.

The PRESIDING OFFICER. The Senator from Montana is recognized for 7 minutes.

Mr. BAUCUS. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. We are under an order up to 3:15 p.m., with 1 hour equally divided between the Senator from Minnesota and the Senator from Vermont. The Senator from Minnesota has 6 minutes 30 seconds left.

Mr. BAUCUS. What is the Senate business at the conclusion of that time?

The PRESIDING OFFICER. The Senator from Vermont has 30 minutes.

Mr. BAUCUS. I apologize, I did not hear the Chair.

The PRESIDING OFFICER. The Senator from Vermont has 30 minutes.

Mr. BAUCUS. The Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont has 30 minutes left.

Mr. BAUCUS. Thank you.

Mr. President, first I will chime in and praise the Senator from Minnesota. He is a fighter. As all the residents of Minnesota know and people across the country know, if there is anybody who is fighting for people's interests and to help people in America—it is the Senator from Minnesota.

He is particularly right, in this Senator's view, when it comes to the action taken last night by the agriculture appropriations committee and their failure to report out legislation that in some modicum way, in a bipartisan way, helps give some encouragement to American farmers. As the Senator knows even better than I, costs facing our farmers and ranchers have just continually risen over the years. Pickup trucks, combines, farm equipment is out of sight and so expensive.

At the same time, the price that farmers get for their products, commodities has just plummeted. In fact, at least in my State of Montana—I am sure it is the same for the Senator's State in Minnesota—we face wheat prices of $2, $2 a bushel, with freight rates sometimes $1 a bushel, which has to come off of the $2, so that means the farmer is only receiving about $1 a bushel for wheat, which is nowhere close to breaking even. You need about $5, $6—at least these days—just to break even in farm country.

I just want to again thank the Senator. He is a real champion when it comes to helping people. And I just want to let people know, who might be listening, just what a fine Senator he is and how he works so hard for people and people's interests.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I just say to Senator BAUCUS, thank you very much.

Mr. BAUCUS. Mr. President, I rise on another issue. And depending upon whether the Senator from Vermont comes back, we will just kind of play this by ear on timing.

THE INTERIOR APPROPRIATIONS BILL

Mr. BAUCUS. Mr. President, at some point soon the Senate must either return to the consideration of the Interior appropriations bill or else consider an omnibus bill that includes provisions relating to the appropriations for the Interior Department or, dare I say, at a time when perhaps the Interior appropriations bill would come to the Senate, not directly to the floor, but via a conference report, where the conference report is not debatable. But when any of those events occur, we are going to face the issue of antienvironmental riders which are currently in the Senate Interior appropriations bill. In anticipation of that debate, I will take some time this afternoon to explain why I and several of my colleagues intend to offer an amendment that would delete many of those riders.

Three years ago, there was an attempt to fill appropriations bills with various riders—you know, those attachments that go on to appropriations bills that have virtually nothing to do with the bill—riders that made very controversial changes to our Nation's environmental laws: riders that would weaken, for example, the Clean Water Act, weaken the Clean Air Act, slow down the cleanup of hazardous waste sites, and prevent the protection of any more endangered species.

We all remember what happened. The President vetoed the bills, demanding that the riders be deleted. Congress refused. There was a standoff. The Government was shut down. A fierce public backlash occurred, not only against the Government shutdown, but also against the effort to lace appropriations bills with antienvironmental riders.

After that, we seemed to have learned our lesson. Chairman STEVENS urged us to "get on with our work" and get the appropriations bills passed. We pretty much did, keeping controversial riders out of most of the appropriations bills.

A few weeks ago that changed. When we took up the Interior Department appropriations bill it became, as Yogi Berra said, "deja vu all over again." The anti-environmental riders are back. The Interior appropriations bill that the Senate was considering just a short while ago is replete with controversial provisions that would weaken the protection of our environment and environmental laws, our water, our forests and parks, and our wildlife.

The administration objects to about two dozen of the riders in this bill. It says it is an attempt to roll back environmental protection. The amendment that I and several other Senators plan to offer is much more focused. It strikes only eight of the most egregious antienvironment riders. Let me describe them. I will be brief because I and perhaps some other Senators will discuss each of these at a future date in more detail.

The first rider locks in new and existing rulings for commercial fishing at Glacier Bay National Park, AK. It jeopardizes the protection of one of the crown jewels of our national park system.

The second rider grants a right-of-way to build a road through the Izembek National Wildlife Refuge and Wilderness, also in Alaska. For the first time ever, Congress would allow a road to be built through a wilderness area.

The third rider prevents the Forest Service from decommissioning any of its authorized roads until it has dealt with every mile of unauthorized roads, the so-called ghost roads. This, in effect, would make it impossible for the Forest Service to manage the National Forest/Road System to protect public safety and the environment.

The fourth and fifth riders prevent the Forest Service from revising any more forest lands until the Forest Service publishes comprehensive new planning rules. What is the effect of this? It would lock in old, outdated plans that no longer reflect how our citizens want their forests to be managed.

The sixth rider requires the Forest Service to sell 90 percent of the allowable sale quantity of harvestable timber from one national forest, and one only. That is the Tongass, in Alaska. This would create a unique entitlement to take public timber from that one forest.

The seventh rider prohibits the reintroduction of grizzly bears in Montana and Idaho, disrupting a locally oriented public process designed to answer the very question of whether and how reintroduction should occur.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAUCUS. I ask unanimous consent to use the time that has been allotted to the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. I thank the Chair.

The eighth rider prohibits changes to the management and operation of any dam in the Columbia River Basin without congressional approval. That would override environmental laws, make it impossible to protect the salmon and other endangered species, and establish congressional micromanagement of one of the largest river systems in the world.

I have been in the Senate for about 20 years. I like to think that I understand the appropriations process pretty well. And in some cases it is perfectly acceptable to make policy changes in an appropriations bill, for example, where there is a broad consensus or an emergency. I have supported provisions like that, and every Senator here has probably done the same. But that is not what we are talking about here.

We are talking about a slew of riders that go way too far, making dramatic and controversial changes in our environmental laws. In some cases, the riders micromanage the agencies. In other cases, they substitute a one-size-fits-all Washington, DC, decision for a decision that balances national concerns with the concerns of local residents. In still other cases they improperly favor special interests at the expense of the national interests.

Some Senators will no doubt disagree with my characterization of these riders. They will argue, well, this or that rider is good public policy, justified on the merits. As with most issues that we debate around here, there will be serious arguments on both sides. But that is part of the problem. There are serious arguments on both sides.

Each of the riders involve important and complex natural resource issues. These issues require close attention and careful consideration as part of the regular legislative process. But instead, they have been tucked away in a 200-page appropriations bill, or what probably will be a much, much longer omnibus bill, that we are rushing to enact before the end of the fiscal year—only days away. And if rumors of an unamendable omnibus appropriations bill conference report are true, the Senate may never get to the debate or vote on any of these riders.

It is, to my mind, not the way to do business. We all know what is going on. These riders cannot stand up on their own merits. They cannot stand up on their own merits in the full light of day. The public does not support them. And the President does not support them. So the advocates resort to an appropriations rider.

This is not what people expect of us. Time and time again, folks back home tell us how upset they are with these kinds of riders. I hear it all the time. I am sure other Senators do, too. You know what? People are right. They certainly are in this case.

There is another problem with these particular riders, and that is that they are a poison pill. They will kill the Interior appropriations bill. Let us not forget the Interior appropriations bill is an important bill for all States, but particularly for Western States like Montana. It provides funds for our national parks, our forests, wilderness areas, and other public lands.

Senator STEVENS, Senator BYRD and Senator GORTON have done a great job with all the other parts of the bill. I do not want to overlook that, not for a moment. They have worked very, very hard. And I commend them for it. Frankly, I do not understand how they do it, how they find the time or the patience of balancing all the competing interests—funding our natural resource agencies, funding tribal programs that are so critical to Native Americans, resolving the controversy over the National Endowment for the Arts.

They have done too much good work for us to allow these riders to sully and probably sink the bill. But that is what is going to happen.

Let me talk a little bit about the official version of what the administration says, the bureaucratic version. The administration's statement on the bill says that because of inadequate appropriations levels and because of various riders, "The President's senior advisers recommended that he veto the bill as represented to him in its current form."

Now I will relate the practical version. We all know what this means: Unless this bill is cleaned up, it will be vetoed. And we will be back where we were 3 years ago, facing a veto, gridlock, political shutdown; furthermore, if these riders find their way into an omnibus appropriations bill they will only compound the mayhem, which will be an affront to open, responsible, representative government.

I have great respect for my colleagues from Alaska and the State of Washington, the chairman of the committee and the subcommittee. They are good friends. They are good Senators. They are very good advocates. On the issues critical to the West, I am honored to work with them very closely.

With due respect, however, I believe these riders go too far. They weaken environmental laws. They undermine sound stewardship of our natural resources. For that reason, these riders don't belong in the Interior appropriations bill. They don't belong in the omnibus bill, either. They should be deleted.

When the time comes, I will offer an amendment to do just that.

Mr. President, one of the riders that my amendment would delete is section 120 of the Interior Appropriations bill, which prevents the Park Service from limiting commercial fishing in Glacier Bay National Park in Alaska.

I have a map of Glacier Bay National Park. Where is Glacier Bay? It is northwest of the Tongass Forest, in the southeastern part of Alaska. Glacier Bay National Monument was established in 1925 by a Presidential proclamation, expanded in 1939, and in 1980 it was redesignated as a National Park and Preserve by the Alaska National Interest Lands Conservation Act.

Now, I haven't been there, but I understand it is one of the crown jewels of our National Park System. The area is basically all that is included within this pink line. This is all Glacier National Park and Preserve—one of the largest national parks, encompassing 3.3 million acres, including Glacier Bay here and the surrounding waters.

Thousands of visitors come to the park each year for its tidewater glaciers, its abundant marine life, its scenery and outstanding wilderness qualities. A lot of tour boats come up here to visit the Johns Hopkins inlet here. It is hard to see this small photo in the upper right corner, so here is a larger copy of it. This is a photograph of Glacier Bay National Park and Preserve. This is a tour boat down here, and this is to give you an example of the spectacular scenery that occurs up in Glacier Bay.

It also provides tremendous opportunities for scientists to study the marine environment, including the humpback whales. These creatures—here is a photo of one in Glacier Bay—feed in the bay during the summer months.

Commercial fishing has been illegal in the park since 1966. For many years that prohibition was not enforced, largely out of concern for the commercial fishermen. As a result, commercial fishing still occurs in and around Glacier Bay.

Let me add that this issue is not about subsistence fishing in the Park. Fishing for personal use, whether by Natives or other local residents, is allowed in the park; the proposed rule by the Park Service would not change that. The real issue here is commercial fishing.

Since 1966, there have been growing concerns about the effects commercial fishing was having on the Park, its unique natural resources, and on the hundreds of thousands of visitors to the Park each year. For example, in the late 1970s, the Park Service noticed a sharp decrease in the number of humpback whales that used the Park during the summer months. To help protect them, the Park Service prohibited commercial fishing in the bay for shrimp and other species on which whales feed. We will get the map of Glacier Bay up here again. It prohibited commercial fishing here within Glacier Bay.

The Park also provides a unique refuge for hundreds of thousands of people who visit Glacier Bay each year. In the last 10 years, the number of visitors to the Park has doubled. Many of those visitors come to experience solitude and quiet and escape from modern civilization. Commercial fishing is inconsistent with that wilderness experience.

In 1997, the Park Service tried to balance all the competing interests in the Park and proposed regulations that would allow commercial fishing in some areas, phase it out in other areas, and prohibit it altogether in a few other areas.

More than a thousand written comments have already been received. I will tell you where it is allowed and where it is prohibited. Basically, commercial fishing will be phased out in the bay. It will be prohibited in several small inlets, and there are about five of them. It will be allowed just outside of the bay here, still within the line; that is, coastal fishing would still be allowed.

At this point, I might say, Mr. President, that 70 percent of all the commercial fish are caught outside the bay, not inside the bay. So what I am really saying is, even though in 1966 commercial fishing was prohibited—and it has not been enforced since 1966—the new rule proposed by the Park Service would phase out commercial fishing over 15 years within the bay only, and it would allow fishing outside the bay, in the coastal area right along the land here. And a full 70 percent of the fishing is outside the bay.

In the meantime, more than a thousand written comments have been received since the publication of the proposed rule. The comment period doesn't close until November. Final rules are due out next year.

That is where the rider comes in. Section 120 of the appropriations bill prevents the National Park Service from finalizing the proposed rule. Worse, it even prevents the Service from enforcing existing prohibitions against commercial fishing in the Park, such as the prohibition adopted in 1985 to protect endangered humpback whales, as long as the fishing complies with State laws and regulations.

I understand the concern that the Alaska Senators and others have that the fishermen and their families will be affected by these limitations on commercial fishing. But I believe the rider takes the wrong approach, for four reasons:

First, Glacier Bay National Park is a very special place, like Yellowstone National Park and Glacier National Park in Montana. In fact, Glacier Bay National Park is our country's largest marine protected area, with over 600,000 acres of marine waters. That is nearly the size of Rhode Island. So we have to make an extra effort to protect the Park, its whales, seals, and sea lions, and the wilderness experience many visitors are seeking.

Second, there are serious concerns about the effects of commercial fishing. For example, commercial shrimp harvesting can reduce the food supply for humpback whales. The Park is also an important laboratory for studying how natural marine ecosystems can function. But it is very difficult to study a natural system if it is being fished commercially—in this case, to the tune of 4 million pounds of fish each year. If the Park Service cannot finalize the new rules or even enforce the existing prohibition, then this rider will put at risk the Park's marine resources.

Mr. President, I have a chart here that is a little wordy, and I apologize for that. It says, "The Effects of Proposed Moratorium." First, the effect on natural resources. It will prevent the Park from achieving its purpose as a marine-protected area; it won't be protected anymore. It would also allow trawling and other commercial fisheries that have been prohibited since 1985. It would allow commercial fishing in a congressionally designated wilderness area. Second, it will also adversely affect scientific research because the park is a laboratory for scientific study. Finally, the rider prevents the Park Service from completing a fair and open planning and rulemaking process. It just says: This is it, folks. No rule. This is it. The rider will stop the Park Service from implementing a proposed rule to balance local, regional and national interests.

The third reason I am opposed to this rule is that I think we need a balanced approach. We will have to see what is in the final regulation. We don't know what is going to be in it. But the proposed rule tries to balance the need to protect the Park's resources with the need to treat commercial fishermen fairly. Again, commercial fishing would be allowed outside the bay where 70 percent of the fish are caught.

The proposed rule is balanced, I think, because it divides the area into three parts. It allows commercial fishing to continue in marine waters outside the bay itself. As I have already mentioned, that is out here. It does, though, phase out commercial fishing inside the bay over 15 years. And it closes five wilderness areas—including Beardslee Islands, Adams Inlet, Rendu Inlet, Hugh Miller Inlet Complex, and part of Dundas Bay—to commercial fishing in order to comply with the

Wilderness Act because these areas, I believe, are within the wilderness system.

On the other hand, I must point out the rider will allow commercial fishing anywhere in the Park, as long as it complies with State law. In effect, the rider would turn over management of the Park's fish resources to the State.

Finally, the best way to get to a balanced solution, I think, is with lots of public input and review. The proposed rules have been developed through a fair, lengthy and open process, and with ample opportunity for public input. I will put up a chart that shows that.

Since April 1997, this chart shows all of the procedures that have been followed to allow people to comment on the proposed rule. The public comment period has been extended several times, I might add. Over 1,200 written comments have been received to date, and there are still 2 months to go. Furthermore, there have been numerous workshops, open houses and hearings on the proposal.

Again, were it not for the rider, the final rule would probably be in effect sometime in 1999. There have been many, many opportunities for people to comment.

Putting all of this together, I believe the best approach is to delete the rider. That way the process of developing a balanced solution can continue and we can protect Glacier Bay National Park for future generations.

Mr. President, I would now like to turn to another section of the Interior Appropriations bill. This is section 126, which authorizes a right-of-way for construction of a road through the Izembek National Wildlife Refuge and Wilderness. Let me explain why I believe this rider should be deleted.

The Izembek National Wildlife Refuge is on the Alaska peninsula, approximately 625 miles southwest of Anchorage. It is a major stopover on the Pacific flyway. The Refuge was established in 1960 and is an internationally recognized refuge that provides vital habitat to hundreds of thousands of waterfowl, shore birds, and other migratory birds. It also serves as a key denning area for the Alaska brown bear, and a primary migration route for the southern Alaska Peninsula Caribou herd. In 1980, Congress designated most of the refuge as wilderness.

This is a map of Alaska that gives you a sense of where the Izembek Refuge is located. We are talking about the Alaskan peninsula, and it would be basically right in here. This is a blown-up area of this part of the Alaskan peninsula. There are two communities in the vicinity of Izembek: Cold Bay up here and King Cove in the lower right of this map.

King Cove has a population of about 800 people, and Cold Bay, a population of about 100. They are separated by approximately 20 miles of marine water. They are linked by commuter air service and by boats. However, in bad weather, emergency transportation by air from King Cove to Cold Bay is limited.

The State of Alaska is currently evaluating various alternatives to improve transportation between these two communities, especially transportation for emergency medical treatment. That is going on right now.

The PRESIDING OFFICER. All the time under morning business that has previously been allotted has now expired.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield to my good friend from Missouri without losing my right to the floor.

Mr. BOND. Mr. President, I wanted to ask, I need about 5 minutes to introduce a bill. I wanted to find out if my good friend from Montana is going to wrap up; I didn't want to interfere. But if it would be agreeable with him, and with the manager of the energy and water bill, to briefly introduce a measure, I would ask my colleagues, if that would accommodate them, if I could do that.

Mr. BAUCUS. I might say to my good friend I am about ready to wrap up this section. It will take maybe about 4 or 5 minutes.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

I would point out that regular order is S. 442, and the motion to proceed that has been agreed to. Anybody seeking recognition will have to receive consent.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I will yield, without losing my right to the floor, to my good friend from New Mexico.

Mr. DOMENICI. No, I don't need the Senator to yield to me. I wonder, when you are finished——

Mr. BAUCUS. I have 5 minutes.

Mr. DOMENICI. Do you want to ask for 5 minutes?

Mr. BAUCUS. I ask unanimous consent for 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. The Senator might want to ask for 5 minutes.

Mr. BOND. I ask for 5 minutes following the Senator from Montana.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. When that is finished, I ask that I be recognized for 1 minute on a matter as if in morning business, and then to make a unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana is recognized for up to 5 minutes.

Mr. BAUCUS. I thank the Chair.

Mr. President, as I mentioned, the State of Alaska is currently evaluating various alternatives to improve transportation between these two communities. One of the alternatives being studied is construction of a 30-mile road that would cut through 8 miles of the Izembek Wilderness and 3 miles of nonwilderness refuge lands.

You can tell from the map here, this is where the road would be. And this is the area of wilderness that would be affected. From King Cove, around the bay, up to Cold Bay. That is one alternative to be considered. Again, it would cut through 8 miles of wilderness and 3 miles of nonwilderness refuge lands.

Section 126 of the bill establishes a 60-foot-wide swath through the refuge for this road. In exchange, the bill adds 664 acres of adjacent lands to the refuge.

The avowed primary purpose of this rider is to improve public access to emergency medical services for the residents of King Cove. It is a serious problem, one that affects people's lives and health. I do not deny that. But this is also about increasing convenience for local residents and enhancing regional economic development.

My State also has vast distances and remote communities, although not as large a scale as in Alaska. So I am very sensitive to the concerns of the people of Alaska and certainly of the views of the Senators from Alaska.

However, I believe that the Izembek rider is the wrong solution to the problem that occurs between King Cove and Cold Bay. First of all, the rider establishes a very troubling precedent. Congress has never authorized the construction of a road through a wilderness area, certainly not as a rider to an appropriations bill. If we do so in this case, it will be more difficult to hold the line in the future.

Second, this road would have serious environmental consequences. The importance of the Izembek National Wildlife Refuge is internationally recognized. It provides vital habitat to hundreds of thousands of waterfowl, to brown bears, and to caribou. Its location on the Alaska peninsula makes the Refuge a critical resting and feeding ground for migratory waterfowl that pass through Izembek each spring and fall.

This is a map which shows the migratory patterns of various waterfowl and other birds, such as the Black Brant—the purple line here. They stop here at Izembek. 100,000 Emperor Geese stop here in the spring and fall; 150,000 Black Brant, 85,000 Canadian Geese, 150,000 Steller's Eider, and about 31 species of shore birds. These are the Arctic breeding grounds in the summer, and parts of the year they go south to winter. It is a very important refuge.

This rider, I might say, would cut this Refuge in half. It would fragment the coastal wetlands and tundra that are considered essential to many of these species. It would destroy the character of the wilderness area.

This, Mr. President, is the picture of a typical road in Alaska that would be contemplated by this amendment. You can see what condition it is in. This is a very good road. In comparison, this is a road that now exists in part of the wilderness area. This is what is there now. This is what would be contemplated. As you can tell, it is a pretty good size road. It is no small little cow path.

Third, and perhaps most significantly, there are many ways to address the legitimate transportation problems at King Cove without violating the Izembek Refuge: Coast Guard air evacuation is one; better port facilities and special marine ambulances are another; as well as telemedicine and other medical advances. After all, in bad weather, with high winds and blowing snow, a road can be very risky and often impassable.

In fact, I might read a letter from the Anchorage Daily News. It is a citizen, Tara P. Fuller, who is from Cold Bay. I will put it in the RECORD, but her basic point is that this is ridiculous, this amendment, this rider, which would allow this road. Because, she says, often this road would be totally impassable with snowdrifts. When storms come, the road would have to be plowed.

I ask unanimous consent to have that letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROAD NO HELP IN BAD WEATHER

Regarding the King Cove-to-Cold Bay "Rescue Road in Alaska":

As a lifelong resident of this area, I have some great concerns with the proposed legislation to grant a right of way for a 27-mile road from King Cove to Cold Bay, 10 miles of which would be in Izembeck National Wildlife Refuge and seven miles of which would be in the wilderness area.

To say this road is the only alternative to the health and safety issue is ridiculous. How could this possibly be true? When we are having inclement weather, are we to believe a vehicle could drive some 27 miles in whiteout conditions, drifting snow and winds? I lived 3.2 miles out of the town of Cold Bay for four years, with so-called "road access" to Cold Bay, and during winter spent many days stranded either at home or in town, depending on where I was when the storm came. Drifting snow would be so bad, it would take days to get the 3.2 miles of road plowed enough to be passable.

I would also like to say that during the 14 years I have spent living in Cold Bay, I have yet to see the bay freeze over, making a marine link with a breakwater/harbor the only viable and obvious alternative to the road.

As Murkowski, Stevens and Young are trying to ramrod this through Congress, I would like to see them show up in Cold Bay and ask some of us Cold Bay residents how we feel instead of assuming we also are in favor of this "King Cove to Cold Bay Road."

TARA P. FULLER,
Cold Bay.

Mr. BAUCUS. Mr. President, I ask for 3 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. How long, Mr. President?

Mr. BAUCUS. Three minutes.

The PRESIDING OFFICER. The Senator from Montana is recognized for an additional 3 minutes.

Mr. BAUCUS. The State of Alaska is already evaluating various alternatives and there is provision in the current transportation appropriations bill, that the Senate passed in July, that adds $700,000 for the Corps of Engineers to study rural access issues in Alaska. That is already in there. Alaska is now studying various alternatives that affect rural access issues.

With these two studies out there, one by the State of Alaska and the other by the Army Corps of Engineers, now is not the time to jump to conclusions and pass a rider which authorizes the construction of a road through a wilderness area.

I say, let's let the studies examine the evidence, let the studies weigh the alternatives. Let's see if the road is, in fact, the best way to meet the stated needs. It may be and may not be. But the fact of the matter is, when you look a lot deeper into this, the real impetus behind the road may not be emergency medical evacuation. That is not the real driving force here. Really, it is that the folks there have an economic interest in having a road.

I might say, too, that is true of many communities—not only in Alaska, but other parts of the country. I understand those needs. People move to and live in King Cove because they want to live there. That is their home. That is their choice. There are ways to deal with the medical needs that may arise, but I do not think it makes sense to put in an appropriations bill a requirement that a road be built when there are two outstanding studies looking at this issue to see what the best way is to solve the access issue, particularly with respect to emergency medical services.

Mr. President, with that I yield the floor. I see my good friend from Missouri on the floor. I cannot, for the life of me, have any idea what he is going to talk about, given the State he is from and given the magnificent feat of one of his local citizens in the last few days, with the number 70 behind it.

I very respectfully yield the floor so my good friend from Missouri can address the Senate.

The PRESIDING OFFICER. The Senator from the great State of Missouri.

Mr. BOND. Mr. President, I thank my friend from Montana. I also thank the distinguished chairman of the Energy and Water Appropriations Subcommittee.

MARK McGWIRE INTERSTATE ROUTE 70

Mr. BOND. Mr. President, Sunday evening in St. Charles, MO, I was attending a picnic. Late in the afternoon a bright-eyed, starry-eyed 10-year-old boy came in. He had just witnessed something that is truly historic. I told the young man I hoped he had a really good memory, because I imagine that he would be telling not only his schoolmates, but his children and his grandchildren, and we might even hope his great grandchildren about it.

As a matter of fact, as we travel around Missouri and other parts of the country, people have been talking about it all over. That is, of course, that on Sunday, Mark McGwire of the St. Louis Cardinals hit his 69th and 70th home run this season; a grand total of 70 home runs. To do that, he hit 5 home runs in his last 11 at bats.

There were people who thought it would be very difficult to break the wonderful record that Roger Maris had established of 61 home runs. This year we saw something truly extraordinary. Another outstanding athlete, Sammy Sosa, hit 66. And the contest between these two superb athletes and wonderful human beings electrified this country. As somebody who has been a baseball fan for a long time, I was so delighted to see the excitement and enthusiasm as baseball came back to the status it has had as our Nation's pastime. People who never cared about sports in my State were clustering around the radios or the television whenever Mark McGwire came up.

Mark McGwire is a man of immense physical stature, conditioning and strength. When I met him I was overwhelmed with his size and muscle. But he is a man of great mental dedication, of great concentration, determination, and—reading the column in today's Washington Post by Tom Boswell—probably possessing other extraordinary capabilities of which we mere mortals cannot be aware.

He did something that, for baseball fans, was truly remarkable. It has done more for our State, the city of St. Louis—but for the country as well—when we look at the sportsmanship and the example of how hard work and determination and doggedness pay off. I would like to believe in other countries where baseball is played they felt the same excitement and the same enthusiasm that we did.

To both Mark McGwire and to Sammy Sosa, we say congratulations and thank you for a wonderful season.

Mr. Sosa has some more games to play with the Chicago Cubs. But I did not want this moment to pass without asking this body to consider acting on something that I think is a good idea. Actually, I read about it on the sports page. Bernie Miklasz' column in the St. Louis Post-Dispatch suggested it. I talked to my friends at the St. Louis Cardinals and they have been thinking about it. You see, there is an interstate highway that runs through St. Louis, interstate 70—a very fortuitous number, given the feat that Mr. McGwire has achieved.

There are some of us—we don't want to raise a question, be nitpicking—who think he actually hit 71, if you count one in Milwaukee. But we are willing to pass on that one and say that there were 70 home runs that were hit. I am going to propose a measure today to designate a portion of interstate 70 in Missouri as the Mark McGwire Interstate Route 70; through St. Louis County and St. Louis City, to recognize the man who has not only brought baseball back to the top of everybody's mind and heart, but has done a tremendous amount for the community as well.

This, I think, is a small measure for us to undertake. We are contacting our colleagues in the House to ask for their support. The mayor of St. Louis has indicated his support, and we are asking others to join with us. We hope to have clearance later on today, if we can obtain clearance to pass it in wrap-up.

We also invite additional cosponsors. I have three who wish to cosponsor it to recognize this tremendous feat and to designate this in honor of the man who has really brought the thrill back to baseball and has shown that human beings have tremendous talent.

I send to the desk a bill to designate the Mark McGwire Interstate Route 70.

Mr. President, I ask unanimous consent, before being referred, that the bill be held at the desk to seek clearance from the minority side of the aisle.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, has Senator BOND finished?

Mr. BOND. Yes.

Mr. DOMENICI. Mr. President, in a moment I am going to ask consent on something, but I thank Senator BOND and congratulate him for what he did today. I don't know if we can do anything that is enough in response to the marvelous baseball year that Mark McGwire and others have given to the American people.

I suggest that in an America that has grown so cynical about anything, wasn't it a marvelous thing to see how the people responded to the genuineness, the frankness, the decency of both Mark McGwire and Sammy Sosa? Just remember, on a number of those very important home runs, those people who caught that ball, without one moment's hesitation—until right at the end, of course—they said the ball belongs to him; they weren't trying to get rich. It was just absolutely marvelous for the United States to see that kind of thing happen.

Then to see the friendship between two people who are really at war in a very civil and different kind of way to break this title, which both of them did, which has been there for 37 years, and see how they related to each other. I think they have become genuine friends while they have proceeded, each in their individual way, to try to break one of the most important and difficult athletic standards in all of organized athletics worldwide.

I believe if the Senate understands what has happened, they are going to approve that very soon. I commend the Senator for it, and I hope Mark McGwire and his family understand the reason for you doing this and why we are probably going to unanimously accept it. I thank the Senator.

Mr. President, I ask unanimous consent to speak as in morning business and then proceed to a unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESTORING CONFIDENCE TO WORLD FINANCIAL MARKETS

Mr. DOMENICI. Mr. President, the Federal Reserve today decided to cut interest rates, and this is a very important step toward restoring confidence and stability in the world's financial markets. It shows that the world's policymakers are taking an active role in ensuring that financial contagion does not spread further. It is also an insurance policy against further damage to the U.S. economy from international events which currently are out of our control.

However, the U.S. Federal Reserve cannot resolve the current financial crisis alone. Investors are shunning the emerging markets because of a heightened sense of the risk that is there. In order to get money flowing to these regions again, nations must improve their banking regulations and must make information about their financial systems more available. This will assure investors and will help resolve much of the current crisis.

As policymakers, we should aid the Fed's effort to restore international confidence by approving the International Monetary Fund's request with appropriate amendments. We should also remain confident that the Fed will continue to act in a way that ensures maximum U.S. long-term growth, as they have done in the past and, as I gather, they decided to do today.

UNANIMOUS CONSENT REQUEST—H.R. 4060

Mr. DOMENICI. Mr. President, I note there is a minority Member on the floor. I would not make this request if there was not.

I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany H.R. 4060; that there be 40 minutes for debate, with 30 minutes under the control of Senator GRAHAM from Florida; and that the remaining 10 minutes be equally divided between Senator REID of Nevada and myself, as ranking member and chairman, respectively, managers of the bill. I further ask unanimous consent that upon the conclusion or yielding back of time, the conference report be adopted and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. BAUCUS. Mr. President, on behalf of another Democratic Senator, I must respectfully object.

The PRESIDING OFFICER. Objection is heard.

Mr. DOMENICI. Mr. President, I had hoped the Senator would have stated the name of the Senator, because he has already talked to us, so we all know who it is.

Mr. BAUCUS. Mr. President, I say to my friend, he can mention the name because he knows more than I do. I don't know the name.

Mr. DOMENICI. Distinguished Senator HARKIN is the Senator who told me he is going to object. He is not here, so the Senator from Montana is objecting.

I say to the Senate—in a way to the absent Senator HARKIN—frankly, this is a completed conference report on one of the required annual appropriations bills. From what I understand, there is no objection to this bill. From what I understand, it passed the House 389 to 25.

We are all engaged in trying to get the appropriations bills passed because that is our duty. We are supposed to have them finished before the fiscal year ends, and there are constant complaints that we don't get it done.

Essentially, tomorrow is the end of the year. We worked very hard, Democrats and Republicans, House and Senate, to get this bill done, to meet it, have it within our allocation so it does not break the budget, to do it in the way that most probably will get a Presidential signature.

The Corps of Engineers, the Bureau of Reclamation, the entire Department of Energy, both defense and nondefense, the Nuclear Regulatory Commission—they cannot help Senator HARKIN. They are all in this bill. They should get their funding. They can't help Senator HARKIN solve the problem of the labor, health, and human services bill, which the Senator from Iowa thinks needs a further allocation of resources in order to accomplish what he, as ranking member, thinks should be done.

In addition, I suggest, at the request of the President, this bill includes a provision to resolve a dispute between the District of Columbia courts and the Public Defenders Office. We included that provision in the bill because this has to be enacted before the end of the current year. If that does not happen, then the public defenders—the entire office, which defends those in the District who cannot afford their own lawyers, will not be able to meet its payroll.

The leadership of the House and Senate Appropriations Committee wanted Senator REID and me to address that problem, and we were able to do that with the help of Chairman MCDADE and his ranking member, Representative FAZIO from the State of California.

I hope Senator HARKIN will reconsider this objection and will let us adopt this conference report. All I can say is, in all honesty, Senator HARKIN and those who feel like he does, holding this bill up is not going to help one bit resolve the problem that centers around how much money should Labor, Health, and Human Services have to spend this year on its annual appropriations. It is just not going to help.

There is nobody suggesting the money ought to come out of this bill. There is nobody suggesting that the solution to the problem, which is raised by the Senator from Iowa, can be solved by this bill or by this Senator.

It has to be resolved, if a problem exists, through the leadership here and the chairmen of both of the Appropriations Committees, and I assume maybe even the White House. Since all of that would be required to resolve the problem, I once again ask, What good does it do to hold this bill up? And I hope that will not be a long-lasting event.

I thank the Senate for considering this.

I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

INTERIOR APPROPRIATIONS BILL

Mr. BAUCUS. Mr. President, I would like to mention another anti-environment rider in the Interior appropriations bill. I have already discussed two of them. One is Glacier Bay and the other is Izembek. This will be the third.

Mr. President, this amendment deletes the rider that limits the Forest Service's ability to close roads on National Forests that threaten public safety or the environment.

Let me explain. The Forest Service has constructed over 370,000 miles of roads on National Forests across America—370,000 miles of roads. These roads, the ones that Forest Service has constructed, are called authorized roads; another name given to them is systems roads. Most of these are single-lane roads. They are relatively low quality, often built to harvest timber. They are just basic roads built to meet basic needs.

Many of these roads, though, have outlived their intended purpose. They are no longer needed. That is, they are built essentially to harvest timber, a lot of them, or built for a specific purpose and that purpose is no longer in use. So the roads therefore are no longer needed.

About 40 percent of the 370,000 miles of authorized roads are maintained to public safety and environmental standards. The remaining 60 percent are in poor condition and in many cases are a threat—a real threat—to the public safety or a threat to water quality or often a threat to wildlife habitat.

In addition to these authorized roads, the Forest Service estimates that there are at least 60,000 miles of additional roads. These unauthorized roads are sometimes referred to as ghost roads.

This is a photograph, Mr. President, of typical ghost roads. These are created when somebody decides that he or she wants to drive a pickup, a car, or a four-wheeler to a stream, or whatnot. After a while, a few people drive back and forth and we end up with an unauthorized road or a ghost road.

Another example is here. Here is a young fellow on a bicycle. It is close, perhaps, to a stream. It is hard to tell from this photograph, but basically after a bit more use it becomes kind of a road—a ghost road. There are about 60,000 miles of these kinds of ghost roads that the Forest Service thinks exist out in the National Forests—roads caused by people, not roads that the Forest Service has planned or built.

Again, Mr. President, just to recapitulate, there are about 370,000 miles of roads the Forest Service has planned on building. Most of these are deteriorating. Many of these roads were intended to be used as logging roads to harvest timber, and the timber harvest is gone; that is, the timber has been harvested so they are no longer in use.

Then there are 60,000 miles of ghost roads not planned by the Forest Service and which are created by people who drive around in pickups or other off-road vehicles.

Mr. President, the Forest Service cannot safely manage all of the authorized and the unauthorized, so-called ghost roads that cover our National Forests. It just cannot do it. There are too many roads. Too many miles of roads. As a result, many of these roads are safety hazards, and some cause significant environmental problems.

Mr. President, let me show you these two photographs. These are photographs of authorized roads, of system roads, of roads the Forest Service planned—not the ghost roads. In this top photograph of this road, you can tell the road is washed out. It is just washed out.

Here is another photograph of another authorized road, the kind the Forest Service plans on. What happened here? The bridge went out. Some poor unlucky fellow did not realize the bridge had gone out until he caused it to go out. The bridge just collapsed. This guy's pickup went down on the collapsed bridge on the authorized road. Obviously, the bridge has rotted out.

In other cases, the authorized roads create environmental hazards. I might tell you what the top road is. This is a road on the Mount Baker/Snoqualmie National Forest that has washed out. These types of washouts often clog streams, as you might guess. They kill fish. That is pretty obvious. And in the middle of the night, they can be one heck of a pothole.

When roads such as these are unsafe, or cause environmental problems, we have two options. One is to fix the road; and the other is to decommission the road. Just a fancy way of saying closing it.

In deciding which roads to upgrade or close, the Forest Service sets priorities, obviously, based on public safety, based on environmental concerns, on a forest-by-forest basis.

Let's face it, road closures can be a big issue in some parts of the country. I know that is very much the case in my State of Montana; people have strongly held views as to which roads should be closed and which roads not.

These are not easy decisions for the Forest Service to make. But the Forest Service personnel by-and-large do the very best they can. And they do so after talking with the public. And they make their decisions based on what they think the public wants and based upon safety and based upon environmental needs.

Well, this is where the rider comes in. This rider prevents funds from being used to remove any authorized road until the regional forester certifies that all the ghost roads have been either upgraded to U.S. Forest Service standards or closed. That is, the Forest Service cannot look at any of the authorized roads in a region until it looks at all the ghost roads and either closes or upgrades each of them.

What does that mean? That means the Forest Service could not close any authorized road no matter how great a safety hazard it is until the Forest Service can certify that every single mile of the ghost roads, that is these kinds of roads—the little pathways—who-knows-where-they-are in the forest, have been either upgraded to either system standards or have been removed.

For starters, this is virtually impossible. The Forest Service does not even know where many of these ghost roads are. More important, this rider does not take into account whether these roads pose the greatest immediate threat to public safety or the environment.

In sum, this simplistic one-size-fits-all approach would wreak havoc on the ability of the Forest Service to sensibly manage roads in our National Forests.

As I mentioned early, the Forest Service now sets priorities for closing roads on a forest-by-forest basis, based on what the public wants, based on public safety, based on environmental protection and restoration needs. A whole host of considerations go into it on a forest-by-forest basis or perhaps a district-by-district basis, not a one-size-fits-all national standard imposed on a Washington, DC, basis that you can't do anything with your system of roads until you either upgrade or close the ghost roads.

This rider would force the Forest Service to inventory thousands of miles of ghost roads and spend limited taxpayers' money upgrading or removing the roads, even if they are not causing safety or environmental problems.

Here is an example. Assume that the Deer Lodge National Forest in my State of Montana has an authorized road built to harvest timber, a very common occurrence. The timber has been harvested and the road is no longer needed, also very typical. Soon, the road is sliding down the mountain and it is unsafe for travel because of slippage and erosion and the road is clogging a stream, choking the fish in that stream, which often happens, too.

If this rider passed, the forest managers could not remove that road until it had inventoried the entire forest and found where each of the ghost roads were located and then either closed all those ghost roads or upgraded all to system standards. Let me repeat that. If this rider passed, the Forest Service could not remove the road I mentioned that is clogging up a stream until it has inventoried all ghost roads, and either upgraded the ghost roads—that is, the paths—to road standards, or closed them.

Plain and simple, this rider does not make sense. It does not meet the "common sense" test. It prevents the Forest Service from closing roads that now pose a very significant threat to public safety and the environment. It would prevent the Forest Service from doing its job. I believe the Forest Service should be able to close roads based on public needs, not on an arbitrary distinction of whether the road is authorized or unauthorized.

To protect public safety and the environment, I believe this rider on the Interior appropriations bill should be deleted.

PRIVILEGE OF THE FLOOR

Mr. BAUCUS. Mr. President, I ask unanimous consent that Ed Cole, a congressional fellow in my office, be granted floor privileges for the remainder of the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. One last rider I will mention. This rider is section 343 of the Interior appropriations bill which limits Federal and State actions to manage the Columbia/Snake River system.

I note that the chairman of the subcommittee is the present occupant of the Chair. In dealing with this subject, I have the utmost respect for what he is doing, particularly the great job he did in the Interior appropriations bill, which has many, many good features in it. He has worked very, very hard. It is a very complex bill, with NEA, the Forest Service, and Indian lands. I compliment the Chair.

With respect to this provision, we have a difference of opinion. I state that with all due respect.

The Columbia/Snake River basin covers about 259,000 square miles, including large parts of the State of Washington, Oregon, Idaho, Montana, and British Columbia. It is home to several endangered fish species, including several stocks of salmon. The number of salmon has fallen dramatically from an estimated 10 million fish in the historical runs to about 1 million today.

For several years, we have been trying to bring salmon back, in part by improving the operations of the river system.

We have improved fish screens; we have improved fish ladders. We have barged salmon around dams. We have modified water flows to help juvenile salmon migrate downstream and adult salmon migrate upstream.

These modifications have been controversial because they sometimes restrict other uses of the river, such as power generation, irrigation, transportation, and recreation.

Like many others in the Northwest delegation, I have not been particularly happy with every decision that has been made. In fact, I supported a cap on the amount of fish-related expenses that is passed along to BPA ratepayers. We had to have that cap or else I believe the Federal agency would have gone too far. I also oppose some of the drawdowns at the Libby dam and Hungry Horse dams in northwest Montana because of the effects on recreation and the adverse effects on the bull trout.

I have maintained, however, that we should work within the framework of our environmental laws. There are a lot of competing considerations, and one is the framework of our environmental laws. The rider that I am referring to, section 343 of the Interior appropriations bill, would change that. It would override the Endangered Species Act, it would override the Clean Water Act, the Northwest Power Planning Act, and the Federal Power Act.

To put the issue in perspective, let me briefly explain how the Columbia/Snake River system is managed now. In 1995, under the Endangered Species Act, the National Marine Fisheries Service issued a biological opinion describing the actions that the Corps of Engineers, the Bureau of Reclamation, and the Bonneville Power Administration must take, consistent with their other obligations, to save the wild salmon from extinction. The biological opinion includes both short and long-term measures.

In the short-term, it requires several changes. For example, it requires increased flows during fish migration seasons, better use of spills, improved methods of barging fish, limits on ocean fishing, and the use of more effective fish screens and fish ladders.

By 1999, it requires the Corps to assess the effect of a major drawdown of dams on the lower Snake River. This could include the breaching or removal of up to four dams. Those four dams are Ice Harbor, Lower Monumental, Little Goose, and Lower Granite. They can be seen on this map of the Columbia Reserve Basin.

What does this rider do? How would it affect current operations? It would have two main effects. The rider provides that the National Marine Fisheries Service, the Corps of Engineers and other agencies must receive specific congressional authorization before breaching or removing any federally operated or licensed dam on the Columbia/Snake system. In addition, the rider says that Federal and State agencies must get specific congressional authorization before taking any action that would "diminish below present operational plans the Congressionally authorized uses of flood control, irrigation, navigation and * * * energy generating capacity of any such dam."

Let me address these effects one at a time. The first issue is breaching or removing dams. As I said earlier, the Corps is studying the breach or removal of four dams on the lower Snake River—Ice Harbor, Lower Monumental, Little Goose and Lower Granite.

I understand the argument that over time, over the long term, breaching or removing the dam is the best way to protect and recover salmon. After all, if you return a river to its natural condition, you don't have to manage water levels to mimic the river's natural condition when fish migrate up or down stream.

But we are not living in the abstract. In most cases, removing a dam is a big step with major consequences for power production, for irrigation, for transportation, and for recreation. For example, breaching or removing the lower Snake River dams would most likely eliminate Lewiston, ID, as a river port. Many farmers from Idaho, Montana and elsewhere ship grain by truck or rail to Lewiston and barge to Portland for export to Asia.

I believe an action of this kind should definitely require congressional approval. But that is already the case. In testimony earlier this year, the Commander of the Corps' Northwest Division said,

> It is our opinion that the Corps cannot use its existing legal authority to remove lower Snake projects . . . New statutory authority would be required to undertake these actions since the proposed actions would eliminate or significantly affect specific project purposes provided for in the authorizing legislation.

That is the commander of the Corps' Northwest Division.

So there is not an issue here with respect to removing or breaching dams. The rider is unnecessary in that respect. Congressional approval already is required.

This takes us to the second part of the rider. It requires congressional approval before an agency can take any action that will "diminish below present operational plans" the congressionally authorized uses of any dam on the Columbia/Snake system.

As I read the amendment, there would have to be specific congressional approval before a Federal or State agency makes any operational or management change that would reduce power production, irrigation, flood control or recreation. I believe that goes too far for three main reasons.

First, it is impractical. It would tie the management of the river system in knots. The management of the Columbia/Snake system is a very complex undertaking. It involves at least four Federal agencies: Bonneville Power, National Marine and Fisheries Service, Corps of Engineers and the Bureau of Reclamation. It also involves the Northwest Power Planning Council, the States of Montana, Idaho, Washington, Oregon, the government of Canada, many Indian tribes and scores of public and private utilities. There are hundreds of people involved.

To coordinate operations, the Federal agencies develop at least three operational plans each year: A flood control plan, a hydropower plan and a water management plan. During the spring and summer, a technical management team meets each week in Portland to review operations and make any necessary changes.

By locking everything in and providing that Congress must approve any action that diminishes other uses of the system below "present operational plans," we would be micromanaging one of the largest and most complex river systems in the world.

The second problem is the congressional management may put several endangered species at risk of extinction. If changes are necessary to protect a newly listed species or further protect a species already listed to prevent it from being wiped out, the change would require congressional approval. Even minimal changes to provide specie protection may require Congress to act.

For example, new scientific evidence indicates that spills are more effective at protecting fish if they are conducted gradually over a 24-hour period rather than only at night. This approach slightly reduces power-generating capacity. So under the rider the agencies would need to get congressional approval before they can make a change.

The rider would not only threaten Federal efforts to protect the environment, but it would also threaten State efforts to protect the environment. Under section 401 of the Clean Water Act, when a Federal dam is being licensed or relicensed, States can impose conditions on the license in order to protect water quality. Many States do. For example, several States in the West have imposed conditions necessary to prevent dams from generating elevated levels of dissolved oxygen which can harm fish.

Utilities have questioned whether States have this authority, but the Supreme Court has held that they do.

The Gorton amendment would change all that. As I read it, a State agency could not impose any license condition that diminished power generation, unless it received the approval of the licensee or Congress.

That would, in effect, eliminate the section 401 authority that States have fought so hard to maintain.

The directors of the Western Governors' Association and the Western States Water Council share this view. In a joint letter, they say that, although their organizations do not take a position about breaching or making operational changes at any dam, the rider "appears to clearly have the potential of diminishing State prerogatives under section 401, with regard to the rivers and streams identified in the amendment."

The Federal Energy Regulatory Commission also takes this view. In a letter, the FERC Chairman says that the rider "would bar, absent specific congressional approval, State and Federal agencies from requiring or authorizing certain actions affecting the authorized uses of any Federal or federally-licensed dams on the Columbia or Snake rivers or their tributaries."

I ask unanimous consent that both letters be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WESTERN GOVERNORS' ASSOCIATION,
WESTERN STATES WATER COUNCIL,
September 18, 1998.

Hon. JOHN H. CHAFEE,
Committee on Environment and Public Works.
Hon. MAX BAUCUS,
Committee on Environment and Public Works.

DEAR SENATORS: We have just learned that the Committee is considering the question of whether a proposed amendment would affect state Section 401 authority under the Clean Water Act. This relates to amendment No. 3555 offered on behalf of Senator Gorton. Given the time constraints, our organizations are not able to collectively express themselves with regard to this question. However, after consulting with our lead states on this issue, we are writing to express our view that the amendment appears to clearly have the potential of diminishing state prerogatives under Section 401, with regard to the rivers and streams identified in the proposed amendment. In so doing, we do not express an opinion as to the merits of any action to breach or remove any dam or to alter operational plans relative to any dam. Rather, the point of this letter is to advise the Committee of the position of the western states with regard to Section 401 authority, and to convey our concerns that the proposed amendment as written could diminish that authority.

The Western States Water Council has been working with the Western Governor's Association for some time to preserve state prerogatives relative to protecting water quality associated with proposed federally licensed projects. A resolution by the Western Governors' Association relative to this matter is enclosed for your reference. Since the Supreme Court upheld Washington's position in the so-called Tacoma case regarding the scope of state 401 authority, the hydropower industry has sought to persuade Congress to reverse or limit this decision. We have strongly opposed such efforts.

We hope that the Committee will consider these views as it considers the potential effects of the proposed amendment. If you have any questions regarding these matters, please let us know.

Best regards,

D. CRAIG BELL,
Executive Director, WSWC.
RICHARD BECHTEL,
Director, WGA–D.C.

FEDERAL ENERGY REGULATORY COMMISSION,
Washington, DC, September 8, 1998.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BUMPERS: In response to your staff's request, I am writing with respect to Section 343 of S. 2237 (the FY 1999 appropriations bill for the Department of the Interior). That section, if enacted, could have a potentially significant effect on the Federal Energy Regulatory Commission's regulation of non-federal hydroelectric projects in the Columbia and Snake River Basins.

Section 343 of the bill would bar, absent specific Congressional approval, state and federal agencies from requiring or authorizing certain actions affecting the authorized uses of any federal or FERC-licensed dams on the Columbia or Snake Rivers or their tributaries. The proscribed actions would include reducing the generating capacity of any such dams; reducing their reservoirs below minimum operating pools (except as necessary for flood control, navigation, and safety); and requiring the release of stored water.

Section 343 would constrain the Commission's flexibility to act responsibly in its continuous oversight of licensed projects in these river basins. Moreover, as existing licenses expire, the provision would constrain the Commission's flexibility to balance the multiple public interest considerations involved, as required by the Federal Power Act, upon relicensing these projects.

Thank you for your interest in this matter. If you have further questions concerning the implications of Section 343 for the Commission's regulatory activities, please do not hesitate to contact me.

Sincerely,

JAMES J. HOECKER,
Chairman.

Mr. BAUCUS. Third, the amendment will have some unintended, and perhaps dangerous, effects.

Not all changes to the operation of the Columbia/Snake river system are made for the purpose of protecting fish and wildlife. Often, there are other reasons.

Recently, there were concerns about sabotage of the Grand Coulee dam. The water levels were lowered, so that emergency repairs could be made. This reduced power generating capacity, probably worth a few million dollars. Under the rider, the reduction in water levels would have had to be approved by Congress.

Another example. In some situations, it may be appropriate to provide more water for irrigation, at the expense of power production. Or vice versa.

Or to set more space aside for flood control. Each year, the planning process starts by measuring the snowpack and predicting the runoff.

In a particularly wet year, like 1997, operational changes may be needed to prevent downstream flooding, by setting aside more storage space in upstream reservoirs.

In a particularly dry year, operational changes may need to be made to allocate scare water among competing uses.

In many of these cases, under the rider, the agencies could only act if they received specific Congressional approval.

Mr. President, we all know how hard it is to get anything passed around here. Any change that is at all controversial can be at least delayed, and maybe stopped completely.

Do we really want decisions like this, that may need to be made quickly in response to constantly changing circumstances, to require specific Congressional approval?

To sum it all up, this is no way to run one of the world's largest and most complex river systems. That's why we have expert federal and state agencies, like the Northwest Power Planning Council and BPA.

Congress should set clear legal standards. When necessary, we must improve those standards. That's why I support S. 1180, a bill to improve the Endangered Species Act.

Congress also should conduct careful oversight.

But we should not require Congressional approval of the complex decisions that managers must make so that the river system functions smoothly.

By requiring Congressional approval of any changes that diminish the use of the system below "present operational plans," the rider goes too far.

Mr. President, I yield the floor.

ON THE DEATH OF TOM BRADLEY

Mrs. FEINSTEIN. Mr. President, for me, this is a sad day. Someone in politics whom I have very much respected passed away this morning, and that was Tom Bradley, former mayor of Los Angeles. Tom was one of America's finest mayors, a tireless advocate on behalf of the cities of America. I had an opportunity to work closely with him during the 1980s when we were both mayors.

I saw firsthand how he would go about solving a problem. He was kind and gentle, but he was tenacious about promoting the city of Los Angeles that he so deeply loved.

He leaves a rich legacy for Los Angeles and for the entire State of California. No Californian—and particularly no Los Angeleno—will ever forget the pride of hosting the 1984 Olympics. Tom Bradley showed that an American city could host a profitable and spirited Olympic ceremony.

His other accomplishments are many: Bringing public rail transportation to his city; building an international airport—Tom Bradley Airport—and a port that generated hundreds of thousands of jobs for the region; opening the doors of city government so that city workers reflected the rich cultural diversity of Los Angeles.

One particular vision I have of Tom Bradley which I will never forget is when we met, of all places, on the Great Wall of China as mayors in June of 1979. I was there to secure a sister city relationship between San Francisco and the city of Shanghai. While San Francisco got that relationship, Tom Bradley went right out and secured a similar relationship between Los Angeles and Guangzhou.

Tom knew the importance that the Pacific Rim would play in his city's future and he would literally travel anywhere in the world to help promote the city. He was a forceful and successful advocate for the cities of America every time cities needed a strong voice. His presence was matched by a wonderful and soft gentleness that I, personally, will never forget.

My deepest sorrow goes to his family and to his many friends. Mr. President, I know we all will do our part to see that Tom Bradley's vision for Los Angeles lives on and on for generations to come.

INTERNET TAX FREEDOM ACT—MOTION TO PROCEED

The PRESIDING OFFICER (Mr. GORTON). The clerk will report the motion to proceed to S. 442.

The legislative clerk read as follows:

Motion to proceed to the consideration of S. 442, a bill to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes.

The Senate proceeded to consider the motion.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I was under the impression that we had time to speak in the time allocated under the cloture motion; am I correct?

The PRESIDING OFFICER. That is correct. Time allocated under cloture has begun. The Senator has one hour to speak.

Mr. KENNEDY. I thank the Chair.

Mr. President, I had voted in favor of moving ahead with the legislation itself because it is important. However, I daresay that I want to take a few moments of the Senate's time here to review the bidding about where we are on legislation and where we are not on legislation.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. I want to address the Senate this afternoon because of my continued concern that we are not addressing one of the most important areas of concern for American families, and that is the legislation which is known as the Patients' Bill of Rights. I and a number of our colleagues have cosponsored Senator DASCHLE's legislation. I had hoped that we could debate and reach conclusion on this legislation. I believe the overwhelming majority of our colleagues on this side of the aisle are in support of this legislation and, if we had an opportunity to debate this issue, I think we would have support as well from Members on the other side.

Basically, it is a fundamental issue that I think all Americans can understand. This issue centers around whether doctors are going to make decisions with regard to the treatment of patients in our country, or whether we are going to have those decisions made by accountants—whose primary interest is enhancing the profits of the HMOs rather than the health of its patients. That is really at the heart of the Patients' Bill of Rights. There are other important protections, but that is at the heart of it.

This issue affects about 160 million American policy holders. Our legislation is supported by more than 180 leading health care organizations—virtually all of the major doctors' organizations, nursing organizations, and consumer organizations.

I have read the comments of some of our colleagues on the other side of the aisle. They distort the provisions of this legislation and talk about it as legislation which is unnecessary and legislation that will complicate the current practice of medicine. But, listen to the doctors. They say it will simplify the practice of medicine.

It does seem to me valuable to consider what the doctors say about this, what the nurses say about this, and what the overwhelming, virtually unanimous sense of the health professionals is about it, and they say that they strongly support our legislation. They are opposed to the Republican legislation. But all of them are asking when will the Republican leadership yield and permit us—permit us meaning the Senate—to take up this legislation and debate it and reach a resolution on these various issues. That is the matter I am addressing here this afternoon.

Over the period of the last 2 weeks in the Senate we have had votes on the salting legislation. I bet if we asked the Americans who are listening or watching this afternoon what the salting legislation is really all about and where it fits on their list of priorities, many of them would not know what it is all about. It is basically a technique which is used—and used effectively and legitimately according to the Supreme Court with its unanimous vote—to permit the organization of workers in sites across this country. But some of our Republican friends desired to repeal that legislation. So we had votes on that.

We have had votes on the bankruptcy legislation which affects about 1,200,000 of our fellow citizens. We have had votes on the so-called Child Custody Protection Act. We have now been debating in the last day or two the Vacancies Act. We are also considering the Internet tax provision. The majority leader has talked about financial services legislation. And then we are going to come into a situation, perhaps next week, where we are going to have the opportunity to address the tax cut proposal of our Republican friends in the House of Representatives. They want to use tax revenues which have been paid into the Treasury, which are Social Security revenues, to provide tax breaks for the wealthiest individuals in our country.

But we understand the surplus this year and in future years is the result of funds that have been paid in by workers to fund Social Security benefits. When you exclude these Social Security benefits, you see that we really do not have a surplus. What we have is money raised by working families to pay for Social Security. Our Republican friends want to take some $80 billion of that and use it for tax breaks that would primarily benefit the wealthiest individuals in our society.

I see one provision in their plan will decrease the estate tax for millionaires. Let me tell every taxpayer who might be watching that you will have an interest in this provision only if you intend to leave more than $600,000 to one of your children. This Republican-sponsored provision will permit you to leave $1 million. It affects only 2 percent of the taxpayers, but it will cost some $18 billion—$18 billion out of funds that are paid in by workers to pay for Social Security. The majority plans to take that money out and use the $18 billion to offset the revenue losses that will result if the Republicans pass their particular proposal to expand the estate tax. We will have a chance to debate that issue.

But, Mr. President, where in this agenda is the issue of the Patients' Bill of Rights, something that is of fundamental concern to virtually every working family? Are we trying to suggest that the salting legislation or the Vacancies Act or even the Internet tax issue is of nearly the consequence or importance of the Patients' Bill of Rights? Not so. But still the majority leader refuses to permit us to debate and discuss it in the Senate.

The Republican leadership didn't permit it last Friday when most Americans were out working and the Senate effectively closed down at about 11 o'clock. There were Members who spoke after 11 o clock, including myself, and we pointed out that we could have been debating HMO reform on Friday afternoon. We could have been debating it on Monday—when most of the afternoon was taken up in quorum calls before the vote in the late afternoon—or even debated it on Monday evening.

Mr. President, I am not going to take the time to review with the Senate the amount of hours we have spent in quorum calls over the period of the last 2 weeks. We could have debated this, taken votes on these measures, and resolved these matters in a way that I think would have yielded some very important and basic protections for families.

I think we would have resolved this in favor of protecting children in our country. I think we would have carried overwhelmingly in the Senate the provisions that would have permitted families with a sick child to bring that child to the nearest emergency room. I think we would have won that in the Senate. I can understand why our Republican friends do not want to vote on that issue, and show the American people where they stand. I hope that at least a majority of them would have supported our provision, if they were given the opportunity.

I think they would have supported our provision to guarantee specialty care for children who have dread diseases like cancer. I think they would have supported ensuring that a child with cancer should have access to an oncologist who is trained to work with children and with the cancer of the particular child. I think we would have done that, just as I think we would have provided additional specialty care protections for adults who have certain medical needs, whether it is physical or mental disabilities or challenges or chronic conditions like arthritis or diabetes. I think we would have won those.

I think we would have been successful in debating and reaching a successful conclusion in ensuring access to clinical trials for women who have breast cancer and other patients with life-threatening diseases. With all the possibilities that are out there for breakthrough therapies, why are we continuing to deny women the opportunity to go into clinical trials? We guarantee that in our Patients' Bill of Rights. The other side does not. Why aren't we debating whether we are going to increase access to clinical trials for women or children who have cancer, or patients with other diseases that do not respond to conventional therapies? I think we should be able to debate that issue.

I think we ought to be able to debate the issues around having access to the kind of prescription drugs that are recommended by doctors, instead of being limited to the medications preferred by the plan. We have had heard testimony from the mental health community that indicates that many of the individuals who need certain kinds of prescription drugs are required to take older, less effective drugs that are on the HMO's list. Before the plan will even consider giving them access to the drugs that the doctor knows is best, the accountant in that HMO says, No, you can't use that one until you have shown that the previous two failed to work. Mr. President, these patients are only given access to the drugs that the doctor knows are best after they have shown that the plan s drugs failed to work at least two times. I think we could have debated that. And I think we could have been successful in that debate as well.

And the list goes on, Mr. President, including whether patients should have the right to a timely and independent review, if an HMO denies care. I think we could have won that particular measure, too.

We also should address whether we are going to say that HMOs should be held accountable if their actions, as a result of negligence, result in the loss of life or grievous bodily injury.

Who else is going to be the breadwinner for a family if an insurance company's negligent actions result in the loss of life of that individual? Why is the Republican leadership allowing the insurance industry to remain the only particular protected industry in the United States of America? If these companies are going to take certain action that is going to result in the death or serious disability to an individual, why should they be free from accountability? They should not be. We ought to be able to debate that in the U.S. Senate.

These are just some of the points that are in the Daschle legislation which we wanted to debate. But, no. Instead, we are debating salting legislation, we are debating the Vacancies Act, the Internet tax, and we will soon be debating financial services legislation, but not the issues that affect the quality of life of our children, our parents, our loved ones, our families. Why? Because the Republican leadership refuses to do it. Why? Because evidently they think we may have the votes to pass it.

We are still asked, is there enough time to pass this? Absolutely. Evidently our Republican leaders think there must be, too, because they continue to refuse to let us have the chance to debate this.

Senator DASCHLE has requested time and time again the opportunity to debate these issues. "No way," says the Republican leadership. "No way." They even closed the Senate down a little over a week ago when they refused to let Members speak on the floor of the U.S. Senate. "No," the Republican leader said, "We set the calendar, we set the schedule, and you are not even going to have the time-honored process that is guaranteed under the rules of the Senate of being able to amend a piece of legislation, because if you are not going to behave yourselves"—in other words, "if you are not going to accept our gagging you," as so many of the HMOs are doing in terms of gagging doctors from making recommendations about what is the appropriate kind of health treatment for the illness and sickness of the patients they are dealing with—"we are not going to even debate that bill. We are going to pull the bill. We are going to take it off the floor, and we are going to put it back on the calendar," as he has done.

That is what is happening in the U.S. Senate these days. We were fortunate to have just had an opportunity to debate raising the minimum wage. We said that working men and women in this country, who work 40 hours a week and 52 weeks a year, ought to have a livable wage. We were not successful on the issue. We lost on that, but we had the opportunity to debate and go on record with our positions. What we are saying now is: Let us have a debate; let us have the debate on the questions of health care quality. This is something which is of enormous importance.

Mr. President, as I mentioned, this isn't just something a number of us have been in strong support of. I want to mention an editorial in Sunday's Washington Post that cut through the Republican leadership's smokescreen of evasion and distortion on managed care. The editorial was entitled "Double Loss on Managed Care." The author says:

> Mr. Clinton . . . took the lead months ago in proposing that Congress pass a "Patients' Bill of Rights" to limit how far managed care companies and other insurers can go in denying care in order to cut costs. Democrats in both Houses built on his proposals. The initial reaction of House Republican leaders was to say no bill was necessary. By July, that had ceased to be a comfortable position and, to give their members more cover, they allowed a mostly token bill to pass.
>
> In the Senate, the leadership also produced a token bill but refused to bring it to the floor unless the Democrats agreed to limit themselves to a handful of amendments, which the Democrats said would make a shell of the proceedings. To thwart the Democrats when they have tried to bring up their own bill, the Republicans have all but shut the Senate down.

There it is, Mr. President. That isn't Senator DASCHLE saying that or myself saying that or any number of my colleagues—Senator BOXER, Senator MURRAY, Senator DURBIN. You can call the roll on so many of our colleagues. That isn't any individual Member saying that. Here it is in a Washington Post editorial, which has captured in two paragraphs exactly what we have been saying day after day after day, week after week after week, month after month after month. They understand it, Mr. President, and the American people understand.

The editorial goes on to say that it disagrees with some provisions of the Democratic bill but, in its words:

> That could be dealt with in the normal legislative process, if only the Republicans would allow the process to occur. For a combination of political and doctrinal reasons, they won't, anymore than earlier in the year, they allowed tobacco or campaign reform legislation to pass. They ought to be made to answer for their record, but so far they have not.

There it is, Mr. President, clear as can be for all to see, and the American people are increasingly aware of the current situation. That editorial captures it. It is clear what is going on here. It is clear to the Washington Post. It is clear to every Member of the Senate. It should be clear to the American people.

The American people want Congress to pass strong, effective legislation to end the abuses by HMOs, managed care plans and health insurance companies. The Patients' Bill of Rights, sponsored by Senator DASCHLE and other Senate Democrats, provides the needed and long overdue antidote to these festering and growing abuses. Our goal is to protect patients and see that insurance plans provide the quality care they promise in brochures but too often fail to deliver.

Our bill has been on the Senate calendar since March. Earlier legislation was introduced more than a year and a half ago, but the Senate has taken no action because the Republican leadership has been compounding the HMO abuses by abusing the rules of the Senate to block meaningful reform.

This record of abuse should be unacceptable to the Senate, and, certainly, unacceptable to the American people. One of the most indefensible gaps in the Republican plan is its failure to cover public employees. The GOP plan offers no protection for the 23 million people who serve the public by working for State and local governments. The Republican leadership is saying "No" to the police officers and the firefighters who put their lives on the line every day to safeguard the public; "No" to the schoolteachers who educate our children; no to nurses; "No" to social workers, doctors, and others who spend their days caring for people in public health agencies and State and county hospitals; and "No" to countless other professionals who serve the public through State and local governments.

I will take just a few moments of the Senate's time to refer to three excellent commentaries that we heard today. I will have the full statements printed in the RECORD. First, we will hear from Jerry Flynn:

> My name is Jerry Flynn. I am a police officer with the City of Lowell, Massachusetts Police Department. I am also the National Vice-President of the International Brotherhood of Police Officers. . .
>
> . . . Unlike the sham being proposed by the Republican Leadership, [the Democratic leadership plan] is the only legislation that would actually protect patients and address the abuses of managed care.
>
> . . . Of particular concern to me, is the fact that the Senate Republican Leadership bill does not apply to public employees. This means all state and local government employees in Lowell, as well as millions of other public workers who are covered under managed care plans, would not be protected under the limited provisions of the Republican version of the bill.

The fact is that the Republican bill leaves out more than 100 million Americans with private insurance. Of that group, we have some 23 million who are public employees.

Let me continue with Jerry Flynn's comments:

> Don't public employees deserve the same protections as other Americans? Don't public employees deserve the same medical treatment as other Americans? It's high time Senate Majority Leader Trent Lott and the rest of the Republican Leadership stop treating public employees as second class citizens.

> As police officers, we know the importance of comprehensive medical coverage.
>
> Whether the injury is slight or life threatening, whether it involves a civilian or fellow officer, whether it involves an elderly person or a small child, the single most important factor is that we get the best medical treatment possible—and that the quality of care be determined by need, not by cost.

Mr. President, listen to Tom McEachin:

> . . . I am a fire fighter in Prince George's County, Maryland. Fire fighters and paramedics are the first responders to the overwhelming majority of acute medical incidents in this nation. Every day we see the faces of those Americans that the Patients' Bill of Rights Act would protect. We see the look of fear on their faces as they react to the emergency situations their loved ones face. They're not only afraid for the lives of those they love, they're also afraid about what the accountants at their HMOs will say about the decisions they have just made. They're afraid they'll be denied coverage and have to find a way to pay astronomical bills or face long-term indebtedness. The way the system's set up now, they sometimes end up hoping that there's something seriously wrong with their loved ones, because they're afraid of what the bean counters will say if they decide it wasn't a true emergency.

Listen to these last few lines, Mr. President.

> Fire fighters work in the worst of conditions. We go where the danger is the greatest, during careers that can last more than 20 years. Each year, more than half of us are injured on the job, and the environmental hazards we face have been proven to cause various forms of cancer, heart disease and other life-threatening diseases. All we ask in return for the risks we take is the simple guarantee that our health coverage will protect us and our loved ones when we need it. The Patients' Bill of Rights will do just that.
>
> The 23 million state and local public employees who are not covered by the Republican leadership's bill deserve better. The citizens we serve deserve better. The American public deserves better. As a fire fighter, all I'm asking for is that my elected leaders treat me as I would treat them or their family members if I had to rescue them in an emergency situation. It's only fair.

Listen to that, Mr. President. This is from a firefighter. He is left out of the Republican bill, but protected in our bill. Let's debate whether he and his colleagues should be included or excluded. That is what we are saying to the Republican leadership. And we have silence over there. This is what Thomas McEachin said:

> The citizens we serve deserve better. The American public deserves better. As a fire fighter, all I'm asking for is that my elected leaders treat me as I would treat them or their family members if I had to rescue them in an emergency situation. It's only fair.

Why can't we debate that? That is true with every firefighter in this country. It is true about every police officer in this country. It is true about every teacher in this country—all of them are excluded under the Republican bill. Can't we debate that? Twenty-three million Americans left out, left behind. We are not discussing this in the Senate—no, no. We have to debate the Vacancies Act. We have to debate Internet tax. We have to debate salting. We have to debate child custody. We have to debate all of those issues. We have to debate all of those issues, but we cannot debate the concerns raised by Thomas McEachin. We cannot seem to make every Member in this body accountable for their vote. I can understand why the Republicans do not want to go on record with their position. I can understand why they do not want to. But that is not a good enough answer.

Mr. President, the statements keep coming. Here is one from Doris Brightful, a registered nurse, now retired after 32 years with the Baltimore City Health Department. And I will include, as I mentioned, in the RECORD all of these statements.

> . . . I am not just here today as a health care professional. Nurses are also health care consumers. Nursing is a dangerous profession, and nurses are often injured on the job or exposed to dangerous infectious diseases. We know that, sooner or later, we will need medical care. My family members and my loved ones also will one day need health care. Therefore, I am outraged that Senator Lott and other Republicans would exclude me, my family and some 23 million other state and local public employees from even those few protections that are offered in their health care proposal. School teachers, firefighters, public safety officers—and, yes, doctors and nurses working in public health facilities—work hard every day looking out for the well-being of our communities. Yet, the Republican bill would deny us many of the same protections that our patients would have under this plan.

All they want are the same protections—"the same protections that our patients would have under this plan." Nurse Brightful concludes:

> In closing, I would just like to point out that the first guiding principle in the Health Care Consumer Bill of Rights, as set forth by the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry was this: All consumers are created equal. The Republican bill violates this principle, and should be rejected.
>
> Instead, the Senate should pass S. 1890, the Patients Bill of Rights, so that all Americans are protected.

Here it is, Mr. President. These are the real stories of what is happening out across America. These are the comments of three of our fellow citizens—a firefighter, a police officer, a nurse—talking about the kinds of inequities that exist out there. There are 23 million Americans in their situation, and still we cannot get this legislation up on the floor.

The Republican leadership says we have too many bills to debate but, Mr. President, the American families know what is going on here. The doctors know what is going on. The nurses understand what is going on. The newspapers around this country know what is going on. We are being denied the opportunity to have a debate of this bill and to try to pass something that would be worthy of the Senate's actions.

Mr. President, this is just one aspect of the differences between the Democratic and Republican health programs. We have tried, over the period of recent weeks, to bring examples of those that would be affected by either the inclusion or exclusion of the various protections in the proposals, and to bring those examples to the attention of the Senate over the period of recent days and weeks. We will continue to do so.

How much time, Mr. President?

The PRESIDING OFFICER. Thirty minutes.

Mr. KENNEDY. Mr. President, at other forums we heard about the need for access to specialty care—one of the most important ways in which managed care plans shortchange patients. This is a right guaranteed in our Patients' Bill of Rights but not in our Republican plan.

Dr. Mirtha Casimir, a distinguished oncologist from Houston, Texas, outlined the tragedy she sees every single day because HMOs unduly restrict access to specialists. This is what Dr. Casimir's statement was:

> Cancer patients today are facing a painful irony. At a time of unprecedented progress in the understanding of the genetic and cellular origins of cancer, as well as parallel advances in drug development and design, the insurance industry is exposing new cost containment.
>
> Many medical oncologists are concerned about timely access to cancer care and how the significant delays and referrals are impacting early diagnosis and the outcome of therapies in the first and subsequent courses of treatment. Not uncommonly, I now see in my practice delays of 2 to 4 months in a diagnosis of a new primary cancer or the detection of a recurrence.

And what the doctor continues to point out is that when she finally sees these cases, it is often too late. For example, she sees women in her practice who have started out with a very, very small tumor in their breast, and then they have been delayed access to a specialist and denied various kinds of treatment. Their appeals go on and on through the HMOs, and finally, when they get to a skilled oncologist, after weeks and months, often it is too late—often it is too late. The tumor has spread too far.

And Dr. Casimir said that more often than not when she flips to the front part of the chart, she will see that the patient is covered by an HMO. She will see that the initial request was denied for the kind of treatment that she could provide. And more often than not, she believes, as a skilled physician, that she could have saved the life of that individual if they had been able to get the prompt kind of a treatment and care. She wraps up in her statement by saying:

> Poor quality of care is always more expensive, both in human terms as well as in the resources expended to try to right the wrong. If the Patients' Bill of Rights is not passed,

> patients will continue to experience the hostility of this turbulent health care environment in which care is constrained, physicians are controlled, needs of cancer patients are not addressed, and critically important quality of life interventions are viewed as dispensable.

That is the statement from one of the top oncologists in the country, and the rest of the testimony spells out additional reasons in support of those points.

On September 15, we heard from the past president of the American Academy of Neurology, Dr. Ken Viste from Wisconsin:

> This country needs fair and compassionate legislation establishing the national standard for all health plans in order to help not harm people with chronic conditions or disabilities.

The American Academy of Neurology said:

> The House Republican leadership's bill, which passed the House, fails to protect the rights and address the needs of patients.

There it is, Mr. President, from the American Academy of Neurology. Dr. Viste continued:

> It is critical for people who need a medical specialist's care to be able to seek the treatment from them directly, immediately, and without penalty. The Daschle-Kennedy bill answers this need by assuring that people with complex, chronic conditions have direct access to specialists within a health plan. And, if no specialist exists in the plan, consumers have a right at no cost to seek a specialist outside of the plan. We believe any adequate patient protection legislation must include these provisions.
>
> Willis Lester, one of the speakers at the rally, explained when his employer switched to a managed care plan, his new primary care doctor took him off his blood pressure and cholesterol medications. Consequently, Lester suffered a stroke. According to Dr. Nancy Futrell . . . the stroke is a direct result of high blood pressure and high cholesterol, which would have been controlled by his medications.
>
> Dr. Futrell added that Lester's plan has limited his physical therapy, "essentially impairing his recovery."

Explains Dr. Viste:

> With the rise of managed care, we've seen many patients with chronic conditions denied access to quality, specialized medical care that they need. As a result, some of these patients suffer long-term effects and end up on disability, driving up costs to employers. Patients need a law with "teeth" that guarantees they will be able to see a specialist, appeal to obtain a medically necessary drug when denied such under a prescription plan, and appeal denial of care to an independent decison-making body.
>
> Not only will the patient benefit, but in the end, the employers, as well.
>
> The Epilepsy Foundation, the National Multiple Sclerosis Society, United Cerebral Palsy, the American Parkinson's Disease Foundation, the Brain Injury Association, the Consortium for Citizens with Disabilities joined the [American Academy of Neurology] leaders and members . . . in advocating the passage of S. 1890.

The Epilepsy Foundation, National Multiple Sclerosis Society, United Cerebral Palsy, Parkinson's Disease Foundation, Brain Injury Association—every one of these groups say that our legislation provides the protections which are necessary for our families, and the GOP bill does not.

We don't even have an opportunity to debate or discuss this. The majority refuses to debate. We are still waiting to hear the name of that first major medical society that supports the Republican proposal. We are still waiting. They haven't been able to come up with one, not one. Virtually every major health care group supports our program. They all do.

We will make adjustments and changes in any legislation to try and move the legislation forward, but we are not going to compromise on vital protections. Every major medical professional group supports ours. None, not one, support theirs.

The list goes on. This is from a statement of Jeanne Carpenter, the president of the Epilepsy Foundation, in support of the Patients Bill of Rights:

> The Epilepsy Foundation historically has been a strong advocate for patients rights. We support affordable and quality health care for all Americans. And that begins with giving consumers the choice of health plans, a feature we are pleased to see included in the proposed legislation.
>
> We especially support several key provisions [in the legislation]—access to specialists and provider choice, detailed patient information, independent internal and external review of service denials, and coverage for nonformulary prescriptions where medically necessary.
>
> Many patients and families tell us they are deeply frustrated being denied referrals to specialists and the full range of treatment options that specialized treatment centers can provide. Not only is patient quality of life adversely affected, but denial of services is a false economy. It produces added cost for unnecessary emergency room and dental services, lost productivity and other seizure-related expenses.
>
> Seizure control for many epilepsy patients is a complex matter with important subtleties not always recognized in the primary care setting. Families whose children continue to have seizures need and deserve the opportunity to have their cases reviewed by third parties with full knowledge of the disorder and rapid progress is now being made in its treatment.
>
> Patients' rights legislation is long overdue. Each day of delay, there are children whose chances in life are being jeopardized because of ongoing seizures. We strongly urge passage of these protections during the current session of Congress and at the earliest possible moment.

Do we hear that? Every day of delayed debate and inaction we are putting at risk children whose lives are being jeopardized because of ongoing seizures. How many are being jeopardized if we don't complete the Vacancies Act? Or the salting act or the Internet tax or the financial services legislation? How many? Here, Mr. President, are the real issues. This is what is really important in our remaining time this year.

It is very clear why all of these organizations support this proposal. We have built into it not only the guarantee of specialty care, but real internal and external appeals.

I will make a brief comment about the appeal procedures under the Republican proposal. Under their plan, the decision to allow a patient to proceed to a so-called independent appeal will be made by the HMO itself, in consultation with their lawyers. Talk about having the fox guard the hen house, this is putting the fox in there. Do you know what will happen under the Republican House plan? Even if the patient wins on the appeal, the plan doesn't have to accept it. If they choose, they don't have to follow it. So they can show a brochure to anybody buying insurance, look you have an appeal. But they probably don't explain that it is decided by the plan and that the plan doesn t have to follow the ruling if it benefits the patient.

Our Republican friends say yes, we have an appeal provision. They say yes, we have it in our proposal. But this is the appeal they have. It doesn't work in quite the same way as ours.

I see two of my good friends and colleagues here, so I will wind up. It is important to understand that this issue is not going to go away.

As I have mentioned many times, the provisions listed on this chart and included in our legislation have either been recommended by the President's bipartisan commission—which required unanimous support by its members—or were put in Medicare by the Congress or have been endorsed by the National Association of Insurance Commissioners or recommended by the American Association of Health Plans, which represents HMOs across the country.

And, while the President's Commission did not specifically draft legislation, they did not rule out legislation either. They simply said that all Americans should have these protections. Most of our bill reflects the Commission's recommendations. Many of these provisions currently protect our seniors in Medicare. There is a lot of overlap here. The HMO trade group and the State insurance commissioners—again, Republicans and Democrats alike—have said these are important protections. Virtually all of our proposals have been recommended or adopted by other health care programs or experts. Talk about a modest proposal.

This is really a reflection of the best of those who understand this issue and have studied it for some period of time—probably for 8 to 10 years.

That is what this is all about. It is sensible. It is responsible. It is common sense. It is common sense to take a sick child to the nearest emergency room and not across town. It is common sense to get a specialist to take care of a particular kind of need. That makes sense. It is common sense to give the best medical prescription drug to somebody who is ill. It is common sense, with the breakthrough technologies and unprecedented progress that we are making in medicine, to allow people who can benefit from clinical trials to be able to participate in those clinical trials. It doesn't cost the HMOs very much more because they are going to have to pay for the basic routine care in any event, and that care will continue. The clinical trial pays for the additional treatment. So the cost isn't that great. But too many patients don't have this right, and those who think they do are increasingly denied it.

The list goes on. These are common sense proposals, Mr. President. It is common sense to hold people accountable for their actions. When you hold them accountable, you get better performance. The best testimony on the issues of appeals and accountability that we heard was when Senator SPECTER had his excellent hearing. We learned that court cases rarely occur, even when patients can hold their plans accountable. The 23 million employees of state and local governments can take their plans to court, as can the 15 million patients with individual health insurance. We know how that works. It is rarely used. Why? Because it is there. In most cases, the internal and external appeals resolve it before it needs to go to court. In the end, with few exceptions, it doesn't involve a court case. But what is clear—and the testimony is overwhelming because it is there—is that you get better quality. These plans can be held accountable for their actions, but we see that there is not as great a need when that right exists for patients.

That is what we are interested in. We are interested in the best quality. We believe the American people should be entitled to it.

These are some of the stories that we have heard in recent times. We can go right down the list of protections in our bill and in every one of these areas on this chart, you can find compelling stories. We just ask to debate and vote on these issues.

All we ask is that we cut back on some of the quorum calls that we have had here lately. All we ask is that we follow Senator DASCHLE's suggestion that we may debate these in the course of the evenings, at the end of this week and part of next week, and have some resolution of these issues. All we ask is that we give the American people at least an understanding that this institution is addressing something that is fundamentally important to their lives and the lives of their loved ones.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I concur with the sense of urgency that our colleague from Massachusetts just presented on this issue. With every day that goes by, another American family is at risk because they do not have these guaranteed protections; another American family is in a quandary because they do not have the kind of information that this would assure.

The Senator from Massachusetts has spoken in great detail—and the Senator from Rhode Island will shortly do likewise—on this. If I could just focus on two items. The most contentious area between patients and their health maintenance organization is the emergency room. That is where the greatest number of disputes as to the appropriateness of service and responsibility for payment of service occurs.

Recognizing that fact, last year, this Congress passed a very strong provision for the 35 million Americans who receive their health care financing through Medicare, to protect them relative to their HMO in an emergency room setting. Basically, the standard is, if you are a reasonable lay person and you are suffering from symptoms that a reasonable lay person would feel appropriate for emergency room treatment—say, you have a pain in your left chest—you can go to the emergency room, receive treatment, and not be faced a month later with an enormous bill from that same emergency room because the HMO denied coverage. The HMO is required to provide coverage.

If you will notice on the chart, I believe it will indicate that both bills—the GOP's and the Democratic—have emergency room access. But that is not the end of the matter. It is not just a matter of getting into the emergency room and having assurance that somebody is going to look at you and determine whether your pain is angina or a heart attack. Then, after that decision is made, there is another critical period. That is what is called the postdiagnostic stabilization period, where something is done to you to bring you back to a level of health that will allow you to return home.

There is a significant difference, because the Democratic bill provides that that postdiagnostic stabilization period is also guaranteed to be covered. That is not the case with the Republican bill. So you can't just look at a chart with three or four words behind the number and assume that we are talking about parity protections. That is what we ought to be debating. Is there a rational reason to have emergency room access covered, as it is in Medicare, but not to have, as it is in Medicare, the postdiagnostic stabilization covered? We could have a good debate on that issue, and we ought to have that debate.

Secondly, the issue of informed judgment. Many citizens now have the opportunity to select from a variety of HMOs. They may be with an employer plan that provides multiple HMOs, or if they are purchasing from their own resources from the marketplace, what typically is absent is the means by which even the most concerned and conscientious citizen can make an informed judgment among this variety of plans.

So we have a provision for information to be made available on the quality of the plan: What kind of things might we anticipate would come from that information about performance outcomes? How many of the patients under one particular plan who, for instance, have a particular type of surgical procedure have a successful outcome? If you are about to have surgery, you would be pretty interested in knowing what the prospects were of your having a positive result.

Another provision that is likely to be included is information about what will this plan do to help you maintain your state of good health? Will this plan, for instance, provide for screening tests and periodic examinations? Those kinds of things, we know, have the greatest potential of spotting a problem before it becomes a fatal condition, giving you the opportunity to do something to maintain the quality of your health. That provision is in the Democratic plan, but it is not in the Republican plan. I think that is a critical matter for Americans attempting to use their own best efforts to select a plan that will best protect the health of their family.

So, Mr. President, this is an urgent and critical issue. We are taking up a lot of matters in this last couple of weeks, and I would let the American people make a judgment as to our sense of priorities. Is it more important to be considering the Judicial Vacancies Act during the last 6 or 7 days of this Congress, or to be considering the Bill of Rights for 161 million Americans, in terms of their health care? That is a judgment that the American people should make. I think it is a judgment about which we in the Congress should feel a sense of responsibility to the citizens of this country—to prioritize our efforts on their behalf.

Mr. President, I am certain we will have more to say on this issue.

Mr. KENNEDY. Mr. President, I thank the Senator.

Mr. GRAHAM. Mr. President, I ask unanimous consent that my following remarks be included in the RECORD when the energy and water appropriations conference report is considered by the Senate.

The PRESIDING OFFICER. The Senator is informed that the energy and water appropriations bill is not on the calendar. It is scheduled to be on the calendar. The acting President does not believe the remarks today can be put in tomorrow's RECORD.

Mr. GRAHAM. Mr. President, in light of that comment, I will therefore defer my comments until the appropriate day when this matter will be considered. I would like to alert the Senate that it will be my intention at the appropriate time to provide such a statement and a colloquy among Senators DOMENICI, REID, MACK, and myself on the issue of funding for the Kissimmee River Restoration Project as part of the Everglades Restoration Project as it relates to that item within the energy and water appropriations conference committee.

Mr. President, in light of the comments of the Chair, the uncertainty as to whether this bill will be before us today, I will conclude my comments with that information to the Senate and look forward to participating when this matter is before the Senate.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

ENERGY AND WATER CONFERENCE REPORT

Mr. HARKIN. Mr. President, first all, I thank my friend and colleague from Rhode Island for letting me jump in front of him. I will only take a couple minutes.

The chairman of the Budget Committee, Senator DOMENICI, was in the Chamber earlier talking about the fact that I had not permitted the energy and water conference report to proceed under a unanimous consent agreement. I objected to that. And the reason I did so not objection to the energy bill; I have none. Rather I objected because I wanted to once again bring the attention of the Senate to the fact that we have a very unfair situation presented to us in terms of the allocation of money for the defense portion of fiscal year 1999 Appropriations and for the nondefense portion.

I again ask Senators to look at the July 30 CONGRESSIONAL RECORD, page 18085, when I spoke, and there was a short colloquy with Senator SPECTER, myself, Senator LAUTENBERG, and Senator DOMENICI at that time.

Basically, it goes back to a letter that was written on April 2, 1998, by Senator DOMENICI to Senator STEVENS which basically said that by using OMB scoring figures and policy decisions, they had identified $2.2 billion more in outlays for defense by using the OMB policy assumptions rather than CBO policy assumptions.

At the end of the letter Senator DOMENICI writes, "Pursuant to your amendment, we are also looking at the issue of nondefense outlay scoring and will report back to you shortly."

That was April 27, and we still don't have a report.

Right now, based on informal preliminary meetings being held with the House, it is clear that a considerable increase over the funding in the Senate bill will be required to meet all of the demands and get this bill signed into law.

Now, earlier today I spoke to Senator DOMENICI about this, and Senator DOMENICI mentioned something to me about $300 million that he had already given. That unfortunately is not my understanding of where we officially stand. We still haven't seen it, and I do not know where it is. If it is $215 million or even $300 million, that still means we are going to have to trim over half a billion dollars from what the preliminary discussions with the House have led us to.

So where are we going to trim? Head Start? Are we going to cut IDEA, the Individuals with Disabilities Education Act? Are we going to cut community health centers? Are we going to cut the Ryan White AIDS Program? Drug treatment? How about our vitally important medical research at NIH? Are we going to cut all those? A half a billion dollars we are going to have to cut.

Well, I and others have said what is fair is fair, and if you use OMB policy statements for defense scoring, you ought to use them for nondefense also. If that were the case, the Labor, Health, and Human Services Subcommittee would not be getting $215 million; it would, in fact, get $770 million—not $215 million.

So the reason I have said that we need this time—and I will not take a lot of time now because I know that Senator REED has prepared a speech here, and I don't want to interrupt his time. He was kind enough to give me a couple minutes here just to lay this out. But right now we need fair treatment for these domestic programs, and $215 million doesn't do it. But if we have the same kind of scoring as we got for defense, we should get about $770 million.

So I just wanted to alert Senators as to why I was taking this course of action. We have been waiting since April 22. We talked about it on July 30. Here we are in the final closing days of the Congress and programs vital to the health, to the education, and the security of the people of this country are going underfunded.

I don't know what kind of games are being played. I don't know what all is going on behind the scenes. But we are going to continue to demand fairness until we get it. I am sorry that Senator SPECTER can't be here. Of course, he is home because of the Jewish holy day. I would just again refer to Senator SPECTER's comments on July 30 of this year in which he basically echoed what I was saying, and that is that we need to get this correct scoring. I would not want to put words in Senator SPECTER's mouth without him being here, but I believe he feels the same way I do.

I thank the Senator from Rhode Island for letting me get ahead of him. I yield the floor.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. I thank the Chair.

PATIENTS' BILL OF RIGHTS

Mr. REED. Mr. President, I rise today in strong support of the Patients' Bill of Rights and join my colleagues, Senator KENNEDY, Senator GRAHAM, Senator HARKIN, and many others in urging that this very important legislation be brought to this floor immediately, debated thoroughly, and passed.

When I go back to my home State of Rhode Island, I encounter lots of issues. But there is no issue that is more important to my State and to this Nation than having a health care system that works for them, having a health care system that is governed by rules which require that people get what they pay for. There are thousands and thousands of individuals who are paying for managed care coverage, thousands and thousands and thousands of companies that are providing coverage. The shocking thing is that many times people discover they really do not have the coverage they need when they need it. With the Patients' Bill of Rights, we are going to provide a framework of sensible rules which will guarantee access to quality health care coverage for the vast majority of Americans.

The Democratic bill, S. 1890, does that. In stark contrast to the Republican proposal, it will provide broad coverage to the American people. As illustrated by this chart, the only group of people covered by the Republican proposal are just those who are covered through a self-funded employer plan, only 48 million Americans. The Republican bill leaves out 113 million Americans. It leaves out people whose employer provides coverage through an insurance policy or an HMO directly. It leaves out State and local government workers and people buying individual health insurance policies.

I hope that we can at least agree that if we are going to do something with respect to reforming managed care in the United States, we will do something that covers all people who are insured by HMOs throughout the United States.

As my colleague from Massachusetts, Senator KENNEDY, just pointed out, when you leave out State and local government workers, you are leaving out police officers, firefighters—those people who not only do we depend upon, but people who we hope will have access to high-quality care. That is just one example of groups of people who are denied protections under the Republican version but will be provided these protections under the Democratic bill, S. 1890.

Throughout this debate, we have heard a lot about what we must do with respect to health care. Again, as my colleague from Massachusetts, Senator KENNEDY, pointed out, the Democratic bill is supported by the broadest possible coalition of health care organizations. Here is a partial list of those organizations: The American Medical Association, the American Cancer Society, the National Association of Children's Hospitals. Every major health care organization in the United States has recognized the need for protections with respect to managed care and has recognized the value of S. 1890, the Democratic bill, and is strongly supportive of this proposal.

We have people throughout this country demanding that we take appropriate action. We have every major organization committed to the health and welfare of this country and its people—all of them—together asking us to act. And yet here we find inaction; we are not able to bring this bill to the floor for a thorough debate and for a vote. I think that is wrong, and I think we are not doing our job as representatives of the American people. Congress is not responding to one of the critical needs of every family in this country: Providing high quality health care for all families.

My focus throughout the debate has been to ensure particularly that children are treated fairly by managed care health care plans. If a family has a problem with a managed care plan, it is serious. When it is an adult, a mother or father, it is serious. But it is particularly serious, and many times tragic, when it involves a child.

Earlier this year, I introduced legislation that deals specifically with the issue of children in managed care. This legislation was prompted by my own observations and advice I received from the American Academy of Pediatrics, by the National Association of Childrens Hospitals, by many pediatric specialty organizations—all of these groups together pointed out to me that we just can't consider children as small adults. If a child has a particular condition, the expertise needed to deal with that pediatric condition is not something gained generally in medical education. Pediatric specialists are vital to our health care system because they can treat the unique needs of children. Children often need access to these specialists, and frequently they are denied that type of care.

Earlier this year in the Labor Committee, we heard the story of Melissa Froelich. I have a picture of Melissa right here. She is 2 years old and has become the poster child for the American Red Cross. As this poster describes, "Melissa spent her first 18 months in a hospital clinging to life. Thanks to medical miracles and blood donors like you, she is finally home and doing well." I would imagine her parents would hasten to add something along the lines of, "No thanks to the managed care plan" because her medical ordeal was matched by a bureaucratic ordeal waged by her parents, particularly her mother, on her behalf.

Melissa was born with serious congenital heart defects. In the first 2 years of her life, she spent a great deal of time in and out of hospitals. Her mother, Staci Froelich, had to fight a battle every day, a relentless battle to get Melissa the kind of care she needed and deserved and that they had paid for.

Staci Froelich is a registered nurse, a licensed nursing home administrator. She is someone very sophisticated in the way the system operates. I hesitate to speculate what would have happened if Melissa's mother hadn't had that kind of expertise—if she were, like so many Americans, not prepared to deal with all the bureaucratic red tape, all the hurdles that HMOs can throw up when they deny coverage and deny care.

She persevered, and she did it day in and day out. In her words, this is what her struggle was like:

> My husband and I are responsible middle-class American citizens. We were both employed and had two healthy children. We took out the best health insurance policies our places of employment had to offer. We believed if there were ever a medical emergency, we would be covered. After all, we had done everything in our power to have the necessary coverage should that occur. We were in for a rude awakening.

With the birth of Melissa, with her serious heart problems, they found out that literally that their HMO didn't provide much coverage at all when they needed it most. This HMO forced this family to jump through repeated hurdles. For example, after Melissa's first open heart surgery, the HMO wanted to transfer her to a nursing center for senior citizens. Can you imagine that, an infant being sent to a senior citizens nursing home facility where the only specialists are geriatricians, not pediatricians? That is what the HMO wanted to do to save some money. Of course, her mother had to fight tooth and nail to prevent that from happening.

This example illustrates something else that underlies my concerns: The presumption by many HMOs that a child is no different from an adult, and if there is an open bed in a senior nursing center, send the child there. That is not the type of care that those parents expected to get for their child when they paid their premiums and when they sought out the best coverage they could.

During the course of Melissa's illness, oftentimes the HMO would try to switch her specialist or try to suggest she didn't need pediatric specialists. All of this added up to an ordeal on top of the basic ordeal of a very sick child. In this country, we should not tolerate that situation.

I am happy to say, as Melissa's picture demonstrates, she is a thriving, beautiful child of 2 years—the result of her family's efforts, the result of many people, but certainly not the result of a health care system that was out there to assist her and to provide for her family.

Her story illustrates all too well what we hear constantly: every day consumers face difficulties to get the services that they need, they face delays, complex rules and regulations which an average lay person can't understand. We can change this situation if we act promptly and timely, and if we act immediately to bring this legislation to the floor.

Managed care has provided great benefits to our country, particularly when it comes to preventive services. The emphasis on prevention is good. But all too often we hear stories like Melissa's story, and other stories, where the system is not working to the benefit of the public, and where people are not getting the health care services they've paid for. It is our responsibility to make sure that this situation does not continue.

We also sometimes look at HMOs and think, "Well, maybe they've got some problems, but maybe the problems are not really being addressed here." There was a study done at the University of California at San Francisco by Elizabeth Jameson at the University of California. She compared the pediatric care provided to children by private and public managed care plans.

Frequently people consider Medicaid and say, "Well, that's not top-grade health care because that's a public health care program for low-income Americans and, you know, it is not good compared to some of the large employer programs, the blue chip HMOs." Her study was very revealing though. It found that low-income children in California's Medicaid program received age-appropriate care that is consistent with recognized clinical guidelines, while those in private health care plans often did not.

In effect, there was a better chance for a child in the California Medicaid system to have access to a pediatric specialist, to have the kind of focused specialized care that we assume would be found in the HMOs. Certainly, both the employer and the employee are paying a lot of money for those HMO premiums. I assume that he or she believes that all that money is buying care at least as good and probably better than what you would find in a public program. But the reality is, that is not the case. This is another indication that we should act to improve the quality of health care that is delivered by HMOs throughout this country. That is, we should pass a Patients' Bill of Rights.

This study in California also found that some managed care plans impose restrictions on referrals to pediatric specialists. Jameson also found that complex pediatric diseases are being treated by providers without pediatric expertise when, in fact, a pediatric specialist would provide more appropriate care. All of this, again, suggests that we have to act promptly to pass this bill to ensure that the American public gets what it is paying for: Good quality care through managed care plans.

Again, I am particularly pleased that the Democratic bill incorporates many of the provisions from my legislation that would deal particularly with the problems of children and managed care. The Democratic bill includes, for example, a guarantee of access to necessary pediatric services, and appeal rights that address the special needs of children, such as an expedited review if the child's life or development is in jeopardy.

Again, here is another example where adults and children differ. Children have special needs, not just with their present health state like adults, but also with their development. And if our insurance plans are not keenly attuned to the developmental aspects of children, they are going to provide inferior care. So this legislation would require HMOs, in the context of appeals rights, to consider not just the present health status of the child as they do with adults, but also with the child s development.

Also, the Democratic bill would require pediatric expertise in staff performing utilization review. Under our proposal, when the HMO is examining the use of services for a child, the HMO would have to ensure that reviewers had pediatric expertise. Too often today HMO plans' utilization review is solely in the context of adults. This practice overlooks our children, and overlooks the fact that children often have very different health care needs than adults.

The bill would also require that HMOs give information to parents about quality and satisfaction related to the treatment of children. This information should be easily obtainable so that when a parent signs up for a health care plan, they will know upfront what to expect for their children. They will not have to wait until that child has a serious, serious illness.

All of these provisions are incorporated in the legislation that we should be debating here in the Senate today. All of this is incorporated in the legislation that has been endorsed by over 18 organizations whose sole commitment is to the health care quality of the American people.

The Patients Bill of Rights legislation, too, will cover the vast majority of Americans. It will cover all who are in private health care plans, unlike the Republican alternative. In the days ahead, we have to make critical choices. I can think of no more important issue to debate, to discuss, and to act upon than improving the quality of health care in the United States, passing the Patients' Bill of Rights, giving each American family an opportunity to know what they are getting, and ensure that they are getting the health care they are paying for.

I hope we can do that. I hope that this debate will begin. I hope that we can go back to our states in a very few weeks and report to the American people that we have listened to their concerns, we have listened to what they feel is important and that we have acted in their best interests by passing the Patients' Bill of Rights.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I know that we are in a 30-hour postcloture debate on the motion to bring to the floor the Internet tax bill. I believe I am correct in that.

The PRESIDING OFFICER. The Senator is correct.

THE FARM CRISIS

Mr. DORGAN. Let me say that piece of legislation and a lot of other legislation that has been considered by the Congress, by this 105th Congress, in my judgement pales in importance to the responsibility we have to deal with the current farm crisis that exists in this country.

Last evening, I drove home from the Capitol, and I thought about the day. When I left, I left the conference committee between the House and the Senate on agriculture appropriations. It was a conference committee in a small room. There were a lot of people. It was cramped and hot. The result of that conference committee was a party-line vote to reject a proposal by President Clinton to provide nearly $8 billion of emergency aid to deal with the farm crisis.

Instead, the conference committee accepted the majority party's proposal of roughly $3.9 billion which almost everyone understands comes far short of what is necessary. I also thought about the news yesterday that was described in a story in the Washington Post this morning. I was thinking about it on the way home because I was thinking about the juxtaposition. It was a story about a hedge fund. This particular hedge fund apparently had liabilities upwards of $100 billion and ran into serious problems. And then the rescuers were brought together under the Federal Reserve Board's so-called official sponsorship.

The banks were brought together, and they put together a rescue package for this group that is involved in hedging. By the way, the Fed spokesman said they are helping sponsor this rescue package not with Federal funds but from all of the lenders. The Fed felt it had to get these lenders together for a rescue package because it had a "concern about the good working of the marketplace and the large risk exposure and potential for a disruption of payments."

One wonders about such an organization that is involved in hedging. By definition this is a rather speculative occupation. In fact, one of the principals had been one of the top officials at the Federal Reserve Board. He went over to this hedging operation. It grows and expands, and then has liabilities up to $100 billion. I have no idea what the assets were. Then it gets in trouble. But then instead of having the marketplace assess its future, the Federal Reserve Board apparently brings together the lenders and says, "Well, gosh, you're too big to fail."

If you apparently work in these environs, have these contacts, and are involved in this kind of risk, you are too big to fail. But what if you are one of those family farms out there that has seen what has happened to their wheat price. The price of wheat has been going down, down, down, down. These family farmers are told, "You're too small to matter." What is the difference between those who are too big to fail and those who are too small to matter?

I guess it is economic clout in the form of sheer raw economic power.

I would hope that we would have the opportunity to decide in this Congress that family farmers ought not be failing in this country either. The fact is this country will lose something very important to its future if we decide that family farmers do not matter. Right now they are suffering through a crisis that is very significant and one that we must address.

The question is whether we will address it in a kind of a puny, cheap way that does not solve it? Will Congress do just enough to pull us through the election for a month or two? Or is Congress going to address it and say, "Farmers, we're on your side. You matter to this country. We're going to do something significant to help you get in the field next spring, help you harvest next fall, and give you some hope that maybe you can make a decent living"?

Mr. President, I notice that a couple of my colleagues perhaps want to propound a unanimous consent request. And I will be happy to yield the floor briefly provided that I retain my right to the floor and provided it is not going to take 15 or 20 minutes. If they intend to propound a unanimous consent request that is very brief, I am happy to interrupt my presentation and allow them to do that so they don't have to wait.

Mr. HARKIN. I thank my friend from North Dakota. I wanted to join him in talking about the agriculture situation, but I appreciate if he would yield the floor, and he can get the floor back when Senator DOMENICI and I finish.

Mr. DORGAN. I ask unanimous consent I regain the floor following the unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 4060

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of the conference report to accompany H.R. 4060 and that there be 45 minutes for debate, with 30 minutes under the control of Senator GRAHAM of Florida, 5 minutes under the control of Senator JEFFORDS, and the remaining 10 minutes equally divided between Senator REID, the minority manager, and myself; further, I ask that upon the conclusion or yielding back of the time, the conference report be agreed to and the motion to reconsider be laid upon the table.

Mr. HARKIN. Reserving the right to object, and I won't object, but I did want to engage in a brief colloquy here with the distinguished chairman of the Budget Committee regarding statements I made earlier on the floor that Senator DOMENICI also made earlier on the floor.

I did not want to hold up the energy and water bill at all, but I did want to make a strong case that the Labor, Health and Human Services Appropriations Subcommittee is having some very, very severe problems in meeting the basic health and education needs of the country and the requirements that other Senators and House Members have imposed on us. We simply don't have the outlays necessary to do the job. I asked the help of the Budget Committee chairman in this regard.

At the outset, again, I want to make clear for the record that Senator DOMENICI has been a strong supporter of our subcommittee. I know he has worked very hard and very diligently to make sure we do have the kind of resources that we need. However, it is clear that we have come up short.

I just wanted to ask the Senator from New Mexico if he could, perhaps, enlighten me further as to where we might be on this issue.

Mr. DOMENICI. Senator HARKIN, let me thank you very, very much for the consideration you are giving us today in letting this very important bill pass.

I think the Senator knows that while a lot of what I do as chairman of the Budget Committee is fun work, a lot of it isn't very much fun. That part that isn't very much fun is the issue of who is right on the scoring—OMB or CBO. I am charged with the responsibility, if there is a difference between them, of going through it, line by line, program by program, with my staff, and if there are, indeed, errors that run in favor of OMB, which means you would have more money to spend, if they are based on policy differences that were not taken into consideration when CBO did theirs, we make the adjustment.

I can report, as staff on your committee knows, we have found $215 million in outlays where we found policy errors, and they came mostly from the IDEA program where they made changes and they were taken into consideration regarding the new policy costs, so we are at $215 now.

I assure the Senator that I am totally aware of the difficulties in the bill. I will continue to review the scorekeeping baseline assumptions made for your bill by both OMB and CBO and see if there are any other adjustments that need to be done to accommodate the concerns the Senator has expressed on the floor.

Mr. HARKIN. I thank the distinguished chairman of the Budget Committee for his diligence in looking at this.

Believe me, I know it is a tough job. I can only imagine being chairman of the Budget Committee in these times, working under the constraints under which we have to work. I have a lot of sympathy for the Senator's position on this.

As I said in my opening remarks, I know from my past experience in dealing with the Senator from New Mexico of his strong support for those programs that we have, whether it is IDEA, whether it is drug treatment, or NIH research or community health centers. I could go down the list. I know the Senator from New Mexico has been a strong supporter of these. I am very grateful for his work in diligently finding this extra money in terms of finding the policy differences. And I appreciate his commitment to continue to review these differences and to make other appropriate adjustments. Hopefully, as we move along, there will be others. I pledge to him that I will work closely with him as we move towards completion of the important work on this bill.

Again, I thank the distinguished Senator for his consideration and his efforts in helping us to get to this point. I appreciate it very much.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the regular order says we finish this discussion, but we are waiting for one of the Senators to see if they really want to speak.

Mr. DORGAN. The regular order is that I am recognized following the unanimous consent request, and I was recognized for an hour. I will not take all of that hour. The regular order is that the Chair would recognize me.

The PRESIDING OFFICER. The Senator is correct. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, thank you very much. I was happy to allow the unanimous consent request to be granted.

THE FARM CRISIS

Mr. DORGAN. Mr. President, I know the Senator from Iowa wishes to join in this discussion, and I am happy to have his input.

I was driving home last evening after the Agriculture appropriations conference committee, and I was once again struck by how some in politics here just sort of shrug off some things that are so important. I am referring especially to the future of family farming. It is true that almost every day you see something around here in which someone treats the important things too lightly and then someone treats the light things in a far too serious way. It is hard to see that things are treated appropriately.

There is no more urgent need in this country, in my judgment, than to address the farm crisis at this time. If we do not act on a timely basis, we will not have family farmers left in the Farm Belt given their current circumstances.

Again, this chart shows the price of wheat. This is the income our farmers receive for their production. In 1 year in North Dakota, our farmers lost 98 percent of all their net income. It was just washed away. Their net income was virtually all gone. It was a 98 percent drop in their paycheck. Think of it this way: What if this were your salary or your wage? Look at what has happened, month after month after month after month. This is the gross returns that our farmers receive. The price of wheat in our part of the country is down, down, down, way down. In fact, the price of wheat has fallen 57 percent since the Freedom to Farm law was passed.

These families are out there living on the land, turning the yard light on, illuminating the dreams and hopes of a family that is trying to make a go of it. They are discovering they are going broke in record numbers and nobody seems to care much because we have people that chant on street corners in Washington, DC, "the marketplace, the marketplace, the free market."

There is no free market. What a bunch of unmitigated baloney. This is no free market. There has never been a free market in agriculture, and there will not be one.

This is picture of a farmer that is being sold out. This is an auction sale. All his equipment is being sold. These farmers go broke and they have an auction sale. They are told, gee, you didn't make it in the free market.

Let's examine this free market. This farmer plants some wheat in the spring and harvests it in the fall, if the farmer has some good luck. If it doesn't rain too much, and if it rains enough; if the insects don't come and if the crop disease doesn't come; if it doesn't hail; if all those things don't occur or do occur, this farmer may or may not get a crop. And then this farmer puts that crop, after a hard day's harvest, into a truck and puts it on a county road and goes to market. He pulls up to an elevator and the elevator manager says, "You can dump that grain in my country elevator." Guess what it costs a farmer to produce that crop? It costs five dollars a bushel to produce that bushel of wheat, and the elevator man says he is prepared to give the farmer $2.50. In other words, he is prepared to give only half of what it costs the farmer to raise it.

The elevator man says, "What I want to do is to put that grain on the railroad car and the railroad company will charge you twice what it is worth to haul it, and they will haul to the miller who will make a record profit grinding it, and they will send it perhaps to a grocery manufacturer and they will puff it and pop it and crisp it and flake it and they will put it in a bright colored box." Then they are going to ship it to the grocery store shelf and somebody out there is going to come and buy it in Pittsburgh, or Fargo, or Los Angeles. These consumers are going to pay $4 a box for a bright-colored box of wheat that is puffed up and called puffed wheat now. The person who put the puff in it is making record profits, the person who hauled it on the railroad car is making record profits, and the miller is making record profits. Everybody is making record profits, except the farmers who got their hands dirty, gassed up the tractor, plowed the ground, seeded and fertilized the ground, harvested the crop, and hauled it to market. They are going broke in record numbers. Yet, nobody seems to care a bit.

Last night, in that conference committee, they were stone deaf to a proposal by this President who said we need $8 billion in emergency aid, and we need it now if we are going to solve this farm crisis. They rejected that on a straight party-line vote. It is not that there is not enough money. They think they have enough to give an $80 billion tax cut. The sky is the limit there. But how about another $4 billion for family farmers? That is what we were talking about last night. We were asking just another $4 billion more to save family farmers. They have $80 billion for a tax cut, but they don't have another $4 billion to invest in the lives of these people, who I think are the salt of the Earth. Family farmers are the ultimate risk-takers.

Let me mention one more point about this free market. I talked about the monopoly railroads that haul the grain and the monopoly grain trade firms. Wherever you look, in every direction our farmers face a monopoly. It doesn't matter which way they turn. Let's say we have a cow out here. They are raising wheat, corn, soybeans, and they are raising some cows. They are going to send the cow to market. But are they going to make money off that cow? I don't think so, because that cow is going to be sold into a monopoly. Four firms control over 80 percent of all the slaughter of beef cattle in this country. That farmer markets up to a monopoly. That farmer moves the grain to a monopoly railroad and markets into a monopoly grain trade.

Then we have these half-baked economists who talk about the free market. Harry Truman used to say, "Give me a one-armed economist. I'm sick and tired hearing 'on this hand' and 'on the other hand.'" I am not sure how many economists we have around here talking about the free market. Maybe we ought to put a robot out on the street corner and let him chant, "There is no free market here."

In every direction, the farmer is getting fleeced. This Congress, for a change, needs to say we are going to be on the side of the ultimate producers in this country, who are the economic all-stars in this country. If we don't, we won't have any family farmers left.

I had a young boy named Wyatt write to me. He is a sophomore at a school in Stanley, ND. The other day in a letter to me, he said, "I am a 15-year-old farm boy. My dad can feed 180 people, but he can't feed his own family." That says something about family farming. It says how productive they are, how important they are, how incredible they are as producers, and what they have to face in a market controlled by economic giants that pillage and prey on these family farmers every day and in every way. And, they do it in such a way that family farmers can't make a living.

This Government and this Congress, has to decide whether we are going to stand up for these people or not. We are going to force another vote on the floor of the Senate. We have had two votes to get a decent support price, and we lost by a handful each time. But for those who don't want to vote on this, I say: Brace yourself, because you are going to have to vote again. We are not going to quit. Family farmers would not expect us to quit. They don't quit and we are not going to quit them. We are going to vote on this again until we get a result that says this Congress stands with family farmers and that this Congress cares about the future of farm families.

I would be happy to yield to the Senator from Iowa, if he has a question.

Mr. HARKIN. Mr. President, I thank the Senator for yielding for a question. First of all, I thank the Senator for a very eloquent and forceful statement on what is happening out there and, really, the shame of this Congress in not addressing it.

As I look at your charts here and see the free-fall in the price of wheat over the last couple of years—since the 1996 so-called Freedom to Farm bill was passed—I look at that and I wonder what happened to the price of bread. Has that come down? What about all the wheat products, like pasta and all the things into which wheat goes? I ask the Senator, what happened? Are the consumers making out on this and getting a cut-rate deal at the grocery store?

Mr. DORGAN. No, no. This is about corporate profits, not about advantages to consumers at the disadvantage of farmers. What is taken out of the hide of family farmers in collapsed prices doesn't go into the pockets of consumers through cheaper bread prices. Take a look at the price of a loaf of bread when the price of wheat peaked about 2½ years ago. Then go to your grocery store and look at the price of a loaf of bread today. Ask yourself, gee, if farmers suffered a nearly 60-percent drop in the price for wheat, what happened to the price of a loaf of bread? The answer is that somebody in between is taking more profit. But the consumer hasn't gotten the benefit. This country always had a cheap food policy. Will it have a policy that protects the basic income requirements of family farmers?

Mr. HARKIN. One of my neighbors keeps asking me. He said, "I hear about all these farm problems." He lives in a city. He said, "I can't understand, if the farmers aren't making money, how come I'm not seeing lower prices in the store?" They don't understand that. I think the Senator from North Dakota pointed out that consumers aren't seeing it in the store. The fact is that bread has gone up in the last couple years, not down. The large grain companies, the shippers, the monopolies are reaping a windfall. They are buying these products from the farmer, not at wholesale, but at fire sale prices.

In listening to the Senator, I could not help but remember what John Kennedy said in Sioux City, IA, when he was running for President in 1960. He made the statement: "The farmer is the only person who buys retail, sells wholesale, and pays the freight both ways." Well, now today farmers aren't even selling wholesale. They are selling at fire sale prices—not only wheat, but corn and soybeans. And pork prices, this year, are probably going to average their lowest since 1974. They are working at extremely low cattle prices. So all across the agricultural sector, we have a terrible crisis.

Now, as the Senator pointed out again last night in our conference committee, when we met to try to do something, to answer this crisis and need in rural America, we were told that, no, we would not do it, we can only do a little bit. I liken last night to somebody dying of thirst and you give them a thimbleful of water. That is what those who we were in conference with last night basically did to the farmers. They slapped them in the face and gave them a thimbleful of water when they are dying of thirst. It is a shame.

It came down to a straight party-line vote. It is very unfortunate that it had to be on a party-line basis when this issue begs for nonpartisanship and bipartisanship. Yet, it has evolved into a partisan situation. That is a real shame. I think it is a shame that our colleagues voted against any meaningful help. As the Senator pointed out, we had about a $3 billion difference. In other words, for $3 billion, we could have really met the needs of farmers all over this country—not only the farmers in Iowa and North Dakota, but the farmers in Louisiana, Texas, Mississippi, and all over the country. Farmers who are either suffering from the fall in prices, or because they have had a drought, or floods, or disease. All of these things have piled up this year to really put agriculture in dire straits.

No, they don't have the money for that, as the Senator pointed out, but they do have money for an $80 billion tax cut.

I am sure the Senator would agree with me. I met with farmers in Iowa not too long ago and I talked about this tax cut. I said, "Who do you think is going to get it? I will give you a hint: It isn't you." They are not going to get it; it is going to go to upper-income people. We know that. But for $3 billion we could have really helped pull these farmers out. And we still can if we have the will.

I ask the Senator from North Dakota in my closing question—and I thank him again for his strong support for the American farmer, the family farmer, and for always being front and center here on the floor and in our committee meetings, for fighting for those family farmers. Lord knows, we don't have too many people around here fighting for them anymore. But the strength and the passion and courage of the Senator from North Dakota has gone a long way toward at least helping us get this far, getting something through to help our farmers—even though it is not going to be enough to save them, unless we can have some more action on the floor. The Senator has indicated that when that bill comes back, we are going to have more action on this floor. We are not going to go away quietly. I join with the Senator from North Dakota in saying that. We are not going to go away quietly. We are going to be here until the last bell rings of this Congress to do everything we can to help those family farmers.

I thank the Senator from North Dakota again for his eloquent remarks and for his steadfastness in standing up for those who really are the backbone of this country, those who have worked hard, produced our food and fiber and the products they have raised in our export channels have been the only thing that has kept our balance of payments and our balance of trade with other countries at least somewhat positive. It has only been agriculture. It hasn't been anything else, just agriculture. And yet to let them go down the drain because of monopoly practices I think is just a shame, and I think it is something we have to address.

I thank the Senator from North Dakota for, again, leading the fight.

Mr. DORGAN. Mr. President, I thank the Senator from Iowa. He and I and others from the farm belt feel very strongly about this issue because it is not just some cerebral discussion about economic theory. It is about thousands and thousands of people who have had dreams and hopes of continuing to operate their family farm and raising their family out in the country and tilling the soil and producing food. It is about whether they are going to be able to continue to do that. This isn't a bluff nor is this crying wolf.

What has happened in my State is the complete collapse of grain prices coupled with the worst crop disease in a century. It has just put thousands of family farmers in a position where they are not going to be able to continue to farm.

I would like to read just a couple of letters. This one is from a young man named Eric. He graduated from high school 10 years ago. He is a farmer. His family and his wife's family were farmers. Eric wrote to me and he said, "When I started out, I knew it wasn't going to be easy. The only support either family, mine or my wife's, was able to afford was advice and hard work." They could not afford more support than that.

He goes on to say, "In our area we have been hit with heavy rains the past 5 years which has greatly reduced the yield of our crops, and caused crop disease. One of those years we had to burn the crop off of the fields so it would be able to dry enough to farm the following year." That, he said, was like "burning dreams."

He is raising cattle, crops, hogs. He writes, "As of this fall we decided that we would have to reduce the number of acres we farm. I am watching my hopes and dreams fade away as I reduce these acres. Yet, I work 16 plus hours a day to try to keep the farm going again for another year."

He adds, "My wife works about 55 hours a week just to try to pay household bills. She works off the farm and then comes home and does the farm work as well. At one time I had hopes of being able to pass this farm down to the next generation. Now the only hope I have is that we can just continue."

This is a letter I received the other day from Barbara. Barbara says, "I have been married for 19 years. I have two sons. It was our dream, my dream and my husband's that one day this farm of ours would belong to our boys."

Then she describes the way they have tried to make ends meet and can't. "My husband not only farms, he works out in the winter and finds as many part-time jobs in the summer as he can to help supplement our income. We raise hogs to help supplement the farming also. I work in the county school system during the school year. I am a cook in the elementary school. I also drive a bus some evenings after working in the cafeteria. I also work as part-time help in our local hospital and dental office. I'm an emergency medical technician and, my husband is a firefighter with the local fire district."

She writes, "Our oldest son is 17 and works part-time during the school year and this past summer went on part of a run with a custom harvesting crew to make some money. Our youngest son has a job mowing cemeteries for our local church and helps on the farm. He is 15."

"As you can see we have full schedules which don't allow us much in the form of extra cash or time for vacation or leisure. The part I can't understand," Barbara writes, "is why after working 17 or 18 hours a day we can't make enough to live on. My husband went to the elevator yesterday to haul in some wheat to pay our expenses for the coming month. He was told he would get $1.82 a bushel for the wheat."

By the way, she doesn't write this, but USDA says it costs them at least $4.75 a bushel to raise that. Her husband goes to the elevator and is told that he will be paid $1.82 a bushel. "You tell me," she writes, "how we are supposed to pay our bills with these prices?

She said, "A couple of weeks ago, our youngest son came to me and he asked if he could talk to me. I said yes. And he asked if we would be mad at him if he chose not to farm after he finished school. He didn't want his dad or grandfather to be upset with him. He has seen how much work it is and how little the family is getting out of it, but still feels the love of the land and pride in continuing another generation of farmers."

This young boy asks if they would be angry if he doesn't try it. She says, "I have come to fear that my generation is the last, if we survive. It's hard to tell your children that you really wish they would not come back to farming because there's no future there for them."

Mr. President, these are two letters from Eric and Barbara, a farmer and farm wife, both struggling out there, trying to make a living with collapsed prices and crop disease and a farm crisis that gives these folks depression-era prices for their crops.

What makes me so angry about all this is in thinking about it in driving home last night after the conference committee. What makes me so angry is there is this kind of blithe attitude about it here. It is an attitude that dismisses this crisis and says: Well, this is just another day; this is just another problem; this is just another group of Americans who want something.

These people don't want anything special. But they don't want to be turned loose in a circumstance where they are told you compete in a free market and the market isn't free. Everything that they do in this economic system means that someone is preying upon them, and that someone is taking money out of their pockets unfairly. Then the Congress somehow says we don't have the time to help; we don't have the resources to help; you are too small to matter; all we care about are those who are too big to fail.

And as I said when I started, I drove home last night thinking about the story I read about a $100 billion liability outfit that gets in trouble and the Federal Reserve Board apparently convenes a meeting of bankers. They get a bunch of aspirin together and fluff up the pillows and say, "Gee, can't we make you comfortable. We sure wouldn't want you to fail. You are too big to fail." They got 20-some banks in that circumstance. I guess we got other hedge funds out there and a whole series of speculators as well.

But what about these folks? What about the folks who Congress says are too small to matter. These are the folks who day after day are holding auction sales, standing around watching their farm implements and watching their personal possessions being auctioned off because they can't make a living. It is not because they are not good at what they do. They are the best in the world. There is nobody in the world who measures up. Nobody. Not even close. Yet this economic system is stacked against them, stacked against them in a way that is almost criminal.

You know what we ought to do?

These folks face a railroad that hauls their grain and charges them double the price they ought to be charged, and they market that grain up through a grain trade in which there are just a few companies. That is not free enterprise. And then they send their cattle up where you have four companies controlling over 80 percent of the slaughter.

You know what we ought to do? We ought to put an independent counsel on all those issues. How about an independent counsel investigating the marketing of cattle, and looking into the four companies that control the slaughter of over 80 percent of the cattle in this country.

How about an independent counsel tracking down railroad prices on behalf of family farmers to see if they are fair? How about an independent counsel looking at the grain trade to see whether this is truly a fair market?

I could go on at great length about that. What about an investigation on behalf of these folks that says to them we are intending that you have a fair deal, and that you have a fair opportunity to make a living. And, if you don't, we are going to help. That is part of what yesterday was about. It is part of what last night's conference committee was about when, unfortunately, on a party-line vote the folks in that committee said, no, we can't afford it; we don't have any money.

The President says, I need $8 billion in emergency aid to deal with the farm crisis. The same people who said we have $80 billion to provide a new tax cut said we don't have $8 billion above the current budget level to meet the President's request to deal with the farm crisis.

I am telling you, that is a misplaced sense of priorities. We have had two votes in the Senate on this issue of providing a decent support price. When I say "decent," this is very modest. It is much more modest than I think is necessary. But even at that, we lost each of those votes by a handful.

I say to those who were in the conference committee last night, who voted against standing up for family farmers, you are going to vote again. One way or the other, you are going to vote again in the U.S. Senate, and the vote is going to be on this question: Are you willing to stand up and support family farming in times of crisis? When prices collapse and you have this price valley, and those family farms simply fall through the cracks, are you willing to stand and say, "Let us build a bridge across that valley," or do you say that family farmers don't matter?

Are you willing to say that it doesn't matter that corporate agrifactories will farm America from California to Maine? Will big corporate agrifactories get up in the morning, put on their Big Ben coveralls and milk 3,500 cows at one lick, because that is corporate agrifactories? Or will they plow their tractors as far as they can go on a tank of gas and then turn around and plow back? Do you think it will benefit this country to turn out all the farm yard lights in the country and say to these families, "You don't matter; we will replace you with a big agrifactory"? This country will have lost something very important and it will have done so because this Congress said that they don't matter. If they do that, this Congress will have to answer to a lot of the American people about their sense of priorities.

This has become a legislative landfill in recent months. I can go down on two hands the list of important things we should have done that have been taken out in the country and covered over with dirt, because we have too many people in here saying, "No, you can't do the important issues; we have to track around chasing the tail of unimportant issues."

This is one issue that a number of us from farm country are not going to let be sent out to some legislative landfill and be covered up. One way or another, we are going to push and fight and scrap on behalf of those families who still have their hopes and dreams to make a living as family farmers. We are going to push and fight to the end to get a decent, kinder program out of this country that will say to family farmers in this country, "You matter; you matter to this country and its future."

Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, very briefly, I thank my colleague from North Dakota, Senator DORGAN, for once again standing up and speaking out on behalf of the farm families of our State and farm families all across the country, because these are desperate times.

In North Dakota, from 1996 to 1997, farm income declined 98 percent. That is according to the Government's own figures. That is a disaster by any definition.

Last night, I was absolutely shocked to learn our Republican colleagues killed each and every attempt to strengthen the financial aid package for farmers. It makes me wonder what part of disaster they don't understand.

We have the lowest prices for farm commodities in 50 years. That is right, the lowest prices in 50 years. Combined with that, we have a whole series of natural disasters all across the country, including our State, where a terrible fungus called scab is loose in the fields that dramatically reduces production and that which is produced is discounted when the farmer takes it to the elevator to sell it. The result is a tremendous cash flow crunch on our farmers, forcing thousands of them off the land. We have record farm auctions. I have bankers stopping me in every town I go to and saying, "Senator, there is a disaster occurring. There is something radically wrong. What is being done?"

Last night, our Republican colleagues said, "Well, what we propose to do is provide a dime and three pennies for every bushel of wheat and other grains." A dime and three pennies. Frankly, that is worse than a Band-Aid. A Band-Aid at least covers a wound. If that is going to be the answer, then we might just as well say that the farm policy coming from our friends is a policy of liquidation; a policy that says to family farmers, "You're done; you might as well sell out, because this country does not value what you do."

Mr. President, this can't be the way it ends. We have a disastrous farm policy. I have said our farmers are being hit by a triple whammy of bad prices, bad weather and bad policy. We can't control the weather, we can't control the prices, but we can do something about farm policy, and we have an obligation to do so.

When our colleagues are saying we ought to cut taxes by $80 billion and then turn around and say, "But we can't add $3 billion to this package to provide financial support for family farmers," they have described their priorities very clearly. Unfortunately, the conclusion is, family farmers are left out. They are being told, "Forget it, you don't matter." That is just unacceptable. There is going to be a fight. We are not going to go quietly in the night as thousands of farm families are shoved off the land. That cannot be an acceptable conclusion to this year's legislative business.

Mr. DORGAN. Will the Senator yield on that point?

Mr. CONRAD. I will be happy to yield.

Mr. DORGAN. There are some who don't want to take the time to deal with important issues. This is, I think, one of the most important issues. We just dealt with the Vacancies Act on judicial nominations. How does the Senator view the farm crisis versus the judicial Vacancies Act we spent some time debating?

Mr. CONRAD. I think back to the Interior appropriations bill. I don't know how many days that was on the floor here. It was day after day after day. In fact, when I look back on the last several months, it is hard for me to recall our dealing with anything of great significance. In fact, there have been long periods where nothing was dealt with on the floor, and then we are told, "Well, the future of family farmers that hangs in the balance, there is just not enough time to deal with that, not enough resources to deal with it."

Interestingly enough, our competitors don't have that view. The Europeans, who are our major competitors, are spending $50 billion a year to support their producers. We spend $5 billion, and we wonder why we are losing the fight. We would never do this in a military confrontation, but in a trade confrontation we seem to think it is fine to say to our farmers, "Well, you go out there and compete against the French farmer and the German farmer, and while your at it, go take on the French Government and the German Government as well." That is not a fair fight.

I say to my colleague, it seems to me as though we have the time to make a difference in the lives of literally thousands of farm families all across America who are facing a financial disaster. This isn't some kind of downturn, this is a cliff, and thousands of farmers are being pushed right off it.

The question is, What are we going to do? Are we going to do nothing or next to nothing, or are we going to fight back? Are we going to say to the Europeans, "No, we're not going to accept a circumstance in which you simply buy these markets, you go out there and because you have so many more resources," because somehow in Europe they have decided they want people out across the land, that that is good social policy.

Mr. DORGAN. If the Senator will yield for one additional point.

Mr. CONRAD. I will be happy to yield.

Mr. DORGAN. We have been talking about financial modernization. It seems to me the farm crisis is more important than that. That is ahead of us. The Internet tax freedom bill, it seems to me the farm crisis is more important than that. We apparently are going to take that up.

I mentioned when I began this discussion the juxtaposition of a hedge fund nearly going broke on Wall Street and the Federal Reserve Board getting so concerned that they convened the bankers and said, "Gee, can't we help those people; prop up their pillow, help them get back to bed, give them a nap and get them some strength again?"

And it is interesting to me that, in fact, the Fed even signaled when that was going on, they were going to reduce interest rates. So today, lo and behold, they lowered interest rates. It is the "too big to fail" thing.

It reminded me of what Will Rogers once said. He said, "You know, if one day all the lawyers on Wall Street failed to show up for work, wouldn't anybody miss lunch. But if all the cows in America failed to show up to the barn to get milked, then we would have a problem." What Will Rogers was trying to say in a humorous way is "What really matters in this country is what we produce." And there is no more all-star producer in America than the family farmer.

Yet this country has an economic system that says to them, "There's no connection between effort and reward. You make the effort. You go broke." And that is what is wrong with this system. This farm bill of ours does not work. Everybody ought to now be willing to confess that and decide that this farm bill does not work and we want to save family farmers. Let us join together in a bipartisan way to make something happen that really will work to save family farmers.

Mr. CONRAD. My colleague is precisely right. It will be a tragedy for this country if we let this circumstance unfold. The hard reality is if we fail to act and act decisively, literally thousands of family farmers are going to be pushed out of business. And they are not coming back.

I just went to a meeting in my State—one of the major farm organizations—and I stood at the back of the room. It was so striking because so many of the heads sitting in the chairs in front of me were white haired. The farmers of this country are aging and aging dramatically. There were hardly any young people in the room.

It is easy to understand why, because, as Senator DORGAN read from the letters of young people, they were saying to their parents, "Gee, will you hold it against me if I don't go into farming?" Well, it is pretty hard to justify going into farming. It is pretty hard to justify staying on the family farm because we, as a country, have said, as a matter of policy, "We're not going to be there for you." Our competitors are going to spend $50 billion a year supporting their producers, and we are going to spend one-tenth as much. So we say, "You go into the fight, but you go unarmed."

Mr. President, we can do better than that. America is better than that. And the loss to this country will be incalculable if we push an entire generation of farmers off the land. I know that at some point we will wake up and we will say, "Gee, we have a program to get people back out there." And what will it cost us then, as we realize it makes no sense to push everybody into the cities of America, that instead we ought to have people spread out across the land?

But right now we are headed on a collision course with economic reality. And that reality is: Our farmers are at such a disadvantage that they cannot survive. So that is the question that is before the body tonight. And that is the question that is going to be before the body tomorrow. Are we going to do something to help these family farmers through this valley of extraordinarily low prices and natural disasters or are we just going to let them go? I pray that we respond and help family farm agriculture survive in this country. It is right at the heart of what makes this country strong.

I thank the Chair and yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from New Mexico.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous agreement, the Senate will now proceed to the conference report to accompany H.R. 4060.

Mr. DOMENICI. Under the unanimous consent agreement, there are other Senators who have time on this bill. I do not know if they are going to use their time. I am informed I can yield——

The PRESIDING OFFICER. If the Senator will withhold for one moment. The report will be stated.

The assistant legislative clerk read as follows:

The committee on conference on the disagreeing votes on the two Houses on the amendment of the Senate to the bill (H.R. 4060), have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 25, 1998.)

The PRESIDING OFFICER. The Senator from New Mexico and Senator REID control 10 minutes jointly.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will try to stay within 5 minutes. I thank the Senate which will be adopting the conference report. It is a good report.

We will put a statement in that identifies some of the very new approaches to better governance. We do not have that completely in the Department yet, but we have some new ideas that we are imposing on the Department that will permit it to be run a little better than in the past.

I want to change to another subject, and that is the Tennessee Valley Authority and the $75 million that was, this year, put in the President's budget for the nonpower aspects of the Tennessee Valley Authority.

Mr. President, I hope that nobody is trying to make political hay out of the fact that the U.S. House of Representatives would not fund the $75 million for the TVA in this year's appropriations bill, and as a consequence we did not fund it. Let me tell you why the House would not fund it, and make sure that the RECORD is replete with the background information that the U.S. House had last year and this year regarding the $75 million.

First of all, there is a gentleman, who I do not know, named Craven Crowell—Chairman Craven Crowell. I think he was appointed to the board by the Clinton-Gore administration in 1993.

In 1997, meeting with Members of Congress and the administration, the Chairman argued that TVA's so-called "nonpower programs," which include flood control and navigation on the Tennessee River, as well as management of some unique resources on the Land Between the Lakes National Recreation Area, indicated that these nonpower programs should be transferred to other Federal agencies, leaving the Tennessee Valley Authority to focus solely on the production of electrical power.

Less than 1 month later, this very proposal to no longer fund that kind of activity because it should be transferred to other Federal agencies found its way into the 1998 budget request. The TVA Chairman had made an interesting proposal just a couple of weeks prior, and already it had been incorporated into the administration's budget. There is no way that that would have happened if people in the administration had not been aware of what Chairman Crowell was planning to propose, and if they had not given him the green light to do that.

I would like to incorporate in the RECORD a news release dated February 6, 1997, "President's Budget Supports Ending TVA Appropriations." I ask unanimous consent that the news release be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PRESIDENT'S BUDGET SUPPORTS ENDING TVA APPROPRIATIONS

TVA's request for $106 million in federal funding for 1998 and its proposal to eliminate all taxpayer funding of TVA's appropriated programs by Fiscal Year 1999 received support from the Clinton Administration today in the President's budget submitted to Congress.

"We very much appreciate the administration's support of this funding level for 1998 and the proposal to phase out all federal funding of appropriated programs by Fiscal Year 1999," TVA Chairman Craven Crowell said at a news conference in Knoxville.

The President's budget also directs TVA and the Army Corps of Engineers to complete a joint study by September 1, 1997, on the integration of TVA and Corps activities to improve the operation of the Tennessee and Cumberland river systems.

"Future cooperation between TVA and the Corps could be the linchpin that makes it possible to end all federal funding for TVA's appropriated programs," Crowell said. "We believe more cooperation between TVA and the Corps would be a win-win situation for both of us and would greatly reduce expenditures of tax dollars."

As noted in the President's budget, TVA will work with Congress, state and local governments and other interested parties in a major effort to find alternate ways to fund, organize and manage the taxpayer-funded programs.

Crowel also said that a 17-member task force has been formed to work out the details of the proposal. Kate Jackson, executive vice president of the Resource Group, will chair the task force, which includes representatives from all parts of TVA.

In his 1998 budget, the President recommends the same level of funding TVA received in 1997. The budget recommendation includes $81.5 million for water and land stewardship; $7.9 million for Land Between The Lakes, an increase of nearly $2 million over this year's funding; $6.6 million for a feasibility study on a proposed new navigation lock at Chickamauga Dam; $6 million for the TVA Environmental Research Center in Muscle Shoals; and $4 million for economic development.

Funding requests for the Environmental Research Center and economic development are down $9 million and $11 million, respectively, reflecting TVA's previously announced plan to phase out appropriated funds for those activities.

TVA uses federal funds to manage the Tennessee River system, maintain 11,000 miles of shoreline and 420,000 acres of public land, conduct environmental research and promote economic development.

The federally appropriated funds are separate from TVA's power budget which is financed from power sales. Revenues from power sales totaled almost $5.7 billion in 1996. TVA provides power to 160 distributors who serve nearly 8 million customers in seven southeastern state.

The 1998 fiscal year begins Oct. 1, 1997, and ends Sept. 30, 1998.

Mr. DOMENICI. This is a TVA release that suggests that Chairman Crowell and others have decided that they do not need the $75 million and that other Federal agencies are going to take over. And the U.S. House had this release, had the proposal to eliminate Federal funding of TVA's appropriated programs in January of 1997.

Mr. President, what has happened is that after doing this, and leaving the distinct impression with the U.S. House Subcommittee on Appropriations that they were not going to need the money anymore, and surely were not going to need it for the 1999 appropriations bill, they have changed their mind. That is, both the Chairman down there in the Tennessee Valley Authority area and the White House. They now want the money, after going through all of this that I have just discussed with the Senate.

Let me tell you, what they did by proposing this was to get all of those in the surrounding areas who do not necessarily agree with the TVA to join in saying they do not need the money. And there are private power companies who clearly do not think TVA needs this nonpower money. But both the administration and the Chairman, Chairman Crowell, had indicated they do not need the money.

Mr. President, in spite of that, because the administration changed its mind, and the Senators from Tennessee and from Kentucky and others came to me and said, "Well, we know we said we don't need the funding anymore, but will you fund it another time for us?" I did. The Senate approved.

Mr. President, what has happened is the U.S. House said no, and, frankly, there is no way to change their mind because what they throw back at us is, we were just told in 1997 that that was the last year we needed that subsidy, that $75 million.

Frankly, if there is any blame to go around, it does not lie with the Senators, who did everything humanly possible. They got the Senate to fund it, they encouraged me to hold it, they even met with Members of the House to tell them to put it back in, but what they got was what we might have expected.

You just told us last year you don't need it anymore. The chairman down there issued this plan saying we don't need it. The President's budget said we don't need it.

Now, if there is any reason that we didn't get it, it is because of that, not because of partisan politics. There are no Democrats on the committee who went to conference with me who are in favor of that. No one in the House is in favor of it, because you tell the House, and apparently this is how it works over there; it is not too bad. It sounds like the way you would behave. Tell the House this is the last year we are funding TVA $75 million, and they aren't too sure you want to fund it anyway. You do it and then you come around and change your mind after you have had this exhaustive plan and this commission appointed so that you won't have to have this money. You come along and say, as I said, we need it in another year, and they are saying the House will not vote for it another year, we can stay here until Hades gets a little cool, but we will not approve it because you told us you don't need it, and now we have too much support against it and it will not be funded.

I am very hopeful for those who wanted to point fingers either at this Senator because he is Republican or some of the other Senators from the Tennessee Valley area. It is not their fault. Frankly, I don't think it is the committee's fault. It is just one of those things where, the way the House argued the case, you can't make them change their mind. And what they said was pretty logical. They had some good points. I know the occupant of the Chair served in the House. When you tell the House committee you are not going to fund it one single year beyond this one and come back and say, after all those plans and us getting money out of you, we need another year, it is not easy.

Nonetheless, I want to say I am trying, because the Tennessee Valley Authority has some very expensive interests on some outstanding long-term obligations, bonds and indebtedness, that they know they have to refinance, and in the process of refinancing, there would be a change in the interest rates. Obviously, it would be better and they would save money. We are trying to put together an amendment that would be taken care of as part of overall appropriations which would give them some interest rebate. So to the extent that this would help offset what they now think will be a big void because of the $75 million, we will try that.

It actually has strong support from a number of Senators, including the Tennessee Senators, that we try to do this. I say to the people there, I am going to try to do this with their help and with the help of Chairman STEVENS and others here in the U.S. Senate who I think will understand this issue and have understood it and will try to help us.

Mr. REID. Mr. President, this last week the Conference on the Energy and Water Development Appropriations concluded and has provided $21,332,135 for the programs, projects and activities of the Department of Energy, Army Corps of Engineers, Bureau of Reclamation, and other independent agencies. I would like to say that I generally support the Conference Report which Chairman DOMENICI recommend to the Senate today.

Just as a balanced bill cannot accommodate all the priorities and projects of Members of Congress, neither could this conference report. Nevertheless, it is because of the scope of this bill, providing vital services of the Department of Energy and the many water projects around the nation that the Senate needs to support the Conference Report.

For instance, the Department of Energy's breadth of responsibilities range from activities in nonproliferation to fissile materials disposition and from the projects in solar and renewable resources to the clean up of defense facilities such as Savannah River, Oak Ridge and Hanford.

Specifically, in the Defense part of the bill, we were told that the Stockpile Stewardship Management, the program that provides safety and reliability of the nuclear stockpile, needed $4.5 billion, yet even as we are providing it $4.4 billion we are increasing our oversight of construction projects to prevent waste and mismanagement. Without the Stockpile Stewardship program we would not have the ability to be able to verify to the President that the nuclear stockpile is safe and reliable and we would be living under continued testing of nuclear weapons.

In the Nondefense work at the Department of Energy, the Office of Science (formerly known as Energy Research) has facilitated many projects in science that will have practical impacts on the future of our society including the treatment of cancer, the isolation of diseased genes, and the tracing of contaminants in soils. I would note the vast research effort being made in the Fusion Energy Sciences. The Department has tried to cover its bases by funding different types of fusion energy research, but it eventually will have to make choices to focus on the most feasible technologies and the Conferees have provided this research almost $230 million.

We, as a subcommittee and Conference, were placed in an impossible dilemma regarding the funding of water projects and, in particular, the construction projects of the Corps of Engineers. The Conferees recognize the value of the civil works program in protecting lives and property throughout the United States and in preserving commercial trade in our ports and harbors; but we simply were not given the funds to reflect the importance of the Corps projects. Consequently, while the Conferees provided $1.429 billion in Corps Construction, there were many construction projects that could not receive the funding that they needed. This is unfortunate since the Corps has many projects around the United States that will now be hindered by uncertain schedules and planning that may become useless. On the other hand, projects such as the Chicago Shoreline, the Kill Van Kull Channel in New York and New Jersey, Charleston Harbor and Virginia Beach, among many others, were able to receive enough to address their emergency circumstances. The dredging of the ports and harbors along both the Atlantic and Pacific coastlines as well as the harbors in the Gulf of Mexico is no small task and responsibility for the Corps. On an annual basis, the U.S. ports and harbors handle an estimated $600 billion in international cargo generating over $150 billion in tax revenue. There are small navigation projects totaling $6 million; but there are larger projects that require an even greater commitment. It is unfortunate that, because of the funding dilemmas that we faced, water projects that are vital to communities and industries around the nation will now be stalled and mired in uncertainty. The administration should take note of the many criticisms of the budget request for the Army Corps of Engineers and recognize the essential role it has throughout the nation.

Another major agency under the jurisdiction of this appropriation is the Bureau of Reclamation, whose historical responsibility to manage the precious waters in the West extends back to the Newland Project in Nevada. I will not subscribe to any notion that the Bureau is obsolete or unneeded and will oppose any effort to minimize the Bureau's role in water preservation. It's responsibility of reclaiming water and reusing it in communities is as needed now as ever. In the first half of the century, dams were built in managing the water systems, now we must be focusing on other reuse methods like desalination systems.

Throughout the arid West the Bureau has assisted in the use and management of water and has even facilitated the cooperation of community interests such as the CALFED Bay Delta Project in California which received $75 million to continue its management of the Delta system which means that agriculture, environmental, and industry are cooperating in unprecedented ways. There are reclamation and water supply projects from Arizona to Idaho and from Washington to New Mexico. The communities benefit from new sources of water such as the community in Montana that will no longer have to haul their water for miles in pickup trucks so that their homes can have water. This was the goal of the Bureau of Reclamation when it was founded: to provide the homes and communities throughout the West with water and it remains the goal today.

Mr. President, this conference report does not satisfy everybody, nor does it do justice to the many water projects that need our support, but it is the best the conference could arrive at with the funding allocations that we were given. Mr. President, I ask the Senate to support this Conference Report. And I thank the staff of the Energy and Water Subcommittee for their hard work and diligence throughout the process: Alex Flint, David Gwaltney, Gregory Daines, Lashwanda Leftwich, Elizabeth Blevins and Bob Perret on my personal staff.

Mr. DOMENICI. Mr. President, H.R. 5060, the Energy and Water Development Appropriations Act, 1999, complies with the Budget Act's section 302(b) allocation of budget authority and outlays.

The conference report provides $20.9 billion in budget authority and $13.0 billion in new outlays to fund the civil programs of the Army Corps of Engineers, the Bureau of Reclamation, certain independent agencies, and most of the activities of the Department of Energy. When outlays from prior year budget authority and other actions are taken into account, this bill provides a total of $20.7 billion in outlays.

For defense discretionary programs, the conference report is below its allocation by $11 million in budget authority and $1 million in outlays. The conference report also is below its nondefense discretionary allocation by $20 million in budget authority and $46 million in outlays.

Mr. President, I ask unanimous consent that a table displaying the Budget Committee scoring of this conference report be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

H.R. 4060, ENERGY AND WATER APPROPRIATIONS, 1999, SPENDING COMPARISONS—CONFERENCE REPORT

(Fiscal year 1999, in millions of dollars)

	Defense	Nondefense	Crime	Mandatory	Total
Conference Report:					
Budget authority	12,019	8,889	....	....	20,908
Outlays	11,819	8,853	....	....	20,672
Senate 302(b) allocation:					
Budget authority	12,030	8,909	....	....	20,939
Outlays	11,820	8,899	....	....	20,719
1998 level:					
Budget authority	11,680	8,999	....	....	20,679
Outlays	11,675	9,008	....	....	20,683
President's request:					
Budget authority	12,298	9,003	....	....	21,301
Outlays	11,875	9,150	....	....	21,025
House-passed bill:					
Budget authority	11,934	8,719	....	....	20,653
Outlays	11,171	8,742	....	....	20,513
Senate-passed bill:					
Budget authority	12,030	8,912	....	....	20,942
Outlays	11,818	8,896	....	....	20,714
Conference Report Compared To:					
Senate 302(b) allocation:					
Budget authority	−11	−20	....	....	−31
Outlays	−1	−46	....	....	−47
1998 level:					
Budget authority	339	−110	....	....	229
Outlays	144	−155	....	....	−11
President's request					
Budget authority	−279	−114	....	....	−393
Outlays	−56	−297	....	....	−353
House-passed bill:					
Budget authority	85	170	....	....	255
Outlays	48	111	....	....	159
Senate-passed bill:					
Budget authority	−11	−23	....	....	−34
Outlays	1	−43	....	....	−42

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. GRAHAM. Mr. President, fellow Senators. I rise today with my colleague, Senator MACK, to discuss the status of the Kissimmee River Restoration project in the state of Florida. This project is a land acquisition and canal backfilling project. It was authorized by Congress in the Water Resources Development Act of 1992. The state of Florida has spent approximately $95 million in land acquisition and restoration evaluation. The state of Florida has met all of the necessary schedule requirements defined in the Project Cooperation Agreement with the Corps to keep this project on schedule.

To date, the state's expenditures far exceed the federal contribution—a situation that occurred by design. The state of Florida has front-loaded the land acquisition costs and the federal government is supposed to back-load construction costs.

Mr. MACK. The first backfilling contract is scheduled to be awarded on March 30, 1999. For this contract to be awarded, the Corps has indicated that between $22 and $23 million must be appropriated for this project. Today we are reviewing an Energy and Water appropriations bill that includes only $8 million for the Kissimmee River project.

Mr. GRAHAM. I have been involved in the Kissimmee River project since my days as Governor of the state of Florida. This project is the first step in a long series of individual projects that seek to restore the Florida Everglades to a state as close to their natural state as possible. The results of this backfill contract will be visible to the naked eye. This first contract would backfill 9 miles of the Kissimmee Canal; restoring approximately 16 square miles of restored river/floodplain ecosystem and 17 miles of river channel. Not only will this have important ecological benefits, but it will also make an important contribution to increasing water storage capacity and improving water quality north of Lake Okechobee.

Mr. MACK. The Kissimmee River restoration project is at a critical phase. With the current funding levels in the 1999 Energy and Water appropriations bill, this project will not move forward. We both understand the difficult nature of funding decisions in these times of tight budgets, but we also recognize the responsibility of the federal government to meet its costshare requirements with the state of Florida and fund the construction phase of this project.

Mr. GRAHAM. Today, I ask the Chair and Ranking Member of the Senate Energy and Water Appropriations Committee, Senators DOMENICI and REID, of your intentions for the future of the Kissimmee project.

Senator MACK and I remain committed to forward progress on the Kissimmee River restoration. We would like to work with the committee to identify potential reprogramming opportunities within the Army Corps budget that might allow forward progress on this project which is so critical to Everglades restoration.

We would also like to work with the committee during the fiscal year 2000 appropriations process to ensure that the Kissimmee River restoration is funded at appropriate levels.

Mr. DOMENICI. I recognize the importance of this project to the state of Florida, and I look forward to working with the Senators from Florida to identify any potential funding alternatives or reprogramming options for the Kissimmee River project. We will work together in the next year to include appropriate funding levels for the Kissimmee River restoration project in the fiscal year 2000 appropriations bill.

Mr. REID. I would like to echo the comments of Senator DOMENICI by stating my support for the Kissimmee River restoration project. I, too, look forward to working with both Senators GRAHAM and MACK in the next week to identify any funding or reprogramming opportunities for the Kissimmee River project.

Mr. GORTON. Mr. President, I rise to engage the chairman of the Subcommittee, Senator DOMENICI, in a brief colloquy. It has come to my attention that, due to some confusion regarding the funding of an on-going Section 1135 ecosystem restoration project of a similar name, the conference report to accompany the Energy and Water Development Appropriations bill eliminated funding for the Duwamish and Green River Basin study. Would the chairman agree that neither the Committee nor the conferees are opposed to the ongoing Duwamish and Green River Basin study?

Mr. DOMENICI. Mr. President, the Senator from Washington is correct. There has been some confusion regarding this study and the funding for the Green-Duwamish ecosystem restoration project under the Section 1135 program.

Mr. GORTON. Would the Chairman also agree that the Corps of Engineers should seek a reprogramming of funds to keep this important project on schedule and, if sought, would the chairman be inclined to approve such a request?

Mr. DOMENICI. Mr. President, I agree that, if appropriate, the Corps of Engineers should seek to reprogram funds to keep this study moving forward. I am not aware of any opposition to the project and do not anticipate a problem with a reprogramming request.

Mr. HOLLINGS. Mr. President, I rise today to thank the distinguished Senator from New Mexico, the Chairman of the Energy and Water Subcommittee, for the outstanding work he has done on this bill. This is an extremely tough bill covering a diverse range of issues from our nation's nuclear defenses, to scientific research to water projects impacting each and every state. He has done a superb job in balancing these needs. I wish to especially thank him for recognizing the special needs for Positron Emission Tomography work at the Medical University of South Carolina in Charleston, South Carolina.

Mr. DOMENICI. I thank the Senator from South Carolina. I appreciate his interest in this bill and in medical research. The Subcommittee appreciated the Senator bringing the Medical University of South Carolina's needs to the Committee's attention last year and he has again made a convincing case for them this year.

Mr. HOLLINGS. Cancer rates in South Carolina are some of the highest in the nation, with more than 17,000 new cases diagnosed and more than 8,100 deaths each year. The funding in this bill is critical to our efforts to combat cancer in South Carolina as well as the nation and I thank the Senator.

In closing, there may be some slight confusion regarding the funds for the Medical University of South Carolina. I want to make sure everyone understands these funds are to build upon last year's efforts and are to be used to design and construct an expansion of the Medical University of South Carolina's cancer research center to provide space for Positron Emission Tomography treatment. Is that your understanding?

Mr. DOMENICI. The Senator from South Carolina is correct. I thank him for clarifying this matter.

Mr. HOLLINGS. I thank the Senator from New Mexico. I yield the floor.

Mr. COVERDELL. Mr. President, I have read and agree with the subcommittee's views on improving the efficiency of Nuclear Regulation Commission regulation. There is significant evidence that different, but equally protective, approaches to regulation could result in more efficient regulatory practices.

As I am sure the Senator from New Mexico is aware, there are some areas within the Commission's purview that will be challenged to keep up with the growing workload even in the face of significant improvements in efficiency. An example is the Spent Fuel Project Office (SFPO) which is responsible for approving domestic use new dual purpose canister systems for the safe storage and transportation of spent nuclear fuel; ensuring the safety of existing technologies that have been deployed throughout the nuclear energy industry as needs for out-of-pool storage have emerged; reviewing and approving cask technologies necessary to support high priority non-proliferation activities of the United States, including the DOE Foreign Research Reactor Spent Fuel Receipt Program; reviewing and approving the transportation technologies for nuclear materials other than spent fuel; and reviewing and approving or providing support to a host of other spent fuel storage and transportation initiatives sponsored by either the federal government or private interests.

Does the Chairman agree with me that this plays an important role and does he believe that the agency recognizes the importance of the office's work?

Mr. DOMENICI. I agree with the Senator's observations. The licensing of technologies to handle the storage and transportation of various types of spent fuel is one of the few areas within the Commission's budget in which the demand for regulatory activity is clearly increasing.

In addition, I hope the agency will examine further management initiatives, such as those currently under review, that might be necessary in the short term to address existing budget constraints and to ensure that the resources that are available are being utilized to maximize the likelihood of succession review of application for new technologies.

I agree with the Senator from Georgia that the Commission should continue to monitor the workload of the SFPO to ensure that adequate resources are available to meet demand for application reviews.

Mr. DOMENICI. Mr. President, all time is yielded back.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the conference report.

The conference report was agreed to.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE TASK FORCE ON PLUTONIUM DISPOSITION

Mr. LOTT. Mr. President, the end of the Cold War served to greatly reduce the threat of global instability, but the world is far from being a safe place today. Challenges to continued world peace—from increased terrorist activities to display of nuclear weapon capabilities by new countries—seem to occur weekly. To date, we have not had to face the dreaded combination of terrorists with nuclear arms, but that possibility must be considered as we evaluate new terrorist threats.

Designs for crude nuclear weapons, potentially more powerful than the Hiroshima bomb, are readily available today. The only hurdle for terrorists to overcome is acquisition of the plutonium or highly enriched uranium needed to build the weapon.

Senator PETE DOMENICI, my colleague from New Mexico, has grappled with these issues for many years. He led the Senate's efforts through the U.S./Russian Agreement on Highly Enriched Uranium to secure 500 tons of this material from Russia, enough for perhaps 20,000 bombs.

More recently, Senator DOMENICI has focused his attention on 50 tons of weapons-grade plutonium that Russia has declared to be surplus; that's enough material for almost 10,000 nuclear weapons. He has led efforts to ensure that this surplus plutonium won't present us with a future threat.

His trips to Russia, first last July with Senator THOMPSON and Senator GRAMS, and then more recently to the Moscow Summit, focus on this issue. Through those trips, Senator DOMENICI is well known to the leadership of the Russian weapon programs. His proposals for rapid progress on this surplus plutonium have been thoroughly studied throughout the world, from Japan to France.

Senator DOMENICI discussed his proposals with President Clinton in late July and encouraged that plutonium disposition be a focus of this past Summit. The protocol on plutonium disposition at the Moscow Summit is an important first step, but it is only the first step.

We have to go far beyond just signing the protocol to secure the benefits that it can provide—to ensure that the material is never rebuilt into weapons or found in the hands of terrorists or rogue states. Furthermore, the Senate needs to advise the Administration on the detailed agreements that will enable real progress.

Today, I'm appointing a Senate Task Force on Plutonium Disposition to provide this input from the Senate to the Administration. I'm pleased that Senator DOMENICI has agreed to chair this task force, to continue his leadership on this vital topic.

Also serving on the task force will be Senator RICHARD LUGAR of Indiana, Senator FRANK MURKOWSKI of Alaska, Senator JON KYL of Arizona, Senator CARL LEVIN of Michigan, Senator JEFF BINGAMAN of New Mexico and Senator PATTY MURRAY of Washington. Each of these Members brings knowledge and concern that will be valuable in guiding the Senate on this issue.

As agreements are finalized, the Senate may be called upon to approve programs or provide resources; we will depend on this task force to provide information for informed debates on these subjects.

Disposition of the current 50 tons of Russian excess weapons-grade plutonium is an important national goal. We have a golden window of opportunity to rid the world of materials for thousands of nuclear weapons. We must seize this moment.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, September 28, 1998, the federal debt stood at $5,525,125,982,443.88 (Five trillion, five hundred twenty-five billion, one hundred twenty-five million, nine hundred eighty-two thousand, four hundred forty-three dollars and eighty-eight cents).

Five years ago, September 28, 1993, the federal debt stood at $4,386,349,000,000 (Four trillion, three hundred eighty-six billion, three hundred forty-nine million).

Ten years ago, September 28, 1988, the federal debt stood at $2,587,978,000,000 (Two trillion, five hundred eighty-seven billion, nine hundred seventy-eight million).

Fifteen years ago, September 28, 1983, the federal debt stood at $1,354,464,000,000 (One trillion, three hundred fifty-four billion, four hundred sixty-four million) which reflects a debt increase of more than $4 trillion—$4,170,661,982,443.88 (Four trillion, one hundred seventy billion, six hundred sixty-one million, nine hundred eighty-two thousand, four hundred forty-three dollars and eighty-eight cents) during the past 15 years.

WELLSTONE AMENDMENT TO THE HIGHER EDUCATION ACT

Mr. KENNEDY. Mr. President, I supported Senator WELLSTONE's amendment to the Higher Education Act and I regret that it was not included in the conference report. The amendment would have increased educational opportunities for people on welfare. It passed the Senate with a bipartisan majority, but was rejected by House Republicans, even though it was also supported by the White House, and by more than 150 social welfare groups.

The goal of this amendment is to correct a serious deficiency in the harsh welfare reform law enacted two years ago. Too often, welfare reform around the country has focused on immediate work experience as a means to achieve financial independence, but the focus is excessive, because it reduced options for welfare recipients who wish to complete to two- or four-year college degrees.

Welfare reform around the country has tended to focus on immediate work experience as a means to achieve financial independence. The new direction of welfare reform at both state and federal levels has generally reduced the options available for welfare recipients who wish to complete a two- or four-year college degree. It is extremely difficult for single parents to be full-time students and work part-time and still give adequate time to their families.

The welfare reform program called Temporary Assistance to Needy Families, is based on the idea that work is the best way to achieve independence, especially if the work comes with job security and fair wages. For many people, education is the best road to jobs that achieve these goals. Higher education is often the best way to earn higher wages, achieve independence from welfare, and provide protection from future poverty and unemployment.

Recent studies have found that the average wage for a person who was previously on welfare and then earned a degree is $11.00 an hour, and that each year of education completed by welfare recipients increases wages by as much as $1.14 per hour. A study of 4,500 working mothers in the Census Bureau's Survey of Income and Program Participation found that a college degree is worth an additional $2.58 per hour for working mothers, compared to the wages of high school graduates. The special importance of higher education for women is emphasized by other data showing that women need a college degree to make the same amount of money that men earn with only a high school education.

The results of these studies are hardly surprising. We know the importance of higher education and the advantages it opens up. The Bureau of Labor Statistics reported in March 1995 that adult workers with less than a high school diploma earned an annual average of only $13,697. Adult workers with a high school degree earned $20,248. With an associates degree, they earned $26,363, and with a bachelor's degree they earned $37,224.

The job and career benefits of higher education are also demonstrated by the poverty statistics of the Department of Labor. In 1995 only 1.5 percent of those with a four-year college degree were living in poverty compared to 3.3 percent of those with an associates degree, 6.1 percent of those with a high school diploma, and 17.2 percent of those without a high school diploma.

The evidence for the Wellstone amendment is overwhelming, and a bipartisan majority of the Senate was right to pass it. Under its provisions, 24 months of post-secondary education or vocational educational training would be permissible work activities under welfare reform.

I commend Senator WELLSTONE's leadership on this important issue. States should have the flexibility to create responsible ways to move people from welfare to work, by allowing welfare recipients to include higher education as a part of their effort to achieve financial independence and provide effectively for their families. The House conferees were wrong to reject this positive reform, and we should do all we can to enact it as soon as possible.

CONGRESS NEEDS TO ACT ON HEALTH INSURANCE FOR WORKING FAMILIES

Mr. KENNEDY. Mr. President, this weekend, the New York Times reported on the latest data on Americans without health insurance. According to the Census Bureau, the number of uninsured has now reached 43.4 million of our fellow citizens—an increase of 1.7 million since last year. This increase is on top of the growth in the uninsured of one million last year. The proportion of Americans without health insurance is now higher than it has been for more than a decade. It is especially ominous that this increase in the number of uninsured has occurred at a time when the economy is strong and joblessness is low.

Congress should be addressing this issue, but the Republican leadership is just not interested. What is important to average families is not important to them. Whether the issue is protecting patients against the abuses of managed care, or protecting the public against the tobacco industry, or saving social security, or raising the minimum wage, or improving education, or closing the loopholes in the campaign financing laws, the Republican leadership just doesn't think it is a priority. Their primary goal is to protect the special interests—not to protect American families.

The plight of workers without health insurance—and of families that may be protected today but could lose their insurance tomorrow—is a particularly compelling example of the need for action. Under President Clinton's leadership, Democrats in Congress have repeatedly tried to address this problem four years ago—Republicans always say, "no." Millions of Americans have suffered because we failed to act. Addressing this crisis is clearly a priority for Democrats and the nation, and it ought to be a priority for Republicans too.

We have taken incremental steps in recent years. We have made it easier for workers who change jobs to keep their health insurance, and we have expanded coverage for children. These efforts were resisted every step of the way by the Republican leadership in Congress. The new Census Bureau report confirms what everyone who deals with this problem already knows—these limited steps, as important as they are, are not nearly enough.

It should be unacceptable that 43 million Americans have no health insurance today. It should be intolerable that no American family can be confident that the health insurance they have today will be there for them tomorrow, if serious illness strikes. It is indefensible that this Congress is doing nothing to keep this problem from getting worse every year.

The vast majority—85%—of uninsured Americans are workers or members of their families. These citizens work hard—40 hours a week, 52 weeks of the year in most cases—but all their hard work cannot buy them the health insurance they need to protect their families, because they can't afford it and their employers won't provide it.

Every uninsured American is an American tragedy waiting to happen. Infants lose their chance to grow up strong and healthy because they do not get basic prenatal and post-natal care. A young family loses its livelihood because a breadwinner cannot afford needed medical care. Middle-aged parents see their savings swept away by a tidal wave of medical debt.

Earlier this year, I proposed legislation that be an important step toward the day when every job carries with it a guarantee of affordable health care, so that every family can be confident that the quality of its health will not be determined by the amount of its wealth.

Every business is expected to pay a minimum wage, and to obey the child labor laws. Every business is expected to provide safe and healthy working conditions, and to protect against injury on the job through worker's compensation. Every business is expected to contribute to retirement through Social Security, and to the health needs of the elderly through Medicare. It is long past time for businesses also to contribute to the cost of basic health insurance coverage for their workers.

Some small firms may have special problems that call for special solutions. But there is no excuse for large firms to avoid their responsibility to provide affordable health insurance for their workers.

Under the bill I proposed, businesses with 50 or more workers will be required to provide health insurance coverage. Approximately half of all uninsured employees and their families—15 million people—will gain the coverage they need and deserve. This legislation is a giant step toward the day when every American will be guaranteed the fundamental right to health care.

Many—even most—businesses already provide insurance. The vast majority of large businesses fulfill this obligation. But too many others do not. In more and more cases, unfair competition from firms that refuse to provide insurance for their workers is compelling other firms to reduce health benefits or drop coverage altogether.

Health insurance for working Americans does not have to mean complex regulations or excessive government intervention. The legislation I introduced was simple—less than ten pages. it will not cost taxpayers a dime. It includes no specific mandated benefits or burdensome red tape. it simply says that every business with 50 workers or more must offer its employees coverage equal in value to the Blue Cross/Blue Shield Standard Option Plan that is available to every Senator and Representative, and must pay at least 72% of the cost—the same proportion that taxpayers contribute for every member of Congress.

The American people deserve health care for their families that is every bit as good as the health care they provide to every member of Congress. Shame on the Congress for ignoring this need. Shame on the Republican leadership for its misguided priorities.

When the people go to the polls in November, they deserve to know who stands with the special interests and who stands with families who need affordable health coverage.

When the new Congress returns next year, I will do everything I can to assure that health care for every American is as high on that Congress's priority list as it is on the priority list of American families. It is time to end the suffering. It is time for Americans to join every other country in the industrialized world and guarantee its citizens the basic right to health care.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 7, 1997, the Secretary of the Senate, on September 29, 1998, during the adjournment of the Senate, received a message from the House of Representatives announcing that House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

MESSAGES FROM THE HOUSE

At 11:02 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2071. An act to extend a quarterly financial report program administration by the Secretary of Commerce.

The message also announced the House disagrees to the amendment of the Senate to the bill (H.R. 3150) to amend title 11 of the United States Code, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House's bill and Senate amendment, and modifications committed to conference: Mr. Hyde, Mr. McCollum, Mr. Gekas, Mr. Goodlatte, Mr. Bryant, Mr. Chabot, Mr. Conyers, Mr. Nadler, Mr. Boucher, and Ms. Jackson-Lee of Texas.

MEASURE PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 4579. An act to provide tax relief for individuals, families, and farming and other small business, to provide tax incentives for education, to extend certain expiring provisions, to amend the Social Security Act to establish the Protect Social Security Account into which the Secretary of the Treasury shall deposit budget surpluses until a reform measure is enacted to ensure the long-term solvency of the OASDI trust funds, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7227. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Table of Allotments, FM Broadcast Stations (Big Pine Key, Clewiston, Ft. Myers Villas, Indiantown, Jupiter, Key Colony Beach, Naples and Tice, Florida)" (Docket 94–155) received on September 25, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7228. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of two rules regarding multifamily housing assistance (RIN2502–AH09) and loan guarantees for Indian housing (RIN2577–AB78) received on September 25, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7229. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the report of a rule entitled "Regulation C, Home Mortgage Disclosure" (Docket R–0999) received on September 25, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–7230. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Feasibility and Environmental Benefits Associated With Requiring Oil Spill Response Equipment on Tank Vessels"; to the Committee on Environment and Public Works.

EC–7231. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Carfentrazone-ethyl; Pesticide Tolerance" (FRL6032–1) received on September 28, 1998; to the Committee on Environment and Public Works.

EC–7232. A communication from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants: Establishment of a Nonessential Experimental Population of Black-Footed Ferrets in Northwest Colorado and Northeastern Utah" (RIN1018–AD99) received on September 25, 1998; to the Committee on Environment and Public Works.

EC–7233. A communication from the Acting Assistant Secretary for Import Administration, Department of Commerce and the Director of the Office of Insular Affairs, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Limit on Duty-Free Insular Watches in Calendar Year 1999" (RIN0625–AA53) received on September 22, 1998; to the Committee on Finance.

EC–7234. A communication from the Senior Attorney and Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Management of Federal Agency Disbursements" (RIN1510–AA56) received on September 25, 1998; to the Committee on Finance.

EC–7235. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Internal Revenue Service Announces New Procedures For Handling Matters In Bankruptcy" (Announcement 98–89) received on September 28, 1998; to the Committee on Finance.

EC–7236. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Low Income Housing Credit" (Rev. Rul. 98–45) received on September 28, 1998; to the Committee on Finance.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–547. A resolution adopted by the Board of Chosen Freeholders, Ocean County, New Jersey relative to Veterans Administration funding; to the Committee on the Budget.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with an amendment in the nature of a substitute:

H.R. 4342. A bill to make miscellaneous and technical changes to various trade laws, and for other purposes (Rept. No. 105–356).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LOTT (for himself, Mr. Kerrey, Mr. McCain, Mr. Lieberman, Mr. Helms, Mr. Shelby, Mr. Brownback, and Mr. Kyl):

S. 2525. A bill to establish a program to support a transition to democracy in Iraq; to the Committee on Foreign Relations.

By Mr. HOLLINGS:

S. 2526. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel LITTLE TOOT; to the Committee on Commerce, Science, and Transportation.

By Mr. LAUTENBERG (for himself, Mr. Dodd, Mr. Bumpers, and Ms. Moseley-Braun):

S. 2527. A bill to better regulate the transfer of firearms at gun shows; to the Committee on the Judiciary.

By Mr. McCONNELL:

S. 2528. A bill to direct the Commissioner of Social Security to establish a demonstration project to conduct outreach efforts to increase awareness of the availability of medicare costsharing assistance to eligible low-income medicare beneficiaries; to the Committee on Finance.

By Mr. DASCHLE (for himself and Mr. Kennedy):

S. 2529. A bill entitled the Patients Bill of Rights Act of 1998; read the first time.

By Mr. SPECTER:

S. 2530. A bill to designate certain lands in the Valley Forge National Historical Park as the Valley Forge National Cemetery, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BOND (for himself, Mr. Ashcroft, Mr. Domenici, and Mr. Shelby):

S. 2531. A bill to designate a portion of Interstate Route 70 in Missouri as "Mark McGwire Interstate Route 70"; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. Hollings, Mr. Moynihan, Mr. Santorum, Mr. Ford, Mr. D'Amato, Mr. Hatch, Ms. Mikulski, Mr. Bennett, Mr. Sessions, Mr. Hutchinson, Mr. Byrd, Mr. Sarbanes, Mr. Rockefeller, Mr. Coats, and Mr. Levin):

S. Con. Res. 121. A concurrent resolution expressing the sense of Congress that the President should take all necessary measures to respond to the increase in steel imports resulting from the financial crises in Asia, the independent states of the former Soviet Union, Russia, and other areas of the world, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LOTT (for himself, Mr. Kerrey, Mr. McCain, Mr. Lieberman, Mr. Helms, Mr. Shelby, Mr. Brownback, and Mr. Kyl):

S. 2525. A bill to establish a program to support a transition to democracy in Iraq; to the Committee on Foreign Relations.

IRAQ LIBERATION ACT OF 1998

Mr. LOTT. Mr. President, I am introducing legislation allowing the President to provide direct and overt military assistance to the Iraqi opposition. This is a bipartisan initiative. I am joined by Senator KERREY of Nebraska, Senator MCCAIN of Arizona, Senator LIEBERMAN of Connecticut, Senator HELMS of North Carolina, Senator SHELBY of Alabama, Senator BROWNBACK of Kansas, and Senator KYL of Arizona.

Today is the 55th day without weapons inspections in Iraq. For months, I have urged the Administration to fundamentally change its policy on Iraq. Monitoring the concealment of weapons of mass destruction is not enough. Our goal should be to remove the regime of Saddam Hussein from power.

We should have no illusions. This will not be easy and it will not happen quickly. But it can happen. the U.S. has worked with Iraqi opponents of Saddam Hussein in the past. We can and should do so in the future.

I have been working with a bipartisan group of Senators throughout much of the year to support a change in U.S. policy toward Iraq. In State Department Authorization Conference Report, $38 million is authorized for political and humanitarian support for the Iraqi opposition.

In P.L. 105–174, Congress appropriated $5 million to support the political opposition and $5 million to establish Radio Free Iraq.

In the Senate passed version of the Fiscal Year 1999 Foreign Operations Appropriations Act, there is an additional $10 million for political support to the Iraq opposition.

These steps have been important. But they are not enough. It is time to move beyond political support to direct military assistance. It is time to openly state our policy goal is the removal of Saddam Hussein's regime from power.

As long as Saddam Hussein remains in power, Iraq will pose a threat to stability in the Persian Gulf. As long as he remains in power, Iraq will pursue weapons of mass destruction programs. His record speaks for itself.

The answer is not just "containment" or a US-led invasion. There are Iraqis willing to fight and die for the freedom of their country. There are significant portions of Iraq today which are not under the control of Saddam Hussein.

Our goal should be to support Iraqi freedom fighters and expand the area under their control.

I have discussed this approach with senior Administration officials. I have consulted with distinguished outside experts. I have raised this approach with heads of states and government officials from the region. I believe this approach can work.

S. 2525, the Iraq Liberation Act of 1998, has four major components. First, it calls for a policy to seek the removal of the Saddam Hussein regime.

Second, it authorizes the President to provide $2 million for broadcasting and $97 million in military aid to Iraqi opposition forces. The President is given the discretion to designate the recipients of this assistance. The military aid authority is similar to that used to support anti-narcotics operations in South America and to train and equip the Bosnian army.

Third, it renews Congressional calls for an international tribunal to try Saddam Hussein and other Iraqi officials for war crimes. This will be a crucial step in delegitimizing his reign of terror.

Finally, the bill looks toward post-Saddam Iraq and calls for a comprehensive response to the challenges of rebuilding the country devastated by decades of Saddam Hussein' rule.

Similar legislation has already been introduced in the House. We will make every effort to work with the Administration to see if we can enact this legislation before we leave.

We need bipartisanship now more than ever in foreign policy. This is a bipartisan approach to U.S. policy toward Iraq. We are interested in looking to the future. We are interested in protecting American interests and ensuring that Saddam Hussein can never again threaten his neighbors with military force or weapons of mass destruction.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Iraq Liberation Act of 1998".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) On September 22, 1980, Iraq invaded Iran, starting an eight year war in which Iraq employed chemical weapons against Iranian troops and ballistic missiles against Iranian cities.

(2) In February 1988, Iraq forcibly relocated Kurdish civilians from their home villages in the Anfal campaign, killing an estimated 50,000 to 180,000 Kurds.

(3) On March 16, 1988, Iraq used chemical weapons against Iraqi Kurdish civilian opponents in the town of Halabja, killing an estimated 5,000 Kurds and causing numerous birth defects that affect the town today.

(4) On August 2, 1990, Iraq invaded and began a seven month occupation of Kuwait, killing and committing numerous abuses against Kuwaiti civilians, and setting Kuwait's oil wells ablaze upon retreat.

(5) Hostilities in Operation Desert Storm ended on February 28, 1991, and Iraq subsequently accepted the ceasefire conditions specified in United Nations Security Council Resolution 687 (April 3, 1991) requiring Iraq, among other things, to disclose fully and permit the dismantlement of its weapons of mass destruction programs and submit to long-term monitoring and verification of such dismantlement.

(6) In April 1993, Iraq orchestrated a failed plot to assassinate former President George Bush during his April 14–16, 1993, visit to Kuwait.

(7) In October 1994, Iraq moved 80,000 troops to areas near the border with Kuwait, posing an imminent threat of a renewed invasion of or attack against Kuwait.

(8) On August 31, 1996, Iraq suppressed many of its opponents by helping one Kurdish faction capture Irbil, the seat of the Kurdish regional government.

(9) Since March 1996, Iraq has systematically sought to deny weapons inspectors from the United Nations Special Commission on Iraq (UNSCOM) access to key facilities and documents, has on several occasions endangered the safe operation of UNSCOM helicopters transporting UNSCOM personnel in Iraq, and has persisted in a pattern of deception and concealment regarding the history of its weapons of mass destruction programs.

(10) On August 5, 1998, Iraq ceased all cooperation with UNSCOM, and subsequently threatened to end long-term monitoring activities by the International Atomic Energy Agency and UNSCOM.

(11) On August 14, 1998, President Clinton signed Public Law 105-235, which declared that "the Government of Iraq is in material and unacceptable breach of its international obligations" and urged the President "to take appropriate action, in accordance with the Constitution and relevant laws of the United States, to bring Iraq into compliance with its international obligations.".

SEC. 3. POLICY OF THE UNITED STATES.

It should be the policy of the United States to seek to remove the regime headed by Saddam Hussein from power in Iraq and to promote the emergence of a democratic government to replace that regime.

SEC. 4. ASSISTANCE TO SUPPORT A TRANSITION TO DEMOCRACY IN IRAQ.

(a) AUTHORITY TO PROVIDE ASSISTANCE.—The President may provide to the Iraqi democratic opposition organizations designated in accordance with section 5 the following assistance:

(1) BROADCASTING.—(A) Grant assistance to such organizations for radio and television broadcasting by such organizations to Iraq.

(B) There is authorized to be appropriated to the United States Information Agency $2,000,000 for fiscal year 1999 to carry out this paragraph.

(2) MILITARY ASSISTANCE.—(A) The President is authorized to direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training for such organizations.

(B) The aggregate value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of assistance provided under this paragraph may not exceed $97,000,000.

(b) HUMANITARIAN ASSISTANCE.—The Congress urges the President to use existing authorities under the Foreign Assistance Act of 1961 to provide humanitarian assistance to individuals living in areas of Iraq controlled by organizations designated in accordance with section 5, with emphasis on addressing the needs of individuals who have fled to such areas from areas under the control of the Saddam Hussein regime.

(c) RESTRICTION ON ASSISTANCE.—No assistance under this section shall be provided to any group within an organization designated in accordance with section 5 which group is, at the time the assistance is to be provided, engaged in military cooperation with the Saddam Hussein regime.

(d) NOTIFICATION REQUIREMENT.—The President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 at least 15 days in advance of each obligation of assistance under this section in accordance with the procedures applicable to reprogramming notifications under such section 634A.

(e) REIMBURSEMENT RELATING TO MILITARY ASSISTANCE.—

(1) IN GENERAL.—Defense articles, defense services, and military education and training provided under subsection (a)(2) shall be made available without reimbursement to the Department of Defense except to the extent that funds are appropriated pursuant to paragraph (2).

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President for each of the fiscal years 1998 and 1999 such sums as may be necessary to reimburse the applicable appropriation, fund, or account for the value (as defined in section 644(m) of the Foreign Assistance Act if 1961) of defense articles, defense services, or military education and training provided under subsection (a)(2).

(f) AVAILABILITY OF FUNDS.—(1) Amounts authorized to be appropriated under this section are authorized to remain available until expended.

(2) Amounts authorized to be appropriated under this section are in addition to amounts otherwise available for the purposes described in this section.

SEC. 5. DESIGNATION OF IRAQI DEMOCRATIC OPPOSITION ORGANIZATION.

(a) INITIAL DESIGNATION.—Not later than 90 days after the date of enactment of this Act, the President shall designate one or more Iraqi democratic opposition organizations that satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(b) DESIGNATION OF ADDITIONAL GROUPS.—At any time subsequent to the initial designation pursuant to subsection (a), the President may designate one or more additional Iraqi democratic opposition organizations that satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(c) CRITERIA FOR DESIGNATION.—In designating an organization pursuant to this section, the President shall consider only organizations that—

(1) include a broad spectrum of Iraqi individuals and groups opposed to the Saddam Hussein regime; and

(2) are committed to democratic values, to respect for human rights, to peaceful relations with Iraq's neighbors, to maintaining Iraq's territorial integrity, and to fostering cooperation among democratic opponents of the Saddam Hussein regime.

(d) NOTIFICATION REQUIREMENT.—At least 15 days in advance of designating an Iraqi democratic opposition organization pursuant to this section, the President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 of his proposed designation in accordance with the procedures applicable to reprogramming notifications under such section 634A.

SEC. 6. WAR CRIMES TRIBUNAL FOR IRAQ.

Consistent with section 301 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102–138), House Concurrent Resolution 137, 105th Congress (approved by the House of Representatives on November 13, 1997), and Senate Concurrent Resolution 78, 105th Congress (approved by the Senate on March 13, 1998), the Congress urges the President to call upon the United Nations to establish an international criminal tribunal for the purpose of indicting, prosecuting, and imprisoning Saddam Hussein and other Iraqi officials who are responsible for crimes against humanity, genocide, and other criminal violations of international law.

SEC. 7. ASSISTANCE FOR IRAQ UPON REPLACEMENT OF SADDAM HUSSEIN REGIME.

It is the sense of Congress that, once Saddam Hussein is removed from power in Iraq, the United States should support Iraq's transition to democracy by providing immediate and substantial humanitarian assistance to the Iraqi people, by providing democracy transition assistance to Iraqi parties and movements with democratic goals, and by convening Iraq's foreign creditors to develop a multilateral response to Iraq's foreign debt incurred by Saddam Hussein's regime.

Mr. KERREY. Mr. President, I rise to comment on the situation in Iraq and to urge my colleagues to support the legislation introduced by the Majority Leader today.

I spoke on Iraq on this floor last November and again in February, but Saddam Hussein is still in power, still threatening his neighbors and oppressing his people, so I must turn again to this topic. In fact, I will keep turning to it, joining my colleagues from both sides of the aisle, trying to change U.S. policy toward Iraq, because I cannot abide the idea of Saddam Hussein as the dictator of Iraq and I will never accept the status quo in Iraq. One of three things will happen, Mr. President: Saddam Hussein will lose his job, I will lose my job, or I will keep talking about him on this floor. 1998 has unfortunately brought us a new and less advantageous situation in our relationship with Iraq. First of all, other threats have pushed Iraq into the background.

Asia's recession and the collapse of the Russian ruble have sent shock waves through all the emerging markets. Economic instability is usually the harbinger of political instability, which in turn threatens the peace between nations and the ability of weakened nations to maintain their own security. The Indian-Pakistani nuclear confrontation and the unravelling of Russia's military are two highly significant examples of this trend. Russia's crisis is particularly important because our security and that of our allies depends on Russia keeping its nuclear weapons and fissile materials out of the hands of the rogue states and terrorist groups which would deliver them to us, either by ballistic missile or by the rented or stolen truck favored by terrorists.

Terrorism may or may not actually be on the rise, but terrorists have recently shown the intention and ability to attack American targets overseas. As we confront organizations like that of Usama bin Ladin, we come face to face with people who will go to great efforts to kill Americans, and we react strongly. In the aftermath of events like the bombing of Khobar Towers or the two embassies in Africa, we naturally move terrorism to the forefront of our threat concerns. As peace is gradually made in the world's most intractable ethnic and religious conflicts, terrorism ought to decline, but our rationality can not penetrate terrorist motivation.

In addition, there is proliferation. Rogue missiles and their deadly cargoes are rapidly developing, and spreading: the North Korean launch follows launches by Pakistan and Iran and tests of nuclear weapons in both India and Pakistan. The trend in the proliferation of weapons of mass destruction is running against us as an increasing number of countries come to view these missiles as a low-cost way of placing the U.S. and our allies at risk without expending the resources to confront us militarily across the board. In a way, Iraq during the Gulf War was the precursor of this kind of thinking: they entered the war with a big army and air force, but in the end the only thing that made them a serious and deadly opponent was their arsenal of SCUD missiles. SCUDs and the like may be 1950's technology, but armed with biological, chemical, or nuclear warheads, these missiles are equalizers in 1998.

And so, in this time of uncertainty and change, we rank the threats to our national life and to our individual lives and livelihoods, and we tend to forget Iraq. It is an old threat, after all, and we have lived with it for all this decade. In addition, Iraq seems held in check by its neighbors and by economic sanctions. Yet although the Iraqi threat may appear to be dormant, in fact the risk we and our allies run from the continuation of Saddam Hussein in power is in fact greater than it has been for years.

We know, most recently and unambiguously from the former U.N. weapons inspector Scott Ritter, that Iraq's program to develop weapons of mass destruction continues. We know that more than fifty days have elapsed since the last UNSCOM weapons inspection. Almost two months of immunity have been granted to a regime which used chemical weapons on its own people, which seeks biological weapons, and which had an active and advanced nuclear weapons program. Further, Iraqi regime rhetoric, stated most recently by Tariq Aziz at the U.N. General Assembly meeting this week, notifies us that Iraq will no longer accept UNSCOM monitoring, at least not in an effective form. So Iraq's neighbors, and we, can expect to be threatened by Iraqi weapons of mass destruction of ever-growing lethality in coming years, with no collective international action to halt it.

Saddam Hussein pays for his weapons programs by smuggling oil, at which he is getting more proficient, and by diverting resources which should be going to the Iraqi people. His military may be less capable than before the Gulf War, but his troops could still overwhelm the remaining areas of Iraqi

Kurdistan outside his control. They could move north at any time or attack pockets of resistance in the southern marsh areas.

It is strongly in America's interest that Iraq's neighbors and our allies in the region live in peace and security. That interest alone more than justifies a policy to change the Iraqi government. But there is an additional reason which ought to have particular resonance in the United States. Mr. President, I refer to the need to free the Iraqi people from one of the most oppressive dictatorships on earth.

We Americans, who have striven for more than two centuries to govern ourselves, should particularly feel the cruel anomaly which is the Iraqi government. In an age in which democracy is in the ascendant, in which democracy is universally recognized as a government's seal of legitimacy, the continued existence of a Stalinist regime like the one in Baghdad should inspire us to action. Saddam Hussein rules by raw fear. In terms of absolutism, personality cult, and terror applied at every level of society, only North Korea rivals Iraq today. The existence of such a government is a daily affront to every freedom-loving person, to everyone who is revolted by the degradation of our fellow human beings. I refuse to accept it, and I want the United States to refuse to accept it. As I have said on this floor before, when Saddam's prisons and secret police records and burial grounds are opened, when the Iraqis can at last tell their horrifying story to the international court which will try Saddam for his many crimes against his own people, we Americans will be proud we took this stand.

Mr. President, over the past year we have made some progress toward a policy of replacing the Iraqi regime. The Foreign Operations Appropriations Bill passed by this body included funding for assistance to Iraqi opposition movements and for broadcasting to Iraq. The Administration has proposed a program to assist the Iraqi opposition abroad, to link the different groups together and get them organized. I support all these efforts, but they don't go far enough. The legislation before us takes the additional steps which indicate full commitment to helping the Iraqi people get rid of Saddam and his regime: the legislation states the commitment, and it enables the Administration to supply military assistance to the Iraqi opposition.

Mr. President, should this legislation come into effect, we and the Administration should be prepared for the possibility that the Iraqi opposition may use the military equipment they receive, together with their own resources, to liberate some portion of Iraq. As I have said before that will be the time for the United States to recognize the opposition as Iraq's government and lift economic sanctions on the liberated part of the country.

At this time in history, when some in the world seem ready to set aside their moral scruples and interact with Saddam, when the UNSCOM inspection system is at grave risk, when Saddam may attempt to break free of the sanctions which have restrained him since the Gulf War, it is urgent for the United States to clearly state its implacable opposition to Saddam and his regime. This legislation is the way to do that, and to simultaneously help Iraqis make their revolution. Besides strengthening the Iraqi opposition, this legislation tells Iraqis to keep up hope. It enables the Administration to tell Iraqis we know how bad Saddam is, we have the facts on him, and we will not rest until we see him in court. Iraqis will also learn that we understand the need to deal with the burden of debt Saddam has incurred, and we will work with Iraq's international creditors to find a solution for a post-Saddam Iraq. Iraqis will learn of our commitment to provide humanitarian assistance and democracy transition assistance to a post-Saddam Iraq. They will learn that an Iraq committed to democracy will be a welcome member in the family of nations. As they learn what we have done and what we are prepared to do, the Iraqi people will be our allies in an enterprise which will make them free, and America and its allies more secure.

By Mr. HOLLINGS:

S. 2526. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Little Toot*; to the Committee on Commerce, Science, and Transportation.

CERTIFICATE OF DOCUMENTATION FOR THE VESSEL "LITTLE TOOT"

• Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct that the vessel *Little Toot*, Official Number 938858, be accorded coastwise trading privileges and be issued a certificate of documentation under section 12103 of title 46, U.S. Code.

The *Little Toot* was constructed in Panama City, Florida in 1988. It is a tender vessel, which can be used also as a small tugboat, and was constructed by Marine Fabricators for Structures, Inc. It is 25.2 feet long, 12.2 feet wide, 4.1 feet deep, and self-propelled.

The vessel was purchased by Marinex Construction Company, Inc. of Johns Island, South Carolina, which purchased it in 1997 for intended use as a working tugboat in the harbor of Charleston, SC. The vessel has never been registered with the Coast Guard and has been sold a number of times. U.S. documentation laws require documentary proof of continuous U.S. ownership. The current owner has not been able to locate all the necessary documentation to prove continuous U.S. ownership, and therefore I am introducing legislation to waive the requirements of the coastwise trade law.

The owner of the *Little Toot* is seeking a waiver of the existing law because he wishes to use the vessel as a tugboat. His desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If he is granted this waiver, it is his intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Little Toot* to engage in the coastwise trade and the fisheries of the United States.•

By Mr. LAUTENBERG (for himself, Mr. DODD, Mr. BUMPERS, and Ms. MOSELEY-BRAUN):

S. 2527. A bill to better regulate the transfer of firearms at gun shows; to the Committee on the Judiciary.

THE GUN SHOW SUNSHINE ACT OF 1998

• Mr. LAUTENBERG. Mr. President, today on behalf of myself and Senators BUMPERS, DODD, and MOSELEY-BRAUN, I introduce the Gun Show Sunshine Act of 1998. This bill addresses the serious problem of gun shows where criminals can buy and sell dangerous weapons without any record of the sale, and without any background checks.

Let me outline the scope of the problem.

Since the Brady Act went into effect in 1994, more than 242,000 handgun purchases have been denied to convicted felons, fugitives, drug addicts and other dangerous persons. The Domestic Violence Gun Ban in the Brady Act, which I sponsored, went into effect in 1996 and has prevented more than 6,800 firearms sales to people convicted of abusing a spouse or child.

However, because of a loophole in our laws, those same people merely need to drive to a gun show and they can buy as many weapons as they want. Just walk in with cash and walk out with a weapon—no waiting, no background check, and no record of the transaction.

Simply put, gun shows are firearm flea markets for felons.

Because gun shows are largely unregulated, no one knows for sure how many gun shows are held each year, or how many guns are sold at them. Estimates range from 2,000 to 5,200 shows a year. These shows generate billions of dollars in gun sales and put thousands of guns into the hands of people who would be stopped from buying a gun if a background check were done.

The system is perfectly geared to the anonymity criminals crave. Tommy Dillon, a serial killer in Ohio, used gun shows to both buy and sell his murder weapons without a trace—even though police suspected he was the killer. Dillon was so sure he found a perfect system that he taunted police with an anonymous letter promising he would never be caught. He was caught after killing five people, but only because of a freak coincidence. After Dillon was picked up on an unrelated weapons charge, someone he had sold one of his murder weapons to recognized Dillon from a newspaper photo, and called the police when he realized he had one of the murder weapons police sought.

One California gun dealer used the unregulated flea-market atmosphere of gun shows to sell 1,700 guns in a four-year period. Some of these guns made their way to gang members and juveniles. Of the guns that could be traced, at least 30 were used in crimes, including three murders and a shoot out with police.

The Bureau of Justice Statistics estimates that 341,000 guns a year were stolen from private citizens between 1987 and 1992. Because there is no requirement to keep records, gun shows provide a safe haven to dispose of these weapons.

How did it come to be like this?

Back in 1986, under intense pressure from the gun lobby, Congress passed and President Reagan signed into law the Firearm Owners' Protection Act. The law substantially weakened the Gun Control Act of 1968, which was passed after the assassinations of Sen. Robert F. Kennedy and the Rev. Dr. Martin Luther King.

Among the changes was a loosening of the law regarding who needs a license to sell firearms and what records must be kept. Under the new law, anyone selling from their "private collection" or who is engaged in "occasional sales" was made exempt from federal record-keeping.

But the law does not define "occasional sales" or precisely what constitutes a "personal collection." And, to make matters worse, the law prohibits agents of the Bureau of Alcohol, Tobacco and Firearms from even entering a gun show unless they are there on a specific case.

This has to stop. This bill would bring these weapons sales into the light and strip criminals of their government-granted anonymity. Under this bill, gun show operators would be required to obtain a license from the Bureau of Alcohol, Tobacco and Firearms and meet the same standards as federally licensed gun dealers—they must be more than 21 years of age and have no convictions for gun-law violations.

Any person selling a firearm at a gun show would be required to notify the gun-show operator. The gun-show operator would then conduct a background check of the purchaser using the Instant Check system, just as a licensed gun dealer is required to do. The gun-show operator would also be required to keep the same records as a licensed gun dealer, including the name and address of the purchaser, the type of gun and its serial number. The operator would also be required to submit to the ATF a list of the serial numbers of all guns sold at the show so that if these guns are later recovered at a crime scene, the ATF will be able to trace the gun.

This bill simply takes the laws that already apply to licensed gun dealers, and applies them to the thousands of transactions conducted by unlicensed sellers at gun shows.

Mr. President, we must do more to stop the gun violence on our streets. Firearms are involved in 35,000 deaths a year. That's more American killed than in the entire Korean War.

I urge my colleagues to help cut this weapons supply line that fuels an arms race on our streets. Let's work together to pass the Gun Show Sunshine Act and keep guns out of the hands of criminals.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2527

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REGULATION OF GUN SHOWS.

(a) In General.—Section 923 of title 18, United States Code, is amended by adding at the end the following:

"(m)(1) No person shall hold a gun show, unless—

"(A) the person is licensed to hold a gun show under this subsection; and

"(B) not less than 30 days have elapsed since the person, using a form which shall be prescribed by the Secretary, has notified the Secretary and the chief law enforcement officer of the appropriate jurisdiction of the postal address and the dates and times at which the gun show is to be held.

"(2) In order to be licensed to hold a gun show under this subsection, a person shall submit to the Secretary an application that—

"(A) contains a certification by the applicant that—

"(i) the applicant meets the requirements of subparagraphs (A) through (D) of subsection (d)(1); and

"(ii) any gun show to be conducted under the license is not prohibited under State or local law, and will be conducted in accordance with all applicable State and local laws;

"(B) contains a photograph and fingerprints of the applicant; and

"(C) is in such form as the Secretary shall prescribe by regulation.

"(3)(A) Not later than 60 days after the date on which the Secretary receives an application under paragraph (2), the Secretary shall approve or deny the application. The Secretary shall approve an application submitted pursuant to paragraph (2) if the application meets the requirements of that paragraph.

"(B) If the Secretary fails to approve or deny an application submitted under paragraph (2) before the expiration of the 60-day period described in subparagraph (A), the applicant may bring an action under section 1361 of title 28 to compel the Secretary to either approve or deny the application in accordance with this subsection.

"(C) Upon approval of an application submitted under paragraph (2) by the Secretary and payment by the applicant of such fee as the Secretary shall establish to ensure that the fees collected under this subsection are sufficient to cover the costs of issuing licenses under this subsection, the Secretary shall issue to the applicant a license that, subject to this chapter and other applicable provisions of law, entitles the licensee to hold gun shows in interstate or foreign commerce during the 3-year period beginning on the date on which the license is issued.

"(4)(A) Before any person who is not licensed under this subsection may transfer any firearm at a gun show—

"(i) the person shall provide to the holder of the gun show written notice of—

"(I) the name, age, and address of the person and of the prospective transferee (or, in the case of a party who is a corporation or other business entity, the identity and principal and local places of business of such party);

"(II) the serial number, make, and model of the firearm; and

"(III) the date and location of the transfer; and

"(ii) the holder of a gun show shall comply with the requirements imposed on licensed dealers by section 922(t) and subsections (g)(1)(A) and (g)(3)(A) of this section with respect to the transfer.

"(B) Not later than 30 days after the end of a gun show for which a license is issued under this subsection, the licensee shall deliver to the Secretary all records or documents collected by the licensee pursuant to subparagraph (A) with respect to that gun show.

"(5) In this subsection, the term 'gun show' means an event or function that is—

"(A) sponsored by—

"(i) a national, State, or local organization devoted to the collection, competitive use, or other sporting use of firearms; or

"(ii) an organization or association that sponsors functions devoted to the collection, competitive use, or other sporting use of firearms in the community; and

"(B) held at a location—

"(i) that is not specified in any license issued under subsection (b) or (c);

"(ii) at which a firearm is offered for sale or transfer; and

"(iii) at which not less than 50 firearms are present, not less than 1 of which has been shipped or transported in interstate or foreign commerce.".

(b) Penalties.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

"(7)(A) Whoever knowingly violates section 923(m)(1) shall be fined under this title, imprisoned not more than 5 years, or both.

"(B) Whoever knowingly violates subparagraph (A)(i) or (B) of section 923(m)(4) shall be fined under this title, imprisoned not more than 1 year, or both.

"(C) Whoever violates section 923(m)(4)(A)(ii) by knowingly failing to comply with a provision of law specified in that section shall be punished as otherwise provided under this section for knowingly violating that provision of law.".

(c) Effective Date.—The amendments made by this section shall apply to any conduct engaged in after the expiration of the 1-year period beginning on the date of enactment of this Act.●

By Mr. McConnell:

S. 2528. A bill to direct the Commissioner of Social Security to establish a demonstration project to conduct outreach efforts to increase awareness of the availability of Medicare cost-sharing assistance to eligible low-income Medicare beneficiaries; to the Committee on Finance.

SOCIAL SECURITY ADMINISTRATION OUTREACH DEMONSTRATION

• Mr. McCONNELL. Mr. President, since 1988, Congress has established three programs to provide low-income elderly and disabled individuals with Medicare cost-sharing assistance under Medicaid. Despite the availability of these dual-eligible programs, gaps in beneficiary knowledge and deficiencies in program administration by federal and state agencies have created persistent barriers to enrollment by eligible Medicare recipients.

For several years, the U.S. Department of Health and Human Services and the Social Security Administration have sought to educate seniors on the availability of Medicare cost-sharing programs through mass mailings, informational hotlines, and pamphlet distribution. While these initiatives have helped, a study by Families USA found that over three million low-income Medicare beneficiaries are not enrolled in any cost-sharing program. In Kentucky, the study estimates that the lack of information about and participation in Medicare cost-sharing programs cost more than 49,000 low-income Kentuckians about $25 million a year. In order to overcome these troubling blockades to enrollment, the U.S. Department of Health and Human Services,the Health Care Financing Administration and the Social Security Administration are studying options to more effectively serve our nation's financially vulnerable seniors and disabled.

A key aspect to improving participation in cost-sharing programs is the capacity for federal and state agencies to identify those who experience critical income shifts after their initial enrollment in Medicare and Social Security. One group at particular risk of reduced income in later life is widowed spouses.

For anyone who has lost a loved one, the experience is overwhelming both mentally and emotionally. The loss of a spouse, often after a long, intensive illness, leaves many elderly with the difficult task of restructuring their lives in order to regain personal and financial stability. At this critical time of change, widowed spouses rely on their revised Social Security benefit as the foundation for their future budget planning. Statistics furnished by the Social Security Administration show that 40 percent of nonmarried women, a category which includes widows, rely on Social Security for 90 percent of their income in comparison to only 18 percent of married couples. In addition, nearly one-fourth of nonmarried women rely on Social Security as their sole source of income.

In an effort to focus federal and state agencies on the health and welfare needs of low-income, widowed spouses, I am introducing legislation for a research demonstration to identify potential dual eligibles during the recalculation of Social Security benefits for widowed spouses. The Social Security Administration would refer this information to the state administrators of Medicare cost-sharing programs for their followup.

Mr. President, I want to take this opportunity to thank Senator ARLEN SPECTER for including my request to fund this research effort by the Social Security Administration in the committee report to FY 1999 Labor, Health and Human Services, and Education Appropriations bill approved by the Senate Appropriations Committee in September. As the House and Senate work to complete the omnibus appropriations bill for FY 1999, I strongly urge my colleagues to include this research endeavor in the final measure as part of our commitment to improving the responsiveness of federal and state agencies to the health and welfare needs of our nation's at-risk seniors.•

By Mr. SPECTER:

S. 2530. A bill to designate certain lands in the Valley Forge National Historical Park as the Valley Forge National Cemetery, and for other purposes; to the Committee on Energy and Natural Resources.

VALLEY FORGE NATIONAL CEMETERY

• Mr. SPECTER. Mr. President, today I introduce legislation creating a Valley Forge National Cemetery and calling on the Secretary of Veterans Affairs to determine the feasibility of a national cemetery in southwestern Pennsylvania.

This legislation specifically authorizes the Department of the Interior to transfer a portion of the Valley Forge National Historic Park to the Department of Veterans Affairs for establishment of a Valley Forge National Cemetery in Southeastern Pennsylvania. This new cemetery will be constructed and operated by the Department of Veterans Affairs' National Cemetery System (NCS). The NCS was established by Congress and approved by President Lincoln in 1862 to provide for the proper burial and registration of graves of Civil War soldiers. The NCS currently operates 115 cemeteries throughout the nation and in Puerto Rico. Since its establishment, the National Cemetery System has been fulfilling one of our nation's most solemn obligations; it has provided for the proper burial of our nation's veterans. This mission is perhaps more important today than it has been in the entire history of the NCS. The General Accounting Office (GAO) reported in a September 1997 report that the numbers of veteran deaths and interments performed by NCS continue to grow each year and are projected to peak between 2005 and 2010. This expected increase in workload has been reiterated by Mr. Roger Rapp, Acting Director of the National Cemetery System, at an April 29, 1998 hearing before the House Committee on Veterans' Affairs, Subcommittee on Benefits. According to Mr. Rapp, annual veteran deaths are expected to peak in 2008.

With the fifth largest 65 and older veteran population in the country, the Commonwealth of Pennsylvania faces many challenges in fulfilling the nation's solemn obligation to its deceased veterans and their families. Striving to meet these challenges, the NCS operates two Pennsylvania national cemeteries: Indiantown Gap National Cemetery and the Philadelphia National Cemetery. The Indiantown Gap National Cemetery is a 677-acre cemetery, which opened in 1982 and is expected to remain open until 2030 under estimated rates of interment. The Philadelphia National Cemetery opened in 1885 with 13 acres, reached casket capacity in 1962 and is expected to reach cremation capacity in 1999.

A Valley Forge National Cemetery would provide the Philadelphia area with new gravesites and alleviate the need for families to travel over two hours to the Indiantown Gap National Cemetery. I am informed that the land to be transferred to the Department of Veterans Affairs does not contain any historical markers and is a suitable site for such an important facility.

Also, there is no national cemetery in the southern or western parts of Pennsylvania, where the veteran population is heavy. In an effort to address the burial needs of these veterans, I have included a provision in the Senate legislation requiring the Secretary of Veterans Affairs to report to the House and Senate Committees on Veterans' Affairs within 90 days of enactment on the feasibility of establishing and operating a national cemetery in Southwestern Pennsylvania.

The House legislation, H.R. 4365, introduced by my good friend, Congressman JON FOX, is co-sponsored by the entire Pennsylvania delegation. I join my House colleagues in introducing this legislation for consideration in the Senate.•

ADDITIONAL COSPONSORS

S. 183

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 183, a bill to amend the Family and Medical Leave Act of 1993 to apply the act to a greater percentage of the United States workforce, and for other purposes.

S. 555

At the request of Mr. ALLARD, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. 555, a bill to amend the Solid Waste Disposal Act to require that at least 85 percent of funds appropriated to the

Environmental Protection Agency from the Leaking Underground Storage Tank Trust Fund be distributed to States to carry out cooperative agreements for undertaking corrective action and for enforcement of subtitle I of that Act.

S. 1045

At the request of Mr. DASCHLE, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1045, a bill to prohibit discrimination in employment on the basis of genetic information, and for other purposes.

S. 1220

At the request of Mr. DODD, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1220, a bill to provide a process for declassifying on an expedited basis certain documents relating to human rights abuses in Guatemala and Honduras.

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2205

At the request of Mr. DORGAN, the names of the Senator from Arkansas (Mr. BUMPERS), the Senator from North Dakota (Mr. CONRAD), the Senator from Washington (Mrs. MURRAY), the Senator from Washington (Mr. GORTON), the Senator from Nebraska (Mr. KERREY), the Senator from Illinois (Mr. DURBIN), the Senator from Massachusetts (Mr. KERRY), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. KEMPTHORNE), the Senator from Mississippi (Mr. COCHRAN), the Senator from Iowa (Mr. GRASSLEY), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from New York (Mr. D'AMATO), the Senator from Michigan (Mr. ABRAHAM), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Florida (Mr. GRAHAM), the Senator from Oregon (Mr. WYDEN), the Senator from Connecticut (Mr. DODD), the Senator from New Jersey (Mr. TORRICELLI), the Senator from New Hampshire (Mr. GREGG), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Minnesota (Mr. WELLSTONE), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Georgia (Mr. CLELAND), the Senator from Louisiana (Mr. BREAUX), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Kentucky (Mr. FORD), the Senator from Hawaii (Mr. INOUYE), the Senator from Delaware (Mr. BIDEN), the Senator from Rhode Island (Mr. REED), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of S. 2205, a bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis & Clark Expedition, and for other purposes.

S. 2222

At the request of Mr. GRASSLEY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 2222, a bill to amend title XVIII of the Social Security Act to repeal the financial limitation on rehabilitation services under part B of the Medicare Program.

S. 2235

At the request of Mr. CAMPBELL, the names of the Senator from Illinois (Ms. MOSELEY-BRAUN) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 2235, a bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2263

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2263, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the National Institutes of Health with respect to research on autism.

S. 2366

At the request of Mr. JOHNSON, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 2366, a bill to amend the Internal Revenue Code of 1986 to provide that housing assistance provided under the Native American Housing Assistance and Self-Determination Act of 1996 shall be treated for purposes of the low-income housing credit in the same manner as comparable assistance.

S. 2432

At the request of Mr. JEFFORDS, the names of the Senator from Nevada (Mr. REID) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2432, a bill to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

S. 2476

At the request of Mr. ABRAHAM, the names of the Senator from North Carolina (Mr. HELMS) the Senator from Minnesota (Mr. WELLSTONE), and the Senator from Delaware (Mr. ROTH) were added as cosponsors of S. 2476, a bill for the relief of Wei Jengsheng.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Ohio (Mr. DEWINE), the Senator from New Hampshire (Mr. GREGG), the Senator from North Carolina (Mr. HELMS), and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Colorado (Mr. ALLARD), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from Michigan (Mr. ABRAHAM) were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE CONCURRENT RESOLUTION 84

At the request of Mr. KEMPTHORNE, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of Senate Concurrent Resolution 84, a concurrent resolution expressing the sense of Congress that the Government of Costa Rica should take steps to protect the lives of property owners in Costa Rica, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Missouri (Mr. BOND), the Senator from Georgia (Mr. COVERDELL), the Senator from Minnesota (Mr. GRAMS), the Senator from California (Mrs. BOXER), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from Georgia (Mr. CLELAND), the Senator from Washington (Mr. GORTON), the Senator from South Dakota (Mr. DASCHLE), and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as "National Children's Day."

SENATE RESOLUTION 274

At the request of Mr. FORD, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Resolution 274, a resolution to express the sense of the Senate that the Louisville Festival of Faiths should be commended and should serve as model for similar festivals in other communities throughout the United States.

SENATE CONCURRENT RESOLUTION 121—EXPRESSING THE SENSE OF CONGRESS THAT THE PRESIDENT SHOULD TAKE ALL NECESSARY MEASURES TO RESPOND TO THE INCREASE IN STEEL IMPORTS

Mr. SPECTER (for himself, Mr. HOLLINGS, Mr. MOYNIHAN, Mr. SANTORUM, Mr. FORD, Mr. D'AMATO, Mr. HATCH, Ms. MIKULSKI, Mr. BENNETT, Mr. SESSIONS, Mr. HUTCHINSON, Mr. BYRD, Mr. SARBANES, Mr. ROCKEFELLER, Mr. COATS, and Mr. LEVIN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations.

S. CON. RES. 121

Whereas the current financial crises in Asia, the independent States of the former Soviet Union (as defined in section 3 of the FREEDOM Support Act), Russia, and other areas of the world, involve significant depreciation in the currencies of several key steel-producing and steel-consuming countries, along with a collapse in the domestic demand for steel in the countries;

Whereas the crises have generated and will continue to generate increases in United States imports of steel, both from the countries whose currencies have been depreciated and from other Asian steel-producing countries that are no longer able to export steel to the countries that are experiencing an economic crisis;

Whereas United States imports of finished steel mill products from Asian steel-producing countries, such as the People's Republic of China, Japan, Korea, India, Taiwan, Indonesia, Thailand, and Malaysia, increased by 79 percent in the first 5 months of 1998;

Whereas year-to-date imports of steel from Russia now exceed the record import levels of 1997, and steel imports from Russia and the Ukraine now approach 2,500,000 net tons;

Whereas foreign government trade restrictions and private restraints of trade distort international trade and investment patterns and result in burdens on United States commerce, including absorption of a disproportionate share of steel diverted from other countries;

Whereas the European Union, for example, despite also being a major economy, in 1997 imported only one-tenth as much finished steel products from Asian steel-producing countries as the United States did and has restricted imports of steel from the independent states of the former Soviet Union and Russia;

Whereas the United States is simultaneously facing a substantial increase in steel imports from the independent states of the former Soviet Union and Russia, caused in part by the closure of Asian markets to steel imports; and

Whereas there is a well recognized need for improvement in the enforcement of the United States trade laws to provide an effective response to situations of such increased imports: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress calls upon the President to—

(1) pursue enhanced enforcement of the United States trade laws with respect to the increase in steel imports into the United States, using all remedies available under United States laws including imposition of offsetting duties, quantitative restrictions, and other appropriate remedial measures;

(2) pursue with all methods at the President's disposal to achieve a more equitable sharing of the burden of accepting imports of finished steel products from Asia and the independent states of the former Soviet Union;

(3) establish a task force within the executive branch that has responsibility for closely monitoring imports of steel into the United States; and

(4) report to Congress not later than January 5, 1999, with a comprehensive plan for responding to the increase in steel imports, including ways of limiting the deleterious effects on employment, prices, and investment in the United States steel industry.

Mr. SPECTER. Mr. President, I have sought recognition today to offer a bipartisan Senate concurrent resolution addressing the current steel import crisis, which has been brought about due to the Asian and Russian financial crisis.

On Thursday, September 10, 1998, as chairman of the Senate Steel Caucus, I joined Congressman REGULA in convening a joint meeting of the Senate and House Steel Caucus with executives from a number of the nation's largest steel manufacturers and members of the United Steelworkers of America to learn more about the current influx of imported steel into the United States. At that meeting, I expressed my profound concern regarding the impact of our steel companies and steelworkers of the current financial crisis in Asia and Russia, which have generated surges in U.S. imports of Asian and Russian steel.

According to the American Iron and Steel Institute (AISI), the past three months have been the highest monthly import volumes in U.S. history and, with Asia and Russia in economic crisis and with other major industrial nations not accepting their fair share of the adjustment burden, U.S. steel companies and employees are being damaged by this injurious unfair trade.

As Hank Barnette, Chief Executive Officer of Bethlehem Steel, wrote in an August 6, 1998 op-ed in the Washington Times, the United States has become the dumping ground for foreign steel. He noted that Russia has become the world's number one steel exporting nation and that China is now the world's number one steel-producing nation, which enormous subsidies to foreign steel producers have continued. As one example, Mr. Barnette cited the Commerce Department's recent revelation that Russia, one of the world's least efficient producers, was selling steel plate in the United States at more than 50 percent, or $110 per ton, below the constructed cost to make plate steel, which ultimately costs our steel companies in lost sales and results in fewer jobs for American workers.

Specifically, in the first half of 1998, total U.S. steel imports were 18.2 million net tons, which is a 12.4 percent increase over 1997's record level of 16.2 million tons for the same period. For the month of June 1998, total U.S. imports of steel mill products totaled over 3.7 million net tons, which is up 39.2 percent from June, 1997 level of 2.6 million net tons. In June 1998, U.S. imports of finished steel imports were a record 3 million net tons, a 41.6 percent increase over the June 1997 2.1 million net tons.

Also in the first half of 1998, compared to the same period in 1997, steel imports from Japan are up 114 percent, steel imports from Korea are up 90 percent, and imports from Indonesia are up 309 percent. Most significantly, the U.S. steel industry currently employs 163,000 people down from 500,000 people in the 1980's. This situation is untenable for the American steelworkers, steel manufacturers, their customers, and the American people in general.

I believe that the growing coalition of steel manufacturers, and Congress must work together to remedy this import crisis before it is too late and the U.S. steel industry is forced to endure an excruciatingly painful economic downturn. We have many of the tools we need at our disposal to protect our steel industry from unfair and illegally dumped steel, and we must act now. At the caucus meeting, I noted my intention to once again seek enactment of my longstanding proposal to establish a private legal right of action for aggrieved steel companies and steelworkers where they can prove harm caused by illegal dumping of foreign goods.

This resolution calls on the President to take all necessary measures to respond to the surge of steel imports resulting from the Asian and Russian financial crisis. Specifically, the attached resolution calls on the President to: pursue enhanced enforcement of the U.S. trade laws, pursue all tools available to ensure that other nations accept a more equitable sharing of these steel imports; establish a task force to closely monitor U.S.imports of steel, and, report to Congress by January 5, 1999, on a comprehensive plan to respond to this surge of steel imports.

The U.S. steel industry has become a world class industry with a very high-quality product. This has been achieved at a great cost: $50 billion in new investment to restructure and modernize; 40 million tons of capacity taken out of the industry; and a work force dramatically downsized from 500,000 to 170,000. This resolution is essential to respond promptly to the current steel import crisis and prevent the loss of thousands of high-paying jobs in the steel industry. For these reasons, I urge my colleagues to join me in supporting adoption of this resolution.

Mr. BYRD. Mr. President, I am pleased to be a cosponsor of the Senate Concurrent Resolution offered by the Senator from Pennsylvania, Senator SPECTER. In brief, the resolution calls for action by the U.S. government on several fronts to address the steel import crisis. More importantly, it reassures the U.S. steel industry, and steel workers, that the United States Congress is concerned about the state of the steel industry and is committed to ensuring that a fair trade policy prevails.

The aim of this resolution is straightforward: to respond to the import crisis affecting the domestic steel industry. In this regard, the Senate Concurrent Resolution calls for enforcement of U.S. trade laws, equitable sharing of steel import surpluses, the establishment of a task force to monitor U.S. imports of steel, and a report from the President with a plan to respond to the surge of steel imports.

Senator SPECTER's resolution is a companion to H. Con Res. 328. The resolution is supported by the leadership of the Senate Steel Caucus and it is endorsed by the domestic steel industry.

For those not familiar with the steel import crisis, as the markets have struggled in Asia, Russia, and other regions of the world, and the purchasing power evaporates within these countries' borders, foreign steel producers are diverting record levels of steel products from stalling economies into the United States. Desperate to find hard currency, our trading partners are flooding the U.S. market with imported steel that is creating a glut that is placing thousands of U.S. steel jobs at risk. This is a looming crisis that could have a domino effect, which may jeopardize the security of families across the nation and the communities in which they live.

Regrettably, the impact of current trade and capital flow throughout the so-called modern global economy is becoming a familiar story. The effects of far-flung economic trouble not only play havoc with the U.S. steel industry, but also ripple through the auto industry, the farming industry, and a host of other domestic industries.

Live and let live? Is that the appropriate U.S. reaction to this crisis?

Through the International Monetary Fund, the United States reacts to the crises of our trading partners overseas with generous participation in bailout programs. We have risen to the occasion many times to help other nations facing grave economic dilemmas. But, can we afford to continue to help if our trading partners thank us by attempting to export their way out of their crises at the expense of the U.S. economy?

I would like to share one sentiment expressed to me about this situation in a letter by Mr. Jim Bowen, President of the West Virginia AFL–CIO: "Working Americans have always generously helped out those in need, but they can't be expected to do so by sacrificing their jobs and their families' security." And hear the words of Mr. Stephen Parks, a manager with Ameristeel in St. Albans, West Virginia: "We are cost-competitive with the best in the world. But we cannot compete fairly with foreign economies driven by the impetus to export their own unemployment through subsidization or which export solely for the purpose of acquiring tradeable currency at any cost."

Many of my colleagues have recently urged action on behalf of the nation's farmers. I certainly sympathize with the problems facing American farmers whose overseas markets have been adversely affected by these same economic downturns. This is no less a crisis, and, equally, deserves swift and sure action by the Congress. As this Congress begins the serious business of examining the international financial crisis, and formulating the appropriate U.S. response, the measures called for in this resolution are simple logic. After hearing the words of managers and workers in the U.S. steel industry, I believe that this resolution might also accomplish another worthy goal: restoring the confidence in our international trade agenda.

Let us be realistic. This international steel crisis did not occur overnight. In fact, the crisis is in part a result of decades-long government-sponsored illegal subsidies by our trading partners that this nation has not aggressively sought to correct. These subsidies have kept too many steel producers around the world eagerly fostering overcapacity because of unfair competitive advantages. Now, not only are the steel producers in Asia, Russia, and other parts of the world suffering, but so are American steel workers, who have played fair, and trusted our trade enforcement mechanisms.

As called for in the resolution being submitted today, we must move forward with the full and timely enforcement of our trade laws. We must do that before any serious thought is given to the adoption of trade measures to liberalize trade with additional nations not currently on the books. Existing trade agreements must be enforced and the long-term implications of these agreements must be understood. I hope that the responsible government trade officials share my concern.

I understand that the United States Trade Representative, Charlene Barshefsky, met with steel industry representatives in early September and, while I was unable to attend that meeting, I am advised that in her press release the Ambassador reaffirmed the Administration's "commitment to strong U.S. trade laws designed to prevent injury to U.S. industry and workers from unfair trade practices and from import surges, and to the expeditious and effective enforcement of these laws." I was pleased to learn of these encouraging words from the Ambassador, and I hope that she will be successful in carrying out this agenda.

In this regard, I believe that this Congress should assist USTR in moving this agenda forward. Let us help the Ambassador by stating clearly to our trading partners the Congress' stance on this matter. I am confident that Ambassador Barshefsky intends to negotiate the deal of all deals. In good faith, she intends to negotiate a global free trade paradise where all can compete on a level and transparent playing field.

Unfortunately, I have heard that very intent voiced many times by U.S. and foreign negotiators—and so have the U.S. steel workers. They heard it in 1974, during the Tokyo Round of the General Agreement on Tariff and Trade (GATT). That agreement cost this country hundreds of thousands of steel jobs. Many listeners may remember the result that deal had on Allentown. Well, I also remember Clarksburg, Wheeling, and Weirton, West Virginia, all losers in that trade agreement.

The U.S. steel industry has stuck it out, and U.S. steel producers did what the new 1974 trade rules said to do: restructure and modernize, and become the most efficient producers of steel in the world. The deal struck in that agreement was that the industry was to accomplish this restructuring and modernization and, then, the government would ensure that there would be a level global playing field on which to compete.

However, today, over 20 years later, the U.S. steel industry continues to face unfair trade practices from every corner of the world. In the global free trade garden of paradise, apparently, some players keep eating off the forbidden subsidy tree, because the so-called paradise is a pretty shabby place for U.S. workers.

In closing, I want to address the Constitutional component of supporting this resolution. This debate is a good place for Congress to reflect the myths and the realities of our current trade policies. It is time that the Congress takes seriously its constitutional role in the regulation of foreign commerce. The Constitution vests the Congress with the power "to regulate commerce with foreign nations." It is the task of Congress to understand the benefits and risks of global trade, but to promote only trade policies that are fair to all Americans, whether they be steel or auto workers, farmers, or bankers.

I urge my colleagues to support the important steel resolution offered by Senator SPECTER. Regulation of foreign commerce is the Constitutional responsibility of Congress. It will assist the USTR in negotiating firm agreements. It will help restore the confidence of American workers in U.S. trade policy. I urge my colleagues to support this resolution.

AMENDMENTS SUBMITTED

INTERNET TAX FREEDOM ACT

HUTCHINSON AMENDMENT NO. 3671

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill (S. 442) to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes; as follows:

In section 102(a)(1), strike "16" and insert "18".

In section 102(b)(1), add at the end the following:

(D) Two representatives from among individuals who are the heads of business entities that do not engage in electronic commerce, of whom—

(i) one shall be appointed by the Majority Leader of the Senate after consultation with the Minority Leader of the Senate; and

(ii) one shall be appointed by the Speaker of the House of Representatives after consultation with the Minority Leader of the House of Representatives.

In section 102(g)(2)—

(1) strike "and" at the end of subparagraph (D);

(2) strike the period at the end of subparagraph (E) and insert "; and"; and

(3) add at the end the following:

(F) an examination of the effects of taxation of transactions using the Internet, and of the absence of taxation of such transactions, on businesses that do not engage in electronic commerce.

NOTICE OF HEARING

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Thursday, October 1, 1998, at 10:30 a.m. in room SR-301 Russell Senate Office Building, to receive testimony on Capitol security issues. It is the chairman's intention that the committee vote to conduct this meeting in closed session.

For further information concerning this meeting, please contact Ed Edens at the Rules Committee on 4-6678.

ADDITIONAL STATEMENTS

VARIOUS ENVIRONMENTAL RIDERS CONTAINED IN THE FY 99 INTERIOR APPROPRIATIONS LEGISLATION

• Mr. FEINGOLD. Mr. President, I rise today to support the Senior Senator from Montana (Mr. BAUCUS) in his efforts to describe some of the provisions of concern that were attached to the Interior Appropriations legislation, the fate of which is now uncertain. I hope that all the provisions that will harm the environment, impede the enforcement of environmental law, or weaken federal environmental policy, will be removed from this legislation if it either returns to the floor or is incorporated in a broader appropriations bill.

This is not the first time that I have supported the Senior Senator from Montana in his efforts to address environmentally harmful legislative riders in appropriations legislation. In September 1995, I joined in his efforts to mitigate the effects of riders in the FY 96 VA-HUD appropriations legislation regarding the operations of the U.S. Environmental Protection Agency. Once again, I applaud his leadership in championing the protection of the environment.

Mr. President, for more than two decades, we have seen a remarkable bipartisan consensus on protecting the environment. As a consequence of this broad agreement, today we breathe cleaner air, drink cleaner water, and enjoy spectacular public lands.

Unfortunately, again during this Congress, we have faced numerous proposals to modify the environmental protections upon which American families depend. We have seen bills that would undermine the Wilderness Act and the management of our public lands, block implementation of the Endangered Species Act, rollback wetlands standards and weaken enforcement of clean water laws, and slow down or stop cleanup of hazardous waste sites. Congressional consideration of these proposals has been divisive, time-consuming, and ultimately unproductive.

Mr. President, I believe we have a responsibility to the American people to protect the quality of our public lands and resources. That responsibility of stewardship requires that I oppose legislative efforts to include proposals in routine spending bills that weaken environmental laws or prevent potentially beneficial environmental regulations from being promulgated by the federal agencies that carry out federal law.

In addition to my substantive concerns, Mr. President, I also share with the Senator from Montana a procedural concern about these riders. The people of Wisconsin have been calling my office in the last few weeks to express their grave concern that when riders are placed in spending bills major decisions regarding environmental protection are being made without the benefit of an up or down vote. Wisconsinites have very strong views that Congress has a responsibility to discuss and publicly debate matters effecting the environment. Thus, the Senior Senator from Montana is making an important procedural point for the Senate. We should be on record with regard to our position on this matter of open government and environmental stewardship.

Though I have substantive concerns about all of the riders that the Senior Senator from Montana has detailed, and others, I wanted to share my concerns by highlighting in detail a few riders contained in the Interior Appropriations legislation.

I am concerned about the language on forest road decommissioning that is contained in Title II of the Interior bill. This language prohibits the use of funds to decommission National Forest System roads until the Regional Forester certifies that all "unauthorized" roads are decommissioned or reconstructed. Mr. President, this mandate simply does not recognize that maintaining existing roads is a priority both in Wisconsin's national forests and throughout Forest Service Region 9. Our existing road system in the Nicolet and Chequamegon National Forests not only serves those who visit our forests, but also serves our local communities. Forest Service roads are important routes between communities in the northern part of my state. I also travel them when I attend Listening SESSIONS and other events in northern Wisconsin. I am concerned that if our forests have to spend time documenting all unauthorized roads this fiscal year, such as snowmobile crossings and other rights of way, we will neither get to accomplish any needed decommissioning, nor any much needed maintenance.

I also oppose the rider regarding logging in Tongass National Forest contained in the Interior bill. While Wisconsin's national forests have struggled to bring their timber sales above cost, I am concerned that this rider requires that the Forest Service offer for sale, and allow the logging of, ninety percent of the timber volume proposed by the Tongass Land Management Plan, a plan which is currently under appeal to the Secretary of Agriculture. Moreover, this rider contains a dangerous, precedent-setting provision that makes this requirement legally enforceable. I strongly believe that taxpayers should be getting a better return for the sale of timber from public lands, and I am concerned about increasing cut volumes when we still need to address below cost issues on the Tongass.

These are a few of my concerns, Mr. President. I believe that the Senate should act to strip these riders from the bill and send clean Interior funding provisions to the President for his signature. I encourage my colleagues to take the advice of the Senior Senator from Montana, and act to fund the programs we must fund without taking environmental policy actions that the public opposes.•

ACTIVATION OF THE MONTANA GUARD CAVALRY TROOP, THE BLACKHORSE UNIT

● Mr. BURNS. Mr. President, I stand here today to recognize the beginning of a new era for the Montana Army National Guard. Activation of the Montana Guard Cavalry Troop, also known as the Blackhorse unit, will commence on October 3, 1998. This will be an integrated cavalry troop that is part of a regiment whose distinguished history dates back to the turn of the century.

The Blackhorse is currently one of only three armored cavalry regiments in the United States Army. The mission of this regiment is to train Army units for the next possible war and does so by challenging those units in real life scenarios to meet the test of active warfare. The Blackhorse unit is considered the most highly trained unit in the United States Army. The Montana Army National Guard is both honored and privileged to join the Blackhorse unit as an equal partner.

The Montana Army National Guard must be prepared to meet the challenges of what the future may hold. Now affiliated with the Blackhorse unit, the men and the women of Montana who serve to protect our nation, will be ready.●

CONGRATULATIONS TO SENATOR ROTH

● Mr. BIDEN. Mr. President, I rise to take just a minute of the Senate's time to let my colleagues know of an honor that Senator ROTH received from the Delaware Chapter of the Multiple Sclerosis Society.

In a gala event last night in Wilmington, Delaware, Senator ROTH was honored for his achievements as a legislator and for his outstanding contributions to Delaware and to the nation. This was the Multiple Sclerosis Society's first-ever Dinner of Champions, and it is quite an honor for Senator ROTH to be one of the first two individuals recognized by the organization.

The other individual recognized last evening was Richard Christopher, the President of Patterson-Schwartz Real Estate. He and his company have been sponsors of and participants in the Bike-to-the-Bay fundraising event. The DuPont Company also received an award for its decade-long support of the popular Read-a-thon program. Senator ROTH was in excellent company last night.

And, fortunately, he was able to be there and accept the award in person. That is, Mr. President, one of the advantages of representing a State that is close to Washington. Senator ROTH could both vote here in the Senate and still get back to Wilmington in time to receive the award. I know that was important to him.

I thank my colleagues for allowing me to take this brief time. And, I congratulate Senator ROTH on his award.●

SECURITY AT GASEOUS DIFFUSION PLANT

● Mr. MCCONNELL. Mr. President, I have come to the floor to clarify an issue regarding the security at the two uranium enrichment facilities. Section 310 of the conference report which deals with the allocation between the Department and the private corporation leasing the gaseous diffusion plants of the cost of arming and providing arrest authority to security police officers at the plants. I want to make it very clear that this section does not affect the current responsibility of the Department to pay for security for the Department's highly enriched uranium activities.

Mr. President, I would like to take a moment to thank the officials with the Department of Energy and the officials from the newly privatized United States Enrichment Corporation who sat down with my office and negotiated in good faith a solution to this difficult matter. I am pleased to have an agreement once and for all.●

THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

● Mr. MOYNIHAN. Mr. President, I was delighted to see that the Senate passed S. 2392 ("The Year 2000 Information and Readiness Disclosure Act") yesterday. I introduced this legislation with Senators ROBERT F. BENNETT (R–UT) and CHRISTOPHER J. DODD (D–CT) on July 30, 1998. This "Good Samaritan" legislation is intended to promote the open sharing of information about Y2K solutions by protecting those who share information in good faith from liability claims based on the dissemination of that information. I want to make it clear that this legislation does not address liability that may arise separately from actual Y2K failures of systems or devices. The head of the President's Council on Y2K, John Koskinen, said that passing this bill is one of the most important things that we could do on the Y2K front. I agree.

Over two years ago I stated "that the year 2000 problem is indeed serious, and that fixing it will be costly and time-consuming. The problem deserves the careful and coordinated attention of the Federal Government, as well as the private sector, in order to avert major disruptions on January 1, 2000." On July 31, 1996 I sent President Clinton a letter expressing my views and concerns about Y2K. I warned him of the "extreme negative economic consequences of the Y2K Time Bomb," and suggested that "a presidential aide be appointed to take responsibility for assuring that all Federal Agencies, including the military, be Y2K compliant by January 1, 1999 [leaving a year for 'testing'] and that all commercial and industrial firms doing business with the federal government must also be compliant by that date."

January 1, 1999 is quickly approaching. I believe the "Good Samaritan" legislation that my colleagues passed last night will play a significant role in helping private firms and the government in addressing the computer problem. I am hopeful that we will have this problem in check come the year 2000, but, as the Duke said of Waterloo, it will be "close run thing."●

TRIBUTE TO THE UNITED STATES NAVY FOR SWISSAIR 111 RECOVERY EFFORTS

● Mr. WARNER. Mr. President, I rise today to recognize the U.S. Navy for their initial efforts in search and recovery operations in the wake of the SwissAir Flight 111 tragedy.

At the request of the Canadian government, the U.S. Navy sent the Hampton Roads-based Rescue and Salvage Ship USS GRAPPLE and members of Mobile Diving and Salvage Unit Two to assist our friends and neighbors in this operation. The ship, commanded by Lieutenant Commander David E. Davis, has a lifting capability of 300 tons and employs the latest high technology sonar and diving equipment. This enables her to conduct diving operations up to 190 feet beneath the ocean's surface.

Specifically, I'd like to commend the men and women who are carrying out this important mission. These sailors are highly-trained professionals who have experience in handling challenging and dangerous diving operations. Some of the team members worked with the TWA Flight 800 recovery and can draw upon those experiences. Although the circumstances that sent GRAPPLE and our sailors to Nova Scotia are tragic and unusual, the teamwork of our Navy and that of Canada has been fostered for many years. This allows us to work together effectively in such times of crisis. It is our hope that the efforts of GRAPPLE and Mobile Diving and Salvage Unit Two will help provide comfort and closure to those people who lost loved ones in this accident.

Mr. President, please join me in recognizing the significant contribution of America's high-tech Navy and brave sailors.●

RECOGNITION OF THE 75TH ANNIVERSARY OF THE TRAVELERS AID SOCIETY OF DETROIT

● Mr. LEVIN. Mr. President, I rise today to recognize the Travelers Aid Society of Detroit, which is celebrating its 75th Anniversary on October 15, 1998. Travelers Aid has been an important part of Metropolitan Detroit's network of community service organizations since its inception in 1923.

Travelers Aid was first created as an arm of the YWCA to assist young women who had recently settled in Detroit. In 1923, as the City of Detroit was growing by leaps and bounds, the Travelers Aid Society of Detroit was chartered as an independent institution to serve people who became stranded or lost. Since its chartering as an independent institution, Travelers Aid has broadened its activities from its original mandate to include assisting men and women, the homeless, runaway youths, victims of domestic violence, children traveling alone, the physically challenged and travelers at Detroit Metropolitan Airport. Travelers Aid has developed innovative programs, like Homeward Bound and the Supportive Housing Opportunities Program, which have helped thousands of people recover from homelessness. Each year, Detroit Metropolitan Airport, Travelers Aid helps 250 runaway children find their way back home and introduces 150 adopted babies from foreign lands to their new American families. Along with the City of Detroit and the Lovelight Foundation, Travelers Aid sponsors the annual "A Special Gift" Christmas party for 2,500 homeless children at Detroit's Cobo Hall.

On October 15, 1998, many people from my hometown will join together at the historic Wayne County Building to celebrate Travelers Aid's 75 years of service to the community. This celebration is being chaired by N. Brewster Broder, with the assistance of Honorary Chair Nettie Seabrooks and Honorary Co-Chairs Charlie Williams and Larry Givens. Community Service awards will be given to four outstanding individuals whose commitment to improving their community is truly inspiring. The award recipients are Aaliyah, an Oscar nominated recording artist; Delphine Fairbanks, a tireless volunteer at Detroit Metropolitan Airport; Geneva Williams, COO of United Way Community Services; and William McKenzie of Michigan Rehabilitation Service.

Mr. President, the men and women of the Travelers Aid Society of Detroit exemplify so many of the qualities that make our country great. Their dedication to their community, compassion for those in need and innovative problem-solving skills affect the lives of tens of thousands of people each year. I invite my colleagues to join me in expressing gratitude to the Travelers Aid Society of Detroit for the important services they have provided for the past 75 years, and in offering congratulations to the four Community Service Award recipients on this special occasion.•

ACCOMPLISHMENTS OF MR. S.W. "MEL" MELIDOSIAN

• Mr. SPECTER. Mr. President, today Mr. S.W. "Mel" Melidosian is being recognized for his distinguished service in the Department of Veterans Affairs Regional Office and Insurance Center in Philadelphia, the place where much of his illustrious career has taken place. After an astounding 57 years of devoted service to our nation, this remarkable man continues to serve veterans and their families. I am certain that this august body will join me in commending Mr. Melidosian on this special day.

Mr. Melidosian's service began in the Armed Services during World War II. From 1941 to 1946, he served as a U.S. Army Ordinance Management Officer at the European Theater Headquarters and on the faculty of the Ordnance School. From 1951 to 1953, he served at the U.S. Army Logistics Command, Korea and at the U.S. Army Frankford Arsenal.

He began serving veterans at the Veterans Administration (now the Department of Veterans Affairs) in 1946 in the Insurance Service but was recalled to active duty in Korea. In 1953, he resumed his VA job and in 1959, he was appointed Deputy Chief Insurance Director. From 1961 to 1984, he served as Director of the VA Regional Office and Insurance Center in Philadelphia, where he was instrumental in the installation of VA's first computer system for the Life Insurance Programs; consolidation of VA Regional Offices and Insurance Offices; creation of the Executive Program "Leadership VA"; and test site development of the VA Compensation & Pension on-line computer system "TARGET."

Mr. Melidosian has received many awards, including the Presidential Rank Award of "Distinguished Executive." He has been continually active in the government and the community as a lecturer and chairman or member of numerous boards and commissions.

I extend my best wishes to Mr. Melidosian for his service to our Nation's veterans and for his continued health.•

JON BROSCIOUS: A WELL-EARNED RETIREMENT AFTER A CAREER OF LOOKING AFTER AMTRAK'S GREATEST ASSETS

• Mr. BIDEN. Mr. President, after this week, someone very special will be missing from my morning commute from Wilmington. Jon Broscious, one of the Amtrak conductors who has been riding the trains with me for the past 25 years, is beginning a well-earned retirement. The mornings will not be the same without him.

Jon is one of those individuals—like so many of the conductors, baggage handlers, flagmen, and attendants I have known who have worked so hard to maintain Amtrak's excellent reputation as an efficient and user-friendly service—who takes a great deal of pride in his work, making the care and comfort of his passengers always his first priority. These are men and women who have long understood that Amtrak's greatest assets are neither its miles of track nor its extensive rolling stock, but the good will of the thousands of Americans who depend upon rail transportation to get to work, to visit their loved ones, and to expand their horizons. For many years, Jon Broscious has earned the good will of countless passengers, some of whom—like myself—see him every day, and others for whom his conscientious service is their one and only contact with America's rail system. He has treated each and every one—whether in club car or in coach—as a first-class passenger. His example is one which all of us would do well to follow.

During the twenty-five years that I have been sharing my mornings with Jon, we have learned a great deal about one another's lives and families. He has heard all about my children as they grew up, began to face the challenges of adulthood, embarked on their own careers, and gave me the joy of being a grandfather. And I shared Jon's pride as his son passed the bar and set up his practice in Virginia; anguished with him throughout his son's battle with cancer; and shared his joy when the disease was finally conquered. I'll never forget the time that Jon and his whole family, including his grandchildren, visited with me in my office here in Washington. Though it was my first meeting with many of them, I felt like I knew each one well because Jon had spoken of them so often.

Jon and his family have a great many plans for his well-deserved retirement. He has earned the comfort and happiness that he brought to so many others over the years. Along with his colleagues and the many others who ride the trains each morning, I wish him all the best.

But the mornings will never be the same. I'll miss you, Jon.•

TRIBUTE TO PAUL A. DRAZEK

• Mr. LUGAR. Mr. President, I rise today to pay tribute to Paul Drazek, a distinguished public servant, who is retiring from the U.S. Department of Agriculture. Paul has served as the Special Assistant for International Affairs to Secretary of Agriculture Dan Glickman for the past three and one-half years. Spending the past twenty-five years in international trade, both in government and the private sector, Paul has advanced agricultural trade policy and opened important and essential new markets to America's farmers and ranchers.

Paul Drazek came by his love for agriculture naturally, with both of his grandparents running farms in upstate New York. At an early age he chose to use his intellect and energies to help one of our most export dependent industries find and expand market opportunities. To prepare him for his life's mission, Paul furthered his knowledge in agriculture by receiving a degree in Agricultural and Resource Economics from the University of Maryland.

Mr. Drazek began his career with the U.S. Department of Agriculture's Foreign Agricultural Service, serving fourteen years as a trade policy and marketing specialist. During that time he served four years as an agricultural negotiator for the U.S. delegation to the Tokyo Round of multilateral trade negotiations in Geneva, Switzerland, and as the Agricultural Attache in our Embassy in Mexico City, Mexico.

Prior to joining the Department of Agriculture as Special Assistant to the Secretary, Mr. Drazek served as Director of Government Relations for the American Farm Bureau Federation for ten years. He specialized in international affairs and legislative issues affecting U.S. agricultural trade. In that capacity, Mr. Drazek gained a familiarity with the political and economic sensitivities that shape farm and trade policies around the world. He also provided essential private sector input to the Uruguay Round of the World Trade Organization (WTO) and the North American Free Trade Agreement (NAFTA).

Paul has spent the last three years at the U.S. Department of Agriculture representing American agricultural interests overseas opening and expanding new markets for our farmers and ranchers. Making progress in international trade policy is a formidable challenge in this dynamic global economy. Paul's unwavering dedication and commitment to bringing prosperity to the world through trade and economic interdependence will pay dividends for our nation well into the future.

Mr. President, it is my great pleasure to pay tribute and say thank you to Paul Drazek, and I wish him, his wife Sue and their two sons, Keith and Greg, the best in all of their future endeavors.●

ORDERS FOR WEDNESDAY, SEPTEMBER 30, 1998

Mr. DOMENICI. Mr. President, on behalf of the leader, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. on Wednesday, September 30; I further ask unanimous consent that the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I further ask unanimous consent that the Senate then proceed to a period of morning business until 12:30 p.m., with Senators permitted to speak for up to 10 minutes, with the following exceptions: The first 20 minutes under the control of Senator MURKOWSKI; 20 minutes under the control of Senator GRAMM of Texas; 25 minutes under the control of Senator ROBERTS; 30 minutes under the control of Senator MCCAIN; 30 minutes under the control of Senator HAGEL; 15 minutes under the control of Senator JOHNSON; 1 hour under the control of Senator DORGAN or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOMENICI. For the information of all Senators, when the Senate reconvenes on Wednesday at 9:30 a.m., there will be approximately 3½ hours for morning business. It is hoped that following the morning business period the Senate will be able to proceed to the DOD authorization conference report and/or the American Wetlands Conservation Act—hopefully, both items to be considered under time agreements. Members are reminded that no votes will occur during Wednesday's session of the Senate in observance of the Jewish holiday.

All votes ordered will be postponed to occur at approximately 10 a.m. on Thursday. All Senators will be notified when votes are scheduled to occur.

DESIGNATING A PORTION OF INTERSTATE 70 IN MISSOURI AS "MARK McGWIRE INTERSTATE ROUTE 70"

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 2531 introduced earlier today by Senator BOND.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A bill (S. 2531) to designate a portion of Interstate Route 70 in Missouri as "Mark McGwire Interstate Route 70."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the bill be deemed read the third time, and passed, that the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2531) was deemed read the third time, and passed, as follows:

S. 2531

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF MARK MCGWIRE INTERSTATE ROUTE 70.

The portion of Interstate Route 70 from the Blanchette Bridge at the border between St. Charles County and St. Louis County, Missouri, through St. Louis County, to the Mississippi River at the border between the States of Missouri and Illinois shall be known and designated as "Mark McGwire Interstate Route 70".

SEC. 2. REFERENCES.

Any reference is a law, map, regulation, document, paper, or other record of the United States to the portion of Interstate Route 70 referred to in section 1 shall be deemed to be a reference to Mark McGwire Interstate Route 70.

UNANIMOUS CONSENT AGREEMENT—S. 1677

Mr. DOMENICI. Mr. President, regarding Senate bill 1677, the North American Wetlands bill, I ask unanimous consent that it be in order for the majority leader, after consultation with the Democratic leader, to proceed to the consideration of calendar No. 417, S. 1677, and that it be considered under the following limitations:

The only amendment in order to the bill be an amendment by Senator CHAFEE regarding membership.

I further ask unanimous consent that there be 1 hour for debate on the bill, equally divided in the usual form, and following the disposition of the amendment and the expiration of the debate time, the bill be read the third time and passed, with the motion to reconsider laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. DOMENICI. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 6:40 p.m., recessed until Wednesday, September 30, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 29, 1998:

DEPARTMENT OF HOUSING AND URBAN AFFAIRS

IRA G. PEPPERCORN, OF INDIANA, TO BE DIRECTOR OF THE OFFICE OF MULTIFAMILY HOUSING ASSISTANCE RESTRUCTURING. (NEW POSITION)

DEPARTMENT OF TRANSPORTATION

ALBERT S. JACQUEZ, OF CALIFORNIA, TO BE ADMINISTRATOR OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR A TERM OF SEVEN YEARS, VICE GAIL CLEMENTS MCDONALD, RESIGNED.

ASHISH SEN, OF ILLINOIS, TO BE DIRECTOR OF THE BUREAU OF TRANSPORTATION STATISTICS, DEPARTMENT OF TRANSPORTATION, FOR THE TERM OF FOUR YEARS, VICE TRIRUVARUR R. LAKSHMANAN, RESIGNED.

NUCLEAR REGULATORY COMMISSION

JEFFREY S. MERRIFIELD, OF NEW HAMPSHIRE, TO BE A MEMBER OF THE NUCLEAR REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2002, VICE KENNETH C. ROGERS, TERM EXPIRED.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT IN THE RESERVED

OF THE AIR FORCE, TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. WALTER R. ERNST II, 0750.
BRIG. GEN. BRUCE W. MAC LANE, 2001.
BRIG. GEN. PAUL A. POCHMARA, 3419.
BRIG. GEN. MASON C. WHITNEY, 9168.

To be brigadier general

COL. RONALD J. BATH, 1787.
COL. JOHN H. BUBAR, 0916.
COL. VERNA D. FAIRCHILD, 1283.
COL. ROBERT I. GRUBER, 3888.
COL. MICHAEL J. HAUGEN, 7541.
COL. WALTER L. HODGEN, 6504.
COL. LARRY V. LUNT, 4398.
COL. WILLIAM J. LUTZ, 6187.
COL. STANLEY L. PRUETT, 1176.
COL. WILLIAM K. RICHARDSON, 5912
COL. RAVINDRA F. SHAH, 0480.
COL. HARRY A. SIEBEN, JR., 3654.
COL. EDWARD N. STEVENS, 3837.
COL. MERLE S. THOMAS, 9608.
COL. STEVEN W. THU, 9509.
COL. FRANK E. TOBEL, 1101.
COL. DAVID F. WHERLEY, JR., 8592.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

JEFFREY M. DUNN, 9588.

IN THE COAST GUARD

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT AS A PERMANENT REGULAR OFFICER IN THE UNITED STATES COAST GUARD IN THE GRADE INDICATED UNDER TITLE 14, U.S. CODE, SECTION 211:

To be lieutenant

RICHELLE L. JOHNSON, 3512.

THE FOLLOWING NAMED OFFICERS FOR PROMOTION TO THE GRADES INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 189:

To be captain

ROBERT J. FULLER, 4227.
RICHARD J. HARTNETT, 2832.

To be commander

JOHN B. MC DERMOTT, 9860.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

ISADORE ROSENTHAL, OF PENNSYLVANIA TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS. (NEW POSITION)

EXTENSIONS OF REMARKS

INTRODUCTION OF THE MEDICARE HMO IMPROVEMENT ACT OF 1998

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to introduce the Medicare HMO Improvement Act of 1998.

Earlier this month, nearly 8,000 seniors in my district received perhaps the most frightening news any American can get. Their Medicare HMOs informed them that they are terminating their health insurance by the end of the year. Some of these seniors were recruited only months before through aggressive company marketing campaigns.

Insurers came to the federal government and said "We're private industry, we can run Medicare better than you can while giving more services to seniors. Give us a chance." Well, we gave them a chance and they let our seniors down. They thought they could just jump in and jump out of my district without regard to the health and well-being of the seniors that they had signed up just months ago. This is not acceptable. That is not a responsible way to do business.

The termination announcements sent shock waves through Tolland, Windham and New London counties. At a public meeting that I hosted with Senator CHRIS DODD to discuss this action, 400 seniors gathered to hear about their options for the future. The tension and desperation of my constituents was evident as they vented their frustration and anxiety. One of my constituents, whose wife had recently had a stroke, was so upset about what losing health insurance would mean to him and his wife that after asking a question he had a heart attack. That man, Frederick Kral, died on the way to the hospital.

Under the current system, Medicare HMOs can act with impunity. There is no accountability, no responsibility. Profits are all that matter. Patients and quality health care are secondary. This is just wrong.

My legislation will inject some accountability into the Medicare HMO system. It will change the contract term from one year to three years. This change is designed to discourage HMOs from making short-term promises to seniors only to terminate coverage a year later when they don't make quite as much money as they hoped. It gives the Secretary of Health and Human Services (HHS) authority to enjoin contract terminations for up to one year if public health will be seriously threatened, insurance coverage will be compromised, or the Governor of the state affected requests that the Secretary exercise this authority.

Moreover, my legislation is designed to discourage HMOs from "cherry picking" between regions within a state by offering coverage only in those areas with the highest reimbursement rates. It accomplishes this goal by requiring the Secretary of HHS to terminate all contracts a Medicare HMO has for a metropolitan statistical area (MSA) if that HMO terminates coverage in any portion of that MSA in that state. I selected the MSA as the geographical unit because it is already used in the law and should discourage "cherry picking" without reducing coverage on a state-wide basis. Finally, if a company terminates coverage and a beneficiary is currently undergoing treatment, this bill requires the HMO to provide 90 days of coverage to allow the patient to continue to receive such treatment. This will ensure that patients under active treatment will have a few additional months to make the transition to another doctor or health plan.

Mr. Speaker, what Medicare HMOs did in my district—and are doing in others across the country—is unreasonable and irresponsible. The Medicare HMO Improvement Act is a reasonable approach which will provide badly needed protection to older Americans.

THE DISTINGUISHED CAREER OF REPRESENTATIVE LEE HAMILTON OF INDIANA

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mrs. MINK of Hawaii. Mr. Speaker, it is with great pride and much sadness that I join my colleagues in saying "Aloha" and paying tribute to one of our most respected Members, Congressman LEE HAMILTON. I met LEE over 30 years ago. We were both elected to Congress for the first time in the 1964 LBJ landslide election. Seventy-one Democrats were elected to the House that same year. We made history as the Class of 65. This 89th Congress passed some of the most important legislation: Medicare, the Elementary and Secondary Education Act, the War Against Poverty, and numerous youth programs.

When you leave, it will be just JOHN CONYERS and I to carry on the work of that famous freshman class of the 89th Congress.

It is hard to imagine a Congress without the strong, steady force of LEE HAMILTON. So many times he has been the voice of reason on the difficult and contentious issues in foreign policy. I have consistently relied on his advice and counsel on many issues, the Gulf War, Bosnia, Iran, Haiti, Russia, Kosova. His opinion and expertise is always respected even among those who did not agree with him. His knowledge about the subject matter and his thorough and conscientious review of all matters to assure the best policy for the good of the Nation are his special contribution to every debate.

Over the years LEE has dealt with numerous world situations and issues that seem so far away from his constituents back home. But no matter if he was dealing with Iran-Contra, weapons proliferation, or the Gulf War, LEE knew how to connect these events to the lives of his constituents.

Not many people think of LEE HAMILTON as a Liberal. I don't know if he would even like that label. But the LEE HAMILTON I know cared deeply about the needs of his people and he worked to make this a better world for our children. He fought to eradicate hunger and disease and worked to be sure education was always a high priority. He consistently proved to be a great supporter of programs to care for the most vulnerable.

In foreign policy as well as in domestic policy he worked diligently for a caring and compassionate outcome.

I know we will continue to see LEE leading this nation in some capacity, but LEE your daily presence here in the House will be missed. As an architect of our foreign policy your guidance for the past 30 years has produced the peace and stability which we now celebrate.

I wish you and Nancy all the best, as you enter this new phase in your life. As you spend time with your family please remember we still will need your advice and counsel. Best wishes and God speed.

CONFERENCE REPORT ON H.R. 4060, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of H.R. 4060, the Energy and Water Development Appropriations for Fiscal Year 1999. I support this bill mainly because it provides $1,429,885 million for the Army Corps of Engineers construction programs. I am especially grateful that the conference agreement includes language proposed by the House to reimburse the non-Federal sponsor a portion of the Federal share of project costs for the White Oak Bayou, Texas project.

The Administration originally requested $9.4 million for the continued construction of the Sims Bayou Project in Houston, Texas. The Conference Committee specifically earmarked a total amount of $12 Million for the Sims Bayou project.

Mr. Speaker, the Sims Bayou Project is a project that stretches through my district. Over the course of recent years, the Sims Bayou has seen massive amounts of flooding. Citizens in my congressional district, have been

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

flooded out of their homes, and their lives have been disrupted.

In 1994, 759 homes were flooded as a result of the overflow from the Sims Bayou. That is 759 families that were forced to leave their homes.

I mainly support the conference report, Mr. Speaker, because the subcommittee has earmarked in this bill $12 million for the construction and improvement of the Sims Bayou project that will soon be underway by the Army Corps of Engineers.

I would like to thank the Army Corps of Engineers for their cooperation in bringing relief to the people of the 18th Congressional District in order to avoid dangerous flooding.

I am quite certain Mr. Speaker that this project would not have been able to go forward if this additional money would not have been granted by the conference committee.

For that I have to thank Chairman MCDADE, Ranking Member FAZIO, and my friends and colleagues, CHET EDWARDS and MIKE PARKER who sit on the Appropriations Committee.

This must be done and I will work with the Army Corps of Engineers and local officials to ensure that this is done. I urge my colleagues to vote 'yes" on this conference report.

TRIBUTE TO SOUTH FLORIDA FOOD RECOVERY—19 YEARS OF SERVICE TO THE NEEDY

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mrs. MEEK of Florida. Mr. Speaker, on October 16, 1998, South Florida Food Recovery will observe the anniversary of its 19th year of feeding the poor, needy and homeless throughout Miami-Dade County and all of South Florida. It is fitting that this is also World Food Day.

By any standard, South Florida Food Recovery is a remarkable organization. Its founder, the Honorable Jule Littman, who has served the City of North Miami Beach with distinction in many official capacities, saw a need in our community and sought to fill it. His vision, energy, organizational ability and perseverance has led to an alliance with 359 charitable agencies throughout Florida, through which South Florida Food Recovery provides supplemental meals to over 700,000 people each month—more than 4,200 tons of food this year, at no cost whatsoever to the recipients.

During the week of October 12, in cooperation with 302 schools in Dade County, South Florida Food Recovery will be collecting canned food for distribution to the needy. It will also dedicate its first new freezer truck, which was purchased with funds provided by the State of Florida and the Southland Corporation, based in Dallas, Texas.

In addition, since nutrition and health are so closely related, South Florida Food Recovery will complete the distribution of 500,000 toothbrushes, dental floss and toothpaste to elementary school students in Dade County, at no cost to students.

Mr. Speaker, all of our colleagues can benefit from the example set by South Florida Food Recovery. I join with our entire community in congratulating Jule Littman and his entire staff and volunteers for a job well done.

TRIBUTE TO GEORGE JESKO, DEPUTY SUPERINTENDENT OF THE LAMPHERE SCHOOLS

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. LEVIN. Mr. Speaker, I rise to honor Mr. George Jesko, Deputy Superintendent of the Lamphere Schools after 33 years of service in several positions in the school district.

George first came to Lamphere Schools as a young Science teacher who also coached basketball, track and football. As a result of his success in coaching, he was named Coach of the Year after only two years. This was followed by the same honor six additional times.

George was not only a teacher and coach but also Athletic Director, Assistant High School Principal, Associate Superintendent and Deputy Superintendent of Human Resources/Athletics.

In addition to his school positions, George has been an active leader in community organizations. He served as President of the Oakland Association of Personnel Administrators, Chairman of the Council of Chief Negotiators, and has been very involved in the American Association of Personal Administrators, Michigan Employer Labor Relations, the Metro Bureau and Michigan Negotiators Association.

The Lamphere Schools have indeed been fortunate to have had the services and talent of this outstanding and dedicated individual. I commend him for his commitment to the students in providing the best educational environmental in both academics and athletics.

Mr. Speaker, I ask my colleagues to join me in wishing George Jesko good health, success and happiness as he enters a new phase in his life.

TAXPAYER RELIEF ACT OF 1998

SPEECH OF

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mr. VISCLOSKY. Mr. Speaker, I rise today to give my support to protecting 100 percent of the Social Security Trust Fund, and not using any of the projected surplus for tax cuts at this time. For over sixty years, Social Security has stood as one of our Nation's greatest success stories, providing all Americans with a basic level of retirement security.

Social Security is a contract between the citizens of the U.S. and their government. The people in this country are entitled to know that in retirement they will have security, live in dignity, and be provided with health care. Today, two-thirds of retirees in this nation depend upon Social Security to provide over half of their annual income. Our constituents should know that we, as the leaders of this country, are looking out for not only their future, but the future of their children. A vital requirement for protecting that future is saving Social Security first. Our constituents should be able to trust that their contributions to the Social Security Trust Fund are being used as intended.

I am opposed to cutting Social Security in order to provide tax cuts to those with higher incomes. As lawmakers, we owe it to the country to provide for the long-term fiscal health of Social Security and other federal retirement programs, and to ensure that these programs are available to future generations of Americans without increasing the payroll tax.

Some have suggested we should enact a series of major tax cuts in anticipation of the projected budget surplus. What these individuals neglect to point out is that almost all of the money to pay for their tax cuts would be drawn out of the Social Security Trust Fund and other federal trust funds—trust funds that should be preserved for their intended uses. The best tax cut we can give to the American family is a truly balanced federal budget. A balanced budget will lead to lower interest rates and strong economic growth. I am firmly committed to a balanced budget—a budget that protects Social Security for future generations.

In closing, let me say that the question of how to approach any budget surplus is one of the most important issues facing this country. I believe we should resist calls to spend the projected surplus and consider our options very carefully. Balancing the federal budget and keeping it balanced should continue to be one of this country's top priorities, and you can be assured that I remain absolutely committed to accomplishing these goals. We owe it to our constituents, our children, and ourselves to save Social Security.

TAXPAYER RELIEF ACT OF 1998

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Saturday, September 26, 1998

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to H.R. 4578 (the "Protect Social Security" bill) and, by extension, its companion bill, H.R. 4579 (The Taxpayer Relief Act).

Current projections indicate there will be a substantial federal budget surplus over the next decade. According to the majority party, H.R. 4578 saves 90% of this projected surplus for Social Security, leaving the remaining 10% to finance the tax cuts in H.R. 4579—tax cuts worth $80 billion over five years and $177 billion over ten years. However, if one looks past the appealing rhetoric in support of H.R. 4578, it becomes evident that the bill is very irresponsible.

For example, even if the optimistic projections about the federal budget come true, the vastly greater portion—98%, to be more precise—of that surplus will be made up of the large yet temporary surplus in the Social Security Trust Fund. Indeed, if the Social Security surplus were excluded, there would be a

$137 billion deficit in the 1999–2003 budget period and only a $31 billion surplus in the 1999–2008 budget period.

Given that the federal surplus in the 1999–2003 budget period will be entirely Social Security-based while the federal surplus in the 1999–2008 budget period will be almost entirely Social Security-based, it is evident that the 10% of the federal surplus that H.R. 4578 sets aside to finance the majority party's tax cuts represents a raid on Social Security.

H.R. 4578 is ill-advised and short-sighted, and I urge my colleagues to defeat it.

TRIBUTE TO MASTER SERGEANT GARY A. JACOBSON

HON. JOE SCARBOROUGH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. SCARBOROUGH. Mr. Speaker, I rise today to pay tribute to a young man who has dedicated his career to protecting the people of this great nation and ensuring the American way of life. This gentleman has distinguished himself as a diplomatic leader, a dedicated family man, and a decorated soldier in the United States Army. The man I speak about today is Master Sergeant Gary A. Jacobson, Liaison NCO of V (US/GE) Corps to II (GE/US) Corps.

Master Sergeant Jacobson was recently awarded the Bronze Cross of Honor of the Bundeswher for his outstanding performance and his great service to the Bundeswher. He is deserving of that honor because of his positive attitude, honesty, and dedication that goes above and beyond the requirements of his duty as a US Liaison NCO.

Mr. Speaker, these accomplishments only begin to describe the caliber of a man like Master Sergeant Jacobson. Thomas Jefferson once said that the greatest honor of a man is in doing good to his fellow men. Gary Jacobson has certainly lived by that axiom. If you ask his colleagues to describe him, you would hear words like honest, loyal, dedicated, courageous, honorable, hard working, and a true gentleman.

Master Sergeant Jacobson's dedication to his country serves as a model in the lives of the hundreds of soldiers who have served with him. Gary Jacobson is truly an inspiration to the men and women in uniform from Northwest Florida and around the world.

INTRODUCTION OF THE ASTHMA ACT

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mrs. LOWEY. Mr. Speaker, today I am introducing the ASTHMA Act—Action Strategies To Help Millions of Asthmatics—on behalf of myself and my colleague from Texas, JOE BARTON. This bipartisan legislation, which is the result of months of research and preparation, will provide our nation with new tools to battle the epidemic of asthma that continues of affect millions of Americans—especially our children.

Asthma affects more than 14 million Americans, including almost 5 million children. Every year, asthma results in 500,000 hospitalizations and claims 5,500 lives. Since 1980, reports of asthma are up more than 75 percent. Tragically, the asthma-related death rate among children has risen equally fast. Asthma remains one of the leading causes of absenteeism from school and costs our nation more than $6 billion per year.

Mr. Speaker, public health experts do not have all of the answers, but they know plenty. We now have the collective knowledge and experience to help millions of sufferers control and manage their asthma. We can reduce absenteeism in school and the workplace, reduce costly ER visits and hospitalizations, and help millions of Americans live happier, more productive lives.

Earlier this year, the Daily News published an award-winning series of articles highlighting the asthma problem in New York City. The ASTHMA Act would go a long way to addressing those problems. It would expand federal asthma data collection efforts; promote new health guidelines on asthma prevention and treatment; educate the public about the dangers of asthma—and how to manage it; and improve the response of local schools and state children's health programs.

Our legislation is supported by organizations leading the battle against asthma, such as the American Lung Association, the Joint Council of Asthma, Allergy, and Immunology, Mothers of Asthmatics, as well as pharmaceutical manufacturers and managed care plans.

Mr. Speaker, asthma is not a partisan problem. It affects Texans and New Yorkers, Republicans and Democrats, men and women, and our children. As a nation we can and should be doing much better. I invite my colleagues to join Congressman BARTON and me in our effort to help asthmatics lead healthier, happier, more productive lives.

DEATH OF MURIEL HUMPHREY BROWN

HON. BILL LUTHER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. LUTHER. Mr. Speaker, Muriel Humphrey Brown's contributions to the state of Minnesota and the nation will always be remembered. Muriel was a truly wonderful human being and as the spouse of former-Vice President Hubert Humphrey and then as a United States Senator herself, Muriel secured a significant place for herself in history. With genuine care and optimism, Muriel and Hubert exemplified the very best of what it means to be an American while helping others understand the importance of social equality and public service. Muriel's motivation to push forward during hard times taught the nation a valuable lesson; "we can do better."

Muriel Humphrey balanced her many roles with incredible success. She created a loving, sheltered home life for her husband and four children, to counteract the national publicity surrounding their political life. In addition, Muriel campaigned whole-heartedly and as a politician's wife, she conducted her public role with poise and dignity. Muriel assumed Hubert's United States Senate seat after his death in January 1978, making her the only woman in the Senate at the time and the first female Senator ever from the state of Minnesota. Admired throughout her life, Muriel remains a role model and inspiration for all of us.

After her marriage to businessman Max Brown in 1981, Muriel stepped away from the spotlight and dedicated time to herself and her family. Although she never again pursued a life in politics, Muriel continued to teach a valuable lesson to those around her about addressing national and international issues, without forgetting one's roots. The death of this courageous woman marks a significant loss for both the people of Minnesota and the nation. She will be deeply missed.

THE SENIOR CITIZENS PROTECTION ACT

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. LAZIO of New York. Mr. Speaker, I rise today to introduce a modified version of H.R. 4155, the Senior Citizen Protection Act. H.R. 4155 would expand the authority of state Medicaid Fraud Control Units (MFCUs) to investigate fraud and abuse beyond the Medicaid Program. H.R. 4155 would allow the states and their MFCUs to protect senior citizens by investigating all forms of health care fraud and empowering them to assist state and local authorities in investigations of abuse and neglect against residents in assisted living and other board and care facilities. This legislation would help Federal, state, and local officials crack down on rampant health care fraud and let each and every one of us feel secure that our loved ones are safe in their retirement years.

Legislation is necessary because current law prohibits Medicaid Fraud Control Units (MFCU) from pursuing Medicare fraud when it is uncovered through a Medicaid investigation. Many times, a MFCU referral to federal authorities does not result in investigation or prosecution. Also, MFCUs are prohibited from utilizing their resources and expertise to assist state and local authorities who are responsible for ensuring that patients receive quality care in assisted living residences and other residential care facilities.

After extensive conversations with the various stakeholders which could be affected by this legislation, I have made two modifications to H.R. 4155.

Today's bill modifies Section (2)(a) of H.R. 4155 by clarifying the authority between Federal officials and the MFCUs when the MFCUs decide to pursue an allegation of non-Medicaid fraud. Clearly, states should be empowered to pursue Medicare and other Federal health program fraud uncovered during a Medicaid investigation. However, this new provision would ensure that the inspector general of a federal agency which is responsible for eliminating Federal health care fraud retains the absolute discretion to take over the investigation and prosecution of the case. My expectation is that the HHS Inspector General and the U.S. Department of Justice will develop the appropriate protocols with the state Medicaid Fraud Control Units and the state Attorneys General to implement this legislation.

Today's bill also modifies Section (2)(c) of H.R. 4155 by clarifying the authority of MFCUs to investigate abuse in assisted living and other residential care facilities. Today's bill states that MFCUs may only investigate at the request of state and local agencies who have the current responsibility for ensuring quality care in such facilities under state law. The MFCUs have resources and expertise that clearly would benefit state agencies in the fight against abuse in senior's facilities. The cooperation and expertise of the MFCUs will strengthen the investigative skills of state and local authorities.

These minor changes have strengthened an already excellent piece of legislation that will cut fraud and abuse in our Medicare system, restore balance in our health care system, and give us all a better quality of life.

Our government should be given all the tools necessary to combat fraud in our health care system and give Americans the peace of mind that their moms and dads are well cared for in their retirement years. We need to ferret out providers who rip off the system, and Americans need to rest comfortably at night knowing our family members and friends receive the highest quality health care without the fear of being physically, mentally, or financially abused. I urge my colleagues to support the Senior Citizens Protection Act of 1998 because it will provide health care security to our seniors and restore their trust in the people who care for them from morning until night.

CANCER RESEARCH

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. PACKARD. Mr. Speaker, this past weekend thousands of people were gathered in towns all around America to discuss cancer relief. These cancer survivors and supporters should be commended for their commitment to achieving more research funding for our nation's second leading cause of death.

Nearly everyone has had their life touched by someone who has suffered from cancer. This year, more than 565,000 Americans will die from cancer. That's one in every four deaths in this country! Those are not good odds for the 1.2 million people who will be diagnosed with cancer this year alone. We must put a stop to this awful disease.

A cure for cancer would change our world forever. A seven year old little boy may get to spend one more week with his dad, a 12 year old little girl may get to go to high school, and a grandmother may have the opportunity to see her granddaughter get married. Without our help, none of these things may be achieved.

Mr. Speaker, I encourage my Colleagues to focus more of our efforts toward the cause, care and cure of cancer. Let's put a stop to this nightmare that haunts our Nation.

THREE FINE DOCTORS WHO CAN ERASE THE PAST

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 29, 1998

Mr. HORN. Mr. Speaker, I rise to pay tribute to Drs. Bryna Kane, Edward Glassberg and Wendy Hoffman, who are offering their medical services to help former gang members turn their lives around. With the help of Long Beach Memorial Medical Center, the Long Beach Health Department, and the Long Beach Police Department, Drs. Kane, Glassberg, and Hoffman lead Erase the Past, a new program that removes the tattoos of former gang members for free in exchange for community service.

All of us, especially those of us from urban areas, are well aware of the terror that gangs can cause. Los Angeles County alone has approximately 1,000 gangs. Many young people are lured into joining gangs and regret it later. Some find it nearly impossible to leave that part of their lives behind them, however, because of the tattoos they were scarred with as gang members. As a visible sign of a violent past, gang tattoos can make it difficult for former gang members to find jobs and rebuild their lives.

Dr. Kane is all too familiar with unwanted tattoos. She is the daughter of Holocaust survivors, and she remembers vividly the tattoos that the Nazis had burned into the skin of family friends. Those tattoos were an unmistakable and inescapable reminder of the Nazi death camps.

Dr. Kane, a dermatologist, and Drs. Glassberg and Hoffman organized Erase the Past to give these individuals a better chance to leave the world of gang violence. They remove tattoos once every month at Long Beach Memorial. This program is available free of charge to those ages 14 to 25 who have not had a reported gang incident in the past six months. In exchange for the one-hour tattoo removal session, the individual must perform five hours of community service. The removal of a tattoo can require up to three or four treatments.

Erase the Past gives young people a helping hand in leaving gangs and helps them remove a major obstacle to becoming a productive member of society. It also encourages community service. All of the benefits spring from the generosity and ingenuity of these three doctors and the organizations and agencies assisting them. Drs. Kane, Glassberg, and Hoffman and Long Beach Memorial Medical Center, the Long Beach Health Department, and the Long Beach Police Department deserve our gratitude and praise.

Mr. Speaker, I have added a wonderful article on Erase the Past. It is written for the Press-Telegram by a very fine reporter, Bonnie Heald.

PURGING THEIR PAINFUL PAST

As a young child and daughter of holocaust survivors, Bryna Kane clearly remembers the visible and permanent sign of the Nazi death camps—the tattoos crudely burned into her relatives' arms.

Today, Dr. Bryna Kane is committed to removing more modern tattoos that also are painful reminders of the past—those of former gang members.

Kane, a Long Beach dermatologist, and her partners, Drs. Edward Glassberg and Wendy Hoffman, launched a program at Long Beach Memorial Medical Center on Wednesday to help youths remove the visible emblems that stigmatize them as gang members.

The program, called Erase the Past, offers former gang members free tattoo removals in exchange for community service. The tattoo removal program will be held once a month at the medical center for people between the ages of 14 and 25.

All participants will be screened and must have clean police and probation records without a reported gang incident in the past six months, Kane says.

For each hour-long session of tattoo removal, the participant must perform five hours of community service. Complete tattoo removals may take three to four sessions, Kane says.

"These are kids who want to change," Kane says. "A tattoo is the last vestige of a life they want to forget."

Kane and Glassberg use an ND–YAG laser, the latest technology for tattoo removal, that they purchased for their private Long Beach practice.

Kane's interest in tattoos stems from her childhood in the 1950s.

"I remember so vividly my parents' summer parties. It was 80 degrees, and all these people were wearing long sleeves because they didn't want anyone to see the tattoos the Nazis had burned into their arms. . . . I was a child, so I was eye-level to these peoples' tattoos. I remember them as ugly scars.

The Long Beach Police Department is providing the program with volunteers for some of the administrative tasks, says Lt. Torben Beith, the officer in charge of the department's gang enforcement section.

A lot of organizations are involved with the program, says Beith, who has been attending monthly planning meetings since last November.

"The tattoos are an excuse, especially for the older ex-gang members," he says. "They say 'I can't get a job because I've got tattoos.'

"We're targeting younger kids. A lot of them want to get out."

Alvin Bernstein, superintendent of the gang intervention/prevention unit for the city of Long Beach sees many young people who want a fresh start, he says.

"They realize they have made a huge mistake, both male and female," he says. His office, along with the Police Department and the Los Angeles County District Attorney's Office refer former gang members to Kane's growing list of young people who want to be rid of the visible signs of their former gangs.

There's already a huge waiting list, says Long Beach Mayor Beverly O'Neill, who joined the program's kick-off party at Memorial Hospital on Wednesday.

O'Neill would like to see the city help fund the purchase or rental of a second laser machine, she says. Each laser costs between $80,000 to $100,000.

Chris Van Gorder, Memorial Medical Center's chief executive officer, has offered the hospital's help in raising money for a second laser. Memorial is providing support staff, facilities, space and security for the program.

As a former police officer, as well as a health care administrator, Van Gorder understands the difficulties faced by young people laden with visible tattoos.

Van Gorder, the former police officer, believes the one-on-one program between doctor and patient can help change a youthful attitude, he says. With gang-related tattoos, "they don't have a chance to get through the initial (job) interview," he says.

And Van Gorder the health care provider adds, "Maybe we can keep some of these kids out of our trauma center."

Anyone wishing to donate to the Erase the Past program, can send a check made payable to the Memorial Medical Center Foundation for Erase the Past, 2801 Atlantic Ave., Long Beach, CA 90801-3652.

SENATE—*Wednesday, September 30, 1998*

(Legislative day of Tuesday, September 29, 1998)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Blessed be the Name of the Lord: God of Abraham, Isaac, and Israel. We thank You for this sacred Yom Kippur, the day of atonement. We hear Your whisper in our souls, "I, even I, am He who blots out your transgressions for My own sake; and I will not remember your sins."—Isaiah 43:25.

Guide our confession, Holy God. Remind us of those things that need Your atonement. Forgive us for our sins of omission and commission, for the drift of our culture from Your moral absolutes. Situations should not shape our ethics but Your ethics must shape our situations. Cleanse us from the acts and attitudes that contradict Your will for us. We have broken Your commandments, denied Your justice, and resisted Your righteousness.

As a Nation on this holy day, we ask for Your forgiveness; as individuals, we claim Your forgiveness for the ways we have broken Your heart.

May the assurance of Your grace give us fresh courage to forgive others as You have forgiven us. Liberate our memories from harbored hurts. We commit this day to communicate Your love and forgiveness to others. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. MURKOWSKI. Good morning, Mr. President.

SCHEDULE

Mr. MURKOWSKI. Mr. President, the leader has asked me to announce that this morning there will be a period of morning business lasting approximately 3½ hours. Following morning business, it is hoped that the Senate may proceed to the Department of Defense authorization conference report, or the American Wetlands Conservation Act, under a 1-hour time agreement.

Members are reminded that no votes will occur during today's session of the Senate in observance of the Jewish holiday. Any votes ordered today will be postponed to occur at approximately 10 a.m. on Thursday, and all Senators will be notified as soon as Thursday's voting schedule becomes available.

The leader thanks colleagues for their attention.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 with Senators permitted to speak therein for up to 10 minutes each.

Under the previous order, there will now be 20 minutes under the control of the Senator from Alaska, Senator MURKOWSKI.

Mr. MURKOWSKI. Mr. President, I thank the Chair.

INTERIOR APPROPRIATIONS RIDERS

Mr. MURKOWSKI. Mr. President, I rise today to discuss an issue that was brought up on this floor yesterday by my friend, the senior Senator from Montana, Senator BAUCUS, who proceeded to give us certain views on a number of amendments to the Interior appropriations bill that he proposed be stripped from that particular package.

Mr. President, I think it is appropriate that this body have an opportunity to view the arguments on the other side of the issues, and I think it is fair to perhaps provide a little history on what these amendments are and the rationale associated with the arguments for or against their merits.

There were originally nine proposed amendments in the Baucus package. Two of them have been removed. So we are addressing amendments to strip the Glacier Bay language, King Cove language, and the Tongass language, road decommissioning, section 321 of the forest planning, the issue of the reintroduction of grizzlies in Idaho and Montana, and the Columbia and Snake River Dams, and the likely removal. I am going to enunciate a little further on these as I go along, but I wanted to give you a view of the issues in their entirety so that we can, first of all, recognize that these have certain environmental overtones.

I think it is appropriate that we recognize the extent to which the environmental community has gone to encourage these be stricken. Approximately 2 weeks ago, there was a press conference downtown in one of the restaurants where the media was invited. There was a presentation condemning these issues, and obviously an effort to try to generate a one-sided view from the media.

As chairman of the Energy Committee, and representing the State of Alaska, to which three of these particular amendments to strike are associated, and not having an opportunity to have an invitation extended to me, we felt it necessary to balance the process at that point. So we proceeded with a small press conference in the Energy Library. We invited basically the same media. We had a good attendance. I also invited my friend from Montana to attend in the hopes that we could respond to some questions from the media on these individual points. Unfortunately, he was unable to be there. As a consequence, we have each had an opportunity to express our views to the media.

I think it is also appropriate to recognize that there used to be, more or less, a gentleman's agreement in this body relative to resource issues and issues that affected a particular State. When Senators from the State made specific recommendations with regard to what was in the best interests of their State, it usually stood. But that has changed over the years. I recognize that. Now we have the input of the special interest groups relative to issues. That is kind of where we are today.

What I have done here is attempted to set the stage a little bit. I think it is fair to recognize that there are other influences. I noted today a statement of our Vice President in the White House Briefing Room from yesterday. It is relatively brief, but it does criticize the Republican Congress, the Republican leadership, and I think the third paragraph bears some attention. It suggests that there is a sneak attack being perpetrated by the Republicans and by their special interests riders in the budget bills where they hope no one will find them. He further indicates that the proposals are to carve roads through the wilderness, force overcutting in the national forests, sell the taxpayers short, and keep us from addressing global warming, and that these issues cannot stand the light of day.

I think it is appropriate to recognize that there are other influences. I was checking with my staff before I was recognized this morning. Mr. President, I am advised that the Congressional Budget Office has scored all of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

these particular riders as revenue neutral.

Since we are in the interest of full disclosure, I think it also is important to recognize another fact; that is, the accusation of putting anti-environmental riders on the Interior appropriations bill for fiscal year 1999. It seems to be a pretty one-sided argument, because I am sure the Senator from Montana would not object to the process of riders, recognizing that there are 150—150—riders on the Interior bill.

From the standpoint of the special interest groups, maybe the Vice President, and others, we could remove all such riders, including the moratorium of offshore oil drilling off the coast of California, and items on mining. I think it is fair to point out that the National Forest System—at least the first 21 million acres of the Forest System—was created by riders and amendments to the 1897 appropriations bill.

So, indeed, we have a history of riders. I think if you look at the issues from the standpoint of the environmental groups, they would say, well, the riders that I have mentioned are good riders. So I think it is fair that we recognize we have a time-honored tradition of riders. And if riders are under attack, so be it. But it is clearly not a reality because many of these riders could be perceived as antienvironment suggests that somehow there is a sleight of hand here.

I think it is appropriate to note that my friend from Montana did not care to go into that, to recognize that all the riders in question here have had hearings. Hearings have been held, which suggests that this was not done in the dark of night, somehow by subterfuge.

So again I would like to examine this a little bit more so that we can get, I think, a better understanding of just what is going on here, and the question of merit: Do these particular seven issues have merit? I am not going to go into detail on all of them because a few of them are not necessarily related to my State, but I think it fair to highlight certainly a few. I am going to start with the issue of Glacier Bay.

The issue of Glacier Bay started a long, long time ago. Back in 1885, long before Glacier Bay was declared a national monument, commercial fishing was recognized as a way of life by the residents around the area.

I should point out, Glacier Bay is in southeastern Alaska. It is west of Juneau. Juneau is over here. I was a little chagrined yesterday in the debate when my friend from Montana could not find Juneau, which is our State capital. I made a point to make sure I knew where Helena is before this morning, before I started the debate.

But in any event, it is in the area across icy straits. It is an extraordinary area of great beauty. As you move out of Glacier Bay and go out west, you run into the Gulf of Alaska or the Pacific Ocean. On a map of Alaska, it would be the northernmost point of southeastern Alaska. But the significance of it is that it is a national monument. As such, it is under special consideration relative to the regulations of the Park Service, which manages Glacier Bay.

Over the years, local residents in the area—and I am suggesting to you there are very few local residents. There is no population in Glacier Bay. There is a lodge there but no year-round population, with the exception of those who are associated with the lodge and a few people in Gustavus, which is out on the edge of Glacier Bay. The general feeling in Alaska was that there would be a compatibility between the Park Service, the management of Glacier Bay, and the traditional uses, and there was no prohibition, no anticipated prohibition, on commercial fishing in the marine waters of Glacier Bay.

I have a small picture here, Mr. President, that shows one of the fishing vessels in Glacier Bay. It gives you an idea that these are small one- and usually two-person operations. This is a small boat, with probably a skipper, a deckhand, maybe the skipper's wife, and this is the kind of fishing that is done there. It is relatively insignificant in the overall magnitude of fishing in southeastern Alaska. The fishery consists of a few vessels fishing salmon, halibut, crab, a few bottom fish; and these fisheries pose no threat—there is no danger to these resources. All are carefully managed for a sustainable harvest by the State of Alaska and most are under a limited entry, which means that you can't expand the fishery, or particularly a fishery associated with that type of vessel.

Arguments that this fishing is somehow incompatible with the use of kayaking or some other activity by the concession operators who favor a prohibition is a little hard to justify in real terms. Commercial fishing is important to the smaller communities of Gustavus and Hoonah. Fishing provides a few jobs and local employment. All the communities urge continuation of commercial and sports fishing in Glacier Bay.

We have had our local environmental groups working with us, and we have reached a consensus that management of commercial fishing under the State regulation is entirely appropriate and entirely adequate and the fisheries can be managed on a sustained basis. The interest of the Department of Interior's insistence on an administrative rulemaking instead of legislation has really been a roadblock, and it has had a detrimental effect, if you will, on working together within the local groups. There is a lot of criticism and fear in the communities that both commercial fishing and subsistence fishing will be terminated as a consequence of the pressure by the environmental community.

When we look at the communities we are talking about—I mentioned Gustavus; it has about 346 residents, 55 of whom are engaged in fishing; Elfin Cove, 54 people—that is total residents—47 engaged in fishing; Hoonah, which is a Tlingit Indian village, has 900 people, about 228 in fishing; Pelican has 187 residents, 86 in fisheries.

That might not sound like much, but in reality, if you are one of those people and you are dependent on fishing—that is the livelihood you know—it is recognizable that these communities cannot survive without fishing. And what this appropriation language does as to Glacier Bay is to allow discussions to proceed at the local level and reserve the right of the Congress to make a decision on fisheries in Glacier Bay.

Now, what the Park Service is attempting to do is to phase it out over a 7-year period. Well, to phase it out is to ultimately do away with it, and the rationale behind that is that the Park Service wants to regulate the area. These are inland waters in the State of Alaska, and to suggest the Park Service should initiate another level of regulation I think is without any justification.

We talk about how a fishing boat or a small amount of activity in Glacier Bay would somehow detract from a visitor's experience. Let's talk a little bit about the visitor's experience, because between Memorial Day and Labor Day cruise ships go into Glacier Bay—as I indicated, a very large body of water. The cruise ships pick up at Inlet Bay a Park Service lecturer and proceed up the bay and may go into Tarring or may go up Muir Inlet, depending on whatever the particular direction is that day.

But it is important to note that these are commercial passenger ships. There is a commercial activity associated with this. These are paying passengers. These ships carry 2,500, 3,000, 3,200 passengers. It is a commercial activity that is going on in a national park. It is taking place, if you will, in this general area of the so-called wilderness.

Now, the wilderness, of course, is on the land, and we have yet to have a determination of just what "wilderness waters" means. I am not going to go into that in this debate today. But the point I want to make is, the small amount of commercial fishing that takes place there and the residents in the surrounding area who depend on access into Glacier Bay is what we are talking about.

Now, the Senator from Montana would suggest that somehow this commercial activity is foreign or inappropriate to take place in a national monument. We have nowhere in the

United States any body of water as unique as Glacier Bay. It is open to the ocean. Commercial vessels can come in. It is State of Alaska waters. But within the area, of course, is the national park of Glacier Bay.

The point I want to make is that the Park Service is attempting to eliminate the small amount of commercial fishing and, equally important, the small amount of subsistence fishing that takes place in the park by the Native residents of Hoonah and some of the other communities nearby. There is no justification for this in the sense of any detrimental effects on the fisheries resources which are basically overseen by the State of Alaska.

I might point out that in this area there are no major anadromous streams, that being streams that will support salmon fry. The salmon don't go into these areas because this is all glacial types of water.

As a consequence, they simply cannot survive in the runoff from the glaciers. As a consequence, this is not considered an area that supports significant salmon runs. There is some halibut in here, some salmon, some crab. Again, it is a relatively small area, but the point is, what we are seeing here is more big government, more takeover from the local people who have had access to commercial fishing, who have had access to sport fishing, as well as access to subsistence.

In summary, the objection that I have is here is Big Brother encroaching more and more upon authority that has been vested within the State of Alaska to manage the fisheries in this area. It just simply makes no sense, and there is no justification for it.

I want to turn now to another issue that is on the list of my friend from Montana, and that is the issue of King Cove, Cold Bay. Many people, of course, are not aware of just where this area is.

Roughly, it is about halfway out in the Aleutian Islands, about 700 miles west of Anchorage. We have a small village of about 700 residents in King Cove. The area is on the Pacific Ocean, and it is surrounded by mountains. It lends itself to a situation where if you want to get out of King Cove, you have to fly over to Cold Bay or go by boat. It doesn't look like much on the map, but the problems we have are extraordinary weather conditions associated in the King Cove/Cold Bay area.

There is a small gravel strip at King Cove. Sometimes we have a windsock blowing one way at one end of the runway and a windsock at the other end blowing the opposite way because of the various types of winds that come over the mountains. The people of the area have suggested it would be appropriate to have a road come over to Cold Bay.

There is going to be an extended debate on this issue tomorrow, so I am not going to go into great detail other than to say that we have had 11 lives lost in the last 10 years in plane crashes half of which involved medivacs. This chart shows pictures of some of the individuals who have passed away in aircraft accidents trying to get over to Cold Bay to get a medivac to Anchorage, AK.

What these people are asking for is simply access out by road. What would this consist of, Mr. President? It would consist of extending the road in an area that is currently a wilderness. The proposed legislation which we are going to be offering tomorrow suggests that we would take the area in the wilderness and do a land exchange. We would take the area out of the wilderness, approximately 85 acres, and put it into a refuge. That will add about 580 acres additional into the wilderness. It would be a net gain into the wilderness of some 580 acres. This road would be about 7 miles long and would allow the residents of King Cove to have access for medical evacuations and transportation when the weather is so severe that the airplanes cannot fly.

Let me show you a picture of the current method by which the medivacs take place, and you can get some idea of the extremes we are up against. Here is what a small boat trying to get across water in that area in the wintertime looks like. You don't get very far doing that. We have other pictures that will make you seasick. This is one of the vessels going across. That is a schooner going across in the wintertime.

You cannot appreciate the terror associated with making one of those trips. Not only do most people get deathly seasick, but there is a fear the storm is going to progress and damage the vessel or sink the vessel. I have been on some of those trips, and I could not begin to describe the terror of the situation where you are trying to get people out so that they can get medical care in an emergency and are subjected to this type of exposure when 7 miles of road circumventing a wilderness area would be adequate.

This airport at Cold Bay was built during the Second World War. It has crosswind runways and is operational virtually year-round. What we have is a small village, less than 700 people, simply trying to have the same right of access for medical evacuation that you and I take for granted, and it is being denied them by objections from some in the environmental community that say that this is striking in the heart of the wilderness.

It is not in the wilderness, Mr. President. We are taking this area out of the wilderness, putting it in the refuge and proposing a right of way that could be used for a road going through and actually adding 580 acres to the wilderness. That, to me, seems like a fair and justifiable proposal.

I will also add that we do not require any funding for this. This is simply a land exchange. The road would be under the control and jurisdiction of the refuge manager and, basically, under the control of the Secretary of the Interior.

The weather in the King Cove area is something that is pretty hard to imagine. It is the third windiest city in the United States. It is the cloudiest city in the United States. It has the third highest number of days of rain, and one can argue it has the worst weather in the Nation. To take a boat or small plane out of King Cove when winds are 60 to 70 miles an hour, with a 10-to-20 foot sea is a tough situation.

We have had babies born in fishing boat galleys on a table, and we have had people who have had to be taken up off the boats in slings. This land exchange will allow a one-lane gravel road to be built. It will be at the option of the State. The State is evaluating the merits of this. We are simply proposing that the State has the ability to consider this option through the land exchange. We see no justification for those who object to what is really a win, win, win for the environment.

I also think it fair to point out that we have seen and have a long history in this body of changes in boundaries. To suggest somehow this is a precedent is, again, unrealistic and is unfounded by fact. We have had boundary adjustments on many existing wilderness areas. In the State of Montana alone, we had 67 acres of land that was deleted from Absaroka Bear Tooth Wilderness; 28 acres have been deleted from the U.L. Bend Wilderness. The boundary changes were made to exclude private lands, portions of existing roads, parking areas and public facilities that were inadvertently included when the wilderness area was established in 1978.

The U.L. Bend deletion was made to reinstate access through a wildlife refuge wilderness area. What for? For access to a popular fishing spot at nearby Fort Peck Reservoir. This history says to me that Montanans didn't object to a boundary change in the wilderness when it met their needs. So I fail to understand why my friend, the Senator from Montana, believes that moving a wilderness boundary to access a fishing hole is OK, but moving 85 acres to save the lives of my constituents is not.

That is, basically, what we are looking at, Mr. President, an issue of equity. I think I have made the point that, indeed, we are not setting a precedent. We can look back also to the Lee Metcalf Wilderness Management Act of 1983 where there was a land exchange.

Hopefully, I have countered with factual information some of the points that were made and the allegations from my good friend who has not been to either Glacier Bay, nor has he been to King Cove and does not speak from personal knowledge.

The last point I want to make is on the issue of Tongass National Forest. I have a couple charts to show the President and my colleagues at this time—let me have the small chart first, if I may—because it addresses the Tongass which is the largest of all our national forests.

Very briefly, what we have here in the red are the areas that are withdrawn in wilderness areas in the Tongass National Forest. You know, that is probably 58 percent or thereabouts. The green areas are the areas for multiple-use lands which provide timber harvest. And the gold areas are Native withdrawals, basically private land.

If you look at this, you can immediately tell that most of the Tongass is already reserved in perpetuity in wilderness areas. I think that makes the point that 84 percent of the Tongass is currently reserved for nontimber harvesting purposes.

Ninety-three percent of all the old-growth forest remain standing in the Tongass today. And it is pretty hard to communicate to my friends who have never been there, but forests live and die. And a large percentage of the Tongass National Forest is either dead or dying. About one-third, 30 percent, of the standing trees are dead or dying. The reality of how you utilize those trees is a matter that has been under discussion for some time.

Basically, the value of that particular timber is in wood fiber, and most of that either goes into chips or is used to go into pulp mills. But because of environmental pressures, we closed our own two year-round manufacturing plants in the State, and they are down permanently. And those were pulp mills. So now we face a difficult situation of trying to determine what we are going to do with that old growth.

There is a possibility of that dead and dying timber to be put in veneer. But nevertheless, the point I want to make here today is to counter the argument that somehow we are proposing to increase the harvest 50 percent over last year.

In order to respond to that criticism, I think you have to look at the harvest in the Tongass since—well, modern times began in about 1947, after the war. The allowable cut was somewhere about 1.375 billion board feet. That was the allowable cut in 1947. These are set by the Forest Service. Then under statehood we came in and the allowable cut was 1.3 billion. Then when we had the Alaska Native Settlement Claims Act and we dropped down to 950 million. Now, this basically in this timeframe supported two pulp mills and a half dozen sawmills.

Then when we came in with the ANILCA legislation and the volumes dropped, and the allowable cut went down to 450 million. We were able to maintain an industry at that level, but it was marginal. Then we came down to the Tongass Timber Reform Act in 1991, and it dropped down to about 310 million. And then we came under what is known as the Tongass Land Management Plan or TLUMP, which was to settle at 267 million board feet. And the Forest Service has not been able to put that up.

Currently, they have this year about 30 million that they have been able to put up and anticipate somewhere in the area of another 100 million. So to suggest that—in this proposal, what we have done is we have simply said that if the Forest Service does not put up what they said they were going to put up under the TLUMP, which took 10 years and $13 million to develop, why then that differential that previously went to the boroughs and school districts comes out of the Forest Service budget.

But this is an effort to try to get the Forest Service to commit on what they said they would provide. And to suggest, as my friend from Montana has, that suddenly we are trying to double the harvest is not only misleading, it is an absolute falsehood, because clearly the Forest Service says under this study that took them 10 years to complete and $13 million, that they would provide an allowable cut of 267 million. We are saying, "OK, do it. And if you don't do it, there ought to be some penalty," because we have lost the revenue to continue to offset from the standpoint of our boroughs and our schools associated with that harvest under the formula that provides some of the funds from the timber harvesting back to the communities. We are not doubling, Mr. President, by any means, the amount of timber——

The PRESIDING OFFICER (Mr. ROBERTS). The amount of time allotted to the Senator from Alaska has expired.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to proceed for another 5 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MURKOWSKI. I thank the Chair.

So, Mr. President, where we are today is we are fighting a battle to maintain an industry on a substantially reduced basis. As I have indicated, that industry has declined dramatically over the last 10 years. And the Forest Service clearly has not been acting in good faith to get out the timber that they promised. And the fact that the Forest Service has seen fit to initiate over a 10-year period this extraordinary evaluation of what the TLUMP would provide and the assurance of whatever figure they set they would be committed to is what this issue is all about.

So, again, in conclusion, on the Tongass issue, it is not a question by any means, Mr. President, of doubling the cut. And that is what some of our friends on the other side would like to make this issue seem like. If we were going to double the cut, we would go back to 450 million board feet. That is not what we are talking about today.

Finally, a couple of other issues that I think need some clarification very briefly, and that is the requirement of decommissioning our unauthorized roads. It is not an issue that is unique to my State by any means, but under this provision the Forest Service is prohibited from using funds for decommissioning National Forest System roads until the regional forester certifies that unauthorized or so-called ghost roads have either been decommissioned or reconstructed to standard.

Funding is appropriated for decommissioned roads including roads which are not part of the transportation Forest Service, and it is not prevented from addressing or pursuing stabilization of these roads. So what we have here is a recognition that the administration says that they have a backlog over the last 5 to 10 years of over $10 million.

They have said in reported stories they have discovered 60,000 miles of ghost road that they did not even know they had. What we propose is that they go ahead and address the ghost roads and get rid of them before they start proceeding on decommissioning their so-called map roads. If you have a situation where you have so-called unauthorized roads, then you should take care of those first before you start decommissioning map roads.

The other issue revolving around the Forest Service, and not necessarily addressing the needs of my State, is the prohibition of forest plans until the administration publishes new regulations.

Late in 1995, the Secretary of Agriculture promised a revised forest plan. He promised cost-effective changes. Well, these plans are not completed today. And as a consequence, we see no justification for proceeding in publishing new regulations until you get your current Forest Service revision plan done.

The last issue I want to talk about, and again it is not unique to my State, but it is to some of the areas involved, and that is the reintroduction of the grizzly bear into Idaho and Montana. I think that is a matter that should be addressed by the individuals from these States. But I know the ranchers and others have certain views about reintroduction of the grizzlies.

And one thing about the bears, the moose, and the elk, and so forth, there are no boundaries or State lines that prohibit their crossing. They move in ranges depending on a lot of factors, including regulations on hunting. So to suggest that somehow reintroduction of the grizzly bears in the Sellway-Bitterroot areas of Idaho and Montana should be proceeded by the Department of Interior over the objection of the residents is something that is best left up to those in Idaho and Montana. What we are proposing to do is to refrain from reintroducing those bears at this time pending an evaluation and input from the local people.

In the Columbia/Snake River Dams—remove language that requires congressional approval for changes in the dam system to the Columbia and Snake River and tributaries. We are saying the disposition of dams should come before the Congress. The Secretary of the Department of the Interior should not have the authority to arbitrarily proceed. After all, these dams were built with public funds. The merits and contributions of these dams have provided an extraordinary level of standard of living for many in these areas, and have created agricultural areas of prosperity. As a consequence of the water and power, we have the aluminum industry.

To suggest that somehow Congress should not be a part of any decision to eliminate these dams is unrealistic. What we would propose here is that there would be a requirement that any change in the dam system must be approved by the Congress of the United States.

I appreciate the additional time allotted to me. I see several colleagues on the floor are looking for recognition. I do want to advise my colleagues, I think late tomorrow morning, that we will be proceeding with the disposition of the King Cove Road. We have 6 hours proposed for debate on the issue. It is my understanding that we anticipate about 3 hours, 1½ hours equally divided.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will now be 30 minutes under the control of the distinguished Senator from Arizona, Mr. McCAIN.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator is recognized.

DEFENSE PREPAREDNESS

Mr. McCAIN. Mr. President, 7 months ago, three out of the four service chiefs testified before the Senate Armed Services Committee that the President's fiscal year 1999 defense budget was well balanced and that the operating and maintenance accounts and manpower accounts were about correct.

Yesterday, in a hearing held by the Senate Armed Services Committee, there was a dramatic reversal of those statements that were made by three of the four Service Chiefs. Yesterday, the Service Chiefs acknowledged that there is a long-term degradation in our ability to fight and win a war and that immediate action, indeed, emergency supplemental funds are called for.

I am sure that there were a number of factors that contributed to this incredibly candid display yesterday before the Senate Armed Services Committee. I have the utmost respect and regard for every one of the military leaders of our services. But the reality is that this problem has been building for years, not just 7 months. I believe that some of the problems that we are going to have to address in emergency fashion now could have been addressed in a much more measured way if the Joint Chiefs had been more candid in their testimony before the Armed Services Committee and the Congress in the past years, not to mention 7 months ago.

The preparedness problem within the military is compounded by both the "can do" attitude of the military, which I admire, and the pressure that senior leadership puts on its ranks to not report bad news. Our men and women in uniform have a history of making do, of adjusting to civilian decisions, and working out potential solutions even at the cost of assuming higher risks. But we commit a grave disservice to those very men and women when we fail to provide the resources they need to do their job, and when political considerations prohibit our military leaders from telling Congress and the American people the truth about their ability to execute our National Military Strategy. At yesterday's Senate Armed Services Committee hearing, the Joint Chiefs of Staff told us the truth about our declining military readiness—something that has long been apparent to those of us who hear regularly from lower-level officers and enlisted personnel in the field, who risk their careers by making Congress aware of the readiness gaps not acknowledged by their superiors.

In mid-July, I sent letters to each of the Service Chiefs expressing my concern about the military's overall state of readiness. In order that I might gain a better understanding of current readiness and readiness trends in the military, I asked each Chief to address key readiness issues in his Service, and to provide me with written answers to a series of questions that addressed these problems. I requested that the responses to the questions also include an assessment of National Guard and Reserve readiness. I have now received answers from each of the Chiefs. Their responses are thoughtful and thorough, and I was grateful that they and their staffs took the time to describe in detail our current state of military readiness.

I have now received answers from each of the Chiefs. Their responses are thoughtful and thorough, and I was grateful they and their staffs took the time to describe in detail our current state of military readiness.

These responses do not reveal a single reason for the continued degradation of the Services, or a single set of answers as to how these problems can be solved. Each service has a unique mix of readiness problems and has made different trade-offs in efforts to compensate. The data provided by the Service Chiefs clearly demonstrate that both the Executive Branch and the Congress are to blame. They show that the Administration is to blame for underfunding some aspects of readiness at the expense of others, and that Congress is to blame for using readiness for parochial and other special interest projects. Moreover, for two years now, we have turned down pleas by the Secretary of Defense and the President for additional base closure rounds, causing money earmarked for readiness and modernization accounts to be used instead to maintain bases built to sustain a Cold War force structure. The central issue is not, however, who is to blame, but how to reverse these alarming trends.

The world is a very tough neighborhood and requires a tough cop. As the world's sole superpower, we have no choice but to patrol this beat in order to defend our interests. Safeguarding our security and advancing the cause of freedom may well require us to send young Americans into battle against the enemies of peace. The very least we can do is to make sure that the men and women we send into harm's way are equipped and trained to fight and win. What I greatly fear, though, is that they will be sent less than optimally combat-ready, which leads to the inevitable consequence of casualties that are unnecessary and tragic.

TODAY'S READINESS CHALLENGES

In their replies to my letters, the Service Chiefs identified a series of general risks that affect each service, and which both the Administration and the Congress must consider in funding an adequate defense program.

The Illusion of OPTEMPO. One example is the current effort to maintain high levels of operational activity or OPTEMPO. Our military forces cannot be ready if they do not constantly maintain high levels of training, and there is merit in ensuring that we do not reduce their operational tempo as we cut total force strength and defense spending. However, if such levels are funded at the expense of major overhauls and depot maintenance, of keeping personnel deployed for excessive periods such as our military deployments to Bosnia, Somalia, SOUTHERN WATCH and PROVIDE COMFORT in Southwest Asia, and at the general cost of straining our military forces and our major combat equipment, they trade this year's readiness for going hollow in the future.

On a given day, one-third of our Navy ships, submarines and squadrons are deployed overseas. In his testimony yesterday morning, Admiral Johnson stated that well over 50 percent of the Navy's surface fleet is deployed around the globe. In 1992, that figure was 37 percent. Of particular concern is the Chief of Naval Operations' comments on the continuing erosion of non-deployed readiness in the sea service. Admiral Johnson writes,

> A decade ago, non-deployed naval units were at the highest states of readiness (C1/C2) nearly 70 percent of the time. Today, that figure is barely 50 percent. Non-deployed readiness has fallen to the point that an intense effort is required by our Sailors to regain a deployable level of readiness, and that peak is being reached closer and closer to deployment. This compression of training and maintenance puts tremendous strain on our people as they struggle to meet commitments, pressure that negatively impacts the personal and professional quality of life of our Sailors.

The high levels of OPTEMPO reported by each service are no longer a guarantee against going hollow. In fact, to a large degree, the nature of contingencies driving OPTEMPO is the surest guarantee that readiness will degrade.

Furthermore, time and again, we have learned that our system for measuring readiness is unrealistic and fails to anticipate real-world demands on operating funds. In the past, data that indicated a decline in readiness was considered "merely" anecdotal.

Increasing Depot Level Backlogs. A tangible indicator of decreasing readiness is the fact that the price of correcting our depot level maintenance backlogs has been rising for the last six years, despite sizable reductions in force structure. That backlog now totals $1.6 billion compared to $420 million in 1991. Similarly, the cost of our backlogs in real property maintenance (RPM) have risen from $3 billion in the mid-1980s to over $10 billion today.

Underfunding Quality-of-Life. More than anything else, our victory in Desert Storm was a tribute to the men and women in our military—a clear victory for the all-volunteer force. Displaying the "can do" attitude not found anywhere else in the world, our military personnel exhibited an overall level of individual combat performance that had previously been limited to a small portion of our total force.

At the same time, our economy has prospered, producing historically high levels of employment, resulting in the emergence of a very difficult recruiting and retention environment. Maintaining this top-quality force requires a military personnel system that has the flexibility to react quickly to the dynamics of the civilian market and the leadership and confidence to follow through with critical personnel decisions rather than neglecting them out of fiscal opportunism. However, first, second, and third term enlisted retention, pilot and mid-grade officer retention, and recruiting are all short of goal for each of the Services.

Recruiting and retaining quality individuals requires pay scales that adjust to meet prevailing rates rather than fall 14 percent behind comparable civilian pay. It requires adequate funding for recruiting. It requires proper promotion rates—not promotion boards that take five months to process reports of promotion boards, as is the case with the Navy. It requires proper living conditions and morale, welfare and recreation services. It requires reasonable tours of duty and a higher quality of civilian leadership and "role models" to deal with matters fairly. It requires a reinstatement of the 50 percent retirement plan and a close examination as to whether the Thrift Savings Plan (TSP) or a 401K-type plan has utility in the military pay system. General Reimer writes that

> . . . the retirement package we have offered our soldiers entering the Army since 1986 is inadequate. Having lost 25 percent of its lifetime value as a result of the 1980's reforms, military retirement is no longer our number one retention tool. Our soldiers and families deserve better. We need to send them a strong signal that we haven't forgotten them.

The military medical health care system, particularly the TRICARE program, has been described by Service Chiefs as falling far short of what is warranted and needed. We cannot ignore the erosion of retirement and health care benefits, and the resultant impact on retention and readiness. General Reimer writes, "The loss in medical benefits when a retiree turns 65 is particularly bothersome to our soldiers who are making career decisions." From the Service Chiefs' answers, it is highly questionable whether we are meeting any of these requirements. On the contrary, it is clear that there is much work to be done.

Finally, it is demoralizing to the men and women we send into harm's way, and is incomprehensible to the American people, who expect a well trained and well equipped force, to witness military personnel, up to 25,000, on food stamps. One tax provision that I have tried to reverse this year excludes uniformed men and women in the military from beneficial tax treatment on the profits resulting from the sale of their homes. We order servicemembers to move from place to place, but we do not afford them the same tax treatment as other U.S. citizens. Should this issue have been permitted to exist for so many years?

Underfunding Manpower Strength. President Clinton's defense budget and National Military Strategy calls for force levels of 1.37 million servicemembers. This is nearly 250,000 less than the Base Force advocated by President Bush. What must be determined by the Joint Chiefs of Staff, however, is whether we really have the resources to maintain a force of much over 1 million servicemembers by the year 2000. The end result may be manning levels that are too low to meet our readiness needs and too low to provide effective combat capability. This fact is compounded by the ever increasing number of contingency operations that increase OPTEMPO and PERSTEMPO and put additional stress on our men and women in uniform and the equipment they use. We have to be certain that our force levels are adequate to meet deployments, and that rotations conform properly to overseas commitments. Admiral Johnson stated in his responses to me that ". . . deployed readiness is trending downward, owing mostly to personnel shortages." The Chief of Staff of the Army had similar concerns. General Reimer has written that:

> The readiness of our Armed Forces is more difficult to understand and more complex to manage today than at any other time in our Nation's history. We have reduced the Total Army by 34 percent—nearly 650,000 Active, Army National Guard, and U.S. Army Reserve soldiers and Department of Army civilians—and have closed over 700 bases worldwide. Meanwhile, the requirements for land forces are greater than ever. In the 40 years prior to 1989, the Army participated in 10 major deployments. Since then, the Army has participated in 29 major deployments—a dramatic increase in operational tempo.

Manpower Turbulence and Insecurity. According to the Joint Chiefs' responses, each service is experiencing near-record levels of turbulence and insecurity. This is reflected in extended tours of duty, sudden changes of assignment, high rates of relocation, and a series of changes in personnel policies that essentially eliminate the ability of personnel, thereby complicating decisions on whether to stay in the service.

These problems are compounded in the case of military families. Across each service, extended family separations are the number one reason why enlisted personnel and junior officers are leaving the military. Spouses often lose their jobs with relocations, moves mean significant unexpected expenses, and dependents often have adjustment problems. At the same time, unit and crew continuity is lost, as moves break up well trained, cohesive units, depriving them of much of their readiness.

Underfunding Base Maintenance and Repair. Ships, aircraft, and weapons systems are kept ready through planned maintenance and modernization programs. Buildings, runways, truck bays, piers, barracks and utilities are equally important assets that must be kept ready through a similar level of commitment and fiscal support. Historically, each of the Services have used infrastructure to pay the bill for other accounts. General Krulak has said, "Our Backlog of Maintenance and Repair will reach $1 billion by FY03 and our plant replacement cycle will grow to nearly two hundred years." Admiral Johnson writes, "We have mined as much as we can from the infrastructure accounts; we are not at an unacceptable level and QOL in the workplace environment is negatively affecting morale and readiness." General Reimer's response: "We have been forced to underfund our Base Operations (BASOPS) and Real Property Maintenance (RPM) accounts—84 percent and 58 percent of requirements respectively in Fiscal Year 1999. This level of resourcing has proven insufficient to run our bases in a way that provides our soldiers and families with an adequate quality of life. As a result, our commanders have been forced to divert funds from training accounts in order to maintain their installations."

Underfunding Equipment Modernization. Prior to the 1990s, our National Military Strategy and corresponding force structure were oriented overwhelmingly toward the Soviet threat. That emphasis, obviously, is less relevant today. The December 1997 National Defense Panel Report put it this way:

> We must look beyond the challenges for defense and assess the relevance of the National Security Act of 1947 for the next millennium. This framework served us well during the Cold War, but we must objectively reexamine our national security structure if we intend to remain a world leader. It will take wisdom to walk the delicate line that avoids premature decisions and unintended "lock-in" with equipment purchases, operational concepts, and related systems whose effectiveness may quickly erode in a rapidly changing environment.

Furthermore, comprehensive developmental test and evaluation is expensive and it is tempting to cut corners by reducing resources. Any reduction, however, means a loss of readiness.

Current critical needs for modernization include funding improved medium troop lift, amphibious lift, amphibious vehicles and fire support for the Marine Corps. They include increasing shipbuilding rates, funding mine warfare, naval fire support, improved interoperability and battle management, and improved fighter/strike aircraft for the Navy.

They include funding for digitizing the force (Force XXI), information dominance and interoperability, maintaining combat overmatch through increased lethality of ground weapon systems, improved attack and other combat helicopters for the Army.

Finally, they include funding improved strategic lift, precision guided munitions, bomber force upgrades, air dominance fighter aircraft and space initiatives for the Air Force.

Underfunding Training and Excessive Reliance on Simulation. We must continue to fund training in order to maintain mission and unit readiness. Critical training includes unit-level operations, the flying hour program, the number of steaming days, combined arms exercises, temporary duty in conjunction with operations, student skills training, and professional development. Better business practices, through the military's Revolution in Business Affairs, and increased usage of simulators are being incorporated as quickly as possible to ensure efficient use of existing training resources. Any reductions to the Services' training accounts cannot be tolerated because they will directly reduce readiness.

Simulation can be an extremely useful supplement to training, but it cannot replace it. It is tempting, however, to save money on exercises and other high cost training scenarios and increase reliance on simulations even when this produces a significant cut in real world readiness. For example, the Air Force over the past three years has cut pilot flying hours and increased pilot simulation hours by equal amounts. I do not believe the two are interchangeable. Excessive reliance on simulation may produce lower training costs, but it is no substitute for the real thing.

Underfunding Major Equipment Life Cycles. History has proven that periods of diminishing defense resources inevitably mean that equipment and munitions must be kept in service much longer than the military services originally planned. In General Krulak's letter, he wrote:

> We have reached a critical point in the life cycle of our ground and aviation equipment. We are facing virtual block obsolescence of crucial items. Time needed by our units for training in the field is being spent in the motor pools, hangars, and armories. Our commanders are finding it more and more difficult to train their units because their equipment is "deadlined" or evacuated for repair. Our amphibious assault vehicles (AAVs) are, on average, seven years older than their already extended programmed service life.

The general goes on to say that two aviation workhorses, the CH-46E and the CH-53D helicopters, are 27 and 30 years old on average, exceeding their projected service lives by many years. Another example of this is the continued practice of the Marine Corps' retreading tires on the humvees (HMMVV's) and five-ton trucks of the First and Second Marine Expeditionary Forces.

The age of our military equipment, along with high operational tempo, has dramatically increased the cost of equipment maintenance in man-hours and money while dramatically reducing the availability of that equipment for training. Our equipment readiness rates remain high only because of the dedication of our men and women in uniform, who routinely work twelve to sixteen hours per day, six to seven days a week, on overlapping and rotating shifts to maintain this equipment. Unless a concerted effort is made to adjust maintenance and overhaul cycles to provide for service lives, existing readiness standards will continue to drift further towards a hollow force.

Underfunding Munition Stocks. Each of the Services now tends to meet its munitions goals by redefining the stocks on hand as adequate to meet a shrinking force posture. As Air Force Chief of Staff General Ryan wrote me, "While we lived off the surplus from the 40 percent drawdown of our forces in the early 90s, funding has not matched our need for the last several years." The net result is smaller stocks of munitions per weapon system, and a failure to purchase the most advanced forms of smart weapons, fuzes, and conventional weapons in the amount required by our National Military Strategy. Admiral Johnson writes,

> I am concerned about the inventory levels of modern weaponry, particularly the Tomahawk Block III missile, and the resultant increased risk in fighting two nearly simultaneous Major Theater Wars (MTW). We have maintained the current level by limiting the fleet's training allowances, with some units only receiving one training missile per year of our costly leading edge weapons, and by significantly reducing funding for development of future weapons.

In the process, we are risking our industrial base for smart and conventional munitions by reducing orders below a critical threshold or to achieve the production economies which would result from a higher procurement rate.

Balancing Act of Emerging Technologies. There is a growing tendency to reduce force posture and readiness in anticipation of the introduction of technological innovations like network-centric warfare and interoperability and weapon systems that are not yet in the force structure. This "betting on things to come" trades readiness we have on hand for technology that is still in the bush. Historically, we have never deployed such systems on time, at the estimated cost, or, often, with the anticipated effectiveness.

However, the risks of such efforts to trade readiness in the near-term for future technologies must be balanced with the statement of General Krulak:

> For the military, this is a time when emerging technologies, if exploited, will fundamentally alter and substantially increase our warfighting capability. To the maximum extent possible, consistent with the imperative for maintaining current readiness, we should leverage these "leap ahead technologies" which promise a warfighting edge well into the next century. We should minimize expenditures on procuring evolutionary technologies and maintaining old systems that do not promise a significant edge on tomorrow's battlefield.

Funding Operations at the Expense of Readiness. We are already deep in the process of using readiness funds to pay for peacekeeping and humanitarian operations. In theory, much of this expenditure will be repaid through supplemental appropriations or out of Department of Defense contingency funds. In practice, it is very unlikely that the services will ever be fully repaid for the cost of their operations, and they will be forced to pay for peacekeeping and humanitarian actions in a way that will affect their readiness. In Bosnia, the Army's actual reimbursement is about 90 cents on the dollar.

Spending Savings Before We Achieve Them. It is very easy to achieve management efficiencies on paper, and to cut infrastructure or reduce support funding to achieve budget savings. In practice, however, there is an increasing tendency to cut first and determine the practicality of such savings later. On February 10, 1998, General Reimer testified to the Senate Armed Services Committee that

> We have programmed $10.5 billion worth of efficiencies across the Future Years Defense Plan (FYDP). These efficiencies are based upon better business practices and reform initiatives . . . these are risks associated with this budget.

REPEATING THE 1970S, THE ROAD TO GOING HOLLOW AGAIN

Whatever we do, let us not repeat the mistakes of the 1970s. In the Post-Vietnam era, much of the decline in active duty force levels through the 1970s was the result of decisions made by the individual services to funnel resources into badly needed modernization programs. To at least some extent, however, the numbers also reflected the difficulty the services were having attracting and retaining quality recruits. A number of factors combined to complicate the challenge of manning the all-volunteer force. First, military pay generally lagged well behind pay in the private sector. Second, the end of the Vietnam War saw cuts in many personnel benefits, including the education benefits of the Montgomery GI Bill.

In the post-Vietnam era, I remember all too well, from first-hand experience, U.S. Navy ships that could not get underway for lack of manning and from serious maintenance shortfalls. I remember too many aircraft—we called them hangar queens—parked in the hangar bay, never to fly during a deployment for lack of spare parts, sacrificed so that other jets could launch from the decks of the carrier.

As a matter of national security, we must solemnly commit that the dangerous decline in military readiness that followed the conclusion of the Vietnam War will not be repeated as we continue to draw down our Cold War-era forces. Credible warnings that we are approaching the "hollow force" levels of the 1970s can no longer be ignored. Let us act now to avoid this calamity.

Acting responsibly requires an awareness of the ways in which forces can go hollow. Simply attempting to avoid the mistakes of the 1970s will not necessarily protect us as the United States prepares to enter the new millennium as the preeminent political, economic, and military power in the world.

My Naval Academy classmate and former roommate in flight school, Admiral Chuck Larson, had this to say about readiness when he was the Commander-in-Chief of the Pacific (USCINCPAC) in 1993:

> When the system of readiness begins to crumble, the decay will normally start from the inside out to the cutting edge. We should be on guard when it becomes necessary to increase operational tempo requirements to meet routine commitments; funds must be transferred among accounts to support increased OPTEMPO, unforseen operations, or contingencies; and, we are compelled to decrease, cancel or defer planned maintenance, training or logistics support activities and functions.

Mr. President, in 1777, Thomas Paine said, "Those who expect to reap the blessings of freedom must undergo the fatigue of supporting it." Yesterday, the Joint Chiefs made clear that this Administration has not adequately supported our armed forces. We must labor to provide this support or face the dire consequences of inaction. The blessings of freedom may ultimately hang in the balance.

Mr. President, in conclusion, I thought it was important—and maybe even a similar event yesterday—the testimony of the Service Chiefs before the Senate Armed Services Committee; their candor and frank assessment of the challenges that we face were more than welcome. I and others expressed our disappointment that this candor was so long in coming. But we should applaud the fact that it was there.

Mr. President, I picked up the Washington Post this morning and saw that there is evidence that Iraq is now developing a nuclear weapon.

In Kosovo, there are horrible pictures on the front page of the New York Times of the ethnic cleansing and barbaric, terrible, murderous behavior of the Serbs that is going on there. Two weeks ago, we learned that the North Koreans had launched a three-stage nuclear capable missile, and this administration seems to believe that bribing them to somehow modify their behavior is the way to go when clearly there are indications that their acts have become more bellicose. Their efforts to acquire nuclear capable weapons and the testing of missiles indicate that that policy has failed.

I could go to other places in the world of potential flashpoints which may entail the expenditure of American blood and treasure. I am very concerned, Mr. President, about our ability to meet those potential challenges. I am more concerned after the testimony of the Joint Chiefs yesterday. I strongly argue for a change, I mean a very significant change—that the administration sit down with the Congress of the United States, the people's representatives, and try together to chart out a way we can rectify these wrongs that have taken place over the last 6 years. We must act together in a bipartisan fashion. If the administration continues to ignore the Congress, we will have to act ourselves, which is not always in the benefit of the Nation. However, we as Members of Congress have to readjust our priorities concerning base closings and most efficient use of depots, including unneeded and unwanted military construction projects and many other parochial projects, so that we can divert all of these scarce resources to protecting our national security.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will now be 30 minutes under the control of the distinguished Senator from Nebraska, Mr. HAGEL. The Senator is recognized.

Mr. HAGEL. I thank the Chair.

Mr. President, I wish to commend my friend and distinguished colleague from Arizona for his comments. He is on target. I wish to associate myself with those comments and pick up where Senator MCCAIN left off, addressing some of the same issues but from a different perspective, although it is part of the total perspective, and that is foreign policy.

UNITED STATES FOREIGN POLICY

Mr. HAGEL. Mr. President, foreign policy to Nebraskans and many Americans is not theory or some abstraction suspended between university classrooms, State Department corridors, or congressional hearing rooms. Foreign policy is the framework policy for America's interests in the world—trade and commerce, national security, financial markets, international economics, coalitions and alliances, narcotics policy, technology, immigration, all part of foreign policy. Foreign policy is America's future. It represents the complete and integrated policy that affects every dynamic of American life. Foreign policy connects all other policies. The world is interconnected. And the one overarching policy process America has to engage the world is foreign policy.

President Kennedy spoke of new frontiers in his 1961 inaugural address. He spoke of the long-term challenges in the long twilight struggle against communism. Today, just as in 1961, and throughout history, mankind has been presented with new sets of challenges and new frontiers. These new challenges dominate after every global transformation. President Bush's new book deals directly with our present-day world transformation— "A World Transformed"—and we recall President Kennedy's words in that inaugural speech and apply them to the challenges of the 21st century.

HISTORICAL PERSPECTIVE

Today, as in 1961, America stands again at a crossroads, at a unique but not unprecedented time in history. We have witnessed other great global shifts at several points in the 20th century. In the early days of Teddy Roosevelt, we saw America emerge as a global power. After World War I, America retreated into a mindless isolationism as economic depression and tyranny spread throughout the world. In 1941, World War II again thrust America into a leading role in the world and made us again a dominant power. The rise of the Soviet Union ushered in the cold war with its deadly arms race, nuclear brinkmanship, and policies of containment enforced by American soldiers.

For over 40 years, the world was divided between two powerful enemies capable of destroying each other and the world. During this period, hope, opportunity, and freedom were held captive in many nations to authoritarian rule. Hundreds of millions of people across the globe were victims of political slavery. And then in 1989 the Soviet empire crumbled as freedom broke through the Iron Curtain.

In the decade of the 20th century, we have seen great changes as the world settles out from the cold war. We stand at the edge of a great precipice. The world is changing around us, under us, above us. The rate of change is phenomenal, almost incalculable, for both good and evil. This change unnerves us, it challenges us, and will dominate us unless we shape the change and lead the force of change for good in the world.

History provides valuable lessons, but it holds no clear blueprint or roadmap for the future. The rise of technology and communications has connected the world in every way. Our economics are intertwined. Our economies are interconnected. Today we live in a global community anchored by global economies.

We also face new threats. Unlike the past, these threats do not come from a single country or a single enemy or a single state; they are borderless threats. The scourge of terrorism brings with it the deadly threat of proliferation of weapons of mass destruction. The trafficking of illegal drugs respects neither boundaries nor borders nor governments. The confluence of economic and national security concerns has created mutual threats and mutual self-interests among all nations of the world.

What do we do? Where does the United States go from here? After great global shifts, there is always a time of uncertainty and instability. There is no clearly lit path to follow. Different times call for new solutions to new challenges, borderless challenges.

One thing is clear, Mr. President. The United States of America must lead the world in the 21st century. We are the only dominant power in the world today, which provides us with immense opportunity but yet awesome responsibility. America must lead. America must not be intimidated by the unprecedented rate of change and uncertainty in the world. The diffusion of new geopolitical, economic, and military power that will develop over the next few years will form the world's power structure well into the next century. Of this we can be certain: America must engage this natural development, welcome it, and lead it.

Timidity is not America's heritage. Boldness inspires. As George Bush said, as he accepted the Republican nomination for President in 1988,

> One issue overwhelms all others and that's the issue of peace. . . . One by one the unfree places fall, not to the force of arms but to the force of an idea: freedom works. . . . It's a watershed. It is no accident. It happened when we acted on the ancient knowledge that strength and clarity [strength and clarity] lead to peace; weakness and ambivalence lead to war.

FACING THE CHALLENGES OF THE 21ST CENTURY

America's objectives in this new century must be to help build security, hope, and opportunity. The United States and all nations will prosper in the 21st century if we lead a world of more freedom, stronger democracies, and unlimited trade and investment. Such a world is in our national interests. It is in the mutual self-interests of all peoples.

The next 2 years are especially critical.

They will help set precedents for much of the early part of the 21st century. Events will occur in the next 2 years that will change the shape of the world.

THE FUTURE OF AMERICA IN THE NEXT 2 YEARS AND BEYOND 2000

The future of America into the next century will be dominated by foreign policy. Because of our interconnected world, foreign policy is no longer just the practice of statecraft.

The completeness of foreign policy will include a strong national defense first, and Senator MCCAIN was very clear in his statement on that point. Second, the completeness of foreign policy will include a strong economy. And third, foreign policy will include clear, concise, comprehensive international policies—trade policies—all wrapped into a foreign policy.

The two essential parts of a successful foreign policy in the 21st century will be, one, building consensus, building consensus both in the United States with the American people and internationally by working with coalitions of willing partners; and, two, projecting strong U.S. leadership in the world.

BUILDING CONSENSUS THROUGH ALLIANCES, INSTITUTIONS AND COALITIONS

In the next century, the United States must work to build international consensus through coalitions, alliances and institutions. The diffusion of power throughout the world will result in regional spheres of influence. In this structure and the challenges it presents, no one nation, no matter how powerful, can singlehandedly control the outcome.

Borderless challenges will require borderless solutions. The United States will be most effective when we work with our allies and those willing to work with us. That does not mean weakening or compromising our national sovereignty. But we will be successful when we work with others to achieve our mutual goals. The coalition assembled by President Bush to drive Iraq from Kuwait was a good example of what we can accomplish when working in concert with those who share our aims—all with mutual self-interests.

As we approach the 21st century, America must evaluate its current partnerships and build new ones. We first need to review our current global commitments, alliances, coalitions and institutions. Many of these entities were created to address the challenges of a world that no longer exists.

The nations that assembled at Bretton Woods in 1944 and created the IMF and World Bank faced a dramatically different economic system than we currently find today. The current debate that rages on and on and on over IMF funding and IMF reform is a timely example of this point.

I agree, as does the IMF, that it needs reform, but what kind of reform? Not the reform of glancing blows and cheap political rhetoric and demagogic rhetoric for partisan gain. Today, we are struggling to define our world's financial and economic infrastructure and center of gravity, even while we swirl and swirl in its sea of changes. What should be the role of the G–7? Should it be revitalized? Is the G–7 still relevant, especially since the introduction of the European Monetary Union?

The United Nations was formed during the beginning of the cold war and has gone far beyond its original charter and objectives. What should be the role of the United Nations in the next century? How do we continue to fund it and at what amount? Is the United Nations overburdened with too many assignments and expectations? What about missile defense for the United States of America? Is the 1972 ABM Treaty with a nation once described by President Reagan as being "relegated to the dustbin of history" still relevant? Does this treaty protect America from rogue nations with weapons of mass destruction? I don't think so.

We need a debate on this issue. We need to take a clear-eyed, insightful and penetrating look at these institutions and relationships. We need to ask tough questions: Are they relevant to the challenges of the 21st century? Are their objectives still meaningful? Can they adapt to address new challenges?

If we cannot answer these questions, then we need to change these institutions or create new ones to meet our current global economic and security challenges. One of the relevant new organizations for the 21st century is the World Trade Organization. Created to provide a structure for determining global trade practices and settling trade disputes, the WTO is a good example of an organization born to deal with the new challenges of the new century.

Regional alliances will play a greater role in a world unshackled from the restraints of the cold war. They will not be isolated blocs, but regions of mutual interest within an interconnected world. These coalitions will and do exist because of mutual economic and security interests and can play an important role in expanding security, growth and opportunity in the world. They can help build, encourage and support new democracies and market economies and ensure hope for all peoples.

These are critical building blocks for the 21st century. As Hugh Sidey once wrote:

> Hope energizes . . . doubt destroys.

Hope is fundamental to the human condition. Without it, desperation takes hold. We know desperate men do desperate things. War, conflict and poverty are the enemies of all peoples. America must pull back the curtain of the status quo and take a long, thoughtful look at the needs, problems and cultures of developing countries. If we would have taken more care and invested more thought and time in Vietnam, we may not have blundered into that tragic mistake.

The building of new regional alliances will require finding common denominators of interests within a region. For example, the fate of the nations in the Caspian Sea region are linked to each other. No nation will prosper in that area of the world until they all prosper. Much of Europe has already determined that it is in their mutual self-interest to link their monetary and currency policies through the creation of a single currency, the Euro. The conflict in the Middle East will not be resolved until there is regional peace. Economic prosperity also awaits that peace.

Regional alliances left over from the cold war also need to be reviewed. We have done this to some extent with NATO when we added three new members. But we need to step back and take a closer look at NATO and at the role NATO should play in a new century. What will be NATO's purpose? How far should NATO expand? Should it expand? What are the consequences, costs and benefits of continued expansion of NATO? Any further expansion must be based on a clearly defined role for NATO.

In light of the current mass destruction and war in Kosovo of which Senator McCAIN spoke, and Bosnia before it, one must ask this question: Is NATO relevant since it is a European security organization? The slaughter in Kosovo goes on. Yet the world looks on while NATO and the United Nations stand by issuing empty ultimatums to Milosevic.

One could legitimately ask, What is the mission of NATO in the United Nations? To stop the butchery in Kosovo? Or after a while stop it? Or talk about stopping it? Or what? How long will NATO troops stay in Bosnia, especially in light of the recent elections in Serbska where Mrs. Plavsic, the candidate of the west, was defeated by the nationalist, Mr. Poplasen?

We are going to need to build new coalitions to address today's borderless challenges. These need not be former alliances or new multilateral institutions. The United States needs to address today's challenges with those nations willing and able to join us. Again, America must lead.

Prime among those borderless challenges is navigating a global economy. The current world financial crisis is presenting the best minds around the globe with unparalleled challenges. In some ways, we face a situation similar to when Christopher Columbus set sail from the coast of Spain in the 15th century.

At that time, back onshore, the debate raged on whether the Earth was flat or round. The answers were unknown. Only by sailing the unpredictable seas and safely reaching the new world was Columbus able to deliver an answer. We are currently navigating the most turbulent of economic waters. This storm of financial instability has left many of the world's economies reeling. As of yet, the full brunt of this storm has not yet reached American shores, but it is out there, and we do not know what path it will take. Will it engulf Brazil and sweep up through the Americas? We do not know. We do know that America alone cannot stem this tide. We will only find a way to calm this storm by working with the other nations of the world and by rethinking and restructuring international organizations like the IMF and the World Bank.

Free, fair, open trade will be the engine of growth in the new century, as it has been for the last half of the 20th century. All nations must work to break down barriers that inhibit global commerce and trade. Only then will all the world prosper. We in the United States must do far more to educate our people and our leaders on this issue.

I have concluded, Mr. President—and you and I have worked on this issue for over 2 years—I have concluded that economic ignorance favoring the short term over the long term and concentrations of selfish political and economic power are the main reasons why free, fair and open trade is not universally supported in the United States or in this Congress.

We must also stand up against protectionists at home and abroad who would take the world back to the disastrous days of the 1930s. We must not underestimate this threat, especially in light of last week's defeat of fast track in the House of Representatives. Economic isolation is impossible if for no other reason than the world Internet revolution.

Terrorism and the proliferation of weapons of mass destruction pose the greatest dangers and threats to global security in the 21st century. No nation will be immune and no one nation can fight these enemies alone. The trafficking of illegal drugs also threatens security and hope around the world. Those engaging in these despicable acts must be made the pariahs of the civilized world, stopped at every turn and dealt with harshly. But we need coalitions built on mutual self-interest to deal with these scourges.

PROJECTING U.S. LEADERSHIP

While we must work with the other nations of the world, there can be no leadership by committee. We currently have a vacuum of leadership in the world. History has taught us that the world is most dangerous and unpredictable when there are vacuums of global leadership.

Leaders and nations lead through the force of confidence, character, honesty and trust. Our leadership must be based on credibility. The word of the United States should be the strongest of currencies in international relations. The nations of the world must trust our word and trust our commitment. We must remember the words of Teddy Roosevelt who once said, "The one indispensable requisite for both a nation and an individual is character." This gives America the moral authority to lead, not the religious authority, not the holy authority, but the moral authority to lead.

Our allies must respect us and our adversaries must fear us. Rhetoric without actions will result in failure and will encourage dictators and world instability. Today, again as Senator McCAIN mentioned minutes ago, Iraq and North Korea are directly and openly challenging the civilized world. The United States must have a clearly defined American foreign policy that is backed with the might of the U.S. military. Genuine leadership is more than crisis management. The ability to lead rests on others knowing where you stand.

The guarantor of a nation's foreign policy is its national defense. A nation's word is only as strong as the military and the will that stands behind it. The United States must make strengthening our military one of its most immediate top priorities. Without a strong military, our threats are hollow.

THE ROLE OF CONGRESS IN SHAPING FOREIGN POLICY

The role of Congress in helping shape American foreign policy must be greater as we move into the 21st century. America cannot lead the world without the support of the American people. Foreign policy and everything it encompasses must be relevant—must be relevant—to the daily lives of the American people. Responsibility for making foreign policy relevant ultimately rests with the President and his foreign policy team. However, the Congress must be part of the development of foreign policy—setting objectives and priorities, providing oversight and advice, allocating resources and helping set strategic direction. Congress should be a full partner with the President in foreign policy. The Congress cannot implement or execute foreign policy, nor should it try. That is the President's job.

Foreign policy should be bipartisan. America's leaders need to speak with one voice to the world. We may debate the best course in this Congress, in committee, as we should, but there is no room for partisan politics and partisan gain in doing what is right in this Nation in the international arena. The Truman-Vandenberg relationship is a good model.

Engaging the American people is just one aspect of a greater role for Congress in shaping foreign policy. To craft policies that will allow America to engage in and lead the world, Members of Congress will need to acknowledge and understand the completeness of foreign policy, the interconnects of foreign policy.

What can Congress do? Over the next 2 years I propose—and I will be proposing this to the bipartisan leadership of this Congress—that the 106th Congress, which will assemble in January of next year, start holding oversight hearings on every facet of America's foreign policy. Congress should encourage new ideas and new solutions from our best foreign policy thinkers during these hearings. The Foreign Relations Committee in the Senate and the International Relations Committee in the House should coordinate at these hearings, under the direction of the bipartisan leadership of Congress, and review every multilateral relationship the United States has, every institution, alliance and coalition, review the mission, the organization, the relevancy, the cost, the benefits.

In many instances, there should be joint hearings with committees, such as Armed Services and Foreign Relations, Banking and Foreign Relations, Finance and Foreign Relations, and other combinations of committees. The results of these hearings should be summarized and sent to the President and his foreign policy team, every Member of Congress, the President's Cabinet, and be made available to the American people. The results of these hearings will help formulate America's foreign policy for the next century.

In the next 2 years, Congress must develop a comprehensive trade policy and pass much-needed trade reform legislation. Our trade policy needs an overhaul to meet the challenges of a global economy, especially our sanctions policy.

Sanctions are a legitimate foreign policy tool but they are not a substitute for foreign policy. Unilateral sanctions do not work in an interconnected world. The imposition of sanctions fails to take into account the long-term consequences for America and ties the President's hands, giving him no flexibility to react to the unique international situations which may require delicate diplomacy, diplomatic maneuvering, or decisive, tough, strong action.

Approving fast-track authority should be part of this trade package. Congress should make maximum use of blue-ribbon commissions like the Rumsfeld Commission on missile defense and the Kassebaum-Baker Commission on gender-integrated training in our Armed Forces.

America wastes a tremendous amount of talent and experience when we do not use our former highly respected members of Government and Congress to help us solve our complicated and interconnected challenges and problems. This will all stimulate and frame a national debate on critically important issues that will help inform and educate America on the great challenges, the important, the vital challenges of our time. Foreign relations—and all that it encompasses—must not be held hostage to politics or partisan gain. It will not work any other way in this interconnected world of short-term and long-term danger.

CONCLUSION

When history records the world, and this time in the world, and the world's move from the 20th to the 21st century, will it show that America and the world squandered a most precious opportunity and unique time in the history of man? Will it record an era of "inter-cold war" after 40 years of cold war? A time of world anarchy and growing disorder? A period when the world, in fact, went backwards and allowed the progress of the last 50 years to erode? Will it lament opportunities not taken, and are thus forever lost?

The answers will be determined by the role the United States plays in the world during the next few years. We do have choices. But the choices we make first must be based on the values and the ideals of a just nation. Our foreign policy must be in our national interest—clearly defined, driven by priorities, objectives, and implemented with focused strategies. A random conduct of foreign policy will not do. The President and the Congress must forge a strong bipartisan partnership underpinned by a strong congressional bipartisan effort.

This Congress must use the next 2 years to help prepare America and the world for this new dynamic competitive center. America must be nimble in putting together a coalition of countries allied around the common interests of civilized people. We must be smart in how we multiply our power and interest around the world.

The United States must be careful not to overload multilateral institutions like the United Nations and the IMF. They are equipped to do only so much. When their circuits are overloaded, they will fail, and fail dramatically, thus causing great uncertainty, leaving deep and wide vacuums of confidence in the world. The next 2 years are going to be difficult years for the United States. They may be dangerous years, as well. The President of the United States is wounded. He is, maybe, fatally wound. This will affect his international standing and leadership. This is of his own doing. America must pull together to present to the world a unified nation with respect to our global leadership responsibilities. We must do this so that we will continue to gain the confidence of the world that gives us the credibility to continue to lead the world. The Congress will be called upon for greater international leadership. It must be prepared for this role.

For all our flaws and imperfections, the world looks to America for leadership because the world trusts us because of our people. Americans are innately fair and decent people with a wonderful abundance of common sense. Our system of government allows the fairness and decency of the American culture to dominate all aspects of our way of life. It allows the best of our people and our culture to soar high. Yes, we are sometimes misguided, heavy-handed and even arrogant. But we have this intangible "self-correction" process built deep into our national psyche. We can and often do "self-correct"—both personally and nationally. Which the world sees, trusts, and admires.

It is within our grasp to help shape a world that has the potential to do more good for more people than man has ever known. This is an awesome responsibility but one that America is up to if America does what it always does best—work together. At the end, when the curtain comes down, and we are held accountable, all that really matters is what this century's greatest leader, Winston Churchill, once said:

> What is the use of living, if it be not to strive for noble causes, and to make this muddled world a better place for those who will live in it after we are gone?

I yield the floor.

The PRESIDING OFFICER (Mr. INHOFE). Under a previous order, there will now be 25 minutes under the control of the Senator from Kansas, Mr. ROBERTS.

Mr. ROBERTS. Mr. President, first, I commend my good friend and colleague from Nebraska for providing the Senate and all of our colleagues and all who have listened, and I hope, the Nation's press and the international press, a comprehensive statement with regard to foreign policy. We have many Senators who certainly have expertise in this field, but I know of no one in the Senate who has given a more articulate overview of what America faces in our role to the world than Senator HAGEL.

Senator HAGEL and I have been extremely concerned about the trade policy of the United States, not only in regard to the administration, but in regard to this Congress. In Nebraska and Kansas, States we are privileged to represent, our livelihood, our very livelihood, depends on progressive, consistent trade policy. We both know and we both have talked for almost a year now about the Asian flu, the global contagion, and how that has impacted especially agriculture—our Kansas farmers and our Nebraska farmers—but everybody that depends on trade.

We have been very concerned about the lack of funding for IMF and normal trading status for China, fast-track legislation—which, I must say, the withdrawal of fast track and now the defeat of fast track in the House is a terrible blow; it is like shattered glass, if you will. It is like an embargo. I think we are going to pay enormous penalties for that. And then sanction reform, as the Senator mentioned. Until we get our act together, until we get a consistent and positive policy in regard to trade, I am afraid we will go through some very, very difficult times.

The Senator from Nebraska has seized the issue. He has given a very comprehensive view. I want to thank him for it. I hope that many pay attention. I look forward to working with the Senator in this regard.

KOSOVO

Mr. ROBERTS. Mr. President, I rise today to discuss a related issue. The Senator from Nebraska touched on foreign policy and how it affects our national security. I want to express my concern that President Clinton and the United States, in coordination with NATO, is once again preparing to take military action with very little, if any dialog, with the Congress or the American people.

Once again, the President of the United States may be about to "plant the flag" of U.S. credibility that will lock this Nation in another expensive, long involvement without any clear discussion—it may be warranted; it may be in the national interest, but without any clear discussion of U.S. vital national interest—and that involvement is in a place in the world called Kosovo.

The news today is pretty grim. The news from Kosovo has been and continues to be very grim. In the Washington Post, here is a story as of this morning:

"New Kosovo Massacre May Spur NATO To Act." This is not pretty. I am quoting from the Post story by Mr. Guy Dinmore:

> Their bodies lay as they fell, throats cut or shot in the back of the head—19 ethnic Albanians believed to have been executed by Serbian police units in the most harrowing massacre of civilians since warfare erupted in Kosovo seven months ago.
>
> Relatives and neighbors today dug graves for the dead—most of them women, children and elderly people—as they tearfully recounted the massacre that occurred Saturday when government forces entered this village in the Serbian province of Kosovo following the killing of seven policemen by separatist guerrillas.
>
> With the death toll in the bitter conflict between government forces and ethnic Albanian rebels steadily mounting and little sign that Serbia will adhere to a unilateral cease-fire senior NATO sources said today there is a growing possibility that the Western alliance will intervene militarily in Kosovo as early as next month.
>
> Serbia is the dominant Republic of Yugoslavia, and NATO sources say the alliance's next step would be to deliver an ultimatum to Yugoslav President Slobodan Milosevic demanding a cease-fire and full access to refugees from the Kosovo conflict. If the demands are not met, they said, NATO would proceed with plans set in motion at a NATO defense ministers meeting last week to launch airstrikes against Serbian targets. Last week, the U.N. Security Council issued a call for an immediate cease-fire and the withdrawal of government forces from Kosovo.

In the New York Times—and as Senator McCAIN pointed out a few short moments ago, and completes the pictures—there is a very disturbing story summed up:

> Senior officials in Washington and NATO last week stepped up their threats of military force against Milosevic and demanded that his forces stop their rampage.

A USA Today headline, "Yugoslavian Army Takes Steps to Avoid Strikes."

> Up to 150 Yugoslavian army vehicles pulled out of southern Kosovo Tuesday in an apparent move to avoid NATO airstrikes, Yugoslavia media reported. But the Pentagon said it had seen no evidence of a large-scale pull back, and NATO stepped up its plans for military strikes to stop the Yugoslav onslaught.

Then in the London Times, a story by Tom Walker, the reporter who discovered the tragedy:

> I discovered the bodies of 16 Albanian civilians [now it is up to 19] massacred by Serb forces in a remote village in Kosovo yesterday.

I won't go into the gory details.

The international press and our local national press are forecasting what I think everybody in the Senate certainly is aware of.

I commend to my colleagues the latest issue of Time Magazine. The headline reads, "The Balkan Mess: The West has been fiddling while Kosovo burns and regional peace strategies falter."

This is precisely the topic that Senator HAGEL was talking about. I don't like saying this, but the headline says it: "And Bill Clinton is too distracted to pay proper attention."

The highlights of the article are as follows:

> But Kosovo is far and away the worst of the current crises. Vowing not to permit another slaughter like Bosnia's, the NATO allies threatened Yugoslav President Slobodan Milosevic last June with airstrikes unless he halted his security forces' attacks on the rebellious Albanians. Even if Clinton hadn't been bedeviled by scandal, the threat would have been difficult to carry out. France [in typical fashion] refused to go along with the military action unless the U.N. Security Council approved, and Russia promised to veto any resolution that authorized it.
>
> Washington was also stuck in internal wrangling. Secretary of State Madeleine Albright wanted the White House to push harder for NATO military action, but Defense Secretary William Cohen balked, fearing air strikes would only embolden the Kosovo Liberation Army, then at the peak of its strength and demanding an independent state, which Washington opposed. Clinton was too distracted to knock bureaucratic heads or force the allies to carry out their threat. The indecision "proved to be a disaster," said a U.S. diplomat. "Milosevic took the measure of the west and decided he could take advantage of it."
>
> By last month, The Serb leader had turned his counteroffensive against the rebel army into a campaign of terror against Albanian villages. Suddenly, whole sections of the population were being driven from their homes, but the Western response remained inaudible. In part, critics charge that the U.S. tacitly let Milosevic go ahead because the West also wanted to break the back of the rebel army, whose lack of structure threatened regional stability.

That is a sad, sad commentary if in fact that is true.

> So last week the Security Council finally passed a Franco-British resolution demanding that Milosevic halt his offensive and begin negotiations, or face the possibility of armed intervention. The attack plan calls for U.S. cruise missiles to be launched first . . .

I'll repeat that.

> The attack plan calls for U.S. cruise missiles to be launched first against Serb military targets in Kosovo; then, if needed, NATO would mount a wider air campaign outside Kosovo against security facilities in Serbia.
>
> Even if the Administration rouses itself to take charge of the Balkan situation—

Senator HAGEL tried to point this out, and Senator McCAIN has tried to point this out, as others have—

> damage to U.S. foreign policy may have already been done. Allies sense distraction and are growing worried, but are unable to step in. Enemies may see opportunities for making mischief.

That is certainly true, with the third-stage rocket being tested by

North Korea, and Saddam Hussein is certainly not behaving. And India and Pakistan are continuing their war of words. There is very little justification, by the way, for the missile strike in regard to Sudan and the Khartoum chemical plant. I won't go into all of that, but let me say on record that I do not think that the justification can be verified:

> Enemies may see opportunities for making mischief. For rogue leaders like Saddam Hussein and North Korea's Kim Jong Il, the Balkans may convey a different message: Now is the best time to take what they want.

Senator McCAIN talked about this last week, and he did so a few moments ago, also. Last week, he repeated the observation made by the former majority leader, Bob Dole of Kansas, who tearfully told an audience he had been to Kosovo and was shocked in regard to the number that have been killed, the atrocities, and the tragedy that 250,000 people are in the mountains hiding, trying to prevent them and their families from being killed. I don't know what is going to happen, but it is a human tragedy. Bob Dole said, "For goodness sake, let's not repeat Bosnia."

Let me say that I just came from an intelligence briefing as of yesterday with Senator DEWINE of Ohio. He and I are extremely concerned about the situation. I can tell you that our sources from the various intelligence assets certainly confirm what the press has reported—a human tragedy in the making, a foreign policy disaster that bears upon the ability of NATO to function. Now, what do we do about it? Last July, I offered an amendment to the Defense Appropriations bill that required the President to come before the American people and the Congress before he committed the U.S. to a military involvement in terms of Kosovo. The amendment asked the President to address several items to make his case before we intervened.

Why is it in our national interest? You can argue it both ways. You can say we are into another Bosnia, another $10 billion, and year after year of presence; or you can say that the future of NATO is in danger. You can even make a case that it is in our national interest to intervene. But regarding the amendment, I went on to ask, how many troops will be required? Now, that is a good question because when the distinguished Senator from Alabama, Chairman of the Intelligence Committee, and I were visiting the new NATO countries just a month or 2 ago, we were at a social event and one of the generals who certainly plays an important role regarding NATO indicated to me privately that it would take 70,000 troops to be on the ground—"peacekeepers," as he called them. I have no idea how 70,000 troops can be in that part of the world, with that rough terrain, in the middle of winter, with no accessible roads and a very difficult situation where the Serbs are trying to kill the ethnic Albanians. I don't know how we can put 70,000 troops in there. But if we are going to do that, we at least ought to go over those contingencies.

Then, again, I stated it should be mandatory to state what the objectives would be, when we expected the troops to be withdrawn, and what criteria would signal "mission complete," what the cost would be and what would be the funding source.

I am going to interrupt again and say that, yesterday, as Senator McCAIN pointed out, the Joint Chiefs of Staff came before the Congress, and it was a pretty candid session. That is putting it mildly. I don't agree with the press coverage in the Post as of this morning regarding Senators raising holy ned with the Joint Chiefs of Staff. We wanted candor and they gave us candor, and it pointed out that the joint chiefs—all of the services combined said we need $21 billion to keep our services in a status where at least we could honor our responsibilities regarding readiness.

I pointed out that the President has requested $1 billion. It has to be offset in the rest of the defense budget. The Marine Corps needed $1.9 billion just to put new tires on trucks, and other essentials. So he is going to get $51 million, but he has to offset it in another way. The rest of the services said we need $5 billion or $6 billion, or the "nose of the plane," in terms of readiness, will go into the ground, and the President requested $1 billion that has to be offset, and $1.9 billion in terms of emergency funding regarding Bosnia. This is a disaster. We do not even have enough funds to keep our services in a readiness posture, and here we are talking about going into Kosovo, and perhaps we should, but there has been no dialog. What would be the impact on an overstressed military? We are stressed and we are strained and we are hollow in some portions.

The distinguished present occupant of the Chair summarized it very well when we had that hearing. The Senator from Oklahoma was the Readiness Subcommittee chairman. He had a hearing last week that pointed this out. The first obligation to the Federal Government is to guarantee our national security, and we are not doing that today. Also, as of today, nothing has been heard on the subject from the administration regarding Kosovo. Now, that train has left the station while the Nation has been preoccupied with other matters.

Let me point out what has happened in the Serbian province of Kosovo since July. Mr. Milosevic has steadily increased the level of violence against the Albanian majority. Estimates put the number of deaths at several hundred. We read the latest reports, and the number of refugees is probably around 250,000. As I have indicated before, we have intelligence assets and there is talk of humanitarian relief—and I am for that—but we can't even find these folks. Why? Because they are hiding in the trees, on the mountains, in the snow, and women and children are starving, because they are afraid Serbs will kill them. NATO has developed plans for military action against the Serbian forces. I will point out that NATO had a flyover, called "Determined Falcon." That was one falcon who wasn't very determined. These planes flew over for about 3 minutes. What was the signal sent to the Serbs? We were not really serious about it. They took advantage. What was the message that was given to liberation army on the other side? It was: I think the United States is going to come to our aid. So there wasn't any real dialog. I wonder why that demonstration was even started.

Humanitarian groups, including U.S. State Department, have warned that a human disaster is in the making if the refugees do not find shelter and food before winter starts. Winter has started. This week, the first snows have fallen in Kosovo.

The U.N. has adopted a resolution under Article 7 of the U.N. Charter demanding an immediate cease-fire. Under Article 7, military force can be used to "compel compliance," Mr. President.

NATO members are being canvassed about the number of troops and equipment they are willing to commit to an "undefined operation in Kosovo." We have several hundreds troops in Macedonia. The general told us, when we were over in the NATO countries, they need at least 70,000 people. You know the U.S. would have a larger portion than 200 or 300.

I am calling for the administration to come to the Congress now and not after a military action and the commitment of U.S. credibility and fully discuss what the plans are, what is the objective, how many troops, what is the cost, what is the national interest for military action in Kosovo. None of the questions addressed in my amendment have been answered, but it is clear to me the United States and NATO are very close to a prolonged, costly involvement in another part of the Balkans.

And the risks of such an involvement is great. The risk of not taking action is equally great. As I have indicated, we have several hundred U.S. troops on the ground in the neighboring country of Macedonia. What risk would they be in if we strike? What is the risk of destabilizing the entire region if we incite a broader conflict in Kosovo? What is the risk if we do not? How likely will a conflict in Kosovo draw Turkey and Greece into the fray as opponents? These are tough issues. They require very close examination before we get involved, and not after a military demonstration strike of cruise missiles.

The administration and the national security team, with all due respect, is the most doggone outfit I have ever seen in terms of planting the flag; and, then, after the flag is planted we have the choice of whether we are going to withdraw while the troops are in the field. You can't do that. So the flag is planted, and then we are stuck.

If the administration thinks threats of military action may alter the behavior of President Milosevic, what clearer signal of intent could we send that we were prepared to forcibly stop the violence against the Albanians than by having the President of the United States lay out the issues to the American people?

It might be a good idea to come back and confer with the Senate, as Senator WARNER, the distinguished Senator from Virginia, the leading spokesman for defense and foreign policy, has requested the administration to come up and consult. It might be a good idea to get off the fundraising trail, Mr. President, and come back and do that.

The President owes this Nation and the Congress the full explanation of intent if we are to become even more involved in Kosovo.

There is no need to discuss the military details of any proposed action. I am not asking for that. No one is asking for that. We don't need to know the timing, or the types or selection of weapon platforms. But we do need a dialogue on why this is necessary, and why this is in our U.S. vital national interests.

I indicated just a moment ago that Senator WARNER has requested Secretary Cohen, our national security adviser to the President, Sandy Berger, Secretary of State Madeleine Albright, and anybody else that will listen, especially the President of the United States, to please come down here, to please come to the Capitol, and to please consult with us. What is going on?

As I have indicated, we are having a very tough time in regard to the national defense.

As I said, it is a national disgrace. And before we commit American men and women in uniform to a possible combat role overseas and an additional role as opposed to what we are doing in Bosnia, we have to be consulted. Mr. President, what is going on?

Mr. President, I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BALANCED BUDGET

Mr. GRAMM. Mr. President, I don't know to what extent it will run in headlines in the papers tomorrow or to what extent it will be a feature on the news tonight, but today is a very important day because today, for the first time since 1969, the Federal Government has balanced its budget. Today, for the first time since 1969, the Federal Government has done what every family and every business in America has to do every year, and that is balance their books. And it is a very big deal. It is a very big deal because it gives direct benefits to every citizen because we are not going to borrow any money next year. What it means is that the Federal Government, with all of its borrowing power, will not be crowding out small businesses, will not be competing against homeowners, and, as a result, rather than the Federal Government running a $200 billion deficit, which would be $200 billion we would borrow, taking it away from small businesses that would have created jobs and new economic opportunity, taking it away from families that would build new homes, new farms, and invest in building new factories, now that money will go in the private sector.

I noticed on Saturday that there was a headline in the Real Estate section that said, "Loan Rates Fall to 30-year Low." It is not a coincidence that we have balanced the budget for the first time in 30 years. If we had a deficit today at the same level that we had 5 years ago, mortgage rates, rather than being 7 percent, would probably be 9.5.

What that would mean is that millions of Americans who today can build and buy their own homes would not be able to build and buy those homes. People would be paying hundreds of dollars a month in interest payments that they are not now paying. We have literally created millions of jobs. We have seen the largest growth in equity values in the history of the country. Today, the average American family has more money in financial assets than it does in the equity of its home. That has never happened before in American history, and it is probably true that last year the average white-collar worker saw the value of their financial assets in their 401(k)s and their IRAs grow more than their income.

So the American people are happy. The approval rating for the President is at a record high. The approval rating for Congress is at the highest ever recorded for any Congress in history. And I think the basic reason is because we have balanced the Federal budget, the economy is strong, and, despite all the economic problems in the world, there is one economic oasis of prosperity, and that economic oasis is America. It is the product of a Government which has been willing to say no when no is the right answer.

What I would like to do today is the following. I would like to try to address this sort of age-old question of who did it. I don't want to spend a lot of time on that because I am willing personally to give credit to lots of different people and institutions, but I want to make an important point about the role of the American people. I then want to talk about a threat that I see on the horizon, and that threat is that I see growing signs in the waning days of this session that Congress is poised, at the prodding of the President, to initiate another spending spree that could endanger the surplus, that could drive up interest rates, and that could reverse everything that we have done.

So let me begin with a question. I have a chart here. It is about balancing the budget, and it really poses the questions: Who led? Who followed? And who got out of the way? My guess is, to the extent that anybody in the country is interested, there is going to be a lot of effort today for people to try to claim credit, so I thought it would be instructive to go back to 1995.

In 1995, we have a new Congress, a Republican majority for the first time since 1954. We have had a dramatic election which has changed the political landscape of the country. And President Clinton, in January of 1995, submits a budget that has a deficit of approximately $200 billion. That $200 billion deficit rises for a couple of years and then basically comes back to a $200 billion level. In fact, the President in that budget that he submitted showed for the fiscal year 1998 an on-budget deficit of $274.8 billion, with an off-budget surplus with Social Security of $78 billion. So roughly a $200 billion deficit. That was the budget the President submitted in 1995.

The new Republican Congress submitted a budget that sought to implement this document which was much discussed in 1995—is largely forgotten today; unfairly forgotten, in my opinion—and this document is the Contract With America: A Bold Plan to Change America.

The budget that flowed from this plan—this plan principally being a plan developed by NEWT GINGRICH and DICK ARMEY in the House—produced a budget submission that, for the first time since 1969, proposed to balance the budget, in this case over a 7-year period, with a practical program to achieve that result.

What actually happened? You can look at the red to see what Clinton proposed, and that is $200 billion deficits as far as you can see. You can see what the new Republican Congress proposed, and that is a proposal to gradually, consistently lower the deficit to balance the budget in the year 2002.

Finally, you can see in yellow and black what actually happened. What actually happened was, with the election of a Republican majority in both

Houses of Congress, interest rates started to fall immediately, equity values started to rise almost immediately, and the net result is, the American people started to believe that something might have actually changed because they went to the polls in 1994 and voted for a change. The net result is, we have a balanced budget today.

The point I want to make is, if you want to know who led, the American people led. Those who should be given credit here—and I think the lion's share of the credit—are basically the people who came out and voted for a change in 1994. Elections have consequences. Elections make a difference. They rarely live up to their billing. We did reform welfare. The House did vote on every item they committed to in the Contract With America. But, as you know, the President vetoed the spending cuts and the substantial tax cut contained in the Contract With America. So Republicans advertised more than they were actually able to deliver.

The point is, by changing the political environment in Washington, DC, the American people did the rest. The economy performed, and we have a balanced budget today.

Who led? The American people led. Who followed? Republicans followed. And who got out of the way, and reluctantly got out of the way? Bill Clinton.

Today, we are facing a new crisis. I guess it was predictable. With a surplus, the first surplus in many of our adult lives, we are seeing an intensifying debate about what to do about it.

Everybody will remember the President in the State of the Union Address stood up and said:

> But whether the issue is tax cuts or spending, I ask all of you to meet this test: Approve only those priorities that can actually be accomplished without adding a dime to the deficit.
>
> Now, if we balance the budget for next year, it is projected that we'll then have a sizable surplus in the years that immediately follow. What should we do with this projected surplus? I have a simple . . . answer: save Social Security first.
>
> Tonight, I propose that we reserve 100 percent of the surplus . . . every penny of [it going to Social Security].

That is what the President said on January 27.

Then he said it even more clearly on February 9. This was in a speech on Social Security at Georgetown University. He said:

> I think it should be the driving principle of this year's work in the U.S. Congress: Do not have a tax cut; do not have a spending program that deals with that surplus; save Social Security first.

Interestingly enough, this clear rhetoric by President Clinton has started to change. If you follow the evolution of it, it has changed in one fundamental way, and that is, he has stopped talking about spending. All he is talking about now is tax cuts.

I read from the Washington Times on September 27. The President says:

> The Republican tax plan drains billions of dollars from the surplus before we have done the hard work of strengthening Social Security. It is dead wrong to return a portion of the surplus to the American people via tax cuts.

But for the last month, the President has not mentioned spending.

The President started out in January saying, "Don't spend it, and don't give it back in tax cuts." When the President stood up and said those things, since I and many others have been working on trying to develop a plan to rebuild the financial foundations of Social Security, I applauded.

What has happened—and it has been a subtle change which I am sure has not been recognized by many people—is the President has gone from saying, "Don't spend it, and don't give it back in tax cuts, save it for Social Security," to, "It's dead wrong to return a portion of the surplus to the American people via tax breaks."

What is left out is a discussion of spending.

The minority leader, Senator DASCHLE, says:

> We're not opposed to tax cuts, we're just opposed to using the Social Security trust fund to pay for those tax cuts.

Where is the rhetoric about using the Social Security trust fund to pay for new spending?

Let me tell you why the President and his supporters have stopped talking about spending. They have stopped talking about spending because they have started spending.

Under the President's proposals, those that have already been adopted and those that are pending before the Congress and those that are being dealt with day and night now in the last 2 weeks of this session, the President has proposed busting the budget by up to $20 billion.

The tax cut in the House, which the President has committed to veto because it takes money away from Social Security, costs, according to the Congressional Budget Office, $6.6 billion in fiscal year 1999. The President has said, "Don't give that $6.6 billion back to the American people; save it for Social Security." But the President has proposed, and Congress has either adopted or is in the process of adopting, up to $20 billion of new spending.

I ask the question: If it hurts Social Security to give $6.6 billion back to working families, to repeal the marriage penalty and to get rid of the earnings test which prevents people who are retired from being able to work to supplement their income without losing their Social Security—both of those provisions I strongly support, but both those provisions I am willing to defer if the money is going to Social Security. What I don't understand is, if it is wrong to give $6.6 billion back in tax cuts, how can it be right to spend $20 billion—over three times as much—on new Government programs?

So the President's first speech was right in January. He told the whole story: "Don't spend it. Don't give it back in tax cuts. Use it to save Social Security." But for the last month, the President never mentions spending anymore. You read quote after quote from the President's allies, and over and over and over again you find the same thing: They are against cutting taxes, but they never mention spending.

Congressman BONIOR, who is the House Democrat Whip, said in the debate on the tax cut, "This tax bill is a raid on the Social Security trust fund. It is nothing less." Where is his speech about $20 billion worth of new Government programs now pending before this Congress?

Are we concerned about raiding the trust fund only when the money is going back to working Americans, or do we have any concern when the money is going to spend money on the same old Government programs? Obviously, for some people it is only a problem if it is going back to the taxpayer; if Government is spending it, it is not a problem.

Some might ask, how is this happening, given that we have a budget and that we have committed to a balanced budget? Well, how it is happening is a loophole in that agreement that allows the President to declare spending an emergency. And by declaring it as an emergency, it can become law in violation of the budget.

I want to, in the brief time I have left—and let me ask, Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 2 minutes 40 seconds remaining.

Mr. GRAMM. I ask unanimous consent that I have 10 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMM. Let me review for you the emergencies the President wants to spend money on. Let me remind you of the Daschle quote. And the Daschle quote was, he was not against tax cuts, he was simply against taking the money away from Social Security.

I am not going to argue that any of these things are bad uses of money, but what I am going to argue is, they are not emergencies, most of them are ongoing problems. We are spending $1.7 trillion in the Federal budget this year. Any one of these things could have been funded had the President chosen to make them a priority. But back when he submitted his budget, they were not even a priority, they did not exist as a priority. Today they are an emergency. Why? Because the President wants to bust the budget and spend $20 billion.

The first problem is the problem related to the fact that we are about to enter a new millennium. It seems that we have suddenly discovered that the year 2000 is only 2 years away—in fact, a year and 3 months away.

Does this come as a shock to anyone? And I thought I would look back at: How long have we known there was going to be a year 2000? Some might find it instructive that we started using the term "in the Year of Our Lord," AD, in the calendars in the year 525—an abbot in Rome started in the year 525 to measure dates in the modern era from the birth of Christ—"in the Year of Our Lord." It came into common usage and then was officially adopted by papal decree in the Gregorian calendar in 1582. In short, we have known for 1,470 years that the year 2000 was coming, and yet all of a sudden it is an emergency.

If we have a problem with computers about the year 2000, why did those problems not exist when the President submitted his budget? Why all of a sudden is this an emergency? Well, my point is, it is clearly not a surprise. For 1,470 years we have known the year 2000 was coming, and for at least the last decade we have known that some computers would have difficulty in making the transition. We have an administration that claims to be a high-tech, computer-literate administration. Our Vice President pled in vain for the Government to take over and create an information superhighway where the Government would run the Internet. We rejected it. And now the Internet continues to flourish as basically a private system.

But the point is, the President is asking between $3.25 billion and $5.4 billion as an emergency for something we have known about for 1,470 years and something he could have asked money for and did not when he submitted his budget.

The second emergency is, we are going to have to do a census in the year 2000. That hardly comes as a surprise. The Constitution, in article I, requires that there be a census every 10 years. We have done a census every 10 years in the history of the Republic. It is hardly a surprise that we are going to do a census this year. But everybody who is familiar with it knows that this administration has consistently underfunded the census, and now they are on the verge of declaring it an emergency, when they created the emergency.

Embassy security. Everybody knows the terrible tragedy of where we had two Embassies bombed in Africa. Both of those Embassies had asked for enhanced security, and in both cases the administration had rejected it, to spend money on other things. But the important point is, the $1.6 billion being requested will be spent over the next 10 years.

I could understand if you said, "Well, we want to begin it now, and until we can write a new budget and make it part of our budget, would you designate that as an emergency?" I could understand that. But the President is asking us to designate as emergency spending an item which we have been debating and looking at for a decade and an item which in many cases the money will not actually be spent, and the construction will not occur, for 4 or 5 or 6 years.

Then there is defense readiness. All of a sudden, this administration has discovered that we have been cutting defense spending every day that President Clinton has been in office. And these dramatic reductions in defense spending are beginning to affect retention, they are beginning to affect recruitment, they are beginning to affect modernization.

This is hardly a surprise. Many Members of the Senate, both Democrats and Republicans, have stood up and denounced these cuts in defense. But yet they have been made so that money could be spent on programs that were deemed by this administration to be of higher priority. Now that the Joint Chiefs of Staff have gone public for something they clearly must have known for years, but remained silent about because the process has become politicized, in my opinion. Now the President is saying we have an emergency in defense.

My point is, this emergency was created by an administration that would not support defense, and now they want to bust the budget to try to correct problems that they produced. My alternative is, let the President, in next year's budget, propose a permanent change in defense spending within the overall cap in spending that he agreed to last year. And I will support it. But let's not raid Social Security to try to correct a problem that, in fact, has been created by our own budget decisions.

The next emergency is Bosnia. There is an emergency because we have discovered that we have troops in Bosnia.

That sounds almost comical.

We sent troops to Bosnia in December of 1995 and they were supposed to be there until December of 1996. Then we expanded the mission in October of 1996 and they were supposed to be there until March 1997. Again in November 1996 we extended the deployment of troops to Bosnia until June 1998. Finally, in December of 1997 the President announced that troops would be deployed to Bosnia indefinitely.

Now, how can it be an emergency to fund troops in Bosnia when they have been there since 1995 and the President has told us they are going to be there indefinitely? Why didn't the President put money in his budget to pay for troops in Bosnia? You know why he didn't. He didn't because he wanted to take the money out of Social Security.

So here is where we are and this is the concern that I want to raise. The President has said—and rightly so, in my opinion—we have a big job to do next year in fixing Social Security. Don't cut taxes, don't increase spending, and let's take this surplus and fix Social Security first and then we will decide what to do if any is left. That is what he said on January 27 of 1998. Since then, the President has said less and less about spending, more and more about taxes, and now the President is saying, "Don't cut taxes with a Social Security surplus;" but, at the same time, the President is pushing $20 billion worth of new spending. The tax cut passed in the House would cost $6.6 billion; the President is talking about increasing spending by $20 billion.

Now, my point is a very simple point. If it hurts our ability to save Social Security to cut taxes by $6.6 billion, and that is wrong, how can it be the right thing to do to increase spending by $20 billion—more than three times as much?

The bargain I would like to strike so that I and others could support the President on a bipartisan basis: we won't do our tax cut, you don't do your spending. Let's just say no. Then next year, let's fix Social Security. I believe we will have money left for a substantial tax cut next year, but let's not start a spending spree this year that would endanger our ability to save Social Security next year.

Now, I know that as people get ready to go home it is always hard to not say yes to every spending interest in the country. But I believe the President took the right position in January. He has changed that position now.

My proposal is straightforward and simple: Don't cut taxes this year and don't increase spending this year. Save the $6.6 billion that we would have used on tax cuts for Social Security next year; save the $20 billion or as much of it that we can that we would have spent this year for Social Security next year. And once we have fixed Social Security, then let's look at cutting taxes for the American people.

That is the challenge. We are going to see this debate in the next few weeks. I intend to be here saying no on spending—not because I don't want to build up defense. I voted against many of the defense cuts of the last 5 years. But nobody can say that this is an emergency when we created it and the President created it through his budget problems or policy. Nobody can say it is a shock that the year 2000 is coming and the President didn't know about it when he sent us his budget in January. Nobody can say they didn't know we were going to do a census. Nobody can say they didn't know we were going to be in Bosnia. These are not emergencies as the law was intended to apply to emergencies.

I urge my colleagues to stand up for the President's position and call on the President to do it. The President said on January 27th, don't cut taxes and don't increase spending. I say yes, don't cut taxes, don't increase spending.

The only problem is the President continues to say don't cut taxes, but the President is the driving force behind an effort to increase spending by $20 billion this year. And that spending, every penny of it, will come out of Social Security, and it will diminish our ability to rebuild the financial foundations of Social Security. I say no.

I yield the floor.

The PRESIDING OFFICER (Mr. BURNS). The Senator from South Dakota is recognized.

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. Mr. President, I ask unanimous consent that Susan Hansen of my staff have floor privileges during my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET SURPLUS

Mr. JOHNSON. Mr. President, we have reached an extraordinary point in our Nation's contemporary history with the finding of the Office of Management and Budget that we will, in fact, at the end of this fiscal year, be running a significant budget surplus.

I think there are a great number of causes for that, a great number of people who could be commended for that, but I think to put this in some perspective, it is worthwhile to note that some 6 years ago when President Clinton took office, the annual deficit each year by the U.S. Government was running in the range of $292 billion each year. We were spending $292 billion more revenue than we had coming in. The size of the Federal deficit had exploded through the 1980s, and we had reached, finally, this terrible point in 1992.

Since that time, we have had 6 years of successive declines in the Federal budget deficit until, finally, this year for the first time in 30 years we are now at least in a unified budget in surplus.

What an extraordinary accomplishment. At a time when other nations' economies are suffering, this country has reduced its debt relative to its gross domestic product to a lower level than any other industrialized nation on Earth. Again there are a great many people who can take some credit for this. But I think that the leadership of this White House has been a key part of it.

Now, the Senator who preceded me had a chart showing one of President Clinton's plans. It did not show the plan that actually was acted upon which has led to this decline in the deficit. It did show the alternative competing Republican plan that was offered in 1992 which, as many of us recall, was premised on plundering the Medicare fund, education, and the environment. One of the constructive steps that this President took was to lead the way, ultimately with a budget plan which brought us to a balanced budget—in fact, to a surplus—and showed, in fact, we did not need to plunder education, Medicare, and health care in order to get to this point.

So we have had 6 years of declining deficits. That is the good news. However, there is a point of great concern that I have as a member of the Senate Budget Committee. That is, we reached this point because there was an agreement between Congress and the President that we would put our country on a pay-as-you-go basis. That is, no tax cuts unless it is simultaneously explained who is going to pay more taxes or whose programs will be cut to pay for those tax cuts, and no spending increases unless it is simultaneously explained who is going to pay more taxes or have their programs cut to pay for those increases. Every step had to be budget neutral, scored over a 5-year period by the Office of Management and Budget and by the Congressional Budget Office, the CBO.

After years of wandering in the wilderness of faulty and unsuccessful mechanisms that go back over a decade, we finally reached a formula that put this country on a commonsense, pay-as-you-go basis, something we should have been doing for 200 years but which we have been doing now for about 6 years.

Because we now have this unified budget surplus, we find there are those in Congress who grow giddy about this projected surplus. By some projections it could run as high as $1.6 trillion over the next decade. Keep in mind that those projections are not money in hand, they are simply projections, and they are premised on the notion that our country will continue to have economic growth in the range of 2.2 GDP growth annually from here to the horizon, and that we will never stumble into a recession and that our economy will never slow down again.

Well, while we have had a remarkable run of good fortune over the years of the Clinton Presidency, with record low unemployment, low inflation and high economic growth, I think it would be foolhardy for any of us to assume that somehow business cycles have been abolished, that we are on an upward plain and that economic growth will never end. So I think we need to approach these projections with a great deal of caution and some skepticism, given what is going on today with the economies in Asia, Russia, and increasingly in Latin America.

Secondly, the other point of caution that I think needs to be stated with great emphasis is that the budget surplus that we have today, as noteworthy as it is, and as worthy of applause as it is, is a unified budget surplus; that is, our operating budget is still in the deficit. That is, the surplus that we have is only a surplus if you count revenue flowing into the Social Security trust fund. I think the chart that I have with me here graphically shows the circumstances we face today.

The Federal surpluses—and it is simply amazing that we are even talking about surpluses, given where we have been over the last decade—the Federal surpluses are projected to grow steadily all the way out through the year 2008, and that is the farthest out anyone has dared make a projection. That is a positive thing.

Before we get carried away about how to spend the surplus, whether for tax cuts or for new programs, the red line represents where we are without counting Social Security money. If you look at that, we will not be in the black until the year 2002. That is even assuming continued economic growth. We are not in the black—we have nobody's money to spend other than the Social Security revenue until the year 2002. We will dip back into deficit, in fact, briefly, under current projections, in 2003. It is approximately 2005 before we will be consistently in the black, without counting Social Security surplus dollars and the interest earnings that are attributable to Social Security. Finally, in about 2005, if we behave ourselves and continue to go on pay-as-you-go, if the economy continues to grow, we will be in the black, without counting the money that needs to be reserved for Social Security.

So the President was exactly right as he talked to both the House and the Senate this year, saying, "do not be thinking about how to spend this surplus this year when we have not yet decided what we are going to do about our long-term reform for Social Security." That issue will be up next year in the 106th Congress. It is not for certain it will be resolved in 1 year, either. We have some reforms that no doubt will have to be made for the long-term viability of Social Security. If we do nothing, the Social Security trust fund will eventually be drawn down and today's baby boomers will receive only about 75 percent of today's buying value of Social Security. It is not as if Social Security will go away. It is not as though the system will collapse, but as you get far out into the 2032 range, today's boomers and today's younger people, who are also relying on Social Security, will find that the buying power of that program has been reduced by about one-fourth. So there is a need to make changes, and the sooner they are made to preserve the full 100-percent buying power of Social Security for those outyears, the better off we are. But in the meantime, to use money that has been raised and collected from the American taxpayers for the purposes of a strong Social Security system, and to use it for another purpose, is simply wrong.

If we approach this with the kind of responsibility that I think is needed, and with the kind of bipartisanship I believe is needed, we will reject the tax proposal coming to this body from the House of Representatives, which calls for a tax cut paid for out of Social Security revenue.

Now, the Senator who preceded me was making reference to a $6.6 billion tax cut. That is only the cost to the Treasury next year. It is an $80 billion tax cut over 5 years, $170 billion over 10, and it goes into perpetuity, forever, constantly taking more and more money out of the Social Security surplus fund—all the more reason to nip that in the bud, stop now and take a deep breath, albeit an election year and there is a temptation on the part of our friends in the other body to offer what looks like a free giveaway.

There is a need in this body, I think, to respond responsibly to that kind of proposal coming to us from the House. There may be room for some tax relief this year. I applaud the leadership of Senator DASCHLE, the Democratic leader, and others who have worked with him, including those from the White House, in suggesting that we could find in the range of a $25 billion tax relief package, which could be focused on the needs of the middle class and working families, and it could be done through savings in the existing budget, through new efficiencies in the existing budget, from the closure of loopholes in the existing Tax Code. That could free up in the range of $25 billion to be utilized for tax relief for middle class and working families. So it is not a question of are you for tax relief or not; I think there is room for some tax relief. But it has to be financed out of the existing budget, rather than going the easy route and that is raiding the Social Security trust fund.

I think something needs to be said as well about the requests for emergency funds. Much has been said about the requests from the President for emergency funding. I think there is a possibility that some of those requests could be offset from within the existing budget, but I think it also needs to be clear that the needs being presented to the Congress by the White House were not foreseen either by the White House or by the Congress in either political party. It was not foreseen that we would have expenses at the scope that they are for dealing now with the year 2000 computer problem, and the delay of addressing that problem will only cost the taxpayers and the economy potentially enormous sums later down the road. Congress did not foresee, nor did the White House, when the original budget was presented last year, the full cost of our Bosnia role, or the need to upgrade security at our embassies, or the scope of the farm crisis today.

Again, it is my hope that perhaps some of this could be offset by reductions elsewhere in the budget. But the fact is that the budget agreement that was agreed to, which led us on the track toward the reduction of that $292 billion deficit to a surplus today, was premised on the assumption that we would, from time to time, have emergency needs that would have to be funded outside of the budget. There is no surprise to that. I think we need to use discipline so we don't wind up denominating everything that comes along that we would like to do as an emergency. But it is in the nature of emergency funding, and it is one time only that it could not be reasonably foreseen, as these were not either by the White House or by the Congress, and that they have some extraordinary level of urgency about them.

The budget agreement that led to this elimination of the budget deficit did foresee that we would have these emergencies come up from time to time. So nobody should be surprised today that we do, in fact, have a need to address some issues that may have to be outside the pay-as-you-go framework that has, overall, led us to the budget deficit. But what we cannot afford to do is to use Social Security surpluses as a source of funding for nonemergency, in perpetuity-type expenditures, whether it be domestic spending programs or for tax relief that could not otherwise be funded. I, for one, think that the next priority, after preserving Social Security, probably ought to be to begin to pay down the existing accumulated debt that this country has in the $5 trillion range, or more. To the extent that we do that, we are, in fact, hoping that every taxpayer in this country—to the extent that the U.S. Government is not competing for credit dollars and that we bring down interest rates—buying a car, buying a home, sending a kid to college, or expanding a business and creating jobs, is made easier and all the more affordable for the private sector of our economy to do.

If we act with budget responsibility here, keep our Federal budget in equilibrium with the pay-as-you-go mechanism that was passed initially in the 1993 budget agreement—legislation which has passed and has contributed more than any other single legislative policy step taken in Congress, passed without a vote of a single Republican Member, passed exclusively with Democratic votes in both the House and the Senate. And there were many Members of Congress, many Democrats, frankly, who lost their seats in Congress, in the House and the Senate, over the controversy, over the contention, that the passage of that landmark legislation caused because it was a bold step. It was a courageous step. It reduced our Federal budget deficit from $292 billion to a surplus today. But as is often said in politics, no good deed goes unpunished. And that was certainly the case of many of our colleagues who are no longer here; who did the right thing and paid a dear price for it. But here we are with positive consequences of that legislation which has led us now to a surplus with a unified budget. The great danger we have is to abandon the discipline which that budget legislation set in place.

I am hopeful as we finish up these closing weeks that we will reject this shortsighted and I believe somewhat demagogic, frankly, effort coming out of the other body to raid the Social Security trust fund.

I hear people saying, "Well, the President wants to address emergency crises. So we ought to just pile on and spend more money out of the Social Security trust fund." That is the logic that is not worthy of a third grader, in my view. We have some emergency crises of one time only that we will face, and we will decide how to finance that, whether it is out of the ordinary budget, or whether it is through an offset, or some combination of both. But to set us on track down the road in perpetuity for nonemergency, long-term expenditures out of the Social Security trust fund makes no sense whatever.

Of the $1.6 trillion surplus projected over the next decade, virtually the entire sum is attributable to Social Security and the interest earnings due to Social Security.

So let's resolve one problem at a time: Maintain the discipline that has made this much progress over the last half dozen years of the Clinton administration; preserve Social Security so we can make some difficult policy choices in the coming years about what we need to do further to maintain its viability on into the next generation. When we have done that, then we may be in a position ultimately, if we have surpluses at that point, to decide what combination of investments in our schools, in child care, in health care, in medical research and, yes, possibly in tax relief for American taxpayers might be able to come out of that surplus. But don't get put the cart before the horse. Do not be demagogic in an election year about this kind of issue. We need some statesmanship. We need some bipartisan responsibility as we deal with what I believe is one of the most fundamental most challenging responsibilities that our Congress has; that is, how do we sustain our economic growth? How do we sustain the pay-as-you-go discipline that has brought us to this good point after so many years—after 30 years—of budget deficits?

Mr. President, I conclude by saying that it is certainly my hope that statesmanship will rise to the top; that we will abide with the President's recommendation; that we not raid the Social Security trust fund during these closing days of this Congress; that we go home and tell our constituents that we did the right thing; we did the right thing by them; we did the right thing by our government; we did the right thing by our Nation by retaining fiscal responsibility; and by preserving the opportunity to have a strong Social Security program on into the future years, at least until we decide what future changes are needed. By doing that we will keep the cost of money down for the private sector, and we will do as much as possibly can be done to put us on track to sustain what has been record economic growth, low inflation, low unemployment, and increased opportunity for all of our citizens.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, what is the status of the floor at the moment?

The PRESIDING OFFICER. Under the previous order, we are in a period of morning business.

Mr. THOMAS. I ask unanimous consent that I be allowed 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPROPRIATIONS BILLS

Mr. THOMAS. Mr. President, I have been wanting to come to the floor for some time to talk a little bit about the situation that we are in here in the Senate, here in the Congress, the amount of work that we have to do in a relatively short time, and, frankly, to urge my colleagues that we get on with it.

The immediate need, of course, is to deal with the appropriations, to deal with continuing to finish what has to be done this year so that we keep the Federal Government operating, so that we do the things that need to be done.

At last count, it seems to me, out of 13 appropriations, I think only three have been passed: one prepared by the Presiding Officer, which is the only one I think signed by the President.

In any event, we have a great deal to do. Of course, as is always the case, there are many things being talked about, some of which are amendments on appropriations. Others are free-standing bills. But a lot of things could wait. None of us like to see things wait that are ours, of course. But I guess I am prepared to say that the appropriations are what we need to do, and finish this job so that a week from Friday we will be out of here. I think that is what we really need to do.

It is an opportune time, having had almost all year dealing with appropriations, to remind my colleagues that we ought to take a look at a biannual appropriations process where we do that every other year, where we appropriate for 2 years as they do in almost all legislatures, which not only gives the agencies more time to know what money they have to spend, but I submit to you that one of the important things that the Senate doesn't do as well as we should, which is oversight. One of the reasons is we spend all of our time on appropriations. So I hope that is something that we can do.

I understand it is perfectly proper to promote those things that you feel strongly about. I understand that there are different points of view. That is part of the reason for this system. Substantially we have different points of view: The more liberal point of view, and the more conservative point of view. Those are valid, and we ought to promote them. But I think when we have diversionary tactics, as we have seen on the other side of the aisle over the last month, that keep us from doing what we ought to do, that we have to take kind of a long look at it.

It has been clear for some time that has been the strategy—to move off of appropriations—a strategy of my friends on the other side of the aisle to move off of those onto other kinds of things.

I hope the total end game is not to get us into this business of threatening to shut down the Government so that the President has leverage to tell the Congress we are going to do this or else. That is not good government. That is not what we ought to be doing. And I hope that doesn't happen.

The Interior bill is a very important one, particularly to me. I happen to be on the Interior Committee. I stay very involved because of the large amounts of Federal lands that have been sidelined largely because of unrelated issues that have been used almost daily—issues like campaign finance reform, important as it may be. We have already dealt with that several times. It continues to come up. It continues to be threatened. Minimum wage—we have been through minimum wage, which continues to come up constantly. Patients' Bill of Rights. Good idea. And there are two Patients' Bills of Rights out there—one, of course, by the Senator from Massachusetts, one by the Republicans. Many of the components of the bills are the same. There are some very important differences. But that comes up constantly, and I am afraid what is happened is, it is simply being used to extend it as a political activity through the election time without really the purpose of passing it at all. I think the majority leader has said that there is a desire apparently to debate the bill as long as possible to use it as a campaign issue.

Now, that is too bad. That is too bad. There is no one who likes to argue about different points of view better than I, but we have things to do and we ought to be moving, we ought to be moving on them.

So the President, I think, has joined in that diversionary tactic now. His spokesman, McCurry, is saying that these appropriations bills will have to be done to the President's satisfaction. Well, I want to remind the Senate, as did our good friend, BOB BYRD, the other evening, that—let me quote from his talk to the Senate a week ago—

> The legislative branch must be eternally vigilant over the powers and authorities vested in it by the Constitution. It is vitally important to the security of our constitutional system that checks and balances and separation of power be maintained.

He said further:

> We as legislators have a responsibility to work with the Chief Executive, but it is intended to be a two-way street. The framers did not envision the Office of President as having the attributes of royalty.

I certainly agree with that. And that is kind of what you see as we come down to the end of the appropriations—some attributes of royalty: It is either my way or the highway.

Well, that is not the way you do legislative business. That is not the way it turns out best, and it is not the way we ought to be doing it.

My good friend from Arkansas spent some time the other day speaking in terms of where we are with the economy. He was talking specifically about the proposed House tax reduction and was citing the 1993 Clinton tax increase as the reason for the balanced budget.

I take exception to that. I don't think there is any evidence of that at all. He pointed out it was the largest tax increase in history, with not a single Republican vote. But anyone can raise revenue to close down the deficit. What you have to do is hold down spending, which has never been done by the White House, has never been done by this administration, but has in fact been done by the Republican Congress since 1994.

Really, balancing the budget is the control of spending, and that is the way it ought to be. That is the way it ought to be. We have the highest taxes now that we have had since World War II, and we ought to do something about that. The American people and the business community are the ones who have balanced the budget by successfully competing in the world marketplace, by creating jobs and paying taxes.

I had a letter from a constituent in Cody, WY, who has a point of view not everyone would agree with, but I thought it was interesting. He was talking about President Clinton's claim to have balanced the budget, and he said—this is from his letter:

> This is an extraordinary conclusion. It is mind-boggling because President Clinton has nothing to do with the successful economy. In fact, his efforts have only created problems for the business community—overtaxation, overregulation, endless legal challenges.

That is a point of view. In any event, I think it is necessary to really be more precise about where we are.

It is interesting now; we hear, of course, the President speaking out several times talking about "save Social Security," and that all the surpluses ought to be saved for that. I think we ought to keep in mind that the Social Security surpluses over time have been used for Government spending, have constantly been used by Democratic Congresses all through the years, without having a balanced budget. The idea from the White House of "saving Social Security" has been a soundbite really without any outline particularly of how that is going to happen. We have to have some ideas, and there are some out there that are legitimate and good ones.

The idea of saving the surplus and then coming up with almost a $20 billion supplemental request out of the same fund doesn't make any sense at all. It doesn't make any sense at all. We need to do something about Social Security. I am not a big fan of tax cutting, frankly. I think it might be more important to pay off some of the debt. This year, the defense budget will be about $250 billion and interest on the debt will be almost $25 billion more than that, about $275 billion—interest on the debt, paying for things that some of us have enjoyed and these young people sitting down here are going to pay for because we put it on the credit card.

It wouldn't be a bad idea to pay off some of that debt. It seems to me maybe that is what we really ought to do.

There are ways to fix Social Security, even though the White House hasn't come forth with any program except to say "save Social Security." There are some ideas that are good ones. Take part of the 12 percent, let it be made into a personal account for you and for me, and be able to invest it. And we can do that. And the return, of course, would be much greater. Furthermore, if for some reason you don't utilize all of it, it becomes part of your estate. It is something that people then would own.

Now, that is a solution. That is more than just talking about "save Social Security" without having any plan to do that.

So, Mr. President, I hope that we can address ourselves to this idea of completing our work here. I hope that we don't find ourselves using the special allocations beyond spending limits as a means of increasing the budget without moving the spending limits. I think we have promised ourselves we were going to do that. It seems to me that we—and this, of course, is my view; not everyone shares it; I understand that—ought to have several objectives over time, and one is to have a smaller, more efficient Government. I think we ought to constantly work for that.

There are lots of things we are doing that the Federal Government doesn't do perhaps as well as local government, doesn't do as well as the private sector. We ought to pay down the debt so that we don't have this problem of the single largest line item in the budget is to pay interest on the national debt in this time of great prosperity. We ought to reduce taxes. We have, since World War II, the highest taxload on families in this country, and we ought to change that. Generally, in my view, they ought to be taken in that order.

So, Mr. President, I guess I have shared my view that we have some really important things to do. We have a very short time to do it. I hope we can get the obstacles out of the way and deal with our differences. We have them, but let's resolve those questions that are our responsibility to resolve.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Who seeks recognition?

Is there further morning business? If not, morning business is closed.

INTERNET TAX FREEDOM ACT—MOTION TO PROCEED

The PRESIDING OFFICER. The clerk will report the unfinished business.

The legislative clerk read as follows:

> Motion to proceed to the consideration of S. 442, a bill to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes.

The PRESIDING OFFICER. The Senator from Washington.

ADDITIONAL COSPONSORS—S. 2182

Mr. GORTON. First, Mr. President, I ask unanimous consent that the following Senators be added as cosponsors of S. 2182, the Private Use Competition Reform Act of 1998: Senators KYL, LEAHY, GRASSLEY, SMITH of Oregon, WYDEN, and HOLLINGS.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIAN TRIBES AND THE ENDANGERED SPECIES ACT

Mr. GORTON. Mr. President, my constituents in the Pacific Northwest and the Members of this body know that I am not a fan of the current version of the Endangered Species Act, a law that has proven to be a failure not only for endangered species but also many rural communities and private property owners as well. In fact, I have spent much of my time as a U.S. Senator looking for ways to improve that law. The Endangered Species Act has inflicted grave harm on natural resource industries based in the Northwest with little to show in return, especially if we attempt to measure the law's success in bringing salmon back to Northwest rivers and streams.

In fact, the Puget Sound region faces the possibility of more ESA listings over the next year. Local leaders in the Pacific Northwest looked to the Washington State congressional delegation during this year's appropriations process for funds to implement the salmon recovery plan personalized to respond to our unique needs in the Puget Sound region. I believe that we will be successful. The local scientists and leaders know that a creative plan that is supported by the communities surrounding the Puget Sound area will be the best chance we have to achieve success and avoid the heavy hand of the Endangered Species Act, a law implemented by D.C. bureaucrats with plans and standards that may not fit with the challenges and competing interests that must be balanced in the Northwest.

As my constituents put all of their energies behind this last-ditch effort to avoid the crushing impact of yet another listing in the Pacific Northwest, another group has been using every tool at its disposal to avoid the implications of the Endangered Species Act on its activities.

Puget Sound and Columbia River Indian tribes in Washington and Oregon are proclaiming themselves exempt from the constraints already imposed on their commercial fishing for salmon and steelhead by the Endangered Species Act. As a result of Clinton administration Executive and Secretarial orders, Pacific Northwest tribes believe they should be able to decide for themselves whether or not to restrain their commercial gillnetting activities, while at the same time nontribal commercial and sport fishers face the full impact of the Endangered Species Act in the form of extensive fishing closures.

On June 5, 1997, the Secretaries of Commerce and Interior issued a joint Secretarial order declaring that Indian lands and activities are not subject to the same controls as Federal public lands and privately-owned lands when it comes to enforcement of the ESA.

This Secretarial order, signed by Commerce Secretary William Daley and Interior Secretary Bruce Babbitt, was the result of more than a year and a half of negotiations among Clinton administration, Federal Government agencies, and Indian tribes from across America. President Clinton's similar Executive order was signed on May 14, 1998.

Mr. President, I am frustrated and dismayed. While I have identified many flaws in the D.C.-driven implementation of the Endangered Species Act, I also strongly believe this law will have no chance of success if the administration is allowed to decide certain segments of the population and certain interest groups are not bound by it. The Members of this body have heard me criticize the enormous amount of money spent without result by the Federal Government in an attempt to save species of Pacific Northwest salmon and steelhead. In fact, it is estimated that each endangered or threatened fish preserved in the Northwest may have cost tens of thousands of dollars, if we consider the amount of money spent on recovery efforts as compared with our level of success. We must get a better bang for our buck, and I don't see how we can improve the return from our investment unless everyone in the Northwest complies with the restrictions imposed by the Act.

In response to the unilateral actions taken by the administration over the last 2 years, which I consider beyond the scope of Executive and bureaucratic authority, I included a provision in this and last year's Interior appropriations bills expressing the contrary intent of Congress. The Endangered Species Act, as written, should apply equally to all Americans.

Before the negotiations that resulted in the Secretarial and Executive orders I mentioned, the Federal Government's position was that "ESA applies to Indian Country, period." By the time negotiations were completed, however, the Clinton administration had capitulated to tribal demands that the tribes decide for themselves, on a case-by-case basis, whether or not to respond to the conservation principles of the ESA.

How can the Endangered Species Act work unless tribal fisheries share equitably in the conservation burden?

The Clinton administration is pursuing a policy of preferential treatment. Under this policy, the conservation burden falls mainly upon non-Indians. According to the orders released by the administration, restrictions on Indian harvest of endangered and threatened species, both on and off-reservation, can be considered only if "the conservation purpose of the restriction cannot be achieved by reasonable regulation of non-Indian activities" and "voluntary tribal measures aren't adequate" to achieve ESA goals

It certainly wasn't Congress' intent when the Endangered Species Act was passed into law that any group of Americans would be exempted from its provisions or that one group should have to bear conservation burdens greater than another group. And Members of this body know that non-Indians certainly can't stave off the impact of the Endangered Species Act by pursuing "voluntary" recovery plans after a species has been declared threatened or endangered.

The efforts of the administration to exempt tribes from the Endangered Species Act don't stop at Secretarial and Executive orders. The National Marine Fisheries Service recently issued a draft rule modifying existing tribal exemptions under the ESA. Not only will tribes be able to continue "ceremonial and subsistence" take of threatened or endangered species in tribal fisheries, the tribes also will be able to engage in "commercial" take of threatened species, such as chinook salmon and steelhead trout.

Allowing a tribal commercial exemption from the ESA would dramatically reduce the likelihood of recovery for threatened or endangered salmon and steelhead species. Non-tribal commercial and sport fisheries for chinook and coho salmon have been significantly curtailed in Puget Sound and on the Columbia River, and it is likely that chinook harvesting could be shut down entirely by next year. Yet the tribes and administration proclaim the tribes have a treaty right to continue to fish as they always have, regardless of the conservation needs of the fish.

This is very unfair and contrary to Supreme Court decisions. The tribes should bear an equal share of the conservation burden, just as they enjoy a 50-percent share of the harvest when fish numbers are plentiful and healthy.

Harvest restrictions necessary under the terms of the ESA must be applied in an equitable manner that is fair and consistent for all user groups, tribal and nontribal, if we are to meet conservation goals and see recovery of endangered salmon and steelhead in our lifetimes.

Just a few weeks ago, the tribes, with the support of the administration, attempted to take their circumvention of the Endangered Species Act one step further. Fortunately, U.S. District Judge, Malcom Marsh, in Portland, OR, denied the request of the Federal Government and five Pacific Northwest tribes to reopen the tribes' commercial harvest season for fall chinook salmon. This opening for the tribes, requested by the Clinton administration, would have taken place while all types of nontribal fisheries were closed.

The States of Washington, Oregon, and Idaho opposed the tribal fishery, noting that the Federal Government had issued no biological opinion on what effect the tribal fishery might have on "threatened" Snake River and Columbia steelhead. Judge Marsh agreed with the States' contention that National Marine Fisheries Service had failed to issue a biological opinion showing tribal gillnet fishing wouldn't harm steelhead stocks protected under the ESA.

Judge Marsh made the following statement in his ruling: "While I am highly sensitive to the importance of the tribes' treaty fishing rights, I am also mindful of the fact that no one will be fishing if the resource is depleted to the point of extinction."

Instead of being concerned primarily with the long-term preservation of the listed steelhead, the Judge stated, "The Federal Government appears to be more concerned with what the tribes are willing to accept as reductions to their fall commercial harvest than they are with the needs of the listed species."

Judge Marsh concluded, in his ruling against the tribes and Federal Government: "Federal agencies may not circumvent the unambiguous statutory mandate of the ESA simply to avoid more difficult issues or to appease one interested party at the expense of the others. Regardless of the result, the process must comply with the law and I fine the proposal submitted to me [by the Clinton administration and the tribes] . . . fails in that respect."

Yet, the tribes contend that, despite Judge Marsh's ruling, they can keep fishing. All that State governments can do is ask the public not to buy the fish the tribes catch, since technically they would be fishing under the "ceremonial and subsistence" exemptions to ESA.

As a practical matter, however, in this technological age of flash freezing and vacuum-packaging, it is impossible for the States meaningfully to enforce this prohibition on the commercial sale of endangered wild fish netted by the tribes in their "ceremonial and subsistence" fisheries.

The National Marine Fisheries Service and the Clinton administration have embarked upon a policy doomed to produce more strife and fewer fish for future generations of Indians and non-Indians alike.

The solution to this problem is to pass legislation I introduced in July: the Tribal Environmental Accountability Act (S. 2301). This bill prohibits a tribe from claiming sovereign immunity as a defense if a tribe is a defendant in a case brought to enforce a Federal environmental law, such as the ESA. This much-needed legislation would allow tribes to be sued to mandate compliance with Federal environmental laws to the same extent that State governments or private entities can be sued. If the administration is unwilling equally to enforce the mandates contained in the Endangered Species Act across all user groups, then other interest groups must have the opportunity to pursue enforcement of this law, no matter how flawed it may be, in the courts of the United States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, there are just a few remaining days in this Congress, and the Republican leadership continues to block action on a Patients' Bill of Rights. It is clear what is going on here. It is clear to every Member of the Senate. It should be clear to the American people. The American people want Congress to pass strong, effective legislation to end the abuses by HMOs, managed care plans, and health insurance companies.

The Patients' Bill of Rights, sponsored by Senator DASCHLE and Senate Democrats, provides the needed and long overdue anecdote to these festering and growing abuses. Our goal is to protect patients and see that insurance plans provide the quality care they promise but too often fail to deliver, and to make sure that the plans, having given assurances to those who sign up for the plans, include the protections they say are going to be there. They aren't in too many of the cases today. And we want to remedy that.

Our bill was introduced last March. Earlier legislation was introduced more than a year and a half ago, but the Senate has taken no action because the Republican leadership has been using every trick in the procedural playbook to prevent a meaningful debate.

The Republican leadership is abusing the rules of the Senate so that health insurance companies can continue to abuse patients. The Republican leadership wants to gag the Senate so that HMOs can continue to gag doctors who tell patients about needed treatments that are expensive for HMO balance sheets. The Republican leadership wants to deny a fair debate on the Patients' Bill of Rights so that HMOs can continue to deny needed patient care. The Republican leadership wants to avoid accountability in the U.S. Senate so that managed care plans can avoid accountability when their unfair decisions kill or injure patients.

This record of abuse should be unacceptable to the Senate, and it is certainly unacceptable to the American people. Almost 200 groups of patients, doctors, nurses and families have announced their support for our bill and are begging the Republican leadership to listen to their voices.

Mr. President, here on the Senate floor we have listed some of the various groups that support the Patients' Bill of Rights, which, as I have pointed out, was introduced last March. We introduced similar legislation a year and a half ago. We were denied effectively any hearings; denied any consideration by the committee; denied any consideration here on the floor of the U.S. Senate.

On this chart is the list of some of the organizations that support this legislation that we are trying to debate, even in the final days of the session, in which we have been denied the opportunity to debate. You can see them and read them. They have been put into the RECORD constantly: the American Medical Association, the American Cancer Society, the National Alliance for the Mentally Ill, the National Partnership for Women and Families, the National Association of Children's Hospitals, the AFL–CIO, the American Nurses Association, the American Heart Association, the National Breast Cancer Coalition, the Children's Defense Fund, the American Academy of Pediatrics, the National Council of Senior Citizens.

There it is—the doctors, the nurses, representatives of the working families, the associations representing the children, the associations representing women—the National Lung Association, the Paralyzed Victims of America, the American Psychological Association, the Consumers Union. The list goes on and on, all the way to the Multiple Sclerosis Society, the American Academy of Neurology, and the Center for Disabilities, representing the various disability groups. All 170 of them are supporting our effort to bring this legislation to the floor of the Senate to enact it or debate it or even bring the proposal that our Republican friends want and permit us to have debate on it and attempt to amend it.

Over the course of this debate, there are some who have criticized those of us who have been trying to have this legislation considered on the floor of the U.S. Senate. But it is interesting. They do not have a chart like this. They don't have a chart that lists the organizations that support their proposal because they haven't got any.

I have stated repeatedly on the floor of the U.S. Senate that we are waiting for one of our colleagues who is supporting the Republican position, or who is part of the Republican leadership, to indicate to us one association that represents doctors, one association that represents nurses, one association that represents consumers, one association that represents any group of health professionals. Just give us one. They can't. There is silence over there.

We have here the partial listing of virtually every single professional medical association in America, every nursing association, every consumer rights association, virtually every one of those associations. Mr. President, every one of them, as I will show in just a few moments, is advocating that we move ahead with legislation now—not tomorrow, not the next day, but now. Move ahead, start the debate and see us resolve these issues in the period of the next few days.

But what does the Republican leadership say? No, no. The Republican leadership says they have other things in mind. They want to debate and consider the Vacancies Act. This is what the Republican leadership is telling us—that the Vacancies Act is more important than debating and considering how we are going to treat a child with cancer in our country.

That is effectively what they are saying. They want us to debate the Vacancies Act. They want us to debate the Internet tax issues. We are going to have a cloture vote tomorrow. We are not going to schedule the consideration of this legislation tomorrow. We are going to have a cloture vote on the Internet tax proposal. And we had, just last week, the consideration of the salting legislation—salting legislation. The Republican leadership said we ought to consider the salting legislation. Then they had other pieces of legislation they brought up—child custody, bankruptcy, affects 1,200,000 people every year. They wanted us to consider that legislation, which we did. There were initially close to 40 amendments on there and still the leadership scheduled it even when Senator DASCHLE had offered a more limited list of amendments if we considered the Patients' Bill of Rights. And now we are considering the financial services legislation. These are all pieces of legislation that we either had last week or this week or will have the first of next week while we are virtually silent on the consideration of legislation that is in such extraordinary demand across this country.

Mr. President, just this week a letter arrived from 52 rehabilitation hospitals and other providers of rehabilitation services to people recovering from terrible injuries, strokes, heart disease or coping with disabilities. These facilities deal with some of the most seriously ill people in our society, and here is what they said. Here is what they said:

> We encourage you to continue your fight on this issue. We support S. 1890 because it offers the greatest level of protection for patients with disabilities and chronic conditions. We feel that enactment of S. 1890 should be of the utmost importance to Congress. Enactment of the Patients' Bill of Rights is a priority for patients needing rehabilitation services, but it is not a priority for the Republican leadership.

This is effectively the total leadership in this country that is reflecting their concern and their support for the Patients' Bill of Rights, saying that we ought to act on it and we ought to act on it now. We are prepared to act on it. We are prepared to deal with this issue as the next order of business. We are prepared to call the roll on whether this legislation provides for the kind of protections that those individuals in our society who have physical and mental disabilities—I call them challenges—should be able to have. We ought to be able to debate that.

Virtually every organization that represents those individuals says we want this now in this Chamber. But not the Republican leadership. No. No, not the Republican leadership. They say let's debate the Vacancies Act. Virtually every organization that is concerned about cancer in our society says start the debate and start on it now. Not the Republican leadership. No. No, they want to consider the Internet tax bill.

Every child organization—the American Academy of Pediatricians, every group that represents children in our society says start the debate now, start calling the roll, start the debate on how we are going to protect the children in our society. We can't wait. Too many children are in need today. Not the Republican leadership. They say we want to debate salting. We want to debate salting; we are not going to listen to the various organizations that are out there representing children in our society. We are not going to listen to the organizations that are out there representing the cancer patients in our society. We are not going to listen to the organizations that are out there representing the disabled in our society. We are not going to listen to the organizations that represent the doctors and nurses and consumers in our society.

No, because, as the Republican leader says, we are in the majority, and we are going to set the schedule. We are in the majority, and we are going to set the schedule. And the schedule they have set is financial services, bankruptcy, child custody, salting, and the Vacancies Act. And the list goes on.

But not with regard to the Patients' Bill of Rights, Mr. President. Last week, there was a march on Washington by cancer patients and families of cancer patients from all over the country. Cancer is a disease that has touched almost every family in our country. It is perhaps the most dreaded diagnosis that any person can confront. The marchers called for expanded cancer research and assured access to the best possible care for every cancer patient.

The Patients' Bill of Rights deals with both of those issues. That is why it is supported by virtually every major cancer organization in this country. The Patients' Bill of Rights guarantees access to quality clinical trials. It assures timely access to needed specialists and centers of excellence equipped to treat patients, particularly cancer patients.

We have more than 14 cancer centers around this country that specialize in different forms of cancer. They have been enormously positive in terms of remedies and new modalities in the treatment of this disease. We have one in my own State of Massachusetts that deals with children's disease and the progress that has been made has been absolutely incredible—absolutely incredible. There should be no debate over a child who has cancer getting the kind of specialized care that that child needs and deserves.

The progress we have made in the war on cancer over these past years has been greater in children than any other group, and they need specialty care; they need primary care, as all children do. They need preventive care, as all children do. Children are the healthiest group in our society. The totality of children only account for about 6 percent of the health budget in our Nation. They don't drain the health care budget, although more of them are living in poverty than any other group in our society. But we ought to be able to say, if a child is going to be attacked by cancer, we ought to give them a specialist. That is what this bill does, Mr. President. That is what this bill does. The Republican bill doesn't do it. If they think theirs is better, let's have the opportunity to debate it.

Our legislation also, with regard to treating the particular needs of either children or those who are afflicted with cancer, requires the HMOs to give the patients access to the needed prescription drugs, not just the drugs that happen to be on the plan's list because they are the cheapest.

I don't know how many of our colleagues remember the testimony that we had the other day from those who were representing many of the mentally ill and who were part of HMOs and what they were told when they needed certain kinds of prescription drugs—that they had to take the prescription drugs that were on the list of the HMO rather than the prescription drugs that was being recommended by the doctor. They had to take that and demonstrate that it wasn't working for them not just once but twice. And then the third time perhaps they would have the opportunity to be able to get the prescription drugs that were needed.

The tragic circumstances that flowed from those kinds of requirements shouldn't happen here. When the individual was signing up, they could look over and they could see formularies that deal with some of the problems in terms of mental health. They figured that their particular needs, if they were going to require them, were going to be attended to. And then comes the time that they need those various prescription drugs and they say, no, you have to take these here, and you have to show they don't work. Then you come back again and you have to take them again and show that they don't work and have a doctor certify, and then maybe, maybe, we will give you the kinds of drugs that the doctor prescribed in the first place. That is happening today. That is happening today. And we want to remedy that.

This legislation assures continuity of care so that someone in the middle of a course of a cancer treatment will not be forced to change doctors because their employer changes plans or because their health plan changes the providers in its network. We want to say that if you have a life-threatening situation and you are being treated with chemotherapy or a member of your family is, and then suddenly your employer goes out and changes delivery, we don't want the circumstance when you are at a time of enormous personal stress and tension to be told, Oh, no, you can't go to your doctor anymore. You have to go to another doctor. Oh, I know that doctor didn't know your case before. I know the doctor hasn't examined you before. I know the doctor hasn't been a part of this whole process over the last year, year and a half, but you are not able to go ahead and have your old doctor who has been treating you, with whom you have established a relationship, who understands your case, understands those particular needs of yours. No, no. You can just be dropped there.

We prohibit that. We insist in those circumstances that a patient be able to continue that kind of care until there is some resolution of that particular illness. It is very important, Mr. President, very important, in terms of treatment, in terms of quality, in terms of what we as a society like to believe we have established in terms of a doctor-patient relationship—one of trust, one of intimacy, one of understanding, one of caring, which is so important.

That has an enormous impact. All of that has an impact on recovery. If you provide the opportunity for a parent to be with a sick child at the time of a critical illness, they can demonstrate that the child's recovery is 30 to 40 times more rapid than it would be without that parent. We can demonstrate that.

It has a dollar-and-cents saving, obviously; but the important point is that once in a while, at least we feel on this side, we ought to give some attention to the child and the parent and the family, and quality. That is what we are talking about when we insist that that doctor-patient relationship, in terms of special needs, is going to be protected, particularly in the area of cancer, but it is important in any critical illness.

Access to the quality clinical trials is particularly important. These trials are often the only hope for patients with incurable cancer or other diseases where conventional treatments are ineffective. They are the best hope for curing these dread diseases.

Insurance used to routinely pay the doctor and hospital costs associated with clinical trials. They used to always do that. But managed care plans are refusing to allow their patients to participate or to pay these costs. Our bill requires them to respond to this need. The Republican bill does not, and the Senate leadership does not want to debate this bill.

Listen to what Bruce Chabner, who is the clinical director of MGH Cancer Center, a professor of medicine at Harvard University, and the chief medical officer at the Dana Farber Partners Cancer Care, one of the outstanding cancer researchers and cancer personnel in the country, has to say:

> I am here to support the bill that would require HMOs and insurance companies to support clinical research. I would like to explain briefly the role of insurance coverage in research.

This is important, Mr. President, because we have heard so much about the costs of various proposals. Listen to this:

> Most of the costs in clinical research are associated with the cost of discovery. Laboratory experiments and the development of new treatments are supported by Government grants, by industry and by institutional commitments from hospitals and medical schools. These contributions provide the hundreds of millions of dollars that lead to new treatments and hope to millions of our patients with cancer. However, the clinical treatment of these patients requires support for the routine care associated with these clinical trials. The only source of such support for routine care costs is health care insurance and HMO contribution. This is the final step in proving that a new treatment or a new device actually works in people. Without this step, research is meaningless and has no impact on people, nor does it save lives. We are not asking the insurance companies and HMOs to support the vast effort to discover new treatments.

Do we understand that, Mr. President? The researchers and the centers of research are not asking the HMOs for additional resources for breakthroughs. What they are basically asking is:

> We are not asking for support for the cost of analyzing data and support during the clinical trials. We are only asking them to continue support for patient care costs.

Just continue the costs for treating the patients and permit them to go into these trials. That is the only thing they are asking. Isn't that amazing? One would think the HMO would say, "Gee, if our patient gets better, it will be less costly for the HMO." One would think somebody in the financial system would say that. But, no, they just won't let them and, in too many instances, will not give them the assurance that if a doctor says it is in your best interest that you should be in a clinical trial because you have breast cancer—and the enormous progress we have made in the area of breast cancer is just absolutely extraordinary. Still, one out of every seven women in our society—is afflicted by breast cancer. That number is enhanced every year, tragically, even with the progress we have made.

We are saying: Look, we have made important progress; we are continuing to make progress; let us have those individuals who can benefit go into these clinical trials at really no extra cost to the HMO. If that patient is going to be able to be cured, then, obviously, there is going to be less cost. The patient obviously is going to be better off. But the costs will be reduced as well.

Dr. Chabner continues:

> I am sure that every Member of Congress, if faced with the awful dilemma of cancer, would want this kind of continued support for their family member.

Meaning the clinical trials:

> This research provides the only hope our patients have of conquering this disease and the only hope our society has for curing cancer.

There it is, Mr. President, with regard to cancer. Our bill insists on it, and no such provision is in their proposal at the current time, even though it is recommended by every part of the medical profession. But it is still not there.

As Dr. Chabner points out, access to clinical trials is critical if we are to make progress in conquering this dread disease, but it is also critical for patients. Often, particularly in the case of cancer, clinical trials offer the only hope for cure or improvement. Too often, managed care is locking patients out of the clinical trials that offer potential benefit—in effect, passing a death sentence.

Yesterday, I read extensively from the statement of Diane Bergin, a mother of two and a patient with ovarian cancer, about her struggles to obtain access to clinical trials and the emotional roller coaster she faced in dealing with her plan. I will not repeat her full statement today, but I would like to read the conclusion to her comments, because she speaks for similarly situated patients all over this country. She says:

> No one facing a serious illness should be denied access to care because that treatment is being provided through a clinical trial. Sometimes, it is the only hope we have.

That is where we stand, Mr. President. That is where we firmly stand, those of us who believe in a Patients' Bill of Rights. We stand for hope for these patients. This is what she says:

> Sometimes, it is the only hope we have. And the benefit to me, whether short or long term, will surely help those women who come after me, seeking a cure, a chance to prolong their life for just a little while, just so they can attend a graduation, or a wedding, or the birth of a grandchild.

That is what is at issue in this Patients' Bill of Rights, Mr. President. That is what we ought to be debating here. And still, the Republican leadership says, "Oh, no; you have to debate the Vacancies Act, salting, child custody, and the Internet tax; you can't debate this kind of critical issue."

We find that completely unacceptable. But Republicans have made the judgment and decision of denying, not just those of us in the U.S. Senate who support it—it isn't denying us, it is denying the representatives of all the medical societies in our country, the doctors, all the nurses, all the representatives of the cancer groups in this country. That is who they are denying, and it is denying the people they represent—their patients.

Diane continues:

> I strongly support, and my family is right there with me, requiring insurers to pay for the routine costs——

Routine costs——

> of care that are part of an approved clinical trial. I think the cures of the future depend on it.

Diane Bergin is a patient at Georgetown University's Lombardi Cancer Center. Now listen to this, Mr. President. Listen to this. At the same forum where Diane spoke, we also heard from Karen Steckley, a nurse who is the director of clinical operations at the Lombardi Cancer Center, where Diane Bergin is a patient. She has eight full-time master's level nurses on her staff who spend virtually all of their time arguing with managed care companies that do not want to pay for clinical trials, even when that is clearly the best treatment available for a patient.

Do we understand that, Mr. President? Let me just mention that. Here at the Lombardi Cancer Center, in the shadow of the Capitol, one of the great medical centers in this country, dearly named after one of the great American heroes of our Nation, here is the director saying they employ eight full-time professional nurses to spend their whole time arguing with HMOs to permit these patients to participate in these clinical trials when their doctors have suggested that that offered them the best hope and opportunity for survival.

Imagine that. We hear from our friend from Texas about bureaucracy and red tape. Imagine having those top-flight nurses out there participating and working with doctors to try to ease the pain and be a part of a team to try to find some breakthroughs in these cancers. That is what is happening. Here is the documentation. And it is not just in the Lombardi Cancer Center, it is in all of these major centers across the country. And we cannot find time to debate whether that is in the interest of the health of our American people, Mr. President, when that is happening today?

I do not know how many people are being turned back today. I do not know how many women who have breast cancer are being told no by their HMO and are being closed out from participating in those clinical trials at the Lombardi Cancer Center and are virtually taking a death sentence in many of those instances, Mr. President. I read into the RECORD yesterday what the results are when you do not have that kind of participation, particularly in the early times of diagnosis. But that is what is happening.

Mr. President, the opponents of this legislation talk a lot about costs associated with our bill. We know that every independent analysis of our legislation has concluded that the cost will be negligible because it simply requires all health plans to provide the services they promise when they collect the premiums.

That is basically what we are trying to do, Mr. President, to say when you go out and you sell this product—the HMO—make sure you are going to comply with what you represent. That is often not the case.

I gave the tragic instance just a few days ago about what happened in my own State of Massachusetts when patients with mental illness were guaranteed a certain number of days in-house, and then they were denied them—tragic circumstances where a patient went out and committed suicide. He still had 17 days left, but the HMO would not put him in there. That had a devastating impact on the three children and the wife as a result of that decision by the HMO, and the fact that there is no recovery at all; that family is absolutely devastated, Mr. President. And we have remedies for them as well.

Mr. President, 14 leading organizations of cancer patients, representing 8 million Americans surviving with cancer, and the 1.5 million Americans who will be newly diagnosed with cancer this year, have spoken out strongly on the need for this amendment. These are organizations that patients and physicians, alike, look to for guidance on cancer issues—the National Coalition for Cancer Survivorship, Cancer Care, Incorporated, the Candlelighters Childhood Cancer Foundation, the Susan G. Komen Breast Cancer Foundation, the National Alliance of Breast Cancer Organizations, the North American Brain Tumor Coalition, the American Society of Clinical Oncology, the Alliance for Lung Cancer Advocacy, Support and Education, the Friends of Cancer Research, the Leukemia Society of America and the Oncology Nursing Society. That is about it, Mr. President; all of them say, "Pass this, and pass it now, there is nothing more important that we can do"—every one of them. But no, the Republican leadership says, "No. We're deciding—we're deciding what the agenda is going to be." And that legislation is not part of the agenda.

Meanwhile, these abuses continue every single day, Mr. President. And here is what those groups in a joint statement said: "Clinical trials represent the standard of care for cancer patients. Patient care in clinical trials is no more expensive than standard therapy."

So now, Mr. President, we know what needs to be done.

I can continue. I see my colleagues here on the floor of the Senate. I will just wind up with what we have said before, Mr. President, that every one of these protections in the Patients' Bill of Rights has either been recommended unanimously by a bipartisan group that was set up by the President of the United States—you had to have virtual unanimity in order to get the recommendation. The vast majority of these protections were recommended by that President's panel—not in the form of legislation, but as protections for consumers.

The vast majority of these are in effect in Medicare, and they are working to provide protections for our senior citizens. A vast majority of these are recommended by the health plans themselves, the HMOs themselves. They say they ought to have these kinds of inclusions and protections, but they are not written into the law. A large proportion of them are recommended by the insurance commissioners, a bipartisan group, across this country. There is not a single protection on here that does not have the recommendation of one of these groups. This is a commonsense approach to try to ensure that we are going to have quality care for every American, supported by virtually every one of the health care provider groups in our society.

All we are asking, Mr. President, is that we have the debate. It is no secret about the various provisions that we have included in this. There is no secret here, Mr. President. We all understand it. We all know we can debate these issues and reach a resolution. But let us get about doing the country's business.

Let's do something in terms of protecting the American family. Let's do something about protecting children to make sure they get the specialty care; for women who have breast cancer, to make sure they are going to be in the clinical trials; to the emergency cases, to make sure they are not going to have the ambulances drive by the nearest hospitals. Let's go out and protect the doctors and the nurses so they can recommend the medical procedures in the best interests of those patients. Let's go out and protect the American people. Let's continue to demand that we are going to have the Patients' Bill of Rights as the piece of legislation that we are going to debate before this Congress adjourns.

There are just a few remaining days in this Congress, and the Republican leadership continues to block action on a Patients' Bill of Rights.

It is clear what is going on here. It is clear to every member of the Senate. And it should be clear to the American people.

The American people want Congress to pass strong, effective legislation to end the abuses by HMOs, managed care plans, and health insurance companies. The Patients' Bill of Rights sponsored by Senator DASCHLE and Senate Democrats provides the needed and long-overdue antidote to these festering and growing abuses. Our goal is to protect patients and see that insurance plans provide the quality care they promise, but too often fail to deliver.

Our bill was introduced in March. Earlier legislation was introduced more than a year and half ago—but the Senate has taken no action because the Republican leadership has been using every trick in the procedural playbook to prevent a meaningful debate.

The Republican leadership is abusing the rules of the Senate, so that health insurance companies can continue to abuse patients.

The Republican leadership wants to gag the Senate, so that HMOs can continue to gag doctors who tell patients about needed treatments that are expensive for HMO balance sheets.

The Republican leadership wants to deny a fair debate on the Patients' Bill of Rights, so that HMOs can continue to deny needed patient care.

The Republican leadership wants to avoid accountability in the United States Senate, so that managed care plans can avoid accountability when their unfair decisions kill or injure patients.

This record of abuse should be unacceptable to the Senate—and it is certainly unacceptable to the American people. Almost 200 groups of patients, doctors, nurses, and families have announced their support for their bill and are begging the Republican leadership to listen to their voices. They range from the American Medical Association to the AFL–CIO, from the American Heart Association to the American Academy of Pediatrics, from the Consortium of Citizens with Disabilities to the American Cancer Society, from the National Alliance for the Mentally Ill to the National Partnership for Women and Families.

Just this week, a letter arrived from 52 rehabilitation hospitals and other providers of rehabilitation services to people recovering from terrible injuries, strokes, heart disease, or coping with disabilities. These facilities deal with some of the most seriously ill people in our society—and here is what they said: "We encourage you to continue to your fight on this issue. [We] support S. 1890 because it offers the greatest level of protection for patients with disabilities and chronic conditions. . . . We feel that enactment of S. 1890 should be of the utmost importance to Congress." Enactment of a Patients' Bill of Rights is a priority for patients needing rehabilitation services—but it is not a priority for the Republican leadership.

Last week, there was a march on Washington by cancer patients and families of cancer patients from all over this country. Cancer is a disease that has touched almost every family in our country. It is perhaps the most dreaded diagnosis that any person can confront. The marchers called for expanding cancer research and assuring access to the best possible care for every cancer patient.

The Patients' Bill of Rights deals with both those issues. That is why it is supported by virtually every major anticancer organization in this country. The Patients' Bill of Rights guarantees access to quality clinical trials; it assures timely access to needed specialists and centers of excellence equipped to treat the patients' particular cancer; it requires HMOs to give patients access to needed prescription drugs, not just the drugs that happen to be in the plan's list because they are the cheapest. It assures continuity of care, so that someone in the middle of a course of cancer treatment will not be forced to change doctors because their employer changes plans or because their health plan changes the providers in its network.

Access to quality clinical trials is particularly important. These trials are often the only hope for patients with incurable cancer or other diseases where conventional treatments are ineffective. They are the best hope for learning to cure these dread diseases. Insurance used to routinely pay the doctor and hospital costs associated with clinical trials—but managed care plans are refusing to allow their patients to participate or to pay these costs. Our bill requires them to respond to this need—but the Republican bill does not, and the Senate leadership does not want a debate on this issue.

Dr. Bruce Chabner, a distinguished oncologist, commented on the importance of this provision.

As Dr. Chabner points out, access to clinical trials is critical if we are to make progress in conquering this dread disease. But it is also critical for patients. Often, particularly in the case of cancer, a clinical trial offers the only hope of cure or improvement. But, too often, managed care is locking patients out of clinical trials that offer potential benefit—in effect passing a death sentence. Yesterday, I read extensively from the statement of Diane Bergin, a mother of two and a patient with ovarian cancer, about her struggles to obtain access to clinical trials and the emotional roller coaster she faced in dealing with her health plan. I will not repeat her full statement today, but I would like to read the conclusion to her comments—because she speaks for similarly situated patients all over this country.

She says, "No one facing a serious illness should be denied access to care because that treatment is being provided through a clinical trial. Sometimes, it is the only hope we have. And the benefit to me, whether short or long term, will surely help those women who come after me, seeking a cure, a chance to prolong their life for just a little while, just so that they can attend a graduation, or a wedding, or the birth of a grandchild.

"I strongly support, and my family is right there with me, requiring insurers to pay for the routine costs of care that are part of an approved clinical trial. I think the cures of the future depend on it."

Diane Bergin is a patient at Georgetown University's Lombardi Cancer Center. At the same forum where Diane spoke, we also heard from Karen Steckley, a nurse who is the director of clinical operations at the Lombardi cancer center, where Diane Bergin is a patient. She has eight full-time masters level nurses on her staff who spend virtually all their time arguing with managed care companies that do not want to pay for clinical trials, even when that is clearly the best treatment available for a patient. Often, they are able to get patients into trials—but sometimes they fail, and patients die or suffer needlessly as a result.

Mr. President, the opponents of this legislation talk a lot about the costs associated with our bill. We know that every independent analysis of our legislation has concluded that the cost will be negligible, because it simply requires all health plans to provide the services they promise when they collect premiums from their subscribers and that good plans provide as a matter of course. But think of the high cost and waste in the current system—when patients are denied timely care, so that they must be treated when their illnesses have become much worse and much more costly to treat. And think of the criminal waste involved when eight master-level nurse practitioners must spend their time arguing with insurance companies instead of caring for patients.

Fourteen leading organizations of cancer patients, representing the eight million Americans surviving with cancer and the 1.5 million Americans who will be newly diagnosed with cancer this year, have spoken out strongly on the need for this amendment. These are organizations that patients and physicians alike look to for guidance on cancer issues. They include the National Coalition for Cancer Survivorship, Cancer Care, Incorporated, the Candlelighters Childhood Cancer Foundation, the Susan G. Komen Breast Cancer Foundation, the National Alliance of Breast Cancer Organizations, the North American Brain Tumor Coalition, US TOO International, the Y-ME National Breast Cancer Society, the American Society of Clinical Oncology, the Alliance for Lung Cancer Advocacy, Support and Education, the Friends of Cancer Research, the Leukemia Society of America, and the Oncology Nursing Society.

Here is what they say: "Clinical trials represent the standard of care for cancer patients. Patient care in clinical trials is no more expensive than standard therapy. Cancer will strike roughly one in three Americans during their lifetimes. Even those who escape the diagnosis will have friends and family touched by the disease. Any patient rights or quality care legislation will be a shallow promise for people with cancer if it does not include provisions ensuring access to clinical trials."

A shallow promise. Our program has it. The Republican plan does not. That is one of the reasons why these organizations and the patients they represent conclude: "Among the various proposals being considered by the Congress to improve access and quality for the patients under managed care, the only one that provides meaningful relief for people with cancer is the one sponsored by Senators DASCHLE and KENNEDY in the Senate and Congressmen DINGELL and GANSKE in the House, S. 1890 and H.R. 3605. We urge you in the strongest possible terms to support the Patients' Bill of Rights. This legislation . . . is a necessity for people with cancer. Nothing less is acceptable."

These organizations also point to another issue that is critical for patients with cancer—access to specialty care. They say, "the primary alternative proposals [to the Patients' Bill of Rights] does not offer significant assurances of access to specialty care that may mean the difference between life and death for a person with cancer." The difference between life and death for a person with cancer. That is what this debate is about—but the Republican leadership won't even bring legislation to the floor.

The American public wants action to provide better care for cancer patients. They want to guarantee that any family member with a member afflicted by this dread disease will get the best possible care. But, too often, managed care plans say, "no". And now, the week after the great cancer march, the Republican leadership continues to say "no" to cancer patients and their families—and yes to protecting insurance company profits. That is just plain wrong.

We have held a series of forums focussing on the needs of children, families, cancer patients, the disabled, small businesses, women and others. At each one, the message to the Republican leadership is the same. Stop delaying action through procedural maneuvers. Patients and families are suffering. Allow a full and fair debate, so that the Patients' Bill of Rights can pass. Stop putting industry profits ahead of patients. It is because patients and families and doctors and nurses all over this country understand the need to stop insurance company abuse with meaningful reform that almost 200 organizations representing them have endorsed the Patients' Bill of Rights, but not one has endorsed the Republican alternative. And all of these organizations want the Senate leadership to stop hiding behind procedural tricks and abuse of the rules and bring legislation to the floor.

But Senator LOTT continues to say no. Last Wednesday, Senator LOTT even circulated a consent agreement that would have allowed unlimited debate and amendments to the Internet tax bill—with one exception. No health amendments.

It is clear that the Republican leadership will go to almost any lengths to prevent a debate on the Patients' Bill of Rights. Earlier this month, they forced the Senate into a meaningless quorum call for six hours and then forced the Senate to adjourn—not just to block consideration of the Patients' Bill of Rights but to stop Senators from even talking about the issue. We have only two weeks left in this session. We have many bills to consider and act upon. But the Republican leadership would rather close down the Senate than allow even a discussion of managed care reform, much less a vote by the Senate.

The Republican leadership was willing to shut down the entire federal government three years ago in order to slash Medicare and provide tax breaks for the wealthy. Now they're willing to shut down the entire Senate in order to protect the profits of HMOs.

All we want is a fair and full debate on the Senate floor. But the Republican leadership continues to say, "no," because they don't want the loopholes in their plan exposed and fixed.

The fundamental flaws in the Republican bill mean greater profits for insurance companies and lesser care for American patients. Senator LOTT does not want the Senate to vote to fix these flaws. He does not want a vote: on whether all Americans should be covered, or just one third of Americans as the Republicans shamefully propose, on whether there should be genuine access to emergency room care, on whether patients should have access to the specialists they need when they are seriously ill, on whether doctors should be free to give the medical advice they deem appropriate, without fear of being fired by their HMO, on whether patients with incurable cancer or Alzheimer's disease or other serious illnesses should have access to quality clinical trials where conventional treatments offer no hope, on whether patients in the middle of a course of treatment can keep their doctor if their health plan drops them from its network, or their employer changes health plans, on whether the special health needs of the disabled, and women, and children should be met, on whether patients should be able to obtain timely independent review of plan decisions that deny care, on whether health plans should be held responsible in court for decisions that kill or injure patients.

The list of flaws in the Republican bill goes on and on.

The Republican leadership's record on this issue is painfully clear. Their cynical strategy is to protect the insurance industry at all costs, by blocking any reform at all, or by passing only a minimalist bill so weak that it would be worse than no bill at all.

This obstruction has been going on for more than a year. HMO reform never appeared on any priority list of the Republican leadership. The Republican Policy Committee issued periodic attacks on any attempt to prevent insurance abuses. No Senate committee was permitted to consider any legislation to protect patients and American families.

Meanwhile, the momentum for reform across the country continues to grow. This summer, the stonewall strategy finally collapsed in the face of public pressure. So the Republican leadership did the next worse thing. They introduced a bill that had the name of reform—but not the reality. They dug in their heels again, and refused to allow a fair debate by the Senate to change that bill from a sham to genuine reform—from a bill that protects industry profits to a bill that protects patients—from a bill that would be deservedly vetoed by the President to a bill that could be signed into law as a genuine achievement for every family.

Bill Gradison, the head of the Health Insurance Association of America, was asked in an interview published in the Rocky Mountain News to sum up the strategy of the special interests committed to blocking reform. According to the article, Mr. Gradison replied "There's a lot to be said for 'Just say no.'" The author of the article goes on to report that "At a strategy session * * * called by a top aide to Senator DON NICKLES, Gradison advised Republicans to avoid taking public positions that could draw fire during the election campaign. Opponents will rely on Republican leaders in both chambers to keep managed care legislation bottled up in committee."

Instead of participating in a genuine debate on how to assure that all patients have the protections now available only to those fortunate enough to be enrolled in the best plans, insurance companies and their allies in the business community have heeded the call of the Republican leadership. A leadership aide told the industry to "get off their butts and get off their wallets" and block reform. They directed their special interests friends to write the "definitive paper trashing all these bills."

The Republican leadership could have called up the Patients' Bill of Rights at any time for a full and fair debate. Instead, they have proposed a series of phony "consent" agreements that would prevent fair debate and make passage of real reform impossible. These stalling tactics are clearly meant to run out the clock, so that managed care reforms cannot be passed before Congress adjourns, and so that the Republican leadership can avoid taking responsibility for its defeat.

The record of Republican attempts to avoid the blame for inaction would be laughable, if the consequences for patients across the country were not so serious.

On June 18, Senator LOTT proposed to bring up the bill, but on terms that made a mockery of the legislative process. His proposal would have allowed the Senate to start considering HMO reform, but he would have been permitted to end the debate at any time. The proposal also barred the Senate from considering any other health care legislation for the rest of the year. So if Senator LOTT did not like the direction the bill was headed, he could kill it and tie the Senate's hands on HMO reform for the remainder of the year.

On June 23, 43 Democratic Senators wrote to Senator LOTT to urge that he allow a debate and votes on the merits of the Patients' Bill of Rights. We requested that the Senate take up this issue before the August recess.

In response, on June 24, Senator LOTT repeated his earlier unacceptable offer.

On June 25, Senator DASCHLE proposed an agreement in which Senator LOTT would bring up a Republican health care bill by July 6, so that Senator DASCHLE could offer the Democratic Patients' Bill of Rights, and other Senators could offer amendments on HMO reform. We would agree to avoid amendments on any other subject. Only amendments related to the Patients Bill of Rights would be eligible for consideration. Senator LOTT rejected this offer as well.

On June 26, he offered once again an agreement that allowed him to withdraw the legislation at any time, and bar any further consideration of any health care legislation for the remainder of the year.

On July 15, Senator LOTT made yet another offer. This time, he proposed an agreement that permitted only one amendment. He could bring up his bill. We could bring up ours. And that would be it—all or nothing. No votes on key issues.

On July 29 and on September 1, the Republican leadership offered variations of this proposal, with amendments restricted to three for Democrats and three for Republicans.

The reason the Republican leadership wants to restrict amendments so drastically is obvious. Senator LOTT knows his legislation is deeply flawed, and that it cannot possibly be fixed with just three amendments. He believes that he and his special interest friends can hold most of the Republican Senators for a few votes, but he fears that they will not be willing to stand before the American people on the Senate floor and cast vote after vote for the special interests and against the interests of American families.

Our Patients' Bill of Rights was introduced in March—and a predecessor bill was introduced by Congressman Dingell and myself more than eighteen months ago, at the beginning of this Congress.

Senator DASCHLE, in an effort to be responsive to the Republican Leader's ultimatum that an agreement on the terms of the debate must be reached before the debate can begin, has offered reasonable proposal after reasonable proposal—and every one was rejected.

Yet the Republican leader has allowed the Senate to debate many other bills this year, with ample time and ample opportunity for amendments.

We had 7 days of debate on the budget resolution, and considered 105 amendments. Two of those were offered by Senator NICKLES.

We had 6 days of debate on the defense authorization bill, and considered 150 amendments. Two of those were offered by Senator LOTT and he cosponsored 10 others. We 8 days of debate on IRS reform and considered 13 amendments.

We had 17 days of debate on tobacco legislation—a bill we never completed—and considered 18 amendments.

We had 5 days of debate on the agriculture appropriations bill and 55 amendments.

We had nineteen days of debate on the highway bill, with 100 amendments.

The Republican leadership has allowed five days of debate and 24 amendments to the bankruptcy bill.

They have allowed 36 amendments and two days of debate on the FAA bill passed last Friday.

All these bills were important, and all deserved reasonable debate and opportunities for amendments. They were brought up without any undue restrictions on debate. That is the normal way of doing business on important pieces of legislation in the Senate.

The Republican leadership was willing to have an adequate opportunity to debate and vote on these other important measures. But when the issue is protecting American families instead of insurance industry profits, different ground rules apply to protect the industry and deny the rights of patients.

Senator DASCHLE has offered yet another reasonable approach to resolve the impasse that Senator LOTT has created by his efforts to prevent meaningful reform. He offered to agree to let the Senate debate other bills during the day, and use evenings to debate the Patients' Bill of Rights. The American people expect us to work for them—and if that means a few late nights, so be it. Senator LOTT continues to say my way—or no way. And his way is not the way that serves the interests of the American people. The American people deserve a Senate that works as hard as they do. They deserve managed care reform.

Last Friday, we recessed at 1:00 pm. Most of the time the Senate was in session was spent in morning business rather than doing legislative work. Monday, we did not come in until noon and we did not do legislative business until 3:30. Throughout this year, we have effectively worked less than a four day week. There is no excuse for our not doing the people's business—and one of the highest priorities for American families is a Patients' Bill of Rights. There is no excuse for not acting this year.

If the Majority Leader will stop abusing the rules of the Senate and allow this debate to proceed, I believe that the Senate will pass strong reforms that will be signed into law by the President. The American people deserve real reform, and I believe that when the Senate votes in the clear light of day, it will give the American people the reforms they deserve. This issue is a test of the Senate's willingness to put a higher priority on the needs of families than on the profits of special interests. And it is time for the Senate to act.

The choice is clear. The Senate should stand with patients, families, and physicians, not with the well-heeled special interests that put profits ahead of patients.

The American people know what's going on. Movie audiences across the country erupt in cheers when actress Helen Hunt attacks the abuses of managed care in the film "As Good As It Gets." Helen Hunt won an Oscar for that performance, but managed care isn't winning any Oscars from the American people. Everyone knows that managed care today is not "as good as it gets."

Too often, managed care is mis-managed care. No amount of distortions or smokescreens by insurance companies can change the facts. The Patients' Bill of Rights can stop these abuses. Let's pass it now, before more patients have to suffer.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from North Dakota.

Mr. DORGAN. I ask unanimous consent to speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I am joined on the floor today by the Senator from Nebraska, Senator KERREY. I cannot help but mention the presentation just made by Senator KENNEDY. I fully support and agree with his presentation. He talks about the agenda. What is the agenda here in the Senate? What do the leaders of this Congress feel is important for this country?

I gave a presentation on the Senate floor one day about a young boy named Ethan, who was born with severe difficulties from cerebral palsy, for which he required intense physical therapy. And the HMO said, "No, we're going to cut off that therapy because he will not make significant progress." Now what they defined as "insignificant progress" was the ability to walk by age 5. It was not doctors who were making that decision. It was accountants in an HMO who were saying, "Being able to walk by age 5 is insignificant." So there was a matter of dollars and cents versus a young boy's health.

That is the point the Senator from Massachusetts makes about the urgency of having an agenda on the floor of the Senate that deals with real issues that affect real people. We have a "legislative landfill" here. You know landfills. Almost all landfills are out of sight, over the hill, down the valley. You go through a big gate and don't even see it. You drive your merchandise down there that you want to dispose of, then you dump it and they cover it up.

We have a legislative landfill here in the 105th Congress. There was tobacco legislation. It was sent out to the landfill, and covered up. Campaign finance reform also went into the legislative landfill, and was covered up. Add the Patients' Bill of Rights as another bill sent into the legislative landfill they have created, and covered it up.

FARM CRISIS

Mr. DORGAN. Mr. President, we talk about the farm crisis and whether Congress will address a farm crisis that is urgent. I just want to make this point. I watched this week, as did all Americans, this hurricane that came roaring out of the Caribbean and threatened a fair part of the southern part of this country. My heart goes out to those people, worrying about their State, their lives, their property, and everything that they have saved and built. Then a wind comes along at 100, 125, and 150 miles an hour, and wipes it away.

There is an emergency declaration, as we always do. Whether it is floods, fires, or earthquakes, or hurricanes, Congress responds with an emergency declaration. We say: You are a victim and the rest of the country wants to help.

A week ago, the President sent down an emergency request to this Congress dealing with the farm crisis. It wasn't a wind, it wasn't a fire, it wasn't a flood, it wasn't a hurricane or an earthquake. Family farmers in this country have been literally devastated by the abject collapse of farm prices. Grain prices have just collapsed. In my State, in 1 year net farm income collapsed 98 percent.

Ask yourself: Could anybody on your home street or block or in your county or your city survive if their net income dropped 98 percent? The remaining income is 2 percent. These are people who milk the cows, plow and put seed into the ground, and harvest in the fall. These are people in this country who raise America's food. They take enormous risks. They turn their yard light on and with their family have hopes and dreams to make a living.

There has been a 98 percent collapse of the net farm income in North Dakota for family farmers. Prices have collapsed. We have the worst crop disease in this century. This President is right when he says we have an urgent farm crisis and he sends down an emergency proposal to deal with this.

Two nights ago, I drove home after a conference committee on the Appropriations Committee. In that conference meeting, on a party-line vote, the President was told: We don't care about your emergency request. We don't think it is quite that important. We are going to offer up a 4-foot rope to somebody drowning in 10 feet of water, and we will suggest somehow that we have helped.

I was sorely disappointed. More than that I was angry when I drove home that night. We meed to understand that these folks who farm America's land out there, the family farmers, don't ask for very much. All they ask is for an opportunity to make a living. When farm prices collapse and when they are hit with crop disease, it is as much a crisis for them as wind, flood, fire, or tornado. This Congress has a responsibility to help.

There is a week and a half left in this Congress. If this Congress doesn't help, thousands and thousands and thousands of farmers and their families living on the land will lose their livelihood.

I know the Senator from Nebraska has some information about exactly what the President has proposed and what the stakes are here, State by State, and what we are trying to do. I yield for a moment to the Senator from Nebraska for a question and some comments.

Mr. KERREY. Mr. President, I ask the distinguished Senator from North Dakota, one of the things we had hoped to do with this legislation is to get consideration similar to the disaster request which we all know will occur as a result of this hurricane.

We have experienced this before. The Nation comes together as a country; suddenly we are Americans. A U.S. Senator asked to help the people in Mississippi, the distinguished majority leader's State. In Alabama, probably Florida as well, and Louisiana, clearly there are damages. Here comes a natural disaster. Here comes Hurricane Georges. Nobody could have prepared for that hurricane. It has destroyed people's lives, cost them hope. What will happen is, a disaster declaration will be made, a request will come to the Congress to put the law of the country on their side, to give them opportunity and hope again. That is what the law can do at its best; it can give people hope.

I know this very well, I say to my friend from North Dakota. About a year and a half in a business, in 1975, a tornado hit Omaha, NE, and I thought we were pretty much out of business as a result of the tornado having blown us away. However, I come to find out, 2 days later, that Mayor Zorinsky, the mayor of Omaha at the time and the man who preceded me in the U.S. Senate, requested from the President of the United States, Republican President Gerald Ford, a disaster declaration, and the law was put on our side. It gave us a chance to build our business back, gave us a chance to pursue our dream. That is what the law tends to do. That is what the distinguished Senator from Massachusetts was talking about earlier. I get hundreds of calls a year, and, more than any other issue, people say, "Senator, I don't have any power when I am dealing with an HMO; can you change the law and give me some power? Can you help me in dealing with this entity?" We are trying to change the law not to create a bureaucracy but to give people some hope.

My expectation will be, when the disaster declaration occurs for these southern States, it won't be a partisan issue, it won't be Republicans and Democrats, it will be U.S. Senators and U.S. Members of the House of Representatives rallying to try to make certain that people in the southern part of the country that have been damaged by this disaster are given some hope or given some opportunity.

I say to my friend from North Dakota, I was surprised, as you were, late Monday night when the House conference on appropriations for agriculture rejected the President's request for disaster assistance for the Middle West that has been destroyed and damaged by a natural disaster, a decline in demand that has produced losses across the board in agriculture. Still the most important part of our economy, creating more jobs than any other sector of our economy, and farmers throughout the bread belt of the United States, the bread basket of the United States, have lost hope. I was very surprised that it would occur on a straight party line vote that Members—who will likely say yes if the President puts down a disaster declaration request for the hurricane—voted no.

I say to my friend from North Dakota, they say, "We are reopening Freedom to Farm; that is the reason I'm to vote no."

I ask my friend from North Dakota if he is aware of the kind of income contribution that this disaster declaration will make to our States. There are many times when I come down here and deal with a piece of legislation and I ask myself, Will this have an impact on Nebraska? Will they feel it?—especially when I am talking to Nebraskan farmers out harvesting right now and who might not have seen what happened Monday night. Are you sure this will help? In Nebraska, the difference between what the President asked for and what the House conference, on a straight party line vote, voted for is $257 million.

Rest assured, if this was a transportation grant, our entire delegation would be united. There is no Republican or Democrat differential when we are trying to get a $250 million grant for Nebraska. Yet there is a decision here as a consequence of this Freedom to Farm argument—$257 million worth of income to Nebraska.

I have written the Midwestern Governors' Association and the Governors in those associations urging them to call their delegation as a consequence of not just what their State will lose but what their farmers are going to lose. Two hundred and fifty-seven million dollars' worth of income on Main Street America, in Main Street Nebraska, will make a lot of difference not just to farmers but to whether or not the businesses on Main Street will survive.

In Iowa, the amount of money is $365 million. I have written Governor Branstad and urged in an immediate letter: "Governor, weigh in on this, because you are about to lose $365 million"; to the Governor of Illinois: "You are about to lose $341 million"; in Indiana, $182 million; in Kansas, $195 million; in Minnesota, $256 million; in North Dakota, $115 million; in Ohio, $133 million; in South Dakota, $149 million; in Wisconsin, $80 million.

There are Senators from these Midwestern States who voted no for ideological reasons, because they don't want to reopen the Freedom to Farm. I don't understand that. This would make a tremendous difference in our being able to get through this recession.

The President asked for a disaster declaration. As I said, I have written all of the Governors in these States putting out an appeal. It will occur when each one of these Governors are going to come to us and ask for considerably less, and the beauty of this is that it doesn't go to the Government, it goes to individual family farmers; it increases their income and makes it likely to get their operating loans extended for another year.

I ask my friend if he is aware of the tremendous change in income pictures that will occur as a consequence of what the President has asked for and what the conferees turned down. Again, I ask a second question of my friend from North Dakota. He has had plenty of town hall meetings, just as I have. I am asked, "How do we persuade those easterners to go along with us?" The problem doesn't appear to be easterners, or people on the west coast either. Both Senators from California, both Senators from Connecticut, both Senators from Maryland, both Senators from Massachusetts, both Senators from Nevada, both Senators from New Jersey—even though they are not going to benefit—did precisely what the Senator from North Dakota said earlier. It is not just important for us to come here and defend our region, our Nation is in trouble. Our Nation is suffering as a consequence of the crisis and the disaster occurring in the Midwest right now.

We are going to respond. We are going to vote aye because we know that we need to pull together as a country. I am sure that it is likely to be 100–0 when it comes time to decide whether or not we are going to respond to a disaster in the southern States that has occurred as a consequence of this hurricane. I come to the floor, Mr. President, to ask the Senator from North Dakota if he is aware of the tremendous amount of assistance that each one of these States is going to get, and if he, as well, hears from his farmers when he goes home, "How do we persuade the folks on the east and west coasts that we have a problem out there that needs to be addressed?"

Mr. DORGAN. Mr. President, the Senator from Nebraska asks an important question. I want to emphasize again that the President has sent down an emergency request. He sent down an emergency request and said what is needed in order to address the farm crisis is $7.9 billion. Now, I will say to my friend, as I indicated when I started this, when the emergency request comes—and it will—to deal with this hurricane that just hit, I am going to vote for it. Perhaps other hurricanes will hit during this season. I have voted for aid for earthquakes, floods, fires, and hurricanes; and I always will because this country has a responsibility to do that. I won't think twice about it. We don't have hurricanes in North Dakota, but when a hurricane hits in this country, count me as someone voting for the emergency request.

FEMA and others will evaluate what is necessary, and the President will send us a supplemental emergency request. I have always voted for them and I will again. It wasn't, as I said, a fire, flood, earthquake, tornado, or hurricane that caused the crisis that required the President to send up this emergency request. It was the collapsed prices and crop disease. It was the worst crop disease of a century combined with a total collapse of prices.

Now, why do we have some people who ought to be voting in support of this emergency request reluctant to do so? As the Senator said, it is ideology. This Congress, a couple years ago, passed something called the Freedom to Farm bill. I didn't vote for it. I didn't think it was appropriate. I don't think you will have family farmers in this country when prices drop off the cliff and you don't have an adequate safety net for them. If you don't have a price support for them to get across the price valley, farmers can't make it. The big corporate farms will get across the valley because they have the financial strength to do it.

Some may decide that they don't care about family farmers or whether they exist. They may worship at the altar of a "free market" that doesn't exist in agriculture. They decided that we were going to cut farmers loose. Even if prices collapse after we pass this Freedom to Farm bill, they are going to refuse to budge because they have so much pride in the work they did a couple years ago that they don't want to admit it was wrong. I am not asking anybody to admit that.

I am just saying that farm prices have collapsed. Wheat prices have dropped 57 percent since passage of the farm law. North Dakota farmers lost 98 percent of their net income in one year. The same is true through much of the Midwest in the farm belt. At this point, shouldn't Congress stop, look, and listen and say this is a crisis? Does this country want family farmers with yard lights that light up the hopes and dreams on the family farm out there in the country? Do they want family farmers in the future? They should for a lot of social and economic reasons. Then Congress has to come forward now and address this issue that the President has recommended with an emergency request.

The Senator from Nebraska has gone through and talked about what it means to these States. I want to describe it in slightly different terms. There is not a Republican or a Democratic way to go broke. Family farmers don't care about party labels, tickets, or politics. They care about whether they are going to be able to make it through the winter?

I talked about a young man named Wyatt the other day. He is a sophomore in school right now in Stanley, ND. He wrote a letter to me that brought tears to my eyes. He said, "My dad is a family farmer." After he described what the family was going through, he said, "My dad can feed 180 people and he can't feed his own family." That describes better than almost any description we can offer how productive our family farmers are. Yet, they are being wrung dry by prices that have collapsed, and they are told that even though they are all-star producers, somehow they don't matter.

It seems to me that we must, as a Congress, address this issue, and the point is this: There are those who say let's address this issue by doing what is called increasing the AMTA payment by some 19 cents a bushel for a bushel of wheat. That is like walking up to somebody bleeding to death and holding out a Band-Aid and saying, "Aren't I wonderful? Here is a Band-Aid."

The people proposing it know better. They have told me in private that it will not address this problem. It won't get those farm families into the field next spring. Tens of thousands of them will be broke and forced out of business before they can get into the field next spring because this is a half-baked solution. It is, as I said, like offering a 4-foot rope to somebody drowning in 10 feet of water. Let's not have half-baked solutions. Let's not pole-vault to get over the election.

Let's pass the emergency request of the President to solve this problem. We need to help these farmers have the hope that they can get in the field next year, plant a crop, harvest it in the fall, and have some hope that perhaps prices will rebound and they will be able to continue farming in this country in the future. Either we are going to decide to solve this problem or we are not. That is what this is about.

First of all, I respect the fact that I come from a political party that lost. I understand that. I understand winning and losing. I belong to a political party that doesn't control this Chamber. I understand that. I am perfectly willing to lose from time to time. We do. In fact, it is getting habit-forming. But I am not willing to lose quietly on this issue.

Up until the last 2 minutes of this legislative session, I intend to be on the floor demanding that this country respond to the urgency of this matter, just as we would if it were a natural disaster. I will be demanding that we respond to the hopes and dreams of family farmers that are going to lose their family farms if we don't act. They will lose it in the next week, the next month, or the next 4 months, and they will lose it as sure as I stand here, if we come up with half-baked solutions.

I know the Senator from Nebraska wants to add to that. Let me just say again, it is the old silk-purse-out-of-a-sow's-ear thing. We have people here resistant to doing what they know in their heart is the right thing to do because they are worried because it would look like a 180-degree turn on Freedom to Farm. Don't worry about that. Let's figure out what we can do together, all of us together. Let us do what we know in our hearts will help the farmers get into the fields next spring and have some hope that maybe they can make a decent living. If we do that, we will have done something to strengthen this country and invest in this country's future.

Then we can then go home with pride and say to those that Thomas Jefferson described as the "best Americans," those producing our foodstuffs on the family farms, that we have done something to assure their future and give them an opportunity.

Our economy is doing better. Inflation is down, unemployment is down, and the deficit is almost gone. All of those numbers are good and the country feels better about the economy. We should be able to say to family farmers that we will not, in these good times, turn a blind eye to their economic plight. They matter to this country.

I would be happy to yield to the Senator from Nebraska once again.

Mr. KERREY. Mr. President, just briefly, I appreciate very much the answer the Senator from North Dakota has provided. I want to make it clear again that I put out an SOS to the Governors of the Midwestern region, pointing out to them what they are about to lose.

To the Governor of Illinois, $341 million of additional income to the State of Illinois. Is that going to make every farmer in Illinois prosperous? No. For all of the free market, plenty of people are still going to go broke in Illinois even at that. But $341 million, I say to the Governor. It is the same way in Indiana—$182 million; Iowa, $365 million; Kansas, $195 million; Michigan, $60 million; Minnesota, $250 million; Missouri, $120 million; Nebraska, $250 million; North Dakota, $115 million; Ohio, $133 million; South Dakota, $150 million; Wisconsin, $80 million.

I have been a part of the Midwestern Governors Association. During the agriculture crisis, there was the appeal that we made to Congress. Our income is declining; our tax revenues are going down; we are not able to support our schools—many of the things that happen as a consequence of things beyond our control. We found a positive response in the Republican Congress in the 1980s. We came and made the appeal. The Congress responded with the new farm bill which helped us enormously.

Mr. President, I hope this little presentation or request of the Governors, as well as our correspondence to the Governors, will produce a response. I hope and I pray that sometime in the next 10 days we can, as we most assuredly will—when the majority leader comes to the floor on behalf of Mississippians, and many other people in the South who have been damaged by Hurricane Georges, we are not going to walk down here with a partisan hat and say, "That is the majority leader, he is a Republican, and for ideological reasons I am going to say no." We will say yes.

I hope in the next 10 days that we can find a way on this Agriculture appropriations bill to send this bill back to conference and instruct the conferees to do the right thing, which is to grant the President's request for the disaster assistance, which will brighten the days of not just American farmers but also Americans who understand that our livelihood depends upon their success and their prosperity. I hope we are able to take our partisan hats off and deal with this thing as U.S. Senators and not as Republicans or Democrat Senators.

Mr. DORGAN. Mr. President, let me finish with just 1 minute. I know our colleagues are on the floor. They look like they want to do some serious business.

Mr. WARNER. Mr. President, if I might just say, the business we are doing is very serious. While I will not take a position one way or another on the issue, I would be remiss, and all others would be remiss, if we did not recollect last year how Senator DORGAN stood the floor on behalf of his constituents and others with regard to the devastating floods, and when he spoke just now about his support about other areas of the country, and I think in the depths of his heart about those harrowing experiences in which he so ably represented the citizens of his State.

Mr. DORGAN. Mr. President, I thank Senator WARNER. Let me just continue for 1 additional minute, and then turn the floor over to the Senator.

I don't like having to come here and ratchet away on this issue day after day. I know some get tired of that, but this literally is about whether people will survive out on the family farm. I have used some letters to try to describe their plight. I used a letter the other day of a woman who described the two jobs she has, the two jobs her husband has, in addition to raising kids and running the farm, and all the part-time jobs her kids have. She wrote how they are just flat broke, out of money and with no capability of making it. The price of hogs is down. The price of cattle is down. The price of grain has collapsed. She said to her daughter, "Let us try to buy you one pair of new jeans for school." And her daughter said, "No. Mom, I understand we can't afford that." They are just out of money and about to give up hope.

This Congress needs to intervene to do something. We need to say to our farmers, "You matter to this country." I am not saying we should prop up some artificial economy for farms. I am saying that these farmers face monopolies in every direction they turn. They face monopolies with the grain trade. They face monopolies with the way they do business with the railroad. They face them with the cattle slaughter. They face them with the hog and sheep slaughter, and they face them with the flour millers.

I had charts. I will not put them up again. In every area, the top three or four companies control 60, 70, and in some cases 80 percent of all of the activity. And these farmers are told, "You compete in the free market." Then they have to compete with other countries that deeply subsidize their products. It is not a free market. It has never been free. We are the only ones who will come up with these goofy stories and tell the farmers to go to the grain markets which are stacked against them. Then when prices collapse, we tell our farmers we are not going to be there to help. This is the only country that does that.

This country ought to decide now that it made a mistake putting the future of family farmers on a free market that doesn't exist, and we ought to correct it. This President says that we have an emergency need, and he asked for a supplemental appropriations to meet that emergency need totaling about $8 billion.

I drove home the other night after the conference committee between the House and the Senate. That conference, on a party-line vote, said no; we are not willing to do that. I hope we are going to change that result in the next week and a half, Mr. President.

Mr. JOHNSON. Mr. President, I have a question for the Senator.

One is, there has been a great deal said by the Senator from North Dakota about changing the farm bill and reopening the farm bill relative to taking the caps off the marketing loan rates. It is my understanding that the existing farm bill has marketing loan provisions in it; that the real discussion and the recommendation from the President has simply been that we raise the caps of an existing program within the existing farm bill; that, in fact, the initiative would not involve any significant change in the farm bill, certainly no more so than accelerating or increasing half the payments. Will the Senator share a view on that?

Mr. DORGAN. The Senator from South Dakota is absolutely correct. The farm bill that Congress passed said we would provide a support price equal to 85 percent of the five-year Olympic average of the average price of this grain. Then they put an artificial budget restraint on it even though they promised that formula. Once again, the big print giveth and the little print taketh away. Despite the promise, they put an artificial cap on it. That means our support prices don't work. The promise doesn't offer real help and it doesn't offer protection.

What we have proposed—and the President and others have proposed—is to get rid of the artificial cap and to give them what the big print said they would give them and stop this taking away with the little print. That is all this proposal is about.

Mr. JOHNSON. If I may follow up on that, the Senator from North Dakota has been one of this body's leaders relative to budget responsibility, fiscal responsibility, and the overall effort that we have gone about in bringing the annual Federal budget deficit from

$292 billion only 6 years ago to at least a unified budget surplus this year. I think the Senator from North Dakota was deeply involved in the crafting of the legislation that set up the framework that allowed us to bring this country to the current point of much greater fiscal responsibility.

But it is my understanding, in the context of that debate and setting up the pay-as-you-go budget mechanisms that were established in the early 1990s, which have been so successful, that one of the underlying premises and understanding of that legislation was that there would be from time to time emergency needs that would be met with the request from the President with the concurrence of the Congress, and that it is not inconsistent with the underlying legislation and the progress that we have made towards reducing the deficit. So long as we use care to denominate emergencies as only things which are truly emergencies and are reasonably not foreseeable by either the White House or by the Congress, the funding of these emergency needs is not inconsistent with the effort we have made to reduce the deficit and to maintain the discipline of the 1990 and 1993 budget agreements.

Is that the Senator's recollection relative to the context of this emergency budget request?

Mr. DORGAN. Yes. The Senator from South Dakota is, of course, correct. Emergency needs have always been anticipated and expected in the budget process. When emergency needs are requested, I am someone who will always vote to fund those emergency needs. It is not outside of the scope of what we decided to do when we decided to try to get this country's fiscal house in order. The Senator is correct about that.

I don't understand why some continue to insist that the funding doesn't exist for this emergency need. Of course, it does. Of course, it is a need.

Let me say to the Senator from Virginia, when I said he is here for serious business, that the implication was not that this isn't. This is the most serious business for me in this Congress. I know the Senator from Virginia is involved in defense and a range of other issues that are also very serious for this country. I very much appreciate his service and the service of the Senator from Arizona.

The Senator from South Dakota, Senator JOHNSON, of course, is from a farm State, just like mine, that is suffering the same kinds of problems. It is devastating. This crisis is really devastating to not just the economy of the State but to the families who tonight will go to bed not knowing whether they are going to be able to hang on to their family farm. That is the dilemma here, and it is something we have to face.

Mr. WARNER. Mr. President, the RECORD will reflect that when the Senator made his comment, this Senator said no, I respect him, it is serious business, and then reflected on how ably the Senator has represented his constituents during this crisis.

Mr. KYL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. COLLINS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. INHOFE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE. I ask unanimous consent to speak out of order for such time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE. I thank the Chair.

1999 DEFENSE APPROPRIATIONS

Mr. INHOFE. Madam President, we had a very significant meeting yesterday of the Senate Armed Services Committee, which was a culmination of months and months of work on behalf of many of us trying to explain to the American people the very threatened situation that our country is in, and I am very proud that we had a meeting that I will describe to you in the next few minutes which, I think, is going to actually change America's approach to our defense system. I think it is very appropriate to talk about this now because I also would be speaking in favor of the Strom Thurmond National Defense Authorization Act for fiscal year 1999.

I think it is important for us to understand the deplorable condition of our defense system. We have for 14 consecutive years, counting this year, actually had a decline in defense spending. It has dropped and it has dropped and it has dropped. I have to hasten to say this also transcends politics. It has been in Republican administrations and Democrat administrations. Of course, during the administration of President Clinton it has been worse than it has been before. We are now at the lowest level in procurement since 1960. This was attested to yesterday by General Reimer, Dennis Reimer, the commander of the Army.

Our military now is smaller than it was in the 1930s and is on more missions than we went on during the Vietnam war. Our Army deployments have tripled, the Air Force deployments have quintupled, if there is such a word, and the Navy ships in the Persian Gulf have reached one of the lowest states of readiness in 5 years. We have Navy aircraft crashes. They are called class A mishaps. They have doubled this year, the highest in 5 years, and CNO Adm. Jay Johnson has attributed this to a lack of spare parts.

As I go around to the various military installations, I see that we don't have spare parts, that we are cannibalizing perfectly good aircraft to get spare parts to keep other ones running.

The Navy was 7,000 short in their recruits this year—7,000. That means we don't have enough sailors to go out and man the ships necessary to meet the minimum expectations of the American people. The pilots are leaving the Air Force in droves. Right now, our pilot retention has dropped below 20 percent. Madam President, it costs $6 million to put a pilot in the seat of an F–16, and yet we are down now to a 20-percent retention.

What does this mean? It means that it costs almost 100 times as much to go out and retrain someone as to retain someone who is already there. What is the reason for this?

I spent most of the August recess, Madam President, going around to the various military installations in my plane. In fact, I was taking journalists with me so they would start writing about this deplorable situation that we find our military in right now. I know one of the individuals who went with me in my plane is Roland Evans, of Evans and Novak, and we made a lot of visits to various installations on very, very short notice. In one of the installations, we had over 20 pilots in one room. I said, "Why is it you are down to 20 percent? How many of you in here, after this tour of duty, are going to come back in and continue your careers flying for the Air Force or the Navy?" About 20 percent are going to do it. It is actually a little below that now in the Navy.

I said, "What's the reason for it?" They started out with the fact that we have starved the budgets for the military to the extent that they don't have adequate spare parts, and those kids who are out there, the mechanics who are putting these engines back into condition, flying condition, are using spare parts that were cannibalized out of another engine, maybe a new engine, and the end result of that is they are not sure of the work quality of these individuals since they have been up and they are working sometimes—we ran into some situations where they are working 16, 18 hours a day. I ask you, Madam President, would you feel very secure about flying an aircraft that has been maintained by someone who has been on his 18th hour that day? It is a very difficult thing. These young people are willing to do it.

Then after they talked about that, they talked about—Wait a minute, it is not just that; we were hired and recruited to have a career in flying and defending America. We want combat skills. As a result of the deployments to places like Bosnia where we don't have any national security interests, these people are not able to continue their training. Out at Nellis Air Force Base in the Mojave Desert where they are supposed to have the red flag exercises—these are beautiful exercises that allow fighter pilots to go in and train under actual combat conditions, or nearly actual combat conditions, and they are not able to do it. They have cut down the number of training flights, because when they come back from the long deployments to places like Bosnia and other places where we don't have any national security interests, instead of being with their families, they try to get training in, and there isn't time when they are back home. Consequently, we are having them leave by droves.

Now, I used the example, of course, of pilots because there seems to be more interest in them. It is easier for people to understand that if you have a $6 million investment in a man or woman to fly a vehicle and they go off and start working for the airlines and yet they really wanted to stay and defend America, you have to examine why is this. It is money, it is the contingency operations and it is a lack of mission. I have heard that so much from these people, saying, well, we no longer know what the mission is of this country. We are in places where we are not able to use our combat skills. The marine pilots, they are flying helicopters that were used by their fathers in Vietnam.

We hear about the MTWs. Sometimes we stand on the Senate floor and we start talking in the language that a lot of people don't understand because they don't know what an MTW is. That is a major theater war. There is an expectation out around the United States that America's military is able to defend America on two regional fronts, and this is not our situation today, as came out in the hearing that we had yesterday. I think the people in Oklahoma are aware of this because I commute, I go back every weekend, and I have town meetings. They are fully aware of the condition of our military. I was recently in Chelsea, OK, the home of Will Rogers, and over at the Port of Catoosa, places where they would otherwise have to depend on what they are reading of something that is coming out of the Washington media market so they wouldn't really be in a position to understand how deplorable this situation is.

As far as the two major theater wars, we are not able to do that today. If you ask the Chairman of the Joint Chiefs of Staff and you ask the various chiefs, they will say: Yes, we can do two nearly simultaneous major theater wars. But then you ask them, what is the risk factor? The "risk factor" is a term that is used in saying: Yes, you are prepared to do this, but if you do this, No. 1, how long will it take? No. 2, how many soldiers will be wounded or killed?

In asking them yesterday what the risk factor is of two major theater wars, they said it is medium for the first one and high for the second. We need to have the risk factor low, because we are now quantifying as to how many American lives will be affected should we find ourselves in a situation where we have two major theater wars. It comes to something like 16,000 additional Americans will be wounded because of this high-risk factor.

One might wonder why there is a high risk factor. Right now we know, if you have been reading the newspapers, Madam President, that we have very serious problems in places like Iraq. I don't think there is anyone with a background in the military who will tell you if a crisis exists, as it does now, if we have to go into Iraq, that it can all be done from the air. It cannot all be done by air. You have to follow up with ground forces.

If you go over to the 21st TACOM in Germany—that is where they handle all the logistics in that theater, which includes Bosnia, Iraq, and the entire Middle East. What would we do if we had to support a ground effort in Iraq when we are now at over 100 percent just taking care of the needs of Bosnia?

I know that is a shock to a lot of people when they realize that going into Bosnia, taking all the stuff down there to support the troops that we have there and that our NATO allies have there, and fulfilling the commitment we made to them—which we never should have made—is using up 100 percent of the capacity of the 21st TACOM.

That means, in the event we had to go into the Middle East, like Iraq or Iran or Libya or any other place, we would have to be dependent 100 percent on the Guard and Reserve.

What has happened to the Guard and Reserve? Because of underfunding and deployments to all these different places like Bosnia, in Oklahoma we are deploying our Guard and Reserve for up to 270 days. How many people are in an occupation where they can be let go for 270 days?

We have our occupation specialties, our MOSs, that we don't have. We don't have doctors going over there now. If we were forced to support a ground operation in Iraq, we could not do it with our Guard and Reserve. That is how desperate the situation is.

We covered something else yesterday—I wish the hearing that took place yesterday had happened maybe a month before; then we would have been able to do a better job with the defense authorization bill which we are, hopefully, about to pass in a short period of time—and that is, we brought to the surface the realization that, in addition to the problems I have outlined, we have a backlog of real property maintenance—these are things that have to be done to maintain our property to house our soldiers around the world—of $38 billion. This is $38 billion that will have to be spent sometime, and we have no preparation for that at all.

We have a shortfall of $1 billion in BASOPS. Those are things that have to be paid for today. We are talking about garbage collection, water bills, and this type of thing. We do not have that kind of money. General Tilleli, who is in charge of some 37,000 troops in South Korea right now, said just the other day:

> They will not be able to fully support sustained operations due to overdue infrastructure repairs.

This is a direct quote:

> Strategic airlift will be affected, regardless of one or two MTWs, unless the en route infrastructure in Alaska, Hawaii and Guam receive adequate funding.

Which they are not right now.

> Presently these three locations require infrastructure repairs on their fuel handling, fuel shortage and material handling equipment.

On a recent trip to Fort Bragg, one of the most necessary of all installations, they have barracks that are leaking. The roofs are leaking like sieves. We were there right after a very hard rain. Not only was it leaking to where our troops were in the water at the time, but also it was going down into the basement where they have the armory, where the weapons are being stored. They are corroding and rusting, and our troops are spending their time in a high OPTEMPO or PERSTEMPO rate during the hours they have to work in order to keep them for use for training purposes.

At Camp Lejeune—it might surprise you, Madam President, even Marines have to have a decent quality of life or at least have to know something good is going to happen—they have the CH-46. That is a type of helicopter they have been using. These helicopters are all older than the pilots flying them. We have a V-22 program that is supposed to replace all the CH-46s, and it is not in place. We are not there yet. We want to get there, but we are not there. That comes into this whole equation of having to fund the overall defense system. They say you are as strong as the weakest link in a chain. All of our links are equally weak and about to break.

Madam President, we found at Camp Lejeune in one particular helicopter squadron that only 4 of the 11 helicopters were operational. The rest were either down for maintenance or had been robbed of their parts to keep the last four working. This is something that cannot be continued.

I am very proud of General Bramlett. He is currently the FORSCOM commander. He is just about to retire. In his memo that came a couple of weeks ago—I am going to quote some things because I want them in the RECORD—he said:

> We can no longer train and sustain the force, stop infrastructure degradation, and

> provide our soldiers with the quality of life programs critical to long term readiness of the force.
>
> Commanders at Fort Lewis, Stewart and Bragg report units will drop below ALO—

That is, authorized level of organization—

> in the fourth quarter of fiscal year 1999. This threatens our ability to mobilize, deploy, fight and win.

Further quoting General Bramlett:

> Funding has fallen below the survival level in fiscal year 1999 . . . . Current funding levels place FORSCOM's ability to accomplish its mission in an unacceptable risk.
>
> Unfunded requirements can only be realized with an increase in the overall funding level for the Department.

I chair the Readiness Subcommittee of the Senate Armed Services Committee. Last week, we had both General Bramlett and General Schwartz, who will be taking his place as commander of FORSCOM. They believe the memo he wrote is true today.

I know I have described a very ominous situation, Madam President. But the good news is that at yesterday's Armed Services Committee hearing, we had Chairman of the Joint Chiefs of Staff Shelton, along with the chief of the Army, General Reimer, General Krulak of the Marines, General Shelton, Admiral Johnson of the Navy, and General Ryan of the Air Force. I want to say publicly how proud I am of the courage that they exhibited yesterday. I do not remember a time when—and I have been here for 12 years and I have read about this situation for longer than that—I don't remember a time when the chiefs of the services had the courage to stand up and say to the President that our budget that you have been giving us for the last few years is inadequate to defend America. It displayed an incredible amount of courage. I am very, very proud of them.

They identified an immediate need for $17 billion above the President's budget. They displayed a level of honesty that we should all appreciate and we seldom get.

I was very proud also—I happen to be a conservative Republican and have always been prodefense—but we had several Democrats on the committee yesterday. I was surprised and so gratified to hear them come out and join in. Senator JOHN GLENN questioned the fact we may have gone too far in our drawdown in forces. I was very proud of Senator LIEBERMAN and his statement when he said, "We are asking more of our military post-cold war than during the cold war," and his comments regarding national ballistic missile defense, which I want to touch on very briefly in a minute.

Senator CLELAND, MAX CLELAND from Georgia, spoke out and he actually made this statement in the committee, that we are going to have to go back and listen to what Dr. Schlessinger said recently when he said that the problem is so severe that we are going to have to, in a massive way, rebuild our defense system and do it in a similar way that we did in the early 1980s. He said that it does not seem that with 3 percent of gross domestic product we would be able to sustain an adequate force; it is going to have to be 4 percent.

So what Senator CLELAND was saying is, we need an additional $70 billion just to build our forces up to meet the minimum expectations of the American people. What is interesting about what Senator CLELAND said was that in addition to the fact that that equates to $70 billion, if you take what each of the chiefs says is necessary over and above what we have allocated for fiscal year 1999, it comes to about $70 billion.

Just for a minute, let's go back to Senator LIEBERMAN who made the comment about the national missile defense system. I have found that when I go around the country and ask people what their feeling is and what we would be able to do if, for example, a missile were fired from someplace in China or someplace from the other side of the world to Washington, DC, knowing that it would take 35 minutes to get over here, and it is carrying a weapon of mass destruction, either biological, chemical or nuclear, what we in the United States could do—because most people think we could shoot it down—fifty-four percent of the people in America think that if a missile were coming over, we would be able to shoot it down.

In fact we cannot shoot it down. We are naked. We have no defense, Madam President, against a missile coming in from another continent. And the reason is that it is outside the atmosphere. We do not have anything that will knock it down. By the time it reenters the atmosphere, it is going at a velocity that we do not have anything to knock it down with.

We have been derelict in not pursuing the course we started on in 1983 to have a system deployed to defend ourselves against an ICBM coming into the United States by fiscal year 1998. That is what we are just winding up right now. Yet we have noted that we were on that course since 1983, until Bill Clinton was elected President of the United States in 1992, and then started vetoing the defense authorization bills and the defense appropriations bills, until we took out funding that would have been there to finish the job to have deployed a national missile defense system by 1998. That is now. Someone was pretty smart back in 1983 to realize this is the time that we would have to have a system in place.

However, we now know that it is going to take another 3 years or so to do it. Several of us who have been promoting a national missile defense system have concluded that one of the reasons we have not been able to impress upon the people of America how dangerous of a situation we are in right now is that they have been confused by all the different types of national missile defense systems.

So we have all kind of gotten down to one, the one that would give us the best system, the cheapest in the shortest period of time just to take care of a limited attack by a warhead that would be coming over on a missile.

That would be the Aegis system, Madam President. We have $50 billion invested in 22 ships right now. They have the potential missile defense capability to knock down long range missiles outside the atmosphere. To do this, to upgrade the system to be fully capable in the upper tier would cost approximately $4 billion more and take about 3 more years. We want to get on that road so we can get a system here as soon as possible, but we do not have it yet. We do not have it in this defense authorization bill. And yet we have gone as far as we can go with the bill now.

I only regret that we did not have these committee hearings a month ago so that we could have done a better job preparing for the defense of America than we have done in the 1999 Strom Thurmond national defense authorization.

So with that, I just want to say that I do fully support the bill. I hope it comes up some time either Thursday or Friday and we can vote for it, support it, pass it, and then start rebuilding our defenses so that we can at least meet the minimum expectations of the American people and be honest with them and defend my seven grandchildren, my four children, and the rest of America.

Thank you. I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Minnesota.

Mr. GRAMS. Thank you very much.

I want to compliment the Senator from Oklahoma. I think yesterday's hearing was very, very important, and what the chiefs had to say regarding the defense of this country, and the money that is being spent or not being spent and how important it is. I really appreciate the Senator bringing this to the floor and helping all of us understand the problems that we are facing.

I rise today briefly to express my continued disappointment at the political maneuvering which has resulted in an extension——

The PRESIDING OFFICER. Cloture has been invoked on the motion to proceed to the Internet bill. Does the Senator desire unanimous consent to speak out of order?

Mr. GRAMS. Yes. Sorry. I ask unanimous consent that I be allowed to speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

NORTHEAST DAIRY COMPACT EXTENSION

Mr. GRAMS. Mr. President, I rise today to express my continued disappointment at the political maneuvering which has resulted in an extension of the Northeast Dairy Compact—an example of legislation driven by regional politics.

I wish to register strong protest to the extension and ask that my colleagues join me and those in the Upper Midwest who must once again speak out against patently unfair, anti-American, anticompetitive policy.

This is an archaic Federal dairy policy that penalizes farmers in the Upper Midwest, while giving benefits to farmers in other parts of the country in the dairy industry.

The expected Agriculture appropriations conference report will include House language which underhandedly extends the Northeast Interstate Dairy Compact.

Under the 1996 Food and Agriculture Improvement and Reform Act, commonly known as the FAIR Act, federal milk marketing order reform would go into effect in April, 1999. However, the conference committee has now adopted the House Agriculture Appropriations Committee bill language which delays the implementation date for Federal milk marketing order reform until October, 1999—6 months later. Not only does this delay long overdue marketing reforms, it also extends the Northeast Dairy Compact, which is not set to expire until the Federal milk marketing orders go into effect.

Mr. President, USDA did not request a delay of the milk marketing order reforms. The real purpose of the House language is simply to extend the Northeast Dairy Compact.

That this extension is even being considered leads me to believe there are some who remain unaware of the notorious history of the Northeast Dairy Compact's creation and its negative impact on consumers and all dairy farmers—with the notable exception of the largest dairy industries within the compact region.

The 1996 FAIR Act included substantive reforms for dairy policy. It set the stage for greater market-orientation in dairy policy, including reform of the archaic Federal milk marketing orders. Yet, despite a strong vote by the Senate to strip the Northeast Interstate Dairy Compact from its version of the FAIR Act, and the deliberate exclusion of any Compact language from the House version of the bill, a Northeast Interstate Dairy Compact provision was slipped into the conference report.

This language, however, does call for the compact to be terminated upon completion of the Federal milk marketing order reform process, again, set in April of 1999.

It is imperative that the Northeast Interstate Dairy Compact sunset as was intended, and that no new compacts are created. Dairy farmers have not seen positive benefits as a result of the compact and consumers have been hurt by higher prices.

It is estimated that consumers in the compact region of the Northeast have an increased annual cost of almost $50 million due to the compact. Not surprisingly, milk consumption in the compact area has dropped as a result. The only real winners have been the largest industrial dairies of the Upper Northeast.

It is really no surprise. Just consider it: if the compact pays a premium per hundredweight of milk, and large industrial dairies are able to produce, let's say 15 to 20 times more than the "typical" traditional dairy farm that the compact was supposedly going to protect, who do you suppose wins? It certainly isn't the traditional dairy farm. They are still put at a competitive disadvantage, thanks to regional politics, and so are dairies outside the compact region.

The artificial price increase stimulates overproduction and it floods the rest of the market in other parts of the country, and in other markets as well, including milk for cheese. Basically, all the principles of market forces, including pricing based on supply and demand and producers effectively determining profit and loss through efficiency, have now been replaced by artificial pricing.

If any other industry tried to fix prices in this manner, I believe they would be hauled into court. Let me show this chart. The questions contained on the chart, which of these is actual Federal policy? Looking at the four questions:

All computers should be price-adjusted according to their distance from Seattle.

All oranges should be price-adjusted according to their distance from Florida.

All country music should be price-adjusted according to its distance from Nashville.

All milk should be price-adjusted according to its distance from Eau Claire.

All of these are foolish. But this is Federal policy. The last one, "All milk should be price-adjusted according to its distance from Eau Claire," WI, might have made sense back in the 1930s when it was instituted, because of transportation and refrigeration, in order to encourage dairy production in other parts of the country. The Midwest, really, is the heart of the dairy industry in this country. So they set up these laws, but these laws are now archaic, outdated. They no longer need to be on the books. All they do is penalize the farmers in the Midwest who get the lowest prices for their milk and reward farmers further away from Madison or Eau Claire, WI, who receive more money for dairy products, despite the new and improved transportation and refrigeration in this country. This may have served a purpose in the 1930s, but it is outdated when we come into this century.

What it does is have the government picking winners and losers when it comes to dairy. They have their foot on the neck of dairy farmers in the Midwest while granting dairy farmers in other parts of the country more money.

All we are asking for is fairness in this policy. Should computers be priced according to their distance from Seattle? No. Should oranges be priced according to their distance from Florida? They are not. Is all country music priced according to its distance from Nashville? No, that is ridiculous. And the same should be true for dairy—Should all milk be priced according to its distance from Eau Claire? No.

USDA's own data show that milk production has increased substantially in the Compact region of the Northeast. In fact, the increase in production has been so great that the Compact Commission has started to withhold money from farmers, in anticipation of being required to reimburse the Commodity Credit Corporation for increased purchases of surplus dairy products.

But the creation of the Northeast Interstate Dairy Compact, we have done a disservice to traditional dairy farmers in the Compact region, consumers within the Compact region, and all dairy producers nation-wide who have been forced to pay the price of this anti-competitive measure.

The higher milk prices in the Compact region are cause for alarm, but these consequences were easily foreseeable. What is outrageous is the idea of another extension of this anti-competitive effort.

As far as I'm concerned, this is it—the last straw. There will be no more extensions. The Northeast Dairy Compact has had its day. It has failed. It is being kept alive for another six months by a life-support system of favors and big business.

I believe it's time to put fairness first and put the Senate on notice. The Upper Midwest has waited long enough for substantive reform—basic fairness. I will continue to make this point during the next Congress, no matter how long it takes to get the message across.

Special protection benefits and anti-competitive measures make competitors worried, and rightly so. The Northeast Interstate Dairy Compact has spurred a movement in the Southeast to create a similar Compact.

In fact, earlier this year the groundwork was laid for a national patchwork of regional compacts. Roughly half the country had either passed enabling compact legislation, was debating such legislation, or was a part of the Northeast Interstate Dairy Compact.

Can you imagine in the time when we are trying to knock down trade barriers with other countries around the world to have greater access to markets, to help export our products, especially in agriculture, that we, here in our own country, would put up trade barriers between portions of the country?

Clearly, the writing is on the wall. As far as dairy policy is concerned, we're at a pivotal juncture. We must either decide to support a national system or regionalize. A national patchwork of compacts would render the Federal Milk Marketing Order reforms meaningless. It would essentially kill any hope for real federal reform. Interstate commerce in the milk industry would be a confusing maze.

To extend the Compact ignores the mandate of the 1996 FAIR Act itself. Further, attempts to accomplish this regional protectionism through an annual appropriations bill is also particularly offensive.

Certainly, it is difficult to have the courage to bypass a quick-fix in favor of a long-range view. But that's where real leadership comes into play. Let's be advocates for the traditional dairy farmers, not just the mega-dairies, and maintain the integrity of the legislative process by standing up to policy making behind closed doors.

An extension of the Northeast Dairy Compact does not belong in important Agriculture Appropriations legislation.

What is required next is a complete overhaul of this antiquated and just plain unfair dairy policy.

Again, established back in the 1930s, it has long outlived its usefulness. It is counterproductive, anti-American and unfair. Let's give all dairy farmers in all areas of the country the ability to compete on a level playing field.

I close with a quote from the Chicago Tribune. The quote says:

> More compacts [like the Northeast Interstate Dairy Compact] will only mean higher milk prices for even more consumers and more lost market opportunities for the Midwest. . . . How could Washington approve this throw back to Depression-era economics when other farm subsidies . . . are being phased out? Back-room deals and pork barrel politics, that's how [it is done.]

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TAX CUTS AND THE GOOD GOVERNMENT AMENDMENT MUST PASS

Mr. GRAMS. Mr. President, just briefly, today, as you know, marks the end of the fiscal year for Washington, the fiscal year of 1998; tomorrow will be the first day of fiscal year 1999. This turn of the calendar, like any new year, is an appropriate time to review the accomplishments of the previous year and also to set goals for the next year.

What a year it has been. Last year, we passed significant tax relief—including a $500 per-child tax credit that will soon take effect. In addition, for the first time since 1969, we passed and abided by a balanced budget. It has not been easy. It has not gone without temptations. There have been spirited attempts to spend taxpayer dollars and drag us into an even larger deficit, blowing one spending cap at a time. This remains a difficult task even today—Congress is pushing to complete legislative work on all 13 appropriations bills by this time. But to date, the President has signed only one into law, and only two others are on their way to him. The reason for the delay is that by habit, Washington loosely interchanges the act of deciding how much to spend with that of "spending much."

To my dismay, many colleagues and the President's Administration have used this end of the fiscal year and the near end of the Congressional session to push for their election-year political agendas. The result? Again is political blackmail: if you do not give me this, I will shut the government down and blame you for being heartless and ineffective. This delay has also put off important consideration of overdue tax relief for hard-working American families. In fact, the entire tax bill recently passed by the other legislative body is now in jeopardy because Washington cannot decide on how best to spend taxpayers' money for political agendas.

Now, let me be clear on my position. A tax cut is not spending. Only in Washington's bookkeeping do we consider a cut in revenue to be spending.

Mr. President, are we going to allow another Government shutdown—a situation where everybody loses? I certainly hope we don't. In the past few months, I have asked both the Senate majority leader and the Senate minority leader several times to honor the commitment they made during the consideration of last year's disaster relief legislation to support a bill I introduced called the "Good Government Amendment," which would create an automatic continuing resolution to avoid a Government shutdown. But so far, it has been to no avail.

We do have a system that allows the Government to operate through October 9. But what happens if that agreement, that continuing resolution allowing the spending to go on, is not extended and the threat of a shutdown could cost the taxpayers billions more in new spending in order to close this year?

With the end of the fiscal year upon us and just a few days left in this session, don't you think we need a contingency plan, some mechanism to avoid the end-of-session battles that often result in more Government spending?

There are essential functions and services of the Federal Government we must continue, regardless of our differences in budget priorities. Our constituents deserve assurances that the Federal services they expect will not be bogged down by politics. They should also expect that Washington is trying to find ways to spend their money wisely and not wastefully. The rest should be returned in the form of tax relief.

Mr. President, despite a shrinking Federal deficit, total taxation is at an all-time high. The tax relief Congress enacted last year doesn't go nearly far enough; it returns to the taxpayers only one cent for every dollar they send to Washington. By the way, taxes on the average American family are at the highest level in history—even higher than during World War II. The average family will pay about 40 percent of everything they make in taxes to Federal, State and local governments.

I urge my colleagues to review CBO's August Economic and Budget Outlook, which shows precisely where revenues will come from in the next ten years. The data indicates that the greatest share of the projected budget surplus comes directly from income taxes paid by the taxpayers, not through the FICA taxes, or Social Security.

In 1998, individual income, corporate, and estate taxes consist of 80 percent of total tax revenue growth, while the share of FICA tax is about 20 percent of that growth. General tax revenues are expected to grow by $723 billion, or 60 percent, over the next 10 years.

What I am saying is that the taxpayers generated the surplus, outside of the money earmarked for Social Security, and we ought to return at least a portion of it to them. If we don't return at least some of the surplus to the taxpayers—and soon—Washington will spend it all, leaving nothing for tax relief or the vitally important task of preserving Social Security. Such spending will only enlarge the Government, and if we enlarge the Govenment today, it will make it even more expensive to support in the future.

The tax relief proposal now making its way through Congress will help farmers and small business owners to pass their legacies to their children. It would reduce self-employed medical costs, and it would correct the injustice of the marriage penalty tax.

My problem with this proposal, however, is that it just doesn't go far enough. I think most Americans, if given the facts, would agree, looking at their own pocketbooks and their own tax statements, that tax cuts are needed.

Mr. President, some in the Senate juxtapose tax relief with Social Security reform. They suggest to the American people that they are mutually exclusive choices. They say you can't have one with the other. If you have tax cuts, we are not going to save for Social Security and protect it; or if we protect Social Security, we can't have tax relief. That is not true. That is not the case. To be sure, Washington has been guilty of mishandling the Social Security system.

Since 1983, Washington has raided more than $700 billion from the trust funds for non-Social Security programs, and Congress voted for the spending. In the next 5 years, the Federal Government will raid another $600 billion from the Social Security trust funds, as well.

Now I hear some who come to the floor and say they won't vote to use Social Security trust funds to give tax relief. I ask, why their change of heart today? They voted for most, if not all, of the spending bills in the last 15 years which have used Social Security to make up the difference of revenues versus outlays. In other words, they are willing to take Social Security surpluses and put it into higher Federal spending, but they are not willing to take excess income revenues and put it into tax relief for average Americans.

I just note that no one raised the issue of saving Social Security when those spending initiatives were on the table. No one juxtaposed spending with Social Security. That was because Washington was spending other people's money. But once the tables are turned and the Senate is asked to pass tax relief for America's hard-working taxpayers—meaning that Washington gets a little less—suddenly, we face gridlock and are in a quandary.

Again, Washington says it just can't afford to let Americans have some of their money back; Washington needs it to satisfy its spending appetite. I always ask Americans, "Did Washington ever call you and ask how are you going to get by with less money if we raise your taxes? How are you going to continue to provide for your families?" And they say, "No, they never call and ask that." They just pass it and take it. So American families have to then learn how to do more with less, or get by without.

Mr. President, despite the rhetoric of saving Social Security, few have come up with a concrete plan to actually save it. The problem is that, by law, the Social Security surplus has to be put into Treasury securities. That means Washington can legally use the money to fund its non-Social Security pet programs. They take the money out of the trust fund, put it into the General Treasury, and then spend it. Ask anybody how are they going to take any money out of the Social Security trust funds? How are they going to redeem any of those notes or Treasury bills in the trust fund? They are going to have to go to the American people and ask for more money in taxes in order to retire the debts.

In other words, the money Americans have already saved for their retirement future has been spent by the Government, and the Government is now going to come back to you and say you have to pay again in order to satisfy the needs. So these assets are essentially nothing more than Treasury IOUs, redeemable only by cutting spending, raising taxes, or borrowing from the public. Unless we change the law, Washington will continue to use Social Security until it goes broke.

Mr. President, I am going to introduce legislation next week that will help shift retirement decisions back to those who know retirees' needs the best, and that is the retirees themselves.

On the last day of the fiscal year, we can be proud of the Balanced Budget Act that Congress enacted and upheld over the course of the past year. But we must also be prepared for the upcoming year, as well. A Government shutdown is looming again—a testament to politics in an election year more than sound debate over budget policy. I truly hope that this political chicanery does not make tax relief, and ultimately the hard-working American taxpayers, the losers in this inside-the-beltway game of politics.

I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I thank my colleague, Senator GRAMS, for dealing with an issue that this Senate has to deal with, and in a very short time. Somehow there is this belief here in Washington that you can save Social Security, but you can't give tax relief. Well, I, like Senator GRAMS, believe we must and can do both, not only to keep the economy moving and growing, but also to recognize the importance that we have a surplus, thanks to our diligence over the last decade, and now we can use it to strengthen and reform Social Security, and we probably have the opportunity of a generation to do that. I hope that the Congress can and will do both.

Mr. GRAMS. I thank the Senator.

Mr. CRAIG. Mr. President, I ask unanimous consent to speak as in morning business for no more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. CRAIG pertaining to the introduction of S. 2533 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. CRAIG. With those considerations and the bill introduced, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 3616

Mr. THURMOND. Mr. President, on behalf of the leader, I ask unanimous consent that the Senate now proceed to the consideration of the conference report to accompany H.R. 3616, the Department of Defense authorization bill. I further ask unanimous consent that following any debate today in relation to the conference report, the conference report be temporarily set aside.

I further ask that at 9 a.m. on Thursday, the Senate resume consideration of the conference report and there be an additional 3 hours for debate divided as follows: 1 hour equally divided between the majority and minority managers, 1½ hours under the control of Senator FORD, 30 minutes under the control of Senator THOMPSON.

I further ask unanimous consent that at 12 noon on Thursday the Senate proceed to a vote on adoption of the conference report with no intervening action or debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of September 22, 1998.)

Mr. THURMOND. Mr. President, as the Senate takes up the conference report on the national defense authorization bill, it brings to an end a process that began in February with the introduction of the President's defense budget by Secretary Cohen. During the intervening months, the committee conducted more than 50 hearings which identified the declining readiness status of our military. In response, the committee formulated a bill that addressed these issues and garnered the support of both the civilian and military leadership of the Department of Defense.

The committee completed the markup of the defense bill in mid-May. However, due to the intervening debate on the tobacco bill, the Senate took more than four weeks to complete action on the bill. Although the floor debate was protracted, I want to thank my colleagues for their overwhelming 88 to 4 vote in favor of the bill, and for their contributions during the floor debate.

The Senate's strong support of the bill was a key factor during the difficult conference with the House. When we began the conference to resolve the differences between the House and Senate bills, we faced a veto threat on four provisions. I am pleased to report that we were able to mitigate each of these objections. At this point, I am not aware of any remaining veto issues, and expect that the President will sign this bill.

Mr. President, tomorrow prior to the vote on final passage, Senator LEVIN and I will provide specific details on the conference report. Suffice it to say that this is a very good bill and contains vital provisions necessary for the security of our nation. However, like all compromise bills it does not please everyone and, unfortunately, one Senator has objected to provisions in the bill and delayed action on the report despite the fact that all members of the Senate Armed Services Committee and the House National Security Committee signed the conference report and despite the fact that the House passed the bill by a vote of 373 to 50. I am disappointed that it took until today to get the report to the floor, but am certain that the Senate will show its strong support for the bill when we vote tomorrow.

Mr. President, I want to emphasize again that this is a sound bill. It provides the best possible outcome for our national security while complying with the guidelines established in the balanced budget agreement. I recommend the conference report on the national defense authorization bill for fiscal year 1999 to the Senate and urge its adoption.

Mr. WARNER. Mr. President, I believe my friend and colleague—and I wish to thank him very much for his cooperation in assisting Senator THURMOND, myself, and others to bring up this bill—has a matter of great importance to the Senator which he wishes to address, and at this time I yield the floor.

Mr. KYL. I thank Senator WARNER. I thank Senator THURMOND, the chairman of the committee, as well.

As the Senator knows, I have raised an issue with the tritium provisions included in the fiscal year 1999 National Defense Authorization Act conference report. And I would be happy to engage in this colloquy with respect to that issue.

As the Senator knows, the conference report provision regarding tritium states, among other things, that "the Secretary of Energy may not obligate or expend any funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1999 to implement a final decision on the technology to be utilized for tritium production, made pursuant to section 3135 of the National Defense Authorization Act for fiscal year 1998."

I am concerned that the administration will use this provision to continue to delay progress on this important program and build in a one-year delay in meeting DOD requirements.

Can the Senator please explain the intent of this provision?

Mr. WARNER. Mr. President, again, I worked very closely with Chairman THURMOND throughout the conference, and I can reply to my colleague's question. I would be pleased to explain the impact of this provision.

The intent of the proposed compromise is to keep the Department of Energy tritium program moving forward. The proposed conference agreement would require the Secretary of Energy to select his preferred tritium technology not later than December of this year, consistent with the requirements of the National Defense Authorization Act for fiscal year 1998. Although the Secretary would be prohibited from spending any money in fiscal year 1999 to implement the selected technology, he would not be prohibited from completing research, development, demonstration, or design activities, and, indeed, we strongly encourage him to do so.

I would like to call on the Senator from New Hampshire, Strategic Forces Subcommittee chairman BOB SMITH, for a few comments on this.

Mr. SMITH. I thank the Senator. I share the concern of the Senator from Arizona about tritium. We must have a new source of tritium to maintain the U.S. nuclear deterrent. As chairman of the subcommittee that is responsible for this issue, I can assure all of my colleagues that I am fully committed to ensuring that the Department of Energy meets DOD's requirement for new tritium production.

I have made timely restoration of tritium production one of my highest priorities as chairman of the Strategic Forces Subcommittee. For the past 3 years, the committee has taken action to accelerate DOE's tritium selection process. We have accelerated the Secretary's decision date twice and increased the DOE tritium budget three times. This year, we added $60 million to the tritium program in the committee's markup. The conference outcome reflects a $20 million increase to the tritium program because that was the highest amount included in the energy and water appropriations bill.

The committee has taken these actions to ensure that the tritium program continues to move forward and we will continue to do so in the future.

Mr. WARNER. Mr. President, the committee has a long history of keeping the Department of Energy focused on restoring tritium production to meet defense needs.

Unfortunately, we found that the Department of Energy had not requested adequate budget authority nor developed sufficient plans to effectively implement a tritium production source decision, which the Secretary is required to make in December of 1998. The conference report requires the Secretary of Energy to submit with the President's fiscal year 2000 budget request a comprehensive plan on how he would implement his preferred technology. The plan would include a proposed implementation schedule, annual funding requirements for the life of the project, any legislation needed to implement the technology selected, and an assessment of the viability of purchasing tritium, if necessary for national security purposes, on an interim basis.

By requiring the plan to be submitted with the President's budget, Congress can act if we find the selected technology cannot reliably meet defense requirements, the implementation schedule is too lax, or funding is inadequate.

Mr. KYL. I thank the Senator.

Is it the Senator's understanding that, should the Department of Energy submit a deficient plan or fiscal year 2000 budget request, the committee will take action to rectify the problem?

Mr. WARNER. I say to my colleague, in brief, the answer is yes. Consistent with the committee's previous actions, we would address any schedule our funding shortfalls identified in the Secretary's plan and budget request. We fully expect that Secretary Richardson will submit the required plan on time and that the plan will include a credible budget request for this important program.

Mr. KYL. Is it further the Senator's understanding that the Department of Energy may reprogram funds to implement its December 1998 tritium production decision?

Mr. WARNER. In response, Mr. President, the Department is not restricted by this legislation from requesting permission to reprogram funds to implement its December 1998 tritium production decision. We expect the Secretary to take all actions necessary to restore a permanent and reliable tritium production source in time to meet established DOD requirements, and that includes reprogramming funds if necessary.

The comprehensive tritium implementation plan required by this bill requires the Secretary to submit a lifecycle plan to fully fund and implement whichever technology is selected. We intend to review that plan very closely to ensure that it can be implemented and that it will result in the delivery of tritium by the date required by the Department of Defense.

Mr. KYL. I thank the Senator.

I hope the Department does submit a reprogramming request to implement the December decision.

Is it the committee's intent to indicate in any way to the Department or other parts of the Federal Government that the committee expects DOE to defer selection of a preferred tritium source in December of this year?

Mr. WARNER. I say to my colleague, as I stated previously, the legislative provision included in this conference report requires the Secretary to select his preferred option not later than December 31 of this year.

Mr. KYL. The Senator from Virginia and Chairman THURMOND have been strong and consistent proponents of the tritium production program. What is the Senator's view about how we should proceed at this point?

Mr. WARNER. First, I would say we should ensure that the Department of Energy's fiscal year 2000 budget request be adequate to ensure delivery of tritium on a schedule that meets the Department of Defense requirements defined in the Nuclear Weapons Stockpile Memorandum.

Second, it is the responsibility of the Armed Services Committee, working with other committees of the Senate, to ensure that the program plan and budget laid out by the Secretary of Energy in January of 1999 are credible and will allow the Department to meet the requirements of the Department of Defense. This means, among other things, that the Department of Energy is going to have to submit more credible budget requests than it has in the past.

Third, we are prepared to consider reprogramming requests or other actions DOE believes necessary to meet tritium production requirements on the schedule identified by DOD.

Mr. SMITH. I agree. As Chairman of the Strategic Forces Subcommittee, I wish to emphasize to the Department of Energy and the administration that the President's fiscal year 2000 budget request includes sufficient funds for a tritium production source.

Mr. WARNER. I agree. As a senior member of the Armed Services Committee, I fully expect Secretary Richardson to submit a budget in fiscal year 2000 and the outyears that includes adequate funding for our tritium source.

Mr. SESSIONS. Mr. President, I too am concerned about the tritium production decision and its future funding. My position over the last several months focused on the debate to retain the decisionmaking authority of DOE so that the Department might be free to make the most technically feasible, cost-effective decision to meet our national defense needs. I share the concerns of my colleagues about the delay of implementation and the need for adequate funding, and I am hopeful that DOE will include full funding for a tritium production source, not only in fiscal year 2000, but in the outyears as well.

Mr. WARNER. If I can say further, the Senator's colleague, the senior Senator from Alabama, likewise worked with the Armed Services Committee in the course of this very important resolution of this issue. That is Senator SHELBY.

Mr. KYL. Mr. President, I appreciate the commitment that Senator WARNER and other members of the Armed Services Committee and Senator SESSIONS have expressed regarding this program. I look forward to working with my colleagues to ensure that a new tritium source is implemented on schedule meeting DOD requirements.

Again, I thank Senator WARNER for his cooperation in helping to bring this matter to the floor at this time.

Mr. WARNER. Mr. President, I thank our colleague.

This is a subject that would not ordinarily attract the attention of a great many because it is a very complex and technical one. But this fine Senator, Senator KYL, has devoted much of his career to working with strategic programs. For that, I express my gratitude and, indeed, on behalf of most, if not all, of our colleagues for his very industrious and thorough work for many, many years as relates to the Nation's strategic programs.

Mr. KYL. Mr. President, I rise at this time to express my opposition to specific language in the defense authorization conference report prohibiting the use of fiscal year 1999 funds to implement the decision of the Department of Energy regarding a production source for tritium. Specifically, the language states as follows:

> The Secretary of Energy may not obligate or expend any funds authorized to be appropriated or otherwise available to the Department of Energy for fiscal year 1999 to implement a final decision on the technology to be utilized for tritium production, made pursuant to section 3135 of the National Defense Authorization Act for fiscal year 1998 . . . until October 1, 1999.

Mr. President, anything that might delay implementation of a tritium production program ought to be of great concern to all of us. Tritium is the key to maintaining the credibility of our nuclear deterrent. Without a reliable source of tritium, our nuclear forces could become impotent, thereby undermining the very essence of a deterrent that has kept the peace for more than 40 years.

Mr. President, for the benefit of those who are not as familiar with the program, tritium is a gas that is injected into a nuclear warhead to boost its yield. Once it is produced, however, tritium begins to decay at a rate of approximately 5 percent per year, therefore it must be replenished constantly.

The United States has not produced tritium since 1988 when the Bush administration made the decision to shut down the K-reactor at the Savannah River site. Since that time, replenishment of tritium in the stockpile has continued only by recycling it from dismantled nuclear warheads.

When the Bush administration made the decision to shut down the K-reactor, it immediately embarked on a new production reactor program with the purpose of identifying and selecting a new production source for tritium.

Mr. President, I should say at this point that I have no parochial interest in what type of technology the Department of Energy selects to produce tritium. I favor only the option that will provide an assured source of tritium in the timeframe necessary to meet the requirements set by the Department of Defense. My interest in tritium dates back to the 1988 decision by the Bush administration when I was the ranking minority member of the Defense Nuclear Facilities Panel of the House Armed Services Committee.

It is because I have no parochial interest and that I have had such a longstanding interest in ensuring a reliable source for tritium in the United States that I rise in opposition to the actions taken by the conferees in the fiscal year 1999 defense conference report.

For 10 years, the Congress has been on record as encouraging DOE to make a decision on a tritium production source. A report issued by former Senator Sam Nunn in 1990 said:

> The committee strongly supports the acquisition of a new production reactor, believing an assured supply of tritium is the highest nuclear material priority in support of the nation's nuclear deterrent forces.

A 1992 defense authorization report from the Senate stated:

> As long as the United States maintains a nuclear deterrent it will need a reliable supply of tritium to retain the viability of the stockpile.

A 1995 House report stated:

> The Committee is deeply concerned about the lack of progress by the department in establishing a long term source of tritium, which is necessary to maintain the nation's nuclear deterrent.

And section 3135 of the fiscal year 1998 defense authorization bill required the Secretary of Energy to select a production source for tritium not later than December of this year.

For 10 years, Congress has been on record as pushing the Department of Energy to select among all of the technologies once thought to be optimum to produce tritium. First, there was the heavy water option, then the modular, high temperature gas cooled reactor, then a triple play reactor. Even the heavy metal reactor came under consideration. The Fast Flux reactor was next, and then the commercial lightwater reactor and finally the accelerator. Now DOE is selecting between the TVA reactor option—a civilian lightwater reactor that may include irradiation services only, and building a particle accelerator at the Savannah River site.

For ten years, Congress has pushed and pulled DOE along to make a decision on a production source for tritium. Until now. This year, inexplicably, just three months before the Secretary of Energy will make a decision Congress has been waiting for ten years to hear, the conferees decided to stop the DOE from expending or obligating any funds to implement its December decision. Why?

I certainly do not intend to criticize any individual Senator on the Armed Services Committee. Certainly they have all acted with deep concern for the national security of the United States. Senator BOB SMITH, the chairman of the subcommittee with jurisdiction over DOE nuclear matters and a strong advocate for a new production source, attempted to add $60 million to the budget line for tritium. He was thwarted for a variety of reasons.

Senator THURMOND, the chairman of the full committee, has always fought hard to protect the interests of his state; but he has fought equally hard for the interests of all Americans in national defense matters. And Senator WARNER, with whom I just had a colloquy, attempted to do his best in this regard, as well.

So why did the Congress prohibit the Department of Energy from spending or obligating funds to implement the tritium production decision? The answer is: politics. This conference compromise, I am sad to say, is all about politics. In the House, anti-nuclear foes teamed up with Members promoting one of the options under consideration by DOE, forming a coalition that threatened to jeopardize the entire defense authorization bill. Senate conferees had to find a "compromise" just to get the bill out of the conference committee. And the only compromise the House would agree to was calculated to allow advocates for the losing production option to challenge the Secretary's decision for a year, in effect, without prejudice.

I would be remiss in my duty if I did not express my strong opposition to this language, because I believe it is tragic that a matter of this magnitude—literally going to the viability of our strategic stockpile—might be influenced by parochial interests.

I can assure my colleagues that one of my top priorities from this point forward will be to ensure that the Department of Energy selects a tritium production source, that the Department requests adequate funds to implement its decision in fiscal year 2000 and beyond, and that the Department be allowed, indeed required, to proceed with the production of tritium without hometown politics or anti-nuke groups stopping it or slowing it down.

Force level requirements will dictate when the United States needs tritium. If START I levels are maintained, the United States may need tritium as early as 2005. Since it will take several years to complete TVA's Belefonte reactor or to build an accelerator, two of the options, we are already bumping up against the deadline to begin producing tritium for the active stockpile. We already know that tritium will not be available for the inactive stockpile. That means if there's a crisis, the United States will not be able to bring the inactive stockpile into the inventory.

Many hope that the United States and Russia will reduce their strategic forces to START II levels; however, there is no evidence that the Duma in Russia is inclined to ratify START II. And, U.S. law prohibits U.S. forces from being reduced beyond START I levels until START II enters into force. The Resolution of Ratification for the Start II Treaty states, "The START II Treaty shall be binding on the United States until such time as the Duma of the Russian Federation has acted pursuant to its constitutional responsibilities." At the START II level, the United States must make a decision on a tritium production source without delay.

So, I support the requirement that Secretary Richardson make that decision this December, and I pledge to work as hard as I can to ensure that the decision is carried through to the actual timely production of tritium. I urge my colleagues, including those in the House, to put the nation's interests first, and support a timely implementation of a tritium production facility decision.

I appreciate that the majority leader will make a strong statement tomorrow making clear his commitment to provide the leadership to ensure the achievement of that goal. And, the colloquy with Senator WARNER and Senator SMITH of the Armed Services Committee and Senator SESSIONS should make it clear that the Senate leaders on this issue are all strongly committed to seeing that the DOE follow up the Secretary's Decision with everything necessary to meet our tritium production requirements.

With these assurances strongly asserted here today, I am hopeful the congressional majority will hereafter present a united front, leaving no doubt that the administration must move with dispatch to implement the tritium production decision. As a result, I will support the conference report.

Mr. THURMOND. Mr. President, earlier today, my good friend, the junior Senator from Arizona, Senator KYL, entered into a colloquy with Senator WARNER and others regarding the tritium provisions included in the Defense authorization conference report. Senator KYL later made a statement about the agreement we negotiated in conference on the tritium issue. While I appreciated the kind words he said about me, I was somewhat surprised by some of his comments made about the tritium agreement we negotiated in conference. I'm reminded of something my old friend, Will Rogers used to say, "It's not what he don't know that bothers me, it's what he knows so well, that ain't so."

I want to take this opportunity to clarify what the conference agreement actually does. The tritium provision included in this bill will not cause any meaningful delay in the resumption of tritium production. Let me repeat that so all of my colleagues are clear about this point—our conference provision on tritium does not cause any meaningful delay in the Department of Energy's tritium production program.

Energy Secretary Richardson stated this fact in a letter dated September 24, 1998, in which he said that the conference provision will have a "minimal impact" on DOE's tritium program.

Just so all Senators will understand the compromise agreement we made on the tritium issue, I want to take a few moments to explain it.

First and foremost, we require the Secretary of Energy to select his preferred technology on time, in December of this year. Second, the Department of Energy is prohibited from spending only about 5 percent of the overall tritium program budget in fiscal year 1999. The conference agreement does not, however, limit the DOE from spending funds for design, research, or demonstration activities. These design, research, and demonstration activities account for approximately 95 percent of the program that DOE presented to Congress this year, which the Congress authorized. Thus, virtually all of those activities which the Department intended to conduct in fiscal year 1999 are authorized to be conducted by the conference agreement and the conferees expect the Secretary to complete those activities in fiscal year 1999. This includes much of the work to be conducted on the tritium extraction facility, which would be constructed regardless of which technology were selected by the Secretary. Third, and most importantly, we require the Secretary of Energy to submit a comprehensive plan in January, 1999—just 20 days after he makes his preferred technology selection—on how tritium production will be restored. Such a plan does not exist currently, nor has one been proposed by the administration. This comprehensive implementation plan goes to the very issue raised by the Senator from Arizona.

So I hope all Senators can readily see that we managed to achieve a compromise on this very difficult issue, with virtually no adverse impact on the tritium program, while avoiding a veto threat, and satisfying most of the desires of most members.

This is a very strong bipartisan bill. Every member of the conference committee—both Democrats and Republicans—have indicated their strong support the conference agreement by signing the conference report, which as many of my colleagues know has not happened in many years. This is a good conference report and it should be passed with unanimous support.

Mr. WARNER. Mr. President, I would like to address the importance of bringing up the defense authorization bill. I first commend my distinguished friend, long-time friend, Senator THURMOND, and our ranking member, the Senator from Michigan, Mr. LEVIN, and all members of our committee, together with staff, for a very hard job throughout the year to put together the bill and now the conference report which Chairman THURMOND worked out with his counterparts on the House Armed Services Committee.

These are very difficult times in the history of our Nation. I look back over my lifetime when in World War II and the very closing days of that war I served briefly in the U.S. Navy. There was absolute clarity in the minds of all who served in uniform, in the minds of every citizen of the United States. We knew who the enemy was, what they stood for, what their capabilities were, and there was no doubt as to what this Nation should do to bring that conflict to an end, and, indeed, it was done.

Subsequently, in the Korean war, President Truman made a very bold and correct decision to draw the line in the face of communism. Again, it was understood, understood by all of us in uniform. I happened to have served a second tour in the Marines in that conflict. All of us understood that as well as the people back home. Through his courage, he did draw that line against communism.

In subsequent conflicts, indeed in Vietnam, there was a measure of clarity. I wish to stress, that clarity does not exist today. Today, the problems confronting the security of this Nation, as well as that of our allies and friends, lack clarity. It is very difficult, in many instances, to determine who is the enemy, what are their capabilities, and, most important, Mr. President, what are their intentions to inflict harm on this great Nation or the nations of our allies or, indeed, the free peoples of the world.

That is why yesterday we had a historic meeting of the Armed Services Committee. Before that committee appeared the chiefs of the several services, the Army, the Navy, the Air Force, and the Marine Corps, together with General Shelton, the Chairman of the Joint Chiefs. It was a very important meeting.

Reports today in the press describe, and, indeed, we had strong differences of views, but the issues are so serious, they merited nothing less than strong expressions of opinion by Members of the Senate, and, indeed, the members of the Joint Chiefs, I think in a very steadfast and credible manner, stated what their positions are today and for the future. There is no doubt in my mind that those fine individuals, all of whom I know very well, have foremost in their hearts the interests of this Nation and the people, the men and women who proudly wear the uniform of this country and the thousands of civilians who dedicate their careers to work in the Department of Defense or other agencies directly related to our national security.

Yesterday was a landmark hearing. We, as a matter of practice, in the Armed Services Committee, whenever these men—hopefully someday women—come before that committee seeking confirmation of the U.S. Senate to become a chief of staff, it is a long tradition of our committee that we obtain from them their commitment, at any time the committee so desires, to have them present to testify and to give their personal opinions regarding the state of the Armed Forces of the United States and the need for the President and for the future.

They did that yesterday in a very forthright and courageous manner. They had consulted with the President, they had consulted with the Secretary of Defense, and they came before the Senate Armed Services Committee and laid down with specificity the respective needs of their departments. Those needs, in my judgment, should be addressed as quickly as possible by the Senate, then by the Congress, and those dollar needs authorized and appropriated so that we can restore the full confidence of those who proudly wear the uniform today in their ability to endure the hardships and the risks associated with military service and to having nothing less than the best equipment to carry out their respective missions proudly as soldiers, sailors, airmen, and marines.

I commend the chiefs for their testimony yesterday. I think our colleagues, in the course of the hearing, elicited, by way of questions and other colloquy, important facts which make an irrefutable case to bring before this body in the very near future requests for immediate funding to take care of certain needs and then, in the next fiscal year, considerable sums of money, Mr. President, for each of the military departments and, hopefully, lay down the foundation for the outyear budgets to be increased in amounts comparable to those in the year 2000 budget so that, once again, America can avoid, in the words of the respective members of the chiefs, a hollow military force.

I remember so well that period when General Shy Meyer, then Chief of Staff of the U.S. Army, used the phrase "a hollow army." It resonated not only in the Department of Defense and in the Halls of the Congress and not only in the United States, it resonated all over the world, that America, the superpower—at that time there was a second superpower, the Soviet Union—but the superpower acknowledges that its army was hollow, that they lacked the quality and the quantity of personnel, that they lacked the equipment to defend the security interests of this country and to associate with our allies wherever it might be in the world in the cause of freedom.

It was a real bugle call. And this Nation responded, largely through the leadership of President Reagan, to build back America's military strength. Well, we did not reach, in the judgment of the Chiefs—and I concur in that judgment—we did not reach that bottom that would in any way reflect back on the hollow Army of the early 1970s, fortunately, because the Chiefs have come to the Congress and stated their case.

Now I am absolutely confident—and indeed I hope for the participation of the President and the Secretary of Defense—that the Congress will begin to do the necessary authorizations and the appropriations to pull, in the very words of the Chairman of the Joint Chiefs of Staff, that aircraft which is nosed over in the dive, pull it out and to bring it back up to that level of readiness, that level of quality of life that the men and women of the Armed Forces deserve—that level of a military that will leave in the minds of Americans and people all over this world no doubt that the United States has behind it, the military power to support its foreign policy and to preserve the cause of freedom here at home and wherever we are challenged throughout the world.

I thank the Chair.

I yield the floor.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I first commend the Senator from Virginia for his eloquent remarks, highlighting the result of the very important hearing yesterday before the Senate Armed Services Committee and calling all of us to the challenge of providing the adequate resources necessary for our armed services to carry out their mission in the defense of the security interests of the United States of America. It was an eloquent statement, and I think it is something that all of us need to take to heart.

Again, I want to thank Senator WARNER for his efforts, largely I suspect unappreciated, because they are behind the scenes to deal with all of the myriad of problems in putting together a defense conference report and assisting the chairman of the committee, Senator THURMOND, and working with our House colleagues as well. The colloquy that we had a moment ago was, in significant respect, to the result of his efforts. And I appreciate that.

JUNIPER BUTTE RANGE WITHDRAWAL ACT COLLOQUY

Mr. KEMPTHORNE. Mr. President, I would like to inquire of the managers as to the intent of the conferees with respect to the issuance of grazing permits for lands withdrawn and reserved under Title XXIX of the National Defense Authorization Act for Fiscal Year 1999 in the event that the Air Force relinquishes such withdrawn lands. As the managers know, the Juniper Butte Range withdrawal under title XXIX, would withdraw certain public lands for use by the Air Force as a training area. The lands are withdrawn from the existing Juniper draw allotment managed by the Bureau of Land Management (BLM) in an area south of the Mountain Home Air Force Base, Idaho. The withdrawal is from the center of the allotment, leaving approximately 6,000 perimeter acres of the allotment still under a grazing permit and the jurisdiction of the BLM. It is my understanding that, at such time as the Air Force relinquishes its use of the withdrawn lands and returns jurisdiction to the Department of the Interior, the holder of the grazing permit for the Juniper draw allotment at that time should have an opportunity to obtain a grazing permit for the relinquished lands in the center of the allotment.

Mr. CRAIG. Mr. President, would my colleague yield the floor?

Mr. KEMPTHORNE. I would be pleased to yield to my friend.

Mr. CRAIG. Mr. President, I appreciate the leadership that my friend and colleague, Senator KEMPTHORNE, has shown on this legislation. He has raised a very important point here today. Anyone familiar with ranching in the West knows that an economically viable ranch requires access to large blocks of land to raise livestock in an environmentally sound way. With the intermingling of federal, state, and private lands in our state of Idaho, access to BLM land is essential for ranchers. Any time 12,000 acres are withdrawn from an existing BLM allotment, it will dramatically impact the rancher who holds the permit for that allotment. Blocked up land is more easily and economically managed. Scattered parcels have the opposite effect. There may come a time, as contemplated by the legislation, when the Air Force would relinquish its control over these lands. While Air Force relinquishment of the withdrawn lands may not occur for what would be considered a long time by most people, members of the ranching community measure such events by the passing of generations, and that end result can reasonably be anticipated. And so, I seek clarification for the inquiry initiated by my colleague from Idaho. The answer to his question will be vitally important to whoever holds the permit surrounding the withdrawn land at such time as the Air Force would, in fact, relinquish it to the Department of the Interior. I thank my colleague for yielding.

Mr. THURMOND. Mr. President, I would tell my able friends and colleagues from Idaho that I concur with their assessment of the intent of the conferees following relinquishment of the Juniper Butte Range to the Department of the Interior. The conferees are mindful of the impact this withdrawal will have upon the surrounding BLM lands and the use of those lands by current and future grazing permittees.

Mr. KEMPTHORNE. I thank the Chair and I thank the managers of this important legislation for their response to our inquiry. Mr. President, I wish to determine whether the managers of the legislation agree with my understanding as to one additional provision. Section 2917(b)(3) of the Juniper Butte Range Withdrawal Act provides for delegated authority and approvals granted by the Bureau of Land Management pursuant to the decisions of the Secretary of the Interior, or the Assistant Secretary for Land and Minerals Management. Section 2907(b)(1) specifically refers to the authority of the Assistant Secretary of the Interior for Land and Minerals Management to grant rights-of-way and approvals. It is my understanding that it is the express intent of the conferees that rights-of-ways and approvals must be granted by the Assistant Secretary of the Interior for Land and Minerals Management. This is as it should be. Mr. President, I ask the managers of this legislation if my characterization is accurate?

Mr. THURMOND. Mr. President, the Senator from Idaho has correctly interpreted the intent of the conferees as to the authority of the Assistant Secretary of the Interior for Land and Minerals Management. It is the intention of the conferees that the Assistant Secretary of the Interior for Land and Minerals Management shall grant rights-of-way and approvals and take such actions as are necessary under Section 2907(b)(1).

Mr. WARNER. Mr. President, I have been listening to the discussion of the Juniper Butte Range Withdrawal as it pertains to grazing permits and the delegation of authority. As to the relinquishment of withdrawn lands to the Department of the Interior for grazing use, I fully agree with the statements of the Senators from Idaho. I also agree with the need to clarify the congressional intent regarding the delegation of authority, as stated by my friend, the junior Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, again, I wish to thank the managers of the bill and the senior Senator from Virginia for their cooperation in clarifying the congressional intent.

Ms. SNOWE. Mr. President, I rise in strong support of the fiscal year 1999 Defense authorization conference report.

This bill emerges in the turmoil of a post-cold-war world—one demanding a U.S. military that can face transnational developments such as weapons proliferation, regional tyrants such as Saddam Hussein, and emerging powers such as China.

As a result, the authorization cycle of the last few months allowed Congress to bring the Pentagon's budget into alignment with the changing Armed Services on which the nation will rely to deter a broad and unpredictable spectrum of global threats to U.S. national security.

The conference report emphasizes a type of warfare that will loom large in future defense planning: littoral operations near coastal plains. Accordingly to the Navy's official definition, littoral engagements require forces to maneuver "close enough to influence events on shore if necessary."

This post-Soviet mission connects our force structure to our security interests since 80 percent of the world's population lives near the shorelines and waterways that open into the littorals.

The priorities established by the conference report demonstrate how littoral concepts have started to displace more conventional ideas of weapons development.

Major research and modernization programs, for example, share the common goal of delivering increased firepower, speed, and precision at a lower cost.

Ship and aircraft architectures have sacrificed the hard angles prone to enemy detection in favor of modular composite materials that leave smaller signatures on a radar screen.

Smaller crews will maintain more advanced command an control systems configured for instant data transmission.

And self-guided missiles now assume the targeting role that concentrated divisions of heavy armor had to bear in the past.

In addition to high technology hardware, Mr. President, efficient training programs remain critical to the evolution of the military. I am therefore pleased that the bill allows the Armed Services to manage their gender-integrated training policies as commanders and instructors have designed them.

The new international security environment gives us new guidelines to measure the readiness of the Total Force. Active duty men and women must subsequently continue to train as they will deploy to accomplish the gender-neutral task of supporting our war fighters.

Common sense means that recruits destined to repair fighter-bombers, frigates, submarines, and missile launch tubes should train the same way, under the same standards, and at the same time.

Common sense means that radar operators, quality assurance engineers, and military police should follow universal rules of engagement for males and females who wear identical uniforms.

Yet we would suspend our common sense by pretending that the solution to workplace harassment means the segregation of enlistees into isolated training components.

We have to move beyond the charge that integrated training fosters sexual misconduct to ask how the men and women of the All-Volunteer Force can each play a decisive role in support of combat readiness.

It is for this core mission purpose, rather than the testing of social policy theories, that the armed services unite men and women to acquire the skills expected of all soldiers.

Gender-integrated training maximizes the return on the taxpayers' defense investment in making all service members accountable for a range of logistical, medical, and technical jobs that sharpen the ability of the Defense Department to protect both our homeland and the country's core interests abroad.

Finally, Mr. President, both the House and Senate defense authorizing committees struggled this spring with the nation's incoherent contingency operations policy. By the end of the coming fiscal year, the taxpayers will have devoted $9.4 billion to the maintenance of our Bosnia mission since the conclusion of the Dayton peace agreement in November 1995.

But the administration has requested this enormous sum of money in a vacuum of silence about our strategic purpose and an aura of deception about the length of our commitment.

Officials perpetuate their failure of leadership with the assumption that Congress supports the Bosnia deployments simply by funding them. This assessment, however, only uncovers the cynicism of the administration's foreign policy.

Neither the House nor the Senate, as the President knows, would intentionally place our overseas forces in a position of jeopardy by depriving them of money for daily operations and self-protection.

At the same time, the Pentagon cannot continue to hold the safety of our troops hostage to unjustified budget requests for keeping between 6,000 and 8,000 military personnel in a country struggling to restore its political institutions.

The confusion underpinning U.S. policies toward Bosnia led Senator CLELAND and I to draft an amendment requiring the submission of statutory reports to Congress on the purpose and potential endpoint of military contingency operations involving more than 500 people in uniform. The reports must accompany all budget requests made for such operations.

Our amendment, including in the Senate's version of the bill and approved by the authorization conferees, reflects the lessons that the Bosnia experience teaches us about the interaction between the executive and legislative branches on the Defense Department's non-wartime deployments.

Congress must insist on a regular process under which we can match the administration's own peacekeeping policy arguments with its ongoing budget demands.

We need to determine more definitively if the Pentagon has a contingency operations strategy that advances the security interests of the United States rather than the false hope of relying on our military presence to solve the domestic political, economic, and cultural problems of other nations.

The Snowe-Cleland amendment, I believe, will equip Congress with the tools necessary to exercise aggressive oversight of the administration's peacekeeping initiatives.

The fiscal year 1999 Defense authorization conference report, Mr. President, foreshadows both the challenges and the phenomenal capabilities that the Armed Forces will manage in the new century. I, therefore, urge the Senate to uphold its tradition of bipartisan support for the military by adopting this responsible legislation.

ALABAMA SPACE SCIENCE EXHIBIT COMMISSION LAND CONVEYANCE

Mr. SESSIONS. Mr. President, I rise to make a few remarks concerning a specific land conveyance provision in the DoD Authorization Bill (section 2837). I am pleased that the conferees were able to make these technical, but necessary changes to the conveyance terms of real property from the Army's Redstone Arsenal to the Alabama Space Science Exhibit Commission.

Section 2837 of the Bill ensures that the future development of the U.S. Space & Rocket Center property previously conveyed by the Army to the appropriate agency of the State of Alabama will remain consistent with the long term master plan for the use of that property as agreed upon by the Center, Redstone Arsenal, and Marshall Space Flight Center, and that present financing arrangements and mortgages relating to new and existing facilities at the Space and Rocket Center are preserved, and appropriate coordination of further financing initiatives, mortgages and other debt society arrangements in accordance with the agreed-upon master plan is assured.

Mr. MCCAIN. Mr. President, permit me to quote from the Armed Services Committee's report accompanying the Senate-passed version of the fiscal year 1999 defense authorization bill:

> The Committee views with concern the slow progress of the C–130J program, the increased expense of developing the aircraft . . . and notes the Department's failure to provide a report on the remanufacture of existing C–130 airframes . . . Development costs were initially estimated at $350 million and introduction of the new model forecast to begin in mid-1997 . . . However, it has been estimated that the program has cost more than $900 million and is over two years behind schedule.

To the objective observer, this language would indicate a certain frustration or disenchantment with the developmental history of the C–130J airlifter. Indeed, cognizant as we are of the Air Force's enormous surplus of C–130s and the fact that, of the 256 such planes funded by Congress since 1978, only five were actually requested by the Air Force, one could reasonably conclude that Congress would not be in a hurry to expend scarce financial resources for additional planes. Yet, that is precisely what we continue to do, every year, to the tune of literally billions of dollars.

Let me see if I can summarize the situation. We are concerned about enormous cost overruns associated with the C–130J's development and with the degree to which that development has fallen behind schedule. The Air Force has far more C–130s than it needs. So our response is to spend hundreds of millions of dollars per year to purchase more.

Over the last two weeks, the Senate Armed Services Committee, on which I serve, has devoted considerable time and energy to the issue of military readiness. My office has only recently received the responses of the Armed Forces Chiefs of Staff to a number of questions I had submitted in an effort to ascertain to the extent possible the true state of military preparedness. Indeed, I have for the past six years spent a great deal of time tracking preparedness trends in the military in order that we might prevent the resurgence of the kind of preparedness problems that plagued our armed forces during the 1970s. I warned in the early 1990s that if we continued on our then-current path, the ability of our military to respond to crises and to prevail in the major regional contingencies for which they exist would eventually reach crisis proportions. As the train advanced down the track, those of us who did advance such warnings were categorized as Cold War anachronisms. As the train neared over the past two years, our numbers increased somewhat, but the President and many in Congress continued to ignore the growing problem. And now the train has arrived.

The United States Armed Forces are the finest in the world. No one would deny that basic fact. The quality of intellectual discourse on the subjects of force posture and military preparedness, however, has been disappointingly shallow. How often, Mr. President, have we heard critics of defense spending argue that the United States spends more on defense than the sum of its potential adversaries combined? Do such individuals honestly believe that the subject lends itself to such simplistic equations? Has history taught them nothing?

The United States military, alone in the world, is tasked by this country's civilian leadership to be prepared to respond to crises anywhere in the world, on short notice, and with sufficient strength to defeat aggression with a minimal loss of life. No other country bears that burden.

We have serious problems afflicting our armed forces that six years of presidential rhetoric to the contrary could not deny, although the Administration did its best to ignore it. So how do the committees with oversight of U.S. defense policy react to the current confluence of budgetary restrictions and historically high operational tempos? With the aforementioned C–130s, with a $1.5 billion ship not requested by the Department of Defense, with the continued acquisition of unrequested C–35 passenger jets, with the exasperatingly constant tendency to send hundreds of millions of dollars a year to National Guard units whether it is needed or not, and with the repeated acquisition of rockets and grenade launchers solely because contractors have convinced, with little effort, their congressional representatives to continue the flow of money for unneeded weapon systems. I fully support and encourage the allocation of additional funding to address legitimate readiness concerns, which we have in abundance. The programmatic and highly questionable operations and maintenance expenditures that are included in the lists I am submitting, however, do not qualify.

It has been said that a million dollars here, and a million dollars there, and pretty soon we're talking real money. The list I am submitting pretty much fits that category. It is composed of hundreds of Member-adds. They range from half-a-million dollars to $94 million, not including the ship and airlifters, which are in a category all their own. The total dollar amount of the list from the defense authorization bill is $4.5 billion.

The continued practice in the defense appropriations bill of restricting procurement of major weapon system components to United States manufacturers at the expense of more cost-effective options—and, I should point out, at the expense of other U.S. companies that benefit from the cooperative arrangements we maintain with allied countries and are consequently threatened by these "Buy America" provisions—represent a throwback to an earlier time when defense budgets allowed for such congressionally-mandated inefficiencies. Similarly, prohibitions and restrictions on the Department of Defense's ability to manage itself in order to protect hometown contractors and civil servants, such as are included in the appropriations bill are reaching ever-more multifarious levels that would make Rube Goldberg proud. I invite my colleagues to read Section 8071 of the bill for one such example.

I am also concerned about the precedent set by Section 8125 of the appropriations bill, which intervenes in the relationships between Federal agencies, prime and subcontractors. The ramifications of that effort to benefit specific subcontractors will redound to the Federal government's misfortune in complicated contractual matters involving primes that go out of business, leaving their subcontractors in the lurch. Obviously, we are all sympathetic to those subcontractors' plight, but intervening in bankruptcy proceedings like this provision does is not good government.

At a time when our declining force structure is stretched virtually to the breaking point; when our most skilled personnel are leaving the service in droves for better paying, less stressful jobs in the private sector; when front-line aircraft are routinely cannibalized so that squadrons may deploy and equipment and personnel are cross-decked to the long-term detriment of both, it is disheartening in the extreme to still witness the scale of unnecessary and wasteful spending represented in these bills.

The airplane mechanic having to remove parts from one fighter in order to repair another can be excused for not understanding why $5 million is diverted from the defense budget to the public school system in the state of a senior member of the Armed Services Committee. He or she can be excused for not comprehending the mind set that allocates $75,000 for establishment of a State Maritime Academy with no realistic military application. Five million dollars for Agricultural Based Bioremediation and $20 million for the National Defense Center for Environmental Excellence—the word "defense" being inserted in the title strictly for propagandistic purposes—and $3 million for research into stainless steel double hull technology, on which private industry is supposed to be spending its own money per the requirements of the Oil Pollution Prevention Act, are just the tip of a very large iceberg.

Try as I might, I cannot rationalize, with the scale of readiness problems highlighted in yesterday's Armed Services Committee hearing, the expenditure of $64 million for the National Guard Youth Challenge program. In fact, the budget authority earmarked for the Guard and Reserve, once again solely for parochial reasons, continues to represent one of the greatest hemorrhages of defense dollars for low-priority programs in the defense budget. Ten million dollars, Mr. President, to convert a National Guard Armory into a Chicago Military Academy in order to provide a Junior ROTC program is not consistent with national security imperatives that should be driving the process. I have no idea—no idea—why we are earmarking a million dollars for Lewis and Clark.

Earmarks for specific facilities are out of control. Whether it's the Francis S. Grabeski Airport in New York, the earmark of $2,250,000 from the Operations and Maintenance budget—yes, the very portion of the budget most closely tied to readiness—for the White Sands Missile Range and Fort Bliss, Texas, or the earmarking of $4.6 million for the Montana National Guard Distance Learning Network, such practices illustrate all too well the unwillingness of Congress to translate its rhetoric on readiness problems into constructive action and to cast aside once and for all the business-as-usual approach that is so damaging to our national defense.

The appropriations bill adds $50 million for the B-2 bomber for continued upgrades. The continued expenditure of millions for upgrades for that formidable fleet of 21 aircraft is particularly disturbing, as the B-2's practical utility scarcely warrants the funding Congress lavishes upon it every year. If it could fly combat air patrols, I would be inclined to be a little more sympathetic. Its' theoretical application to real world contingencies, however, leaves me aghast at the cost of that program.

Mr. President, my views on parochial-oriented spending remain very much in the minority. That is why we continue to see billions of dollars wasted by Congress to satisfy parochial interests. I will not, however, shy away from continuing to shine a spotlight on these wasteful practices. During a week in which the Joint Chiefs of Staff have testified on the myriad of readiness problems afflicting our armed forces, to ignore the scale of the problem represented in the lists I am submitting for the record would be to fail the men and women who wear the uniform of our Nation. They deserve better. It is a shame they will not receive better.

I ask unanimous consent that highlights of special interest provisions in the fiscal year 1999 Defense Authorization and Appropriations Conference Reports be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Highlights of provisions in the fiscal year 1999 defense authorization and appropriations conference reports

Increase purchase of C-130 J (Hercules), from 1 to 7, Marietta, Georgia	$465,000,000
LHD (WASP Class) Amphibious Assault Ship, authorization for $1.5 billion, Pascagoula, Mississippi	50,000,000
Purchase C-XX, Executive travel aircraft built in Wichita, Kansas and Savannah, Georgia	27,000,000
Los Alamos, New Mexico public school system diversion from military readiness	5,000,000
Agricultural Based Bioremediation	20,000,000
Stainless steel double hull technology research, Mississippi	3,000,000
Conversion of a National Guard Armory into a Chicago Military Academy	10,000,000
Testing and training operations and support at the White Sands Missile Range, New Mexico and Fort Bliss, Texas	2,250,000
B-2 Bomber upgrades, California and Washington ...	50,000,000
Increase purchase of MK-19 grenade launcher from 697 to 800, Maine	3,000,000
Various Medical Research Programs	355,000,000
Disaster relief and emergency services	
Breast cancer research	
Osteoporosis research	
Teleradiology	
Diabetes	
Pain	
Mentor-Protege Program ..	10,000,000
National Guard and Reserve:	
National Guard Youth Challenge Program ...	64,000,000

Highlights of provisions in the fiscal year 1999 defense authorization and appropriations conference reports—Continued

Montana National Guard Distance Learning Network	4,600,000
Civilian Technicians personnel reduction restrictions: Miscellaneous equipment	100,000,000
Buy America restrictions:	
Ship anchor and mooring chain	
Ball and roller bearings	
Carbon, alloy and armor steel plate	
Shipboard auxiliary and propulsion systems	
Ship cranes	
Other miscellaneous items	

Mr. McCAIN. Mr. President, A complete listing of these parochial provisions concerning the fiscal year 1999 defense appropriations conference report and the fiscal year 1999 authorization conference report are available on my web site.

Mr. President, shortly, I intend to propound a unanimous consent request for the Internet Tax Freedom Act to be considered. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 442

Mr. McCAIN. Mr. President, on behalf of the leader, I ask unanimous consent that the majority leader, after notification of the Democratic leader, may proceed to S. 442, the Internet tax bill, and the motion to proceed then be considered agreed to; and further, at that time the Commerce Committee amendment be adopted, to be followed by the immediate adoption of the Finance Committee amendment. I further ask unanimous consent that the bill be considered as original text for the purpose of further amendment. I finally ask consent that during the pendency of the bill only relevant amendments be in order in addition to a Bumpers amendment in order relating to catalog sales.

Mr. President, let me clarify, there will be relevant amendments, but there will be a Bumpers amendment that will be in addition which is not a relevant amendment but the Senator from Arkansas wants very much it to be considered at this time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. McCAIN. Mr. President, let me also point out that the other side, the Democratic side, has agreed to this after some very difficult negotiations. I appreciate the work especially of the staff on the other side of the aisle for helping us make this be a reality.

Mr. President, so it is my understanding that after the defense authorization bill is considered tomorrow, we, in the early afternoon, will move to the Internet Tax Freedom Act. There will be a number of relevant amendments. I believe they can be worked out, including the Bumpers amendment. And I believe that we can move forward and resolve this very important bill very rapidly.

I thank my friends on both sides of the aisle. I understand there are strongly held views. I believe those views will be given the consideration they deserve during the debate on this very important piece of legislation.

Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

FINANCIAL SERVICES ACT OF 1998

Mr. GRAMM. Mr. President, I came over this evening to speak briefly about H.R. 10 and where we are in our efforts to bring that important bill to the floor of the Senate. I want to explain to our colleagues the concerns I have—those concerns are shared by Senator SHELBY and by others—and explain the compromise that we have proposed in the hopes that those who are for this important bill will prevail upon those who are holding back on reaching a compromise on a key issue in the bill, and who by doing so are jeopardizing enactment of this important legislation.

Let me try, as briefly as I can, to lay out where we are in terms of the parliamentary situation, what the issue is that is contested in this parliamentary maneuvering, why that issue is so important to me, and what we can do, in my opinion, to resolve it.

First of all, thanks to the great leadership of Senator D'AMATO in the Banking Committee, we have put together a comprehensive financial modernization bill. While there are still parts, in my opinion, that need to be changed, it is a good bill. There are many provisions of the bill that I support. I congratulate Senator D'AMATO. I have to say that getting this bill through the Banking Committee with as little time as is left in the legislative session and bringing together most of the disparate interests that are ultimately represented, benefited or hurt, in a bill like this is one of the great legislative achievements that I have seen. I congratulate Senator D'AMATO for his effort.

Unfortunately, I cannot and do not support the bill in its current form. While there are many provisions of the bill that I do support, and while I would like to see the bill become law, and while if this problem could be dealt with I could step aside and allow the bill to come to the floor of the Senate, with this problem now pending, I am opposed to the bill.

Now, what is the problem? The problem has to do with a provision that sounds innocent enough. In fact, perhaps it sounds good to the ears of some. That is the so-called provision for community reinvestment. These are provisions of law that were adopted without a whole lot of debate in the late 1970s. The objective of these provisions of law was to force banks to lend money in the communities in which they were operating. The assertion was made that there were a lot of banks that were simply taking deposits and using them in other areas of the country and that, therefore, there ought to be a provision of law to require banks to meet the lending needs of their local communities.

Now, the purpose of the Community Reinvestment Act, or CRA, was to establish a procedure for an evaluation of whether or not banks were making loans in the communities where they were chartered or whether banks had simply become deposit takers and were taking those deposits and making loans somewhere else or buying government bonds or whatever other activities they might be involved in.

I personally don't think much of having the government require banks to use their capital in a particular way pleasing to the government or some government functionary. It sort of strikes me as crony capitalism. It is an unjustified intrusion into banking, in my opinion.

However, that is not what I have been objecting to in connection with this bill, nor is this government-directed capital allocation the only problem with CRA. The aspect of CRA in practice that I wish to bring to the attention of my colleagues is that CRA has become a vehicle for fraud and extortion. In fact, as strong as it may sound, the Federal banking regulators, through their delay of approval of applications, actually strengthen the hands of those who would use this law, the CRA law, in ways that it was never proposed to be used.

Let me give an example of how this works and how it is abused. Banks periodically have to be evaluated for meeting the CRA requirements. This is an evaluation done by the Federal banking regulators, at the conclusion of which they give a bank a rating. Whenever the bank wants to engage in some activity that requires approval of the Federal Reserve Board, or of the Comptroller of the Currency—like opening a new branch, merging with another bank—they have to make an application. Any person or group of persons can file a protest to that action in the name of CRA. They can do it even though the bank may have an excellent rating in its last evaluation of its community reinvestment activities.

For example, when Senator SARBANES, who is a strong proponent of this provision of law, talked about the law, he pointed out that perhaps the bank that has done the "best job" of meeting community reinvestment requirements was Bank of America, that they have gotten sterling ratings for lending money in the communities they serve. But when Bank of America announced a merger with NationsBank, even though Bank of America had the highest ratings of any bank in America in lending in the communities that it served, professional protesters came in and opposed the merger and demanded concessions from the bank. In fact, one of the spokesman for the protesters, in making demands on the bank that has the best CRA record of any bank in America said:

> We will close down their branches and ensure they fail in California. This is going to be a street fight and we are prepared to engage in it.

So here is a bank, Bank of America, that has the best CRA rating of any bank in America, and yet when they apply to merge we have professional protesters come in and protest and threaten to delay their merger and ultimately strike concessions from this bank.

Now, what kind of concessions are being granted? The purpose of CRA was to have lending by banks in the communities they serve. But what CRA has turned into is a vehicle for extortion, whereby banks are accused of not meeting the CRA requirements, whether they have an excellent CRA record or not, but the protest are withdrawn in exchange for agreeing with protestors to meet a series of demands, and often these agreements include cash payments, thinly disguised as donations. Banks are being required to make cash payments to the professional protester groups. They have, in the past, under duress in my opinion, agreed to donate a percentage of their profits to the very institutions that have filed protests against their actions with the Federal regulator. They have been forced, in my opinion, under duress, into agreeing to quotas and set-asides in hiring, in purchases, in promotions.

So what has happened all over America is that under a provision of law that was supposed to encourage banks to lend in the communities that they serve, we now have banks being extorted and being forced to make cash payments which are little more than bribes, being forced to set up quotas and set-asides, being forced to give concessions to people who are selling goods and services, being forced to agree to hire and promote based on things other than merit. Needless to say, there is a growing concern about this in America. That concern is reflected in the Senate where we rejected a proposal to extend this CRA requirement to credit unions. We also had strong support to exempt small banks from the CRA requirement.

Now we have before the Senate a bill that would try to promote a more competitive financial structure in America, a goal I very much support and have advocated for years. So let me make it clear, I am for legislation. But unfortunately, the bill has four different provisions that dramatically expand CRA powers, and in essence, give the Federal Government, for the first time, the ability to impose penalties on banks, and even to impose penalties on nonbanking subsidiaries and affiliates, as well as create new hoops and new hurdles that banks would have to jump through to get certification as financial services holding companies or to engage in certain activities in subsidiaries.

What this would do is literally set up the vehicle for billions of dollars to be extorted from financial institutions in America by people who are professional protesters. You can hire groups to go to your hometown and stage a professional protest under the name of CRA, with the objective of extorting banks and forcing them to contribute, forcing them to make cash payments, and forcing them to do things that are an embarrassment in an economy that has always been the freest, most honest and most transparent economy in the world.

Now, when we set out to write this new major piece of legislation, particularly since it came over to us from the House of Representatives very late in the session, it appeared, for a time, that we reached an agreement that in this legislation we would leave the CRA battle alone, that this bill would not be used as a vehicle either to expand or reform CRA. That is to say that people like Senator SHELBY and myself would not use the bill to try to repeal CRA or reform it, something we very much favor; but we asked those on the other side not to use this bill to try to expand CRA. That effort apparently, broke down, and we have in the bill now four major expansions of CRA. Senator SHELBY and I have said that we are going to oppose this bill as long as these provisions are in the bill, as long as the bill is not neutral with regard to CRA.

Now, I want to make it clear that we are willing to work out an agreement. I want to go on record here today as to what we are willing to do. I see that my distinguished colleague, the senior Senator from Alabama, is here. Let me speak for both of us for a moment, and then I will let him speak for himself. We are willing to do either one of two things that could expedite the consideration of this bill. No. 1, we are willing to reach an agreement where the bill would be silent on community reinvestment. We would not seek to repeal it, we would not seek to reform it or restrict it; we would leave this evil where it lies. But we would require that it not be expanded.

When I made this proposal in the Banking Committee, it reminded me of Lincoln's position on slavery in the 1860 Presidential campaign. His position was that, as much as he abhorred the institution of slavery, where this evil existed, we would leave it alone, but we would not allow it to be expanded.

Now, with regard to CRA, that is a proposal that we have made in the past. I wanted to go on record making that proposal today, as much as I am opposed to CRA and believe that it is powerfully abused. If someone is representing the interests of banks or security companies, or insurance companies, and they are for this bill, all they have to do to get this bill before the Senate and in a position where it can become law is induce the people who want to expand CRA simply to agree with us to drop the CRA provisions from the bill. Proponents of CRA won't try to expand CRA, and we won't try to use this bill a vehicle to overturn those provisions that already exist in law.

A second, alternative proposal that we have made in writing, both to the minority members on the committee and to the chairman, is a proposal that says the following: the bill would expand CRA to include being considered at the formation of the new financial institutions that will exist under this bill. In other words, just as with the formation of a bank holding company, CRA performance can be evaluated in connection with the creation of a financial services holding company. But if we are going to expand CRA in that manner, there are two reforms to CRA that we want, and I submit that neither of these reforms is unreasonable.

The first reform we want is an anti-extortion provision, which says that CRA is about lending in the community you serve. Under this reform, we would have a strict prohibition against kickbacks, cash payments, quotas, and set-asides, in connection with purchases, hiring, and promotion.

The idea that professional protesters, as part of withdrawing their protest and letting banks proceed with their business, would then be hired by the bank in an advisory capacity to advise them on various issues conjures up in my mind the "protection" racket of an earlier era, where the little merchant had the gangster come into his place of business and say, "You know, somebody could come in here and do you some real harm, and I am willing to protect you."

Now, some people have said—being critical of Senator SHELBY and myself—well, the banks aren't complaining. Well, the plain truth is that many of the merchants who were being extorted by the gangsters were afraid to complain. But it was wrong and we did something about it. You can call up the President of any bank in America, or any head of any Government regulatory agency and, if you have their confidence, ask them off the record, "Is CRA, as it now works, extortion?" They are going to tell you, in all probability, that the answer is yes.

So what we want is a simple anti-extortion provision that says that CRA performance can be evaluated in connection with the formation of financial services holding companies under the bill, but these institutions can't pay under-the-table bribes or kickbacks, or they can't, as part of the settlement, enter into agreements that have nothing to do with the purpose of CRA and have everything to do with extortion.

The second change we want is eminently reasonable, as well. It is that if a bank is in compliance with CRA, if they have been examined for CRA and they have been given a favorable CRA rating, then they should be deemed to be in compliance with CRA on anything they want to do that requires CRA compliance until their next examination. The idea that a bank today can get an excellent CRA rating, and then they apply for a merger and CRA protesters come in and shake them down again is unconscionable to me, and it is unreasonable. I can't, for the life of me, see how anybody could be against an anti-extortion provision, and I can't see how anybody could be opposed to a provision that says if you have a passing rating on CRA when you apply for a merger or an acquisition, you are deemed to be in compliance until you are reviewed again and get another rating.

Senator SHELBY and I have offered to do one of two things—either drop all the CRA requirements and go on with this bill, or expand CRA as we have described, but together with a simple anti-extortion provision and a simple provision that says if you are in compliance, you are in compliance.

Now, in the absence of an agreement on these issues, Senator SHELBY, I, and others intend to resist. We are simply a small number of Members, and I understand that there are many powerful interests around America who have interest in this bill. I say that Senator SHELBY, I, and others have a principle in this bill. Our principle is that we are against extortion, and we are not going to be parties to expanding it. We may not have the votes today to get rid of it. We may not have the votes to purge this evil from the American financial system. But I think under the rules of the Senate we do have the power—I hope we do—to prevent it from being expanded.

I just want to say to those who have an interest in this bill, if you want this bill passed, urge those who are on the other side of this issue to look at our reasonable proposal. The rules of the Senate were established to protect the rights of the minority. They were established so that if a few Members felt strongly about something and they were willing to stand up for their principles and beliefs, it was hard to run over them.

It is like Washington said when Jefferson came back from France, where he had been Foreign Minister to France while the Constitution had been written. Jefferson asked Washington what the Senate was for. His argument was, if you have a House of Representatives and that is the voice of the people, what do you need a Senate for? Washington, who, like Jefferson, was a southerner, was accustomed, when he was drinking tea, to sometimes pouring it into the saucer and letting it cool for a moment and then pouring it back into the cup and drinking it. So he said to Jefferson that the House—which has passed this financial services bill, even if only by one vote—will be like this cup and it will catch the heat and the fire of the moment; but the Senate will be the saucer in which we will allow the passions of the moment to cool. That is what role Senator SHELBY and I intend to fulfill as we exercise our rights. It may be that we can be run over and this bill can be passed; maybe not. I believe that those who want this bill would be well advised to urge Senator SARBANES and Senator MOSELEY-BRAUN, who are so determined to expand CRA—I think it would be advisable to ask them whether that is worth killing this bill over. Can't you just take a time-out on CRA and leave it out of the bill? Or, if you can't do that, why not agree to a compromise whereby those who oppose CRA are willing to let you expand it, but you have to give them an antifraud provision, and you have to give them reasonable enforcement, so that if you are complying with the law, you are considered to be complying with the law?

I hope people who are for this bill with their great economic interest will call on those who are on the verge of killing it in the name of CRA to be reasonable and let us move ahead.

I say today that unless there be any confusion from this point on, as one single Member of the Senate, I intend to do everything in my power to impede this bill unless these problems are resolved. I intend to do everything in my power to use all the rules of the Senate, no matter how long it takes, no matter how difficult it may be. It may be that Senator SHELBY and I, and others, can be run over, but it may be that the rules of the Senate are sufficiently strong that with our determined resistance this bill will die unless some accommodation is given on this issue.

I urge those on the other side of this issue—I am not talking about the other side of this body. I am talking about the people who have invested millions, billions, trillions in banks, insurance companies, securities companies who know in their heart that we are right about community reinvestment—I urge them to call on those who are trying to use this bill as a vehicle to expand community reinvestment not to kill this bill over this issue.

I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I want to first associate myself entirely with the remarks of the Senator from Texas. He was speaking very articulately for himself. But he was also speaking for me and a lot of other people, I believe, here in the Senate when he was talking about the problems with H.R. 10. There are a lot of good things in H.R. 10. But one of the most reprehensible things, I believe, Mr. President, is the expansion of the Community Reinvestment Act. Senator GRAMM has gone to great lengths to explain that tonight.

But before any of my colleagues would think about voting for the bill, if it comes up, H.R. 10, I think they ought to ask themselves and ask their local bankers, small bankers, the small directors and the officers if they in America support these measures that I think are reprehensible, such as increased administrative enforcement authority of the regulators to fine directors and officers of banks up to $1 million a day for CRA noncompliance. That is not the law today.

Two, that would make activities like insurance sales, or mutual fund sales, subject to CRA compliance on all depository institution affiliates on an ongoing basis. That is not the law today; and regulatory authority to shut down any affiliate within the holding company if just one subsidiary depository institution falls out of CRA compliance.

Just think about this. These are sweeping, sweeping changes in the law as we know it today.

Senator GRAMM talked at length about passing this banking reform bill—and I think it has a lot of reform in it—and keeping CRA neutral; not bother or try to repeal the CRA law as it exists today, although I personally would like to; leave it alone for another day, but not to try to expand it, either.

Those are some of my concerns.

Senator GRAMM and I have offered and we are hoping to negotiate with the proponents of this legislation for a resolution to the problems dealing with CRA issues. I will go over them one more time.

Mr. President, it would apply to the formation of financial services holding companies the same CRA structure that applies to the formation of bank holding companies today. I don't see anything wrong with that. It would be uniform, and it makes a lot of sense.

Second, Mr. President, any financial institution that has been found to be in compliance with CRA in its most recent exam shall be deemed to be in compliance with CRA for all purposes and for any action until its next regularly scheduled CRA exam.

And, thirdly—I think this is very important—to put forth some language in there dealing with antifraud, antibribery provisions, and to say basically that it shall be illegal for any financial institution in connection with the CRA review evaluation or consideration to give anyone not employed by the bank any grant or subsidy in cash, or in kind, or to establish any quota, or set aside for employment, management, sales, purchases, or other business activities other than activities voluntarily undertaken by the financial institution to meet the credit needs of the local communities in which the financial institution is chartered.

This makes a lot of sense to me. I think it makes sense that people would focus in on this as we debate this bill.

But I just want to again say that we should go ahead if we could knock out and make CRA neutral in this; go ahead and work on the merits of H.R. 10, which are many, and try to do something. If we can't, Senator GRAMM—and there will be others—and I are going to do everything we can to protect our rights here in the Senate.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, September 29, 1998, the federal debt stood at $5,523,785,546,399.80 (Five trillion, five hundred twenty-three billion, seven hundred eighty-five million, five hundred forty-six thousand, three hundred ninety-nine dollars and eighty cents).

One year ago, September 29, 1997, the federal debt stood at $5,388,316,000,000 (Five trillion, three hundred eighty-eight billion, three hundred sixteen million).

Five years ago, September 29, 1993, the federal debt stood at $4,387,836,000,000 (Four trillion, three hundred eighty-seven billion, eight hundred thirty-six million).

Ten years ago, September 29, 1988, the federal debt stood at $2,587,821,000,000 (Two trillion, five hundred eighty-seven billion, eight hundred twenty-one million).

Fifteen years ago, September 29, 1983, the federal debt stood at $1,354,190,000,000 (One trillion, three hundred fifty-four billion, one hundred ninety million) which reflects a debt increase of more than $4 trillion—$4,169,595,546,399.80 (Four trillion, one hundred sixty-nine billion, five hundred ninety-five million, five hundred forty-six thousand, three hundred ninety-nine dollars and eighty cents) during the past 15 years.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-7237. A communication from the Chief of the Regulations Unit of the Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update" (Notice 98-48) received on September 28, 1998; to the Committee on Finance.

EC-7238. A communication from the Interim District of Columbia Auditor, transmitting, pursuant to law, a copy of the Auditor's report regarding revenue estimates in support of the issuance of certain bonds; to the Committee on Governmental Affairs.

EC-7239. A communication from the Executive Director of the Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, notice of a list of additions and deletions to the Committee's Procurement List dated September 22, 1998; to the Committee on Governmental Affairs.

EC-7240. A communication from the Acting Assistant Secretary for Land and Minerals Management, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Geothermal Resources Leasing and Operations" (RIN1004-AB18) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC-7241. A communication from the Assistant Secretary for Land and Minerals Management, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Special Areas: State Irrigation Districts" (RIN1004-AC53) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC-7242. A communication from the Secretary of Defense, transmitting, notice of routine military retirements; to the Committee on Armed Services.

EC-7243. A communication from the Assistant Secretary of Defense for Acquisition and Technology, transmitting, pursuant to law, a report entitled "Reduction in Overhead Costs of Inventory Control Points"; to the Committee on Armed Services.

EC-7244. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Vidalia Onions Grown in Georgia; Decreased Assessment Rate" (Docket FV98-955-1 IFR) received on September 29, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC-7245. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Nectarines and Peaches Grown in California; Relaxation of Quality Requirements for Fresh Nectarines and Peaches" (Docket FV98-916-2 IFR) received on September 29, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC-7246. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Limiting the Volume of Small Red Seedless Grapefruit" (Docket FV98-905-4 IFR) received on September 29, 1998; to the Committee on Agriculture, Nutrition, and Forestry.

EC-7247. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Amended Economic Impact Analysis of Final Rule Requiring Use of Labeling on Natural Rubber Containing Devices" (Docket 96N-0119) received on September 29, 1998; to the Committee on Labor and Human Resources.

EC-7248. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Listing of Color Additives Exempt from Certification; Canthaxanthin; Confirmation of Effective Date; Correction" (Docket 93C-0248) received on September 29, 1998; to the Committee on Labor and Human Resources.

EC-7249. A communication from the Administrator of the Food Safety and Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Continuous Chilling of Split Poultry Portions" (RIN0583-AB95) received on September 29, 1998; to the Committee on Labor and Human Resources.

EC-7250. A communication from the Acting Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska" (I.D. 092398D) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC-7251. A communication from the Director of the Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Tuna Fisheries; Atlantic Bluefin General Category" (I.D. 091198A) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC-7252. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Table of Allotments, FM Broadcast

Stations (Sturgis, Kentucky)" (Docket 96–226) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7253. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled "Table of Allotments, FM Broadcast Stations (Beaver Dam and Brownsville, Kentucky)" (Docket 98–17) received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7254. A communication from the Associate Managing Director for Performance Evaluation and Records Management, Federal Communications Commission, transmitting, pursuant to law, notice of the consolidation of Dockets No. 97–26 and No. 97–91 regarding FM broadcast stations received on September 24, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7255. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Transportation for Individuals with Disabilities" (RIN2105–AC00) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7256. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Americans with Disabilities Act Accessibility Guidelines for Transportation Vehicles; Over-the-Road Buses" (RIN2105–AC00) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7257. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "List of Nonconforming Vehicles Decided to be Eligible for Importation" (RIN2127–AH28) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7258. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Odometer Disclosure Requirements; Exemptions" (RIN2127–AG83) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7259. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Industrie Model A300–600 Series Airplanes" (Docket 98–NM–82–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7260. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Schweitzer Aircraft Corporation and Hughes Helicopters, Inc. Model 269A, 269A–1, 269B, 269C, 269D, and TH–55A Helicopters" (Docket 96–SW–10–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7261. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A320–111, –211, and –231 Series Airplanes" (Docket 97–NM–159–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7262. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Bombardier Model DHC–8–100 and –300 Series Airplanes" (Docket 94–NM–89–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7263. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Davenport, IA" (Docket 98–ACE–21) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7264. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Saab Model SAAB SF340A and SAAB 340B Series Airplanes" (Docket 98–NM–100–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7265. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Establishment of Class E Airspace; Carrizo Springs, Glass Ranch Airport, TX" (Docket 98–AWS–44) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7266. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Cessna Aircraft Company Model T210R Airplanes" (Docket 98–CE–19–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7267. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Pilateus Aircraft Ltd. Models PC–12 and PC–12/45 Airplanes" (Docket 97–CE–53–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7268. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Fairchild Aircraft, Inc. SA226 and SA227 Series Airplanes" (Docket 98–CE–84–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7269. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule regarding airworthiness directives on SAFT America Inc. nickel cadmium batteries (Docket 97–CE–116–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7270. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes" (Docket 97–NM–42–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7271. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A320 Series Airplanes" (Docket 98–NM–77–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7272. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Airbus Model A320 Series Airplanes Equipped with a Bulk Cargo Door" (Docket 97–NM–192–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7273. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Airworthiness Directives; Short Brothers Model SD3–60 SHERPA Series Airplanes" (Docket 98–NM–13[illegible]–AD) received on September 29, 1998; to the Committee on Commerce, Science, and Transportation.

EC–7274. A communication from the Acting Assistant Attorney General, Department of Justice, transmitting, a draft of proposed legislation to strengthen law enforcement's ability to combat illegal bulk cash smuggling; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1480. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration to conduct research, monitoring, education and management activities for the eradication and control of harmful algal blooms, including blooms of Pfiesteria piscicida and other aquatic toxins (Rept. No. 105–357).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 2120. A bill to improve the ability of Federal agencies to license federally-owned inventions (Rept. No. 105–358).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAMS:

S. 2532. A bill for the relief of D.W. Jacobson, Ronald Karkala, and Paul Bjorgen of Grand Rapids, Minnesota, and for other purposes; to the Committee on the Judiciary.

By Mr. CRAIG:

S. 2533. A bill to amend the Federal Power Act to improve the hydroelectric licensing process by granting the Federal Energy Regulatory Commission statutory authority to better coordinate participation by other agencies and entities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS:

S. 2534. A bill to suspend temporarily the duty on 2, (4-chlorophenol) -3ethyl-2, 5-dihydro-5-oxo-4-pyridazine carboxylic acid, potassium salt; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WARNER:

S. Res. 283. A resolution to refer H.R. 998 entitled "A bill for the relief of Lloyd B. Gamble" to the chief judge of the United States Court of Federal Claims for a report thereon; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAMS:

S. 2532. A bill for the relief of D.W. Jacobson, Ronald Karkala, and Paul Bjorgen of Grand Rapids, Minnesota, and for other purposes; to the Committee on the Judiciary.

PRIVATE RELIEF LEGISLATION

• Mr. GRAMS. Mr. President, today I am introducing a private bill addressing an inequity faced by a now dissolved Minnesota company, Norwood Manufacturing, Incorporated.

Norwood entered into contract with the United States Post Office to produce mail pallets according to Postal Service specifications. After producing the pallets, the Post Office canceled the contract, indicating the pallets did not meet the intended use, even though Norwood met the specifications requirement in the contract.

Genuine issues of material fact surround the question of whether the Post Office canceled the contract for cause, convenience, or possibly in bad faith. Surprisingly, Norwood was denied its plea to be heard in court. Summary judgment was awarded to the Post Office, and an appeal of this decision was denied.

At this point, all avenues of relief have been exhausted, including my efforts in 1995 to request a Congressional Reference from the Judiciary Committee, back to the Claims Court for review.

In my view, an injustice has occurred since usual legal relief has been precluded in the history of this case. I believe compensation by the United States is owed to Norwood. There is precedent for reimbursing companies which abide by contracts which either include errors, or when specifications change after a contract is signed and the company is not made aware of these changes. The Postal Service made an error, and it should have reimbursed this company, as is normal practice.•

By Mr. CRAIG:

S. 2533. A bill to amend the Federal Power Act to improve the hydroelectric licensing process by granting the Federal Energy Regulatory Commission statutory authority to better coordinate participation by other agencies and entities, and for other purposes; to the Committee on Energy and Natural Resources.

HYDROELECTRIC LICENSING PROCESS IMPROVEMENT ACT OF 1998

Mr. CRAIG. Mr. President, I rise to introduce a bill, and I send it to the desk.

Mr. President, the bill I introduce is the Hydroelectric Licensing Process Improvement Act of 1998. As its title suggests, the purpose of the bill is to improve the process by which hydroelectric projects are licensed by the Federal Energy Regulatory Commission. Under the existing law, non-federal dams that are constructed across navigable streams in the United States must be licensed by the FERC. In addition, under the present law, certain federal agencies, such as the United States Forest Service and the Departments of Commerce and Interior, have authority to mandate that FERC accept certain conditions in the license FERC ultimately issues. The Departments, for example, can impose conditions that address fish passage. The federal land agencies can impose conditions to protect federal land impacted by the project. FERC licenses, then, often contain conditions imposed by federal resource agencies.

These agencies, however, through no fault of their own, are single issue agencies. The law limits their considerations to a narrow spectrum of concerns as they decide mandatory conditions. Experience shows by the use of this licensing process that these decisions that are made by these agencies are very narrow. You could say narrow minded. Why? Because they are single-issue agencies. And the law now dictates that they operate only in that realm in their decisionmaking. We do not have to settle for bad decisionmaking simply because oftentimes the information that the Federal Energy Regulatory Commission gets, or the information they are dictated to by these single-purpose agencies, would result in bad decisionmaking. By adjusting this law, we can, I believe, have a better decisionmaking process. I will say that this is clearly the intent of the legislation that I am introducing today.

Now, Mr. President, these licenses for the dams can be for as little as 30 years and as much as 50 years. Decades ago, developers, both private ones such as investor owned utilities, and public ones such as municipal electric utilities or public utility districts, built hydroelectric projects and received original licenses for them from the FERC. Soon, many of those licenses will expire and the public and private license holders will seek new licenses from the FERC. Indeed, Mr. President, according to recent testimony of the National Hydropower Association before the House Energy and Power Subcommittee, over the next fifteen years, the FERC will consider for relicense, about two-thirds of existing non-federal hydroelectric projects. Nearly 300 projects, representing about 28,917 megawatts of power, will have their present, original licenses expire before the year 2012.

Mr. President, many of those projects will involve the federal resource agencies. The FERC will consider major projects in western states like California, and eastern states like New York. It will consider significant projects in northern states like Michigan and southern states like Alabama. We all are, and we all will be affected by the process by which the FERC relicenses these dams. Mr. President, this bill is extremely important in light of the foregoing.

Hydroelectric power is essential to the welfare of our country. It is clean, renewable and cheap. And, most importantly, it is very inexpensive compared with the other forms of energy. We need to take any steps necessary to ensure that this invaluable source of power remains available to the many consumers that depend upon it for their quality of life. Such steps include the process reforms contained in this bill.

Such reform is necessary because the unfortunate point is, in the last decade the licensing process was created that we now have. What did it do? The process didn't help the energy peaking capability of many of these projects.

According to a September 1997 study of the U.S. Department of Energy, since 1987, of 52 peaking projects relicensing by FERC, 4 projects increased capability, and 48 decreased capacity. In other words, they were less productive as a result of the licensing than they were prior to that relicensing. Ninety-two percent of the peaking projects since 1987 lost capacity. Hydropower is at risk, and it is important that our country understand that.

This is not only unfortunate, but it is bizarre. It is bizarre, Mr. President, because we live in a time when we are rightly sensitive to the environment in which we live. It is difficult to find a source of electric power more benign to the atmosphere than falling water. Yet, this benign power source is at risk. The process reforms I propose will help reverse this trend.

It is critical, Mr. President, that I note what the bill does not do. The bill does not—repeat, does not—eliminate the authority of federal resource agencies to mandate fish passages as conditions of a FERC license. Also, it does not—repeat, does not—eliminate the authority of federal land agencies to mandate FERC license conditions to protect federal lands impact by the hydroelectric project. That is what the bill will not do. It is important to understand that, because there are many groups that would think I would restrict the ability of some of these single-purpose agencies to participate in the relicensing process. Quite the opposite: I want to spread their authority in a way that makes it more responsible.

This is what the bill will do. The bill will reform the licensing process and improve the decisionmaking in that process in several ways.

1. It requires the federal resource agencies to consider a wider range of

factors than they presently consider, as they decide what mandatory conditions to impose in a FERC license. It would require the agencies to examine factors such as: (a) economics; (b) air quality; (c) irrigation; (d) navigation; (e) flood control; (f) recreation; (g) generation capacity; and (h) drinking water supply. The present law does not obligate federal resource agencies to consider such factors. But, better decisions will result if they do.

2. The bill requires those agencies to document their consideration of these factors. Agencies make better decisions in the light and not in the dark, Mr. President.

3. The bill allows the license applicant to obtain expedited administrative review of the conditions proposed by the federal resource agencies for reasonableness. Some check, no matter how minuscule, on the agencies' decisions to impose mandatory conditions is needed.

4. It requires the federal resource agencies to base their conditions on appropriate scientific review, which means a review based on empirical or field tested data, and subject to peer review. Good data helps lead to good decisions.

Mr. President, who can quarrel with federal resource agencies basing their decisions on sound science? Who can quarrel with federal resource agencies broadening the factors they consider as they decide mandatory conditions? Who can quarrel with giving the license applicant, who must bear the burden of mandatory conditions a right to appeal administratively, on an expedited basis, proposed mandatory conditions of the federal resource agencies? Mr. President, these reforms will make for better decisionmaking by the federal resource agencies.

The bill has another significant facet, Mr. President. It gives the FERC authority, after a license application is filed, and after, therefore, the federal resource agencies have documented their expanded and scientific review of conditions for the license, to require that the federal resource agencies submit those conditions to the FERC by a certain deadline. Simple, but it makes sense, because today those agencies don't have to comply with a deadline, but yet they have almost veto power by their absence from the process if they simply say they are considering a mandatory condition and are not yet willing to submit it to FERC for its inclusion in a license.

In this way, FERC will have before it at one time these various conditions of resource agencies, and, therefore, FERC should be able to efficiently and expeditiously bring about a license. This gives the licensee the opportunity of a quickee appeal. This is what the legislation does. It does not take away the authority of the agencies, it expands it. But it shapes it. It brings about a process that is definable and predictable. And that is exactly what does not occur today. Licensing today can take 8, 15, or 20 years when it ought take no more than 3 or 4 or 5 years. It is not reasonable or right that it should take that long.

Simply what we are doing is reshaping what was a very important piece of legislation now that we have some field experience with it. We cannot afford to lose clean, renewable, abundant resources like hydroelectricity.

In my State of Idaho, we are proud of our hydro base. It brings about inexpensive energy to my State, and to the State of the Presiding Officer. The whole Pacific Northwest is proud that it based its future on the past insight of developing its hydroelectricity. We shouldn't be required to lose it because of misguided law.

That is what I hope my legislation will do, if it becomes law. In the ensuing year, and in the new Congress, we will hold hearing across the West, and certainly here in Washington, on the validity of this approach, to shape the process that is currently underway into a time-predicatble process that all can understand and that all can deal with.

ADDITIONAL COSPONSORS

S. 709

At the request of Mr. HAGEL, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 709, a bill to protect private property rights guaranteed by the fifth amendment to the Constitution by requiring Federal agencies to prepare private property taking impact analyses and by allowing expanded access to Federal courts.

S. 1097

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 1097, a bill to reduce acid deposition under the Clean Air Act, and for other purposes.

S. 1422

At the request of Mr. MCCAIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1422, a bill to amend the Communications Act of 1934 to promote competition in the market for delivery of multichannel video programming and for other purposes.

S. 1649

At the request of Mr. FORD, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1649, a bill to exempt disabled individuals from being required to enroll with a managed care entity under the medicaid program.

S. 2180

At the request of Mr. LOTT, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2182

At the request of Mr. GORTON, the names of the Senator from Arizona (Mr. KYL), the Senator from Vermont (Mr. LEAHY), the Senator from Iowa (Mr. GRASSLEY), the Senator from Oregon (Mr. SMITH), the Senator from Oregon (Mr. WYDEN), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 2182, a bill to amend the Internal Revenue Code of 1986 to provide tax-exempt bond financing of certain electric facilities.

S. 2295

At the request of Mr. MCCAIN, the names of the Senator from Georgia (Mr. COVERDELL) and the Senator from Minnesota (Mr. GRAMS) were added as cosponsors of S. 2295, a bill to amend the Older Americans Act of 1965 to extend the authorizations of appropriations for that Act, and for other purposes.

S. 2358

At the request of Mr. COVERDELL, his name was added as a cosponsor of S. 2358, a bill to provide for the establishment of a service-connection for illnesses associated with service in the Persian Gulf War, to extend and enhance certain health care authorities relating to such service, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Illinois (Ms. MOSELEY-BRAUN), the Senator from Nevada (Mr. BRYAN), the Senator from New Hampshire (Mr. GREGG), the Senator from North Dakota (Mr. CONRAD), and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2432

At the request of Mr. JEFFORDS, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 2432, a bill to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

S. 2476

At the request of Mr. ABRAHAM, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 2476, a bill for the relief of Wei Jengsheng.

S. 2484

At the request of Mr. LEAHY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2484, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 2494

At the request of Mr. MCCAIN, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2494, a bill to amend the Communications Act of 1934 (47 U.S.C. 151 et seq.) to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems, and for other purposes.

S. 2519

At the request of Mr. MCCAIN, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 2519, a bill to promote and enhance public safety through use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the names of the Senator from Hawaii (Mr. AKAKA), the Senator from New Hampshire (Mr. SMITH), the Senator from North Carolina (Mr. FAIRCLOTH), the Senator from Texas (Mr. GRAMM), the Senator from Missouri (Mr. ASHCROFT), and the Senator from Texas (Mrs. HUTCHISON) were added as cosponsors of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE CONCURRENT RESOLUTION 108

At the request of Mr. DORGAN, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Missouri (Mr. BOND), the Senator from Iowa (Mr. GRASSLEY), and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of Senate Concurrent Resolution 108, a concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 278

At the request of Mr. BINGAMAN, the name of the Senator from Florida (Mr. GRAHAM) was added as a cosponsor of Senate Resolution 278, a resolution designating the 30th day of April of 1999, as "Dia de los Ninos: Celebrating Young Americans," and for other purposes.

SENATE RESOLUTION 283—RELATIVE TO PRIVATE RELIEF LEGISLATION AND THE UNITED STATES COURT OF FEDERAL CLAIMS

Mr. WARNER submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 283

Resolved, That (a) H.R. 998 entitled "A bill for the relief of Lloyd B. Gamble" now pending in the Senate, together with all the accompanying papers, is referred to the chief judge of the United States Court of Federal Claims.

(b) The chief judge shall—

(1) proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code; and

(2) report back to the Senate, at the earliest practicable date, providing—

(A) such findings of fact and conclusions that are sufficient to inform the Congress of the nature, extent, and character of the claim for compensation referred to in such bill as a legal or equitable claim against the United States or a gratuity; and

(B) the amount, if any, legally or equitably due from the United States to Mr. Lloyd B. Gamble.

(c) It is the sense of the Senate that if any judgment is entered in favor of Lloyd B. Gamble against the United States, any damages arising from injuries sustained by Lloyd B. Gamble should not exceed $253,488.

AMENDMENTS SUBMITTED

GLACIER BAY NATIONAL PARK BOUNDARY ADJUSTMENT ACT OF 1998

MURKOWSKI AMENDMENT NO. 3672

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill (H.R. 3903) to provide for an exchange of lands located near Gustavus, Alaska, and for other purposes; as follows:

On page 2 line 8 strike "paragraph [4]" and insert "paragraph [2]".

On page 2 line 9 strike "paragraph [3]" and insert "paragraph [4]".

On page 4 line 1 strike "838.66" and insert "1191.75".

On page 11 line 19 strike "units" and insert "units resulting from this Act".

On page 11 line 20 strike "considered in applying" and insert "charged against".

On page 12 line 1 strike "units" and insert "units resulting from this Act".

On page 12 beginning on line 1 strike "be considered in applying" and insert "be charged against".

WETLANDS WILDLIFE ENHANCEMENT ACT OF 1998

CHAFEE AMENDMENT NO. 3673

Mr. SHELBY (for Mr. CHAFEE) proposed an amendment to the bill (S. 1677) to reauthorize the North American Wetlands Conservation Act and the Partnerships for Wildlife Act; as follows:

On page 2, after line 19, add the following:

SEC. 4. MEMBERSHIP OF THE NORTH AMERICAN WETLANDS CONSERVATION COUNCIL.

(a) IN GENERAL.—Notwithstanding section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)), during the period of 1999 through 2002, the membership of the North American Wetlands Conservation Council under section 4(a)(1)(D) of that Act shall consist of—

(1) 1 individual who shall be the Group Manager for Conservation Programs of Ducks Unlimited, Inc. and who shall serve for 1 term of 3 years beginning in 1999; and

(2) 2 individuals who shall be appointed by the Secretary of the Interior in accordance with section 4 of that Act and who shall each represent a different organization described in section 4(a)(1)(D) of that Act.

(b) PUBLICATION OF POLICY.—Not later than June 30, 1999, the Secretary of the Interior shall publish in the Federal Register, after notice and opportunity for public comment, a policy for making appointments under section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)).

YEAR 2000 READINESS AND SMALL BUSINESS PROGRAMS RESTRUCTURING AND REFORM ACT OF 1998

BOND (AND KERREY) AMENDMENT NO. 3674

Mr. SHELBY (for Mr. BOND for himself and Mr. KERREY) proposed an amendment to the bill (H.R. 3412) to amend the Small Business Act and the Small Business Investment Act of 1958 to provide for a pilot loan guarantee program to address Year 2000 problems of small business concerns and to improve the programs of the Small Business Administration, and for other purposes; as follows:

Strike section 205 of the bill and insert the following:

SEC. 205. SMALL BUSINESS FEDERAL CONTRACT SET-ASIDES.

(a) ANNUAL COMPREHENSIVE REPORT.—

(1) IN GENERAL.—Section 15(h) of the Small Business Act (15 U.S.C. 644(h)) is amended—

(A) in paragraph (1)—

(i) by striking "At the conclusion of each fiscal year" inserting "(A) Not later than April 15 of each year";

(ii) in the first sentence, by inserting "during the fiscal year that ended on September 30 of the preceding year" before the period; and

(iii) by adding at the end the following:

"(B)(i) Not later than May 15 of each year, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a comprehensive report on the extent of the participation by small business concerns described in subparagraph (A) in procurement contracts during the fiscal year that ended on September 30 of the preceding year. In preparing the report, the Administration shall use the data from the reports submitted to the Administration for that fiscal year under subparagraph (A), and the Federal Procurement Data System.

"(ii) Each comprehensive report under this subparagraph shall include a detailed description and qualitative analysis of the procurement data submitted to the Administration under subparagraph (A).

"(iii)(I) The description and analysis included under clause (ii) shall include a reconciliation of the apparent differences, if any, between the small business participation levels reported for that fiscal year and the small business participation levels reported for preceding fiscal years, that result from differences in classification or reporting of data under this subsection. In the report, the Administration shall identify the differences in classification or reporting, as the case may be, and set forth the statistics on total dollar values for the later fiscal year as those statistics would have been calculated if the categories of contracts had been classified or otherwise reported without the differences.

"(II) The total dollar values referred to in subclause (I) are the total dollar values of prime contracts awarded, total dollar values of subcontracts awarded, and total dollar values of prime contracts and subcontracts awarded to small businesses.";

(B) in paragraph (2), by striking "paragraph (1)" and inserting "paragraph (1)(A)"; and

(C) by adding at the end the following:

"(4)(A) The Administration may not issue a waiver or permissive letter authorizing the head of a Federal agency or the heads of any group of Federal agencies to change the statistical methodology used for meeting the reporting requirements of paragraph (1)(A) or (2) unless, when issued, the waiver or permissive letter is accompanied by the comments of the Chief Counsel for Advocacy regarding the appropriateness of the decision of the Administration to issue the waiver or letter.

"(B) No waiver or permissive letter referred to in subparagraph (A) shall be effective until—

"(i) the Administration submits a copy of the waiver or permissive letter, together with the comments of the Chief Counsel for Advocacy, to the Committees on Small Business of the House of Representatives and the Senate; and

"(ii) 30 days have elapsed since the date of the submission to the committees under clause (i).".

(2) INAPPLICABILITY OF CONTENT REQUIREMENT TO FISCAL YEAR 1998 REPORT.—Clause (iii) of subparagraph (B) of section 15(h)(1) of the Small Business Act, as added by paragraph (1)(A)(iii) of this subsection, does not apply to the comprehensive report submitted under that subparagraph for fiscal year 1998.

(b) HUBZONE PROGRAM.—Section 602(b)(2) of the Small Business Reauthorization Act of 1997 (15 U.S.C. 657a note) is amended—

(1) in subparagraph (I), by striking "and" at the end;

(2) in subparagraph (J), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(K) the Department of Labor.".

ROUTE 66 NATIONAL HISTORIC HIGHWAY

DOMENICI (AND BINGAMAN) AMENDMENT NO. 3675

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill (S. 2133) to designate former United States Route 66 as "America's Main Street" and authorize the Secretary of the Interior to provide assistance; as follows:

On page 6 line 17 and 18 strike subsection (B) in its entirety and insert the following:

"(B) public lands in the immediate vicinity of the highway; and

"(C) private lands in the immediate vicinity of the highway owned by those who are willing to participate in the programs authorized by this Act.".

Amend the title so as to read: "A bill to designate former United States Route 66 as the "Route 66 National Historic Highway", and for other purposes.".

NOTICE OF HEARING

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry will meet on Thursday, October 1, 1998, immediately following the first roll-call vote of the Senate in the President's Room of the Capitol. The purpose of this meeting will be to mark up the nomination of Michael Reyna to be a member of the Farm Credit Administration Board and to mark up the USDA Information Technology Reform and Year 2000 Compliance Act (S. 2116).

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON INDIAN AFFAIRS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, September 30, 1998, at 9:15 a.m. to conduct a markup, on S. 1870, to amend the Indian Gaming Regulatory Act; H.R. 1805, Auburn Indian Restoration Act; and S. 2097, to encourage and facilitate the resolution of conflicts involving Indian tribes. To be followed immediately by a hearing on S. 2010, to provide for business development and trade promotion for native Americans. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

CONFERENCE AGREEMENT ON H.R. 4060, THE FISCAL YEAR 1999 ENERGY AND WATER APPROPRIATIONS BILL

• Mr. McCAIN. Mr. President, I applaud my colleagues on both sides of the aisle in forging a conference agreement which will provide funding for important energy and defense related programs in this year's Energy and Water Appropriations bill. As we will not likely complete all of the individual 13 appropriations bills, I compliment the managers for completing their respective conference bills and reports.

I did not object to the conference report's passage yesterday by unanimous consent. However, I do take exception to the continuing practice of overloading an important spending bill such as this one with wasteful and unnecessary spending for unrequested, unauthorized or member-interest projects. I examined the Senate bill and report during our consideration earlier this year and counted more than $920 million in earmarks. I am disappointed that the conferees chose not to cut back on this wasteful spending, but rather took the opportunity to indulge and attach even more erroneous earmarks for projects which were not considered by either legislative body.

Mr. President, I will not dwell on the details, for I have compiled an extensive list of objectionable provisions which clearly reflects an outrageous spending binge by our federal government. This conference report is shamefully overridden with $1.6 billion of pork-barrel spending. Many members will come out of this process as winners with spending for their own special interest projects. Unfortunately, the losers are the American taxpayers who will have to shoulder this fiscal burden.

The complete list of objectionable provisions is available through my office.•

TRIBUTE TO FLO BRUMER ON HER 90TH BIRTHDAY

• Mr. MOYNIHAN. Mr. President, on November 21, 1998, Mrs. Florence Brumer of Utica, New York, will celebrate her 90th birthday. She is fortunate to reach this milestone not only in good health and high spirits, but in the company of her husband of 64 years, Lou, and their two children and four grandchildren, all of their spouses, and one great-grandchild.

A lifelong educator, Mrs. Brumer has touched many lives and been an inspiration to those around her. She received a bachelor's degree in education from New York University and a master's degree from the Teacher's College at Columbia University. She went on to spend over forty years as a teacher and curriculum supervisor in the New York City school system. When she retired in 1966, she moved upstate to Utica and became the city's most ardent promoter. An article in the local newspaper several years ago highlighted the Brumers' rave reviews of Utica's social and cultural life, which coming from Manhattan natives were particularly strong endorsements.

One of the most remarkable aspects of Flo Brumer's life is her vigor and enthusiasm for a wide variety of activities. A cancer survivor, she was a pioneer in the crusade against smoking back in the days when there was no such thing as a "smoke-free environment." Well into retirement, she donned sneakers and began the sport later known as "mall-walking." She has a great passion for political discussions, instilled in her, perhaps, at the table of her uncle, William I. Sirovich, who served as a member of the U.S. Congress (D–NY) from 1927–39. And as a bridge fanatic, she continues to play and win regularly while trying to recruit new partners.

Reaching one's 90th birthday is a notable occasion in and of itself, but to do so with such vitality and cheer is a truly great accomplishment. I offer her my heartiest congratulations and best wishes and close with a particularly apt Irish blessing:

May joy and peace surround you
Contentment latch your door,
And happiness be with you now,
And bless you evermore.•

TRIBUTE TO THE GATESWORTH ON ITS TEN-YEAR ANNIVERSARY

• Mr. BOND. Mr. President, I rise today to pay tribute to the Gatesworth at One McKnight Place in St. Louis, Missouri on its ten-year anniversary. The Gatesworth is an extremely elegant adult living community. In its years of existence The Gatesworth has received much praise for its commitment to active independent living.

During its short existence, The Gatesworth has received numerous awards including, National Home Builders "Best Lowrise," Contemporary Longterm Care "Best Interior Design," and Professional Builder Magazine "Feature Performance Award," just to name a few. Among the outstanding features of The Gatesworth are the four story atrium, two dining rooms, 102 seat theater, fitness center with indoor pool, on-site bank, beauty shop, gift shop, convenience store, library and billiard room.

I commend The Gatesworth staff for their spirit and energy throughout their ten-years of existence and hope The Gatesworth continues to prosper for several more decades.•

MOUNT ST. HELENS RECOVERY OPERATION ON THE COWLITZ RIVER

• Mrs. MURRAY. Mr. President, yesterday the Senate passed the Energy and Water Development Appropriations Conference Report. I seek clarification from the Chairman on two matters related to flood control measures along the Cowlitz River in Washington state necessary to mitigate impacts from the 1980 eruption of Mount St. Helens. That eruption reduced the Cowlitz River channel capacity to one tenth of its pre-eruption level. In 1985, Congress enacted Public Law 99–88 which authorized and directed the Army Corps of Engineers (the Corps) to construct, operate, and maintain a sediment retention structure with such design features and associated downstream actions as are necessary. An October 1985 Decision Document identified specific levels of protection for Cowlitz River communities, consistent with risk assessments and NED criteria.

Mr. GORTON. Mr. President, if I may join my colleague from Washington state, this Decision Document became the basis for the local cost-sharing agreement signed by federal, state, and local officials in April, 1986. This agreement was recognized by Congress in the Water Resources Development Act of 1986. It has come to attention of Senator MURRAY and I that the Corps is uncertain whether the levels of protection in the Decision Document are discretionary or required.

Mrs. MURRAY. Mr. President, it is our understanding that both Congressional intent and the recollections of those most intimately involved in crafting the cost-share agreement support the interpretation that these levels of protection are required. Does the distinguished Chairman concur?

Mr. DOMENICI. Mr. President, the Senators from Washington are correct. I am informed that the Mount St. Helens Decision Document does indeed set for the levels of protection for communities along the Cowlitz River. The Decision Document was the basis for the cost-sharing agreement with state and local entities and commits the Corps to maintain these specified levels of protection.

Mrs. MURRAY. I thank the Chairman. In addition, heavy rains and flooding during February 1996 brought to light some serious problems and omissions in the Mount St. Helens recovery effort that require immediate attention.

Mr. GORTON. My colleague from Washington is correct. In several cases work by the Corps or its contractors appears to have created new problems. In the case of the Coweeman River, over one mile of volcanic sediment that backed up in this tributary. Initially ignored, this sediment now poses a serious threat to the community of Kelso. The Corps is currently scheduled to initiate a two-year study of these hazards and levels of protection in fiscal year 2000. It makes sense to all concerned that these matters be addressed as soon as possible.

Mrs. MURRAY. Does the distinguished chairman agree that the Corps should use available funds in fiscal year 1999 to address this important issues and advance the study outlined by Senator GORTON?

Mr. DOMENICI. Mr. President, it would seem prudent and responsible for the Corps to use available funds during fiscal year 1999 to address this important issue.

Mrs. MURRAY. Mr. President, on behalf of myself and Senator GORTON, I thank the chairman.•

CRITICAL DEFENSE SHORTFALLS

• Mr. FRIST. Mr. President, the Senate Armed Services Committee held a hearing yesterday that resulted in a bipartisan call to address the readiness crisis in our armed forces. Senators charged the Joint Chiefs with warming over the critical defense shortfalls in a previous hearing last February in order to defend the President's Budget.

Many of us in Congress have been expressing to the Administration for years our concerns regarding the deep cuts in personnel, equipment, and training. Senator McCAIN offered these warnings in a report he commissioned entitled "Going Hollow" as far back as 1993. I have written repeatedly on the subject of military readiness. In fact, last May I wrote that "the hollow state of readiness so many have warned about has arrived."

I am pleased the President and the Joint Chiefs have finally decided to abandon the shell game and address the serious weaknesses in our defense force structure. At this stage, placing blame is far less important than solving the problem. The more candid responses from the Joint Chiefs in yesertday's hearing are the first step in that process. Mr. President, I ask that two columns I have written on the subject of military readiness be printed in the RECORD.

The material follows:

UNACCEPTABLE RISK TO AMERICAN LIVES

(By U.S. Senator Bill Frist)

"Unacceptable risk," is the blunt assessment by Army four-star General David A. Bramlett describing his troops' ability to accomplish its mission.

In a disturbing memo to the Army's Chief-of-Staff, General Bramlett methodically describes the nearly insurmountable challenges facing Forces Command, for which he is responsible. "Funding has fallen below a survival level in FY99. The commanders are concerned that they can not meet the daily challenges of the three imperatives of readiness: training, quality of life and infrastructure."

General Bramlett's warning is only the latest evidence the Clinton Administration has failed to lead and maintain a ready fighting force. Consider a few other shocking examples of the damage caused by the Administration's extreme defense cuts:

In Cecil Naval Air Station, Florida, a commander reports having 43 aircraft assigned to him but only 20 operational. One new aircraft had its landing gear damaged in a botched landing. Three years later, that F/A18, after only 10 hours use, still sits idle because of the lack of spare parts.

Admiral Clemins, the Commander of the Pacific Fleet, reports that the Navy is 18,000 sailors short and is forced to send warships out of port inadequately manned.

Then Major General Marvin Esmond testified that his command, the Air Warfare Center at Nellis Air Force Base in Nevada, has experienced a six-month delay in skill improvement for airmen due to delays in specialized training. This shortage of properly trained personnel has forced other airmen to routinely work 70-hour weeks of 12-hour shifts.

Our forces are some 45 percent smaller than in 1989. We have traditionally maintained the ability to execute at least two major regional conflicts, each approximately the size of the Gulf War. Today, most analysts agree we would have difficulty executing even one Gulf War-sized conflict.

This weakness may well explain the Clinton Administration's recent efforts to avoid confrontation with Iraq over weapons inspections.

Our lack of vigilance has serious consequences for our troops, our nation and even for our enemies. Only eight years ago our nation went to war in the Persian Gulf with the most ready force we have ever enjoyed. In short order we won a clear and decisive victory against one of the largest standing armies in the world.

For an armed conflict of this magnitude, there was an amazingly small loss of life for allied troops—and even for the Iraqis. Most surrendered rather than face our overwhelming forces and certain defeat. Today, America's military continues to do their duty and more, but politicians have a duty as well. We must meet our responsibility to equip and train our military so that they can not only survive, but win on the battlefield.

The Clinton Administration's platitudes about "leaner and meaner" betray this responsibility. The typical Marine, for example, is no less courageous today than he was in 1989. But he is less well trained, and there are far fewer Marines to back him up and ensure he can accomplish his mission.

As the President prepares a defense budget for the millennium, it's time to stop the erosion of our defenses. Our enemies of today are less predictable and more likely to attempt to attack at the first sign of any weakness.

Tennesseans are justly famous as volunteers in the defense of our nation. For their sake, and for the sake of all American volunteers in military service, Washington must do its duty to ensure our fighting men and women are better trained and better equipped than they are today. The price of an ill-prepared force is measured in blood, not in dollars.

OUR HOLLOW MILITARY

(By U.S. Senator Bill Frist)

Nearly six years of neglect and foreign-policy overreach have taken their toll in the Department of Defense. Make no mistake: The hollow state of readiness so many have warned about has already arrived. The Commander-in-Chief has allowed America's military preparedness to sink to the disgraceful levels of the Carter era. This administration is more concerned about the social engineering of the military's culture than the training, modernization, and maintenance that will keep our troops alive on the battlefield.

Inattention to readiness issues is reaching crisis proportions. A visiting pilot at Luke Air Force Base recently counted nearly forty F–16 fighters parked near the runway without engines. These aircraft were literally "hollow." In a recent interview, even secretary of Defense Bill Cohen acknowledged that "it does trouble us." Yet, this administration has plunged ahead with more overseas military commitments, not fewer, stretching our defenses ever thinner.

From 1993 to the present, the Clinton Pentagon has spent an average of $2 billion every year on "Operations Other Than War" like those in Bosnia, Haiti and Somalia. Indeed Congress just passed "emergency" funding to cover more than $1.8 billion for the Iraq mobilization and continued Bosnia "peacekeeping" operations this year. Yet, our armed forces have been in Bosnia almost three years. Without this injection of money, the ongoing expense of these operations would endanger our ability to respond to a national crisis.

Today our forces are more than 40 percent smaller than at the end of the Cold War, yet deployments have increased by 300 to 400 percent. The Pentagon counties to play a shell game with defense dollars earmarked for the modernization and training that will keep troops alive in future conflicts. Meanwhile, the administration's feel-good foreign policies attempt to turn our servicemen and women into global caretakers.

The most important measure of military efficiency is the number of American lives lost to attain a military objective. This dangerous foreign policy reduces America's ability to defend her interests and endangers the most valuable piece of our foreign policy—our men and women in uniform. As a nation, we cannot afford to continue paying lip service to abstractions like "readiness' and "modernization" without backing them up.

Recent incidents show how closely peacetime training is linked to life and death in times of war. Last October, Defense News reported that a Russian submarine shadowed the nuclear submarine USS Coronado for several days without being detected. A year earlier, a Chilean submarine moved undetected for several days within the perimeter of a U.S. battle group during a training exercise. In both cases, the foreign submarines could have fired upon our ships at any time. Fortunately for those American crews, we aren't at war. But as one senior Navy official observed, "it is only in training that a diminished capability is evident."

More recently, I toured our operations in Bosnia. While deployments to hot spots like Bosnia have clearly been made with noble intentions, too often they have been undertaken with questionable rationales and undefined mission goals. Unrealistic deadlines have been substituted for exit strategies. In Bosnia, for instance, our entanglement is now well into its third year. This would not be so troubling except for the administration's original promises that all mission objectives were achievable in one year. When Secretary Cohen pushes for further cuts in military installations as a cost saving measure, it's worth reminding him that the Bosnia operation alone is a moneypit that has cost the American taxpayer close to $7 billion.

Shifting goals are questionable to begin with. But to pay for them with dollars intended to maintain the nation's military readiness is simply inexcusable. These "Operations Other Than War" distract the military from its primary mission: to fight and win wars where real American interests are at stake. The more our forces stray from that mission, the less they'll be able to accomplish it, especially with minimal loss of life.

As we're asking a small military to do more with less, Washington must be disciplined in our use of shrinking defense resources. In this era of balanced budgets and relative peace, we neglect national defense at our own peril—and the peril of those Americans who put their lives on the line to protect the national interest.•

ENERGY SAVING PERFORMANCE CONTRACTS

• Mr. KOHL. Mr. President, I rise today to encourage my colleagues to continue our efforts toward promoting energy efficiency and renewable energy technology. The Administration has placed a high priority on energy efficiency for the coming year and we must follow their lead. The problems of air and water pollution as well as the dangers of climate change only reinforce the need for an increased effort. Improved energy efficiency can buy us the time needed to develop an improved national energy policy based on renewable energy which will be the foundation of the 21st century.

Human activities, particularly the burning of fossil fuels has increased atmospheric CO_2, methane and nitrous oxide, all of which contribute to global warming. In fact, U.S. fossil energy currently produces about one-fourth of the world's CO_2 emissions. The U.S. accounts for 25% of world oil use, two-thirds of which is consumed by the transportation sector. Economically, U.S. oil imports accounts for 50% of national oil use, which amounts to $60 billion, or 36% of our trade deficit. Mr. President not only is this dangerous for our environment, but it also poses a great threat to our economic security.

From FY1948–FY1997 total energy R & D spending reached $108 billion. Of this figure $66 billion or 61% has been spent on nuclear technology, $26 billion or 24% for fossil fuels, while only $11 billion or 10% has been spent on renewables and $7 billion or 7% for energy efficiency. In contrast, the DOE's 1995 Energy Conservation Trends report found that energy conservation activities from 1973 to 1991 curbed energy use by about 27%. In 1992 this savings equaled $283 billion or about half of the nation's $538 billion annual energy spending. These figures show the benefits energy efficiency can bring to the U.S. if managed properly. We must work to reverse this discrepancy and increase funding for renewable energy and energy efficiency programs.

One program which I believe shows great promise for the future is Federal use of Energy Savings Performance Contracts (ESPC's). Administered under DOE's Federal Energy Management Program (FEMP), ESPC's are a technique which reduces energy costs and consumption by the Federal government without increasing budgetary outlays. ESPC's are awarded to private firms who then install and maintain energy efficiency improvements in Federal facilities while guaranteeing savings.

However, the FEMP program has repeatedly gone under funded. It is for this reason I introduced the Federal Energy Bank Act of 1997 (S. 1375) which sought an alternative means of providing the critical needed funding for Federal energy management. I'd like to take this time now to thank my colleagues, Senators FEINGOLD, BUMPERS, JOHNSON, BINGAMAN, JEFFORDS and CAMPBELL in supporting my bill and efforts.

Mr. President, President Clinton has recently directed all Federal agencies to maximize their use of ESPC's before the authority to use ESPC's expires in the year 2000. I call on all my colleagues to support a reauthorization and expansion of the ESPC authority before this valuable program expires. We should continue to work with DOE and the Administration to see this important partnership between the private and public sectors is extended well into the future.

Mr. President, if anyone is skeptical as to the benefits of the program I'd like to give two examples of successful ESPC's involving a Wisconsin company, Johnson Controls. Under one of the largest ESPC's in the country Johnson Controls has agreed to replace the outdated 50-year-old steam system at DOE's Hanford complex in Washington. The Hanford complex, which includes research labs, fuel fabrication facilities, industrial sites as well as numerous administrative buildings are undergoing a transition from a nuclear weapons production site to an energy research and development facility. This 25-year contract will save the taxpayers a guaranteed $108 million while reducing harmful emissions.

Johnson also has recently signed onto another ESPC with the U.S. Department of Transportation to make improvements to the Volpe National Transportation Center in Massachusetts. Johnson will make and maintain improvements to lighting, heating, ventilation, air conditioning as well as other energy management systems. This 10-year contract will reduce energy expenses by $200,000 each year for the life of the contract, and limit carbon dioxide emissions.

Mr. President, this is an important partnership which benefits many parts of society. It's good for the government, the private sector as well as the environment and should be continued. Again, I'd like to thank my colleagues for their past support. I encourage them to support reauthorizing this program for the future and support additional funding for energy efficient and renewable energy technology. Thank you Mr. President.•

BOY SCOUT HEROES

• Mr. CRAIG. Mr. President, I rise to share with the Senate a story about some fine young Idahoans who saved a family stranded in the wilderness.

While hiking in the Idaho wilderness, Boy Scouts from Troops 44 and 74 saved a family of seven who had become lost, were severely dehydrated, and disoriented. With the skills that they developed through their Boy Scout training, they successfully guided the family to a point where they were met by rescue workers. In order to reach the family, the Scouts were forced to descend treacherous canyon walls, shale slides, boulder falls, and cliff areas. During the climb out of the canyon, the Scouts used ropes to physically support the exhausted family members.

The performance of these fine young men goes far beyond commendable. Their flawless performance saved the lives of this family. In a day and age when we are bombarded by reports of how troubled and misguided today's youth are, it is truly refreshing to hear the story of these young men who have done something so outstanding. One can't help but respect their unselfish display of courage and resourcefulness. Perhaps their act, and the acts of other outstanding youths like them across the nation, will help us to restore our faith in them and in their future. It is my personal hope that by recognizing young men such as these, we can begin to refocus the lens through which we view society, in order to see, more clearly, the typical American youth—not as a delinquent or a burden, but a contributing member of society deserving our respect and our praise.

It is my pleasure to recognize Kody Haney, Brian Wanstrom, Alan Wanstrom, Kyle Hestag, Eric Williams, Dustin Moss, Brandon Moss, Alex Davies, Darian King, Cayd Brunson, Dustin Hymas, Chris Mendenhal, and leaders Darrell Wheeler, Jeremiah Burnett, and Marie Burnett. On behalf of the State of Idaho and the United States Senate, allow me to thank you—for your courage, unselfishness, determination, and most important for being shining representatives of American youth.•

DODGE DEVELOPMENT CENTER

• Mr. LEAHY. Mr. President, on April 2, 1998, in a statement I made on the Senate floor, I attributed the creation of the Dodge Development Center and Veterans Assistance Office in Rutland, Vermont to Chapter One of the Vietnam Veterans Association, also located in Rutland. I need to clarify for the record that, although some of the early members of VVA Chapter One were part of the very early stages of the idea, VVA, Chapter One was not responsible for the development, founding, or creation of the center.

Years of hard work went into organizing community involvement, volunteer labor and donations, fundraising, remodeling, and furnishing that has resulted in the establishment of the only homeless shelter just for veterans in Vermont—the Dodge Development Center. I want to congratulate the people primarily responsible for this accomplishment. They are: Robert Rummel, Paul Albro, Cynthia Turrell-Burns, Peggy Gibbud, Jeff Hatch, Clark Howland, Gene Miner, Tom Neary, Lance Warner, and Tim Beebe. There were also dozens of volunteers and community members who helped them make this dream come true.

I thank them for their persistence. They have worked through many funding and permitting hurdles over the years. On Veteran's Day this year, they will dedicate the center and open the doors of the shelter to homeless veterans. Again, I want to congratulate them and thank them for their determination.•

NORTH AMERICAN WETLANDS CONSERVATION ACT

• Mr. KEMPTHORNE. Mr. President, the North American Wetlands Conservation Act [NAWCA] has been very successful in its stated goal of providing for long-term conservation of dozens of species of migratory birds and their habitats through the coordinated action of governments, private organizations, and landowners.

In Idaho, a typical NAWCA project benefits mallards, pintails, cinnamon teal, gadwall, long-billed curlews, peregrine falcons, bald eagles, sandhill cranes, river otter, elk, pronghorn, mule deer, and many species of native fish. But one species in particular benefits in Idaho from NAWCA. The Trumpeter Swan has made a real comeback because of conservation under NAWCA.

Trumpeter Swans were once widespread and abundant across North America. But by 1900 they were reduced to near extinction by subsistence and commercial hunting. In fact, outside of Alaska, only one small remnant of fewer than 200 survived in remote sites in Eastern Idaho and nearby habitats in the Rocky Mountains. Most wintered in the high elevation wilderness west of Yellowstone National Park.

Although never officially listed as threatened or endangered, many agencies and private individuals have worked for decades to restore this population, which today numbers about 2,500 and nests from south eastern Idaho north to the Canadian Northwest Territories.

Restoration of this beautiful bird has required habitat protection and improvement, law enforcement to prevent illegal shooting, and years of research and management on Trumpeter Swans to restore a secure distribution. In eastern Idaho, this effort has involved conservation groups, including the Trumpeter Swan Society; irrigators, Indian tribes, private landowners, and businesses all working with the Federal Agencies, Idaho state parks and Idaho Fish and Game Department in cooperative efforts to ensure that the swans thrive.

The wintering population in the vicinity of the Harriman State Park and the famous Henry's Fork has risen to about 1,000 birds. These are northern birds that come south to winter in Eastern Idaho with our own resident birds. There is a real need to further distribute these swans further south in the winter to reduce crowding, protect the habitats, and to scatter the population better.

Juvenile Swans do not learn ancestral migratory routes to more southern wintering areas in the absence of adults that can lead them to new areas. While we are steadily improving the habitat in the more southern parts of the State at sites like Bear Lake NWR, we will have to reestablish the migratory instinct.

From the Teton River Basin Wetlands and the Thousand Springs/Chilly Slough Projects [1-4], to the Bear Lake National Wildlife Refuge the NAWCA has helped the Trumpeter Swan in Idaho, and provided places to nest and distribute the winter population. These six projects have brought a $5.5 million investment to Idaho that will help the swans and dozens of other species.

Non-profit organizations provide important assistance to NAWCA efforts. Ducks Unlimited [DU], in particular, has contributed more money and effort to NAWCA than any other non-government entity. In the last few years they have contributed over $81 million. Bear Lake NWR alone has received over $1 million from DU and NAWCA.

The future looks bright for Rocky Mountain trumpeters if we can manage their habitats and provide secure wintering areas. A century ago, we almost lost Trumpeter Swans. The 21st century looks much brighter as a result of proactive, cooperative efforts to protect the swans and their habitat. As Trumpeters return to the wetlands that we conserve through programs like the North American Wetland Conservation Fund, they are an inspiring reminder of the progress that is possible.•

PRESIDENT'S RESPONSE TO INDEPENDENT COUNSEL'S INVESTIGATION

• Mr. JOHNSON. Mr. President, I rise to again express publicly my profound dismay and disappointment in President Clinton's personal behavior relative to the Monica Lewinsky affair. I cannot state in terms too strong the disapproval I feel. There can be no meaningful line of distinction between wrongful and immoral personal conduct on the part of the President and the expectations the American public rightfully has over his role as a public official. The President's conduct was wrong. The response of Congress must be deliberate and carefully consistent with the requirements of law and the Constitution, but at the very least, President Clinton owes the American citizenry an apology and good faith cooperation in bringing this sorry episode to an expeditious conclusion.•

TRIBUTE TO MAYOR JAMES FRANCIS "JIMMY" CRAWFORD

• Mr. SHELBY. Mr. President, I rise today to pay tribute to James Francis (Jimmy) Crawford, a tireless public servant, a prominent businessman, and a man whose deep religious convictions touched the lives of many. Jimmy Crawford was a lifelong resident of Abbeville, Alabama, and was serving his third consecutive term as mayor. His contributions to the city of Abbeville left an indelible mark in the memories of all who knew him. Jimmy passed away on Thursday morning, September 17, 1998 at the age of 58.

Throughout his life, Jimmy Crawford selflessly dedicated himself to the benefit of others and stood by his principles and ideals in an unwavering fashion. From his early youth, Jimmy demonstrated a considerable eagerness to help others. Growing up in Abbeville, Jimmy was active in the Boy Scouts of America, achieving the highest possible rank of Eagle Scout. After graduating from Abbeville High School in 1957, Jimmy attended school at Howard College, now Samford University. At Howard, Jimmy earned the distinction of being named in Who's Who Among American Colleges and Universities. These accomplishments served as a hint of the dedicated life which Jimmy would eventually lead.

Upon his return to Abbeville, Jimmy quickly became a respected and admired businessman in the community. His rental and finance firm provided the vehicle for Jimmy to help to organize and assist area businesses. He was the charter president of the Abbeville Jaycees, and was awarded the highest Jaycees honor by being named International Senator in 1975. Jimmy moved on to become the president of the Abbeville Chamber of Commerce in 1975 and 1976. During his tenure, the Chamber saw unprecedented growth and one of the largest memberships in the history of the organization. Jimmy was a member of the Abbeville Lions Club and a former member of the Abbeville Kiwanis Club. He also served for eight years on the Abbeville Recreation Board, two of those as chairman. No one would dispute the fact that he played a vital role in the development of these various organizations and the entire business community of Abbeville.

Jimmy also achieved notoriety with his impressive political achievements. He was first elected Mayor of Abbeville in 1988 and was currently serving in his third term. He was vice-president of the Board of Directors of the Southeast Alabama Regional Landfill Authority. He served dutifully on the Board of the Southeast Alabama Gas District for 10 years, taking the position of chairman in 1995. He was active in the Alabama League of Municipalities as a member of the Executive Committee, and achieved the high honor of being a certified municipal official. Jimmy was extremely proud of his accomplishments as Mayor, most recently working with my office to secure important transportation and downtown revitalization grants.

Remarkably, Jimmy's business and political successes did not take away from his other devotions. Jimmy was a man with unwavering religious beliefs that led to a life of teaching the word of God. He was a charter member of the Calvary Baptist Church of Abbeville, where he served for 36 years. During this time, Jimmy served in a variety of capacities for the Church, including the post of chairman of the deacons for four terms, as well as Sunday School superintendent and teacher. Along with these responsibilities, Jimmy was the founding director of the Abbeville Christian Academy and served on its Board of Directors for many years. During his time involved with the Calvary Baptist Church and the Abbeville Christian Academy, Jimmy had the opportunity to help shape the lives of the children whom he taught and provided them with a firm groundwork in morality and Christianity which will help to guide them through life.

From his youth, Jimmy was also an avid sports fan. Having played football for Coach Bobby Bowden at Howard College, his competitive spirit never faltered. He was a former coach of the Abbeville Christian Academy Pee Wee Generals, and freely gave of his time to coach various teams in the Abbeville Recreation Department. He also was an avid Auburn University fan, from where his two daughters, Lil and Fran, graduated.

James Francis "Jimmy" Crawford will be remembered as a devoted husband and father. He will be missed by all who knew him, especially his wife Jo Smith Crawford; his daughters Lillian Ella Crawford, of Birmingham; and Martha Frances Crawford, of Abbeville; and other relatives and many friends whose lives he touched.

I will truly miss Jimmy. His many accomplishments touched the lives of every citizen of Abbeville and beyond. He should be remembered as a man with great vision and leadership. My heart is with his family during this difficult time.•

NEBRASKA NUMBER ONE IN INTERNET ACCESS IN CLASSROOMS

• Mr. KERREY. Mr. President, earlier this year Nebraska was recognized (along with our friends from Michigan) for being the best college football team in the land. But yesterday brought even better news about a number one ranking for Nebraska.

As reported in the Omaha World-Herald, the Nebraska school system has been recognized in a recent national study as ranking first in the Nation when it comes to teachers using the Internet in the classroom. Mr. President, I ask that the article, "Nebraska is Number One in Classroom Internet Use" by Melissa Matczak and Michael O'Connor be printed in the Record at the conclusion of my remarks.

The World-Herald reported that a study released yesterday by Education Week, a national education newspaper, says Nebraska has the highest percentage of schools where at least half of the teachers use the Internet for instruction.

I am not surprised by this ranking, and neither are Nebraska educators. In rural States, the Internet has become an indispensable educational tool for teachers and students. And for quite some time Nebraska has been at the forefront in connecting our classrooms to the Internet as well as in realizing the benefits of distance learning.

I offer my great congratulations to Nebraska educators and educational service units, Governor Nelson and the many State and local officials who made this possible. We should be very proud.

The article follows:

[From the World-Herald, Sept. 29, 1998]

Nebraska Is Number One in Classroom Internet Use

(By Melissa Matczak and Michael O'Connor)

In a tiny school district in western Nebraska, students use the Internet to chat to children in Iceland, sharing stories on rural life.

Across the state in Omaha, middle-school students track space shuttles via the Internet.

In some Nebraska schools, using the Internet is becoming as common as flipping open a textbook. A national study recognizes that, ranking Nebraska No. 1 when it comes to teachers using the Internet in the classroom.

A report released Tuesday by Education Week, a national education newspaper, says Nebraska has the highest percentage of schools where at least half of the teachers use the Internet for instruction. Iowa ranks fourth in the report, tied with Minnesota.

Nebraska education officials say the results don't surprise them. In largely rural states, they say, the Internet is fast becoming an important classroom tool.

"It helps eat up the distance," said Jim Lukesh, a technology administrator with the Nebraska Department of Education. "We've got a lot of small schools that are going to be able to get things over the Internet that they wouldn't be able to get otherwise."

The report is based on a survey of predominantly public schools that rates each state on schoolchildren's access to computers and computer training available to teachers.

In 64 percent on Nebraska's schools, at least half of the teachers use the Internet for instruction, the highest percentage in the country.

In Iowa and Minnesota, the figure is 46 percent.

Nevada had the lowest ranking, 13 percent. Other states near the bottom were Alabama at 21 percent, Georgia at 22 and Louisiana and Florida at 23 percent.

Wayne Fisher, the Internet program specialist for the Nebraska Department of Education, said policy-makers have pushed for Internet access in the state's schools.

Lack of Internet training for teachers also had been a concern, but state education officials say gains have been made in that area.

Five years ago, about $500,000 was spent to train teachers from across the state on how to integrate the Internet into classroom lessons. The money came from a portion of a half-cent tax levied by educational service units.

About two years later, the Legislature passed a law requiring every school district to be hooked up to the Internet by the year 2000.

To help the districts pay for the technology, about $13 million was shifted from a school loan program to a school technology program. Schools used the money to pay for wiring their buildings for Internet use.

An $89 million bond issue approved last year is helping the Millard School District continue its push to increase Internet access.

The district plans to spend at least $4 million in bond money over the next five to six years to add Internet connections and purchase new computers. Classrooms now have at least one connection. The goal is to have four.

It's not just large districts such as the 18,800-student Millard school system that have made the Internet a priority.

The 1,400-student Seward School District west of Lincoln started increasing Internet access a few years ago. Now all but several classrooms are connected.

"We have a community that thinks it's very important," Superintendent Marshall Adams said. It's a tremendous teaching tool."

Fisher said the Internet allows students—especially those in rural isolated areas of the state-to branch out.

"Students and schools always struggle to learn beyond the walls of the classroom," he said.

Iowa's Internet push received a boost two years ago when the Legislature approved an education measure providing $30 million a year for five years for technology.

School districts receive funding based on enrollment. the money also can be used to train teachers in using the Internet and other technology.

"It's been a priority," said Klark Jessen, an Iowa Department of Education spokesman.●

TRIBUTE TO REVEREND SYLVESTER LAUDERMILL, JR.

● Mr. BOND. Mr. President, I rise today to pay tribute to The Reverend Sylvester Laudermill, Jr. for his dedication and service to Saint Peter's African Methodist Episcopal (A.M.E.) Church in St. Louis, Missouri. On Sunday, October 4, 1998, the St. Peter's A.M.E. Church will celebrate the good work of Reverend Sylvester Laudermill whose leadership has helped to bridge the gap between church and community.

Among several of the outstanding contributions of The Reverend is his musical talent. St. Peter's Inspirational Choir is one of the most sought after choirs and they have an annual touring schedule. Another outstanding aspect is the Reverend Laudermill's family-oriented approach to faith. He is an inspiration to the entire community.

I commend Reverend Laudermill for his spirit and energy throughout his many years of leadership and hope he continues to enrich the St. Louis community for years to come.●

1998 OCTOBER QUARTERLY REPORTS

The mailing and filing date of the October Quarterly Report required by the Federal Election Campaign Act, as amended is, Thursday, October 15, 1998. All Principal Campaign Committees supporting Senate candidates in the 1998 races must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records Office will be open from 8:00 a.m. until 7:00 p.m. on October 15th, to receive these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224–0322.

12 DAY PRE-GENERAL REPORTS

The filing date of the 12 Day Pre-General Report required by the Federal Election Campaign Act, as amended, is Thursday, October 22, 1998. The mailing date for the aforementioned report is Monday, October 19, 1998, if postmarked by registered or certified mail. If this report is transmitted in any other manner it must be received by the filing date. All Principal Campaign Committees supporting Senate candidates in the 1998 races must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116. You may wish to advise your campaign committee personnel of this requirement.

The Public Records Office will be open from 8:00 a.m. until 7:00 p.m. on Thursday, October 22, to receive these filings. For further information, please do not hesitate to contact the Office of Public Records on (202) 224–0322.

48 HOUR NOTIFICATIONS

The Office of Public Records will be open on three successive Saturdays and Sundays from 12:00 noon until 4:00 p.m. for the purpose of accepting 48 hour notifications of contributions required by the Federal Election Campaign Act, as amended. The dates are October 17th and 18th, October 24th and 25th, October 31st and November 1st. All principal campaign committees supporting Senate candidates in 1998 must notify the Secretary of the Senate regarding contributions of $1,000 or more if received after the 20th day, but more than 48 hours before the day of the general election. The 48 hour notifications may also be transmitted by facsimile machine. The Office of Public Records FAX number if (202) 224–1851.

REGISTRATION OF MASS MAILINGS

The filing date for 1998 third quarter mass mailings is October 26, 1998. If your office did no mass mailings during this period, please submit a form that states "none."

Mass mailings registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, D.C. 20510–7116.

The Public Records Office will be open from 8:00 a.m. to 6:00 p.m. on the filing date to accept these filings. For further information, please contact the Office of Public Records on (202) 224–0322.

WETLANDS WILDLIFE ENHANCEMENT ACT OF 1998

Mr. SHELBY. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate now proceed to the consideration of S. 1677, as under the previously agreed unanimous consent.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1677) to reauthorize the North American Wetlands Conservation Act and the Partnerships for Wildlife Act.

There being no objection, the Senate proceed to consider the bill.

AMENDMENT NO. 3673

(Purpose: To designate a member of the North American Wetlands Conservation Council and to require the Secretary of the Interior to publish a policy for making certain appointments to the Council)

Mr. SHELBY. Mr. President, Senator CHAFEE has an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama (Mr. SHELBY), for Mr. CHAFEE, proposes an amendment numbered 3673.

Mr. SHELBY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 19, add the following:

SEC. 4. MEMBERSHIP OF THE NORTH AMERICAN WETLANDS CONSERVATION COUNCIL.

(a) IN GENERAL.—Notwithstanding section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)), during the period of 1999 through 2002, the membership of the North American Wetlands Conservation Council under section 4(a)(1)(D) of that Act shall consist of—

(1) 1 individual who shall be the Group Manager for Conservation Programs of Ducks Unlimited, Inc. and who shall serve for 1 term of 3 years beginning in 1999; and

(2) 2 individuals who shall be appointed by the Secretary of the Interior in accordance with section 4 of that Act and who shall each represent a different organization described in section 4(a)(1)(D) of that Act.

(b) PUBLICATION OF POLICY.—Not later than June 30, 1999, the Secretary of the Interior shall publish in the Federal Register, after notice and opportunity for public comment, a policy for making appointments under section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)).

Mr. CHAFEE. Mr. President, I am pleased to have an opportunity to talk about S. 1677, the Wetlands and Wildlife Enhancement Act of 1998. This bill will reauthorize the North American Wetlands Conservation Act (NAWCA)—a law that has played a central role in the conservation of wetlands habitat across the continent.

I am joined by 58 of my colleagues from 42 states in sponsoring S. 1677. There are 35 Republican cosponsors and 23 Democrat cosponsors. This tremendous showing of bipartisan support is a tribute to one of the great success stories in wildlife conservation. NAWCA has helped to bring about the recovery of more than 30 species of ducks, geese, and other waterfowl and migratory birds from their lowest population numbers just 12 years ago to some of their highest population numbers this year.

Why was NAWCA originally enacted? In the early 1980's, we were alarmed to discover that populations of duck and other waterfowl had plummeted precipitously. The numbers were stark: in only ten years, breeding populations of ducks fell an average of 31 percent, with some species declining by as much as 61 percent. This decline was due to several factors, including loss of habitat and an extended drought in many parts of the U.S.

In 1986, the U.S. and Canada worked cooperatively to develop the North American Waterfowl Management Plan. Mexico joined the plan in 1994, so that the entire continent now participates in this effort. The Plan established ambitious goals and innovative strategies for conserving waterfowl habitat.

Under the leadership of Senator George Mitchell, Congress approved NAWCA in 1989, primarily as a vehicle to implement the Plan. The law provides a permanent funding source for wetlands conservation projects, many of which fall under the auspices of the plan.

These sources include Federal appropriations, interest generated from short-term investments on the Pitman-Robertson Fund, money from the Wallop-Breaux Fund, and fines collected under the Migratory Bird Treaty Act. All told, NAWCA received $43 million this past year, of which $11.7 million was appropriated.

Since NAWCA's inception, 575 projects involving more than 800 partners have received $240 million in Federal funds under NAWCA, matched by more than $360 million in non-Federal funds. These projects have covered about 3.8 million acres throughout the continent.

These numbers are impressive, but in the scheme of things, NAWCA is a relatively modest law. Even so, it enjoys broad support. This is because, quite simply, NAWCA works. In fact, it works so well that it should serve as a model for other environmental laws. I would like to outline what I believe are the four components of its success—and thus, it popularity.

1. NAWCA focuses on habitat conservation as the key to saving species.

Ducks and other waterfowl are extraordinarily dependent on climate. They need wet weather to thrive. During years of drought, waterfowl populations dwindle. If their habitat vanishes as well, waterfowl populations do not stand a chance of rebounding when the rains return.

The beauty of NAWCA is that it seeks to protect the habitat itself, whether the waterfowl are there or not. That way, when the rains come and the waterfowl return, the habitat is waiting for them. Thus, habitat conservation is the means to achieve the end of waterfowl protection. If waterfowl—or any other creatures threatened with population decline or extinction—are going to survive, they must have available habitat capable of sustaining them.

In focusing on wetlands habitat, NAWCA reaches far beyond waterfowl species. Also sharing the same habitat are migratory birds, raptors, songbirds, shorebirds, and even black bears, otters, and other mammals. Among these species, the habitat is the common currency—protect the habitat and you protect all of them.

Professor E.O. Wilson has said,

> When a natural ecosystem, say a forest remnant or a freshwater stream, is protected to save a particular species, an umbrella is thrown over hundreds or thousands of other species . . . [and,] the great panoply of lesser known, often unknown, and frequently invisible organisms are what sustain natural environments.

This is a basic principle of biology. However, NAWCA has transformed this principle into design. Let me read from the 1989 Senate Committee Report on the original NAWCA:

> One of the purposes of this legislation . . . is to broaden the focus of [the North American Waterfowl Management] Plan with respect to conservation of wetland ecosystems and the other migratory birds and other fish and wildlife dependent thereon.

This purpose was further reinforced in 1994, when the plan was amended to explicitly consider the needs of migratory birds when developing projects.

2. NAWCA makes use of coordinated, comprehensive, continent-wide planning to achieve its wetlands conservation goals.

It is important to protect habitat, but the key is knowing which land to protect. This is where the North American Waterfowl Management Plan comes in. Without the Plan, NAWCA would be just another grants program, giving money to worthy projects for a worthy cause, but without any sense of the whole picture. The Plan identifies broad goals and strategies for recovering waterfowl populations across North America. Ten joint ventures across all four flyways have been formed to refine the goals and strategies for their specific regions. The joint ventures also coordinate projects to conserve wetlands.

Partnerships among Federal, State, conservation groups, and landowners—big or small—form to develop projects and submit proposals for Federal matching money under NAWCA. The proposals are then reviewed by the North American Wetlands Conservation Council, which makes recommendations to the Migratory Bird Conservation Commission, which then approves the funding. The Council consists of nine members, as follows: the Director of the Service; the Secretary of the Board for the National Fish and Wildlife Foundation; four directors of State and wildlife agencies, one from each of the four flyways; and three representatives of charitable and nonprofit organizations actively participating in wetlands conservation projects. The State agency directors and the representatives of charitable and nonprofit organizations are appointed by the Secretary for three-year terms.

Thus, the plan and act work in concert with one another, beginning with broad planning guidelines for the entire continent, and ending with individual projects for protecting and managing specific acres in our very communities.

A perfect example of this holistic approach is an initiative in the Mississippi Alluvial Valley, which stretches from the mouth of the Mississippi River up into Tennessee. This is where the cutting edge of conservation planning is taking place. Through modern satellite imagery and GIS technology, habitat types can be identified and mapped. This ecological mapping is then compared with land ownership, giving Federal, State, and local governments, as well as private owners, an idea of the most important lands to conserve. The result? Areas of habitat fragmentation can be pinpointed, and reforestation and wetlands restoration can be targeted to meet the needs of sensitive and declining species.

3. NAWCA relies on public-private partnerships to achieve its wetlands conservation goals.

The partners are a big reason for NAWCA's success. Instead of the heavy hand of government regulation, NAWCA's wetlands conservation goals are achieved by voluntary cooperative partnerships involving very diverse people and organizations—businesses, nonprofit environmental groups, hunters, farmers, state, tribal, and local governments, and of course the federal government. Under the auspices of NAWCA, people and groups with widely divergent, often opposing points of view have found common ground in wetlands. The kind of cooperation that NAWCA has engendered is heartening indeed. Through this work to achieve the goals of the plan, a broad array of people have had the opportunity to develop a deep and abiding appreciation of wetlands and the need to protect them.

None has contributed to the program more than Ducks Unlimited, nor has anyone been more vital to its success. That organization alone has contributed in total about $20 million to the projects in the U.S., and about another $60 million to projects in Canada and Mexico. The Nature Conservancy has also been a tremendous supporter of the program, contributing $17 million to projects in the U.S. and another $4 million to projects in Canada. However, these groups do more than raise money. They educate landowners, coordinate partnerships, and give the program the exposure it deserves. Because DU plays such an important role, we are amending S. 1677 to place them on the Council for one additional term of 3 years, while at the same time requiring the Service to develop a policy, subject to notice and comment rulemaking procedures, to develop a fair and formal process for making future appointments to the Council. I expect the Service to balance the policy between groups such as DU and TNC, whose support is invaluable, and between other groups that might be smaller but who bring new ideas and new forms of participation to the program.

NAWCA has also reached out to private landowners across the continent—small, family owned farms, large developers, and private individuals. In my own State of Rhode Island, it is private individuals who have made the difference for some of the best remaining waterfowl habitat in the state, in conjunction with The Nature Conservancy and State and Federal government agencies. We have a phased restoration in progress to rectify years of damage as a result of dredge spoil deposited along a tidal channel, poorly planned road construction, and a recent oil spill. In Phase I of the South Shore Habitat Protection project, Mr. Oliver Hazard donated an 80 acre tract of land to The Nature Conservancy valued at $900,000. In Phase II, William Viall donated 110 acres valued at $640,000 to the town of North Kingston.

On the opposite side of the continent, it was a partnership among two State agencies, the Metropolitan Services District of Portland, several national and local conservation groups, and a local dairy farmer, E.F. Steinborn, who collaborated to restore 500 acress within the Tualatin River Floodplain near Portland, Oregon. The project converted a large dairy farm to seasonal and permanent wetlands providing habitat for thousands of waterfowl, shorebirds, and songbirds, complementing wetlands on the adjacent refuge. The project—located on the outskirts of Portland—is a wonderful example of how we can reclaim lands for conservation before they get swallowed up by urban expansion.

Another example is an area in Swan Lake basin, located in a wildlife refuge in the San Joaquin valley of California. Swan Lake basin was a dry channeled area, but with NAWCA funds and four months of restoration work it has been transformed into a lake with free-flowing drainage. The area now provides nesting and resting groups for hundreds of white pelicans, as well as double-crested comorants, grebes, 8,000 canvasback ducks, 6,000 northern shovelers, and 40,000 gadwalls.

The benefits of these partnerships go far beyond specific projects, however. They facilitate the flow of ideas and innovations across borders. Only in the last decade, for example, has Canada begun to use conservation easements and servitudes to protect land from development. Legislation within the provinces has been enacted to broaden the use of this valuable tool for conservation. It is without doubt that the partnerships under NAWCA have stimulated this awareness and can take part of the credit for these new developments in Canada.

Here is a case where the United States, Canada and Mexico have come together to identify a common need. Consider just one NAWCA site in Quill Lake, Canada. Banding data reveal that waterfowl using that site have visited other NAWCA sites, represented by the blue circles, all across the continent. Imagine the synergies of all NAWCA projects helping each other. And, by enacting NAWCA, the United States has lead the way in providing a reliable funding structure to address it. We have been able to turn good international intentions into superlative international action.

4. NAWCA leverages federal dollars with private funds for wetlands conservation.

We all know how tight the federal budget is. Innovative funding mechanisms are the best hope for ensuring the viability of important environmental programs. The North American Wetlands Conservation Fund, which was established by NAWCA, provides grant money with a matching requirement to leverage each federal dollar. In fact, the ratio of NAWCA funds to contributions from other partners usually approaches 1:2.

Now let me inject a word of caution. We cannot afford complacency. NAWCA has been a success, but part of the credit for the recovery of waterfowl species has to go to the heavy rains we've had in the past few years. This year is drier than it has been in the past. Already, duck counts are leveling off. In drier conditions, the need to conserve duck habitat is ever more urgent.

And this urgent need to conserve wetlands is in direct competition with severe development pressures on wetlands. By the year 2020, more than half of the U.S. population will live in coastal plains. Laws like NAWCA will become ever more important in protecting these fragile areas.

The proper tribute to the success of NAWCA is to let it inspire us to do more. Let us reauthorize this fine bill. Let us ensure it is adequately funded. Let us support the other important laws that protect wetlands—such as Swampbuster and Section 404 of the Clean Water Act. And most of all, let us build on the strengths of NAWCA in all our environmental protection endeavors. Again, those strengths are:

1. Focus on conserving habitat.
2. Use a comprehensive plan—continent-wide, if possible.
3. Rely on public-private partnerships—both national and international.
4. Leverage federal dollars with private funds.

I exhort my colleagues to support S. 1677, and reauthorize the very worthy North American Wetlands Conservation Act. I thank the Chair.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendment be agreed to, that all time be yielded and the bill be read a third time, and passed, with the motion to reconsider laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3673) was agreed to.

The bill (S. 1677), as amended, was passed, as follows:

S. 1677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Wetlands and Wildlife Enhancement Act of 1998".

SEC. 2. REAUTHORIZATION OF NORTH AMERICAN WETLANDS CONSERVATION ACT.

Section 7(c) of the North American Wetlands Conservation Act (16 U.S.C. 4406(c)) is amended by striking "not to exceed" and all that follows and inserting "not to exceed $30,000,000 for each of fiscal years 1999 through 2003.".

SEC. 3. REAUTHORIZATION OF PARTNERSHIPS FOR WILDLIFE ACT.

Section 7105(h) of the Partnerships for Wildlife Act (16 U.S.C. 3744(h)) is amended by striking "for each of fiscal years" and all that follows and inserting "not to exceed $6,250,000 for each of fiscal years 1999 through 2003.".

SEC. 4. MEMBERSHIP OF THE NORTH AMERICAN WETLANDS CONSERVATION COUNCIL.

(a) IN GENERAL.—Notwithstanding section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)), during the period of 1999 through 2002, the membership of the North American Wetlands Conservation Council under section 4(a)(1)(D) of that Act shall consist of—

(1) 1 individual who shall be the Group Manager for Conservation Programs of Ducks Unlimited, Inc. and who shall serve for 1 term of 3 years beginning in 1999; and

(2) 2 individuals who shall be appointed by the Secretary of the Interior in accordance with section 4 of that Act and who shall each represent a different organization described in section 4(a)(1)(D) of that Act.

(b) PUBLICATION OF POLICY.—Not later than June 30, 1999, the Secretary of the Interior shall publish in the Federal Register, after notice and opportunity for public comment, a policy for making appointments under section 4(a)(1)(D) of the North American Wetlands Conservation Act (16 U.S.C. 4403(a)(1)(D)).

FEDERAL EMPLOYEES HEALTH CARE PROTECTION ACT OF 1998

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 484, H.R. 1836.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1836) to amend chapter 89, title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 1836

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees Health Care Protection Act of **[**1997**]** *1998*".

SEC. 2. DEBARMENT AND OTHER SANCTIONS.

(a) AMENDMENTS.—Section 8902a of title 5, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "and" at the end of subparagraph (B);

(ii) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(iii) by adding at the end the following:

"(D) the term 'should know' means that a person, with respect to information, acts in deliberate ignorance of, or in reckless disregard of, the truth or falsity of the information, and no proof of specific intent to defraud is required;"; and

(B) in paragraph (2)(A), by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)";

(2) in subsection (b)—

(A) by striking "The Office of Personnel Management may bar" and inserting "The Office of Personnel Management shall bar"; and

(B) by amending paragraph (5) to read as follows:

"(5) Any provider that is currently debarred, suspended, or otherwise excluded from any procurement or nonprocurement activity (within the meaning of section 2455 of the Federal Acquisition Streamlining Act of 1994).";

(3) by redesignating subsections (c) through (i) as subsections (d) through (j), respectively, and by inserting after subsection (b) the following:

"(c) The Office may bar the following providers of health care services from participating in the program under this chapter:

"(1) Any provider—

"(A) whose license to provide health care services or supplies has been revoked, suspended, restricted, or not renewed, by a State licensing authority for reasons relating to the provider's professional competence, professional performance, or financial integrity; or

"(B) that surrendered such a license while a formal disciplinary proceeding was pending before such an authority, if the proceeding concerned the provider's professional competence, professional performance, or financial integrity.

"(2) Any provider that is an entity directly or indirectly owned, or with a control interest of 5 percent or more held, by an individual who has been convicted of any offense described in subsection (b), against whom a civil monetary penalty has been assessed under subsection (d), or who has been debarred from participation under this chapter.

"(3) Any individual who directly or indirectly owns or has a control interest in a sanctioned entity and who knows or should know of the action constituting the basis for the entity's conviction of any offense described in subsection (b), assessment with a civil monetary penalty under subsection (d), or debarment from participation under this chapter.

"(4) Any provider that the Office determines, in connection with claims presented under this chapter, has charged for health care services or supplies in an amount substantially in excess of such provider's customary charge for such services or supplies (unless the Office finds there is good cause for such charge), or charged for health care services or supplies which are substantially in excess of the needs of the covered individual or which are of a quality that fails to meet professionally recognized standards for such services or supplies.

"(5) Any provider that the Office determines has committed acts described in subsection (d).

Any determination under paragraph (4) relating to whether a charge for health care services or supplies is substantially in excess of the needs of the covered individual shall be made by trained reviewers based on written medical protocols developed by physicians. In the event such a determination cannot be made based on such protocols, a physician in an appropriate specialty shall be consulted.";

(4) in subsection (d) (as so redesignated by paragraph (3)) by amending paragraph (1) to read as follows:

"(1) in connection with claims presented under this chapter, that a provider has charged for a health care service or supply which the provider knows or should have known involves—

"(A) an item or service not provided as claimed,

"(B) charges in violation of applicable charge limitations under section 8904(b), or

"(C) an item or service furnished during a period in which the provider was debarred from participation under this chapter pursuant to a determination by the Office under this section, other than as permitted under subsection (g)(2)(B);";

(5) in subsection (f) (as so redesignated by paragraph (3)) by inserting after "under this section" the first place it appears the following: "(where such debarment is not mandatory)";

(6) in subsection (g) (as so redesignated by paragraph (3))—

(A) by striking "(g)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(g)(1)(A) Except as provided in subparagraph (B), debarment of a provider under subsection (b) or (c) shall be effective at such time and upon such reasonable notice to such provider, and to carriers and covered individuals, as shall be specified in regulations prescribed by the Office. Any such provider that is debarred from participation may request a hearing in accordance with subsection (h)(1).

"(B) Unless the Office determines that the health or safety of individuals receiving health care services warrants an earlier effective date, the Office shall not make a determination adverse to a provider under subsection (c)(5) or (d) until such provider has been given reasonable notice and an opportunity for the determination to be made after a hearing as provided in accordance with subsection (h)(1).";

(B) in paragraph (3)—

(i) by inserting "of debarment" after "notice"; and

(ii) by adding at the end the following: "In the case of a debarment under paragraph (1), (2), (3), or (4) of subsection (b), the minimum period of debarment shall not be less than 3 years, except as provided in paragraph (4)(B)(ii).";

(C) in paragraph (4)(B)(i)(I) by striking "subsection (b) or (c)" and inserting "subsection (b), (c), or (d)"; and

(D) by striking paragraph (6);

(7) in subsection (h) (as so redesignated by paragraph (3)) by striking "(h)(1)" and all that follows through the end of paragraph (2) and inserting the following:

"(h)(1) Any provider of health care services or supplies that is the subject of an adverse determination by the Office under this section shall be entitled to reasonable notice and an opportunity to request a hearing of record, and to judicial review as provided in this subsection after the Office renders a final decision. The Office shall grant a request for a hearing upon a showing that due process rights have not previously been afforded with respect to any finding of fact which is relied upon as a cause for an adverse determination under this section. Such hearing shall be conducted without regard to subchapter II of chapter 5 and chapter 7 of this title by a hearing officer who shall be designated by the Director of the Office and who shall not otherwise have been involved in the adverse determination being appealed. A request for a hearing under this subsection shall be filed within such period and in accordance with such procedures as the Office shall prescribe by regulation.

"(2) Any provider adversely affected by a final decision under paragraph (1) made after a hearing to which such provider was a party may seek review of such decision in the United States District Court for the District of Columbia or for the district in which the plaintiff resides or has his or her principal place of business by filing a notice of appeal in such court within 60 days after the date the decision is issued, and by simultaneously sending copies of such notice by certified mail to the Director of the Office and to the Attorney General. In answer to the appeal, the Director of the Office shall promptly file in such court a certified copy of the transcript of the record, if the Office conducted a hearing, and other evidence upon which the findings and decision complained of are based. The court shall have power to enter, upon the pleadings and evidence of record, a judgment affirming, modifying, or setting aside, in whole or in part, the decision of the Office, with or without remanding the case for a rehearing. The district court shall not set aside or remand the decision of the Office unless there is not substantial evidence on the record, taken as whole, to support the findings by the Office of a cause for action under this section or unless action taken by the Office constitutes an abuse of discretion."; and

(8) in subsection (i) (as so redesignated by paragraph (3))—

(A) by striking "subsection (c)" and inserting "subsection (d)"; and

(B) by adding at the end the following:

"The amount of a penalty or assessment as finally determined by the Office, or other amount the Office may agree to in compromise, may be deducted from any sum then or later owing by the United States to the party against whom the penalty or assessment has been levied.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTIONS.—(A) Paragraphs (2), (3), and (5) of section 8902a(c) of title 5, United States Code, as amended by subsection (a)(3), shall apply only to the extent that the misconduct which is the basis for debarment under such paragraph (2), (3), or (5), as applicable, occurs after the date of the enactment of this Act.

(B) Paragraph (1)(B) of section 8902a(d) of title 5, United States Code, as amended by subsection (a)(4), shall apply only with respect to charges which violate section 8904(b) of such title for items or services furnished after the date of the enactment of this Act.

(C) Paragraph (3) of section 8902a(g) of title 5, United States Code, as amended by subsection (a)(6)(B), shall apply only with respect to debarments based on convictions occurring after the date of the enactment of this Act.

SEC. 3. MISCELLANEOUS AMENDMENTS RELATING TO THE HEALTH BENEFITS PROGRAM FOR FEDERAL EMPLOYEES.

(a) DEFINITION OF A CARRIER.—Paragraph (7) of section 8901 of title 5, United States Code, is amended by striking "organization;" and inserting "organization and an association of organizations or other entities described in this paragraph sponsoring a health benefits plan;".

(b) SERVICE BENEFIT PLAN.—Paragraph (1) of section 8903 of title 5, United States Code, is amended by striking "plan," and inserting "plan, which may be underwritten by participating affiliates licensed in any number of States,".

(c) PREEMPTION.—Section 8902(m) of title 5, United States Code, is amended by striking "(m)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(m)(1) The terms of any contract under this chapter which relate to the nature, provision, or extent of coverage or benefits (including payments with respect to benefits) shall supersede and preempt any State or local law, or any regulation issued thereunder, which relates to health insurance or plans.".

SEC. 4. CONTINUED HEALTH INSURANCE COVERAGE FOR CERTAIN INDIVIDUALS.

(a) ENROLLMENT IN CHAPTER 89 PLAN.—For purposes of chapter 89 of title 5, United States Code, any period of enrollment—

(1) in a health benefits plan administered by the Federal Deposit Insurance Corporation before the termination of such plan on [January 3, 1998] *or before January 2, 1999*, or

(2) subject to subsection (c), in a health benefits plan (not under chapter 89 of such title) with respect to which the eligibility of any employees or retired employees of the Board of Governors of the Federal Reserve System terminates on [January 3, 1998] *or before January 2, 1999*,

shall be deemed to be a period of enrollment in a health benefits plan under chapter 89 of such title.

(b) CONTINUED COVERAGE.—(1) Subject to subsection (c), any individual who, on [January 3, 1998] *or before January 2, 1999*, is enrolled in a health benefits plan described in subsection (a)(1) or (2) may enroll in an approved health benefits plan under chapter 89 of title 5, United States Code, either as an individual or for self and family, if, after taking into account the provisions of subsection (a), such individual—

(A) meets the requirements of such chapter for eligibility to become so enrolled as an employee, annuitant, or former spouse (within the meaning of such chapter); or

(B) would meet those requirements if, to the extent such requirements involve either retirement system under such title 5, such individual satisfies similar requirements or provisions of the Retirement Plan for Employees of the Federal Reserve System.

Any determination under subparagraph (B) shall be made under guidelines which the Office of Personnel Management shall establish in consultation with the Board of Governors of the Federal Reserve System.

(2) Subject to subsection (c), any individual who, on [January 3, 1998] *or before January 2, 1999*, is entitled to continued coverage under a health benefits plan described in subsection (a)(1) or (2) shall be deemed to be entitled to continued coverage under section 8905a of title 5, United States Code, but only for the same remaining period as would have been allowable under the health benefits plan in which such individual was enrolled on [January 3, 1998] *or before January 2, 1999*, if—

(A) such individual had remained enrolled in such plan; and

(B) such plan did not terminate, or the eligibility of such individual with respect to such plan did not terminate, as described in subsection (a).

(3) Subject to subsection (c), any individual (other than an individual under paragraph (2)) who, on [January 3, 1998] *or before January 2, 1999*, is covered under a health benefits plan described in subsection (a)(1) or (2) as an unmarried dependent child, but who does not then qualify for coverage under chapter 89 of title 5, United States Code, as a family member (within the meaning of such chapter) shall be deemed to be entitled to continued coverage under section 8905a of such title, to the same extent and in the same manner as if such individual had, on [January 3, 1998] *or before January 2, 1999*, ceased to meet the requirements for being considered an unmarried dependent child of an enrollee under such chapter.

(4) Coverage under chapter 89 of title 5, United States Code, pursuant to an enrollment under this section shall become effective on [January 4, 1998] *January 3, 1999 or such earlier date as established by the Office of Personnel Management after consultation with the Federal Deposit Insurance Corporation or the Board of Governors of the Federal Reserve System, as appropriate.*

(c) ELIGIBILITY FOR FEHBP LIMITED TO INDIVIDUALS LOSING ELIGIBILITY UNDER FORMER HEALTH PLAN.—Nothing in subsection (a)(2) or any paragraph of subsection (b) (to the extent such paragraph relates to the plan described in subsection (a)(2)) shall be considered to apply with respect to any individual whose eligibility for coverage under such plan does not involuntarily terminate on [January 3, 1998] *or before January 2, 1999.*

(d) TRANSFERS TO THE EMPLOYEES HEALTH BENEFITS FUND.—The Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System shall transfer to the Employees Health Benefits Fund under section 8909 of title 5, United States Code, amounts determined by the Director of the Office of Personnel Management, after consultation with the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, to be necessary to reimburse the Fund for the cost of providing benefits under this section not otherwise paid for by the individuals covered by this section. The amounts so transferred shall be held in the Fund and used by the Office *of Personnel Management* in addition to amounts available under section 8906(g)(1) of such title.

(e) ADMINISTRATION AND REGULATIONS.—The Office of Personnel Management—

(1) shall administer the provisions of this section to provide for—

(A) a period of notice and open enrollment for individuals affected by this section; and

(B) no lapse of health coverage for individuals who enroll in a health benefits plan under chapter 89 of title 5, United States Code, in accordance with this section; and

(2) may prescribe regulations to implement this section.

SEC. 5. FULL DISCLOSURE IN HEALTH PLAN CONTRACTS.

The Office of Personnel Management shall encourage carriers offering health benefits plans described by section 8903 or section 8903a of title 5, United States Code, with respect to contractual arrangements made by such carriers with any person for purposes of obtaining discounts from providers for health care services or supplies furnished to individuals enrolled in such plan, to seek assurance that the conditions for such discounts are fully disclosed to the providers who grant them.

SEC. 6. PROVISIONS RELATING TO CERTAIN PLANS THAT HAVE DISCONTINUED THEIR PARTICIPATION IN FEHBP.

(a) AUTHORITY TO READMIT.—

(1) IN GENERAL.—Chapter 89 of title 5, United States Code, is amended by inserting after section 8903a the following:

"§ 8903b. Authority to readmit an employee organization plan

"(a) In the event that a plan described by section 8903(3) or 8903a is discontinued under this chapter (other than in the circumstance described in section 8909(d)), that discontinuation shall be disregarded, for purposes of any determination as to that plan's eligibility to be considered an approved plan under this chapter, but only for purposes of any contract year later than the third contract year beginning after such plan is so discontinued.

"(b) A contract for a plan approved under this section shall require the carrier—

"(1) to demonstrate experience in service delivery within a managed care system (including provider networks) throughout the United States; and

"(2) if the carrier involved would not otherwise be subject to the requirement set forth in section 8903a(c)(1), to satisfy such requirement.".

(2) CONFORMING AMENDMENT.—The analysis for chapter 89 of title 5, United States Code, is amended by inserting after the item relating to section 8903a the following:

"8903b. Authority to readmit an employee organization plan.".

(3) APPLICABILITY.—

(A) IN GENERAL.—The amendments made by this subsection shall apply as of the date of enactment of this Act, including with respect to any plan which has been discontinued as of such date.

(B) TRANSITION RULE.—For purposes of applying section 8903b(a) of title 5, United States Code (as amended by this subsection) with respect to any plan seeking to be readmitted for purposes of any contract year beginning before January 1, 2000, such section shall be applied by substituting "second contract year" for "third contract year".

(b) TREATMENT OF THE CONTINGENCY RESERVE OF A DISCONTINUED PLAN.—

(1) IN GENERAL.—Subsection (e) of section 8909 of title 5, United States Code, is amended by striking "(e)" and inserting "(e)(1)" and by adding at the end the following:

"(2) Any crediting required under paragraph (1) pursuant to the discontinuation of any plan under this chapter shall be completed by the end of the second contract year beginning after such plan is so discontinued.

"(3) The Office shall prescribe regulations in accordance with which this subsection shall be applied in the case of any plan which is discontinued before being credited with the full amount to which it would otherwise be entitled based on the discontinuation of any other plan.".

(2) TRANSITION RULE.—In the case of any amounts remaining as of the date of enactment of this Act in the contingency reserve of a discontinued plan, such amounts shall be disposed of in accordance with section 8909(e) of title 5, United States Code, as amended by this subsection, by—

(A) the deadline set forth in section 8909(e) of such title (as so amended); or

(B) if later, the end of the 6-month period beginning on such date of enactment.

SEC. 7. MAXIMUM PHYSICIANS COMPARABILITY ALLOWANCE PAYABLE.

(a) IN GENERAL.—Paragraph (2) of section 5948(a) of title 5, United States Code, is amended by striking "$20,000" and inserting "$30,000".

(b) AUTHORITY TO MODIFY EXISTING AGREEMENTS.—

(1) IN GENERAL.—Any service agreement under section 5948 of title 5, United States Code, which is in effect on the date of enactment of this Act may, with respect to any period of service remaining in such agreement, be modified based on the amendment made by subsection (a).

(2) LIMITATION.—A modification taking effect under this subsection in any year shall not cause an allowance to be increased to a rate which, if applied throughout such year, would cause the limitation under section 5948(a)(2) of such title (as amended by this section), or any other applicable limitation, to be exceeded.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be considered to authorize additional or supplemental appropriations for the fiscal year in which occurs the date of enactment of this Act.

SEC. 8. CLARIFICATION RELATING TO SECTION 8902(k).

Section 8902(k) of title 5, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) Nothing in this subsection shall be considered to preclude a health benefits plan from providing direct access or direct payment or reimbursement to a provider in a health care practice or profession other than a practice or profession listed in paragraph (1), if such provider is licensed or certified as such under Federal or State law.".

Mr. DASCHLE. Mr. President, I would like to enter into a colloquy with Senators HARKIN, COCHRAN, and THOMPSON concerning the treatment of audiological services under the Federal Employee health Benefits Program, or FEHBP.

According to the American Academy of Audiology, hearing loss affects approximately 28 million people in the United States today (about 1 out of every 10 people), and this number is growing as our population ages.

This is a matter on which Senator HARKIN and I, and also Senator COCHRAN, have worked for a number of years. It raises significant issues concerning the quality and cost-effectiveness of our hearing care and rehabilitation system, and indeed our entire health care system, and I hope this body soon will consider these issues fully.

Section 8 of H.R. 1836 is intended to make clear that FEHBP plans can authorize direct services by, and direct reimbursement to audiologists and other licensed health professionals. I believe the Office of Personnel Management (OPM) should make it clear in their next call letter that audiology services provided directly by an audiologist can be covered.

Mr. HARKIN. Mr. President, I want to thank the Senator from South Dakota. This an important issue. Audiologic services are critical in the diagnosis and management of hearing loss. I am concerned that under FEHBP, an efficient and effective avenue to appropriate care is unavailable because FEHBP law does not explicitly identify the option of direct access to audiologists.

Senator COCHRAN introduced, and I supported, along with Senator FRIST and PRYOR, legislation in the 104th Congress to ensure that FEHBP beneficiaries who require audiological services would have the option of direct access to them.

Earlier this year, I received a letter from Kenneth W. Kizer, M.D., Under Secretary for Health with the Department of Veterans Affairs. In 1992, the VA instituted a policy allowing veterans who suspect a hearing loss to make appointments directly with an audiologist. According to Dr. Kizer, "The VA experience suggests that providing direct access to audiologists for civilian federal employees will result in high quality hearing care and reduce the cost of services."

We are not talking about mandating additional benefits. In addition, I believe it would be advisable to add provider non-discrimination assurances to FEHBP plans.

Of course, these matters involve a number of complicated issues, and to this point, the Governmental Affairs Committee has been unable to hold hearings to consider those issues. I would appreciate hearing Senator COCHRAN's and Senator THOMPSON's sense of what can be done, in this Congress or the next, to ensure that those issues are fully considered.

Mr. COCHRAN. Mr. President, as noted by the Senator from Iowa, I supported legislation in the last Congress to address this problem, and I remain committed to ensuring that FEHBP beneficiaries receive quality, cost-effective, hearing care coverage.

As he also noted, there are a number of medical, insurance and public policy issues involved, All these issues need to be considered, as well as the concerns of all members of the hearing health care team, including the Audiologists, the American Academy of Otolaryngology-Head and Neck Surgery and the International Hearing Society.

Whether in this Congress, or the next, I am committed to doing what is necessary to enable this body to understand these issues, and to determine the best way to address them, for the benefit of children and others, who need hearing health services.

Mr. THOMPSON. Mr. President, I appreciate Senator COCHRAN's comments. I am confident my colleagues will agree that any changes to the FEHBP need to be considered carefully through the legislative process in order to ensure the integrity of the program, preservation of choice for enrollees, and competition among plans. Toward that end, I look forward to Senator DASCHLE and Senator HARKIN joining Senator COCHRAN and me in supporting passage of H.R. 1836.

Mr. DASCHLE. Mr. President, I would like to thank my colleagues for this colloquy.

Mr. SHELBY. I ask unanimous consent that the committee amendment be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statement relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (H.R. 1836), as amended, was considered read the third time and passed.

RICHARD C. LEE UNITED STATES COURTHOUSE

Mr. SHELBY. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (S. 1355) to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse."

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1355) entitled "An Act to designate the United States courthouse located in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. DESIGNATION.

The United States courthouse located at 141 Church Street in New Haven, Connecticut, shall be known and designated as the "Richard C. Lee United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the "Richard C. Lee United States Courthouse".

Amend the title so as to read: "An Act to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the 'Richard C. Lee United States Courthouse'.".

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate concur in the amendments to the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' COMPENSATION COST-OF-LIVING ADJUSTMENT ACT OF 1998

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 593, S. 2273.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2273) to increase, effective as of December 1, 1998, the rates of disability compensation for veterans with service-connected disabilities, and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans, and for other purposes.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Veterans' Affairs, with an amendment; as follows:

(The part of the bill intended to be stricken are shown in boldface brackets and the part of the bill intended to be inserted are shown in italic.)

S. 2273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Compensation Cost-of-Living Adjustment Act of 1998".

SEC. 2. INCREASE IN COMPENSATION RATES AND LIMITATIONS.

(a) IN GENERAL.—(1) The Secretary of Veterans Affairs shall, as provided in paragraph (2), increase, effective December 1, 1998, the rates of and limitations on Department of Veterans Affairs disability compensation and dependency and indemnity compensation.

(2) The Secretary shall increase each of the rates and limitations in sections 1114, 1115(1), 1162, 1311, 1313, and 1314 of title 38, United States Code, that were increased by the amendments made by the Veterans' Compensation Rate Amendments of 1997 (Public Law 105–98; 111 Stat. 2155). This increase shall be made in such rates and limitations as in effect on November 30, 1998, and shall be by the same percentage that benefit amounts payable under title II of the Social Security Act (42 U.S.C. 401 et seq.) are increased effective December 1, 1998, as a result of a determination under section 215(i) of such Act (42 U.S.C. 415(i)).

(3) In the computation of increased dollar amounts pursuant to paragraph (2), any amount which as so computed is not an even multiple of $1 shall be rounded to the next lower whole dollar amount.

(b) SPECIAL RULE.—The Secretary may adjust administratively, consistent with the increases made under subsection (a), the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 (72 Stat. 1263) who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

(c) PUBLICATION REQUIREMENT.—At the same time as the matters specified in section 215(i)(2)(D) of the Social Security Act (42 U.S.C. 415(i)(2)(D)) are required to be published by reason of a determination made under section 215(i) of such Act during fiscal year **[1998]** *1999*, the Secretary shall publish in the Federal Register the rates and limitations referred to in subsection (a)(2) as increased under this section.

Mr. SHELBY. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the bill be considered read a third time, and the Veterans' Affairs Committee then be discharged from further consideration of H.R. 4110, and that the Senate then proceed to its consideration. I further ask unanimous consent that all after the enacting clause be stricken and the text of S. 2273, as amended, be inserted in lieu thereof, the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statement relating to the bill be printed in the RECORD.

I finally ask that S. 2273 be placed back on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4110), as amended, was read for a third time and passed.

YEAR 2000 READINESS AND SMALL BUSINESS PROGRAMS RESTRUCTURING AND REFORM ACT OF 1998

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 645, H.R. 3412.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3412) to amend and make technical corrections in title III of the Small Business Investment Act.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Small Business, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998".

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SMALL BUSINESS YEAR 2000 READINESS

Sec. 101. Findings.
Sec. 102. Year 2000 computer problem loan guarantee program.
Sec. 103. Pilot program requirements.
Sec. 104. Section 7(a) loan program.

TITLE II—SMALL BUSINESS PROGRAM RESTRUCTURING AND REFORM

Sec. 201. Women's business center program.
Sec. 202. SBIR program.
Sec. 203. SBIC program.
Sec. 204. Certified development company program.
Sec. 205. Small business Federal contract set-asides.
Sec. 206. Assistance for veterans.
Sec. 207. Section 7(a) loan program.
Sec. 208. Disaster mitigation pilot program.
Sec. 209. Microloan program.
Sec. 210. Real estate appraisals.
Sec. 211. Community development venture capital demonstration program.
Sec. 212. Technical amendments.

TITLE III—SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PILOT PROGRAM

Sec. 301. Pilot program.

TITLE I—SMALL BUSINESS YEAR 2000 READINESS

SEC. 101. FINDINGS.

Congress finds that—

(1) the failure of many computer programs to recognize the Year 2000 will have extreme negative financial consequences in the Year 2000 and in subsequent years for both large and small businesses;

(2) small businesses are well behind larger businesses in implementing corrective changes to their automated systems—85 percent of businesses with 200 employees or less have not commenced inventorying the changes they must make to their automated systems to avoid Year 2000 problems;

(3) many small businesses do not have access to capital to fix mission critical automated systems; and

(4) the failure of a large number of small businesses will have a highly detrimental effect on the economy in the Year 2000 and in subsequent years.

SEC. 102. YEAR 2000 COMPUTER PROBLEM LOAN GUARANTEE PROGRAM.

(a) Program Established.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

"(27) Year 2000 computer problem pilot program.—

"(A) Definitions.—In this paragraph—

"(i) the term 'eligible lender' means any lender designated by the Administration as eligible to participate in—

"(I) the Preferred Lenders Program authorized by the proviso in section 5(b)(7); or

"(II) the Certified Lenders Program authorized in paragraph (19); and

"(ii) the term 'Year 2000 computer problem' means, with respect to information technology, any problem that prevents the information technology from accurately processing, calculating, comparing, or sequencing date or time data—

"(I) from, into, or between—

"(aa) the 20th or 21st centuries; or

"(bb) the years 1999 and 2000; or

"(II) with regard to leap year calculations.

"(B) Establishment of program.—The Administration shall—

"(i) establish a pilot loan guarantee program, under which the Administration shall guarantee loans made by eligible lenders to small business concerns in accordance with this subsection; and

"(ii) notify each eligible lender of the establishment of the program under this paragraph.

"(C) Use of funds.—A small business concern that receives a loan guaranteed under this paragraph shall use the proceeds of the loan solely to address the Year 2000 computer problems of that small business concern, including the repair or acquisition of information technology systems and other automated systems.

"(D) Maximum amount.—The total amount of a loan made to a small business concern and guaranteed under this paragraph shall not exceed $50,000.

"(E) Guarantee limit.—The guarantee percentage of a loan guaranteed under this paragraph shall not exceed 50 percent of the balance of the financing outstanding at the time of disbursement of the loan.

"(F) Report.—The Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on the results of the program under this paragraph, which shall include information relating to—

"(i) the number and amount of loans guaranteed under this paragraph;

"(ii) whether the loans guaranteed were made to repair or replace information technology and other automated systems; and

"(iii) the number of eligible lenders participating in the program.".

(b) Regulations.—

(1) In general.—Not later than 60 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall implement the program under section 7(a)(27) of the Small Business Act, as added by this section.

(2) Requirements.—Except to the extent inconsistent this section or section 7(a)(27) of the Small Business Act, as added by this section, in carrying out paragraph (1), the Administrator shall ensure that the requirements governing the program under section 7(a)(27) of the Small Business Act, as added by this section, are substantially similar to the requirements governing the FA$TRAK pilot program of the Small Business Administration, or any successor program or pilot program to that pilot program.

(c) Repeal.—Effective on October 1, 2001, this section and the amendment made by this section are repealed.

SEC. 103. PILOT PROGRAM REQUIREMENTS.

Section 7(a)(25) of the Small Business Act (15 U.S.C. 636(a)(25)) is amended by adding at the end the following:

"(D) Notification of change.—Not later than 30 days prior to initiating any pilot program or making any change in a pilot program under this subsection that may affect the subsidy rate estimates for the loan program under this subsection, the Administration shall notify the Committees on Small Business of the House of Representatives and the Senate, which notification shall include—

"(i) a description of the proposed change; and

"(ii) an explanation, which shall be developed by the Administration in consultation with the Director of the Office of Management and Budget, of the estimated effect that the change will have on the subsidy rate.

"(E) Report on pilot programs.—The Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on each pilot program under this subsection, which report shall include information relating to—

"(i) the number and amount of loans made under the pilot program;

"(ii) the number of lenders participating in the pilot program; and

"(iii) the default rate, delinquency rate, and recovery rate for loans under each pilot program, as compared to those rates for other loan programs under this subsection.".

SEC. 104. SECTION 7(a) LOAN PROGRAM.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended, in the first sentence, by inserting "and to assist small business concerns in meeting technology requirements for the Year 2000," after "and working capital,".

TITLE II—SMALL BUSINESS PROGRAM RESTRUCTURING AND REFORM

SEC. 201. WOMEN'S BUSINESS CENTER PROGRAM.

(a) Findings.—Congress finds that—

(1) with small business concerns owned and controlled by women being created at a rapid rate in the United States, there is a need to increase the authorization level for the women's business center program under section 29 of the Small Business Act (15 U.S.C. 656) in order to establish additional women's business center sites throughout the Nation that focus on entrepreneurial training programs for women; and

(2) increased funding for the women's business center program will ensure that—

(A) new women's business center sites can be established to reach women located in geographic areas not presently served by an existing women's business center without jeopardizing the full funding of existing women's business centers for the term prescribed by law; and

(B) the Small Business Administration achieves the goal of establishing at least 1 sustainable women's business center in each State.

(b) Authorization of Appropriations.—

(1) In general.—Section 29(k)(1) of the Small Business Act (15 U.S.C. 656(k)(1)) is amended to read as follows:

"(1) Authorization.—There is authorized to be appropriated to carry out this section, $12,000,000 for fiscal year 1999 and each fiscal year thereafter.".

(2) Effective date.—The amendment made by this subsection shall take effect on October 1, 1998.

(c) Terms of Assistance.—

(1) In general.—Section 308(b) of the Small Business Reauthorization Act of 1997 (15 U.S.C. 656 note) is amended—

(A) by striking "(b)" and all that follows through "paragraph (2), any organization" and inserting the following:

"(b) Applicability.—Any organization"; and

(B) by striking paragraph (2).

(2) Effective date.—The amendment made by this subsection shall take effect as if included in the enactment of the Small Business Reauthorization Act of 1997.

(d) General Accounting Office Reporting Requirements.—

(1) Baseline report.—Not later than October 31, 1999, the Comptroller General of the United States shall—

(A) conduct a review of the administration of the women's business center program under section 29 of the Small Business Act (15 U.S.C. 656) by the Office of Women's Business Ownership of the Small Business Administration, which shall include an analysis of—

(i) the operation of the women's business center program by the Administration;

(ii) the efforts of the Administration to meet the legislative objectives established for the program;

(iii) the oversight role of the Administration of the operations of women's business centers;

(iv) the training and assistance provided by centers receiving funding from the Administration as compared to the activities of the centers that no longer receive funding from the Administration;

(v) the degree to which—

(I) the Administration has taken the actions necessary to ensure that the annual report submitted by the Administrator under 29(j) of the Small Business Act (15 U.S.C. 656(j)) meets the requirements of that section; and

(II) the annual report submitted by the Administrator under 29(j) of the Small Business Act (15 U.S.C. 656(j)) meets the requirements of that section; and

(vi) any other matters that the Comptroller General determines to be appropriate in consultation with and as directed by the Committees on Small Business of the Senate and House of Representatives; and

(B) submit to the Committees on Small Business of the Senate and House of Representatives a report describing the results of the review under subparagraph (A).

(2) FOLLOWUP REPORT.—Not later than October 31, 2002, the Comptroller General of the United States shall—

(A) conduct a review of any changes, during the period beginning on the date on which the report is submitted under paragraph (1)(B) and ending on the date on which the report is submitted under subparagraph (B) of this paragraph, in the administration of the women's business center program under section 29 of the Small Business Act (15 U.S.C. 656) by the Office of Women's Business Ownership of the Small Business Administration, which shall include an analysis of any changes during that period in—

(i) the operation of the women's business center program by the Administration;

(ii) the efforts of the Administration to meet the legislative objectives established for the program;

(iii) the oversight role of the Administration of the operations of women's business centers;

(iv) the training and assistance provided by centers receiving funding from the Administration as compared to the activities of the centers that no longer receive funding from the Administration;

(v) the degree to which—

(I) the Administration has taken the actions necessary to ensure that the annual report submitted by the Administrator under 29(j) of the Small Business Act (15 U.S.C. 656(j)) meets the requirements of that section; and

(II) the annual report submitted by the Administrator under 29(j) of the Small Business Act (15 U.S.C. 656(j)) meets the requirements of that section; and

(vi) any other matters that the Comptroller General determines to be appropriate in consultation with and as directed by the Committees on Small Business of the Senate and House of Representatives; and

(B) submit to the Committees on Small Business of the Senate and House of Representatives a report describing the results of the review under subparagraph (A).

SEC. 202. SBIR PROGRAM.

(a) ASSISTIVE TECHNOLOGY.—Section 9(c) of the Small Business Act (15 U.S.C. 638(c)) is amended by adding at the end the following: "In order to carry out the purposes of this section, the Administration shall, to the maximum extent practicable, encourage Federal agencies to fund programs for the research and development of assistive and universally designed technology that is designed to result in the availability of new products for individuals with disabilities (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).".

(b) FEDERAL AGENCY EXPENDITURES FOR THE SBIR PROGRAM.—Section 9(f)(1) of the Small Business Act (15 U.S.C. 638(f)(1)) is amended by adding at the end the following: "Notwithstanding any other provision of law, any rule, regulation, or order promulgated by the Director of the Office of Management and Budget relating to the definition of the term 'extramural budget' in subsection (e)(1) shall, except with respect to the Federal agencies specifically identified in that subsection, apply uniformly to all departments and agencies of the Federal Government that are subject to the requirements of this section.".

(c) IMPLEMENTATION OF OUTREACH AUTHORITIES.—Existing procurement outreach activities of the Federal Government, including, but not limited to, electronic commerce resource centers and procurement technical assistance centers, shall conduct program outreach activities for the Small Business Innovation Research program using funds that are otherwise available for such existing procurement outreach activities.

(d) REPEAL OF TERMINATION PROVISION.—Section 9 of the Small Business Act (15 U.S.C. 638) is amended by striking subsection (m) and inserting the following:

"(m) [Reserved].".

SEC. 203. SBIC PROGRAM.

(a) IN GENERAL.—Section 308(i)(2) of the Small Business Investment Act of 1958 (15 U.S.C. 687(i)(2)) is amended by adding at the end the following: "In this paragraph, the term 'interest' includes only the maximum mandatory sum, expressed in dollars or as a percentage rate, that is payable with respect to the business loan amount received by the small business concern, and does not include the value, if any, of contingent obligations, including warrants, royalty, or conversion rights, granting the small business investment company an ownership interest in the equity or future revenue of the small business concern receiving the business loan.".

(b) FUNDING LEVELS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended—

(1) in subsection (d)(1)(C)(i), by striking "$800,000,000" and inserting "$1,000,000,000"; and

(2) in subsection (e)(1)(C)(i), by striking "$900,000,000" and inserting "$1,200,000,000".

(c) TECHNICAL CORRECTIONS.—Title III of the Small Business Investment Act of 1958 (15 U.S.C. 661 et seq.) is amended—

(1) in section 303(g) (15 U.S.C. 683(g)), by striking paragraph (13);

(2) in section 308 (15 U.S.C. 687) by adding at the end the following:

"(j) For the purposes of sections 304 and 305, in any case in which an incorporated or unincorporated business is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to its shareholders or partners, an eligible small business or smaller enterprise may be determined by computing the after-tax income of such business by deducting from the net income an amount equal to the net income multiplied by the combined marginal Federal and State income tax rate for corporations."; and

(3) in section 320 (15 U.S.C. 687m), by striking "6" and inserting "12".

SEC. 204. CERTIFIED DEVELOPMENT COMPANY PROGRAM.

(a) LIQUIDATION AND FORECLOSURE.—Title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.) is amended by adding at the end the following:

"SEC. 510. FORECLOSURE AND LIQUIDATION OF LOANS.

"(a) IN GENERAL.—The Administration shall authorize qualified State and local development companies (as defined in section 503(e)) that meet the requirements of subsection (b) to foreclose and liquidate loans in their portfolios that are funded with the proceeds of debentures guaranteed by the Administration under section 503.

"(b) REQUIREMENTS.—The requirements of this subsection are that—

"(1) the qualified State or local development company—

"(A) participated in the loan liquidation pilot program established by section 204 of the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note), as in effect on the day before the promulgation of final regulations by the Administration implementing this section;

"(B) is participating in the Premier Certified Lenders Program under section 508; or

"(C) is participating in the Accredited Lenders Program under section 507 and meets the requirements of paragraph (2)(B); or

"(2)(A) during the 3 most recent fiscal years, the qualified State or local development company has made an average of not less than 10 loans per year that are funded with the proceeds of debentures guaranteed under section 503; and

"(B) 1 or more of the employees of the qualified State or local development company have—

"(i) not less than 2 years of substantive, decision-making experience in administering the liquidation and workout of problem loans secured in a manner substantially similar to loans funded with the proceeds of debentures guaranteed under section 503; and

"(ii) completed a training program on loan liquidation developed by the Administration in conjunction with qualified State and local development companies that meet the requirements of this subsection.

"(c) AUTHORITY OF DEVELOPMENT COMPANIES.—

"(1) IN GENERAL.—Each qualified State or local development company authorized to foreclose and liquidate loans under this section shall, with respect to any loan described in subsection (a) in the portfolio of the development company that is in default—

"(A) perform all liquidation and foreclosure functions, including the purchase of any other indebtedness secured by the property securing the loan, in a reasonable and sound manner and according to commercially accepted practices, pursuant to a liquidation plan, which shall be approved in advance by the Administration in accordance with paragraph (2)(A);

"(B) litigate any matter relating to the performance of the functions described in subparagraph (A), except that the Administration may—

"(i) assume the defense or prosecution of any case if—

"(I) the outcome of the litigation may adversely affect the Administration's management of the loan program established under section 502; or

"(II) the Administration is entitled to legal remedies not available for a qualified State or local development company and such remedies will benefit either the Administration or the qualified State or local development company in such litigation; or

"(ii) oversee the conduct of any such litigation to which the qualified State or local development company is a party; and

"(C) take other appropriate actions to mitigate loan losses in lieu of total liquidation or foreclosure, including restructuring the loan, which such actions shall be in accordance with prudent loan servicing practices and pursuant to a workout plan, which shall be approved in advance by the Administration in accordance with paragraph (2)(C).

"(2) ADMINISTRATION APPROVAL.—

"(A) LIQUIDATION PLAN.—

"(i) IN GENERAL.—In carrying out paragraph (1), a qualified State or local development company shall submit to the Administration a proposed liquidation plan.

"(ii) TIMING.—Any request under this subparagraph shall be approved or denied by the Administration not later than 15 business days after the date on which the request is received by the Administration. If the Administration does not approve or deny a request for approval of a liquidation plan before the expiration of the 15-business day period beginning on the date on which the request is received by the Administration, the Administration shall notify the qualified State or local development company, in writing, of the specific concerns of the Administration within that 15-business day period.

"(iii) ROUTINE ACTIONS.—A routine action under a liquidation plan approved in accordance with this subparagraph shall not require additional approval by the Administration.

"(B) PURCHASE OF INDEBTEDNESS.—

"(i) IN GENERAL.—In carrying out paragraph (1)(A), a qualified State or local development company shall submit to the Administration a request for written approval from the Administration before committing the Administration to purchase any other indebtedness secured by the property securing the loan at issue.

"(ii) TIMING.—Any request under this subparagraph shall be approved or denied by the Administration not later than 15 business days after the date on which the request is received by the Administration. If the Administration does not approve or deny a request for purchase of indebtedness before the expiration of the 15-business day period beginning on the date on which the request is received by the Administration, the Administration shall notify the qualified State or local development company, in writing, of the specific concerns of the Administration within that 15-business day period.

"(C) WORKOUT PLAN.—

"(i) IN GENERAL.—In carrying out paragraph (1)(C), a qualified State or local development company may submit to the Administration a proposed workout plan.

"(ii) TIMING.—Any request under this subparagraph shall be approved or denied by the Administration not later than 15 business days after the date on which the request is received by the Administration. If the Administration does not approve or deny a request for approval of a proposed workout plan before the expiration of the 15-business day period beginning on the date on which the request is received by the Administration, the Administration shall notify the qualified State or local development company, in writing, of the specific concerns of the Administration within that 15-business day period.

"(D) COMPROMISE OF INDEBTEDNESS.—In carrying out paragraph (1)(A), a qualified State or local development company may—

"(i) consider an offer made by an obligor to compromise the debt for less than the full amount owing; and

"(ii) pursuant to such an offer, release any obligor or other party contingently liable, if—

"(I) the State or local development company submits to the Administration a written request for that release; and

"(II) the Administration approves the request.

"(3) CONFLICT OF INTEREST.—A qualified State or local development company that is liquidating or foreclosing a loan under this section shall not take any action that would result in an actual or apparent conflict of interest between the qualified State or local development company, or any employee thereof, and any third party lender, associate of a third party lender, or any other person participating in any manner in the liquidation or foreclosure of the loan.

"(d) SUSPENSION OR REVOCATION OF AUTHORITY.—The authority of a qualified State or local development company to foreclose and liquidate loans under this section may be suspended or revoked by the Administration, if the Administration determines that the qualified State or local development company—

"(1) does not meet the requirements of subsection (b);

"(2) has failed to adhere to any applicable rule or regulation of the Administration, or has violated any other applicable provision of law; or

"(3) fails to comply with any reporting requirement that may be established by the Administration relating to the liquidation and foreclosure of loans.

"(e) REPORT.—

"(1) IN GENERAL.—Based on information provided by the qualified State and local development companies and the Administration, the Administration shall annually submit to the Committees on Small Business of the House of Representatives and the Senate a report on the results of the delegation of authority to qualified State and local development companies to liquidate and foreclose loans under this section.

"(2) INFORMATION INCLUDED.—Each report under this paragraph shall include the following information:

"(A) With respect to each qualified State or local development company authorized to foreclose and liquidate loans under this section, and in the aggregate, for each loan foreclosed or liquidated by the qualified State or local development company, or for which loan losses were otherwise mitigated by the qualified State or local development company pursuant to a workout plan under this section—

"(i) the total cost of each project financed with the loan;

"(ii) the total original dollar amount guaranteed by the Administration;

"(iii) the total dollar amount of the loan at the time transferred into liquidation, foreclosure, or mitigation;

"(iv) the total dollar losses resulting from the liquidation, foreclosure, or mitigation; and

"(v) the total recoveries resulting from the liquidation, foreclosure, or mitigation, both as a percentage of the amount guaranteed and the total cost of the project financed.

"(B) A comparison between—

"(i) the information described in clauses (i) through (v) of subparagraph (A) with respect to loans foreclosed and liquidated, or for which loan losses were otherwise mitigated pursuant to a workout plan, by qualified State and local development companies under this section during the 12-month period preceding the date on which the report is submitted; and

"(ii) the same information with respect to loans foreclosed and liquidated by the Administration during that period.

"(C) The number of times that the Administration has failed to approve or deny a request for written approval of a liquidation plan, purchase of indebtedness, or workout plan within the time periods described in subparagraphs (A), (B), and (C) of subsection (c)(2).".

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 150 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall promulgate such regulations as may be necessary to carry out section 510 of the Small Business Investment Act of 1958, as added by subsection (a) of this section.

(2) ELIMINATION OF PILOT PROGRAM.—Effective on the date on which final regulations are promulgated under paragraph (1), section 204 of the Small Business Programs Improvement Act of 1996 (15 U.S.C. 695 note) is repealed.

(c) PUBLIC POLICY GOALS.—Section 501(d)(3)(C) of the Small Business Investment Act of 1958 (15 U.S.C. 695(d)(3)(C)) is amended by inserting "or women-owned business development" before the comma.

SEC. 205. SMALL BUSINESS FEDERAL CONTRACT SET-ASIDES.

Section 15(h) of the Small Business Act (15 U.S.C. 644(h)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by inserting after paragraph (1) the following:

"(2)(A) Not later than 180 days after the last day of each fiscal year, based on the reports submitted under paragraph (1) for that fiscal year, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report, which shall include—

"(i) the information required by paragraph (3);

"(ii) a detailed description of the procurement data that is included in the reports submitted under paragraph (1) for that fiscal year, which shall identify—

"(I) any data on contracts from Federal agencies that is excluded from those reports, accompanied by an explanation for such exclusion; and

"(II) each Federal agency that has submitted a report that deviates from the requirements of paragraphs (3) and (4), accompanied by an explanation of the reasons for each such deviation;

"(iii) a detailed description of any change in statistical methodology used by any Federal agency that is reflected in any statistic in the report submitted under paragraph (1) for that fiscal year, including any inclusion or exclusion of the value of any contracts or types of contracts in any statistic represented by the Federal agency in the report submitted under paragraph (1) as the total value of contracts or subcontracts awarded by the Federal agency or as the total value of contracts or subcontracts awarded to small business concerns; and

"(iv) with respect to each change in statistical methodology by a Federal agency described in clause (iii), a separate calculation (which shall be provided to the Administration by the Federal agency) of the total value of contracts for that fiscal year, using the statistical methodology used by the Federal agency during each of the 2 preceding fiscal years.

"(B)(i) Not less than 45 days before issuing any waiver or permissive letter allowing any Federal agency or group of agencies to make any change in statistical methodology described in subparagraph (A)(iii), the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to the Chief Counsel for Advocacy of the Administration, a copy of that waiver or letter.

"(ii) Not later than 30 days after the submission of a waiver or letter under clause (i), the Chief Counsel for Advocacy of the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate, and to each affected Federal agency, the written comments of the Chief Counsel regarding the appropriateness of the decision of the Administration to issue the waiver or letter."; and

(3) in paragraph (4), as redesignated, by striking "paragraph (2)" and inserting "paragraphs (2) and (3)".

SEC. 206. ASSISTANCE FOR VETERANS.

(a) DEFINITIONS.—Section 3 of the Small Business Act (15 U.S.C. 632) is amended by adding at the end the following:

"(q) DEFINITIONS RELATING TO VETERANS.—In this Act:

"(1) SERVICE-DISABLED VETERAN.—The term 'service-disabled veteran' means a veteran with a disability that is service-connected (as defined in section 101(16) of title 38, United States Code).

"(2) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.—The term 'small business concern owned and controlled by service-disabled veterans' means a small business concern—

"(A) not less than 51 percent of which is owned by 1 or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more service-disabled veterans; and

"(B) the management and daily business operations of which are controlled by 1 or more service-disabled veterans.

"(3) SMALL BUSINESS CONCERN OWNED AND CONTROLLED BY VETERANS.—The term 'small business concern owned and controlled by veterans' means a small business concern—

"(A) not less than 51 percent of which is owned by 1 or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by 1 or more veterans; and

"(B) the management and daily business operations of which are controlled by 1 or more veterans.

"(4) VETERAN.—The term 'veteran' has the meaning given the term in section 101(2) of title 38, United States Code.".

(b) OFFICE OF VETERANS BUSINESS DEVELOPMENT.—

(1) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—Section 4(b)(1) of the Small Business Act (15 U.S.C. 633(b)(1)) is amended—

(A) in the fifth sentence, by striking "four" and inserting "5"; and

(B) by inserting after the fifth sentence the following: "One shall be the Associate Administrator for Veterans Business Development, who shall administer the Office of Veterans Business Development established under section 32.".

(2) ESTABLISHMENT OF OFFICE.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) by redesignating section 32 as section 33; and

(B) by inserting after section 31 the following:

"SEC. 32. VETERANS PROGRAMS.

"(a) OFFICE OF VETERANS BUSINESS DEVELOPMENT.—

"(1) ESTABLISHMENT.—There is established in the Administration an Office of Veterans Business Development, which shall be administered by the Associate Administrator for Veterans Business Development (in this section referred to as the 'Associate Administrator') appointed under section 4(b)(1).

"(2) ASSOCIATE ADMINISTRATOR FOR VETERANS BUSINESS DEVELOPMENT.—The Associate Administrator shall be—

"(A) a career appointee in the competitive service or in the Senior Executive Service; and

"(B) responsible for the formulation and execution of the policies and programs of the Administration that provide assistance to small business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans.

"(b) ADVISORY COMMITTEE ON VETERANS BUSINESS AFFAIRS.—

"(1) IN GENERAL.—There is established an advisory committee to be known as the Advisory Committee on Veterans Business Affairs (in this subsection referred to as the 'Committee'), which shall serve as an independent source of advice and policy recommendations to the Administrator (through the Associate Administrator), to Congress, and to the President.

"(2) MEMBERSHIP.—

"(A) IN GENERAL.—The Committee shall be composed of 15 members, each of whom shall be appointed by the Administrator, of whom—

"(i) 8 shall be veterans who are owners of small business concerns; and

"(ii) 7 shall be representatives of national veterans service organizations.

"(B) POLITICAL AFFILIATION.—Not more than 8 members of the Committee shall be of the same political party as the President.

"(C) PROHIBITION ON FEDERAL EMPLOYMENT.—No member of the Committee may be an officer or employee of the Federal Government. If any member of the Committee commences employment as an officer or employee of the Federal Government after the date on which the member is appointed to the Committee, the member may continue to serve as a member of the Committee for not more than 30 days after the date on which the member commences employment as such an officer or employee.

"(D) SERVICE TERM.—Each member of the Committee shall serve for a term of 3 years.

"(E) VACANCIES.—Not later than 30 days after the date on which a vacancy in the membership of the Committee occurs, the vacancy be filled in the same manner as the original appointment.

"(F) CHAIRPERSON.—The Committee shall select a Chairperson from among the members of the Committee. Any vacancy in the office of the Chairperson of the Committee shall be filled by the Committee at the first meeting of the Committee following the date on which the vacancy occurs.

"(G) INITIAL APPOINTMENTS.—Not later than 60 days after the date of enactment of this Act, the Administrator shall appoint the initial members of the Committee.

"(3) DUTIES.—The Committee shall—

"(A) review, coordinate, and monitor plans and programs developed in the public and private sectors, that affect the ability of veteran-owned business enterprises to obtain capital and credit;

"(B) promote and assist in the development of business information and surveys relating to veterans;

"(C) monitor and promote the plans, programs, and operations of the departments and agencies of the Federal Government that may contribute to the establishment and growth of veteran's business enterprises;

"(D) develop and promote new initiatives, policies, programs, and plans designed to foster veteran's business enterprises; and

"(E) advise and assist in the design of a comprehensive plan, which shall be updated annually, for joint public-private sector efforts to facilitate growth and development of veteran's business enterprises.

"(4) POWERS.—

"(A) HEARINGS.—The Committee may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Committee considers advisable to carry out the duties of the Committee under this subsection.

"(B) INFORMATION FROM FEDERAL AGENCIES.—The Committee may secure directly from any department or agency of the Federal Government such information as the Committee considers to be necessary to carry out the duties of the Committee under this subsection. Upon request of the Chairperson of the Committee, the head of such department or agency shall furnish such information to the Committee.

"(C) POSTAL SERVICES.—The Committee may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

"(D) GIFTS.—The Committee may accept, use, and dispose of gifts or donations of services or property.

"(5) MEETINGS.—

"(A) IN GENERAL.—The Committee shall meet not less than biannually at the call of the Chairperson, and otherwise upon the request of the Administrator.

"(B) LOCATION.—Each meeting of the full Committee shall be held at the headquarters of the Administration located in Washington, District of Columbia. The Administrator shall provide suitable meeting facilities and such administrative support as may be necessary for each meeting of the Committee.

"(6) PERSONNEL MATTERS.—

"(A) NO COMPENSATION.—Members of the Committee shall serve without compensation for their services to the Committee.

"(B) TRAVEL EXPENSES.—The members of the Committee shall be reimbursed for travel and subsistence expenses in the same manner and to the same extent as members of advisory boards and committees under section 8(b)(13).

"(c) SCORE PROGRAM.—The Administrator shall enter into a memorandum of understanding with the Service Core of Retired Executives (in this subsection referred to as 'SCORE') participating in the program under section 8(b)(1)(B) for—

"(1) the appointment by SCORE in its national office of a National Veterans Business Coordinator, whose exclusive duties shall be those relating to veterans' business matters, and who shall be responsible for the establishment and administration of a program to provide entrepreneurial counseling and training to veterans through the chapters of SCORE throughout the United States;

"(2) the establishment and maintenance of a toll-free telephone number and an Internet website to provide access for veterans to information about the entrepreneurial services available to veterans through SCORE; and

"(3) the collection of statistics concerning services provided by SCORE to veterans and service-disabled veterans and the inclusion of those statistics in each annual report published by the Administrator under section 4(b)(2)(B).

"(d) ANNUAL REPORT.—Beginning on March 31, 2000, and on March 31 of each year thereafter, the Administrator shall submit to the Committees on Small Business of the House of Representative and the Senate a report on the needs of small business concerns owned by controlled by veterans and small business concerns owned and controlled by service-disabled veterans, which shall include—

"(1) the availability of programs of the Administration for and the degree of utilization of those programs by those small business concerns during the 12-month period preceding the date on which the report is submitted;

"(2) the percentage and dollar value of Federal contracts awarded to those small business concerns during the 12-month period preceding the date on which the report is submitted; and

"(3) proposed methods to improve delivery of all Federal programs and services that could benefit those small business concerns.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,500,000 for each fiscal year.".

(c) OFFICE OF ADVOCACY.—Section 202 of Public Law 94–305 (15 U.S.C. 634b) is amended—

(1) in paragraph (10), by striking "and" at the end;

(2) in paragraph (11), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(12) evaluate the efforts of each Federal agency and of private industry to assist small *business concerns owned and controlled by veterans and small business concerns owned and controlled by service-disabled veterans, and make appropriate recommendations to the Administrator and to Congress in order to promote the establishment and growth of those small business concerns.".*

(d) MICROLOAN PROGRAM.—Section 7(m)(1)(A)(i) of the Small Business Act (15 U.S.C. 636(m)(1)(A)(i)) is amended by striking "low-income, and" and inserting "low-income individuals, veterans,".

SEC. 207. SECTION 7(a) LOAN PROGRAM.

Section 7(a)(4) of the Small Business Act (15 U.S.C. 636(a)(4)) is amended—

(1) by striking "(4)" and all that follows through "Notwithstanding" and inserting the following:

"(4) INTEREST RATES.—Notwithstanding"; and

(2) by striking subparagraph (B).

SEC. 208. DISASTER MITIGATION PILOT PROGRAM.

(a) IN GENERAL.—Section 7(b)(1) of the Small Business Act (15 U.S.C. 636(b)(1)) is amended—

(1) in subparagraph (B), by adding "and" at the end; and

(2) by adding at the end the following:

"(C) during fiscal years 1999 through 2003, to establish a pre-disaster mitigation program to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis), as the Administrator may determine to be necessary or appropriate, to enable small businesses to install mitigation devices or to take preventive measures to protect against disasters, in support of a formal mitigation program established by the Federal Emergency Management Agency, except that no loan or guarantee shall be extended to a small business under this subparagraph unless the Administration finds that the small business is otherwise unable to obtain credit for the purposes described in this subparagraph;".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 20 of the Small Business Act (15 U.S.C. 631 note) is amended by adding at the end the following:

"(f) DISASTER MITIGATION PILOT PROGRAM.—The following program levels are authorized for loans under section 7(b)(1)(C):

"(1) $15,000,000 for fiscal year 1999.

"(2) $15,000,000 for fiscal year 2000.

"(3) $15,000,000 for fiscal year 2001.

"(4) $15,000,000 for fiscal year 2002.

"(5) $15,000,000 for fiscal year 2003.".

(c) EVALUATION.—On January 31, 2001, the Administrator of the Small Business Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a report on the effectiveness of the pilot program authorized by section 7(b)(1)(C) of the Small Business Act (15 U.S.C. 636(b)(1)(C)), as added by subsection (a) of this subsection, which report shall include—

(1) information relating to—

(A) the areas served under the pilot program;

(B) the number and dollar value of loans made under the pilot program; and

(C) the estimated savings to the Federal Government resulting from the pilot program; and

(2) other such information as the Administrator determines to be appropriate in evaluating the pilot program.

SEC. 209. MICROLOAN PROGRAM.

(a) IN GENERAL.—Section 7(m) of the Small Business Act (15 U.S.C. 636(m)) is amended—

(1) in paragraph (7)—

(A) by striking "(7)" and all that follows through "During the program" and inserting the following:

"(7) PROGRAM FUNDING FOR MICROLOANS.—During the program"; and

(B) by striking subparagraph (B); and

(2) in paragraph (8)—

(A) by inserting "and providing funding to intermediaries" after "program applicants"; and

(B) by inserting "and provide funding to" after "shall select".

(b) LOAN LOSS RESERVE.—Section 7(m)(3)(D) of the Small Business Act (15 U.S.C. 636(m)(3)(D)) is amended—

(1) in the first sentence, by striking "The Administrator" and inserting the following:

"(i) IN GENERAL.—The Administrator"; and

(2) by striking the second sentence and inserting the following:

"(ii) LEVEL OF LOAN LOSS RESERVE FUND.—

"(I) IN GENERAL.—Subject to subclause (II), the Administration shall require the loan loss reserve fund to be maintained at a level equal to not more than 15 percent of the outstanding balance of the microloans owed to the intermediary.

"(II) REDUCTION OF LOAN LOSS RESERVE REQUIREMENT.—After the initial 5 years of an intermediary's participation in the program under this subsection, upon the initial request of the intermediary made at any time after that period, the Administrator shall annually conduct a review of the average annual loss rate of the intermediary and, if the intermediary demonstrates to the satisfaction of the Administrator that the average annual loss rate for the intermediary during the preceding 5-year period is less than 15 percent, and the Administrator determines that no other factor exists that is likely to impair the ability of the intermediary to repay all obligations owed to the Administration under this subsection, the Administrator shall reduce that annual loan loss reserve requirement to reflect the actual average annual loss rate for that intermediary during that period, except that in no case shall the loan loss reserve requirement for an intermediary be reduced to less than 10 percent of the outstanding balance of the microloans owed to the intermediary.".

SEC. 210. REAL ESTATE APPRAISALS.

(a) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 502(3) of the Small Business Investment Act of 1958 (15 U.S.C. 696(3)) is amended by adding at the end the following:

"(F) REAL ESTATE APPRAISALS.—

"(i) LOANS EXCEEDING $250,000.—Notwithstanding any other provision of law, if a loan under this section involves the use of more than $250,000 of the loan proceeds for a real estate transaction, prior to disbursement of the loan, the Administrator shall require an appraisal of the real estate by a State licensed or certified appraiser.

"(ii) LOANS OF $250,000 OR LESS.—Notwithstanding any other provision of law, if a loan under this subsection involves the use of $250,000 or less of the loan proceeds for a real estate transaction, prior to disbursement of the loan, the participating lender may, in accordance with the policy of the participating lender with respect to loans made without a government guarantee, require an appraisal of the real estate by a State licensed or certified appraiser.

"(iii) DEFINITION.—In this subparagraph, the term 'real estate transaction' includes the acquisition or construction of land or a building and any improvement to land or to a building.".

(b) SMALL BUSINESS ACT.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following:

"(27) REAL ESTATE APPRAISALS.—

"(A) LOANS EXCEEDING $250,000.—Notwithstanding any other provision of law, if a loan guaranteed under this subsection involves the use of more than $250,000 of the loan proceeds for a real estate transaction, prior to disbursement of the loan, the Administrator shall require an appraisal of the real estate by a State licensed or certified appraiser.

"(B) LOANS OF $250,000 OR LESS.—Notwithstanding any other provision of law, if a loan guaranteed under this subsection involves the use of $250,000 or less of the loan proceeds for a real estate transaction, prior to disbursement of the loan, the participating lender may, in accordance with the policy of the participating lender with respect to loans made without a government guarantee, require an appraisal of the real estate by a State licensed or certified appraiser.

"(C) DEFINITION.—In this paragraph, the term 'real estate transaction' includes the acquisition or construction of land or a building and any improvement to land or to a building.".

SEC. 211. COMMUNITY DEVELOPMENT VENTURE CAPITAL DEMONSTRATION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there is a need for the development and expansion of organizations that provide private equity capital to smaller businesses in areas in which equity-type capital is scarce, such as inner cities and rural areas, in order to create and retain jobs for low-income residents of those areas;

(2) to invest successfully in smaller businesses, particularly in inner cities and rural areas, requires highly specialized investment and management skills;

(3) there is a shortage of professionals who possess such skills and there are few training grounds for individuals to obtain those skills;

(4) providing assistance to organizations that provide specialized technical assistance and training to individuals and organizations seeking to enter or expand in this segment of the market would stimulate small business development and entrepreneurship in economically distressed communities; and

(5) assistance from the Federal Government could act as a catalyst to attract investment from the private sector and would help to develop a specialized venture capital industry focused on creating jobs, increasing business ownership, and generating wealth in low-income communities.

(b) COMMUNITY DEVELOPMENT VENTURE CAPITAL ACTIVITIES.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(1) by redesignating section 33 (as redesignated by section 206(b)(2) of this Act) as section 34; and

(2) by inserting after section 32 (as added by section 206(b)(2) of this Act) the following:

"SEC. 33. COMMUNITY DEVELOPMENT VENTURE CAPITAL ACTIVITIES.

"(a) DEFINITIONS.—In this section:

"(1) COMMUNITY DEVELOPMENT VENTURE CAPITAL ORGANIZATION.—The term 'community development venture capital organization' means a privately-controlled organization that—

"(A) has a primary mission of promoting community development in low-income communities, as defined by the Administrator, through investment in private business enterprises; or

"(B) administers or is in the process of establishing a community development venture capital fund for the purpose of making equity investments in private business enterprises in such communities.

"(2) DEVELOPMENTAL ORGANIZATION.—The term 'developmental organization'—

"(A) means a public or private entity, including a college or university, that provides technical assistance to community development venture capital organizations or that conducts research or training in community development venture capital investment; and

"(B) may include an intermediary organization.

"(3) INTERMEDIARY ORGANIZATION.—The term 'intermediary organization'—

"(A) means a private, nonprofit entity that has—

"(i) a primary mission of promoting community development through investment in private businesses in low-income communities; and

"(ii) significant prior experience in providing technical assistance or financial assistance to community development venture capital organizations;

"(B) may include community development venture capital organizations.

"(b) AUTHORITY.—In order to promote the development of community development venture capital organizations, the Administrator, may—

"(1) enter into contracts with 1 or more developmental organizations to carry out training and research activities under subsection (c); and

"(2) make grants in accordance with this section—

"(A) to developmental organizations to carry out training and research activities under subsection (c); and

"(B) to intermediary organizations to provide intensive marketing, management, and technical assistance and training to community development venture capital organizations under subsection (d).

"(c) TRAINING AND RESEARCH ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), a developmental organization that receives a grant under subsection (b) shall use the funds made available through the grant for 1 or more of the following training and research activities:

"(A) STRENGTHENING PROFESSIONAL SKILLS.—Creating and operating training programs to enhance the professional skills for individuals in community development venture capital organizations or operating private community development venture capital funds.

"(B) INCREASING INTEREST IN COMMUNITY DEVELOPMENT VENTURE CAPITAL.—Creating and operating a program to select and place students and recent graduates from business and related professional schools as interns with community development venture capital organizations and intermediary organizations for a period of up to 1 year, and to provide stipends for such interns during the internship period.

"(C) PROMOTING 'BEST PRACTICES'.—Organizing an annual national conference for community development venture capital organizations to discuss and share information on the best practices regarding issues relevant to the creation and operation of community development venture capital organizations.

"(D) MOBILIZING ACADEMIC RESOURCES.—Encouraging the formation of 1 or more centers for the study of community development venture capital at graduate schools of business and management; providing funding for the development of materials for courses on topics in this area; and providing funding for research on economic, operational, and policy issues relating to community development venture capital.

"(2) LIMITATION.—The Administrator shall ensure that not more than 25 percent of the amount made available to carry out this section is used for activities described in paragraph (1).

"(d) INTENSIVE MARKETING, MANAGEMENT, AND TECHNICAL ASSISTANCE AND TRAINING.—An intermediary organization that receives a grant under subsection (b) shall use the funds made available through the grant to provide intensive marketing, management, and technical assistance and training to promote the development of community development venture capital organizations, which assistance may include grants to community development venture capital organizations for the start up costs and operating support of those organizations.

"(e) MATCHING REQUIREMENT.—The Administrator shall require, as a condition of any grant made to an intermediary organization under this section, that a matching amount equal to the amount of such grant be provided from sources other than the Federal Government.

"(f) REQUIREMENTS.—The Administrator may promulgate such regulations as may be necessary to carry out this section, which regulations may take effect upon issuance.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section a total of $20,000,000 for fiscal years 1999 through 2002.".

SEC. 212. TECHNICAL AMENDMENTS.

(a) SMALL BUSINESS ACT.—Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) in paragraph (1)(A), by inserting "located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986)" before the semicolon;

(2) in paragraph (3)(B), by striking "; or" at the end and inserting a period; and

(3) in paragraph (4)—

(A) in subparagraph (A), by striking "(I)"; and

(B) in subparagraph (B)—

(i) in clause (ii), by striking "(ii)" and inserting "(II)"; and

(ii) in clause (i), by striking "Department of Commerce" and all that follows through "median household" and inserting the following: "Department of Commerce, is not located in a metropolitan statistical area (as defined in section 143(k)(2)(B) of the Internal Revenue Code of 1986); and

"(ii)(I) in which the median household".

(b) SMALL BUSINESS INVESTMENT ACT OF 1958.—Section 101 of the Small Business Investment Act of 1958 (15 U.S.C. 661 note) is amended by striking the table of contents.

TITLE III—SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PILOT PROGRAM

SEC. 301. PILOT PROGRAM.

The Small Business Act (15 U.S.C. 637 et seq.) is amended by inserting after section 21A the following:

"SEC. 21B. SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PILOT PROGRAM.

"(a) DEFINITIONS.—In this section:

"(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the Advisory Committee on Small Business Environmental Assistance Programs established under subsection (b).

"(2) ADVOCACY CHAIR.—The term 'Advocacy Chair' means the Chair of Small Business Advocacy of the Environmental Protection Agency.

"(3) ASSISTANT ADMINISTRATOR.—The term 'Assistant Administrator' means the Assistant Administrator for Small Business Development Centers of the Administration.

"(4) CHIEF COUNSEL.—The term 'Chief Counsel' means the Chief Counsel of the Office of Advocacy of the Administration.

"(5) EPA ADMINISTRATOR.—The term 'EPA Administrator' means the Administrator of the Environmental Protection Agency.

"(6) PARTICIPATING SMALL BUSINESS DEVELOPMENT CENTER.—The term 'participating small business development center' means a small business development center selected under subsection (c) to participate in the demonstration program under this section.

"(7) SMALL BUSINESS DEVELOPMENT CENTER.—The term 'small business development center'—

"(A) means a small business development center established pursuant to section 21; and

"(B) includes a consortium of 2 or more small business development centers.

"(b) ADVISORY COMMITTEE ON SMALL BUSINESS ENVIRONMENTAL ASSISTANCE PROGRAMS.—

"(1) IN GENERAL.—There is established an advisory committee to be known as the Advisory Committee on Small Business Environmental Assistance Programs which shall provide advice and recommendations to the Administration, the EPA Administrator, and Congress on the manner in which to enhance existing programs designed to improve the environmental performance of small businesses.

"(2) MEMBERSHIP.—

"(A) IN GENERAL.—The Advisory Committee shall be composed of the following members:

"(i) 1 member shall be the Chief Counsel, who shall serve as the Chairperson of the Advisory Committee.

"(ii) 1 member shall be the Assistant Administrator.

"(iii) 1 member shall be the Advocacy Chair.

"(iv) Not more than 15 additional members, each of whom shall be appointed by the Chief Counsel after consultation with the Assistant Administrator and the Advocacy Chair, of whom—

"(I) not more than 7 members shall be representatives of small business concerns or trade associations of small business concerns;

"(II) not more than 4 members shall be representatives of small business development centers selected by the Assistant Administrator; and

"(III) not more than 4 members shall be representatives of small business technical assistance programs selected by the EPA Administrator.

"(B) SERVICE OF MEMBERS.—Each member of the Advisory Committee shall serve for a term of 1 year.

"(C) VACANCIES.—If a vacancy in the membership of the Advisory Committee occurs, the vacancy shall be filled at the discretion of the Advisory Committee.

"(D) APPOINTMENTS.—Not later than 60 days after the date of enactment of this subsection, the Chief Counsel shall appoint the members of the Advisory Committee.

"(3) DUTIES.—The Advisory Committee shall—

"(A) review each program under the jurisdiction of the Administration or the EPA Administrator that is designed to assist the small business concerns in complying with environmental laws and regulations or to enhance the environmental performance of small business concerns, including the programs established under section 21 of this Act, section 213 of the Small Business Regulatory Enforcement Fairness Act of 1996, and section 507 of the Clean Air Act;

"(B) develop a strategy to enhance the efficacy of the programs described in subparagraph (A) in assisting small businesses to comply with environmental laws and regulations and improve their environmental performance through such means as—

"(i) improved techniques for measuring program achievement;

"(ii) innovative compliance assistance demonstration projects; and

"(iii) strengthening the capabilities of State and local programs;

"(C) develop recommendations regarding the types of pilot programs that would implement the strategy developed under subparagraph (B); and

"(D) not later than September 30, 1999, submit to the Administration, the EPA Administrator, and the Committees on Small Business of the House of Representatives and the Senate, a report on the strategy developed under subparagraph (B) and the recommendations developed under subparagraph (C).

"(4) POWERS.—

"(A) INFORMATION FROM FEDERAL AGENCIES.—The Advisory Committee may secure directly from any department or agency of the Federal Government such information as the Advisory Committee considers to be necessary to carry out the duties of the Advisory Committee under this subsection. Upon request of the Chairperson of the Advisory Committee, the head of such department or agency shall furnish such information to the Advisory Committee.

"(B) GIFTS AND DONATIONS.—The Advisory Committee may accept, use, and dispose of gifts or donations of services or property.

"(5) Meetings.—

"(A) In general.—The Advisory Committee shall meet not less than twice during fiscal year 1999, and otherwise upon request of the Chief Counsel.

"(B) Location.—Each meeting of the Advisory Committee shall be held at the office of the Chief Counsel located in Washington, D.C., or such other location as the Chief Counsel may specify. The Chief Counsel shall provide suitable meeting facilities and such administrative support as may be necessary for each meeting of the Advisory Committee.

"(6) Personnel matters.—

"(A) No compensation.—Members of the Advisory Committee shall serve without compensation for their services to the Advisory Committee.

"(B) Travel expenses.—The members of the Advisory Committee shall be reimbursed for travel and subsistence expenses in the same manner and to the same extent as members of Regional Small Business Regulatory Fairness Boards established under section 30(c).

"(C) Independent national assessment.—Not later than March 1, 2003, the Comptroller General of the United States shall submit to the Committees on Small Business of the House of Representatives and the Senate an evaluation of the demonstration program established under this section. The criteria for such evaluation shall be based on the strategy and recommendation in the Advisory Committee report and developed under the direction of the Committees on Small Business of the House of Representatives and the Senate.

"(7) Termination.—The Advisory Committee shall terminate on the date on which the report is submitted under subsection (b)(3)(D).

"(c) Demonstration Program.—

"(1) Notice of program establishment.—Not later than 60 days after the date on which the Advisory Committee submits the report under subsection (b)(3)(D), the Administration shall publish in the Federal Register a notice of the demonstration program under this section, which shall include application requirements for small business development centers seeking to participate in the program, including selection criteria based on the strategy and recommendation included in the report of the Advisory Committee under subsection (b)(3)(D).

"(2) Applications.—Not later than 60 days after the date on which the notice is published under paragraph (1), each small business development center seeking to participate in the pilot program under this section shall submit to the Administration an application that meets the requirements described in paragraph (1).

"(3) Selection of participating small business development centers.—

"(A) In general.—Not later than 90 days after the date on which the notice is published under paragraph (1), the Administration shall select, from among applicants under paragraph (2), 10 small business development centers to participate in the demonstration program under this section.

"(B) Additional selection criteria.—In carrying out subparagraph (A), the Administration shall—

"(i) give highest priority to applicants that—

"(I) form a partnership between small business development centers and State small business stationary source technical and compliance assistance programs (established under section 507 of the Clean Air Act) or other environmental assistance providers, including trade associations; and

"(II) demonstrate a cooperative approach utilizing the relative strengths of each; and

"(ii) to the extent practicable, select 1 small business development center from each region of the United States for which there is a regional office of the Environmental Protection Agency.

"(d) Grants to Participating Small Business Development Centers.—

"(1) In general.—Not later than 60 days after the date on which the Administration selects a small business development center to receive a grant, the Administration shall make a grant to the participating small business development center.

"(2) Grant amount.—

"(A) In general.—Subject to subparagraph (B), the total amount made available under this subsection to a participating small business development center for any fiscal year shall be not more than $400,000.

"(B) Exception.—Amounts made available to a small business development center by the Administration or another agency to carry out section 21(c)(3)(G) shall not be included in the calculation of maximum funding of a small business development center under subparagraph (A).

"(C) No matching requirement.—Notwithstanding section 21(a)(4), the Administration shall not require, as a condition of any grant made to a small business development center under this subsection, that a matching amount be provided from sources other than the Federal Government.

"(e) Authorization of Appropriations.—

"(1) In general.—There is authorized to be appropriated to carry out this section—

"(A) $500,000 for fiscal year 1999, which shall be used for direct support and reimbursement for costs of the Advisory Committee; and

"(B) $4,000,000 for each of fiscal years 2000 through 2003, of which not more than 6 percent may be used for administrative expenses.

"(2) Administrative costs.—

"(A) In general.—Not more than 6 percent of the amount made available under paragraph (1)(B) in each fiscal year may be used by the Administration for the costs of administration, evaluation, and reporting under this section, which shall include costs associated with the employee designated under subparagraph (B).

"(B) Full-time employee.—The Administration shall designate an employee of the Administration to assist in administering the pilot program under this section on a full-time basis.".

AMENDMENT NO. 3674

(Purpose: To make an amendment relating to small business Federal contract set-asides)

Mr. SHELBY. Mr. President, Senator Bond has an amendment at the desk. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. Shelby], for Mr. Bond, proposes an amendment numbered 3674.

The amendment is as follows:

Strike section 205 of the bill and insert the following:

SEC. 205. SMALL BUSINESS FEDERAL CONTRACT SET-ASIDES.

(a) Annual Comprehensive Report.—

(1) In general.—Section 15(h) of the Small Business Act (15 U.S.C. 644(h)) is amended—

(A) in paragraph (1)—

(i) by striking "At the conclusion of each fiscal year" inserting "(A) Not later than April 15 of each year";

(ii) in the first sentence, by inserting "during the fiscal year that ended on September 30 of the preceding year" before the period; and

(iii) by adding at the end the following:

"(B)(i) Not later than May 15 of each year, the Administration shall submit to the Committees on Small Business of the House of Representatives and the Senate a comprehensive report on the extent of the participation by small business concerns described in subparagraph (A) in procurement contracts during the fiscal year that ended on September 30 of the preceding year. In preparing the report, the Administration shall use the data from the reports submitted to the Administration for that fiscal year under subparagraph (A), and the Federal Procurement Data System.

"(ii) Each comprehensive report under this subparagraph shall include a detailed description and qualitative analysis of the procurement data submitted to the Administration under subparagraph (A).

"(iii)(I) The description and analysis included under clause (ii) shall include a reconciliation of the apparent differences, if any, between the small business participation levels reported for that fiscal year and the small business participation levels reported for preceding fiscal years, that result from differences in classification or reporting of data under this subsection. In the report, the Administration shall identify the differences in classification or reporting, as the case may be, and set forth the statistics on total dollar values for the later fiscal year as those statistics would have been calculated if the categories of contracts had been classified or otherwise reported without the differences.

"(II) The total dollar values referred to in subclause (I) are the total dollar values of prime contracts awarded, total dollar values of subcontracts awarded, and total dollar values of prime contracts and subcontracts awarded to small businesses.";

(B) in paragraph (2), by striking "paragraph (1)" and inserting "paragraph (1)(A)"; and

(C) by adding at the end the following:

"(4)(A) The Administration may not issue a waiver or permissive letter authorizing the head of a Federal agency or the heads of any group of Federal agencies to change the statistical methodology used for meeting the reporting requirements of paragraph (1)(A) or (2) unless, when issued, the waiver or permissive letter is accompanied by the comments of the Chief Counsel for Advocacy regarding the appropriateness of the decision of the Administration to issue the waiver or letter.

"(B) No waiver or permissive letter referred to in subparagraph (A) shall be effective until—

"(i) the Administration submits a copy of the waiver or permissive letter, together with the comments of the Chief Counsel for Advocacy, to the Committees on Small Business of the House of Representatives and the Senate; and

"(ii) 30 days have elapsed since the date of the submission to the committees under clause (i).".

(2) Inapplicability of content requirement to fiscal year 1998 report.—Clause (iii) of subparagraph (B) of section 15(h)(1) of the Small Business Act, as added by paragraph (1)(A)(iii) of this subsection, does not apply to the comprehensive report submitted under that subparagraph for fiscal year 1998.

(b) HUBZone Program.—Section 602(b)(2) of the Small Business Reauthorization Act of 1997 (15 U.S.C. 657a note) is amended—

(1) in subparagraph (I), by striking "and" at the end;

(2) in subparagraph (J), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(K) the Department of Labor.".

Mr. BOND. Mr. President, I rise today in support of H.R. 3412, the Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998. On September 15, 1998, the Committee on Small Business conducted a mark-up of H.R. 3412, a bill making technical amendments to the SBIC Program which passed the House of Representatives on March 24, 1998, and was referred to the Committee on Small Business.

The Committee approved 18–0 my amendment in the nature of a substitute to H.R. 3412, which included the Year 2000 Readiness Act (S. 2372), the Small Business Restructuring and Reform Act of 1998 (S. 2407) and portions of Senator KERRY's bill, the Small Business Loan Enhancement Act (S. 2448). Prior to approving my substitute amendment, the Committee approved seven amendments by unanimous voice votes.

TITLE I

Title I addresses the Committee's concerns about the impact the Year 2000 computer problem will have on small businesses. Earlier this year, the Committee held a hearing on this problem, and the witnesses' testimony was alarming. The majority of small businesses that are likely to have Y2K computer failures are unprepared. In a study conducted by Wells Fargo Bank and the NFIB, there are an estimated 4,750,000 small employers who will encounter Y2K problems. However, only 15 percent of all businesses with under 200 employees have begun to inventory the automated systems that may be affected by this computer glitch, much less commenced fixing such systems.

Given the impact that a substantial number of small business failures would have on our Nation's economy, the Committee determined that it was not only important for small businesses to be aware of the Y2K problem, but that they also had to have access to capital to fix such problems. H.R. 3412 directs SBA to establish a limited-term loan program under the FA$TRAK pilot program that would guarantee 50 percent of the principal amount of a loan made by a private lender to assist small businesses in correcting Y2K computer problems. The Committee adopted an amendment sponsored by Senator KERRY that states that all SBA-approved lenders under the 7(a) loan program may also make loans for Y2K corrections under the 7(a) loan program.

Since I became Chairman of the Committee in 1995, the Committee has maintained an active role overseeing credit programs at the Small Business Administration. To assist the Committee in conducting its oversight of these credit programs, H.R. 3412 includes a new provision that requires SBA to provide notification to the Senate and House Committees on Small Business whenever it initiates or changes a pilot program under the 7(a) loan program. Further, SBA is required to report annually to the Committees on the status of each pilot program. Such report will include the number and amount of loans, the number of lenders participating, and the default rate, delinquency rate, and recovery rate for loans made under each pilot program.

TITLE II

Title II of the Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998 includes improvements in Federal Programs that are in great demand by small firms. Just last year, the Committee approved a significant increase in the Women's Business Center Program. Demands being placed on this program are exceeding last year's estimates, and H.R. 3412 increases the annual authorization level for grants from $8 million to $12 million. To assist the Committee in its oversight role, the bill directs the Comptroller General to conduct a baseline study and a follow-up study on the management of the Women's Business Center Program by SBA's Office of Women's Business Ownership.

Last year, the Committee approved an increase from 20 percent to 23 percent in the amount of Federal prime contract dollars that will be set aside each year for small businesses. This goal is extremely important to the viability of thousands of small firms. Importantly, the Federal government is also a big winner, since small businesses delivery high quality, competitively priced goods and services.

The managers' amendment that Senator KERRY and I have offered amends a provision in H.R. 3412 that requires SBA to report annually to the Senate and House Committees on Small Business on the success of each Federal agency in meeting the 23 percent goal. The provision in the bill was crafted after the Committee received a report issued in April 1998 by the Department of Energy's Office of Inspector General that indicates that the Department of Energy exploited a change in its statistical methodology to inflate its small business contracting achievements.

The managers' amendment refines the provision contained in H.R. 3412 that was approved unanimously by the Committee on September 15. These changes reflect clarifications requested by the Small Business Administration, while retaining the bill's key provisions intended to discourage the reporting of erroneous or misleading statistics. At SBA's request, the managers' amendment provides for use of data from the Federal Procurement Data System in preparing reports to the Congress on Federal procurement activities.

The managers' amendment also reduces the burden placed on the Chief Counsel for Advocacy for commenting on SBA letters authorizing changes in statistical methodology by the reporting agencies. As reported by the Committee on Small Business, H.R. 3412 would have allowed such letters to take effect 45 days after copies had been transmitted to the Senate and House Committee on Small Business. During this time, the Chief Counsel would have had 30 days to comment on such letters. The Chief Counsel expressed concern to us about being able to meet this deadline due to limited staff resources, so the managers' amendment changes these deadlines. The Chief Counsel's comments will now be included with the initial transmission from SBA notifying the Committees and will not be subject to a separate statutory deadline. The managers anticipate that this approach will encourage SBA to make the Chief Counsel a part of any negotiations leading to the preparation of such a letter in the first place.

The managers' amendment retains three key facets of the Committee-reported bill, with some simpler language. The Committee continues to believe it is appropriate, and consistent with the Chief Counsel's other reporting responsibilities, for the Chief Counsel to comment on letters authorizing changes in statistical methodology. Second, whenever an agency seeks to reclassify contracts so they are not included in statistics issued in previous years, or are included as part of the calculation of a different statistic, the Committee wants this information disclosed. Disclosure is vital so that recipients of these statistics will know that they attempt to measure the same thing from year to year—and if they do not, how they differ. Finally, the Committee continues to require a separate calculation of what the reporting year's statistics would have been in the absence of such changes. This is intended to remove any incentive for an agency to massage its statistics to inflate its small business contracting achievements.

The managers' amendment also makes an adjustment to the HUBZone program that was approved last year as part of the Small Business Reauthorization Act of 1997 (P.L. 105–135). At the request of SBA, the Department of Labor would be added to the list of Federal agencies that may participate under the HUBZone Program within the provision limiting participation to selected agencies prior to September 30, 2000.

Title II of H.R. 3412 has other significant provisions to improve Federal programs to help small business owners. The following highlights the changes:

The Small Business Innovation Research (SBIR) program is made permanent. Since this program was last reauthorized in 1992, its success has exceeded our expectations. The bill requires Federal agencies to utilize its outreach activities to encourage greater participation of small research firms from states that receive few SBIR awards.

The program authorization level for participating securities under the Small Business Investment Company (SBIC) Program is increased from $800 million to $1 billion in FY 1999; from $900 million to $1.2 billion in FY 2000. Following the statutory changes in the SBIC Program approved by the Committee in 1996, the growth in the program has exceeded most estimates.

The Pilot Liquidation Program under the 504 Certified Development Company Program is made permanent.

A new Office of Veterans Business Development is established at SBA, which is directed to provide comprehensive help to veteran-owned small businesses. An Advisory Committee on Veterans' Business Affairs composed of 15 members is established, and a new position of National Veterans' Business Coordinator is created within SCORE.

Title II also includes amendments that were offered by members of the Committee on Small Business. It includes two amendments offered by Senator **KERRY**. The first restructures the loan loss reserve requirements under SBA's Microloan Program. His second amendment changes SBA's appraisal standards under the 504 and 7(a) loan programs to require appraisals of real estate collateral by state-licensed or state-certified appraisers only when more than $250,000 of the loan proceeds are to be used to acquire, construct or improve real property.

The Committee approved an amendment included in Title II sponsored by Senator **BUMPERS** to strike the cap on the amount of loan funds that a single state can receive under the Microloan Program, while ensuring equitable funding to Microloan Lender Intermediaries. An amendment sponsored by Senator **CLELAND** to establish a pilot disaster mitigation loan program at SBA was accepted. And lastly, the Committee approved an amendment offered by Senator **WELLSTONE** which authorizes a total of $20 million over four years to create the Community Development Venture Capital Demonstration Program at SBA.

TITLE III

Title III of the Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998 incorporates an amendment offered by Senator **BURNS** to create the Small Business Environmental Assistance Pilot Program at SBA. The purpose of this pilot program is to provide technical assistance to small businesses to help them comply with environmental regulations. Witnesses have testified before the Committee on Small Business about the complexity of environmental regulations and the importance of environmental compliance tools designed to help small businesses comply with the law and regulations administered by the Environmental Protection Agency.

The Small Business Environmental Assistance Pilot Program has two principal sections. The first establishes an Advisory Committee on Small Business Environmental Assistance Programs that will review existing programs that provide environmental assistance to small businesses and chart the course for small business environmental compliance assistance. The second section authorizes SBA to establish a demonstration grant program based on the recommendations and strategy developed by the Advisory Committee. Under this program, SBA will make 4-year grants to certain Small Business Development Centers to provide environmental compliance assistance to small businesses in partnership with existing programs.

Mr. President, when the Committee on Small Business filed its report on S. 3412, the Congressional Budget Office had not completed its estimate of the costs associated with the bill. I am now in receipt of the CBO analysis of H.R. 3412 and ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 28, 1998.

Hon. CHRISTOPHER S. BOND,
Chairman, Committee on Small Business,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for the H.R. 3412, the Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Mark Hadley and Kristen Layman (for federal costs), and Marc Nicole (for the state and local impact).

Sincerely,
JUNE E. O'NEILL, *Director.*

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 3412—Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998

Summary: H.R. 3412 would establish three new pilot programs for the Small Business Administration (SBA) and would make a number of changes to existing SBA loan and grant programs. Assuming appropriation of the necessary amounts, CBO estimates that this legislation would result in new discretionary spending of $99 million over the 1999–2003 period. Of this total, $66 million is from amounts specifically authorized in the bill for SBA programs—primarily for grants and administrative expenses. The remaining $33 million would be primarily for the subsidy costs of the Small Business Investment Company (SBIC) Participating Securities program and the proposed disaster mitigation pilot program.

H.R. 3412 would also modify the terms of SBA guarantees for existing general business loans. CBO estimates that provision would increase direct spending by $4 million in fiscal year 1999. The act also could affect governmental receipts, but CBO estimates that any such changes would be less than $500,000 a year. Because the act would affect direct spending and could affect receipts, pay-as-you-go procedures would apply.

H.R. 3412 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Any costs to state, local or tribal governments resulting from enactment of the bill would be the result of complying with grant conditions.

Description of the bill's major provisions: Title I would establish a pilot loan program under the SBA general business program to address the year 2000 computer problems of small businesses. It would require that SBA provide annual reports on the pilot program and a detailed annual report on all pilot programs.

Title II contains a number of changes in small business programs. Provisions with expected budgetary effects are outlined below:

Section 201 would increase the amount authorized for grants to women's business centers from $8 million a year to $12 million a year. It would also clarify certain provisions of the Small Business Innovation Research Program.

Section 203 would increase the authorized level of the SBIC-Participating Securities program in 1999 and 2000.

Section 205 would allow qualified community development companies (CDCs) to liquidate loans in their portfolio that SBA has purchased. This section also would eliminate a pilot program that allowed CDCs to liquidate loans and would allow the CDCs to litigate in place of SBA.

Section 206 would authorize the appropriation of $2.5 million each fiscal year to establish an office of veterans business development and an advisory committee on veterans business affairs.

Section 207 would eliminate a provision of law that allows SBA to pay interest on guaranteed general business loans that have defaulted at a rate 1 percent less than the borrower's interest rate between the time of default and the time SBA purchases the loan.

Section 208 would establish a disaster mitigation pilot loan program and authorize a program level of $15 million for each year during the 1999–2003 period.

Section 211 would establish a demonstration program for venture capital in distressed communities.

Other provisions in title II would not have any significant budgetary impact.

Title III would establish a pilot program to improve the environmental performance of small businesses and would also establish an advisory committee on small business environmental assistance programs. Finally, title III would authorize the appropriation of $500,000 for 1999 and $4 million for each year over the 2000–2003 period.

Estimated cost to the Federal Government: CBO's estimate of the budgetary impact of implementing H.R. 3412 is shown in Table 1. The table does not include any estimated effects for section 205 because CBO cannot determine whether that section would have any budgetary impact, or what the direction or magnitude of any such impact might be. The costs of this legislation fall within budget functions 370 (commerce and housing credit) and 450 (community and regional development).

TABLE 1.—ESTIMATED FEDERAL COSTS FOR THE YEAR 2000 READINESS AND SMALL BUSINESS PROGRAMS RESTRUCTURING AND REFORM ACT OF 1998

	By fiscal years in millions of dollars—				
	1999	2000	2001	2002	2003
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Specified Authorization Level	7	11	31	11	11
Estimated Authorization Level	9	11	5	5	4
Total Authorization Level	16	22	36	16	15
Estimated Outlays	12	20	31	20	16
CHANGES IN DIRECT SPENDING					
Estimated Budget Authority	4	0	0	0	0
Estimated Outlays	4	0	0	0	0

Basis of estimate: For the purposes of this estimate, CBO assumes that the bill will be enacted in October 1998 (the beginning of fiscal year 1999) and that the necessary amounts will be appropriated for each fiscal year. Outlay estimates are based on historical spending rates for existing or similar programs.

Spending subject to appropriation

Specified Authorizations. H.R. 3412 would increase the authorization for grants to women's business centers from $8 million to $12 million each year. The act would also establish an Office of Veterans Business Development, a demonstration program for venture capital in distressed communities, and a pilot program to improve the environmental performance of small businesses. Assuming appropriation of the specified amounts, CBO estimates that additional outlays for these programs would total $66 million over the 1999–2003 period.

Estimated Authorization for Loan Programs. H.R. 3412 would make numerous changes to loan programs administered by SBA. The Federal Credit Reform Act of 1990 requires appropriation of the subsidy costs and administrative costs for credit programs. The subsidy cost is the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis and excluding administrative costs.

Section 203 would increase the authorized program level of the SBIC Participating Securities program from $800 million to $1 billion in 1999 and from $900 million to $1.2 billion in 2000. Based on information from the SBA and on historical data for this program, CBO estimates that the subsidy costs of guarantees for the authorized levels would increase by $11 million over the 1999–2003 period. CBO estimates that this provision would not significantly increase the administrative costs of the agency.

Section 207 would eliminate a provision of law that allows SBA, on defaulted general business loans guaranteed by the agency, to pay 1 percent less than the borrower's interest rate between the time of default and the time SBA purchases the loan. Based on information from SBA and the Office of Management and Budget (OMB), CBO estimates that this provision would increase the subsidy rate by 0.01 percent. That change would slightly increase the cost of guaranteeing each new loan. CBO estimates that H.R. 3412 would increase the cost of guaranteeing the authorized level of $14 billion in loans in fiscal year 1999 from $195 million to $196 million, subject to the availability of appropriations. This provision would also affect direct spending by increasing the costs of loans that SBA has already guaranteed (see below).

Section 208 would authorize a disaster mitigation pilot program to make direct and guaranteed loans to small businesses for preventive measures that would reduce the long-run costs of disasters. To be eligible for a pre-disaster mitigation loan, the small business must be unable to obtain loans elsewhere for mitigation purposes. This section would authorize a program level of $15 million each year over fiscal years 1999 through 2003. Based on the 1998 subsidy rate for SBA disaster loans, CBO estimates that the subsidy appropriations for these loans and guarantees would total $17 million over the 1999–2003 period. We estimate that the costs of administering the pre-disaster mitigation loan program would total less than $500,000 each year.

Section 205 would authorize qualified community development companies to liquidate loans in their portfolio that SBA has purchased, and would allow CDCs to litigate in place of SBA. CDC loans, also known a section 503 and 504 loans, provide small businesses with long-term, fixed-rate financing for the purchase of land, buildings, and equipment. H.R. 3412 would make permanent the pilot program that allowed CDCs to liquidate such loans. The pilot program has not produced enough information to date to allow CBO to make any determination about the amount the government would recover on defaulted loans if those loans are liquidated by CDCs instead of by SBA

In addition, it is not clear how expenses associated with liquidation would be paid. The Federal Credit Reform Act stipulates that administrative expenses cannot be paid out of the subsidy for loan programs. but expenses to foreclose, maintain, or liquidate an asset can. Many of the expenses CDCs would incur would be to foreclose, maintain, or liquidate assets. It is not clear whether SBA would have the authority to reimburse CDCs for administrative expenses, including litigation costs.

Enacting section 205 could change the subsidy rate for previous cohorts of CDC loans or the administrative costs of SBA. However, CBO has no basis for estimating the direction, magnitude, or timing of any such changes. The bill would not affect the subsidy rate for future CDC loans. By law, the Administrator of SBA must adjust an annual fee on 504 loans to produce an estimated subsidy rate of zero at the time loans are guaranteed. If enacting H.R. 3412 changed the costs of future loans, that change would be reflected in fees paid by borrowers, rather than in the appropriation required to fund the authorized loan level.

H.R. 3412 also would make other technical changes to SBA's loan programs, but CBO estimates that those changes would not have any significant budgetary effect.

Table 2 summarizes estimated changes in loan levels and subsidy costs assuming appropriation action consistent with H.R. 3412. The increased discretionary spending associated with SBA's loan programs would represent about $25 million of the total cost of implementing H.R. 3412.

Reports. H.R. 3412 would require SBA and the General Accounting Office to produce numerous reports. Based on historical costs for similar reports and information from the two agencies, CBO estimates that these provisions would increase discretionary spending by less than $500,000 in each year over the 1999–2003 period.

TABLE 2.—CHANGES IN SBA LOAN LEVELS AND SUBSIDY COSTS UNDER H.R. 3412[1]

	By fiscal years, in millions of dollars—				
	1999	2000	2001	2002	2003
CHANGES IN AUTHORIZED LOAN LEVELS					
SBIC Participating Securities Loans	200	300	0	0	0
Disaster Mitigation Pilot Loans	15	15	15	15	15
LOAN SUBSIDY COSTS					
SBIC Participating Securities Loans					
Estimated Authorization Level	4	7	0	0	0
Estimated Outlays	3	6	2	0	0
Disaster Mitigation Pilot Loans					
Estimated Authorization Level	3	3	3	3	3
Estimated Outlays	2	3	3	3	3

[1] Implementing H.R. 3412 also would increase SBA's costs for administering loans, but CBO estimates that the changes in administrative expenses would be less than $500,000 a year.

Direct spending

Loan Programs. Section 207, which would increase the subsidy rate on future general business loans, would also modify the expected cost of the guarantees SBA has provided for existing loans. According to OMB's Circular A–11 Preparation and Submission of Budget Estimates: "If the modification is mandated in legislation, the legislation itself provides the budget authority to incur the subsidy cost obligation (whether explicitly stated or not)." CBO estimates that enacting this provision would increase direct spending by about $4 million in fiscal year 1999.

Gifts. Section 206 would establish an advisory committee on veternas business affairs, and section 301 would establish an advisory committee on small business environmental assistance programs. H.R. 3412 would authorize the two advisory committees to accept and use gifts and donations to assist in their work. Donations of money are recorded in the budget as governmental receipts (revenues) and the use of any such amounts under the act would be direct spending, but CBO estimates that any such donations would be less than $500,000 a year.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that enacting the bill would increase direct spending by $4 million in 1999. The bill could also increase governmental receipts, but any such changes would be less than $500,000 a year.

Estimated impact on State, local, and tribal governments: H.R. 3412 contains no intergovernmental mandates as defined in UMRA. The bill would establish new programs or modify existing programs that provide grants or contracts to various organizations, including state, local and tribal governments. Any costs to these governments from the requirements of the programs would be incurred voluntarily.

Estimated impact on the private sector: This act would impose no new private-sector mandates as defined in UMRA.

Previous CBO estimate: On March 16, 1998, CBO transmitted an estimate for H.R. 3412 as ordered reported by the House Committee on Small Business on March 12, 1998. The House version of H.R. 3412 would make only technical corrections to existing law, and as a result, CBO estimated that it would not have a significant impact on the federal budget.

Estimate prepared by: Federal Costs: Mark Hadley and Kristen Layman. Impact on State, Local, and Tribal Governments: Marc Nicole.

Estimate approved by: Robert A Sunshine, Deputy Assistant Director for Budget Analysis.

Mr. BOND. Mr. President, this is an important bill that will benefit thousands of small businesses throughout the United States. I urge my colleagues strong support for its final passage.

Mr. KERRY. Mr. President, we have an opportunity today in the Senate to vote for legislation that will help our nation's 23 million small businesses.

On September 15, the Senate Committee on Small Business, made up of ten Republicans and eight Democrats, passed a comprehensive small business bill, H.R. 3412, that includes all the provisions of my Small Business Loan Enhancement Act of 1998. It also includes Senator BOND's two bills, the Small Business Programs Restructuring and Reform Act of 1998 and the Small Business Year 2000 Readiness Act, bills introduced by Senators CLELAND and WELLSTONE, and four other amendments.

This bi-partisan vote was a big step towards final passage of legislation that augments the opportunities available to every small business owner and helps these entrepreneurs contribute to their communities and the economy. In Massachusetts and across the country, these are the programs that are working; assisting individuals with the tools to successfully manage their own business.

If enacted, these changes would make a number of improvements to the Small Business Administration's lending programs which reduce small businesses' costs and paperwork, increase access to capital for women-owned businesses, and promote small business lending, particularly to those small businesses needing loans to meet the challenges of Year 2000 computer problem. They also build upon successful programs such as the Small Business Innovation Research program and the Women's Business Centers.

One of the most important provisions passed revises the loan loss reserve requirement (a cash reserve to guarantee that the government is paid back if a loan defaults) for microlenders by setting a 15-percent ceiling and a 10-percent floor. After a microloan intermediary has participated in the SBA Microloan program for five years and demonstrated its ability to maintain a healthy loan fund, it can request that SBA review and, when appropriate, reduce its loan loss reserve from 15 percent to a percentage based on its average loan loss rate for the five-year period. The proposed change would continue to protect the government's interest in microloans as well as enhance the program by freeing up cash which microlenders could reprogram for more microloans or technical assistance to small business owners. Based on the program's success since it was started six years ago, 36 out of 42 microlenders would qualify to maintain a loan loss reserve of ten percent, rather than 15 percent.

To reduce unnecessary regulatory burden and costs to small business lenders, this legislation raises the requisite appraisal threshold from $100,000 to $250,000 for 7(a) guaranteed loans and 504 development loans. This is consistent with federal bank regulatory policy in place since 1994. After reviewing the legislation, SBA Administrator Aida Alvarez sent a statement of Administration Policy, approved by the Office of Management and Budget, to Chairman BOND on September 15 saying it had no objection to making the requisite appraisal threshold amount consistent with existing policy. This change is estimated to save borrowers on average from $1,000 to $3,000.

To help small businesses meet the escalating challenges of the Year 2000 (Y2K) computer problem, this bill specifies that small businesses can use 7(a) loans to finance the cost of making their systems and computers Y2K-compliant. The Committee complemented this change by also approving a loan guarantee pilot program introduced by Senator BOND which would allow 7(a) preferred and certified lenders to use their paperwork to expedite loans capped at $50,000 to help small businesses with Y2K expenses.

The bill expands SBA's 504 Development Company program to make women-owned businesses eligible for loans up to $1 million to acquire equipment and expand facilities. Currently, 504 loans to women-owned businesses are capped at $750,000. The Committee also endorsed a provision, based on the Kerry-Cleland Women's Business Centers bill introduced earlier this year, which increases annual funding from $8 million to $12 million for Women's Business Centers.

The Committee passed several other important provisions to improve the business climate for small business. For the sector of small, high-tech companies that participate in federal research and development, the Committee voted to make the Small Business Innovation Research (SBIR) program permanent after 16 years of success. The SBIR program is a great example of how government and business can work together to advance the cause of both science and our economy. The results have been dramatic for small, high-technology companies participating in the program. From 1983 to the end of 1996, some 8,000 small, high-technology firms have received more than 40,000 SBIR research awards, totaling $6 billion.

Massachusetts is the second largest recipient of SBIR awards in the nation, receiving $148 million in SBIR research dollars in 1996. Knowing the benefits of the SBIR program, I believe we need to find ways to make sure the SBIR awards are more equitably distributed throughout the country without changing the program's reliance on competition. The highly competitive nature of SBIR awards is one of the main reasons the program has been so popular and successful.

A recent SBA study showed that one-third of the states received 85 percent of all SBIR awards. I joined my colleagues to support Senator CARL LEVIN's amendment to promote the SBIR program in states that receive the fewest awards. This amendment directs the ten federal agencies that participate in the SBIR program to use their existing procurement outreach efforts for SBIR outreach.

Responding to requests from Veterans Service Organizations to assist veterans with entrepreneurial endeavors, I joined my colleagues and supported Chairman BOND's bill that, among other things, would increase outreach and assessment of opportunities and services for veterans by establishing the Office of Veterans Business Development within SBA. I am proud that the Committee adopted a version that included my suggestion to authorize $2.5 million for this important effort.

The microloan community has more than just the loan loss reserve improvements to applaud in this legislation. Senator BUMPERS successfully eliminated the cap on the amount of microloan funds a single state can receive. The cap has penalized several rural states with small populations that have a high demand for microloans. And Senator WELLSTONE won unanimous support for an innovative four-year demonstration program to spawn community development venture capital organizations nationwide. The purpose of Senator WELLSTONE's initiative is to stimulate and promote small business development and entrepreneurship in economically distressed communities.

The Small Business Investment Company (SBIC) program is vital to our fastest growing small companies that have capital needs exceeding the caps on SBA's loan program, but are not large enough to be attractive to traditional venture capital investors. The demand is clear: Last year, participating securities in the SBIC program invested $360 million in 495 financings. In my state, where we have an impressive community of fast-growing companies, particularly in the hi-tech industry, there were 140 SBIC financings, worth $145.4 million.

The Participating Securities component of the SBIC program invests principally in the equities of new or expanding businesses. To leverage the private capital of participating securities and better serve these fast-growing businesses, I supported Senator LIEBERMAN's amendment which raises the authorization level for participating securities from $800 million to $1 billion in fiscal year 1999 and from $900 million to $1.2 billion in fiscal year 2000.

In response to the increasing costs, loss of businesses and personal devastation caused by disasters, the Committee passed Senator CLELAND's five-year disaster mitigation pilot program. The program, recommended by the Administration as part of its Fiscal Year 1999 Budget, would allow SBA to make direct loans to small business owners, who can't get credit elsewhere and who live in disaster-prone areas, for financing preventive measures to protect their businesses against future disaster damage. Disaster mitigation is expected to reduce the costs of disaster repair by 50 percent for small businesses.

To help small businesses maneuver the maze of environmental regulations, the Committee passed a small business environmental assistance pilot program introduced by Senator BURNS. Administered through existing Small Business Development Centers in ten states, the program is designed to help small businesses comply with often complex environmental regulations.

Lastly, in addition to the Committee-reported bill, the Senate today will adopt a Bond-Kerry amendment. First, it adds the Department of Labor to the SBA's HUBZone program, which Congress enacted last year. And second, it amends Section 205 of this bill, H.R. 3412, to improve the reporting tools concerning small business set-asides of federal contracts.

Mr. President, I thank my colleagues for their support of small businesses and ask unanimous consent that this statement be entered in the RECORD.

• Mr. LEVIN. Mr. President, H.R. 3412, as amended by the Senate Small Business Committee, has broad bipartisan support. I am particularly pleased that H.R. 3412 makes permanent the Small Business Innovation Research Program SBIR, which was originally established in 1982 and reauthorized and expanded in 1992. This competitive program has a well deserved reputation for success and it is fitting that it be made permanent.

H.R. 3412 also addresses a problem pointed out by GAO in its April, 1998 SBIR report regarding the lack of uniformity in defining the term "extramural budget". GAO found that participating agencies had different interpretations of what should be included in their extramural research budgets. This is a problem because a participating agency's extramural budget is the base from which that agency's SBIR funding is calculated. To resolve any discrepancies, H.R. 3412, as amended by the Senate Small Business Committee, directs OMB to define the term "extramural budget" and ensure that it is applied uniformly throughout the government.

Finally, this bill includes a provision I authored which authorizes existing procurement outreach programs of the Department of Defense and other federal agencies to conduct program outreach efforts for the SBIR program out of funds that are already available to them.•

Mr. HARKIN. Mr. President, I would like to thank my colleagues, Chairman of the Small Business Committee, Senator KIT BOND, and Ranking Member, Senator JOHN KERRY, for their work in moving H.R. 3412 through Committee. I would also like to thank Senators BOND and KERRY for agreeing to my language requesting a report from the Small Business Administration (SBA) on the 7(A) loan program's reporting requirements on the subsidy rate. I have heard from a number of community bankers in Iowa who have expressed concerns with the monthly reporting requirement. Previously, these reports were submitted quarterly. I am concerned that small banks, especially small rural banks, lack the loan volume or personnel to meet this requirment in a cost effective manner. I look forward to reviewing this report and working with my colleagues and the SBA in addressing this concern.

In addition to improvements in popular SBA programs, H.R. 3412 also contains a Committee passed amendment, sponsored by Senator MAX CLELAND and cosponsored by myself, which will allow the SBA to conduct a disaster mitigation pilot program. It is my hope that this program will afford small business owners, particularly in rural areas, the ability to invest in their property to help prevent against natural disasters. By providing small businesses with the tools to invest in their business before disasters strike, property destruction can be avoided and insurance claims can be reduced.

• Mr. WELLSTONE. Mr. President, I support H.R. 3412, the "Year 2000 Readiness and Small Business Programs Restructuring and Reform Act of 1998." The bill makes useful reforms to existing Small Business Administration (SBA) programs and authorizes certain new initiatives, including a community development venture capital demonstration program which I proposed during markup in the Small Business Committee. I commend Chairman BOND for his leadership on the bill, and I thank him for including my proposal in it.

The bill makes permanent SBA's 504 liquidation pilot program, a step I strongly support. Minnesota certified development companies with proven liquidation and foreclosure capabilities have made use of the pilot program, which can help bring costs down and save borrowers from higher fees. The bill's adjustments to the loan loss reserve requirements in the Microloan program also are appropriate. Requiring a loss reserve based on past performance makes sense. This provision will continue to protect the government's interest in these loans but will allow the majority of microlenders to make more loans or provide more technical assistance to borrowers.

I am especially pleased that my proposal to create a new $20-million, four-year demonstration program at the SBA to develop the capacity of community development venture capital (CDVC) organizations is part of H.R. 3412. I thank Senator BOND again for his support and for working with me to get this amendment accepted. I also thank the SBA for working with my staff and for providing valuable technical assistance in drafting the amendment.

The CDVC Program is about directing venture capital—equity and investment capital—to small businesses with the aim of promoting business growth and economic development in poor communities. That's what we mean by community development venture capital or CDVC. The money the bill authorizes would not be directly invested into small businesses; instead, it would go to provide technical assistance to organizations that invest in businesses in low-income communities.

CDVC organizations have been highly successful at producing a "double bottom line" of strong financial returns and significant social benefits. CDVC funds create social and financial payoffs because they consider the community impact of their investments to be just as important as the financial returns to investors. Community development venture capitalists target investments to companies that generate good jobs—jobs that pay decent wages, jobs with benefits, jobs with opportunity to advance. They influence and shape the culture of young companies with respect to sustainable development and environmental policies. They look to create local entrepreneurial capacity, local ownership, local wealth. The "double bottom line" philosophy is what makes these venture capitalists so unique and their work so promising. The goal of the CDVC program is to expand and multiply this very meritorious work.

There are about 30 CDVC funds currently operating in urban and rural communities around the country. Northeast Ventures Corporation in Duluth, Minnesota, is a good example of a successful and experienced CDVC company. Northeast Ventures serves a seven county rural area and focuses on creating good jobs in high value-added industries. Northeast Ventures targets 50% of the jobs created through its investments to women, low-income and structurally unemployed persons. They also require portfolio companies to offer employees an opportunity to participate in a health care plan in which the employer makes some contribution. Partridge River is an example of one of Northeast Ventures successful investments. Northeast made an initial investment in Partridge River, a locally owned specialized manufacturer of precision and wood component parts for furniture and cabinets, in late 1990. Partridge River uses readily available light-colored woods such as aspen, basswood, birch and maples, and has manufacturing customers throughout the United States. When the company needed significant financing for an upgrade of equipment in 1994, another investor purchased Northeast's stake at a significant premium and allowed the entrepreneur to maintain majority ownership. Over the course of Northeast's involvement, the company added 17 net new employees from northeast Minnesota.

Kentucky Highlands Investment Corporation (KHIC), founded in 1968 in London, Kentucky, is one of the oldest and most successful of the CDVC organizations. They focus on developing profitable businesses that provide job opportunities to residents of Southeast Kentucky. For example, KHIC provided over $600,000 in equity financing to a startup company that manufactures casements for the retail store industry. That company now employs over 125 people who had few prospects for employment in their home county. This company would not be located in rural Clay County if not for the type of equity investment that KHIC made available. Altogether, KHIC has infused about $40 million in venture capital in their region, invested in more than 100 companies and created over 5,200 jobs.

The organizations operating CDVC funds have been fortunate in attracting talented and dedicated people, but the skills and expertise to produce a double bottom line are still relatively scarce. The CDVC Demonstration Program allows the most experienced and successful in this growing field to teach, advise, and mentor the less experienced, the new and emerging community development venture capitalists.

The CDVC Demonstration Program authorizes $20 million over four years. Seventy-five percent or $15 million will be used as grants to intermediary organizations—the private, nonprofit organizations with the most experience and skill in making venture capital investments in poor communities—to provide hands-on technical assistance to the new and emerging venture funds springing up in low-income communities around the country. In addition to providing technical assistance, intermediaries will be able to use the grants to fund the start up and operating costs of new CDVC organizations. Grants to intermediaries will be matched $1 for $1 with funds raised from non-Federal sources. Twenty-five percent or $5 million will be used as grants to developmental organizations—public or private firms—to create and operate training programs, intern programs, a national conference, and academic research and study of community development venture capital.

I hope that my colleagues in the Senate will support these reforms and new initiatives in the name of good jobs, entrepreneurship and responsibility to community.●

Mr. CLELAND. Mr. President, I thank the Senator from Massachusetts, Senator KERRY and the Senator from Missouri, Mr. BOND, for their continuing leadership on behalf of small businesses. The legislation before the Senate, S. 3412, contains many important programs that will enable small businesses to continue to be a vital part of the nation's economy. This omnibus small business legislation is the result of bipartisan commitment to a number of worthy goals.

Today I wish to address specifically two important initiatives that I proposed earlier in this session: the disaster mitigation pilot program and the Small Business Administration Women's Business Center authorization. I am extremely pleased that both are included in this bill.

On June 11, 1998, Senator KERRY and I introduced the S. 2157, the Women's Business Center Authorization bill. There was broad bipartisan support for this initiative, with seventeen cosponsors. I was especially pleased when Senator BOND included an increased authorization for women's business centers in the pending bill. Funding for these important centers is increased from $8 million to $12 million in fiscal year 1999 and thereafter.

The women's business center legislation, simply stated, recognizes the outstanding contributions that women's business centers have made to women entrepreneurs across the Nation. These centers are the only organization, nationally, which focus exclusively on entrepreneurial training for women. Increased funding will allow for new centers and subcenters to be established and for continued funding for existing centers, including the on-line women's business center. Increased funding would achieve the goal of expanding centers to all 50 States.

On March 26, 1998, I introduced a disaster mitigation pilot program, S. 1869. This legislation would permit SBA to establish a pilot program (using up to $15 million of existing disaster funds) to provide small businesses with low interest, long-term disaster loans to finance preventive measures before a disaster hits. In response to the increasing costs and personal devastation caused by disasters, the Administration has launched an approach to emergency management that moves away from the current reliance on response and recovery to one that emphasizes preparedness. The Federal Emergency Management Agency (FEMA) has already established administratively a program to assist disaster-prone communities, one in every state, in developing strategies to avoid the crippling effects of natural disasters. My proposal would allow the SBA to begin a pilot program that would be limited to small businesses within those communities which are eligible to receive disaster loans after a disaster has been declared. Currently, SBA disaster loans may only be used to repair or replace existing protective devices that are destroyed or damaged by a disaster. In connection with repairs, funds may also be used to install new mitigation devices that will prevent future damage. My legislation is necessary to authorize SBA to establish this pilot program to provide mitigation loans prior to the occurrence of a disaster.

Mr. President, I believe that this disaster mitigation program will address two areas of need for our small businesses—reducing the cost of recovery from a disaster and reducing future disaster costs for small businesses. It also addresses the opportunity for small businesses to contract work during a period when market forces haven't driven up the prices for these services, thereby ultimately reducing the cost of disaster assistance to the taxpayers.

I thank my colleagues on the Small Business Committee for including both of these initiatives, which I think will serve the needs of so many, in this bipartisan legislation. I look forward to its prompt enactment. Thank you, Mr. President.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendment be agreed to, the substitute amendment be agreed to, the bill be considered read a third time and passed, the amendment to the title be agreed to, the title, as amended, be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3674) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (H.R. 3412), as amended, was considered read the third time and passed.

The title was amended so as to Read: "An Act to amend the Small Business Act and the Small Business Investment Act of 1958 to provide for a pilot loan guarantee program to address Year 2000 problems of small business concerns and to improve the programs of the Small Business Administration, and for other purposes.".

ORDERS FOR THURSDAY, OCTOBER 1, 1998

Mr. SHELBY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m. on Thursday, October 1. I further ask that the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SHELBY. For the information of all Senators, on behalf of Senator LOTT, tomorrow the Senate will convene at 9 a.m. and begin 3 hours of debate on the defense authorization conference report.

At the conclusion of debate time at approximately 12 noon, the Senate will proceed to vote on the adoption of the conference report. Following that vote, the Senate may begin consideration of S. 442, the Internet tax bill, with relevant amendments in order and a Bumpers amendment regarding catalog sales. The Senate may also consider S. 1092, the Cold Bay-King Cove legislation under a 6-hour time agreement or any other legislative or executive items cleared for action.

Therefore, Members should expect rollcall votes throughout Thursday's session with the first vote occurring at approximately 12 noon.

ORDER FOR RECESS

Mr. SHELBY. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in recess under the previous order following the remarks of Senator ROBB.

The PRESIDING OFFICER. Without objection, it is so ordered.

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998—CONFERENCE REPORT

Mr. ROBB. Mr. President, I have heard many of the statements made here today and yesterday regarding the defense authorization conference report and, indeed, I had hoped to come to the floor earlier, but I was involved in a meeting in my office with the Foreign Minister of the Republic of Yugoslavia in a very serious and protracted discussion about the possible military options that Mr. Milosevic's Government and our Government were considering with respect to the situation in Kosovo, and the readiness of the military forces as well as the ability of those forces to respond to various contingencies was a significant part of our discussion.

Many of our colleagues have expressed their concern over the degraded state of readiness of our armed services. Mr. President, I share those concerns, especially as they relate to our fundamental ability to fight and win two major wars as is called for by our national military strategy.

Admittedly, the need to fight two such wars has been challenged by many, but until the tense situations in the Middle East and the Korean peninsula are behind us, we do not have the luxury of cutting force structure anymore. Indeed, in the words of the well-known Broadway musical, "we've gone about as 'fer' as we can go."

Yesterday, the Chairman of the Joint Chiefs of Staff and the four service chiefs confirmed that the risk we now associate with fighting in a second theater is high. By "high risk," we mean that the level of troop losses in such a conflict could be unacceptably high. This, Mr. President, is a serious development and one which merits our immediate attention. Many of our colleagues have also expressed frustration that we were made aware of this and other readiness problems only recently.

While I share some of these frustrations, I also appreciate the complexity of predicting problems even a few months out. Pilot retention, for example, can be a function of the strength of the economy. Moreover, I appreciate the comments by our service chiefs in a hearing yesterday that reinforced the immense complexity of managing our readiness, especially like a major downsizing unlike anything we have been through since the end of World War II.

This having been said, we have a serious readiness problem that threatens to nosedive very quickly. We are already eating our seed corn, and the threat of a hollow force, according to our witnesses yesterday, looms only 5 or perhaps a few more years out.

Some fixes can be made in short order; others, such as fielding new equipment that won't consume so much of our resources to maintain, may take years.

The obvious solution and one quoted by many of those participating in the hearing and certainly by our service chiefs is more money.

While I will support supplemental funding for the Department of Defense, I do so with considerable frustration over this Congress' inability to have the courage to cut wasteful defense spending. While we rail on and on about the administration for underfunded readiness, we refuse to cut bases. One more base closure round should realize around $3 billion a year in steady-state savings, enough to pay for a host of readiness problems.

While some attack our service leaders for not being forthcoming, we add hundreds of millions of dollars in military construction projects that, although requested by the military for future years, we rush to build today so we can score points back in our States and districts just before an election. While some claim we have had no indications of a looming readiness problem, the fact is that we have. But despite this, we added over $2 billion in this bill for procurement and research and development projects that were simply not requested by the military. I am not suggesting they are not necessary in the long term, but they were not requested by the military in this bill.

Mr. President, I support this conference report. I will support the supplemental funding package. But I hope each and every Member will find the will next year to support substantial infrastructure reductions and stop pushing so many Member interests onto the defense authorization bill so that we can put those limited tax dollars that we do have available for our Nation's defense to work directly and exclusively for the soldiers, airmen, sailors, and marines who are willing to risk their lives for this Nation.

With that, Mr. President, there will be more to say tomorrow when the defense authorization report is formally considered by the Chamber.

I ask unanimous consent that the previous unanimous consent order be modified to accommodate the distinguished Senator from Arkansas.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I thank the distinguished Senator from Virginia for making that request. I will be very brief.

First, I compliment the Senator from Virginia. I came here to speak on another subject, but his remarks on what is the current topic about military readiness were very topical and timely. He made one very salient point that needs to be reinforced, and I would just like to lend my support because, as you know, I will not be here next year, and I regret it for a number of reasons, but one of the reasons is because I won't be here for the debate about just how bad off our Defense Department is on readiness, No. 1. No. 2, the question keeps coming back to me on why, if $270 billion, which is this year's defense budget—or maybe that is the amount we appropriated for next year, $270 billion—if that isn't enough when you consider the fact that that is more than all the defense expenditures of the rest of the world and twice as much as China and Russia and the so-called seven or eight rogue nations, you have to ask yourself, what are we doing with that $270 billion?

When you add NATO to it, NATO and the United States combined spend well over twice as much as the rest of the world combined.

I wish I was going to be here for this so-called readiness debate. I have watched this thing happen about five times since I have been here, where we go along and all of a sudden the Defense Department comes over and says, "Our readiness is declining; our ability to meet the contingencies that we see are something we are not going to be able to meet with our existing manpower."

It makes me wonder, because then Senators begin to hear from their constituents back home that the Joint Chiefs have said we are woefully inadequate in this department, woefully inadequate in that department. And among other things, General Shelton pointed out yesterday in the Armed Services Committee that one of the reasons they feel like their readiness is slipping is because they have things imposed on them to the tune of about $4 billion or $5 billion this year they didn't ask for.

When you consider the fact that our retention rate of pilots is 27 percent, and we are in the process of building about 700 new F–18s and 339 F–22s, you have to ask yourself, Who is going to fly those planes? If we can't compete with commercial airlines, then we ought to raise the salaries of our pilots.

It is absolutely unconscionable that we spend the amount of money that we do—hundreds of thousands of dollars—training pilots only to watch the commercial airlines take them away from us once they have been trained. The only way you are going to overcome that is to change the salaries of pilots so you can retain them.

I am like Senator ROBB, I will have more to say on this subject later.

I really came over to give another brief statement.

This is the eighth year I have been trying to kill the space station. Everybody knows that. I only have about 6 more days to speak my mind in the U.S. Senate.

I know that everybody is going to be extremely rhapsodic and excited to hear the good news, and that is, since I stood on the floor about 6 months ago and tried to kill the space station once again, the cost of it has only gone up $8.3 billion. We are now headed into the second $100 billion for the space station. You have to bear in mind that that is only if the Russians are ready, for example, with a service module by April of 1999, and even NASA itself says they are not likely to be ready until the fall of 1999.

When I tell you that we are soaring past the $25 billion mark right now, and we will probably be at $30 billion by April of next year as best we can project, and you understand that the Russians are not going to be ready with a service module by next April as anticipated, and if it is next fall, just keep adding a billion here and a billion there.

Mr. President, all I can do is to tell my children and grandchildren I did my best to stop this thing before it got completely out of control, and I failed miserably. I never received more than 35 votes, maybe 40 at one time.

I have to admit, it is extremely gratifying to come over here and tell you, "I told you so." There is just nothing politicians like better than to be proven right.

I will be down in Arkansas watching C–SPAN occasionally. Senator Pryor tells me he is so happy now he doesn't even watch C–SPAN anymore. He says sometimes it just ruins his whole day. I will be down there and probably watching C–SPAN as I watch the cost of the space station soar from $100 billion—it is about $104 billion right now—right on up to $150 billion and watch the U.S. Senate put their imprimatur on it and say, "Sic 'em, tiger; go at it, and we'll just keep spending the money."

It doesn't make any difference. I can tell you right now it does not matter what the space station winds up costing; we are going to build it. Nobody can tell you why, but we are going to.

I will have a little more to say on this the first opportunity tomorrow or Friday.

I yield the floor, and I assume we will stand in recess.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. The Senate stands in recess under the previous order.

Thereupon, the Senate, at 5:53 p.m., recessed until Thursday, October 1, 1998, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate September 30, 1998:

DEPARTMENT OF VETERANS AFFAIRS

KENNETH W. KIZER, OF CALIFORNIA, TO BE UNDER SECRETARY FOR HEALTH OF THE DEPARTMENT OF VETERANS AFFAIRS FOR A TERM OF FOUR YEARS. (REAPPOINTED)

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C. SECTIONS 12203 AND 12211:

To be colonel

MATTHEW L. KAMBIC, 0887
JAMES G. PIERCE, 2660

SOCIAL SECURITY ADMINISTRATION

RICHARD A. GRAFMEYER, OF MARYLAND, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR THE REMAINDER OF THE TERM EXPIRING SEPTEMBER 30, 2000, VICE HARLAN MATTHEWS, RESIGNED.

GERALD M. SHEA, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BAORD FOR A TERM EXPIRING SEPTEMBER 30, 2004. (REAPPOINTMENT)

EXTENSIONS OF REMARKS

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, October 1, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 2

9:00 a.m.
Governmental Affairs
To hold hearings on the nominations of John U. Sepulveda, of New York, to be Deputy Director of the Office of Personnel Management, and Joseph Swerdzewski, of Colorado, to be General Counsel of the Federal Labor Relations Authority.
SD-342

9:30 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
SD-406

Special on Special Committee on the Year 2000 Technology Problem
To hold hearings to examine general government emergency services' preparedness for Year 2000.
SD-192

Joint Economic
To hold hearings on the employment-unemployment situation for September.
1334 Longworth Building

10:00 a.m.
Armed Services
To hold hearings on ballistic missile defense programs, policies, and related issues.
SH-216

Judiciary
Antitrust, Business Rights, and Competition Subcommittee
To hold hearings to examine the effectiveness of international antitrust enforcement activities.
SD-226

11:00 a.m.
Foreign Relations
To hold hearings on the nomination of C. Donald Johnson, Jr., of Georgia, for the rank of Ambassador during his tenure of service as Chief Textile Negotiator.
S-116, Capitol

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Frank E. Loy, of the District of Columbia, to be Under Secretary of State for Global Affairs.
SD-419

OCTOBER 5

2:00 p.m.
Foreign Relations
To hold hearings to examine START Treaty compliance issues.
SD-419

Judiciary
Technology, Terrorism, and Government Information Subcommittee
To hold hearings to examine certain national security considerations in asylum applications.
SD-226

OCTOBER 6

9:00 a.m.
Armed Services
To hold hearings on the worldwide threats facing the United States and potential United States operational and contingency requirements.
SH-216

Judiciary
To hold hearings on pending nominations.
SD-226

9:30 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Environment and Public Works
Clean Air, Wetlands, Private Property, and Nuclear Safety Subcommittee
To hold hearings on S. 1097, to reduce acid deposition under the Clean Air Act.
SD-406

Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs on the legislative recommendations of the American Legion.
345 Cannon Building

10:30 a.m.
Governmental Affairs
To hold hearings on the nomination of Sylvia M. Mathews, of West Virginia, to be Deputy Director of the Office of Management and Budget.
SD-342

2:00 p.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia Subcommittee
To hold oversight hearings on the implementation of the Coal Act.
SD-342

2:15 p.m.
Foreign Relations
To hold hearings to examine the ballistic missile threat to the United States.
SD-419

OCTOBER 7

9:30 a.m.
Judiciary
Business meeting, to consider pending calendar business.
SD-226

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of William B. Bader, of New Jersey, to be Associate Director for Educational and Cultural Affairs of the United States Information Agency, Harold Hongju Koh, of Connecticut, to be Assistant Secretary of State for Democracy, Human Rights, and Labor, and C. David Welch, of Virginia, to be Assistant Secretary of State for International Organization Affairs.
SD-419

Joint Economic
To hold hearings on proposals to stabilize the international economy.
311 Cannon Building

2:00 p.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia Subcommittee
To hold hearings to examine the implications of military adultery standards.
SD-342

Judiciary
To hold hearings on the implementation of the Radiation Exposure Compensation Act.
SD-226

CANCELLATIONS

OCTOBER 1

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SENATE—*Thursday, October 1, 1998*

(Legislative day of Tuesday, September 29, 1998)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by the Reverend Allen P. Novotny of the Society of Jesus, Gonzaga College High School, Washington, D.C.

We are pleased to have you with us.

PRAYER

The guest Chaplain, Father Allen P. Novotny, S.J., offered the following prayer:

Almighty God, we acknowledge at the beginning of these deliberations that all power in our world is from You. May Your power become a reality in our lives and in our Nation: the power of You, our God—the power of truth, the power of justice, the power of holiness, the power of love.

May this power fire the hearts of the women and men of this Senate. May this power reach out through their hands to build up our Nation, to overcome all obstacles, to cross all distances, to give life and hope and care and dignity to each other and to all our people.

In a spirit of humility, may they accept the gift of this power and the responsibility it enjoins on them. May they commit themselves to the hard work of freedom and justice—the work of You, our God, which leads to understanding. Amen.

RECOGNIZING THE SENATE'S GUEST CHAPLAIN

Mr. HATCH. Mr. President, I am pleased to introduce to my colleagues Reverend Allen Novotny. He is our guest Chaplain today and I hope some of you will take the time to introduce yourself. Fr. Novotny is the President of Gonzaga College High School, a Jesuit high school for boys located only a few blocks away from the Capitol.

In 1821, the Jesuits founded Gonzaga which operates in the tradition of teaching and learning established by the founder of the Jesuits, Ignatius of Loyola. Throughout our nation's history—through the Civil War, the Great Depression, the World Wars, and the civil rights movement, Gonzaga has maintained its commitment to teaching and learning in the heart of Washington's inner-city, on a street it shares with leaders of business and government, on a block where it ministers to and comforts the least fortunate of society.

It is both ironic and appropriate that Gonzaga be situated just a few blocks from our nation's Capitol Building. Gonzaga, like so much of the United States, is a melting pot. Gonzaga combines the largest minority population of any Jesuit High School in the United States with one of the lowest tuitions in the Washington area. Gonzaga is a realized mission of social and economic diversity that offers all who attend the school a glimpse of the full life spectrum. Gonzaga combines service to the community—taking the form of service projects both in the U.S. and abroad, student-assisted tutoring for underprivileged children, and an on-campus, student-assisted McKenna Center & Food Wagon homeless shelter—with top academics and athletics. Gonzaga is, in other words, a complete educational experience.

I hope my colleagues will take the time to learn more about Gonzaga's special character. Gonzaga has served the Washington community well and, under the steady leadership of Fr. Novotny, I believe it will continue to do so.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. GORTON. Mr. President, this morning the Senate will immediately resume consideration of the Department of Defense authorization conference report. There are 3 hours remaining for debate, with a vote occurring on adoption of the conference report at 12 noon. Following that vote, the Senate may begin consideration of S. 442, the Internet bill, under the consent agreement reached last night. The Senate may also begin consideration of the Cold Bay-King Cove legislation under a 6-hour time agreement, or any other legislative or executive items cleared for action. Therefore, Members should expect rollcall votes throughout Thursday's session as the Senate continues to consider important legislation prior to sine die adjournment. I thank my colleagues for their attention.

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999—CONFERENCE REPORT

The PRESIDENT pro tempore. The clerk will report the conference report.

The assistant legislative clerk read as follows:

Conference report to accompany H.R. 3616 to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the conference report.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. THURMOND. Mr. President, today the Senate considers the conference report to accompany the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. I want to thank all the members of the conference committee for their hard work and cooperation. To give the Members of the Senate some insight into the complexity and magnitude of the work involved in the conference process, we had to reconcile nearly 1,000 funding differences and craft compromises for over 570 legislative issues in disagreement between the House and Senate bills. The conferees succeeded in settling the many difficult issues in this complex process only by putting the national interest above all others. I particularly want to thank Senator LEVIN, the ranking member of our committee, for his continued leadership and support.

I also want to acknowledge the contributions of Senator COATS, Senator KEMPTHORNE, and Senator GLENN. This is their last defense authorization bill. On behalf of the committee and the Senate, I wish to thank them again for their dedication to the national security of our country and their support for the young men and women who serve in our armed services. We will miss their valuable counsel next year.

Mr. President, I also want to acknowledge the contribution of the staff of the Senate Armed Services Committee in bringing our conference process to closure. We on the committee are very proud of our staff. They are a model of bipartisan competence and everyone in this body is indebted to them

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for their dedication to excellence. I ask unanimous consent that a list of the members of the staff be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. Mr. President, I also wish to recognize the members and staff of the Senate Defense Appropriations Subcommittee. We have worked more closely together this year than ever before. I want to express on behalf of the Armed Services Committee our appreciation to Chairman STEVENS and to the members and staff of the Defense Subcommittee for their cooperation and support.

Working together, we have produced a bill which keeps the Department of Defense on a steady course and is consistent with the balanced budget agreement. It is a sound bipartisan approach to some very difficult policy issues. This is reflected in the fact that for the first time in memory, all of the conferees in both committees have signed the conference report. This bill sends a strong signal to our men and women in uniform and their families that we are fully committed to supporting them as they perform their dangerous missions around the world.

The conference report addresses three challenges to maintaining a strong national defense in the 21st century: the training and readiness of our military forces, the modernization of weapon systems and other defense equipment, and the preservation of quality of life programs for our military personnel and their families. The conference report, for example, authorizes funding of increases to a number of readiness accounts totaling nearly $1 billion above the administration request.

We have also authorized the construction of six new ships, increased the procurement of new tactical aircraft, and provided an increase of approximately $90 million for advanced space systems and technologies as well as an increase of about $132 million for strategic force upgrades.

In the conference, we have authorized a 3.6-percent pay raise and a comprehensive series of accession and retention bonuses and special pay to reduce the financial sacrifices involved with military service. In order to enhance the quality of life for our service personnel and their families, we have authorized increases totaling $666 million above the request for military construction and family housing.

The conferees have also crafted a number of management initiatives to ensure that limited budgets are managed more efficiently and that the burdens of service for our men and women in uniform are kept to a reasonable level. The bill includes provisions to ensure that commercial sole-source spare parts are procured in a cost-effective manner. The conference report authorizes a series of initiatives to test new health care benefits for Medicare-eligible military retirees. The bill also requires the Department of Defense to address the Year 2000 information technology issues in a more comprehensive fashion.

Mr. President, this conference report is a sound and balanced approach to meeting our national security needs with constrained resources. It is my hope that the Senate will vote to adopt the report overwhelmingly.

This is the 40th defense authorization conference report on which I have worked since joining the Armed Services Committee in 1959. It is the fourth and last as chairman of the committee as I have announced my intention to step down as chairman at the end of this year while retaining my seat on the committee. I regard my work on the committee to ensure a strong national defense as among the most important accomplishments of my public service. My tenure as chairman over the last 4 years has been the culmination of that service. Words cannot express the pride and appreciation I feel for the honor my colleagues have bestowed by designating this authorization bill as the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.

Looking back over the national security issues that have challenged the United States over the past 40 years and turning forward to the 21st century, I am very concerned about maintaining our ability to meet foreign policy ambitions with declining defense resources. If we do not change course soon, present and projected defense investment levels will expose the people of the United States to unacceptable levels of risk. We will have abdicated our fundamental responsibility to provide for a strong common defense.

We are in the midst of a period of unprecedented commitment of U.S. military forces in peacetime. The United States is using military forces to respond to a growing spectrum of international aggression, ethnic unrest, and domestic conflict. The operational tempo of each of our services is at an all time high as we respond in a sustained manner to crises in Africa, the Persian Gulf, and the Balkans. As we struggle with supporting these operational deployments, the backlog of modernization and real property upgrades continues to climb. Moreover, the imperative of maintaining our defense technological superiority over the next 10 to 15 years will soon generate a further requirement for substantial new investment.

Yet our defense spending is declining. The authorization for new budget authority in this conference report is $270.5 billion, which is $2.6 billion below the inflation-adjusted level for fiscal year 1998. We are currently spending barely more than 3 percent of our gross domestic product on defense. This level is consistent with defense spending during the Depression-ridden 1930's. That level is projected to decline even further to 2.6 percent by 2002. We cannot hope to meet increasing foreign policy commitments with such declining resources.

We are already seeing the effects of this mismatch of resources and commitments. The Chiefs of the military services indicate that they have now hit rock bottom in readiness and modernization. We are seeing increasing spare parts shortages, increased cannibalization, declining unit operational readiness rates, cross-decking of critical weapons, equipment and personnel. Personnel retention rates—especially for skilled personnel such as pilots—are in a steep decline.

These trends have been evident for the last several years. The leadership in the military services, distinguished observers in the defense community, such as former Secretary of Defense Schlesinger, and even the political leaders in the Department of Defense have been sounding warnings of increasing peril for our national security. Now even the President has been forced by the mounting evidence to recognize the impact of underfunded administration requests and to call for an immediate increase in defense spending. In a letter to me last week, the President called for a series of steps to redress defense underfunding, including an increase of $1 billion in fiscal year 1999 and a process for revising the programmed spending in the future years defense plan. I commend the President for this proposal and look forward to working with the administration to make it a reality. I ask that the full text of the President's letter be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THURMOND. The extent of current and future readiness problems were laid out in stark detail Tuesday morning by the Joint Chiefs of Staff at a hearing before the Senate Armed Services Committee. The service Chiefs all testified on the manner in which our current readiness is fraying and the long-term health of the Total Force is in jeopardy. While additional funding in fiscal year 1999 will help address the most pressing short-term concerns, it is imperative that we provide significant continuing increases in funds for modernization above that for additional pay and benefits. The Marine Corps estimates a shortfall of $1.8 billion per year in modernization over the Future Years Defense Program under the current administration projections. The Army estimates an annual $3 to $5 billion per year shortfall during the same period. We must embark on a course of sustained increases in defense investment over the next several years.

Mr. President, at the beginning of this Congress, I called for developing a clearer strategic context within which to design an effective, affordable national defense to meet our foreign policy commitments. The need for this clarity has never been greater. With the belated recognition by the President of the need for increased defense resources, we have an opportunity to free the determination of U.S. strategy from being a by-product of the budget process. As I said in February 1997, let us seize the day. We must work in a cooperative, bipartisan fashion to avert a certain military decline. The first step in that process is the rapid and overwhelming approval of this conference report.

EXHIBIT 1

STAFF OF THE ARMED SERVICES COMMITTEE

Charlie Abell, John Barnes, June Borawski, Philip Bridwell, Les Brownlee, Stuart Cain, Monica Chavez, Chris Cowart, Dan Cox, Madelyn Creedon, Rick DeBobes, Marie Fabrizio Dickinson, Katy Donovan, and Shawn Edwards.

Jon Etherton, Pamela Farrell, Richard Fieldhouse, Maria Finley, Jan Gordon, Creighton Greene, Gary Hall, Larry Hoag, Melinda Koutsoumpas, Larry Lanzillotta, George Lauffer, Henry Leventis, Peter Levine, and Paul Longsworth.

David Lyles, Steve Madey, Mike McCord, Reaves McLeod, John Miller, Ann Mittermeyer, Bert Mizusawa, Cindy Pearson, Sharen Reaves, Cord Sterling, Scott Stucky, Eric Thoemmes, Roslyne Turner, and Banks Willis.

EXHIBIT 2

THE WHITE HOUSE,
Washington, September 22, 1998.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Preserving our military's readiness has been the top priority of my national security program. Since I first took office, increasingly greater shares of our Defense budget have been allocated to ensuring that our armed forces are ready to respond and have the tools to accomplish their mission. Although we have done much to support readiness, more needs to be done.

This year alone, important steps have been taken to protect military readiness. For FY 1998, we worked with the Congress to secure both an additional $1 billion in military readiness funds through a budget reprogramming and a $1.85 billion emergency funding package to cover the costs of unanticipated operations in Bosnia and Iraq. For FY 1999, my Administration proposed a Defense budget request that increased funding for personnel and operations programs over the 1998 appropriated levels and a $1.9 billion emergency budget amendment to fund the ongoing peacekeeping operations in Bosnia. Passage of this emergency funding is critical to avoid a readiness crisis in the fiscal year that begins on October 1. I strongly urge the Congress to approve these requests.

We also have done a lot on our own to address the burden on our men and women who have been deployed at higher than anticipated rates. We established standards for deploying units and intensively manage the force to minimize the possibility that units exceed these standards. We cut Air Force temporary duty assignments in half. And we are cutting back, by 25 percent over the course of five years, the total number of exercise days. Additionally, we reduced or replaced some overseas deployments with units on stand-by in the United States.

My Administration has sought ways to get a greater readiness return from each dollar spent implementing better management practices, cutting overhead, and reducing base infrastructure. Working together, we can identify methods for eliminating wasteful spending. I need your help in addressing these objectives if we are to ensure that our men and women in uniform receive the best training and equipment possible in the most cost effective manner. They deserve no less.

I recently met with Secretary Cohen and the Commanders-in-Chief of our U.S.-based and overseas forces to receive a status report of the units under their command. As always, the dedication of our civilian and military leaders to the troops' well being was clearly evident in their reports. I was particularly satisfied to hear that our forces are capable of carrying out our national military strategy and meeting America's defense commitments around the globe. They are, in the words of the Chiefs, the best-trained and best-equipped forces in the world.

Notwithstanding this assessment of our overall posture, the Secretary and the Chiefs identified several concerns that must be addressed to sustain high military readiness levels. To address our readiness needs, I believe several steps are in order:

1. We must act now to provide additional resources in FY 1999 for operations and personnel programs important to military readiness. This includes resources to minimize shortfalls in certain critical spare parts, Navy manpower, and Army unit training activities. I have asked key officials of my Administration to work together over the coming days to develop a fully offset $1 billion funding package for these readiness programs.

2. I have instructed the Office of Management and Budget and the National Security Council to establish with Secretary Cohen and General Shelton a separate process within the context of the FY 2000 joint budget review that will examine the longer-term military readiness issues raised at my meeting with the CINCs. Meeting this challenge will require a multi-year plan with the necessary resources to preserve military readiness, support our troops, and modernize the equipment needed for the next century. I anticipate this examination will result in a series of budget and policy proposals for the FY 2000 Defense budget and the Future Years Defense Program. Our challenge is to strike a balance between providing sufficient resources for military readiness while maintaining fiscal discipline and appropriate funding levels for other investments necessary to sustain a growing economy.

The security of the nation depends on our military forces' ability to quickly, effectively, and successfully prosecute their mission. Ensuring that these forces are trained and ready is a priority upon which we all can agree.

Sincerely,

BILL CLINTON.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. First, Mr. President, it is a pleasure for me to join with the chairman of the Armed Services Committee in bringing to the floor the Strom Thurmond National Defense Authorization Act for fiscal year 1999. It is truly a fitting honor for our chairman that this conference report which is named in his honor has been signed by not only all the Senate conferees on both sides of the aisle, but also by all conferees from the House National Security Committee on both sides of the aisle.

I am sure that I speak for all of our colleagues in saying just how much we appreciate the leadership that Senator THURMOND has provided on this bill, the fair and even-handed manner in which he has managed the committee not just on this bill, but as long as he has been a chairman of this committee, as well as how much we appreciate the lifelong dedication that he has brought to the national defense. We look forward to many, many more years of working with him. He has expressed his appreciation for having the bill named after him. I just want to tell him that it is my very strong personal feeling that it has been a pleasure for me to work with him to bring forward measures such as this that are so critical to the national defense. We will miss him as chairman, but we will not miss him as a member of the committee, because he will continue to be an active member of the committee.

Mr. President, this is also the last defense authorization act for several of our colleagues on the committee, as Senator THURMOND has noted. Senator GLENN, Senator COATS and Senator KEMPTHORNE will all be leaving us at the end of this year. All three have made great contributions to the work of the committee and to the national security of our country. They will be greatly missed, and I know many of us will have more to say about that during the next few days.

The conference report that we bring to the Senate today is the product of more than 6 months of work, including a full 2 months in conference with the House. Overall, we have reached a bipartisan conference report that advances the security of our country in the best interests of the men and women in uniform. I am particularly pleased that on a series of issues that were important to the Department of Defense and the Department of Energy and to the administration, we have been able to eliminate or modify positions that would have led to a veto.

First, we eliminated a series of House provisions that would have barred any exports of satellite or related technology for launch in China, and also the provision which we eliminated also would have prohibited participation in launch failure investigations. So we have eliminated a number of provisions. However, the conference report does provide that the licensing of applications to launch satellites in China will be returned to the State Department. However, that return will be delayed until March 15, 1999. In the interim, there is a requirement for the Secretary of State to plan for a more timely and orderly licensing process.

The only effective difference since January of 1996 between the licensing being done by State or Commerce has been the long delays that exist in the State Department's processing of license applications. The delay in the effective date of the transfer from Commerce to State will give the administration time to take steps to speed up the State Department's licensing process and provide the new Congress with an opportunity to review the transfer in a less politically heated atmosphere after the elections.

It is critical for American security that American satellites continue to be launched in large numbers, both because, as Senator BOB KERREY has pointed out, most of our intelligence information comes from open sources, such as satellites, and because the satellite transmission of programming is critically important to forcing open closed societies whose dictatorships threaten American interests. The compromise embodied in the bill before us should protect our national security interests by helping to ensure that American satellites will continue to be launched in appropriate numbers and in a timely and secure manner.

Second, we have eliminated a House provision that would have prohibited the Secretary of Energy from even considering the less costly of the two options for renewed tritium production. It would have achieved this result by prohibiting the production of tritium in a commercial facility, even though tritium is widely used in commercial products and is not a special nuclear material like uranium or plutonium.

The provision in the bill will provide a level playing field for the selection of an option for future tritium production by delaying the implementation of the decision made by the Secretary of Energy to select either option until October 1, 1999, the beginning of the next fiscal year. This approach will provide Congress an opportunity to review the Secretary's decision—whatever it may be—before it is implemented. It will have no adverse impact on our national security because we will not need a new source of tritium for several years. The Secretary's decision could not be implemented in any case until funding is approved by Congress, and Secretary Richardson has indicated that delaying implementation of his decision until October 1 of next year will have "minimal impact" on future tritium production.

Third, we eliminated a House provision that would have prohibited gender-integrated training at the basic training level in all three military services. This prohibition was opposed by the uniformed military, opposed by a majority of the Senate, and it would have led to a veto by the President. The bill does contain provisions that, (a), direct the Secretaries of the military departments to provide for separate and secure housing for male and female recruits with sleeping areas separated by permanent walls and served by separate entrances; and, (b), prohibit afterhours access to sleeping areas by unescorted members of the opposite gender. These provisions are consistent with, and would in fact codify, the current policies of the Department of Defense.

Fourth, a Senate provision was dropped that would have made it harder for the Secretary of Defense to downsize and close unneeded military facilities. I recognize that many Members on both sides of the aisle supported this provision. However, the provision was strongly opposed by the civilian and uniformed leadership of the Department of Defense and would have led to a veto. I am personally hopeful that in the next session of Congress we will at least authorize one additional round of base closings.

Mr. President, I am also pleased with the outcome on several issues that have been important to the Department of Defense, including the adoption of a Senate provision authorizing Bosnia funding on an emergency basis; the decision to fund cooperative threat reduction programs at a level close to the one proposed by the administration; and, most importantly, the decision to fund a 3.6-percent pay raise for our men and women in uniform. Nothing is more important to our national security than their well-being and high morale.

Mr. President, this conference report is the product of hard-fought compromise, and I cannot say, of course, that I support every provision in it.

I would have preferred that we not fund seven C–130s and one F–16 that the Department of Defense says it doesn't want and doesn't need.

I would have preferred that we not cut into the readiness of our Armed Forces by reducing the Department's operations and maintenance accounts below the administration's budget request.

I would have preferred that we not include a House provision that unfairly singles out a single facility by prohibiting the China Ocean Shipping Company from leasing a facility at the Long Beach Shipyard that was closed in the last base closure round.

I would have preferred that we not reach outside of our jurisdiction to resolve a complicated tax dispute between two States.

On balance, I think we have succeeded in reaching a fair resolution on the issues in the conference. I am convinced that we have a very solid compromise of the major issues, and I hope the President will sign the bill.

Again, I will conclude by thanking our chairman, Senator THURMOND, for the open and the bipartisan manner in which he conducted the conference on this bill. Senator THURMOND and his staff have made every effort to include the minority at every stage of the deliberations. I also thank the chairman and ranking minority member of the House National Security Committee, Congressman SPENCE and Congressman SKELTON, for their cooperation in bringing the conference to a successful conclusion.

Of course, none of this could have been accomplished without our staffs. I want to express the appreciation we all feel on the committee to the staffs of the Armed Services Committee—both the majority and minority staffs—for the extraordinary effort they put into this bill and this conference. It was a long, long conference. It just simply would not have been possible to achieve the result we did without the outstanding work of David Lyles, Les Brownlee, and their dedicated supporting cast. I also extend my thanks to the staff of the House National Security Committee and the House and Senate legislative counsels for their help in preparing this large bill.

Mr. President, it is a good conference report. It strengthens our national security. I know our colleagues will be pleased to join me in supporting the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I wish to express my appreciation to Senator LEVIN for the kind words he said about me. He has done a fine job. We could not have done this work without him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I ask unanimous consent that the time for the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I believe I have 90 minutes.

The PRESIDING OFFICER. That is correct.

Mr. FORD. Mr. President, I regret that I am here this morning making my remarks, because in this piece of legislation we have preempted the States and their ability to tax. Under the Buck Act, it gave that responsibility to the States. But in here we are preempting the States.

The Presiding Officer understands the problem between Oregon and Washington. But Oregon has passed a law that exempts residents of Washington. So, therefore, the States have worked out their problem. Here, the Federal Government, Big Brother, has to tell the States what they can do. I think it is highly unfair. I think it is unprecedented where the Armed Services Committee has gone around the Finance Committee.

Senators can't come to this floor and say that the chairman of the Finance Committee says this section is all right. It has to go before the Finance Committee. The Finance Committee is the committee of jurisdiction here—not the Armed Services Committee.

The occupant of the Chair is one of the finest jurists in the Senate, having been, I believe, Attorney General of his State.

The law says:

> No person shall be relieved from his liability for any income tax levied by any State, or by any duly constitutional taxing authority therein having jurisdiction to levy such a tax by reason of his residing within a Federal area, or receiving income from transactions occurring or services performed in such areas, and such State, or taxing authority, shall have full jurisdiction and power to levy and collect such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

That is the Buck Act.

The Armed Services Committee has altered or broken that statutory provision. They preempted the States. They went around the Finance Committee. Now they are altering the Buck Act.

As I said, Mr. President, this is regrettable, for me to think that my colleagues would have such a sweetheart deal that when the State of Kentucky and the State of Tennessee were in the process of negotiation and working out their problems, they were told it would be worked out in Washington and not to worry about it; therefore, the negotiations were cut off, and the sweetheart deal was started.

I want to call the attention of my colleagues to the provision in the defense authorization bill which I consider to be one of the most misplaced, misguided, and unfair proposals I have seen in my 24 years in the Senate. I am referring to a tax proposal in this defense authorization bill which preempts the State of Kentucky from administering its own tax laws.

Let me repeat that.

I am referring to a tax provision in the defense authorization bill. We are now establishing, Mr. President, the precedent that defense authorization bills can become vehicles for State tax provisions.

The Finance Committee has jurisdiction over tax issues in the Senate. But the Finance Committee did not report this legislation. The Finance Committee did not report any other legislation with this tax proposal contained in this defense authorization bill. It is not even a Federal tax issue. This is not a Federal tax issue. This is a tax provision in this bill which dictates to States how they administer State income tax laws.

The Republican Party has always been States rights. That is one of their long suits. I have heard in campaigns all my life, "States rights." And now in this bill you are preempting States rights. We are preempting my State, the Commonwealth of Kentucky, from deciding for itself how to administer its own income tax laws on work performed within the State of Kentucky by private sector employees. It is an outrage that my colleagues who are conferees from the other side of the aisle agreed to include this provision in the final bill.

Mr. President, Fort Campbell is a military facility which straddles the Kentucky-Tennessee border. It is located partially in Trigg County and Christian County in my State and partially in Tennessee. There are Federal employees working at Fort Campbell who reside in both Kentucky and Tennessee, and there are private sector employees working at Fort Campbell, some on a full-time basis, some on a contractual or part-time basis.

How would you like to be sitting at the table having lunch, and the worker across the table from you, working for the same company, doing the same job as you, pays no tax, but you have to pay yours?

For Kentucky employees, there is no exemption from the sales tax in Tennessee. That will be the next bill that will be in the Chamber, and I am going to encourage my colleagues to do that so all you have to do is show your driver's license and where your residence is and you are exempt from Tennessee sales tax, which is one of the highest in the Nation.

According to groups such as the Federation of Tax Administrators, which is an organization comprised of the top revenue officials from all 50 States and the District of Columbia, it is a fundamental principle of taxation that workers are taxed where the work is performed. Workers are taxed where the work is performed. That is the basic rule. There are exceptions to the rule, of course, but the exceptions come from agreements negotiated between States—negotiated between States. States can agree to a variety of ways to treat income tax earned within one State's borders by out-of-State residents—States rights. And we recognized that a long time ago even in the Buck Act.

But this is for the States to decide. Congress should keep its nose out of their business. But not this Congress, not this majority, and not this defense authorization bill. Do I want to be against the Strom Thurmond defense authorization bill? Of course, I do not. I do not want to be against the Wendell H. Ford aviation bill either. But what is in this bill is not right.

That is my responsibility as a Senator, and I am surprised that my colleague on the other side, who is a major player with the Republican Party, did not defend his constituents rather than his party. We are losing $4 million a year. Not even the Congressman from the First District raised a peep about it. Who are you supposed to be representing up here in this body or in the other body? You are supposed to be representing your State and your constituency.

A dispute arose when some Tennessee workers objected to paying income taxes on work performed within the borders of Kentucky. Legislation was introduced in the House to impose a Federal solution on the States. Hearings were held. The House Judiciary Committee held a hearing on April 17th of last year on this issue. The Senate Governmental Affairs Committee held hearings on October 24 of last year. To my knowledge, the Senate Armed Services Committee held no hearings. The Senate Armed Services Committee held no hearings on this issue during either session of this Congress. The reason is obvious. Because the Armed Services Committee has absolutely no jurisdiction over this issue—none. The conferees for this defense authorization bill have no business attaching language which preempts State tax laws as part of this defense authorization bill. It has no place in this piece of legislation.

Let's go back now to the House hearing of last April. What kind of testimony did that committee hear? It heard that the Kentucky tax structure met all appropriate constitutional standards for fairness and nondiscrimination. The committee was told that the ability of States to define their own tax structure within the bounds of the Constitution was "one of the core elements of sovereignty preserved to the States under the Constitution."

That committee was told that if Congress jumped in and preempted State laws in this case, "It will by definition create a preferred class of taxpayers that benefits at the expense of all other taxpayers. Currently, all workers, public and private, in Kentucky are subject to the same rules. This should not be disrupted by the Congress without a strong policy rationale."

The House committee was also told that the proposal to grant special status to Tennessee residents violated the spirit of the Unfunded Mandate Act of 1995. I wonder how many colleagues on the other side in 1995 voted for the unfunded mandate bill. Are you going to fund this unfunded mandate? No. It breaks that law. You are taking away by mandate funds that belong to my State. It is under the unfunded mandate law of 1995.

Do you think this bill is not going to go to court? You can bet your sweet bippy that once the President signs it, if he does, this portion of the bill will be in court. It is wrong. It is wrong from the start; it is wrong from the middle; it is wrong from the end.

The House committee was also told that if Congress believes that the impact of Federal workers employed on installations crossing the borders of two States should be offset, it should provide the funding necessary to offset the cost imposed on the States affected and not just preempt legitimate taxing authorities. This is what the committee was told, but the committee didn't pay any attention to that—it is our way or nothing. What Kentucky is getting is nothing. I am not going to allow this bill to go forward without having an opportunity, which I am doing now, to express to my colleagues my outrage and what their outrage should be. Pretty soon, I will tell you, 240 installations that are subject to the same law—subject to the same law, 240 in this country—will want the same. So what are you going to look forward to next year? Are you going to preempt all these States? Be fair. Be fair.

So, let me repeat one section of that sentence that the committee in the House was told:

> . . . if Congress feels the impact of federal workers employed on installations crossing the border of two states . . . should be offset, it should provide the funding necessary to offset the costs imposed on the states affected and not just preempt legitimate taxing authority.

Mr. President, the Senate Governmental Affairs Committee heard similar testimony during its hearing last August. The Senate Armed Services Committee, however, heard no such testimony because it held no such hearings and has no jurisdiction over this issue. Nevertheless, without any floor debate, a provision was snuck into the House version of the defense authorization bill on the House floor. Where was my Congressman from the First District when that happened to his employees and to his State? I do not know where my House colleagues from Kentucky were on this issue when this issue arose. Maybe they did not notice. Maybe they were just asleep at the switch. But either way, not a finger was lifted by my colleagues on the other side of the aisle to stop it.

Let me explain to my colleagues why this provision is so offensive. The provision preempts the State of Kentucky from applying its own tax laws to Federal workers at Fort Campbell. But it does not stop there, it is broader. It also exempts private sector employees, such as contractors, who perform work at Fort Campbell. Private contractors are exempt. This goes well beyond any precedent which exists anywhere else in Federal law.

What it means is that when two contractors bid on work to be performed on the Kentucky side of Fort Campbell, a Tennessee contractor is going to have a built-in advantage over a Kentucky contractor because of the special exemption written into this defense authorization bill. Can you imagine what other Senators would be doing this morning if this had happened to them? Maybe, with this precedent, it will. Why don't we try to prevent it?

The House language is overly broad and, in my opinion, extremely unfair. No such language is included in the Senate version of the bill. However, I was very concerned about the attempt to sneak this in. I informed my colleagues on the committee of my strong concerns with this tax proposal on June 25th, when the bill was debated on the floor.

I should say at this point that the ranking member of the committee, the Senator from Michigan, acknowledged that tax issues had no place in a defense authorization bill, he shared my concern about the broad and misguided precedent set by this proposal to preempt State tax laws, and he fought to keep it out of the final bill. However, apparently among my colleagues on the other side of the aisle, this was a done deal. I do not believe the issue was even a matter of serious discussion by the Republican conferees. So here we are on the Senate floor with a sweetheart deal being cut on a tax provision which preempts State law. I thought I had seen it all.

Mr. President, this tax provision raises serious constitutional questions. This provision raises serious constitutional questions. Back in June I inserted in the RECORD a legal memorandum from the Office of the Attorney General of Kentucky which raised serious constitutional questions about this tax preemption proposal. I am sure the issue of whether to challenge the constitutionality of this tax preemption proposal will be studied carefully, should this bill become law—and it will be.

Let me also inform my colleagues that revenue officials in my State have had contact with those in the State of Tennessee. This is the right way to solve this problem. The States of Washington and Oregon did. But once the word was out that Congress will attempt to impose a Federal solution regarding this matter, the discussions between the two States became a moot point. Why should they spend the time and resources necessary to reach a compromise agreement when Congress was considering preempting State law and imposing a solution which favors just one side? What incentive was there to negotiate? Big Brother in Washington was acting to impose a solution on a matter which is normally left to the States to work out on their own.

Mr. President, a sweetheart deal cut by the Republican conferees is going to cost my State about $4 million per year. Let there be no mistake about my Governor's opposition to this tax preemption provision. Let me read from his letter of June 25, 1998, from Governor Paul Patton of Kentucky.

> I am writing to express Kentucky's opposition to the Thompson amendment currently under consideration by the United States Senate. The issue addressed by this legislation is the tax imposed by the Commonwealth on income earned within Kentucky by non-resident federal workers.

He went on to lay out why.

> We are attempting to resolve this issue through a joint effort with Tennessee Governor Sundquist's office. This matter is one to be settled at the State level, and not an issue for Congress to resolve.
>
> * * * * *
>
> In closing, I would like to reiterate the Kentucky taxation of non-residents working in Kentucky is fair in concept and in practice. To exempt all non-residents or a special group of non-residents who work in Kentucky would be unfair. If I may provide you with any other information on this issue, please feel free to contact me.

Mr. President, I ask unanimous consent the letter from the Governor of Kentucky be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR,
Frankfurt, KY, June 25, 1998.

Hon. WENDELL FORD,
U.S. Senate, Washington, DC.

DEAR SENATOR FORD: I am writing to express Kentucky's opposition to the Thompson amendment currently under consideration by the United States Senate. The issue addressed by this legislation is the tax imposed by the Commonwealth on income earned within Kentucky by non-resident federal workers.

The protest by federal workers employed at the Fort Campbell military base against the imposition of the Kentucky income tax has centered on their contention that the tax is unfair to them. All income in question is taxed the same whether earned by a resident or non-resident of Kentucky. Only the income earned within the Commonwealth of Kentucky is taxed. It would be unfair to tax the income of residents but not the income of non-residents doing the same job in the same place. Indeed, if this were the case, it would make sense for Kentucky residents working on the Fort Campbell base to move to Tennessee to avoid the Kentucky income tax.

On June 23, 1998, Kentucky's Attorney General sent to me a memorandum which offers a compelling and reasonable argument against the constitutionality of the Thompson amendment under the Commerce Clause. A consequence of this amendment would be its detrimental impact on the Kentucky communities which surround Fort Campbell. The legislation would exceed Congressional authority and would likely be proven as unconstitutional. Congress granted the states the power to tax income, and on several occasions, courts have held that states can assess an income tax to nonresidents who earn their income in that state. Congress can reduce the states' power of taxation, but only through an amendment within the confines of the Commerce Clause.

We are attempting to resolve this issue through a joint effort with Tennessee Governor Sundquist's office. This matter is one to be settled at the state level, and not an issue for Congress to resolve. The impacts of the Thompson amendment would far surpass Fort Campbell. These impacts would extend to the employees of every federal institution within close proximity with state borders.

In closing, I would like to reiterate that Kentucky's taxation of non-residents working in Kentucky is fair in concept and in practice. To exempt all non-residents or a special group of non-residents who work in Kentucky would be unfair. If I may provide you with any other information on this issue, please feel free to contact me.

Sincerely,

PAUL E. PATTON,
Governor.

Mr. FORD. The State preemption provision in this bill is also strongly opposed by the Federation of Tax Administrators. Let me read from a June 24, 1998 letter from Mr. Harley T. Duncan, the executive director of the Federation of Tax Administrators:

> I am writing concerning amendments to the defense appropriations bills (S. 2057) which would preempt Oregon, Kentucky and Nebraska from applying their income tax to certain federal employees (and in some cases, contractors) who work in those states, but reside in bordering states with no income taxes. . . .
>
> These amendments have been separately considered earlier in the 105th Congress as H.R. 1953. The Federation of Tax Administrators is an association of the principal tax administration agencies in the 50 States, the District of Columbia, and New York City. The Federation has adopted a policy which urges that the Senate reject H.R. 1953 and any similar language which may be offered as an amendment to other bills.
>
> We ask the Senate to recognize that, throughout the history of income taxation, both federal and state, workers are taxed by the jurisdiction where the work is performed. This system represents the keystone of taxation. State lawmakers make exceptions to this system to address individual circumstances where strict adherence to the principle leads to undesirable results. In particular, in those instances where sound fiscal and government policy permit, a State may enter into a reciprocal agreement with a bordering State to permit taxpayers to file a single return in the state of residency. Kentucky is at the forefront of such policy refinements.

They are complimenting my State for being in the forefront of these policy refinements.

> —it has a reciprocal agreement with every border state that has a broad-based individual income tax.
>
> The U.S. Constitution imposes substantive constraints on the manner in which such states may structure their tax systems. These constraints ensure that the tax imposed meets fundamental tests of fairness in dealing with all citizens. The Constitution further ensures that state taxes do not impose undue burdens on interstate commerce or the federal government. The taxes imposed by these states meet these requirements and should not be preempted. There is no question that states have the legal authority to tax the income of nonresidents working in Oregon, Kentucky or Nebraska.

It goes on, Mr. President:

> Further, the language exempts from taxation wages paid to Federal workers . . . but it exempts from tax income paid to all individuals who work in Fort Campbell in Kentucky.

A special group is set out here.

> This encompasses not only contract employees who work directly for the military . . . but also includes employees of private companies who run businesses or perform services on the bases, including such businesses as restaurants and road maintenance firms. These are clearly private business people, not federal workers.

But they are exempt. They are exempt under this particular bill.

> Finally, and most importantly, if change is necessary, it is within the power of the states involved to do so. This is an issue for state lawmakers, not federal lawmakers. Lawmakers in Kentucky and Tennessee are seeking an equitable solution that would not impose an unfair burden on either state. . .
>
> The Senate is faced with an opportunity to demonstrate good faith to the principles contained in the Unfunded Mandates Act of 1995.

And we are not doing that.

> If Congress feels that the impact of federal workers employed on installations crossing the borders of two states—one of which imposes an income tax and another which does not—should be offset, it should provide the funding necessary to offset the costs imposed on the states affected.

This is signed Harley T. Duncan, executive director, Federation of Tax Administrators.

Mr. President, I ask unanimous consent that the letter from Mr. Duncan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERATION OF TAX ADMINISTRATORS,
Washington, DC, June 24, 1998.

Hon. WENDELL H. FORD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: I am writing concerning amendments to the defense appropriations bills (S. 2057) which would preempt Oregon, Kentucky and Nebraska from applying their income taxes to certain federal employees (and in some cases contractors) who work in those states, but reside in bordering states with no income taxes (Washington, Tennessee and South Dakota).

These amendments have been separately considered earlier in the 105th Congress as H.R. 1953. The Federation of Tax Administrators is an association of the principal tax administration agencies in the 50 states, the District of Columbia and New York City. The Federation has adopted a policy which urges that the Senate reject H.R. 1953 and any similar language which may be offered as an amendment to other bills.

We ask the Senate to recognize that, throughout the history of income taxation, both federal and state, workers are taxed by the jurisdiction where the work is performed. This system represents the keystone of taxation. State lawmakers make exceptions to this system to address individual circumstances where strict adherence to the principle leads to undesirable results. In particular, in those instances where sound fiscal and government policy permit, a state may enter into a reciprocal agreement with a bordering state to permit taxpayers to file a single return in the state of residency. Kentucky is at the forefront of such policy refinements—it has a reciprocal agreement with every border state that has a broad-based individual income tax. (The agreements do not function with non-income-tax states such as Tennessee, and thus they are not applicable in this case.)

The U.S. Constitution imposes substantive constraints on the manner in which states may structure their tax systems. These constraint ensure that the tax imposed meets fundamental tests of fairness in dealing with all citizens. The Constitution further ensures that state taxes do not impose undue burdens on interstate commerce or the federal government. The taxes imposed by these states meet these requirements and should not be preempted. There is no question that states have the legal authority to tax the income of nonresidents working in Oregon, Kentucky or Nebraska.

What this amendment would do is carve out a special tax benefit for workers who choose to live (or move) out of state that would not be available to any other employees working at the same location. Further, the language exempts from taxation wages paid to federal workers in Oregon and Nebraska—but it exempts from tax income paid to all individuals who work in Fort Campbell in Kentucky. This encompasses not only contract employees who work directly for the military (for instance, school teachers), but also includes the employees of private companies who run businesses or perform services on the base, including such businesses as restaurants and road maintenance firms. These are clearly private businesspeople, not federal workers. If Kentucky is to be preempted from taxing individuals who work for the federal government, we particularly urge the Senate to adopt language that more precisely defines the matter. (More precise definitions have been offered by the Pentagon.)

Finally, and most importantly, if change is necessary, it is within the power of the states involved to do so. This is an issue for state lawmakers, not federal lawmakers. Lawmakers in Kentucky and Tennessee are seeking an equitable solution that would not impose an unfair burden on either state. Oregon has already passed a law that exempts from taxation those federal employees who work on the dam in Oregon. (We would emphasize that to continue to include Oregon in this bill is unnecessary and an insult to the elected officials of that state.)

The ability to define their tax systems within the bounds of the Constitution is one of the core elements of sovereignty preserved to the states under the Constitution. A central feature of this sovereignty is the ability to tax economic activity and income earned within the borders of the state, and it is vital to the continued strong role of the states in the federal system. State taxing authority should be preempted by the federal government only where there is a compelling policy rationale. There is no such rationale present here.

The Senate is faced with an opportunity to demonstrate good faith to the principles contained in The Unfunded Mandates Act of 1995. If Congress feels that the impact of federal workers on installations crossing the borders of two states—one of which imposes an income tax and the other of which does not—should be offset, it should provide the funding necessary to offset the costs imposed on the states affected.

Sincerely,

HARLEY T. DUNCAN,
Executive Director.

Mr. FORD. Mr. President, the National Conference of State Legislatures also strongly oppose the State tax preemption provided in the defense authorization bill. Let me read from an August 7, 1998, letter to the conferees. This was written to the chairman of the Senate Armed Services Committee, the Senator from South Carolina, Senator THURMOND. "Federal preemption of legitimate State taxing authority." The National Conference of State Legislatures wrote to the chairman and said this is wrong:

> On behalf of the National Conference of State Legislatures, I am writing in opposition to Section 1045 of the House version of the National Defense Authorization bill (H.R. 3616). NCSL opposes federal action that preempts the states' constitutional authority to tax income earned within their borders . . . We urge you to preserve the States' sovereignty—

Preserve the States' sovereignty.

I ask unanimous consent that the letter from the National Conference of State Legislatures be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CONFERENCE
OF STATE LEGISLATURES,
Washington, DC, August 7, 1998.

Re Federal preemption of legitimate State taxing authority.

Hon. STROM THURMOND,
Chairman, Senate Armed Services Committee, U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR THURMOND: On behalf of the National Conference of State Legislatures, I am writing in opposition to Section 1045 of the House version of the National Defense Authorization bill (HR 3616). NCSL opposes federal action that preempts the states' constitutional authority to tax income earned within their borders. Such federal legislation leads to inequitable, unfair and unlevel state tax policies and establishes a precedent for increased restrictions on source taxation.

Section 1045 of the House bill would preempt state taxation of federal workers in three locations. NCSL believes that the states in question should be allowed to determine how to tax workers who reside in one state and work in another, free from federal intrusion.

We urge you to preserve the states' sovereignty right to define their own tax systems by removing. Section 1045 from the conference report on the bill. Finally, should the conferees include the provision in the final bill, we urge you to find an offset for the cost. Burdening the states with an unfunded mandate violates the Unfunded Mandates Reform Act of 1994. The cost associated with the loss of states tax revenue, due to change in federal policy, should be borne exclusively by the federal government.

We look forward to working with you on this issue. Should you have additional questions, please contact our committee staff, Gerri Madrid, at (202) 624-8670.

Sincerely,

TOM JOHNSON,
Chair, Federal Budget and Taxation Committee, Ohio House of Representatives.

Mr. FORD. Mr. President, apparently all of these requests to the Republican conferees to keep this State preemption provision out of the defense bill fell on deaf ears. The conferees either did not listen or did not care. One way or another, this was a done deal, a sweetheart deal, a special tax provision which favors one set of workers over another for the same work performed, at the same location, despite State law.

We are sitting at the same table. We are both working for the same employer. We are both doing the same job. We are both drawing the same pay, but you do not pay any taxes because you are a resident of Tennessee. I am a resident of Kentucky, and I pay my taxes.

Mr. President, all of the requests to the Republican conferees to keep this State tax provision out of the defense bill fell on deaf ears. I wanted to repeat that. It is a special tax provision which favors one set of workers over another. It also gives the employers, or the companies, an advantage when they bid, because they don't have to pay the tax under this.

As I said earlier, the next bill ought to be exempting Kentucky residents from the sales tax in Tennessee. Just show your driver's license and your address and place of employment, and you don't pay the taxes, one of the highest sales tax States in the Nation because their income comes from the sales tax.

I hope my colleagues understand the precedent that is being set here. We are preempting State law—preempting State law—and establishing a special tax status for a group of not just Federal employees, but private sector workers who perform their work entirely within one State's borders. It is a very broad precedent. There is no stated policy rationale for this special preemption and special tax status we are granting. It is a precedent that will haunt my colleagues.

I want my colleagues to understand how many other Federal facilities are in similar situations. When the workers at these facilities, not just the Federal workers, but the private sector workers as well, when these workers find out about the sweetheart deal at Fort Campbell, they are going to be asking their Senators, "Why can't we get a good deal as well?"

I have asked the Federal Tax Administrators just how many other Federal facilities are similarly situated. We have a preliminary list, but it is only preliminary. It probably does not include everything. The partial list we have shows there are 240 Federal facilities around the country that are on or near the borders of two or more States with significantly different income tax structures.

We talk about how hard it was to work out this bill, how many issues came before the committee. In the future, if this is the precedent that is being set, the Armed Services Committee will be in the tax business; they will be in the finance business; they will be preempting State laws and will not be looking after the right thing they should be doing, and that is the defense of this great country of ours.

I want to share this with my colleagues because more than 20 other States are affected. I think about 20 other States. That is 40 Senators—pretty good bunch of Senators. In other words, Senators from at least 20 other States are in jeopardy of having to face this same issue.

What have you done to the future of the military bill, the defense authorization bill? What have you done to it? You have turned it into a finance bill, not a defense bill. And I say to my colleagues, if they are from one of these States, you might be standing up here next year. Once the private sector employees find out about the special tax preemption, they may be lobbying their Senators next year to exempt them from the State tax laws in your State.

Let me read a list, and this is only a partial list: Arkansas has 7 installations. Arizona has 7. California has 50—50 installations similar to the one in Kentucky. Think about that when the two Senators from California will have to say—it goes all the way from military facilities, such as Fort Irwin Naval Weapons Center, Sierra Army Depot, the Grand Mesa National Forest.

Connecticut has 2. Georgia has 1. Maine has 1. Oh, I remember the argument here between Maine and New Hampshire. They are left out of this bill. They are left out of this bill because both of them apparently are on the other side. I was for Maine.

Massachusetts has 1. Mississippi has 8. Mississippi is probably the most vulnerable State of all of them because of their border situation. Can you imagine what would happen if all of these employees went to the two Senators in Mississippi and said, "Right across the line here in Tennessee they receive tax exemptions. What about us? What about us? What's fair for the goose is fair for the gander."

Missouri has 6. Montana has 10. They are not in this bill. Nebraska has 1. New Jersey has 20—New Jersey has 20. New Mexico has 6. New York has only 1. I was surprised at that. But North

Carolina has 13—North Carolina has 13. Oregon has 20. Pennsylvania has 1. I heard a lot about the Philadelphia Naval Yard last year.

South Carolina has 1. South Dakota has 3. Tennessee has 3. Utah has 37. Think about that. Utah has 37 installations similar to the situation in this bill.

What about those employees—Federal employees, private sector employees—who were not exempt? Can you imagine what the two Senators from Utah are going to face when they understand that other States were preempted and created a special tax group?

Vermont has 2. The State of Washington has 37.

What about the Indian reservations? Oh, we get into a good one there—Indian reservations. What about State workers at Indian casinos located on tribal lands? I do not understand. Why, the little leak in the dike here is beginning to take away the whole dike; and it could.

Mr. President, I ask unanimous consent that the list of these locations in the various States be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

240 FEDERAL FACILITIES POTENTIALLY AFFECTED BY THE PRECEDENT (LOCATED ON OR NEAR STATE BORDERS)

ARIZONA (7)

Hoover Dam.
Davis Dam.
Glen Canyon Dam.
Parker Dam.
Imperial Dam.
Several National Forests.
Military Installations near Yuma.

ARKANSAS (9)

Federal prison in Forrest City.
Corps of Engineers projects at Beaver Lake.
Corps of Engineers projects at Bull Shoals Lake.
Corps of Engineers projects at Norfolk Lake.
Corps of Engineers projects at the Arkansas River.
Fort Chaffee Army base.
Felsenthal National Wildlife Refuge.
White River National Refuge.
VA Hospital in Fayetteville.

CALIFORNIA (50)

Military Facilities—Fort Irwin, Naval Weapons Center, Sierra Army Depot.
National Forests—Eldorado, Inyo, Klamath, Modoc, Plumas, Rogue River, Shasta-Trinity, Sierra, Siskiyou, Six Rivers, Stanislaus, Tahoe, Toiyabe.
National Parks and Monuments—Clear Lake National Wildlife Refuge, Death Valley National Park, Joshua Tree National Park, Kings Canyon National Park, Lava Beds National Monuments, Lower Klamath National Wildlife Refuge, Modoc National Wildlife Refuge, Mojave National Preserve, Mt. Shasta Recreation Center, Redwood National Park, Tule Lake National Wildlife Refuge, Yosemite National Park.
U.S. Bureau of Reclamation—Boca Dam, Imperial Diversion, Laguana Diversion, Lake Tahoe Dam, Prosser Creek Dam, Senator Wash, Sly Park, Stampede Dam, Colorado Dinosaur National Monument.
Routt National Forest.
Arapaho National Forest.
Roosevelt National Forest.
Rocky Mountain National Park.
Pawnee National Grassland.
Comanche National Grassland.
Great Sand Dunes National Monument.
Rio Grande National Forest.
San Juan National Forest.
Mesa Verde National Park.
Uncompahgre National Forest.
Colorado National Monument.
Grand Mesa National Forest.

CONNECTICUT (2)

U.S. Naval Submarine Base, Groton.
U.S. Coast Guard Academy, New London.

GEORGIA

Kings Bay Naval Submarine Base.

MAINE

Portsmouth Naval Shipyard.

MASSACHUSETTS

Hanscom Air Force Base.

MISSISSIPPI (8)

Holly Springs National Forest.
NASA Test Site, Bay St. Louis.
Vicksburg National Military Park.
U.S. Corps of Engineers District Office, Vicksburg.
Natchez Trace Parkway.
Meridian Naval Air Station.
Columbus Air Force Base.
TVA, Tupelo.

MISSOURI (6)

Federal Locks and Dams:
No. 20 near Canton.
No. 21 near West Quincy.
No. 22 near Saverton.
No. 24 near Clarksville.
No. 25 near West Alton.
No. 27 near St. Louis.

MONTANA (10)

Kootenai National Forest.
Lolo National Forest.
Bitteroot National Forest.
Beaverhead National Forest.
Custer National Forest.
Bighorn Canyon National Recreation Area.
Yellowstone National Park.
Glacier National Park.
Crow Reservation.
Blackfeet Reservation.

NEBRASKA

Gavins Point Dam.

NEW JERSEY (20)

McGuire Air Force Base.
Fort Dix Army Installation.
U.S. Naval Air Station, Lakehurst.
Pomona Naval Training Airport.
U.S. Naval Recreation Target Area, Ocean City.
Ft. Monmouth, Monmouth.
Ft. Hancock, Sandy Hook.
U.S. Coast Guard Bases (Cape May, Fort Dix, Highland, Pt. Pleasant, Ocean City).
Sandy Hook Gateway National Recreation Area.
Delaware Water Gap National Recreation Area.
Morristown National Historic Park.
Killcohock National Wildlife Refuge.
Red Bank National Battlefield Park.
Great Swamp National Wildlife Refuge.
Edwin B. Forsythe National Wildlife Refuge.
Brigantine National Wildlife Refuge.

NEW MEXICO (6)

White Sands Missile Range.
Cannon Air Force Base.
Carlsbad Caverns National Park.
Kiowa National Grassland.
Carson National Forest.
Santa Fe National Forest.

NEW YORK

Ellis Island.

NORTH CAROLINA

Great Smoky Mountains National Park.
Cherokee Indian Reservation.
Pisgah National Forest.
Blue Ridge Parkway.
Uwharrie National Forest.
Fort Bragg Military Reservation.
Pope Air Force Base.
Camp Butner Federal Prison.
Sunny Point Army Terminal.
U.S. Coast Guard Air Station, Elizabeth City.
Veterans Hospital—Swannanoa.
Veterans Hospital—Oteen.
Veterans Hospital—Durham.

OREGON (20)

Bonneville Power Administration.
U.S. Army Corps of Engineers, North Pacific Division.
FAA Facilities.
Portland Air Force Base.
Kingsley Air Force Base in Klamath Falls.
U.S. Coast Guard, Captain of the Port.
Fremont National Forest.
Winema National Forest.
Rogue River National Forest.
Siskiyou National Forest.
Lower Klamath National Wildlife Refuge.
Hart Mt. National Wildlife Refuge.
Wallawa-Whitman National Forest.
Hells Canyon National Recreation Area.
Umatilla Army Depot.
Mt. Hood National Forest.
Umatilla National Forest.
Cold Springs National Wildlife Refuge.
McCay Creek National Wildlife Refuge.
Warm Springs Indian Reservation.

PENNSYLVANIA

Philadelphia Naval Yard.

SOUTH CAROLINA

Savannah River Site.

SOUTH DAKOTA (3)

Black Hills National Forest.
Mt. Rushmore.
Lake Wahee.

TENNESSEE (3)

Fort Campbell.
Millington Naval Base.
Arnold Engineering Research Facility.

UTAH (37)

Flaming Gorge National Recreation Area.
Manti La-Sal National Forest.
Canyonlands National Park.
Arches National Park.
Ashley National Forest.
Dinosaur National Monument.
Brown's Park National Waterfowl Management Area.
Bryce Canyon National Park.
Caribou National Forest.
Cottonwood Canyon, BLM.
Dart Canyon Primitive Area.
Dart Canyon Wilderness Area.
Desert Range Experimental Station.
Deseret Test Center, USAF.
Dixie National Forest.
Dugway Proving Grounds.
Escalante Staircase National Monument.
Glen Canyon Dam.
Glen Canyon National Park.
Golden Spike National Historic Site.
Governor Arch, BLM.
Grand Gulch Primitive Area.

High Uintas Wilderness Area.

Hill Air Force Range.

Hovenweep National Monument.

Processing Center, Ogden.

Jones Hole Federal Hatchery.

Joshua Tree Forest, BLM.

Mount Naomi Wilderness Area.

Mt. Honeyville Wilderness Area.

Paria Canyon Cliffs Wilderness Area.

Piute Wilderness Area.

Rainbow Bridge National Monument.

Sawtooth National Forest.

Wasatch National Forest.

Wendover Range, USAF.

Zion National Park.

VERMONT (2)

Green Mountain National Forest.

Border Patrol Station, Highgate.

WASHINGTON (37)

Federal Dams on the Columbia River.

Federal Dams on the Snake River.

Fairchild Air Force Base.

Mt. Spokane Air Force Facility.

U.S. DOT/U.S. Coast Guard Station Ilwaco and Westport.

Veterans Offices/Hospitals—Vancouver and Walla Walla.

U.S. Department of Energy—Hanford Site.

Indian Reservations—Spokane, Kalispel, Colville, Yakima, Shoalwater.

National Forests—Gifford Pinchot, Umatilla, Colville, Kaniksu, Pend Oreille, Okanogan.

National Historic Sites—Whitman Mission, Ft. Vancouver.

Mt. St. Helens National Volcanic Monument.

USGS Cascade Volcano Observatory.

National Wildlife Refuges—Julia Butler Hanson, Willapa, Ridgefield, Conboy Lake, Umatilla, Toppenish, Turnbull, Little Pend Oreille.

Bonneville Power Administration—Vancouver facility.

Bureau of Reclamation Offices and Sites—Franklin County.

FAA Offices—Pasco, Walla Walla, Spokane.

OTHER GENERAL CATEGORIES

1. National Forests which straddle State borders.
2. Indian Reservations—What about state workers at Indian casinos located on tribal lands?
3. National Refuges which straddle State borders.

Mr. FORD. Mr. President, I also want to make clear to my colleagues that this special tax preemption provision in the bill is a clear violation of the spirit of the Unfunded Mandates Act. I have said that before, but I want to make it clear. This provision will cost my State $4 million in lost revenue. What are we doing to offset the loss from the special tax preemption provision in this bill? Nothing. Absolutely nothing. Not a thing.

Mr. President, if this special provision had been offered on the Senate floor, I would have offered a second-degree amendment requiring us to at least study the broad scope of the precedent we were setting here before we acted. I am not sure a great deal of thought has been given to the far-reaching effect of this one little amendment in the defense authorization bill. It was a special political decision, and that special political decision will have ripples that will turn into waves in the future.

Mr. President, had this special provision been offered on the Senate floor, I would have asked for a study. Let's think through this one. We are preempting the States; we are telling the States how they can tax and how they cannot tax. This is not a Federal tax. This is a State tax.

I think my colleagues would have been shocked at how broad this precedent is by applying this sweetheart deal at Federal facilities across the country. They would be embarrassed to find out the extent to which we are meddling in State tax law matters on a defense authorization bill—all to create a special State tax status for a select group of Federal and private sector workers. I think my colleagues would want to know this information.

Mr. President, I ask unanimous consent that a copy of the amendment I would have offered be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. . STUDY ON NON-RESIDENT WAGE EARNERS AT FEDERAL FACILITIES.

(a) The Secretary of the Treasury shall conduct a study which—

(1) identifies all federal facilities located within 50 miles of the border of an adjacent State;

(2) estimates the number of non-resident wage earners employed at such federal facilities; and

(3) compiles and describes all agreements or compacts between States regarding the taxation of non-resident wage earners employed at such facilities.

(b) The Secretary shall transmit the results of such study to the Congress not later than 180 days after the enactment of this Act.

Mr. FORD. Mr. President, the proponents of this special deal suggest that Tennessee employees receive no services from the State of Kentucky and, therefore, should be entitled to their special exemption. Mr. President, this is simply not the case. Let me read from a July 11, 1997, letter from the Kentucky Revenue Cabinet outlining the services the State of Kentucky provides to those workers.

Again, I remind my colleagues that these are Federal and private sector workers who perform their work within the borders of the State of Kentucky.

Roads—Fort Campbell is accessible from both the Kentucky side and the Tennessee side. Most workers enter the base at the gate nearest their work station. This means, for example, that most hospital workers enter on the Tennessee side . . . and most school workers enter on the Kentucky side using Kentucky maintained roads (the school is in Kentucky).

Water and sewer services— . . .

Electrical service—Most is supplied directly to the base by the Tennessee Valley Authority. One housing area, however, is supplied by the Pennyrile Electric Cooperative, a Kentucky-based electric company.

Cooperative Fire Protection [is there]. . . .

Schools—The school system on the Fort Campbell base is fully self-contained and federally funded. It is limited [however] to the children of active duty military personnel . . .

Police Protection—. . . .

Unemployment Benefits—. . . .

Mr. President, we talk about exempting the Tennessee employees from paying Kentucky tax, but the Federal civilian workers who become unemployed can apply for benefits from the State where they work or the State where they live. If a Tennessee resident working in Kentucky becomes unemployed and applies in Tennessee, a transfer is made from the Kentucky fund to the Tennessee fund to pay that worker's unemployment claim.

What is wrong with that agreement? I don't think anything. The result is that wherever the claim is filed, Kentucky funds pay the claim.

Mr. President, I ask unanimous consent a letter from Alex W. Rose, commissioner, Department of Law, Kentucky Revenue Cabinet, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REVENUE CABINET,
OFFICE OF GENERAL COUNSEL,
Frankfort, KY, July 11, 1997.

Re H.R. 1953—Fort Campbell.

Mr. HARLEY DUNCAN,
Federation of Tax Administrators,
Washington, DC.

DEAR HARLEY: The Revenue Cabinet has gathered some information on the Fort Campbell issues of whether employees who live in Tennessee and work on the Kentucky side of the Fort Campbell installation receive any benefits from the state of Kentucky.

The question of what services Kentucky provides is quite broad. I will attempt to itemize below what we have investigated and the results.

Roads—Fort Campbell is accessible from both the Kentucky side and the Tennessee side. Most workers enter the base at the gate nearest their work station. This means, for example, that most hospital workers enter on the Tennessee side (the hospital is in Tennessee), and most school workers enter on the Kentucky side using Kentucky maintained roads (the school is in Kentucky).

Water and Sewer Service—Self contained on the base.

Electric Service—Most is supplied directly to the base by the Tennessee Valley Authority. One housing area, however, is supplied by the Pennyrile Electric Cooperative, a Kentucky based electric company.

Cooperative Fire Protection—Local communities in both Kentucky and Tennessee have agreements with Fort Campbell to assist in the event of a major fire or other emergency.

Schools—The school system on the Fort Campbell base is fully self-contained and federally funded. It is limited to the children of active duty military personnel stationed at the military base.

Police Protection—All police protection is self-contained. Responsibility for Fort Campbell and all federal military bases rests with the federal/military police.

Unemployment Benefits—Federal civilian workers who become unemployed can apply for benefits from the state where they work or the state where they live. If a Tennessee resident working in Kentucky becomes unemployed and applies in Tennessee, a transfer is made from the Kentucky fund to the Tennessee fund to pay that worker's unemployment claim. The result is that wherever the claim is filed, Kentucky funds pay the claim.

I hope this information is helpful to you in your efforts concerning H.R. 1953. It is our belief that the civilian employees who work on the Kentucky side of Fort Campbell definitely receive some benefits from the state of Kentucky.

The Kentucky Revenue Cabinet greatly appreciates the work FTA is doing on H.R. 1953. Harley, we can't thank you and your staff enough. If I can be of further assistance, please let me know.

Sincerely,

ALEX W. ROSE,
Commissioner, Department of Law,
Kentucky Revenue Cabinet.

Mr. FORD. Mr. President, had this conference report been on a Senate bill, I would have offered a motion to recommit the bill to conference to strip this special State tax preemption provision from the bill. It is quite unfair, and I think everybody understands that.

They are doing a political favor, because the Senators who represent that State are from another party. I do not understand why my colleague, who is a member of that party, would allow this to happen to his State. I thought we were here representing our constituents, not our party. I think it is disappointing that both my colleagues here in the Senate and the Congressman from the First District in my State allowed this to happen without at least raising their voice in objection.

However, I understand the option is no longer mine to offer any kind of amendment or any kind of motion to recommit. Since this is a House bill and it has already been approved by the House, thereby dissolving the conference, I understand the rules. I think I know the rules reasonably well here—not quite as well as Senator BYRD or, hopefully, the Parliamentarian, but I have no illusions about what the outcome of that vote might have been. After all, a sweetheart deal is a sweetheart deal.

I did want to draw attention to this provision. It is patently unfair. It has no place in this bill. The committees that put this bill together have no jurisdiction over the issue whatever. I think it is a dark mark on this piece of legislation as it relates to States rights, going outside the jurisdiction of the committee. I think it leaves a black mark and a black cloud over this piece of legislation. This special tax preemption provision is terrible policy. We should not be dictating to States how to administer their own tax laws. We should not be imposing our will on the States in matters that have nothing to do with the Federal law and are traditionally and constitutionally left to the States to resolve.

We hear a lot of rhetoric from the other side of the aisle that is never matched by the actions we see around this place. They say "lower taxes," but fail to say how they will offset them without causing more deficits. They say "less government," without saying where they will cut. They say "no more unfunded mandates," but continue to impose unfunded mandates on the States. And this is, in the strictest interpretation, an unfunded mandate. They say "States rights," but continue to pass special proposals like this one, which preempt State law, even in the areas that have been left to the States for the last 200 years.

Once again, Mr. President, we see that the rhetoric does not match the reality. When my friends on the other side see that expanding the role of Federal law fits their purposes, the rhetoric about States rights goes out the window. When they create a special tax exemption by imposing a $4 million cost onto another State, the unfunded mandates rhetoric goes out the window.

Mr. President, I am very disappointed we have seen this issue, the preemption of State tax law, legislated this way on a defense authorization bill. It is bitterly opposed by my State and it ought to be bitterly opposed by every other Senator on this floor.

I say to my colleagues, you have created a broad precedent here that I believe will come back to haunt you. I will not be here on the floor to see it play out but I can see it coming. The next time, it won't be Kentucky that will be hit. It very well may be the State of one of the Members who sat on the conference.

How much time remains?

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator has 40 minutes remaining.

Mr. FORD. I reserve the remainder of my time and I yield the floor.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum and I ask that the time be equally charged.

Mr. FORD. I object, Mr. President.

The PRESIDING OFFICER. The objection is heard.

Mr. FORD. Since I objected, I will use some of my time.

I was hoping that the proposer of this amendment would be here on the floor so we could discuss it a little bit more. I have been here, now, for about 30 minutes—I guess, a little better—trying to discuss my side, and I don't want to lose my time on the basis that the opposition or the proponent is not here. I am more than willing to let the time come off of the time of the managers of the bill but I prefer the time not come off of mine. If the chairman of the committee and the manager of the bill would like to do that, I would have no objection. If he prefers not to do that, I hope he will encourage the Senators from Tennessee to come to the floor.

The only problem I have here before I suggest a quorum is, I would not want to be preempted from taking the quorum off—which I could—and then we would have to go through the process. Would the Senator give me the assurance he would not object if I want to take the quorum off?

Mr. THURMOND. No objection.

Mr. FORD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I ask unanimous consent that the time during the quorum be charged equally to the four entities that have time on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. Mr. President, I rise to express my strong support for the conference report we are considering today. This report includes a provision that will provide relief to approximately 2,000 citizens of my State of Tennessee who are being unfairly taxed by the Commonwealth of Kentucky. These people are civilian employees at Fort Campbell who live in Tennessee and work on the Kentucky side of Fort Campbell.

They are being required to pay income tax to Kentucky. But they receive no services from Kentucky.

I understand that it has been stated on the floor this morning that Tennessee is taking unfair advantage of Kentucky, that perhaps we will bankrupt the State or do grievous harm to them—basically a conspiracy among Democrats and Republicans, apparently, Tennesseans and Kentuckians, to perpetrate somewhat of an outrage against the good folks of Kentucky.

I am sorry that we can't debate it based strictly on the merits of the action being taken, because it is a very, very meritorious objective consideration of what we are doing here today. On any objective consideration in terms of sound policy, or in terms of fairness, this provision stands and survives.

We are not taking unfair advantage of the Commonwealth of Kentucky, our good neighbors to the north. What we are doing, as attested to by a vote of

15-to-0 out of the Governmental Affairs Committee, is righting a wrong and correcting an inequity.

The Commonwealth of Kentucky has gotten used to being able to tax Tennesseans—levy income tax on them—without providing any services to them. Weaning from a situation like that I guess perhaps can be somewhat painful, but I don't think it is going to do grievous harm to the Commonwealth of Kentucky, which I understand had a $306 million surplus last year, and is perhaps beside the point.

But when we are talking about fairness and equity, and some of the other things we are discussing today, and the fact that we are discussing basic principles and so forth, and who looks out for the little guy, we are basically dealing with civilian employees working at Fort Campbell with average incomes of about $30,000 a year. So these Tennesseans are paying about $1,800 a year to Kentucky for nothing in return. So let's just put that in a little bit of perspective.

Of course, it is not just the Tennessee-Kentucky situation, it is two other situations where the Federal facility straddles the State border. This provides relief for the State of Washington also. It also provides relief for the State of South Dakota. I don't see the Members of the State of Oregon, which is affected by it, or the State of Nebraska, which is affected by it, to seem to have any problems either with the constitutionality or the fairness of their situations. The situations are basically the same.

But we have an issue here today with regard to Tennessee and Kentucky. So be it.

As I said, these are civilian Federal employees. They work in Fort Campbell, KY. As it is well known, 80 percent of Fort Campbell is in the State of Tennessee. The mailbox is Kentucky. It is referred to as Fort Campbell, KY. There are several Federal civilian employees who live in Tennessee and who work on the Kentucky side. Some of them have worked on the Tennessee side for a long time and are assigned on the Kentucky side. They have nothing to do with that. It is not within their power, if they want to remain employed. And thereby Tennessee does not have an income tax. Kentucky does. They pay the maximum sales tax and other taxes in Tennessee, plus the income tax of Kentucky. They enter the Federal facilities on the Kentucky side by a Federal route. They do not go on the property of the Commonwealth of Kentucky to enter the place where they are working.

As I said, there are no services provided. I understand there was some reference made to some resident facilities being provided with water or some services. Of course, these people do not avail themselves of that. I can't imagine anything other than a most dire emergency where fire, water, sewer, and police protection, and all of that is provided by the Federal Government. If the problem gets so big, I imagine folks in Tennessee and Kentucky would come in and try to help out. But basically, in terms of basic services—fire, police, sewer, and water—none of those services is provided by the Commonwealth of Kentucky for the benefit of these employees. Basically what they are doing is paying income taxes for nothing received.

As I said, these people are not in the military. There is already an exemption for the military employees. They can only be taxed in their State of residence.

This is a situation where literally some people have been transferred and moved across the street, or even down the hall in their own building, and become subject, just because of that move, to Federal income tax or to income tax from the Commonwealth of Kentucky. When people in that situation—who live in Tennessee, work in Kentucky, only go on Federal property to get to their job, come right back, no services—if those individuals go on unemployment, they can't go to the Commonwealth of Kentucky and get unemployment benefits.

We had a witness before the Governmental Affairs Committee, when this was taken up, who makes $15,000 a year—$15,000 a year, and three kids—is a Federal civilian employee, lives in Tennessee, and works on the Kentucky side. When she went on hard times and had to apply for food stamps, she applied to the State of Kentucky and was turned down.

There was another witness who appeared before our committee who had been in the Air Force for 20 years, grew up in Kentucky, and paid Kentucky taxes far 20 years; then he moved to Tennessee; then he was assigned at Fort Campbell on the Kentucky side while he was living in Tennessee—the typical kind of a situation we are addressing. His daughter applied to the University of Kentucky. He sought instate tuition rates. He was denied that. He was treated as out-of-State for purposes of tuition when his daughter wanted to go to the University of Kentucky.

In other words, he is a Tennessean under some circumstances, when it benefits the Commonwealth, and a Kentuckian in other circumstances, when it benefits the Commonwealth.

As I said, it is not just Tennessee that is involved here. Employees at the Gavin's Point Hydroelectric Dam are in a similar situation. This dam is a Federal facility maintained by the Army Corps of Engineers and it straddles the Missouri River. The Missouri River is the border between South Dakota and Nebraska. The 35 South Dakotans who are employed at the dam are subject to Nebraska income tax on half their wages earned on the dam. Nebraska claims that because half of the Gavin's Point Dam is in the State of Nebraska, half the wages earned by South Dakotans on the dam are subject to Nebraska income tax. But these South Dakotans only travel into Nebraska while they are working on the Federal dam and they receive no benefits from Nebraska for the taxes that they are required to pay. They are ineligible for Nebraska unemployment benefits and accident insurance benefits.

Likewise, Washingtonians employed at the Columbia River hydroelectric dams were subject to tax by the State of Oregon until just recently.

These dams are Federal facilities maintained by the Army Corps of Engineers. They straddle the Columbia River. The Columbia River is the border between Washington and Oregon. One-hundred and forty Washingtonians working on these dams only cross into Oregon when their work takes them across the midpoint of the dams. Oregon had required these employees to keep detailed records regarding the exact amount of the time they spent on the Oregon side of the dam in order to obtain a tax refund from Oregon for time worked on the Washington side of the dam. Oregon also required Washington residents to pay income tax on a prorated amount of their vacation pay based upon the percentage of time during the year worked on the Oregon side of the dam. Because employees at the dam cross back and forth multiple times a day, Oregonians' recordkeeping requirements forced the Federal employees to waste a good portion of their workday documenting their movements across the dam.

The Washington residents working on the Columbia River Dam receive no benefits from the State of Oregon. They are not eligible for instate tuition rates at Oregon schools. They are not eligible for Oregon unemployment compensation benefits. In fact, when a Washingtonian who was laid off from Washington at one of the dams applied for Oregon unemployment compensation, he was denied. But when he later received unemployment benefits from Washington, Oregon tried to tax those benefits.

I recognize that the Oregon State Legislature enacted a bill last year to exempt Washingtonians employed at the Columbia River Dam from Oregon income tax. But it appears that the State was only reacting to the other body's swift movement of H.R. 1953. Oregon is continuing to require Washington residents to file W-2 forms in Oregon. Therefore, Washingtonians fear that Oregon may repeal the recently enacted exemption in the absence of Federal legislation.

Now, there is no question that with the passage of the Buck Act in 1940, States have the authority to tax Federal employees, but over a period of time, after due deliberation by Congress, there have been exceptions that have been made to this. There has been an exception for the military. There has been an exception for Members of Congress. There has been an exception for Amtrak employees, for example, employees who, of course, travel over several States. There was an exemption with regard to the ability to tax pension income from nonresidents. So these have been exemptions, and we can argue and debate the wisdom of each of these exemptions, but it has been long recognized.

There is no question about the constitutionality, incidentally. The witnesses even before our committee who did not think that what we were doing was the best way to go, I don't think raised any questions concerning the constitutionality of what we were doing.

Congress clearly has the right constitutionally to move in this regard. We can debate the merits of each of these exemptions, but there has been no question over the years after due deliberation there have been exemptions carved out on the basis of what is right and on the basis of fairness. This idea that we are opening up Pandora's box and it is going to affect anybody who works near a Federal facility or anything of that nature is certainly a misplaced concern. But that is not something that has been affected here—not employees who are near a border. We are talking about a specific situation where you have a Federal facility straddling two States. One State does not have a State income tax and the other State does. That is a very, very specific and narrow situation with which we are dealing.

It does not affect national parks, for example, where local governments have much more to do with providing emergency services and things of that nature than the Commonwealth of Kentucky or the other two States affected here, the State of Oregon and the State of Nebraska, provide in these situations.

I agree that Congress should tread carefully when it acts to limit the taxing authorities of States, but these three situations addressed by the conference report are exceptional, and I believe they meet the elevated threshold which has been set by Congress for preempting a State's taxing authority.

At this time I would like to thank my distinguished colleagues who have served as conferees on the Strom Thurmond National Defense Authorization Act for including this important provision in the final bill. I would also like to thank my friends from Tennessee, Congressman BRYANT and Senator FRIST, for their hard work on behalf of these 2,000 Tennesseans. I am pleased they are finally getting the tax relief they deserve. I urge all of my colleagues to support this conference report.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I am delighted that the distinguished Senator from Tennessee would come to the floor to explain his reasons for using the Armed Services legislation in an authorization bill for a tax provision.

One of the things my distinguished friend said is that Kentucky provides no facilities. Well, if a person who is employed at Fort Campbell files for unemployment benefits in Tennessee, guess who pays for it. Guess who pays for it. Kentucky reimburses Tennessee. Isn't that a service?

I heard talk about other States. Let's talk about our States—the roads that enter at the nearest gate. Sure, we have electrical service that is provided. That comes out of Kentucky into Fort Campbell. We have cooperative fire suppression. If they say it is serious, both Tennessee and Kentucky would be there.

Unemployment benefits—I am surprised the Senator would say that we don't pay anything. We reimburse Tennessee for the unemployment. Kentucky pays. He raised the fact that the Governmental Affairs Committee held a hearing on this but the Finance Committee did not. When did the Governmental Affairs Committee take over for the Finance Committee?

The Senator has talked about Oregon quite a bit. I have a copy of a letter to the Senator, written from the director of the Department of Revenue, saying that they settled their own problem, that Oregon passed their bill and the States worked it out. There is no need for them to be included in this legislation. Here is the letter, dated October 21, 1997. The Senator had it almost a year, but yet they put Oregon and Washington in this legislation and they don't need it. The States have worked it out themselves.

Mr. President, I ask unanimous consent that a letter to Senator THOMPSON from the director of the Oregon Department of Revenue be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OREGON DEPARTMENT OF REVENUE,
Salem, OR, October 21, 1997.

Hon. FRED THOMPSON,
U.S. Senate, Chair, Committee on Governmental Affairs, Senate Dirksen, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to alert you to a piece of proposed federal legislation that is scheduled for a hearing this Friday. The proposal, contained in H.R. 1953, would place a federal prohibition upon the state of Oregon that would not allow Oregon to impose an income tax on Washington residents whom are federal employees working on the dams that span the Columbia River.

We were alerted to this problem earlier this year and were successful in obtaining legislation at the state level that exempts these Washington residents from Oregon income tax effective January 1, 1997. A copy of the bill, which has been signed into law by our Governor, is enclosed (See Sections 6 and 7 of Enrolled Senate Bill 998). We have been in contact with the Army Corps of Engineers and have jointly developed procedures that will ensure that the affected workers will not be taxed on this income and will receive a full refund of any amounts withheld prior to the passage of the bill.

I am concerned that the federal government is proceeding with legislation to address a problem that Oregon has already resolved. We take very seriously our responsibility to establish and maintain a tax system that is fair to all citizens regardless of their state of residency. As such, we are generally opposed to external mandates believing that they impinge on Oregon's sovereign right to define its own tax system. Accordingly, any efforts on your part to remove Oregon from this federal mandate would be greatly appreciated.

Thank you for the opportunity to express my concerns about this proposed legislation. Please feel free to contact me if you want to discuss the issue further.

Sincerely,

ELIZABETH HARCHENKO,
Director.

Mr. FORD. The Senator says that this only applies to two States really, or very few. But the precedent here is the dangerous thing. We start under the Buck Act, and I am sure the Senator, being a legal expert, is fully familiar with the Buck Act and what it says about the State's ability to tax its own. Now, if he is not familiar with that, I can help him a little bit in trying to explain the Buck Act.

But the two States were in the process of negotiating when they were informed, or at least the Tennessee side was informed, that it would be taken care of here. And it was being taken care of, so the negotiations were called off.

I remember when Tennessee called a special session to prevent Kentucky contractors from doing business in Tennessee. This is a long-term thing. It is just not the first one. I go back into the early 1960s when this occurred.

So, Mr. President, I understand what the Senator is trying to do, but I wonder how he voted on the unfunded mandates bill. You are eliminating $4 million a year—$4 million a year—from Kentucky's income. Are Kentuckians excused from the high Tennessee sales tax? Why not? Why wasn't that put in this bill? If you are going to be exempt from our income tax, why don't you exempt Kentuckians, who are identical employees with an identical employer? What about the restaurants and the canteens and the cleaners and such that are going to be exempt under this, the private sector? This is a broad, broad piece of legislation. Broad, broad.

Let me read the Buck Act. Of course, we have the authority, I guess, to do that, but is it right? There are 240 known installations similar to this situation. And Mississippi is one of the most vulnerable States in the country as it relates to this type of legislation.

The Buck Act says:

> No person shall be relieved from his liability for any income tax levied by any State, or by any duly constitutional taxing authority therein, having jurisdiction to levy such a tax by reason of his residing within a Federal area or receiving income from transactions occurring or services performed in such area. And such State or taxing authority shall have full jurisdiction and power to levy and collect such tax in any Federal area within such State to the same extent and with the same effect as though such area was not a Federal area.

That is the Buck Act.

My colleague lays out exempting military employees. When I served in World War II, we got exempted then. You only paid taxes in the State where you resided. That is nothing new. That is 55 years old, I guess—something near that. It has been here for 55 years.

He talked about Amtrak employees. They are on a train, they are going across the country. Would they pay tax in every State? Of course not. That is common sense, to let them pay tax in the State where they reside.

We have a lot of employees on the Interstate Highway System. They live in one State and they work in several States, as they construct interstate highways through various States. They are exempted. That is common sense.

But, to take an exemption and cost a State $4 million—what kind of surplus does Tennessee have? He refers to the surplus of Kentucky. What kind of surplus does Tennessee have? That has nothing to do with the principle and the character of this provision under the armed services defense authorization bill.

The Senator can argue all he wants to, but when he talks about in-State and out-of-State college, that individual renounced his Kentucky citizenship and moved to Tennessee. You enjoyed him moving over there. You probably welcomed him with open arms. But then you come in here and say he cannot get exemption in another State? Why didn't he go to Tennessee, if he likes it so much? We have a few universities there that are pretty good. They get State exemption, residential exemption. He just happened to want to go to a better school. So, you fuss about that. They moved to Tennessee. Anybody else from any other State would not be exempted. Tennessee would not exempt a Kentuckian residing in the State of Kentucky to go to a Tennessee school. That seems to me a pretty thin reason for having this section of the armed services bill.

Mr. President, I go back to the point—I have heard many, many Senators in this body talk about States rights. There is a lot of rhetoric here. There is a difference between talk and action—talk and action. The talk is States rights. The action is taking it away.

This bill is going to pass. There is no question about that. I have no illusions. I have counted votes around here longer than the Senator from Tennessee, and I understand what the vote will be. But you have something in the legislation that is not right, that is not fair, that the States were in the process of trying to work out and to negotiate. Then the word comes from Big Brother: "Don't you worry about it, we'll take care of it. Big Brother is going to preempt the States. Big Brother is going to take care of a few residents in this legislation." There are other States that have already settled. The Senator from Tennessee has the letter setting it out and objecting to what he is trying to do here because they worked it out as a State. You preempt the States.

What would happen if we were preempting Tennessee? Oh, it would be a bear in here. There would be growling and fighting and fuming and fussing over preempting Kentuckians in Tennessee. I hope my colleague from Kentucky, Senator McCONNELL, will offer an amendment or something next year so Kentuckians who are in the same position will not have to pay the outrageous Tennessee sales tax. Just have a drivers license, show it, so we can be exempt.

Mr. President, I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I forgot to inquire as to the time situation. I understand we had 30 minutes. May I ask if time was kept on me before, how much time I have remaining on that?

The PRESIDING OFFICER. The Senator from Tennessee controls 14 minutes 30 seconds.

Mr. THOMPSON. Mr. President, just in response on some of the points that my friend from Kentucky made with regard to whether or not the other States need this and whether or not it is worked out permanently to their satisfaction, I think probably the Members of this body who represent those States would be the best witnesses. If the Oregon situation is worked out, then perhaps Senator GORTON and Senator MURRAY will oppose me on this. But I do not think they do. I think the two Senators from the State of Washington do not feel like it has been worked out.

Just as the situation is with South Dakota. I think the distinguished minority leader of this body supports this provision in the legislation. So, regarding the Tennessee/Kentucky situation, the negotiations that my friend refers to, I think the result was a bit different than what has been alluded to. My understanding was there was one meeting in August and the suggestion was that Tennessee absorb the difference; that we give these Tennessee employees a credit and the State of Tennessee absorb the difference. That was not considered to be fair by the people in Tennessee, so those negotiations broke down.

With regard to the college tuition situation, at issue here is not that this gentleman moved from Kentucky back to Tennessee; that is for sure. The issue is he was working on the Kentucky side and paying Kentucky income taxes and still not getting that benefit from Kentucky. That is the point. I believe, if my colleague will check—I suppose we cannot resolve it here this morning—but I think, if my colleague will check, he will see that when the situation is reversed, my understanding is when Kentuckians work on the Tennessee side, they get Tennessee instate tuition.

I do not want to get into an extended battle between the States here. We enjoy a common border and friendly relationships and all that. But just on the basis of fairness, I believe we are doing a little bit better in that regard, in terms of comity, in terms of out-of-State tuition for workers who work at Fort Campbell. It is just simply based upon the proposition that a person should not have to go across the border, down the hall or down the street or across the street and so forth, when he is assigned new duties, not use any of the Kentucky facilities, and have to pay Kentucky income tax and not get any of the benefits, whether it be college instate tuition or not.

I would also point out to my colleague with regard to Kentucky employees working at Fort Campbell who work on the Tennessee side, as far as "on the post" is concerned, they do not pay Tennessee sales tax. If they go off the post they will pay Tennessee sales tax, but then they are using Tennessee facilities. The point is just simply not well founded any way that you look at it.

With regard to the States rights issue, that is something that, of course, is of concern to all of us. A lot of people strongly believe in federalism and that the proper role of the States should be preserved in the relationship between the State and the Federal Government. I would simply point out that with regard to most of these issues, it has to do with the relationship between the State governments and the Federal Government, and the Federal Government's relationship with the States and their policies vis a vis the Federal Government.

This has to do with the way a State government is treating the citizens of another State. Ever since we have had the interstate commerce clause in the Constitution, that has been something that has been appropriately addressed by the Congress of the United States.

So I do not want to beat a dead horse here either. I feel, as does my colleague from Kentucky, that we are not going to change very many votes on this debate. But, in closing, I hope our friends in Kentucky do not feel that this is some kind of a power grab, something that is unfair to them, something that we have them over the barrel on.

This is something that is supported by Democrats and Republicans in this body. It is very narrowly tailored. My friend refers to 240 other situations. They are not similar. The only comparable or analogous situations would be those situations where Federal facilities straddle a State border, and there are only three of them, and those are the three that we deal with here.

We are trying to do what we often do in this body, and that is finely tailor a remedy for something that doesn't affect many people. It doesn't affect many people at all. But with regard to those who are affected, it is important for those folks who on average are making $30,000 a year. It is something we have been trying to work out for 10 years. We have not been able to. I would rather not have to come to the floor of the U.S. Senate and resolve this matter this way, either. After trying all other avenues, we were left with no choice.

Mr. President, I thank my colleagues and extend my good wishes and respect to the senior Senator from the Commonwealth of Kentucky who has fought so long and hard for his State. I never look forward to having to come to the floor and take him on in any circumstance, especially when he is defending or representing and taking the side of the Commonwealth of Kentucky, because I know his heart and soul is in it. I respectfully disagree with him on this. I think it is the right thing to do. I think it is fair to these employees, and I urge its adoption. I yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from the Commonwealth of Kentucky.

Mr. FORD. Mr. President, I appreciate the Senator's flattery, but in this case, it won't get him anywhere.

Let me correct one thing, if I can. The Senator said we were exempt from sales tax. That is not true. We checked this morning. You pay tax at restaurants, dry cleaners—all that—you pay the sales tax on the base. On the base, you pay it. We called down there this morning. Now, if you want to call again, that is fine. I know where it is. I have been there. They have trooped out the troops for me. They jumped with parachutes and all that. It is obvious my name won't be on any building down there, however, but that is all right. I don't really worry about that.

What I worry about is what is being done here and the precedent that is being set. They talk about they are all similar. The two other locations are dams. They are dams. They go across a river. They connect the States. That is a very small area. This is 105,000 acres that we are talking about here. This is a different facility, different situation, different problem altogether. One is a hydro; the other one is a dam. I say to my friend, in those two cases he is defending here, it is limited to Federal employees. In the Tennessee-Kentucky problem, it is not. You did not limit it to Federal employees. You went to private sector contractors and their employees. That is the reason the $4 million is there and there is no unfunded mandate help for my State.

It is quite different. This is as broad as broad can be, with a capital B. It is not only Federal employees. The others are very small—35 employees. They are hydroelectric and dams, both of them. This is 105,000 acres.

We pay sales tax, as Kentucky residents, on the base. You exempt private contractors and their employees, and it costs us plenty. People will say, "FORD, this is fair." Fair to whom? I can bring the document—I don't have it here with me—but tuition was part of the negotiations. I wouldn't negotiate either if it was going to be settled here and you know what is going to happen. But the rights of the minority should be protected. I can't change the vote. Mine is the only one that I can handle, that I can guarantee, but we ought to be protected.

I have seen a lot of debate here in a little over 24 years. The distinguished Senator from South Carolina has seen a lot more. But most of the time, almost without exception, both sides have wanted to protect the minority, and here there is no protection.

Mr. President, as we are being stampeded here, I think it is highly unfair, it is uncalled for, and this is very one-sided. We pay the unemployment, reimburse Tennessee, we help with electricity, we help with roads—we do all those things. You act like we don't do anything. But if you have unemployment benefits and Kentucky pays a Tennessee resident and reimburses the State—Kentucky doesn't do anything.

It is very difficult for me to understand when they start talking about precedents set here. That is for active duty military. They pay the tax, if any, in the State in which they are a resident. The Senator brought up Amtrak employees. You can get on a train in New York and wind up in California. Do you pay in each one of the States you go through? Of course not. That is just common sense.

You can have a construction worker who is building interstate highways and can go through several States. You wouldn't expect him to pay tax in every State. So common sense says pay the tax in the State in which he is a resident.

Here it is different. If you are a resident of Tennessee and work in Kentucky, you don't pay any tax. If you are a private sector employee and you are at a Federal facility, you don't pay any tax. The Tennessee contractor who would offer a bid at Fort Campbell has a sweetheart deal because a Kentucky contractor, or any other contractor, will have to pay the taxes, but Tennessee will not.

Big Brother says we are going to settle State taxes, not Federal taxes, State taxes, and put it on the defense authorization bill. It has never been to the Finance Committee, which has jurisdiction. And the testimony that was received in the House was something that I think we should go back to.

The Senate Governmental Affairs Committee held a hearing on October 24th of last year. The House held a hearing on April 17th of last year. To my knowledge, the Senate Armed Services Committee held no hearings on this issue in either session of this Congress. The reason is obvious: because the Armed Services Committee had absolutely no jurisdiction over this issue—none.

The conferees on the defense authorization bill, in my judgment, have no business attaching language which preempts State tax as part of the defense authorization bill.

Let's go back to the House hearing of last April. What kind of testimony did that committee hear? It heard that Kentucky's tax structure met all appropriate constitutional standards for fairness and nondiscrimination. That is the testimony. That committee was told that the ability of States to define their own tax structures within the bounds of the Constitution was "one of the core elements of sovereignty preserved to the States under the Constitution." It may be constitutional, but it is "one of the core elements of sovereignty preserved to the States under the Constitution."

The committee was told that if Congress jumps in and preempts State laws in this case, "it will by definition create a preferred class of taxpayer * * *. Currently all workers—public and private—in Kentucky * * * are subject to the same rules. This should not be disrupted by the Congress without a strong policy [mandate]."

The House committee was also told that the proposal to grant special status to Tennessee residents violated the spirit of the Unfunded Mandates Act of 1995. The committee was told, "if Congress feels that the impact of federal workers employed on installations crossing the borders of two states * * * should be offset, it should provide the funding necessary to offset the costs imposed on the states affected and not just preempt legitimate taxing authority." That is the testimony. That is what the committee was told.

Mr. President, the Senate Governmental Affairs Committee I believe heard similar testimony during the hearing last August. The Senate Armed Services Committee, however, heard no testimony—the Senate Armed Services Committee, however, heard no such testimony—because it held no such hearing and had no such jurisdiction over this piece of legislation.

Nonetheless, without any floor debate, a provision was snuck into the House version of the defense authorization. So I ask where my Kentucky colleagues were.

Mr. THOMPSON. Will the Senator yield for a moment?

Mr. FORD. Glad to.

Mr. THOMPSON. Mr. President, I yield the remainder of my time to the floor manager, Senator THURMOND.

The PRESIDING OFFICER. The Senator has that right.

Mr. THOMPSON. I thank the Senator.

Mr. FORD. I ask the Chair, how much time do I have left?

The PRESIDING OFFICER. Five minutes 38 seconds.

Mr. FORD. Well, I understand why the Senator from Tennessee does not want to debate this; because he is wrong. I like him. He is a nice fellow, friendly. Oh, you could not ask anybody to be any friendlier than the Senator from Tennessee. And I have always enjoyed his acting. In fact, I have seen some reruns. I have enjoyed watching those a second and third time. I look for him. But that does not mean he is wrong or right all the time. But in this case he is wrong.

And I wish this would not happen because, I say to my colleagues, when we start telling the States how to tax, when we take that authority away from the States, then we have gone a long way in disrupting what the Founding Fathers said this country should be made up of.

So I will not leave this Senate without having made this statement. I understand where the votes are. I understand what is going to happen to this bill. But at some point, I believe, sincerely, that it will be in court. And the constitutionality of this and the preemption of States' ability—not a Federal tax but a State tax—they give a preferred class of taxpayer here. You have two people sitting across the table, having lunch, and both are working for the same company; both do the same job; both make the same money; but the fellow from Tennessee pays no tax; the fellow from Kentucky pays it on a military installation.

There are 240 of these, at least, out there. And as I said, Mississippi is going to be one of the most vulnerable States.

Mr. President, I yield the remainder of my time to Senator LEVIN for his use, and I yield the floor.

The PRESIDING OFFICER. Who yields the time?

Mr. FORD. I suggest the absence of a quorum, and it be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. I yield 5 minutes to the Senator from Arkansas.

Mr. HUTCHINSON. I thank the Chair.

Mr. President, I rise in strong support of the fiscal year 1999 Strom Thurmond defense authorization conference report. I congratulate the managers of this bill for their exemplary work. In particular, I would like to express my most sincere gratitude and appreciation to Chairman THURMOND for his service to the Senate and for his service to our country.

Mr. President, I know that this was one of the most contentious conferences in the past decade, particularly because of the U.S. satellite licensing provisions. However, I am pleased that this conference report contains a provision shifting the jurisdiction for U.S. satellite licensing from the Commerce Department back to the State Department, where I believe the national security of this country can best be protected. This action is a step away from the controversial policy that President Clinton established in 1996 and it is a step toward enhanced national security. I hope the President, in signing this bill, will walk forward with us.

In addition, I am very pleased by the addition of several China-related provisions that I spoke in behalf of—sponsored some of those—that I believe will limit the role of the oppressive Chinese regime and United States complicity in their actions.

In particular, this conference report includes a provision requiring the Departments of Defense and Justice, FBI, and the CIA to compile a list of known PLA commercial fronts operating in the United States. This provision also authorizes the President to monitor, to restrict, and to seize, if necessary, the assets of, and ban the operation of, such PLA companies within these United States.

Furthermore, the Senate adopted and included in the conference report a provision authorizing funding for additional customs agents to enforce the existing ban on slave labor products, an ongoing problem. These products are produced in slave-labor conditions in China and are sold to American consumers, unbeknownst to the consumer. These sections call upon the President to strengthen international agreements to improve monitoring of slave-labor imports.

There is yet a further provision that I am heartened the conference has included regarding Radio Free Asia. This provision would fund 24-hour-a-day Radio Free Asia broadcasts throughout China in each of the major dialects. This provision will allow the Voice of Freedom to penetrate through the oppressive veil now muting the Chinese people.

I want to make one final observation. Last week, in declaring the success of his country in combating the floods raging throughout China, President Jiang Zemin compared that success to the success of stemming the tide of democracy and praising their crackdown at Tiananmen Square. I think I need say little more, Mr. President, as to the ongoing problems of an oppressive regime in China. I applaud the chairman and the conference for including these very important provisions in the conference report.

I yield the floor.

Mr. THURMOND. Mr. President, I yield 5 minutes to the distinguished Senator from Indiana, Mr. COATS.

Again, I want to say, since the Senator is leaving this year, he has been one of the ablest men on the Armed Services Committee. The Armed Services Committee and the Senate will greatly miss this individual. Again, I commend him and wish him well in all of his undertakings.

Mr. COATS. Mr. President, I thank the chairman for his kind words. I want to return that compliment, because it has been a distinct privilege and pleasure for me to serve under the able leadership of our chairman, Senator THURMOND. Senator THURMOND is, perhaps, not one of but perhaps the most remarkable individual I have ever known, someone who has committed a lifetime and more of political service to his fellow man and to his Nation, and who has served as a Rock of Gibraltar in support of a strong national defense. Serving on the committee with his leadership has been a great privilege for me, as well as it has been with all my colleagues who serve on the Armed Services Committee.

This committee of the Congress is the least partisan of all the congressional committees. We put the national defense and national security above partisanship. We work together in a team fashion. While we don't always agree across the aisle on every issue, we do find consensus. Our purpose is to protect and support our men and women in uniform, and protect the citizens of the United States by giving them the very best defense that we can purchase for their investment of tax dollars.

This particular bill is to be commended in many ways. It addresses some of the quality of life and readiness and modernization issues that we have been struggling with. As chairman of the Airland Committee, I have had the privilege of overseeing a very considerable amount of spending that goes into modernizing our forces. We haven't been able to do everything that has been asked, but we certainly have taken important steps in trying to make sure that our defense forces are capable of meeting the threat and are unparalleled in terms of their superiority.

As a member of the Personnel Subcommittee, as former chairman of that committee, I am pleased that we have continued to address some of the important issues of pay and housing that are necessary to maintaining the spirit and moral of the people in our force. But, we have a great deal more to do in this area.

The Joint Chiefs of Staff testified just a couple of days ago about the state of readiness for today and tomorrow. Readiness is a function of quality of life, of training, and of adequate infrastructure. Two of these three areas—the infrastructure, the housing, the equipment, the facilities, the tools which we provide our service members with, and the quality of life—are strained and in many cases inadequate. The pay is too low and military benefits are in question. We are losing good people, too many good people. A great deal needs to be done in this area.

A great deal also needs to be done on the whole infrastructure front, not only in providing necessary facilities, but in terminating that infrastructure which is no longer needed. Too often we have perpetuated that infrastructure that is no longer required, and done so at great expense.

I have also been engaged in the whole question of defense transformation. How can we transform our national defense from a cold-war effort that has been unparalleled in the history of national defense—not only this country, but in this world. How can we transform that into a national security apparatus our defense structure to addresses the threats of the future, which will be different from the threats of the past. That is a monumental undertaking. I have suggested a number of ways in which this could be done. I have joined with my colleagues on the committee, particularly Senator **LIEBERMAN**, to define a process by which we can make those decisions, utilizing both inside and outside experts.

We have attempted, through this process, to ask the necessary questions and to make the necessary decisions about how we move forward. In that regard, in the future some very difficult but necessary decisions and tough choices are going to have to be made about how we spend our limited defense resources.

While we all acknowledge and hopefully will provide some additional funds to address the readiness concerns addressed by the Joint Chiefs, we are a long way from successfully allocating the resources we have available to us in the very best way that will give us the national security apparatus we need to address future threats. Tough decisions have to be made because we have the tendency to continue to fund systems that we already have in the force. Decisions are often made, both in the Pentagon and in the Congress, about maintaining what I call "legacy" systems—systems that have had a long shelf life, that are very near and dear to our heart, produced in our district, or systems we have related to over the years. There is a great tendency to perpetuate these legacy systems and not give sufficient resources and weight to the new systems that are necessary to address the new threats of the future.

My challenge to the Congress, and my challenge to the Department of Defense, is to step up and make the unpopular choices, make the very difficult choices to divest legacy systems and structures which are no longer required, or whose value will depreciate quickly in the future, so that we can free up the resources that we must to address the question of providing the right national security apparatus that embraces the potential for a revolution in military affairs and addresses the threats of the future.

Mr. President, I congratulate the chairman, Senator **THURMOND**, and the ranking member, Senator **LEVIN**, for their leadership of a truly bipartison effort which achieves an effective balance across the quality of life of our servicemembers and their families, the readiness of the force, and the modernization of our systems as we enter the 21st century.

This accomplishment is of particular note because this defense bill adheres to the budget agreement of approximately $270 billion, a 1.1 percent decline in real terms over last year's defense budget, and it is approximately 35 percent below the cold war heights.

This defense authorization includes numerous provisions that will enhance military quality of life. It includes a 3.6 percent pay raise for military personnel. It also provides an increase of $660 million in military construction projects, over $250 million of which will fund barracks, dining facilities, and military housing. And this bill directs three health care demonstrations for our military retirees who are Medicare eligible.

This bill also adds over $800 million to the key readiness accounts of our active and reserve forces. We are all aware of the stress that current operations such as those in Bosnia or the Persian Gulf have on military readiness. The funds we have added will support infrastructure maintenance, training, and the availability of parts and supplies to sustain readiness levels.

Despite the gains we have made in areas of quality of life and readiness, we are still well short of the $60 billion procurement goal stated by Secretary of Defense Cohen and his predecessor Secretary Perry which was to have been achieved in fiscal year 1998.

Here we are again proposing a procurement level for fiscal year 1999 that is below $50 billion. Correspondingly, service modernization accounts remain on the margin—well short of the level required to recapitalize our joint capabilities for the 21st century.

And now I would like to comment on several modernization issues from my perspective as chairman of the Airland Subcommittee.

The Army is moving to consolidate the gains from the Force XXI process and to investigate smaller, faster, more lethal, and more deployable forces. But the Army's modernization strategy to pursue this transformation is lacking in areas of aviation, armored vehicles, and trucks, and we have provisions addressing these issues.

And I must say that we have made progress in addressing reserve component modernization thanks to the fine work of Senator **GLENN**, the ranking member of the Airland Subcommittee, to structure a coherent process for the consideration of Guard procurement. First, the budget request included nearly $1.4 billion in procurement for the guard and reserves—about a 50 percent increase over last year. And this bill provides another several hundred million. Clearly, the Senate's bipartisan efforts are having a positive affect on total force integration.

This bill also supports TACAIR modernization programs of the services and we have taken additional prudent steps to ensure these programs stay on track.

Last year, I spoke at length about my concerns with F–22 cost overruns and demonstrated performance. And I must acknowledge that I have these concerns as a supporter of F–22 development. But based on the testimony of the Air Force and the assessment of the General Accounting Office, there are many who share a deep concern over whether we can maintain support for the F–22, whose costs are approaching $200 million per aircraft, if the program does not adequately demonstrate performance and cost control.

This bill takes a very important further step to put key oversight provisions in place that fence the contract award for advance procurement of lot II F–22 until:

10 percent of testing is complete (the minimum specified by the Defense Science Board); or, the Secretary of Defense certifies that a lesser amount of flight testing is sufficient, and provides his rationale and analysis for that certification; however, the funds are fenced until the F–22 flies at least 4 percent of flight tests—the amount now planned prior to contract award—have been completed.

This provision holds the Department to its own plan at a minimum and places the emphasis squarely on the demonstrated performance of the F–22 program. No performance, no money.

This bill also contains a provision on a new joint experimentation initiative that is fundamental to defense transformation.

The Congress has been keenly aware of the need to transform our military capabilities to address the potentially very different operational challenges of the future. The National Defense Panel Report argues that these challenges—which include among other things, asymmetric challenges in power projection, information operations, and weapons of mass destruction—may place this Nation's security at far greater risk than we face today.

This provision includes a sense of Congress on the designation of a combatant commander with the mission for developing, preparing, conducting, and assessing a process of joint warfighting experimentation. Secretary Cohen has signed a charter assigning this mission to USACOM in Norfolk. And the provision lays out a set of reporting requirements from this CINC to keep Congress informed of the status of transformation.

The process of joint experimentation is designed to investigate the co-evolution of advances in technology, with changes in the organizational structure of our forces, and the development of new operational concepts. Accordingly, the purpose of joint experimentation is to find those technologies, organizations, and concepts which provide true leap-aheads in joint warfighting capabilities.

And just as important, it is the purpose of joint experimentation to identify those technologies and concepts which are failures. Some will consider the cost of these failures as wasteful. But quite the contrary. The true failure would be continuing to invest in systems before we really know what will or will not work on the battlefields of the 21st century. And given the level of defense budgets, we cannot afford to invest in systems which fail to contribute markedly to our future warfighting capabilities.

Previously in our history we have found ourselves unprepared for threats we faced at the outset of war. Our Nation rallied to eventually overcome these threats, but at a cost—not only in fiscal terms, but in lives.

In the very near future, technology will enable a different range of threats we must be prepared for. The process of joint experimentation supported in this bill will be central to ensuring our Armed Forces are prepared to successfully meet the national security challenges of the 21st century.

This bill makes great strides in improving the quality of life, readiness, and modernization of the force; and in laying the framework for the transformation of defense capabilities for the 21st century.

Yet there is much more work that needs to be done. The Joint Chiefs testified on Tuesday that defense budgets are not adequate to sustain current readiness and to keep our defense forces on firm footing for the future.

But defense budgets will likely not increase to the levels requested and this will leave the Pentagon, the administration, and the Congress with some tough decisions which must be made. And we need to know what these decisions are and when they need to be made. I proposed that another quadrennial defense review and national defense panel be established in the year 2000 to conduct another comprehensive assessment of defense strategy, policy, and programs. I trust that the defense committees will work to include those provisions in next year's bill.

I would like to thank and acknowledge the distinguished service of the chairman of the Senate Armed Services Committee, Senator THURMOND and the distinguished ranking member of the Airland Subcommittee, Senator GLENN for their tremendous stewardship of defense issues in this Defense authorization bill.

We often ask ourselves: "Where have the heroes gone?". Well I know where two of them have been, and that is working side-by-side with many of us deliberating defense issues. I commend them for their service and wish them the best in all future endeavors. In closing, this bill has my full support, and I strongly encourage all Members to support it.

Mr. THURMOND. Mr. President, again, I wish to thank the Senator for his good work on the Armed Services Committee.

Mr. KENNEDY. Mr. President, I support the conference report on the Fiscal Year 1999 Defense authorization bill. The House and Senate conferees have produced a worthwhile defense bill that deserves to be approved.

Before the conference, the House version contained several provisions that the administration had threatened to veto. We worked effectively in our deliberations with the House to resolve these differences and find satisfactory solutions.

Gender integration in basic military training is the first of these important issues. In the Fiscal Year 1998 Defense Authorization Act, Congress established a bipartisan panel to review gender integration in basic military training. That commission has started its work and will report to us next year. The conference compromise on this issue will enable the commission to finish its work, while requiring each of the services to provide separate, safe and secure housing for male and female recruits with the sleeping areas separated by permanent barriers and limited access.

The second of these issues is production of tritium for the nation's strategic arsenal. The Secretary of Energy has already initiated a comprehensive analysis to determine the best way to produce this material. That study will be concluded by December 31, 1998. The conference report includes a provision to withhold funds for the implementation of the Secretary of Energy's recommendation until full and complete congressional review next year.

The conference report provides needed support for our military forces while maintaining a realistic balance between readiness to take care of immediate needs, and investment in new systems for the future. The report also includes a fully funded and well-deserved 3.6 percent pay raise for military personnel.

We also tried to deal with the important and complex issue of military retiree health care. The report includes a provision for the Department of Defense to initiate a comprehensive test plan to evaluate the best method to provide health care to retired military personnel and their families. The Department of Defense will establish two demonstration plans, which will be evaluated before any future implementation. The first plan will allow selected retirees to enroll in the Federal Employees Health Benefit Plan. The second plan will implement a redesigned pharmacy benefit for Medicare-eligible DOD beneficiaries at two sites. This plan will also provide needed information for reducing out-of-pocket costs for military retirees.

Protecting the safety of our service men and women was also high on our priorities in the conference. The daily operations of our military forces have obvious risks and dangers. All branches of the Armed Forces have made progress in improving safety, but more remains to be done. I commend the Department of Defense for its accelerated installation of needed additional safety systems on military aircraft that carry passengers. The conference report includes additional funding for aircraft safety modifications.

Our troops are at risk from high tech attacks as well. The growing frequency and sophistication of such attacks on the Pentagon's computer networks demonstrate the need for improved protection of critical networks. The conference report recognizes the importance of this effort and supports the Air Force cyber-security program.

In the past 8 years, the Navy-Marine Corps team has responded to over 90 contingencies—almost one per month. As the ranking Democrat on the Seapower Subcommittee of the Armed Services Committee, I am pleased that the conference report provides the support necessary for our naval forces as they modernize to meet the challenges of tomorrow.

The report includes the necessary advance procurement funding for fiscal year 1999 for the Navy's next aircraft carrier, CVN-77. The Navy's procurement schedule for this carrier, revised from its budget submission of last year, will be under the cost cap mandated in last year's Defense Authorization Act. Also, much of the new technology being developed for the next generation aircraft carrier, the CVX, will be included in CVN–77.

The budget request for the 30 Navy F/A–18E/F Super Hornet fighters is included in the report. The Super Hornet combines the outstanding characteristics of earlier F/A–18 models with cutting edge technology in an affordable aircraft with significantly improved performance and endurance.

In addition, the Marine Corps' MV–22 Osprey tilt-rotor aircraft procurement for next year was increased to eight. The Osprey is a vertical take-off and landing aircraft designed to replace the Marine Corps' aging fleet of CH–46 and CH–53 helicopters.

The constructive compromises we reached during the conference on critical issues have produced a comprehensive bill which provides effectively for our national security, and which contains no provisions that would draw a veto.

I also join in commending the distinguished leadership of the chairman of the Senate Armed Services Committee, Senator THURMOND. He has worked effectively with all of us to see that our national security and the needs of our service men and women are met in this legislation. It has been a privilege to work with Senator THURMOND as chairman, and I look forward to continuing our work together on this important issues. It is especially fitting that this bill is named in his honor.

I urge my colleagues to support the Strong Thurmond National Defense Authorization Act for Fiscal Year 1999.

Mr. GLENN. Mr. President, I rise today as we consider the fiscal year 1999 Defense authorization conference to draw the Senate's attention to what appears to be a brewing controversy over the state of our military's readiness. Yesterday, the Committee on Armed Services held a hearing with Joint Chiefs to discuss some readiness issues that recently have been brought to the committee's attention. I believe there are very legitimate concerns regarding recruiting and retention trends, increased Personnel Tempo, as well as pay and benefits comparability, spare parts availability, and growing depot and real property maintenance issues to be examined.

I agree that we must pay very close attention to these issues because we are asking our men and women in uniform to do more today than we ever have during peacetime. We are asking them to do more, not so much with "less," but with fewer and fewer people and that is placing a strain on our military. I believe we must proceed very, very carefully before any further reductions are considered.

I am concerned that our problem may be more basic than these issues I have just mentioned. I have come to this Senate floor many times over the years and have spoken repeatedly in the Armed Services Committee to voice my concerns over the drawdown in our end strength. In my view, I don't believe we should have gone below 1.6 million in our active duty end strength.

I am concerned that with fewer than 1.6 million in end strength our military strategy becomes a bit of a myth, Mr. President. I don't think we can fight two contingencies today with an end strength of 1.4 million. I'm not confident we could repeat Desert Storm and embark on a second contingency if something broke out in Korea.

1.6 million is not a number I pulled from thin air. Rather, it is based on a time-proven formula that requires a force that basically is divided in three. One third of the force is forward deployed and fighting, one third of the force is training for deployment or in transit and one third of the force is maintaining the other two-thirds—manning the Pentagon, plowing the runways, etc.

In the Persian Gulf, we had about 575,000 Americans deployed. That's one major regional contingency or one major theater war (MTW) as we are now calling them. To repeat Operation Desert Storm, we need an end strength of at least 1.6 million. Today, we appear to be falling below the manning levels necessary to conduct our peacetime operations let alone credibly maintain a combat force capable of carrying out two nearly simultaneous major operations.

Mr. President, let me add at this point that I believe those commitments are important. We have alliance deployments in Japan, Korea, and Europe. We are conducting peacekeeping operations on the Kuwait border and in the Western Sahara. Our so-called "Operations Other Than War" also require American service members to be deployed to the Sinai, to Bosnia, to the Persian Gulf in Kuwait and Saudi Arabia and on the border between Peru and Ecuador. We've had deployments to Rwanda, Angola, Somalia, Haiti and Cambodia to name a few other operations that have all contributed to the services' high OPTEMPO and PERSTEMPO. I support these operations.

We literally have saved millions of lives through our presence in troubled areas of the world and I believe that that is an appropriate use of our military forces. The cold war may be over but the killing has not stopped. The United States has no territorial ambitions but we do need to remain engaged. The constant demands on our personnel around the world, however, are not without consequence. We are asking the men and women in our military services to be deployed for longer periods and more often than we have in the past. They have served well through a difficult and turbulent period.

I understand, and I hope my colleagues understand, the rationale for continued reductions in our end strength. End strength cuts are being made in order to generate cash to pay for modernization programs. I agree that our service members deserve the best and most modern equipment available but I do not agree that reductions should be made simply to generate cash. Even if modernization programs can reduce manpower requirements in the long term, in the near term, we still need people to carry out our important worldwide commitments. The time has come to step back and consider how we are going to achieve our goals. We may need more funding for modernization. In my view, we also need funding for more people.

We also need to impose more discipline before simply raising the topline. We should have given the Department base closure authority so we could get unneeded bases off the books. And we should impose more discipline on ourselves. This year we added about $2 billion in items that the Services didn't request in the procurement and research and development accounts. We added over $600 million in military construction add-ons. It is only in the past few years that the Congress has agreed that when adding military construction projects, those projects should at least be projects that the Defense Department wants. Even meeting that criteria, I am not sure that annually adding hundreds of millions of dollars for military construction projects just to "bring home the bacon" is necessarily the best approach to establishing and funding national security priorities.

I am supporting this conference report because on balance I believe it is a good conference report but I do believe that the Congress needs to focus more carefully on true spending priorities particularly as we are learning that there may be some readiness funding problems.

HELPING OUR MILITARY AND SUPPORTING OUR DIPLOMACY

Mr. BIDEN. Mr. President, I support the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. Naming this bill after my good friend STROM THURMOND is a fitting tribute to one of the Senate's greatest defenders of America's military interests. I urge everyone to take a minute to read Section 1, which highlights Senator THURMOND's distinguished record of service and leadership.

As always, finding the right compromises to protect our national security while still living within our budget caps has been hard. Recent events in Iraq and Kosovo, and the attack on our embassies in Tanzania and Kenya are stark reminders of why our diplomatic efforts must be supported by a robust military.

I compliment the Committee on Armed Services, under the leadership of Chairman THURMOND and Senator LEVIN, for its dedicated effort to address some of our nation's critical national security needs. While I do not agree with everything in the conference report, on balance I believe this bill does a great deal of good.

On the personnel front, I know that all of us are pleased with the 3.6 percent pay raise. We know that our patriotic men and women in uniform do not serve in order to make money, but that doesn't change the needs of their families and themselves for adequate recompense. This is a solid step in the right direction.

Along the same lines, I thank the conferees for joining me in supporting an increase in hazardous duty incentive pay for mid- and senior level enlisted aircrew personnel. This necessary increase reflects our commitment to the experienced aircrew personnel without whom our planes could not fly vital missions in Bosnia and Iraq.

I was also pleased to see that this bill recognized the increasingly vital role of our Guard and Reserve personnel in the new Total Force. As that old Oldsmobile commercial said, "this is not your father's" military. Guard and Reserve personnel are absolutely vital to meeting America's leadership commitments around the world, to protecting communities here at home, and to defending national security. Among other things, this bill authorizes the payment of selective reenlistment bonuses, increased funding for Guard and Reserve training, the restoration of up to 800 military technicians (dual-status), and funds for the Guard's Youth ChalleNGe program and STARBASE program.

The conference report continues Congress's effort to address the strains on our ability to provide high quality health care to our military retirees. Both houses of Congress are agreed that more work needs to be done in this area and the demonstration projects included in this year's bill are part of that process.

In looking at some of the provisions in this bill that address foreign relations issues, I am less sanguine. As I said when the Senate dealt with this bill, I do not support the Sense of Congress provision that endorses NATO missions with ground forces that would not include any American troops. This is a dangerous precedent that encourages the erosion of American leadership in NATO.

This bill also addressed satellite transfers. While we do not want to handicap America's satellite manufacturers and telecommunications firms, the most important consideration must always be to safeguard national security. The changes made in the licensing system appear to make sense, despite their being adopted on the basis of a very incomplete analysis of a complex issue. Transferring licensing authority back to the State Department—the same agency that licensed the controversial Loral satellite launch in February 1996—may help, so long as the State Department is given the resources to do the job right. This conference report permits the Department of State to keep all the fees it collects for registration by the Office of Defense Trade Controls—the office which administers licenses for military exports—a sensible approach that is also contained in the Department of State authorization bill. Now the Commerce, Justice, State appropriations conference must adopt a similar provision; otherwise we will be giving the State Department an unfunded mandate that it will be unable to fulfill. We run the risk of exacerbating the problem of perpetually under funding of our foreign policy tools.

One provision addressing foreign policy that I was very pleased to see retained is the amendment that I authored calling for a report on the peaceful employment of former Soviet experts on weapons of mass destruction. The slightly revised provision is now found at section 1309. Section 1309 requires detailed reporting on the former Soviet experts who are at risk of recruitment by a rogue state or terrorist group. I am confident that this language will not require the Department of Defense to produce an impossibly detailed analysis. I am pleased to note that the revised provision will permit the Secretary of Defense to inform Congress of ways to increase the number of former Soviet arms experts whom we assist in their transitions into new occupations. That is a vital national security objective, and it will become even more vital in the coming years as Russia's nuclear establishment is substantially downsized and more of their nuclear weapons experts are left to find new ways to earn a living.

In conclusion, Mr. President, the Strom Thurmond National Defense Authorization Act is a comprehensive bill that addresses many of our military needs. As I have said, there are some provisions that concern me. But, overall, I believe this bill provides some of the bricks that make up the foundation of our national security policy. It takes important steps to improve the quality of life for our most critical national security asset—our military personnel. My overall concern continues to be that it should not take terrorist attacks to realize that spending more on our first line of defense—our foreign policy—is an equally vital part of our national security policy.

SEC. 1512

Mr. LEVIN. Mr. President, I wish to enter into a colloquy with the distinguished senior Senator from South Carolina, the Chairman of the Armed Services Committee, after whom this defense authorization bill is named.

Section 1512 of this bill requires the President to certify to Congress 15 days prior to any export to the People's Republic of China of missile equipment or technology, as defined in the Annex to the Missile Technology Control Regime, that such export is not detrimental to the U.S. space launch industry, and that such export will not measurably improve China's missile or space launch capabilities.

The intent of this section is not to prevent the export of commercial communications satellites to the PRC, consistent with U.S. law and national security and foreign policy interests, nor to harm our domestic satellite industry. The purpose of this section is to ensure that exports of such satellites and related technology to China will not harm U.S. security. As long as sufficient export controls are in force and are being enforced, such exports are consistent with our national security.

Furthermore, this certification requirement for exports to China is not intended to prevent the export of commercial technology for emergency repair of civilian equipment, such as navigation systems required for safe flight of passenger aircraft. If a U.S.-made aircraft requires emergency repair or replacement of its navigation system while in China, we would not want to delay such required repair unreasonably.

I wish to ask the Chairman if he shares this view of Section 1512.

Mr. THURMOND. Mr. President, I agree with the view expressed by my colleague, the Ranking Minority Member of the Armed Services Committee. He has stated correctly the views of the Senate and the House in agreeing to Section 1512 during the conference on the defense bill.

With regard to concerns that the requirement for a 15-day advance certification concerning the export of items listed in the MTCR Annex to the PRC would delay the ability to provide spare parts for in-service civilian commercial aircraft in an emergency while in the PRC, it is not the intent to delay the export of items for emergency repair of in-service civilian commercial aircraft while in the PRC.

This view, however, should not be mistaken as a green light to stockpile technology and spare parts which are on the MTCR Annex above what is necessary to provide emergency service for in-service commercial aircraft.

Mr. LEVIN. I thank the distinguished Chairman of the Armed Services Committee for helping to clarify the intent of this provision.

C-130 TRAGEDY

Mr. WYDEN. Mr. President, in November 1996, there was a tragic accident off the coast of California that claimed the lives of 10 out of 11 airmen, the crew of an Air Force Reserve C–130 aircraft out of Portland. All of these crewmen were from my home state of Oregon.

This was a devastating loss for all of us, but most of all for the families of those airmen who lost their lives. After any tragedy like this, the first question on everyone's minds is "why?" Why were my loved ones taken from me? This is what the families of these airmen wanted to know, but no one would give them a straight answer.

After many, many months of frustration, these families came to me and my colleague from Oregon, Senator SMITH, to get the Air Force to tell us exactly what happened.

As a result of working with these families, with the Air Force, and with the committee staff, and with Senator LEVIN in particular, we were able to craft some language that is now included in the Defense Authorization Conference Report that we are considering today. This language takes a two pronged approach to dealing with the pressing issues the families have raised: improving crash investigations, and eliminating the secrecy in which these investigations are shrouded.

Specifically, the language directs the Defense Department to review the way it conducts aviation accident investigations so that they are conducted in as thorough and objective a manner as possible, including making sure crash investigators receive the best training, and ensuring that the military department coordinate and share information on fleet safety. The bill also urges the Pentagon to seek the advice of the National Transportation Safety Board in improving investigation procedures, and I intend to make sure their valuable input is part of their review.

Secrecy has long been the hallmark of these investigations and has kept loved ones in the dark about what happened and why. We have worked to reduce the secrecy involved in the investigations of tragedies, and this legislation takes a solid step forward in providing families and the public with better information.

That's why this language also requires the Department of Defense to issue regulations to provide to family members periodic reports on the progress of investigations. I also spoke with Secretary Cohen about this recently, and he has pledged to make a solid effort to make sure families are kept informed of the progress of investigations.

It's important that we eliminate secrecy from these proceedings. The last thing we should do is add to these terrible tragedies by keeping the families in the dark about the status of these investigations. From day to day, from week to week, from month to month, these families had to cope with not only the incredible pain of losing a loved one, but with the incredible frustration of not knowing the status of the investigation into their deaths. This new language seeks to put an end to this type of treatment. We owe it to the men and women who give their lives for their country.

TRITIUM PROVISION

Mr. LOTT. Mr. President, yesterday the Chairman of the Armed Services Committee, Senator THURMOND, along with Senators WARNER, SMITH, and KYL entered into a colloquy on the tritium provision in the pending National Defense Authorization Act Conference Committee Report.

While I was not available to participate in that colloquy, I would like to make a few comments on this subject.

First and foremost, the restoration of tritium production is absolutely critical. Without tritium, our entire nuclear deterrent would be left inoperable. Our nuclear warheads cannot function without replacement tritium. And time is wasting.

For those who do not know, tritium is a radioactive gas that is an essential component of modern nuclear weapons. It decays at a rate of five-and-a-half percent per year, so it has to be continually replaced. We have not produced tritium in this country since 1988, when the reactors at the Savannah River Site in South Carolina were shut down. Since that time the Department of Energy has examined countless options and technologies, but has not yet selected a new source. We cannot afford to delay this program. The potential costs of delay are too great.

The Chairman of the Armed Services Committee, Senator THURMOND, had a difficult Defense Authorization conference with the House this year. Chairman THURMOND and the other members of the Committee negotiated over 570 legislative provisions and more than 1,000 funding differences with the House. The final result was a strong bipartisan bill. In fact, for the first time in many years, all the members of the conference, both Democrats and Republicans, signed the final conference report.

Tritium was one of the most difficult issues that had to be addressed. The House and Senate bills had wildly differing provisions on this topic. In addition, there was a Presidential veto threat on one of the House tritium provisions. Chairman THURMOND, as always, put all other interests aside and delivered a compromise that put the national security interests of the U.S. ahead of all other interests. I am confident that his provision will keep the tritium program moving forward.

However, there remain some disagreements as to the best method to produce tritium. It's not my place to comment on that today. I will say that under this conference agreement, Energy Secretary Richardson will be required to select his preferred technology in December of this year. I expect him to meet that requirement.

I might also say to Secretary Richardson that the conference report requires him to submit along with the President's fiscal year 2000 budget request, a plan to implement whichever technology he selects in December. I expect him to identify the funding requirements, schedule, and legislation necessary to restore tritium production in time to meet Defense Department requirements. In order to be credible, his implementation plan must include adequate funding in fiscal year 2000 and beyond.

This matter is too important to the national security of the United States to be undermined by deficient budget requests or lack of attention on the part of DOE.

Furthermore, I put my colleagues on notice that I intend to be fully engaged in the debate when this matter comes before the Senate next year. Let me assure all interested parties that I intend to ensure that only one interest will dictate the outcome of that debate—the national security interests of the United States. The safety and security of the American people require all of us to ensure that there are no further unnecessary delays—for any reason.

Mr. BINGAMAN. Mr. President, I'd like to join my colleagues in saluting the chairman of the Armed Services Committee, the distinguished Senator STROM THURMOND, whose leadership, together with the ranking member, Senator LEVIN, has produced the fiscal year 1999 Defense authorization bill which is named in the chairman's honor. Thank you, Mr. Chairman, for your untiring efforts, both for putting together this bill and for your long and distinguished service to our nation. We are a grateful Senate and a grateful nation.

Achieving this year's defense bill has been no easy task. Every defense budget represents the outcome of an annual debate concerning competing national security priorities. Everyone is familiar with the litany of our defense needs: procurement and modernization, quality of life for defense personnel, operations and maintenance, research and development, training, medical care, and so forth. This year is no different.

Much has been said about the lack of funding for procurement and modernization of military equipment. Certainly, by historical standards we are far below cold war levels. But our defense needs have changed and will continue to do so. We need to look carefully at the capabilities and quantities of weapons that we will need in the future—particularly in areas where technology could provide lower cost alternatives of getting the job done.

Nevertheless, in this year's conference report the Congress is taking a step towards meeting those procurement needs. Funding for procurement is up from $49.1 billion requested by the President to $49.9 billion authorized by the conference.

The conference also took steps to increase funding for quality of life priorities. Funding for military construction and family housing was increased from $7.8 billion to about $8.5 billion.

But those increases come at a cost. In balancing priorities while remaining within the budget agreement cap, this budget pays the bill by reducing funding in other categories. Funding for research and development, operations and maintenance, and Department of Energy defense activities, for example, were funded at lower levels than requested by the Administration.

Are those tradeoffs the correct ones from the point of view of our national security? Or are they the outcome of partisan negotiations to meet parochial needs?

I remain concerned that the teamwork that's needed between the Department of Defense, the Administration, and the Congress to produce a defense budget that meets our real military priorities is flawed. While the Congress took steps to increase procurement funding, many of those purchases do not reflect the priorities stated by the military services themselves. The cost of those purchases were bought by cuts to readiness accounts that must now be repaired through an emergency supplemental agreed to by the President.

Similarly, we risk mortgaging our long term security future by cutting funding for research and development, particularly for basic research. I am pleased, however, that this bill includes a provision that sets successively higher goals for research and development funding during the next decade. I am hopeful that implementation of that provision can enable us to avoid having research and development remain the billpayer for future defense spending increases.

I applaud this bill for its many specific provisions that serve the simultaneous interests of my New Mexico constituents and the nation's security.

The bill contains $4.3 billion for weapons activities at the Department of Energy National Labs, approximately half of which will support work being done at Los Alamos and Sandia.

That work will support the stockpile stewardship program that will enable us to ensure the safety and reliability of our nuclear weapons stockpile without building new ones and without testing old ones.

I am hopeful that continued funding for the stockpile stewardship program will enable us to move forward in the Senate with ratification of the Comprehensive Test Ban Treaty next year.

The bill also includes essential funding for the Cooperative Threat Reduction and the Initiatives for Proliferation Prevention programs intended to prevent the proliferation of nuclear weapons and materials through cooperative efforts with Russian nuclear laboratories and scientists. Our laboratories in New Mexico are working closely with their Russian colleagues to benefit the security of both nations against the threat of weapons of mass destruction in the hands of terrorists or rogue governments.

The bill also provides essential funding to remedy the disrepair of the nation's finest weapons testing facility, White Sands Missile Range, in southern New Mexico. Without those funds, we won't be able to assure the technologies and military capabilities to have the effective fighting forces we will need for the nation's future defense.

The bill also includes key quality of life improvements for our military personnel at Cannon, Kirtland, and Holloman Air Force bases. Units from those bases have served honorably and effectively in Bosnia and the Persian Gulf. The personnel and their families assigned to those bases appreciate the support they are given in this year's defense bill.

Mr. President, I support this conference report and urge my collegues to vote in favor.

Mr. MURKOWSKI. Mr. President, let me commend the senior Senator from South Carolina, Senator THURMOND, and Senator LEVIN for having completed work on this important conference report on the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. I particularly want to express my appreciation to Senator THURMOND and Senator WARNER and their staff for working with me and my staff to address the provision that the House of Representatives had attempted to include (section 1216) which would have negatively impacted the export capabilities of U.S. vendors of civilian nuclear power equipment. I am pleased to say that the Senate conferees were able to replace the House language regarding nuclear exports with an acceptable notification requirement in Section 1523.

Mr. President, as some of my colleagues are aware, the House of Representatives had added language that would have changed the reporting requirements for nuclear exports and added a congressional disapproval process. The change in the export law contemplated by the House of Representatives was unwise and unnecessary.

A change in the reporting requirements was unnecessary because the Nuclear Regulatory Commission closely regulates the export activities of U.S. nuclear vendors. The nuclear export licensing process by law requires not only public notice of export license applications as soon as they are received by the N.R.C., but also the opportunity for public intervention with the N.R.C. prior to issuance of a license. Moreover, the N.R.C. is not allowed to issue an export license for any nuclear equipment and technology unless the government of the recipient nation has negotiated, signed and implemented a bilateral agreement for nuclear cooperation with the United States. Such agreements provide the United States with a broad array of inspection rights and control over the fuel cycle. I am unaware of any allegations that, under this regime, the United States has exported any nuclear material or technology which has been diverted for military or proliferation purposes. Since our export control system appears to be working, it is difficult to see why it should be altered or supplemented.

A change in the reporting requirements was unwise because it would negatively impact U.S. exporters of civilian nuclear power equipment without advancing any national security goal. Although the author of the provision made clear that his proposal was designed to add restrictions to trade in civilian nuclear power equipment and technology with China, it would have impacted many other countries, including Brazil, Argentina, South Africa, Kazakhstan, Ukraine and Taiwan who purchase U.S. nuclear goods. I am convinced that, faced with new restrictions, all these countries would be extremely reluctant to deal with U.S. suppliers. Certainly, European and Canadian suppliers would use such new restrictions as part of their commercial armory to argue that, for these countries, dealing with U.S. suppliers is complex, time absorbing, and subject to political whims, while their procedures are simple and straightforward.

Some members may want to block trade with China in civilian nuclear goods and technology. But, my colleagues should recall that President Clinton sent to Congress the certifications necessary to implement the Reagan Administration's 1985 Agreement for U.S.-China Peaceful Nuclear Cooperation on January 27, 1998. The Congress considered those certifications for 30 legislative days, as provided by law. Existing law provided the opponents of the certifications with every opportunity to challenge the Administration's determination. However, no attempt was made to pass a resolution of disapproval of those certifications, and consequently, the 1985 Agreement went into effect on March 19, 1998. Any changes made after the fact would be seen as aimed at impeding or delaying such cooperation and, as such, could seriously undercut the non-proliferation assurances China provided as a condition of implementing the nuclear cooperation agreement. Moreover, as a matter of principle, moving the goalposts regarding certification after the fact is unfair.

Mr. President, again, I want to thank the managers for their assistance on this important matter.

Mr. FEINGOLD. Mr. President, I come to the floor today to register my opposition to the fiscal year 1999 Department of Defense Authorization conference report. Sadly, we continue to spend precious military resources on unneeded, unwanted, pork-barrel projects, all at the expense of our military's legitimate needs.

Mr. President, our military needs to be lean and mean, not weighed down with unnecessary, unwanted, expensive pork. We don't need to spend more money, we need to spend money more wisely. Our military leaders have begun to recognize this and some of my colleagues in Congress have recognized it. I hope we can work together toward a more wisely funded military.

I am not alone in my call for more efficient and accountable military spending. Lawrence J. Korb, President Reagan's Assistant Secretary of Defense, recently issued a rebuke of the state of the Pentagon's military spending. He said,

> The problem is not lack of money or aging equipment . . . the Pentagon is buying the wrong weapons. The military behaves as if it is still in an arms race with the Soviet Union, buying $2 billion bombers, $3 billion submarines and $5 billion aircraft carriers . . . Russia, China, Iran, Iraq, North Korea—throw in Libya or whoever else you want—all of them together don't spend as much on the military as we do.

Mr. President, I couldn't agree more. There is no Cold War. It's over. We need to move toward a 21st century military force. This conference report fails to adequately modernize our armed forces and move toward that goal.

As my friend from Arizona, Senator McCAIN, has so eloquently stated year after year, it's unconscionable that we spend billions of dollars on pork-barrel projects that the Pentagon doesn't need and doesn't want.

Mr. President, we can't afford to pretend we're still dealing with the Cold War Soviet threat. Military leaders agree that we need lighter, faster and more agile forces. This strategy does not include wholesale purchase of cumbersome B–2 bombers, new attack submarines, or Cold War-era heavy tanks.

One particular program epitomizes the worst of pork-barrel politics. The C–130 air cargo planes have sapped billions of dollars from vital military programs even though our military leaders are incessant in their pleas to end the harmful practice of forcing the Pentagon to buy more planes than it needs.

Mr. President, since 1978, the Congress has added a whopping 263 C–130s for which our Department of Defense has not asked. That's right—the taxpayers have paid for 263 C–130s the Pentagon didn't need. If you lined them up wing to wing, that would be six and a half miles of unwanted airplanes, with the taxpayers on the hook for $22.4 billion. This assault on military planning hamstrings readiness, equipment, and compensation for our soldiers. As we all know, these are the precise areas which the Joint Chiefs of Staff testified this week were at greatest risk. Politicians who want to bring home the bacon at taxpayers' expense should not be second-guessing the judgment of our military leaders in this way.

This conference report follows in the dubious footsteps of its ancestors by authorizing 7 C–130s, while the Pentagon asked for only one. Not only does it take from other procurement money, but DoD must divert operations and maintenance money to look after all these unneeded planes. This is the height of irresponsibility and shortsightedness.

Finally, Mr. President, I would like to congratulate my distinguished colleague from Iowa, Senator GRASSLEY. He held a hearing on Tuesday to discuss accounting fraud at the Pentagon. His continued efforts to rein in obvious and debilitating fraud at the Pentagon need to be applauded. Perhaps the Senator's most important finding is summed by his quote, "If we put adequate controls on the money we have, there should be no need for more defense spending."

That, Mr. President, sums up my point, as well. We don't need to throw good money after bad with pork-barrel spending in our military budget. What we need to do is spend our money more wisely. That is how we will move toward a lean, efficient, and effective military. This conference report does not move toward the new 21st century military force.

I thank the chair and I yield the floor.

Mr. McCONNELL. Mr. President I rise today to discuss the Defense Authorization bill. I support this bill and believe the Conferees have acted appropriately and supported the vital needs of our national security. However, I strenuously object to one provision that I believe is a grave mistake.

Section 1075 of H.R. 3616 inserts language which would have the effect of changing the tax structure of the Commonwealth of Kentucky. Mr. President, this is a terrible and misguided assault on the rights of Kentucky to levy income tax. I believe this decision sets a dangerous precedent and will harm citizens of my state.

Fort Campbell is a unique military post which straddles the Kentucky-Tennessee state lines. As a result, many residents of Tennessee go to work every day across the border in the Commonwealth of Kentucky. Currently, those who work on the Kentucky side of Fort Campbell are subject to Kentucky's state income tax. Section 1075 takes away Kentucky's ability to legally enforce its state tax on these employees. As a result, Kentucky will lose millions of dollars a year in revenue. I am unable to come up with any justification for the Armed Services committee to impose its will on the Commonwealth of Kentucky in this manner.

Mr. President, for the Armed Services committee to take this action astonishes me. This issue should be debated and resolved by the impacted states. By imposing this solution, the Armed Services committee has effectively foreclosed any opportunity for future negotiations.

My colleague from Kentucky, Senator FORD, has made lengthy remarks on this issue, and I agree with much of what he said. However, I do take offense at the partisan barbs, as they are unwarranted and unproductive. Perhaps the diatribe was cathartic, but cheap shots get us no closer to the solution.

That said Mr. President, like my colleague from Kentucky, I will vote for final passage of this bill. It contains a number of items that I encouraged the committee to adopt, and I thank them for their consideration.

Ms. LANDRIEU. Mr. President, on Monday, the Senate adopted the conference report on H.R. 4103, the Department of Defense Appropriations bill. I wanted to take this opportunity to discuss a relatively small part of this budget which has a huge impact on my state.

Outside of the City of New Orleans, we have one of the few remaining shipyards in the country that still builds ocean-going ships for the Navy. Avondale Shipyards is a key employer in the area. With over 5,000 working men and women, it is the largest private employer in the region. Louisiana has a proud maritime tradition, and has a particular expertise in ship building. As a shipyard of tremendous capacity and infrastructure, and the host of the Maritime Excellence Center, Avondale has played an important part in the development of this industry.

However, Avondale has also maintained a record of labor relations which Judge Evans of the National Labor Relations Board termed "outrageous and pervasive." This is not the image of Louisiana's growing maritime industry that I want projected. I believe that Louisiana should be the world leader in shipbuilding, but I also believe that we cannot attain that status through substandard wages and unsafe working conditions. Many manufacturing sectors in our country have been faced with international competition that created difficult times. The way these industries rebounded was not to turn back the clock on progress made in working conditions and wages. Instead, our industrial sector did just the opposite: they grew more hi-tech and more specialized; they invested in their workers, and they invested in new technologies. This is the only route to true success and leadership. Louisiana's shipyards will never be able to compete with countries like China and the Phillippines on the basis of wages—the key is to concentrate on American strengths: technology, craftsmanship and quality.

That is my goal for Avondale. To help them become a world leader, and transition away from practices which threaten that objective. The seemingly endless dispute between management and labor at Avondale is a huge impediment to the process. I am ready to work with anyone who in good faith seeks to resolve the problem. In this spirit, I have talked to the Navy about Avondale and inquired about the significance of labor relations in Navy contracts. Let me be clear, I did not make these inquires to block contracts from being awarded to Avondale. It benefits no one to have workers loose their jobs and the state diminish its industrial base in order to make a point. This is especially true when we should have a Fifth Circuit Court of Appeals decision on the union election in the near future.

I voted for the Defense Appropriations bill, because I believe in a strong defense. I also voted for the Defense Appropriations bill because I believe in a strong Avondale. The government provides over eighty percent of Avondale's contracts. The shipyard cannot function without them. I have no intention of jeopardizing Avondale's future. My sole objective is to facilitate my state's future success in the maritime field. Avondale must be part of that success. This long-standing labor dispute should be resolved at the earliest possible time to achieve that end.

Mr. DOMENICI. Mr. President, I rise today to offer strong support for the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999. As several of my colleagues in the Senate have also recognized, we owe a great deal of gratitude to Senator THURMOND. As a soldier and as a Senator, he has fought to defend our country and safeguard our national interest.

I thank Senator THURMOND his unceasing commitment and untiring service to this country and its institutions.

Mr. President, this legislation contains many positive things for the state of New Mexico—both in the programs funded and the changes made to enhance research and development efforts.

The most significant contribution made by this legislation to R&D efforts in our state will be realized by eliminating several barriers to cooperation between national laboratories and the private sector. The partnerships among our federal laboratories, universities, and industry provide important benefits to our nation.

A substantial amount of benefits are attainable in New Mexico, given the unique assets in this state. These partnerships help to create innovative new products and services that drive our economy and improve our quality of life.

I am pleased that this year's conference ruled favorably on so many of the requests for increases that I put forward. Many of these increases will leverage unique assets and capabilities in New Mexico to ensure that our national interests are protected.

The bill authorizes $4.5 billion for Department of Energy defense activities, much of which is done at Sandia National Laboratories and Los Alamos National Laboratory (LANL), in addition to DOE's Lawrence Livermore facility in California. Approximately $2.5 billion of this authorization will be spent in New Mexico.

In addition, the Defense Environmental Restoration and Waste Management programs are authorized at $5.44 billion. Of that, approximately $415 million will be spent in New Mexico for waste management functions, environmental restoration activities, technology development efforts, nuclear materials and facilities stabilization functions, and a variety of cost-cutting and program support initiatives.

Several other important items for defense efforts in New Mexico that are authorized in the bill.

For example, this year's authorization for the High Energy Laser System Test Facility (HELSTF) at White Sands Missile Range is $23 million, including $8 million for solid state laser research. An additional $10 million is authorized for further research in the Theater High Energy Laser (THEL), an effort jointly funded and supported by Israel.

The Exploratory Development of Advanced Weapons technology at Kirtland's Air Force Research Laboratory is authorized at $129 million for the coming year.

A total of $40.2 million is also authorized to support the Advanced Radiation Technology Program at Kirtland's Air Force Research Laboratory (AFRL). The lab is using its expertise in laser technologies to develop a new deep space imaging system, in addition to a special interactions development program.

$24 million is authorized for Space and Missile Rocket Propulsion Program. The Air Force Laboratory at Kirkland is involved in this program.

The Ballistic Missile Technology Program is authorized at $16. This funding was not included in the President's request. Kirkland AFRL and White Sands Missile Range are involved in this program.

$75 million is authorized for the Advanced Spacecraft Technology Program, $32 million more than the budget request. These funds will advance space plane development, the Clementine microsatellite program at Kirkland AFRL, and the Satellite Orbital Transfer Vehicle which is worked on at the New Mexico Engineering and Research Institute.

In a related endeavor, a total of $10 million is authorized for the Scorpius Low-Cost Launch program. This program utilizes assets at New Mexico Tech in Socorro and will be tested at White Sands in the coming months.

The Airborne Laser Program is authorized at $235 million. The Special Programs Office for this critical Air Force effort in theater missile defense is located at Kirkland, and this program relies heavily on basic research in directed energy and adaptive optics at the AFRL there.

The Air Force Operational Test & Evaluation Center (AFOTEC) at Kirkland is authorized at $29.5 million. This is $5 million more than the President's budget request and will support the Initial Operational Test and Evaluation Center's independent operational tests to evaluate weapon systems operational effectiveness and suitability.

The Defense Advanced Research Projects Agency's (DARPA) Flat Panel Display Program is authorized at $41. This includes an earmark of $7 million for High Definitions Systems in integrated command and control technology.

The Warfighter Information Network is authorized at $132.1 million for procurement of weapons communications equipment, including the Echelon Above Corps (EAC) communications program. This authorization level includes a $35 million increase to continue modernization of the Army's tactical voice and data communication system. Laguna Industries at the Pueblo of Laguna is involved in producing these shelters.

$21.9 million is authorized for Ground Penetrating Radar Program & Landmine Warfare & Barrier Technology, including a $2 million increase for a ground radar and vehicle mounted mine detector.

Also, this legislation authorizes military construction for several projects critical to the viability of New Mexico's military installations.

This bill authorizes $6.8 million for the Nuclear Weapons Integration Facility and $1.8 million for the Fire Training Facility, as well as $6.4 million to improve family housing at Kirkland.

Holloman is authorized $1.3 million for improvements to its War Readiness Materials Warehouse and $11.1 million to construct a state-of-the-art physical fitness center.

$3.6 million is authorized for improvements to family housing at White Sands Missile Range, and a $3.3 million authorization is included to allow New Mexico's National Guard to build the Taos Armory.

An additional $8 million is authorized to support the Big Crow Program Office—DoD's only asset for testing high power stand-off jamming capability in electronic warfare scenarios.

These are some of the major programs related to U.S. military capabilities and research and development efforts that reside in the state of New Mexico. I thank Chairman THURMOND and the Senate Armed Services Committee for recognizing and supporting the many contributions to our national security needs that are based in New Mexico.

Unfortunately, however, I cannot pretend that the measures contained in the legislation will ensure U.S. security. I cannot in good conscience purport that this legislation—or any legislation—can solve the current crisis faced by the armed forces.

The strength of the U.S. military cannot simply be measured in numbers of soldiers or the state-of-the-art weapons they possess. The fortitude of this country's military is not only based on advanced weaponry, but rather is also a reflection of the strength of its morale.

Mr. President, the morale of our military is under siege. When retired colonels are heard commenting that in their half a century of hanging around soldiers they have seldom seen the cutting edge of our fighting forces so dull, nor morale lower, there is good reason for concern. Rather than focusing on the hardware issues encapsulated in the term "modernization," I would like today to emphasize the problems with readiness, morale and quality of life. Equipment is secondary to the wellbeing of the men and women in uniform. The best weapons cannot bring about victory without adequate training in their use and the firm loyalty of the soldier to buttress the military objectives fought for.

We are now in our fourteenth year of decline in defense spending. What can no longer be ignored is that the increase in non-traditional deployments coupled with down-sizing is steadily eroding readiness and morale.

Our reduced force structure is overextended. Overextension is eroding retention rates, quality of life, operational readiness, and, most importantly, morale. Whereas the U.S. military had 22 foreign missions during the 1980s, they have already been involved in 36 foreign missions since 1990.

At the same time, our forces have been down-sized by 35 to 40%. In addition, forward basing has decreased by two-thirds—from 39 major installations to 13. This translates into more forces based in the U.S. while deployments are overseas.

The result? More frequent and longer deployments, due to down-sized forces and up-sized involvement in foreign missions. The OPS TEMPO required under these constraints lead to grueling days even after returning home from prolonged overseas missions.

Some soldiers are currently required to spend up to 150 days away from their families annually. Then, upon returning home, they still have too many additional duties to really spend quality time at home.

Retention rates continue to plummet, especially in the Air Force. This is not happening because we are not offering generous pay bonuses to re-enlist. Last year, 800 pilots refused re-enlistment bonuses of $60,000. The Air Force is planning to increase these bonuses to $110,000, but the Air Force is also planning for this problem to get worse.

Why? Although military planners contend that competition with a booming U.S. economy and the private sector is the cause for defection, the reality is more complex and points to the same problems already discussed. Heavy deployment schedules and no down-time between deployments cause stresses on service personnel, especially those with families.

A related issue is that the men and women in our armed forces increasingly believe that their loyalty is a one-way street. In addition to demanding more for less from our soldiers, their quality of life is also eroding.

The United States, the wealthiest and most powerful country in the world, currently has military men and women who require food stamps to provide for their families. The Defense Department says it would be "too expensive" to solve this problem.

Housing for our military families is also inadequate. According to a study from the Defense Science Board, 62 percent of our barracks and 64 percent of our family housing are unsuitable. In the face of this, the President's request for military construction and family housing for 1999 was $1.1 billion less than Congress provided in 1998.

Some in Washington are saying this is a money problem. It is a money problem, but it is also more than that. It is also a leadership problem, and it is a question of how competently our defenses are being managed.

Our pilots and other specialists are leaving the services in droves not just to get better paying jobs; they are also leaving because they are being worn out; and they are not getting the support they need from their own leadership. They are being worn out by repeated deployments. And they are not always convinced that what they are being asked to do makes sense.

Back home their spouses resent the military for turning their families into single-parent households. And the quality of life offered to these military families can't begin to compensate.

Is it any wonder that with a booming economy and plenty of good jobs available in the private sector that our soldiers are voting with their feet? Is it any surprise that given inadequate housing for the families back home that they rarely see due to deployments abroad for missions they don't understand that our soldiers are frustrated, ill-prepared and low on morale?

Perhaps most disturbing, I am beginning to see too many reports that the leadership is not addressing the real problems. There seems to be an emerging question of the confidence in our military's senior leadership. There is a growing concern that the top leadership is not willing to make the hard decisions to restrain our military missions to the available human and material resources or to expand those resources to meet the increasing demand.

That brings us back to the question of money. There is simply not enough money in the defense budget as it is currently projected to do everything that needs to be done. There is an effort underway to provide emergency supplemental funding for military readiness. I support that effort. However, this will not solve the bigger problems.

Our military leaders are beginning to agree. In a recent Armed Services Committee Hearing with the Joint Chiefs, U.S. military leaders finally conceded that they do, indeed, have a severe problem. The $1 billion in supplemental funding will help, but according to the most recent Joint Chiefs' testimony, between $10 to $13.5 billion would be necessary in the coming year to meet U.S. defense needs.

One thing is blatantly clear. We must strive to adequately feed, house, and train our most precious military resource—the men and women in our armed forces. To do this will mean more resources for our defense budget and it will mean better management of the resources—human and material—that we already have.

For next year, for the fiscal year 2000 budget, I believe, we need to start the new millennium by at least stopping the ebbing tide and end the 15 year decline.

Each year the Armed Services Committee is given the difficult task of balancing between current and long-term readiness under current budget constraints. In recent years, they have had the impossible task of ensuring that personnel, quality of life, readiness, and modernization programs are adequately supported, while funding levels remain insufficient to achieve that objective.

The Committee recognizes, as do most of us concerned about our national defense, that combat readiness of our armed forces is at risk. The risk is a function of older equipment resulting from inadequate modernization and a force structure too small to meet ongoing demands. Aging equipment and weary soldiers cannot possibly defend this country adequately. Nor can dominance result from this equation.

I am gravely concerned about preparedness, modernization and procurement. However, I am most concerned about the human element of our armed forces. The best equipment and the most rigorous training cannot compensate for too lengthy, too frequent deployments and time away from loved ones.

Mr. President, the solution is clear. We must stop the ebbing tide in our national defense budget. If we don't the hollowing out of our military forces will continue. Our national security will be at risk during a time of international uncertainty and growing threats. Our soldiers deserve better and U.S. citizens are counting on us.

Mr. THURMOND. How much time do I have remaining?

The PRESIDING OFFICER. Six minutes 10 seconds.

Mr. THURMOND. Mr. President, I want to thank the leadership of the Senate for their cooperation and support in bringing this conference report to the floor for approval of the Senate. The bipartisan support of both the majority and the minority leaders is critical to successful passage of the conference report of such magnitude.

The majority leader, Senator LOTT, a former member of our committee, recognizes the importance of this bill and has always given his full support and assistance in passing a bill of this nature. I thank him for his time and support and all he has done in this respect.

I extend my appreciation to the leadership staff and the floor staff for their assistance which is essential to passing this large, complex bill.

In that connection, Mr. President, I wish to especially commend Les Brownlee, staff director of the Armed Services Committee. He has rendered yeoman service to this committee, and I can't say enough in support of all he has done. George Lauffer, the deputy staff director, has also been most faithful and has done an outstanding job. We appreciate that and thank him for what he has done in this connection. I also wish to thank David Lyles on the other side, and those who worked with him, for their fine cooperation and support. They have been most cooperative and have rendered a great service.

Mr. President, we appreciate the work of two House Members. We thank FLOYD SPENCE, who happens to be from my State, for handling the House bill. He is an outstanding gentleman of character and ability, and I thank him for all he has done in cooperating with us on the defense legislation. IKE SKELTON, a Democrat, who works with Congressman SPENCE, has also been cooperative and helpful, and I express my appreciation to him, too.

I yield the floor.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Washington, suggests the absence of a quorum and, without objection, directs that the time be divided equally between the two sides.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Two and one-half minutes.

Mr. THURMOND. Mr. President, I yield that to the able Senator from Texas.

Mrs. HUTCHISON. Parliamentary inquiry, Mr. President. Is it possible for me to ask unanimous consent to go into morning business rather than take from Senator THURMOND's time? I wanted to talk about the 40th anniversary of NASA.

The PRESIDING OFFICER. There is an order that a vote occur on the defense authorization bill at noon. The request is in order and will probably be charged against both sides.

Mrs. HUTCHISON. If that is acceptable, I ask unanimous consent to have 5 minutes to speak on the 40th anniversary of NASA.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

THE 40TH ANNIVERSARY OF NASA

Mrs. HUTCHISON. Mr. President, on October 1, 1958, the National Aeronautics and Space Administration (NASA) was created. No other Government agency better represents the hopes and experiences of our Nation during the course of its existence than NASA. To recall why that is so, let's look back to where we were 40 years ago.

In October 1957, the Soviet Union launched Sputnik 1, the world's first artificial satellite. Many have claimed this had a "Pearl Harbor" effect on the American people and galvanized public opinion in favor of an aggressive U.S. space program. Americans believed that the Soviet Union had gained a significant technological advantage over the United States—bomb shelters were built at an even more rapid rate as we turned our attention to the space race.

Then-Senator Lyndon Johnson, from my state of Texas, said that the launch of Sputnik was "* * * a new era of history dawning over the world." He warned a Texas audience that, "The mere fact that the Soviets can put a satellite in the sky * * * does not alter the world balance of power. But it does mean they are in a position to alter the balance of power."

Shortly thereafter, Senator Johnson introduced legislation to create NASA and harnessed the energies, talents, and aspirations of a nation embarking on a bold, new enterprise. The act reflected a remarkable unanimity by the American people and a commitment to science and exploration.

NASA wasted no time in bringing America into the space race. Shortly after it was formed, NASA conducted several exciting programs that launched us ahead of the Soviet Union in our quest to conquer space.

One of the most important initiatives involved human space flight—Mercury's single astronaut program, Project Gemini's operations and Project Apollo to explore the Moon. These names conjure up strong images of fearless astronauts doing the impossible. In 1961, Alan B. Shepard became the first American to fly in space. Of course, we remember him because he died just recently. In 1962, JOHN GLENN, who now serves with us in the U.S. Senate, became the first American to orbit the Earth. Project Gemini allowed two astronauts to travel in space. On Gemini IV, Edward White became the first American to conduct a space walk.

In 1969, just 11 years after the creation of NASA, and less than a decade after President Kennedy committed America to the project, Apollo 11 landed on the Moon and Neil Armstrong and Buzz Aldrin made the dramatic "leap" for mankind. NASA completed five more lunar missions and learned much about the origins of the Moon, as well as how to support humans in outer space. Twelve American astronauts walked on the Moon during the six Apollo missions. Nothing symbolizes the uniqueness of this great Nation better than the American flag flying on the lunar surface.

In 1975, NASA joined hands with its former competitor in the space race and cooperated with the Soviet Union to achieve the first international human space flight. This project successfully tested joint rendezvous and docking procedures for spacecraft from the United States and the Soviet Union.

In 1981, the advent of the space shuttle ushered in a new era of space travel and exploration. By creating a reusable launch vehicle, NASA was making access to space now more affordable. The disaster of the *Challenger* brought the shuttle program to a rapid standstill. It was a harsh reminder that the exploration of space is a dangerous and unpredictable undertaking. Seven astronauts gave their lives on that mission in an effort to further our knowledge of the universe. We owe them and their families our eternal gratitude and respect.

Two years after the CHALLENGER disaster, we returned to space. Through mid-1998, NASA has safely launched 65 shuttle missions. These missions have included a wide variety of scientific and engineering missions. There are currently four shuttles in NASA's fleet and NASA is working with the private sector to reduce the cost of space flight even more. Two experimental vehicles, the X-33 and X-34, are prototypes for cheaper, more efficient reusable launch vehicles that would provide commercial entities with access to space. I commend NASA for continuing to look to the future and the challenges that lie there.

One of our colleagues, JOHN GLENN, is scheduled to return to space on October 29th. It was in NASA's earliest days that JOHN GLENN made history by bring the first American to orbit the Earth. Now he is making history again by being the oldest person to fly in space.

Looking forward to the next 40 years, NASA's future is as bright as its past. NASA's core mission of any future space exploration will be man's departure from Earth orbit and journeys to the Moon or Mars. This will require extended, even permanent, stays in space and has led NASA to begin construction of the International Space Station.

In 1984, Congress authorized NASA to build the space station as a base for further exploration of space. A project of this magnitude was certain to face a multitude of unkonwns—and NASA has confronted many of them. As has always been the case, though, NASA will overcome these obstacles and we will reap the rewards of doing so.

For example, NASA has developed a unique technology, a bioreactor, that allows medical researchers to produce breakthrough results by creating "artificial" human tissues outside the human body. This bioreactor has provided new knowledge in cell science and tissue engineering that will bring exciting advances in medicine and the treatment of disease. This amazing technology is already being used by scientists who are growing ovarian tumor samples so they can conduct studies outside the body and without harm to the patient.

The absence of gravity on the space station also will allow new insights into human health and disease prevention and treatment, including heart, lung, and kidney function, cardiovascular disease, osteoporosis, and immune system functions.

In recent years, NASA has obtained scientific data from space experiments that is five times more accurate than that on Earth. None of these benefits will be available unless we have a space station on which we can perform adequate research.

The space station is the greatest peaceful scientific international endeavor undertaken. This is our future and space is one of the last unexplored regions of our universe. It holds untold knowledge and could catapult us into even greater understanding of our world and yet undiscovered worlds. Yes, the station will provide us with fantastic science—but that is only one of the known positives of this great endeavor. The unknowns are limitless and could provide us with unimaginable discoveries. We are on the very cusp of launching the first elements in November of this year, with the second element to follow in December.

Since its inception in 1958, NASA has accomplished many great scientific and technological feats. NASA's technology has been adapted for many nonaerospace uses by the private sector. We can thank NASA for so many things—from car phone technology, satellite imagery, the CAT scan, to Velcro and freeze dried ice cream. At its fortieth anniversary, NASA remains a leading force in scientific research and is one of the best examples of the American spirit and our can-do attitude.

We are proud of what NASA has achieved, and on this 40th anniversary we do have a number of accomplishments to celebrate.

I thank the Chair and yield the floor.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

THE 40TH ANNIVERSARY OF NASA

Mr. SESSIONS. Mr. President, I thank the Senator from Texas. We both share a keen interest in space. I will also be speaking on the topic of the 40th anniversary of NASA, which is today.

Mr. President, next month, from launch pad 39B at Cape Canaveral, the Space Shuttle's main engines will fire up, the solid rocket motors will ignite, and the crew of seven will be sent off into orbit around our home planet. One of those seven will be the distinguished Senator from Ohio. More than 36 years after his first flight, JOHN GLENN will again orbit the earth in a United States spacecraft.

I have here a picture of Senator GLENN taken 36 years ago with Dr. Wernher von Braun in Huntsville, Alabama, my home State. They are shown here discussing a proposed lunar landing craft. What an imagination, what a vision, what an exploring capacity they had. Shortly after that first orbital flight, they were already planning a trip to the moon—a vision that many thought could never be achieved and was achieved so successfully.

Senator GLENN's remarkable story is a subplot to the remarkable story of the National Aeronautics and Space Administration. On October 1, 1958, just six months before the distinguished Senator from Ohio was named as one of the original Mercury astronauts, NASA was born. Today, NASA marks its 40th anniversary of service to this Nation.

It is hard to believe that more than 40 years have passed since the Soviet launch of Sputnik. Spurred by concern over the Soviet advantage in space, the Eisenhower administration proposed the creation of a civil space agency to lead our Nation in the exploration of space. Forty years later, the Soviet Union no longer exists. But NASA stands on the threshold of a new millennium, the undisputed world leader in space exploration.

The agency's achievements and discoveries during that 40-year period have changed our world in many ways. Those who are familiar with the space program talk frequently of the many "spinoffs" from the program. There are, in fact, many products and services that are obviously and directly attributable to the space program.

For instance, many Americans do not leave home in the morning before checking the weather forecast. Being from Mobile and just sitting through a hurricane, this was particularly true for me this past weekend. Of course, weather satellites orbiting the earth have revolutionized weather forecasting. Many of us check the forecast by turning on the television networks that distribute their signals by satellite. Indeed, I saw a writer interviewed recently. He said he realized just how significant this global communications system was when he was on a dirt road in Africa and he picked up a cell phone and, through a satellite, called his home in Ohio.

There are a great number of beneficial byproducts of NASA's work that are less obvious. Indeed, many credit the micro-miniaturization of electronics, which was driven by the needs of the space program, with ushering in the whole technological revolution and the information age that we are now experiencing.

As important as the tangible benefits from the space program have been, I believe the intangible benefits have been even more significant. What value can we assign to our victory in the space race—to our come-from behind win against a totalitarian rival? What would have been the military and foreign policy implications of Soviet domination in outer space?

But Cold War implications aside, NASA's success has been an important factor in elevating our national spirit. For America, exploration is imperative. We will never be content to sit back as observers while others take the risks and are rewarded with new discoveries. Exploration can take many forms, but, probably more than anyone else, NASA exemplifies our spirit of exploration.

There was a time, earlier in our Nation's history, when Alabama and everything west of the Appalachians comprised the frontier. Today, space is the frontier. Since its inception 40 years ago, NASA has been charting the path in this new and exciting territory.

On October 7, 1958, just one week after it came into existence, NASA formally approved Project Mercury to send a man into orbit around the earth, investigate his capabilities and reactions to space and return him safely to earth. Project Mercury produced genuine American heroes, like the late Alan Shepard and then-Lieutenant Colonel JOHN GLENN.

On May 25, 1961—shortly after Alan Shepard's suborbital flight, and months before Senator GLENN became the first American astronaut to orbit the earth in February of 1962—President Kennedy set a high mark for the young space program. Speaking to a joint session of Congress, he established a national goal of landing a man on the moon and bringing him safely back to earth, and this was to be accomplished before the decade was out.

As we all know, the nation and NASA were up to the challenge. On July 20, 1969, an Apollo lunar landing craft carrying Neil Armstrong and Buzz Aldrin touched down on the surface of the moon. That remarkable achievement stands as one of the proudest moments in American history, and one of the greatest achievements in the history of mankind.

Since Apollo, NASA's accomplishments have been legion, in aeronautics as well as space, in unmanned exploration as well as human space flight. While it is hard to match the thrill of the first moon landing, the expansion of scientific knowledge flowing from NASA's later programs has truly been historic.

As we look to the future, NASA cannot, and would not, rest on its laurels. Within the first few months after its 40th Anniversary, NASA will launch the STS-95 science mission, with Senator GLENN on board, will launch the first U.S. element of the International Space Station, and will launch its next great observatory, the Advanced X-Ray Astrophysics Facility.

Following close on the heels of those missions will be the first flights of the X-34 technology demonstrator and the X-33 reusable launch vehicle prototype, as well as the launch of the U.S. Laboratory Module for the Space Station.

All of this is scheduled to occur before this millennium closes. With proper support from the Administration, the Congress and the public, NASA will continue to lead the world in exploration well into the next millennium.

I am proud of the role that my home state has played and continues to play in the space program. Even before NASA was formed, Dr. Wernher von Braun and his team of rocket scientists with the Army Ballistic Missile Agency in Huntsville were developing new rocket systems. A modified Jupiter-C rocket, developed by von Braun's team, answered Sputnik by placing the Explorer I Satellite into orbit on January 31, 1958.

This is a remarkable picture taken at the ABMA Fabrication Lab in Huntsville in 1959. Shown here are the original seven Mecury astronauts, who are touring the facility with Dr. von Braun. From left to right we see: Gus Grissom, Wally Schirra, Alan Shepard, JOHN GLENN, Scott Carpenter, Gordon Cooper, Deke Slayton, and Dr. von Braun.

In 1960, 4000 employees of the ABMA in Huntsville were transferred to NASA's control, and Dr. von Braun became the first Director of the George C. Marshall Space Flight Center. Von Braun and the Marshall Center would be responsible for the Redstone rocket, which lifted Alan Shepard into outer space, and for the giant Saturn V rocket, which propelled Apollo 11 to the moon.

Marshall Space Flight Center is still NASA's center of excellence for space propulsion, as well as NASA's lead center for Space Transportation Systems Development and for Microgravity Research. Companies and universities in Alabama also continue to play important roles in the space program.

So I have reason to be proud of Alabama's contributions. But universities, corporations, and NASA installations throughout the country play important roles in the space program and in space-based research. Our whole nation can be proud of our accomplishments in space, and in NASA's important aeronautics research.

We have succeeded because we are willing to take risks. And we have been unwilling to quit when we encounter difficulties and setbacks.

The tragic Apollo fire cost the lives of three brave astronauts. But we persevered, and the Apollo program made giant leaps for mankind.

During launch in 1973, the Skylab space station sustained damage that threatened to render it useless before it ever was put into service. Creative engineering salvaged that very important program.

The *Challenger* explosion in 1986 was a terribly painful event. We all mourned with the families of those brave explorers. But, following that tragedy, NASA was able to regroup, and has since safely flown 65 Space Shuttle missions, with a tremendous harvest of scientific results.

Perhaps it is this knack for overcoming adversity that makes NASA so special. Space is a harsh environment, and setbacks are inevitable. The risks are real. But NASA has done an extraordinary job of coping with the difficult situations that they have confronted. Many times the people of NASA have turned potential failures into remarkable successes.

Now, as we stand on the threshold of a new century—indeed, a new millennium—our whole nation can be proud as we look back on NASA's accomplishments in its first 40 years. And we can be optimistic as we look ahead.

Optimistic that our spirit of exploration is alive and well. Optimistic that we will continue to see tangible and intangible fruit from our investment in space. Optimistic that our children's lives will be richer because we dare to reach for the stars.

Mr. President, I congratulate NASA on its 40th anniversary. I look forward to continuing to work hard to support this program in the future. Unfortunately, the administration's budget for the last 4 years has shown a net reduction in funding for NASA. I have spoken on that before. The budget we approved this year represents a small reduction again this year over last year's budget for NASA. I think it is time that we recognize our character as a nation, that we not cut NASA, that we recognize that it symbolizes who we are as a people. We should recognize that NASA symbolizes our best and highest instincts as a nation, and that we ought to be space explorers as Lewis and Clark explored the frontier, and as we have explored the seas and so many things.

Mr. President, I want to again say how much I have been honored to serve with astronaut GLENN, Colonel GLENN, and Senator GLENN. He has been a high representative of this Senate. We cheer him on again as he goes forward to his next flight 36 years after the first.

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I yield myself such time as remains on our side in the stead of the Democratic leader, as manager on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. I thank the Chair.

Mr. President, I rise in support of the defense authorization conference report that is before us today.

In particular, I would like to thank the conferees for their support of an amendment I offered in the Senate dealing with Russia's tactical nuclear weapons. I was pleased to have the cosponsorship of Senators KEMPTHORNE, KENNEDY, BINGAMAN, and LEVIN when this amendment was passed by the Senate in June. I would like to thank them again for their support.

Mr. President, my amendment focuses on an issue that I believe has received too little attention. That is the question of the tactical nuclear weapons in the Russian arsenal. Those weapons, that are thousands in number, are among the most vulnerable to acquisition by terrorists and dictators.

The conferees' approval of my amendment is timely. Recent stories in the Washington Post have indicated that the international terrorist, Bin Laden, may have made attempts to purchase Russian nuclear weapons and that Iraq's nuclear program is much further along than previously expected. Unfortunately, the chances are increasing that the Bin Ladens and Saddam Husseins of the world may acquire nuclear weapons. That danger increases as Russia's economic meltdown continues. As Russian soldiers go unpaid and funding for security systems comes under pressure, Russia's massive tactical nuclear arsenal becomes the world's best source of warheads for terrorists and others who wish this world ill.

Mr. President, the threat of tactical nuclear warheads being sold and the threat of them being stolen is growing.

This chart refers to a CIA comment on the "loose nukes" question. As they responded to an inquiry from my office:

> We cannot rule out the possibility that a small number of nuclear warheads are missing. The Russian nuclear accounting system is archaic and inefficient. Years of crisis have left once-elite troops impoverished. . . . We take claims of lost warheads seriously.

On the question of tactical nuclear warheads, I offer these observations—the first from the Congressional Research Service:

> Questions exist about the locks employed on [Russia's tactical nuclear weapons] and possible breaches in security at storage facilities. Many now believe that the risk of acquisition or use by rebels, criminals, or rogue military leaders may be greater for tactical nuclear weapons than it is for strategic nuclear weapons.

From the U.S. Arms Control and Disarmament Agency, I quote:

> Because of their larger numbers, smaller size, and in some cases simple design and relative ease of employment, non-strategic nuclear weapons pose more difficult command, control, and safety concerns than do strategic nuclear weapons.

Mr. President, the point is that there is a threat. There is a threat of these thousands of tactical nuclear weapons that the Russians still have in their arsenal being diverted to the uses of those who are a danger to all of us. Terrorist use of a tactical nuclear warhead could be devastating.

This is a comparison to what happened out in Oklahoma City. That fertilizer bomb was .0002 of a kiloton. The "Fat Man" atomic device dropped in 1945 was 14 kilotons. The smaller tactical weapons of today are 10 kilotons. The larger tactical nuclear weapons of today have a yield of as much as 300 kilotons.

I think we need to understand the destructive potential of these weapons in the Russian arsenal.

Russia's tactical nuclear arsenal is still massive. We can go back to 1991. The United States had roughly 15,000 tactical nuclear weapons at that time; the Soviet Union had 20,000. If we look today, the United States is down to 1,600 tactical nuclear weapons; the Russians still have from 7,000 to 12,000.

My colleagues know that there are treaties that deal with strategic systems and conventional systems. There is nothing on tactical nuclear systems. That is why I believe the amendment that is in this bill is important.

I believe it is time for Congress to:

No. 1, go on record as concerned about the significant "loose nuke" dangers associated with Russia's tactical nuclear stockpile and its growing strategic relevance;

No. 2, call for the Russians to make good on the 1991 and 1992 Gorbachev and Yeltsin promises to deeply reduce tactical nuclear weapons, just as the United States has followed through in good faith on President Bush's promises in September of 1991;

And, No. 3, get more information from the Pentagon and the intelligence community about this threat.

This chart perhaps sums it up best. The bottom line on Russian tactical nuclear arms is, to quote General Eugene Habiger, former Commander in Chief of the U.S. Strategic Command, on March 31, 1998:

> It is time for us to get very serious about tactical nuclear weapons.

Indeed, it is time for us to get very serious. This amendment is a beginning.

I thank the Armed Services Committee for their support for this amendment.

I would like to take a moment more to thank those members of the Armed Services Committee who will no longer be in the positions they currently occupy. We are going to miss Senator DIRK KEMPTHORNE of Idaho, a wonderful man, somebody who has become a good friend. I am going to miss him very much. And Senator DAN COATS will also be retiring, and is also a terrific person. DAN COATS has been in many ways the conscience of the Senate, somebody we can look to time and time again for moral leadership.

Of course, I also want to recognize the chairman. This is the last bill that we will have before us with Senator THURMOND as chairman of the committee.

Senator THURMOND, we want to recognize the enormous contribution that you have made to this body and the enormous assistance that you have provided to all of us.

I also want to recognize Senator GLENN who will be retiring. He will be going into space. Senator GLENN has been rock solid on these issues. We are certainly going to miss him in this Chamber.

Senator THURMOND is not leaving us, thank goodness. I have a feeling Senator THURMOND will probably be here long after I have left and perhaps long after most other Members have left. He has been able to stay in this Chamber for longer than anyone else in our history. Even though he is stepping down as chairman of the Armed Services Committee, I have no doubt that Senator THURMOND will continue to lead us in many other ways.

I want to recognize those who will be either changing their roles or leaving the Senate as we consider this bill for the final time this year.

I thank the Chair.

I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from North Dakota for his kind remarks and commend him for the great service that he has rendered to the Senate during his tenure.

Mr. President, I ask for the yeas and nays on this defense bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I yield any time I have remaining

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—96

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Enzi
Faircloth
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—2

Feingold
Wellstone

NOT VOTING—2

Glenn
Moseley-Braun

The conference report was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair

The PRESIDING OFFICER (Mr. SMITH of Oregon). The majority leader.

UNANIMOUS CONSENT REQUEST—H.R. 10

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 10, the financial services modernization bill.

Mr. GRAMM. Reserving the right to object.

Mr. SHELBY. Reserving the right to object.

Mr. GRAMM. Will the Senator yield? Reserving the right to object.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. LOTT. I withhold.

INTERNET TAX FREEDOM ACT—MOTION TO PROCEED

The PRESIDING OFFICER. The pending question is the motion to proceed to S. 442.

Mr. GRAMM. Will the Senator yield? Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Is the unanimous consent request of the majority leader to proceed to H.R. 10?

The PRESIDING OFFICER. That request is not pending at this moment. The question is the motion to proceed. Is there further debate on that?

Mr. GRAMM. Reserving the right to object, the motion before the Senate is a motion to proceed to the Internet tax bill; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRAMM. I have no objection to proceeding to it, but I do object to proceeding to H.R. 10.

The PRESIDING OFFICER. Is there objection to agreeing to the motion to proceed to S. 442? Without objection, it is so ordered.

The motion was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—H.R. 10

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 10, the financial services modernization bill.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. I object.

Mr. SHELBY. I object.

FINANCIAL SERVICES ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

Mr. LOTT. In light of the objection, I now move to proceed to H.R. 10, and send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 588, H.R. 10, the financial services bill.

Trent Lott, Alfonse D'Amato, Wayne Allard, Y. Tim Hutchinson, Dan Coats, Rick Santorum, Robert F. Bennett, Jon Kyl, Gordon Smith, Craig Thomas, Pat Roberts, John Warner, John McCain, Frank H. Murkowski, Larry E. Craig, and William V. Roth, Jr.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote, then, will occur on Monday. All Members will be notified as to the exact time of the vote when it becomes available.

I want to say at this point, I certainly understand the concerns of the Senator from Texas and the Senator from Alabama. I have talked to them several times, and I know that they still have concerns about what is in this bill. I am assuming they will be working with the chairman of the committee and other Senators that have concerns to work something out. I believe we are at a historic point with regard to financial services. That can be completed if everybody will work together in this week that we have left.

I had delayed filing cloture earlier, including Monday, Tuesday and Wednesday, because there were objections on both sides of the aisle about various and sundry things, but also I wanted to give everybody time to work through their problems. I really felt like that until we pushed this forward and had the cloture on a motion to proceed, the remaining problems were not going to be worked out.

I, again, call upon Senators on both sides of the aisle and the chairman and the ranking member to work with the Senators that have concerns from both parties so that we can get this completed.

This is the first time we will have had major financial services reform and modernization since 1932. We need to get it done. So I hope that can be accomplished. And I urge the Senators to keep working and keep me posted on the progress that is being made.

Mr. President, I ask unanimous consent that the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I now withdraw the motion to proceed.

The PRESIDING OFFICER. The motion is withdrawn.

KING COVE HEALTH AND SAFETY ACT OF 1997

Mr. LOTT. Under the previous provisions of the consent agreement of June 25, 1998, I ask the Chair to lay before the Senate S. 1092, the Cold Bay and King Cove bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1092) to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, Alaska, and King Cove, Alaska, and for other purposes.

The Senate proceeded to consider the bill.

Mr. LOTT. For the information of all Senators, this bill has a time agreement of no more than 6 hours. I have had indications that it could be maybe done in 3 hours or less. I understand there is only one amendment in order that may require a vote along with the passage. Therefore, additional votes are expected during today.

We will try to work around scheduling conflicts. But I would expect a vote or two on this, and then for us to go to the Internet tax bill, hopefully, with votes on that. And we will also be voting, I presume, on the Internet tax bill tomorrow. And we cannot say right now, but I expect we will go beyond the normal hour of 9:30 or 10. We will work toward 12. And if we have to go beyond that, I would hope we would get cooperation because there is a meeting going on right now on the Internet tax matter with interested Senators from both sides of the aisle. We could complete that bill. And we should be prepared to stay as late as it takes to get that done.

I urge the Senators that are involved in this, Senator MURKOWSKI, Senator FEINSTEIN, and others, if you can do it in less than 3 hours, there would be a lot of appreciation. If you can do it in an hour, hour and a half, we would appreciate it because we have a lot of work to do.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

PRIVILEGE OF THE FLOOR

Mr. MURKOWSKI. I ask unanimous consent that privileges of the floor be granted to the following members of my staff: Mr. Brian Malnak, David Dye, Joe Meuse, Jim Beirne and Mark Rey during the pending debate on S. 1092.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, my understanding is that the Senator from California would like to take a few minutes to discuss a matter of great importance to her. And since we have not addressed the time, I have no objection with the assumption that I be recognized upon the conclusion of her remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair and thank the distinguished Senator from Alaska for his courtesy.

THE 40TH ANNIVERSARY OF NASA

Mrs. FEINSTEIN. Mr. President, the 40th anniversary of NASA is historic. It does have an impact on my State of California. I want to take a moment and wish NASA a happy birthday. I want to salute the fact that they have captured the world's imagination with missions such as the Mars Pathfinder and the Hubbell Space Telescope. Experiments and technological feats performed on Space Shuttle missions are paving the way for a permanent presence in space.

Mr. President, as I said, I join my colleagues in recognizing the many historic achievements that the National Aeronautics and Space Administration has made in its forty years of service.

This is a particularly exciting period for our space program, not simply because NASA is celebrating its 40th Anniversary but more importantly because of the major advances being made in the exploration of our solar system.

As I said, in recent years, NASA has captured the world's imagination with missions such as the Mars Pathfinder and the Hubble Space Telescope. Experiments and technological feats performed on Space Shuttle missions are paving the way for a permanent presence in space.

One of the most telling signs of our changing world is that, NASA, whose original mission was national defense in the cold war with the Soviet Union, is now working with Russia to develop the first International Space Station.

I am very proud to say that some of NASA's most valuable research has been accomplished in my home State of California. In 1958, the Jet Propulsion Lab in Pasadena built and controlled the first United States satellite sent into orbit. In the four decades that have followed, JPL has contributed to the exploration of most of the known planets in our solar system.

The full list of JPL's role in planetary exploration is far too long to address here. But I want to mention one recent accomplishment. In December of 1996, NASA launched the Mars Pathfinder, another JPL built and controlled spacecraft.

The Pathfinder successfully placed a rover on the surface of the red planet that beamed-back pictures that were viewed around the world with awe. I actually had the unique pleasure to visit JPL last year and was actually able to send commands up to the rover and then watch and see the rover move based on the command. It was rather amazing because the computer I was on actually went to a station in the desert which then beamed it directly to Mars, and so a few minutes after I pressed the command into the computer, I actually watched the rover move on the planet Mars. It was an amazing experience.

California is also home to one of NASA's premier research laboratories, the Ames Aeronautical Laboratory. NASA Ames provides research in the fields of supercomputing, software development, and automated reasoning. As the lead center for Aviation Operations Systems, Ames manages the research effort in air traffic control and has the major responsibility for wind tunnel testing and simulation.

As California has been a major partner in NASA's success in the past, we will continue to lead as we move into the 21st century. NASA has developed a strategic plan that will build on its accomplishments with a renewed focus on scientific research and the application of a new cutting-edge technology. I am confident that California will continue to provide the backbone for this program.

I want to take a few moments to talk about what I believe is one of the most remarkable feats in the history of a space program filled with remarkable feats. Later this month, the Space Shuttle *Discovery* will be embarking on Mission STS–95. As we know, our colleague, Senator JOHN GLENN will be making his second trip into space on this flight. While his presence will certainly be missed here in the Senate, I know my colleagues share my pride in his achievements and wish him the best on his historic return to space.

On February 20, 1962, JOHN GLENN piloted the "*Friendship 7*" spacecraft on the U.S.'s first manned obtial mission. During the almost 5 hour flight, Senator GLENN worked on some of the first technical and medical experiments ever performed while orbiting the Earth.

Now, more than 35 years after that first flight, Senator GLENN will soon be returning to space. It is interesting to note some of the advancements that have been made since that first ground breaking flight.

The shuttle's flight will last 9 days instead of 5 hours, it will orbit the planet at 345 miles an hour rather than 16, and it will circle the Earth 144 times rather than 3. The comparison between these two flights capsulizes the advancements that have been made in the space program and it is remarkable that one man will experience both.

Senator GLENN has done more to promote our space program than perhaps any other person. Millions of people held their collective breath as he led the country into orbit of the Earth in 1962 and the world will again watch as he leads NASA into the next century.

Mr. President, it is with great pride and respect that I pay tribute to the many achievements NASA has made in its first 40 years. I know that I stand with the rest of the nation in anticipation of what will be accomplished in the next 40.

KING COVE HEALTH AND SAFETY ACT OF 1997

The Senate continued with consideration of the bill.

AMENDMENT NO. 3676

(Purpose: Amendment in the nature of a substitute)

Mr. MURKOWSKI. Mr. President, I send an amendment in the nature of a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. MURKOWSKI] proposes an amendment numbered 3676.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "King Cove Health and Safety Act of 1998".

SEC. 2. FINDINGS.

The Congress finds that—

(a) King Cove, Alaska is a community in the westernmost region of the Alaska Peninsula with a population of roughly 800 full-time residents and an additional 400 to 600 workers who are transported in and out of the community a number of times a year to work in the local fish processing plant and on fishing vessels;

(b) the majority of the full-time residents are indigenous Native peoples of Aleut ancestry that have resided in the region for over 5,000 years;

(c) the only mode of access to or from King Cove is via small aircraft or fishing boat, and the weather patterns are so severe and unpredictable that King Cove is one of the worst places in all of the United States to access by either of these modes of transportation;

(d) the State of Alaska has initiated the King Cove to Cold Bay Transportation Improvement Assessment to confirm the need for transportation improvements for King Cove and to identify alternative methods of improving transportation access with comprehensive environmental and economic review of each alternative;

(e) the State of Alaska has identified a road between King Cove and Cold Bay as one of the alternatives to be evaluated in the transportation planning process but for a road to be a viable option for the State of

Alaska, the Congress must grant a legislative easement within the Izembek National Wildlife Refuge ("Refuge") across approximately seven miles of wilderness land owned by the Federal Government;

(f) there are fourteen miles of roads within the wilderness boundary of the Refuge which are currently traveled by vehicles;

(g) any road constructed in accordance with such easement would be an unpaved, one-lane road sufficient in width to satisfy State law; and

(h) the combined communities of King Cove and Cold Bay have approximately 250 vehicles.

SEC. 3. PURPOSE.

The purpose of this Act is to establish a surface transportation easement across Federal lands within the Refuge and to transfer 664 acres of high value habitat lands adjacent to the Refuge in fee simple from the King Cove Corporation to the Federal Government as new wilderness lands within the Refuge in exchange for redesignating a narrow corridor of land within the Refuge as nonwilderness lands.

SEC. 4. LAND EXCHANGE.

If the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation in and to all land owned by the Corporation in Sections 2, 3, 4, 5, 6, and 7 of T 57 S, R 88 W, Seward Meridian, Alaska; and any improvements thereon, the Secretary of the Interior ("Secretary") shall, not later than 30 days after such offer, grant the Aleutians East Borough a perpetual right-of-way of 60 feet in width through the lands described in sections 6 and 7 of this Act for the construction, operation and maintenance of certain utility-related fixtures and of a public road between the city of Cold Bay, Alaska, and the city of King Cove, Alaska and accept the transfer of the offered lands. Upon transfer to the United States, such lands shall be managed in accordance with Section 1302(i) of the Alaska National Interest Lands Conservation Act, shall be included within the Refuge, and shall be managed as wilderness.

SEC. 5. RIGHT-OF-WAY.

Unless otherwise agreed to be the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall—

(1) include sufficient lands for logistical staging areas and construction material sites used for the construction and maintenance of an unpaved, one-lane public road sufficient in width to meet the minimum requirements necessary to satisfy State law;

(2) meet all requirements for a public highway right-of-way under the laws of the State of Alaska; and

(3) include the right for the Aleutians East Borough, or its assignees to construct, operate, and maintain electrical, telephone, or other utility facilities and structures within the right-of-way.

SEC. 6. CONFORMING CHANGE.

Upon the offer of Corporation lands under section 4, the boundaries of the wilderness area within the Refuge are modified to exclude from wilderness designation a 100 foot wide corridor to acommodate the right-of-way within the following land sections—

(1) Sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska.

(2) Sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska.

(3) Sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 7. RIGHT-OF-WAY LOCATION.

Unless otherwise agreed to by the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall be located within—

(a) sections 2, 3, 10, and 11 of T 59 S, R 86 W, Seward Meridian, Alaska;

(b) sections 27, 28, 29, 30, 31, 32, 33, 34, and 35 of T 59 S, R 86 W, Seward Meridian, Alaska;

(c) sections 3, 4, 9, 10, 13, 14, 15, 16, 23, 24, 25, 26, and 36 of T 58 S, R 87 W, Seward Meridian, Alaska;

(d) sections 5, 6,7, 8, 9, 16, 17, 20, 21, 27, 28, 29, 32, 33, and 34 of T 57 S, R 87 W, Seward Meridian, Alaska;

(e) sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska;

(f) sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska;

(g) section 6 of T 37 S, R 88 W, Seward Meridian, Alaska; and

(h) sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 8. TECHNICAL AMENDMENTS.

The following provisions of law shall not be applicable to any right-of-way granted under section 4 of this Act or to any road constructed on such right-of-way—

(1) section 22(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(g)).

(2) title XI of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3161 et seq.), except as specified in this section; and

(3) section 303(c) of title 49, United States Code.

SEC. 9. The Secretary and the Aleutians East Borough shall jointly prepare a plan setting forth—

(1) the times of the year a road may reasonably be constructed when there are not high concentrations of migratory birds in Kinzarof Lagoon; and

(2) limitations on non-emergency road traffic during periods of the year when there are high concentrations of migratory birds in Kinzarof Lagoon.

SEC. 10. If within 24 months of the date the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation lands set forth in Section 4 of this Act, the Secretary and the Aleutians East Borough fail to mutually agree on the following—

(1) a final land exchange and a grant of a right-of-way pursuant to Section 4; and

(2) the right-of-way specifications, and terms and conditions of use set forth in sections 5, 6, 7 and 8 of this Act.

then the Aleutians East Borough shall have the right to select a 60 foot right-of-way for the construction, operation, and maintenance of certain utility-related fixtures and of a public road from lands described in Section 7 of this section, and to identify logistical staging areas and construction material sites within the right-of-way. If an agreements is not reached within 6 months after the Aleutians East Borough notifies the Secretary of its selection, then the right-of-way is hereby granted to the Borough.

Mr. MURKOWSKI. Mr. President, I will proceed under the theory that one picture is worth 1,000 words, although I am not suggesting that you are not going to get 1,000 words, as well. In any event, in order to set the stage for the debate on King Cove, I think it necessary to educate and familiarize the Members of this body as to what this issue is, where it is, and why it is so important to the residents of the small community of King Cove, on the Aleutian Islands, population 700, who have no availability of surface transportation for medical care. As a consequence of the lack of surface transportation for this community, 11 of the residents of that small community have perished in medevac flights out of the area over the last decade.

I think I should also identify Senate bill 1092 that is before this body, specifically, the substitute that I have offered, which exchanges surface estate.

The substitute that I offer exchanges the surface estate of some of the higher value wetlands privately owned by one of the Native village corporations in King Cove within the refuge in exchange for a simple grant of right-of-way across Federal lands that would allow the residents of King Cove reliable access to the Cold Bay Airport; hence, medical care when emergencies exist.

Further, we are not asking for an appropriation. I think it is fair to note that there are no funds requested. This is simply an authorization for land exchange, something that is ordinarily done within the Committee of Energy and Natural Resources, which I chair, on a daily basis.

The real concern here is the people of King Cove. Now, many of the Members of this body have had an opportunity to meet with the Aleut residents of King Cove as they visited Washington, DC, as they visited Members' offices and made a unique appeal, an appeal based on the rigors of living in a wilderness area with a harsh environment, and the experiences they have had in not being able to avail themselves of the transportation system that ensures that they can safely get to hospitals for medical assistance when there is an emergency.

As I said, 11 residents of my State have already died flying into or out of the area. Many of them were seeking to get badly needed medical attention in an emergency. Still others died while waiting on the ground for weather to clear enough to attempt to make these potential life-saving flights.

Let me show Members what part of Alaska we are talking about. Alaska is a pretty big chunk of real estate. We have 33,000 miles of coastline. Of course, Juneau, our capital, sits here. Anchorage, our largest city, is at the head of Cook Inlet, roughly in this area. Fairbanks, where my home is, is in the interior. Point Barrow is adjacent to the Arctic Ocean. Prudhoe Bay is on the Beaufort Sea. But we have another area on the Aleutian Islands and this area extends almost to Japan. This area includes the community of King Cove which is on the Pacific Ocean side. Across a small base is the area where we have a large airport that was left over from World War II. To identify the specific area on a scale map, we can see Cold Bay here, and then King Cove here.

We have unique weather patterns spawned as a consequence of the Japanese current moving along the Aleutian Islands and clashing with the cold, interior Bering Sea, creating some of the worst weather in the world. No question it has been documented as such.

We have the village of King Cove, 700 people year-round, and a small industry associated with fish packing, freezing and processing. Then we have a large complex built during World War II, consisting of crosswind runways. I will show pictures of runways in Cold Bay and King Cove.

Let me show the first picture which shows a gravel strip, about 3,700 feet, which is the access for the residents of King Cove. There is a road that goes along the side of the mountain. That is the road that comes in from the village. The interesting thing about this and the location is this is the best they could do for an airfield because of the topography and the realization that the winds are extraordinary in this area. There are numerous cases of pilots landing in small single or twin-engines with the wind sock at one end blowing one way and the wind sock at the other end blowing the other way. That is the harsh reality because the wind from the Bering Sea comes one way, the winds from the Pacific Ocean come the other. They simply clash over this area and create this extraordinary complexity of winds. It is not necessarily fog, it is not necessarily heavy snowfall, it is tremendous turbulence in wind.

Here is another airfield located at Cold Bay. This was part of the effort during the Second World War in preparation for the invasion of Japan, to build this large facility, over 11,000 feet, the main runway. The population here is about 130 people. Most are Government employees with the FAA, operating this runway. This is also a backup for an emergency, should any of the space shuttles have to land in this particular area based on their orbits.

The point is, there is daily jet service into Anchorage from here. I think there was only 1 day last year where the winds were such that they couldn't bring in aircraft.

This is how you go from King Cove to Cold Bay to start your visit to Anchorage to visit with friends or to get out, if you will, of King Cove to go virtually anywhere. You have to go over here. The only way to get there is to fly. If you are in an emergency situation, you have another set of facts. The point is this runway represents reliability in transport. You see these little roads here around Cold Bay that have been in existence since the Second World War.

It is interesting to note that there are some 32 to 47 miles of roads that are in the wilderness. Make no mistake. I have driven the roads. They are there. They are not maintained because there is little maintenance necessary for them. But they are drivable. They are drivable by the U.S. Fish and Wildlife Service and others.

Let me proceed with some more pictures because I promised to give you an opportunity for a feeling for this area relative to pictures that have been taken over an extended period of time.

Now, I want to show the land area and the proposed road so we can get an idea of what we are talking about here in relationship to the issue. The colors in solid brown are the Izembek National Wildlife Refuge. That is this area here. Then we have the wilderness areas in the checkered brown with the white in it. You can see it is extensive, but it is not conclusive in that it connects. There is the major portion here, and then over toward Cold Bay there is another area, and there has been an area that has been left aside down here. So the wilderness areas don't connect together.

The existing roads are worth evaluating a little bit, Mr. President, because they cover roads not only in the wilderness up here, which are drivable, but they go into the wildlife range where you can go and photograph and you can hunt geese. They go into the wilderness area here.

The proposal now is to have a road from King Cove to Cold Bay. That is the issue. In order to bring that road around, you have to go into that area of wilderness because you can't cross the bay because of the water depth and the costs associated with the bridge, and we are really dealing with 700 people now.

So what are the alternatives? I am prepared to discuss those later. It is important to know what the quid pro quo is here, because we think it is a win for the environment, with the recognition that the Native association is prepared to give their land, which is colored here in the basic green areas and the yellow areas, in exchange for access through this area. The quid pro quo is they are proposing that about 580 acres to be added to the wilderness in return for this 7 miles of road, which would be through this wilderness area. The only difference is that we are not putting it into wilderness. I have a difficult time trying to communicate this to some of the other Members and the public because we are proposing a land exchange.

By this 580 acres entering into the wilderness in the exchange, as a consequence of that, we would have a situation where there would be the road in a refuge but not a wilderness. By adding to the wilderness, we have done just that, taken land that the Native corporations have—and that is private land—and added that to the wilderness, and then exchanged with these specific areas designated in white—a land exchange—putting this in a refuge. So the road will not go through a wilderness; it would go through a refuge.

We have numerous occasions where there have been similar land exchanges and roads are going in refuges. This is not unique or a precedent. If you look at this area and you are concerned about waterfowl, note these two peninsulas that are privately owned by the Native corporation. They are proposing to give those and add to the wilderness. These are integral points inasmuch as they represent peninsulas and, as a consequence, the waterfowl primarily dominate through those particular areas. So this is the route of the proposed road.

We are not asking for funding. No appropriation here. This is a land exchange only to benefit the people of King Cove. And, hopefully, the question is, how many more lives do we have to lose before we get some relief?

I want to go through some of the other charts, in general, to give you an idea of why some of the alternatives suggested by others simply don't work.

This is a photo of Izembek when there is a storm. I don't know if you have ever been terrified, but I have. I have been out in boats in some of these storms. This is how you get from King Cove to Cold Bay across Izembek when there is a storm. And these are real storms. We have cases where a pregnant woman is put aboard a fishing boat in a storm like this. She gives birth to the child in the galley, and they have to open the oven and make an incubator out of tin foil and the child survives. I will show other pictures of just what kind of bodies of water we are talking about.

Mind you, the uniqueness here is that you have Bristol Bay and the Bering Sea on one side and the Pacific Ocean, and this is the area where all the storms basically are initiated on the west coast and down to California. This photo shows Izembek Bay in a storm. How would you like to subject yourself to that? You and I are accustomed to taking a road to the hospital and having access to some reasonable way, without having to subject yourself to conditions likes this.

Somebody said, "Well, what happens on a clear day?" That depends on what season you are in. This photo happens to depict the wintertime when the bay is frozen over. That is factual. There is your ambulance in the wintertime. How would you like to try that? That is the harsh reality that happens at certain times in the winter. You are not going to move a Hovercraft over that, and you are certainly not going to move a boat. What happens sometimes is that they do have a vessel in, and they try to move people from a small boat up to the dock, and they move them in a cargo net. How would you like to get off your boat and into a cargo net under those conditions?

That is living in rural Alaska today. It is the harsh reality. We have some other pictures that I want to show you relative to the harsh reality of living in Alaska.

These are people who have died because there was no access out of King Cove. This is Tom Phillips, who lost a leg in a boating accident. He died in a plane crash in a medevac airplane trying to fly into Cold Bay. Christine Dushkin suffered a heart attack and died of exertion while climbing onto a Cold Bay dock from a small boat. Mary Dobson suffered from frequent seizures but could not get timely medical care during bad weather. Darien Gorsinger, a community leader, died in a plane crash while evacuating an injured Seattle fisherman. Walter Samuelson waited 3 days after a heart attack to get out of King Cove. Sarina Bear, who was born prematurely on a fishing boat, lost half of her body weight on a 3-hour fishing boat trip to Cold Bay. Earnest Mack died in Anchorage after 4 days of delay while trying to get out of King Cove. Kathy Hoff, a King Cove nurse, died in a plane crash on a Medicare mission out of King Cove. John Datolli, a bush pilot, died in a plane on a medical mission to King Cove.

This is the harsh reality and the situation as it exists. Some suggest, let's do another study, let's look for another alternative. In the meantime, my constituents are dying. I know how you would feel if they were your constituents.

Here are some headlines from some of our Anchorage newspapers, the Anchorage Daily News and the Anchorage Times: "Six Killed in a Plane Crash," "Plane on Mercy Mission Crashes; 4 Believed Dead," "Four Die in Cold Bay Crash," "Plane Hits Hillside at King Cove; 6 Die," "Pilot Dies In Crash."

This happens because it is really tough out there. It is so tough, as a matter of fact, that the people are saying, let us have the opportunity that other Americans enjoy, which is access by road. This is the road in this photo, Mr. President. That is what they look like. These were roads that were built during the Second World War. There is so little traffic that there is very little maintenance. This sign over here is a U.S. Fish and Wildlife sign. That goes over to Outer Point. I go out there virtually every Columbus Day, unlike my good friend, whom I have the utmost respect for, who has never been there. He has never experienced it. I have. This is what we are talking about. These are the roads that are out there.

Here is another picture. This is the topography of the area, what the country looks like. It is flat. It is barren. There are no trees. There is grass. There are lots of ponds. There are lots of birds that come through in the fall. They move on.

You can go on these roads. You can take an old 4X4 and wander around and see the country. Mind you, these roads are in the wilderness, 47 miles of them. When you say we are driving through the heart of the Izembeck Wilderness with this road connection, you are not facing reality. These roads are already there. They are not all of the wilderness.

I will show you where these roads are, because we have a detailed map which shows the road in and out of the wilderness. It gives you an idea.

These aren't highways we are building. They are not superhighways. They are just an adequate road that you can take a 4X4 over, recognizing that when you put a little gravel around and maybe have four or five cars a week, it is not very much traffic. But depending on the circumstances, at least somebody can get out.

This is an aerial picture of the topography of the general area and what we are looking at. I think it is important that you reflect on what the area looks like today. This is a little difficult to see, but I am going to do the best I can, because it is in black and white. It is an aerial photograph. It is an official photograph. It is not something that has been doctored up or lines have been drawn in.

But this general area down here is the edge of the Cove Bay runway, and these are the roads in black that go through the general area. These are the roads that wander in through the wilderness designation. This is the line right here, the boundary. The wilderness is on this side. All of these roads are in the wilderness. They are already there.

What we are proposing is simply an extension of this road of 7 miles to go in with a land exchange—taking the area out of the wilderness, putting it in the refuge, and putting a road extension in. We are not asking for any money, we are simply asking for an exchange and an authorization; that is it.

Here are the existing roads that wander over here. Here is another wilderness boundary over here, a little chunk over here. There are roads to the west of that. When I go out there goose hunting, we usually wander out here, or wander up through here in the wilderness, and go out over here—any number of places that are there. To suggest that we are creating something that is not there is totally unrealistic and unfounded.

Again, I want to go through the remainder of the charts, because I think you are beginning to get a feel for what the country looks like and what we are up against. Hopefully the staff, who has not practiced this, will make sure that we show all the other charts before we get into some of the things that the Senator from Montana and the Senator from Arkansas take for granted that are unavailable in Alaska.

While they are going through some more of the visuals, let me make a couple more points.

What has happened to our Native people when wilderness boundaries and refuges have been designated is that the concerns of the people have basically been overlooked. The Aleut people have lived in King Cove for over 5,000 years. The substitute that I offer today would provide relief for access. That is really all we are talking about. We are talking about appealing to real people who have a need that others in the United States enjoy.

We are somewhat isolated in Alaska. We have four time zones down here. We have three. I think we are about 5,000 miles from Washington, DC, to Alaska. The area of King Cove is about 1,700 miles from Seattle, 632 miles west of Anchorage. In fact, it is interesting to note that it is twice as far from here to King Cove as it is from Tokyo to King Cove. That gives you some idea of the isolation.

I have indicated that the weather conditions out there are such that we have the uniqueness of wind sheer turbulence and what we call venturi wind conditions, which makes flying a real experience. When you add this to the fact that it is a mountainous area with sharp valleys, you find conditions for what we have had in a series of disasters. As I have indicated, on that 3,300-foot runway you have wind blowing at either side.

You might say, "Well, the Senator from Alaska is exaggerating. That can't occur all the time." It occurs almost every day, Mr. President. It can occur for days on end. It can occur for weeks on end. Sometimes a week or 10 days will go by before they can get a flight in and out of King Cove, if one can wait. This is simply an inconvenience which Alaskans accept, however, since the main livelihood of the Aleutian people is derived from fishing in the treacherous seas of Bristol Bay.

Medical evacuations are a common occurrence. Surprisingly enough, they happen twice as much in this community as any other place in Alaska. With only the help of midlevel practitioners, help in an emergency must be sought in other locations. This is not a concept that many in this body are familiar with. We take for granted health care. It is only a few steps away. Certainly this is the case where we are right now in most of our hometowns. But out in the Aleutian Chain, it is not that simple.

Let me interrupt for a moment to comment on a few things.

This is a sign that the U.S. Fish and Wildlife puts out as an advisory. This is our Government speaking, not me. It says:

> Visitors [to the area] should bring extra food and rain gear should weather close in.

This is in the refuge advisory:

> The refuge is famous for inclement weather, usually in the form of wind, rain, and fog. Fog, drizzle, and overcast skies are often succeeded by violent storms and bitter cold snaps that slow down all activity. It is not unusual for an entire year to go by with only a few days of clear skies.

I don't know what that means to anybody. But it puts you on notice.

Let's see how residents of Arkansas and Montana access health care. I readily admit I do not know all the specifics of health care in these states, but I do know how to make up a chart. I do know how to make a point.

Here are the major hospitals in Montana and their accessibility by State and Federal highways. The green lines are the U.S. interstate highways, the red lines are the U.S. highways, and the black are the Montana State routes. Every place you see an "H," you see a major hospital. Hopefully, I haven't missed any. But I am sure my friend from Montana would be happy to correct me if I have.

But the point is, the people of Montana have access to health care in an emergency.

Let's wander over to a Southern State. My friend from Arkansas and I have had conversations about this. I know how he feels about equity.

Here are the major hospitals in Arkansas accessible by Federal highway. I would be happy to show this a little closer if there is any difficulty in seeing it. These are the hospitals in the State of Arkansas on the road systems. There are 10 hospitals, I am told, in Little Rock. The point is the residents in the State of Arkansas have access by road to health care. Now, these are hospitals that have facilities to take care of emergencies.

Let's look at Alaska when we talk about cases of dire emergencies. We have Anchorage. Here is health care in Alaska. These are hospitals with critical care units. We have one in Anchorage, AK, an area one-fifth the size of the United States, and an area that has 33,000 miles of coastline—a big hunk of real estate. The Senator from Texas is not here so I won't comment that it is two-and-a-half times the size of Texas. I might lose his support.

This is our road system—a little bit on the Seward Peninsula around Nome, Teller, a road from Prudhoe Bay down through Fairbanks, down to Valdez, Anchorage, Homer, Kenai, a little bit of road in southeastern Alaska. Anchorage is our area of primary critical care. So when you have a situation in a village out here at King Cove in the Aleutian Islands, you need access to it. You need access to an airport where you can get an airplane, a jet airplane into Anchorage which is 600 miles away.

So things are not that simple in Alaska. They are tough. We have a first-rate Alaska Native hospital available to the Aleut residents of King Cove in Anchorage, but it might as well be on the dark side of the Moon if you can't get there.

As I have indicated, we have had 11 air crash fatalities flying residents out of King Cove, trying to get some of them to lifesaving medical attention.

We talk a lot about telemedicine, and I am an avid supporter of telemedicine. But the realities of telemedicine are that it depends on whether you have adequate personnel where you need it to communicate the symptoms and take action, and then if it is too bad you need more than telemedicine. If it is bad, you need access.

How are you going to cross a bay that is uncrossable by boat in the wintertime because it is frozen or the storms are so great you can't cross it because of the high winds?

Well, let's talk about helicopters. I have nothing but the highest admiration for our Coast Guard, National Guard and those courageous people who are out there providing rescues, but there is some uniqueness associated with the Cold Bay area, and that is something that the helicopters have a problem with, and that is extreme turbulence. The helicopters do very well in heavy winds, but it is the turbulence that creates problems. And it is important to note that threatening conditions in King Cove arise at unknown times. Pregnant women in King Cove often leave the village 6 weeks before they are due in order to make sure they are able to be near medical facilities in case complications arise.

A woman by the name of Carol Kenezuroff went into premature labor. She was unable to fly out of King Cove due to weather conditions. She decided to make the treacherous trip by boat. It took 2½ hours in an 80-foot crab boat. One hour into the trip Carol gave birth to a 2-pound-3-ounce girl on the galley table of that crab boat in a 10-foot sea. The baby's name was Sirena. She lived only because someone on the crab boat had presence of mind to make a makeshift incubator out of aluminum foil and put it near the oil stove.

The story isn't over yet, Mr. President, because the mother had to be offloaded twice from the boat in a sling because her IV tubes had got caught in the dock pilings of the unprotected harbor of Cold Bay. Do you know of anybody who had that kind of situation?

Well, it happened in the State of Alaska. By the time the baby made it to Anchorage, it had already lost half its body weight and barely survived the ordeal.

This is the harsh reality of life in King Cove, but it does not have to be that harsh. There is a solution to assure safe travel and a solution that is opposed by some of the special interest groups. I really question their justification because you cannot say that this is a road through the heart of the wilderness. This isn't a road through the wilderness. We are doing a land exchange. It is a road through a refuge, isn't it? It is a plus for the wilderness, isn't it, because we are adding 580 acres. This is a win-win-win, but the special interest groups on the other side can't see it that way because they have gone off, in my opinion, the deep end and simply said, no, we are not going to allow this exchange—not because it is not good for the environment by adding 580 acres to the wilderness. I can only assume for one selfish reason, they have a cause that generates money and membership. But I am not going to spend a lot of time on that.

The point is 30 miles as the crow flies from King Cove is the all-weather runway at Cold Bay, and all these people want is access to that 10,400-foot runway where a Reeve Aleutian Island Jet 727-100 comes in every day, except once last year when it could not get in because of weather conditions. And I might add, in deference, the only day they don't fly is Sunday. But medevac aircraft from Anchorage can get in there.

This road would total only about 29 miles. Now, remember, where would the road be? Whose land would it be on? Well, here it is, the green area. It is on land owned by the King Cove Native Village Corporation. Just roughly 7 to 8 miles of the road would be in the massive 300,000 acre—there it is, 300,000 acres. Only if this bill passes, it is not 300,000. It is 300,580 because we are adding to the wilderness. That is what makes this thing a win-win-win for the wilderness—only 7 miles—this portion here—would not be in wilderness, but the refuge.

Again, I want to make it clear because those who don't want to understand it refuse to acknowledge we are not putting a road in a wilderness. We are doing what we have done hundreds of times before, a land exchange—allowing a road in the refuge where we have numerous roads in this country.

Now, because the 7 or 8 miles of the proposed right-of-way are currently located in the wilderness, I think it is pretty clear that is why some of the groups have opposed it. But what they fail to tell you again—and I would emphasize, and I hate to be repetitive—this area already has 42 miles of existing road.

Of that 42 miles of existing road—and I want to bring that chart back up again, because I want to make this point—of the 42 miles of existing roads, we already have 12 or 14 that are already in the wilderness. You can drive on them. Take a 4x4—that is a 4-wheel-drive vehicle, all-terrain—and wander out in them anytime you want. Mr. President, 13.7 miles, to be exact, of road, are already in the wilderness. You can go out and drive on it, and I am going to be driving on it over Columbus Day.

What they fail to tell you is that this is a 60-foot, if that—a gravel road, not a highway. Let us show the picture again of what we are talking about. The Senator from Montana showed a highway the other day when he brought this matter up. "This is what we are going to build. We are going to build a highway." Come on, let's quit kidding each other and the American public. And I might add, we are not asking a red cent from the taxpayer.

This is the kind of road it is. That is what it is. That is all it is. There is no McDonald's on it, no supermarkets. A plain old road. We still have those in Alaska—plain old roads, nothing fancy. A grader might go over it once a year. To suggest that somehow the snow is going to stop a 4-wheel drive from going on a bad day? Let me tell you, when it is turbulent, the airplanes don't fly but the cars creep along the little old road very nicely.

You say there are going to be avalanches. Does it look like avalanche country to you? There are a few areas on the other side where there are some hills, but there is not going to be an avalanche. "You will have snowdrifts." You do not have a lot of snow out there. You have blowing snow and winds, but the roads that are there now, the 47 miles of road, are open virtually all winter. You do not have a situation where you have, like Valdez, AK, where you have 25 or 30 feet of snow. That does not occur. This is a maritime climate but it is tough on wind. So to suggest a road will not work is unrealistic, because the roads that are there do work. Mr. President, 130 people in Cold Bay traverse on them, as they keep the airport open year around in Cold Bay.

I was using 580 acres, and I was wrong. This exchange adds 664 acres to the wilderness. The Native people are giving up their private land in return for access through a refuge. It is a win-win-win for the wilderness and the environmentalists, if they can just figure it out. Again, this substitute that I offer would adjust the boundary to include 664 acres of the private King Cove Native lands, and it would remove 85 acres from the wilderness in the exchange for the 7 miles of road.

One other thing here, lest we forget—the "great white father." The "great white father" of public lands, in our State, is the Secretary of the Interior. He controls utilization. And we propose that for this section, this section specifically, if it is authorized and someday built, that the Secretary would have the ability to regulate the use of the road during migratory periods. How much more authority? If the concern is migration, OK, there is a concern. If you have concern about migration, don't allow hunting in the area. The U.S. Fish and Wildlife Service allows hunting. We obey the rules and they allow it out there.

One of the most significant areas in Alaska is Cordova. You have the flats of Cordova; you have a road that runs out to the Cordova River, right through the flats. It is a huge nesting area with many endangered species and an airport in the middle of it, and there is no problem at all. Do you ever see any geese on the golf courses around here? They even allow hunting on the golf course, they have so many geese. To suggest this is going to be detrimental to the migratory bird pattern is absolutely ridiculous. There is no justification for that at all, because the roads are already there. There is so little traffic on them. There is not likely to be a mass movement from Washington, DC, to King Cove or Cold Bay. Believe me.

This is a Native area, and the Native population have had the ability to generate a little activity with their little cannery and their little cold storage plant. But what they have not been able to do is to generate any interest in the Congress of the United States supporting a little land exchange so they can enjoy access to a road. They are prepared to take care of themselves, if they can simply have access to their airport.

Let's talk about precedent one more time, because I am sure the opponents will say, "Oh, you are setting a precedent. You are setting a precedent."

First of all, I thank those Members who were willing to see the people of King Cove during their visits here in Washington, DC, the Aleut people themselves, because they can express their desires and positions much better than I can.

I would like to recognize here an old friend who just snuck into the Chamber, who shall remain nameless; is that fair enough? Thanks, Bob.

Speaking of precedents, rather than Presidents—which we almost had here, but I am getting off the subject so I better get back to the business at hand—I think many of my colleagues have been wrongfully led to believe this provision which we propose would set a precedent in setting or allowing roads to be built through wilderness areas.

As chairman of the Energy and Natural Resources Committee, I can assure you, this is absolutely false. There is no precedent to be set by this provision. First, plainly and simply, this provision does not authorize construction of a road or authorize construction of a road in a wilderness. One more time: It simply adjusts the wilderness boundary, and that adds 664 acres of private land, private Native land, in exchange for withdrawing 85 acres that will be used for a road corridor and a refuge. None of the corridor will be in a refuge portion. It will be in the wilderness portion of the refuge.

I want to get to the point. Wilderness boundary adjustments are commonplace. They are done for numerous reasons. Last year I was instrumental in passing the Presidio legislation, which included, among other things, wilderness boundary adjustments. In one wilderness area we withdrew 73,000 acres of wilderness and added back 56,000 acres, for a net loss to the wilderness of 17,000 acres. That was in the Anaktuvuk Pass.

Prior to that, Congress—and I think my colleague from Montana will note—deleted 28 acres from the U.L. Bend Wilderness Area in the State of Montana to allow for access, to allow for access through a wildlife refuge wilderness area. What for? To a fishing area near Fort Peck Reservoir. In other words, to a fishing hole.

I am not complaining. I figure the folks in Montana know what is best for them and the Senators from Montana know what is best for their citizens. That is why I am kind of amused that this body has denigrated itself, if you will, to a situation where—you know, it used to be the Senators from the State knew what was good for their State and they were going to be judged by their constituents and held accountable. But we have moved away from that now because of the special interest groups, and we have Members who have never been to my State dictating the terms and conditions under which my people have to live. They resent that, and so do I, because they do not know what the people who are living there are really experiencing because they have not experienced it. The constituents in Arkansas and Montana have not experienced it, but I have. I can tell you, it is real.

We have had examples where Congress has created roads in wilderness areas. In fact, when the Izembek Refuge Wilderness Area was created in 1980, it was created with existing roads in the wilderness.

I don't raise these examples to advocate that wilderness boundaries should be subjected to change at whim. I am not doing that. What we are proposing is a net increase of nearly 600 acres of wilderness. If we have changed wilderness boundaries for such things as access to a recreation area or, in the case of Montana, to a fishing hole, then I can't understand why in the world it is not appropriate to change a wilderness boundary into a refuge to save lives. It is pretty basic, Mr. President. There is no truth to the claim that this is precedent setting.

Some people question why this right-of-way needs to be granted now when the State is currently undergoing a process to determine a preferred alternative between improved air safety, ground transportation, whatever. Why is the right-of-way needed if it is not yet known that this will be the State's preferred alternative? These are valid questions. They deserve a valid response.

First, one has to understand this issue is not new. A road connecting King Cove and Cold Bay was recommended in the preferred alternative of the 1985 Bristol Bay management plan done cooperatively with the State and Federal Government.

Second, in 1995, ground transportation between these two communities was listed as the State's third highest priority project for rural Alaska by the current Governor.

If you look at the map that shows the health care areas in the State—I want you to look at that a little bit more because it shows the road system in the State. We don't have roads in the State. We are the new kid on the block. We have been a State since 1959—39 years ago. That is what we have. Look at Arkansas and look at Montana. We are not asking for an awful lot here. In fact, it is a bit embarrassing for me to have to come and plead for the lives of the people in this village.

That is our road system, Mr. President, an area one-fifth the size of the United States, an area that, if superimposed on a map of the United States, superimposed in a comparative dimension, goes from Mexico, to Canada, to Florida, to California, with the extension of these Aleutian Islands. It is a big piece of real estate. I find it difficult to have to beg, if you will, for consideration here, but I guess that is what I am doing. For a people who have occupied this area for 5,000 years and have looked at every option, it makes sense to have a ground link. These people have lived, have survived a lot longer than you and I. They fish the waters and hunt the land. Sometimes they fly the skies, and sometimes they die.

It is interesting to note, too—I will point out on one of the maps of the Cold Bay area—that they have traversed this area through this so-called wilderness on foot trapping in the wintertime and hunting. This is nothing new, and they are still doing it. But these are the people who have the most at stake in protecting the region's resources. Think about that. These are the residents—they are subsistence people, to a degree. They know how to protect the fish, the game, the geese, the endangered species.

The problem with the bureaucracy is this thing can crawl on—do more studies. But the people want some assurance at the end of this process. Without the legislation before us, there is no end in sight, because what this legislation does is it simply authorizes a land exchange. That is all it does.

In testimony before Congress, the Fish and Wildlife Service was asked the question: If through this comprehensive study that is underway the preferred alternative is, indeed, a road link, would they support it? They simply said no. They didn't give a reason; they just said no. They didn't acknowledge there were roads already in the wilderness.

By granting the right-of-way now, a road link will remain a viable alternative. It will give the State the option. Why shouldn't the State have the option for Heaven's sake? It is our State. By granting this right-of-way now, a road to safety, what we are doing is appropriate and timely, and I guess tardy in some respects, and providing an opportunity for the people of King Cove to have access.

I promised to comment, since we are not limited to time currently, on a couple of other options because I know these are going to come up in the debate. I know that others will insist there be other ways to resolve the problems of King Cove without granting ground access. We have already talked about telemedicine. I know that the people of King Cove welcome the technology and the advancements telemedicine is going to add, but it is not the solution. Telemedicine is a diagnostic tool. We may be in a better position to diagnose a heart attack or a partial amputation, but we will be no better off to treat it without the ability to safely transport people to modern medical facilities.

Our largest hospital, Providence Hospital, in Anchorage stated it best recently when referring to telemedicine:

> It will be especially helpful in providing better consultations to enhance a provider's knowledge and help her or him make a better decision about transport. However, it will never, ever eliminate the need for emergency transport to an acute care facility, and that is what the road between King Cove and Cold Bay is all about.

I ask unanimous consent that the letter from Providence Hospital be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PROVIDENCE HOSPITAL,
ANCHORAGE, AK,
August 3, 1998.

The value of telemedicine in the Aleutians and its limitations.

ROBERT JUETTNER,
Aleutians East Borough, Anchorage, AK.

The Aleutian Chain is without a doubt one of the most difficult places on earth to provide quality healthcare for several reasons.

Weather is a primary factor. Transportation in emergencies can be terrifying and deadly. Many lives have been lost in the attempt, both patient and providers working on evacuation teams. Patients lose critical time awaiting transport to acute care facilities while waiting for the weather to change. And providers can't get out for respite or continuing education, both of which are critical for maintaining quality of care and quality of life. Within the next five years, trauma consults will improve in Alaska and in this region in particular, but it will never completely replace transport to acute care facilities when needed.

Distance between communities dwarfs many states in the lower 48 and telecommunications are often sketchy. A wise person once said, "If a successful fax transmission is a blessing, then successful telemedicine transmissions could be a miracle!" We are working on this through expanded bandwidth and improved technology.

The Aleutians represent a unique opportunity to develop telemedicine and telehealth applications that would truly enhance service in these under-served communities. It will be especially helpful in providing better consultations to enhance a provider's knowledge and help her make a better decision about transport. However, it will never eliminate the need for emergency transport to an acute care facility and that is what the road between King Cove and Cold Bay is all about.

Providence Health System in Alaska currently provides teleradiology services to Dutch Harbor. Plans include education, telehealth services such as conferencing through email, alliance support and peer-to-peer communications within the region. The system will carry data, voice and images. This is called store-and-forward communications. Communications may include real-time chats. Services will provide some intercession; some better judgement calls and decisions; improve isolation issues and enhance education.

The system will not carry a human body that needs advanced medical care. It may help cut the numbers of evacuations through better diagnosis and consultation. It will enhance medical care to this region. It will not remove the need for treacherous evacuations that so often take place from King Cove.

The Providence Telemedicine Network is designed to be an integral part of a regional healtcare plan. It will help improve the emergency medical network over time with relatively little investment by those involved. Use of consistent emergency protocols means only patients requiring tertiary care will be transported. Outcomes will be improved care and reductions in transports. It will not eliminate transport.

For these reasons, we support the road between King Cove and Cold Bay and we support the use of telemedicine throughout the region.

KATHE BOUCHA-ROBERTS,
Director of Alliances and Telemedicine.
DESTYNE E. TAFT,
Telehealth Network Coordinator.

Mr. MURKOWSKI. Mr. President, some others argue that the building of a health clinic is the answer. Incidentally, I understand my good friend, Dr. FRIST, will advise us later on the aspects of telemedicine, what you can and can't do. I am most appreciative of that. Still, others argue building a health care center is the answer. The answer, again, is it helps; we have a little bit of it there, but without a proper cardiac unit or prenatal unit, the people will still need transportation to other locations outside of King Cove in times of emergency.

We are going to hear a lot of talk about helicopters. You are going to hear a lot of talk about helicopters from people who have never been in a helicopter when the wind is blowing 60 miles an hour, or have never been in a helicopter in severe turbulence. But I have, but not as much as the people I am going to talk about.

The Secretary of the Interior says, "Well, just use a helicopter." Let me show the map of Alaska, again, because the nearest helicopter is in Kodiak. There is nothing wrong with the aspects of that, other than Kodiak is 300 miles away. Here is Kodiak Island right here. We are 300 miles away in King Cove. This would be like telling the residents of Washington, DC, that their trip to safety will be provided by a helicopter that comes from Waterbury, CT. How is that? Or any other area that you care to pick.

Even if a Coast Guard helicopter was stationed nearer to King Cove, where are you going to put it? There is not much out there in the Aleutian Islands. It is kind of tough to place the lives of Coast Guard personnel in danger when there are other alternatives.

Let's flip this around. They say that there are alternatives and the helicopter is another alternative. The helicopter folks say, a helicopter is fine, but there are other alternatives and one is a road.

Helicopters do not always work, for several reasons. First and foremost, they are not designed to handle severe turbulence. That is part of the daily life in King Cove. And any good helicopter pilot will tell you that the wind is not the issue, the turbulence is. The wind did not cause 11 deaths. It was the turbulence that caused the deaths. That is what brought the aircraft down.

Second, we have done a little investigation working with the Coast Guard, who have been very responsive. The Coast Guard pilots are trained for maritime missions flying over water, not flying over mountainous terrain—not that they cannot do it, that is just not part of their training.

Third, do we really want to change the mission of the Coast Guard to handle land-side medevacs when other alternatives such as one simple gravel road exists? I can assure you, Mr. President, the Coast Guard does not support such a change. Recently the admiral told me so. And I will quote his letter.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF TRANSPORTATION,
U.S. COAST GUARD,
Washington, DC, September 4, 1998.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter of July 21, 1998, in which you requested answers to the following questions regarding the capabilities of the H-60 helicopters stationed at Kodiak.

"What are the operational minimums of the H-60 helicopters stationed in Kodiak in terms of weather, visibility, and such?" Although Coast Guard aircraft routinely fly missions in extremely challenging weather conditions, they are subject to certain operational limitations. The pertinent operational limitations of the H-60 helicopter include the following: minimum take-off visibility of one-quarter statute miles for search and rescue missions and 60 knots of wind for aircraft startup.

"Is the H-60 an efficient helicopter in mountainous terrain with extreme turbulence?" The Coast Guard's H-60 helicopters are optimized for low level flight in the maritime environment. As such, they are required to avoid areas of moderate turbulence or greater.

"Do Coast Guard pilots receive flight training for land-based missions in mountainous terrain?" Coast Guard pilots do not receive any formal mountainous terrain flight instruction, although some units operating in higher elevations have developed in-house briefings to remind their pilots of the inherent dangers of flying in mountainous areas.

"Are shore-side civilian medical evacuations part of the statutory authority and/or primary mission of the Coast Guard?" Shore-side civilian medical evacuations are the statutory responsibility of the National Highway Traffic and Safety Administration. Although not a primary mission of the Coast Guard, we sometimes become involved in these types of missions when assets are available and our assistance is requested by an appropriate organization.

"If a Coast Guard helicopter was on a maritime mission and a medical evacuation at King Cove was required, would it abort the maritime mission?" The decision to divert from a maritime mission to a shore-side medical evacuations must be made on a case-by-case basis, considering both the severity of the shore-side medical condition and the nature of the maritime mission.

"To what types of medivacs would the Coast Guard respond? Would a compound fracture of a arm warrant a Coast Guard response?" When the Coast Guard receives a request for a medical evacuation (MEDEVAC), flight surgeon is consulted to determine if a MEDIEVAC is necessary based on the patient's condition.

Typically, conditions threatening loss of life or limb would warrant a MEDEVAC. Although a compound fracture to the arm would not normally justify a MEDEVAC, there may be situations where a MEDEVAC is authorized based on the severity of the injury, or the potential for additional injury.

You also asked whether the Coast Guard would support a legislative change to require us to do shore-side medical evacuations. The Coast Guard could not support such a legislative change. The Coast Guard is a sea going service. Our personnel are trained and equipped to operate in the maritime environment, which poses very different challenges from those faced by shore-side responders. For the Coast Guard to take on the additional responsibility of responding to shore-side medical evacuation would require a fundamental change in the way we do business, a substantial increase in funding, and complete reevaluation of our asset siting.

In summation, although the Coast Guard is more than happy to respond to shore-side medical emergencies as time and resources permit, we cannot and should not be seen as the primary responder to these types of incidents.

We hope the above information is helpful. We appreciate your continued interest and support of the Coast Guard.

Sincerely,

JAMES M. LOY,
Admiral, U.S. Coast Guard, Commandant.

Mr. MURKOWSKI. This is a quote:

> The Coast Guard is a sea going service. Our personnel are trained and equipped to operate in the maritime environment, which poses very different challenges from those faced by shore-side responders. For the Coast Guard to take on the additional responsibility of responding to shore-side medical evacuation would require a fundamental change in the way we do business, a substantial increase in funding, and a complete reevaluation of our asset siting.

Mr. President, on a more somber moment of reflection, the men and women of the Coast Guard are brave souls. I served in the U.S. Coast Guard. I am very proud of that body and proud of the time that I served our country.

Men like Kevin M. McKracken from Springfield, OR, 25 years old; William Gregory Kemp, 27, of Docena, AL; David Rockmore, 52, of Cambridge, PA; Ralph King, 24, of Arden, NC; Michael C. Dollahite, 38, of El Paso, TX; and Robert L. Carson, Jr., 38, of Bostic, NC, all of whom perished, they all died, Mr. President, in a Coast Guard helicopter crash during an attempted medevac rescue on Ugak Island in Alaska. They crashed, Mr. President.

That is the harsh reality of the danger of those who are prepared to give so much for the benefit of others. You are not just talking about sending a helicopter willy-nilly 300 miles, you are talking about a tough set of facts here, Mr. President.

I have had discussions with the Secretary of the Interior. He may be willing to generalize on the issue of danger and the fact that the helicopter is an answer. But, you know, where do you get the appropriations for a helicopter—you have to have two crews, you have to have hangars; you have a population of 700 people here—when you have an alternative, a simple gravel road? That is all we are asking for. And you can debate whether we are wrong or right; we will take our chances.

Let's talk about a sea link. That is interesting. You still have a population of 700 people. It would require a tremendous infrastructure. For example, you would need a 150-foot-long vessel to operate in the rough seas, probably have to have some kind of an icebreaking capability, have to have dock facilities constructed at both King Cove and Cold Bay, breakwaters requiring more than—well, it is estimated it would take more than 67,000 feet of fill that would have to be constructed in King Cove and Cold Bay. Roads would have to be constructed to access boat docks.

And even if all this were done, sick and injured people would have a minimum of a 2-and-a-half-hour, maybe 3-hour, trip in the treacherous seas. Let me show you a few pictures of what these seas look like. And it would still not be as reliable or as fast as a simple alternative of a one-lane gravel road. How many cars do you think you are going to have out of a population of 700 people in an isolated area going over that road a day? Three? Four? I do not know. Hardly enough. That is what you are looking at.

How would you like to take a ride on that? I can tell you, 90 percent of the people in this body would be hanging over the side, deathly seasick. They would hope the boat would roll over and sink. But that is the access that we have. And this is what is proposed to be some kind of a sea link at a cost—who knows what it costs.

We have had long debates in this body over the years about access to health care, haven't we? Nowhere does this take on a more dramatic meaning than King Cove. And when I say "access," this means the actual physical ability to get to a hospital in a hurry, whether it be Anchorage or Seattle, WA, to get specialized health care needed in the event of a serious emergency or sickness. Right now, the residents of King Cove simply do not have that access.

We have had other debates about access across public lands. And I always go back to a conversation I had with the Secretary of the Interior, Secretary Babbitt. He said, "If you folks have a need, show me an area where you need access across Federal lands, and I'll work with you." I cannot think of a greater need or an area that is more easily identifiable where we need access across Federal lands. And I would encourage him to reconsider.

I believe that we have shown in this case we have a need. For some reason or other, those in the administration do not seem to support our plea that this is a matter of life and death to our constituents as well as American citizens. I find it terribly disturbing that where human life and safety issues are at stake, we see such an orchestrated effort to distort the facts by well-meaning people fronting for special interest groups, most of which do not give a darn about the people in King Cove or their plight, that through some idealistic interpretation they have taken this on as a cause. They fail to recognize what a gravel road is, fail to recognize we are not setting a precedent, fail to recognize we are not putting a road through a wilderness.

It is amazing, when you think about it. Here is the health and safety of my constituents. And I am not going to stand by, and let some of these special interest groups control the agenda, and ignore the viability of what we are proposing—no Federal funding, simply a land exchange. I do not believe any Member of this body would stand by and let their constituents face such conditions.

When we think about it, what does wilderness connote? Safety. Wilderness connotes refuge. So in making every effort to protect the environment and the surrounding ecosystem in King Cove, Congress unintentionally endangered the lives of those living in King Cove when it created the wilderness area.

So, what we are doing in Senate bill 1092, with my amendment, is righting a wrong by authorizing the one thing that we all take for granted when we are injured or when we want access, and that is a road. We do not want a paved highway, we want a little gravel road—that is it—a road to safety, Mr. President, a road to life.

Fourteen people have died. You know why they have died? Because there has not been a road. Fourteen people in the community of 700, 710 people. These are Aleuts. They have been there for 5,000 years. How many more lives are we going to be sacrificing for the bureaucracy to study alternatives until they can be provided with the access they so rightly deserve?

They have paid for this access, Mr. President, in blood. And this is an access that you and I take for granted daily. The designation of "wilderness" was never meant to prevent people from safe access to medical care, and I think we would all agree it would be absurd to argue otherwise.

My constituents, your friends, some of the people that you have all met with, the Aleut people who visited in Washington, DC, I think deserve an opportunity to save their lives in times of emergencies. They should not be held hostage to fear for life and limb by an administration or a Congress that somehow is carrying the water for some of the righteous self-interest groups. This is the situation we have.

In the end, those who vote with the people of King Cove may or may not be on the winning side of this issue but they will certainly be on the right side of the issue.

Mr. President, how much time have I used?

The PRESIDING OFFICER. The Senator has used about an hour.

Mr. MURKOWSKI. It is my understanding that there are 6 hours equally divided.

The PRESIDING OFFICER. The Senator has 2 hours remaining, yes.

Mr. MURKOWSKI. I want to make one more point, and then I will yield to my colleagues who are in opposition.

I noted an article in The Hill, one of Capitol Hill's weekly papers, on September 30. It amazes me because this is part of the problem we have, the failure of those who are in opposition—in this case, a letter from a senior vice president of public policy of the National Audubon Society.

It is entitled "Murkowski's Bond Proposal is a $30 Million Boondoggle." It is to the editor. He says that the proposed solution of "a road to life," as this Senator suggests:

> There is not a shred of evidence [in the writer's opinion] that a road will provide reliable, safe, medical evacuation in areas prone to avalanches, blizzards, white outs, dense fog, and extreme air turbulence.

I answer, very simply, that the roads are there now. The roads are passable. You might have to slow down. This is not tremendous areas of concentrated snowfall. The problem is extreme turbulence associated with moving an aircraft through the skies during those terrible storms. So the roads are there now.

He goes on to say:

> In fact, this single lane, 30-mile, $30 million gravel road is a taxpayer and environmental boondoggle.

That is an outright lie. That is an outright lie. We are not asking for $30 million. We are not asking for a red cent. This is how this issue is portrayed to the American public—"30-mile, $30 million gravel road is a taxpayer and environmental boondoggle." A cool $1 million per mile.

That road isn't costing $1 million per mile, and we are not asking for Federal funds. They mischaracterize it. Why, Mr. President, can't we have a debate on the merits without misleading the people?

Talk about the bird habitat—I appreciate and am sensitive to it. This road is not going to interfere with that anymore than we have seen roads in Cordovo or roads in Juneau interfere. The fact is that we are only talking about a population of 700, and the roads already exist in the wilderness.

He suggests an all-weather boat ambulance could effectively back up this facility. I think you have seen the picture. You have seen, also, the people who have perished. He talks about a "life-saving boat" plan as a solution. He doesn't mention the bay freezes.

Again, it is a case of somebody who has never been there, never experienced the isolation, what it means to be without access. Clearly, there is an alternative. We suggested it in this legislation.

Again, I encourage my colleagues to reflect on the appeal of the people from King Cove who have come to their offices, to recognize, indeed, how they would respond if it were their constituents, and recognize that there is a viable alternative here, and that is a simple road which is a win-win-win—the environmental communities and the wilderness—because we are adding 580 acres to the wilderness and we are not putting a road through the wilderness. We are doing a land exchange and putting that road through a refuge.

It will be my intent to talk a bit more a little later, because I am sure some of my friends may have some questions or I may have a rebuttal. With that, I thank the Chair for the attention. In deference to my colleague, I recognize we had conversations relative to the merits of this and I know, obviously, there is pressure by the administration on this particular issue. I take that in the spirit under which it is going to be communicated.

I yield the floor.

Mr. BUMPERS. I yield the Senator from Montana such time as he may consume.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I begin by first thanking my good friend from Alaska for bringing this up as a freestanding bill. One of the objections I had earlier with some of the riders in the Interior appropriations bill first on the merits of those provisions of the bill which I think in many cases were ill-advised.

A second objection I had to the riders were just that, they were riders on an appropriations bill; that is, measures which have very significant public policy implications and very significantly affect our country, many of which had no hearings. It is true one or two may have had hearings, but, by and large, the riders did not have hearings. Here we are, taking them up and passing them without an adequate opportunity for debate.

The American people, rightfully, get a little upset when Congress does not in the full light of day debate the pros and cons of issues, and fully air these issues. They don't like it when riders are slipped into an appropriations bill. I might add, there will be a lot more slipped in before this Congress adjourns in the next 10 days.

I very much thank my good friend from Alaska for bringing this up as a freestanding bill. That is what we are supposed to be doing here, debating issues, what the pros might be, what the cons might be, and have a debate and see what makes sense and then vote. That is the legislative process, the way it is supposed to work, and certainly the way the American people would like it to work in our democratic form of government.

Senator, I thank you very much. I want you to know that I very much appreciate your bringing this bill up as a freestanding bill. That is good. I wish, frankly, that the other riders in the appropriations bill would be brought up in the same manner.

I might say at this point those who are opposed to the riders have not had an opportunity to move to delete them. That is because the appropriations bill has been withdrawn. It is no longer under consideration before the Senate. So at least we have an opportunity to debate one of those provisions, and that is the Izembek Wilderness issue of the King Cove—Cold Bay matter. I thank the Senator for doing that.

Turning to the merits, on the surface, the argument of the good Senator from Alaska makes some sense. It has some merit. After all, we are talking about two very remote rural communities, Cold Bay and King Cove. They are not very far apart in miles, but they are quite far apart in terms of weather. There is a big bay between the two. They are different also because of the weather. When people are injured in King Cove, sometimes they may need to get to a hospital up in Cold Bay. It is very understandable. I appreciate that.

In my State of Montana, we face the same problem. Very often in rural parts of my State people want access to medical care. They don't have good access. I might remind my good friend from Alaska he and I cosponsored a bill to grant telemedicine capability to rural States. In fact, we have both stated that Montana and Alaska desperately need better rural health care access. We have the same problem Alaska does.

We also have crashes of medevac helicopters in Montana, just like the Senator from Alaska referred to in his State. We have mountains. Health care access is very important. I deeply sympathize with people in King Cove, as well as those in Cold Bay—particularly those in King Cove, who need access to health care. As I understand it, 11 people have died in plane crashes in the general area. In one case, four people were killed in one emergency medical evacuation. The other people lost their lives due to reasons other than medical evacuation.

We have the same problems in my State. Many times, in Montana—and I am sure this would be true with respect to the proposed road, and it is true in Alaska where there are roads—the snow drifts. In the State of Montana, we don't get a lot of snow, believe it or not, Mr. President. There is a general myth in the country that, in Montana, it is cold and we get all kinds of snow. Our average precipitation, including rainfall and snow, is about 14, 15, 16 inches a year. We don't get a lot of snow.

We are not like Buffalo, or like the snowbelt up in northern New York. We don't get a lot of snow. But when it does snow, it very often blows and drifts, as I am sure is the case in the State of Alaska. It is those drifts that stop the traffic, that cause people in smaller communities great difficulty in getting to a hospital. For that reason, we have a lot of medical assistance facilities around the State. They are small facilities to help people get better health care when they cannot immediately get to a hospital because they are so far away, because of bad weather, or whatever the cause.

Sometimes we try helicopters and the medevac, but often in bad weather that is dangerous; it is not always a sure thing. We are also adding a lot of telemedicine, as many States are, for rural areas. Telemedicine has a very significant role in helping to provide better health care to our rural communities. Is it the sole answer? No, by no stretch of the imagination. But more and better telemedicine will provide better health care to a lot of areas.

So I want to say to the Senator that I do sympathize with the need for health care in rural areas. It is a problem. But we have to ask ourselves, as almost always is the case, what is the best way to get health care to rural areas?

In the first place, it is not clear that the road is the only option for providing better health care to the residents in King Cove, or even the best option for providing medical emergency services.

A few years ago, the State of Alaska began a comprehensive study of transportation between King Cove and Cold Bay. It was a major study. That study is now examining three major alternatives to tie the two areas together. One is improved air transport. Another is better marine facilities. The third is a road. I have a copy of it here. It is the King Cove/Cold Bay Transportation Improvement Assessment, prepared by an Alaskan company in Anchorage in cooperation with Northern Economics, Anchorage, AK, dated November 1997. This is a draft assessment of transportation needs conducted by the State of Alaska, to determine better access to rural areas in Alaska.

When it comes to emergency medical transportation, I must say that even this preliminary study shows that there is no single silver bullet. There is no panacea that is going to solve the problem the Senator addresses. After all, bad weather is bad weather—whether it is high winds blowing to make air transportation difficult, or whether it is wind blowing snowdrifts over a road. And I must say, many days of the year on this proposed stretch that we are talking about here, it may be impassable; there are snowdrifts. Sure, we have to get more highway equipment out there to open up the roads in the winter. Sometimes that can be done quickly, but sometimes not. An emergency is an emergency.

Many times, in my State, roads have been impassable for long stretches of time—close to a day—because of snowdrifts. I would guess that the same could probably happen along the road we are talking about here. Indeed, if you talk to residents who live in the area and who have written letters opposing this proposed road, that is just what they say. It is very hard during certain times of the year to get a road open because of drifting snow. I have a letter here.

(Mr. ROBERTS assumed the Chair.)

Mr. MURKOWSKI. I wonder if my friend will yield for a question on the snow.

Mr. BAUCUS. When I finish this letter. This is a letter from a resident of Cold Bay. She says: "As a lifelong resident of this area, I have some great concerns with the proposed legislation . . ." She talks about the 25 mile proposed road. "When we are having inclement weather, are we to believe a vehicle could drive 27 miles in whiteout conditions, drifting snow, and winds?" She says that she lived 3½ miles out of the town of Cold Bay for 4 years with so-called "road access" to Cold Bay. During the winter, she says she spent many months stranded at home, or in town, depending upon where she was when the storm came. She says that the drifting snow would be so bad that it would take days—that is probably a slight exaggeration—to get the 3.2 miles plowed enough to be passable.

That is not the only letter we have received. Here are some more letters from citizens from Cold Bay, AK. They say that in poor weather conditions, such as blowing snow and freezing rain, road travel becomes equally treacherous. On the Alaska peninsula they could only make the road passable seasonably. That is their view, and they live there. They talk about an alternative, which is mentioned in the Alaska report—a small ferry system—and improving the dock facility at Cold Bay. They go on to say that this has been studied for a while, and with state-of-the-art navigational aids, marine transport is probably more reliable. I might say, that is probably true in one respect. That is because, actually, the weather in the bay is not as locked up with ice or as cold as we might be led to believe. I will get to that in just a second.

I have now a letter from a doctor. He comments on the road alternative. He is commenting from the point of view of medical services in King Cove. Basically, he says that while flying is obviously potentially hazardous, the proposed road in an Aleutian storm or blizzard could be equally hazardous when one considers nearly zero visibility, the absence of other traffic, the long distance through very isolated country and, of course, the ever-present winter danger of avalanches.

He went on to say that he is strongly recommending several measures which would result in a marked decrease in the number of medevacs. What he thinks would be more reliable in the event of emergencies necessitating medevac would be, foremost, the implementation of state-of-the-art telemedicine. He goes on to say that another option that would circumvent the hazard of avalanches and of isolated highway transportation would be a state-of-the-art ferry system.

That is just one view of one doctor who lives in Alaska. I am not saying it is conclusive or determinative, but it is a view of a doctor in Alaska.

I think we all agree telemedicine helps. I think we all agree that telemedicine is not the total solution. In fact, just in June of last year, I was very proud to have had the Senator from Alaska join me when we introduced the Rural Telemedicine Demonstration Act. We want HCFA to spend up to $2 million, if we can find the funds, for computer-assisted medical information for Alaska and Montana, two rural States that contain most of the remote and frontier health care locations. Senator MURKOWSKI says that telemedicine has already proven to be cost effective and a practical answer to the Alaska dilemma of how to provide modern health care in a vast geographical area, an area completely unconnected by roads and with access only by airplane, snowmobile, or dogsled.

Telemedicine is helpful. It is not the total solution, by any stretch of the imagination, but it is very helpful. There is no single bullet. There are problems with all forms of health care assistance in very remote rural areas.

The State of Alaska, I might say, is studying different options right now. They have not reached a conclusion as to what the best option would be between King Cove and Cold Bay. One option is Coast Guard air evacuation helicopter. Helicopters work sometimes; they don't work sometimes; it depends upon the weather.

Another option is improved port facilities and special marine ambulances. This doesn't always work, but it works very well sometimes. And another is telemedicine. We all know that advanced telemedicine is going to be quite helpful in more rural areas.

I want to underline that this study by the State of Alaska on what the best transportation option would be between King Cove and Cold Bay is not complete. It is underway right now. The State of Alaska is trying to determine, itself, what the best way would be to provide the best access between those two communities. They are looking, obviously, at effectiveness. They are looking at cost. They are looking at the environmental impact.

You don't need to pass this bill before us to complete the evaluation process. You only need to pass the bill if you have already decided to build the road. But we should wait to see what the study says before we go ahead and build this road.

In addition, there is another study going on to address this same problem. In the transportation appropriations bill passed by this body, the senior Senator from Alaska included a provision for another study of transportation access. This is a study that would be done by the Army Corps of Engineers. The Senator from Alaska provided about $700,000 for a study by the Army Corps of Engineers to determine transportation access needs and solutions in Alaska.

That means we have two studies going on. One is the State of Alaska study, and the other is the Army Corps of Engineers study. At the very least, I think it is premature at this point to authorize a road. Rather, we should wait and see what the studies come up with. Otherwise, I just think we are wasting taxpayers' money, particularly the Army Corps of Engineers money, if we are going to decide what the solution is in advance.

It reminds me of "It's Your Money" on TV. We spend $700,000, and the State of Alaska spends State money, to study a solution. But, before the studies are done, the money is down the drain because Congress steps in and decides what the solution is going to be.

Mr. MURKOWSKI. Will the Senator yield for a question?

Mr. BAUCUS. Sure.

Mr. MURKOWSKI. I would like to point out again, relative to the snow, that the question was brought up by the Senator from Montana, suggesting that because of his opinion on the amount of snowfall that occurs in Montana, we must have that same condition. But isn't it rather unusual, the U.S. Fish and Wildlife Service, in their notice of extreme weather, notes "wind, rain, and fog, drizzle, overcast skies." Isn't it unusual that it would omit "snow"? And in fact the reality is, there is very little snowfall in that area. I can't tell you how many times—I am sure you have gone to the airport by car and found out that the airport is closed and you had to drive someplace else.

Mr. BAUCUS. That has happened to me many times.

Mr. MURKOWSKI. You can't do that if you live in King Cove and Cold Bay.

Mr. BAUCUS. If I might answer the Senator's question, I am not saying that, just because the roads in Montana are often impassable because of snow, the same must be true around King Cove. I am saying that is the opinion of a good number of residents. That is what they say, that very often snow conditions make the roads impassable.

Mr. MURKOWSKI. The U.S. Weather Bureau notes that Cold Bay is the third most windy city in the United States; the third most rainy, with 226 inches; and it is the cloudiest; and for 305 days a year it is cloudy in King Cove-Cold Bay.

Mr. BAUCUS. Mr. President, I would like to point out what the State of Alaska study is really all about.

I have here on this chart the basic purpose of the State of Alaska study—determining what the best solution would be in terms of access between King Cove and Cold Bay. Let me just show you what they are.

The first purpose of this study is to reduce the infrastructure maintenance and operation burden. It doesn't say anything about medical needs or medical safety.

The point here is that these are two separate communities, and some folks in both those communities think that maybe they should combine schools and have one school instead of two. After all, there are about 700 or 800 people in one community; that is, King Cove. There are about 100 folks, as I understand it, up around Cold Bay. Why not? It makes sense to maybe have one school, and maybe the same health care facility, and maybe share power generation or the public works facility. The Alaska report says that this will reduce the cost of living in these communities.

The first purpose of the study is to reduce the cost of living in King Cove and Cold Bay. The second purpose is to improve safety and convenience of travel between King Cove and Cold Bay. That is No. 2.

We talked a little bit about safety. You might note that point No. 2 says convenience—not just medical safety, but also convenience.

The third purpose, I might add, Mr. President, is really the most interesting. The third purpose is to strengthen regional economic development.

King Cove—that is on the lower part of the map—is a major hub of the fishing industry. It has extensive fish processing facilities. But it doesn't have an airport capable of handling large cargo planes. Cold Bay does. That is the big difference between the two. Cold Bay has no deep-water ports. King Cove is just the opposite: deep water, no airport. Therefore, the construction of a road between King Cove and Cold Bay would provide a significant economic benefit to the fishing industry and to the local economy.

Let me read from the State of Alaska initial study:

> A stronger, more reliable transportation link between the two communities would facilitate the movement of fresh fish between King Cove docks and the marketplace, allowing fresh fish from the processing plants in King Cove to be on a plane bound for anywhere in the world within hours.
>
> The cost of shipping would decrease as would delays, inconvenience and uncertainty caused by transportation modes that are expensive, inconvenient and dangerous. This would open up new markets and increase the competitiveness of the Alaska fishing industry.

And later the study notes that commercial fishermen support building the road because the road "will provide the most economic, reliable, flexible and convenient means of moving their product to an airport"—that is up in Cold Bay—"capable of supporting 747 operations." That is, airplanes, 747s.

I can understand why the people down in King Cove would think a road is a good idea, to promote economic development. Again, the study says that improved transportation has three purposes—one is improving the infrastructure, the second is convenience and safety, but the third is economic development. Safety is only a very, very small part of the study here. We were led to believe it is about the only reason, but the fact is, the real driving force here is not safety. The real driving force here is to get fish that are processed down in King Cove up to the airport so they can improve market access around the world.

Now, there is a huge processing plant down in King Cove. It is one of the largest in Alaska. That processing plant processes, I think it is about 38 to 40 million pounds of fish a year.

The company is Peter Pan, which has the big processing plant down at King Cove. I am reading now from the study, the Alaska study:

> With improved access, major freight movements from King Cove to Cold Bay would likely consist of fresh fish and seafood from the Peter Pan plant. Discussion with Peter Pan's staff suggests that up to 5 percent of their product may move into the fresh market if good access is available to the Cold Bay airport. Although Peter Pan's total production volume is proprietary information, it is estimated their total product volume is in the 30- to 40-million pound range. Employing the 5-percent estimate provided by Peter Pan suggests that ultimately approximately 1.5 to 2 million pounds of fresh fish could move to Cold Bay annually. Packaging and jell ice would add an additional 15 percent, for a total gross weight of about 2 million pounds.

I don't know how much you can put in a truck. Some say about 10,000 pounds. That means that if this road is built, there are going to be hundreds of trucks full of fish on this road to get out to the Cold Bay airport.

This report also goes on to say that:

> Forthcoming individual fishing quotas for halibut and black cod, additional market efforts by Peter Pan could increase the amount by 25 to 50 percent within 3 to 4 years.

So that is what is happening here—and I understand it; if I were in King Cove, I would want the same—a large fish processing plant wants to road-haul their product, about 2 million pounds of fish a year, to the airport. My calculation comes out to at least 200 trucks, maybe more, a year, and add to that all the other folks who are going to be traveling on this road.

This is no small matter. This is not just emergency medical access to a hospital. That is not the issue at all. In fact, I have other data that show, again from the Alaska study, there have been no fatalities in air evacuation in the period of time studied; 95 percent got to the hospital from King Cove within 24 or 48 hours, 75 percent of the medevac transports from King Cove to Cold Bay had no delay.

And I only use these dates, these periods, because that is the data in the Alaska study. I don't have any more current data or different data. Again, the data shows that with respect to medical evacuation to King Cove, January, mid-January, 1996 to near the end of June 1997, total medevacs were 20: No delay, 15; 3- to 4-hour delay, 4; 24-hour delay, 1.

Not perfect but not too bad. And most of the air accidents that occur near King Cove have really little to do with medevac. There are other accidents that have occurred.

And I might say, too, that Pen Air—an airline, probably a commuter airline, in Alaska—has about 1,800 flights a year between King Cove and Cold Bay—1,800 a year. So planes do fly in and out from the area; that is, King Cove to Cold Bay.

The study also points out that there is no greater need for air emergency transportation here than in other places in Alaska—no greater need. That is in the Alaska study. Essentially, as I said, Pen Air now makes more than 1,800 one-way flights between these two communities each year, and they have had three accidents over 20 years. The State has concluded that the accident rate is still low and that—this is the State's conclusion—"that the residents of King Cove are in no greater danger than other Alaskans who rely on air transport."

So again to review, No. 1, the State is doing the study. There are many alternatives under review, and air evacuation is relatively safe. But there are other driving forces here that are pushing for the road, which brings me to my final point—the environmental impact of building a road through the Izembek Refuge and Wilderness.

As has been noted, Congress has often adjusted wilderness boundaries. We have done it to correct mistakes. That is usually when we do it. We have adjusted wilderness boundaries because we have passed a wilderness bill and we made a mistake. We go back and adjust a boundary to correct the mistake. We have done it to accommodate pre-existing uses that have been overlooked. That has happened a couple of times. We have also adjusted wilderness boundaries to provide access to inholders as required by law. But as far as I know, Congress has never authorized the construction of a road through a wilderness area to connect two points outside the wilderness area—never.

So the passage of this bill would set a very important precedent. You would say it is OK to construct a road through a wilderness area connecting two points. The argument we are hearing is that this bill will not lead to the construction of a road through a wilderness area, because we'd be taking an area out of the wilderness, transferring it over to the refuge, then building the road through where the wilderness was and saying, gee, we are not building a road through a wilderness.

Well, that is absurd on its face, Mr. President. Of course we are building a road through wilderness. On the map, as presented by my good friends on the other side, there is wilderness. There is a road through the wilderness. So we are building a road through wilderness. It is pretty simple. It is not rocket science. This is about a road through a wilderness.

It is also through a very, very important wildlife refuge. Again, here is King Cove down here, and Cold Bay is up here. The road would go through this area. The wilderness section is right here. The proposal is to make this no longer wilderness and then build a road through it. Of course it is a road through wilderness. They say, just take these lands out of the wilderness. That is what the bill says. In exchange you get some other area.

The use of the land in exchange, the net 580 acres, is land that is already restricted under the Alaska Native Claims Settlement Act. So there is no gain here. The net effect of all this is still a road through a wilderness refuge system. That is the net effect here, that is what we are doing.

Let me just address, briefly, why this is so important. We are now talking about a wilderness and refuge system that is extremely important. In fact, it is critical. It is critical resting and critical feeding ground for migratory waterfowl. It is absolutely critical.

This is Alaska, Canada, United States and Russia. These are the Arctic breeding grounds.

Let me back up. This little red dot here is the area we are talking about, the Izembek Wilderness area, the refuge wilderness area now in question. It is the major stopping ground for many, many birds. Why? It is very simple.

Birds come up from the south. Let me mention what some of them are. One is the Black Brant, 150,000 land here in the spring and fall; the Emperor Goose, 100,000 in the spring and fall. Let me say, all of the world's Emperor Geese land here; all of them. All the world's Emperor Geese stop here at the Izembek Refuge and Wilderness. All the Pacific Black Brant stop there; all of them. Then there are Canadian Geese; 85,000 stop in the fall; Stellers Eider stop in the fall and winter. Shorebirds, 31 species, 300,000.

"Why do they stop there?" you ask. What is so special about this location, this place? I will tell you what is so special. It is a wetlands. It provides food. These birds, amazingly, have flown, some of them, all the way to Australasia, a long way. And some of these birds go to Mexico. That is the Black Brant. The Canadian Geese go to the Pacific Northwest. Shorebirds fly as far away as Patagonia. Can you believe it? Birds that nest and stop off to feed and fatten up so they can fly, fly as far away as Patagonia and come back to Izembek Refuge. It is amazing.

Basically, the birds come up, say, in the spring. They stop here to fatten up, to restore their energy after the long flight from the south. Then they go up further north. This is the breeding grounds up in the Arctic area where there is not as much food. It is good breeding grounds area, but there is not as much food. After the birds have bred, they fly south. They have to stop again here in the fall of the year when the summer is over to stock up again, get some food for that long flight to Patagonia, Australasia; these long, long flights. So this refuge is very, very important.

Essentially, I would like to remind all of us really what is at stake here and what is happening; namely, No. 1, this bill is not needed. Why? Because there is a study going on, a study to try to find the best alternatives, what is right.

No. 2, the driving force here is really commercial. That is the driving force. There is a very large fish processing plant down at King Cove. They want to get their fish to Cold Bay. I understand that, but it is not emergency medical evacuation. That is not the reason.

And, No. 3, this road is going to very seriously disrupt these birds' nesting grounds. Why? If there is a processing plant down here and, as I mentioned—you do the calculations. According to the study from Alaska, there may be a couple of hundred trucks, at least added on, traffic back and forth, and then you could have more 747s. The Alaska study says the purpose of this is to fill 747s. That is what the Alaska study says, the 747s in Cold Bay. I might be wrong, I say to the quizzical look of my friend from Alaska, but that is what the study says: 747s. They may be wrong, but that is what the Alaska study says.

So it is really to connect these two towns commercially, for convenience and so forth. That might be a good thing to do. It might not. Let's wait until we get the study and see what the study says.

Remember, this is very serious business here. It is potentially setting the precedent, building the road connecting two areas outside of a wilderness area; that has never been done before. In addition to that, disrupting a very sensitive population of birds with 747s and other airplanes of that size flying in and out much more frequently, because of all the trucks going back and forth and often in very impassable conditions, because of snow conditions, it is going to cause a very significant effect on the wildlife there.

I will just sum up and say I thank my friend from Alaska for bringing this up as a freestanding bill. These riders are a bit of a problem because they are riders, but as a freestanding bill we can talk about it and debate it. I appreciate the Senators taking good care of their State. This is something that some people in Alaska want. I understand that. But this is a national refuge. We are talking about a wilderness area. We are talking about a refuge area which belongs to all of us in the United States.

I know the sensitivity that Alaskan Senators have. "Here comes Uncle Sam all the time, here comes Secretary Babbitt, here comes the Fish and Wildlife Service. We in Alaska are told what to do by these outsiders." I understand a good bit of that because in my State of Montana, 30 percent of our lands are public lands and most of it is Federal. I understand that. So we have to find the right balance here, the right balance between the wishes of the residents of the State of Alaska as well as the national interest.

My conclusion is the best balance between the two is let's wait for the studies. They will probably come up with some better ideas than we have already come up with so far today. We do not have to wait that long. The medevacs are working. There are all kinds of ways to address this. Let's let discretion be the better part of valor here and not adopt an amendment at this time. Wait a while and then get the best result there. I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, I want to encourage Members to read this article, a story about the hardships endured by the people of King Cove, and I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ROAD WARRIORS: COMMUNITY ENVIRONMENTALISTS BATTLE OVER ROAD THROUGH REFUGE

(By Maureen Clark)

KING COVE, ALASKA (AP).—On this blustery spit of sand, surrounded by treeless mountains that rise out of the Pacific Ocean and disappear into the clouds, a medical emergency can take on formidable complications.

Mariene Newman still gets a knot in her stomach when she talks about the three-day wait to get to a hospital after her daughter, Arlene, then 5, broke her arm while doing cartwheels six years ago.

Fierce winds were funneling through the mountain pass where the community's small air strip sits. Planes were grounded.

Newman watched and waited for a break in the weather, treating her daughter with painkillers and ice packs. Arlene couldn't keep food down and grew weaker by the day.

Finally, Mariene and her husband A.J., a fisherman who grew up in this isolated community at the tip of the Alaska Peninsula, decided to risk the rough seas for the three-hour boat trip to Cold Bay and its all-weather airport.

By the time they reached Cold Bay, the little girl lay limp in her father's arms as she was carried from the lurching vessel up a 30-foot ladder to the dock and taken to a plane bound for Anchorage, 625 miles away.

"My heart was just twisting," Mariene Newman said.

Arlene recovered and remembers little of her ordeal.

Mariene can't forget. "No one should have to go through what she and I did."

In this place where 80-mph winds are common in winter and fog can cut off the community for days at a time in summer, many of King Cove's 770 residents have similar stories.

They tell of stroke, heart attack and burn victims who had to wait days to get to a hospital; of premature babies born on fishing vessels and cradled in makeshift incubators.

The community learned the hard way not to take chances with the violent winds. Four people were killed when a medevac flight carrying an injured fisherman crashed during a winter storm in 1980.

A one-lane, 27-mile gravel road to the airport at Cold Bay would end their isolation and provide safe transportation in times of emergency, King Cove residents say.

The Cold Bay airport, built during World War II, is the third largest in the state with its 10,000-foot runway. It has even been designated as an alternate landing site for the space shuttle.

A rider in an Interior Department spending bill that Congress takes up this month would allow a land exchange to make way for construction of the road.

But the road would pass through part of the Izembek National Wildlife Refuge, a critical staging area for hundreds of thousands of waterfowl and birds and home to caribou and bears.

Conservation groups oppose the proposal, saying it would irreparably harm wildlife habitat and set a precedent for building roads through other wild places.

"This is the most important wetlands area in Alaska," said Deborah Williams, the Interior Secretary's special assistant for Alaska.

The issue is shaping up as the biggest environmental fight in Congress this year.

The White House has already issued a stern veto threat and the proposal could stall the Interior Department's entire $7 billion budget.

Sen. Ted Stevens, R-Alaska, who chairs the powerful Senate Appropriations Committee, said he is ready for a fight.

"If anyone in this Senate votes against me, this is one I will not forget," Stevens warned at a subcommittee hearing in late June.

Thousands of miles from the looming showdown in Washington, caribou graze in the hilly tundra, dotted with lakes. In the foothills of the mountains, bears feast on berries and salmon, fattening up for the approaching winter.

A quarter of a million Pacific brant, Steller's eiders and emperor geese are arriving in the refuge in waves on their fall journey south.

More than 186 species of birds use the lagoons that lie just offshore. Many depend on the abundant eelgrass and berries for critical nourishment during their long migrations.

"Nothing compares to this right here," refuge manager Greg Siekaniec said as he waved his arm toward the eelgrass beds of Izembek Lagoon and the Bering Sea beyond.

About 3,000 people from around the world visit the refuge each year to hunt caribou and waterfowl, watch birds, fish its salmon streams and hike its rolling hills.

The measure before Congress would exchange 85 acres of refuge lands for 664 acres adjoining the refuge owned by local Natives, resulting in a net gain of 579 acres to the refuge. The proposal would not provide funding for the road, which could cost anywhere from $10 million to $29 million.

Critics say the exchange would remove land from the heart of the refuge, which has been designated as a wilderness area.

"It's a tough sell from our standpoint, to trade a corridor for lands elsewhere that are less important biologically," said Allen Smith, Alaska regional director for the Wilderness Society.

Opponents of the road say a modern telemedicine system, linking the village clinic with physicians in Anchorage, coupled with a marine ambulance and improvements to the dock at Cold Bay, would provide a safe, cost-effective alternative to a road.

But telemedicine won't help stroke patients, heart attack victims or those suffering from head injuries who need to get to a hospital, said Leslie Kerr, one of two nurse practitioners who staff the village clinic. And King Cove residents say the stormy conditions that make air travel impossible would make travel in a marine ambulance treacherous.

"In any other place in America, you'd just call 911," Kerr said. "We're just trying to get closer to what other people expect to receive."

Even by Alaska standards, King Cove is isolated. Many residents have their groceries shipped in by barge twice a year. There is one restaurant and no movie theater. People like their way of life and don't expect the amenities that might be found elsewhere, said city manager Gary Hennigh.

"We'll never be in the same realm as mainstream America but it can still be as good as circumstances allow," Hennigh said. "There's this big runway just 27 miles way. If there's an opportunity to make something better, we ought to find a way to make it happen."

The rhetoric in the debate has grown hot, with a haze of charges and counter charges on both sides.

Supporters of the road accuse their opponents of valuing wildlife over human life. The refuge is already criss-crossed with trails left by 40,000 troops stationed at Cold Bay during World War II, they say.

Environmentalists counter that the real reason King Cove residents want the road is for the economic development it could bring.

King Cove is a company town. Local fishermen sell their catch to the Peter Pan Seafoods plant, the only cannery in town. With a road to the Cold Bay airport, they could fly their fish to other markets.

But Mayor Henry Mack, a fisherman, shakes his head when asked about economic development. With Alaska's wild salmon losing market share to farmed salmon from Chile, Norway and elsewhere, local fishermen would have a difficult time competing on the world market for fresh salmon, he said.

"Our first priority is a safe means of travel. If that's all this turns out to be, we'd be happy," Mack said.

Mr. STEVENS. Mr. President, I am saddened to come to the floor and find the Senator from Montana quoting from the State of Alaska study. I am equally sad to hear what he gleaned from it. I wonder if the Senator from Montana knows that the State study shows the average flight delay from King Cove to Cold Bay is 8.8 hours. Does he know the State study also said the best option to solve this problem is, in fact, the road that I want to discuss? But I am really sad that my State has not backed the people from King Cove the way it should have. As a matter of fact, the Associated Press did have an article that appeared throughout the country. I want to encourage Members to read this article, the story about the hardships endured by the people of King Cove, that I asked be printed in the RECORD at the beginning of my remarks.

I know the graphics cannot appear in the RECORD, but I hope the Senate will understand we are talking about King Cove, which is out at the end of the Alaska peninsula. The land on that peninsula is almost entirely withdrawn. There are some native lands on it, but it would not be possible to have a road go out of King Cove to Anchorage by land. We are talking about an area that is isolated by land, an area that is located just a few miles from Cold Bay, which is an alternate landing site for the space shuttle.

If you want to talk about 747s landing there, the space shuttle itself can land there, just 30 miles from King Cove. If anybody is worried about the turbulence and planes landing at King Cove, as far as the migratory birds coming in the Izembek, I think they ought to check again.

I argued against this land in its entirety becoming a part of the Izembek Refuge. Part of it is nesting and resting grounds for migratory birds. Part of it is a former airbase from World War II that I will describe. After it was made part of the wilderness area—it is strange, you make an airbase that has old Quonset huts and roads on it, and you say, by the stroke of a pen, "This is a wilderness area now, this is a wilderness area; be careful, you cannot do anything more in this area." There are 42 miles of road advertised by the Fish and Wildlife Service as a good place to come hunt, but you cannot move the boundary 60 feet—60 feet—so we can build a road outside of that wilderness area and allow these people to come to Cold Bay to be transported another 600 miles from there to get to a hospital.

Mr. President, I welcome to Washington several of the civic leaders from King Cove. I am sure they are saddened to hear Members of the U.S. Senate telling them that their lives and their children's lives are less important than 60 feet along 7 miles of the southern boundary of this area that has been set aside and called a wilderness area.

When we first started wilderness, it was intended to include only roadless areas. It had to be roadless. When they made this into a wilderness area, I argued, "How can you do this? How can you make that area that is part of the airbase into wilderness?" They said, "We need to round it out." They have rounded it out all right. They have rounded it out in a way that denies King Cove access to Cold Bay.

My people up in the gallery are a long way from home, Mr. President, and I do welcome them. I am sure that they are here to make certain that we do our job. I do this one very willingly—very willingly—because I represent a State that has two-thirds of its total land withdrawn. I have imposed the State of Alaska on a map of what we call the contiguous 48 States. It is going from Florida in the East to southwest of Arizona, almost to the Baja coastline, and from Duluth down to the Texas Panhandle. It is an area that is one-fifth the total landmass of the United States.

Two-thirds of all of our State is withdrawn Federal land. It is there for us to look at, but we can't use it without permission from some bureaucrat who is compelled by a law passed by the extreme environmentalists who come to this floor and say we need to withdraw more, we need to protect this more, we need to come up with some way to prevent Alaskans from living.

More than a third of all Federal land is in Alaska—more than a third of all the land owned by the Federal Government is in Alaska! The land owned by the Federal Government in my State is larger than Texas. The Federally-owned land in Alaska would be the largest State in the Union outside of Alaska. It is twice the size of California; 358 Rhode Islands would fit in the Federally-owned land in Alaska. Beyond that, half of the wilderness in all 50 States is in our State. A full 16 percent of this vast State of ours is called wilderness. The whole State is de facto wilderness, but because of an act of Congress, this area is deemed to be a kind of super-duper wilderness, impregnable by people who are seeking medical care.

We have 57 million acres of wilderness in Alaska, and we are talking about 60 feet along 6 miles of the smallest wilderness area in Alaska.

We see a lot of people come into our State from States that don't have any wilderness at all. They come and say, "Oh, isn't it wonderful, all this wilderness." And they go back and have another group of D-8 cats clear and develop more of their land, and then they put the money they make from that into some organization to be sure they protect Alaska from any development. They are so extreme that they say this 303,000-acre Izembek Refuge, the smallest one of the 16 refuges in Alaska, is so sacrosanct that it cannot move its border 60 feet.

Mr. President, as I said, this whole area of the Aleutian Islands and Alaska Peninsula, almost all of it, is refuge land. This wilderness area is just a very small part of the 16 refuges in Alaska. We are dealing with just superlatives. The Izembek Wilderness alone is larger than the entire wilderness areas in most States. That is how small wilderness is in the South 48, but when it comes up our way, we get millions of acres at a time.

Let me tell you a little bit about King Cove. Everyone knows the Alaska Natives there have survived the climatic conditions of Alaska for thousands and thousands of years on the Alaska peninsula. They were a nomadic people originally. They followed the caribou and fish and lived entirely off the land. Early in this century, they settled into permanent communities, including King Cove—a fishing community. Some communities built local canneries.

The Japanese invaded the United States in World War II in only one area, as we all know, in the Aleutian Chain. When they invaded the Aleutian Islands, the U.S. Army built a giant base, Thornbrough Air Base, which was across the water from King Cove. Battle accounts will verify the inclement weather and how it played havoc on military operations in that area.

After the war, the airbase was converted to a regional airport. It is now Cold Bay, a small town of mostly Federal employees.

This is a picture of Cold Bay. As I said, the airbase is now an alternate landing site for the space shuttle. It has an enormous number of roads, apparent on the photograph I am showing the Senate, for a small community of Federal employees. This is the third largest runway in my State. It remains open throughout the year, rarely closing despite having the worst flying weather in the United States. Cold Bay itself is documented with the worst flying weather in the United States.

As the cannery and the fishing fleet grew, the Native people became more acclimated to normal American life, and they sought better medical services. We created, soon after I came to the Senate, community health aides for Native villages. This village has a small clinic staffed by a couple of community health aides. Any serious injury or illness requires medical evacuation to Anchorage or, in some instances, as far as Seattle.

Like most Alaskan communities, the connection between the village and the regional airport is by air. Obviously, there are no roads through the peninsula. Nor is there now a road from King Cove to Cold Bay. The circumstances there, even though King Cove lies only 30 miles from Cold Bay, is that the airport at Cold Bay is far, far, far away. Thirty miles is a long way when you have to go from by water. That is one of the worst stretches of water known to man—the North Pacific Ocean—between Cold Bay and the King Cove.

Right there—King Cove is here and Cold Bay is across this body of water also known as Cold Bay. The purpose of this road is to allow the people who live in King Cove access to Cold Bay when the weather is so bad that it is not possible to travel by air or by sea. When it is calm, it is like any place else. They can take a boat across or fly the short distance. But the weather is rarely calm in King Cove.

The Native people decided that they needed a road for emergencies, when the weather precludes air and sea transportation. That is what this is, an emergency road. I cannot believe that anyone would talk about trucks and truckloads of stuff going to Cold Bay on this road. Only a small unpaved dirt road is planned. And the community asked the Federal Government for permission to build that 6 miles. They own the balance of the land here except for the 6 miles. The Government said no.

Then they offered a land exchange, acre for acre, for the 60 foot right-of-way; and the Federal Government said no. They then said, "Well, we'll give you 664 acres in exchange for 85 acres if you move the boundary." They said, "If we can get through here, we will give you all of this here and here" to add to the Izembek Refuge. It is almost an 8-to-1 acre trade.

They specified they would use this road only for emergency use; and they further offered to help the Fish and Wildlife Service limit overall impacts of access on the whole refuge. And the Federal Government still said no.

Let me tell you why my friends are in the gallery, Mr. President. Eleven people have died flying into or out of the community since 1980. Many more sick or injured have died waiting for the weather to clear because they did not even try to make the trip.

Let me tell you about the people who died because they could not even start the trip: Ernest Mack and Walter Samuelson suffered heart attacks in King Cove, and waited days for weather to clear so they could fly to Anchorage. Both Ernest and Walter died because they could not get emergency medical care in a timely fashion.

Christine Dushkin suffered a heart attack, and then died after crossing the bay in very bad weather in a fishing boat. She collapsed as she climbed the long ladder up to the top of the dock at Cold Bay. She suffered a heart attack in King Cove and died before she got to the Cold Bay airport.

Cathy Hoff, Darien Gorsinger and John Dattoli lost their lives when their plane was blown into the side of a mountain by a gust of wind. They were people from King Cove who were trying to save the life of Tom Phillips, a Seattle fisherman, who had lost his leg in a boating accident in King Cove.

I have heard colleagues talk on the floor about the morality of an HMO denying a child desperately needed health care. At the time I thought about King Cove. Is it moral for environmentalists to come to the floor and do the same thing? Is it moral for environmentalists to oppose giving this isolated village a chance to get the kind of medical attention that is available to the rest of the United States?

A simple broken arm became a life-threatening situation after a 5-year-old girl went into shock while waiting for weather to clear. The shock was from the broken arm. She just had to wait and wait and wait for the airplane to be able to get in, and she finally went over on a fishing boat once the sea calmed down sufficiently.

One King Cove girl was born 2 months premature on a crab boat that was taking her mother across Cold Bay in very inclement weather. It was a very long trip, even though it is only 30 miles, because of the wind and sea conditions. This little girl was kept alive in a foil-lined shoebox stuffed in a toaster oven while the winter storm tossed that boat around before they finally got to the dock. She lived. She was fortunate.

The road to Cold Bay would have allowed these children to reach an Anchorage hospital in hours instead of days, Mr. President—hours instead of days. As I said, my State study shows, in one of the few things they did report to us favorably for our people in King Cove, is the average flight delay is 8.8 hours. That is average.

Once the people from King Cove get to Cold Bay, they have to fly 600 miles. You know what that is. That is a flight from Helena to Colorado Springs; from Little Rock to Milwaukee; from Providence to Columbus. That is just to get to the hospital. Just to land and then be taken by ambulance to the hospital. After flying more than 600 miles from Cold Bay.

I cannot believe that a heart attack victim in Helena would not be knocking on the door of the Senator from Montana if that person had to fly to Colorado to get treatment and was made to take a three hour boat ride in a raging sea just to make his flight. I cannot believe that a person suffering a spinal injury in Rhode Island would not complain about having to fly to Ohio for surgery. They would complain in the first instance just in terms of the distance between Cold Bay and Anchorage. The people in King Cove can accept the 600 mile flight, but they don't understand why the rest of their trip can't be made easier.

We are talking about the distance between King Cove and Cold Bay. The administration and their advisers in the environmental community insist that a 600-mile medical evacuation necessity is not enough, that we should throw in a 3-hour boat ride in a Pacific storm—maybe more than that, because some of them do take longer when the wind and sea run against the boat, tossing it like a cork in the ocean.

The Senator from Montana suggests we could use a helicopter. I wonder if he knows what the limits on flying a helicopter are in gale-force winds. We are talking about the normal conditions most of the year going across to Cold Bay—when the weather turns bad, as it often does, they get hurricane-force winds.

I really think that people who suggest that ought to come out and find a volunteer to fly them in a helicopter across Cold Bay. I would not get in a helicopter with an 85-mile-an-hour wind blowing. I was in Cold Bay once when we had to tie the nose of our four-engine airplane to a D-8 Caterpillar in order to keep that plane from being blown away in an 80-mile-an-hour wind.

This is a very serious thing to us. And as I have told the committee when we started this issue, this is the kind of issue that a Senator never forgets. I have heard other people say that here on the floor, and I have said it only once before in my life, but we cannot forget this one. This one means so much to so few people that unless we weren't a State and neither Senator MURKOWSKI nor myself was here, they would have no hope at all. This is why we fought for statehood, to have the opportunity to come and explain to the Senate and the rest of the United States what it means to live in Alaska.

In 1983, we moved wilderness in Montana—in Montana—so the people there could drive to a fishing hole. We moved that wilderness farther than we want to move this one.

Last Congress, we moved wilderness in Alaska so Natives living in a national park could use snow machines in winter. We were grateful for that.

Earlier this summer, 88 Senators voted to allow motorized transportation in the Boundary Waters Wilderness in Minnesota. We waived the Wilderness Act in Minnesota this year.

Since when have we placed recreation above the lives of children and people who need medical care?

When is the Senate going to start listening to those who come from an area that is closer to Tokyo than it is to Washington, DC? You don't know our land. You won't listen to us about our land and you raise our tempers because you won't listen.

The only roads in this wilderness were there when the wilderness was created, and it shouldn't have become wilderness. I told them at the time, as I said previously, wilderness by definition is a roadless area. Now, the 42 miles of road in Izembek today are used by my friends who have the money to go out there and hunt every year. Yet, we are told we should tell these people to use boats when no rational person, except in a life-and-death emergency, would leave the dock in such high seas. We are told to risk more air crashes, knowing that pilots who volunteered, knowing the risk, have lost their lives.

My friend will talk about telemedicine. No one believes in telemedicine more than I do. But telemedicine cannot deliver premature babies. Telemedicine cannot perform open-heart surgery yet. I hope the day will come when it can. We can't use marine ambulances. There is no vessel that I know of that can cross Cold Bay in a storm safely, let alone carrying an injured person. Helicopters will not take off and land in an 85-mile-an-hour wind.

It is time we stop talking about alternatives. By the way, I heard the Senator from Montana talk about the alternative that I suggested. I suggested building the road south of the Kinzarof lagoon. This land is all owned by the Native people. They could cross all the way on their own land, but it would close off entrance to the lagoon. When we asked the Corps of Engineers and the Fish and Wildlife people to look into it, I got the report that such a decision would, in fact, create a problem for the few migratory birds who use this lagoon—not the land, but the lagoon. We have abandoned that option because it would likely have a greater environmental impact than the road we are suggesting.

We don't believe our road will have any environmental impact with the conditions we have agreed to as far as its use.

Now, I think anyone that wants to put a helicopter there and tell the Coast Guard they should fly in such inclement weather, should talk to the Coast Guard. I have, and they declined the honor.

We are here as representatives of a State that have seen their lands withdrawn, withdrawn, withdrawn. The land I used to take my sons to every year to go hunting was withdrawn and is now a wilderness area. Access to most of my State is cut off on any north-south or east-west axis on the ground by withdrawals and wilderness areas.

There is now the spectacle of a former Member of the Senate, now Vice President, accusing me of burying this special interest rider deep in a spending bill so that it couldn't be found. I wish he were here so I might debate him on that. It is absolutely untrue. We opened this up in the committee. We had a vote in the committee. There was nothing hidden at all. It was public knowledge from the very beginning. Now we have people saying we are beginning to kill the Wilderness Act by moving the boundary of this area enough so we can build a 6-mile road, 60 feet wide, when the area itself already has 42 miles of road in it—the part of the refuge that will be affected by this road.

I do get excited at times here on the floor when I find there are so many half-truths and untruths told about what is going on in my State. I think we need to know and someone should come here and be bold enough to tell us why this gravel road, 60 feet wide, deserves to be classified as wilderness, and remain so, despite the loss of life of people in this area. Why is this little strip of road more important than the lives of Alaskans who have not yet died, coming out of that community, seeking medical attention?

We have a growing tension in our State—I speak of it often—concerning the way we are treated as residents of a State, compared to how we were treated when we were residents of a territory. We did not have extreme environmental organizations controlling the administration when we were a territory. We do now. The strongest extreme group in the United States is the extreme environmental organization. It is a direct result of positions taken by that group that the administration has opposed this road and opposed helping these people.

We believe we know how to protect our State and its resources better than anyone from Washington who flies in, spends 2 hours on the ground then flies home to tell us what to do—particularly our Native people. They have lived with this land for hundreds of thousands of years. They honor it.

Did you know, Mr. President, that we have developed less than ½ of 1 percent of 365 million acres? Roughly 18 to 19 million acres are occupied by Alaskans, Native, nonnative, military, nonmilitary, cities, towns—½ of 1 percent. Much of our lands are wetlands, as a matter of fact.

Here we are in a situation where during World War II there was more activity in this area than ever there will be in the history of the world—an enormous base, planes flying in and out, troops quartered 30 miles from the center of that base. They had more people there then than we will ever have on this road. In spite of the war, those birds survived. Isn't that strange that during the war, we flew planes, we maneuvered troops, we had real and mock assaults on the beaches, and the birds survived. I ask the Senate, can't we believe that the birds will not be harmed by people who live with them, but are merely seeking to cross the land in emergencies only?

I urge all of my friends to vote for this proposition. By the way, the largest group of volunteers to our military services in the country per capita are the Alaskan Native people. They believe in this country. They believe in this government. They fight for the government. And they wonder, then, why does the government abandon them because of pressure groups like this? There is no excuse, no excuse, for anyone opposing this proposition, in my opinion.

I urge the Senator to approve Senator MURKOWSKI's bill.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I very much appreciate the comments of the senior Senator from Alaska on the bill. His State and the people in King Cove and Cold Bay mean a lot to him, and they mean a lot to us. The junior Senator from Alaska mentioned, and perhaps even some of the residents of King Cove wonder, if we are concerned. I say to these King Cove residents, who are either in the gallery watching or listening elsewhere, all of us are as concerned about your safety—your medical safety and medical health—as the two Alaska Senators are. Obviously, we are; we are all Americans.

It is my feeling that maybe the best way to achieve better medical evacuation and better safety for the residents of King Cove is to complete the study—the two studies, actually. One is by your State, the State of Alaska, which is vigorously trying to figure out the best way to address better access between King Cove and Cold Bay. They are looking at various options—air options, marine options, road options. They are looking at telemedicine. They are looking at all the various logical ways to try to solve the problem.

We all know there is no silver bullet, no one alternative that is going to be the total solution to make sure that if anybody is ill or in an emergency situation in King Cove that he or she can immediately get the best possible care at a hospital in Anchorage, or even as far away as Seattle. There is none. So we have to find the right thing.

The other study that will be conducted is a $700,000 study of Alaska access issues by the Army Corps of Engineers. The study is at least now in the transportation appropriations bill.

So we have a lot of alternatives here. I think really it behooves all of us, including the residents of King Cove, to find the best option. We don't know yet what the best one is because it is a very difficult problem. It is difficult because of the residents' inaccessibility to Cold Bay and other parts of Alaska. The Senator from Alaska mentioned that I suggested helicopters. I did suggest that as one option, but not all the time. Many times, helicopters make no sense; for instance, when winds are blowing 85 miles an hour. I would not get in one then either. That is not a silver bullet. It is probably a combination of a lot of different things.

No. 1, let's get the best solution and not rush to judgment and waste taxpayers' money by throwing two studies down the drain.

Another point I want to make is that the effect of this bill would say we are going to build this road. Some say it is a dirt road, some say a gravel road. Well, it is a dirt road, a gravel road. But they are trying to convey the impression that it is pretty small, no big deal. Actually, it is a pretty big deal. According to the Alaska Assessment Study of Needs the road is intended to be used year-round, with an average of fewer than 400 vehicles per day, including tractor-trailers carrying freight.

The Senator from Alaska questioned my assertion that freight could be hauled on this road. Well, I don't know. All I am saying is there is the contention, according to the State of Alaska study, that tractor-trailers would be hauled. The reason that is mentioned, frankly, is because of the fish processing plant—a very large one—in King Cove. It is one of the largest in the State of Alaska, where 30 million to 40 million pounds of fish are processed. Obviously, they would like to have this road to send the tractor-trailers on. This road would be designed for two-way traffic; it is not just a cow path. Again, at least the fish processing company would like to have this road.

Some have suggested this is not the only time we have adjusted a wilderness boundary. Several references have been made to the State of Montana, where there was a road—well, there wasn't much of a road, I say to my good friend who is now on the floor. It was for 4X4s to go down to the lake to go fishing. And then Congress enacted a wilderness bill, and it included the road in the wilderness area. It was a mistake.

Why did that mistake occur? I say to my good friend, probably because it wasn't much of a road. But it was a mistake. There was a preexisting kind of a road. Wilderness was created in the area, so the net result was that the road was in the wilderness area, that is true. But after we in the Congress recognized our mistake, we changed the designation so that the road could still be there. That is far different from this case we are talking about on the floor today.

We are talking about the creation and building of a new road through wilderness—building a road through wilderness. That is a totally different situation. Now, I call it sleight of hand to say, oh, no, this is not a new road to the wilderness because we are taking this area out of wilderness and building this road through it. Obviously, if you look at the maps, there it is. The map says "wilderness." You can see where the road would be, and it would be through a wilderness.

I don't want to get too bogged down in all this, Mr. President. The fact of the matter is that our minds are pretty well made up. I think it is important to make it clear for the record what is happening here, what some of the other reasons are for what we are doing here.

Here is a photo. For example, this is a road—if you can see it. It is the kind of road that would be constructed in this area. It is a typical, good-condition road in Cold Bay, AK. As you can see, two vehicles can get by each other. As you can see, trucks could travel this road; tractor-trailer trucks could certainly travel this road.

On the other hand, this is the kind of road, if you will, that now exists in the wilderness. It has been mentioned that there are already roads in the wilderness. There really isn't much of a road. It is the kind in this photo here that exists in the wilderness. As you can tell, it is not much of a road. You could not travel on that year-round. Very few cars could travel on it.

We are talking about the construction of a pretty good road, up to certain specifications, which is not a highway, it is not paved, but as you can tell by the map here, it is a pretty good, decent road. In my home State of Montana, that is a highway. It is not an interstate, but that is a pretty good road.

Mr. MURKOWSKI. If I may ask this: Does the Senator know where that road actually is that he showed there? I have never seen anything like it. I don't know where it is.

Mr. BAUCUS. That is a photograph of the so-called road here on the map. Cold Bay is down here, and there is a road that goes up here. It is sort of a road trail that would connect with the proposed construction road. This is a map of this road provided by the Fish and Wildlife Service. That is all I can tell the Senator.

Mr. MURKOWSKI. The maps we have are the same thing and show the U.S. Fish and Wildlife Service sign.

There is a notable difference in the road.

Mr. BAUCUS. There may be a difference in the road. I don't know. One more point, in case folks haven't been listening to the entire debate: My view is there is a medical need. That is clear.

According to the State of Alaska, it is no greater, or no worse, than the needs of other similar communities in Alaska. There are several studies. Two are going on to try to address the best solution. The studies are looking at not only determining the best of three routes—air, water, road—but also trying to figure out how to increase the commercial viability of these communities. The real purpose here is to economic development. That is the driving force behind this road.

To sum up, let's wait until the studies are completed. When they are completed, my guess is that we will find a better way to help the people in King Cove, and in a way that does not disrupt a very sensitive national wildlife refuge wilderness area where hundreds of thousands of birds stop over in the spring and in the fall to feed and store up food for the breeding grounds in the northern part of Alaska, or to fly south.

The present occupant of the Chair wasn't here when I mentioned this earlier. These birds fly great distances. Some fly as far as Patagonia, if you can believe it, to the Izembek Refuge; to Patagonia and back again and up north to the Arctic regions in the summer to feed.

I urge Senators, the better option is to wait for the study. This is a very serious matter—building a new road in a wilderness area. It might not be the best option for the area. But we should wait for the studies.

I yield the floor at this time.

Mr. MURKOWSKI. Mr. President, I see my good friend is on the floor, the Senator from Tennessee. I note that he is the only physician in the Senate and is certainly eminently qualified with his wealth of knowledge on health issues. We have discussed issues today relative to health care. He has expressed opinions on everything from tobacco to children's health care. But I think it is important to recognize that he is an experienced and qualified trauma surgeon.

I wonder if the Senator from Tennessee would care to discuss the certain medical issues that are relevant to this debate and relevant to the timing of the debate and those who experience severe accidents to get to a trained trauma center with adequate personnel.

Mr. FRIST. Indeed, I would be happy to discuss some of these issues.

Mr. MURKOWSKI. Mr. President, one of the reasons the people from King Cove are, of course, pushing for access is that when a serious injury occurs, they understand that treatment has to be obtained in a relatively short period of time, in some cases immediately. Many of the health care providers in the area refer to the first hour after an injury as the crucial "golden hour," so to speak, meaning that this is the most critical time after an injury.

I wonder if the Senator could shed some light on what that time is. What does that "golden hour" really mean?

Mr. FRIST. Mr. President, the "golden hour" is a basic fundamental principle of emergency care, of emergency responsiveness in trauma care. The Senator from Alaska is entirely correct. When a serious trauma occurs, it is that first hour, that "golden hour" that is absolutely critical.

The principle is very simple; that is, the quicker one can respond and get to appropriate treatment, the better the outcome. The "golden hour"—put that in quotation marks. But it is a fundamental principle that every emergency room and every trauma surgeon understands. It refers to the principle that the severely injured patients are more likely to survive with rapid, responsive, appropriate resuscitation, and treatment.

Patients with otherwise potentially survivable injuries can die unless there is intervention—frequently, surgical intervention—with appropriate resources accessed by that surgeon, or by that trauma personnel that is available. Delaying or failing to perform that needed emergency action or emergency surgery is the most common cause of those otherwise preventable deaths.

Mr. MURKOWSKI. I understand there is a distinction, Mr. President, between medevac trauma death and early trauma death. I wonder if the Senator could elaborate.

Mr. FRIST. There is. I think it is important. Again, the terms "medevac" and "early" are very appropriate. It is appropriate for people of the lay public to understand what those differences are.

In the case where you have a medevac trauma death, whereby the patient dies instantly, or within a very few minutes of whatever injury was incurred, there is little that can be done unless medevac treatment for that trauma takes place. So-called "early" death occurs within 2 to 3 hours of injury. In either case, the ability to get care immediately is the most single important factor in determining survivability and outcome.

Mr. MURKOWSKI. According to the draft study by our State of Alaska, Mr. President, the average flight delay from King Cove—I think it was cited by the senior Senator, Senator STEVENS—is approximately 8 hours. If a patient has a heart attack, stroke, or perhaps some other trauma, what are the chances for survival after such a delay?

Mr. FRIST. Mr. President, this is very well accepted in the emergency care peer review. The literature carefully documents it, and it is just as we discussed. With each passing hour the chances of survival diminish. If you draw a curve, the chance of survival in that first hour is very high, the second hour a little bit less, but still high, and every hour it diminishes over time. And that is the underlying principle of the so-called "golden hour."

Mr. MURKOWSKI. Mr. President, I appreciate the thoughts of the Senator from Tennessee on this.

Another subject that we discussed at some length in this debate is concerning safe access to the residents of King Cove. The argument is that telemedicine is the solution to the dilemma of the people of King Cove and the access. I ask the Senator from Tennessee if he would agree with the following quote from one of the largest health providers in our State, and that is:

> The Aleutian Chain is without a doubt one of the most difficult places on Earth to provide quality health care for several reasons. Weather is a primary factor. Transportation in an emergency can be terrifying. It can also be deadly, and it can also be delayed. Many lives have been lost in the attempt of both patient and provider in working on evacuation teams. The Aleutians represent a unique opportunity to develop telemedicine. However, it will never eliminate the need for emergency transport to an acute care facility. That is, of course, what the access road is all about between King Cove and Cold Bay. The system will not carry a human body that needs advanced medical care. It will not remove the need for treacherous evacuations that so often take place from King Cove.

Talking specifically now about the technology of the advancement in this area of telemedicine, I wonder if the Senator could comment on the telemedicine technology benefits limitations. What kind of people do you have to have at the rural end to communicate this advanced technology that we are seeing in medical care today?

Mr. FRIST. Mr. President, telemedicine is, indeed, one of the most exciting new technologies to come along in medicine and in the application of carrying out what we know in terms of new knowledge, current knowledge, and the application. But it is very important for people to understand that its real limitation is that it is used principally for diagnostic purposes today. Over time that will change a bit. And it is advancing every day. But the quotation you just read is exactly correct. Telemedicine will never eliminate the need for emergency transportation, emergency transport, to an acute care facility.

Mr. MURKOWSKI. I think, Mr. President, the Senator from Tennessee would also be interested in knowing that there is no such thing currently as ground link communications in King Cove and that communications are by satellite.

As one person recently put it, "If a successful fax transmission is a blessing, then successful telemedicine transmissions could be, well, perhaps a miracle."

Mr. FRIST. Mr. President, I was not aware actually of that and the particular situation there in King Cove with regard to the satellite technology, but it really aims at a very important point, and that is, the premise of any telemedicine must start with reliable communications and it must end with reliable access to further care, for that care to be carried out—a very important point.

Mr. MURKOWSKI. May I thank my colleague from Tennessee for coming over and sharing his knowledge and experience in the area of not only telemedicine but as a trauma surgeon, and we have seen the Senator's performance when called upon here in this body in an emergency. We all commend the Senator for his extraordinary expertise and express our appreciation to the Senator for his many good works.

I thank the Senator.

Mr. President, I know the hour is late and the Senator may wish to continue to speak. I am personally just about to wind up here. I would like to make a couple of points relative again to the allegation that somehow a road—and again I would point to one of the charts—faces significant closures because of snow. As we have indicated on numerous occasions, even the U.S. Fish and Wildlife Service in their warning do not address snow as a difficulty in transit on these roads. This is the type of road you see.

Again, I would remind my colleagues that we are not looking for any funding here, we are looking for an authorization for a land exchange. We are not putting a road through a wilderness, we are putting it through a refuge. It is a net-net gain for the environmental community because it adds approximately 580 acres to the wilderness.

I also would like to point out that while my friend from Montana suggests we study it some more, we have been studying this thing since 1984. That is 14 years, Mr. President. We have had the Aleutians East Transportation Improvement Plan, we have had the Alaska Intermodel Transportation Plan, we have had the King Cove Bay Road Feasibility Study in 1995; the King Cove Briefing Report; the King Cove Bay Transportation Improvement Assessment draft report, 1997; the King Cove-Cold Bay Transportation Study of 1998.

My point is that this issue has been pretty well studied, and for the people who have lived there for 5,000 years in King Cove, there is only one possible option that makes any sense. And they are pretty savvy people, because they have to be, they live in a harsh environment.

We don't need another study. It is not going to save one more life. It will just delay the ultimate confirmation of what we already know—that the road is the most practical, it is the least expensive, it is the most reliable alternative. That is why everybody else has them. And why shouldn't the people of King Cove? That is the real issue.

Now, my friend brought up a point that I feel a little uncomfortable with because it questions our motivation. He suggested that the real reason behind this road was the commercial use.

Well, first of all, I want to tell him and I want to tell the rest of my colleagues that I have never, never been approached by the fish processing firms that are over there that this, indeed, would be a significant benefit, nor have they lobbied me.

If you understand the commerce of the North Pacific and the fisheries markets, you will know that most of the products that are produced in the small facility at King Cove are frozen fish products. Now, frozen fish products primarily are halibut and bottom fish, and they just don't demand, if you will, the market price to afford to fly them out to the markets. So as a consequence, what is produced here is carried by small freezer vessels and is marketed primarily in Japan and, to an extent, Korea.

If you look at the map of Alaska, you can see the unique location of King Cove and the great circle route, and that is the route of transportation. Most of these ships sail out of Vancouver, BC, or Seattle, WA. These are freighters; they are American President Lines and various others. They go from the Seattle area and they stop by some of these areas on the Pacific Ocean side and pick up the frozen product in freezer vans and take them on to the Orient, whether it be the area of King Cove or whether it is Unalaska.

To suggest that we have enough value in our fish products to warrant moving them out by truck or van is totally unrealistic because the price simply won't support that. You can't get that much for the product. You can talk about all the studies you want. There may be a half dozen individuals who will suggest that this is a potential market, but if the reality of the price isn't there—and it isn't there—you are not going to ship this out.

I would ask my friend from Montana one other thing. Since we are giving the Secretary of the Interior the authority to control all the traffic on the road, would he vote for this—if, indeed, the Secretary said there will be no commercial activity? We assure him of that. Would that satisfy the Senator from Montana? I would certainly think it should, because this is the point. He questions our motive.

Mr. BAUCUS. May I answer the question?

Mr. MURKOWSKI. I can tell you right now, there is no way that the value of this product would allow it to be shipped out by aircraft. The only thing that we have that would closely approximate that value is the king crab fresh, but it is very, very difficult. It is a very short season, and this isn't the predominant area necessarily for that.

Mr. BAUCUS. Can I answer the Senator's question?

Mr. MURKOWSKI. I am not ready to yield yet.

Mr. BAUCUS. The Senator asked me a question. I wonder if I could respond to it.

Mr. MURKOWSKI. I am not going to——

Mr. BAUCUS. That was a rhetorical question.

Mr. MURKOWSKI. Yield at this time, but I will certainly take a question at the end.

Mr. BAUCUS. No, no; the Senator asked——

The PRESIDING OFFICER (Mr. GORTON). The Senator from Alaska has the floor.

Mr. MURKOWSKI. The point is, Mr. President, to question the motivation of the Senators from Alaska on the question of commercialization is without any foundation and without any feasibility regardless of what some study or report suggests as a potential alternative. It is simply not real.

Now, the other issue relative to the points that have been made by my friend from Montana, who clearly doesn't speak from experience or having visited the area, is the issue of the road and connecting, if you will, the roads that are in the area with this proposed extension.

I would call attention to the fact that we have in this area almost 15 miles of road in the wilderness now. And if my friend, when he has an opportunity, would care to visit the area, I would be happy to take him and drive over these roads that exist in the wilderness today.

What we are proposing is, not to address those roads, we are proposing simply to put another road extension, if you will, outside the wilderness in a refuge, and I think we have made that point again and again and again. To suggest there would be 400 people a day who would travel this road is ludicrous. There are 700 people in King Cove. There are 110 or 120 in Cold Bay. Now, I don't know where you get 400 people, or hundreds of trucks. This is make-believe simply to address an issue that—well, there is little local knowledge certainly in this body relative to the factual account.

Believe me, if we could ship our products out by 747 and get the price that we would have to get for them, why, it would be a different matter. You talk about the issue of the sanctity of the wildlife sanctuaries, and that is a very real issue. But be assured that we have, as Senator STEVENS indicated, in the Cold Bay airport a world-class airport. Prior to the advent of the long-range 747, many of the aircraft that traversed the North Pacific route had to land there for fuel. It was a big fueling base. Flying Tigers went in there for years and years and years. And to suggest that had a detrimental effect on the wildlife patterns is clearly without any merit.

Furthermore, I would refer one more time to the fact that we have attempted to meet more than halfway every objection brought by the environmental community, even to the point of giving the Secretary of the Interior the authority to direct the type of traffic on this road. Mr. President, I think we have pretty well covered all the concerns, except some of the irrelevant and impractical considerations that have no bearing on reality.

So, I ask my colleagues, and the floor manager on the other side, how much time? Can we get an agreement on a vote? I could go on all day, but I defer to the floor manager on the other side to see if we can get some idea and certainty about how much more time they would like on their side.

The PRESIDING OFFICER. The Senator from Alaska has 55 minutes remaining. The Senator from Arkansas has just under 126 minutes remaining.

Mr. BUMPERS. Mr. President, I yield myself such time as I may use.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, this is a very difficult, a very difficult undertaking for me for a number of reasons. No. 1, my profound and unrestrained respect for the two Senators from Alaska who obviously feel very strongly about the issue. It gives me no pleasure to be on the other side.

I sit as ranking member on the Energy and Natural Resources Committee where Senator MURKOWSKI is chairman. I have been on Appropriations for 22 years where Senator STEVENS is chairman. They are no different from any other Senators of the U.S. Senate who, when they have a problem, have no hesitancy about doing everything they can to solve it for their people. That is what we are all here for, to serve our people. So it is with considerable regret that I find myself feeling compelled, however, to oppose the amendment and the bill.

Let me say, also, that lack of health care is not just peculiar to Alaska. I grew up in a community of 851 souls where we sometimes had one doctor but most of the time we had none. My mother and father moved from a mountaintop farm into this little community of 851 people because my brother, who died before I was born—and who obviously, being firstborn, was the apple of my mother's eye—but we moved because he died for lack of any medical care. That was a long time ago. But my mother told me many times that she told my father, "We are moving off this mountaintop. I am not going to live here and watch my babies die, one at a time, for lack of medical care."

I grew up with that story, so I grew up always trying to improve medical care in my little hometown. Finally, after I went back there to practice law, we were able to obtain one doctor. We built him a clinic. We fed him, we did everything in the world he asked us to do, and then he was killed in a car wreck, and there we were, left without a doctor again. It was only 30 minutes from a hospital, but if you are having a heart attack, that is too long. If you are having a massive heart attack, 30 minutes is too long.

So, as I say, I grew up knowing what it was like not to have any medical care. We seldom had a doctor in our hometown. I can remember—and I have said this on the floor before—that growing up during the Depression was a tough enough time. You know, that is one of the reasons I have always been an unabashed social liberal, and the reason I must say I resent so many people who use the term "liberal" as a denigrating term.

I often want to say, what is it about liberalism that you hate? Which one of these programs that are considered liberal—for example, Medicare—would you repeal today? Or REA? Student loans? Or Pell grants? Or the ability to know that you are drinking pure and clean water? Or the ability to know that you are eating food that has been prepared under the most sanitary conditions? The list goes on and on and on and on of those things that were all considered liberal at the time.

But you couldn't get anybody to go back to the poll tax system in the South. And I remember people in my State thought that was the end of the world as we knew it, when people were allowed to vote free, didn't have to pay a dollar for a poll tax.

Five black women came into my office 2 years ago, each one having been a victim of cancer of the breast. And I sat literally weeping with those five women, some of whom were going to make it and some of whom were not—but who said that they did not go to the doctor when they first felt the lump because they knew the doctor would either turn them down or tell them that they had no medical insurance. What if they did have cancer, they knew they were not going to be cared for. That was in 1996. This is not when I was a child during the Depression. This was 2 years ago. They were there to lobby me on behalf of a program they didn't need to lobby me on. I was already for it.

But here these people were, 50 to 100 miles from Memphis and the finest hospitals in America—and I will not give you the name of the town they came from or where they had been denied health care. All I am saying is a lot of people are denied health care because of race. Others are denied health care because they don't have any insurance—45 million of them. They are not necessarily denied health care simply because they don't have insurance, but oftentimes that is the case.

Just as an aside, not particularly applicable to this debate, I remember every summer when people died of typhoid fever in my hometown because the outhouse was just about 20 steps away from the water well and we did not make the connection. But, you know, another one of those old liberal programs was free vaccinations. When I was in school we got smallpox, typhoid and I forget the other shot. We always got those at the school—free. The county health nurse administered the shots. That is what some people called the good old days. They weren't good old days to me.

Will Rogers once said, "The good old days ain't what they used to be, and they never was."

Well, one of the most difficult things I faced as Governor of my State was a highly charged issue of whether or not Lee County, AR, the third poorest county in America, would get an OEO grant. Some of you are old enough to remember the Office of Economic Opportunity, another one of those liberal programs that I remember President Nixon put a man in charge, specifically, to dismantle it. But there was a $1 million grant for a clinic in Lee County, AR, as I said, one of the poorest counties in America. It was designed to provide health care for African Americans who had no place to go, and it became a black/white issue. They got the money if I, as Governor, signed off on it, and they didn't get the money if I didn't sign off on it.

The first thing you know, a little violence broke out and I had to send about 15 to 20 State Troopers into that town for about 4 or 5 days to restore and maintain the peace.

Those were very trying times. That sounds anachronistic today, but that has been a short 27 years ago.

I did something that I knew was right that was very troublesome. I signed the grant and, if you pardon the expression, all hell broke loose in that town. It was the county seat.

To shorten the story, today it is the primary health care center for everybody in that county.

An organization in New York about 2 weeks ago gave that clinic a $50,000 mobile van in order to keep people from coming in all the time. The clinic will take the van around a three-county area. They will let people know when it is coming. They will immunize children and so on. Betty, who is not only "secretary of peace," but also has been very active, she and Mrs. Carter, in immunizing all the children in this country, went down for the presentation of this van to that same clinic that got the $1 million grant 27 years ago. Now, as I say, it is the primary health care center for the entire county, black and white.

I say those things to preface my remarks about this issue. There isn't any question, nor does anybody I know of who opposes the amendment and the bill—there isn't any question about the problem. Certainly the two Senators from Alaska understand these things in Alaska, so far as they are concerned, much better than I do. I understand, being a southerner from a relatively poor State, that a lot of people are deprived of health care for totally different reasons, and that is the reason I prefaced my remarks.

Here we are talking about a 30-mile road which, incidentally, as I understand it, will cost in the vicinity of $25 million to $30 million, and 8 of the 11 miles that go through the national wildlife refuge is through a wilderness area. As the senior Senator from Alaska said, the State of Alaska has some 40 million acres of wilderness areas, so what on Earth are you talking about? Eight miles through a wilderness area? It just sounds like such an infinitesimal problem, who can possibly object? Who especially could object after hearing the two Senators from Alaska describe some of the people who died for lack of medical care.

The problem I have with it is the bill assumes that the road is the only solution. If I believed it was the only solution, I would be a cosponsor of the amendment. But there is another imperative involved in it, and the Senator from Montana, who has performed yeoman service on this amendment today, has already pointed it out. And that is, building a road through wilderness in Alaska, no matter how short or how long, will be the first time in this Nation that we have deliberately authorized building a road through a wilderness area. Once you start down that road, nobody knows where it is going to end.

I can tell you that probably 9 out of 10 people in my State, if you just present it to them as health care for people, they say, "I don't understand the Government and the wilderness; that wilderness stuff never made much sense to me anyway."

It makes a lot of sense to me for a simple reason, and I had to come to the U.S. Senate before I really honed my conscience and my awareness of the fact that God just gave us one planet. He didn't say go ahead and throw all the greenhouse gases you can into the atmosphere or chlorofluorocarbons to destroy the ozone layer and I will give you another one after you destroy the ozone layer and after you bring on global warming, with all the disastrous consequences. When you get through mining all the land and leaving all those wonderful environmental disasters, God didn't say, "I'll give you another one and give you a second chance to see if you can do better next time."

No, we only get one, and when you do irreversible damage to this planet, you are destroying your children's and your grandchildren's heritage and their future, and you do it mindlessly while standing on the floor of the U.S. Senate talking about education and health care and everything else to indicate how much you love your children. When it gets to something as arcane as building a road through a wilderness, who cares? But when you combine thousands of those little "who cares?" projects, the first thing you know, you have done a tremendous amount of damage.

My staff gave me a thick briefing book, and I went through a good portion of it, but I guess I finally have to say the precedent worries me a lot. Once you start this, where do you stop? We have never done it before, and we ought not to start now.

No. 2, there are a lot of alternatives that even the State of Alaska is now studying. The Transportation Department of Alaska is studying what some of the options are to solving this problem, which ones would be the best, most affordable, et cetera. The State of Alaska has taken no position on this, at least that is my understanding.

Why are we not talking about establishing some medical facilities in King Cove? Why are we not talking about the use of Hovercraft? Senator STEVENS got a provision put in the transportation bill for $142 million for new ferries in Alaska, and he got a provision put in the transportation bill to build a causeway to solve the very problem we are talking about here today. I don't know what happened with that. I understand there was some dissension in the ranks over there about the advisability of a causeway. I don't know. That even might be one of the solutions to this.

There is an Indian Health Service in King Cove. We appropriate money every year in the Interior appropriations bill, in 1996 to the tune of $380,000 to that facility. Before we spend $30 million to build a road, why not just put $1 million into the health service facility? Why not take the $30 million and put it in a trust fund and build a hospital, and then invite doctors up there and pay them $200,000, $300,000 a year to live there? That would be infinitely better than spending $27 million to $30 million on this road, 87 to 94 percent of which Uncle Sugar will pick up the tab.

Mr. MURKOWSKI. I wonder if my friend from Arkansas will yield.

Mr. BUMPERS. I will be glad to yield.

Mr. MURKOWSKI. I wonder if there is any reference in any material, as he suggests, that we are going to spend $20 million or $30 million for a road? I am sure he is aware there is no appropriation requested for any amount.

Mr. BUMPERS. Of course. I understand the road will be built by the State of Alaska.

Mr. MURKOWSKI. I thank the Senator.

Mr. BUMPERS. But I also understand the Federal share of that will be somewhere between 87 and 94 percent.

You think with that kind of money and what you can do—if you just take the Federal share, cut Alaska out, take the 87 percent of whatever it is going to cost to build the road and establish a trust fund. I promise you, you will have doctors, you will have doctors and anybody you want, with the income from such a trust fund.

But getting back to where I was a moment ago, you can improve the medical facilities there. You can consider Hovercraft. Hovercraft is not dependent on fog. You do not have to worry about fog conditions. A Hovercraft is one of the alternatives that the state is studying. Sometimes the waves may be too volatile to use Hovercraft. That is why a combination of various alternatives may be necessary.

There is a man in Alaska named Dr. Peter Mjos who has written a letter. Dr. Mjos apparently is head of the Alaska Native Medical Center in Anchorage. It is a family practice center. He says:

> I've been asked, as the Eastern Aleutian Tribes Medical Director, to comment on the proposed King Cove to Cold Bay road. The primary concern which has been raised is that of safely evacuating individuals with medical emergencies.
>
> Several concerns come to mind. On the surface, so to speak, a road would appear to be the safest and easiest option, however, the safety issue surrounding medi-vacs arises primarily because of the extremely hazardous meteorologic conditions which occur during an emergency. While flying is obviously potentially hazardous—

And listen to this—

> The proposed road in an Aleutian storm or blizzard could be [just] as equally as hazardous when one considers nearly zero visibility, nonexistence of other traffic over a [long] distance of very isolated country, and, of course, the ever-present winter dangers of avalanches.

What Dr. Mjos is saying is that a road is not a 100-percent solution either. There will be times when you will not be able to use the road—a lot of ice, a lot of snow, avalanches in Alaska. He goes on to say:

> Of much greater expediency, then, I would strongly recommend several measures which would first, markedly decrease the number of medi-vacs and second, would probably be more reliable in the event of emergencies necessitating medi-vacs.

> Foremost would be the implementation of a state of the art telemedicine system.

My chief of staff here in Washington told me one time about her father when he was a young man suffered a head injury. And they took him to Fort Smith, AR, which was about 50 or 60 miles away. There were no neurosurgeons in Fort Smith, AR, so a family doctor there—or maybe he was a general surgeon; I do not know—they got a doctor in Oklahoma City on the phone, and this surgeon in Fort Smith held the phone up to his ear, and they operated on her father according to the way this neurosurgeon in Oklahoma City was telling him to do it.

Telemedicine is a lot more advanced than that today, but I use that just as an illustration to say sometimes telemedicine works.

> Another option which would circumvent the hazards of avalanches and isolated highway transportation would be that of a state of the art ferry system which could operate in virtually any climatic weather conditions. This would of course obviate a drive on, drive off ferry with adequate protection from unruly seas.

This is from a doctor who is the Eastern Aleutian Tribes Medical Director.

Here is a letter from Myron P. Naneng, Sr., who is President of the Association of Village Council Presidents. He is writing to Chairman DON YOUNG over in the House.

> DEAR CHAIRMAN YOUNG: After careful examination of H.R. 2259—

Essentially the same bill we are debating here—

> the King Cove Health and Safety Act of 1997, the Association of Village Council Presidents, Inc. Waterfowl Conservation Committee would like to request to be put on the record of opposing such legislation. The bill provides for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay and King Cove.
>
> Although we empathize with the community of King Cove's difficulty with safe air transportation to Anchorage, we find that the proposed road would seriously interfere in our endeavors to resuscitate our migratory bird populations. . .

And he goes on.

Mr. President, I offer these things simply because the Senator from Alaska is correct. I have never been to Cold Bay or King Cove, either one. But apparently people who live there and who know the situation have been, and they oppose it.

One of the most interesting things I have run across is this. No. 1—the Senator from Montana has already covered this, and at the expense of being repetitious—Penn Air, the primary aircarrier between King Cove and Cold Bay, makes 1,800 one-way flights between King Cove and Cold Bay each year. That is 900 round trips. You divide that by 365, and that is about 2 1/3 round trips a day that Pen Air makes between King Cove and Cold Bay.

Listen to this. Incidentally, three Pen Air flights have resulted in accidents in 20 years. Little Rock, AK, does not have a safety record that compares with that. There were 20 medevacs from King Cove between January 1996 and June 1997. That is roughly a year and a half—20 medevacs. There was a delay for 5 of the 20; and of the 5 that were delayed, 4 of them were delayed by no more than 4 hours; and the 5th was successfully completed the next day.

You hear a lot about 11 fatalities between 1981 and 1997; 11 fatalities in that 16-year period. Six of the fatalities were the result of a plane that was en route from Kodiak that crashed into the mountain.

I am going to tell you, flying around Alaska is no fun, under the best of conditions. When I was in Alaska they kept me scared to death—the bush pilots. We are talking about a 16-year period; 11 fatalities, and 6 of those from a plane that crashed coming from Kodiak, coming from an island the opposite side of King Cove from Cold Bay. A road between King Cove and Cold Bay would not have prevented that.

Another incident where one person was killed—this takes care of 7 of the 11 over a 16-year period—was by a pilot who flew within a complete whiteout condition after being warned not to do it.

Mr. President, I am not sure of the statistics involving who died and how trying to get from King Cove to Cold Bay.

I want to say to my friend from Alaska that after all the studies are done and it is determined that there is nothing else that is even feasible except building this road, then I will rethink my position. I don't blame the two Senators from Alaska for trying to honor the request of the people in their State on this.

One thing that has not been talked about is helicopters. You can buy a regular ambulance helicopter for $4.7 million brand new; you can buy one used for $1.5 million. They can always operate safer, and more often, than fixed-wing aircraft in bad weather. They are used consistently by North Slope Borough Search and Rescue.

I won't belabor this any further except to say we have studies ongoing by the Department of Transportation in Alaska. We ought to at least show them the courtesy of letting them report, and then make up our mind after we have seen a detailed study. We should not precipitously, here on the floor of the Senate, build the first road in a wilderness in the history of the country without at least giving it more than a passing thought.

I would be willing to accept the amendment of the Senator from Alaska and we can just vote up or down on the bill if that is agreeable with him, if it is agreeable with some of my colleagues. I don't know how strongly my good friend from Massachusetts feels, and I will be happy to yield to him in a moment.

Finally, in my opinion—I have been wrong before in my opinions, but this one is, I think, fairly safe—in my opinion, this bill will be vetoed. I don't know of anything, other than the Republican tax bill, that the President feels more strongly about than this bill. The most current information is that if it were presented to the President, his senior advisers would recommend he veto the bill. This is one of those bills, if you present it, it looks like you are being terribly cruel, until you examine it very carefully and see all of the information. I urge the President to veto the bill. It will be a very tough bill to veto. I don't know whether we can uphold the veto or not. I don't know how many votes we will get here this afternoon. He is absolutely determined to veto this bill.

It is a legitimate thing to talk about, and I hope that the studies will show some alternate method of alleviating the problem other than building a road through the wilderness for the first time.

I yield the Senator from Massachusetts such time as he may consume within the limits I have left. How much time do I have remaining?

The PRESIDING OFFICER. Ninety-two and a half minutes.

Mr. KERRY. Mr. President. I think the arguments have been extraordinarily well covered in the course of the afternoon by the Senator from Montana, the Senator from Arkansas, and also the Senators from Alaska.

I begin my comments by saying that I think this is one of those difficult issues we are called on to come to the floor and debate, argue about, and to decide. I regret that because, in a sense, all of what the Senator from Alaska said is extraordinarily compelling with respect to the plight of the citizens of King Cove. There is nobody here who is not sensitive to the need to provide access to health care and who isn't going to be concerned that guaranteed emergency medical services are available to people who need them. These are not just citizens of Alaska, these are our citizens, too.

I think when we come to the floor of the Senate and make arguments on behalf of all of our citizens in rural areas, which is what we are talking about here. So I hope no one will construe in any way whatever—and I am confident my colleagues have both said this and feel it—the notion that anything we are saying suggests an insensitivity to the plight of the citizens of King Cove. But questions remain: What is the best response to that plight? What is the best way to deal with the effort to provide emergency medical services for people who clearly deserve them? There are, I think, simply rational, practical differences of opinion about how you balance the equities here.

We have a $700,000 appropriation in the Senate Transportation Appropriations bill to the Corps of Engineers to study what options may be available in terms of alternate transportation for rural Alaska. So it is not as if this is an issue being looked at in a vacuum. It is already on the radar screen of the U.S. Congress. We are already trying to find out what different alternatives may be available. But all alternatives have to be weighed against what this bill would represent.

We are talking about the first ever permanent new road construction in a federally-designated wilderness area—the first ever permanent new road construction which will be maintained.

Now, it is true there are other miles of road within this wilderness area, but those were trails that were there before the area got its wilderness designation, and they are not being maintained. They will ultimately some day grow over, except to the degree that hunters and trekkers who may go up there use them, which is not sufficient, probably, to maintain them.

The point we make is that a wilderness area is a wilderness area by definition. When you build a new road, you have taken away the notion of wilderness. The construction process alone is disruptive.

I have heard reference on the floor in this debate to the minimal amount of traffic that may take place. But a road has to be maintained. There is also something illogical in the notion that a road that is being built as an alternative to inclement weather and problems of transportation—isn't Alaska going to present you with inclement problems in terms of road travel? A whiteout is a whiteout. Road and vehicular travel is as much affected by an effort to go through a whiteout and a blizzard as a flight. That raises many questions about other possibilities for this road.

When I look at the sum, the Senator from Alaska suggests this is not going to be a Federal expenditure, but in point of fact, 90 percent of highway expenditures tend to come from the Federal Government even though they go through the State treasury. The fact is, the cost of a road is somewhere in the vicinity of $25 to $30 million. Just put $25 million or $30 million in an interest-free account and take your 10 percent or whatever, and you have $3 million of earnings a year. You could build a mighty fine clinic for 100 people for a tenth of that sum. In fact, you might even pay a young doctor $250,000 a year to sit there for a year if you really wanted to talk about cheaper alternatives, together with telemedicine giving you the capacity to do many things, not to mention the possibility of the Federal Government and other kinds of emergency transportation that could be made available.

I think when you weigh the various options here that are being looked at now, you may in the end, as the Senator from Arkansas has suggested, come to the conclusion that this is the best alternative.

But it seems to me that my colleagues would be well advised and well served to at least wait until the analysis is done in order to measure that against the enormous environmental precedent that is set by authorizing the first-ever permanent, maintained road in a wilderness area.

Let me just speak for a moment about the environmental concerns of running a 30-mile road from King Cove to Cold Bay through the Izembek refuge and wilderness. Created in 1960, it is the Izembek National Wildlife Refuge is an internationally recognized wildlife refuge because it is a major stopover on the Pacific flyway for hundreds of thousands of migrating waterfowl and other migratory birds. For example, the entire North American population of Pacific black brant and most of the world's emperor geese use this isthmus as a crucial resting and feeding ground on their annual flights. These geese stop to feed on this isthmus and once airborne continue 60 hours of consecutive flight until they reach parts of southern California and Mexico, losing one-third of their body weight on the journey. Clearly, the protection of the feeding ground is critical to the health of these amazing birds.

Additionally, wildlife abound throughout the refuge which serves as a key migration route for caribou herds as well as a denning ground for Alaskan brown bear. The proposed road would bisect the refuge's isthmus which narrows to less than three miles at some points. A road through this pristine habitat would be more than harmful to its wildlife.

These are critical concerns. But we don't need to decide this issue today. Not doing that today does not deny any service whatsoever to the citizens of Alaska. I think everybody who stands here asking the Senate to weigh the impact as to precedent of the first-ever maintained new road in a wilderness area against the options that are being studied would have to agree that there is no rationale for rushing to judgment against those options.

So I urge my colleagues, as difficult as I know it is—I certainly agree with the Senator from Arkansas. If the alternative proves that this is the way to go, then the Congress, I am sure, will join in a 100-0 vote to make that happen. I would certainly be one of those to do that. But that is not where we find ourselves yet.

So I urge colleagues to exercise restraint, wait for the results of the analysis, look at the alternatives, and measure that against the precedent of what would happen in terms of wilderness construction in this case.

I yield the floor and reserve the remainder of time for my side.

Mr. MURKOWSKI. Mr. President, how much time remains on this side?

The PRESIDING OFFICER. The Senator from Alaska has 54 minutes.

Mr. MURKOWSKI. Mr. President, for the benefit of my colleagues, let me point out a few things that are germane to the debate.

The Committee on Natural Resources held hearings on October 15 on the issue of Cold Bay and reported the bill out of the committee. So to suggest that somehow this particular issue has not seen the light of day or committee action is inappropriate.

We have heard in the discussion comments relative to the environmental impact of the road. If my assistant will help me, again I will show you pictures of the roads that are there. These aren't ghost roads, they are real roads. We have shown them to you before. That is the reality. These are the roads that are there. OK. Some of these roads are there and they are in the wilderness.

Here is the map that shows where the roads break off and go into the wilderness, as opposed to those that are not in the wilderness. Few of the Members who have commented really want to reflect on this harsh reality. I will point out the roads in the wilderness that are there today. They are in the dark area here, as you can see with the pointer. This distinguishes the marking line that establishes the wilderness, so it is everything on the top of the picture that is wilderness.

So the point is, there are roads in the wilderness. As we look at the environmental impact of those roads, they are what they are. They are dependent on about 100 people who live in Cold Bay and have access to those roads. Again, there are about 700 people in King Cove. So the impact is pretty small.

Now, there was a mention by my friend from Montana that the reason the migratory waterfowl stopped in this area, you can recognize that it is a flat, tundra-like expanse with no trees. But the Senator from Montana knows the real reason that the black brants stopped there is for the eel grass; that is where the eel grass is, and they come and feed. He is quite correct.

It is a unique day when, sometime in October, mid-October, and the wind currents are right, the brants take off, and their next point of landing is Cabo San Lucas in the Baja peninsula of Mexico. They actually go from this particular point, Izembek Bay, and they lose nearly a third of their body weight. The flight of these geese is really one of the wonders of the world. Hunting season is open by the U.S. Wildlife Service, and people hunt. I hunt, if I am able, with my friends, and we hunt geese. The lives of these geese are dependent on a number of factors. One is a recognition that hunting is allowed. This just isn't a plain wetlands, it is a unique wetlands. But the question is, Is it threatened by this activity? There is no evidence to suggest that it is threatened.

Again, I emphasize this, and I think my friend from Massachusetts, in his comments a few minutes ago, missed the point. We are not talking about a road in the wilderness. He made the point that this would be the first road in the wilderness. This isn't a road in the wilderness, as I have said time and time again on the floor today. This is a land exchange. We are proposing to take the area in exchange by providing about 580 acres of additional wilderness in exchange for about 78 or 87 acres, if you will.

What we are going to do is do a refuge with the exchange. We are going to put this area into a refuge, and then we are going to add to the wilderness the yellow areas, which is a substantial increase of 580 acres. It is a net, net, net gain.

How can anybody who is interested in acquiring more wilderness be against this when there are 580 acres of additional wilderness being offered? We are doing a land exchange and putting the proposed road through the refuge. It is a big difference. We are not setting a precedent. I wish the staffs listening to this would recognize that there is no road going through a wilderness. There is a wilderness exchange. We are putting it in a refuge and it is a net, net increase.

Hovercraft is an interesting mode of transportation. I wish it were a viable alternative. We have had lots of experience with Hovercraft in Alaska. They require a tremendous amount of maintenance. They are very expensive to operate. Mind you, we are talking about, again, 700 people in King Cove—a very small population. Who is going to underwrite the cost of the Hovercraft? You have to have it available year-round, and maintenance, and you have to have operating personnel.

If you have ever been in a Hovercraft—and I have—they are a unique mode of transportation. They skid, because you have a lift from a fan that lifts the vehicle up over whatever it is, whether it is water, ice, or tundra. Then you have another fan that gives you movement ahead. But as you turn, you have no rudders. The Hovercraft has a tendency to skid because there is no rudder, in a sense, that basically digs in and gives immediate direction. You have to be careful when you are moving a Hovercraft and you come up on any cut banks. They will make a corner, but they skid as they go around the corner and you can bang into a cut bank where the edge of the river is and you could find yourself in trouble. It takes a good deal of experience to operate these, and the cost of operation is extremely high.

We have roads all over the United States, and, sure, they cost money. People use them and they facilitate the lifestyle of the people. Somebody said $30 million could build the road. Well, you are pulling that out of some kind of a study, or whatever. These roads that are in these pictures certainly don't cost $30 million a mile. We have estimates that the type of road we are talking about is substantially less—somewhere less than $5 million or $6 million. You are not talking about anything substantial here, as the occupant of the Chair knows. There is no drainage on either side, and they are not ditched.

There is another thing I am confounded about in this debate. They talk about avalanches. I defy anybody looking at this picture to tell me where the avalanche is going to come from. This is tundra. This is where you are talking about putting a road in the refuge. They are not talking about any avalanches in the refuge.

Whether it is refuge, or, as my friend from Massachusetts indicates, wilderness, there are no cliffs. Where is the snow going to hang from to avalanche? There is near King Cove some hilly area, but that is in a different area than we are proposing a land exchange. That is really not part of the argument over whether you are going to have an avalanche potential. And, obviously, you have the potential of avalanches in areas where you have deep snow.

King Cove isn't one of them, I might add. You have them in areas where you have heavy concentrations of snow, like Valdez, and other areas. That is not a legitimate concern. But to lump this in the arguments that we have a wilderness, a bird sanctuary, that we have avalanches and mountains, and we can duck hunt. You don't duck hunt from the mountains. It is a composite of the areas that we are talking about. But the land exchange is just what it is. It is in this tundra area, and you are not subjected, as indicated by the U.S. Fish and Wildlife Service, to any extreme elements such as snow that would be put in their advisory, which they make available to all visitors.

The state-of-the-art ferry we have discussed. Who is going to pay for it? A ferry suggests a crew, and several millions of dollars. We just built a new ferry. What was it, a couple hundred million dollars? Obviously, we are talking about a different type of ferry. It costs a lot of money.

They talk about Penn Air. They do a fine job. We are talking about two trips a day. Do you know how many passengers that airplane carries in two trips a day? It is not a 747. It is not even a DC–3. It is a Piper Navajo. It carries six people. That is what you are looking at. They say, "Wow. Two trips a day, 1100 in a year." That is a six-passenger airplane.

Another thing that I think is important to note as we debate this—and the other side throws figures around—is the Congressional Budget Office has determined that this bill is revenue neutral. The point was made, "Well, you know. If the State decides to build this road someday, it can use its share of Federal funds that the State receives." Who are any of you to criticize what our State determines are its priorities with its share of the Federal funds? The suggestion was made here on the floor a few minutes ago that you shouldn't. If you do, that is on this road in the refuge. That is nobody's business but Alaska's, thank you very much.

We talk about, "Well, let's put this off a little longer." We have been doing it for 14 years. We have 10 studies. We have a book of them. I don't know.

Mr. President, these aren't very well dusted off. But here are just about eight of the studies over the last 14 years. And some of you recommend that we continue to do what? Do nothing; do studies. I am sure that the people who do these studies are glad to hear that.

There has been some talk about a causeway. What is a causeway, Mr. President? I know the occupant of the Chair knows what it is. It is kind of a road, isn't it? It is an access over an area called a causeway. It carries a road. This was the proposed study by the Corps of Engineers. Somebody suggested that $700,000 is in the bank. Well, I would be willing to make a small wager to any Member that we don't see that money. That $700,000, if it exists at all, in my opinion is pie in the sky at this time.

The point is that while we look at alternatives, we have been looking at them for 14 years. We can look at them again. But the constituents that I have are saying enough is enough. We can study options until the cows come home.

I noted that the Senator from Arkansas indicated that he had a letter from one Myron Naneng who is associated with the Association of Village Council Presidents. What my friend does not know about the AVCP is that their major concern is the spring bird hunt. The Senator from Montana knows. People, for their subsistence, are allowed to take migratory birds in the spring.

What we have here is a little bitterness, if you will, which occurs sometimes between he, I, and others, differences of opinion. This particular AVCP individual has taken it upon himself to express his opinion, which he certainly has every right to do, but his interest is to protect the rights of the village council president to proceed with their spring bird hunts. I have supported that position as a subsistence use.

There is also a criticism. They have a little infighting between the groups. There is a lack of support for a curtailment of the interception of the fisheries issue as far as fall trapping. There is a little dispute between the residents of King Cove and the village council presidents.

So do not take this with a grain of salt, Mr. President, because the more appropriate reference is the attitude of the collective voice of the Native people of Alaska. That is expressed by the Alaska Federation of Natives.

I have a letter here dated April 29 addressed to me.

Dear Chairman MURKOWSKI:

Attached, please find a copy of the 1997 AFN Convention resolution. This resolution is entitled "A Resolution of the Alaska Federation of Natives Supporting the Ability to Obtain Right-of-Way Through National Wildlife Refuges for the Necessity of Improving Health and Safety Issues in Alaska." The Delegates to the 1997 Annual Convention of Alaska Federation of Natives unanimously passed this resolution.

I hope the resolution will assist you in passing legislation involving King Cove for the purposes of obtaining a right-of-way for that community through a land exchange.

That is the voice of the Native people of Alaska.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD, and the accompanying resolution that passed at the convention.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA FEDERATION OF NATIVES, INC.,
Anchorage, AK, April 29, 1998.

Re S. 1092.

Hon. FRANK MURKOWSKI,
Chair, U.S. Senate Energy and Natural Resources Committee, U.S. Senate, Washington, DC.

DEAR CHAIRMAN MURKOWSKI: Attached, please find a copy of 1997 AFN Convention Resolution 97–34 (hereafter "97–34"). This resolution is entitled "A Resolution of the Alaska Federation of Natives Supporting the Ability to Obtain Right-of-Way Through National Wildlife Refuges for the Necessity of Improving Health and Safety Issues in Alaska." The delegates to the 1997 Annual Convention of the Alaska Federation of Natives (AFN) unanimously passed this resolution.

97–34 states that the delegates to 1997 AFN Convention support obtaining right-of-ways through national wildlife refuges, including right-of-ways obtained through land exchanges.

I hope this resolution will assist you in passing legislation involving King Cove for the purposes of obtaining a right-of-way for that community through a land exchange.

If you have any questions concerning this letter or the attachment, please call me at AFN.

Sincerely,

JULIE KITKA,
President.

ALASKA FEDERATION OF NATIVES, INC., 1997 ANNUAL CONVENTION, RESOLUTION 97–34, A RESOLUTION OF THE ALASKA FEDERATION OF NATIVES SUPPORTING THE ABILITY TO OBTAIN RIGHT-OF-WAY THROUGH NATIONAL WILDLIFE REFUGES FOR THE NECESSITY OF IMPROVING HEALTH AND SAFETY ISSUES IN ALASKA

Whereas much of the access to and between rural Alaska villages is either by plane; and

Whereas the weather conditions are frequently inclement and flying is often a life or death situation; and

Whereas there have been numerous incidents of fatalities due to trying to fly in bad weather or treacherous terrain; in one community alone there have been 11 fatalities since 1981; and

Whereas most right-of-ways can be obtained through a land exchange with the affected village or regional corporations; and

Whereas the lands that are offered in exchange for the right-of-way are desirous to the National Wildlife Refuge managers; and

Whereas there is a legislation pending in Congress that dedicates right-of-ways through National Wildlife Refuges: Now, therefore be it

Resolved, that the delegates to the 1997. Annual Convention of the Alaska Federation of Natives, Inc., support the ability to obtain right-of-ways through National Wildlife Refuges for Health and Safety reasons.

Sponsored by: The Aleut Corporation.
Committee action: dos pass.
Convention action: passed.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Alaska Native Brotherhood. In that particular letter, it says:

The Juneau Camp of the Alaska Native Brotherhood supports the Alaska Congressional Delegation effort to connect King Salmon and Cold Bay.

Please accept our appreciation for your efforts. This may save a life, while responding to sensitive issues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA NATIVE BROTHERHOOD,
CAMP NO. 2,
Juneau, AK, June 24, 1998.

Hon. FRANK MURKOWSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MURKOWSKI: The Juneau Camp of the Alaska Native Brotherhood supports the Alaska Congressional Delegation effort to connect King Salmon and Cold Bay. We do have occasion to meet with Alaska Native organizations on subsistence issues and subsistence management. There are discussions of local interest matters, such as fish and wildlife habitat and access to interest areas. Persons of these areas have contacted us on this matter.

The Juneau ANB supports funding for the Izembek Road that would provide safe access from Cold Bay to the King Salmon areas. It is our understanding that wildlife habitat areas would not be adversely affected, and that the Local Natives do attend to habitat areas anyway.

Please accept our appreciation for your efforts. This may save a life, while responding to sensitive issues.

Respectfully,

JEFFREY ANDERSON,
President.

Mr. MURKOWSKI. Mr. President, I also ask unanimous consent that a petition that was signed by approximately 50 residents of Cold Bay expressing their support for the exchange be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

As residents of Cold Bay, Alaska, we support the proposed road between our community and King Cove. Furthermore, we recognize the existence of roads in the wilderness area and drive these roads, along with nonresidents who fly into Cold Bay, for access to hunting grounds.

Mr. MURKOWSKI. Mr. President, I further ask unanimous consent that a listing from the King Cove Clinic from April 1998 to present day covering medevacs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KING COVE CLINIC MEDIVACS FROM APRIL 1998 TO PRESENT DAY

April 3: Chest Pain, Airplane, 2 hr. delay;

April 14: Chest Pain, Airplane, ½ hr. delay;

May 5: Abdominal Pain, Airplane, 1 hr. delay;

May 11: Chest Pain, Airplane, No delay;

May 31: Chest Pain, Airplane, No delay;

June 19: Abdominal Pain, Airplane, No delay;

June 24: Abdominal Pain, Airplane, No delay;

June 26: Chest Pain, Airplane, No delay;

June 27: Baby Fever of Unknown Origin, Airplane, No delay;

July 5: Possible Tendon Laceration, Airplane, 1 day delay;

July 6: Chest Pain, Airplane, 3 hr. delay;

July 28: Abdominal Pain, Helicopter, 1 day delay;

July 28: Abdominal Pain, Helicopter, 1 day delay;

August 9: Miscarriage, Airplane, No delay; and

August 28: Pneumonia, Airplane, 1 hr. delay.

Mr. MURKOWSKI. I thank the Chair.

I might add that from April 3rd to August 28th, there were 16 specific medevacs. The first one on April 3rd, there was a 2-hour delay; 14th, 1-hour delay; May 5, an hour delay; no delays in the two in May; there were no delays in June; on July 5, there was a 1-day delay. Not an hour, Mr. President, a 1-day delay; July 8, 3-hour delay; July 28, 1-day delay; July 28, 1-day delay; August 9, a miscarriage, no delay; August 20, pneumonia, 1-day delay.

These are the official records that indicate what is really happening. The only difference is this is summertime. This is the good weather.

Try it on October, November, December, or January.

To give you some idea, this is from the National Weather Service, Marine Desk, lower south side Alaska peninsula, including waters near Cold Bay and King Cove. On the following days in March, small craft advisory warnings; winds between 25 and 34 knots were issued, not only on the 7th, 8th, 11th, 13th, 17th, 19th, 20th, and 21st, but on the following days in March of the same year, gale warnings of 35 to 50 knots were issued on the 2nd, 3rd, 4th, 5th, 6th, 12th, 15th, 16th, 22nd, 25th, 26th, 31st.

There is more air around there than there certainly is around here.

And the following days in March wind advisories greater than 50 knots were issued, on the 23d, 24th, 27th, 28th, 29th, and 30th. Only 5 days during the month were there no marine advisories in this area. That is what we are talking about in Cold Bay and King Cove. It is not just once in a while.

Now, what is hypocrisy? Well, let's try this on for consideration. It might be the Clinton administration and the Washington green lobby opposing a small, one-lane gravel road in an Alaska wildlife refuge to allow a few Aleut Native people to reach emergency medical care while at the same time allowing an international airport to expand a runway—a runway, Mr. President—into a wildlife refuge which is the home to endangered species and provides essential habitat for waterfowl and migratory birds. Where is the Senator from Arkansas? Where is the Senator from Montana? Where is the Senator from Massachusetts? Where is the righteousness as to what is happening?

Well, I see a look of concern. On September 21, 1998, the U.S. Fish and Wildlife Service announced that they had reached an agreement with the Metropolitan Airport Commission to allow a new runway at the Minneapolis-St. Paul International Airport which would severely impact the Minnesota Valley National Wildlife Refuge in Bloomington, MN. The Minnesota Valley National Wildlife Refuge currently consists of 9,429 acres of land. This agreement will require the replacement of 4,000 acres of refuge land which will be impacted by what? Well, let's try aircraft noise. I quote. Here it comes, gentlemen.

> "We would have preferred to keep our refuge and our programs intact," says Rich Schultz, refuge manager. "But we certainly recognize the need for safe, reliable air transportation so I am glad we were able to come to an agreement at least in principle. It will take a lot of effort to relocate our facility's programs, but this should be done to allow us to provide additional opportunities for our growing Metro population."

Well, what is hypocrisy, Mr. President? Perhaps there is no comparison between the minimal potential impact on wildlife from a small gravel road with an occasional—an occasional—car passing in a 300,000 acre wildlife refuge in an area that is excluded from the wilderness and the hundreds of jets—hundreds? Come on, let's talk about thousands of jets—taking off each week from an international airport over a smaller, 9,000 acre refuge in Minnesota.

Well, we have heard the Senator from Arkansas say the President is going to veto this. We have heard that before. Well, charity starts at home, Mr. President. The Clinton administration has made a purely political decision, and I think it is a cruel one at that. It takes into consideration not the people of King Cove or their dreams of access. It would deny medical care for Alaska Natives while giving the population of Minneapolis a jetway with enormous impacts on the environment with regard to noise and air pollution.

Well, I guess that is the way it goes around here. But nevertheless, I think everyone would recognize there is certainly an injustice. Imagine that. The excuse is the refuge manager recognizes the need for safe, reliable transportation. But here again we are proceeding to allow a new runway that would impact on the Minnesota Valley National Wildlife Refuge in Bloomington, MN, consisting of 9,429 acres of land and the agreement will require the replacement of 4,000 acres of refuge land.

So there we have it, Mr. President. What is good for the goose is good for the gander, somebody once said. Now, I don't know if there is a value, commercial value in expanding that runway, but I would let the example speak for itself.

There are a couple more things I want to say in conclusion. Staff did a good job of preparing to respond to some of the statements that have been made in the debate, and I would be remiss not to address them at this time. We have done a little research here, and I hope that our comments are an accurate reflection because they are taken from the RECORD.

Back on Tuesday, September 29, the statement by the Senator from Montana states:

> Mr. President, the rider establishes a very troubling precedent. Congress has never authorized the construction of a road through a wilderness area.

The fact is the proposal does not authorize construction of a road through a wilderness. I think I made that point time and time again. The language authorizes a boundary adjustment which Congress routinely has used to provide access through wilderness areas, most notably, the Lee Metcalf Act of 1983, which withdrew several acres in Montana for a road to a fishing hole. I know my colleague already addressed that.

Later the Senator from Montana said:

> The bill would cut the refuge in half.

Well, the refuge is 300,000 acres. The proposed road corridor skirts the very edge of the refuge impacting only less than 0.3 percent of the refuge land. The proposed road corridor is 3 miles south, south mind you, of the Izembek lagoon complex and is separated by 3 miles of terrain. The reason you move it back is an obvious one. You want to get away from the immediate tidal wetlands area and put it in a little higher area of elevation.

Further, the Senator from Montana indicated:

> Mr. President, this is a road that now exists in part of the wilderness area. This is what is there now. This is what would be contemplated. As you can tell, it is a pretty good size road. It is no small, little cow path.

And that was the picture the Senator had. The facts are the road would be, well, not more than 60 feet wide taking up only 85 acres through 7 miles of the refuge. In return, the Natives would return 664 acres—664 acres of privately owned lands to the refuge. The road would be constructed of gravel, like many of the U.S. Fish and Wildlife roads that are already present in the refuge. So I think that is a factual rebuttal.

And if I may continue. Furthermore, on September 29, the Senator from Montana indicated:

> There are many ways to address the legitimate transportation problems at King Cove without violating the Izembek refuge: Coast Guard air evacuation is one; better port facilities and special marine ambulances are another; as well as telemedicine and other medical advances.

We have been studying it for 14 years. The fact is the Coast Guard does not, will not, and cannot handle the dangerous conditions associated with the numerous land-based evacuations. It is a policy matter. To do so would put lives at risk and would fundamentally alter the Coast Guard's mission, which is a sea mission. You have 20-foot seas, and 50-knot winds are not uncommon in the area. Portions of Cold Bay can freeze in the winter. Telemedicine, of course, as we have heard from Senator FRIST, while of benefit, will not reattach limbs and certainly cannot alter the care of premature births.

There was a reference further by the Senator from Montana:

> The fact of the matter is when you look a lot deeper into this, the real impetus behind the road may not be emergency medical evacuation. That is not the real driving force here. Really, it is that the folks there have an economic interest in having a road.

Mr. President, this road is about saving lives. The economics is not part of the equation. Marine transportation is the manner in which the products in cold storage, in the canning operation, in fish processing, move. They move traditionally that way because the value of the product simply does not support moving it by air, and anybody in the business will tell you so, including the residents there.

But last, no one on the other side has addressed this: We provide the authority for the Secretary of the Interior to close the road for nonemergency use. What more could we do? If he sees this road is being inappropriately used, he can close it, he can limit it—whatever. This is about lives.

What has happened here is extremely unfortunate. The leaders in the environmental community, some of whom may be listening—I hope they are—somehow have decided to dig in on this. "Break your pick on this one. This is the issue."

It is the issue at whose expense? The Aleut people in King Cove. They are too far away to be heard from. It is too expensive to go out and see them. So we will just stand on this one. Let me tell you what our health care providers say when they speak up, and these are people who are treating people in rural Alaska. It is an issue of access. It is an issue of life. There it is. I quote:

> The greatest limiting factor to air ambulance is weather and the condition of the airport [at King Cove]. Being able to use the Cold Bay facility will enhance our ability to get in and continue care of patients . . . if the road saves one life, it's worth it.

This is from Dean C. Dow, MICP, Lifeflight Emergency Evacuation Service, Alaska Regional Hospital, Anchorage.

They are out there, taking care of the people who use the medivac.

The next one:

> Distance between communities in Alaska dwarfs many states in the Lower 48 and telecommunications are often sketchy. A wise person once said, "If a successful fax transmission is a blessing, then successful telemedicine transmissions could be a miracle . . . the telehealth system will not carry a human body that needs advanced medical care . . . it will only enhance medical care. It will not remove the need for treacherous evacuations that so often take place from King Cove."

Kathy Boucha-Roberts, director of alliances and telemedicine, Providence Health System, Anchorage.

Next one:

> All we want is safe access for our people. We see the road as our only hope.

Della Trumble, King Cove Native Corporation:

> The King Cove Medical Clinic (a small, four-room building) [that is all they have] is forced to take drastic measures and lose critical time in attempting to complete a medivac—travel by boat in dangerous sea conditions . . . a road between King Cove and Cold Bay would bring us to our Medivac flight and into the 20th Century in emergency response.

Let's see the picture. This is the facility at King Cove. It has the Red Cross on it. That is it. If you get your leg broken, have a baby—whatever—that is all you have. It is a lot better than nothing. But when you are in need of something—look at cloud cover here. You might see that in the picture. This is a good day in King Cove, believe me.

The last one:

> Inclement weather severely impacts prompt medical air evacuations. Medivac by fishing vessel is directly affected by wind, ice and poor visibility, making offloading the patient on a dock extremely stressful and hazardous . . . the King Cove Rescue Squad believes that the road to Cold Bay is a necessary alternative to existing air and boat medivac.

Marilyn Mack, emergency medical technician, King Cove.

Mind you, this is an effort by 700 people, a very small village, to be heard in the Congress of the United States. Let us see what our Members have said about access to health care. Some have said access to health care is a right. I agree.

> It is absolutely essential that Montanans have access to quality health care without having to cover massive distances. Sometimes getting to a hospital can be the difference between life and death.

That is my good friend, the Senator from Montana.

> We have the best health care in the world in many respects, but it is available to people only if they are able to access the kind of doctors they need . . . people ought to be able to seek emergency room care if they need emergency room care.

That is my friend, Senator DORGAN. I agree.

> Denying our citizens an opportunity to participate in the greatest advances that are taking place in the medical profession is effectively a death sentence . . . it is really an issue of lifesaving protections.

Senator TED KENNEDY, Massachusetts.

> We must ensure that quality health care is there for people when they need it . . . we must protect patients from decisions made by accountants and bureaucrats in insurance companies and have their health care decisions made by physicians.

Senator BARBARA BOXER.

> Patients should have access to health care professionals who are qualified to treat their conditions and not forced to accept people without the proper professional credentials . . . if a doctor believes a certain treatment is necessary, as a matter of right, that doctor's judgment should prevail.

Senator ROBERT TORRICELLI, New Jersey.

That is what some of our colleagues are saying about the right to have access to health care. That is what I am saying, what our senior Senator is saying—the right to have access, the best access, the most practical access. It is the access that would be brought about by this exchange which we are proposing, an exchange in the wilderness for an additional area of wilderness of about 580 acres.

Mr. President, I inquire of the time remaining on both sides.

The PRESIDING OFFICER. The Senator from Alaska has 19 minutes 18 seconds; 85 minutes 11 seconds for the other side.

Mr. MURKOWSKI. I retain the remainder of my time. I am not sure what the leadership has in mind. It is my understanding there might be an opportunity for a vote around 5 o'clock. If that is likely to occur, it is almost 5 o'clock.

I think there is a special briefing going on at this time.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, this has been a good debate. A lot of facts have come out. I might just note parenthetically, I chuckled a little bit. Here we are at the late stages of this debate. I concede to the Senator he has won the chart war. I have never seen so many charts in a debate in all my life. I acknowledge to the Senator he has a lot more charts than I have, and they are pretty good charts.

Also, he has all that staff there. I see the army—there are about 10 back there on his side. He has won the staff war. We have only a couple or three on our side. He has won the chart war. He has won the staff war. And he has also won the time war. He has used a lot more time than we have. I will be very brief.

Basically, there are a couple of points I want to make for the record, for the Senator. He asked, very interestingly: Nobody has answered the point that the Secretary of the Interior, the refuge manager, basically controls this road.

The fact is, in the bill itself there are provisions that the refuge manager—that is, the Secretary of the Interior—works with—I think it is the Aleutian Boroughs—to try to come up with a Joint Plan for the operation of the road. But the bill further provides, if no agreement is reached, that the borough controls. The borough can just decide within 24 months that that is what it wants to do.

So it is not quite accurate to say this road is under the control of the Department of the Interior. The fact is, as a practical matter, maybe earlier, but certainly within 24 months, this road is under the control—if there is a road—of the State.

The second point: The State of Alaska is not for this road. The State of Alaska takes no position on this road. We do not have any correspondence from the State of Alaska, particularly from the Transportation Department of the State of Alaska, saying we want this road, we support this bill. There is nothing that says, "We support this bill." Rather, the State department takes no position.

Let me just read what the Transportation Department of Alaska says: "You have inquired about the status of our study efforts, etc." I will not read the whole letter.

Basically, the letter concludes on page 2:

> Until the Transportation Needs Assessment and the Facilities Concept Report have been completed, we will not be in a position to propose the preferred alternative nor will we know how the King Cove-Cold Bay project is rated against other transportation projects. Therefore we have no position on the legislation currently pending in Congress.

I think that is because that is a sound conclusion. That is why the State of Alaska, at least the department of transportation, takes that position because it makes sense. There is the basic study that is going on. It is an Alaska study. My good friend from Alaska says, "Gee, we have enough studies here." My answer is, light a fire under the State; get them to conclude the study.

Mr. MURKOWSKI. I wonder if the Senator——

Mr. BAUCUS. When I finish I will. Let them conclude the study so the State can recommend what alternative makes the most sense.

He also said, "I don't know where the $700,000 is." It is in the transportation appropriations bill right now. It passed the Senate. The language is there.

I don't want to get in tit-for-tat business. It is not productive. He made the statement implying maybe this Senator has no idea about bottom fishing in Alaska and what the economics are.

I am actually getting my view—it is not my view, but I am reporting what the Alaska Intermodal Transportation Plan says. It has a statement on page 13 of its plan. This is dated October of 1994. I grant it is a few years old.

Essentially, it says King Cove's economy is almost exclusively dependent upon fishing and fish processing. It has been a major fishing center in southwest Alaska for over 75 years. The salmon cannery has operated since 1911; crab processing since 1958; fish roe processing since 1960. In the seventies and eighties, the bottom fishing industry expanded. Peter Pan Seafoods is the largest employer, employing 250 to 300 persons in its cannery operation in King Cove. Commercial fishing accounts for approximately 100 jobs.

It goes on to say that because of limited access, today the seafood market in King Cove is restricted. I am reporting from the Alaska report. It further provides that most product is sold directly to Peter Pan. Peter Pan now moves some fresh fish—fresh fish—into niche markets they have identified with low volumes. Without alternatives, commercial fishermen must settle for the going rate of about 35 cents to 40 cents a pound.

It goes on to say it is estimated that with better access—that is most probably the road to Cold Bay—to fresh fish markets, the same fish could be sold at a price of upwards of 70 to 80 cents a pound, nearly double what fishermen now receive.

It goes on to say essentially that this access would provide for a lot more fresh fish access in addition to the frozen. Basically, 5 percent of their processing production, which would be close to 2 million pounds a year, will be moved by road to an airport to fly directly to fresh fish markets.

I am just answering the Senator by saying this is what the State of Alaska says. I take the Alaska Intermodal Transportation Plan at its word, but if they are incorrect, then I stand to be corrected.

The point about whether this cuts into a wilderness area or not, it is pretty clear that this road we are talking about does. By the way, when the Senator showed a picture of the tundra, he said, "Oh, there are no avalanches here." What he was not showing is sections of the road down here which bisects streams and mountain areas, that is where the avalanches would occur. They would not occur up closer to Cold Bay. But this road does cut this wilderness in half.

This is the whole area, basically, we are talking about, where the waterfowl feed. This is the road that would go up here and down back around to Cold Bay. With truck traffic from the processing plant and the other traffic on the road, it is pretty clear it would bisect the area.

It is constructing a new road in a wilderness. The Senator says that is not true. I think it is true, and I will let people decide for themselves whether it is true or not. I say it is true because here is the wilderness right now and there is the road. It looks like to me there is a road in the wilderness area.

The response is, "We will just take that out of wilderness and put the road there, and because we take the wilderness away, it is not a road in wilderness." That is too clever by half, Mr. President. We know what is going on here. It is a road in the wilderness. We have never done that. We have not constructed a road through wilderness from one point outside wilderness to another point outside wilderness. We have never done that; never.

I recognize that we may have to do that. If the only option to provide medical care and emergency services is a road, but we don't know that yet. There are a lot of options being studied. I say let's let the State of Alaska complete its study, or the $700,000 the senior Senator from Alaska put in the appropriations bill to study rural access, then we will see. If it turns out we have to have this road, I will be one of the first Senators to stand on this floor and reconsider my position, but we are not there yet. I don't think we should take precipitous action today and prejudge by saying we have to build this road.

Finally, on another point, the President will veto this bill if it passes. I hope it doesn't pass, but if it does pass, he will veto it.

I ask unanimous consent that a statement of administration policy be printed in the RECORD.

I will read the first sentence:

> The Administration strongly opposes S. 1092, and, if presented to the President, his senior advisers would recommend that he veto the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> STATEMENT OF ADMINISTRATION POLICY
>
> (This statement has been coordinated by OMB with the concerned agencies.)
>
> The Administration strongly opposes S. 1092, as amended, if presented to the President, his senior advisers would recommend that he veto the bill.
>
> S. 1092 would create an objectionable and unprecedented perpetual right-of-way through portions of the Izembek National Wildlife Refuge and Izembek Wilderness for building a public road and maintaining utility-related fixtures between the communities of King Cove and Cold Bay in Alaska. Specifically, S. 1092 would set a precedent by removing lands from wilderness in a land exchange to build a new road. S. 1092 is not compatible with the purposes for which the Refuge was established and would waive important environmental laws. As a result, S. 1092 would disrupt the habitat of many important species, including internationally-unique waterfowl populations and cause irreparable damage to the ecological integrity of this pristine wilderness area. Finally, the bill would undermine the intent of the recently enacted bipartisan "National Wildlife Refuge System Improvement Act of 1997."
>
> The Administration recognizes the need to ensure adequate emergency medical care for the remote community of King Cove. The Administration will continue working with the State of Alaska and other interested parties to explore different transportation alternatives.

Mr. BAUCUS. In summation, I thank the Senator for the debate. It has been a good debate. We have been here, what, almost 5 hours. The Senator from Arkansas, the Senator from Massachusetts, the Senator from Tennessee, both Senators from Alaska have argued this issue. I thank the Senator, again, for taking this issue up on the floor and not as a rider on the appropriations bill. That is the better way to make public policy.

Mr. President, I don't think there are any more speakers on our side. We are ready to accept the amendment and at the appropriate time vote on the bill.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, we are still waiting on this side for an indication from the leadership about disposition of this. My understanding is we can anticipate a vote very shortly, but I have to defer, pending clarification.

In the meantime, I want to clarify the RECORD. The Senator from Montana suggested that the State of Alaska does not support this road. Let me read a statement from the Anchorage Daily News, Wednesday, June 7, 1995. It reads as follows:

> Knowles—

Who is our Governor—

> Says he favors a road to Whittier, a 16-mile link between Nondalton and Itulilik, and a 20-mile road between King Cove and Cold Bay on the Alaskan Peninsula.

That was the Anchorage Daily News, Wednesday, June 7, 1995.

Relative to another matter that was brought up by my friend on the assessment of transportation needs by the Alaska Department of Transportation, let me read a synopsis, and that is:

> Based on a comparison with other alternatives, the road alternative provides a positive benefit stream throughout the life of the project with total benefits exceeding total costs by more than $242 million through the year 2018.

I am not going to dwell on that because some of these projections are really little more than a hypothetical wish list, whether it be on the issue of whatever the economic value of the fish products are or whatever. But I think it is fair to say the people who put intermodal transportation analysis together do so based on a lot of longitude and latitude relative to realities associated with the market ability associated with what the economics basically have to support.

I would again defer to something that I brought up time and time again, and that is the fact—this is what I find rather amusing about the attitude of the administration and its veto threat. They are not even giving credence to the Secretary of the Interior and the flexibility that we have given him to address this road should it have any detrimental impact on any of the migratory wildlife or initiating any other activity that would be detrimental.

This has not been addressed by the opponents. It is not being addressed by the administration. They have come up with a flat veto. I would like to think that my colleagues would not be moved or motivated by a disinterested administration that does not address the concern associated with what this road means, and it really means a road to life for a very, very small exchange—an exchange not in the wilderness but, indeed, a land exchange in refuge and a net benefit to the wilderness of some 580 acres.

What you have here, Mr. President, is you have gotten a battened down environmental group that is dug in—the Audubon Society, and various others, pulling out all stops to overcome the 730 residents of King Cove on an issue that means perhaps that they will lose face if they lose this vote.

I would like to think that the 100 individuals here are individuals, they think for themselves, they are not motivated by a rush associated with a herd mentality and will address this issue on its merits.

The merits are very simple, Mr. President. This is a road to life for the residents of King Cove. I would appreciate all my colleagues to recognize the issue on its merits and not be threatened by any veto threats from the administration, none of which have to put up with the rigors of living in a wilderness area, such as those residents who live in King Cove.

Mr. President, let me thank the Senator from Montana, the Senator from Arkansas, the Senator from Massachusetts for the debate, my senior Senator, Senator STEVENS, and the Senator from Tennessee who shared with us his expertise on telemedicine, Senator FRIST.

Again, as we look at the alternatives, recognize we have been looking at alternatives for 14 years. This is time for action. The action that we contemplate is a simple land exchange giving the Secretary of the Interior the oversight authority. I cannot imagine anything that is more fair and provides a balance than what we have proposed. I ask my colleagues to support the amendment that I have as well as to vote in favor of the bill.

I have been asked by the leadership to suggest the absence of a quorum. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JEFFORDS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Mr. President, may I just ask the Senator to withhold for a moment?

The PRESIDING OFFICER. Does the Senator from Alaska object?

Mr. MURKOWSKI. I object, if I may, for just a moment.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk continued to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. Mr. President, I am told there are other Senators still wishing to speak on the bill, so I ask, how much time is remaining?

The PRESIDING OFFICER. The Senator from Alaska has 12 minutes remaining.

Mr. MURKOWSKI. The other side?

The PRESIDING OFFICER. The Senator from Arkansas has 74 minutes.

Mr. BUMPERS. Seventy-four minutes?

The PRESIDING OFFICER. Seventy-four minutes.

Mr. MURKOWSKI. I thank the Chair.

I ask unanimous consent to reserve the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. I yield the Senator from Massachusetts 30 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I appreciate the courtesy of the Senator from Arkansas. And I ask unanimous consent that my comments be placed in the RECORD not to interfere with the debate that has been taking place and will take place further this evening on this important issue. And I will address the Senate on a different issue in question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it is time now, as we reach the midpart of this week, and as we are looking forward to going into next week for the probably 6 days that remain in this session—maybe 7 days, maybe even a few more days, if necessary—we are running into the final days of this particular session. It does seem to me to suggest that we ought to spend our time addressing those matters which are of central importance and consequence and seriousness to the American people.

I know on the issue that is before the Senate at the present time that this will be disposed of either later this evening—and I will not interfere should the managers themselves want to have the final disposition of that this evening—but I have understood that the final disposition on this particular proposal would probably carry over to tomorrow.

So I wanted to address the Senate on another issue.

Mr. STEVENS. Will the Senator yield on that point?

Mr. KENNEDY. I yield without losing my right to the floor.

Mr. STEVENS. Mr. President, did the Senator indicate he thought this issue would carry over until tomorrow—this issue?

Mr. KENNEDY. I am not either the manager nor the proponent of that, but I understand I do have the 30 minutes.

Mr. STEVENS. Yes.

Mr. KENNEDY. What I was saying is that I indicated that if both those for it or against it wanted to move ahead with the vote, that I would not interfere with that. But I am told at this time that that is not the case, I say to the Senator.

Mr. STEVENS. I yield to my colleague from Alaska. We do want to go ahead with this vote on the matter tonight, if possible.

Mr. KENNEDY. I thank the Senator, but I——

Mr. MURKOWSKI. Mr. President, if I may offer a clarification. When the unanimous consent was agreed upon, I was under the impression the Senator from Massachusetts was going to speak on the bill. I have no objection to the time being granted, but we had hoped to have a vote around 5 o'clock.

As far as we are concerned, we are ready for the vote. So it is the floor manager on the other side who controls the time. I tell Senator KENNEDY, if he would like to go ahead and allow us to vote, then he could have time after the vote.

Mr. KENNEDY. Mr. President, I was yielded this time. I understand you are ready and the others are not.

Mr. MURKOWSKI. Mr. President, I don't want to confound this any further, but I think I was of the impression and I think the Senator from Montana was of the impression that the Senator from Massachusetts was going to rise to speak on the King Cove matter. Am I correct that is the Senator's understanding?

Mr. BAUCUS. Mr. President, if I might.

Mr. KENNEDY. I will be glad to yield briefly, Mr. President.

Mr. BAUCUS. If I might respond to the Senator from Alaska, we do have more time required on our side in the sense that we are not ready for a vote for about a half hour or later. If that is the case, it probably makes sense for the Senator from Massachusetts to proceed.

Mr. KENNEDY. I thank the Senator. I tried to have an opportunity to address the Senate through the course of the afternoon and appreciated the courtesies of our colleagues for that time.

How much time do I have remaining on this?

The PRESIDING OFFICER (Ms. SNOWE). The Senator has 26 minutes remaining.

(By unanimous consent, the remarks of Mr. KENNEDY and Mr. DURBIN are printed later in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Madam President, I am prepared to yield back the remainder of my time if the Senator from Alaska is also.

Mr. MURKOWSKI. Madam President, I yield the remainder of my time, and I ask on behalf of the leader unanimous consent that all time be considered as yielded back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MURKOWSKI. And the Senate proceed to vote on the passage of S. 1092, the King Cove/Cold Bay legislation.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Madam President, if the Senator from Alaska is prepared, we are prepared to accept his amendment which is the pending business.

The PRESIDING OFFICER. If there is no objection, amendment No. 3676 is agreed to.

The amendment (No. 3676) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MURKOWSKI. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

It appears to be sufficiently seconded.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from New Hampshire (Mr. GREGG) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Ms. MOSELEY-BRAUN) would vote "no."

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—59

Akaka
Allard
Ashcroft
Bennett
Bingaman
Bond
Breaux
Brownback
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Domenici
Enzi
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hagel
Hatch
Helms
Hollings
Hutchinson
Hutchison
Inhofe
Inouye
Kempthorne
Kyl
Landrieu
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Santorum
Sessions
Shelby
Smith Bob (NH)
Smith Gordon H (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—38

Abraham
Baucus
Biden
Boxer
Bryan
Bumpers
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Feinstein
Graham
Harkin
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moynihan
Murray
Reed
Reid
Robb
Rockefeller
Sarbanes
Specter
Torricelli
Wellstone
Wyden

NOT VOTING—3

Glenn
Gregg
Moseley-Braun

The bill (S. 1092), as amended, was passed, as follows:

S. 1092

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "King Cove Health and Safety Act of 1998".

SEC. 2. FINDINGS.

The Congress finds that—

(1) King Cove, Alaska is a community in the westernmost region of the Alaska Peninsula with a population of roughly 800 full-time residents and an additional 400 to 600 workers who are transported in and out of the community a number of times a year to work in the local fish processing plant and on fishing vessels;

(2) the majority of the full-time residents are indigenous Native peoples of Aleut ancestry that have resided in the region for over 5,000 years;

(3) the only mode of access to or from King Cove is via small aircraft or fishing boat, and the weather patterns are so severe and unpredictable that King Cove is one of the worst places in all of the United States to access by either of these modes of transportation;

(4) the State of Alaska has initiated the King Cove to Cold Bay Transportation Improvement Assessment to confirm the need for transportation improvements for King Cove and to identify alternative methods of improving transportation access with comprehensive environmental and economic review of each alternative;

(5) the State of Alaska has identified a road between King Cove and Cold Bay as one of the alternatives to be evaluated in the transportation planning process but for a road to be a viable option for the State of Alaska, the Congress must grant a legislative easement within the Izembek National Wildlife Refuge ("Refuge") across approximately seven miles of wilderness land owned by the Federal Government;

(6) there are fourteen miles of roads within the wilderness boundary of the Refuge which are currently traveled by vehicles;

(7) any road constructed in accordance with such easement would be an unpaved, one-lane road sufficient in width to satisfy State law; and

(8) the combined communities of King Cove and Cold Bay have approximately 250 vehicles.

SEC. 3. PURPOSE.

The purpose of this Act is to establish a surface transportation easement across Federal lands within the Refuge and to transfer 664 acres of high value habitat lands adjacent to the Refuge in fee simple from the King Cove Corporation to the Federal Government as new wilderness lands within the Refuge in exchange for redesignating a narrow corridor of land within the Refuge as nonwilderness lands.

SEC. 4. LAND EXCHANGE.

If the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation in and to all land owned by the Corporation in Sections 2, 3, 4, 5, 6, and 7 of T 57 S, R 88 W, Seward Meridian, Alaska, and any improvements thereon, the Secretary of the Interior ("Secretary") shall, not later than 30 days after such offer, grant the Aleutians East Borough a perpetual right-of-way of 60 feet in width through the lands described in sections 6 and 7 of this Act for the construction, operation and maintenance of certain utility-related fixtures and of a public road between the city of Cold Bay, Alaska, and the city of King Cove, Alaska and accept the transfer of the offered lands. Upon transfer to the United States, such lands shall be managed in accordance with section 1302(i) of the Alaska National Interest Lands Conservation Act, shall be included within the Refuge, and shall be managed as wilderness.

SEC. 5. RIGHT-OF-WAY.

Unless otherwise agreed to by the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall—

(1) include sufficient lands for logistical staging areas and construction material sites used for the construction and maintenance of an unpaved, one-lane public road sufficient in width to meet the minimum requirements necessary to satisfy State law;

(2) meet all requirements for a public highway right-of-way under the laws of the State of Alaska; and

(3) include the right for the Aleutians East Borough, or its assignees, to construct, operate, and maintain electrical, telephone, or other utility facilities and structures within the right-of-way.

SEC. 6. CONFORMING CHANGE.

Upon the offer of Corporation lands under section 4, the boundaries of the wilderness area within the Refuge are modified to exclude from wilderness designation a 100 foot wide corridor to accommodate the right-of-way within the following land sections:

(1) Sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska.

(2) Sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska.

(3) Sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 7. RIGHT-OF-WAY LOCATION.

Unless otherwise agreed to by the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall be located within—

(1) sections 2, 3, 10, and 11 of T 59 S, R 86 W, Seward Meridian, Alaska;

(2) sections 27, 28, 29, 30, 31, 32, 33, 34, and 35 of T 59 S, R 86 W, Seward Meridian, Alaska;

(3) sections 3, 4, 9, 10, 13, 14, 15, 16, 23, 24, 25, 26, and 36 of T 58 S, R 87 W, Seward Meridian, Alaska;

(4) sections 5, 6, 7, 8, 9, 16, 17, 20, 21, 27, 28, 29, 32, 33, and 34 of T 57 S, R 87 W, Seward Meridian, Alaska;

(5) sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska;

(6) sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska;

(7) section 6 of T 57 S, R 88 W, Seward Meridian, Alaska; and

(8) sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 8. TECHNICAL AMENDMENTS.

The following provisions of law shall not be applicable to any right-of-way granted under section 4 of this Act or to any road constructed on such right-of-way—

(1) section 22(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(g));

(2) title XI of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3161 et seq.), except as specified in this section; and

(3) section 303(c) of title 49, United States Code.

SEC. 9. JOINT PLAN.

The Secretary and the Aleutians East Borough shall jointly prepare a plan setting forth—

(1) the times of the year a road may reasonably be constructed when there are not high concentrations of migratory birds in Kinzarof Lagoon; and

(2) limitations on nonemergency road traffic during periods of the year when there are high concentrations of migratory birds in Kinzarof Lagoon.

SEC. 10. TRANSFER.

If within 24 months of the date the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation lands set forth in section 4 of this Act, the Secretary and the Aleutians East Borough fail to mutually agree on the following—

(1) a final land exchange and a grant of a right-of-way pursuant to section 4; and

(2) the right-of-way specifications, and terms and conditions of use set forth in sections 5, 6, 7 and 8 of this Act;

then the Aleutians East Borough shall have the right to select a 60 foot right-of-way for the construction, operation, and maintenance of certain utility-related fixtures and of a public road from lands described in section 7 of this Act, and to identify logistical staging areas and construction material sites within the right-of-way. If an agreement is not reached within 6 months after the Aleutians East Borough notifies the Secretary of its selection, then the right-of-way is hereby granted to the Borough.

Mr. MURKOWSKI. I move to reconsider the vote.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I wish to take this opportunity to thank some of my staff who worked on the bill. On behalf of Senator STEVENS and myself, we would like to thank the various staff who worked so hard on the King Cove bill. Brian Malnak of my staff—particularly the Energy and Natural Resources Committee—Jo Meuse, David Dye, Gary Ellsworth, who is unfortunately retiring this year and will be greatly missed, and a number of others.

And let me thank my colleagues in the debate: Senator BUMPERS, the ranking member of the Energy and Natural Resources Committee, who is retiring this year; Senator BAUCUS from Montana; and let me again thank the Members for the vote of confidence in support of fairness. The vote was 59–38. I am sure that will send a strong message over to the House on the merits of addressing the needs of the Aleut people of King Cove who seek what we enjoy every day—and that is access.

I thank my colleagues and thank the Presiding Officer. I wish you all well.

INTERNET TAX FREEDOM ACT

Mr. McCAIN. Mr. President, under the provisions of the consent agreement of September 30, 1998, I now ask the Chair to lay before the Senate S. 442, the Internet tax freedom bill.

The PRESIDING OFFICER (Mr. BENNETT). The clerk will report.

The legislative clerk read as follows:

A bill (S. 442) to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over the interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. SHORT TITLE.

[This Act may be cited as the "Internet Tax Freedom Act".

[SEC. 2. FINDINGS.

[The Congress finds the following:

[(1) As a massive global network spanning not only State but international borders, the Internet and the related provision of online services and Internet access service are inherently a matter of interstate and foreign commerce within the jurisdiction of the United States Congress under Article I, section 8, clause 3 of the United States Constitution.

[(2) Even within the United States, the Internet does not respect State lines and operates independently of State boundaries. Addresses on the Internet are designed to be geographically indifferent. Internet transmissions are insensitive to physical distance and can have multiple geographical addresses.

[(3) Because transmissions over the Internet are made using computer protocols, in particular the Transmission Control Protocol / Internet Protocol, that utilize packet-switching technology it is impossible to determine in advance the precise geographic route individual Internet transmissions will travel over, and it is therefore infeasible to separate domestic intrastate Internet transmissions from interstate and foreign Internet transmissions.

[(4) Consumers, businesses, and others engaging in interstate and foreign commerce through online services and Internet access service could become subject to more than 30,000 separate taxing jurisdictions in the United States alone.

[(5) Inconsistent and inadministerable taxes imposed on online services and Internet access service by State and local governments threaten to—

[(A) subject consumers, businesses, and other users engaged in interstate and foreign commerce to multiple, confusing, and burdensome taxation,

[(B) restrict the growth and continued technological maturation of the Internet itself, and

[(C) call into question the continued viability of this dynamic medium.

[(6) Because the tax laws and regulations of so many jurisdictions were established long before the advent of the Internet, online services, and Internet access service, their application to this new medium and services in unintended and unpredictable ways could prove to be an unacceptable burden on the interstate and foreign commerce of the Nation.

[(7) The electronic marketplace of services, products, and ideas available through the Internet can be especially beneficial to senior citizens, the physically challenged, citizens in rural areas, and small businesses. It also offers a variety of uses and benefits for educational institutions and charitable organizations.

[(8) A consistent and coherent national policy regarding taxation of online services, Internet access service, and communications and transactions using the Internet, and the concomitant uniformity, simplicity, and fairness that is needed to avoid burdening this evolving form of interstate and foreign commerce, can best be achieved by the United States exercising its authority under Article I, section 8, clause 3 of the United States Constitution.

[SEC. 3. MORATORIUM ON IMPOSITION OF TAXES ON THE INTERNET, ONLINE SERVICES, OR INTERNET ACCESS SERVICE.

[(a) MORATORIUM.—Except as otherwise provided in this Act, prior to January 1, 2004, no State or political subdivision thereof may impose, assess, or attempt to collect any tax on—

[(1) communications or transactions using the Internet; and

[(2) online services or Internet access service.

[(b) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Subsection (a) shall not—

[(1) affect the authority of a State, or a political subdivision thereof, to impose a sales, use, or other transaction tax on online services, Internet access service, or communications or transactions using the Internet if—

[(A) the tax (including the rate at which it is imposed) is the same as the tax generally imposed and collected by that State or political subdivision thereof in the case of similar sales, use, or transactions not using the Internet, online services, or Internet access service; and

[(B) the obligation to collect or pay the tax from sales or other transactions using the Internet, online services, or Internet access service is imposed on the same person or entity as in the case of similar sales, use, or transactions not using the Internet, online services, or Internet access service;

[(2) apply to taxes imposed on or measured by gross or net income derived from online services, Internet access service, or communications or transactions using the Internet, or on value added, net worth, or capital stock;

[(3) apply to fairly apportioned business license taxes;

[(4) apply to taxes paid by a provider or user of online services or Internet access service as a consumer of goods and services not otherwise excluded from taxation pursuant to this Act;

[(5) apply to property taxes imposed or assessed on property owned or leased by a provider or user of online services or Internet access service;

[(6) apply to taxes imposed on or collected by a common carrier, as defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153), acting in its capacity as a common carrier;

[(7) apply to taxes imposed on or collected by a provider of telecommunications service, as that term is defined in section 3 of the Communications Act of 1934 (47 U.S.C. 153); or

[(8) apply to franchise fees imposed by a State or local franchising authority, pursuant to sections 622 or 653 of the Communications Act of 1934 (47 U.S.C. 622 or 573), for the provision of cable services, as those terms are defined by such Act.

[SEC. 4. ADMINISTRATION POLICY RECOMMENDATIONS TO CONGRESS.

[(a) CONSULTATIVE GROUP.—The Secretaries of the Treasury, Commerce, and State, in consultation with appropriate committees of the Congress, the National Tax Association-sponsored Joint Communications and Electronic Commerce Tax Project and the National Conference of Commissioners of Uniform State Laws, consumer and business groups, States and political subdivisions thereof, and other appropriate groups, shall—

[(1) undertake an examination of United States domestic and international taxation of—

[(A) communications and transactions using the Internet,

[(B) online services and Internet access service, and

[(C) the telecommunications infrastructure used by the Internet, online services, and Internet access service;

[(2) consider any specific proposals made by the Joint Communications and Electronic Commerce Tax Project and the National Conference of Commissioners of Uniform State Laws concerning appropriate parameters for taxation by States, and political subdivisions thereof, of matters described in paragraph (1); and

[(3) jointly submit appropriate policy recommendations concerning United States domestic and foreign policies toward taxation of online services, Internet access service, and communications and transactions using the Internet, if any, to the President within 18 months after the date of enactment of this Act.

[(b) *PRESIDENT.—Not later than 2 years after the date of enactment of this Act, the President shall, to the extent and in the form the President deems appropriate, transmit to the appropriate committees of Congress policy recommendations on taxation of online services, Internet access service, and communications and transactions using the Internet.*

[SEC. 5. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

[It is the sense of the Congress that the President should seek bilateral and multilateral agreements through the World Trade Organization, the Organization for Economic Cooperation and Development, the Asia Pacific Economic Cooperation Council, and other appropriate international fora to establish that commercial transactions using the Internet are free from tariff and taxation.

[SEC. 6. DEFINITIONS.

[For the purposes of this Act—

[(1) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol / Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

[(2) ONLINE SERVICES.—The term "online services" means the offering or provision of information, information processing, and products or services to a user as part of a package of services that are combined with Internet access service and offered to the user for a single price.

[(3) INTERNET ACCESS SERVICE.—The term "Internet access service" means the offering or provision of the storage, computer processing, and transmission of information that enables the user to make use of resources found via the Internet.

[(4) TAX—The term "tax" includes any charge imposed by legislative authority to raise revenue for the needs of the public, as well as any license or fee that is imposed by any governmental entity. Such term also includes the imposition on the seller of an obligation to collect and remit to a governmental entity any charge (as defined in the preceding sentence), license, or fee imposed on the buyer by a governmental entity.]

SECTION 1. SHORT TITLE.

This Act may be cited as the "Internet Tax Freedom Act".

TITLE I—MORATORIUM ON CERTAIN TAXES

SEC. 101. MORATORIUM.

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes on transactions occurring during the period beginning on July 29, 1998, and ending 2 years after the date of the enactment of this Act:

(1) Taxes on Internet access.

(2) Bit taxes.

(3) Multiple or discriminatory taxes on electronic commerce.

(b) APPLICATION OF MORATORIUM.—Subsection (a) shall not apply with respect to the provision of Internet access that is offered for sale as part of a package of services that includes services other than Internet access, unless the service provider separately states that portion of the billing that applies to such services on the user's bill.

SEC. 102. ADVISORY COMMISSION ON ELECTRONIC COMMERCE.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and

local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

(Under the order of September 30, 1998, the Commerce Committee amendment and the Finance Committee amendment were agreed to.)

Mr. McCAIN. For the information of all Senators, several amendments are expected to be offered and debated tomorrow to this vital piece of legislation. Therefore, all Members should be aware that votes can be expected to occur on Friday.

Mr. President, tomorrow morning we will start out with a Bumpers amendment which he will be prepared to propound shortly after we convene in the morning. And we expect a couple of other amendments besides that. Also, it is the intention of the leader to file cloture tomorrow morning, as well, on this legislation since we only have a few days remaining in the session.

We have been working with Senator DORGAN and with Senator GRAHAM of Florida to try to resolve the remaining issues, and with Senator JUDD GREGG of New Hampshire. I am hopeful that we can reach agreement which would then allow us to move forward quickly and resolve this very important piece of legislation.

I yield the floor.

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Utah, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mrs. HUTCHISON. On behalf of the leader, I ask unanimous consent that there now be a period for morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, the matter that I want to address, again, is the issue of the Patients' Bill of Rights. It is time for our Republican leadership to stop the blocking of the Patients' Bill of Rights. It is time for them to stop protecting the insurance company profits and start protecting the parties. It is time for them to stop manipulating the rules of the Senate to deny the American people the protections they deserve.

It is clear what is going on here. It is clear to every Member of the Senate. It should be clear to the American people. The American people want Congress to pass strong, effective legislation to end the abuse by HMOs, the managed care plans, and the health insurance companies.

The Patients' Bill of Rights, sponsored by Senator DASCHLE and Senate Democrats, provides the needed and long overdue antidote to the festering and growing abuses. Our goal is to protect patients and see that insurance plans provide the quality care they promise but too often fail to deliver.

Two hundred groups of patients, doctors, nurses, and families have announced support for our bill and are begging the Republican leadership to listen to their voices. I have the list of the various groups supporting our legislation. They represent virtually all of the major doctor and nurse organizations and consumer groups, starting with the American Medical Association, the various cancer societies, the National Breast Cancer Coalition, and all of the American nursing associations. The supporters also include those groups that are most interested in the health care of children including the Children's Defense Fund and the American Academy of Pediatrics. These groups also represent our senior citizens including the National Council of Senior Citizens. The bill is also supported by groups that are most interested in mental health, the Mental Health Association, and those groups most concerned about disability policies including the Multiple Sclerosis Society, United Cerebral Palsy, the American Academy of Neurology, and the Center on Disability and Health.

This, Mr. President, is only one page of a series of pages of different groups where it can be said, without contradiction, that every major medical association in our country supports the Daschle proposal which is sponsored by the Democrats. Virtually every single doctors organization, every single nurses organization, every single consumer organization, every organization that has represented children in our society, every association that represents cancer victims, every association that represents the disability community—every one of those organizations, plus many others, support our particular proposal. There is not one organization, not a single organization, that supports the alternative Republican proposal. We have asked day in and day out for them just to find one organization representing any of the doctors or nurses, children's groups, women's groups, cancer victims groups, disability groups, any of those groups in our society, and all we have is silence.

This isn't a matter that we are advocating because of our particular interest. We are advocating on behalf of all of these organizations and all of the various patients and all of the various families that are part of this central concern about how we best can protect the families in this country. The best way those families can be protected is, at least, through debate on a Patients' Bill of Rights and, I believe, by the enactment of this legislation.

As we have said on many different occasions, these are commonsense solutions to the kind of problems that are real problems out there and that are being faced by families every single day. If a child is sick and the parents of that child belong to one HMO, that ambulance has to drive by the nearest emergency room and go to an emergency room across town because it is on the list of that HMO. When that child is in an emergency situation, they ought to be able to go to the nearest hospital—that is one of our bills' protections. It is listed right here. We believe that child ought to have the opportunity to go to the nearest emergency room and have the kind of immediate attention, but also the follow-up attention that they need.

That right would be guaranteed under our Patients' Bill of Rights. We want to debate that issue. That is a commonsense proposal. It is a commonsense proposal that any family can understand. If there is going to be an emergency affecting a child, it makes no sense to drive them by the nearest emergency room and take them clear across town to a more distant emergency room if that child needs immediate medical attention.

That is common sense. That protection is here. We ought to be able to debate that particular issue, but we are denied that opportunity. We ought to be able to get to it. I believe it wouldn't take a great deal of time.

The list goes on. Our bill was introduced in March. But, the Senate has taken no action because the Republican leadership has been using every trick in the procedural playbook to prevent a meaningful debate. The Republican leadership is abusing the rules of the Senate so that the health insurance companies can continue to abuse patients. That happens to be the fact.

We have too many instances of reports from patients that say, every single day we fail to provide these guarantees, members of their family are put at risk. Every day we continue to deny women who have breast cancer the opportunity to be involved in clinical trials at places like the Lombardi Center, we are putting those particular women at risk.

As I mentioned yesterday, out at the Lombardi Center they have eight professional individuals whose only job is to argue with the HMOs to permit the parties involved, access to the clinical trials their doctors say are necessary but that the HMO will not permit them access to.

Our bill provides these kinds of protections. It is common sense. Without these kinds of protections, we are endangering the lives of those individuals who ought to be a part of the clinical trials. That is a very important protection.

Every day, we are denied that kind of debate and resolution, but we still find that patients are abused by too many of the HMOs. The Republican leadership wants to gag the Senate so that HMOs can continue to gag the doctors who tell patients about needed treatments that are too expensive for the HMO balance sheet.

I use those words "gag the Senate" because all we have had on the other side is the proposal that you can have one, two, or three amendments but no other. You can't have any others. We are not going to take the time of the U.S. Senate to do it, although we did find time to have a debate on the issue of salting; we had time to debate that issue. We had time to debate the issues on the Vacancies Act. We have had time to debate issues like bankruptcy which affects 1.2 million people. But our patient protections bill, which affects tens of millions of our fellow citizens, we evidently, haven't got the time to debate that.

The Republican leadership wants to deny a fair debate on the Patients' Bill of Rights so HMOs can continue to deny the needed patient care. The Republican leadership wants to avoid accountability in the U.S. Senate so that managed care plans can avoid accountability with their unfair decisions, when their unfair decisions kill or injure patients. The Republican leadership has found time to call up the Vacancy Act, the salting bill, the Child Custody Act, the Bankruptcy Act, and the Internet tax bill. So it is clear that protecting patients from abuse by HMOs and health insurance companies is a priority for American families, but not for the Republican leadership.

How else can that be explained? How else can you explain the fact that the Republican leadership has called up these different pieces of legislation, but denies us the opportunity to debate this issue, which is of essential importance?

Listen to this, Mr. President. The Republican leadership, just yesterday, agreed to a unanimous consent agreement on the Internet tax bill that would have allowed all relevant amendments—no limitation on the number of amendments, no limitation on the time to debate each amendment, and no limitation on the time for the overall debate. We should have the opportunity to do that on the Patients' Bill of Rights, but, oh, no, we can't do that with the Patients' Bill of Rights—even though the failure to provide these protections puts at risk so many fellow citizens every single day.

But no, the Republican leadership said instead we will have a consent agreement on the Internet tax bill. I wonder how many people here in the Senate, let alone those who are watching, would feel that particular issue is of more importance than the Patients' Bill of Rights. We have moved ahead now on the questions of that particular legislation, and I intend to support it. It is important legislation, particularly for a State like mine, Massachusetts, with a lot of high tech and similar kinds of issues. But, Mr. President, to put this bill on the same level as what we are talking about with the Patients' Bill of Rights, it just shouldn't be.

Senator DASCHLE asked Senator LOTT for a similar agreement on the Patients' Bill of Rights on June 25. He asked him for an agreement on July 29. He asked him on September 1, and he asked him on September 9. Each time, Senator LOTT, the Senate Republican leader, said no. Do we understand that, Mr. President? On June 25, on this legislation—the Patients' Bill of Rights, Senator DASCHLE asked for the same kind of agreement made yesterday by the Republican leadership on the Internet tax bill. He asked for it on July 29. He asked for it September 1. He asked for it on September 9. Each time, Senator LOTT and the Senate Republicans said no.

Senator DASCHLE also offered to agree on May 12 and on July 16, to a far more restrictive agreement, limiting the number of amendments, but Senator LOTT and the Republicans said no. Senator LOTT and the Senate Republicans are perfectly willing to agree to essentially unlimited debate on the Internet tax bill, but they are not willing to allow any reasonable opportunity to debate, amend, and vote on the Patients' Bill of Rights. This record of abuse should be unacceptable to the Senate, and it certainly is unacceptable to the American public.

What does our legislation do, and why is the Republican leadership so anxious to prevent its consideration? Our bipartisan Patients' Bill of Rights takes insurance company accountants out of the practice of medicine and returns decisionmaking to patients' doctors, where it belongs. That is it. When you come right down to it, there it is. When you are going to the emergency room, an accountant can say, "No, you can't go there, you have to go across town." Our bill says if you have an emergency, go to the nearest one. If you need access to a specialist and the primary care physician says go to a specialist, you can go to a specialist. Or if you need a pediatric specialist, where a child has cancer—you can go to an oncology specialist for children. These are common sense protections. It is the doctors, the patients, the medical professions making the decision, not the accountants. That's the bottom line.

Mr. President, when we say these are commonsense solutions, I daresay that 99 percent of the American people would agree that doctors and nurses ought to make the decisions with regard to health care issues for your family and for your children, not accountants. That is what we are trying to do and that is at the heart of this debate. But we are denied the opportunity to have that debate because once you go and say you are going to have the medical decisions affecting your family decided by doctors and trained medical professionals, it somehow may threaten the profits of the health delivery system, the HMOs. Those HMOs have layers of different individuals that say "no."

I am reminded of when President Clinton said just a week ago. "You never find an accountant in an HMO that loses his job for saying 'no.' They don't get fired. The ones that get fired are the ones that say 'yes.'" Yes, they need to go to a specialist; yes, they need additional kinds of important types of prescription drugs; yes, they need to have the kind of care that may be more costly, but, more importantly, may save the life of that individual; and, yes, it may very well be if those people get better, it would be less costly to the HMO over a long period of time. That is the issue, Mr. President. That is the bottom line.

Our program simply guarantees people the rights that every honorable insurance company already provides, and provides an effective and timely means to enforce these rights. The good, honorable insurance companies do that, Mr. President, and so do some of the HMOs. But, many of them do not. And what happens is they obviously have the competitive advantage over the good ones. That is wrong. They have the competitive advantage because they shortchange the protection of their consumers, and that is what is at the heart of this whole debate. The protections we provide, as I mentioned, are commonsense components of good health care that every family believes they were promised when they purchased their health insurance and paid the premiums. Virtually all of the protections in this legislation are already available under medical care.

As I mentioned, of these 15 protections which are at the heart of our legislation, over half of them are already in the law under Medicare. Over half of them have been unanimously recommended by the President's bipartisan commission—not in legislation, but recommended as being essential in terms of good health care. And we know that many of them have been recommended by various health care plans, and many have even been recommended by the insurance commissioners that have responsibility—made up of Republicans and Democrats alike.

You cannot find on this list a single one of these commonsense protections that haven't been recommended by at least one of those four groups. And most of them have been recommended by two, or even three, of those groups. These aren't off-the-wall kinds of protections. These are commonsense protections. They are recommended by those who understand what the opportunity and the problems are in terms of health care delivery by HMOs. That is it. Why don't we have the opposition saying, "Where did you find 5, or 6, or 7, or 10 of those various recommendations? Where in the world did they come from? Who thought those up?" That isn't an argument that is made. All 15—are either recommended by the bipartisan President's commission, the health plan agencies themselves, Medicare, or the insurance industry themselves. That is why, when we say these are common sense, they are, Mr. President.

If you are not going to find the various health plans responding to these recommendations and enforcing them, at some time you are going to have to go ahead with this. I daresay that the very good HMOs are complying with this now. They have nothing to fear. That is why many of the HMOs endorse this, because they are already doing it. The good ones are already doing it. The good ones have absolutely no fear about it. It is just the other ones. Those are the ones that result in the kinds of tragedies that have been listed by so many of our colleagues over the preceding weeks and months. These are commonsense rights that provide access to the appropriate specialists when the patient's condition requires specialty care. They allow people with chronic illnesses and disabilities to have referrals to the specialists that they need on a regular basis. They provide for a continuity of care so the people will not have to interrupt their course of treatment and find another doctor because their health plan drops their physician or because their employer changes health plans in the middle of a treatment, for example.

When a member of the family is being treated with chemotherapy and has to have a combination of treatment over 6 or 12 months, or 18 months, to find out in the middle of that, after 5 months, with all the kinds of anxieties that people are affected by, that the particular company has changed HMOs and suddenly that doctor and the nurse and the treatment are pulled out from underneath you, we think that family ought to be protected. That individual who is going through that particular chemotherapy, or specialized care, ought to be able to complete that particular treatment.

Is that such a radical idea, when you have an individual who has had all of these kinds of concerns—not just financial concerns, but the emotional, the pain, and the suffering—and finally to have what is so important, the doctor-patient relationship, the trust and confidence in that doctor, and then, because some bureaucratic decision is made to pull that doctor away from that particular patient—we think there ought to be a guarantee that there can at least be the continuation of care for that particular incidence of care.

Is that so dramatic? Is that so unreasonable? Is that so outrageous? It seems to me that is common sense.

No patient with symptoms of a stroke should be forced to delay treatment to the point where paralysis and disability are permanent because a managed care accountant does not respond promptly and appropriately.

Patients with serious illnesses, like cancer, Alzheimer's, osteoporosis, or rheumatoid arthritis, who cannot be helped by standard treatment, should have the right to participate in the quality clinical trials that can help find a cure or offer the hope of improvement. Traditionally, insurance has allowed patients this opportunity. But, no; managed care is saying no to both the patients and medical personnel. Now, too many of the managed care companies are saying no to both. Patients and medical research are suffering.

It was unthinkable 5 years ago that when a doctor recommended that a child participate in a clinical trial, the insurance wouldn't cover them. They all did. It has only been in the most recent times where it is becoming a pattern and practice of too many HMOs that say no, we are not going to permit you to participate, even though a doctor believes that it is in the health interests of the individual to participate in those particular clinical trials.

Mr. President, the thing that is really so shocking is that we are now seeing extraordinary breakthroughs—every single week there are new medical breakthroughs. Particularly in the areas of cancer, there are new medical breakthroughs, and specifically in the area of breast cancer.

Look at all of the work that has been done in terms of the mapping of the human gene and isolating the various DNA through research. Look at the extraordinary work that is being done out at NIH and a few of the other great research centers, and the new kinds of opportunities that are available through research that are targeting these kinds of illnesses and diseases. I personally believe that the next century is going to be the century of the life sciences. Just at a time when we have the greatest opportunity for cures of the most dreaded disease, we are closing down the opportunities for participating in these clinical trials. It is just extraordinary.

In the testimony that we have seen, it is clear that there isn't really any additional cost to the various HMOs, because all they are asking for is continuity of care for the patient, and just to continue to pay the outlay—not for the particular analysis of the various clinical trials, not for the new kinds of medications that might be rare and expensive, not to do summations, or pay, or participate in terms of these other kinds of studies. Absolutely not. All the HMO has to do is the continuity of care—just provide the kind of care that they would otherwise be providing.

That is the amazement of some of the top researchers who appeared before our forums, who were in charge of some of the most important clinical trials in this country, because they say it really doesn't cost the HMO any more. The fact is, if the patients participate, they may very well and so often do get much better, and it saves the HMO a great deal of resources and funding. That is why there is an absolute disbelief on the part of so many of the top researchers.

They pointed out that not only were we disadvantaging so many individuals, particularly in the area of cancers, and specifically in the area of breast cancer and clinical trials, but also that the research progress was being hurt here in the United States because of the failure of participation of many of these patients.

As I mentioned just a moment ago, in all of the various forums that we had, there were many different facts that stood out. But when you have the top clinicians say that at the Lombardi Clinical Research Center, here within the shadow of the Nation's Capitol, they have eight highly professional people who are spending all of their time all day long wrestling with HMOs based on the fact that doctors have recommended that their patients participate in these clinical trials, but yet still have to spend all of their time arguing with the HMO to permit those individuals to actually participate in these clinical trials. It is absolutely beyond belief to me, absolutely beyond belief.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

Mr. KENNEDY. I am glad to yield for a question.

Mr. DURBIN. If I understand, the statement is that before we go home we need to address the Patients' Bill of Rights. It appears that there is a wide public sentiment in support of this. It isn't a partisan issue, by a long shot. All the polls suggest that the voters, almost uniformly—Democrats, Republicans, independents—believe that this is a critical and important issue.

When I brought this issue to the State of Illinois and visited a hospital with a doctor, he told me a story of a woman bringing her son in complaining of headaches on the left side of his head. The doctor thought that a CAT scan was indicated to see if a tumor was present. Before he told the mother, he called the insurance company. They said they would not pay for it. The doctor had to go back into his office and tell the mother that he thought they didn't need to do anything. He was prohibited by the terms of his contract with the insurance company from even telling the mother that he had been overruled by the insurance company. Think of that—if you are bringing your son or daughter into a doctor, that you could be treated that way.

What Senator KENNEDY is suggesting, and many of us believe is important before we go home, before we address other issues on the floor: We should take up the Patients' Bill of Rights for that mother and the millions of others like her across America who are counting on us to do something substantive before we leave.

I fully support the Senator.

Mr. KENNEDY. If I could just add to what the Senator has pointed out, would you believe that in the Republican proposal, for example, any medical procedure that wasn't over $1,000 could not be appealed? And so for the kind of situation that the Senator is talking about, under the Republican proposal, they say, oh, look, we have taken care of that, except if that medical procedure is less than $1,000. Then there is no opportunity for appeal. So, effectively, you are saying there are no MRIs for any child who falls off a bicycle, gets hit playing football, falls down or has an accident playing hockey. And the Senator from Illinois knows families as I do that deny their children the opportunity to play sports because they haven't got health insurance or because they are not going to be able to get any kind of coverage for sickness or illness.

As bad as it is, as the Senator has pointed out, we ought to have an opportunity—would the Senator not agree, to debate this sort of phony protection advanced by the Republicans, saying we will guarantee some opportunity for appeal but not if it was under $1,000.

Patients should have the right to appeal decisions of their plans to independent third parties. Today, if a health plan breaks its promise, there is no remedy that can provide relief in time to save a life or prevent a disability.

Independent review was recommended unanimously by the President's Commission. It has worked successfully in Medicare for over thirty years. Families deserve the basic fairness that only an impartial appeal can provide. Without such a remedy, any "rights" of patients exist on paper only—and they are often worth no more than the paper on which they are printed. When the issues are sickness and health—and often as serious as life and death—no health insurance company should be allowed to be both judge and jury.

In addition, when the misconduct of managed care plans actually results in serious injury or death, patients and their families should be able to hold the plans liable in court. Every other industry in America can be held responsible for its actions. Why should health plans, whose decisions truly can mean life or death, enjoy this unique and unfair immunity?

Under current law—the Employee Retirement and Income Security Act—patients whose lives have been devastated or destroyed by the reckless behavior of their health plan have no right to go to court to obtain an appropriate remedy under state law. ERISA "preempts" all state remedies. Patients are limited to the narrow federal remedy under ERISA, which covers only the cost of the procedure that the plan failed to pay for. You can be crippled for life by cancer because your plan refused to authorize a test costing a few hundred dollars to detect the cancer in its early stages—and all you can get back to help support your family is the cost of the test you failed to get.

During the debate on the tobacco legislation, Republicans and Democrats alike voted overwhelmingly to support the principle that no industry in America should be exempt from accountability for its actions. Because of ERISA preemption, one industry alone—the health insurance industry—enjoys this protection today. That is wrong—and the Senate should say it's wrong.

During the debate on welfare reform, many on the other side of the aisle spoke strongly in favor of the need for individuals to take responsibility for their actions. It is ironic that some of those who spoke most strongly for responsibility for poor single mothers are opposed to responsibility for a powerful industry that earns tens of billions of dollars in profits every year.

What most Americans do not know—and what the opponents of change ignore—is that ERISA pre-emption does not apply to state and local employee health plans. Employees of the city government or state government, whose health benefits are provided by taxpayers, can hold their health plan accountable in court if it kills or injures them. But equally hardworking families down the street are defenseless—because they happen to work for private industry.

Our legislation is truly a Patients' Bill of Rights that will provide these protections and more. It is a moderate, responsible, and effective response to the widespread problems patients and their families face every day. That is why it is supported by a broad and diverse coalition of doctors, nurses, patients, and advocates for children, women, and working families. That is why it enjoys bi-partisan support from members of Congress on both sides of the aisle, including a courageous physician, Dr. GREG GANSKE, a Republican Congressman from Iowa, who has seen the abuses of managed care first-hand.

The Republican leadership plan, by contrast, is not supported by any group of doctors or nurses or patients. It has no bi-partisan support. It is an industry profit protection program, not a patient protection program. It is not a Patients' Bill of Rights. It is a Patients' Bill of Wrongs. That is why we need a full debate—so that it can be amended and improved until it provides the protections patients need.

If the Majority Leader will stop abusing the rules of the Senate and allow this debate to proceed, I believe that the Senate will pass strong reforms that will be signed into law by the President. The American people deserve real reform, and I believe that when the Senate votes in the clear light of day, it will give the American people the reforms they deserve. This issue is a test of the Senate's willingness to put a higher priority on the needs of families than on the profits of special interests. And it is time for the Senate to act.

The choice is clear. The Senate should stand with patients, families, and physicians, not with the well-heeled special interests that put profits ahead of patients.

The American people know what's going on. Movie audiences across the country erupt in cheers when actress Helen Hunt attacks the abuses of managed care in the film "As Good As It Gets." Helen Hunt won an Oscar for that performance, but managed care isn't winning any Oscars from the American people. Everyone knows that managed care today is not "as good as it gets."

Too often, managed care is mismanaged care. No amount of distortions or smokescreens by insurance companies can change the facts. The Patients' Bill of Rights can stop these abuses. Let's pass it now, before more patients have to suffer.

I thank the Chair. I thank the Senator.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING SEPTEMBER 25

Mr. HELMS. Mr. President, the American Petroleum Institute reports, for the week ending September 25, that the U.S. imported 9,953,000 barrels of oil each day, 1,691,000 barrels a day more than the 8,262,000 imported during the same week a year ago.

Americans relied on foreign oil for 54.6 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

All Americans should ponder the economic calamity certain to occur in the U.S. if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.: now 9,953,000 barrels a day at a cost of approximately $132,175,840 a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, September 30, 1998, the federal debt stood at $5,526,193,008,897.62 (Five trillion, five hundred twenty-six billion, one hundred ninety-three million, eight thousand, eight hundred ninety-seven dollars and sixty-two cents).

One year ago, September 30, 1997, the federal debt stood at $5,413,146,000,000 (Five trillion, four hundred thirteen billion, one hundred forty-six million).

Five years ago, September 30, 1993, the federal debt stood at $4,411,488,000,000 (Four trillion, four hundred eleven billion, four hundred eighty-eight million).

Ten years ago, September 30, 1988, the federal debt stood at $2,602,338,000,000 (Two trillion, six hundred two billion, three hundred thirty-eight million).

Fifteen years ago, September 30, 1983, the federal debt stood at $1,377,210,000,000 (One trillion, three hundred seventy-seven billion, two hundred ten million) which reflects a debt increase of more than $4 trillion—$4,148,983,008,897.62 (Four trillion, one hundred forty-eight billion, nine hundred eighty-three million, eight thousand, eight hundred ninety-seven dollars and sixty-two cents) during the past 15 years.

MAJOR GENERAL WILLIAM F. MOORE, USAF

Mr. LEVIN. Mr. President, I wanted to take the opportunity to bring to the attention of the Senate the outstanding and continuing service of a fine Air Force officer, General William F. Moore, USAF.

For almost three years, General Moore has served as Director of Special Programs in the Office of the Secretary of Defense. In this capacity, he was responsible for coordinating planning, budgeting, and management of very sensitive Department of Defense special access classified programs.

In fulfilling these duties, General Moore has had frequent contact with the leadership and members of the defense oversight committees in Congress. I believe that General Moore has executed these duties in an exemplary manner. General Moore always operated in a very forthcoming manner, was sensitive to the needs of Congressional oversight committee members, and made great strides in improving the Congressional understanding and coordination of special access programs. I would point out that our former colleague, Secretary of Defense Bill Cohen, also recognized this track record by awarding General Moore the Defense Distinguished Service Medal.

General Moore also had a distinguished career in the Air Force before coming to that position. Among his many assignments, he has served as the Program Executive Officer for Bombers, Missiles, and Trainers within the Office of the Assistant Secretary of the Air Force for Acquisition; as the System Program Director for the Small ICBM; and in various positions with the Advanced Medium Range Air-to-air Missile (AMRRAM), Peacekeeper Missile, and Drone and Remotely Piloted Vehicles programs.

General Moore is a graduate of the Air Force Academy, the Air War College, and the Defense Systems Management College. He also took an M.B.A. degree from the Wharton School of Finance and Commerce at the University of Pennsylvania.

General Moore has been recently named as Deputy Director of the Defense Threat Reduction Agency, a very important position. There is no doubt in my mind that General Moore will be as diligent a steward in his new position as he has been as Director of Special Programs. We are all fortunate to have a man of his professionalism and ability in these positions, and I want to thank him both for his many years of service and wish him every continued future success.

POLITICAL DEVELOPMENTS IN MALAYSIA

Mr. THOMAS. Mr. President, I rise today as chairman of the Subcommittee on East Asian and Pacific Affairs to express my deep concern over the recent alarming political developments in Malaysia.

On September 2, Prime Minister Mahathir fired Deputy Prime Minister Dato Seri Anwar Ibrahim, his hand-picked heir apparent. In the past few months, as the value of the ringgit has dropped more than 60 percent against the US dollar and as the economy has shown increasing signs of going the way of its surrounding Asian neighbors', Dato Seri Anwar has been arguing with increasing frequency that the country needs to adopt meaningful economic structural reforms. This has run counter to Mahathir's insistence that the root of the country's economic ills lies solely at the feet of George Soros, and that by fixing the ringgit's convertibility and taking other similarly isolationist measures.

This difference of economic opinion began to grow into a larger rift between the two politicians as Dato Seri Anwar began touring the country and speaking publicly. Apparently, Mahathir felt threatened both by Dato Seri Anwar's views and his popularity as a focus for growing anti-Mahathir dissent, and dismissed him from his post. That didn't stop Dato Seri Anwar from continuing to express himself. As a result, Dato Seri Anwar was arrested on September 20 and held under the provisions of the Internal Security Act (ISA).

The ISA removes arrested individuals from the protections afforded criminal defendants under Malaysia's constitution and statutes, and consequently Dato Seri Anwar was held in an undisclosed location without any formal charges being lodged against him. On September 29, however, he was hauled into court and charged with nine counts of corruption and sexual misconduct, including four sodomy counts. The nature of the charges, as well as the vagueness of them and the fact that several of the "witnesses" have already recanted, clearly indicates to me that they were concocted by the government for maximum shock value to discredit Dato Seri Anwar in a conservative Muslim country.

More shocking to me, however, is the condition in which Dato Seri Anwar appeared at his arraignment. He had clearly been beaten while in custody. He told the judge that on his first night of detention, while handcuffed and blindfolded, that he was "boxed very hard on my head and lower jaw and left eye . . . I was then slapped very hard, left and right, until blood came out from my nose and my lips cracked. Because of this I could not walk or see properly." To substantiate his claims, Dato Seri Anwar then showed the court a large bruise on his arm; his black eye was already evident to everyone in the courtroom. He has not been allowed any medical treatment for his injuries. Dr. Mahathir's contention yesterday that Dato Seri Anwar inflicted the injuries to himself in order to gain a public relations coup is so absurd, so ludicrous, that it simply confirms in my mind the veracity of Dato Seri Anwar's contentions.

Mr. President, Dr. Mahathir prides himself on having transformed Malaysia from a divided multi-racial developing nation into a model of a modern, cosmopolitan, economically sophisticated country, and not without some justification. He also prides himself on being the self-appointed forward-thinking spokesman for Asian values and upholder of Asian independence from Western "interference." But in my opinion by his actions in the case of Dato Seri Anwar, he negates much of the progress Malaysia has made in the eyes of the rest of the world. And on a personal level, he has sadly shown himself to be just another third-world despot intent on stifling any dissent, challenge to his authority, or deviation from the party line.

Mr. President, I call on the Malaysian government to take every step to safeguard the rights of Dato Seri Anwar, ensure that any charges brought against him are not spurious, afford him a fair and open trial, and fully investigate and prosecute those responsible for his mistreatment while in detention. I hope that all Malaysians will be permitted to express their political views in a peaceful and orderly fashion without fear of arrest or intimidation, and that the government will avoid the perception that Malaysia is looking more and more like Burma and less and less like a democracy.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:45 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2187. An act to designate the United States Courthouse located at 40 Foley Square in New York, New York, as the "Thurgood Marshall United States Courthouse."

H.R. 2327. An act to provide for a change in the exemption from the child labor provisions of the Fair Labor Standards Act of 1938 for minors who are 17 years of age and who engaged in the operation of automobiles and trucks.

H.R. 2730. An act to designate the Federal building located at 309 North Church Street in Dyersburg, Tennessee, as the "Jere Cooper Federal Building."

H.R. 3598. An act to designate the Federal Building located at 700 East San Antonio Street in El Paso, Texas, as the "Richard C. White Federal Building."

H.R. 4081. An act to end the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

H.R. 4248. An act to authorize the use of receipts from the sale of the Migratory Bird Hunting and Conservation Stamps to promote additional stamp purchases.

H.R. 4257. An act to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products.

H.R. 4283. An act to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes.

H.R. 4337. An act to authorize the Secretary of the Interior to provide financial assistance to the State of Maryland for a pilot program to develop measures to eradicate or control nutria and restore marshland damaged by nutria.

H.R. 4595. An act to redesignate the Federal building located at 201 Fourteenth Street Southwest in the District of Columbia as the "Sidney R. Yates Federal Building."

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 317. Concurrent resolution expressing the sense of the Congress that Members of Congress should follow the examples of self-sacrifice and devotion to character displayed by Jacob Chestnut and John Gibson of the United States Capitol Police.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 417. An act to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002.

ENROLLED BILLS SIGNED

At 6:28 p.m., a message from the House of Representatives, delivered by one of its reading clerks announced that the Speaker has signed the following bills:

S. 1355. An act to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse".

S. 2071. An act to extend a quarterly financial report program administered by the Secretary of Commerce.

H.R. 3096. An act to correct a provision relating to termination of benefits for convicted persons.

H.R. 4060. An act making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes.

H.R. 4382. An act to amend the Public Health Service Act to revise and extend the program for mammography quality standards.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

At 6:35 p.m. a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4658. An act to extend the date by which an automated entry-exit control system must be developed.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on October 1, 1998 he had presented to the President of the United States, the following enrolled bills:

S. 1355. An act to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the Richard C. Lee United States Courthouse.

S. 2071. An act to extend a quarterly financial report program administered by the Secretary of Commerce.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–7275. A communication from the Assistant Secretary of the Navy (Installations and Environment), Department of the Navy, transmitting, pursuant to law, notice of the Department's decision to study certain functions performed by military and civilian personnel for possible performance by private contractors; to the Committee on Armed Services.

EC–7276. A communication from the Assistant Administrator for Fisheries, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Species; Threatened Status for the Oregon Coast Evolutionarily Significant Unit of Coho Salmon" (I.D. 063098A) received on September 29, 1998; to the Committee on Environment and Public Works.

EC–7277. A communication from the Assistant General Counsel for Regulations, Department of Education, transmitting, pursuant to law, the report of a rule entitled "Federal Work Study Programs" (RIN1840–AC56) received on September 29, 1998; to the Committee on Labor and Human Resources.

EC–7278. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "Revision of Fuel Cost Adjustment Clause Regulation Relating to Fuel Purchases From Company-Owned or Controlled Source" (Docket RM93–24–000) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC–7279. A communication from the Director of the Office of Surface Mining Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Surface Coal Mining and Reclamation Operations On Federal Lands; State-Federal Cooperative Agreements; Kentucky" (Docket KY–214–FOR) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC–7280. A communication from the Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Exchanges: General Procedures; State Exchanges; National Park Exchanges; Wildlife Refuge Exchanges; Miscellaneous Exchanges" (RIN1004–AC58) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC–7281. A communication from the Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Grazing Administration; Alaska; Livestock" (RIN1004–AC70) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC–7282. A communication from the Deputy Assistant Secretary for Land and Minerals Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Final Rule Providing Uniform Procedures for Public Availability of Mineral Resources Information" (RIN1004–AB55) received on September 29, 1998; to the Committee on Energy and Natural Resources.

EC–7283. A communication from the Chief of the Regulations Branch, U.S. Customs

Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Removal of Brazil from the List of Nations Entitled to Reciprocal Exemption From the Payment of Special Tonnage Taxes" (T.D. 98–79) received on September 29, 1998; to the Committee on Finance.

EC–7284. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Medical Savings Accounts" (Announcement 98–88) received on September 29, 1998; to the Committee on Finance.

EC–7285. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Continuity of Interest" (RIN1545–AW45) received on September 29, 1998; to the Committee on Finance.

EC–7286. A communication from the General Counsel of the Office of Community Oriented Policing Services, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "FY 1998 Police Recruitment Program" (RIN1105–AA58) received on September 29, 1998; to the Committee on the Judiciary.

EC–7287. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding a Carbon Monoxide Redesignation Plan and Emissions Inventory for the New Haven-Merden-Waterbury Area in Connecticut (FRL61667–1) received on September 29, 1998; to the Committee on Environment and Public Works.

EC–7288. A communication from the Director of the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "Assessment and Recommendations for Fissile Material Packaging Exemptions and General License Provisions Within 10 CFR Part 71"; to the Committee on Environment and Public Works.

EC–7289. A communication from the Chief of the Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, notice of a cost comparison of the base operation support functions at Offutt Air Force Base, Nebraska; to the Committee on Armed Services.

EC–7290. A communication from the Assistant Commissioner for Examination, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Coordinated Issue; Utilities Industry; Capitalization of Costs—Unclassified Labor Costs" received on September 30, 1998; to the Committee on Finance.

EC–7291. A communication from the Assistant Commissioner for Examination, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Coordinated Issue; Motor Vehicle Industry; Excess Parts Inventory" received on September 30, 1998; to the Committee on Finance.

EC–7292. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Alder Bark; Exemption from the Requirement of a Tolerance" (FRL6032–2) received on September 30, 1998; to the Committee on Environment and Public Works.

EC–7293. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan" (FRL6270–8) received on September 30, 1998; to the Committee on Environment and Public Works.

EC–7294. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "New Source Performance Standards—Applicability of Performance for Coal Preparation Plants to Coal Unloading Operations" (FRL6168–9) received on September 30, 1998; to the Committee on Environment and Public Works.

EC–7295. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Protection of Stratospheric Ozone: Reconsideration of Petition Criteria and Incorporation of Montreal Protocol Decisions" (FRL6171–9) received on September 30, 1998; to the Committee on Environment and Public Works.

EC–7296. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pyridaben; Pesticide Tolerances for Emergency Exemptions" (FRL6031–5) received on September 30, 1998; to the Committee on Environment and Public Works.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–548. A petition from a citizen of the State of Georgia relative to national efforts to combat lung cancer; to the Committee on Labor and Human Resources.

POM–549. A resolution adopted by the Senate of the Legislature of the State of Colorado; to the Committee on Governmental Affairs.

SENATE RESOLUTION 98S–004

Whereas, Article I, section 2, clause 3 of the U.S. Constitution requires an "actual enumeration" of the population every ten years and entrusts Congress with overseeing all aspects of each decennial census; and

Whereas, The purpose of the enumeration, as set forth in the Constitution, is to apportion the seats in the federal House of Representatives among the several states; and

Whereas, An accurate decennial census is necessary to apportion such seats and to enable states to comply with federal and state constitutional requirements of equal population in legislative districts; and

Whereas, The U.S. Constitution, in order to ensure an accurate count and to minimize the potential for political manipulation, mandates an "actual enumeration" of the population, which requires a physical headcount and prohibits statistical guessing or estimates of the population; and

Whereas, Federal law, consistent with this constitutional mandate, expressly prohibits the use of statistical sampling to enumerate the population, and the Federal District Court for the District of Columbia so held in *U.S. House of Representatives* v. *U.S. Department of Commerce, et al.*, Case No. 98–0456; and

Whereas, Every reasonable and practical effort should be made to obtain the fullest and most accurate count possible, including appropriate funding for state and local census outreach and education programs, as well as provision for post-census review; and

Whereas, The U.S. Census Bureau has proposed to use two population-polling techniques in the 2000 decennial census, known as "sampling for nonresponse follow-up" and the "Integrated Coverage Measurement"; now, therefore, be it

Resolved by the Senate of the Sixty-first General Assembly of the State of Colorado:

(1) That the U.S. Census Bureau is requested to conduct the 2000 census consistent with constitutional and statutory mandates, which require a physical headcount of the population and bar the use of statistical sampling to create or adjust the count in any way;

(2) That the Colorado State Senate opposes the use of census number for redistricting that have been determined in whole or in part by the use of sampling techniques or other statistical methodologies that add or subtract persons from the census counts based solely on statistical inference;

(3) That the Colorado State Senate urges Congress, as the branch of government charged with overseeing the decennial census, to take whatever steps are necessary to ensure that the 2000 census is conducted fairly and legally; be it further

Resolved, That a copy of this Resolution be transmitted to the Speaker of the U.S. House of Representatives, the President of the U.S. Senate, the President of the United States, each member of the congressional delegation from Colorado, and James F. Holmes, Acting Director, U.S. Census Bureau.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Finance, with an amendment in the nature of a substitute and an amendment to the title:

H.R. 3809. A bill to authorize appropriations for the United States Customs Service for fiscal years 1999 and 2000, and for other purposes (Rept. No. 105–359).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute and an amendment to the title:

S. 555. A bill to amend the Solid Waste Disposal Act to require that at least 85 percent of funds appropriated to the Environmental Protection Agency from the Leaking Underground Storage Tank Trust Fund be distributed to States to carry out cooperative agreements for undertaking corrective action and for enforcement of subtitle I of that Act (Rept. No. 105–360).

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

H.R. 1949. A bill for the relief of Nuratu Olarewaju Abeke Kadiri.

S. Res. 283. A resolution to refer H.R. 998 entitled "A bill for the relief of Lloyd B. Gamble" to the chief judge of the United States Court of Federal Claims for a report thereon.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 1171. A bill for the relief of Janina Altagracia Castillo-Rojas and her husband, Diogenes Patricio Rojas.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1720. A bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 1916. A bill for the relief of Marin Turcinovic, and his fiancee, Corina Dechalup.

S. 1926. A bill for the relief of Regine Beatie Edwards.

S. 1961. A bill for the relief of Suchada Kwong.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 2099. A bill to provide for enhanced Federal sentencing guidelines for counterfeiting offenses, and for other purposes.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute and an amendment to the title:

S. 2476. A bill for the relief of Wei Jengsheng.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 2516. A bill to make improvements in the operation and administration of the Federal courts, and for other purposes.

S. 2524. A bill to codify without substantive change laws related to Patriotic and National Observances, Ceremonies, and Organizations and to improve the United States Code.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 2536. An original bill to protect the safety of United States nationals and the interests of the United States at home and abroad, to improve global cooperation and responsiveness to international crime and terrorism, and to more effectively deter international crime and acts of violence.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs:

Montie R. Deer, of Kansas, to be Chairman of the National Indian Gaming Commission for the term of three years.

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Michael M. Reyna, of California, to be a Member of the Farm Credit Administration Board, Farm Credit Administration, for a term expiring May 21, 2004.

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation:

Robert Clarke Brown, of Ohio, to be a Member of the Board of Directors of the Metropolitan Washington Airports Authority for a term expiring November 22, 1999.

John Paul Hammerschmidt, of Arkansas, to be a Member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of four years. (New Position)

Norman Y. Mineta, of California, to be a Member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of six years. (New Position)

Eugene A. Conti, Jr., of Maryland, to be an Assistant Secretary of Transportation.

Peter J. Basso, Jr., of Maryland, to be an Assistant Secretary of Transportation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral (lower half)

Capt. Robert C. Olsen, Jr., 4781
Capt. Robert D. Sirois, 8309
Capt. Patrick M. Stillman, 0193
Capt. Ronald F. Silva, 1219
Capt. David R. Nicholson, 0216

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral

Rear Adm. (lh) Thomas J. Barrett, 7105
Rear Adm. (lh) James D. Hull, 9426
Rear Adm. (lh) George N. Naccara, 7780
Rear Adm. (lh) Terry M. Cross, 4308

Mr. MCCAIN. Madam President, for the Committtee on Commerce, Science, and Transportation, I also report favorably four nomination lists in the Coast Guard which were printed in full in the RECORDS of September 3, 1998, September 16, 1998 and September 29, 1998, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of September 3, 1998, September 16, 1998 and September 29, 1998, at the end of the Senate proceedings.)

In the Coast Guard nomination of Joseph E. Vorbach, which was received by the Senate and appeared in the Congressional Record of September 3, 1998

In the Coast Guard nominations beginning John H. Siemens, and ending David M. Illuminate, which nominations were received by the Senate and appeared in the Congressional Record of September 16, 1998.

In the Coast Guard nomination of Richelle L. Johnson, which was received by the Senate and appeared in the Congressional Record of September 29, 1998

In the Coast Guard nominations beginning Robert J. Fuller, and ending John B. McDermott, which nominations were received by the Senate and appeared in the Congressional Record of September 29, 1998.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BREAUX (for himself and Mr. MACK):

S. 2535. A bill to prohibit the Secretary of the Treasury from issuing regulations dealing with hybrid transactions; to the Committee on Finance.

By Mr. HATCH:

S. 2536. An original bill to protect the safety of United States nationals and the interests of the United States at home and abroad, to improve global cooperation and responsiveness to international crime and terrorism, and to more effectively deter international crime and acts of violence; from the Committee on the Judiciary; placed on the calendar.

By Mr. MURKOWSKI:

S. 2537. A bill to amend the Export-Import Bank Act of 1945 to assure that the United States is consistent with other G-7 countries in evaluating environmental concerns relating to projects to be financed, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BREAUX:

S. 2538. A bill to amend the Internal Revenue Code of 1986 to modify the active business definition relating to distributions of stock and securities of controlled corporations; to the Committee on Finance.

By Ms. SNOWE (for herself, Mr. TORRICELLI, Mr. FORD, and Mr. GORTON):

S. 2539. A bill to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM (for himself, Mr. KENNEDY, Ms. COLLINS, Mr. LEAHY, Mr. D'AMATO, and Mr. MOYNIHAN):

S. 2540. A bill to extend the date by which an automated entry-exit control system must be developed; considered and passed.

By Mr. DASCHLE (for Mr. GLENN (for himself, Mr. THOMPSON, Ms. COLLINS, Mr. LEVIN, Mr. DURBIN, Mr. CLELAND, and Mr. LIEBERMAN)):

S.J. Res. 58. A joint resolution recognizing the accomplishments of Inspector Generals since their creation in 1978 in preventing and detecting waste, fraud, abuse, and mismanagement, and in promoting economy, efficiency, and effectiveness in the Federal Government; considered and passed.

By Mr. GRAMM:

S.J. Res. 59. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; read the first time.

S.J. Res. 60. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEVIN:

S. Con. Res. 122. A concurrent resolution expressing the sense of Congress that the 65th anniversary of the Ukrainian Famine of 1932–1933 should serve as a reminder of the brutality of the government of the former Soviet Union's repressive policies toward the Ukrainian people; to the Committee on Foreign Relations.

By Mr. MCCAIN (for himself, Mr. KYL, Mr. CRAIG, and Mr. LOTT):

S. Con. Res. 123. A concurrent resolution to express the sense of the Congress regarding the policy of the Forest Service toward recreational shooting and archery ranges on Federal land; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BREAUX (for himself and Mr. MACK):

S. 2535. A bill to prohibit the Secretary of the Treasury from issuing regulations dealing with hybrid transactions; to the Committee on Finance.

SUBPART F OF INTERNAL REVENUE CODE

• Mr. BREAUX. Mr. President, today Mr. MACK and I are introducing legislation to place a permanent moratorium on the Department of the Treasury's authority to finalize any proposed regulations issued pursuant to Notice 98-35, dealing with the treatment of hybrid branch transactions under subpart F of the Internal Revenue Code. It also prohibits Treasury from issuing new regulations relating to the tax treatment of hybrid transactions under subpart F and requires the Secretary to conduct a study of the tax treatment of hybrid transactions and to provide a written report to the Senate Committee on Finance and the House Committee on Ways and Means.

By way of background, the United States generally subjects U.S. citizens and corporations to current taxation on their worldwide income. Two important devices mitigate or eliminate double taxation of income earned from foreign sources. First, bilateral income tax treaties with many countries exempt American taxpayers from paying foreign taxes on certain types of income (e.g. interest) and impose reduced rates of tax on other types (e.g. dividends and royalties). Second, U.S. taxpayers receive a credit against U.S. taxes for foreign taxes paid on foreign source income. To reiterate, these devices have been part of our international tax rules for decades and are aimed at preventing U.S. businesses from being taxed twice on the same income. The policy of currently taxing U.S. citizens on their worldwide income is in direct contrast with the regimes employed by most of our foreign trading competitors. Generally they tax their citizens and domestic corporations only on the income earned within their borders (the so-called "water's edge" approach).

Foreign corporations generally are also not subject to U.S. tax on income earned outside the United States, even if the foreign corporation is controlled by a U.S. parent. Thus, U.S. tax on income earned by foreign subsidiaries of U.S. companies—that is, from foreign operations conducted through a controlled foreign corporation (CFC)—is generally deferred until dividends paid by the CFC are received by its U.S. parent. This policy is referred to as "tax deferral."

In 1961, President John F. Kennedy proposed eliminating tax deferral with respect to the earnings of U.S.-controlled foreign subsidiaries. The proposal provided that U.S. corporations would be currently taxable on their share of the earnings of CFCs, except in the case of investments in certain "less developed countries." The business community strongly opposed the proposal, arguing that in order for U.S. multinational companies to be able to compete effectively in global markets, their CFCs should be subject only to the same taxes to which their foreign competitors were subject.

In the Revenue Act of 1962, Congress rejected the President's proposal to completely eliminate tax deferral, recognizing that to do so would place U.S. companies operating in overseas markets at a significant disadvantage vis-a-vis their foreign competitors. Instead, Congress opted to adopt a policy regime designed to end deferral only with respect to income earned from so-called "tax haven" operations. This regime, known as "subpart F," generally is aimed at currently taxing foreign source income that is easily moveable from one taxing jurisdiction to another and that is subject to low rates of foreign tax.

Thus, the subpart F provisions of the Internal Revenue Code (found in sections 951-964) have always reflected a balancing of two competing policy objectives: capital export neutrality (i.e. neutrality of taxation as between domestic and foreign operations) and capital import neutrality (i.e. neutrality of taxation as between CFCs and their foreign competitors). While these competing principles continue to form the foundation of subpart F today, recent actions by the Department of the Treasury threaten to upset this long-standing balance.

On January 16, 1998, the Department of the Treasury announced in Notice 98-11 its intention to issue regulations to prevent the use of hybrid branches "to circumvent the purposes of subpart F." The hybrid branch arrangements identified in Notice 98-11 involved entities characterized for U.S. tax purposes as part of a controlled foreign corporation, but characterized for purposes of the tax law of the country in which the CFC was incorporated as a separate entity. The Notice indicated that the creation of such hybrid branches was facilitated by the entity classification rules contained in section 301.7701-I through -3 of the income Tax Regulations (the "check the box" regulations).

Notice 98-11 acknowledged that U.S. international tax policy seeks to balance the objectives of capital export neutrality with the objective of allowing U.S. businesses to compete on a level playing field with foreign competitors. In the view of the Treasury and IRS, however, the hybrid transactions attacked in the Notice "upset that balance." Treasury indicated that the regulations to be issued generally would apply to hybrid branch arrangements entered into or substantially modified after January 16, 1998, and would provide that certain payments to and from foreign hybrid branches of CFCs would be treated as generating subpart F income to U.S. shareholders in situations in which subpart F would not otherwise apply to a hybrid branch as a separate entity. This represented a significant expansion of subpart F, by regulation rather than through legislation.

Shortly after Notice 98-11 was issued, the Administration released its Fiscal Year 1999 budget proposals which, among other things, included a provision requesting Congress to statutorily grant broad regulatory authority to the Treasury Secretary to prescribe regulations clarifying the tax consequences of hybrid transactions in cases in which the intended results are inconsistent with the purposes of U.S. tax law. . . ." While the explanation accompanying the budget proposal argued that this grant of authority as applied to many cases "merely makes the Secretary's current general regulatory authority more specific, and directs the Secretary to promulgate regulations pursuant to such authority," the explanation conceded that in other cases, "the Secretary's authority may be questioned and should be clarified."

Notice 98-11 and the accompanying budget proposal generated widespread concerns in the Congress and the business community that the Treasury was undertaking a major new initiative in the international tax arena that would undermine the ability of U.S. multinationals to compete in international markets. For example, House Ways and Means Committee Chairman BILL ARCHER wrote to Treasury Secretary Rubin on March 20, 1998 requesting that "Notice 98-11 be withdrawn and that no regulations in this area be issued or allowed to take effect until Congress has an appropriate opportunity, to consider these matters in the normal legislative process." The Ranking Democrat on the Committee, CHARLES RANGEL, wrote to Secretary Rubin expressing strong concerns about the Treasury's increasing propensity to "legislate through the regulatory process as evidenced by Notice 98-11.

Despite these concerns, on March 23, 1998, the Treasury department issued two sets of proposed and temporary regulations, the first relating to the treatment of hybrid branch arrangements under subpart F, and the second relating to the treatment of a CFC's distributive share of partnership income. As Notice 98-11 had promised, the regulations provided that certain payments between a controlled foreign corporation and a hybrid branch would be recharacterized as subpart F income if the payments reduce the payer's foreign taxes.

The week after the temporary and proposed regulations were issued, the Senate Finance Committee considered H.R. 2676, the Internal Revenue Service

Restructuring and Reform Act of 1998. A provision was included in the bill prohibiting the Treasury and IRS from implementing temporary or final regulations with respect to Notice 98-11 prior to six months after the date of enactment of H.R. 2676. The Senate bill also included language expressing the "sense of the Senate" that "the Department of the Treasury and the Internal Revenue Service should withdraw Notice 98-11 and the regulations issued thereunder, and that the Congress, and not the Department of the treasury or the Internal Revenue Service, should determine the international tax policy issues relating to the treatment of hybrid transactions under subpart F provisions of the Code."

Opposition to Notice 98-11 and the temporary and proposed regulations continued to mount. On April 23, 1998, 33 Members of the House Ways and Means Committee wrote to Secretary Rubin expressing concern about the Treasury's decision to move forward and issue regulations pursuant to Notice 98-11 without an appropriate opportunity for Congress to consider this issue in the normal legislative process, urging Treasury to withdraw the regulations.

In the face of these and other pressures from the Congress and the business community, on June 19, 1998, the Treasury Department announced in Notice 98-35 that it was withdrawing Notice 98-11 and the related temporary, and proposed regulations. According to Notice 98-35, Treasury intends to issue a new set of proposed regulations to be effective in general for payments made under hybrid branch arrangements on or after June 19, 1998. These regulations, however, will not be finalized before January 1, 2000, in order to permit both the Congress and Treasury Department the opportunity to further study the issues that were raised following the publication of Notice 98-11 earlier this year.

While we applaud the Treasury's decision to withdraw Notice 98-11 and the temporary regulations, we believe that additional legislative action is needed to prevent the Treasury from finalizing the forthcoming regulations until Congress considers the issues involved. We believe that only the Congress has the authority to achieve a permanent resolution of this issue. Notice 98-35, like its predecessor, Notice 98-11 continues to suffer from a fatal flaw; it is the prerogative of Congress, and not the Executive Branch, to pass laws establishing the nation's fundamental tax policies. Simply put, Notice 98-35 adds restrictions to the subpart F regime that are not supported by the Code's clear statutory language, and there has been no express delegation of regulatory authority to the Treasury that relates specifically to the issues presented in the Notice.

More importantly, we question the policy objectives to be achieved by Notice 98-35 and the accompanying proposed regulations. We do not understand the rationale for penalizing U.S. multinational companies for employing normal tax planning strategies that reduce foreign (as opposed to U.S.) income taxes. Moreover, Notice 98-35 is contrary to recent Congressional efforts to simplify the international tax provisions of the Code. For example, the Congress reduced complexity and ridded the code of a perverse incentive for U.S. companies to invest overseas by repealing the Section 956A tax on excess passive earnings in 1996. Again in 1997, the Congress repealed the application of the Passive Foreign Investment Company regime to U.S. shareholders of controlled foreign corporations because of the complexity involved in applying both regimes, in addition to enacting a host of other foreign tax simplifications. Therefore, in order for Congress to gain a better understanding of the Treasury Department's position on this matter, our bill would require the Treasury to conduct a thorough study of the tax treatment of hybrid transactions under subpart F and to provide a report to the Senate Committee on Finance and House Committee on Ways and Means on this issue.

If the forthcoming regulations are permitted to be finalized by the Treasury, U S multinational businesses will be placed at a competitive disadvantage vis-a-vis foreign companies who remain free to employ strategies to reduce the foreign taxes they pay. Clearly, such a result should be permitted to take effect only if Congress, after having an opportunity to fully consider all of the tax and economic issues involved, agrees that the arguments advanced by the Treasury are compelling and determines that additional statutory changes to subpart F are necessary and appropriate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2535

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. HYBRID TRANSACTIONS UNDER SUBPART F.

(a) PROHIBITION ON REGULATIONS.—The Secretary of the Treasury (or his delegate)—

(1) shall not issue temporary or final regulations relating to the treatment of hybrid transactions under subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986 pursuant to Internal Revenue Service Notice 98-35 or any other regulations reaching the same or similar result as such notice,

(2) shall retroactively withdraw any regulations described in paragraph (1) which were issued after the date of such notice and before the date of the enactment of this Act, and

(3) shall not modify or withdraw sections 301.7701-1 through 301.7701-3 of the Treasury Regulations (relating to the classification of certain business entities) in a manner which alters the treatment of hybrid transactions under such subpart F.

(b) STUDY AND REPORT.—The Secretary of the Treasury (or his delegate) shall study the tax treatment of hybrid transactions under such subpart F and submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The Secretary shall hold at least one public hearing to receive comments from any interested party prior to submitting such report.●

● Mr. MACK. Mr. President, today Senator BREAUX and I introduce a bill reaffirming that the lawmaking power is the province of the Congress, not the executive branch. Our bill prohibits the Treasury Department from issuing regulations that would impose taxes on U.S. companies merely because one of their subsidiaries pays money to itself.

As a general rule, U.S. corporations pay U.S. corporate income tax on the earnings of their foreign subsidiaries only when those earnings are actually distributed to the U.S. parent companies. An exception to this general rule is contained in subpart F of the Internal Revenue Code, which accelerates the income tax liability of U.S. parent companies under certain circumstances. The Treasury Department has announced, in Notice 98-35, an intention to issue regulations that will accelerate income tax liability for U.S. companies—not based on the specific circumstances enumerated in subpart F, but instead on a new "interpretation" of the "policies" that Treasury infers from that 36-year-old provision. This action crosses the line between administering the laws and making the laws, and cannot be allowed by Congress.

Notice 98-35 concerns so-called "hybrid arrangements." These involve business entities that are considered separate corporations for foreign tax purposes, but are viewed as one company with a branch office for U.S. purposes. U.S. companies organize their subsidiaries in this manner to reduce the amount of foreign taxes they owe. Transactions between a subsidiary and its branch have no impact on U.S. taxable income of the parent, as its subsidiary is merely paying money to itself. But the Treasury Department intends to impose a tax on the U.S. parent to penalize it for reducing the foreign taxes it owes.

This effort is wrong for several reasons. First, the Treasury Department possesses only the power to issue regulations to administer the laws passed by Congress. New rules based on congressional purpose are known as laws, and under the Constitution laws are made by Congress.

Second, the Treasury Department is elevating one policy underlying subpart F—taxing domestic and foreign operations in the same manner—over the other policy of maintaining the competitiveness of U.S. companies in foreign markets. This proposed tax would put U.S.-owned subsidiaries at a competitive disadvantage.

Finally, the Treasury Department should not impose a tax on U.S. companies to force these companies to reorganize in a way that increases the taxes they owe to foreign countries. The Treasury Department is not the tax collector for other nations. And by raising the foreign tax bills of U.S. companies, the Treasury Department is also increasing the size of foreign tax credits and thereby reducing U.S. tax revenues.

The Treasury Department is not only making policy that it has no right to make, it is also making bad policy. Our bill places a moratorium on this lawmaking. It also directs the Treasury Secretary to study these issues and submit a report to the tax-writing committees of Congress. Many people and organizations, including the Treasury Department, desire changes in the tax laws. But only Congress has the power to make these changes, and this is a power we intend to keep.●

By Mr. HATCH:

S. 2536. An original bill to protect the safety of United States nationals and the interests of the United States at home and abroad, to improve global cooperation and responsiveness to international crime and terrorism, and to more effectively deter international crime and acts of violence; from the Committee on the Judiciary; placed on the calendar.

THE IMPROVEMENTS TO INTERNATIONAL CRIME AND ANTI-TERRORISM AMENDMENTS OF 1998

Mr. LEAHY. Mr. President, I am pleased with the Chairman in offering this important legislation, the Improvements to International Crime and Anti-Terrorism Amendments of 1998, to combat international crime.

Crime and terrorism increasingly have an international face. The bombings of U.S. embassies in Kenya and Tanzania are just the most recent reminders of how vulnerable we are to terrorist attacks. In a shockingly brutal attack, more than 250 men, women and children, were murdered in cold blood. Among those 250 victims were 12 of our fellow citizens. And none of us can forget that it was only a short time ago that there was another assault right here at home, in the Capitol itself.

With improvements in technology, criminals now can move about the world with ease. They can transfer funds with a push of a button, or use computers and credit card numbers to steal from American citizens from any spot on the globe. They can strike at Americans here and abroad. The playing field keeps changing, and we need to change with it.

This bill does exactly that, not with sweeping changes but with thoughtful provisions carefully targeted at specific problems faced by law enforcement. The bill offers tools and protection to investigators and prosecutors, while narrowing the room for maneuver that international criminals and terrorists now enjoy.

I initially introduced some of the provisions of this bill as early as April 30, 1998, in the Money Laundering Enforcement and Combating Drugs Act in Prisons of 1998 with Senators DASCHLE, KOHL, FEINSTEIN, and CLELAND. Again, on July 14, 1998, I introduced with Senator BIDEN many of these provisions set forth in the bill on behalf of the Administration in S. 2303, the International Crime Control Act of 1998. I again included almost all of the provisions in another major anti-crime bill, the Safe Schools, Safe Streets, and Secure Borders Act of 1998, on September 16, 1998, along with Senators DASCHLE, BIDEN, MOSELEY-BRAUN, KENNEDY, KERRY, LAUTENBERG, MIKULSKI, BINGAMAN, REID, MURRAY, DORGAN, and TORRICELLI.

It is a particular pleasure now to be able to draw from these more comprehensive bills a set of discrete, very important improvements that can enjoy bipartisan support, and which I hope and trust can be enacted into law, even in the short time remaining in this session. All of these provisions enjoy the full support of the Administration, and each of them is a law enforcement priority.

The bill would criminalize murder and other serious crimes committed by organized crime against U.S. nationals abroad, and against state and local officials who are working abroad with federal authorities on joint projects or operations.

The bill also protects our maritime borders by providing realistic sanctions for vessels that fail to "heave to" or otherwise obstruct the Coast Guard. No longer will drug-runners be able to stall or resist Coast Guard commands with impunity.

The bill also increases our authority to exclude from entry into our country international criminals and terrorists, including those engaged in flight to avoid prosecution, alien smuggling, or arms or drug trafficking under specific circumstances. At the same time, we ensure that the Attorney General has full authority to make exceptions for humanitarian and similar reasons.

The bill includes important money laundering provisions. At a recent Judiciary Committee hearing on anti-terrorism, FBI Director Louis Freeh noted the importance of money laundering laws as a tool in stopping not only international drug kingpins, but also international terrorists, such as Usama bin Laden, the multi-millionaire terrorist who has been linked to the recent embassy bombings.

The bill has two important provisions aimed at computer crimes: it provides expanded wiretap authority, subject to court order, to cover computer crimes, and also gives us extraterritorial jurisdiction over access device fraud, such as stealing telephone credit card numbers, where the victim of the fraud is within the U.S.

We cannot do it all alone, however. This bill facilitates international cooperation by allowing our country to share the proceeds of joint forfeiture operations, to encourage participation by those countries. It streamlines procedures for executing MLAT requests that apply to multiple judicial districts. Furthermore, the bill addresses the essential but often overlooked role of state and local law enforcement in combating international crime, and authorizes reimbursement of state and local authorities for their cooperation in international crime cases. The bill helps our prosecutors in international crime cases by facilitating the admission of foreign records in U.S. courts. Finally, the bill would speed the wheels of justice by prohibiting international criminals from being credited with any time they serve abroad while they fight extradition to face charges in our country.

These are important provisions that I have advocated for some time. They are helpful, solid law enforcement provisions. I must close with a special thanks to my friend and colleague from Utah, Senator HATCH, for his help in making this bill a reality. It has been pleasure to work closely with him to craft a bipartisan bill that will accomplish what all of us want, to make America a safer and more secure place.

By Mr. MURKOWSKI:

S. 2537. A bill to amend the Export-Import Bank Act of 1945 to assure that the United States is consistent with other G–7 countries in evaluating environmental concerns relating to projects to be financed, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT-IMPORT BANK ACT AMENDMENTS

Mr. MURKOWSKI. Mr. President, I rise to introduce legislation regarding the Export-Import Bank. This legislation is both pro-trade and pro-environment.

Let me start by saying that I support U.S. international finance institutions like Ex-Im Bank, OPIC and TDA because they are necessary to level the playing field for American companies seeking to compete abroad. In a perfect world, such government assistance would be unnecessary, but we know that the other industrialized countries are using government financing to sweeten the pot for their companies' participation in international projects.

My legislation addresses the well-meaning environmental policies of the Bank that are actually harming the environment while undermining American competitiveness. Specifically, my legislation does two things: First, it directs the Ex-Im Bank to negotiate a mulitlateral agreement with the export financing agencies of all G–7 countries to address environmentally sensitive development overseas. Second, until such agreement is reached, my legislation would allow U.S. companies to compete on equal footing with other international companies bidding on international projects. In other words, my legislation would ensure that American companies have access to Ex-Im Bank financing for overseas projects where other G–7 countries are providing or have indicated an intent to provide financing to the project in question without conditioning such assistance on environmental policies or procedures.

Mr. President, under current law, the Ex-Im Bank can deny financing to U.S. companies seeking to participate in international projects when the Bank's environmental concerns have not been adequately addressed by foreign countries. But there is no mechanism in place to ensure that all G–7 countries abide by the same set of rules or environmental standards in competing for such projects. The net effect of this law is to impose unilateral sanctions on U.S. companies in the name of the environment.

The lack of American participation in the largest hydroelectric project in the World, the $24.5 billion Three Gorges Dam Project in China, illustrates why this change in law is necessary. The mission of the Ex-Im Bank is to promote U.S. exports and U.S. jobs. Yet, the Bank refused to provide financial guarantees for this project because the Bank's environmental concerns had not been satisfactorily addressed by the Chinese government.

There were two perverse outcomes from the Bank's decision. First, the project is going ahead anyway without the environmental technologies and practices our companies' participation would bring. And second, the only American participation is by companies that are large enough to use their foreign subsidiaries with another government's financing, and consequently the jobs are going to the Japanese, the Canadians and the Europeans.

A letter that I received from the President of Rotec Industries, located in Elmhurst, Illinois, explains the detrimental effects of the Ex-Im Banks decision. Rotec submitted a bid to the Chinese government for $130 million of U.S.-made concrete placing and transporting equipment. Following the Ex-Im Bank's negative decision they received an order for only a fraction of their proposal. A Japanese-French consortium received an order for "Rotec-equivalent" equipment. But it gets worse. As Rotec's president explained:

> No Ex-Im financing meant no made-in-the-USA requirements and no made-in-the-USA price premium. . . . For the first time in our 32-year history, Rotec subcontracted manufacturing to companies in South Korea. The effect on U.S. jobs is easy to quantify . . . Rotec will have spent over $13,000,000 in South Korea. With Ex-Im's support, this work—and probably more—would have stayed in the United States.

But this was not the only bad news for Rotec. Before Ex-Im's decision, Rotec was the world's only manufacturer of this specialized equipment. But the Japanese-French consortium selected by the Chinese have now copied Rotec's product. As Rotec's president described it, Ex-Im's decision helped open the door and they [the consortium] walked right in. Rotec will likely face foreign competition wherever this product is needed."

Other U.S. companies who sought to participate in the Three Gorges Dam project tell a similar story. Caterpillar estimates that it lost $200 million in sales. GE routed its bid through its Canadian subsidiary. Voight Hydro of Pennsylvania had to withdraw its bid in favor of its German parent, which won $85 million of contracts.

Although my legislation cannot retroactively change the effect of the Ex-Im Bank's decision on U.S. participation in the Three Gorges Dam project, we will face this issue again. A recent New York Times story quoted Chinese officials who pledge to spend $1.2 trillion on a vast program of new infrastructure projects over the next three years. Included in those projects are plans to build five large hydroelectric power stations over the next 12 years, at a cost exceeding $7 billion. Although this is small compared to Three Gorges, it presents excellent opportunities for U.S. companies. In addition, the Chinese have plans to order a new nuclear plant each year for the next 20 years. This emerging Chinese market is estimated to be worth $1.65 billion per year in U.S. nuclear exports, supporting an equivalent of 25,400 full time American jobs.

I am told that the environmental lobbyists are out in full force against this legislation. Environmental groups have circulated a letter stating that my legislation would mean that "[t]he United States Government will likely support dangerous nuclear power plants, unsustainable logging of primary forests, and huge hydroelectric dams resettling millions of people in developing countries with no environmental safeguards allowed."

Mr. President, let me just respond to their claim that nuclear power plants and hydroelectric dams should not be funded on environmental grounds. China is a case in point. By 2015 China will surpass the United States as the largest emitter of greenhouse gases. According to the World Health Organization, 6 of the 10 most polluted cities in the world are in China. Coal supplies three-quarters of China's energy and is choking its cities. Already, hundreds of thousands of Chinese die premature deaths each year from chronic respiratory illness. Thousands more died this year from flooding of the Yangtze River and millions more were displaced.

Mr. President, how can the environmentalists ignore the benefits to China's environment, indeed to the World's environment, of helping China turn to cleaner forms of energy such as hydro and nuclear? The 18,200 megawatt Three Gorges Dam will replace the equivalent of thirty-six 500 megawatt coal fossil plants. In a country suffocating on dirty air, how can any rational environmental policy promote coal and penalize clean burning hydro and nuclear power? Of course, hydro and nuclear plants have environmental consequences. Every form of energy production does. Even windmills become cuisinarts for birds. But countries such as China have the right to determine which consequences she can accept.

Let's make sure that Ex-Im does not unilaterally rule out American participation in future projects. Support my legislation and vote to help American companies compete.

Mr. President, I ask unanimous consent that a copy of the Rotec letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ROTEC INDUSTRIES,
Elmhurst, IL, September 2[illegible], 1998.

Hon. FRANK MURKOWSKI,
U.S. Senate,
Washington, DC.

DEAR SENATOR MURKOWSKI: As president of a company which has been involved in the construction of China's Three Gorges Dam, I read your September 16th Washington Post op-ed article, "Too Green", with great interest.

Rotec Industries, along with Caterpillar and Voith Hydro, aggressively pursued Ex-Im Bank financing for Three Gorges Dam. Of course, we were disappointed when Ex-Im denied financing. It seemed like the wrong decision for economic, environmental and common-sense reasons.

Your legislation, which would prohibit Ex-Im from withholding financing on environmental grounds where any other G–7 country is providing financing, offers some hope that U.S. businesses and workers will have the support of Ex-Im Bank in future, similar situations.

During the two years since Ex-Im's decision, Rotec has continued to pursue its business at Three Gorges with some successes and with some disappointments. A brief history our Three Gorges events:

January 1996—Rotec submitted a proposal (before Ex-Im's decision) to supply more than $130,000,000 of U.S.-made equipment.

November 1996—Following Ex-Im's negative decision, we received an order for only $31,000,000 of equipment.

December 1996—Japanese-French consortium received an order for "Rotec-equivalent" equipment.

May 1998—Rotec received an additional $22,000,000 order.

We do not expect any additional major orders from Three Gorges. Our total is approximately $53,000,000; about 40% of what we had hoped to receive.

It gets worse: Losses for American workers were even greater. During negotiations following Ex-Im's decision, our Chinese customer demanded a price discount because "Rotec can subcontract manufacturing in China or a third country." No Ex-Im financing meant no made-in-the-USA requirements and no made-in-the-USA price premiums. Rotec was literally fighting for its existence; we were facing serious competition from foreign suppliers and Ex-Im would not help. For the first time in our 32-year history, Rotec subcontracted manufacturing to companies in South Korea. The effect on U.S. jobs is easy to quantify: when the last shipment is made at the end of this year, Rotec will have spent over $13,000,000 in South Korea. With Ex-Im's support, this work—and probably more—would have stayed in the United States.

More bad news: Before Ex-Im's decision, Rotec was the world's *only* manufacturer of this specialized equipment. The Japanese-French consortium had copied our concepts on paper, but had never designed, manufactured or sold any similar product. Now they have and Rotec has a new competitor. Ex-Im's decision has helped open the door and they walked right in. Rotec will likely face foreign competition wherever this product is needed.

My environmental "feelings": (I have made twelve trips to China during the past three years so this comes mostly from personal observation.) China is a huge country with a very low standard of living—especially in the rural areas. Many people live on mountainsides in hand-dug "caves". China's people need energy, improved transportation and the ability to control flooding in order to improve their standard of living.

It seems unfair for the United States or anyone else to tell China they can not develop their rivers, especially when so much can be gained. Building Three Gorges Dam means producing clean electricity with hydro-power, mitigating the effects of flooding and adding navigable stretches to a river in an area with very poor roads. Not building the dam means burning more fossil fuel, further polluting the already-terrible air; continuing floods which kill thousands, violently displacing hundreds-of-thousands or even millions and cause untold property damage for people who have so little; and slowing economic development for people who desperately need it. In this case, building a dam is "the green decision."

Your initiation of this measure is supported and appreciated by Rotec. We wish you success.

Sincerely,

STEVE LEDGER,
President, Rotec Industries, Inc.

By Mr. BREAUX:

S. 2538. A bill to amend the Internal Revenue Code of 1986 to modify the active business definition relating to distributions of stock and securities of controlled corporations; to the Committee on Finance.

AMENDMENT TO INTERNAL REVENUE CODE SECTION 355(b)(2)

• Mr. BREAUX. Mr. President, today I introduce a bill that would make a technical change in the Internal Revenue Code. We often talk about the need to simplify the Tax Code. The change I propose today would do that.

This change is small but very important. It would not alter the substance of current law in any way. It would, however, greatly simplify a common corporate transaction. This small technical change will alone save corporations millions of dollars in unnecessary expenses and economic costs that are incurred when they divide their businesses.

The Treasury Department agrees that there is a technical problem with the drafting of the Tax Code. It also agrees that a legislative change like the bill I introduce today is the best way to correct it.

Corporations, and affiliated groups of corporations, often find it advantageous, or even necessary, to separate two or more businesses. The division of AT&T from its local telephone companies is an example of such a transaction. The reasons for these corporate divisions are many, but probably chief among them is the ability of management to focus on one core business.

At the end of the day, when a corporation divides, the stockholders simply have the stock of two corporations, instead of one. The Tax Code recognizes this is not an event that should trigger tax, as it includes corporate divisions among the tax-free reorganization provisions.

One requirement the Tax Code imposes on corporate divisions is very awkwardly drafted, however. As a result, an affiliated group of corporations that wishes to divide must often engage in complex and burdensome preliminary reorganizations in order to accomplish what, for a single corporate entity, would be a rather simple and straightforward spinoff of a business to its shareholders. The small technical change I propose today would eliminate the need for these unnecessary transactions, while keeping the statute true to Congress' original purpose.

More specifically, section 355 (and related provisions of the Code) permits a corporation or an affiliated group of corporations to divide on a tax-free basis into two or more separate entities with separate businesses. There are numerous requirements for tax-free treatment of a corporate division, or "spinoff," including continuity of historical shareholder interest, continuity of the business enterprises, business purpose, and absence of any device to distribute earnings and profits. In addition, section 355 requires that each of the divided corporate entities be engaged in the active conduct of a trade or business. The proposed change would alter none of these substantive requirements of the Code.

Section 355(b)(2)(A) currently provides an attribution or "lookthrough" rule for groups of corporations that operate active businesses under a holding company, which is necessary because a holding company, by definition, is not itself engaged in an active business. This lookthrough rule inexplicably requires, however, that "substantially all" of the assets of the holding company consist of stock of active controlled subsidiaries. The practical effect of this language is to prevent holding companies from engaging in spinoffs if they own almost any other assets. This is in sharp contrast to corporations that operate businesses directly, which can own substantial assets unrelated to the business and still engage in tax-free spinoff transactions.

In the real world, of course, holding companies may, for many sound business reasons, hold other assets, such as noncontrolling (less than 80 percent) interests in subsidiaries, controlled subsidiaries that have been owned for less than five years (which are not considered "active businesses" under section 355), or a host of nonbusiness assets. Such holding companies routinely undertake spinoff transactions, but because of the awkward language used in section 355(b)(2)A), they must first undertake one or more (often a series of) preliminary reorganizations solely for the purpose of complying with this inexplicable language of the Code.

Such preliminary reorganizations are at best costly, burdensome, and without any business purpose, and at worst, they seriously interfere with business operations. In a few cases, they may be so costly as to be prohibitive, and cause the company to abandon an otherwise sound business transaction that is clearly in the best interest of the corporation and the businesses it operates.

There is no tax policy reason, tax advisors agree, to require the reorganization of a consolidated group that is clearly engaged in the active conduct of a trade or business, as a condition to a spinoff. Nor is there any reason to treat affiliated groups differently than single operating companies. Indeed, no one has ever suggested one. The legislative history indicates Congress was concerned about noncontrolled subsidiaries, which is elsewhere adequately addressed, not consolidated groups.

For many purposes, the Tax Code treats affiliated groups as a single corporation. Therefore, the simple remedy I am proposing today for the problem created by the awkward language of section 355(b)(2)(A) is to apply the active business test to an affiliated group as if it were a single entity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MODIFICATION OF ACTIVE BUSINESS DEFINITION.

(a) IN GENERAL.—Section 355(b)(2) of the Internal Revenue Code of 1986 (defining active conduct of a trade or business) is amended by adding at the end the following: "For purposes of subparagraph (A), all corporations that are members of the same affiliated group (as defined in section 1504(a)) shall be treated as a single corporation."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions or transfers after the date of the enactment of this Act.●

By Mr. GRAMM:

S.J. Res. 59. A joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance; read the first time.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. GRAMM. Mr. President, I rise today to introduce a Balanced Budget Constitutional Amendment which is designed to protect Social Security. Since we last considered a balanced budget amendment in the Senate, we have achieved balance in the unified federal budget for the first time in 30 years, and have made substantial progress toward achieving balance without relying on the surpluses currently accumulating in Social Security. For 1998, the most recent projections by the Congressional Budget Office show a unified budget surplus of $63 billion, and an on-budget deficit of just $41 billion when the $104 billion surplus in Social Security is not counted. This on-budget deficit is projected to disappear by 2002 under current budget policies.

The Balanced Budget Constitutional Amendment I am introducing today is identical to S.J. Res. 1, which received 66 votes in the Senate on March 4, 1997, except that surplus revenues in Social Security are not counted in determining compliance. It is also identical to the Dorgan substitute and Reid perfecting amendments to S.J. Res. 1, which received 41 and 44 votes respectively, except that while Social Security surpluses are not counted, any deficit in Social Security must be offset by an equivalent on-budget surplus. This distinction is important because Social Security is projected to begin running cash-flow deficits in the year 2013.

The President and a majority of Congress have expressed support for balancing the budget without counting Social Security surpluses, and now that goal is within our reach. We should take this opportunity to approve this Constitutional amendment and send it to the States for ratification. This Constitutional amendment would provide the structure and enforcement mechanism to allow us to achieve this bipartisan goal.

ADDITIONAL COSPONSORS

S. 375

At the request of Mr. MCCAIN, the names of the Senator from Missouri (Mr. ASHCROFT) and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 375, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 852

At the request of Mr. LOTT, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 852, a bill to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 1427

At the request of Mr. FORD, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 1427, a bill to amend the Communications Act of 1934 to require the Federal Communications Commission to preserve lowpower television stations that provide community broadcasting, and for other purposes.

S. 1529

At the request of Mr. REID, his name was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1529, supra.

S. 1822

At the request of Mr. ROCKEFELLER, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 1822, a bill to amend title 38, United States Code, to authorize provision of care to veterans treated with nasopharyngeal radium irradiation.

S. 2039

At the request of Mr. BINGAMAN, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2039, a bill to amend the National Trails System Act to designate El Camino Real de Tierra Adentro as a National Historic Trail.

S. 2110

At the request of Mr. BIDEN, the names of the Senator from Virginia (Mr. ROBB) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2110, a bill to authorize the Federal programs to prevent violence against women, and for other purposes.

S. 2145

At the request of Mr. SHELBY, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from Montana (Mr. BURNS) were added as cosponsors of S. 2145, a bill to modernize the requirements under the National Manufactured Housing Construction and Safety Standards Act of 1974 and to establish a balanced consensus process for the development, revision, and interpretation of Federal construction and safety standards for manufactured homes.

S. 2180

At the request of Mr. LOTT, the names of the Senator from Alabama (Mr. SHELBY) and the Senator from Vermont (Mr. JEFFORDS) were added as cosponsors of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2190

At the request of Mr. KENNEDY, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2190, a bill to authorize qualified organizations to provide technical assistance and capacity building services to microenterprise development organizations and programs and to disadvantaged entrepreneurs using funds from the Community Development Financial Institutions Fund, and for other purposes.

S. 2205

At the request of Mr. DORGAN, the names of the Senator from Oregon (Mr. SMITH), the Senator from South Dakota (Mr. DASCHLE), the Senator from Nevada (Mr. BRYAN), the Senator from Montana (Mr. BURNS), the Senator from Michigan (Mr. LEVIN), and the Senator from Missouri (Mr. BOND) were added as cosponsors of S. 2205, a bill to require the Secretary of the Treasury to mint coins in commemoration of the bicentennial of the Lewis & Clark Expedition, and for other purposes.

S. 2233

At the request of Mr. CONRAD, the names of the Senator from Louisiana (Mr. BREAUX) and the Senator from West Virginia (Mr. BYRD) were added as cosponsors of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2235

At the request of Mr. ROBB, his name was added as a cosponsor of S. 2235, a bill to amend part Q of the Omnibus Crime Control and Safe Streets Act of 1968 to encourage the use of school resource officers.

S. 2253

At the request of Mr. ROBB, his name was added as a cosponsor of S. 2253, a bill to establish a matching grant program to help State and local jurisdictions purchase bullet resistant equipment for use by law enforcement departments.

S. 2325

At the request of Mr. GRAMM, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 2325, a bill to provide an opportunity for States to modify agreements under title II of the Social Security Act with respect to student wages.

S. 2326

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2326, a bill to require the Federal

Trade Commission to prescribe regulations to protect the privacy of personal information collected from and about children on the Internet, to provide greater parental control over the collection and use of that information, and for other purposes.

S. 2353

At the request of Mr. DURBIN, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 2353, a bill to redesignate the legal public holiday of "Washington's Birthday" as "Presidents' Day" in honor of George Washington, Abraham Lincoln, and Franklin Roosevelt and in recognition of the importance of the institution of the Presidency and the contributions that Presidents have made to the development of our Nation and the principles of freedom and democracy.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2395

At the request of Mr. DOMENICI, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 2395, a bill to provide grants to strengthen State and local health care systems' response to domestic violence by building the capacity of health care professionals and staff to identify, address, and prevent domestic violence.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from Oregon [Mr. WYDEN) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2484

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 2484, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 2520

At the request of Mr. MOYNIHAN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 2520, a bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Montana (Mr. BURNS), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from North Dakota (Mr. CONRAD), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 271

At the request of Mr. BIDEN, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Hawaii (Mr. AKAKA), the Senator from Missouri (Mr. ASHCROFT), the Senator from Montana (Mr. BAUCUS), the Senator from Utah (Mr. BENNETT), the Senator from New Mexico (Mr. BINGAMAN), the Senator from California (Mrs. BOXER), the Senator from Kansas (Mr. BROWNBACK), the Senator from Nevada (Mr. BRYAN), the Senator from West Virginia (Mr. BYRD), the Senator from Colorado (Mr. CAMPBELL), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. D'AMATO), the Senator from Connecticut (Mr. DODD), the Senator from North Dakota (Mr. DORGAN), the Senator from Illinois (Mr. DURBIN), the Senator from North Carolina (Mr. FAIRCLOTH), the Senator from California (Mrs. FEINSTEIN), the Senator from Kentucky (Mr. FORD), the Senator from Ohio (Mr. GLENN), the Senator from Florida (Mr. GRAHAM), the Senator from Texas (Mr. GRAMM), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Texas (Mrs. HUTCHISON), the Senator from Hawaii (Mr. INOUYE), the Senator from Vermont (Mr. JEFFORDS), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Nebraska (Mr. KERREY), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Vermont (Mr. LEAHY), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Florida (Mr. MACK), the Senator from Arizona (Mr. MCCAIN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Illinois (Ms. MOSELEY-BRAUN), the Senator from New York (Mr. MOYNIHAN), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Nevada (Mr. REID), the Senator from Virginia (Mr. ROBB), the Senator from Delaware (Mr. ROTH), the Senator from Maryland (Mr. SARBANES), the Senator from Oregon (Mr. SMITH), the Senator from Maine (Ms. SNOWE), the Senator from Pennsylvania (Mr. SPECTER), the Senator from South Carolina (Mr. THURMOND), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of Senate Resolution 271, a resolution designating October 16, 1998, as "National Mammography Day."

SENATE CONCURRENT RESOLUTION 122—EXPRESSING THE SENSE OF THE CONGRESS RELATIVE TO THE 65TH ANNIVERSARY OF THE UKRAINIAN FAMINE OF 1932–1933

Mr. LEVIN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 122

Whereas this year marks the 65th anniversary of the Ukrainian Famine of 1932-1933 that caused the deaths of at least 7,000,000 Ukrainians and that was covered up and officially denied by the government of the former Soviet Union;

Whereas millions of Ukrainians died, not by natural causes such as pestilence, drought, floods, or a poor harvest, but by policies designed to punish Ukraine for its aversion and opposition to the government of the former Soviet Union's oppression and imperialism, including the forced collectivization of agriculture;

Whereas when Ukraine was famine-stricken, the government of the former Soviet Union exported 1,700,000 tons of grain to the West while offers from international relief organizations to assist the starving population were rejected on the grounds that there was no famine in Ukraine and no need for the assistance;

Whereas the borders of Ukraine were tightly controlled and starving Ukrainians were not allowed to cross into Russian territory in search of bread;

Whereas in his book "The Harvest of Sorrow", British historian Robert Conquest explains, "A quarter of the rural population, men, women, and children, lay dead or dying, the rest in various stages of debilitation with no strength to bury their families or neighbors.";

Whereas the Commission on the Ukraine Famine was established on December 13, 1985, to conduct a study with the goal of expanding the world's knowledge and understanding of the famine and to expose the government of the former Soviet Union for its atrocities in the famine;

Whereas the Commission's report to Congress confirmed that the government of the former Soviet Union consciously employed the brutal policy of forced famine to repress the Ukrainian population and to oppress the Ukrainians' inviolable religious and political rights; and

Whereas the Commission on the Ukraine Famine presented 4 volumes of findings and conclusions, 10 volumes of archival material, and over 200 cassettes of testimony from famine survivors to the newly independent Government of Ukraine in 1993, during the official observances of the 60th anniversary of the Ukrainian famine in Kyiv, Ukraine: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the victims of the government of the former Soviet Union-engineered Ukrainian Famine of 1932–1933 be solemnly remembered on its 65th anniversary;

(2) the Congress condemns the systematic disregard for human life, human rights, human liberty, and self-determination that characterized the repressive policies of the government of the former Soviet Union during the Ukrainian Famine of 1932–1933;

(3) on the 65th anniversary of the Ukrainian Famine of 1932–1933, in contrast to the policies of the government of the former Soviet Union, Ukraine is moving toward democracy, a free-market economy, and full respect for human rights, and it is essential that the United States continue to assist Ukraine as it proceeds down this path; and

(4) any supplemental material that will assist in the dissemination of information about the Ukrainian Famine of 1932–1933, and thereby help to prevent similar future tragedies, be compiled and made available worldwide for the study of the devastation of the famine.

SEC. 2. TRANSMITTAL OF THE RESOLUTION.

The Secretary of the Senate shall—

(1) transmit a copy of this resolution to—

(A) the President;

(B) the Secretary of State; and

(C) the co-chairs of the Congressional Ukrainian Caucus; and

(2) request that the Secretary of State transmit a copy of this resolution to the Government of Ukraine.

• Mr. LEVIN. Mr. President, today I submit a resolution commemorating the 65th anniversary of the Ukrainian Famine of 1932–1933. During the period 1932–1993, the repressive policies of the government of the former Soviet Union, directed by Joseph Stalin, led to the deaths of at least seven million Ukrainians. Stalin's war on the Ukraine sought to eradicate its unique religious, cultural and political characteristics for the purpose of achieving complete Soviet domination.

For the most part, the famine and its victims can be traced to the forced collectivization of agricultural production. Collectivization was central to Stalin's efforts to break the will of the Ukrainian land-owning peasants and a conscious part of his plan to bring about an end to Ukrainian nationalism, ultimately leading to total Communist control. Stalin's forced collectivization of agriculture changed the face of Ukraine. Stalin repeatedly raised the quota productions for agriculture, so much so that the vast majority of Ukrainian agricultural production was being transferred from the region. These increased production quotas for exports depleted the amount of food for the people of Ukraine. The quota increases began a vicious cycle of less food which led to the exhaustion of farm workers, which in turn led to even smaller harvests and ultimately famine. Harvest yields were further diminished when the peasants were forced to abandon their accustomed ways of farming and use collectivized farming techniques.

During this period, food became so scarce that people were left to scavenge for what little they could find. There are horrible accounts of people being sentenced to death for stealing sheaves of corn. The fields once owned and worked by the peasants were now supervised by armed guards, while an environment of suspicion and fear consumed the Ukrainian people. Individuals who did not quickly show the signs of starvation were often accused of hoarding food. At the same time that the Ukrainian people were risking their lives for the smallest amount of food to sustain themselves and their families, the Soviet Union was denying that there was a crisis and refusing to allow assistance from international relief organizations to be delivered in the region. Throughout this turbulent period, Stalin further exacerbated the situation by working to turn Ukrainians against one another. The famine followed an assault on the Kulaks, or petty bourgeoisie, and a purge of the Ukrainian intelligentsia.

While this tragic period of Ukrainian history is often difficult to revisit, we must do so in order to ensure that the world will not to endure a tragedy such as this again. When children in the United States study the dark periods of human history, it is important that the Ukrainian famine of 1932–1933 be included. It is also important to note that despite the tragedy the people of Ukraine endured at the hands of Stalin's government and many years of Soviet domination, Ukraine has reemerged with its vibrant cultural and religious traditions intact and strong.

Mr. President, I am proud to sponsor this resolution commemorating the 65th anniversary of the Ukrainian Famine and I urge all Senators to show their support.•

SENATE CONCURRENT RESOLUTION 123—EXPRESSING THE SENSE OF CONGRESS REGARDING THE POLICY OF THE FOREST SERVICE TOWARD RECREATIONAL SHOOTING AND ARCHERY RANGES ON FEDERAL LAND

Mr. McCAIN (for himself, Mr. KYL, Mr. CRAIG, and Mr. LOTT) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources.

S. CON. 123

Whereas the Forest Service is developing a national policy to guide its management of existing and proposed shooting and archery ranges on national forest land;

Whereas when managed appropriately, firearm and archery sports are a legitimate use of national forest land;

Whereas the Forest Service has proceeded with closure actions of recreational shooting ranges on Forest Service land without prior notification to Congress or the general public;

Whereas on March 10, 1997, the Forest Service suspended the special-use permit of the Tucson Rod and Gun Club located in the Coronado National Forest near Tucson, Arizona; and

Whereas the Forest Service is evaluating alternative sites in the Coronado National Forest that could be used by the Tucson Rod and Gun Club for firearm and archery sports, the Secretary of Agriculture has directed the expeditious completion of the environmental assessment, and the Forest Service has committed to notify Congress of its decision by November 20, 1998: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. SENSE OF CONGRESS REGARDING PUBLIC RECREATIONAL AND MULTI-PURPOSE USE OF UNITED STATES FOREST SERVICE LAND.

It is the sense of Congress that—

(1) the Forest Service should not close shooting or archery facilities without prior notification to Congress and the general public unless there is an immediate threat to public safety;

(2) notification to Congress of any plan for closure of a shooting or archery facility should include the reasons for the closure, including any potential for imminent public safety endangerment;

(3) the Forest Service should avoid unreasonable restrictions in the issuance of special-use permits for firearm and archery sports facilities;

(4) the Forest Service should fully evaluate alternative sites in the Coronado National Forest and provide, to the extent consistent with the environmental assessment, a reasonable alternative that would allow the Tucson Rod and Gun Club to quickly open a safe facility for firearm and archery sports; and

(5) the Forest Service should adhere to its deadline of November 20, 1998, for a decision on a site for the Tucson Rod and Gun Club.

Mr. McCAIN. Mr. President, today I submit a resolution that is of tremendous importance to me and many of my constituents back in Arizona. This resolution expresses the Sense of the Congress that firearm and archery sports are a recognized recreational opportunity for the general public and a legitimate use of public land. The availability of public land for such activities is especially important in western states, such as Arizona, where a very large percentage of the land is public land.

Mr. President, given that there is little private land in Arizona that is available for such activities, I believe it is crucial that the Forest Service support the continuation of firearm and archery sports on national forest lands.

Mr. President, the Tucson Rod and Gun Club operated a shooting and archery range in the Coronado National Forest for almost 45 years and had an exemplary safety record during that time. When opened, it was miles from the nearest developed area, but the City of Tucson has spread to the very edge of the forest, and houses and schools are now within a short distance from the existing shooting range. The Club's special use permit was temporarily suspended on March 10, 1997 after a Forest Service report concluded that the range may pose a hazard to the homeowners in the vicinity and to visitors to the Sabino Canyon area. The Club as well as the Congressional delegation has asked the Forest Service to assist in searching for an alternate site for their facility.

Mr. President, despite assurances by the Secretary of Agriculture and by the Forest Service that the Club's request would be dealt with in an expeditious manner, it is now more than eighteen months since the range was closed, and shooters in Tucson still do not have a reasonably close, organized, and safe place for recreational firearm sports. At the delegation's urging, the Secretary of Agriculture directed the Forest Service to look at the proposed alternative sites and issue a decision on a selected site for these activities by November 1998. The local Forest Supervisor has pledged to issue a final decision in this matter by November 20, 1998, and has further agreed that once this decision is rendered, no further public comments will be solicited, nor will additional environmental analysis be required by the Department of Agriculture or the Forest Service. I expect the Forest Supervisor to abide by this understanding.

Mr. President, let me make clear that it is not my intent in offering this resolution, to override the Forest Service's normal planning process or existing laws. I know there are others in this body with similar concerns about retaining multiple use policies of the Forest Service. The intent in the resolution is that the Forest Service should support shooting and archery ranges on public land as one of the many public uses of public lands and should strive to find a suitable alternative location for the Tucson Rod and Gun Club.

Mr. KYL. Mr. President, I concur with everything the senior Senator from my state has just said. I would like to add that I find it inconceivable that the Forest Service could determine that it cannot identify approximately 20 acres of land on the entire Santa Catalina ranger district of the Coranado National Forest that is both suitable for a shooting range and readily accessible to the members of the Club. I expect that a suitable location will be found and that the Forest Service will work with the club in good faith to agree on a plan to open a facility.

Mr. President, I would also like to thank Representative KOLBE for his leadership and hard work on this issue.

Mr. MCCAIN. Mr. President, I join with my Arizona colleague in applauding the efforts of our colleague in the House, Representative KOLBE, to resolve this issue.

AMENDMENTS SUBMITTED

KING COVE HEALTH AND SAFETY ACT OF 1998

MURKOWSKI AMENDMENT NO. 3676

Mr. MURKOWSKI proposed an amendment to the bill (S. 1092) to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, Alaska, and King Cove, Alaska, and for other purposes; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "King Cove Health and Safety Act of 1998".

SEC. 2. FINDINGS.

The Congress finds that—

(a) King Cove, Alaska is a community in the westernmost region of the Alaska Peninsula with a population of roughly 800 full-time residents and an additional 400 to 600 workers who are transported in and out of the community a number of times a year to work in the local fish processing plant and on fishing vessels;

(b) the majority of the full-time residents are indigenous Native peoples of Aleut ancestry that have resided in the region for over 5,000 years;

(c) the only mode of access to or from King Cove is via small aircraft or fishing boat, and the weather patterns are so severe and unpredictable that King Cove is one of the worst places in all of the United States to access by either of these modes of transportation;

(d) the State of Alaska has initiated the King Cove to Cold Bay Transportation Improvement Assessment to confirm the need for transportation improvements for King Cove and to identify alternative methods of improving transportation access with comprehensive environmental and economic review of each alternative;

(e) the State of Alaska has identified a road between King Cove and Cold Bay as one of the alternatives to be evaluated in the transportation planning process but for a road to be a viable option for the State of Alaska, the Congress must grant a legislative easement within the Izembek National Wildlife Refuge ("Refuge") across approximately seven miles of wilderness land owned by the Federal Government;

(f) there are fourteen miles of roads within the wilderness boundary of the Refuge which are currently traveled by vehicles;

(g) any road constructed in accordance with such easement would be an unpaved, one-lane road sufficient in width to satisfy State law; and

(h) the combined communities of King Cove and Cold Bay have approximately 250 vehicles.

SEC. 3. PURPOSE.

The purpose of this Act is to establish a surface transportation easement across Federal lands within the Refuge and to transfer 664 acres of high value habitat lands adjacent to the Refuge in fee simple from the King Cove Corporation to the Federal Government as new wilderness lands within the Refuge in exchange for redesignating a narrow corridor of land within the Refuge as nonwilderness lands.

SEC. 4. LAND EXCHANGE.

If the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation in and to all land owned by the Corporation in Sections 2, 3, 4, 5, 6, and 7 of T 57 S, R 88 W, Seward Meridian, Alaska; and any improvements thereon, the Secretary of the Interior ("Secretary") shall, not later than 30 days after such offer, grant the Aleutians East Borough a perpetual right-of-way of 60 feet in width through the lands described in sections 6 and 7 of this Act for the construction, operation and maintenance of certain utility-related fixtures and of a public road between the city of Cold Bay, Alaska, and the city of King Cove, Alaska and accept the transfer of the offered lands. Upon transfer to the United States, such lands shall be managed in accordance with Section 1302(i) of the Alaska National Interest Lands Conservation Act, shall be included within the Refuge, and shall be managed as wilderness.

SEC. 5. RIGHT-OF-WAY.

Unless otherwise agreed to be the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall—

(1) include sufficient lands for logistical staging areas and construction material sites used for the construction and maintenance of an unpaved, one-lane public road sufficient in width to meet the minimum requirements necessary to satisfy State law;

(2) meet all requirements for a public highway right-of-way under the laws of the State of Alaska; and

(3) include the right for the Aleutians East Borough, or its assignees to construct, operate, and maintain electrical, telephone, or other utility facilities and structures within the right-of-way.

SEC. 6. CONFORMING CHANGE.

Upon the offer of Corporation lands under section 4, the boundaries of the wilderness area within the Refuge are modified to exclude from wilderness designation a 100 foot wide corridor to accommodate the right-of-way within the following land sections—

(1) Sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska.

(2) Sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska.

(3) Sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 7. RIGHT-OF-WAY LOCATION.

Unless otherwise agreed to by the Secretary and the Aleutians East Borough, the right-of-way granted under section 4 shall be located within—

(a) sections 2, 3, 10, and 11 of T 59 S, R 86 W, Seward Meridian, Alaska;

(b) sections 27, 28, 29, 30, 31, 32, 33, 34, and 35 of T 59 S, R 86 W, Seward Meridian, Alaska;

(c) sections 3, 4, 9, 10, 13, 14, 15, 16, 23, 24, 25, 26, and 36 of T 58 S, R 87 W, Seward Meridian, Alaska;

(d) sections 5, 6,7, 8, 9, 16, 17, 20, 21, 27, 28, 29, 32, 33, and 34 of T 57 S, R 87 W, Seward Meridian, Alaska;

(e) sections 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 35, and 36 of T 56 S, R 87 W, Seward Meridian, Alaska;

(f) sections 23, 24, 25, 26, 27, 34, 35, and 36 of T 56 S, R 88 W, Seward Meridian, Alaska;

(g) section 6 of T 37 S, R 88 W, Seward Meridian, Alaska; and

(h) sections 1, 2, 11, and 12 of T 57 S, R 89 W, Seward Meridian, Alaska.

SEC. 8. TECHNICAL AMENDMENTS.

The following provisions of law shall not be applicable to any right-of-way granted under section 4 of this Act or to any road constructed on such right-of-way—

(1) section 22(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(g)).

(2) title XI of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3161 et seq.), except as specified in this section; and

(3) section 303(c) of title 49, United States Code.

SEC. 9. The Secretary and the Aleutians East Borough shall jointly prepare a plan setting forth—

(1) the times of the year a road may reasonably be constructed when there are not high concentrations of migratory birds in Kinzarof Lagoon; and

(2) limitations on non-emergency road traffic during periods of the year when there are high concentrations of migratory birds in Kinzarof Lagoon.

SEC. 10. If within 24 months of the date the King Cove Corporation offers to transfer to the United States all right, title, and interest of the Corporation lands set forth in Section 4 of this Act, the Secretary and the Aleutians East Borough fail to mutually agree on the following—

(1) a final land exchange and a grant of a right-of-way pursuant to Section 4; and

(2) the right-of-way specifications, and terms and conditions of use set forth in sections 5, 6, 7 and 8 of this Act;

then the Aleutians East Borough shall have the right to select a 60 foot right-of-way for the construction, operation, and maintenance of certain utility-related fixtures and of a public road from lands described in Section 7 of this section, and to identify logistical staging areas and construction material sites within the right-of-way. If an agreements is not reached within 6 months after the Aleutians East Borough notifies the Secretary of its selection, then the right-of-way is hereby granted to the Borough.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. THURMOND. Mr. President, I ask unanimous consent that the committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Thursday October 1, 1998. The purpose of this meeting will be to mark up the nomination of Michael Reyna to be a member of the Farm Credit Administration Board and to mark up the USDA Information Technology Reform and Year 2000 Compliance Act (S2116).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. THURMOND. Mr. President, I ask unanimous consent that the committee on Armed Services be authorized to meet on Thursday, October 1, 1998, at 9:30 a.m.. in open session, to receive testimony regarding plans for Department of Energy national security programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, October 1, 1998 at 9:30 a.m. on S. 2494—Multichannel Video Competition Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, October 1, 1998 at 2:30 p.m. on pending committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTE ON ENERGY AND NATURAL RESOURCES

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 1, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider the nominations of Eljay B. Bowron to be Inspector General, DOI; Rose Eilene Gottemoeller to be Assistant Secretary of Energy for Non-Proliferation and National Security; and David Michaels to be Assistant Secretary of Energy for Environment, Safety and Health.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. THURMOND. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing to receive testimony from Greta Joy Dicus, nominated by the President to be a member of the Nuclear Regulatory Commission (reappointment), and Jeffery S. Merrifield, nominated by the President to be a member of the Nuclear Regulatory Commission, Thursday, October 1, at 11:00 a.m., Hearing Room (SD–406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, October 1, 1998 at 10:00 a.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. THURMOND. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, October 1, 1998 at 10:30 a.m. to conduct a Mark up, on S. 1870, to amend the Indian Gaming Regulatory Act; H.R. 1805, Auburn Indian Restoration Act; and S. 2097, to encourage and facilitate the resolution of conflicts involving Indian tribes, to be followed immediately by a hearing on S. 2010, to provide for business development and trade promotion for Native Americans. The hearing will be held in room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, October 1, 1998, at 9:30 a.m. in room SD–226 of the Senate Dirksen Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, Oct. 1, 1998 at 2:30 p.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: "Judicial Nominations."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. THURMOND. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Thursday, October 1, 1998 at 10:30 a.m. to conduct a hearing on Capitol security issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. THURMOND. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, October 1, 1998 at 10:00 a.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. THURMOND. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, October 1, 1998 at 12:00 p.m. to hold a closed conference with the House Permanent Select Committee on Intelligence regarding the FY 99 Intelligence Authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CLEAN AIR, WETLANDS, PRIVATE PROPERTY AND NUCLEAR SAFETY

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety granted permission to conduct a hearing on regional haze and mercury pollution on Thursday, October 1, 1998 at 2:00 p.m., Hearing Room (SD-406).

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. THURMOND. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, October 1, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:30 p.m. The purpose of this hearing is to receive testimony on Forest Service Cabin fees, and on S. 2513, a bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon; S. 2413, a bill to provide for the development of a management plan for the Woodland Lake Park tract in Apache-Sitgreaves National Forest in the State of Arizona reflecting the current use of the tract as a public park; and S. 2402, a bill to direct the Secretary of Agriculture to convey certain lands in San Juan Country, New Mexico, to San Juan College.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL SECURITY, PROLIFERATION, AND FEDERAL SERVICES

Mr. THURMOND. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Subcommittee on International Security, proliferation, and Federal Services to meet on Thursday, October 1, 1998, at 2:00 p.m. for its annual postal oversight hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AGRICULTURE CRISIS IN RURAL AMERICA

• Mr. DURBIN. Mr. President, today I would like to take a few minutes to talk about a subject of great importance to my home state of Illinois—falling farm prices and the impending economic crisis in Rural America.

Illinois is one of our country's most important agricultural contributors. Illinois farm land, which accounts for about 27 million acres, is considered some of the most productive in the world. More than 76,000 farm families in the state produce corn, soybeans, wheat, beef, pork, dairy products, and specialty crops. Illinois exports more than $3.4 billion worth of agricultural products. The state's agribusiness activity is vibrant. From the Chicago area to Decatur and throughout Illinois, agricultural processing employs thousands of people. And, our researchers, at the University of Illinois as well as at other institutions, continue to help provide answers to some of the most common as well as the most complex agricultural questions we face.

With that said, the current downturn of agricultural prices is very troubling. Not just for Illinois' economy, but for the farm families who work to ensure that the state of Illinois, the country, and the world enjoy the safest and most abundant food supply.

Recently, I had visits in my Washington office from almost every agriculture group in the state. I heard, firsthand, how farm income will fall to $42.5 billion in 1998, 20% lower than 1996 and 43% below the five year average. Meanwhile, total farm debt in 1998 has been estimated at $172 billion, the highest level since 1985. This decline in farm income could lead to massive job loss in the agriculture sector and in agribusiness, not to mention what it will do to our family farms.

Last week, I hosted a roundtable discussion with 15 farmers in Springfield, Illinois to talk about the crisis in rural Illinois and America. It is clear that falling prices, the uncertainty with foreign markets—particularly in Asia and Russia, and poor weather conditions have contributed significantly to a severe economic crisis for our nation's farmers.

I heard stories about low prices. In central Illinois, the price of corn went from $2.22/bu to $1.66/bu between July 17 and August 31, a 21 percent decline over a six week period. During this same period, the price of soybeans went from $6.50/bu to $5.15/bu, also a 21% drop.

To further illustrate the seriousness of this crisis, it is important to look at this drop in commodity prices from a historical perspective. At the Shipman Elevator in Shipman, Illinois, the price of corn on September 18, 1998, was $1.64/bu. On this same date in 1993, the price was $2.17/bu. The price of soybeans at the Shipman Elevator on September 18, 1993 was $6.14/bu compared to the September 18, 1998 price of $5.00.

Livestock prices have also dropped dramatically. The price of hogs at Farmland in Monmouth, Illinois, went from $54/cwt in September 1997 to $39/cwt in March 1998 to $29/cwt on September 18, 1998.

At these prices, I worry that a number of our nation's farmers will not be able to survive. Whether this means leaving farming altogether or simply not being able to make their basic payments, I fear we are facing a serious economic crisis in rural America. And, farmers won't be the only ones impacted by this crisis. In the past several weeks, two of the world's largest agricultural equipment manufactures, Deere and Company, based in Moline, IL, and CASE Corporation, based in Racine, Wisconsin, have announced plans to reduce production and cut jobs. Both companies claim declining farm prices have reduced demand for their equipment. When American agriculture suffers, the effects are widespread, from equipment manufacturers to processors to commodity transporters.

Mr. President, Congress needs to demonstrate strong leadership in the face of this economic crisis. There are some short-term solutions which have already been considered by this chamber—removing the cap on marketing loans and extending their terms, authorizing the Secretary of Agriculture to make emergency storage payments to farmers to encourage the use of marketing assistance loans, and replenishing the disaster reserve. Unfortunately, partisanship has gotten in the way of offering rural America a helping hand. This debate is not about the sanctity of the 1996 Farm Bill, it is about giving American agriculture some of the tools needed to improve economic conditions and regain stability.

The Administration, led by Secretary Glickman, has also offered some suggestions on how to address this crisis. They have put forward a $7.1 billion package to aid farmers including $2 billion in emergency disaster assistance. I welcome their proposal and leadership.

In my Springfield meeting I was also told that many farmers won't feel the effects of the current crisis until well after the harvest when the grain bins are full and prices are at all-time lows. And, many of the farm leaders who have appealed to Congress and the Administration for help are concerned that this crisis could stretch into years rather than months. In short, they don't see an end in sight.

Mr. President, Congress is scheduled to adjourn in less than two weeks. We won't be able to single-handedly solve this serious economic crisis in rural America before we go home for the year. But, we shouldn't wait to address this important issue and offer some assistance. We should act soon and in a bipartisan fashion. We should explore short-term fixes, like lifting the cap on marketing loans, as well as long-term solutions, like tax fairness and expanded trade opportunities. We should stand up for the men and women in rural America and let them know that Congress and the Administration will work with them to help alleviate some of the economic pain and uncertainty they face.

To do anything less would be a disservice to our farmers and American agriculture.•

SOMERSET COUNTY RED RIBBON CAMPAIGN

• Mr. SANTORUM. Mr. President, communities across our nation are being plagued by the numerous problems associated with drug and alcohol abuse, and this disease is playing an increasing role in the lives of our children. I rise today to commend Somerset County in Pennsylvania for its efforts to raise awareness and show our children that by choosing a drug-free lifestyle, they can reach their full potential.

The Somerset County Red Ribbon Committee is sponsoring its annual Red Ribbon Campaign, which offers citizens throughout Pennsylvania the opportunity to demonstrate their commitment to a drug-free lifestyle. The Committee has designated October 23-31 Red Ribbon Week. Businesses, schools, churches and community organizations across the state will play an active role by participating in drug education and prevention activities throughout the week.

Our children are the future of our country. By joining together to fight the war on drugs we are investing in that future. I commend Somerset County for their efforts in confronting this difficult challenge. Mr. President, I ask my colleagues to join Pennsylvania in recognizing Red Ribbon Week so that all of our children's futures may be promising, healthy and drug-free.•

CONFERENCE REPORT ON THE HIGHER EDUCATION ACT AMENDMENTS OF 1998

• Mr. JOHNSON. Mr. President, I rise to express my strong support for the Higher Education Act Amendments of 1998.

The Higher Education Act has been of enormous benefit to millions of students over the past three decades in providing more affordable access to institutions of post-secondary education. Many of these students simply would not have gone to college or vocational school without the assistance provided through such programs as Pell Grants, student loans, and work study.

With the increased competition faced by workers in the global economy, the importance of these programs is even greater today, not only for students, but also for our nation's economy. The Higher Education Act programs account for 68 percent of all financial aid available to students. In FY 1999, the student aid programs authorized under the Higher Education Reauthorization Act will provide $50 billion of aid to over 8.8 million students.

The cost of a college education continues to grow far faster than inflation, leaving more and more students with a large debt once they finish. Last fall, the College Board released a nationwide survey of tuition costs, finding that tuition and fees would rise about 5 percent for the fifth year in a row.

In contrast, inflation in the overall economy has been held under control during these years, hovering at, or below 2 percent.

As costs have increased, student borrowing has expanded to make up the difference. Student loans now comprise about 60 percent of all financial aid, whereas in the 1980-81 school year, loans were just over 40 percent of the total.

Given the increased reliance on borrowing, it is notable that this reauthorization legislation provides for a reduction in interest rates on new student loans from 8.25 percent to 7.46 percent, saving $11 billion for students over the life of their loans. The typical borrower at a 4-year college, who graduates with $13,000 in debt, will save about $700 over a ten-year repayment period. This is a major educational milestone, allowing student borrowers the lowest interest rate in 17 years.

Nearly 84 percent of South Dakota students receive financial aid in some form, with an average annual award of $5,400 to students who receive aid at the six public universities. Approximately 16,000 students in South Dakota receive Pell Grants, accounting for $28 million in federal assistance.

I am pleased that this bill gradually increases the size of the maximum Pell Grant to $5,800 in academic years 2003–4. In the 1970s, Pell Grants covered three-quarters of the costs of attending a four-year public school. Today, these grants cover only one-third of the cost. I realize that finding the budget resources to fund this maximum grant fully will be a struggle, however Pell Grants are the most effective program we have for helping low-income students afford post-secondary education.

This legislation also continues the essential Federal Family Education Loan (FFEL) program. This program alone has enabled forty million Americans to attend college over the past thirty years. Although direct lending by the federal government has consumed a portion of the overall student loan volume, all of the colleges and universities in my state of South Dakota continue to use the FFEL program and remain satisfied with the services they receive. Accordingly, I have been skeptical of efforts that might destroy the balance that has existed between direct lending and the FFEL program. Federal policy should not be changed in ways to either favor direct lending or undermine the financial viability of lending by the private sector.

There are some lesser-noticed provisions of this bill of which I am particularly proud. Promoting the availability and affordability of child care has been one of my highest priorities in the Senate. That is why I am so pleased that legislation I cosponsored earlier this year, the CAMPUS Act, has been incorporated into this bill. CAMPUS stands for Child Care Access Means Parents in School. This provision will establish a grant program to assist colleges with the costs of establishing child care centers to provide campus-based child care for low-income parents attending college.

The obvious benefit of easy access to child care is that students with young children will have a much greater probability of staying in school and completing their degree. More and more students today are non-traditional students, and the need for campus-based child care is greater than ever before.

Additionally, this bill establishes an innovative new program to offer student loan forgiveness for those who earn a degree in early childhood education and become full-time child care workers in a child care facility. Child care, unfortunately, is one of the lowest-paying professions that one can find, and this low level of pay is completely incommensurate with the value of those who are caring for young children. Not surprisingly, turnover in this field is very high, as workers find better paying jobs elsewhere.

It is especially tragic when highly-trained graduates, those who have earned a degree in early childhood education, are forced to leave the child care profession because they cannot pay their student loans. We still need to do all we can to raise wages for child care workers, but helping with student loan repayment is a remarkable step forward. This concept was included in child care legislation I cosponsored last year, and I am very pleased that it has been included in this bill.

I am pleased this bill develops new distance education partnership models through the Learning Anytime Anywhere Partnership (LAAP) program. This creative initiative provides partnerships grants between schools and other entities to assist in the expansion of student achievement in distance education. LAAP, combined with the expansion of student aid for distance learners, will allow more non-traditional students to obtain higher education, including full-time workers, parents, people in rural areas, or individuals with disabilities.

In addition to meeting the needs of rural America through distance learning, the Higher Education Act speaks to an equally important population of students: Indian Country. This bill includes a new initiative to provide grants and related assistance to Indian Tribal Colleges and Universities to improve and expand their capacity to serve Indian students. The bill authorizes $10 million for FY 1999 and such sums as may be necessary in the years beyond FY 1999. This new initiative for Tribal Colleges will provide much-needed funding to strengthen academic programs, develop faculty, and improve student services.

Finally, I support the extension of the Special Leveraging Educational Assistance Partnership Program (LEAP), formerly known as the State Student Incentive Grant (SSIG) program. SSIG provides funding on a dollar-for-dollar match to help states provide need-based financial aid to students through grants and community service work study awards. Without this federal incentive, many states would not have established state financial aid programs. As a cosponsor of the LEAP Act, I am pleased that states will now gain new flexibility to use these funds for activities such as increasing grant amounts, carrying out academic or merit scholarships programs, community service programs, and early interventions programs. This program is yet another example of a federal-state partnership developed to create maximum opportunities for students seeking higher education.

While I am pleased with the inclusion of numerous programs that will benefit students pursing higher education, I am deeply disappointed the conference report failed to include an important amendment to count higher education as a work requirement for purposes of the Temporary Assistance to Needy Families program. I was a proud cosponsor of this amendment which enjoyed a bipartisan majority in the Senate-passed bill.

Throughout this Congress, the leadership has echoed the importance of taking personal responsibility and achieving independence. As a supporter of welfare reform, I support imposing work requirements on individuals who receive cash assistance. However, to not allow students to earn a degree, a certifiable ticket to self-sufficiency, is irresponsible and thoughtless.

I have heard from a number of my constituents that the current system has had the unfortunate effect of forcing TANF recipients out of college or vocational school and into dead-end, entry-level jobs. It seems obvious that enabling these individuals, which are usually single mothers, to complete a degree would be far more effective in achieving long-term benefits. Education leads to higher income levels, helping move these families out of poverty for good and making them productive taxpayers. Federal requirements should not be so rigid and inflexible that states are prevented from exercising this option. Unfortunately, we were unsuccessful in addressing this need in the Higher Education Act of 1998, however, I am committed to working with Senator WELLSTONE and other advocates to revisit this issue in the future.

Passage of the Higher Education Reauthorization Act of 1998 was absolutely essential for the continuation and improvement of a system that helps keep post-secondary education within the reach of typical American families. I was pleased with the expeditious manner by which Congress responded to the conference report and President Clinton's prompt signing of the bill.•

ENSURING SAFE SCHOOLS

• Mr. CHAFEE. Mr. President, I am delighted that the Senate has approved legislation which I cosponsored to help ensure the safety of our nation's schools. Senators CAMPBELL, JEFFORDS, and FAIRCLOTH introduced S.2235, "The School Resource Officers Partnership Grant Act of 1998," in June. It was approved unanimously by the Judiciary Committee and approved by the Senate yesterday.

The goal of this legislation is to help put a stop to crime and violence in our nation's schools. Through this legislation, partnerships will be developed between state and local law enforcement agencies and the school districts in which they serve. While national statistics on violence in schools indicate an overall downward trend, the types of violence that have occurred recently, particularly in the last school year, are nothing short of traumatic.

The sight and sound of schoolyard shootings have become all too familiar. Americans were shocked, time and time again, by the devastating sight on the evening news of youngsters being carried to ambulances from school grounds following shooting sprees by other youngsters. Looking back at the 1997-1998 school year, several particularly alarming incidents occurred:

In October, a 16-year-old at Pearl High School in Mississippi went to school with a hunting rifle. He shot and killed a student and a teacher, leaving a second teacher with a bullet wound in the head.

In December, a student at Heath High School in West Paducah, Kentucky used a pistol to kill 3 other students. The shooter was 14-years-old.

In March, 2 boys in Jonesboro, Arkansas, an eleven year-old and a thirteen year-old, pulled the fire alarm in their school. As students and teachers left the building, the two boys began shooting. They killed five people: four young girls and a teacher.

In April, a 14-year-old boy in Edinboro, Pennsylvania went to a school dance with a gun he apparently removed from his father's bureau drawer. He killed a science teacher and injured two students and another teacher.

At Thurston High School in Springfield, Oregon a 15-year-old who was suspended for carrying a gun to school, returned to school the next day and opened fire in a crowded cafeteria. He killed two students and wounded 19 others. Police suspect he shot and killed his parents, as well.

It is no secret that I support tougher restrictions on gun ownership. Earlier this year, Senator DURBIN and I offered an amendment to the spending bill for the Departments of Commerce, State and Justice. Our amendment would have held adult gun owners responsible if their weapon—which had not been stored properly—was used by a child to injure himself or someone else. I felt that this was the least we could do to help protect children from needless gun violence. Unfortunately, the majority of my Senate colleagues didn't agree, and our amendment was defeated.

Despite that setback, I believe that it is Congress' responsibility to take steps to assist local communities in their battle against school violence. Children bringing weapons to school and drug use among youngsters aren't problems of big city schools alone. In my own State of Rhode Island during the last school year, there were more than 400 weapons-related suspensions. To put that number in the proper perspective, we have fewer than 450 elementary and secondary schools in Rhode Island, including private and religious schools. We should not fool ourselves into thinking that the kind of atrocities that all of America witnessed in schools last year can't happen in our children's schools.

It is my sincere belief that The School Resource Officers Partnership Grant Act is a step in the right direction. This legislation will make federal funds available to local law enforcement agencies, working in partnership with local school districts, for "school resource officers." These SROs, who must be professional law enforcement officers, would address gang-related crime and violence, including drug use, in and around schools. They would work with students, teachers, and administrators on crime prevention and personal safety. And perhaps most importantly, they would work directly with students on conflict resolution to help avert violent oubursts that can leave innocent children dead or injured.

There are communities throughout our nation whose police officers have undertaken these very tasks. In Rhode Island, police officers in Newport, Providence, and West Warwick, to name a few, already are working within schools on crime prevention, mentoring, and conflict resolution. Our bill would allow local law enforcement agencies to use a portion of their federal Community Policing funds for these officers.

I applaud our teachers and administrators for their efforts to confront and address violence in schools, but we cannot expect them to undertake this battle alone. This bill will make the knowledge and resources of professional law enforcement agencies available to our schools. I know it will help keep our children safe.•

MAURICE RIVER TOWNSHIP

• Mr. TORRICELLI. Mr. President, I rise today to recognize Maurice River Township as it celebrates its 200th anniversary on Saturday October 3rd. It is a pleasure for me to be able to recognize this important milestone.

Maurice River Township has a rich and varied history that will be celebrated and honored this Saturday. Maurice River Township was first chartered as one of six precincts of the County of Cumberland, created by the Colonial Legislature, in the Colony of West Jersey on January 19th, 1747. Together, Greenwich, Hopewell, and Stow Creek, on the North side of Cohansey Creek, as well as Fairfield, Deerfield, and Maurice River on the South side of Cohansey Creek, formed Cumberland County. The Maurice River Precinct contained all of the land on the East side of Prince Maurice's River. In 1798, Maurice River was finally incorporated as a Township by the New Jersey State Legislature.

Over the past 200 years the Township of Maurice River has developed into a thriving community, incorporating the eight villages of Delmont, Bricksboro, Dorchester, Leesburg, Heislerville, Port Elizabeth, Cumberland, and Milmay. Today, Maurice River stands as one of the most vibrant communities in the State of New Jersey, and I am confident it will continue to grow in a positive direction.

The determination and the spirit of the Maurice River community make it a privilege for me to recognize its bicentennial anniversary. The Township has become one of New Jersey's brightest stars, and I look forward to another two hundred years of success.•

TRIBUTE TO THE BLUE RIDGE RIFLES

• Mr. COVERDELL. Mr. President, I rise today to pay tribute to the Blue Ridge Rifles Precision Drill Team of North Georgia College and State University. The Blue Ridge Rifles finished first overall at the Tulane University Mardi Gras Drill Meet, their tenth such win since 1979.

The Blue Ridge Rifles competed against outstanding competition, hailing from such esteemed institutions as West Point, the United States Air Force Academy, and the Georgia Military College. Furthermore, this competition was scored using Navy-Marine Corps standards of drill, so the Rifles, with their Army-based ROTC training, were competing under unfamiliar rules. The ability of the Rifles to adjust to these changes and compete, let alone win, is nothing short of exceptional.

I also extend congratulations to Cadet Staff Sergeant Justin Shelton and Cadet Second Lieutenant Edward Boyd, who finished first and third in the individual exhibition respectively.

The Blue Ridge Rifles are a proud component of North Georgia College and State University, an dedicated educational institution renowned for its excellent ROTC program. Mr. President, I encourage my colleagues to join me in honoring this fine organization of young Americans as they celebrate their latest triumph.•

TRIBUTE TO THE FIRST PRESBYTERIAN CHURCH OF PITTSBURGH

• Mr. SANTORUM. Mr. President, this year marks the 225th anniversary of the First Presbyterian Church of Pittsburgh. Today I rise to congratulate the church on their many years of faithful service.

The First Presbyterian Church of Pittsburgh has a long and esteemed history of reaching out and ministering to those in need. Over the years, the congregation has faithfully given themselves to advance the good of the city. Their impact is evident in the many lives they have so graciously touched along the way.

Mr. President, I ask my colleagues to join with me in extending the Senate's best wishes to the people of the First Presbyterian Church of Pittsburgh and commending them on their 225 years of dedicated service to the city of Pittsburgh. With God's help, their legacy will carry on for another 225 years.•

RECOGNIZING ANDY WILLIAMS

• Mr. WELLSTONE. Mr. President, I speak today to recognize Andy Williams, an individual who along with only seven others in the nation, has received the National Crime Prevention Council's Ameritech, Award of Excellence in Crime Prevention.

Andy, while employed as a cab driver, made a decision in 1989 that inner-city youth needed both good role models and more chances to learn. He has since devoted his time, energy, and limited resources to the city of St. Paul's young people. Youth in St. Paul have benefited by the creation of his first program, Worker's Organization to Regain Confidence (WORC). After working a 7 or 8 hour day in his cab, he used it to collect kids from school and take them to miscellaneous jobs he had set up for them, providing an alternative to after-school delinquency and crime. Kids took on various jobs such as cleaning windows for a local business, running a lawn service, delivering dinners, learning how to repair small engines, and shovel snow. These programs usually involved 12 to 14 participants.

A successful year later, he expanded WORC into a non-profit organization, guiding at-risk youth in the St. Paul communities of Frogtown and Summit-University. WORC and his newly created subsidiary, SOCK (Save Our City Kids), cooperate with other non-profits to provide work skills, peer counseling, and apprenticeship opportunities. These help the students develop self-confidence, self-respect, and more of the skills crucial to becoming self-sufficent.

Andy has since created several other fruitful programs which continue to benefit the community. His innovations have enabled him and several hundred students to achieve a vision which reflects the nature of the Ameritech Award. His efforts and commitment are a great example for those who wish to make a difference in their own communities. The other programs include: WORC on Bikes, the Drop-In-Center, the Let's Talk program, and Whiz Kids. WORC on Bikes is a program in which youth learn to repair bicycles and eventually earn their own bikes. The Drop-In-Center is a place where any adult or child can stop and discuss personal concerns, such as family problems, alcohol and drug abuse, and violence. The Let's Talk program empowers youth, teenagers, adults, and parents by providing the tools with which solutions to social problems can begin to be addressed. Whiz Kids is a community-based computer education program which makes technology more accessible to youth, while assisting them in developing related skills to prepare them for future endeavors. It is funded entirely through private donations.

Clearly, Andy was selected for this award for his ability to truly make a difference, to persevere, to work for positive results in the lives of youth in the realm of crime prevention and far beyond. On behalf of the children and families who have profited from his exemplary efforts to better various communities in St. Paul, my thanks for his devoted and lasting contribution to the future of our children, and my congratulations on his well-deserved award.•

TRIBUTE TO COMMANDER LILIA L. RAMIRZ, U.S. NAVY

• Mr. D'AMATO. Mr. President, I welcome this opportunity to pay tribute to Commander Lilia L. Ramirez, U.S. Navy, who is retiring after eighteen years of distinguished service to this nation. She stands out as a pioneer, a leader and an outstanding role model for young people in uniform.

Lilia's United States Navy career is testament to a true American success story. She was born in Bogota, Columbia and emigrated to the U.S. when she was just five years old. Her parents, Alvaro and Ana Ramirez fled the violence in the Columbian countryside in the early 1960's in search if a new life of security and promise for their children in America. With little more than an optimistic spirit. Al and Ana settled in Bayshore, New York where they went on to raise five extraordinary citizens. Through hard work, determination and a deep commitment to each other the Ramirez family actualized their dreams of America.

The eldest of five children, Lilia spoke only Spanish when he arrived in New York as a five year old. Yet Lilia excelled throughout her public education career, graduating with distinction from Brentwood high School and accepting an appointment to the U.S. Navel Academy as a member of the class of 1981. She was a member of Annapolis' second coeduation class.

As a new Ensign, Lilia sailed for the Navel Communications Area Master Station Western Pacific in Guam, the first of three overseas assignments. While in Guam, Lilia was deployed to the Indian Ocean abroad the submarine U.S.S. *Proteus*, with only a handful of women. After crossing the Equator, she was proudly initiated as a Trusty Shell back in a time-honored sea faring ceremony.

European assignments followed and, while stationed in England as a Navy-Air Force Liasion Officer at RAF Mildenhall, Lilia and two other Annapolis classmates saved the life of an elderly Briton. During their evening of liberty, they discovered the Briton who had collapsed from a heart attack. Next, Lilia served at the U.S. European Command in Stuttgart, Germany as the Officer-in Charge of the Navy-Marine Corps Elements at the headquarters' manpower and personnel directorate. While in Stuttgart, she provided crucial after-action reporting and personnel support in the wake of a terrorist murder of our Navel Attache in Greece and the U.S. Marine Barracks bombing in Beirut.

After five years, Lilia returned to the Washington D.C. area to serve in several assignments, including: the Navy Telecommunications Center at Crystal City, which was the Navy's largest message center; the Navy's Bureau of Personnel, where she was personally involved in assigning a record number of women officers to pursue advanced technical degrees at the Naval Postgraduate School; the Joint Chief of Staff's Command, Control and Communications Systems Directorate. While on the Joint Staff, Lilia coordinated the installation of command and control systems in the field offices of Customs, DEA and the North American Air Defense Command as part of our national anti-drug policy.

In 1990, Lilia was assigned as Officer-in-Charge of the Personnel Support Detachment at Naval Air Station Whidbey Island, in the State of Washington. In this tour, she was responsible for the pay, travel and career advancements matters of 8,000 service members and their families. Lilia returned to the Washington, D.C. area again in 1992, where she served as the base-commander of the Navel Communications Unit Chetenham, a 230-acre facility in rural Maryland. At Cheltenham, 300 personnel and 19 tenant commands where under her jurisdiction. She also environmentally protected the wetlands at her base and hosted the local Boy Scout Troop.

In 1994, Lilia began a tour in the Secretary of the Navy's Office of Legislative Affairs. Lilia was responsible for representing the command, control, communications and tactical intelligence programs to the defense and intelligence committees of both the House and Senate. In addition to numerous informational visits to the Naval communications and intelligence facilities throughout the United States, Europe and Japan, Lilia escorted Congressional delegations to the refugee camps in Guantanomo Bay, Cuba and later to the national elections in Nicaragua. In 1997, as a member of the team from the U.S. Naval Academy, she visited Peru to advise the Peruvian Navy on integrating women into their naval academy.

As the first U.S. Naval woman to attend the Inter-American Defense College, Lilia again helped blaze a trail for all women. Named as the ambassador of the U.S. Navy, she combined her native Spanish fluency and experience in nation security affairs to impress her Latin American counterparts. She forged lasting relationships with key civilian and military leaders of Latin America and left them with enduring, positive memories of women as military professionals.

Lilia's personal decorations include the Defense Meritorious Service Medal, the Meritorious Service Medal, the Joint Service Commendation Medal and the Navy Commendation Medal (three awards).

The United States, as a nation, owes a great debt of gratitude to Lilia Ramirez whose example will inspire women, Hispanics and all Americans seeking public service and whose work will have a lasting impact on our armed forces for years to come. While we will miss her distinguished career in uniform, we will no doubt continue to enjoy her commitment to her community and Nation. I wish to recognize her entire family, including her father Alvaro, her mother Ana (whom we lost this year to cancer), her brothers Michael and Henry and her sisters Angela and Ana Tulita who are all great American success stories of their own right. Best wishes to Lilia, her husband Randall Lovdahl (Commander, U.S. Navy) and her children Bianca and Beau as they mark this special milestone.•

DELAYING THE IMPLEMENTATION OF SECTION 110 OF THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996

• Mr. MOYNIHAN. Mr. President, I am opposed to implementing section 110 of the Immigration Reform Act of 1996. Its implementation would create widespread chaos and lead to untold congestion at our Northern borders' checkpoints, potentially creating havoc with our largest trading partner, Canada.

Each year, more than eight million trucks cross the eastern United States-Canada border carrying a variety of goods to market. In addition, the Eastern Border Transportation Coalition estimates that over 57 million cars cross that border each year. Sixty percent of these are day trips—people crossing the border to go to work or school, attend cultural events or to shop. The remaining forty percent of auto border crossings were by vacationers.

If implemented, an automated entry-exit system along the northern border would hamper both trade and tourism. This is not inconsequential. The United States-Canadian trade relationship is the largest in the world, totalling $272 billion in 1995. Compare this to $256 billion in trade for the entire European Union during that same period and one gets an idea of how important this relationship is and why it must remain unfettered by chaotic checkpoints.•

WETLANDS AND WILDLIFE CONSERVATION ACT

• Mr. GRAMS. Mr. President, I rise today having learned of last night's unanimous consent request on S. 1677—The Wetlands and Wildlife Conservation Act of 1998.

As you know, S. 1677 reauthorizes the North American Wetlands Conservation Act (NAWCA) for the next five years. Mr. President, over its eight year history NAWCA has been a lynchpin in our nations efforts to preserve habitat and protect wildlife.

NAWCA has been a very good program for wildlife, for conservation, and for American taxpayers. For every one dollar of federal money, the program obtains on average a match of another two dollars from private partners. According to Ducks Unlimited, over 550 projects nationwide have been initiated with NAWCA funding. In 1996, 76.9 million individuals took part in wildlife-associated activities, creating over $100 billion in expenditures for our economy. Additionally, in 1996, over 40 million sportsmen and women spent over $70 billion in recreational expenditures and millions more Americans spent billions in non-sport activities associated with wildlife.

My home state of Minnesota, in particular, has benefited from NAWCA. Over its eight-year life, NAWCA funding of $18.4 million has stimulated private partners to contribute over $25 million more to habitat projects. In 1996, 1.6 million Minnesotans participated in wildlife-associated activities, creating $3.6 billion in expenditures throughout the state.

But beyond the economic benefits NAWCA provides are the important environmental aspects to the program. The decline in duck, geese, and other waterfowl populations in the early 1980s created the catalyst for the program. By protecting nearly 3.7 million acres of habitat since its creation, NAWCA has helped restore waterfowl populations to their highest level in half a century. In fact, state and federal surveys this past year counted 42 million breeding ducks, the highest level since surveys began in 1955, according to the U.S. Department of the Interior.

I was proud to join my colleagues this past April in cosponsoring S. 1677. I am even more proud to come to the floor today knowing the bill has passed the United States Senate and will continue to protect habitat and wildlife well into the future.•

RECOGNIZING BETTE WAHL

• Mr. KOHL. Mr. President, I rise today to recognize a woman who has been honored as one of only seven Americans to receive the National Crime Prevention Council's Ameritech Award of excellence in Crime Prevention.

Bette Wahl is an enthusiastic youth advocate and a strong voice in the Eau Claire community for crime prevention. While her words are powerful and persuasive, her actions prove her dedication to the youth of Eau Claire, Wisconsin. Mrs. Wahl is the Project Coordinator for the Eau Claire Coalition for Youth. The Coalition is a collaboration of 28 agencies which address the recreational, educational, and social needs of youth and family. Under Mrs. Wahl's guidance, creativity, and energy, the Coalition has grown and become a true asset to the community.

Bette Wahl has created innovative youth crime prevention programs, enlisting the support of senior citizens in her community. In 1994, Seniors Partnering with Youth brought young and old together to work on service projects that benefit the community. This program provides an alternative activity to crime and delinquency, helps youth serve the community, and develops the values of compassion, respect, and responsibility. Bette also created two pilot youth employment programs which serve as gang and delinquency diversion programs. Through one of the programs, Youth Works, young people build self-esteem, pride, and responsibility.

Bette has displayed her extraordinary passion and skill while developing effective crime prevention programs in the Eau Claire community. Eau Claire's chief of police, David Malone, called Bette "phenomenal" saying that "she seems to have a unique talent for bringing out the best in people and getting them to reach a solution." She succeeds where others fail by influencing and inspiring others with her energy and creativity, thereby achieving a positive and permanent change in the crime prevention field.

Bette recognizes that greater communication and integration of services enables a community to achieve tangible benefits in crime prevention. Sixty percent of juveniles in her truancy reduction program experienced an increase in school attendance; she has provided community service opportunities for 369 youth in another program, and she organizes two youth job fairs each year to match youth with area businesses for entry level jobs.

Mrs. Wahl's hard work in crime prevention encourages youth, adults, businesses, government agencies, community organizations, and schools to participate in a community-wide partnership to help Eau Claire's youth realize their full potential. On behalf of all those affected by her work and in honor of her recent award, congratulations, Bette Wahl.•

RECOGNIZING MR. MORRIS AMITAY, DISTINGUISHED PRO-ISRAEL ACTIVIST

• Mr. SPECTER. Mr. President, I was happy to read a recent article in the Washington Jewish Week, Guide to Jewish Life in Washington, 1998–1999, about Morrie Amitay and his tireless work toward improving the bonds between the United States and Israel.

I have known Morrie since my earliest days on Capitol Hill and have had the opportunity to witness many of his accomplishments. Morrie's career is indeed impressive. During his years at Harvard Law School, Morrie developed a strong interest in United States foreign policy. This led to a career with the U.S. Foreign Service, where he served the U.S. embassies in both Italy and South Africa. Morrie's talents were quickly noted and he was promoted rapidly. In 1969, Morrie turned his attention to Capitol Hill where he took a position as a legislative assistant in the House of Representatives.

In 1974, while working as an aide for Senator Abraham Ribicoff, Morrie was instrumental in crafting the Jackson-Vanik Amendment—part of the Trade Act of 1974—which provided for an increase of Jewish immigrants from the then-religiously oppressive Soviet Union, into the United States.

Another significant achievement of Morrie's was to become executive director of AIPAC, the American Israel Public Affairs Committee. During Morrie's tenure at AIPAC, the political action committee grew to be one of the most successful interest groups in Washington, D.C. His current work involves educating the American Jewish community on defense issues, and also strengthening the strategic ties between the defense establishments of the United States and Israel. This important work is accomplished through his position as vice chairman at the Jewish Institute for National Security Affairs.

Mr. President, I am privileged to be a friend of Morrie Amitay and I am proud to stand before you today and recognize his successful career. I offer congratulations to Morrie and best wishes for the future.•

TRIBUTE TO PATRICIA HYLTON

• Mr. FAIRCLOTH. Mr. President, I rise to commend a former member of my staff, Patricia Hylton, who has recently been named manager of the Refuse To Be A Victim program. Trish was an invaluable member of my office, and I'm certain that she will be successful in making Refuse To Be A Victim a beneficial program for women across the country.

While working in my office, Trish became interested in developing crime awareness and prevention programs for women. Regrettably, such efforts are needed. The statistics are frightening. Seventy-three percent of women will be victimized at some point in their lives. Seventy-three percent. One million women are stalked each year in the United States. Figures such as these call for decisive action.

I am proud to recognize a program that empowers women with a strategy to ensure their own personal safety. Refuse To Be A Victim is a superior safety tool and thousands of women are safer because of their participation. Refuse To Be A Victim is sponsored by the National Rifle Association. The program is not, however, about firearms. Instead, Refuse To Be A Victim offers women the knowledge necessary to avoid being victimized.

This program is taught throughout the United States an in my home state nine men and women instruct hundreds of North Carolinians each year. I'm pleased that Trish has committed herself to such a worthwhile program. And I hope that many more American women will take advantage of this exceptional learning experience.•

CBO COST ANALYSIS—S. 2361

• Mr. CHAFEE. Mr. President, on September 11, 1998, the Committee on Environmental and Public Works filed Senate Report 105–326, to accompany S. 2361, the Disaster Mitigation Act of 1998. When the report was filed, the letter and analysis of the cost of the legislation prepared by the Congressional Budget Office, as required by Section 403 of the Congressional Budget and Impoundment Control Act, was not available to the committee. That information was received on September 29, 1998. Therefore, I request that the letter from the Congressional Budget Office and cost analysis be placed in the CONGRESSIONAL RECORD.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 29, 1998.
Hon. JOHN H. CHAFEE,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 2361, the Disaster Mitigation Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Kristen Layman (for federal costs) and Lisa Cash Driskill (for the state and local impact).

Sincerely,
JUNE E. O'NEILL,
Director.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, SEPTEMBER 29, 1998

S. 2361: DISASTER MITIGATION ACT OF 1998

(As ordered reported by the Senate Committee on Environment and Public Works on July 29, 1998)

SUMMARY

S. 2361 would amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize a predisaster mitigation program and make changes to the existing disaster relief program.

S. 2361 would emphasize predisaster mitigation in order to reduce the long-run costs of disasters. If the authorized funding for mitigation efforts is provided and used judiciously, enactment of this bill could lead to substantial savings to the federal government by reducing the need for future disaster relief funds. CBO cannot estimate the magnitude of such savings because we cannot predict either the frequency or incidence of major natural disasters.

The bill would authorize the appropriation of $175 million ($35 million a year) over fiscal years 1998 through 2002 for a predisaster mitigation program. In addition to these specified authorizations, other provisions in S. 2361 would result in changes in discretionary spending, assuming appropriation of the necessary amounts. In total, CBO estimates that implementing S. 2361 would require net new appropriations of $585 million over the 1999–2003 period: $140 million from the amounts specified in the bill ($175 million minus the 1998 authorization of $35 million) and $445 million from other provisions. That spending may be offset by savings in regular and emergency appropriations for disaster relief, but CBO cannot estimate the timing or precise amounts of the potential savings. Over the next 10 years, such savings could exceed the $140 million that the bill would authorize for predisaster mitigation efforts over fiscal years 1999 through 2002.

S. 2361 also would affect direct spending by speeding up the disbursement of some existing disaster relief funds; therefore, pay-as-you-go procedures would apply. CBO estimates that outlays from such funds would be $230 million higher in 1999 than they would be under current law, but that there would be no net change in direct spending from this provision over the 1999–2003 period. S. 2361 would affect direct spending in two other ways that would have no significant budgetary impact. It would expand the definition of public safety officer to include certain federal and state emergency management personnel, thereby increasing payments for death benefits from the public safety officers program administered by the Department of Justice. The bill also would raise offsetting receipts by an estimated $3 million each year, but that increase would be matched by higher spending because the Federal Emergency Management Agency (FEMA) would be allowed to spend those receipts without appropriation action.

S. 2361 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would significantly benefit the budgets of state, local, and tribal governments.

DESCRIPTION OF THE BILL'S MAJOR PROVISIONS

Title I would establish a program to provide financial assistance to state and local governments for predisaster mitigation activities. The predisaster mitigation program would expire on October 1, 2003. S. 2361 would require the President to transmit a report to the Congress that would evaluate efforts to implement the predisaster hazard mitigation programs and recommend a process for transferring greater authority over the program to states.

Title I also would remove a yearly cap of $50,000 per state on the grants that the President makes for improving and maintaining disaster assistance plans and would increase the maximum federal contribution for mitigation costs from 15 percent to 20 percent.

Title II would combine any expenses not chargeable to a specific project into a single category called management costs. It would direct the President to establish standard rates for reimbursing states for such costs.

In addition, title II would reduce the federal government's share of costs for repairing damaged facilities from 90 percent to 75 percent, but would allow the President the flexibility to make the contribution as much as 90 percent if the President determines that funds will be used for mitigation activities. Title II would also allow the President to use the estimated cost of repairing or replacing a facility, rather than the actual cost, to determine the level of assistance to provide. S. 2361 would establish an expert panel to develop procedures for estimating the cost of repairing a facility.

Title II would combine the Temporary Housing Assistance (THA) and Individual and Family Grant (IFG) programs into one program, and would eliminate the community disaster loan program, a program that assists any local government that has suffered a substantial loss of tax revenues as a result of a major disaster.

Finally, title II would authorize the President to provide assistance to any local government that helps to suppress a fire that threatens the destruction of public or private forests and grasslands.

Title III would expand the definition of public safety officer to include permanent employees of FEMA and employees of state or local emergency management agencies whose duties are determined to be hazardous and related to a major disaster. As a result, more employees would be eligible for death, disability, and education benefits.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that implementing S. 2361 would result in additional discretionary outlays of $582 million over the 1999–2003 period ($137 million from authorizations specified in the bill and $445 million from other provisions). These costs are likely to be at least partially offset by future savings resulting from predisaster mitigation efforts, but CBO cannot estimate the magnitude or timing of such savings. S. 2361 would speed up spending of certain existing funds and would thus affect direct spending. However, we estimate no net change over the 1999–2003 period from that timing shift. S. 2361 would also increase offsetting receipts and direct spending of such receipts by approximately $3 million each year from 1999 through 2003.

The estimated budgetary impact of certain provisions in S. 2361 is shown in the following table. The table does not reflect some potential savings and costs from provisions that may affect discretionary spending but for which CBO cannot estimate the likely effects. In particular, we cannot estimate the potential savings in the costs of future disaster relief from the increased spending on predisaster mitigation activities that would be authorized by S. 2361. The costs of this legislation fall within budget function 450 (community and regional development).

[By fiscal year, in millions of dollars]

	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Spending for Disaster Relief Under Current Law:						
Budget Authority/Authorization Level [1]	1,920	327	335	344	352	361
Estimated Outlays	2,00	2,580	2,060	1,741	1,211	844
Proposed Changes:						
Specified Authorization for Predisaster Mitigation:						
Authorization Level	0	35	35	35	35	0
Estimated Outlays	0	18	32	35	35	17
Estimated Authorizations:						
Authorization Level	0	197	62	62	62	62
Estimated Outlays	0	197	62	62	62	62
Spending for Disaster Relief Under S. 2361:						
Estimated Authorization Level	1,920	559	432	441	449	423
Estimated Outlays	2,000	2,795	2,154	1,838	1,308	923
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	0	0	0	0	0
Estimated Outlays	0	230	(2)	−138	−92	(2)

[1] The 1998 level is the amount appropriated for that year, including $1.6 billion for an emergency supplemental appropriation provided in Public Law 105–74. The remainder of the 1998 level is the regular appropriation of $320 million. The levels shown for 1999 through 2003 are CBO baseline projections assuming increases for anticipated inflation. Alternatively, if the comparison were made to a baseline without discretionary inflation, the current law authorization level would be $320 million each year, but the incremental cost of the bill would be the same.

[2] Less than $500,000.

BASIS OF ESTIMATE

For the purposes of this estimate, CBO assumes that S. 2361 will be enacted near the beginning of fiscal year 1999, and that the amounts authorized and estimated to be necessary will be appropriated near the start of each fiscal year.

Spending Subject to Appropriation

S. 2361 contains provisions that would result in both costs and savings to the federal government. CBO estimates costs associated with provisions that would: Authorize appropriations for predisaster mitigation, increase the federal contribution for mitigation costs, combine the Individual Family Grant program and the Temporary Housing Assistance program, remove a cap on grants for disaster assistance plans, and increase certain disability and education benefits by expanding the definition of public safety officers.

CBO estimates savings associated with provisions that would: Allow the President to use the estimated cost of repairs rather than the actual cost, and eliminate the community disaster loan program.

CBO cannot estimate the discretionary effects of provisions that would: Achieve long-run savings associated with the predisaster mitigation efforts, encourage provision of financial assistance rather than provision of housing units, establish standardized rates for reimbursement of management costs, provide grants for the testing and application of hazard identification technologies, establish a pilot program to determine the desirability of state administration of parts of the disaster relief program, and authorize the President to provide fire suppression assistance to local governments.

Provisions with Estimated Costs. Under current law, 15 percent of the estimated amount of grants made with respect to a major disaster would be provided to the state for post-disaster mitigation activities. S. 2361 would increase this percentage to 20 percent for all major disasters declared after March 1, 1997. FEMA spent $332 million for post-disaster mitigation from March 1, 1997, to August 31, 1998. If the contribution were raised by one-third, the federal government would make an additional $111 million in grants for its share of mitigation activities during this period. To assess future costs, CBO based its projection on the average annual amount of such expenses over the last five calendar years—$313 million. Using that five-year average, the rate increase from 15 percent to 20 percent would require increased funding for the federal contribution of $104 million a year over the next several years. In total, CBO estimates that implementing this provision would require the appropriation of $655 million over the 1999–2003 period: $135 million for the 1997–1998 period and $520 million for the 1999–2003 period. This estimate assumes that the funds to pay for the provision would come from future appropriations.

CBO estimates that combining the Individual Family Grant program and the Temporary Housing Assistance program would result in additional costs of approximately $40 million per year from 1999 through 2003. Under current law, the federal share for the IFG program is 75 percent of the actual cost incurred. Combining the IFG and THA programs would change the federal match to 100 percent.

CBO estimates that the costs associated with removing the yearly cap of $50,000 per state on the grants that are made to states for improvement of disaster assistance plans would be about $1 million per year. FEMA currently provides the maximum $50,000 grant to each state for disaster assistance planning. Under S. 2361, FEMA would no longer be bound by the cap and might increase spending on state disaster assistance programs, although such spending is subject to appropriation. Additional spending on state disaster assistance plans could result in future savings if improving these disaster plans reduces FEMA's long-run costs.

S. 2361 would make certain federal and state emergency management employees eligible for disability and education benefits. Enacting the legislation could increase payments of these benefits, assuming appropriation of any necessary amounts. CBO estimates that the effect on discretionary spending would be less than $500,000 a year because the number of additional people qualifying for these benefits would likely be very small.

Provisions with Estimated Savings. CBO estimates that allowing the President to use the estimated cost of repairing a facility, rather than the actual cost, to determine the level of assistance to provide would result in savings of approximately $56 million per year. According to FEMA, reliance on the estimated cost rather than the actual cost of repair would reduce the administrative burden on the agency. S. 2361 would also establish an expert panel, including representatives from the construction industry, to develop procedures for estimating the cost of repairing a facility. If the actual costs of repair are greater than 120 percent or less than 80 percent of the estimated costs, CBO assumes that FEMA could receive compensation for overpayments or provide compensation for underpayments. Savings from this provision may be partially offset by the additional costs of establishing an expert panel, estimating the cost of repairs with more precision, and evaluating the accuracy of estimates. CBO estimates that this provision would result in an overall 25 percent reduction in administrative costs after accounting for additional costs described above.

Based on data provided by FEMA, CBO estimates that eliminating the community disaster loan program would result in savings of approximately $23 million each year from 1999 through 2003.

Provisions with Effects CBO Cannot Estimate. The potential budgetary effects of various provisions of S. 2361 are uncertain because they depend upon the extent and nature of future disasters, the manner in which the Administration would implement certain provisions, and the extent to which states would participate in certain programs.

CBO cannot estimate the potential savings associated with the predisaster mitigation efforts proposed in this bill. Mitigation efforts could achieve substantial savings if damages from future disasters are lessened as a result of the predisaster mitigation measures provided for in the bill. In addition, S. 2361 would encourage the provision of financial assistance to disaster victims for rental of alternative housing accommodations rather than directly providing housing units. CBO expects that this provision would result in savings, but we cannot estimate the amount of the savings. Finally, S. 2361 also would establish standardized reimbursement rates that would reduce the administrative burden of compensating states for indirect costs not chargeable to a specific project. This provision is also likely to result in some savings in FEMA's administrative costs, but CBO has no basis for estimating the likely amount of such savings.

In addition, S. 2361 would authorize grants for 50 percent of the cost of testing new hazard identification technologies (such as improved floodplain mapping technologies) and would establish a pilot program for the devolution of certain responsibilities to the states. At this time, CBO cannot estimate the costs associated with these provisions, or any potential savings that might later accrue from implementing them.

Finally, based on information from FEMA, CBO estimates that the provision authorizing the President to provide additional assistance to local governments for fire suppression would probably have no significant net budgetary impact. Additional costs for providing this assistance are likely to be at least partially offset by administrative savings; but CBO cannot estimate the precise net effect of this provision.

Direct Spending

Enacting S. 2361 would affect direct spending by speeding up the disbursement of funds that have already been appropriated for post-disaster mitigation under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The bill would allow the President to use such funds for the predisaster mitigation program if the funds are not obligated within 30 months after the declaration of the disaster for which they were provided. Based on information from FEMA, CBO estimates that currently approximately $460 million would be eligible for use by the predisaster mitigation program under this provision. Under S. 2361, CBO expects that those funds would be spent between 1999 and 2001, instead of between 2000 and 2002, as under current law. Outlays would increase by $230 million in 1999 and drop by an equal amount over fiscal years 2001 and 2002. The net direct spending effect of this provision would be zero over the 1999–2003 period. More funds, in addition to the estimated $460 million, could become available in the future for shifts to predisaster mitigation activity, but we cannot estimate the likely amount. Finally, this provision could lead to an increase in future appropriations to replenish the disaster relief fund's resources for post-disaster mitigation, but the magnitude and timing of any such effect is uncertain.

In addition, the bill would change the definition of public safety officer to include permanent employees of FEMA and employees of a state or local emergency management agency whose duties are determined to be hazardous and related to a major disaster or emergency. CBO estimates that any change in direct spending would be less than $500,000 a year because the number of additional beneficiaries is likely to be very small.

The bill would expand FEMA's authority to sell temporary housing. Under the Balanced Budget Act of 1997, proceeds from nonroutine asset sales may be counted as a reduction in direct spending for pay-as-you-go purposes only if such sales would entail no net financial cost to the government. CBO estimates that the sale of temporary housing under S. 2361 would not result in a net cost to the government. Based on data provided by FEMA detailing the sale of manufactured homes and trailers, CBO estimates that this provision would result in increased offsetting receipts of approximately $3 million each year. Because the agency could then spend the new receipts, without appropriation action, this provision would have no net effect on direct spending.

The provision relating to sales of temporary housing would direct the President to deposit all receipts from such sales into the disaster relief fund, where they could be spent without further appropriation. Under current law, any receipts obtained are deposited into the general fund of the Treasury (and thus are not available for spending). This change would result in increased direct spending related to sales that would occur under current law. But based on information from FEMA, CBO estimates that any such effect would be insignificant because receipts from sales under existing authority are expected to be negligible.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. The use of existing unexpended balances for predisaster mitigation will increase outlays in 1999, but have no net impact over the next five years. CBO estimates that other effects on direct spending would be less than $500,000 a year. (Enacting the bill would not affect governmental receipts.) For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

[By fiscal year, in millions of dollars]

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	230	0	−138	−92	0	0	0	0	0	0
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 2361 contains no intergovernmental mandates as defined in UMRA and would significantly benefit the budgets of state, local, and tribal governments. The bill would authorize $175 million over the next five years to assist in predisaster mitigation projects, and the percentage of funds available for post-disaster mitigation activities would be increased. The 25 percent state matching requirements for individual and family grants and certain housing assistance would no longer be required, reducing the burden on states by an estimated $40 million per year.

The bill would also amend the definition of public facilities to exclude public golf courses, making them no longer eligible for funding under the Stafford Act. In addition, states or local governments which take longer than three years after declaration of a major disaster to file a claim for assistance would be subject to a potential reduction in the federal government's share of their claim.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill would impose no new private-sector mandates as defined in UMRA.

PREVIOUS CBO ESTIMATE

On August 5, 1998, CBO prepared a cost estimate for H.R. 3869, the Disaster Mitigation Act of 1998, as ordered reported by the House Committee on Transportation and Infrastructure on June 25, 1998. H.R. 3869 differs from S. 2361 in that it would provide higher authorization levels for the predisaster mitigation program and would add new restrictions to the funds that a private nonprofit facility could receive for repair and replacement of damaged facilities. H.R. 3869 does not contain provisions that would affect fire suppression assistance and public safety officer benefits as S. 2361 does. Other differences in the two bills do not affect the cost estimates.

Estimate prepared by: Federal Costs: Kristen Layman, Impact on State, Local, and Tribal Governments: Lisa Cash Driskill.

Estimate approved by: Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.●

EXTENDING THE DATE BY WHICH AN AUTOMATED ENTRY-EXIT CONTROL SYSTEM MUST BE DEVELOPED

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 2540, introduced earlier today by Senators ABRAHAM and KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2540) to extend the date by which an automated entry-exit control system must be developed.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mrs. HUTCHISON. I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2540) was read the third time and passed, as follows:

S. 2540

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DATE FOR DEVELOPMENT OF AUTOMATED ENTRY-EXIT CONTROL SYSTEM.

Section 110 of division C of Public Law 104–208 is amended by striking "2 years after the date of enactment of this Act" and inserting "October 15, 1999.

ORDER FOR STAR PRINT—S. 1637

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that S. 1637 be star printed with the changes that are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

OCEAN SHIPPING REFORM ACT OF 1998

Mrs. HUTCHISON. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on the bill (S. 414) to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 414) entitled "An Act to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ocean Shipping Reform Act of 1998".

SEC. 2. EFFECTIVE DATE.

Except as otherwise expressly provided in this Act, this Act and the amendments made by this Act take effect May 1, 1999.

TITLE I—AMENDMENTS TO THE SHIPPING ACT OF 1984

SEC. 101. PURPOSE.

Section 2 of the Shipping Act of 1984 (46 U.S.C. App. 1701) is amended by—

(1) striking "and" after the semicolon in paragraph (2);

(2) striking "needs." in paragraph (3) and inserting "needs; and";

(3) adding at the end thereof the following:

"(4) to promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace.".

SEC. 102. DEFINITIONS.

Section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702) is amended by—

(1) striking "the government under whose registry the vessels of the carrier operate;" in paragraph (8) and inserting "a government;";

(2) striking paragraph (9) and inserting the following:

"(9) 'deferred rebate' means a return by a common carrier of any portion of freight money to a shipper as a consideration for that shipper giving all, or any portion, of its shipments to that or any other common carrier over a fixed period of time, the payment of which is deferred beyond the completion of service for which it is paid, and is made only if the shipper has agreed to make a further shipment or shipments with that or any other common carrier.";

(3) striking paragraph (10) and redesignating paragraphs (11) through (27) as paragraphs (10) through (26);

(4) striking "in an unfinished or semifinished state that require special handling moving in lot sizes too large for a container," in paragraph (10), as redesignated;

(5) striking "paper board in rolls, and paper in rolls." in paragraph (10) as redesignated and inserting "paper and paper board in rolls or in pallet or skid-sized sheets.";

(6) striking "conference, other than a service contract or contract based upon time-volume rates," in paragraph (13) as redesignated and inserting "agreement";

(7) striking "conference." in paragraph (13) as redesignated and inserting "agreement and the contract provides for a deferred rebate arrangement.";

(8) by striking "carrier." in paragraph (14) as redesignated and inserting "carrier, or in connection with a common carrier and a water carrier subject to subchapter II of chapter 135 of title 49, United States Code.";

(9) striking paragraph (16) as redesignated and redesignating paragraphs (17) through (26) as redesignated as paragraphs (16) through (25), respectively;

(10) striking paragraph (17), as redesignated, and inserting the following:

"(17) 'ocean transportation intermediary' means an ocean freight forwarder or a non-vessel-operating common carrier. For purposes of this paragraph, the term—

"(A) 'ocean freight forwarder' means a person that—

"(i) in the United States, dispatches shipments from the United States via a common carrier and books or otherwise arranges space for those shipments on behalf of shippers; and

"(ii) processes the documentation or performs related activities incident to those shipments; and

"(B) 'non-vessel-operating common carrier' means a common carrier that does not operate the vessels by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier.";

(11) striking paragraph (19), as redesignated and inserting the following:

"(19) 'service contract' means a written contract, other than a bill of lading or a receipt, between one or more shippers and an individual ocean common carrier or an agreement between or among ocean common carriers in which the shipper or shippers makes a commitment to provide a certain volume or portion of cargo over a fixed time period, and the ocean common carrier or the agreement commits to a certain rate or rate schedule and a defined service level, such as assured space, transit time, port rotation, or similar service features. The contract may also specify provisions in the event of nonperformance on the part of any party."; and

(12) striking paragraph (21), as redesignated, and inserting the following:

"(21) 'shipper' means—

"(A) a cargo owner;

"(B) the person for whose account the ocean transportation is provided;

"(C) the person to whom delivery is to be made;

"(D) a shippers' association; or

"(E) an ocean transportation intermediary, as defined in paragraph (17)(B) of this section, that accepts responsibility for payment of all charges applicable under the tariff or service contract.".

SEC. 103. AGREEMENTS WITHIN THE SCOPE OF THE ACT.

(a) OCEAN COMMON CARRIERS.—Section 4(a) of the Shipping Act of 1984 (46 U.S.C. App. 1703(a)) is amended by—

(1) striking "operators or non-vessel-operating common carriers;" in paragraph (5) and inserting "operators;";

(2) striking "and" in paragraph (6) and inserting "or"; and

(3) striking paragraph (7) and inserting the following:

"(7) discuss and agree on any matter related to service contracts.".

(b) MARINE TERMINAL OPERATORS.—Section 4(b) of that Act (46 U.S.C. App. 1703(b)) is amended by—

(1) striking "(to the extent the agreements involve ocean transportation in the foreign commerce of the United States)";

(2) striking "and" in paragraph (1) and inserting "or"; and

(3) striking "arrangements." in paragraph (2) and inserting "arrangements, to the extent that such agreements involve ocean transportation in the foreign commerce of the United States.".

SEC. 104. AGREEMENTS.

(a) IN GENERAL.—Section 5 of the Shipping Act of 1984 (46 U.S.C. App. 1704) is amended by—

(1) striking subsection (b)(8) and inserting the following:

"(8) provide that any member of the conference may take independent action on any rate or service item upon not more than 5 calendar days' notice to the conference and that, except for exempt commodities not published in the conference tariff, the conference will include the new rate or service item in its tariff for use by that member, effective no later than 5 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item;

(2) redesignating subsections (c) through (e) as subsections (d) through (f); and

(3) inserting after subsection (b) the following:

"(c) OCEAN COMMON CARRIER AGREEMENTS.—An ocean common carrier agreement may not—

"(1) prohibit or restrict a member or members of the agreement from engaging in negotiations for service contracts with 1 or more shippers;

"(2) require a member or members of the agreement to disclose a negotiation on a service contract, or the terms and conditions of a service contract, other than those terms or conditions required to be published under section 8(c)(3) of this Act; or

"(3) adopt mandatory rules or requirements affecting the right of an agreement member or agreement members to negotiate and enter into service contracts.

An agreement may provide authority to adopt voluntary guidelines relating to the terms and procedures of an agreement member's or agreement members' service contracts if the guidelines explicitly state the right of members of the agreement not to follow the guidelines. These guidelines shall be confidentially submitted to the Commission.".

(b) APPLICATION.—

(1) Subsection (e) of section 5 of that Act, as redesignated, is amended by striking "this Act, the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, do" and inserting "this Act does"; and

(2) Subsection (f) of section 5 of that Act, as redesignated, is amended by—

(A) striking "and the Shipping Act, 1916, do" and inserting "does";

(B) striking "or the Shipping Act, 1916,"; and

(C) inserting "or are essential terms of a service contract" after "tariff".

SEC. 105. EXEMPTION FROM ANTITRUST LAWS.

Section 7 of the Shipping Act of 1984 (46 U.S.C. App. 1706) is amended by—

(1) inserting "or publication" in paragraph (2) of subsection (a) after "filing";

(2) striking "or" at the end of subsection (b)(2);

(3) striking "States." at the end of subsection (b)(3) and inserting "States; or"; and

(4) adding at the end of subsection (b) the following:

"(4) to any loyalty contract.".

SEC. 106. TARIFFS.

(a) IN GENERAL.—Section 8(a) of the Shipping Act of 1984 (46 U.S.C. App. 1707(a)) is amended by—

(1) inserting "new assembled motor vehicles," after "scrap," in paragraph (1);

(2) striking "file with the Commission, and" in paragraph (1);

(3) striking "inspection," in paragraph (1) and inserting "inspection in an automated tariff system,";

(4) striking "tariff filings" in paragraph (1) and inserting "tariffs";

(5) striking "freight forwarder" in paragraph (1)(C) and inserting "transportation intermediary, as defined in section 3(17)(A),";

(6) striking "and" at the end of paragraph (1)(D);

(7) striking "loyalty contract," in paragraph (1)(E);

(8) striking "agreement." in paragraph (1)(E) and inserting "agreement; and";

(9) adding at the end of paragraph (1) the following:

"(F) include copies of any loyalty contract, omitting the shipper's name."; and

(10) striking paragraph (2) and inserting the following:

"(2) Tariffs shall be made available electronically to any person, without time, quantity, or other limitation, through appropriate access from remote locations, and a reasonable charge may be assessed for such access. No charge may be assessed a Federal agency for such access.".

(b) SERVICE CONTRACTS.—Subsection (c) of that section is amended to read as follows:

"(c) SERVICE CONTRACTS.—

"(1) IN GENERAL.—An individual ocean common carrier or an agreement between or among ocean common carriers may enter into a service contract with one or more shippers subject to the requirements of this Act. The exclusive remedy for a breach of a contract entered into under this subsection shall be an action in an appropriate court, unless the parties otherwise agree. In no case may the contract dispute resolution forum be controlled by or in any way affiliated with a controlled carrier as defined in section 3(8) of this Act, or by the government which owns or controls the carrier.

"(2) FILING REQUIREMENTS.—Except for service contracts dealing with bulk cargo, forest products, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste, each contract entered into under this subsection by an individual ocean common carrier or an agreement shall be filed confidentially with the Commission. Each service contract shall include the following essential terms—

"(A) the origin and destination port ranges;

"(B) the origin and destination geographic areas in the case of through intermodal movements;

"(C) the commodity or commodities involved;

"(D) the minimum volume or portion;

"(E) the line-haul rate;

"(F) the duration;

"(G) service commitments; and

"(H) the liquidated damages for nonperformance, if any.

"(3) PUBLICATION OF CERTAIN TERMS.—When a service contract is filed confidentially with the Commission, a concise statement of the essential terms described in paragraphs 2 (A), (C), (D), and (F) shall be published and made available to the general public in tariff format.

"(4) DISCLOSURE OF CERTAIN TERMS.—

"(A) An ocean common carrier, which is a party to or is subject to the provisions of a collective bargaining agreement with a labor organization, shall, in response to a written request by such labor organization, state whether it is responsible for the following work at dock areas and within port areas in the United States with respect to cargo transportation under a service contract described in paragraph (1) of this subsection—

"(i) the movement of the shipper's cargo on a dock area or within the port area or to or from railroad cars on a dock area or within the port area;

"(ii) the assignment of intraport carriage of the shipper's cargo between areas on a dock or within the port area;

"(iii) the assignment of the carriage of the shipper's cargo between a container yard on a dock area or within the port area and a rail yard adjacent to such container yard; and

"(iv) the assignment of container freight station work and container maintenance and repair work performed at a dock area or within the port area.

"(B) The common carrier shall provide the information described in subparagraph (A) of this paragraph to the requesting labor organization within a reasonable period of time.

"(C) This paragraph requires the disclosure of information by an ocean common carrier only if *there exists an applicable and otherwise lawful collective bargaining agreement which pertains to that carrier. No disclosure made by an ocean common carrier shall be deemed to be an admission or agreement that any work is covered by a collective bargaining agreement. Any dispute regarding whether any work is covered by a collective bargaining agreement and the responsibility of the ocean common carrier under such agreement shall be resolved solely in accordance with the dispute resolution procedures contained in the collective bargaining agreement and the National Labor Relations Act, and without reference to this paragraph.*

"(D) Nothing in this paragraph shall have any effect on the lawfulness or unlawfulness under this Act, the National Labor Relations Act, the Taft-Hartley Act, the Federal Trade Commission Act, the antitrust laws, or any other Federal or State law, or any revisions or amendments thereto, of any collective bargaining agreement or element thereof, including any element that constitutes an essential term of a service contract under this subsection.

"(E) For purposes of this paragraph the terms 'dock area' and 'within the port area' shall have the same meaning and scope as in the applicable collective bargaining agreement between the requesting labor organization and the carrier.".

(c) RATES.—Subsection (d) of that section is amended by—

(1) striking the subsection caption and inserting "(d) TARIFF RATES.—";

(2) striking "30 days after filing with the Commission." in the first sentence and inserting "30 calendar days after publication.";

(3) inserting "calendar" after "30" in the next sentence; and

(4) striking "publication and filing with the Commission." in the last sentence and inserting "publication.".

(d) REFUNDS.—Subsection (e) of that section is amended by—

(1) striking "tariff of a clerical or administrative nature or an error due to inadvertence" in paragraph (1) and inserting a comma; and

(2) striking "file a new tariff," in paragraph (1) and inserting "publish a new tariff, or an error in quoting a tariff,";

(3) striking "refund, filed a new tariff with the Commission" in paragraph (2) and inserting "refund for an error in a tariff or a failure to publish a tariff, published a new tariff";

(4) inserting "and" at the end of paragraph (2); and

(5) striking paragraph (3) and redesignating paragraph (4) as paragraph (3).

(e) MARINE TERMINAL OPERATOR SCHEDULES.—Subsection (f) of that section is amended to read as follows:

"(f) MARINE TERMINAL OPERATOR SCHEDULES.—A marine terminal operator may make available to the public, subject to section 10(d) of this Act, a schedule of rates, regulations, and practices, including limitations of liability for cargo loss or damage, pertaining to receiving, delivering, handling, or storing property at its marine terminal. Any such schedule made available to the public shall be enforceable by an appropriate court as an implied contract without proof of actual knowledge of its provisions.".

(f) AUTOMATED TARIFF SYSTEM REQUIREMENTS; FORM.—Section 8 of that Act is amended by adding at the end the following:

"(g) REGULATIONS.—The Commission shall by regulation prescribe the requirements for the accessibility and accuracy of automated tariff systems established under this section. The Commission may, after periodic review, prohibit the use of any automated tariff system that fails to meet the requirements established under this section. The Commission may not require a common carrier to provide a remote terminal for access under subsection (a)(2). The Commission shall by regulation prescribe the form and manner in which marine terminal operator schedules authorized by this section shall be published.".

SEC. 107. AUTOMATED TARIFF FILING AND INFORMATION SYSTEM.

Section 502 of the High Seas Driftnet Fisheries Enforcement Act (46 U.S.C. App. 1707a) is repealed.

SEC. 108. CONTROLLED CARRIERS.

Section 9 of the Shipping Act of 1984 (46 U.S.C. App. 1708) is amended by—

(1) striking "service contracts filed with the Commission" in the first sentence of subsection (a) and inserting "service contracts, or charge or assess rates,";

(2) striking "or maintain" in the first sentence of subsection (a) and inserting "maintain, or enforce";

(3) striking "disapprove" in the third sentence of subsection (a) and inserting "prohibit the publication or use of"; and

(4) striking "filed by a controlled carrier that have been rejected, suspended, or disapproved by the Commission" in the last sentence of subsection (a) and inserting "that have been suspended or prohibited by the Commission";

(5) striking "may take into account appropriate factors including, but not limited to, whether—" in subsection (b) and inserting "shall take into account whether the rates or charges which have been published or assessed or which would result from the pertinent classifications, rules, or regulations are below a level which is fully compensatory to the controlled carrier based upon that carrier's actual costs or upon its constructive costs. For purposes of the preceding sentence, the term 'constructive costs' means the costs of another carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade. The Commission may also take into account other appropriate factors, including but not limited to, whether—";

(6) striking paragraph (1) of subsection (b) and redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively;

(7) striking "filed" in paragraph (1) as redesignated and inserting "published or assessed";

(8) striking "filing with the Commission." in subsection (c) and inserting "publication.";

(9) striking "DISAPPROVAL OF RATES.—" in subsection (d) and inserting "PROHIBITION OF RATES.—Within 120 days after the receipt of information requested by the Commission under this section, the Commission shall determine whether the rates, charges, classifications, rules, or regulations of a controlled carrier may be unjust and unreasonable.";

(10) striking "filed" in subsection (d) and inserting "published or assessed";

(11) striking "may issue" in subsection (d) and inserting "shall issue";

(12) striking "disapproved." in subsection (d) and inserting "prohibited.";

(13) striking "60" in subsection (d) and inserting "30";

(14) inserting "controlled" after "affected" in subsection (d);

(15) striking "file" in subsection (d) and inserting "publish";

(16) striking "disapproval" in subsection (e) and inserting "prohibition";

(17) inserting "or" after the semicolon in subsection (f)(1);

(18) striking paragraphs (2), (3), and (4) of subsection (f); and

(19) redesignating paragraph (5) of subsection (f) as paragraph (2).

SEC. 109. PROHIBITED ACTS.

(a) Section 10(b) of the Shipping Act of 1984 (46 U.S.C. App. 1709(b)) is amended by—

(1) striking paragraphs (1) through (3);

(2) redesignating paragraph (4) as paragraph (1);

(3) inserting after paragraph (1), as redesignated, the following:

"(2) provide service in the liner trade that—

"(A) is not in accordance with the rates, charges, classifications, rules, and practices contained in a tariff published or a service contract entered into under section 8 of this Act unless excepted or exempted under section 8(a)(1) or 16 of this Act; or

"(B) is under a tariff or service contract which has been suspended or prohibited by the Commission under section 9 of this Act or the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a);";

(4) redesignating paragraphs (5) and (6) as paragraphs (3) and (4), respectively;

(5) striking "except for service contracts," in paragraph (4), as redesignated, and inserting "for service pursuant to a tariff,";

(6) striking "rates;" in paragraph (4)(A), as redesignated, and inserting "rates or charges;";

(7) inserting after paragraph (4), as redesignated, the following:

"(5) for service pursuant to a service contract, engage in any unfair or unjustly discriminatory practice in the matter of rates or charges with respect to any port;";

(8) redesignating paragraphs (7) and (8) as paragraphs (6) and (7), respectively;

(9) striking paragraph (6) as redesignated and inserting the following:

"(6) use a vessel or vessels in a particular trade for the purpose of excluding, preventing, or reducing competition by driving another ocean common carrier out of that trade;";

(10) striking paragraphs (9) through (13) and inserting the following:

"(8) for service pursuant to a tariff, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage;

"(9) for service pursuant to a service contract, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any port;

"(10) unreasonably refuse to deal or negotiate;";

(11) redesignating paragraphs (14), (15), and (16) as paragraphs (11), (12), and (13), respectively;

(12) striking "a non-vessel-operating common carrier" in paragraphs (11) and (12) as redesignated and inserting "an ocean transportation intermediary";

(13) striking "sections 8 and 23" in paragraphs (11) and (12) as redesignated and inserting "sections 8 and 19";

(14) striking "or in which an ocean transportation intermediary is listed as an affiliate" in paragraph (12), as redesignated;

(15) striking "Act;" in paragraph (12), as redesignated, and inserting "Act, or with an affiliate of such ocean transportation intermediary;"

(16) striking "paragraph (16)" in the matter appearing after paragraph (13), as redesignated, and inserting "paragraph (13)"; and

(17) inserting "the Commission," after "United States," in such matter.

(b) Section 10(c) of the Shipping Act of 1984 (46 U.S.C. App. 1709(c)) is amended by—

(1) striking "non-ocean carriers" in paragraph (4) and inserting "non-ocean carriers, unless such negotiations and any resulting agreements are not in violation of the antitrust laws and are consistent with the purposes of this Act";

(2) striking "freight forwarder" in paragraph (5) and inserting "transportation intermediary, as defined by section 3(17)(A) of this Act,";

(3) striking "or" at the end of paragraph (5);

(4) striking "contract." in paragraph (6) and inserting "contract;"; and

(5) adding at the end the following:

"(7) for service pursuant to a service contract, engage in any unjustly discriminatory practice in the matter of rates or charges with respect to any locality, port, or persons due to those persons' status as shippers' associations or ocean transportation intermediaries; or

"(8) for service pursuant to a service contract, give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any locality, port, or persons due to those persons' status as shippers' associations or ocean transportation intermediaries;".

(c) Section 10(d) of the Shipping Act of 1984 (46 U.S.C. App. 1709(d)) is amended by—

(1) striking "freight forwarders," and inserting "transportation intermediaries,";

(2) striking "freight forwarder," in paragraph (1) and inserting "transportation intermediary,";

(3) striking "subsection (b)(11), (12), and (16)" and inserting "subsections (b)(10) and (13)"; and

(4) adding at the end thereof the following:

"(4) No marine terminal operator may give any undue or unreasonable preference or advantage or impose any undue or unreasonable prejudice or disadvantage with respect to any person.

"(5) The prohibition in subsection (b)(13) of this section applies to ocean transportation intermediaries, as defined by section 3(17)(A) of this Act.".

SEC. 110. COMPLAINTS, INVESTIGATIONS, REPORTS, AND REPARATIONS.

Section 11(g) of the Shipping Act of 1984 (46 U.S.C. App. 1710(g)) is amended by—

(1) striking "section 10(b)(5) or (7)" and inserting "section 10(b)(3) or (6)"; and

(2) striking "section 10(b)(6)(A) or (B)" and inserting "section 10(b)(4)(A) or (B).".

SEC. 111. FOREIGN SHIPPING PRACTICES ACT OF 1988.

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended by—

(1) striking "'non-vessel-operating common carrier'," in subsection (a)(1) and inserting "'ocean transportation intermediary',";

(2) striking "forwarding and" in subsection (a)(4);

(3) striking "non-vessel-operating common carrier" in subsection (a)(4) and inserting "ocean transportation intermediary services and";

(4) striking "freight forwarder," in subsections (c)(1) and (d)(1) and inserting "transportation intermediary,";

(5) striking "filed with the Commission," in subsection (e)(1)(B) and inserting "and service contracts,";

(6) inserting "and service contracts" after "tariffs" the second place it appears in subsection (e)(1)(B); and

(7) striking "(b)(5)" each place it appears in subsection (h) and inserting "(b)(6)".

SEC. 112. PENALTIES.

(a) Section 13(a) of the Shipping Act of 1984 (46 U.S.C. App. 1712(a)) is amended by adding at the end thereof the following: "The amount of any penalty imposed upon a common carrier under this subsection shall constitute a lien upon the vessels operated by that common carrier and any such vessel may be libeled therefore in the district court of the United States for the district in which it may be found.".

(b) Section 13(b) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)) is amended by—

(1) striking "section 10(b)(1), (2), (3), (4), or (8)" in paragraph (1) and inserting "section 10(b)(1), (2), or (7)";

(2) by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively;

(3) inserting before paragraph (5), as redesignated, the following:

"(4) If the Commission finds, after notice and an opportunity for a hearing, that a common carrier has failed to supply information ordered to be produced or compelled by subpoena under section 12 of this Act, the Commission may request that the Secretary of the Treasury refuse or revoke any clearance required for a vessel operated by that common carrier. Upon request by the Commission, the Secretary of the Treasury shall, with respect to the vessel concerned, refuse or revoke any clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91)."; and

(4) striking "paragraphs (1), (2), and (3)" in paragraph (6), as redesignated, and inserting "paragraphs (1), (2), (3), and (4)".

(c) Section 13(f)(1) of the Shipping Act of 1984 (46 U.S.C. App. 1712(f)(1)) is amended by—

(1) striking "or (b)(4)" and inserting "or (b)(2)";

(2) striking "(b)(1), (4)" and inserting "(b)(1), (2)"; and

(3) adding at the end thereof the following "Neither the Commission nor any court shall order any person to pay the difference between the amount billed and agreed upon in writing with a common carrier or its agent and the amount set fourth in any tariff or service contract by that common carrier for the transportation service provided.".

SEC. 113. REPORTS AND CERTIFICATES.

Section 15 of the Shipping Act of 1984 (46 U.S.C. App. 1714) is amended by—

(1) striking "and certificates" in the section heading;

(2) striking "(a) REPORTS.—" in the subsection heading for subsection (a); and

(3) striking subsection (b).

SEC. 114. EXEMPTIONS.

Section 16 of the Shipping Act of 1984 (46 U.S.C. App. 1715) is amended by striking "substantially impair effective regulation by the Commission, be unjustly discriminatory, result in a substantial reduction in competition, or be detrimental to commerce." and inserting "result in substantial reduction in competition or be detrimental to commerce.".

SEC. 115. AGENCY REPORTS AND ADVISORY COMMISSION.

Section 18 of the Shipping Act of 1984 (46 U.S.C. App. 1717) is repealed.

SEC. 116. OCEAN FREIGHT FORWARDERS.

Section 19 of the Shipping Act of 1984 (46 U.S.C. App. 1718) is amended by—

(1) striking "freight forwarders" in the section caption and inserting "transportation intermediaries";

(2) striking subsection (a) and inserting the following:

"(a) LICENSE.—No person in the United States may act as an ocean transportation intermediary unless that person holds a license issued by the Commission. The Commission shall issue an intermediary's license to any person that the Commission determines to be qualified by experience and character to act as an ocean transportation intermediary.";

(3) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(4) inserting after subsection (a) the following:

"(b) FINANCIAL RESPONSIBILITY.—

"(1) No person may act as an ocean transportation intermediary unless that person furnishes a bond, proof of insurance, or other surety in a form and amount determined by the Commission to insure financial responsibility that is issued by a surety company found acceptable by the Secretary of the Treasury.

"(2) A bond, insurance, or other surety obtained pursuant to this section—

"(A) shall be available to pay any order for reparation issued pursuant to section 11 or 14 of this Act, or any penalty assessed pursuant to section 13 of this Act;

"(B) may be available to pay any claim against an ocean transportation intermediary arising from its transportation-related activities described in section 3(17) of this Act with the consent of the insured ocean transportation intermediary and subject to review by the surety company, or when the claim is deemed valid by the surety company after the ocean transportation intermediary has failed to respond to adequate notice to address the validity of the claim; and

"(C) shall be available to pay any judgment for damages against an ocean transportation intermediary arising from its transportation-related activities under section 3(17) of this Act, provided the claimant has first attempted to resolve the claim pursuant to subparagraph (B) of this paragraph and the claim has not been resolved within a reasonable period of time.

"(3) The Commission shall prescribe regulations for the purpose of protecting the interests of claimants, ocean transportation intermediaries, and surety companies with respect to the process of pursuing claims against ocean transportation intermediary bonds, insurance, or sureties through court judgments. The regulations shall provide that a judgment for monetary damages may not be enforced except to the extent that the damages claimed arise from the transportation-related activities of the insured ocean transportation intermediary, as defined by the Commission.

"(4) An ocean transportation intermediary not domiciled in the United States shall designate a resident agent in the United States for receipt of service of judicial and administrative process, including subpoenas.";

(5) striking, each place such term appears—

(A) "freight forwarder" and inserting "transportation intermediary";

(B) "a forwarder's" and inserting "an intermediary's";

(C) "forwarder" and inserting "intermediary"; and

(D) "forwarding" and inserting "intermediary";

(6) striking "a bond in accordance with subsection (a)(2)." in subsection (c), as redesignated, and inserting "a bond, proof of insurance, or other surety in accordance with subsection (b)(1).";

(7) striking "FORWARDERS.—" in the caption of subsection (e), as redesignated, and inserting "INTERMEDIARIES.—";

(8) striking "intermediary" the first place it appears in subsection (e)(1), as redesignated and as amended by paragraph (5)(A), and inserting "intermediary, as defined in section 3(17)(A) of this Act,";

(9) striking "license" in paragraph (1) of subsection (e), as redesignated, and inserting "license, if required by subsection (a),";

(10) striking paragraph (3) of subsection (e), as redesignated, and redesignating paragraph (4) as paragraph (3); and

(11) adding at the end of subsection (e), as redesignated, the following:

"(4) No conference or group of 2 or more ocean common carriers in the foreign commerce of the United States that is authorized to agree upon the level of compensation paid to an ocean transportation intermediary, as defined in section 3(17)(A) of this Act, may—

"(A) deny to any member of the conference or group the right, upon notice of not more than 5 calendar days, to take independent action on any level of compensation paid to an ocean transportation intermediary, as so defined; or

"(B) agree to limit the payment of compensation to an ocean transportation intermediary, as so defined, to less than 1.25 percent of the aggregate of all rates and charges which are applicable under a tariff and which are assessed

against the cargo on which the intermediary services are provided.''.

SEC. 117. CONTRACTS, AGREEMENTS, AND LICENSES UNDER PRIOR SHIPPING LEGISLATION.

Section 20 of the Shipping Act of 1984 (46 U.S.C. App. 1719) is amended by—

(1) striking subsection (d) and inserting the following:

''(d) EFFECTS ON CERTAIN AGREEMENTS AND CONTRACTS.—All agreements, contracts, modifications, licenses, and exemptions previously issued, approved, or effective under the Shipping Act, 1916, or the Shipping Act of 1984, shall continue in force and effect as if issued or effective under this Act, as amended by the Ocean Shipping Reform Act of 1998, and all new agreements, contracts, and modifications to existing, pending, or new contracts or agreements shall be considered under this Act, as amended by the Ocean Shipping Reform Act of 1998.'';

(2) inserting the following at the end of subsection (e):

''(3) The Ocean Shipping Reform Act of 1998 shall not affect any suit—

''(A) filed before the effective date of that Act; or

''(B) with respect to claims arising out of conduct engaged in before the effective date of that Act filed within 1 year after the effective date of that Act.

''(4) Regulations issued by the Federal Maritime Commission shall remain in force and effect where not inconsistent with this Act, as amended by the Ocean Shipping Reform Act of 1998.''.

SEC. 118. SURETY FOR NON-VESSEL-OPERATING COMMON CARRIERS.

Section 23 of the Shipping Act of 1984 (46 U.S.C. App. 1721) is repealed.

TITLE II—AUTHORIZATION OF APPROPRIATIONS FOR THE FEDERAL MARITIME COMMISSION

SEC. 201. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1998.

There are authorized to be appropriated to the Federal Maritime Commission, $15,000,000 for fiscal year 1998.

SEC. 202. FEDERAL MARITIME COMMISSION ORGANIZATION.

Section 102(d) of Reorganization Plan No. 7 of 1961 (75 Stat. 840) is amended to read as follows:

''(d) A vacancy or vacancies in the membership of Commission shall not impair the power of the Commission to execute its functions. The affirmative vote of a majority of the members serving on the Commission is required to dispose of any matter before the Commission.''.

SEC. 203. REGULATIONS.

Not later than March 1, 1999, the Federal Maritime Commission shall prescribe final regulations to implement the changes made by this Act.

TITLE III—AMENDMENTS TO OTHER SHIPPING AND MARITIME LAWS

SEC. 301. AMENDMENTS TO SECTION 19 OF THE MERCHANT MARINE ACT, 1920.

(a) IN GENERAL.—Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876) is amended by—

(1) striking ''forwarding and'' in subsection (1)(b);

(2) striking ''non-vessel-operating common carrier operations,'' in subsection (1)(b) and inserting ''ocean transportation intermediary services and operations,'';

(3) striking ''methods or practices'' and inserting ''methods, pricing practices, or other practices'' in subsection (1)(b);

(4) striking ''tariffs of a common carrier'' in subsection 7(d) and inserting ''tariffs and service contracts of a common carrier'';

(5) striking ''use the tariffs of conferences'' in subsections (7)(d) and (9)(b) and inserting ''use tariffs of conferences and service contracts of agreements'';

(6) striking ''tariffs filed with the Commission'' in subsection (9)(b) and inserting ''tariffs and service contracts'';

(7) striking ''freight forwarder,'' each place it appears and inserting ''transportation intermediary,''; and

(8) striking ''tariff'' each place it appears in subsection (11) and inserting ''tariff or service contract''.

(b) STYLISTIC CONFORMITY.—Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876), as amended by subsection (a), is further amended by—

(1) redesignating subdivisions (1) through (12) as subsections (a) through (l), respectively;

(2) redesignating subdivisions (a), (b), and (c) of subsection (a), as redesignated, as paragraphs (1), (2), and (3);

(3) redesignating subdivisions (a) through (d) of subsection (f), as redesignated, as paragraphs (1) through (4), respectively;

(4) redesignating subdivisions (a) through (e) of subsection (g), as redesignated, as paragraphs (1) through (5), respectively;

(5) redesignating clauses (i) and (ii) of subsection (g)(4), as redesignated, as subparagraphs (A) and (B), respectively;

(6) redesignating subdivisions (a) through (e) of subsection (i), as redesignated, as paragraphs (1) through (5), respectively;

(7) redesignating subdivisions (a) and (b) of subsection (j), as redesignated, as paragraphs (1) and (2), respectively;

(8) striking ''subdivision (c) of paragraph (1)'' in subsection (c), as redesignated, and inserting ''subsection (a)(3)'';

(9) striking ''paragraph (2)'' in subsection (c), as redesignated, and inserting ''subsection (b)'';

(10) striking ''paragraph (1)(b)'' each place it appears and inserting ''subsection (a)(2)'';

(11) striking ''subdivision (b),'' in subsection (g)(4), as redesignated, and inserting ''paragraph (2),'';

(12) striking ''paragraph (9)(d)'' in subsection (j)(1), as redesignated, and inserting ''subsection (i)(4)''; and

(13) striking ''paragraph (7)(d) or (9)(b)'' in subsection (k), as redesignated, and inserting ''subsection (g)(4) or (i)(2)''.

SEC. 302. TECHNICAL CORRECTIONS.

(a) PUBLIC LAW 89–777.—Sections 2 and 3 of the Act of November 6, 1966 (46 U.S.C. App. 817d and 817e) are amended by striking ''they in their discretion'' each place it appears and inserting ''it in its discretion''.

(b) TARIFF ACT OF 1930.—Section 641(i) of the Tariff Act of 1930 (19 U.S.C. 1641) is repealed.

TITLE IV—CERTAIN LOAN GUARANTEES AND COMMITMENTS

SEC. 401. CERTAIN LOAN GUARANTEES AND COMMITMENTS.

(a) The Secretary of Transportation may not issue a guarantee or commitment to guarantee a loan for the construction, reconstruction, or reconditioning of a liner vessel under the authority of title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) after the date of enactment of this Act unless the Chairman of the Federal Maritime Commission certifies that the operator of such vessel—

(1) has not been found by the Commission to have violated section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876), or the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1701a), within the previous 5 years; and

(2) has not been found by the Commission to have committed a violation of the Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.), which involves unjust or unfair discriminatory treatment or undue or unreasonable prejudice or disadvantage with respect to a United States shipper, ocean transportation intermediary, ocean common carrier, or port within the previous 5 years.

(b) The Secretary of Commerce may not issue a guarantee or a commitment to guarantee a loan for the construction, reconstruction, or reconditioning of a fishing vessel under the authority of title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) if the fishing vessel operator has been—

(1) held liable or liable in rem for a civil penalty pursuant to section 308 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1858) and not paid the penalty;

(2) found guilty of an offense pursuant to section 309 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1859) and not paid the assessed fine or served the assessed sentence;

(3) held liable for a civil or criminal penalty pursuant to section 105 of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1375) and not paid the assessed fine or served the assessed sentence; or

(4) held liable for a civil penalty by the Coast Guard pursuant to title 33 or 46, United States Code, and not paid the assessed fine.

Mrs. HUTCHISON. Mr. President, S. 414 is my bill that was passed by the Senate. It was passed by the House. It is now back in the conference, and there will be an amendment.

American ports and carriers are disadvantaged by current laws that require all contracts to be public. To avoid this, shippers who conveniently can, will ship out of foreign ports in nearby Canada and Mexico to avoid this. U.S. ports are bypassed and the U.S. carriers lose business because only U.S. companies have to reveal their ocean transportation costs. This permits their foreign competition to undercut our shippers.

Recent economic problems in Asia will increase pressure in those countries to increase their exports. Therefore, S. 414 will be even more important as our shippers meet the heightened competitive challenge.

S. 414 attempts to level the playing field between U.S. companies which export and their foreign competitors.

This bill will encourage greater competition among carriers. It will provide American exporters and importers with greater choice in obtaining ocean transportation services, and promote more ocean shipping activity for our carriers and our ports.

In providing our shippers with this important reform, we have still attempted to preserve anti-discrimination provisions in current law and the elements of our current ''transparent'' system that protect our ports, smaller shippers and U.S. workers. This bill balances the need to have enough transparency to assure fair pricing with contract privacy.

Our shippers say they want more flexibility in dealing with their ocean carriers, and the ability to go outside the traditional tariff system and conference structure. We've provided this needed confidentiality, but balanced it with protections for ports and U.S. dock workers who seek information on the movement of commodities to protect their competitive position.

Ninety-five percent of U.S. foreign commerce is transported via ocean shipping. Half of this trade, which is carried by container liner vessels with scheduled service and is regulated under the Shipping Act of 1984, is affected by these reforms. This bill represents the first major reform of this critical industry in a decade, and the most significant change to the underlying statute since 1984.

Mr. President, I am proud to have worked with the distinguished Majority Leader and colleagues from both sides of the aisle to pass this important legislation.

I would like to commend, in addition to the Majority Leader, the ranking member of the full Commerce Committee, Senator HOLLINGS, the ranking member of the Surface Transportation and Merchant Marine Subcommittee, Senator INOUYE, and my colleague from Louisiana, Senator BREAUX, for their hard work in putting together meaningful legislation that we're passing today.

I am very pleased we have now worked this important bill out. I think it will certainly help our economy.

I ask unanimous consent the Senate concur in the amendment of the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I rise to acknowledge today's passage of the Ocean Shipping Reform Act. This action sets America's maritime industry on the right course. It increases competition for U.S. exporters by allowing America's exporters to compete on a level playing field with foreign entities. It has been fourteen years since Congress tackled comprehensive ocean shipping reform for the commercial sector. Since most of the world's commerce travels by sea, and the industry has changed so much during that period, additional reform is long since overdue. This legislation will update, revise, and improve upon the Shipping Act of 1984. It ensures fairness for U.S. carriers and shippers by modernizing America's ocean shipping regulatory system.

The Ocean Shipping Reform Act represents true compromise. This legislative effort brought together many divergent interests—parties who often do not agree with one another. As my colleagues can attest to, achieving mutually beneficial reform was not an easy task. The process was difficult and sometimes arduous. It was, however, a necessary and important legislative journey for our nation's ocean shipping industry. In the end, all affected parties rolled-up their sleeves and worked hard to develop an equitable solution. The result is a consensus bill that received the solid backing of all industry segments including U.S. shippers, American and foreign ocean carriers, ports nation-wide, and U.S. labor. The 105th Congress' passage of this compromise measure represents a milestone in maritime policy. Everyone involved can be proud of this significant accomplishment.

I would like to take this opportunity to express my thanks to the many individuals from industry and labor who participated in this endeavor. I also want to congratulate the many Senators and staff who worked on this bill. I particularly want to express my gratitude to Senator McCAIN, Senator KAY BAILEY HUTCHISON and Senator GORTON who worked diligently to deliver to the U.S. shipping industry and to all Americans real maritime reform. I also want to recognize the efforts of Chairman SHUSTER of the House Committee on Transportation and Infrastructure who spearheaded this reform effort in the House of Representatives.

Mr. President, the Ocean Shipping Reform Act of 1998 focuses on the needs of America's small, medium, and large shippers, carriers, U.S. ports, and on our nation's dock workers. It will ensure that the collective power of some industry elements will not be allowed to abuse other industry segments. The bill provides protection for small ports and small shippers through increased competition among shipping lines for export and import cargoes. It allows shipping lines and their customers to negotiate volume discount arrangements through the signing of confidential service contracts for transportation services without first obtaining the blessing of the shipping line conferences. This legislation gives shippers greater ability to shop around for the best rates and service from the carriers of their choice. Additionally, the bill continues current filing requirements for service contracts to provide continued FMC oversight of common carrier activities.

This legislation will retain common carrier tariff publication and enforcement while eliminating the requirement to file tariffs with the government. Common carriers would be able to take advantage of available modern technology by using a World Wide Web home page or an electronic bulletin board to satisfy the tariff publication requirement. This just makes common sense. It reduces the cost of doing business while maintaining protections for small shippers. The wide availability of competitive price and service information will make for a better informed shipping consumer.

The Ocean Shipping Reform Act of 1998 does much to ensure that America's presence in the shipping industry is not subjected to unfair foreign rules or discriminatory practices. The FMC's enforcement actions taken against unfair port practices in Japan illustrates the essential and unique mission that this agency performs. Even more recently, issues concerning Brazil and China have come on their radar screen. This is a function that will continue, a mission that I wholeheartedly support.

This legislation will significantly change the regulatory framework governing ocean transportation. It increases shipper and carrier flexibility and competitive options, ensures tariff accuracy and fairness, produces government efficiencies and provides genuine reform to protect American interests. These changes will strengthen the ability of common carriers to market their services and makes America's shippers more competitive. The Ocean Shipping Reform Act of 1998 makes sense for American businesses and consumers alike. It will help sustain a strong and vibrant American maritime industry—fostering economic growth and enhancing our national security for years to come.

Mr. McCAIN. Mr. President, today I rise to praise the Senate for the final passage of S. 414, the Ocean Shipping Reform Act of 1998, and to clarify the legislative history of the bill with the Senator from Texas, who authorized the bill.

On April 21, 1998, the Senate first adopted S. 414. In her statement providing legislative history for the bill, the Senator from Texas identified a need to resolve the requirement for Federal agencies, including those in the Department of Defense, to ensure U.S.-flag ocean common carrier compliance with cargo preference law requirements concerning shipping rates with the new confidential service contracting regime authorized by S. 414., At that time, my colleague encouraged the Federal Maritime Commission to work with other Federal agencies to address this concern.

I'd like to ask the Senator from Texas to clarify the ability of the FMC to share confidential service contract rate and service information with other Federal agencies to ensure that U.S.-flag shipping rates for preference cargo shipments meet statutory requirements.

Mrs. HUTCHISON. Mr. President, I want to thank the distinguished Chairman of the Commerce Committee for raising this issue. The General Counsel of the FMC, in a recent written response to an inquiry on this issue with respect to the Department of Defense, stated:

> I have no doubt that we will be able to develop an intragovernmental system for providing the DOD with the pricing and service information it needs to effectively execute its mission, within the framework of S. 414. If we determine that technical legislative corrections would aid this process, we will no doubt make such recommendations jointly. At this time, however, I do not believe that any additional amendments to the bill are necessary to meet your concerns for the Department.

Mr. President, I want to make it clear that the FMC is authorized to share with another Federal agency service contract information that parties of the service contract have legally decided to protect from public disclosure in order to enable that Federal agency to ensure the compliance of U.S.-flag ocean common carriers with cargo preference law shipping rate requirements. Of course, that confidential service contract information would remain protected from disclosure to the public consistent with the Shipping Act of 1984, as amended by the Ocean Shipping Reform Act of 1998, and other applicable Federal laws.

Mr. MCCAIN. Mr. President, I'd like to thank my colleague from Texas for clarifying this issue. Also, I'd like to complement her on her efforts to protect the interests of the Department of Defense, other Federal agencies, and American taxpayers while reforming the ocean liner transportation system in a manner that encourages greater competition. The Ocean Shipping Reform Act of 1998 is a thoroughly crafted piece of legislation that required hard work by her and many others for more than 3 years. It is a worthy accomplishment for the 106th Congress.

RECOGNIZING ACCOMPLISHMENTS OF INSPECTORS GENERAL

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Joint Resolution 58, introduced earlier today by Senators GLENN, THOMPSON, COLLINS, and others.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 58) recognizing the accomplishments of Inspectors General since their creation in 1978 in preventing and detecting waste, fraud, abuse and mismanagement, and in promoting economy, efficiency and effectiveness in the Federal Government.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. GLENN. Mr. President, I rise today to introduce a joint resolution commemorating the Inspector General Act in the year of its 20th anniversary. The Governmental Affairs Committee, on which I serve as Ranking Minority Member, has a long and bipartisan history with the IG community. In fact, I am very proud that I was an original sponsor of the IG Act and author of the 1988 amendments, both of which have played a major role in making our government function more efficiently, effectively, and with greater trust and confidence on the part of the American people. So, it is fitting that the Senate and House note this anniversary.

Throughout government, IGs have had tremendous success. I note just some of these accomplishments as follows, from the latest (1996) PCIE report:

> Inspector General (IG) investigations led to $1.5 billion in "recoveries" in 1995. (This is money which has been recovered by the Government from people who have attempted to defraud it). In addition, based on IG recommendations, agency managers agreed to cancel, or seek reimbursements of, $2.3 billion from contractors or grantees in 1995. Also based on IG recommendations, managers changed how they planned to spend $10.4 billion to maximize return on the Federal dollar. Overall, between 1981–1994, IG's reported $340 billion in recoveries & funds put to better use from their efforts.
>
> In addition to IG work on program improvements, and the figures cited above, the report compiles other important IG accomplishments from FY 1995: $26.8 billion in recommendations that funds be put to better use; $7.2 billion in questioned costs; 14,122 successful prosecutions; 2,405 personnel actions; and 4,234 suspensions and debarments of persons or firms doing business with the Government.

These facts suggest that IGs are doing the job we intended them to do, in spite of the fact that they are operating in a very difficult and more complex environment. The data also support the fact that the IG's first responsibility continues to be program and fiscal integrity; they are not "tools" of management. Even though, in this day and age, IGs need to make themselves "relevant" to both Congress and the agency, they first must help to make good programs work better, target those most vulnerable to waste and fraud, and help achieve savings wherever they can find them. The record proves this is clearly what the IG's have been about.

The progress I have mentioned is particularly important since, if anything, the IG's role has only become more difficult in a new political culture dedicated to improving management. With the passage of the CFO Act, the Government Management Reform Act (GMRA), and the Government Performance and Results Act (GPRA), IGs have inherited some new authority and some new duties. They now have some responsibility to ensure that we have accurate, reliable, and complete financial information on which to base our policy decisions and, down the road, which measure how well each program achieves its goal and at what actual cost. In that context, IGs have a unique role in helping to solve management problems throughout the federal government. The test of their success in this new mission is much like the one applied to their old one and—as I have indicated—the measure of their success is already evident.

As I approach my last months as a United States Senator, I look back with great pride on the accomplishments we have made so far among the more than 60 statutory IGs. I am the first one to admit that the IGs do not function perfectly. In fact, any government operation can always stand improvement. But I strongly believe that we now have in place a fair, effective, and useful—if partial—solution to some very serious management problems in government. To me, this represents a singularly important success for the Congress and the American people, and one upon which I am hopeful we will continue to build into the 21st century and beyond.

I hope all Senators will join me in supporting this important resolution.•

Mrs. HUTCHISON. I ask unanimous consent that the joint resolution be read three times and passed, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD as if read in the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S.J. Res. 58) was passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 58

Whereas the Inspector General Act of 1978 (5 U.S.C. App.) was signed into law on October 12, 1978, with overwhelming bipartisan support;

Whereas Inspectors General now exist in the 27 largest executive agencies and in 30 other designated Federal entities;

Whereas Inspectors General serve the American taxpayer by promoting economy, efficiency, effectiveness and integrity in the administration of the programs and operations of the Federal Government;

Whereas Inspectors General conduct and supervise audits and investigations to both prevent and detect waste, fraud and abuse in the programs and operations of the Federal Government;

Whereas Inspectors General make Congress and agency heads aware, through semiannual reports and other activities, of problems and deficiencies relating to the administration of programs and operations of the Federal Government;

Whereas Inspectors General work with Congress and agency heads to recommend policies to promote economy and efficiency in the administration of, or preventing and detecting waste, fraud and abuse in, the programs and operations of the Federal Government;

Whereas Inspectors General receive and investigate information from Federal employees and other dedicated citizens regarding the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to public health and safety;

Whereas Inspector General actions result in, on a yearly basis, recommendations for several billions of dollars to be spent more effectively; thousands of successful criminal prosecutions; hundreds of millions of dollars returned to the United States Treasury through investigative recoveries; and the suspension and disbarment of thousands of individuals or entities from doing business with the Government;

Whereas for 20 years the Offices of Inspectors General have worked with Congress to facilitate the exercise of effective legislative oversight to improve the programs and operations of the Federal Government: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress—

(1) recognizes the many accomplishments of the Offices of Inspectors General in preventing and detecting waste, fraud, and abuse in the Federal Government;

(2) commends the Offices of Inspectors General and their employees for the dedication and professionalism displayed in the performance of their duties; and

(3) reaffirms the role of Inspectors General in promoting economy, efficiency and effectiveness in the administration of the programs and operations of the Federal Government.

MEASURE READ FOR THE FIRST TIME—S.J. RES. 59

Mrs. HUTCHISON. Mr. President, I understand that Senate Joint Resolution 59 which was introduced by Senator GRAMM of Texas is at the desk, and I now ask for its first reading.

The PRESIDING OFFICER. The clerk will read the resolution for the first time.

The legislative clerk read as follows:

A joint resolution (S.J. Res. 59) to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance.

Mrs. HUTCHISON. I now ask for its second reading, and I object to my own request.

The PRESIDING OFFICER. The objection is heard.

The resolution will be read the second time on the next legislative day.

COMMISSION ON THE ADVANCEMENT OF WOMEN AND MINORITIES IN SCIENCE, ENGINEERING, AND TECHNOLOGY DEVELOPMENT

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3007, which was received from the House.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

A bill (H.R. 3007) to establish the Commission on the Advancement of Women and Minorities in Science, Engineering, and Technology Development.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the bill be considered read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3007) was considered read the third time, and passed.

MAKING TECHNICAL CORRECTIONS IN LAWS RELATING TO NATIVE AMERICANS

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4068, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4068) to make certain technical corrections in laws relating to Native Americans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the bill be read the third time, and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4068) was considered read the third time, and passed.

ORDERS FOR FRIDAY, OCTOBER 2, 1998

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, October 2. I further ask that when the Senate reconvenes on Friday, immediately following the prayer, the Journal of the proceedings be approved, no resolutions come over under the rule, the call of the calendar be waived, the morning hour be deemed to have expired, the time for the two leaders be reserved, and the Senate then begin consideration of S. 442, the Internet Tax Bill, under the consent agreement of September 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CLOTURE VOTE ON MOTION TO PROCEED TO H.R. 10

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the cloture vote on the motion to proceed to H.R. 10 occur at 5:30 p.m. Monday, October 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mrs. HUTCHISON. Mr. President, for the information of all Senators, when the Senate reconvenes on Friday, the pending business will be the Internet Tax Bill. An agreement has been reached on that bill allowing for relevant amendments, with the addition of a Bumpers amendment regarding catalog sales. Rollcall votes are expected during Friday's session on or in relation to amendments offered to the Internet bill, or possibly an executive nomination. In either case, the first rollcall vote on Friday's session will occur by 10:30 a.m.

Members are reminded that a cloture motion was filed today on the motion to proceed to H.R. 10, the Financial Services Bill. That vote will occur at 5:30 p.m. on Monday, October 5. Also during Monday's session, the Senate may consider any available appropriations conference reports, including the Agriculture, HUD, and Treasury/Postal bills. Therefore, further votes could occur following the 5:30 cloture vote.

ORDER FOR ADJOURNMENT

Mrs. HUTCHISON. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order, following the remarks of Senator SESSIONS.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIRST BALANCED BUDGET IN 30 YEARS

Mr. SESSIONS. Mr. President, I would also like to offer remarks that I have prepared as we celebrate today the first balanced budget in 30 years. I had occasion to be elected to the Senate on a number of issues, but none more important than a commitment to work for that goal just 2 years ago.

I remember when I first got here, Secretary of Treasury Rubin was testifying before the Judiciary Committee on the question of whether we needed a balanced budget constitutional amendment that would mandate that we balance the budget. He said we did not. He said they had a plan that would balance the budget by 2002.

I was new. I had been told that Secretary Rubin was quite a skillful witness and that I should be careful. I said, "Mr. Secretary, that is a nice promise you made. But the truth is you won't be here in 2002 as Secretary of the Treasury, will you?" Without hesitating, he said, "Well, I haven't talked to the Vice President yet." But I was left with a thought that, well, President Clinton would not be here constitutionally as President past his two full terms, and that he could not make a promise that we could balance the budget long after he left office.

So I just say that to say that less than 2 years ago there was great doubt in our country and among our public policy leaders that we would, in fact, be able to balance the budget.

This Congress has stepped forward and has made some tough decisions. It has worked with the administration. It has put caps on spending that are holding. And we have now produced a balanced budget amendment with maybe a $70 billion surplus.

When I traveled across the state two years ago during my campaign for the Senate, I learned that foremost in the minds of Alabamians regarding the future of our country was the economic legacy we as taxpayers were creating for our children. At the time, that legacy meant budget deficits as far as the eye could see. I believe that part of the reason why I was elected to the Senate was because of my promise to change that legacy by supporting a balanced budget, and to do so by cutting spending and eliminating fraud and abuse.

Today, I am proud to witness as a Member of Congress, the first balanced budget in thirty years. It is an historic event much as Neil Armstrong's first steps taken on the Moon in 1969—the last year there was no budget deficit.

As a result of this achievement, the American taxpayer is enjoying historically low interest rates on mortgages, car loans, and students loans. Those who could only dream of buying a home are becoming homeowners. Automobiles are more affordable than ever. And students with college loans are finding the burden of their debt lessened as they graduate and enter the workforce.

Businesses are benefitting as well. Lower interest rates mean more money to invest in capital, and expanded capital means more jobs. The unemployment rate is at an historic low of 4.5 percent. The effects of this tight labor market combined with such low interest rates has meant returns to workers in the form of higher wages. Indeed, income for the typical American household rose at nearly twice the rate of inflation in 1997.

There are many people that deserve credit for this historic achievement, but none more than the American people. It is the American people that created a mandate for a balanced budget by electing those of us to office who would make it their number one priority to put the country's books in the black. I am proud to be part of that mandate. It is a Republican Congress who responded to this mandate by producing a balanced budget and doing it ahead of schedule. If this responsibility had been left to the President, today we would have a $196 billion deficit, which he called for in his 1996 budget.

But it is not enough to balance the budget just once. Now that we have achieved a balance, we need to maintain it. Interest rates don't respond to what the deficit is today. They respond to what people think the deficit is going to be in the future, and big hurdles remain before a future of balanced budgets can be assured. Today, we begin a new fiscal year with a surplus of $63 billion. Yet, hard choices regarding spending must still be made in order to preserve Social Security and Medicare, as well as cut taxes in order to keep the economy and families strong.

It is a time to celebrate, and I think we should pause and be grateful.

I thank the Chair. I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned.

Whereupon, the Senate, at 6:58 p.m., adjourned until Friday, October 2, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 1, 1998:

NATIONAL CONSUMER COOPERATIVE BANK

HARRY J. BOWIE, OF MISSISSIPPI, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL CONSUMER COOPERATIVE BANK FOR A TERM OF THREE YEARS, VICE TONY SCALLON, TERM EXPIRED.

SMALL BUSINESS ADMINISTRATION

PHYLLIS K. FONG, OF MARYLAND, TO BE INSPECTOR GENERAL, SMALL BUSINESS ADMINISTRATION, VICE JAMES F. HOOBLER.

HOUSE OF REPRESENTATIVES—*Thursday, October 1, 1998*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. EWING).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

> WASHINGTON, DC,
> *October 1, 1998.*
>
> I hereby designate the Honorable THOMAS W. EWING to act as Speaker pro tempore on this day.
>
> NEWT GINGRICH,
> *Speaker of the House of Representatives.*

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

With all people of goodwill, O God, we ask for Your guidance and Your direction in our lives, in our communities, and in our world. Give us, we pray, the knowledge we need to chart our course and also wisdom to encompass justice and truth. Give us integrity of spirit so we can focus on the paths of righteousness just as we beseech Your mercy and Your forgiveness.

With adoration and thanksgiving, we recall how people throughout our history have sought Your blessing. And so now in our time and place, we pray for those same gifts of the spirit that will lift us up and express a unity of heart and soul.

In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio (Mr. TRAFICANT) come forward and lead the House in the Pledge of Allegiance.

Mr. TRAFICANT led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

> H.R. 1836. An act to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.
>
> H.R. 3412. An act to amend and make technical corrections in title III of the Small Business Investment Act.
>
> H.R. 4110. An act to provide a cost-of-living adjustment in rates of compensation paid to veterans with service-connected disabilities, to make various improvements in education, housing, and cemetery programs of the Department of Veterans Affairs, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3616) "An Act to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes."

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

> S. 1677. An act to reauthorize the North American Wetlands Conservation Act and the Partnerships for Wildlife Act.
>
> S. 2531. An act to designate a portion of Interstate Route 70 in Missouri as "Mark McGwire Interstate Route 70".

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 1355) "An Act to designate the United States courthouse located in New Haven, Connecticut, as the 'Richard C. Lee United States Courthouse'."

BREAST CANCER AWARENESS MONTH

(Ms. DUNN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DUNN. Mr. Speaker, today is a significant day. It marks the beginning of National Breast Cancer Awareness Month. While the greatest news in this battle is the number of mothers, daughters, sisters, wives and friends who survive breast cancer, we must continue to promote the importance of early detection and early diagnosis, which continue to remain our best weapons against this devastating disease.

This year alone approximately 180,000 new cases of breast cancer will be diagnosed; more than 43,000 women will die. That is why the gentleman from New Hampshire (Mr. BASS), who has shown so much concern about this problem, and I are introducing a resolution today that underscores the importance of mammograms and biopsies in the fight against breast cancer.

The Bass resolution helps raise awareness that early detection through screening mammograms and breast biopsies are vitally important. As all women know, mammograms detect lumps and biopsies confirm whether these lumps are cancerous or noncancerous. Our resolution encourages women to take an active role in fighting this deadly disease through regular self-examinations, annual mammograms, and breast biopsies when a lump is detected. When it is detected early, women can conquer breast cancer.

I ask my colleagues to support this vitally important resolution.

ON KOSOVO

(Mr. SKAGGS asked and was given permission to address the House for 1 minute.)

Mr. SKAGGS. Mr. Speaker, recent reports of atrocities against Kosovo civilians by Serb security forces are certainly appalling. It is further evidence of President Milosevic's criminality in repressing ethnic Albanians.

It is entirely understandable why many people would therefore support military intervention by the United Nations or by NATO with U.S. leadership. But it is very important to realize that such military action, if it were to occur with U.S. forces, needs to be a decision taken by the Congress, not by the President.

Air strikes within the borders of Yugoslavia in order to stop attacks by Serbian forces against civilians in an area that the United States recognizes as sovereign Yugoslav territory simply could not be construed as "defensive" within the inherent authority of the President as Commander in Chief. Rather, they would be offensive in nature, involving the invasion of the air space of a nation which has not attacked the United States.

That is the sort of action which falls within the exclusive powers of the Congress under the United States Constitution.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ALICE IN WONDERLAND

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, in Alice's Adventures in Wonderland, Lewis Carroll writes the following:

> When I use a word, Humpty Dumpty said, in a rather scornful tone, it means just what I choose it to mean, neither more nor less.
>
> The question is, said Alice, whether you can make words mean so many different things.

Mr. Speaker, the Humpty Dumpty's of our political landscape use words to mean what they want them to mean. Yet the fact remains, words have very specific meanings, meanings that no common person would dispute. Alone means alone; is means is; sex means sex. No matter what mental gymnastics someone goes through. Words have meanings. When someone uses words in a court of law to mean things that they do not actually mean, that is called lying under oath. That is wrong. It is dishonorable and worthy of a congressional inquiry.

MORE ON KOSOVO

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, once again genocide has reared its ugly head. Serbian President Milosevic is brutally exterminating ethnic Albanians in Kosovo. Women, children, even the elderly are being slaughtered. After all this, France says, and I quote, "We must send a strong message."

Beam me up, Mr. Speaker. The last I heard, NATO did not work for the Western Union. It is time for NATO to do their job. It is time for France to step up once in a while. It is time for Europe to help us out, and it is time for independence in Kosovo.

One last thing, Mr. Speaker. Milosevic must be stopped. It is about time for France to do their job, too.

TAX CUTS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, what do liberals, in the bottom of their hearts, think about tax cuts?

Well, you do not have to speculate any more because the liberals these days, from the President on down, are saying out loud exactly what they think about tax cuts. They call tax cuts an election year gimmick.

Last year the President called the people in Virginia who supported a tax cut selfish, selfish for daring to suggest that people should be able to keep more of their own money. The truth is, liberals really do believe that tax cuts are nothing more than an election year gimmick. It is simply inconceivable to the liberal mind-set that the Republicans believe as a matter of principle that the government takes too much of your money and then wastes too much of what it takes.

Allowing the people to keep more of what already belongs to them is a gimmick to liberals. To Republicans, it is a fundamental freedom issue. To people who work very hard to build a life for themselves and their family, to pursue the American dream, this must be a surprising bit of news indeed.

HMO REFORM

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute.)

Ms. SANCHEZ. Mr. Speaker, I rise today to urge the Republican Congress to step up to the plate and to pass real managed care reform. We need to fix the health insurance system to give patients the protections that they need.

After one year of ignoring the President's call for a strong, enforceable bipartisan Patients Bill of Rights, the Republican House leadership has done nothing more than pass a bill that treats cancer with Band-Aids.

We ignore at our own risk what the American people demand, and they demand health care reform. They do not want their health plan to abandon them when they need it the most.

Speaker GINGRICH once promised to let Medicare wither on the vine. This year he is going to let the Patients Bill of Rights wither on the vine. I ask, will he also let Social Security wither on the vine?

The leadership has the ability to pass legislation that protects Americans in the few days that we have left before adjournment. Will they act on behalf of millions of Americans? It is time to stop playing politics and pass HMO reform now.

BUDGET SURPLUS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, Will Rogers once said that you have to be an optimist to be a Democrat and you have got to be a humorist to stay one.

Yesterday the President must have thought that he was using humor when he said that the creation of the surplus is due to the fiscal restraint and leadership of his administration. I believe the only thing that the President left out of his speech was a line from the Wizard of Oz, Toto, "I do not think we are in Kansas anymore," because this make-believe yellow brick road theory that his administration is responsible for the surplus is nothing but simple pure comedy.

I think of myself as a person who recognizes and appreciates humor. I certainly did not mind laughing at the President's stand-up comedy routine yesterday. But we have thrown back the curtain and we have seen that the voice behind the curtain is a very same voice whose only budget proposal projected a $241 billion deficit for this year.

Mr. Speaker, it is time to get back to reality. It is the Republican Congress and Republican leadership that deserves the credit for this surplus. It was their commitment in 1995 to get this country on the right track back toward fiscal responsibility and fiscal stability.

WOMEN'S CONTRACEPTION

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, a bunch of fellows from this body are running around the Treasury, Postal conference committee trying to get into the contraception business, women's contraception business, that is. But women's contraception is nobody's business but theirs. Yet there is stealth action in this House to overturn a bill that passed both houses, that contraception be treated like other prescriptions in Federal health plans. Passed unanimously in the Senate, passed twice in the House, we must not tolerate Soviet-style reversals of noncontroversial provisions.

I am outraged at a substitute that would allow only the diaphragm to be required in plans. Women need options. Some do not work. Some make us sick. There is no more sensitive issue for women than contraception. The bipartisan Women's Caucus supports the Lowey provision, and so do the majority of the House, the majority of the Senate and the majority of the American people.

ON TAX CUTS

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, Americans pay on the average about 40 percent of their total household income in taxes. In 1996, recognizing this, the Republican leadership pushed for a middle class tax cut, despite the President's and most of the Democrats' objections that people who want to pay less taxes are just selfish.

Well, we are back at it again, another middle class tax cut. It has already passed the House. Marriage tax relief, ending the marriage tax penalty, relief for farmers and tax relief for the death tax penalty.

And what are the Democrats and the President saying? They are saying this is going to adversely affect Social Security. Well, what does the Director of the Congressional Budget Office say? That the tax plan has no effect on Social Security. This is a Democrat chart so the word "effect" is misspelled. But then, again, we knew Democrats would be reading this and we wanted to share the information with them so we had to put it in their language.

But the fact is, the point is right. The tax cut does not affect Social Security. Just how much is this? In the total budget scheme, Mr. Speaker, of $9.6 trillion, it is barely a slither of a slither of $80 billion in middle class tax relief over a 5-year period of time.

TAX RELIEF

(Mr. BLUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, people in America understand that they need tax relief. They understand that it is only fair, as we begin to balance the budget, that they get to keep part of the money they are sending to Washington. We see these two charts here that clearly point out that the amount of tax relief has no impact on Social Security.

They cannot imagine why we would possibly let the marriage penalty stay in the tax code one year longer, let alone forever. They cannot imagine why we would not do everything necessary to go ahead and make health insurance automatically deductible for small business people, once we have decided that needs to be done, rather than to wait 6 or 7 years in the future.

□ 1415

They cannot imagine why, out of $1.6 trillion in surplus, that $80 billion of that cannot go to tax relief and go to tax relief right now.

TAXPAYER PROTECTION ACT

(Mr. ENGLISH of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in my district in Western Pennsylvania people are concerned with real pocketbook issues, like having the money to send their kids to college. The Taxpayer Protection Act, which we passed last week, provides much needed tax relief for working families and middle class taxpayers by building on our previous accomplishments.

Last year, this Republican Congress provided tax exempt status to qualified state prepaid tuition account programs. These programs will allow families to buy college credits at today's prices and bank them for the future, avoiding tuition inflation and making college costs more manageable for many families on tight budgets.

The Republican tax bill goes one step further than last year's bill by leveling the playing field and awarding the same preferential tax treatment to private prepaid programs.

Mr. Speaker, the Taxpayer Relief Act helps students achieve their dream of a college education and, through it, the American dream. This is good legislation that lifts some of the tax burden on the middle class and gives them the opportunity to save for their children's college education.

THERE IS NO SURPLUS

(Mrs. LINDA SMITH of Washington asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LINDA SMITH of Washington. Mr. Speaker, I rise today to give a reality check. The President claims the government has a surplus. All Americans need to know that this just is not true. There is no surplus.

The President was going to borrow $100 billion from Social Security to pay for his proposed current level of spending, but our good economy means now he will only borrow $35 billion. Now, the $65 billion difference that the Republicans said must be left in the Social Security Trust Fund is what the President now claims is a surplus. It is not a surplus. It is payroll taxes that the government collects to pay for Social Security checks each month.

We need to save Social Security, not spend it. That is why I voted against the tax plan, not an easy vote, because it borrows still from Social Security. Believe me, I do support tax cuts, but we need to do it without compromising Social Security.

Now, we may have a true surplus by next year. Then we can make sure that Social Security will be there when people need it. Then we can have tax cuts, too. That is my goal, Mr. Speaker.

CENSUS SAMPLING

(Mr. PETERSON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETERSON of Pennsylvania. Mr. Speaker, from day 1, this administration has conducted affairs of state more like King George than George Washington. Its ethic has been summed up in the book title by Clinton hit-man James Carvel: "We're Right and You're Wrong."

Now, in the latest census sampling wrinkle, the Clinton people show they are willing to ignore Federal Court rulings in pursuit of their agenda. Two separate decisions have declared it illegal to sample the population for the purposes of congressional reapportionment. Yet administration officials continue to forge ahead anyway with plans to sample in the next census, spending millions on a discredited idea at a time when preparations for the 2000 Census are at a very critical stage.

It is almost as if the Clinton Commerce Department wants the next census to fail so that the political pressure for their sampling agenda will be even greater in 2010.

Mr. Speaker, it is past time for the President to begin enforcing the laws, even those he does not like.

PRESIDENT SHOULD NOT GO TO WAR WITHOUT CONSENT OF CONGRESS

(Mr. CAMPBELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAMPBELL. Mr. Speaker, a letter is presently being circulated that has been authored by my good friend and colleague, the gentleman from Colorado (Mr. SKAGGS), and myself. I would ask for my colleagues' attention to it, please, if they could sign it.

The letter is addressed to the President of the United States and it vindicates the most important obligation that we have, and that is in the area of warmaking. The Constitution says that we do not go to war unless the representatives of the people, in this House and in the other body, vote for it. It does not give the President the right to go to war on his own.

My colleagues, we are about to go to war. We are about to go to war in Kosovo. If it is the right thing, so be it. The President should make the case it is the right thing here in the people's House. Have us approve it or not. But to go ahead without the approval of the Congress violates the Constitution and, almost as important, undercuts the sense of resolve for the important work that we may be able to accomplish in Kosovo.

I ask my colleagues to please sign the Skaggs-Campbell letter and ask the President to abide by the Constitution. Do not go to war without the approval of the American people.

REREFERRAL OF H.R. 2349, AUGUSTUS F. HAWKINS POST OFFICE BUILDING, TO COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Mr. KIM. Mr. Speaker, I ask unanimous consent that the Committee on Transportation and Infrastructure be discharged from further consideration of the bill (H.R. 2349) to redesignate the Federal building located at 10301 South Compton Avenue, in Los Angeles, California, and known as the Watts Finance Office, as the "Augustus F. Hawkins Post Office Building," and that the bill be referred to the Committee on Government Reform and Oversight.

The SPEAKER pro tempore (Mr. EWING). Is there objection to the request of the gentleman from California?

There was no objection.

WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS FROM COMMITTEE ON RULES

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 558 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 558

Resolved, That the requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to any resolution reported from that committee on the legislative day of October 1 or October 2, 1998, providing for consideration or disposition of a conference report to accompany a bill or joint resolution making general appropriations for the fiscal year ending September 30, 1999, or any amendment reported in disagreement from a conference thereon.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished ranking member of the Committee on Rules, the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 558 would waive clause 4(b) of Rule XI against certain resolutions reported from the Committee on Rules. Clause 4(b) requires a two-thirds vote of the House to consider a rule on the same day it is reported from the Committee on Rules.

This resolution would apply the waiver to a special rule reported on October 1st or October 2nd, 1998, providing for consideration or disposition of a conference report to accompany a bill or a joint resolution making general appropriations for the fiscal year ending September 30th, 1999, or any amendment reported in disagreement from a conference thereon.

Mr. Speaker, this proposed waiver is essential in order for the House to consider, in a timely fashion, one or more appropriations conference reports that may be available later today or tomorrow.

I know all of my colleagues share a desire to move as expeditiously as possible through the remaining legislative matters that must be completed prior to our adjournment. Therefore, I encourage Members on both sides of the aisle to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank my dear friend, the gentleman from Washington (Mr. HASTINGS), for yielding me the customary half-hour.

Mr. Speaker, today is the beginning of the fiscal year and, once again, my Republican colleagues have not finished their appropriations bills. As many people know, in order to keep the government open for business, President Clinton had to sign a continuing resolution last week, but we still have to pass eight appropriations bills and send them to the White House for signature. Mr. Speaker, that is a tall order. By the end of next week we have to do this.

Normally, conference reports have to be available at least 3 days before they are considered on the House floor. The idea behind that rule is very simple. It is that appropriations bills are very important spending bills and Members have to have enough time to look at them and consider them very carefully.

So although we must hurry and finish these bills before they are any more overdue, I hesitate to support such rules except in the case of extreme circumstances. Martial law rules nearly always diminish the rights of the minority, and I think my Republican colleagues have really had plenty of time to finish the appropriations process. But, Mr. Speaker, in this case the rule is narrowly focused to apply only to appropriations conference reports, and it is only in effect until the end of this week.

In all likelihood, Mr. Speaker, the Agriculture and Treasury Postal appropriations conference reports, which came before the Committee on Rules the other day, will be brought to the floor under this scenario. That means that they could be on the floor later today. These bills contain very important spending on programs from Federal drug control programs to badly needed disaster assistance for American farmers who have been very hard hit by severe weather conditions this summer. So we need to pass these bills and get them signed into law as quickly as possible.

Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain special orders without prejudice to the resumption of legislative business until 4:30 p.m.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

BAD CONDUCT IS NOT GROUNDS FOR IMPEACHMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. KENNEDY) is recognized for 5 minutes.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise today in defense not of the President but rather of the Presidency.

TRENT LOTT, the majority leader of the Senate, has just spun to the press that, quote-unquote, bad conduct is grounds for impeachment. To me, this is shocking. I actually could not believe that he was serious. But, sadly, he was.

Today, we are at a turning point in this debate and we have to put this thing in park and take a break.

□ 1430

The removal of the President of the United States is different from the removal of a judge, is different from the removal of a Member of Congress or a college president. The situation cannot be equated, as it often is, with the CEO or a college president who would be removed for similar types of acts that the President is accused of.

To remove the President of the United States would be to paralyze the entire government. Because, whereas a judge, a legislator, and certainly not a private citizen represents an entire branch of government, the President is the executive branch of government, and to suggest his removal entails a constitutional crisis and a disruption of our whole political system.

We have all been slapped in the face by not only the President's action, but also the Starr inquisition, and we have been so busy holding our cheeks that we have not even examined the evidence and made a deliberative assessment of it. I myself have educated myself about the severity of the Articles of Impeachment, and I want to share with my colleagues and the American people some of the thoughts that I have learned.

As we all know, the Congress has been down this road only twice before in American history, and we need to wake up right now as to the severity of today's issue and what it means to the Republic and this Congress's place in U.S. history.

I asked Larry Tribe, perhaps our Nation's most renowned constitutional scholar, to describe the upcoming vote to begin, just to begin, an impeachment inquiry; and his answer, my colleagues, captures everything that I want to say today.

Professor Tribe likened a vote simply to begin the impeachment proceeding to that of breaking the glass of a fire alarm, that would trigger a mad rush and a state of emergency. He said once the glass is broken and the alarm goes off, we cannot put the pieces back together. Such an action will make it almost impossible to restore a sense of stability and order in this country. Impeachment proceedings are just like pulling a fire alarm in a crowded room; you better think before you pull, lest many people or this Nation get hurt in the process.

To be sure, if we are going to go down the road to impeachment, it must be taken with a keen sense of understanding and purpose. Otherwise, we will be blind to the consequences of our actions. And we must begin with what constitutes the ground for an impeachable offense.

Is this what Ken Starr says it is? Is this what TRENT LOTT says it is? Is this what the gentleman from Illinois (HENRY HYDE) or I should say the gentleman from Georgia (NEWT GINGRICH) says it is? Or should it be the definition of the entire Congress before we begin an inquiry into impeachment?

I like the fact that, in fact, the gentleman from Illinois (Mr. HYDE) has said that we should have hearings on what constitutes grounds for impeachment. That seems to be the right course to take. Yet it seems the gentleman from Illinois (Mr. HYDE) and the gentleman from Georgia (Mr. GINGRICH) intend to proceed with an impeachment inquiry before such hearings on the working definition of what impeachment really is could even take place.

Do they want to make it up as they go along? It sure sounds as though they do. In my opinion, to make up a definition or to proceed with an inquisition before we have had the time to understand what truly constitutes impeachment and we have a frame of reference to judge our actions against when we continue with an inquiry, constitutes sounding the fire alarm before we know there is even a fire, and it flies in the face of the due process set forth by our Constitution, which says that we need to know what to prosecute before we know whether a crime has been committed.

The reason the majority wants to vote on an impeachment inquiry next Monday, before they know what impeachment really is, is because they would never vote to initiate an inquiry once they really know what they are talking about. And once we know what is truly impeachable, then we need to ask one more question.

REQUEST FOR ADDITIONAL TIME

The SPEAKER pro tempore (Mr. EWING). The time of the gentleman from Rhode Island (Mr. KENNEDY) has expired.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I ask unanimous consent to proceed for an additional 3 minutes.

The SPEAKER pro tempore. The time is limited to 5 minutes. The Member will close.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Member should avoid reference to personal conduct of the President and reference to statements of members of the other body.

Mr. KENNEDY of Rhode Island. In conclusion, once we know what impeachable offense is, then we need to ask another question. Is it the kind of offense in which the President's remaining in office is far worse for this country than what will happen to this country if we remove a President from office? We need wisdom to prevail over politics.

The SPEAKER pro tempore. The time of the gentleman from Rhode Island (Mr. KENNEDY) has expired.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I ask unanimous consent to proceed for an additional 2 minutes.

The SPEAKER pro tempore. The Chair cannot entertain the request for any additional time. The gentleman's time has expired.

MILITARY ACTION AGAINST YUGOSLAVIA REQUIRES AUTHORITY FROM CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. SKAGGS) is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, yesterday we heard news of horrible massacres of ethnic Albanians by Serbian forces in Kosovo: women, children, the elderly all shot in cold blood. The same reports say that these massacres may now spur NATO to take military action.

As terrible as these events are, I want to remind my colleagues that under our Constitution, Congress has the responsibility to decide whether America goes to war, even a limited war. It may well be that if this body voted on military action against Yugoslavia, we would support it overwhelmingly.

But there is no doubt in my mind that attacks by U.S. forces, whether under NATO or not, against a sovereign nation, even if it is Milosevic's Yugoslavia, constitute an act of war. Actions NATO may decide to take with absolutely no congressional involvement could lead to an expensive, perhaps lengthy involvement which, most importantly, puts American lives at risk.

There are legitimate policy questions Congress should ask about the kind of military involvement NATO is contemplating. Would air strikes do any good? Against what kind of targets? If air strikes do not make Milosevic stop, are we willing to send in ground forces in a shooting war into the mountains of Kosovo?

We may be over the Vietnam syndrome, but that conflict, in which I served, should remind us of one critical lesson for any military involvement: that we should secure the Nation's understanding and support before major military action is taken. That is what military officers learned from Vietnam, and that support is best assured when Congress debates and votes.

The framers of the Constitution vested the war power in Congress for very good reason: Both as a check against precipitous action by a President and as a way to be sure that the American people, through their elected representatives, have been consulted before the Nation goes to war.

The framers placed the war power in Congress because they saw it as an essential part of our democracy, reflecting the fact that it is the people's lives and funds that are put at risk. They expressly rejected the idea that this kind of power should be entrusted to a single individual, the President.

Some people object that the Constitution is inconvenient in this respect, that there is something wrong with taking the relatively small amount of time that would be needed to secure Congress' approval. The situation in Kosovo has been worsening for months. The President has had plenty of time to seek authorization from Congress for military action, and he still has time to do so.

Our participation in NATO does not supersede Congress' role in deciding about war. In fact, Congress conditioned U.S. participation in NATO on the requirement that it retain its constitutional prerogatives. This point was underscored by then Secretary of State Dean Acheson at the time the North Atlantic Treaty was ratified, who said,

> The treaty does not mean that the United States would automatically be at war, even if one of the other signatory nations were the victim of an armed attack. Under our Constitution, the Congress alone has the power to declare war.

Congress' war power is one of its most important and most basic responsibilities. The American people have a right to expect Congress to do its job. As my colleague, the gentleman from California (Mr. CAMPBELL), mentioned a few minutes ago, he and I have drafted a letter to our colleagues urging signature on a letter to the President of the United States that the President respect that exclusive power in Congress and have the authority of Congress before military action may be taken against Yugoslavia.

THE HIGH COST OF PRESCRIPTION DRUGS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Texas (Mr. TURNER) is recognized for 60 minutes as the designee of the minority leader.

Mr. KENNEDY of Rhode Island. Mr. Speaker, will the gentleman yield?

Mr. TURNER. I yield to the gentleman from Rhode Island.

BAD CONDUCT IS NOT GROUNDS FOR IMPEACHMENT

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to thank the gentleman for yielding.

Mr. Speaker, I apologize that I was cut off but those are the Rules of the House and that is the nature of the floor proceedings, but I did want to conclude with my remarks because I cannot emphasize enough to the people in this Chamber, my colleagues watching on TV and the American people at large, that this is no light matter that we have been talking about.

We seem to be taking such a cavalier attitude to this, and I know that obviously a lot has to do with the politics of this season. I dare say, though, what we are embarking on truly goes to the nature of our whole form of government.

I just had the opportunity last week, as a member of the Committee on National Security, to go to New York to listen to the President's speech on global terrorism, and I met many diplomats who have a working relationship with our allies, democracies around the world, in Europe and the former Soviet bloc countries, and all of them are so perplexed about what is going on here in this country.

My friend who deals with them on a day-to-day basis told me that his judgment of why they are so perplexed is because they have not been at the democracy game as long as we have. They have been under tyranny, the tyranny of fascism and Communism, within their own lifetimes, and they know that the miracle of this system of government is not to be messed with. That is why they feel so strongly about what we are doing in this country is so wrong for the future of our constitutional form of government.

As I was saying, in my opinion, what we are doing now by putting the cart before the horse, so to speak, by saying that we are going to have a preliminary inquiry before we know what the definition of impeachment is, to me violates the fundamental process of due process, where you know what the crime is before you begin to prosecute it.

The reason the majority wants to vote on an impeachment inquiry before they know what impeachment really is is because they could never vote to initiate such an inquiry once they really knew what they were talking about. Once they knew what was really impeachable, then we would have to ask one more question: Is the impeachable offense, such as perjury, is the impeachable offense the kind of offense in which the President's remaining in office is worse for this country than the excruciating process of impeachment that it will take to remove the President from office?

We need wisdom to prevail over politics. We must see past the passions of this moment and look to the true nature of this offense, which in my opinion is better judged by God and family than by the Congress and the media.

What we have here is a reckless, embarrassing, personal act. It was wrong. The President was human in trying to hide it, and that was wrong, too. None of this, however, shows that the President was on a course that was dangerous to the public.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. EWING). The Chair would admonish the Member not to refer to the personal conduct of the President and to address those outside the chamber.

□ 1445

Mr. KENNEDY of Rhode Island. Mr. Speaker, that was not dangerous to the future of this republic. It did not justify throwing this democracy into a constitutional tailspin, and it will not justify it. Gifts, testimony, executive privilege, all these things, do these justify paralyzing our constitutional form of government?

People say this is about a certain offense, perjury, and we should not let anyone off the hook. But during the Watergate scandal, President Nixon perjured himself in his tax returns, and this was dismissed, this was dismissed, as not an impeachable offense. And what about when Caspar Weinberger lied to this Congress about a secret war? Remember the Iran contra scandal? When asked, Caspar Weinberger said he had no details of such a military offensive, no details whatsoever. He lied to this Congress. Guess who pardoned Caspar Weinberger? Republican president George Bush, and he did so at the behest of Senator Bob Dole, who pushed him to pardon Caspar Weinberger.

I just want to make a concluding couple of thoughts: Joe McCarthy, remember him? He used details of people's sex lives to extort cooperation from them and from former communists by threatening to expose what happened in their bedrooms.

J. Edgar Hoover, remember J. Edgar Hoover? He tried to get Martin Luther King, Jr., to drop out of the civil rights movement by sending Coretta Scott King a copy of an illegally obtained elicit tape recording. It is documented.

Ken Starr has done the same thing. Through his dump of lurid sexual details, he is trying to embarrass this president so much so that he disrupts our whole constitutional form of government by forcing him to resign. To me, this amounts to simply sexual McCarthyism.

The bottom line is this: I would say that the majority needs to heed the words of your own party. President Gerald Ford was featured in the Hill Newspaper last week. You recall what he said? He said an impeachable offense is whatever a majority of the House of Representatives considers it to be at a given moment in history.

But that is only what Gerald Ford meant with respect to a judge. He was asked to clarify his comments and apply them to a president of the United States, and I want everyone to listen to me, because they are so misunderstanding what President Ford said. President Ford added that the removal of a duly-elected president in midterm "Would indeed require crimes of the magnitude of treason and bribery."

Mr. Speaker, we have a constitutional debate here, and I will venture to say that in my whole time in the United States Congress, I will not cast a more important vote in my whole time in Congress than the vote I cast next Monday against moving this country down such a reckless course that will imperil this republic and permanently damage this Constitution and the definition of what is an impeachable offense.

In my mind, this is a sacrosanct document, and what is sacred in it is it is only used in those most extreme circumstances. To me, this inquiry does not rise to that level and threshold, and, for that reason, I encourage all my colleagues to join with me and put politics aside and say what is right for the Constitution, and that is to stand with the Constitution and vote against any inquiry down this maddening road.

I thank the gentleman from Texas (Mr. TURNER) for yielding to me.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would admonish all Members that they should avoid references to the personal conduct of the President.

Mr. TURNER. Mr. Speaker, I rise today to address an issue that is important to every senior citizen in our country, the problem of the increasing cost of prescription medications. This is an issue that has been growing in intensity in recent years as the costs of drugs have gone up and up and up.

A number of Members of this body have joined together to try to address this problem and to pass legislation that would lower the cost of prescription medication. There are currently over 75 Members of this House who have joined in sponsoring legislation to deal with the high cost of prescription drugs. It is my pleasure to yield to one of the leaders in this effort to combat the cost of prescription medication, the gentlewoman from California (Mrs.

CAPPS). I want to mention in passing that Lois is a proud new grandmother of a five-week-old boy, Walter Holden Brostrom, named after his grandfather, Walter Holden Capps, a former member of this body.

The gentlewoman has been a hard worker on behalf of those who are fighting the high cost of prescription medication. She has a background in nursing, and, as the representative of the 22nd district of California, it is my honor to yield to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I want to thank the gentleman from Texas (Mr. TURNER). Of course, you warm my heart by talking about my grandson. It is a point of reference that I have with many grandparents throughout my Congressional district. It is with their faces in my mind's eye and with their stories in my heart that I rise today to speak about what I consider to be a real scandal going across this country that I have uncovered in my Congressional District out on the central coast of California.

Seniors throughout the area are, we are finding out, paying outrageously high prices for their prescription drugs. Even worse, these inflated prices are subsidizing the very discounts that high profit HMOs get for these very same medications.

A report we have released gives to the public our study, which uncovers this fact in my Congressional District and gives the reason why some of these costs are so high. There are very startling findings. I know the gentleman from Texas (Mr. TURNER) is going to go into detail with the charts he has that show him the kinds of studies done in his district as well.

Seniors in California on the central coast are paying on the average 133 percent more for the 10 drugs most commonly used by seniors. This is 133 percent more than the HMOs are paying at the discounted rates they get for these very same prescriptions. These are drugs like Zocor, which reduce cholesterol, Norvasc for common blood pressure medication, and Relafen, which provides relief from arthritis.

Prescription drug companies give these big discounts to managed care companies for these drugs, these same 10 drugs and other drugs as well, and then other buyers, like pharmacists must pay substantially more for the same drugs and then pass these higher costs on to seniors.

For example, my study found that Ticlid, one of the most widely prescribed medications for people who have had strokes, sells to the HMOs for around $34 for 60 tablets. Yet in my area of the country the average pricing that seniors pay for this drug themselves when they are buying it out of their own pocket is more than $130, nearly a 300 percent markup over the price that the HMO pays.

The huge difference in prices is not going to the retail pharmacist in Santa Barbara or Santa Maria or Arroyo Grande. On average these local pharmacists are paying $100 to $110 for the same medication. The final price the seniors pay includes only a reasonable markup to the pharmacists and then they are bearing the burden of the profit that is going to the HMOs.

That seniors are paying more money for drugs than they should while HMOs reap profits is based partly on the huge discounts they get from the drug companies. But there is an even sadder story. Many seniors simply cannot afford these high prices because of the fixed incomes they are living on, so they have done a variety of things, such as taking half the prescription or choosing of the several prescriptions that are needed for their life for life and death issues in many cases, or for the quality of life that they want or for their relief from pain and discomfort, and they end up just taking part of the medications that the doctors prescribe.

I have a couple of examples that I will share with you. Clyde Vann of Pismo Beach told my staff he pays over $300 a month for seven prescription drugs, and he really needs to be taking two additional medications, but that would add an extra $150 to his monthly costs. He is on a fixed income, and he just cannot take these two other medications that he really needs to be taking.

Harriet MacGregor of Santa Barbara told my staff that because of the high cost of her five prescriptions, she must sometimes skip or reduce her dosage. This is not the kind of health care we want to be providing for seniors in our country. They should not have to subsidize the profits of the HMOs. They should not have to choose between filling their prescription or buying food or paying the rent.

So I was proud to sign onto the legislation of the gentleman from Texas (Mr. TURNER) last week to address this issue. H.R. 4646 will allow pharmacies the opportunity to receive the same discounts that HMOs get for the drugs that they dispense to seniors. I believe that this is a long overdue measure.

I am happy to yield back now. I want to continue the discussion at some point about what is happening also in parts of our country that are rural areas and where the reimbursement rate to the HMOs from Medicare is so little that the HMOs are pulling out because of their inability to make a profit in our rural areas. This is a double whammy for our seniors. It is giving them now fewer options for their health care in general, and also then when they do just have Medicare and then have to pay the full price, they are running into this problem that you and we have uncovered.

The other thing that is interesting to me is that I have done this study on the central coast of California, the gentleman lives in Texas, we have other Members of Congress from Maine, from Arkansas, from around the country, and we know that this is going on all too many places right now.

So it is something we want to address. I am pleased that the gentleman has this time on the floor this afternoon and we can be talking about this very serious issue.

I will turn it back to the gentleman now and am prepared to talk a little bit more later on.

Mr. TURNER. Mr. Speaker, I thank the gentlewoman from California (Mrs. CAPPS). We appreciate her strong leadership on this very important issue.

Another leader in the fight to lower the cost of prescription medications for our senior citizens is the gentlewoman from the 10th District of Indiana (Ms. CARSON). The gentlewoman, I know from talking to her, knows firsthand the problems that seniors are facing, because I have talked to her many times about how she represents her district, and she works at the grassroots, so I know she has got some interesting insight on this issue.

Ms. CARSON. Mr. Speaker, I thank the very distinguished colleague from Texas for yielding, and I want to commend the gentleman for his insight and foresight in bringing this vital issue not only to the United States House of Representatives, but to the ears and eyes of America, because it is imperative that the American people understand that the Congress is in fact concerned about their well-being, especially those who are recipients of Medicare at this particular time, the senior citizens of our country.

Mr. Speaker, I rise today again, along with my distinguished colleagues. It is kind of difficult to follow the eminence of my colleague the gentleman from Texas (Mr. TURNER), and certainly the gentlewoman from California (Mrs. CAPPS). The senior citizens are very privileged to have this kind of representation in the Congress that is very sensitive to their needs.

Of course, I rise, being on the verge of being a senior citizen, I would like to announce in the beginning I probably have a conflict of interest, because I want my medication affordable when I advance to the age of requiring Social Security. The skyrocketing prices for prescription drugs are unabated and they are hitting the senior citizens of our country very, very hard.

Many of our seniors are on fixed incomes, and when they have to pay higher prices for prescription drugs, obviously they have less money for food, to pay for their heating bills, to pay their property tax or to pay their rent, if that is the case, and to accommodate some of their other vital needs for their own well-being. Seniors are paying too much in higher prices for prescription drugs than HMOs and other most-favored-customers who buy drugs in large quantities at a discount.

In my district in Indianapolis, we did do a survey among the drugstores on drug prices based on the widely used common drugs. Albuteral, a common inhaler, costs as much as $18.35 in some stores, twice as much as at the cheapest store. HMOs can charge much less.

□ 1500

The drug, I think it is Vicodin, varies between 39 cents and $2.34 per dose in Indianapolis.

These high prices are feeding drug companies' growing profits. Our pharmacists are complaining that when they obtain these items, that the major cost is theirs to pay and they have to pass along those costs to the senior citizens at a very limited profit.

It is just plain wrong for drug companies to be charging the high prices in behalf of our Nation's senior citizens. That is why I join the gentleman from Texas (Mr. TURNER) and the gentlewoman from California (Mrs. CAPPS) and other colleagues in introducing H.R. 4646, the Prescription Drug Fairness Act.

As my colleagues know, the legislation will allow retail pharmacies to buy medications commonly used by senior citizens directly from the Federal General Services Administration. GSA is able to buy prescription medications at much lower prices than individuals, allowing our pharmacists to pass on the savings to senior citizens.

No one should be forced to choose between buying food or medicine, least of all our senior citizens to whom we owe so much. So I would urge my colleagues to join me in cosponsoring this legislation. I would encourage the leadership to set it on the calendar for hearing and for ultimate passage. Let us do something important for a change, especially in behalf of our senior citizens.

I am more than happy to yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, I thank the gentlewoman for her support on this important issue and for her leadership.

Another Member of the House that has taken a very prominent role of leadership on this issue is the gentleman from Maine (Mr. ALLEN). The gentleman is a sponsor of legislation to deal with this issue, along with many others that have joined with him, and it is an honor to have the gentleman here to talk about this issue that he has worked so long and hard on.

I yield to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank my friend and colleague for yielding. I want to say to the gentleman from Texas (Mr. TURNER) that I appreciate his organizing this Special Order today and for his leadership on this particular issue.

I found, as many of us have back in our districts as we travel around and talk to seniors, that the high price of prescription drugs comes up at every meeting of seniors. It does not matter where we are or who we are talking to. As long as there is a senior in the room, it seems, this subject will come up, particularly if we give people an opening.

There are some reasons for that. Seniors use one-third of all prescriptions in this country. While the average American under age 65 uses only 4 prescriptions a year, the average senior uses 14 prescriptions a year. In particular, older Americans suffer more from those chronic conditions such as hypertension, diabetes, arthritis, glaucoma and circulatory problems that require the taking of regular prescription drugs.

When Medicare was created in 1965, it was designed as a system of acute care, so it did not cover prescription drugs. Now, the number of hospital beds is shrinking, people are not spending as much time in the hospital, and they are not there because of advancements in prescription drugs, and yet 37 percent of all seniors have zero coverage for prescription drugs.

We all know that the prices have been going up at a rapid rate. The studies that have now been replicated in a number of districts are very revealing. Last June I requested that the Committee on Government Reform and Oversight staff investigate whether pharmaceutical companies are taking advantage of older Americans because of the high price of prescription drugs. There is a recent statement in a report on the pharmaceutical industry which reads, "Drugmakers have historically raised prices to private customers to compensate for the discounts they grant to managed care companies. This practice is known as cost-shifting."

I understand that the studies that have now been replicated in our districts around the country are the first studies to quantify the extent of price discrimination and how it affects seniors. The study investigated the prices of the 10 brand name drugs with the highest sales to the elderly. Ticlid, Zocor, Fosamax, Prilosec, Norvasc, Relafen, Procardia XL, Cardizem CD, Zoloft and Vasotec.

The study looked at the price differential between what seniors pay when they walk into a local pharmacy and what the best customers of the pharmaceutical companies pay. And the best customers are big HMOs, the Federal Government, like the VA. The study found in my district, and it is pretty much the same I believe in the district of the gentleman from Texas (Mr. TURNER) and in the district of the gentlewoman from California (Mrs. CAPPS), that seniors pay 105 percent of the price, on average, that the drug companies' most favored customers get.

Now, for comparison purposes, one thing is clear: That is, the markup or the price discrimination on prescription drugs is far higher than it is on other consumer goods. In fact, the price differential is about 5 times greater than the average price differential for other consumer goods.

Now, I wanted to say a couple of things about the pharmacists, because one of the things we found in the study is that the high price of prescription drugs is not the fault of pharmacies. Whether one is a chain drugstore or a local pharmacy, the markup is on average 3 and at times all the way up to 22 percent, but more often it is a reasonable markup of 3, 4, 5, 6 percent. In fact, it is the large pharmaceutical companies that are driving up the prices. Drug manufacturers makes 6 times more profit on prescriptions than retail pharmacies.

Mr. Speaker, I think that we obviously have to do something about this, and I am pleased that the release of a report in my district showed what it did, that the study has been replicated in districts around the country. This is, as we well know, a nationwide problem, not just a local problem.

Despite the very important contributions that the pharmaceutical companies have made in improving the quality and the effect of prescription drugs, the fact remains, bring it down right to the grassroots level. The gentleman knows, the gentlewoman knows, I know people in our district who get about $600 or $700 a month in a Social Security check and that is all they have, and a good number of them are paying $100, $200, $300 a month are for prescription drugs.

The math does not work. They cannot pay for food and rent and other necessities and still pay the cost of their prescription drugs. So what do they do? They do not take the drugs that their doctors tell them they have to take. That is the bottom line. Seniors in this country are not taking the drugs that their doctors tell them they have to take.

Vi Karion from Maine traveled down to our press conference last week and she spoke of her difficulties and those of her friends and neighbors. She gets about $900 a month from Social Security, but cannot afford supplemental coverage for her prescription medication and she cannot always afford all of her prescription drugs.

That is why I introduced the Prescription Drug Fairness For Seniors Act, very similar to the bill that the gentleman from Texas (Mr. TURNER) and others have introduced. These two pieces of legislation are complementary, not competitive. We believe that the legislation will drive down the cost of prescription drugs for seniors by over 40 percent.

Mr. Speaker, it is too late in this session to have this bill become law, but I can tell my colleagues this: We are going to be back next year. This issue will not go away.

We need to do something about the high cost of prescription drugs, and what our legislation would do, without adding to the Federal budget, without fixing prices, we would put the Federal Government on the side of every senior buying pharmaceutical drugs. And if we do that, the buying power of the Federal Government is strong enough to compensate for the high prices charged by the pharmaceutical companies, to drive down the cost of prescription drugs and really give our seniors a chance to eat the food they are supposed to eat and still take the medication that their doctors tell them they have to take.

Mr. Speaker, I thank the gentleman. I am very pleased to have been here today.

Mr. TURNER. Mr. Speaker, I thank the gentleman for his strong leadership on this very, very important issue.

Another Member of this body who has worked hard on this particular issue is the gentleman from Georgia (Mr. BISHOP), from the Second District of Georgia. I would like to yield to the gentleman.

Mr. BISHOP. Mr. Speaker, I rise today as a cosponsor of H.R. 4646, which is a bill to provide for substantial reductions in the price of prescription drugs for Medicare beneficiaries.

Mr. Speaker, this is a time when seniors seem to be taking the brunt of the cuts in health care costs, specifically in areas such as home health care and venipuncture. So I am honored to support legislation that would make prescription drugs affordable for our seniors.

Today our parents and our grandparents are being forced to pay much steeper prices for prescription drugs than the so-called most favored customers of drug companies, such as HMOs, large hospital chains, and indeed the Federal Government. This is wrong. These entities are able to buy drugs at discounted prices, and drug companies subsequently raise their prices to seniors and others who pay for needed prescriptions for themselves.

A Federal study that was initiated by the gentleman from Texas (Mr. TURNER), who was the originator of this bill, and we congratulate him, asserts that our senior citizens are paying twice what the most favored customers are paying. This bill provides the solution to the problem by creating a level playing field. It allows retail pharmacies to buy medications used by senior citizens directly from the General Services Administration of the Federal Government. Because the GSA is one of the entities that is able to purchase these prescription medications at much lower prices, this procedure will allow pharmacists to pass on significant cost savings to our senior citizens.

Mr. Speaker, I ask my colleagues to support this concept, and I congratulate the gentleman from Texas (Mr. TURNER) for his foresight in working on this issue, and all of the other cosponsors who have joined, such as the gentlewoman from California (Mrs. CAPPS), to make sure that we lift this issue up to our Nation's consciousness and that as soon as possible we try to provide some relief for our seniors in the purchase of their much-needed prescription drugs.

I thank the gentleman for yielding, and I again congratulate him for the hard work that he has done in pursuing this issue.

Mr. TURNER. Mr. Speaker, I thank the gentleman. The gentleman has given outstanding leadership not only to this issue but to many others on behalf of the people of his district, and his support means a great deal to this issue. I thank the gentleman for his part in this Special Order.

I would like to yield once again to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I thank the gentleman for yielding to me and I thank the gentleman from Georgia (Mr. BISHOP) for his support. I want to echo that it is now becoming clear, as we are taking part in these Special Orders, how widespread this has become in certain areas of our country.

To pick up on a theme that the gentleman from Texas (Mr. ALLEN) mentioned when we talked about the terrible choices that seniors have to make, as we have done our studies and as we have been engaged with the seniors in our own districts, as I have, and their faces come to my mind as I am standing here on the floor of Congress, the people who have come up to me with real fear and pain in their eyes about what they are facing on a daily basis. It is a shame, because the part of health care that seniors value the most is their ability to get their medications that keep them alive in many instances, that really prolong the kind of health that they now have become accustomed to because of the advances in medicine.

It is to the pharmaceutical companies, for the research they have done, that we owe the advances in medicine for many of our seniors, so that they can keep their blood pressure under control and their cholesterol level down, and their arthritis aches and pains are not incapacitating our seniors as they once were.

☐ 1515

What a shame that right now, in this day and age, when we have the resources to give them, that they are being asked to bear the burden of discounted prices.

In other words, what the drug companies are coming back to us with after they see our studies is saying, this sounds like price-fixing. But what we know from our studies is that what the drug companies are doing is cost-shifting. That is what we need to address.

They are shifting the costs in the savings that they are giving to large buyers, such as the insurance companies, such as the HMOs, they are shifting the cost from this large entity onto the backs of individual seniors in my district in California; in the district of the gentleman from Texas (Mr. NICK LAMPSON); in the the district of the gentleman from Texas (Mr. TURNER); in Maine, in Arkansas, in Indianapolis. We are seeing this is happening across the country.

Mr. Speaker, that is why we need to stand here today on behalf of these seniors and speak out for them and for the fear that they are experiencing, and the choices they are making between buying food for their tables or buying the medication that will prolong their lives.

Actually, when we think of the cost, the cost of a senior then becoming ill because they are not able to take their medication, and having to go into a high-skilled nursing facility, is much more of a burden on their families, on themselves, and on society, really. So we are wise to take note of this and do something about it. It is not price-fixing, it is cost-sharing. That is what we want to make sure, that the seniors are not bearing an overburden of the price of the prescriptions that they need to be making.

I applaud the gentleman from Texas (Mr. TURNER) again for the work that he is doing for the seniors of our country, really. I am a proud co-signer of the gentleman's bill, and on the efforts that are going on around the country.

Mr. TURNER. Mr. Speaker, I thank the gentlewoman from California, and I thank her again for sharing her insight. I guess it is the gentlewoman's nursing background that causes her to be so very sensitive to what we all see when we go out in our districts and talk about this issue. It is the seniors who are having trouble just making ends meet, who are faced with these high costs of prescription medications that we are trying to help here today.

I had a lady come up to me in Orange, Texas, as I was talking about this legislation at one of my local pharmacies, a lovely lady named Frances Staley. She happened to be blind. She was very a proud lady, and she was telling me about how important she thought this issue was and how much she supported what we are trying to do.

I began to ask her about her situation. She told me that she has $650 a month in social security. That is her total check. She told me that she has $540 worth of prescription drug bills every month. She has nine different medications that she has to take.

We were standing there, with her pharmacy over there, and she looked over and said, I am just glad that my pharmacist will give me credit. I still said to her, but if you have $540 in prescription drug bills every month and you only have $650 from social security, how do you live? And she leaned over to me in that proud sort of way, and said, well, sometimes I just take half my medication.

Now, no senior citizen should have to make that choice. That is why we are here today.

Mrs. CAPPS. The gentleman is absolutely right.

Mr. TURNER. That is why we have introduced this bill. I appreciate so much the gentlewoman's leadership on this.

Mr. Speaker, I yield to my dear friend and colleague, the gentleman from the 9th District of Texas (Mr. NICK LAMPSON), another leader in the fight to help our senior citizens.

Mr. LAMPSON. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I rise today in support of the Prescription Drug Fairness Act. I really want to thank the gentleman from Texas (Mr. TURNER) for the hard work that he has done on this extremely important piece of legislation. Obviously, we hope it is a success, and a big success, along the way.

I say to the gentleman from Texas (Mr. TURNER), as I was growing up, thinking back to the time that I was in Beaumont as a kid and knowing that I lived probably about a mile or so from the pharmacy that we used, the Highland Avenue Pharmacy, I know the relationship we built with the Masons, who owned and ran that drugstore.

I remember that when we were sick, my mother could call them. They would send a prescription to our home in instances when we could not get there, and there were some difficult times in our own family when I was growing up that would prevent us from driving even that mile to pick up a prescription from the pharmacist.

I knew if my mother needed to, instead of sending me to a doctor and spending that extra $5 or $10 or whatever she might have had to spend on me or my sisters or brothers, that she could sometimes pick up the phone and call Mr. Mason and ask a question, and get some advice about what we might need to do. There were instances where that relationship saved a significant amount of money.

I know that as we face similar problems today with pricing of pharmaceuticals, we are in many instances losing that ability to have that relationship with our neighborhood pharmacist, with the people who provide much more than just an opportunity to retail-sale drugs to the people in the neighborhoods.

I absolutely imagine the choices, the difficult choices that a loved one, perhaps my own mother, would have to face, as the gentleman was talking about a minute ago, when they were faced with the choice of buying medicine or buying food. I do not want my mother having to make that kind of a choice.

I know that when I went to the White House Conference on Aging as a delegate in 1995, I heard the plea of the 2,500 or so elderly people who were there as designees from all over the United States asking that we keep those programs in place; that Congress, and I was not a Member of Congress then, but that we keep those programs in place that would help them keep their dignity and their independence, so they would be able to continue to live at home and not be a burden either on their children or on society.

It is strange to me that we continue to enact, or try to deenact, if you will, so many things that are putting so many of these folks into troubled times, as the gentleman from Texas just spoke of, such as the woman who may not be able to live in her home if she cannot take the full amount of the medicine that the doctor says is necessary to keep her health good for her quality of life as she reaches those golden years, that are longer today than what they used to be, that we are so proud of. But if we cannot enjoy those days, why live them?

That is not a question that our seniors need to be asking. They are paying too high a price, in many instances, as elderly folks, and even oftentimes we are, ourselves. Drug companies charge seniors on an average, I think the gentleman said earlier, 103 percent more than they charge their most favored customers.

I looked at the chart that the gentleman has there. I have a copy here. I look across to some medicine that I have to take. I have a stomach problem and I take Prilosec. I want to ask the gentleman a question.

From what I understand here, if I can buy, as a favored customer, my bottle of Prilosec that I have to buy every month and I pay $58.38 for it, if I go to my pharmacy at home in Texas I have to pay, for this same bottle, $107.97?

Mr. TURNER. The gentleman is correct.

Mr. LAMPSON. Mr. Speaker, if the gentleman will continue to yield, that is a 90 percent difference. What the gentleman is saying is that for this bottle that I am holding in my left hand I have to pay $58.38, but for the bottle that I am holding in my right hand I have to pay $107.97. That does not make logical sense to me.

When I look at the problems that I know that my own mother faces in attempting to face these same decisions, I have a hard time accepting it, not just for her, but for all of the people in this country.

Our neighborhood pharmacies may be put out of business because of these pricing practices. That is something that we all have to be concerned about. It will make senior citizens' lives worse, because they will not be able to depend on their neighborhood pharmacies for advice or even personal care.

All of these other figures that the gentleman has cited, that the gentleman has put together through his study, are impressive, but they are also absolutely frightening. The Prescription Drug Fairness Act would protect older Americans from this type of discriminatory pricing. The legislation will create a level playing field by allowing retail pharmacies to buy medication used by senior citizens directly from the General Services Administration, the GSA of the Federal Government.

Since the General Services Administration is able to purchase prescription medication at much lower prices, at those favored prices, then pharmacists will be able to pass on a significant cost savings to our senior citizens. Again, our senior citizens should not ever have to choose between their health or other necessities.

One more time, it is the difference between the price of the bottle that I hold in my right hand or the price of the bottle that I hold in my left hand. I think we need to pass this legislation for the sake of all America. I thank the gentleman. I appreciate the great work he has been doing. I hope to be able to stand by the gentleman and continue to make a success of this bill.

Mr. TURNER. Mr. Speaker, I thank the gentleman from Texas (Mr. LAMPSON). I thank him for his leadership.

It is hard to understand how that same bottle of medication can cost $58 when it is sold to the big HMOs and the big hospitals and the insurance companies, and yet our senior citizens, walking into their local pharmacies, are having to pay $107. It is just not right. I thank the gentleman for his leadership on this.

Mr. Speaker, I want to thank the gentleman from California (Mr. WAXMAN) personally for his leadership as the ranking Democrat on the Committee on Government Reform and Oversight in initiating with our minority staff the studies that many of us have been able to do in our own districts, to point out the problem that we are talking about here today.

I thank the gentleman from California for his leadership on this issue, for the many years he has been working on this cause.

Mr. Speaker, I am proud to yield to the honorable gentleman from the 29th District of California (Mr. HENRY WAXMAN), the ranking member of our Committee on Government Reform and Oversight, a leader on health care issues for many years, and another Member of this body who has for many, many years been a leader in the fight to try to lower the cost of prescription medication for senior citizens.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman very much for yielding to me.

Mr. Speaker, I want to underscore the importance of this special order this afternoon in the House of Representatives, and the gentleman's leadership, and the leadership which the gentleman from Maine (Mr. ALLEN), the gentlewoman from California (Mrs. CAPPS), the gentleman from Texas (Mr. LAMPSON), and so many others have given to this very question.

It is so unfair that our seniors are paying, on average, we have found, all across the country, twice as much for prescription drugs as those who are being treated in a more favorable light by the pharmaceutical manufacturers.

This is an issue that affects American seniors all across this Nation. There is very little variation between what we have found in one part of this country as opposed to another. We see all over our seniors being asked to pay the most for these drugs.

Of course, the reason they have to pay the most for drugs is that each senior goes individually to buy drugs. They do not have anybody acting on their behalf the way that the veterans have through the Veterans Administration, or the people in managed care plans have, when those managed care plans step in and negotiate a better price for all of their members who have drug coverage, or what we have even done for Medicaid recipients who have prescription drug coverage.

On Medicare, our Medicare beneficiaries do not have prescription drug coverage under Medicare. I wish they did. It is a logical thing for them to have that coverage. Medicare covers doctor bills, hospital bills, all sorts of other services, medical services. But when it comes to prescription drugs that they use on an outpatient basis, Medicare will not cover it. Each person has to come in individually and pay the price.

The manufacturers of these drugs have found that in order to keep their profits up when they have to give a discount to others, they just raise the price higher for individual seniors, often elderly women. Most people on Medicare are women, and they are the ones who have to pay that price.

We have heard the story today, and all Members of Congress have heard it from our constituents, how the elderly are forced to choose between paying their rent, their food bill, their heating bill, or their pharmaceutical costs.

A lot of people go without taking their drugs, or try to take them every other day, or cut the drugs in half and make them last longer. Many of them end up in hospitals because they get sicker as a result of not taking the pharmaceuticals that can keep them healthy. Then the government pays a lot more money under Medicare for their hospital bills.

It does not make sense, and I think that the approach that the gentleman has taken and others have taken in trying to address this problem is very, very important.

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The approach that is taken in the legislation is to say that we are going to insist as a function of government that seniors not be disadvantaged when they buy drugs and that we will use the buying power of the Federal Government to make sure they get that preferred price as well as other citizens.

The way that this has been portrayed here today with the charts, with the demonstration of just showing right hand to left hand the same pharmaceuticals, but someone is left holding the bag, and it is usually our most vulnerable people, our seniors who do not want to be on welfare.

Most of them are not on welfare. They have played by the rules. They paid throughout their working years for the Medicare program. When they need that program and are relying on it, we should not leave them adrift when it comes to high pharmaceutical prices. We ought to be there to protect them.

If we are not going to cover drugs, at least we ought to assure them that, when they buy those pharmaceuticals, they are going to pay a preferred price and not an unfair price.

I want to commend the gentleman. I think this is an important opportunity on the House floor to bring this issue home to people. It is the kind of issue people care about. So often here in Washington we are talking about things that I do not think most Americans think affect their lives in any way. But this issue affects every senior and their family members in every part of this country.

This is the kind of thing we ought to be dealing with, just like we should be dealing with the protections for people who are in HMOs or managed care to be sure that they are not taken advantage of, that they have their rights protected as consumers. We ought to be addressing issues like this.

We have only got 1 week left here in the Congress. We are going to go home at the end of this next week without passing a Patients' Bill of Rights for managed care, without addressing this pharmaceutical pricing issue, without doing anything about protecting our kids from being the subject of the tobacco companies' campaigns to get them to smoke at 12 and 13 years of age, without probably the most important thing, passing legislation to reform our campaign finance system, which, without the reform in that area, leads to the inordinate power of special interest groups like the tobacco companies, like the insurance companies, and like the pharmaceutical manufacturers.

I commend the gentleman for his leadership and for taking this opportunity on the House floor for many of us to speak on the issue.

Mr. LAMPSON. Mr. Speaker, if the gentleman will yield, one of the points that the gentleman from California (Mr. WAXMAN) made is we continue to see the direction go like this where it is harder and harder for seniors to meet the demands that they have on the medicines that they need to buy and they make choices and not take all of their medicine or not take the medicine at all, ultimately they will end up probably going back into institutionalized care.

The gentleman from California just mentioned a number of things that we are facing right now, balancing our budget, passing appropriations bills we have not yet done. What are we going to have to be doing in the future if we see an increase in the number of people who are going back into institutionalized care, not being able to stay at home and take care of themselves?

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, one of the short sides of this in the way that we approach these problems is we look at the cost of hospital care under Medicare, which is extraordinarily high, and we do not connect it to the fact that we have caused those costs to be incurred because we have not done anything to protect the elderly from the high cost of medications and the fact that many of them will go without the medications, forcing them to get sick and then to use more expensive care.

Mr. LAMPSON. Mr. Speaker, if the gentleman will yield, then who is going to pay for that?

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, we are going to pay for it. The country is going to pay for it. The elderly is going to pay for it. It is a cost of the Medicare program.

When we look at the Federal Government expenditures, what we spend in Medicare is one of our very largest expenditures. It is not just from taxpayers, it is partly paid for by the premiums that the elderly pay for their Medicare. It is paid for also by the working people of this country who pay into the Medicare system in hopes that they will have it available to them when they need it when they become eligible because of their age to take out that Medicare policy.

Mr. LAMPSON. Mr. Speaker, if the gentleman will yield, it really would make sense if we can cut the costs of seniors particularly who are in greater need of some of these medications than perhaps other citizens of the country are that we would perhaps be able to save money in the long run in our budget. We would have to appropriate fewer dollars in the future because of these cost saving measures that we take today.

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, I think that is absolutely right. If we simply want to look at it as a dollar and cents issue, I think the case can be made that we would save money if we have protected the elderly from the high cost of prescription drugs and not have to pay that amount in hospital care costs for them.

But even without just looking at it from a dollar point of view from a Federal Government standpoint, just from a common sense humanitarian point of view, how can we say to the elderly that we are going to protect them from being wiped out financially when health care costs hit them after they paid into this Medicare program during their working years, and we leave them vulnerable to such high out-of-pocket costs for their prescription drugs that they will not be able to afford their drugs or other necessities.

Some people cannot even afford to pay their Medicare Part B premium. They are like people who are not even in Medicare Part B because of the high cost of that, or they cannot go out and buy supplemental insurance because of the cost of that added onto everything else they have to pay for.

So we ought to recognize that, while we have done a great job in this country reducing the poverty levels of elderly people which used to be the single largest group under the poverty line, we still have a lot of people who are having difficulties especially when they have to pay for those high cost drugs.

Mr. LAMPSON. Mr. Speaker, if the gentleman will yield, I would ask all of our colleagues to join the gentleman from Texas (Mr. TURNER) and the gentleman from California (Mr. WAXMAN) and myself in supporting the Prescription Drug Fairness Act. Let us pass it and maybe we will be able to save those dollars.

Mr. WAXMAN. Absolutely.

Mr. LAMPSON. And help a lot of elderly folks along the way.

Mr. TURNER. Mr. Speaker, I again thank the gentleman from California (Mr. WAXMAN) for his leadership on this issue. He has been a tireless worker for many years on behalf of health care for children, for senior citizens, and for all Americans.

I again want to thank the gentleman for directing the staff of our Committee on Government Reform and Oversight, as our ranking member, to prepare these studies to document this very serious problem that we are talking about here today.

The gentleman from Texas (Mr. LAMPSON) mentioned the difference in the price of one particular drug. On the chart to my right, we have depicted the results of the study that the Committee on Government Reform and Oversight staff did in my congressional district.

What it did, Mr. Speaker, was to take the 10 most commonly prescribed drugs for senior citizens, and it took a look at the prices that those drug manufacturers are charging their most favored customers, those big HMOs, those big insurance companies, the big hospital chains, and even the Federal Government. Those prices are depicted here in this column.

The one the gentleman from Texas mentioned right here was $58 that the favored customers paid. In the same study, pharmacies in my district on average were having to charge $107 to our senior citizens who walk in without insurance for that same quantity of prescription medication. This quantity here is about a month's supply of each of those prescription drugs. So you see in the last column the price differential.

As the gentleman said, it was 90 percent for the drug that you take. The average of all of these 10 commonly prescribed prescription drugs in my district was 103 percent.

We have heard others here today say it was 105 percent in their district, but, roughly, senior citizens are paying twice for prescription medication than what the drug manufacturers are charging their most favored customers.

We talked about this in my district in a series of about 25 little meetings I had with pharmacists all across my 19 counties. I want to make it very clear today, and it is shown on this third chart that I have, that the problem is not a problem created by our local pharmacies. It is the drug manufacturers that are responsible for this disparity, not the retail pharmacist.

In fact, in most of our districts, we see independent pharmacies going out of business every month because their margins are so small caused by this discriminatory pricing scheme that they are not able to make ends meet as pharmacies and are having to close down their businesses.

What this chart shows you is that, of the total price differential shown in blue on the left-hand side, the average retail markup from average wholesale by pharmacies in my district was about 1 percent, a little over 1 percent. In fact, the highest markup for any prescription medication that we studied by retail pharmacists in my district was 19 percent. So it is not the local pharmacies that are making the money.

We looked, not only at the 10 most commonly prescribed prescription drugs for seniors, but we looked at a few other drugs. Ticlid, for example, look at the price differential on Ticlid. It is absolutely unbelievable to think the line in blue shows what senior citizens are paying for Ticlid and the line in the pink shows what the most favored customers are paying. It is just almost hard to believe that Ticlid could be costing senior citizens $117 and the favored customers, the big insurance companies and the hospital chains, get it for $33.

Another one, Synthroid, was even more dramatic. Synthroid costs our senior citizens shown here in blue $25.86 when they go into our local pharmacy. The most favored customers can buy the same quantity of Synthroid for $1.78.

Micronase, another drug that is prescribed for diabetics, costs our senior citizens and local pharmacists $45.60. The most favored customers or the big drug manufacturers get that same quantity for $6.89.

So we see the problem. What we are trying to do about it in this legislation is to allow our local pharmacists to buy prescription drugs for Medicare eligible seniors directly from the Federal Government who is one of these most favored customers. We believe that is the right thing to do. We think that it is the right thing for our senior citizens.

I wanted to thank every Member of this Congress who has joined with us in cosponsoring this legislation. We hope we can pass it for our senior citizens so folks like Ms. Frances Staley, my constituent in Orange, Texas, can be able to afford her prescription medication.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 29, 1998.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Tuesday, September 29, 1998 at 12:45 p.m.

That the Senate Agreed to Conference Report H.R. 6.

That the Senate Agreed to Conference Report H.R. 4103.

With warm regards,

ROBIN H. CARLE,
Clerk.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, September 30, 1998.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on Wednesday, September 30, 1998 at 10:45 a.m.

That the Senate Agreed to Conference Report H.R. 4060.

With warm regards,

ROBIN H. CARLE,
Clerk.

TRIBUTE TO DAN QUISENBERRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. Snowbarger) is recognized for 5 minutes.

Mr. SNOWBARGER. Mr. Speaker, the Kansas City area, our national past time of baseball, and everyone who admires courage and grit suffered a tragic loss yesterday. Dan Quisenberry, former relief ace for the Kansas City Royals, lost his battle with brain cancer at the age of 45.

Quiz faced death with the same unblinking fearlessness with which he faced a Wade Boggs or a Don Mattingly or a Reggie Jackson. His courage in the face of adversity was inspiration for all of us. Dan Quisenberry became the second Kansas City Royal to fall victim to this disease, joining manager Dick Howser, who died in 1987, just 2 years after leading the Royals to the world's championship.

Dan Quisenberry developed a reputation as a "flake", based on his friendly banter with reporters who always sought him out for a good quote. This is a man who, finding success after a rare downturn in his pitching fortunes, told a reporter that he had found a delivery in his flaw. But, Quisenberry also was an intelligent and articulate man, a witty man who turned to poetry after his retirement from baseball.

He also was the best relief pitcher the Kansas City Royals had ever known. He was the first pitcher to save 40 games in a season, and he still holds the American League record for most saves in two consecutive seasons with 89. At the peak of his career, he was a factor in every game; unique for a pitcher.

Baseball writer and fellow Kansan Bill James put it best in his baseball abstract, "The logic was this: let's say that the Royals were one ahead in the fifth inning, but the other team had a man on and Babe Ruth at the plate. You'd be thinking 'Well, if he gets the Babe out here he's got the bottom of the order up in the sixth. That means that Babe and Lou and company don't come up again until the seventh at worst, and if it really gets tough in the seventh inning, Quiz can come in and the Royals will still win. So if he just gets Babe out here in the fifth inning, then the Royals win."

☐ 1545

Well, it was not just the Royals who threw this way, either. Managers would use their pinch hitters in the 5th and 6th innings, trying to keep Quisenberry out of the game. In a sense every Royals game revolved around trying to get to Quisenberry, and it was something that you started thinking about really as soon as you got to the park.

This is about a man who threw underhand to major league hitters and got them out. But Dan Quisenberry was more than a great baseball player. He was a great human being. He was active in Harvesters, an organization that collects food for the homeless, and Village Presbyterian Church. He gave something even more precious than his money, he gave of his time. His dedication to charity and to children was admirable.

I think it is appropriate to remember at this moment the immortal words of the fabled sportswriter Grantland Rice, words which very well might have been written for Dan Quisenberry:

> When the one great scorer comes to write against your name, he marks not that you won or lost but how you played the game.

Mr. Speaker, I ask this body to join me in offering condolences to the Quisenberry family. Let them take comfort in the fact that life is not measured by its length but by its quality.

FIRST SURPLUS SINCE 1969

The SPEAKER pro tempore (Mr. EWING). Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, I thought I would take a few minutes to just talk about something that is pretty exciting, I find, for the folks back home in the south suburbs of Chicago and the South Side of Chicago and the rural areas and the bedroom communities I have the privilege of representing back home in Illinois.

October 1 is a big day. It is a big day that many of us, particularly in my generation, have been waiting a long time to see come. The reason October 1 is such a big day is, today is the first surplus that Washington has seen since 1969. Thanks to this new majority that has been in place here, the Republican majority that has been in place now for the last 3½ years, we have the first balanced budget in 29 years, a balanced budget that is projected to generate $1.6 trillion in extra surplus tax dollars over the next 10 years.

Essentially the folks back home are sending more money to Washington than we need, producing a mammoth surplus, thanks to the fiscal responsibility that began with the Contract with America in 1995. I find that folks back home are pretty excited, because we talk about what we are going to be doing with this surplus. There are some, particularly down at the White House, that want to spend it. They would rather take that surplus and spend it on whatever they can call emergency spending, trying to avoid the budget rules and, of course, avoid the budget discipline that we have.

That is what a lot of folks back home say. They say, if we do not set aside that surplus now and give it to a specific purpose, those Washington politicians will spend that extra money. We made a commitment here 10 days ago to do something with that $1.6 trillion surplus. We made a commitment to save Social Security. We made a commitment to eliminate the marriage tax penalty. We made a commitment, essentially, to give $1.4 trillion, two times what President Clinton originally asked for back in January, to saving Social Security, $1.4 trillion.

Now, the $1.6 trillion in the budget surplus, of course, the 90–10 plan, as we now call it, sets aside 90 percent of the extra tax revenue and makes a commitment to put that money aside for Social Security. The remaining 10 percent we are going to give back to the American people, because we do not want it spent here in Washington. We want to use it to help families.

I have often raised the issue of the marriage tax penalty over the last year, asking a simple question: Is it fair, is it right that under our Tax Code that 28 million married working couples pay higher taxes today just because they are married? Is it right that our Tax Code charges a married working couple with two incomes more in taxes than an identical couple with identical incomes living together outside of marriage?

I think we all agree that that is wrong. This House made a bipartisan commitment, by adopting the 90–10, plan not only to save Social Security, setting aside $1.4 trillion to save Social Security, but also to work to eliminate the marriage tax penalty.

When I think of Social Security, I think of my mom and dad but. When I think of the marriage tax penalty. I think of my sister, Pat, and brother-in-law Rich, a school teacher and a farmer back home in Sheldon, Illinois who are just like 28 million other married working couples. They suffer the marriage tax penalty.

Under our legislation, by doubling the standard deduction for joint filers to twice that of a single filer, raising it from $6900 to $8300, we save 28 million married working couples $243 under the 90–10 plan. That saves Social Security and helps eliminate the marriage tax penalty.

Back home in the south suburbs, towns like Joliet, Illinois, $243, that is a car payment, that is a couple months' worth of day care for a family with kids that need to be in day care while mom and dad are forced to go to work just to pay the taxes. That is a big victory.

I am also proud that not only does doubling the standard deduction for joint filers to twice that of a single filer save $243 but it also simplifies the Tax Code, one of the other goals of our Republican Congress. By simplifying our Tax Code, in fact, our marriage tax relief not only saves $243 each for 28 million couples, but we allow 6 million married working couples to no longer have to file a schedule A. They will only need to file a schedule 1040 EZ, meaning they will no longer need to itemize. We are simplifying their tax filing process.

Mr. Speaker, that is a big victory. My colleagues on the other side of the aisle keep raising this ogre. They always say somehow by working to eliminate the marriage tax penalty that somehow because you are doing that you are somehow hurting the Social Security trust fund.

As a member of the Committee on Ways and Means, two weeks ago we asked a representative of the Social Security Administration, the deputy commissioner, and her name, Judy Chesser, the gentleman from Texas (Mr. ARCHER) asked Judith Chesser, he asked her, now, as a result of the tax bill, the tax cuts contained in the 90-10 plan, that the committee was planning to vote out, will there be any impact on the Social Security trust fund. Judith Chesser said, absolutely, no.

The 90-10 plan is good for families back home. It helps farmers in Illinois. It helps small business people in Illinois. Helps those who want to send their kids off to college. We eliminate the marriage tax penalty for a majority of those who suffer it. The bottom line is, we also save Social Security by setting aside $1.4 trillion.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 4:30 p.m. today.

Accordingly (at 3 o'clock and 53 minutes p.m.), the House stood in recess until approximately 4:30 p.m.

□ 1633

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. EWING) at 4 o'clock and 33 minutes p.m.

APPOINTMENT OF CONFEREES ON H.R. 3874, CHILD NUTRITION AND WIC REAUTHORIZATION AMENDMENTS OF 1998

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3874) to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none and, without objection, appoints the following conferees:

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Messrs. GOODLING, RIGGS, CASTLE, CLAY and MARTINEZ.

From the Committee on Agriculture, for consideration of sections 2, 101, 104(b), 106, 202(c) and 202(o) of the House bill, and sections 101, 111, 114, 203(c), 203(r), and titles III and IV of the Senate amendment, and modifications committed to conference: Messrs. SMITH of Oregon, GOODLATTE, and STENHOLM.

There was no objection.

APPOINTMENT OF CONFEREES ON S. 2073, JUVENILE CRIME CONTROL AND DELINQUENCY ACT OF 1998

Mr. GOODLING. Mr. Speaker, in accordance with rule XX and by direction of the Committee on Education and the Workforce, with the concurrence of the Committee on the Judiciary, I move to take from the Speaker's table the Senate bill (S. 2073) to authorize appropriations for the National Center for Missing and Exploited Children, with House amendments thereto, insist on the House amendments, and request a conference with the Senate thereon.

The SPEAKER pro tempore. The gentleman from Pennsylvania (Mr. GOODLING) is recognized for one hour.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of my motion. The bill addresses the problem of juvenile crime in this country. We all know that juvenile crime is not going to go away on its own.

For two Congresses we have attempted to address the problem of juvenile crime through legislation supporting accountability and prevention programs. Yet we have not produced a final bill. While the states have their own initiatives to combat juvenile crime, they rely on the resources we have provided them through laws such as the Juvenile Justice and Delinquency Prevention Act, which expired in 1996. Today's action is merely an effort to get to conference with the Senate. H.R. 3 passed the House by a vote of 286 to 123. H.R. 1818 passed the House by a vote of 413 to 14.

We need to address juvenile crime through a two-pronged approach. First, we must send a message to our youth that we will not tolerate their involvement in criminal activity. We can do this through the imposition of appropriate punishment for each crime they commit.

Second, we need to work with the youth at risk of committing juvenile acts and those who have already been in touch with the juvenile justice system to prevent their involvement in criminal activities.

I realize that some of the body have problems with certain of the provisions of the bill, that it is not perfect legislation. However this motion to go to conference is the way to address these concerns. I believe the conferees will have a much better chance to produce an approach to address the problems of juvenile crime with which we can all agree. I encourage my colleagues to support this legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. RIGGS).

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding me time. I will be brief, since I know we promised the minority we would not have any extended debate on this particular issue.

Mr. Speaker, I wanted to rise to say that I am particularly pleased in the waning days of this Congress, the 105th Congress, in our country's history, we are going to be able to go to conference with the Senate on hopefully a comprehensive approach to combating juvenile crime.

As the chairman mentioned, there are two measures that have passed the House, both with strong bipartisan support; H.R. 3, the Committee on the Judiciary bill, and H.R. 1818, the bill that originated in and was reported out of our Committee on Education and the Workforce. The two bills combined represent very tough anti-crime legislation and legislation that is focused on delinquency prevention.

I think all of us can agree, as I said on the floor when we debated this matter, that the best way to address the problem of increasing or rising juvenile crime in this country is to identify those young people who are at risk of engaging in delinquent behavior, who are at risk of committing crimes, and through appropriate intervention by interceding in their lives early on to provide them and their families, their parents and their guardians, with help and with the resources to divert them out of the juvenile justice system. That is what the comprehensive or combined approach of the two bills attempts to do.

Mr. Speaker, I do hope that we will be able to come back to the House with a comprehensive measure that is balanced, that is bipartisan and that is tough on punishment but smart on prevention. Obviously, I am very much in support of the motion to go to conference.

Mr. Speaker, I thank the chairman for yielding me time, and look forward to being able to get into those deliberations with our colleagues in the other body.

Ms. DUNN. Mr. Speaker, today I rise to speak in support of this motion, and to remind my colleagues that not only will this bill reauthorize the National Center for Missing and Exploited Children, it will also strengthen the process already in place where communities will be notified when a violent sexual predator is released.

Action on sexual predators was prompted years ago in my home state of Washington by the grisly crimes of repeat sexual offender Earl Shriner. Shriner had a 24-year history of violent sexual assaults on young people and confirmed all the studies of high rates of recidivism. He was repeatedly jailed and released—committing the same crimes for which he was first incarcerated over and over again.

After a series of other crimes committed by repeat sexual offenders like Earl Shriner, the Washington State legislature met in a 1990 special session and passed the Sexually Violent Predators Act.

The Senior Senator from Washington then brought our state model back to D.C. to implement on the federal level. I worked in the House to include the model in the 1994 Crime bill. The sad incident in New Jersey with Megan Kanka was unfortunately an additional factor, and the impetus for including sexually violent predator language in the 1994 Crime bill. With the Senior Senator's help, Mr. Zimmer and I were able to convince conferees on the 1994 crime bill to include community notification, registration, and tracking of sexually violent predators in the bill.

Since the 1994 crime law, and the subsequent enactment of Megan's Law, almost all states have developed tracking programs that require convicted sexual predators to register with local law enforcement agencies upon release and allow officials to notify local communities of their presence.

Empowering families, women, and children with the knowledge that a potential threat is present in their community enables them to take the necessary precautions to ensure that there are not second, third or fourth victims. Communities must know when a sexual predator has moved in next door or down the street. Now, Mr. Speaker, it is time that we take this good law one step further before we are shocked once again to hear of a needless death or crime committed by a violent sexual offender.

Included in this bill is an amendment I offered with my colleagues, Mr. Pappas, Mr. Deal, and Mr. Cunningham. This amendment requires each state to create a method by which it will notify parents when a juvenile sex offender is enrolled in their child's elementary or secondary school.

This is a simple refinement of the work we have done in the past, in order for the law to accomplish what Congress intended: ensuring the safety and well-being of our children as they attend school.

Some of our colleagues may wonder why notification under Megan's Law is not enough. Oftentimes our schools include students from a variety of nearby communities. Community notification, therefore, will not reach some of the parents of these children. Without this knowledge, parents would not be able to take the necessary precautions to protect their children from being victims of a possible re-offense. Parents deserve the peace of mind of knowing that their children will be safe from sexual predators as they attend school.

Mr. Speaker, this provision complements Megan's Law and empowers parents whose children attend schools outside their communities, as well as those whose children go to neighborhood schools.

We simply cannot let what happened to Megan Kanka happen again. Not in any community and, especially, not on a playground during recess.

I urge my colleagues to show their support for children and families and vote to send this bill to conference.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Goodling).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RIGGS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Further proceedings on this motion will be postponed until 5 p.m.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 5 p.m.

Accordingly (at 4 o'clock and 40 minutes p.m.), the House stood in recess until approximately 5 p.m.

☐ 1702

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. Everett) at 5 o'clock and 2 minutes p.m.

APPOINTMENT OF CONFEREES ON S. 2073, JUVENILE CRIME CONTROL AND DELINQUENCY PREVENTION ACT OF 1998

The SPEAKER pro tempore. The pending business is the vote on the motion to request a conference on S. 2073 offered by the gentleman from Pennsylvania (Mr. Goodling) on which further proceedings were postponed earlier today.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Nadler) on which the yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 376, nays 36, not voting 22, as follows:

[Roll No. 474]

YEAS—376

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeGette
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Fattah
Foley
Forbes
Ford
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kildee
Kilpatrick
Kim
Kind (WI)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDade
McGovern
McHale
McHugh
McIntosh
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Obey
Ortiz
Oxley
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon

Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Radanovich
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodrigues
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Rush
Ryun
Salmon
Sánchez
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Young (FL)

NAYS—36

Bonior
Clyburn
Conyers
DeFazio
Delahunt
Farr
Fazio
Filner
Furse
Hilliard
Hinchey
Jackson-Lee (TX)
Kennedy (RI)
Lee
Lewis (GA)
Lofgren
McDermott
McKinney
Mink
Nadler
Oberstar
Olver
Owens
Payne
Pelosi
Rahall
Roybal-Allard
Sabo
Sanders
Scott
Slaughter
Stark
Waters
Woolsey
Wynn
Yates

NOT VOTING—22

Callahan
Crane
Deal
Dicks
Fawell
Fossella
Fowler
Goss
Harman
Hulshof
Inglis
Kennelly
King (NY)
Martinez
McCrery
McInnis
Packard
Poshard
Pryce (OH)
Quinn
Rothman
Thompson

☐ 1723

Messrs. YATES, OWENS, OLVER and OBERSTAR changed their vote from "yea" to "nay."

Mr. HILL and Ms. KILPATRICK changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. EVERETT). Without objection, the Chair appoints the following conferees: Messrs. GOODLING, CASTLE, SOUDER, HYDE, MCCOLLUM, HUTCHINSON, MARTINEZ, SCOTT, CONYERS and Ms. JACKSON-LEE of Texas.

There was no objection.

PERSONAL EXPLANATION

Mr. FOSELLA. Mr. Speaker, on rollcall No. 474, I was unavoidably detained. Had I been present, I would have voted "yea."

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3789, CLASS ACTION JURISDICTION ACT OF 1998

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 105–758) on the resolution (H. Res. 560) providing for consideration of the bill (H.R. 3789) to amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions, which was referred to the House Calendar and ordered to be printed.

EXTENDING DATE BY WHICH AUTOMATED ENTRY-EXIT CONTROL SYSTEM MUST BE DEVELOPED

Mr. SMITH of Texas. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the bill (H.R. 4658) to extend the date by which an automated entry-exit control system must be developed, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DATE FOR DEVELOPMENT OF AUTOMATED ENTRY-EXIT CONTROL SYSTEM.

Section 110 of division C of Public Law 104–208 is amended by striking "2 years after the date of enactment of this Act" and inserting "October 15, 1998".

Mr. SMITH of Texas. Mr. Speaker, today I introduced H.R. 4658, which briefly extends the deadline for implementing Section 110(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

Section 110(a) of the 1996 Act required that the Attorney General establish an automated entry-exit control system for all aliens at all ports of entry—land, air and sea—"no later than two years after the date of enactment" of the 1996 Act. Since the 1996 Act was enacted on September 30, 1996, the two year deadline for implementation is now.

The Immigration and Naturalization Service has indicated that it needs more time to implement a control system at the land and sea ports.

As a result, the House of Representatives passed the Solomon bill, H.R. 2920, by a vote of 325 to 90 on November 10, 1997. This bill extends the deadline for implementing Section 110 on land borders to October 1, 1999, and requires that the system "not significantly disrupt trade, tourism, or other legitimate cross-border traffic at land border points of entry."

The Senate passed a different version of H.R. 2920. The Senate version does not require the implementation of Section 110 at the land and sea ports. Rather, it merely requires that the Attorney General conduct a 2 year study on the feasibility and cost of developing and implementing an automated entry-exit control system at land and seaports. The report only requires that the INS estimate how long it will take to implement Section 110 but does not require implementation.

The Senate also inserted a provision into the Commerce, Justice, State (CJS) appropriations bill that would repeal Section 110.

We know that the deadline for implementation is upon us. However, due to other issues that have arisen in recent weeks, the House and Senate have not yet reached an agreement on how to amend Section 110.

This bill prohibits the Attorney General from implementing Section 110(a) before October 15, 1998. This brief two-week extension will allow the House and the Senate enough time to come up with a compromise on this issue.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2392) to encourage to disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2392

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Year 2000 Information and Readiness Disclosure Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1)(A) At least thousands but possibly millions of information technology computer systems, software programs, and semiconductors are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process those dates.

(B) The problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, government, and safety and defense systems, in the United States and throughout the world.

(C) Reprogramming or replacing affected systems before the problem incapacitates essential systems is a matter of national and global interest.

(2) The prompt, candid, and thorough disclosure and exchange of information related to year 2000 readiness of entities, products, and services—

(A) would greatly enhance the ability of public and private entities to improve their year 2000 readiness; and

(B) is therefore a matter of national importance and a vital factor in minimizing any potential year 2000 related disruption to the Nation's economic well-being and security.

(3) Concern about the potential for legal liability associated with the disclosure and exchange of year 2000 readiness information is impeding the disclosure and exchange of such information.

(4) The capability to freely disseminate and exchange information relating to year 2000 readiness, solutions, test practices and test results, with the public and other entities without undue concern about litigation is critical to the ability of public and private entities to address year 2000 needs in a timely manner.

(5) The national interest will be served by uniform legal standards in connection with the disclosure and exchange of year 2000 readiness information that will promote disclosures and exchanges of such information in a timely fashion.

(b) Purposes.—Based upon the powers contained in article I, section 8, clause 3 of the Constitution of the United States, the purposes of this Act are—

(1) to promote the free disclosure and exchange of information related to year 2000 readiness;

(2) to assist consumers, small businesses, and local governments in effectively and rapidly responding to year 2000 problems; and

(3) to lessen burdens on interstate commerce by establishing certain uniform legal principles in connection with the disclosure and exchange of information related to year 2000 readiness.

SEC. 3. DEFINITIONS.

In this Act:

(1) Antitrust laws.—The term "antitrust laws"—

(A) has the meaning given to it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent such section 5 applies to unfair methods of competition; and

(B) includes any State law similar to the laws referred to in subparagraph (A).

(2) Consumer.—The term "consumer" means an individual who acquires a consumer product for purposes other than resale.

(3) Consumer product.—The term "consumer product" means any personal property or service which is normally used for personal, family, or household purposes.

(4) Covered action.—The term "covered action" means civil action of any kind, whether arising under Federal or State law, except for an action brought by a Federal, State, or other public entity, agency, or authority acting in a regulatory, supervisory, or enforcement capacity.

(5) Maker.—The term "maker" means each person or entity, including the United States or a State or political subdivision thereof, that—

(A) issues or publishes any year 2000 statement;

(B) develops or prepares any year 2000 statement; or

(C) assists in, contributes to, or reviews, reports or comments on during, or approves, or otherwise takes part in the preparing, developing, issuing, approving, or publishing of any year 2000 statement.

(6) Republication.—The term "republication" means any repetition, in whole or in part, of a year 2000 statement originally made by another.

(7) Year 2000 internet website.—The term "year 2000 Internet website" means an Internet website or other similar electronically accessible service, clearly designated on the website or service by the person or entity creating or controlling the content of the website or service as an area where year 2000 statements concerning that person or entity are posted or otherwise made accessible to the general public.

(8) Year 2000 processing.—The term "year 2000 processing" means the processing (including calculating, comparing, sequencing, displaying, or storing), transmitting, or receiving of date data from, into, and between the 20th and 21st centuries, and during the years 1999 and 2000, and leap year calculations.

(9) Year 2000 readiness disclosure.—The term "year 2000 readiness disclosure" means any written year 2000 statement—

(A) clearly identified on its face as a year 2000 readiness disclosure;

(B) inscribed on a tangible medium or stored in an electronic or other medium and retrievable in perceivable form; and

(C) issued or published by or with the approval of a person or entity with respect to year 2000 processing of that person or entity or of products or services offered by that person or entity.

(10) Year 2000 remediation product or service.—The term "year 2000 remediation product or service" means a software program or service licensed, sold, or rendered by a person or entity and specifically designed to detect or correct year 2000 processing problems with respect to systems, products, or services manufactured or rendered by another person or entity.

(11) Year 2000 statement.—

(A) In general.—The term "year 2000 statement" means any communication or other conveyance of information by a party to another or to the public, in any form or medium—

(i) concerning an assessment, projection, or estimate concerning year 2000 processing capabilities of an entity, product, service, or set of products and services;

(ii) concerning plans, objectives, or timetables for implementing or verifying the year 2000 processing capabilities of an entity, product, service, or set of products and services;

(iii) concerning test plans, test dates, test results, or operational problems or solutions related to year 2000 processing by—

(I) products; or

(II) services that incorporate or utilize products; or

(iv) reviewing, commenting on, or otherwise directly or indirectly relating to year 2000 processing capabilities.

(B) Not included.—For the purposes of any action brought under the securities laws, as that term is defined in section 3(a)(47) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(47)), the term year 2000 statement does not include statements contained in any documents or materials filed with the Securities and Exchange Commission, or with Federal banking regulators, pursuant to section 12(i) of the Securities Exchange Act of 1934 (15 U.S.C. 781(i)), or disclosures or writing that when made accompanied the solicitation of an offer or sale of securities.

SEC. 4. PROTECTION FOR YEAR 2000 STATEMENTS.

(a) Evidence Exclusion.—No year 2000 readiness disclosure, in whole or in part, shall be admissible against the maker of that disclosure to prove the accuracy or truth of any year 2000 statement set forth in that disclosure, in any covered action brought by another party except that—

(1) a year 2000 readiness disclosure may be admissible to serve as the basis for a claim for anticipatory breach, or repudiation of a contract, or a similar claim against the maker, to the extent provided by applicable law; and

(2) the court in any covered action shall have discretion to limit application of this subsection in any case in which the court determines that the maker's use of the year 2000 readiness disclosure amounts to bad faith or fraud, or is otherwise beyond what is reasonable to achieve the purposes of this Act.

(b) False, Misleading and Inaccurate Year 2000 Statements.—Except as provided in subsection (c), in any covered action, to the extent that such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable under Federal or State law with respect to that year 2000 statement unless the claimant establishes, in addition to all other requisite elements of the applicable action, by clear and convincing evidence, that—

(1) the year 2000 statement was material; and

(2)(A) to the extent the year 2000 statement was not a republication, that the maker made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) with a reckless disregard as to the accuracy of the year 2000 statement; or

(B) to the extent the year 2000 statement was a republication that the maker of the republication made the year 2000 statement—

(i) with actual knowledge that the year 2000 statement was false, inaccurate, or misleading;

(ii) with intent to deceive or mislead; or

(iii) without notice in that year 2000 statement that—

(I) the maker has not verified the contents of the republication; or

(II) the maker is not the source of the republication and the republication is based on information supplied by another person or entity identified in that year 2000 statement or republication.

(c) Defamation or Similar Claims.—In a covered action arising under any Federal or State law of defamation, trade disparagement, or a similar claim, to the extent such action is based on an allegedly false, inaccurate, or misleading year 2000 statement, the maker of that year 2000 statement shall not be liable with respect to that year 2000 statement, unless the claimant establishes by clear and convincing evidence, in addition to all other requisite elements of the applicable action, that the year 2000 statement was made with knowledge that the year 2000 statement was false or made with reckless disregard as to its truth or falsity.

(d) Year 2000 Internet Website.—

(1) In general.—Except as provided in paragraph (2), in any covered action, other than a covered action involving personal injury or serious physical damage to property, in which the adequacy of notice about year 2000 processing is at issue, the posting, in a commercially reasonable manner and for a commercially reasonable duration, of a notice by the entity charged with giving such notice on the year 2000 Internet website of that entity shall be deemed an adequate mechanism for providing that notice.

(2) Exception.—Paragraph (1) shall not apply if the court finds that the use of the mechanism of notice—

(A) is contrary to express prior representations regarding the mechanism of notice made by the party giving notice;

(B) is materially inconsistent with the regular course of dealing between the parties; or

(C) occurs where there have been no prior representations regarding the mechanism of notice, no regular course of dealing exists between the parties, and actual notice is clearly the most commercially reasonable means of providing notice.

(3) Construction.—Nothing in this subsection shall—

(A) alter or amend any Federal or State statute or regulation requiring that notice about year 2000 processing be provided using a different mechanism;

(B) create a duty to provide notice about year 2000 processing;

(C) preclude or suggest the use of any other medium for notice about year 2000 processing or require the use of an Internet website; or

(D) mandate the content or timing of any notices about year 2000 processing.

(e) Limitation on Effect of Year 2000 Statements.—

(1) In general.—In any covered action, a year 2000 statement shall not be interpreted or construed as an amendment to or alteration of a contract or warranty, whether entered into by or approved for a public or private entity.

(2) Not applicable.—

(A) In general.—This subsection shall not apply—

(i) to the extent the party whose year 2000 statement is alleged to have amended or altered a contract or warranty has otherwise agreed in writing to so alter or amend the contract or warranty;

(ii) to a year 2000 statement made in conjunction with the formation of the contract or warranty; or

(iii) if the contract or warranty specifically provides for its amendment or alteration through the making of a year 2000 statement.

(B) Rule of construction.—Nothing in this subsection shall affect applicable Federal or State law in effect as of the date of enactment of this Act with respect to determining the extent to which a year 2000 statement affects a contract or warranty.

(f) Special Data Gathering.—

(1) In general.—A Federal entity, agency, or authority may expressly designate a request for the voluntary provision of information relating to year 2000 processing, including year 2000 statements, as a special year 2000 data gathering request made pursuant to this subsection.

(2) Specifics.—A special year 2000 data gathering request made under this subsection shall specify a Federal entity, agency, or authority, or, with its consent, another public or private entity, agency, or authority, to gather responses to the request.

(3) Protections.—Except with the express consent or permission of the provider of information described in paragraph (1), any year 2000 statements or other such other information provided by a party in response to a special year 2000 data gathering request made under this subsection—

(A) shall be exempt from disclosure under subsection (b)(4) of section 552 of title 5, United States Code, commonly known as the "Freedom of Information Act";

(B) shall not be disclosed to any third party; and

(C) may not be used by any Federal entity, agency, or authority or by any third party, directly or indirectly, in any civil action arising under any Federal or State law.

(4) Exceptions.—

(A) Information obtained elsewhere.—Nothing in this subsection shall preclude a Federal entity, agency, or authority, or any third party, from separately obtaining the information submitted in response to a request under this subsection through the use of independent legal authorities, and using such separately obtained information in any action.

(B) Voluntary disclosure.—A restriction on use or disclosure of information under this subsection shall not apply to any information disclosed to the public with the express consent of the party responding to a special year 2000 data gathering request or disclosed by such party separately from a response to a special year 2000 data gathering request.

SEC. 5. TEMPORARY ANTITRUST EXEMPTION.

(a) Exemption.—Except as provided in subsection (b), the antitrust laws shall not apply to conduct engaged in, including making and implementing an agreement, solely for the purpose of and limited to—

(1) facilitating responses intended to correct or avoid a failure of year 2000 processing in a computer system, in a component of a computer system, in a computer program or software, or services utilizing any such system, component, program, or hardware; or

(2) communicating or disclosing information to help correct or avoid the effects of year 2000 processing failure

(b) Applicability.—Subsection (a) shall apply only to conduct that occurs, or an agreement that is made and implemented, after the date of enactment of this Act and before July 14, 2001.

(c) Exception to Exemption.—Subsection (a) shall not apply with respect to conduct that involves or results in an agreement to boycott any person, to allocate a market or fix prices or output.

(d) Rule of Construction.—The exemption granted by this section shall be construed narrowly.

SEC. 6. EXCLUSIONS.

(a) Effect on Information Disclosure.—This Act does not affect, abrogate, amend, or alter the authority of a Federal or State entity, agency, or authority to enforce a requirement to provide or disclose, or not to provide or disclose, information under a Federal or State statute or regulation or to enforce such statute or regulation.

(b) Contracts and Other Claims.—

(1) In general.—Except as may be otherwise provided in subsections (a) and (e) of section 4, this Act does not affect, abrogate, amend, or alter any right established by contract or tariff between any person or entity, whether entered into by a public or private person or entity, under any Federal or State law.

(2) Other claims.—

(A) In general.—In any covered action brought by a consumer, this Act does not apply to a year 2000 statement expressly made in a solicitation, including an advertisement or offer to sell, to that consumer by a seller, manufacturer, or provider of a consumer product.

(B) Specific notice required.—In any covered action, this Act shall not apply to a year 2000 statement, concerning a year 2000 remediation product or service, expressly made in an offer to sell or in a solicitation (including an advertisement) by a seller, manufacturer, or provider, of that product or service unless, during the course of the offer or solicitation, the party making the offer or solicitation provides the following notice in accordance with section 4(d):

"Statements made to you in the course of this sale are subject to the Year 2000 Information and Readiness Disclosure Act (___ U.S.C. ___). In the case of a dispute, this Act may reduce your legal rights regarding the use of any such statements, unless otherwise specified by your contract or tariff.".

(3) Rule of construction.—Nothing in this Act shall be construed to preclude any claims that are not based exclusively on year 2000 statements.

(c) Duty or Standard of Care.—

(1) In general.—This Act shall not impose upon the maker of any year 2000 statement any more stringent obligation, duty, or standard of care than is otherwise applicable under any other Federal law or State law.

(2) Additional disclosure.—This Act does not preclude any party from making or providing any additional disclosure, disclaimer, or similar provisions in connection with any year 2000 readiness disclosure or year 2000 statement.

(3) Duty of care.—This Act shall not be deemed to alter any standard or duty of care owed by a fiduciary, as defined or determined by applicable Federal or State law.

(d) Intellectual Property Rights.—This Act does not affect, abrogate, amend, or alter any right in a patent, copyright, semiconductor mask work, trade secret, trade name, trademark, or service mark, under any Federal or State law.

(e) Injunctive Relief.—Nothing in this Act shall be deemed to preclude a claimant from seeking injunctive relief with respect to a year 2000 statement.

SEC. 7. APPLICABILITY.

(a) Effective Date.—

(1) In general.—Except as otherwise provided in this section, this Act shall become effective on the date of enactment of this Act.

(2) Application to lawsuits pending.—This Act shall not affect or apply to any lawsuit pending on July 14, 1998.

(3) Application to statements and disclosures.—Except as provided in subsection (b)—

(A) this Act shall apply to any year 2000 statement made beginning on July 14, 1998 and ending on July 14, 2001; and

(B) this Act shall apply to any year 2000 readiness disclosure made beginning on the date of enactment of this Act and ending on July 14, 2001.

(b) Previously Made Readiness Disclosure.—

(1) In general.—For the purposes of section 4(a), a person or entity that issued or published a year 2000 statement after January 1, 1996, and before the date of enactment of this Act, may designate that year 2000 statement as a year 2000 readiness disclosure if—

(A) the year 2000 statement complied with the requirements of section 3(9) when made, other than being clearly designated on its face as a disclosure; and

(B) within 45 days after the date of enactment of this Act, the person or entity seeking the designation—

(i) provides individual notice that meets the requirements of paragraph (2) to all recipients of the applicable year 2000 statement; or

(ii) prominently posts notice that meets the requirements of paragraph (2) on its year 2000 Internet website, commencing prior to the end of the 45-day period under this subparagraph and extending for a minimum of 45 consecutive days and also by using the same method of notification used to originally provide the applicable year 2000 statement.

(2) REQUIREMENTS.—A notice under paragraph (1)(B) shall—

(A) state that the year 2000 statement that is the subject of the notice is being designated a year 2000 readiness disclosure; and

(B) include a copy of the year 2000 statement with a legend labeling the statement as a "Year 2000 Readiness Disclosure".

(c) EXCEPTION.—No designation of a year 2000 statement as a year 2000 readiness disclosure under subsection (b) shall apply with respect to any person or entity that—

(1) proves, by clear and convincing evidence, that it relied on the year 2000 statement prior to the receipt of notice described above and it would be prejudiced by the retroactive designation of the year 2000 statement as a year 2000 readiness disclosure; and

(2) provides to the person or entity seeking the designation a written notice objecting to the designation within 45 days after receipt of individual notice under subsection (b)(1)(B)(i), or within 180 days after the date of enactment of this Act, in the case of notice provided under subsection (b)(1)(B)(ii).

SEC. 8. YEAR 2000 COUNCIL WORKING GROUPS.

(a) IN GENERAL.—

(1) WORKING GROUPS.—The President's Year 2000 Council (referred to in this section as the "Council") may establish and terminate working groups composed of Federal employees who will engage outside organizations in discussions to address the year 2000 problems identified in section 2(a)(1) to share information related to year 2000 readiness, and otherwise to serve the purposes of this Act.

(2) LIST OF GROUPS.—The Council shall maintain and make available to the public a printed and electronic list of the working groups, the members of each working group, and a point of contact, together with an address, telephone number, and electronic mail address for the point of contact, for each working group created under this section.

(3) BALANCE.—The Council shall seek to achieve a balance of participation and representation among the working groups.

(4) ATTENDANCE.—The Council shall maintain and make available to the public a printed and electronic list of working group members who attend each meeting of a working group as well as any other individuals or organizations participating in each meeting.

(5) MEETINGS.—Each meeting of a working group shall be announced in advance in accordance with procedures established by the Council. The Council shall encourage working groups to hold meetings open to the public to the extent feasible and consistent with the activities of the Council and the purposes of this Act.

(b) FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the working groups established under this section.

(c) PRIVATE RIGHT OF ACTION.—This section creates no private right of action to sue for enforcement of the provisions of this section.

(d) EXPIRATION.—The authority conferred by this section shall expire on December 31, 2000.

SEC. 9. NATIONAL INFORMATION CLEARINGHOUSE AND WEBSITE.

(a) NATIONAL WEBSITE.—

(1) IN GENERAL.—The Administrator of General Services shall create and maintain until July 14, 2002, a national year 2000 website, and promote its availability, designed to assist consumers, small business, and local governments in obtaining information from other governmental websites, hotlines, or information clearinghouses about year 2000 Processing of computers, systems, products and services, including websites maintained by independent agencies and other departments.

(2) CONSULTATION.—In creating the national year 2000 website, the Administrator of General Services shall consult with—

(A) the Director of the Office of Management and Budget;

(B) the Administrator of the Small Business Administration;

(C) the Consumer Product Safety Commission;

(D) officials of State and local governments;

(E) the Director of the National Institute of Standards and Technology;

(F) representatives of consumer and industry groups; and

(G) representatives of other entities, as determined appropriate.

(b) REPORT.—The Administrator of General Services shall submit a report to the Committees on the Judiciary of the Senate and the House of Representatives and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives not later than 60 days after the date of enactment of this Act regarding planning to comply with the requirements of this section.

Ms. ESHOO. Mr. Speaker, I rise today in support of the Year 2000 Information and Readiness Disclosure Act.

As the lead Democratic co-sponsor of the House version of S. 2392, I'm pleased the House is considering this very critical legislation which will assist businesses and government agencies in solving the Year 2000 problem. This legislation enjoys broad bipartisan support here in the House, the Administration, and a wide spectrum of American industry.

The threat of lawsuits as a result of Year 2000 problems has kept some companies from releasing information for fear the information could be used against them in law suits. This fear of liability has put a stranglehold on public disclosures about Year 2000 readiness.

Mr. Speaker, I've met with senior executives from the high technology industry—in particular, I've spoken with several General Counsels from these companies. They've told me that without this legislation, they must recommend to their companies that Year 2000 information remain locked up.

The bill addresses this very serious problem by facilitating the voluntary exchange of information for Year 2000 preparedness solutions through the issuance of statements to assist in Year 2000 remediation.

Mr. Speaker, businesses and government organizations need to be candid about their progress on Year 2000 readiness. This legislation frees organizations to communicate more openly with the public and, just as importantly, with each other, about the status of Year 2000 work on critical systems.

This legislation is not about limiting liability, it's about limiting disincentives to disclosure. We need to create an environment that fosters cooperation and consultation, not fear and paranoia.

There are 456 days until January 1, 2000. This bi-partisan legislation sends a strong signal in helping our Nation prepare its computer systems for the new millennium.

I thank my colleague from California, Mr. DREIER for his work on this issue. I believe this legislation goes a long way to solving the Y2K problem.

Mr. DREIER. Mr. Speaker, we are 456 days from January 1, 2000. The dawn of the new millennium. A time of great hope and anticipation for many Americans; in fact, for people the world over.

You can bet that there will be some very serious time and effort put into preparing festivities befitting a truly historic moment. Even so, as big a day as January 1, 2000 promises to be, most Americans probably think it's a little time early to prepare their New Year's resolutions and parties. I have to agree.

However, the same does not hold true for the federal government. People are increasingly coming to grips with the fact that there is a potential Year 2000 computer problem. Some people call it a millennium bug, and if we don't focus on solving this problem, it may have a ripple effect that impacts virtually every aspect of daily life.

When we talk about this issue, we must underscore the word "potential" problem. I am not an alarmist. We don't know what will happen to hundreds of millions of computer and electronic systems when their internal clocks turn from year "99" to year "00." In many cases, the answer may be nothing.

However, being prudent is completely different from being an alarmist. We need to be prudent because the more the federal government does to detect and solve this problem, the more local governments and public utilities do to detect and avoid this problem and the more private businesses do to detect and avoid this problem, the less impact it is likely to have on American families.

Prudence and problem solving were the principles that led me to join my colleague from Atherton, California, ANNA ESHOO in sponsoring H.R. 4455, the Year 2000 Readiness Disclosure Act on August 6th. This legislation, which served as a basis for the bipartisan product of the Senate Judiciary Committee that we are considering here today, encourages our nation's private sector, the most creative and energetic force for change that can be harnessed in this effort, to get down to business on this problem.

The first important step that must be taken, and this is the view of a broad spectrum of experts including John Koskinen, the Executive Branch point-man on the Year 2000 transition, is to dramatically increase the sharing of information on this "potential" problem. The reality is that most companies are not sharing very much news on the status of their Year 2000 preparations. The reason they cite is litigation concerns.

Now, the sad fact is that if real problems are caused by the transition to the Year 2000, and we all hope our efforts today will make that less likely, there are sure to be plenty of lawsuits trying to place blame and win damages. Some people estimate a trillion dollars in litigation. Those numbers can chill any corporate legal counsel into advising clients to say as little as possible.

Mr. Speaker, this bill is not the whole Year 2000 litigation answer, but it is a start. It will give businesses more confidence that they can talk about the state of their Year 2000 readiness—problems and solutions—without the fear that they are simply arming lawyers planning to hit them with big Year 2000 lawsuits.

There is more to be done to ensure that national energies and resources, both in the government and in the private sector, are directed at solving and avoiding problems rather than preparing for and fighting litigation. That is in the best interest of American families.

In addition, we need to make sure that America's high technology industry, one of the fastest growing and most important sectors of our economy, creating millions of good jobs for working Americans, is not bankrupted as a scapegoat for a problem set in place decades ago.

Mr. Speaker, there is much to do next year, but today, this is the right first step. I encourage all of my colleagues to support this truly bipartisan bill so that it can be sent to the President and we can begin to eliminate one of the hurdles to solving the potential Year 2000 problem.

Mr. DOYLE. Mr. Speaker, I rise to urge my colleagues to support this important effort to deal with the Year 2000 computer problem.

This bill is the Senate counterpart to a House bill, H.R. 4355, that I was pleased to cosponsor on behalf of the Administration. This bill has now been amended to represent a bipartisan agreement on how we can encourage companies to pool their information as they deal with the Y2K problem.

At the same time, this bill would not shield companies from liability for products that fail.

I'd like to commend the fine men and women from the House and Senate authorizing Committees who have put so much hard work into this issue over the past few years, as well as the many people in the Administration who have been working this for a long time as well.

When taken together, I'm pleased to be able to say that this bill shows that the important work of governing in Washington is still going on. There's still a lot of work to be done to make the Year 2000 computer fix happen, and it's going to take more of this kind of cooperation to get it done. Again, I'd like to thank my colleagues who've put in so much hard work on this bill, and I urge all the rest of us to support it.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLATTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on S. 2392, the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will recognize special orders without prejudice to resumption of business.

□ 1730

WORLD FINANCIAL MARKETS

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, the world financial markets have been in chaos now for nearly a year and a half. The problem surrounding long-term capital investment is only one more item to add to the list. The entire process represents the unwinding of speculative investments encouraged by years of easy credit. By the way, Long Term Credit Management is not even an American corporation. It is registered in the Cayman Islands, I am sure for tax purposes.

The mess we are witnessing in the world today was a predictable event. Artificially low interest rates and easy credit causes malinvestment, overcapacity, excessive borrowing and uncontrolled speculation.

We have had now for 27 years a world saturated with fiat currencies and not one has had a definable unit of account.

There have been no restraints on the world monetary managers to expand their money supplies, fix short-term interest rates or deliberately debase their currencies. Although.

Short-term benefits were enjoyed, it is clear now they were not worth the resulting chaos. We need not look for the cause which puts the dollar, our economy and our financial markets at risk. The previous boom supported by the illusion of wealth coming from money creation is the cause of current world events, and it guarantees further unwinding of the speculative orgy of the past decades.

This cannot be prevented. All that we can hope for is to not prolong the agony, as our monetary and fiscal policies did in the U.S. in the 1930s and as they are currently doing in Japan and elsewhere in the world.

More Federal Reserve fixing of interest rates and credit expansion can hardly solve our problems when this has been precisely the cause of the mess in which we currently find ourselves.

Price fixing of interest rates contradicts the basic tenets of capitalism. Let it no more be said that today's mess with financial markets is a result of capitalism's shortcomings. Nothing is further from the truth. Allowing the market to operate even under today's dangerous conditions is still the best option for dealing with hedge fund's gambling mistakes, both current and future.

A Federal Reserve orchestrated and arm-twisting bailout of LTCM associated with less than a coincidentally announced credit expansion only puts long-term pressure on the dollar. All Americans suffer when the dollar is debased. Congress's responsibility is to the dollar and not foreign currencies, not foreign economies or international hedge funds which get in over their heads.

No amount of regulation could have prevented or in the future prevent the inevitable mistakes made in an economy that is misled by rigged interest rates or a money supply dictated by central planners in a fiat money system. Hedge fund operations, because they are international in scope, are impossible to regulate and for the current ongoing crisis it is too late anyway.

Credit conditions that allow a company with less than $1 billion in capital to buy $100 billion worth of stock with borrowed money and manage $1.2 trillion worth of derivatives is about as classic an example as one could ever find of speculative excess brought on by easy credit. As long as capital is thought to come from a computer at the Federal Reserve and not from savings, the financial problems the world faces today will persist.

Our problems today should not be used to justify a worldwide central bank, as has been proposed. What we need is sound money without the central planning efforts of a Federal Reserve system fixing interest rates and regulating the money supply. Let us give freedom a chance.

ON EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, we will vote later this week to reauthorize the Higher Education Act. This is bipartisan legislation at its best. It will open the doors of opportunity to millions of young people. Increasing financial aid will bring the priceless advantages of college education to many who now cannot afford it.

I am very proud of this bill, proud to be a cosigner, but it is not enough. In order for our children to excel in higher education, we must ensure that they have acquired a solid academic foundation in their elementary and secondary schools. Sadly, this Congress has paid little or no attention to the issues plaguing elementary and secondary education. After I was elected in March, I surveyed the schools in my district. The findings were shocking. They showed skyrocketing enrollments, overcrowded classes, aging buildings, inadequate classrooms and poor facilities in general.

My survey called out for more classrooms, more teachers, more access to technology.

Sadly, these problems are nothing new. My own daughter attended Santa

Barbara's Roosevelt Elementary School where she spent all of her elementary years learning in portable classrooms, which are supposed to be a temporary solution. In fact, I just recently visited Cambria Grammar School in San Luis Obispo County, where they do not even have enough portable classrooms to begin to deal with their overcrowding problem.

And at El Camino Junior High School in Santa Maria, the students are crammed into their classrooms and do not even have access to a gymnasium. After spending 20 years myself working in the Santa Barbara school district as a school nurse, I know our children cannot learn in these environments.

Mr. Speaker, I have been working to pass legislation to deal with these pressing problems. One bill would create State infrastructure banks to leverage private support for school construction loans. Another bill would provide tax credits for school construction bonds and direct them toward the country's highest growth areas.

Another bill would fund 100,000 new teachers throughout our Nation. These teachers are sorely needed in our elementary and high schools. Unfortunately, as the House races to adjournment, these bills appear to have been left behind.

Our children also need access to up-to-date technology. According to a study by the Educational Testing Service, by the year 2005, our country will require more than a million new computer scientists, engineers, systems analysts and computer programmers. Where do you think we are going to find these new employees?

Our children need strong computer skills if they are to compete in the technology-driven job market of tomorrow. Why have we not passed the Computers for the Children Act, which would provide tax incentives to businesses who donate computers to classrooms?

Recently I introduced the Teacher Training Technology Act. My bill provides competitive grants to local school districts for computer training for teachers. Having computers in school is essential. But these computers are of no use to our students if we do not have qualified teachers who are trained sufficiently to effectively train and educate the young people who use them.

Mr. Speaker, our elementary and secondary schools provide children with the basic tools they need for success later in life; yes, for entrance into our secondary and college level of education. Our future health as a Nation depends on the health of our schools. To ignore such a basic national priority is to fail not only our children but ourselves.

MORALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, I stand before you at a time when the Nation is concerned about society's morality or lack of morality. The leaders and public figures our children look to for guidance and inspiration fail them too many times. What will the future hold for tomorrow's leaders? How can we as a Congress and as a community of Americans make sure that our children learn the fundamental values of respect, honesty and integrity?

A supportive and loving family and a strong faith in God are the single most important tools we have to teach our children values. Together they have the greatest positive impact on today's youth. But any time and anywhere these values can be encouraged and fostered in the minds of our youth, we all stand to benefit.

I came to the House floor last month to congratulate the Greenville, North Carolina All Star Little League team from my district. They placed second in the country and third in the world in this year's Little League World Series.

These young men know the importance of hard work, dedication and teamwork. And they followed the Little League pledge, and I quote: I trust God, I love my country and I respect its laws. I will play fair and strive to win, but win or lose, I will always do my best.

These are the messages that our children should know and understand. Trust in God, respect the laws of our land, play fair, always do your best. For men and women of any age these are encouraging and motivating words.

Our society is fortunate to have a number of other programs, organizations and clubs that together with a strong and supportive family foster the importance of values and leadership in today's children. These programs have been helping our children for years learn the value of honor, integrity and character. They have helped me, and they continue to help many of our Nation's children today.

The Boy Scouts of America is one of the Nation's largest organizations with more than 5 million youth and adult members. Boy Scouts provides educational programs to build character, train in the responsibilities of active citizenship, and develop personal fitness. Not only do the Boy Scouts strive to promote physical strength, but it promotes strength of character and leadership as well.

In addition, the Girl Scouts of the United States of America is the largest voluntary organization for girls and provides programs to build self-confidence and develop decisionmaking and leadership skills. The Girl Scout promise encourages girls to respect themselves and authority, to be responsible for their actions and work to make the world a better place.

Girl Scouts and Boy Scouts are two well-known community organizations that build confidence and community participation, but there are other organizations that promote these same values through more individualized interests.

For example, the 4-H was established to help young students learn more about agriculture through nature. The 4-H has grown to become a popular organization for children in rural and farming communities like those in my district of eastern North Carolina and across the Nation.

The four Hs stand for head, heart, hands and health and indicate its members' dedication to community and service. The 4-H members across this country say, I pledge my head to clear thinking, my heart to greater loyalty, my hands to larger service and my health to better living, for my club, my community, my country and my world.

These organizations and the many I do not have time to mention, whether they are sports clubs, special interest or leadership training organizations, they all teach our children the importance of unity, trust and responsibility. Promoting the values of community, character and honesty, each works to lead our children by example. Unfortunately, we cannot always choose our children's role models for them. But we can be thankful for the strong leaders within our own communities who give of themselves for our children who are America's future.

To the moms, the dads, the scout leaders, Little League coaches and everyone who shows our children that character and integrity do matter, thank you very much. Together we can build the leaders of tomorrow, leaders we can all be proud of.

FOUNDING FATHERS SAW BIG DIFFERENCE BETWEEN PUBLIC SERVICE AND PRIVATE CONDUCT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, this morning on National Public Radio, author and historian Richard Rosenfeld made some comments which I would now like to share with the Members of the House. These are the words of Mr. Rosenfeld:

> The right of the people to elect their President, and the right of Congress to remove him are competing rights. America's founding fathers knew this. They worried out loud at the Constitutional Convention that if they didn't carefully limit the idea of an impeachable offense, Congress, not Presidential elections, would be deciding who sits in the White House. So on the day the founders defined an impeachable offense, they declared their unanimous intention to limit high

crimes and misdemeanors to be actions against the United States. Not private misconduct, unrelated to the operation of government, not sexual misconduct or even lies to cover it up.

If there can be any doubt about the founders' intentions, they gave us plenty of proof during George Washington's first term as President when Congress was investigating the financial affairs of his Treasury Secretary, Alexander Hamilton. Three Members of Congress, including future President James Monroe, confronted Hamilton about payments he had been secretly making to James Reynolds, a convicted securities swindler. Hamilton was forced to admit the payments, but explained them as hush money to avoid public disclosure of adultery he had been committing with James Reynolds' wife. Hamilton had repeated sexual relations with Mrs. Reynolds and the hush money was only part of the coverup. Hamilton got Mrs. Reynolds to burn some incriminating letters and he offered to pay travel expenses if the Reynolds would get out of town.

When Monroe and the others heard Hamilton's confession they decided the matter was private, not public, and that no impeachable offense had occurred. They kept the adultery, and the coverup, a secret among themselves, and Washington, John Adams, Thomas Jefferson, James Madison, and other founding fathers apparently went along. Congress held no hearings, Congress released nothing to the public, and Hamilton's misconduct remained a secret for 5 long years, until Hamilton was long out of office. Then in 1797, a disgruntled former clerk of the House of Representatives leaked Hamilton's secrets to a muckraking journalist and the whole country learned of Hamilton's adultery and the bribe to cover it up. And what happened?

The following year, in 1798, then President John Adams and former President George Washington nominated Alexander Hamilton to be second in command of the new Federal Army. Second in command to only Washington himself. With Monroe, Madison, Jefferson and other founding fathers maintaining their respectful silence, the United States Senate quickly confirmed this confessed adulterer and liar to occupy for a second time one of the highest offices in the government of the United States.

The founding fathers saw a big difference between public service and private conduct, and on the question of impeachment they warned Congress to do the same. They weren't giving Congress a right to decide who's President, they gave us Presidential elections for that.

These, then, are the words of author and historian Richard Rosenfeld on this morning, October 1st, 1998.

PASS TAXPAYER RELIEF ACT FOR NEW URBAN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in recent days, a lot of people have heard about the Republican tax plan that passed the House as part of a 90–10 plan, which sets aside 90 percent of the existing surplus to save Social Security and also sets aside 10 percent of the surplus to provide needed tax relief and tax reform.

People in the discussions on this tax plan have focused on some of the more prominent aspects of it. It provides marriage penalty relief that would benefit 40 percent of the couples in America; it provides full deductibility for health insurance; it provides a deduction for small savers, up to $200, that can be written off for individuals, or $400 for couples, in interest income; it expands access to prepaid tuition plans so that private colleges can set up prepaid tuition plans and allow people with a tax break to prepurchase tuition and bank it for the future, making college much more affordable; the plan allows small businesses an expensing provision, a greater ability to deduct equipment that they purchase; and also provides tax relief for farmers and ranchers.

In my view, as a member of the Committee on Ways and Means, these provisions will go a long way to relieving the tax burden on the middle class and small business owners of this country. However, we have not focused on another aspect of this legislation which will help thousands of people living in the most distressed communities in our Nation and give them hope.

With the 1996 welfare reform law, Republicans began encouraging and empowering individuals, yet we are told by leaders in some of our communities that we need to go further in revitalizing lower-income communities. These communities have been telling us that to truly succeed, it is vital that the government support market-based private economic growth in these areas that are economically depressed. And for that reason the chairman of the Committee on Ways and Means included in his mark a provision relating to the American Community Renewal Project.

The Taxpayer Relief Act would allow the designation of up to 20 renewal communities so that we can offer targeted, aggressive tax cuts and regulatory relief for those communities that need them the most. What we are trying to do is to green line depressed communities for investment, empower the poor, and, at the same time, not create new layers of bureaucracy.

Under this provision, the Secretary of Housing and Urban Development will be able to designate renewal communities, 20 percent of which must be in rural areas. These designations would be effective for 7 years. Areas that have been nominated would have to meet certain criteria to achieve these breaks. One is it would have to have an unemployment rate of at least 1½ times that of the national rate; it would have to have a poverty rate of at least 20 percent; and, in urban areas, at least 70 percent of the households in the area would have to have incomes below 80 percent of the median income households in the metropolitan statistical area.

In other words, these tax breaks are not tax cuts for the rich, but they are targeted for those who most need economic growth. Areas would also have to meet certain population criteria.

This may sound complicated, but it is done to ensure that the areas nominated are truly economically depressed urban areas where Federal dollars can truly make a difference.

When I look around my district, Mr. Speaker, I look at communities like we have in Farrell, Pennsylvania, which is clearly economically depressed, which is financially distressed as far as the municipal financial condition, it has a high poverty rate, but, at the same time, it has a good work ethic and a marvelous sense of community and neighborhood. With the assistance of these targeted breaks, a community like Farrell could definitely benefit, attract jobs, attract investment and empower people and allow them to form capital.

Once designated, these renewal areas are eligible for a variety of incentives, including a 100 percent exclusion from capital gains for certain qualified renewal community assets held more than 5 years; an additional, additional on top of what is already in the bill, $35,000 of expensing for small businesses; a work opportunity tax credit to offset the cost of hiring individuals, and a variety of other incentives. It also includes family development accounts for the working poor.

We need to pass this for a new urban policy.

PLIGHT FACING FARMERS ACROSS THE COUNTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, I want to address my colleagues this afternoon on an issue that is absolutely vital, not just vital to the State of North Dakota, that I represent, but vital to the rural dimension of this country of ours, and that is the plight facing farmers right across the country due to the collapse of commodity prices.

What has made the problem so particularly acute this year over preceding years is that, as prices have fallen, we have learned the failing of the last farm bill all too clearly. There is no longer a safety net when prices collapse, and the farmers are hitting the deck all across the country.

For years, farm policy in this country recognized that there were a couple of areas of risk that a family farmer could not individually deal with. One of the risks was the loss of production due to an act of God. A hail storm comes along and wipes out the field. It does not matter how good someone is at farming, that is a risk they cannot control.

The other type of risk was the risk of price collapse; depending upon the particular vagaries of the world market in a given period of time. An individual could be the best farmer in the county, but if prices plunged so that at the county elevator they are not even getting the cost of production, they are going to have trouble feeding their family in the winter ahead.

Well, we had a farm bill last time that represented the most significant change in agriculture policy in four decades. I voted against it. I voted against it because I believed it left farmers with bare exposure to these risks and was vitally unfair in that important respect. This afternoon I want us to focus in particular on the aspect of price protection, because this is the single largest peril facing family farmers this fall.

As many of us read about the growing financial difficulties in Asia, we did not really understand what that would mean to our economy. Well, let me tell my colleagues, the first aspect of our economy to get this square in the face was agriculture, because 45 percent of the agriculture exports in this country went to Asia. They quit buying our Ag exports and prices have fallen dramatically. Exports to Asia are down 30 percent. Our major customers walked away from 30 percent of what they had previously bought from us. Imagine the impact on price.

This was made even worse by the fact that across the world production of farm commodities was quite strong. So we have way more supply than we used to have, and the result is a lot of supply, slack demand, and prices tanking.

Now, unlike preceding years, where we had the U.S. Department of Agriculture there to help farmers through these tough times, provide some cushion, we no longer have that safety net. We just have farmers taking it and taking it without any relief whatsoever.

Let me try to put this in some perspective. Two years ago, as this farm bill just came into effect, the price of wheat was $1.66 per bushel above what it is today. Average price at the county elevator this month in North Dakota is $2.70 a bushel. We used to provide price protection down to $4 a bushel. I am not suggesting going back to the old farm bill, but I am suggesting we have to have some protection for farmers when prices collapse. For a farmer to get $1.66 a bushel less is just catastrophic.

What are we thinking of doing about it in this particular Congress? We are putting together a disaster bill that will be wrapped into the Ag appropriations bill. We may be voting on it as early as tomorrow. But here is where it falls short. The relief it provides to farmers, in light of these collapsed prices, is nominal, insignificant, does not make them whole, will not keep them on the farms.

Let me give my colleagues the hard reality. $1.66 collapse in prices on wheat. The farm bill relief proposed by the Republican majority will help farmers to 13 cents a bushel. Their price plunge is $1.66 a bushel; we are going to help them up to 13 cents a bushel. That does not cover the cost of production. That does not cover the cost they have sunk into their crop. That is not going to get the job done for our farmers.

It is not just wheat that is in trouble. The relief for corn will be 7 cents a bushel. The relief for soybeans will be 2 cents a bushel. This is not help. We issue a press release: Big Ag relief package coming through Congress. It is almost worse than nothing because it falls so far short of what is required.

My colleagues, stand with me and help us build a relief package for our farmers that actually means something and will help them get through the winter.

FEDERAL GOVERNMENT CANNOT DO ANYTHING ECONOMICALLY OR EFFICIENTLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the headline in Aviation Week magazine last week said, "NASA plans $660 million station bailout for Russia." The subhead said, "Payments would be part of $1.2 billion U.S. fix. Completion slips to 2005."

It seems that our Federal Government cannot do anything in an economical or efficient manner.

□ 1800

The station I am speaking of is of course the Space Station, and the original full cost estimate in 1984 was $8 billion.

This is another old Washington trick. Drastically low-ball the estimate on the front end. However, no one should be fooled by this any more. It is now estimated that total costs of the Space Station will reach as high as $180 billion, more than 20 times the original cost estimates.

Now NASA wants six shuttle flights per year at a cost of $477 million per flight and no telling what else. But billions in cost overruns, years of additional delays, and now $660 million to bail out the Russians, it is all simply too much for a project that is draining huge amounts from other more worthwhile, cost-effective research.

Then, Mr. Speaker, the Federal Reserve has apparently just encouraged and presided over another bailout, one of the largest private bailouts. Due to pressure from regulators, several large banks and investment firms came up with $3.5 billion last week to bail out a hedge fund called Long-Term Capital. This is probably the worst case or best example of crony capitalism ever.

The partners of this firm include a former Federal Reserve vice chairman and others that Business Week referred to as a "dream team." But this dream team used $100 billion in borrowed money and made one bad investment after another.

Paul Volcker, the former Federal Reserve chairman, said, "Why should the weight of the Federal Government be brought to bear to help a private investor?" The answer is that it should not.

James K. Glassman, the Washington Post columnist, wrote, "But in America today, there's a double standard. A rule that applies to welfare mothers doesn't apply to politically connected corporations, rich speculators and irresponsible nations. Over and over, when powerful people and institutions get into trouble, the government bails them out."

But, Mr. Speaker, the American people are getting sick and tired of all this. Billions and billions to Russia and other countries. Billions and billions on a very questionable Space Station. Billions and billions to try to stop civil wars in Haiti, Ruwanda, Somalia, Bosnia, and now I suppose Kosovo.

I remember reading three or four years ago on the front page of the Washington Post that we had our troops in Haiti settling domestic disputes and picking up garbage. And I remember a few months ago on this floor when another Member said in Bosnia we had our troops giving rabies shots to dogs.

Well, Mr. Speaker, the Haitians should settle their own domestic disputes and pick up their own garbage, and the Bosnians should give their own rabies shots; money taken from hard-working Americans to pour down one black hole after another.

Mr. Speaker, many people feel we may be on the verge of a recession or at least an economic downturn in this country. The stock market has gone down over 400 points in just the last two days. We would not be on nearly as shaky economic grounds if liberal big spenders had not caused us to be over $5.6 trillion in debt at just the Federal level, and then if we had instead followed other very conservative fiscal, monetary, taxing, and regulatory policies.

However, we are on shaky grounds, very thin ice economically, due to very liberal policies of all types, including bad trade deals that favored large multinational corporations at the expense of small and medium-sized American businesses and American workers.

Now we are losing 3 million jobs a year due to our balance of payments deficits, 3 million jobs to other countries. Our unemployment is not yet low, but our underemployment is terrible. We have been replacing good, high-paying manufacturing jobs with minimum wage employment and tourism and restaurants. Many college graduates cannot find employment in the fields in which they trained. We are ending up with the best educated waiters and waitresses in the world.

Mr. Speaker, we need trade and economic and foreign policies that put this country and its workers first once again. We need to put America first even if it is not politically correct or fashionable to say so.

Mr. Speaker, I include the following for the RECORD:

[From the Washington Post, September 29, 1998]

RECKLESS BAILOUTS

(By James K. Glassman)

The principle behind welfare reform was simple: If you pay people when they don't work, then they don't have an incentive to get a job. The 1996 law cut them off, and since then, millions have left the public dole.

Economists call the principle behind welfare reform "moral hazard." When people are insured, or protected against the consequences of destructive actions, they are more likely to take those destructive actions. Thus, of able-bodied welfare mothers know they'll get monthly checks, they're less likely to work.

But in America today, there's a double standard. A rule that applied to welfare mothers doesn't apply to politically connected corporations, rich speculators and irresponsible nations. Over and over, when powerful people and institutions get into trouble, the government bails them out.

The latest example is a Greenwich, Conn., hedge fund called Long-Term Capital, Ltd. (LTC), which was founded by John Meriwether, a "master of the universe" at Salomon Brothers, along with two Nobel Prize winners, a former Federal Reserve vice chairman and other partners whom Business Week called the "dream team."

Using as much as $100 billion in borrowed money, Long-Term Capital made some disastrously stupid investments and teetered last week on the brink of failure.

What should happen to a firm that makes terrible bets on esoteric markets? It should go bust, of course. Its partners and investors should suffer swift and onerous losses—at the very least as a signal to others to stay away from risky investments in the future.

Instead, Long-Term Capital is being rescued—not with government money (thank heaven for small favors) but through not-so-subtle pressure placed by government regulators on banks and investment firms to cough up $3.5 billion. It's a classic case of moral hazard run wild.

Paul Volcker, the former chairman of the Federal Reserve, was justifiably outraged: "Why should the weight of the federal government be brought to bear to help a private investor?" Good question.

The rescuers were brought together last week by the New York Fed at the same time that Alan Greenspan was hinting in Congress that the Fed would cut interest rates.

The Fed's "official sponsorship" (Volcker's term) of the rescue was the result, said a Fed spokesman, of its "concerns about the good working of the marketplace, large risk exposure and the potential for a disruption of payments." In other words, the failure of Long-Term Capital posed a systemic risk; it could set off a cascade of other failures, leading to a sharp decline in bond and stock prices and perhaps bankruptcies.

I am skeptical the effects would be so dire. Yes, some bonds might plummet, but that hurts current owners of those bonds. Other investors could benefit by being able to buy at the lower prices. Why should the Fed prevent them?

The truth is that no one knows what would have happened in the short-term if LTC had been allowed to fail. In the longer term, the effects are only too obvious: The rescue will encourage more irresponsible risk-taking by investors, just as the International Monetary Fund's bail out of Mexico encouraged investors to make inappropriately risky investments in emerging markets in Asia, leading to more IMF bailouts and a new moral-hazard cycle.

Perhaps the Fed did dampen systemic risk in the LTC case, but as Caroline Baum of Bloomberg Business News reported Friday, "Traders seem to be taking a different message away from the whole affair. They see an increase in moral hazard, with lenders making increasingly risky bets with the knowledge that someone will bail them out, as the doctrine of 'too big to fail' spread from financial institutions to corporations to countries to private investors."

But we don't need to look to Mexico or Greenwich for examples to moral hazard run wild. Look to Capitol Hill, where a bill is now racing through Congress that would bail out companies that made imprudent bids for wireless telephone licenses.

The firms bid too high in a 1996 FCC auction. At the very least, it seems, they should lose the $1.3 billion they put up in down payments. But, instead, the House Commerce Committee on Thursday unanimously approved a deal that lets them renege on their bid obligations and get full refunds on what they've already paid the government.

Not only is that bailout grossly unfair, it will also encourage reckless behavior in future auctions. And, speaking of reckless behavior: There's a parallel to be drawn between moral hazard in the LTC, wireless and IMF cases and moral hazard in the current scandal involving President Clinton.

Americans worry, for instance, that impeaching and convicting Clinton could hurt the economy and our world standing. This is a legitimate concern—but I'm more afraid of moral hazard. If we let powerful people get away with doing bad things, they will not only do them again, but encourage others to follow their example.

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CRISIS IN KOSOVO

The SPEAKER pro tempore (Mr. EVERETT). Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

Mr. ENGEL. Mr. Speaker, I want to address the House today. I want to call attention to a very, very serious crisis in the world and that is in the Province of Yugoslavia called Kosovo.

We read about it in the paper today on the front page, that there were several massacres, that bodies were found of innocent civilians, men, women and children, as the Serbian police forces and military units continue their campaign of genocide and ethnic cleansing against ethnic Albanians in Kosovo.

Kosovo is a place where over 92 percent of the population, 2 million people, are ethnic Albanians, and they are totally dominated and ruled by Belgrade, by the Serbs who comprise less than 10 percent of the population. These people for 10 years have had no freedoms, no political freedoms, no economic freedoms, no social freedoms. Unemployment is rampant, 80 percent, 90 percent. No hope. And on the ground, the situation gets worse and worse and worse.

We have to take a stand before we see Bosnia repeat itself. Bosnia is indeed repeating itself. That ended up with 200,000 innocent people slaughtered. Kosovo could be even worse.

Now, I have called and I will call again and say it again, we read in the paper today that NATO is considering air strikes in order to stop the Serbs from killing innocent civilians. We have been saying this time in and time out. Actions speak louder than words. Mr. Speaker, it is time for action. We need to have immediate NATO air strikes on Serbian positions in Kosovo so that the innocent civilians will not continued to be slaughtered.

We now have at least 300,000 homeless civilians, more than a tenth of the entire population, some people would say it is as much as a quarter of the entire population, driven from their homes, and the pattern is like this. First Serbian artillery shells the villages, causing innocent civilians to flee in panic, fleeing into the hills and into the mountains. Then the next thing they do after the civilians have left is they come in and loot the houses and they steal everything they can. And then finally they burn the houses down to the ground.

So we have a situation where refugees now cannot have a place to go back to. And we are facing, as winter is approaching, perhaps another week or two at the most, where we need to get in so that innocent civilians can have humanitarian aid. The Serbs are keeping out humanitarian relief workers to get food and lodging and clothing to these people. Will the West again wait until it is too late?

I have a letter signed by 18 of our colleagues on both sides of the aisle calling on the President to issue immediate air power with our NATO allies to stop the carnage; to indict Slobodon Milosevic, the leader of Yugoslavia, who is responsible for this, who because of Serbian nationalism has again, as he did in Bosnia, caused the death of innocent people.

The short-term problem, Mr. Speaker, is that we need to get aid to these people because what is going to start to happen is they are going to start to die because of the cold and because of starvation. And that is the immediate concern that the world should have.

Of long range concern is what to do in Kosovo, and I have said time and time again and will say it again, self-determination for the people of Kosovo is the only answer. Why should the Albanians in the former Yugoslavia be treated any different than any of the other peoples that were allowed to form their own nation? The Croats, the Bosnians, the Slovenians, the Macedonians and so on and so forth.

Self-determination is a basic principle in which we in America believe, and if it is good enough for all the other ethnic groups in the former Yugoslavia, it should be good enough for the Albanians as well, particularly since this is the group that was getting the worst end of the stick in Yugoslavia, and certainly now that we are seeing genocide and ethnic cleansing rear its ugly head on the continent of Europe.

The time for action is now. The only thing that Mr. Milosevic understands is the credible use of force. He will only stop as he did in Bosnia, when we had NATO air strikes and he knew that NATO and, more importantly, the United States meant business. If he thinks these threats are empty, and quite frankly they have been empty for months upon months upon months. We have said that we would threaten, we have threatened him, we have said that we would bring in NATO air power, we have done all kinds of flying, but he knows it does not mean a hill of beans. The only thing he will understand is if he knows the West is ready to take action.

Now, shamefully our allies in Germany and Italy are trying to say that the United Nations Security Council needs to approve before NATO could move forward. I did not know the United Nations had a veto on what NATO can do. I think the NATO alliance needs to take action and needs to take action now, from a humanitarian point of view. Also, the thing is that this can explode into a wider war and drag our NATO allies in if we do not act now. The time for military strikes is now.

THE PROBLEMS FACING MICHIGAN FARMERS AND RANCHERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I rise to address the assembly today on the subject of the problems facing Michigan farmers and ranchers. The conference report on the 1999 Agriculture Appropriations Act helps some of these farmers in facing what is a very, serious problem in this Nation.

What we are faced with is a transition of our farmers and ranchers into a new Federal market-oriented, freedom to farm, public policy. That means that subsidies in place for the last 65 years are being phased out.

The problem is, Mr. Speaker, that this year in particular farmers are facing a combination of disease, bad weather, a loss of our markets, especially in Asia, and extremely low commodity prices. Farmers are going out of business. Bankruptcies are being advertised throughout the United States as farmers have hit disastrous situations where they feel that they and their families and their kids can no longer survive on that particular farm operation. Often a farm operation that was run by their parents, their grandparents, their great-grandparents can no longer provide a living.

The 1999 appropriations bills deal with some of these problems but not all of the problems. As we phase out and demand that our farmers in this country go into a market-oriented system, other countries remain steadfast in being very protective to make sure that the farmers and ranchers in their countries can remain on the farm; that their country maintains the farming base in their country, the ability to grow food and fiber in that country so that they have assurance that their country will never have to be dependent on other countries for their food.

Our farmers and ranchers in this country not only are facing a smaller market, facing disease and bad weather and the resulting low commodity prices, but are facing an administration which is threatening to impose very restrictive regulations on our farmers that other farmers in other countries do not have to abide by or pay for.

For example if one looks at the Food Quality Protection Act an effort of this body, this Congress, to do away with the old Delaney clause, now we see regulations that are being developed by this administration that suggest that we should do away with herbicides and insecticides because they might have some compounded dangerous effect and be carcinogenic if individuals were to eat pounds or tons of these pesticides.

Now, here is the problem that this country faces: if we impose these kind of nonscientific global warming, air quality, water quality, herbicide, insecticide regulations on our farmers, and farmers in other countries do not have to abide with those same provisions, that means our farmers are paying huge increased costs. That means by limiting our farmers' ability to farm the same efficient manner as farmers in other nations are farming, it puts our farmers at a competitive disadvantage.

We have to be very, very careful, Mr. Speaker, that we do not force some of our farmers and ranchers out of business because of this mandated inefficiency. Our consumers in this country may have to be dependent on the fruits and vegetables and food products that would be imported from other countries. Right now we enjoy the lowest cost, highest quality food of anyplace in the world. That is because our farmers and ranchers are extremely efficient and our system of distribution is very good in terms of providing good services to the consumers.

While the rest of the economy is generally strong, Mr. Speaker, farmers in our country are facing one of the most difficult years in a long time. The disaster money that is provided in the 1999 appropriation bill will be available to agricultural producers regardless of the type of crop that they produce and is a modest effort to help. While this will not fully reimburse producers for the extreme losses that they are suffering this year, it will help. But in the long run we have to face up to the question of whether or not we are going to allow our farmers and our ranchers to go out of business. That would mean that our consumers are going to become more and more dependent on imported products. Mr. Speaker, if we want to protect this country's ability to produce high quality, low cost food, we can not force our farmers out of business.

□ 1815

FOCUSING ATTENTION ON THE FIGHT AGAINST TERRORISM

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, focusing public attention on the fight against terrorism is a continuing challenge. The threat of terrorism is an out-of-sight, out-of-mind type issue. When an incident occurs, such as a terrorist bombing or retaliatory action, interest and concern about terrorism quickly moves to the forefront. But usually after a few days or weeks, the terrorist threat tends to be forgotten by the media and the American public.

Mr. Speaker, no matter what the state of public attention, the war against terrorism is ongoing. The capture of those who were involved in the bombings in Kenya and Tanzania was brought about by outstanding CIA and FBI efforts. Just recently, the FBI aided the Ugandan authorities in preventing the bombing of our embassy in Uganda's capital in Kampala.

Here in Congress and across the country, we must be ever mindful of the terrorist threat. The threat is real and the threat will surface again. Federal agencies involved in the fight against terrorism must be supported and encouraged if we are to win this battle against terrorism. The Congress and the American people need to fully support this work as we look to the future.

CONFERENCE REPORT ON H.R. 4104, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

Mr. KOLBE submitted the following conference report and statement on the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–760)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4104) "making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,900,000 for official travel expenses; not to exceed $150,000 for official reception and representation expenses; not to exceed $258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate, $123,151,000: Provided, That the Office of Foreign Assets Control shall be funded at no less than $6,560,800: Provided further, That the Department is authorized to charge both direct and indirect costs to the Office of Foreign Assets Control in the implementation of this floor: Provided further, That the methodology for applying such charges will be the same method used in developing the Departmental Offices Fiscal Year 1999 President's Budget Justification to the Congress.

AUTOMATION ENHANCEMENT

(INCLUDING TRANSFER OF FUNDS)

For development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, $28,690,000: Provided, That these funds shall remain available until September 30, 2000: Provided further, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That none of the funds appropriated shall be used to support or supplement the Internal Revenue Service appropriations for Information Systems: Provided further, That $6,000,000 of the funds appropriated for the Customs Modernization project may not be transferred to the United States Customs Service or obligated until the Treasury's Chief Information Officer, through the Treasury Investment Review Board, concurs on the plan and milestone schedule for the deployment of the system: Provided further, That $6,000,000 of the funds made available for the Customs Modernization project may not be obligated for any major system investments prior to the development of an architecture which is compliant with the Treasury Information Systems Architecture Framework (TISAF) and the establishment of measures to enforce compliance with the architecture.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed $2,000,000 for official travel expenses; including hire of passenger motor vehicles; and not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury, $30,678,000.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and Annex, $27,000,000, to remain available until expended: Provided, That none of the funds provided shall be available for obligation until September 30, 1999.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed $14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, $24,000,000: Provided, That funds appropriated in this account may be used to procure personal services contracts.

VIOLENT CRIME REDUCTION PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For activities authorized by Public Law 103–322, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as follows:

(1) As authorized by section 190001(e), $119,000,000; of which $3,000,000 shall be available to the Bureau of Alcohol, Tobacco and Firearms for administering the Gang Resistance Education and Training program; of which $1,400,000 shall be available to the Financial Crimes Enforcement Network; of which $22,628,000 shall be available to the United States Secret Service, including $6,700,000 for vehicle replacement, $5,000,000 for investigations of counterfeiting, $7,732,000 for the 2000 candidate/nominee protection program, and $3,196,000 for forensic and related support of investigations of missing and exploited children, of which $1,196,000 shall be available as a grant for activities related to the investigations of exploited children and shall remain available until expended; of which $65,472,000 shall be available for the United States Customs Service, including $54,000,000 for narcotics detection technology, $9,500,000 for the passenger processing initiative, $972,000 for construction of canopies for inspection of outbound vehicles along the Southwest border, and $1,000,000 for technology investments related to the Cyber-Smuggling Center; of which $2,500,000 shall be available to the Office of National Drug Control Policy, including $1,000,000 for Model State Drug Law Conferences, and $1,500,000 to expand the Milwaukee, Wisconsin High Intensity Drug Trafficking Area; and of which $24,000,000 shall be available for Interagency Crime and Drug Enforcement;

(2) As authorized by section 32401, $13,000,000 to the Bureau of Alcohol, Tobacco and Firearms for disbursement through grants, cooperative agreements, or contracts to local governments for Gang Resistance Education and Training: Provided, That notwithstanding sections 32401 and 310001, such funds shall be allocated to State and local law enforcement and prevention organizations.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including materials and support costs of Federal law enforcement basic training; purchase (not to exceed 52 for police-type use, without regard to the general purchase price limitation) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed $9,500 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109, $71,923,000, of which up to $13,843,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 2001: Provided, That the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes, including funding of a gift of intrinsic value which shall be awarded annually by the Director of the Center to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, which shall be funded only by gifts received through the Center's gift authority: Provided further, That notwithstanding any other provision of law, students attending training at any Federal Law Enforcement Training Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: Provided further, That funds appropriated in this account shall be available, at the discretion of the Director, for the following: training United States Postal Service law enforcement personnel and Postal police officers; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation, except that reimbursement may be waived by the Secretary for law enforcement training activities in foreign countries undertaken pursuant to section 801 of the Antiterrorism and Effective Death Penalty Act of 1996, Public Law 104–32; training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; and travel expenses of non-Federal personnel to attend course development meetings and training sponsored by the Center: Provided further, That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training sponsored by the Federal Law Enforcement Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: Provided further, That the Federal Law Enforcement Training Center is authorized to provide training for the Gang Resistance Education and Training program to Federal and non-Federal personnel at any facility in partnership with the Bureau of Alcohol, Tobacco *and Firearms: Provided further, That the Federal Law Enforcement Training Center is authorized to provide short-term medical services for students undergoing training at the Center.*

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, $34,760,000, to remain available until expended.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For expenses necessary for the detection and investigation of individuals involved in organized crime drug trafficking, including cooperative efforts with State and local law enforcement, $51,900,000, of which $7,827,000 shall remain available until expended.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $196,490,000, of which not to exceed $13,235,000 shall remain available until September 30, 2001, for information systems modernization initiatives.

FEDERAL FINANCING BANK

For liquidation of certain debts to the United States Treasury incurred by the Federal Financing Bank pursuant to section 9(b) of the Federal Financing Bank Act of 1973, $3,317,960,000.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed 812 vehicles for police-type use, of which 650 shall be for replacement only, and hire of passenger motor vehicles; hire of aircraft; services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where an assignment to the National Response Team during the investigation of a bombing or arson incident requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed $15,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement, including training in connection with the training and acquisition of canines for explosives and fire accelerants detection; and provision of laboratory assistance to State and local agencies, with or without reimbursement, $541,574,000, of which $2,206,000 shall not be available for obligation until September 30, 1999; of which $27,000,000 may be used for the Youth Crime Gun Interdiction Initiative; of which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); and of which $1,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement personnel, including sworn officers and support personnel, that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms: Provided, That no funds made available by this or any other Act may be used to transfer the functions, missions, or activities of the Bureau of Alcohol, Tobacco and Firearms to other agencies or Departments in fiscal year 1999: Provided further, That of the funds made available, $4,500,000 shall be made available for the expansion of the National Tracing Center: Provided further, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of the Treasury, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: Provided further, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 178.118 or to change the definition of "Curios or relics" in 27 CFR 178.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994: Provided further, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under 18 U.S.C. 925(c): Provided further, That no funds in this Act may be used to provide ballistics imaging equipment to any State or local authority who has obtained similar equipment through a Federal grant or subsidy unless the State or local authority agrees to return that equipment or to repay that grant or subsidy to the Federal Government: Provided further, That no funds under this Act may be used to electronically retrieve information gathered pursuant to 18 U.S.C. 923(g)(4) by name or any personal identification code.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase and lease of up to 1,050 motor vehicles of which 550 are for replacement only and of which 1,030 are for police-type use and commercial operations; hire of motor vehicles; contracting with individuals for personal services abroad; not to exceed $40,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service, $1,642,565,000, of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, not to exceed $4,000,000 shall be available until expended for research, not to exceed $5,000,000 shall be available until expended for conducting special operations pursuant to 19 U.S.C. 2081, and up to $8,000,000 shall be available until expended for the procurement of automation infrastructure items, including hardware, software, and installation: Provided, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: Provided further, That of the amount provided, an additional $2,400,000 shall be made available for staffing and resources for the child pornography cyber-smuggling initiative: Provided further, That $500,000 shall be available to fund the expansion of services at the Vermont World Trade Office: Provided further, That not to exceed $2,500,000 shall be available until expended for relocation of the Customs Air Branch from Belle Chase, Louisiana, to Hammond, Louisiana: Provided further, That notwithstanding any other provision of law, the fiscal year aggregate overtime limitation prescribed in subsection 5(c)(1) of the Act of February 13, 1911 (19 U.S.C. 261 and 267) shall be $30,000: Provided further, That of the amount provided, $9,500,000 shall not be available for obligation until September 30, 1999.

OPERATION, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction and demand reduction programs, the operations of which include the following: the interdiction of narcotics and other goods; the provision of support to Customs and other Federal, State, and local agencies in the enforcement or administration of laws enforced by the Customs Service; and, at the discretion of the Commissioner of Customs, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts, $113,688,000, which shall remain available until expended: Provided, That no aircraft or other related equipment, with the exception of aircraft which is one of a kind and has been identified as excess to Customs requirements and aircraft which has been damaged beyond repair, shall be transferred to any other Federal agency, department, or office outside of the Department of the Treasury, during fiscal year 1999 without the prior approval of the Committees on Appropriations.

HARBOR MAINTENANCE FEE COLLECTION

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103–182, $3,000,000, to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with the Customs "Salaries and Expenses" account for such purposes.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, $176,500,000, of which not to exceed $2,500 shall be available for official reception and representation expenses, and of which not to exceed $2,000,000 shall remain available until September 30, 2001, for information systems modernization initiatives: Provided, That the sum appropriated herein from the General Fund for fiscal year 1999 shall be reduced by not more than $4,400,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 1999 appropriation from the General Fund estimated at $172,100,000, and in addition, $20,000, to be derived from the Oil Spill Liability Trust Fund to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 102 of Public Law 101–380: Provided further, That notwithstanding any other provisions of law, effective upon enactment and thereafter, the Bureau of the Public Debt shall be fully and directly reimbursed by the funds described in section 104 of Public Law 101–136 (103 Stat. 789) for costs and services performed by the Bureau in the administration of such funds.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service for tax returns processing; revenue accounting; tax law and account assistance to taxpayers by telephone and correspondence; programs to match information returns and tax returns; management services; rent and utilities; and inspection; including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $3,086,208,000, of which up to $3,700,000 shall be for the Tax Counseling for the Elderly Program, and of which not to exceed

$25,000 shall be for official reception and representation expenses: Provided, That of the amount provided, $105,000,000 shall remain available until expended for postage and shall not be obligated before September 30, 1999: Provided further, That, pursuant to 39 U.S.C. 3206(a), funds shall continue to be provided to the United States Postal Service for postage due: Provided further, That of the amount provided, $25,000,000 shall not be available for obligation until September 30, 1999.

TAX LAW ENFORCEMENT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; issuing technical rulings; examining employee plans and exempt organizations; conducting criminal investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $3,164,189,000.

EARNED INCOME TAX CREDIT COMPLIANCE INITIATIVE

For funding essential earned income tax credit compliance and error reduction initiatives pursuant to section 5702 of the Balanced Budget Act of 1997 (Public Law 105–33), $143,000,000, of which not to exceed $10,000,000 may be used to reimburse the Social Security Administration for the costs of implementing section 1090 of the Taxpayer Relief Act of 1997.

INFORMATION SYSTEMS

For necessary expenses of the Internal Revenue Service for information systems and telecommunications support, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $1,265,456,000, which shall remain available until September 30, 2000, and of which $103,000,000 shall be available only for improvements to customer service.

INFORMATION TECHNOLOGY INVESTMENTS

For necessary expenses of the Internal Revenue Service, $211,000,000, to remain available until September 30, 2002, for the capital asset acquisition of information technology systems, including management and related contractual costs of such acquisition, and including contractual costs associated with operations authorized by 5 U.S.C. 3109: Provided, That none of these funds is available for obligation until September 30, 1999: Provided further, That none of these funds shall be obligated until the Internal Revenue Service and the Department of the Treasury submit to Congress for approval, a plan for expenditure that: (1) implements the Internal Revenue Service's Modernization Blueprint submitted to Congress on May 15, 1997; (2) meets the information systems investment guidelines established by the Office of Management and Budget and in the fiscal year 1998 budget; (3) is reviewed and approved by the Office of Management and Budget, the Department of the Treasury's IRS Management Board, and is reviewed by the General Accounting Office; (4) meets the requirements of the May 15, 1997 Internal Revenue Service's Systems Life Cycle program; and (5) is in compliance with acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SEC. 101. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the House and Senate Committees on Appropriations.

SEC. 102. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

SEC. 103. The funds provided in this Act for the Internal Revenue Service shall be used to provide, as a minimum, the fiscal year 1995 level of service, staffing, and funding for Taxpayer Services.

SEC. 104. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1986 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection, including any private sector employees under contract to the Internal Revenue Service, complies with subsection (a) of section 805 (relating to communications in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 105. The Internal Revenue Service shall institute and enforce policies and procedures which will safeguard the confidentiality of taxpayer information.

SEC. 106. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line for taxpayers. The Commissioner shall continue to make the improvement of the Internal Revenue Service 1–800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the Internal Revenue Service 1–800 help line service.

SEC. 107. Notwithstanding any other provision of law, no reorganization of the field office structure of the Internal Revenue Service Criminal Investigation Division will result in a reduction of criminal investigators in Wisconsin and South Dakota from the 1996 level.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase of not to exceed 739 vehicles for police-type use, of which 675 shall be for replacement only, and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act if approval is obtained in advance from the Committees on Appropriations; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $20,000 for official reception and representation expenses; not to exceed $50,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase price limitation for the current fiscal year, $600,302,000: Provided, That $18,000,000 provided for protective travel shall remain available until September 30, 2000; Provided further, That of the amount provided, $5,000,000 shall not be available for obligation until September 30, 1999.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

For necessary expenses of construction, repair, alteration, and improvement of facilities, $8,068,000, to remain available until expended.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SEC. 110. Any obligation or expenditure by the Secretary of the Treasury in connection with law enforcement activities of a Federal agency or a Department of the Treasury law enforcement organization in accordance with 31 U.S.C. 9703(g)(4)(B) from unobligated balances remaining in the Fund on September 30, 1999, shall be made in compliance with reprogramming guidelines.

SEC. 111. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 112. The funds provided to the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1999 in this Act for the enforcement of the Federal Alcohol Administration Act shall be expended in a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

SEC. 113. Not to exceed 2 percent of any appropriations in this Act made available to the Federal Law Enforcement Training Center, Financial Crimes Enforcement Network, Bureau of Alcohol, Tobacco and Firearms, United States Customs Service, and United States Secret Service may be transferred between such appropriations upon the advance approval of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 114. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices, Office of Inspector General, Financial Management Service, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the Committees on Appropriations. No transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 115. Section 921(a) of title 18, United States Code, is amended—

(1) in paragraph (5), by striking "the explosive in a fixed shotgun shell" and inserting "an explosive";

(2) in paragraph (7), by striking "the explosive in a fixed metallic cartridge" and inserting "an explosive"; and

(3) by striking paragraph (16) and inserting the following:

"(16) The term 'antique firearm' means—

"(A) any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898; or

"(B) any replica of any firearm described in subparagraph (A) if such replica—

"(i) is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition, or

"(ii) uses rimfire or conventional centerfire fixed ammunition which is no longer manufactured in the United States and which is not readily available in the ordinary channels of commercial trade; or

"(C) any muzzle loading rifle, muzzle loading shotgun, or muzzle loading pistol, which is designed to use black powder, or a black powder substitute, and which cannot use fixed ammunition. For purposes of this subparagraph, the term 'antique firearm' shall not include any weapon which incorporates a firearm frame or receiver, any firearm which is converted into a muzzle loading weapon, or any muzzle loading weapon which can be readily converted to fire fixed ammunition by replacing the barrel, bolt, breechblock, or any combination thereof.".

Sec. 116. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the purchase by the respective Treasury bureau is consistent with the vehicle management principles: Provided, That the Secretary may delegate this authority to the Assistant Secretary for Management.

Sec. 117. Exception to Immunity From Attachment or Execution. (a) Section 1610 of title 28, United States Code, is amended by adding at the end the following new subsection:

"(f)(1)(A) Notwithstanding any other provision of law, including but not limited to section 208(f) of the Foreign Missions Act (22 U.S.C. 4308(f)), and except as provided in subparagraph (B), any property with respect to which financial transactions are prohibited or regulated pursuant to section 5(b) of the Trading with the Enemy Act (50 U.S.C. App. 5(b)), section 620(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(a)), sections 202 and 203 of the International Emergency Economic Powers Act (50 U.S.C. 1701–1702), or any other proclamation, order, regulation, or license issued pursuant thereto, shall be subject to execution or attachment in aid of execution of any judgment relating to a claim for which a foreign state (including any agency or instrumentality or such state) claiming such property is not immune under section 1605(a)(7).

"(B) Subparagraph (A) shall not apply if, at the time the property is expropriated or seized by the foreign state, the property has been held in title by a natural person or, if held in trust, has been held for the benefit of a natural person or persons.

"(2)(A) At the request of any party in whose favor a judgment has been issued with respect to a claim for which the foreign state is not immune under section 1605(a)(7), the Secretary of the Treasury and the Secretary of State shall fully, promptly, and effectively assist any judgment creditor or any court that has issued any such judgment in identifying, locating, and executing against the property of that foreign state or any agency or instrumentality of such state.

"(B) In providing such assistance, the Secretaries—

"(i) may provide such information to the court under seal; and

"(ii) shall provide the information in a manner sufficient to allow the court to direct the United States Marshall's office to promptly and effectively execute against that property.".

(b) Conforming Amendment.—Section 1606 of title 28, United States Code, is amended by inserting after "punitive damages" the following: ", except any action under section 1605(a)(7) or 1610(f)".

(c) Effective Date.—The amendments made by subsections (a) and (b) shall apply to any claim for which a foreign state is not immune under section 1605(a)(7) of title 28, United States Code, arising before, on, or after the date of enactment of this Act.

(d) Waiver.—The President may waive the requirements of this section in the interest of national security.

This title may be cited as the "Treasury Department Appropriations Act, 1999".

TITLE II—POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, $71,195,000, which shall remain available until September 30, 2000: Provided, That none of the funds provided shall be available for obligation until October 1, 1999: Provided further, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1999.

This title may be cited as the "Postal Service Appropriations Act, 1999".

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT AND THE WHITE HOUSE OFFICE

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102, $250,000: Provided, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code: Provided further, That none of the funds made available for official expenses shall be considered as taxable to the President.

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); and not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President, $52,344,000: Provided, That $10,100,000 of the funds appropriated shall be available for reimbursements to the White House Communications Agency.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating, and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President, $8,061,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112–114: Provided, That such amount shall not be available for expenses for domestic staff overtime.

In addition, for necessary expenses for domestic staff overtime, $630,000: Provided, That such amount shall not become available for obligation until the Comptroller General of the United States notifies the Committees on Appropriations that: (1) the Executive Office of the President has received, reviewed, and commented on the draft report of the General Accounting Office with respect to its audit of the Executive Residence at the White House; and (2) the General Accounting Office has received the comments of the Executive Office of the President.

REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: Provided, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: Provided further, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: Provided further, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: Provided further, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit $25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: Provided further, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expense under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: Provided further, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: Provided further, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: Provided further, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting forth the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: Provided further, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events within the Executive Residence that includes a standard for the classification of any such expense as political or nonpolitical: Provided further, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

SPECIAL ASSISTANCE TO THE PRESIDENT AND THE OFFICIAL RESIDENCE OF THE VICE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President *in connection with specially assigned functions; services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles, $3,512,000.*

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For the care, operation, refurnishing, improvement, heating, and lighting, including electric power and fixtures, of the official residence of the Vice President; the hire of passenger motor vehicles; and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, $334,000: Provided, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), $3,666,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, $4,032,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, $6,806,000.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles, $28,350,000.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget (OMB), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, $60,617,000, of which not to exceed $5,000,000 shall be available to carry out the provisions of chapter 35 of title 44, United States Code: Provided, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: Provided further, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): Provided further, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committees on Appropriations or the Committees on Veterans' Affairs or their subcommittees: Provided further, That the preceding shall not apply to printed hearings released by the Committees on Appropriations or the Committees on Veterans' Affairs: Provided further, That the Director of OMB amends Section .36 of OMB Circular A-110 to require Federal awarding agencies to ensure that all data produced under an award will be made available to the public through the procedures established under the Freedom of Information Act: Provided further, That if the agency obtaining the data does so solely at the request of a private party, the agency may authorize a reasonable user fee equaling the incremental cost of obtaining the data: Provided further, That OMB is directed to submit a report by March 31, 1999, to the Committees on Appropriations, the Senate Committee on Governmental Affairs, and the House Committee on Government Reform and Oversight that: (1) identifies specific paperwork reduction accomplishments expected, constituting annual five percent reductions in paperwork expected in fiscal year 1999 and fiscal year 2000; and (2) issues guidance on the requirements of 5 U.S.C. Sec. 801(a)(1) and (3); sections 804(3), and 808(2), including a standard new rule reporting form for use under section 801(a)(1)(A)–(B).

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public Law 100–690; not to exceed $8,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement, $48,042,000, of which $30,100,000 shall remain available until expended, consisting of $1,100,000 for policy research and evaluation, and $16,000,000 for the Counterdrug Technology Assessment Center for counternarcotics research and development projects, and $13,000,000 for the continued operation of the technology transfer program: Provided, That the $16,000,000 for the Counterdrug Technology Assessment Center shall be available for transfer to other Federal departments or agencies: Provided further, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, $182,477,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of enactment of this Act: Provided, That funding shall be provided for existing High Intensity Drug Trafficking Areas at no less than the total fiscal year 1998 level consisting of funding from this account as well as the Violent Crime Reduction Trust Fund.

SPECIAL FORFEITURE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities to support a national anti-drug campaign for youth, and other purposes, authorized by Public Law 100–690, as amended, $214,500,000,. to remain available until expended: Provided, That such funds may be transferred to other Federal departments and agencies to carry out such activities: Provided further, That of the funds provided, $185,000,000 shall be to support a national media campaign to reduce and prevent drug use among young Americans: Provided further, That none of the funds provided for the support of a national media campaign may be obligated for the following purposes: to supplant current anti-drug community based coalitions; to supplant current pro bono public service time donated by national and local broadcasting networks; for partisan political purposes; or to fund media campaigns that feature any elected officials, persons seeking elected office, cabinet-level officials, or other Federal officials employed pursuant to Schedule C of title 5, Code of Federal Regulations, section 213, absent advance notice to the Committees on Appropriations and the Senate Judiciary Committee: Provided further, That (1) ONDCP will require a pro bono match commitment up-front as part of its media buy from each and every seller of ad time and space (2) ONDCP, or any agent acting on its behalf, may not obligate any funds for the creative development of advertisements from for-profit organizations, not including out-of-pocket production costs and talent re-use payments, unless (A) the advertisements are intended to reach a minority, ethnic or other special audience that cannot be obtained on a pro bono basis within the time frames required by ONDCP's advertising and buying agencies, and (B) ONDCP receives prior approval from the Committees on Appropriations (3) ONDCP will submit within three months of enactment of this Act an implementation plan to the Committees on Appropriations to secure corporate sponsorship equaling 40 percent of the appropriated amount in fiscal year 1999, the definition of which is a contribution that is not received as a result of leveraging funds to receive said sponsorship, corporate sponsorship equaling 60 percent of the appropriated amount in fiscal year 2000, corporate sponsorship equaling 80 percent of the appropriated amount in fiscal year 2001, corporate sponsorship equaling 100 percent of the appropriated amount in fiscal year 2002 (4) the funds provided for the support of a national media campaign may be used to fund the purchase of media time and space, talent re-use payments, out-of-pocket advertising production costs, testing and evaluation of advertising, evaluation of the effectiveness of the media campaign, the negotiated fees for the winning bidder on the request for proposal recently issued by ONDCP, partnership with community, civic, and professional groups, and government organizations related to the media campaign, entertainment industry collaborations to fashion anti-drug messages in movies, television programming, and popular music, interactive (Internet and new) media projects/activities, public information (News Media Outreach), and corporate sponsorship/participation (5) ONDCP shall not obligate funds provided for the national media campaign for fiscal year 1999 until ONDCP has submitted the evaluation and results of Phase I of the campaign to the Committees on Appropriations, and may obligate not more than 75 percent of these funds until ONDCP has submitted the evaluation and results of Phase II of the campaign to the Committees on Appropriations, and (6) ONDCP is required to report to the Committees on Appropriations not only quarterly, but also to provide monthly itemized reports of all expenditures and obligations relating to the media campaign as well as the specific parameters of the national media campaign, and shall report to Congress within one year on the effectiveness of the national media campaign based upon the measurable outcomes provided to Congress previously: Provided further, That of the funds provided, $4,500,000 shall be available for transfer to the Agricultural Research Service for anti-drug research and related matters: Provided further, That of the funds provided, $20,000,000 shall be to continue a program of matching grants to drug-free communities, as authorized in the Drug-Free Communities Act of 1997: Provided further, That of the funds provided, $5,000,000 shall be available for the chronic users study.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, $1,000,000.

This title may be cited as the "Executive Office Appropriations Act, 1999".

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From People Who Are Blind or Severely Disabled established by the Act of June 23, 1971, Public Law 92–28, $2,464,000.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, $36,500,000, of which no less than $4,402,500 shall be available for internal automated data processing systems, and of which not to exceed $5,000 shall be available for reception and representation expenses: Provided, That of the amounts appropriated for salaries and expenses, $1,120,000 may not be obligated until the Federal Election Commission submits a plan for approval to the House Committee on Appropriations for the expenditure of such funds.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere, $22,586,000: Provided, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: Provided further, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

(INCLUDING TRANSFER OF FUNDS)

For additional expenses necessary to carry out the purpose of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $450,018,000 to be deposited into the Fund. The revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of $5,605,018,000, of which: (1) $492,190,000 shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses and associated design and construction services) as follows:

New construction:
Arkansas:
Little Rock, U.S. courthouse, $3,436,000
California:
San Diego, U.S. courthouse, $15,400,000
San Jose, U.S. courthouse, $10,800,000
Colorado:
Denver, U.S. courthouse, $83,959,000
District of Columbia:
Southeast Federal Center remediation, $10,000,000
Florida:
Jacksonville, U.S. courthouse, $86,010,000
Orlando, U.S. courthouse, $1,930,000
Massachusetts:
Springfield, U.S. courthouse, $5,563,000
Michigan:
Sault Sainte Marie, border station, $572,000
Mississippi:
Biloxi-Gulfport, U.S. courthouse, $7,543,000
Missouri:
Cape Girardeau, U.S. courthouse, $2,196,000
Montana:
Babb, Piegan border station, $6,165,000
New York:
Brooklyn, U.S. courthouse, $152,626,000
New York, U.S. Mission to the United Nations, $3,163,000
Oregon:
Eugene, U.S. courthouse, $7,190,000
Tennessee:
Greenville, U.S. courthouse, $28,229,000
Texas:
Laredo, U.S. courthouse, $28,105,000
West Virginia:
Wheeling, U.S. courthouse, $29,303,000
Nationwide:
Non-prospectus, $10,000,000:

Provided, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent unless advance approval is obtained from the Committees on Appropriations of a greater amount: Provided further, That notwithstanding any other provision of law in order to rescind a General Services Administration property sale, the General Services Administration is authorized to re-acquire that parcel of land on Block 111, East Denver, Denver, Colorado, which was sold at public auction by the Federal government to its present owner pursuant to paragraphs (6) and (7) of section 12 of Public Law 94–204 (43 U.S.C. 1611 note) at a price equivalent to the 1988 auction sale price plus the amount of cumulative consumer price index, pursuant to the methodology as used in Public Law 104–42, Sec. 107(a), from the closing date of the sale until the date of re-acquisition by the Federal government, offset by any net income received from the property by the present owner since the 1988 sale: Provided further, That the funds provided in Public Law 102–393 for Hilo, Hawaii, shall be expended for the planning and design of the Mauna Kea Astronomy Educational Center, notwithstanding Public Law 103–123, and of the funds provided not more than $475,000 is to be disbursed in this fiscal year: Provided further, That all funds for direct construction projects shall expire on September 30, 2000, and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That of the funds provided for non-prospectus construction projects, $2,100,000 shall be available until expended for acquisition, lease, construction, and equipping of flexiplace telecommuting centers: Provided further, That from the funds made available under this heading in this or prior Acts of Congress, the Administrator of General Services may purchase at a price he determines appropriate, notwithstanding any other provision of law, property adjacent to the new courthouse currently under construction in Scranton, Pennsylvania; and (2) $668,031,000 shall remain available until expended, for repairs and alterations which includes associated design and construction services: Provided further, That of the amount provided, $161,500,000 shall not be available for obligation until September 30, 1999: Provided further, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 percent unless advance approval is obtained from the Committees on Appropriations of a greater amount:

Repairs and alterations:
California:
San Francisco, Appraisers Building, $29,778,000
Colorado:
Lakewood, Denver Federal Center, Building 25, $29,351,000
District of Columbia:
Federal Office Building, 10B, $13,844,000
Interstate Commerce Commission, Connecting Wing Complex, Customs Building, Phase 3/3, $83,959,000
Old Executive Office Building, $25,210,000
Department of State, Phase 1, $29,779,000
New York:
Brookhaven, Internal Revenue Service, Service Center, $20,019,000
New York, U.S. Courthouse, 40 Foley Square, $4,782,000
Pennsylvania:
Philadelphia, Byrne-Green, Federal Building-U.S. Courthouse, $11,212,000
Virginia:
Reston, J.W. Powell Building, $9,151,000
Nationwide:
Chlorofluorocarbons Program, $25,000,000
Energy Program, $25,000,000
Design Program, $16,710,000
Basic Repairs and Alteration, $344,236,000:

Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations: Provided further, That the amounts provided in this or any prior Act for "Repairs and Alterations" may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2000, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That of the amount provided, $100,000 shall be used to address the lighting *issues at the Byrne-Green Federal Courthouse in Philadelphia, Pennsylvania: Provided further, That of the amount provided in this or any prior Act for Basic Repairs and Alterations, $1,600,000 shall be provided to complete the alterations required at the Milwaukee, Wisconsin Courthouse: Provided further, That of the amount provided in this or any prior Act for Basic Repairs and Alterations, $1,100,000 may be used to provide a new fence surrounding the Suitland Federal Complex in Suitland, Maryland: Provided further, That $5,700,000 of the funds provided under this heading in Public Law 103–329 for the Holtsville, New York, IRS Service Center shall remain available until September 30, 1999: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects; (3) $215,764,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) $2,583,261,000 for rental of space which shall remain available until expended: Provided further, That of the amount provided, $15,000,000 shall not be available for obligation until September 30, 1999; and (5) $1,554,772,000 for building operations which shall remain available until expended: Provided further, That of the amount provided $68,000,000 shall not be available for obligation until September 30, 1999: Provided further, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That for the purposes of this authorization, and hereafter, buildings constructed pursuant to the purchase contract authority of the Public Buildings Amendments of 1972 (40 U.S.C. 602a), buildings occupied pursuant to installment purchase contracts, and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations: Provided further, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: Provided further, That the remaining balances and associated assets and liabilities of the Pennsylvania Avenue Activities account are hereby transferred to the Federal Buildings Fund to be effective October 1, 1998, and that all income earned after that effective date that would otherwise have been deposited to the Pennsylvania Avenue Activities account shall thereafter be deposited to the Federal Buildings Fund, to be available for the purposes authorized by Public Laws 104–134 and 104–208, notwithstanding subsection 210(f)(2) of the Federal Property and Administrative Services Act, as amended: Provided further, That of the amount provided, $475,000 shall be made available for the 1999 Women's World Cup Soccer event: Provided further, That of the amount provided, $600,000 shall be made available for the 1999 World Alpine Ski Championships: Provided further, That revenues and collections and any other sums accruing to this Fund during fiscal year 1999, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of $5,605,018,000 shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.*

POLICY AND OPERATIONS

For expenses authorized by law, not otherwise provided for, for Government-wide policy and oversight activities associated with asset management activities; utilization and donation of surplus personal property; transportation; procurement and supply; Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related technology activities; utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; agency-wide policy direction; Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed $5,000 for official reception and representation expenses, $109,594,000: Provided, That none of the funds appropriated from this Act shall be available to convert the Old Post Office at 1100 Pennsylvania Avenue in Northwest Washington, D.C., from office use to any other use until a comprehensive plan, which shall include street-level retail use, has been approved by the Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works: Provided further, That no funds from this Act shall be available to acquire by purchase, condemnation, or otherwise the leasehold rights of the existing lease with private parties at the Old Post Office prior to the approval of the comprehensive plan by the Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Environment and Public Works: Provided further, That $100,000 is provided to the property disposal activity for the Racine, Wisconsin, property transfer identified in General Services Administration General Provision section 409.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, $32,000,000: Provided, That not to exceed $10,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: Provided further, That not to exceed $2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

(INCLUDING TRANSFER OF FUNDS)

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138, $2,241,000: Provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

SEC. 401. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 402. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 403. Funds in the Federal Buildings Fund made available for fiscal year 1999 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That any proposed transfers shall be approved in advance by the Committees on Appropriations.

SEC. 404. No funds made available by this Act shall be used to transmit a fiscal year 2000 request for United States Courthouse construction that: (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan: Provided, That the fiscal year 2000 request must be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.

SEC. 405. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency which does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92–313).

SEC. 406. Funds provided to other Government agencies by the Information Technology Fund, General Services Administration, under 40 U.S.C. 757 and sections 5124(b) and 5128 of Public Law 104–106, Information Technology Management Reform Act of 1996, for performance of pilot information technology projects which have potential for Government-wide benefits and savings, may be repaid to this Fund from any savings actually incurred by these projects or other funding, to the extent feasible.

SEC. 407. From funds made available under the heading "Federal Buildings Fund Limitations on Revenue", claims against the Government of less than $250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations.

SEC. 408. From the funds made available under the heading "Federal Buildings Fund Limitations on Revenue", in addition to amounts provided in budget activities above, up to $5,000,000 shall be available for the demolition, cleanup and conveyance of the property at block 35 and lot 2 of block 36 in Anchorage, Alaska: Provided, That notwithstanding any other provision of law, the Administrator of General Services shall, not later than 18 months after the date of enactment of this Act, demolish and remove all buildings, structures and other fixtures on the property at block 35 and lot 2 of block 36, Anchorage Original Townsite East Addition, Anchorage, Alaska, excluding any portion dedicated for use by the Centers for Disease Control and Prevention: Provided further, That the remediation of said parcel shall include the removal of all asbestos, lead and any other contamination, and restoration of the property, to *the extent practicable, to an undeveloped condition: Provided further, That upon completion of the activities required for the demolition and removal of buildings, and notwithstanding any other provision of law, the Administrator of General Services shall convey to the municipality of Anchorage, without reimbursement, all right, title, and interest of the United States to the property.*

SEC. 409. The Administrator of General Services may convey to the City of Racine, Wisconsin, all right, title, and interest of the United States in and to a parcel of excess real property, including improvements thereon, that is located on 2310 Center Street, commencing at the intersection of the North line of 24th Street and the center line of Center Street, being the point of the beginning; thence Northerly along the center line of Center Street, 426 feet to the South line of 23rd Street extended East; thence Westerly along the South line of 23rd street extended East; 325 feet to the West line of Franklin Street extended South; thence southerly along the West line of Franklin Street extended South to a point on the North line of 24th Street; thence Easterly along the North line of 24th Street to the point of beginning located in Racine, Wisconsin, and which contains the U.S. Army Reserve Center.

SEC. 410. DEPARTMENT OF TRANSPORTATION HEADQUARTERS. (a) IN GENERAL.—The Administrator of General Services shall—

(1) enter into an operating lease to acquire space for the Department of Transportation headquarters; and

(2) commence procurement of the lease not later than November 1, 1998:

Provided, That the annual rent payment does not exceed $55,000,000.

(b) TERMS.—The authority granted in subsection (a) is effective only to the extent that the lease acquisition meets the guidelines for operating leases set forth in the joint statement of the managers for the conference report to the Balanced Budget Agreement of 1997, as determined by the Director of the Office of Management and Budget.

SEC. 411. Notwithstanding any other provision of law, the requirement under section 407 of Public Law 104–208 (110 Stat. 3009–337–38), that the Administrator of General Services charge user fees for flexiplace telecommuting centers that approximate commercial charges for comparable space and services but in no instance less than the amount necessary to pay the cost of establishing and operating such centers, shall not apply to the user fees charged for the period beginning October 1, 1996, and ending September 30, 1998, for the telecommuting centers established as part of a pilot telecommuting demonstration program in the Washington, D.C. metropolitan area by Public Laws 102–393, 103–123, 103–329, 104–52, and 104–208: Provided, That for these centers in the pilot demonstration program for the period beginning October 1, 1998, and ending September 30, 2000, the Administrator shall charge fees for Federal agency use of a telecenter based on 50 percent of the Administrator's annual costs of operating the center, including the reasonable cost of replacement for furniture, fixtures, and equipment: Provided further, That effective October 1, 2000, the Administrator shall charge fees for Federal agency use of the demonstration telecommuting centers based on 100 percent of the annual operating costs, including the reasonable cost of replacement for furniture, fixtures, and equipment: Provided further, That, to the extent such user charges do not cover the Administrator's costs in operating these centers, appropriations to the General Services Administration are authorized to reimburse the Federal Buildings Fund for any loss of revenue.

SEC. 412. (a) AUTHORITY TO CONVEY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Administrator of General Services shall convey to the University of Miami, by negotiated sale or by negotiated land exchange and by not later than September 30, 1999, all right, title, and interest of the United States in and to the property described in paragraph (2).

(2) PROPERTY DESCRIBED.—The property referred to in paragraph (1) is real property in Miami-Dade County, Florida, including improvements thereon, comprising the Federal facility known as the United States Naval Observatory/Alternate Time Service Laboratory, consisting of approximately 76 acres. The exact acreage and legal description of the property shall be determined by a survey that is satisfactory to the Administrator.

(b) CONDITION REGARDING USE.—Any conveyance under subsection (a) shall be subject to the condition that during the 10-year period beginning on the date of the conveyance, the University shall use the property, or provide for use of the property, only for—

(1) a research, education, and training facility complementary to longstanding national research missions, subject to such incidental exceptions as may be approved by the Administrator;

(2) research-related purposes other than the use specified in paragraph (1), under an agreement entered into by the Administrator and the University; or

(3) a combination of uses described in paragraph (1) and paragraph (2), respectively.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions with respect to the conveyance under subsection (a) as the Administrator considers appropriate to protect the interests of the United States.

(d) REVERSION.—If the Administrator determines at any time that the property conveyed under subsection (a) is not being used in accordance with this section, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

SEC. 413. The Administrator of General Services is directed to reincorporate the elements of the original proposed design for the façade of the United States Courthouse, London, Kentucky, project into the revised design of the building in order to ensure compatibility of this new facility with the historic U.S. Courthouse in London, Kentucky, to maintain the stateliness of the building. Construction or design of the London, Kentucky, project should not be diminished in anyway to achieve this goal.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

For payment to the Environmental Dispute Resolution Fund to carry out activities authorized in the Environmental Policy and Conflict Resolution Act of 1997, $4,250,000, to remain available until expended, of which $3,000,000 will be for capitalization of the Fund, and $1,250,000 will be for annual operating expenses.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, $25,805,000, together with not to exceed $2,430,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives (including the Information Security Oversight Office) and records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $224,614,000: Provided, That of the amount provided, $7,861,000 shall not be available for obligation until September 30, 1999: Provided further, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings.

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, $11,325,000, to remain available until expended, of which $2,000,000 is for an architectural and engineering study for the renovation of the Archives I facility, of which $4,000,000 is for encasement of the Charters of Freedom, and of which $875,000 is for a requirements study and design of the National Archives Anchorage, Alaska, facility.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, $10,000,000, to remain available until expended: Provided, That of the amount provided, $4,000,000 shall not be available for obligation until September 30, 1999.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended and the Ethics Reform Act of 1989, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed $1,500 for official reception and representation expenses, $8,492,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $85,350,000; and in addition $91,236,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use *applicable trust funds as provided by section 8348(a)(1)(B) of title 5, United States Code: Provided further, That, except as may be consistent with 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a–7 through 1320a–7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 1999, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.*

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $960,000; and in addition, not to exceed $9,145,000 for administrative expenses to audit the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: Provided, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771–775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95–454), the Whistleblower Protection Act of 1989 (Public Law 101–12), Public Law 103–424, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103–353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles, $8,720,000.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, $32,765,000: Provided, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1999".

TITLE V—GENERAL PROVISIONS

THIS ACT

SEC. 501. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 502. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 503. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930.

SEC. 504. None of the funds made available by this Act shall be available in fiscal year 1999 for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, and Artesia, New Mexico, out of the Department of the Treasury.

SEC. 505. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service, and has within 90 days after his release from such service or from hospitalization continuing after discharge for a period of not more than 1 year, made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 506. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the "Buy American Act").

SEC. 507. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 508. If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 509. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. 510. The provision of section 509 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 511. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 1999 from appropriations made available for salaries and expenses for fiscal year 1999 in this Act, shall remain available through September 30, 2000, for each such account for the purposes authorized: Provided, That a request shall be submitted to the Committees on Appropriations for approval prior to the expenditure of such funds: Provided further, That these requests shall be made in compliance with reprogramming guidelines.

SEC. 512. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on any individual, except when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such individual has given his or her express written consent for such request not more than 6 months prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 513. Funds provided in this Act may be used to initiate or continue projects or activities to the extent necessary, consistent with existing agency plans, to achieve Year 2000 (Y2K) computer conversion until such time as supplemental appropriations are made available for that purpose: Provided, That the program, project, or activity from which funds are obligated for Y2K conversion activities shall be reimbursed when such supplemental appropriations are made available.

SEC. 514. (a) APPOINTMENT AND TERM OF SERVICE OF STAFF DIRECTOR AND GENERAL COUNSEL OF FEDERAL ELECTION COMMISSION.—

(1) IN GENERAL.—The first sentence of section 306(f)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 437c(f)(1)) is amended by striking "by the Commission" and inserting the following: "by an affirmative vote of not less than 4 members of the Commission and may not serve for a term of more than 4 consecutive years without reappointment in accordance with this paragraph".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to any individual serving as the staff director or general counsel of the Federal Election Commission on or after January 1, 1999, without regard to whether or not the individual served as staff director or general counsel prior to such date.

(b) TREATMENT OF INDIVIDUALS FILLING VACANCIES; TERMINATION OF AUTHORITY UPON EXPIRATION OF TERM.—Section 306(f)(1) of such

Act (2 U.S.C. 437c(f)(1)) is amended by inserting after the first sentence the following new sentences: "An individual appointed as a staff director or general counsel to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the individual he or she succeeds. An individual serving as staff director or general counsel may not serve in such position after the expiration of the individual's term unless reappointed in accordance with this paragraph.".

(c) RULE OF CONSTRUCTION REGARDING AUTHORITY OF ACTING GENERAL COUNSEL.—Section 306(f) of such Act (2 U.S.C. 437c(f)) is amended by adding at the end the following new paragraph:

"(5) Nothing in this Act may be construed to prohibit any individual serving as an acting general counsel of the Commission from performing any functions of the general counsel of the Commission.".

SEC. 515. Hereafter, any payment of attorneys fees, costs, and sanctions required to be made by the Federal Government pursuant to the order of the district court in the case Association of American Physicians and Surgeons, Inc. v. Clinton, 989 F. Supp. 8 (1997), or any appeal of such case, shall be derived by transfer from amounts made available in this or any other Act for any fiscal year for "Compensation of the President and the White House Office—Salaries and Expenses".

SEC. 516. Notwithstanding Section 515 of Public Law 104–208, fifty percent of the unobligated balances available to the White House Office, Salaries and Expenses appropriations in fiscal year 1997, shall remain available through September 30, 1999, for the purposes of satisfying the conditions of Section 515 of this Act.

SEC. 517. The Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992, as amended (20 U.S.C. 5601 et seq.), is amended as follows:

(a) in section 11, by—

(1) deleting the heading and inserting "Use of the Institute by a Federal Agency or Other Entity."; and

(2) adding the following new subsection at the end:

"(e) NON-FEDERAL ENTITIES.—

"(1) Non-Federal entities, including state and local governments, Native American tribal governments, nongovernmental organizations and persons, as defined in 1 U.S.C. 1, may use the Foundation and the Institute to provide assessment, mediation, or other related services in connection with a dispute or conflict involving the Federal government related to the environment, public lands, or natural resources.

"(2) PAYMENT INTO THE ENVIRONMENTAL DISPUTE RESOLUTION FUND.—Entities utilizing services pursuant to this subsection shall reimburse the Institute for the costs of services provided. Such amounts shall be deposited into the Environmental Dispute Resolution Fund established under section 10."; and

(b) in section 12, by:

(1) deleting "IN GENERAL—" and inserting "(a) IN GENERAL—"; and

(2) adding the following new subsection:

"(b) THE INSTITUTE.—The authorities set forth above shall, with the exception of paragraph (4), apply to the Institute established pursuant to section 10."; and

(c) in section 10(b), by adding before the period as follows: ", including not to exceed $1,000 annually for official reception and representation expenses".

SEC. 518. The cost accounting standards promulgated under section 26 of the Office of Federal Procurement Policy Act (Public Law 93–400; 41 U.S.C. 422) shall not apply with respect to a contract under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1999 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Notwithstanding 31 U.S.C. 1345, any agency, department, or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may, in fiscal year 1999 and thereafter, reimburse any Federal employee or any person employed to provide such services for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of such services: Provided, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 604. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at $8,100 except station wagons for which the maximum shall be $9,100: Provided, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: Provided further, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: Provided further, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101–549 over the cost of comparable conventionally fueled vehicles.

SEC. 605. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922–5924.

SEC. 606. Unless otherwise specified during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person: (1) is a citizen of the United States; (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States; (3) is a person who owes allegiance to the United States; (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence; (5) is a South Vietnamese, Cambodian, or Laotian refugee paroled in the United States after January 1, 1975; or (6) is a national of the People's Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992: Provided, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: Provided further, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than 1 year, or both: Provided further, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: Provided further, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 607. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 608. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 12873 (October 20, 1993), including any such programs adopted prior to the effective date of the Executive order.

(2) Other Federal agency environmental management programs, including, but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 609. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: Provided, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 610. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 611. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 612. Funds made available by this or any other Act to the Postal Service Fund (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a and 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 613. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 614. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for fiscal year 1999, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(1) during the period from the date of expiration of the limitation imposed by section 614 of the Treasury and General Government Appropriations Act, 1998, until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 1999, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 614; and

(2) during the period consisting of the remainder of fiscal year 1999, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 1999 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 1999 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in fiscal year 1998 under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 1998, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1998, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) This section shall apply with respect to pay for service performed after September 30, 1998.

(f) For the purpose of administering any provision of law (including any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 615. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations. For the purposes of this section, the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 616. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations, except that the Federal Law Enforcement Training Center is authorized to obtain the temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities.

SEC. 617. Notwithstanding section 1346 of title 31, United States Code, or section 611 of this Act, funds made available for fiscal year 1999 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1984).

SEC. 618. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 619. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1999 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, and the Rehabilitation Act of 1973.

SEC. 620. No part of any appropriation contained in this Act may be used to pay for the expenses of travel of employees, including employees of the Executive Office of the President, not directly responsible for the discharge of official governmental tasks and duties: Provided, That this restriction shall not apply to the family of the President, Members of Congress or their spouses, Heads of State of a foreign country or their designees, persons providing assistance to the President for official purposes, or other individuals so designated by the President.

SEC. 621. For purposes of each provision of law amended by section 704(a)(2) of the Ethics Reform Act of 1989 (5 U.S.C. 5318 note), no adjustment under section 5303 of title 5, United States Code, shall be considered to have taken effect in fiscal year 1999 in the rates of basic pay for the statutory pay systems.

SEC. 622. None of the funds appropriated in this or any other Act shall be used to acquire information technologies which do not comply with part 39.106 (Year 2000 compliance) of the Federal Acquisition Regulation, unless an agency's Chief Information Officer determines that noncompliance with part 39.106 is necessary to the function and operation of the requesting agency or the acquisition is required by a signed contract with the agency in effect before the date of enactment of this Act. Any waiver granted by the Chief Information Officer shall be reported to the Office of Management and Budget, and copies shall be provided to Congress.

SEC. 623. None of the funds made available in this Act for the United States Customs Service may be used to allow the importation into the United States of any good, ware, article, or merchandise mined, produced, or manufactured by forced or indentured child labor, as determined pursuant to section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

SEC. 624. Notwithstanding any other provision of law, no part of any funds provided by this

Act or any other Act beginning in fiscal year 1999 and thereafter shall be available for paying Sunday premium pay to any employee unless such employee actually performed work during the time corresponding to such premium pay.

SEC. 625. No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

SEC. 626. Section 626(b) of the Treasury, Postal Service, and General Government Appropriations Act, 1997, as contained in section 101(f) of Public Law 104–208 (110 Stat. 3009–360), the Omnibus Consolidated Appropriations Act, 1997, is amended to read as follows: "(b) Until September 30, 1999, or until the end of the current FTS 2000 contracts, whichever is earlier, subsection (a) shall continue to apply to the use of the funds appropriated by this or any other Act.".

SEC. 627. (a) DEFINITIONS.—In this section—

(1) the term "crime of violence" has the meaning given that term in section 16 of title 18, United States Code; and

(2) the term "law enforcement officer" means any employee described in subparagraph (A), (B), or (C) of section 8401(17) of title 5, United States Code; and any special agent in the Diplomatic Security Service of the Department of State.

(b) RULE OF CONSTRUCTION.—Notwithstanding any other provision of law, for purposes of chapter 171 of title 28, United States Code, or any other provision of law relating to tort liability, a law enforcement officer shall be construed to be acting within the scope of his or her office or employment, if the officer takes reasonable action, including the use of force, to—

(1) protect an individual in the presence of the officer from a crime of violence;

(2) provide immediate assistance to an individual who has suffered or who is threatened with bodily harm; or

(3) prevent the escape of any individual who the officer reasonably believes to have committed in the presence of the officer a crime of violence.

SEC. 628. FEDERAL FIREFIGHTERS OVERTIME PAY REFORM ACT OF 1998. (a) IN GENERAL.—Subchapter V of chapter 55 of title 5, United States Code, is amended—

(1) in section 5542 by adding at the end the following new subsection:

"(f) In applying subsection (a) of this section with respect to a firefighter who is subject to section 5545b—

"(1) such subsection shall be deemed to apply to hours of work officially ordered or approved in excess of 106 hours in a biweekly pay period, or, if the agency establishes a weekly basis for overtime pay computation, in excess of 53 hours in an administrative workweek; and

"(2) the overtime hourly rate of pay is an amount equal to one and one-half times the hourly rate of basic pay under section 5545b (b)(1)(A) or (c)(1)(B), as applicable, and such overtime hourly rate of pay may not be less than such hourly rate of basic pay in applying the limitation on the overtime rate provided in paragraph (2) of such subsection (a).''; and

(2) by inserting after section 5545a the following new section:

"§ 5545b. Pay for firefighters

"(a) This section applies to an employee whose position is classified in the firefighter occupation in conformance with the GS–081 standard published by the Office of Personnel Management, and whose normal work schedule, as in effect throughout the year, consists of regular tours of duty which average at least 106 hours per biweekly pay period.

"(b)(1) If the regular tour of duty of a firefighter subject to this section generally consists of 24-hour shifts, rather than a basic 40-hour workweek (as determined under regulations prescribed by the Office of Personnel Management), section 5504(b) shall be applied as follows in computing pay—

"(A) paragraph (1) of such section shall be deemed to require that the annual rate be divided by 2756 to derive the hourly rate; and

"(B) the computation of such firefighter's daily, weekly, or biweekly rate shall be based on the hourly rate under subparagraph (A);

"(2) For the purpose of sections 5595(c), 5941, 8331(3), and 8704(c), and for such other purposes as may be expressly provided for by law or as the Office of Personnel Management may by regulation prescribe, the basic pay of a firefighter subject to this subsection shall include an amount equal to the firefighter's basic hourly rate (as computed under paragraph (1)(A)) for all hours in such firefighter's regular tour of duty (including overtime hours).

"(c)(1) If the regular tour of duty of a firefighter subject to this section includes a basic 40-hour workweek (as determined under regulations prescribed by the Office of Personnel Management), section 5504(b) shall be applied as follows in computing pay—

"(A) the provisions of such section shall apply to the hours within the basic 40-hour workweek;

"(B) for hours outside the basic 40-hour workweek, such section shall be deemed to require that the hourly rate be derived by dividing the annual rate by 2756; and

"(C) the computation of such firefighter's daily, weekly, or biweekly rate shall be based on subparagraphs (A) and (B), as each applies to the hours involved.

"(2) For purposes of sections 5595(c), 5941, 8331(3), and 8704(c), and for such other purposes as may be expressly provided for by law or as the Office of Personnel Management may by regulation prescribe, the basic pay of a firefighter subject to this subsection shall include—

"(A) an amount computed under paragraph (1)(A) for the hours within the basic 40-hour workweek; and

"(B) an amount equal to the firefighter's basic hourly rate (as computed under paragraph (1)(B)) for all hours outside the basic 40-hour workweek that are within such firefighter's regular tour of duty (including overtime hours).

"(d)(1) A firefighter who is subject to this section shall receive overtime pay in accordance with section 5542, but shall not receive premium pay provided by other provisions of this subchapter.

"(2) For the purpose of applying section 7(k) of the Fair Labor Standards Act of 1938 to a firefighter who is subject to this section, no violation referred to in such section 7(k) shall be deemed to have occurred if the requirements of section 5542(a) are met, applying section 5542(a) as provided in subsection (f) of that section: Provided, That the overtime hourly rate of pay for such firefighter shall in all cases be an amount equal to one and one-half times the firefighter's hourly rate of basic pay under subsection (b)(1)(A) or (c)(1)(B) of this section, as applicable.

"(3) The Office of Personnel Management may prescribe regulations, with respect to firefighters subject to this section, that would permit an agency to reduce or eliminate the variation in the amount of firefighters' biweekly pay caused by work scheduling cycles that result in varying hours in the regular tours of duty from pay period to pay period. Under such regulations, the pay that a firefighter would otherwise receive for regular tours of duty over the work scheduling cycle shall, to the extent practicable, remain unaffected.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5545a the following:

"5545b. Pay for firefighters.".

(c) TRAINING.—Section 4109 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(d) Notwithstanding subsection (a)(1), a firefighter who is subject to section 5545b of this title shall be paid basic pay and overtime pay for the firefighter's regular tour of duty while attending agency sanctioned training.".

(d) INCLUSION IN BASIC PAY FOR FEDERAL RETIREMENT.—Section 8331(3) of title 5, United States Code, is amended—

(1) by striking "and" after subparagraph (D);

(2) by redesignating subparagraph (E) as subparagraph (G);

(3) by inserting the following:

"(E) with respect to a criminal investigator, availability pay under section 5545a of this title;

"(F) pay as provided in section 5545b (b)(2) and (c)(2); and "; and

(4) by striking "subparagraphs (B), (C), (D), and (E)" and inserting "subparagraphs (B) through (G)".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the first applicable pay period which begins on or after October 1, 1998.

(f) REGULATIONS.—Under regulations prescribed by the Office of Personnel Management, a firefighter subject to section 5545b of title 5, United States Code, as added by this section, whose regular tours of duty average 60 hours or less per workweek and do not include a basic 40-hour workweek, shall, upon implementation of this section, be granted an increase in basic pay equal to 2 step-increases of the applicable General Schedule grade, and such increase shall not be an equivalent increase in pay. If such increase results in a change to a longer waiting period for the firefighter's next step increase, the firefighter shall be credited with an additional year of service for the purpose of such waiting period. If such increase results in a rate of basic pay which is above the maximum rate of the applicable grade, such resulting pay rate shall be treated as a retained rate of basic pay in accordance with section 5363 of title 5, United States Code.

(g) NO REDUCTION IN REGULAR PAY.—Under regulations prescribed by the Office of Personnel Management, the regular pay (over the established work scheduling cycle) of a firefighter subject to section 5545b of title 5, United States Code, as added by this section, shall not be reduced as a result of the implementation of this section.

SEC. 629. (1) Not later than 180 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy, the Secretary of the Treasury, and the Attorney General shall conduct a joint review of Federal efforts and submit to the appropriate congressional committees, including the Committees on Appropriations, a plan to improve coordination among the Federal agencies with responsibility to protect the borders against drug trafficking. The review shall also include consideration of Federal agencies' coordination with State and local law enforcement agencies. The plan shall include an assessment and action plan, including the activities of the following departments and agencies:

(A) Department of the Treasury;
(B) Department of Justice;
(C) United States Coast Guard;
(D) Department of Defense;
(E) Department of Transportation;
(F) Department of State; and
(G) Department of Interior.

(2) The purpose of the plan under paragraph (1) is to maximize the effectiveness of the border control efforts in achieving the objectives of the national drug control strategy in a manner that is also consistent with the goal of facilitating trade. In order to maximize the effectiveness, the plan shall:

(A) specify the methods used to enhance cooperation, planning and accountability among the Federal, State, and local agencies with responsibilities along the Southwest border;

(B) specify mechanisms to ensure cooperation among the agencies, including State and local agencies, with responsibilities along the Southwest border;

(C) identify new technologies that will be used in protecting the borders including conclusions regarding appropriate deployment of technology;

(D) identify new initiatives for infrastructure improvements;

(E) recommend reinforcements in terms of resources, technology and personnel necessary to ensure capacity to maintain appropriate inspections;

(F) integrate findings of the White House Intelligence Architecture Review into the plan; and

(G) make recommendations for strengthening the HIDTA program along the Southwest border.

SEC. 630. (a) FLEXIPLACE WORK TELECOMMUTING PROGRAMS.—For fiscal year 1999 and each fiscal year thereafter, of the funds made available to each Executive agency for salaries and expenses, at a minimum $50,000 shall be available only for the necessary expenses of the Executive agency to carry out a flexiplace work telecommuting program.

(b) DEFINITIONS.—For purposes of this section:

(1) EXECUTIVE AGENCY.—The term "Executive agency" means the following list of departments and agencies: Department of State, Treasury, Defense, Justice, Interior, Labor, Health and Human Services, Agriculture, Commerce, Housing and Urban Development, Transportation, Energy, Education, Veterans' Affairs, General Services Administration, Office of Personnel Management, Small Business Administration, Social Security Administration, Environmental Protection Agency, U.S. Postal Service.

(2) FLEXIPLACE WORK TELECOMMUTING PROGRAM.—The term "flexiplace work telecommuting program" means a program under which employees of an Executive agency are permitted to perform all or a portion of their duties at a flexiplace work telecommuting center established under section 210(l) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(l)) or other Federal law.

SEC. 631. (a) MERITORIOUS EXECUTIVE.—Section 4507(e)(1) of title 5, United States Code, is amended by striking "$10,000" and inserting "an amount equal to 20 percent of annual basic pay".

(b) DISTINGUISHED EXECUTIVE.—Section 4507(e)(2) of title 5, United States Code, is amended by striking "$20,000" and inserting "an amount equal to 35 percent of annual basic pay".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1998, or the date of enactment of this Act, whichever is later.

SEC. 632. (a) CAREER SES PERFORMANCE AWARDS.—Section 5384(b)(3) of title 5, United States Code, is amended—

(1) by striking "3 percent" and inserting "10 percent"; and

(2) by striking "15 percent" and inserting "20 percent".

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1998, or the date of enactment of this Act, whichever is later.

SEC. 633. (a) INTERNATIONAL POSTAL ARRANGEMENTS.—Section 407 of title 39, United States Code, is amended to read as follows:

"§ 407. International Postal Arrangements.

"(a)(1) The Secretary of State shall have primary responsibility for formulation, coordination and oversight of policy with respect to United States participation in the Universal Postal Union, including the Universal Postal Convention and other Acts of the Universal Postal Union, amendments thereto, and all postal treaties and conventions concluded within the framework of the Convention and such Acts.

"(2) Subject to subsection (d), the Secretary may, with the consent of the President, negotiate and conclude treaties, conventions and amendments referred to in paragraph-(1).

"(b)(1) Subject to subsections (a), (c), and (d), the Postal Service may, with the consent of the President, negotiate and conclude postal treaties and conventions.

"(2) The Postal Service may, with the consent of the President, establish rates of postage or other charges on mail matter conveyed between the United States and other countries.

"(3) The Postal Service shall transmit a copy of each postal treaty or convention concluded with other governments under the authority of this subsection to the Secretary of State, who shall furnish a copy to the Public Printer for publication.

"(c) The Postal Service shall not conclude any treaty or convention under the authority of this section or any other arrangement related to the delivery of international postal services that is inconsistent with any policy developed pursuant to subsection (a).

"(d) In carrying out their responsibilities under this section, the Secretary and the Postal Service shall consult with such federal agencies as the Secretary or the Postal Service considers appropriate, private providers of international postal services, users of international postal services, the general public, and such other persons as the Secretary or the Postal Service considers appropriate.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that any treaty, convention or amendment entered into under the authority of section 407 of title 39 of the United States Code, as amended by this section, should not grant any undue or unreasonable preference to the Postal Service, a private provider of postal services, or any other person.

(c) TRADE-IN-SERVICE PROGRAMS.—The second sentence of paragraph (5) of section 306(a) of the Trade and Tariff Act of 1984 (19 U.S.C. 2114b(5)) is amended by inserting "postal and delivery services," after "transportation.".

(d) TRANSFER OF FUNDS.—In fiscal year 1999 and each fiscal year hereafter, the Postal Service shall allocate to the Department of State from any funds available to the Postal Service such sums as may be reasonable, documented and auditable for the Department of State to carry out the activities of Section 407 of title 39 of the United States Code.

SEC. 634. Notwithstanding any provision of law, the President, or his designee, must certify to Congress, annually, that no person or persons with direct or indirect responsibility for administering the Executive Office of the President's Drug-Free Workplace Plan are themselves subject to a program of individual random drug testing.

SEC. 635. (a) None of the funds made available in this or any other Act may be obligated or expended for any employee training that—

(1) does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties;

(2) contains elements likely to induce high levels of emotional response or psychological stress in some participants;

(3) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluation;

(4) contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N–915.022, dated September 2, 1988; or

(5) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace.

(b) Nothing in this section shall prohibit, restrict, or otherwise preclude an agency from conducting training bearing directly upon the performance of official duties.

SEC. 636. No funds appropriated in this or any other Act for fiscal year 1999 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form, or agreement if such policy, form, or agreement does not contain the following provisions: "These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive order and listed statutes are incorporated into this agreement and are controlling.": Provided, That notwithstanding the preceding paragraph, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make *it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.*

SEC. 637. No part of any funds appropriated in this or any other Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 638. (a) IN GENERAL.—For calendar year 2000, the Director of the Office of Management and Budget shall prepare and submit to Congress, with the budget submitted under section 1105 of title 31, United States Code, an accounting statement and associated report containing—

(1) an estimate of the total annual costs and benefits (including quantifiable and nonquantifiable effects) of Federal rules and paperwork, to the extent feasible—

(A) in the aggregate;

(B) by agency and agency program; and

(C) by major rule;

(2) an analysis of impacts of Federal regulation on State, local, and tribal government, small business, wages, and economic growth; and

(3) recommendations for reform.

(b) NOTICE.—The Director of the Office of Management and Budget shall provide public notice and an opportunity to comment on the statement and report under subsection (a) before the statement and report are submitted to Congress.

(c) GUIDELINES.—To implement this section, the Director of the Office of Management and Budget shall issue guidelines to agencies to standardize—

(1) measures of costs and benefits; and

(2) the format of accounting statements.

(d) PEER REVIEW.—The Director of the Office of Management and Budget shall provide for independent and external peer review of the guidelines and each accounting statement and associated report under this section. Such peer review shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 639. None of the funds appropriated by this Act or any other Act, may be used by an agency to provide a Federal employee's home address to any labor organization except when it is made known to the Federal official having authority to obligate or expend such funds that the employee has authorized such disclosure or that such disclosure has been ordered by a court of competent jurisdiction.

SEC. 640. The Secretary of the Treasury is authorized to establish scientific certification standards for explosives detection canines, and shall provide, on a reimbursable basis, for the certification of explosives detection canines employed by Federal agencies, or other agencies providing explosives detection services at airports in the United States.

SEC. 641. None of the funds made available in this Act or any other Act may be used to provide any non-public information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the Committees on Appropriations.

SEC. 642. No part of any appropriation contained in this or any other Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 643. The Director of the United States Marshals Service is directed to conduct a quarterly threat assessment on the Director of the Office of National Drug Control Policy.

SEC. 644. Section 636(c) of Public Law 104–208 is amended as follows:

(1) In subparagraph (1) by inserting after "United States Code" the following: "any agency or court in the Judicial Branch,";

(2) In subparagraph (2) by amending "prosecution, or detention" to read: "prosecution, detention, or supervision"; and

(3) In subparagraph (3) by inserting after "title 5," the following: "and, with regard to the Judicial Branch, mean a justice or judge of the United States as defined in 28 U.S.C. 451 in regular active service or retired from regular active service, other judicial officers as authorized by the Judicial Conference of the United States, and supervisors and managers within the Judicial Branch as authorized by the Judicial Conference of the United States,".

SEC. 645. (a) In this section the term "agency"—

(1) means an Executive agency as defined under section 105 of title 5, United States Code;

(2) includes a military department as defined under section 102 of such title, the Postal Service, and the Postal Rate Commission; and

(3) shall not include the General Accounting Office.

(b) Unless authorized in accordance with law or regulations to use such time for other purposes, an employee of an agency shall use official time in an honest effort to perform official duties. An employee not under a leave system, including a Presidential appointee exempted under section 6301(2) of title 5, United States Code, has an obligation to expend an honest effort and a reasonable proportion of such employee's time in the performance of official duties.

SEC. 646. Notwithstanding any other provision of law, the Secretary of the Treasury is authorized to, upon submission of proper documentation (as determined by the Secretary), reimburse importers of large capacity military magazine rifles as defined in the Treasury Department's April 6, 1998 "Study on the Sporting Suitability of Modified Semiautomatic Assault Rifles", for which authority had been granted to import such firearms into the United States on or before November 14, 1997, and released under bond to the importer by the U.S. Customs Service on or before February 10, 1998: Provided, That the importer abandons title to the firearms to the United States: Provided further, That reimbursements are submitted to the Secretary for his approval within 120 days of enactment of this provision. In no event shall reimbursements under this provision exceed the importers cost for the weapons, plus any shipping, transportation, duty, and storage costs related to the importation of such weapons. Money made available for expenditure under 31 U.S.C. section 1304(a) in an amount not to exceed $1,000,000 shall be available for reimbursements under this provision: Provided, That accepting the compensation provided under this provision is final and conclusive and constitutes a complete release of any and all claims, demands, rights, and causes of action whatsoever against the United States, its agencies, officers, or employees arising from the denial by the Department of the Treasury of the entry of such firearms into the United States. Such compensation is not otherwise required by law and is not intended to create or recognize any legally enforceable right to any person.

SEC. 647. (a) The adjustment in rates of basic pay for the statutory pay systems that takes effect in fiscal year 1999 under section 5303 and 5304 of title 5, United States Code, shall be an increase of 3.6 percent.

(b) Funds used to carry out this section shall be paid from appropriations which are made to each applicable department or agency for salaries and expenses for fiscal year 1999.

SEC. 648. INTERNATIONAL MAIL REPORTING REQUIREMENT. (a) IN GENERAL.—Chapter 36 of title 39, United States Code, is amended by adding after section 3662 the following:

"§3663. Annual report on international services

"(a) Not later than July 1 of each year, the Postal Rate Commission shall transmit to each House of Congress a comprehensive report of the costs, revenues, and volumes accrued by the Postal Service in connection with mail matter conveyed between the United States and other countries for the previous fiscal year.

"(b) Not later than March 15 of each year, the Postal Service shall provide to the Postal Rate Commission such data as the Commission may require to prepare the report required under subsection (a) of this section. Data shall be provided in sufficient detail to enable the Commission to analyze the costs, revenues, and volumes for each international mail product or service, under the methods determined appropriate by the Commission for the analysis of rates for domestic mail.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 63 of title 39, United States Code, is amended by adding after the item relating to section 3662 the following:

"3663. Annual report on international services.".

SEC. 649. EXTENSION OF SUNSET PROVISION. Section 2(f)(2) of the Undetectable Firearms Act of 1988 (18 U.S.C. 922 note) is amended by striking "(2)" and all that follows through "10 years" and inserting the following:

"(2) SUNSET.—Effective 15 years".

SEC. 650. IMPORTATION OF CERTAIN GRAINS. (a) FINDINGS.—The Congress finds that—

(1) importation of grains into the United States at less than the cost to produce those grains is causing injury to the United States producers of those grains;

(2) importation of grains into the United States at less than the fair value of those grains is causing injury to the United States producers of those grains;

(3) the Canadian Government and the Canadian Wheat Board have refused to disclose pricing and cost information necessary to determine whether grains are being exported to the United States at prices in violation of United States trade laws or agreements.

(b) REQUIREMENTS.—

(1) The Customs Service, consulting with the United States Trade Representative and the Department of Commerce, shall conduct a study of the efficiency and effectiveness of requiring that all spring wheat, durum or barley imported into the United States be imported into the United States through a single port of entry.

(2) The Customs Service shall report to the Committees on Appropriations and the Senate Committee on Finance and the House Committee on Ways and Means not later than ninety days after the effective date of this Act on the results of the study required by paragraph (1).

SEC. 651. DESIGNATION OF EUGENE J. MCCARTHY POST OFFICE BUILDING. (a) IN GENERAL.—The building of the United States Postal Service located at 180 East Kellogg Boulevard in Saint Paul, Minnesota, shall be known and designated as the "Eugene J. McCarthy Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Eugene J. McCarthy Post Office Building".

SEC. 652. The Administrator of General Services may provide, from government-wide credit *card rebates, up to $3,000,000 in support of the Joint Financial Management Improvement Program as approved by the Chief Financial Officer's Council.*

SEC. 653. Section 6302(g) of title 5, United States Code, is amended by inserting after "chapter 35" the following: "or section 3595".

SEC. 654. ASSESSMENT OF FEDERAL REGULATIONS AND POLICIES ON FAMILIES. (a) PURPOSES.—The purposes of this section are to—

(1) require agencies to assess the impact of proposed agency actions on family well-being; and

(2) improve the management of executive branch agencies.

(b) DEFINITIONS.—In this section—

(1) the term "agency" has the meaning given the term "Executive agency" by section 105 of title 5, United States Code, except such term does not include the General Accounting Office; and

(2) the term "family" means—

(A) a group of individuals related by blood, marriage, adoption, or other legal custody who live together as a single household; and

(B) any individual who is not a member of such group, but who is related by blood, marriage, or adoption to a member of such group, and over half of whose support in a calendar year is received from such group.

(c) FAMILY POLICYMAKING ASSESSMENT.—Before implementing policies and regulations that may affect family well-being, each agency shall assess such actions with respect to whether—

(1) the action strengthens or erodes the stability or safety of the family and, particularly, the marital commitment;

(2) the action strengthens or erodes the authority and rights of parents in the education, nurture, and supervision of their children;

(3) the action helps the family perform its functions, or substitutes governmental activity for the function;

(4) the action increases or decreases disposable income or poverty of families and children;

(5) the proposed benefits of the action justify the financial impact on the family;

(6) the action may be carried out by State or local government or by the family; and

(7) the action establishes an implicit or explicit policy concerning the relationship between the behavior and personal responsibility of youth, and the norms of society.

(d) GOVERNMENTWIDE FAMILY POLICY COORDINATION AND REVIEW.—

(1) CERTIFICATION AND RATIONALE.—With respect to each proposed policy or regulation that may affect family well-being, the head of each agency shall—

(A) submit a written certification to the Director of the Office of Management and Budget and to Congress that such policy or regulation has been assessed in accordance with this section; and

(B) provide an adequate rationale for implementation of each policy or regulation that may negatively affect family well-being.

(2) OFFICE OF MANAGEMENT AND BUDGET.—The Director of the Office of Management and Budget shall—

(A) ensure that policies and regulations proposed by agencies are implemented consistent with this section; and

(B) compile, index, and submit annually to the Congress the written certifications received pursuant to paragraph (1)(A).

(3) OFFICE OF POLICY DEVELOPMENT.—The Office of Policy Development shall—

(A) assess proposed policies and regulations in accordance with this section;

(B) provide evaluations of policies and regulations that may affect family well-being to the Director of the Office of Management and Budget; and

(C) advise the President on policy and regulatory actions that may be taken to strengthen the institutions of marriage and family in the United States.

(e) ASSESSMENTS UPON REQUEST BY MEMBERS OF CONGRESS.—Upon request by a Member of Congress relating to a proposed policy or regulation, an agency shall conduct an assessment in accordance with subsection (c), and shall provide a certification and rationale in accordance with subsection (d).

(f) JUDICIAL REVIEW.—This section is not intended to create any right or benefit, substantive or procedural, enforceable at law by a party against the United States, its agencies, its officers, or any person.

SEC. 655. None of the funds appropriated pursuant to this Act or any other provision of law may be used for any system to implement section 922(t) of title 18, United States Code, unless the system allows, in connection with a person's delivery of a firearm to a Federal firearms licensee as collateral for a loan, the background check to be performed at the time the collateral is offered for delivery to such licensee: Provided, That the licensee notifies local law enforcement within 48 hours of the licensee receiving a denial on the person offering the collateral: Provided further, That the provisions of section 922(t) shall apply at the time of the redemption of the firearm.

SEC. 656. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision providing prescription drug coverage, except where the contract also includes a provision for contraceptive coverage.

(b) Nothing in this section shall apply to a contract with any of the following religious plans:

(1) SelectCare,
(2) PersonalCaresHMO,
(3) Care Choices,
(4) OSF Health Plans, Inc., and
(5) Yellowstone Community Health Plan.

(c) Nothing in this section shall be construed to require coverage of abortion or abortion related services.

TITLE VII—CHILD CARE IN FEDERAL FACILITIES

SEC. 701. SHORT TITLE. This title may be cited as "Quality Child Care for Federal Employees".

SEC. 702. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES. (a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of General Services.

(2) CHILD CARE ACCREDITATION ENTITY.—The term "child care accreditation entity" means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or by a national organization that serves as a peer review panel on the standards and procedures of public and private child care or school accrediting bodies; and

(B) accredits a facility to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State or local licensing requirements, as appropriate, for the facility;

(iii) outside monitoring of the facility; and

(iv) criteria that provide assurances of—

(I) use of developmentally appropriate health and safety standards at the facility;

(II) use of developmentally appropriate educational activities, as an integral part of the child care program carried out at the facility; and

(III) use of ongoing staff development or training activities for the staff of the facility, including related skills-based testing.

(3) ENTITY SPONSORING A CHILD CARE FACILITY.—The term "entity sponsoring a child care facility" means a Federal agency that operates, or an entity that enters into a contract or licensing agreement with a Federal agency to operate, a child care facility primarily for the use of Federal employees.

(4) EXECUTIVE AGENCY.—The term "Executive agency" has the meaning given the term in section 105 of title 5, United States Code, except that the term—

(A) does not include the Department of Defense and the Coast Guard; and

(B) includes the General Services Administration, with respect to the administration of a facility described in paragraph (5)(B).

(5) EXECUTIVE FACILITY.—The term "executive facility"—

(A) means a facility that is owned or leased by an Executive agency; and

(B) includes a facility that is owned or leased by the General Services Administration on behalf of a judicial office.

(6) FEDERAL AGENCY.—The term "Federal agency" means an Executive agency or a legislative office.

(7) JUDICIAL OFFICE.—The term "judicial office" means an entity of the judicial branch of the Federal Government.

(8) LEGISLATIVE FACILITY.—The term "legislative facility" means a facility that is owned or leased by a legislative office.

(9) LEGISLATIVE OFFICE.—The term "legislative office" means an entity of the legislative branch of the Federal Government.

(10) STATE.—The term "State" has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

(b) EXECUTIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—Any entity sponsoring a child care facility in an executive facility shall—

(i) comply with child care standards described in paragraph (2) that, at a minimum, include applicable State or local licensing requirements, as appropriate, related to the provision of child care in the State or locality involved; or

(ii) obtain the applicable State or local licenses, as appropriate, for the facility.

(B) COMPLIANCE.—Not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with subparagraph (A); and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards described in subparagraph (A)(i) or obtains the licenses described in subparagraph (A)(ii).

(2) HEALTH, SAFETY, AND FACILITY STANDARDS.—The Administrator shall by regulation establish standards relating to health, safety, facilities, facility design, and other aspects of child care that the Administrator determines to be appropriate for child care in executive facilities, and require child care services in executive facilities to comply with the standards. Such standards shall include requirements that child care facilities be inspected for, and be free of, lead hazards.

(3) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring, to the maximum extent possible, any entity sponsoring an eligible child care facility (as defined by the Administrator) in an executive facility to comply with standards of a child care accreditation entity.

(B) COMPLIANCE.—The regulations shall require that, not later than 5 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract or licensing agreement used by an Executive agency for the provision of child care services in such child care facility shall include a condition that the child care be provided by an entity that complies with the standards.

(4) EVALUATION AND COMPLIANCE.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance, with the requirements of paragraph (1) and the regulations issued pursuant to paragraphs (2) and (3), as appropriate, of child care facilities, and entities sponsoring child care facilities, in executive facilities. The Administrator may conduct the evaluation of such a child care facility or entity directly, or through an agreement with another Federal agency or private entity, other than the Federal agency for which the child care facility is providing services. If the Administrator determines, on the basis of such an evaluation, that the child care facility or entity is not in compliance with the requirements, the Administrator shall notify the Executive agency.

(B) EFFECT OF NONCOMPLIANCE.—On receipt of the notification of noncompliance issued by the Administrator, the head of the Executive agency shall—

(i) if the entity operating the child care facility is the agency—

(I) not later than 2 business days after the date of receipt of the notification, correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) develop and provide to the Administrator a plan to correct any other deficiencies in the operation of the facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) bring the child care facility and entity into compliance with the requirements and certify to the Administrator that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure; and

(ii) if the entity operating the child care facility is a contractor or licensee of the Executive agency—

(I) require the contractor or licensee, not later than 2 business days after the date of receipt of the notification, to correct any deficiencies that are determined by the Administrator to be life threatening or to present a risk of serious bodily harm;

(II) require the contractor or licensee to develop and provide to the head of the agency a plan to correct any other deficiencies in the operation of the child care facility and bring the facility and entity into compliance with the requirements not later than 4 months after the date of receipt of the notification;

(III) require the contractor or licensee to provide the parents of the children receiving child care services at the child care facility and employees of the facility with a notification detailing the deficiencies described in subclauses (I) and (II) and actions that will be taken to correct the deficiencies, and to post a copy of the notification in a conspicuous place in the facility for 5 working days or until the deficiencies are corrected, whichever is later;

(IV) require the contractor or licensee to bring the child care facility and entity into compliance with the requirements and certify to the head of the agency that the facility and entity are in compliance, based on an onsite evaluation of the facility conducted by an independent entity with expertise in child care health and safety; and

(V) in the event that deficiencies determined by the Administrator to be life threatening or to present a risk of serious bodily harm cannot be corrected within 2 business days after the date of receipt of the notification, close the child care facility, or the affected portion of the facility, until such deficiencies are corrected and notify the Administrator of such closure, which closure may be grounds for the immediate termination or suspension of the contract or license of the contractor or licensee.

(C) COST REIMBURSEMENT.—The Executive agency shall reimburse the Administrator for the costs of carrying out subparagraph (A) for child care facilities located in an executive facility other than an executive facility of the General Services Administration. If an entity is sponsoring a child care facility for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement with respect to the entity among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the facility.

(5) DISCLOSURE OF PRIOR VIOLATIONS TO PARENTS AND FACILITY EMPLOYEES.—The Administrator shall issue regulations that require that each entity sponsoring a child care facility in an Executive facility, upon receipt by the child care facility or the entity (as applicable) of a request by any individual who is a parent of any child enrolled at the facility, a parent of a child for whom an application has been submitted to enroll at the facility, or an employee of the facility, shall provide to the individual—

(A) copies of all notifications of deficiencies that have been provided in the past with respect to the facility under clause (i)(III) or (ii)(III), as applicable, of paragraph (4)(B); and

(B) a description of the actions that were taken to correct the deficiencies.

(c) LEGISLATIVE BRANCH STANDARDS AND COMPLIANCE.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS, HEALTH, SAFETY, AND FACILITY STANDARDS, AND ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Chief Administrative Officer of the House of Representatives shall issue regulations, approved by the Committee on House Oversight of the House of Representatives, governing the operation of the House of Representatives Child Care Center. The Librarian of Congress shall issue regulations, approved by the appropriate House and Senate committees with jurisdiction over the Library of Congress, governing the operation of the child care center located at the Library of Congress. Subject to paragraph (3), the head of a designated entity in the Senate shall issue regulations, approved by the Committee on Rules and Administration of the Senate, governing the operation of the Senate Employees' Child Care Center.

(B) STRINGENCY.—The regulations described in subparagraph (A) shall be no less stringent in content and effect than the requirements of subsection (b)(1) and the regulations issued by the Administrator under paragraphs (2) and (3) of subsection (b), except to the extent that appropriate administrative officers, with the approval of the appropriate House or Senate committees with oversight responsibility for the centers, may jointly or independently determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in paragraphs (1), (2), and (3) of subsection (b) for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities.

(2) EVALUATION AND COMPLIANCE.—

(A) ADMINISTRATION.—Subject to paragraph (3), the Chief Administrative Officer of the House of Representatives, the head of the designated Senate entity, and the Librarian of Congress, shall have the same authorities and duties—

(i) with respect to the evaluation of, compliance of, and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the Administrator has under subsection (b)(4) with respect to the evaluation of, compliance of, and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities; and

(ii) with respect to issuing regulations requiring the entities sponsoring child care facilities in the corresponding legislative facilities to provide notifications of deficiencies and descriptions of corrective actions as the Administration has under subsection (b)(5) with respect to issuing regulations requiring the entities sponsoring child care facilities in executive facilities to provide notifications of deficiencies and descriptions of corrective actions.

(B) ENFORCEMENT.—Subject to paragraph (3), the Committee on House Oversight of the House of Representatives and the Committee on Rules and Administration of the Senate, as appropriate, shall have the same authorities and duties with respect to the compliance of and cost reimbursement for child care facilities, and entities sponsoring child care facilities, in the corresponding legislative facilities as the head of an Executive agency has under subsection (b)(4) with respect to the compliance of and cost reimbursement for such facilities and entities sponsoring such facilities, in executive facilities.

(3) INTERIM STATUS.—Until such time as the Committee on Rules and Administration of the Senate establishes, or the head of the designated Senate entity establishes, standards described in paragraphs (1), (2), and (3) of subsection (b) governing the operation of the Senate Employees' Child Care Center, such facility shall maintain current accreditation status.

(d) APPLICATION.—Notwithstanding any other provision of this section, if 8 or more child care facilities are sponsored in facilities owned or leased by an Executive agency, the Administrator shall delegate to the head of the agency the evaluation and compliance responsibilities assigned to the Administrator under subsection (b)(4)(A).

(e) TECHNICAL ASSISTANCE, STUDIES, AND REVIEWS.—The Administrator may provide technical assistance, and conduct and provide the results of studies and reviews, for Executive agencies, and entities sponsoring child care facilities in executive facilities, on a reimbursable basis, in order to assist the entities in complying with this section. The Chief Administrative Officer of the House of Representatives, the Librarian of Congress, and the head of the designated Senate entity described in subsection (c), may

provide technical assistance, and conduct and provide the results of studies and reviews, or request that the Administrator provide technical assistance, and conduct and provide the results of studies and reviews, for the corresponding legislative offices, and entities operating child care facilities in the corresponding legislative facilities, on a reimbursable basis, in order to assist the entities in complying with this section.

(f) Council.—The Administrator shall establish an interagency council, comprised of representatives of all Executive agencies described in subsection (d), a representative of the Chief Administrative Officer of the House of Representatives, a representative of the designated Senate entity described in subsection (c), and a representative of the Librarian of Congress, to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care, including the provision of areas for nursing mothers and other lactation support facilities and services, in the Federal Government.

(g) Authorization of Appropriations.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1999 and such sums as may be necessary for each subsequent fiscal year.

Sec. 703. Child Care Services for Federal Employees. (a) In General.—An Executive agency that provides or proposes to provide child care services for Federal employees may use agency funds to provide the child care services, in a facility that is owned or leased by an Executive agency, or through a contractor, for civilian employees of such agency.

(b) Affordability.—Funds so used with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by such facility or contractor.

(c) Regulations.—The Office of Personnel Management and the General Services Administration shall, within 180 days after the date of enactment of this Act, issue regulations necessary to carry out this section.

(d) Definition.—For purposes of this section, the term "Executive agency" has the meaning given such term by section 105 of title 5, United States Code, but does not include the General Accounting Office.

Sec. 704. Miscellaneous Provisions Relating to Child Care Provided by Federal Agencies. (a) Availability of Federal Child Care Centers for Onsite Contractors; Percentage Goal.—Section 616(a) of the Act of December 22, 1987 (40 U.S.C. 490b), is amended—

(1) in subsection (a), by striking paragraphs (2) and (3) and inserting the following:

"(2) such officer or agency determines that such space will be used to provide child care and related services to—

"(A) children of Federal employees or onsite Federal contractors; or

"(B) dependent children who live with Federal employees or onsite Federal contractors; and

"(3) such officer or agency determines that such individual or entity will give priority for available child care and related services in such space to Federal employees and onsite Federal contractors."; and

(2) by adding at the end the following:

"(e)(1)(A) The Administrator of General Services shall confirm that at least 50 percent of aggregate enrollment in Federal child care centers governmentwide are children of Federal employees or onsite Federal contractors, or dependent children who live with Federal employees or onsite Federal contractors.

"(B) Each provider of child care services at an individual Federal child care center shall maintain 50 percent of the enrollment at the center of children described under subparagraph (A) as a goal for enrollment at the center.

"(C) If enrollment at a center does not meet the percentage goal under subparagraph (B), the provider shall develop and implement a business plan with the sponsoring Federal agency to achieve the goal within a reasonable timeframe. Such plan shall be approved by the Administrator of General Services based on—

"(i) compliance of the plan with standards established by the Administrator; and

"(ii) the effect of the plan on achieving the aggregate Federal enrollment percentage goal.

"(2) The Administrator of General Services Administration may enter into public-private partnerships or contracts with nongovernmental entities to increase the capacity, quality, affordability, or range of child care and related services and may, on a demonstration basis, waive subsection (a)(3) and paragraph (1) of this subsection.".

(b) Payment of Costs of Training Programs.—Section 616(b)(3) of such Act (40 U.S.C. 490(b)(3)) is amended to read as follows:

"(3) If an agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency or the General Services Administration may pay accreditation fees, including renewal fees, for that center to be accredited. Any agency, department, or instrumentality of the United States that provides or proposes to provide child care services for children referred to in subsection (a)(2), may reimburse any Federal employee or any person employed to provide such services for the costs of training programs, conferences, and meetings and related travel, transportation, and subsistence expenses incurred in connection with those activities. Any per diem allowance made under this section shall not exceed the rate specified in regulations prescribed under section 5707 of title 5, United States Code.".

(c) Provision of Child Care by Private Entities.—Section 616(d) of such Act (40 U.S.C. 490b(d)) is amended to read as follows:

"(d)(1) If a Federal agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other Federal or leased space, the agency, the child care center board of directors, or the General Services Administration may enter into an agreement with 1 or more private entities under which such private entities would assist in defraying the general operating expenses of the child care providers including salaries and tuition assistance programs at the facility.

"(2)(A) Notwithstanding any other provision of law, if a Federal agency does not have a child care program, or if the Administrator of General Services has identified a need for child care for Federal employees at an agency providing child care services that do not meet the requirements of subsection (a), the agency or the Administrator may enter into an agreement with a non-Federal, licensed, and accredited child care facility, or a planned child care facility that will become licensed and accredited, for the provision of child care services for children of Federal employees.

"(B) Before entering into an agreement, the head of the Federal agency shall determine that child care services to be provided through the agreement are more cost effectively provided through such arrangement than through establishment of a Federal child care facility.

"(C) The agency may provide any of the services described in subsection (b)(3) if, in exchange for such services, the facility reserves child care spaces for children referred to in subsection (a)(2), as agreed to by the parties. The cost of any such services provided by an agency to a child care facility on behalf of another agency shall be reimbursed by the receiving agency.

"(3) This subsection does not apply to residential child care programs.".

(d) Pilot Projects.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

"(f)(1) Upon approval of the agency head, an agency may conduct a pilot project not otherwise authorized by law for no more than 2 years to test innovative approaches to providing alternative forms of quality child care assistance for Federal employees. An agency head may extend a pilot project for an additional 2-year period. Before any pilot project may be implemented, a determination shall be made by the agency head that initiating the pilot project would be more cost-effective than establishing a new child care facility. Costs of any pilot project shall be borne solely by the agency conducting the pilot project.

"(2) The Administrator of General Services shall serve as an information clearinghouse for pilot projects initiated by other agencies to disseminate information concerning the pilot projects to the other agencies.

"(3) Within 6 months after completion of the initial 2-year pilot project period, an agency conducting a pilot project under this subsection shall provide for an evaluation of the impact of the project on the delivery of child care services to Federal employees, and shall submit the results of the evaluation to the Administrator of General Services. The Administrator shall share the results with other Federal agencies.".

(e) Background Check.—Section 616 of such Act (40 U.S.C. 490b) is further amended by adding at the end the following:

"(g) Each child care center located in a federally owned or leased facility shall ensure that each employee of such center (including any employee whose employment began before the date of enactment of this subsection) shall undergo a criminal history background check consistent with section 3 of the National Child Protection Act of 1993 (42 U.S.C. 5119a).".

Sec. 705. Requirement to Provide Lactation Support in New Federal Child Care Facilities. (a) Definitions.—In this section, the terms "Federal agency", "executive facility", and "legislative facility" have the meanings given the terms in section 702.

(b) Lactation Support.—The head of each Federal agency shall require that each child care facility in an executive facility or a legislative facility that is first operated after the 1-year period beginning on the date of enactment of this Act by the Federal agency, or under a contract or licensing agreement with the Federal agency, shall provide reasonable accommodations for the needs of breast-fed infants and their mothers, including providing a lactation area or a room for nursing mothers in part of the operating plan for the facility.

TITLE VIII—TECHNICAL AND CLARIFYING AMENDMENTS

Sec. 801. Technical and Clarifying Amendments Relating to District of Columbia Retirement Funds. (a) Permitting Other Federal Entities to Administer Program.—Section 11003 of the Balanced Budget Act of 1997 (D.C. Code, sec. 1–761.2) is amended—

(1) in paragraph (1), by inserting ", and includes any agreement with a department, agency, or instrumentality of the United States entered into under that section" after "the Trustee"; and

(2) in paragraph (10), by striking ", partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or employee organization" and inserting "; partnership; joint venture; corporation; mutual company; joint-stock company; trust; estate; unincorporated organization; association; employee organization; or department, agency, or instrumentality of the United States" .

(b) Permitting Waiver of Recovery of Amounts Paid in Error.—Section 11021(3) of such Act (D.C. Code, sec. 1–763.1(3)) is amended by inserting ", or waive recoupment or recovery of," after "recover".

(c) Permitting Use of Trust Fund to Cover Administrative Expenses.—Section 11032 of such Act (D.C. Code, sec. 1–764.2) is amended—

(1) by amending subsection (a) to read as follows:

"(a) In General.—Amounts in the Trust Fund shall be used—

"(1) to make Federal benefit payments under this subtitle;

"(2) subject to subsection (b)(1), to cover the reasonable and necessary expenses of administering the Trust Fund under the contract entered into pursuant to section 11035(b);

"(3) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under this subtitle; and

"(4) for such other purposes as are specified in this subtitle."; and

(2) in subsection (b)(2), by inserting "(including expenses described in section 11041(b))" after "to administer the Trust Fund".

(d) Promoting Flexibility in Administration of Program.—Section 11035 of such Act (D.C. Code, sec. 1–764.5) is amended—

(1) by redesignating subsection (c) as subsection (e); and

(2) by inserting after subsection (b) the following new subsections:

"(c) Subcontracts.—Notwithstanding any provision of a District Retirement Program or any other law, rule, or regulation, the Trustee may, with the approval of the Secretary, enter into one or more subcontracts with the District Government or any person to provide services to the Trustee in connection with its performance of the contract. The Trustee shall monitor the performance of any such subcontract and enforce its provisions.

"(d) Determination by the Secretary.—Notwithstanding subsection (b) or any other provision of this subtitle, the Secretary may determine, with respect to any function otherwise to be performed by the Trustee, that in the interest of economy and efficiency such function shall be performed by the Secretary rather than the Trustee.".

(e) Process for Reimbursement of District Government for Expenses of Interim Administration.—Section 11041 of such Act (D.C. Code, sec. 1–765.1) is amended—

(1) in subsection (b), by striking "The Trustee shall" and inserting "The Secretary or the Trustee shall, at such times during or after the period of interim administration described in subsection (a) as are deemed appropriate by the Secretary or the Trustee";

(2) in subsection (b)(1), by inserting "the Secretary or" after "if"; and

(3) in subsection (c), by striking "the replacement plan adoption date" and inserting "such time as the Secretary notifies the District Government that the Secretary has directed the Trustee to carry out the duties and responsibilities required under the contract".

(f) Annual Federal Payment Into Federal Supplemental Fund.—Section 11053 of such Act (D.C. Code, sec. 1–766.3) is amended—

(1) by amending subsection (a) to read as follows:

"(a) Annual Amortization Amount.—At the end of each applicable fiscal year the Secretary shall promptly pay into the Federal Supplemental Fund from the General Fund of the Treasury an amount equal to the annual amortization amount for the year (which may not be less than zero).";

(2) in subsection (b), by striking "freeze date" and inserting "effective date of this Act";

(3) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(4) by inserting after subsection (a) the following new subsection:

"(b) Administrative Expenses.—During each applicable fiscal year, the Secretary shall pay into the Federal Supplemental Fund from the General Fund of the Treasury amounts not to exceed the covered administrative expenses for the year.".

(g) Technical Corrections.—(1) Section 11012(c) of such Act (D.C. Code, sec. 1–752.2(c)) is amended by striking "District of Columbia Retirement Board" and inserting "District Government".

(2) Section 11033(c)(1) of such Act (D.C. Code, sec. 1–764.3(c)(1)) is amended by striking "consisting" in the first place that it appears.

(3) Section 11052 of such Act (D.C. Code, sec. 1–766.2) is amended by inserting "to" after "may be made only".

SEC. 802. CLARIFYING TREATMENT OF DISTRICT OF COLUMBIA EMPLOYEES TRANSFERRED TO FEDERAL RETIREMENT SYSTEMS.

(a) Eligibility of Nonjudicial Employees of District of Columbia Courts for Medicare and Social Security Benefits.—Section 11246(b) of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 755) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4); and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) Conforming Amendments to Internal Revenue Code and Social Security.—(A) Section 3121(b)(7)(C) of the Internal Revenue Code of 1986 (relating to the definition of employment for service performed in the employ of the District of Columbia) is amended by inserting '(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)' after 'law of the United States'.

"(B) Section 210(a)(7)(D) of the Social Security Act (42 U.S.C. 410(a)(7)(D)) (relating to the definition of employment for service performed in the employ of the District of Columbia), is amended by inserting '(other than the Federal Employees Retirement System provided in chapter 84 of title 5, United States Code)' after 'law of the United States.".

(b) Vesting Under Previous District of Columbia Retirement Program.—For purposes of vesting pursuant to section 2610(b) of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1–627.10(b)), creditable service with the District for employees whose participation in the District Defined Contribution Plan ceases as a result of the implementation of the Balanced Budget Act of 1997 shall include—

(1) continuous service performed by nonjudicial employees of the District of Columbia courts after September 30, 1997; and

(2) service performed for a successor employer, including the Department of Justice or the District of Columbia Offender Supervision, Defender, and Courts Services Agency established under section 11233 of the Balanced Budget Act of 1997, that provides services previously performed by the District government.

SEC. 803. METHODOLOGY FOR DESIGNATING ASSETS OF RETIREMENT FUND.

Section 11033 of the Balanced Budget Act of 1997 (D.C. Code, sec. 1–764.3) is amended by adding at the end the following new subsection:

"(e) Methodology for Designating Assets.—

"(1) In general.—In carrying out subsection (b), the Secretary may develop and implement a methodology for designating assets after the replacement plan adoption date that takes into account the value of the District Retirement Fund as of the replacement plan adoption date and the proportion of such value represented by $1.275 billion, together with the income (including returns on investments) earned on the assets of and withdrawals from and deposits to the Fund during the period between such date and the date on which the Secretary designates assets under subsection (b). In implementing a methodology under the previous sentence, the Secretary shall not be required to determine the value of designated assets as of the replacement plan adoption date. Nothing in this paragraph may be deemed to effect the entitlement of the District Retirement Fund to income (including returns on investments) earned after the replacement plan adoption date on assets designated for retention by the Fund.

"(2) Employee contributions; judicial retirement and survivors annuity fund.—The Secretary may develop and implement a methodology comparable to the methodology described in paragraph (1) in carrying out the requirements of subsection (c) and in designating assets to be transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund pursuant to section 124(c)(1) of the District of Columbia Retirement Reform Act (as amended by section 11252).

"(3) Discretion of the secretary.—The Secretary's development and implementation of methodologies for designating assets under this subsection shall be final and binding.".

SEC. 804. TECHNICAL AND CLARIFYING AMENDMENTS RELATING TO JUDICIAL RETIREMENT PROGRAM.

(a) Administration of Judicial Retirement and Survivors Annuity Fund.—Section 11–1570, District of Columbia Code, as amended by section 11251 of the Balanced Budget Act of 1997, is amended as follows:

(1) In subsection (b)(1)—

(A) by striking "title I of the National Capital Revitalization and Self-Government Improvement Act of 1997" and inserting "subtitle A of title XI of the Balanced Budget Act of 1997"; and

(B) by inserting after the second sentence the following new sentences: "Notwithstanding any other provision of District law or any other law, rule, or regulation, any Trustee, contractor, or enrolled actuary selected by the Secretary under this subsection may, with the approval of the Secretary, enter into one or more subcontracts with the District of Columbia government or any person to provide services to such Trustee, contractor, or enrolled actuary in connection with its performance of its agreement with the Secretary. Such Trustee, contractor, or enrolled actuary shall monitor the performance of any subcontract to which it is a party and enforce its provisions.".

(2) In subsection (b)(2)—

(A) by striking "chief judges of the District of Columbia Court of Appeals and Superior Court of the District of Columbia" and inserting "Secretary";

(B) by striking "and the Secretary";

(C) by striking "and appropriations"; and

(D) by striking "and deficiency".

(3) By amending subsection (c) to read as follows:

"(c)(1) Amounts in the Fund are available—

"(A) for the payment of judges retirement pay, annuities, refunds, and allowances under this subchapter;

"(B) to cover the reasonable and necessary expenses of administering the Fund under any agreement entered into with a Trustee, contractor, or enrolled actuary under subsection (b)(1), including any agreement with a department, agency or instrumentality of the United States; and

"(C) to cover the reasonable and necessary administrative expenses incurred by the Secretary in carrying out the Secretary's responsibilities under this subchapter.

"(2) Notwithstanding any other provision of District law or any other law, rule, or regulation—

"(A) the Secretary may review benefit determinations under this subchapter made prior to the date of the enactment of the Balanced Budget Act of 1997, and shall make initial benefit determinations after such date; and

"(B) the Secretary may recoup or recover, or waive recoupment or recovery of, any amounts paid under this subchapter as a result of errors or omissions by any person.".

(4) In subsection (d)(1)—

(A) by striking "Subject to the availability of appropriations, there shall be deposited into the Fund" and inserting "The Secretary shall pay into the Fund from the General Fund of the Treasury"; and

(B) by striking "(beginning with the first fiscal year which ends more than 6 months after the replacement plan adoption date described in section 103(13) of the National Capital Revitalization and Self-Government Improvement Act of 1997)".

(5) In subsection (d)(2)(A)—

(A) by striking "June 30, 1997" and inserting "September 30, 1997"; and

(B) by striking "net the sum of future normal cost" and inserting "net of the sum of the present value of future normal costs".

(6) In subsection (d)(3), by striking "shall be taken from sums available for that fiscal year for the payment of the expenses of the Court, and".

(7) By adding at the end the following new subsections:

"(h) For purposes of the Internal Revenue Code of 1986—

"(1) the Fund shall be treated as a trust described in section 401(a) of the Code that is exempt from taxation under section 501(a) of the Code;

"(2) any transfer to or distribution from the Fund shall be treated in the same manner as a transfer to or distribution from a trust described in section 401(a) of the Code; and

"(3) the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

"(i) For purposes of the Employee Retirement Income Security Act of 1974, the benefits provided by the Fund shall be treated as benefits provided under a governmental plan maintained by the District of Columbia.

"(j) To the extent that any provision of subpart A of part I of subchapter D of the chapter 1 of the Internal Revenue Code of 1986 (26 U.S.C. 401 et seq.) is amended after the date of the enactment of this subsection, such provision as amended shall apply to the Fund only to the extent the Secretary determines that application of the provision as amended is consistent with the administration of this subchapter.

"(k) Federal obligations for benefits under this subchapter are backed by the full faith and credit of the United States.".

(b) REGULATORY AUTHORITY OF SECRETARY.—Section 11251 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 756) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following new subsection:

"(b) REGULATIONS; EFFECT ON REFORM ACT.—Title 11, District of Columbia Code, is amended by adding the following new section:

'§ 11–1572. Regulations; effect on Reform Act.

'(a) The Secretary is authorized to issue regulations to implement, interpret, administer and carry out the purposes of this subchapter, and, in the Secretary's discretion, those regulations may have retroactive effect, except that nothing in this subsection may be construed to permit the Secretary to issue any regulation to retroactively reduce or eliminate the benefits to which any individual is entitled under this subchapter.

'(b) This subchapter supersedes any provision of the District of Columbia Retirement Reform Act (Public Law 96-122) inconsistent with this subchapter and the regulations thereunder.'."; and

(3) by amending subsection (c) (as so redesignated) to read as follows:

"(c) CLERICAL AMENDMENTS.—

"(1) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by amending the item relating to section 11-1570 to read as follows:

'11-1570. The District of Columbia Judicial Retirement and Survivors Annuity Fund.'.

"(2) The table of sections for subchapter III of chapter 15 of title 11, District of Columbia Code, is amended by adding at the end the following new item:

'11-1572. Regulations; effect on Reform Act.'.".

(c) TERMINATION OF PREVIOUS FUND AND PROGRAM.—Section 124 of the District of Columbia Retirement Reform Act (D.C. Code, sec. 1–714), as amended by section 11252(a) of the Balanced Budget Act of 1997, is amended—

(1) in subsection (a), by inserting "(except as provided in section 11-1570, District of Columbia Code)" after "the following";

(2) in subsection (c)(1), by striking "title I of the National Capital Revitalization and Self-Government Improvement Act of 1997" and inserting "subtitle A of title XI of the Balanced Budget Act of 1997"; and

(3) in subsection (c)(2)—

(A) by striking "(2) The" and inserting "(2) In accordance with the direction of the Secretary, the";

(B) by striking "in the Treasury" and inserting "at the Board"; and

(C) by striking "appropriated" and inserting "used".

(d) ADMINISTRATION OF RETIREMENT FUNDS.—Section 11252 of the Balanced Budget Act of 1997 is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by inserting after subsection (a) the following new subsection:

"(b) TRANSITION FROM DISTRICT OF COLUMBIA ADMINISTRATION.—Sections 11023, 11032(b)(2), 11033(d), and 11041 shall apply to the administration of the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act (D.C. Code, sec. 1–714), the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11–1570, District of Columbia Code, and the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code, except as follows:

"(1) In applying each such section—

"(A) any reference to this subtitle shall instead refer to subchapter III of chapter 15 of title 11, District of Columbia Code;

"(B) any reference to the District Retirement Program shall be deemed to include the retirement program for judges under subchapter III of chapter 15 of title 11, District of Columbia Code;

"(C) any reference to the District Retirement Fund shall be deemed to include the District of Columbia Judges Retirement Fund established under section 124 of the District of Columbia Retirement Reform Act;

"(D) any reference to Federal benefit payments shall be deemed to include judges retirement pay, annuities, refunds and allowances under subchapter III of chapter 15 of title 11, District of Columbia Code;

"(E) any reference to the Trust Fund shall instead refer to the District of Columbia Judicial Retirement and Survivors Annuity Fund established under section 11–1570, District of Columbia Code;

"(F) any reference to section 11033 shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

"(G) any reference to chapter 2 shall instead refer to section 11–1570, District of Columbia Code.

"(2) In applying section 11023—

"(A) any reference to the contract shall instead refer to the agreement referred to in section 11–1570(b), District of Columbia Code ; and

"(B) any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11–1570(b), District of Columbia Code.

"(3) In applying section 11033(d)—

"(A) any reference to this section shall instead refer to section 124 of the District of Columbia Retirement Reform Act, as amended by section 11252; and

"(B) any reference to the Trustee shall instead refer to the Secretary or the Trustee or contractor referred to in section 11–1570(b), District of Columbia Code.

"(4) In applying section 11041(b), any reference to the Trustee shall instead refer to the Trustee or contractor referred to in section 11-1570(b), District of Columbia Code."; and

(3) by adding at the end the following new subsection:

"(d) EFFECTIVE DATE.—The provisions of subsection (c) shall take effect on the date on which the assets of the District of Columbia Judges Retirement Fund are transferred to the District of Columbia Judicial Retirement and Survivors Annuity Fund.".

(e) MISCELLANEOUS TECHNICAL AND CLERICAL AMENDMENTS.—(1) Sections 11–1568(d) and 11-1569, District of Columbia Code, are each amended by striking "Mayor" each place it appears and inserting "Secretary of the Treasury".

(2) Section 11–1568.2, District of Columbia Code, is amended by striking "Mayor of the District of Columbia" each place it appears and inserting "Secretary of the Treasury".

(3) Section 121(b)(1)(A) of the District of Columbia Retirement Reform Act (DC Code, sec. 1-711(b)(1)(A)), as amended by section 11252(c)(1) of the Balanced Budget Act of 1997 (as redesignated by subsection (d)(1)), is amended in the matter preceding clause (i), by striking "11" and inserting "12".

(4) Section 11–1561(4), District of Columbia Code, as amended by section 11253(b) of the Balanced Budget Act of 1997, is amended by striking "sections" and inserting "section".

(5) Section 11253(c) of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 759) is amended to read as follows:

"(c) TREATMENT OF FEDERAL SERVICE OF JUDGES.—Section 11–1564, District of Columbia Code, is amended—

"(1) in subsection (d)(2)(A), by striking 'section 1–1814)' and inserting 'section 1–714) or the District of Columbia Judicial Retirement and Survivors Annuity Fund (established by section 11–1570)'; and

"(2) in subsection (d)(4), by striking 'Judges Retirement Fund established by section 124(a) of the District of Columbia Retirement Reform Act' and inserting 'Judicial Retirement and Survivors Annuity Fund under section 11–1570'.".

(6) Section 11253 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 759) is amended by adding at the end the following new subsection:

"(d) REDEPOSITS TO FUND.—Section 11-1568.1(4)(A), District of Columbia Code, is

amended by striking 'Judges Retirement Fund' and inserting 'Judicial Retirement and Survivors Annuity Fund'.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a)(2), (a)(4), and (a)(6) shall take effect October 1, 1998.

Sec. 805. Effective Date.

Except as otherwise specifically provided, this title and the amendments made by this title shall take effect as if included in the enactment of title XI of the Balanced Budget Act of 1997.

TITLE IX—HAITIAN REFUGEE IMMIGRATION FAIRNESS ACT OF 1998

SEC. 901. SHORT TITLE. This title may be cited as the "Haitian Refugee Immigration Fairness Act of 1998".

SEC. 902. ADJUSTMENT OF STATUS OF CERTAIN HAITIAN NATIONALS. (a) ADJUSTMENT OF STATUS.—

(1) IN GENERAL.—The status of any alien described in subsection (b) shall be adjusted by the Attorney General to that of an alien lawfully admitted for permanent residence, if the alien—

(A) applies for such adjustment before April 1, 2000; and

(B) is otherwise admissible to the United States for permanent residence, except that, in determining such admissibility, the grounds for inadmissibility specified in paragraphs (4), (5), (6)(A), (7)(A), and (9)(B) of section 212(a) of the Immigration and Nationality Act shall not apply.

(2) RELATIONSHIP OF APPLICATION TO CERTAIN ORDERS.—An alien present in the United States who has been ordered excluded, deported, removed, or ordered to depart voluntarily from the United States under any provision of the Immigration and Nationality Act may, notwithstanding such order, apply for adjustment of status under paragraph (1). Such an alien may not be required, as a condition on submitting or granting such application, to file a separate motion to reopen, reconsider, or vacate such order. If the Attorney General grants the application, the Attorney General shall cancel the order. If the Attorney General makes a final decision to deny the application, the order shall be effective and enforceable to the same extent as if the application had not been made.

(b) ALIENS ELIGIBLE FOR ADJUSTMENT OF STATUS.—The benefits provided by subsection (a) shall apply to any alien who is a national of Haiti who—

(1) was present in the United States on December 31, 1995, who—

(A) filed for asylum before December 31, 1995,

(B) was paroled into the United States prior to December 31, 1995, after having been identified as having a credible fear of persecution, or paroled for emergent reasons or reasons deemed strictly in the public interest, or

(C) was a child (as defined in the text above subparagraph (A) of section 101(b)(1) of the Immigration and Nationality Act (8 U.S.C. 1101(b)(1)) at the time of arrival in the United States and on December 31, 1995, and who—

(i) arrived in the United States without parents in the United States and has remained without parents in the United States since such arrival,

(ii) became orphaned subsequent to arrival in the United States, or

(iii) was abandoned by parents or guardians prior to April 1, 1998 and has remained abandoned since such abandonment; and

(2) has been physically present in the United States for a continuous period beginning not later than December 31, 1995, and ending not earlier than the date the application for such adjustment is filed, except that an alien shall not be considered to have failed to maintain continuous physical presence by reason of an absence, or absences, from the United States for any period or periods amounting in the aggregate to not more than 180 days.

(c) STAY OF REMOVAL.—

(1) IN GENERAL.—The Attorney General shall provide by regulation for an alien who is subject to a final order of deportation or removal or exclusion to seek a stay of such order based on the filing of an application under subsection (a).

(2) DURING CERTAIN PROCEEDINGS.—Notwithstanding any provision of the Immigration and Nationality Act, the Attorney General shall not order any alien to be removed from the United States, if the alien is in exclusion, deportation, or removal proceedings under any provision of such Act and has applied for adjustment of status under subsection (a), except where the Attorney General has made a final determination to deny the application.

(3) WORK AUTHORIZATION.—The Attorney General may authorize an alien who has applied for adjustment of status under subsection (a) to engage in employment in the United States during the pendency of such application and may provide the alien with an "employment authorized" endorsement or other appropriate document signifying authorization of employment, except that if such application is pending for a period exceeding 180 days, and has not been denied, the Attorney General shall authorize such employment.

(d) ADJUSTMENT OF STATUS FOR SPOUSES AND CHILDREN.—

(1) IN GENERAL.—The status of an alien shall be adjusted by the Attorney General to that of an alien lawfully admitted for permanent residence, if—

(A) the alien is a national of Haiti;

(B) the alien is the spouse, child, or unmarried son or daughter, of an alien whose status is adjusted to that of an alien lawfully admitted for permanent residence under subsection (a), except that, in the case of such an unmarried son or daughter, the son or daughter shall be required to establish that he or she has been physically present in the United States for a continuous period beginning not later than December 31, 1995, and ending not earlier than the date the application for such adjustment is filed;

(C) the alien applies for such adjustment and is physically present in the United States on the date the application is filed; and

(D) the alien is otherwise admissible to the United States for permanent residence, except that, in determining such admissibility, the grounds for inadmissibility specified in paragraphs (4), (5), (6)(A), (7)(A), and (9)(B) of section 212(a) of the Immigration and Nationality Act shall not apply.

(2) PROOF OF CONTINUOUS PRESENCE.—For purposes of establishing the period of continuous physical presence referred to in paragraph (1)(B), an alien shall not be considered to have failed to maintain continuous physical presence by reason of an absence, or absences, from the United States for any period or periods amounting in the aggregate to not more than 180 days.

(e) AVAILABILITY OF ADMINISTRATIVE REVIEW.—The Attorney General shall provide to applicants for adjustment of status under subsection (a) the same right to, and procedures for, administrative review as are provided to—

(1) applicants for adjustment of status under section 245 of the Immigration and Nationality Act; or

(2) aliens subject to removal proceedings under section 240 of such Act.

(f) LIMITATION ON JUDICIAL REVIEW.—A determination by the Attorney General as to whether the status of any alien should be adjusted under this section is final and shall not be subject to review by any court.

(g) NO OFFSET IN NUMBER OF VISAS AVAILABLE.—When an alien is granted the status of having been lawfully admitted for permanent resident pursuant to this section, the Secretary of State shall not be required to reduce the number of immigrant visas authorized to be issued under any provision of the Immigration and Nationality Act.

(h) APPLICATION OF IMMIGRATION AND NATIONALITY ACT PROVISIONS.—Except as otherwise specifically provided in this title, the definitions contained in the Immigration and Nationality Act shall apply in the administration of this section. Nothing contained in this title shall be held to repeal, amend, alter, modify, effect, or restrict the powers, duties, functions, or authority of the Attorney General in the administration and enforcement of such Act or any other law relating to immigration, nationality, or naturalization. The fact that an alien may be eligible to be granted the status of having been lawfully admitted for permanent residence under this section shall not preclude the alien from seeking such status under any other provision of law for which the alien may be eligible.

(i) ADJUSTMENT OF STATUS HAS NO EFFECT ON ELIGIBILITY FOR WELFARE AND PUBLIC BENEFITS.—No alien whose status has been adjusted in accordance with this section and who was not a qualified alien on the date of enactment of this Act may, solely on the basis of such adjusted status, be considered to be a qualified alien under section 431(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(b)), as amended by section 5302 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 598), for purposes of determining the alien's eligibility for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) or medical assistance under title XIX of such Act (42 U.S.C. 1396 et seq.).

(j) PERIOD OF APPLICABILITY.—Subsection (i) shall not apply after October 1, 2003.

SEC. 903. COLLECTION OF DATA ON DETAINED ASYLUM SEEKERS. (a) IN GENERAL.—The Attorney General shall regularly collect data on a nation-wide basis with respect to asylum seekers in detention in the United States, including the following information:

(1) The number of detainees.

(2) An identification of the countries of origin of the detainees.

(3) The percentage of each gender within the total number of detainees.

(4) The number of detainees listed by each year of age of the detainees.

(5) The location of each detainee by detention facility.

(6) With respect to each facility where detainees are held, whether the facility is also used to detain criminals and whether any of the detainees are held in the same cells as criminals.

(7) The number and frequency of the transfers of detainees between detention facilities.

(8) The average length of detention and the number of detainees by category of the length of detention.

(9) The rate of release from detention of detainees for each district of the Immigration and Naturalization Service.

(10) A description of the disposition of cases.

(b) ANNUAL REPORTS.—Beginning October 1, 1999, and not later than October 1 of each year thereafter, the Attorney General shall submit to the Committee on the Judiciary of each House of Congress a report setting forth the data collected under subsection (a) for the fiscal year ending September 30 of that year.

(c) AVAILABILITY TO PUBLIC.—Copies of the data collected under subsection (a) shall be made available to members of the public upon request pursuant to such regulations as the Attorney General shall prescribe.

SEC. 904. COLLECTION OF DATA ON OTHER DETAINED ALIENS. (a) IN GENERAL.—The Attorney General shall regularly collect data on a nation-wide basis on aliens being detained in the

United States by the Immigration and Naturalization Service other than the aliens described in section 903, including the following information:

(1) The number of detainees who are criminal aliens and the number of detainees who are noncriminal aliens who are not seeking asylum.

(2) An identification of the ages, gender, and countries of origin of detainees within each category described in paragraph (1).

(3) The types of facilities, whether facilities of the Immigration and Naturalization Service or other Federal, State, or local facilities, in which each of the categories of detainees described in paragraph (1) are held.

(b) LENGTH OF DETENTION, TRANSFERS, AND DISPOSITIONS.—With respect to detainees who are criminal aliens and detainees who are noncriminal aliens who are not seeking asylum, the Attorney General shall also collect data concerning—

(1) the number and frequency of transfers between detention facilities for each category of detainee;

(2) the average length of detention of each category of detainee;

(3) for each category of detainee, the number of detainees who have been detained for the same length of time, in 3-month increments;

(4) for each category of detainee, the rate of release from detention for each district of the Immigration and Naturalization Service; and

(5) for each category of detainee, the disposition of detention, including whether detention ended due to deportation, release on parole, or any other release.

(c) CRIMINAL ALIENS.—With respect to criminal aliens, the Attorney General shall also collect data concerning—

(1) the number of criminal aliens apprehended under the immigration laws and not detained by the Attorney General; and

(2) a list of crimes committed by criminal aliens after the decision was made not to detain them, to the extent this information can be derived by cross-checking the list of criminal aliens not detained with other databases accessible to the Attorney General.

(d) ANNUAL REPORTS.—Beginning on October 1, 1999, and not later than October 1 of each year thereafter, the Attorney General shall submit to the Committee on the Judiciary of each House of Congress a report setting forth the data collected under subsections (a), (b), and (c) for the fiscal year ending September 30 of that year.

(e) AVAILABILITY TO PUBLIC.—Copies of the data collected under subsections (a), (b), and (c) shall be made available to members of the public upon request pursuant to such regulations as the Attorney General shall prescribe.

This Act may be cited as the "Treasury and General Government Appropriations Act, 1999".

And the Senate agree to the same.

JIM KOLBE,
ERNEST ISTOOK,
ANNE M. NORTHUP,
BOB LIVINGSTON,
JOSEPH MCDADE
(except for section 656),
STENY H. HOYER,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVID R. OBEY
(except for section 514 on FEC),
Managers on the Part of House.

BEN NIGHTHORSE,
CAMPBELL,
RICHARD SHELBY,
LAUCH FAIRCLOTH,
TED STEVENS,
HERB KOHL
(with exception to section 514),
BARBARA A. MIKULSKI
(with exception to section 514),
ROBERT C. BYRD
(with exception to section 514),
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4104), making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

The conference agreement on the Treasury and General Government Appropriations Act, 1999, incorporates some of the language and allocations set forth in House Report 105–592 and Senate Report 105–251. The language in these reports should be complied with unless specifically addressed in the accompanying statement of managers.

Senate Amendment: The Senate deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

Throughout the accompanying explanatory statement, the managers refer to the Committee and the Committees on Appropriations. Unless otherwise noted, in both instances the managers are referring to the House Subcommittee on Treasury, Postal Service, and General Government and the Senate Subcommittee on Treasury and General Government.

REPROGRAMMING AND TRANSFER OF FUNDS GUIDELINES

Due to continuing issues associated with agency requests for reprogramming and transfer of funds and use of unobligated balances, the conferees have agreed to reprogramming guidelines included in House Report 105–592. Those guidelines shall be complied with by all agencies funded by the Treasury and General Government Appropriations Act, 1999:

1. Except under extraordinary and emergency situations, the Committees on Appropriations will not consider requests for a reprogramming or a transfer of funds, or use of unobligated balances, which are submitted after the close of the third quarter of the fiscal year, June 30;

2. Clearly stated and detailed documentation presenting justification for the reprogramming, transfer, or use of unobligated balances shall accompany each request;

3. For agencies, departments, or offices receiving appropriations in excess of $20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of $500,000 or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

4. For agencies, departments, or offices receiving appropriations less than $20,000,000, a reprogramming shall be submitted if the amount to be shifted to or from any object class, budget activity, program line item, or program activity involved is in excess of $50,000, or 10 percent, whichever is greater, of the object class, budget activity, program line item, or program activity;

5. For any action where the cumulative effect of below threshold reprogramming actions, or past reprogramming and/or transfer actions added to the request, would exceed the dollar threshold mentioned above, a reprogramming shall be submitted;

6. For any action which would result in a major change to the program or item which is different than that presented to and approved by either of the Committees, or the Congress, a reprogramming shall be submitted;

7. For any action where funds earmarked by either of the Committees for a specific activity are proposed to be used for a different activity, a reprogramming shall be submitted; and,

8. For any action where funds earmarked by either of the Committees for a specific activity are in excess of the project or activity requirement, and are proposed to be used for a different activity, a reprogramming shall be submitted.

Additionally, each request shall include a declaration that, as of the date of the request, none of the funds included in the request have been obligated, and none will be obligated, until the Committees on Appropriations have approved the request.

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

The conference agreement appropriates $123,151,000 for Departmental Offices instead of $122,889,000 as proposed by the House and $120,671,000 as proposed by the Senate. The amount appropriated includes: $3,704,000 for mandatory cost increases; an additional $470,000 for the Office of Tax Policy; an additional $255,000 for the Office of Economic Policy; an additional $499,000 for International Affairs Policies and Programs; an additional $801,000 for Enforcement Policies and Programs; an additional $866,000 for the Office of Foreign Assets Control; an additional $239,000 for Fiscal and Financial Policies and Programs; and an additional $300,000 for Treasury-wide management policies and practices. The conferees are aware that additional funds in the amount of $1,238,000 are required in fiscal year 1999 for Year 2000 compliance. The conference agreement also includes funding to allow the Department to provide no more than $500,000 in contract awards to the National Law Center for Inter-American Free Trade as proposed by the House.

The conferees have agreed to provide an additional $1,200,000 within this account for the Under Secretary of Enforcement to continue the operations of the Office of Professional Responsibility, should he so desire, as proposed by the Senate.

The conference agreement includes language which provides that the Office of Foreign Assets Control shall be funded at no less than $6,560,800 as proposed by the Senate instead of $5,517,000 as proposed by the House. The conferees have included language authorizing the Department to charge both direct and indirect costs to the Office of Foreign Assets Control in the implementation of this floor.

The Senate bill included language in this and a number of other accounts which provides that funds appropriated in this Act may be used for Year 2000 computer conversion costs pending the availability of funding for that purpose in a separate appropriation.

The conferees have deleted that language in each instance in which it occurs and have instead included a new general provision (Section 513) to permit the use of funds provided in this Act to initiate or continue projects or activities to the extent necessary to achieve Year 2000 computer conversion until such time as supplemental appropriations are provided for those activities.

The conference agreement deletes language proposed by the House which provides compensation for losses incurred due to the denial of entry into the United States of certain firearms. The conferees have included language in Title VI (Section 646) of the bill to provide for this relief through the use of the Judgement Fund, as proposed by the Senate.

TREASURY LAW ENFORCEMENT VEHICLES

No later than 90 days after enactment of this Act, the Department shall submit to the Committees on Appropriations directives to implement the management of law enforcement vehicle usage in the Department. These directives shall include: development of a Department-wide vehicle management system to ensure adequate oversight of vehicle usage; standards and procedures for full compliance with home-to-work regulations on vehicle use; verifiable determination that vehicle use throughout the Department is in support of law enforcement purposes only; and implementation of a log tracking system by activity and specific use of law enforcement vehicles.

UNDER SECRETARY FOR ENFORCEMENT

The conferees direct the Department of the Treasury to submit, with its fiscal year 2000 budget request, detailed budget justification materials for the Office of the Under Secretary for Enforcement.

OFFICE OF PROFESSIONAL RESPONSIBILITY

SALARIES AND EXPENSES

The conferees agree to provide no separate funding for the Office of Professional Responsibility (OPR) in fiscal year 1999 as proposed by the Senate, but instead have provided adequate funding within the Departmental Offices appropriations for the Under Secretary for Enforcement to continue the work of this office should he so desire. The conferees expect that the Department also will use approximately $350,000 in reprogramming authority, the anticipated share of the unobligated balance of funds at the end of fiscal year 1998, to augment this appropriation.

In fiscal year 1998, the Under Secretary for Enforcement was charged with tasking OPR to conduct a comprehensive review of integrity issues and other matters related to the potential vulnerability of the United States Customs Service to corruption, to include examination of charges of professional misconduct and corruption as well as analysis of the efficacy of departmental and bureau internal affairs systems. The conferees expect that this work will continue, and that it will be in conjunction with related efforts funded through the Customs Integrity Awareness Program.

AUTOMATION ENHANCEMENT

The conferees agree to provide $28,690,000 for Automation Enhancement instead of $31,190,000 as proposed by the House and $28,990,000 as proposed by the Senate. The amount provided shall be transferred as follows:

Customs Service.—$8,000,000 for the Automated Commercial Environment.

Bureau of Alcohol, Tobacco, and Firearms.—$3,700,000 for a human resources system re-engineering pilot program.

Departmental Offices.—$16,990,000, of which $5,400,000 is for the International Trade Data System, of which $6,577,000 is for Department-wide human resources re-engineering program management and implementation, of which $3,813,000 is for Departmental Offices productivity enhancement, of which $1,000,000 is for the Treasury Vehicle Management System, and of which $200,000 is for Department-wide implementation of the Treasury Information System Architecture Framework.

The conferees agree that the funds provided shall remain available until September 30, 2000, as proposed by the House rather than remain available until expended as proposed by the Senate.

The conferees are aware that additional funds in the amount of $2,762,000 are required in fiscal year 1999 for Year 2000 compliance.

AUTOMATED COMMERCIAL ENVIRONMENT

The conferees agree to provide $8,000,000 for the Customs Service ACE project, with the proviso that $6,000,000 shall not be available for obligation until the Treasury's Chief Information Officer, through the Treasury Investment Review Board, concurs on the plan and milestone schedule for the deployment of the system. Furthermore, $6,000,000 shall not be obligated until the Commissioner of Customs provides to the Committees on Appropriations an Enterprise Information Systems Architecture (EISA) for Customs that covers all Customs' areas of business—not just trade compliance. For the EISA to be acceptable, it must comply with the Treasury Information Systems Architecture Framework, include measures to enforce compliance, and be approved by the Treasury Investment Review Board.

The conferees are pleased with the efforts made by the Treasury Department to exercise some management responsibility for the ACE project, which represents an enormous information technology investment for the Department and Customs. Clear benefits are already being seen in the quality of analysis applied to investment decisions, and coordination with other information technology projects such as the International Trade Data System (ITDS). The conferees support the continued exercise of strong oversight by the Treasury Department over this project.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The conferees agree to provide $24,000,000 as proposed by the House instead of $23,670,000 as proposed by the Senate. In addition, the conferees agree that the funds shall be available with no earmark for the GATEWAY program, as had been proposed by the Senate.

TREASURY FORFEITURE FUND

The conferees expect that the super surplus for the Treasury Forfeiture Fund will continue to be large in fiscal year 1999, and direct the Department to provide the Committees its plan for intended use of these resources in a timely fashion, as well as in its presentation of the fiscal year 2000 budget request.

The conferees support the use of the super surplus to further advance Treasury Department law enforcement programs, and acknowledge the Department's plan to use its surplus for a variety of activities. The conferees direct the Department to use $11,012,000 as follows: $5,512,000 for the construction of a P–3 hangar in Corpus Christi, Texas, for the United States Customs Service; $4,000,000 for the CEASEFIRE/IBIS program, and $1,500,000 for the Global Transpark Customs Information Project. The conferees also agree that super surplus funds may be used for replacement of law enforcement vehicles, instead of the prohibition proposed by the Senate.

VIOLENT CRIME REDUCTION PROGRAMS

The conferees agree to provide $132,000,000 as proposed by the House and Senate. This amount is to be used as follows:

Bureau of Alcohol, Tobacco and Firearms:	
GREAT administration/training	$3,000,000
GREAT Program Grants	13,000,000
Customs Service:	
Narcotics detection technology	54,000,000
Passenger processing initiative	9,500,000
Canopy construction	972,000
Child Pornography investigation	1,000,000
Subtotal, Customs Service	65,472,000
Secret Service:	
Counterfeiting investigations	5,000,000
Forensic technology and assistance	2,000,000
NCMEC assistance	1,196,000
2000 campaign protection	7,732,000
Vehicle replacement	6,700,000
Subtotal, Secret Service	22,628,000
Financial Crimes Enforcement Network:	
Cyberpayment studies	800,000
Suspicious Activity Report analysis	300,000
Support for State & local GATEWAY	200,000
Money laundering regulations	100,000
Subtotal, FinCEN	1,400,000
Interagency Crime and Drug Enforcement	24,000,000
Office of National Drug Control Policy:	
Model State Drug Law Conferences	1,000,000
High Intensity Drug Trafficking Areas	1,500,000
Subtotal, ONDCP	2,500,000

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

The conferees agree to provide $3,000,000 to ATF for the management of the GREAT program as proposed by the House rather than in the ATF Salaries and Expenses appropriation as proposed by the Senate. The funding proposed by the Senate for laboratory and investigative support is funded under ATF's Salaries and Expenses appropriation.

GANG RESISTANCE EDUCATION AND TRAINING

The conferees agree to provide $13,000,000 to ATF, instead of $10,000,000 as proposed by the House and $13,239,000 as proposed by the Senate for grants to local law enforcement organizations for the Gang Resistance Education and Training (GREAT) program. The GREAT program has been enthusiastically endorsed by communities in Colorado, North Carolina and Wisconsin. The conferees direct that qualified law enforcement and prevention organizations from these areas be funded under GREAT.

The conferees are aware of concerns about the lack of a long-term evaluation of the impact of this program. Therefore, the conferees urge ATF to contract with the National Academy of Sciences, Committee on Law and Justice, to conduct an independent evaluation of the GREAT program.

CUSTOMS SERVICE

The conferees agree to provide $65,472,000, instead of $66,472,000 as proposed by the House and $54,000,000 as proposed by the Senate. Within these funds, the conferees include $54,000,000 for narcotics detection technology, $9,500,000 for passenger processing, $972,000 for canopy construction, and $1,000,000 for additional technologies associated with the child pornography cyber-smuggling initiative. The conferees agree that $2,400,000 of the Customs Salaries and Expenses account should be used for the cyber-smuggling initiative, as proposed by the Senate.

SECRET SERVICE

The conferees agree to provide $22,628,000, instead of $14,528,000 as proposed by the House and $15,403,000 as proposed by the Senate. Within these funds, the conferees include $5,000,000 for counterfeiting investigations, $7,732,000 for campaign protection activities, $6,700,000 for vehicle replacement, and $3,196,000 for forensic and related support of investigations of missing and exploited children. Of the amounts provided for missing and exploited children, the conferees agree to provide $1,196,000 for the continued operations of the Child Exploitation Unit at the National Center for Missing and Exploited Children.

FINANCIAL CRIMES ENFORCEMENT NETWORK

The conferees agree to provide $1,400,000 for FinCEN as proposed by the Senate, instead of no funding as proposed by the House. Within these funds, the conferees include $800,000 for cyberpayment studies; $300,000 for Suspicious Activity Report analysis; $200,000 for training and support for State and local GATEWAY participation; and $100,000 for money laundering regulations.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

The conferees agree to provide no VCRTF funding for FLETC as proposed by the House, instead of $1,158,000 as proposed by the Senate. The affected programs—rural law enforcement training and equipment replacement—are funded in FLETC's Salaries and Expenses appropriation.

INTERAGENCY CRIME AND DRUG ENFORCEMENT

The conferees agree to provide $24,000,000 for ICDE as proposed by the House, instead of $45,000,000 as proposed by the Senate. An additional $51,900,000 is provided in the Interagency Law Enforcement account. The total of $75,900,000 fully funds the President's request.

OFFICE OF NATIONAL DRUG CONTROL POLICY

The conferees agree to provide $2,500,000 for ONDCP, instead of $14,000,000 as proposed by the House and no funding as proposed by the Senate. $1,000,000 of this funding would cover the costs of continuing support for Model State Drug Law Conferences, as proposed by the House. $13,000,000 proposed by the House for continued funding for the technology transfer program run by the Counterdrug Technology Assessment Center will instead be funded in the ONDCP Salaries and Expenses account, as proposed by the Senate.

HIGH INTENSITY DRUG TRAFFICKING AREAS

The conferees agree to provide $1,500,000 in additional funding for the Milwaukee, Wisconsin HIDTA.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

The conferees agree to provide $71,923,000 as proposed by the House instead of $66,251,000 as proposed by the Senate, including up to $13,843,000 to be used for materials and support costs. The conferees agree to language proposed by the Senate to permit funding for travel expenses of non-Federal personnel to attend course development meetings and training sponsored by the Center. The conferees also agree to maintain existing statutory language affecting the authority to provide funding for student athletics and student interns, as proposed by the Senate.

GREAT TRAINING

The conferees agree to include new language, as proposed by the Senate, to authorize the Center to provide training for the Gang Resistance Education and Training program to Federal and non-Federal personnel at any facility in partnership with ATF.

FIREARMS TRAINING SYSTEMS

The conferees direct the Federal Law Enforcement Training Center, in consultation with their interested client law enforcement agencies, to examine and evaluate all available firearms training technologies for systems providing the greatest cost effective multi-application benefit for firearms training of law enforcement personnel. The conferees are aware of current technologies, such as the BEAMHIT targeting system and plastic cased ammunition, which appear to offer cost benefits and systems flexibility for multiple training activities and greater sensitivity for environmental protection.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

The conferees agree to provide $34,760,000, instead of $28,360,000 as proposed by the House and $15,360,000 as proposed by the Senate. This amount includes $6,400,000 for construction of new facilities at Artesia, New Mexico, required to meet the Center's basic training requirements.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

The conferees agree to provide $51,900,000 for ICDE as proposed by the House. An additional $24,000,000 is provided in the Violent Crime Reduction Programs account. The total of $75,900,000 fully funds the President's request.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conference agreement appropriates $196,490,000 for the Financial Management Service (FMS) as proposed by the Senate instead of $198,510,000 as proposed by the House.

The conferees have agreed with the proposal of the Senate on the funding level for the FMS, which reflects a reduction of $6,000,000 for Year 2000 conversion costs which will be available for FMS from a separate appropriation. The conferees received conflicting information from the Department of the Treasury about what the FMS's needs are for this purpose. Therefore, the conferees have assumed the higher number. The conferees understand and fully appreciate the need for FMS equipment to be Year 2000 compliant and note that the Department does have authority to transfer funding to FMS from other accounts within the Department under Section 114 of this Act should that become necessary.

The conference agreement deletes language proposed by the Senate delaying the availability of $4,500,000 for postage costs until September 30, 1999, and language proposed by the Senate stating that funds shall continue to be provided to the United States Postal Service for postage due.

DEBT COLLECTION IMPROVEMENT ACCOUNT

The conferees have agreed to delete funding for the Debt Collection Improvement Account proposed by the Senate. The House bill contained no similar provision.

FEDERAL FINANCING BANK

The conference agreement provides $3,317,960,000 for the liquidation of debts by the Federal Financing Bank instead of $3,317,690,000 as proposed by the Senate. The House bill contained no similar provision.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

The conferees agree to provide $541,574,000, instead of $530,624,000 as proposed by the House and $529,489,000 as proposed by the Senate. This includes $2,000,000 for the Violent Crime Coordinators program and $4,500,000 for expansion of the National Tracing Center, as proposed by the Senate. The conferees agree that $2,206,000 of this funding will not be available for obligation until September 30, 1999, as proposed by the House.

The conferees are aware that additional funds in the amount of $5,000,000 are required in fiscal year 1999 for Year 2000 compliance.

The conferees agree to increase the limit for purchase of police-type vehicles to 812, as proposed by the House. The conferees direct the Under Secretary for Enforcement to exercise strong oversight with regard to any additional purchases in keeping with Department-wide efforts (addressed under Departmental Offices, above) to manage the use, allocation and acquisition of law enforcement vehicles. While neither the House nor Senate provided funding for this purpose, the conferees agree to provide $3,700,000 for vehicle replacement as the Administration had requested.

The conferees agree to authorize up to $15,000 for official reception and representation expenses, instead of $20,000 as proposed by the House and $12,500 proposed by the Senate.

The conferees agree to retain the limitation of $1,000,000 in authority to fund the equipping of vessels, vehicles or aircraft available for official use by a State or local law enforcement agency for use in joint law enforcement operations with ATF and for the payment of overtime salaries, travel, fuel and other costs for State and local law enforcement personnel, including sworn officers and support personnel, as proposed by the House. The conferees note that, while this maintains a limitation, unlike the Senate proposal, it allows such funding to be used for law enforcement operations other than drug-related ones, and clarifies that it encompasses support personnel as well as sworn law enforcement officers.

The conferees agree that per diem and/or subsistence allowances may be paid to employees for extensive overtime required when an employee is assigned to a National Response Team during the investigation of a bombing or arson incident, as proposed by the Senate, rather than simply for a major investigative assignment, as proposed by the House.

YOUTH CRIME GUN INTERDICTION INITIATIVE

The conferees strongly support ATF's efforts to stop illegal trafficking of crime weapons to young people and its statistical analysis in "The Crime Gun Trace Analysis Reports: The Illegal Youth Firearms Markets in 17 Communities", published in July 1997. However, the conferees believe that the proposed increase in funding must be supported by evidence of a significant reduction in youth crime, gun trafficking and availability. The conferees would like to see additional evidence linking the Youth Crime Gun Interdiction Initiative (YCGII) to a corresponding decrease in gun trafficking among youths and minors. Therefore, the conferees direct ATF to report no later than February 1, 1999, on the performance of YCGII.

The conferees further believe that an investment in experienced trafficking agents to conduct investigations arising out of leads obtained through this regional initiative is likely to have a significant impact on the number of prosecutions for illegal firearms trafficking. As a result, the conferees direct that, of the $27,000,000 to be provided for YCGII efforts, $16,000,000 be used to hire 81 experienced trafficking agents to expand the YCGII efforts in the 27 pilot cities. As part of the expansion, the conferees recommend that not less than $2,400,000 be used for the addition of 12 experienced trafficking agents, including 3 in Milwaukee, Wisconsin, to implement a multifaceted regional enforcement strategy within the Midwest region. The conferees request that ATF give strong consideration to Aurora, CO, Denver, CO, and Omaha, NE, as it determines new locations for YCGII.

CEASEFIRE

The conferees agree to provide $2,000,000 for continued expansion of the CEASEFIRE/IBIS program, and expect that this will be used to meet requests for new equipment and related installation costs. The conferees also direct the Secretary of the Treasury to provide $4,000,000 to ATF from the Treasury Forfeiture Fund to allow ATF to provide CEASEFIRE technology to eligible State and local law enforcement organizations who have requested this equipment.

COLLECTION AND MAINTENANCE OF FEDERAL FIREARMS LICENSEE RECORDS

The conferees agree that there does not appear to be a written policy regarding the collection and maintenance of records on the acquisition and disposition of firearms by Federal firearms licensees for use in criminal or civil enforcement or firearms trace systems, in particular with regard to the length of time such records are kept. Therefore, the conferees direct ATF to develop such a written policy and provide a copy of that written policy to the Committees on Appropriations no later than March 31, 1999. This is in lieu of the direction by the House to provide the House Committee with a report on efforts to improve its practices within 90 days after enactment of this bill.

CONTRABAND CIGARETTES

The conferees direct ATF to continue to fully fund its investigations of diversion and trafficking of contraband cigarettes, particularly on Indian lands. The conferees are pleased to see that recent investigations have borne fruit in a number of arrests in Oklahoma and Kansas. The conferees understand that the current investigation in Oklahoma and Kansas is estimated to cost up to $2,000,000 and that nationwide investigation will cost approximately $8,000,000.

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $1,642,565,000 instead of $1,638,065,000 as proposed by the House and $1,630,273,000 as proposed by the Senate. $9,500,000 is delayed for obligation, instead of the delays proposed by the House and the Senate.

The conferees agree to restrict purchase of vehicles to 550 for replacement only, as proposed by the House, rather than 985, as proposed by the Senate. The conferees direct the Under Secretary for Enforcement to exercise strong oversight over any purchases of new vehicles in keeping with Department-wide efforts (addressed under Departmental Offices, above) to manage the use, allocation and acquisition of law enforcement vehicles. The conferees also agree that $500,000 of the appropriation should be used to fund expansion of services at the Vermont World Trade Office, as proposed by the Senate. The conferees also agree to increase the limitation on representation funding to $40,000, instead of $30,000 as proposed by the House and Senate.

The conferees agree to provide $2,500,000 to remain available until expended for the costs of relocation of the New Orleans Air Branch from Belle Chase, Louisiana, to Hammond, Louisiana.

CUSTOMS INTEGRITY AWARENESS PROGRAM

The conferees agree to provide $6,000,000 to the Customs Service, fully funding the new Customs Integrity Awareness Program (CIAP), as proposed by the House, instead of $4,200,000 as proposed by the Senate. The conferees direct the Secretary of the Treasury to be fully engaged in CIAP, providing necessary oversight and assistance to the Customs Service Office of Internal Affairs in order to achieve program goals.

CHILD PORNOGRAPHY

The conferees strongly support Customs leadership in stopping the vile traffic in child pornography and are pleased with its recent successful takedown of a major international pornography organization. To continue this success, the conferees agree to set aside $2,400,000 of the Customs appropriation to double the staffing and resources for the child pornography cyber-smuggling initiative, as proposed by the Senate, instead of the $2,000,000 proposed by the House to be funded through the Violent Crime Reduction Trust Fund. In addition, the conferees agree to include $1,000,000 in the Violent Crime Reduction Trust Fund for technology support for this initiative.

CUSTOMS INSPECTION SERVICES FOR INTERNATIONAL AIR CARGO

The conferees are concerned about the availability of Customs Service personnel to provide inspection services for airports that are seeing increased traffic or project such increases as part of regional development patterns. In many locations Customs has been asked to initiate or expand the level and availability of such services. The conferees understand that decisions to allocate inspection personnel must be based on availability of staff and funding, and should also be a function of the level of current or expected traffic, as well as concerns about enforcing trade laws and countering smuggling threats. At the same time, the conferees recognize that some airports, such as Dulles International Airport, Miami International Airport, and Fort Lauderdale International Airport, are experiencing growth and may have good cases for initiating or increasing cargo traffic operations, which are dependent on the availability of specific Customs inspection services. The conferees therefore urge the Customs Service, as it undertakes to establish a comprehensive model for assessing and allocating its inspection and investigative staff, to work closely with the airport authorities and the trade community to ensure that it will meet requirements for new and expanded service. The aim of such a process should be allocation of staff and resources that is in the best interest of regional economic interests, trade, and the mission of the Customs Service.

OPERATIONS, MAINTENANCE AND PROCUREMENT, AIR AND MARINE INTERDICTION PROGRAMS

The conferees agree to provide $113,688,000, instead of $100,688,000 as proposed by the House and $113,488,000 as proposed by the Senate. No funding for this account would be delayed, as had been proposed by the Senate, and there is no earmark for activities in South Florida and the Caribbean, as had been proposed by the Senate. This number includes an additional $1,000,000 for increased support for operations and upgrades for equipment for the marine enforcement program and $14,200,000 for Black Hawk helicopter program support.

BLACK HAWK HELICOPTERS

The conferees have included $14,200,000 to restore three off line Black Hawk helicopters to an operational readiness condition and provide for increased operation and maintenance requirements for Customs' helicopter component. The conferees understand that this funding will permit Customs to increase Black Hawk flying hours from 18 to 30 hours per month. The conferees direct the Customs Service to maximize the mission operability of all sixteen Black Hawk helicopters assigned to the Air Interdiction Program.

CUSTOMS MARINE PROGRAM

The conferees include an additional $1,000,000 to augment the $5,200,000 requested for the marine program.

CUSTOMS AIR AND MARINE INTERDICTION PROGRAMS

The conferees continue to be impressed with the successes associated with the Customs Air and Marine Interdiction programs and are aware of the growing operational commitments associated with this success. The conferees encourage the Customs Service to examine the benefits of a consolidated air maintenance system and take actions to improve operational coordination of its air assets to meet our national drug enforcement priorities. The conferees, in the interest of maintaining viable and effective air and marine interdiction programs, direct the Customs Service to develop two comprehensive modernization plans for the air interdiction and marine enforcement programs, respectively. These plans shall be submitted with the President's fiscal year 2000 budget and should include the projected lifespans and project a replacement schedule, as well as the current status, of each aircraft or vessel; associated operations and maintenance activities for these craft; and any costs for fleet extension or modernization. These modernization plans should be living documents that the Customs Service continually reevaluates and utilizes in its effort to maximize its operational effectiveness.

SPECIAL OPERATIONS

The conferees agree that the special operations requirements of the Customs Service Air and Marine Interdiction Programs demand special tactical and logistical operations considerations due to the high threat nature of these activities. The conferees direct the Customs Service to review its utilization of these special operations assets with the goal of improving management, coordination, training and utilization of equipment and personnel. The Customs Service should consider all options to achieve the greatest efficiency and productivity for our coastal and border interdiction efforts.

BUREAU OF ENGRAVING AND PRINTING

DOLLAR BILL REDESIGN

To combat international counterfeiting threats to the United States, the Department of the Treasury is continuing to redesign Federal Reserve Notes. By the end of 1999, newly designed $100, $50, and $20 Federal Reserve Notes will be in circulation.

The conferees remain concerned about the cost associated with producing special anti-counterfeiting properties for the estimated 6 billion circulating $1 Federal Reserve Notes. As a result, the conferees do not believe the Bureau of Engraving and Printing should undertake cost prohibitive anti-counterfeiting changes to the $1 note. However, the conferees do believe it is important to update the currency, such as making minor modifications to assist the visually impaired.

Therefore, the conferees direct the Department of the Treasury and the Bureau of Engraving and Printing not to pursue redesign of the $1 Federal Reserve Note to combat international counterfeiting threats, but to only make minor design enhancements to the $1 note for the visually impaired and elderly population, provided it has no effect on the use of $1 Federal Reserve Notes with existing bill accepting machinery.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

The conference agreement appropriates $172,100,000 for the Bureau of the Public Debt as proposed by the House and the Senate.

The conference agreement also provides that $2,000,000 of the funds provided shall be available until September 30, 2001, for information systems modernization initiatives as proposed by the House instead of $1,000,000 as proposed by the Senate.

The conferees are aware that additional funds in the amount of $1,000,000 are required in fiscal year 1999 for Year 2000 compliance.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

The conference agreement appropriates $3,086,208,000 for Processing, Assistance, and Management instead of $3,025,013,000 as proposed by the House and $3,077,353,000 as proposed by the Senate. The amount provided includes $90,650,000 for mandatory cost increases and $70,279,000 for base realignments from the Tax Law Enforcement account. The conferees have agreed not to transfer funding for the TIMIS personnel/payroll system from the Information Systems appropriation to this account as proposed by the Senate.

The budget request for Processing, Assistance, and Management included $58,325,000 for customer service initiatives. Funding for these initiatives has been included in the Information Systems account as proposed by the House. The Senate had proposed to provide $18,145,000 for customer service initiatives in this account.

The conferees want to express strong support for the Commissioner's proposal for organizational modernization. The recently enacted Internal Revenue Service Restructuring and Reform Act of 1998 will allow the Commissioner to make significant operational improvements through organizational modernization and reorganization. Therefore, the conference agreement also includes $25,000,000 for organizational modernization and restructuring of the Internal Revenue Service, the total amount requested by the Administration for that purpose. However, because the restructuring legislation has only recently been enacted and the Commissioner has not yet been able to provide a detailed plan and cost estimate for the restructuring effort, the conferees have included language in the bill which delays these funds for obligation until September 30, 1999.

The conferees have also provided $2,000,000 for low income taxpayer clinics. These funds will be used to award matching grants to develop, expand, or continue qualifying low income taxpayer clinics as authorized in Section 3601 of the Internal Revenue Service Restructuring and Reform Act of 1998.

The conference agreement includes language proposed by the Senate delaying the availability of $105,000,000 for postage costs until September 30, 1999, and language proposed by the Senate stating that funds shall continue to be provided to the United States Postal Service for postage due.

TAXPAYER EDUCATION

The conferees agree that the Internal Revenue Service needs to be more proactive in educating our citizens. Therefore, the conferees believe that the IRS should consider the feasibility of a taxpayer education initiative which encourages IRS employees to visit schools to talk about the history of our tax system as well as taxpayer rights and responsibilities. Further, the conferees believe that the IRS should provide no less than $750,000 to create an educational program, such as the project currently under development at the University of Florida, covering matters of current interest to those involved in administering, advising, teaching, and studying the technical aspects of Federal taxation. Therefore, the conferees request that the IRS provide an analysis of these proposals, and steps they would take to implement these proposals, to the Committees on Appropriations by March 1, 1999.

TAX LAW ENFORCEMENT

The conference agreement appropriates $3,164,189,000 for Tax Law Enforcement as proposed by the House instead of $3,164,399,000 as proposed by the Senate. The conference agreement does not delay the availability of $175,000,000 of the funds appropriated until September 30, 1999, proposed by the Senate.

The budget request included $2,645,000 for customer service initiatives. Funding for these initiatives has been included in the Information Systems account as proposed by the House. The Senate had proposed to fund $210,000 for customer service initiatives in this account.

TAX STANDARDS FOR TAX-EXEMPT HEALTH CLUBS

The conferees are aware that there has been significant growth in health club and fitness services. Intensified competition has developed a market for for-profit and tax-exempt health clubs. With certain tax-exempt organizations moving away from their core purpose, questions arise as to whether they are engaging in commercial competition with the for-profit sector. The conferees understand that the IRS has developed appropriate standards based on broad community accessibility for determining whether fitness activities are substantially related to the charitable mission of community organizations, such as YMCAs, YWCAs, and JCCs, organizations with a variety of programs based on community needs, including health and fitness for people of all ages, incomes, and abilities. Accordingly, changes in the standards that apply to such organizations are not the conferees' concern. Rather, the conferees direct that the IRS review the standards it applies to fitness activities operated by educational and health-care organizations. The conferees further request that the Department of the Treasury report to Congress by April 1, 1999, on the statutory and regulatory changes that may be needed to assure that the health and fitness activities of these organizations substantially further the purposes for which the organization was granted tax exemption and do not constitute unfair competition with private sector, taxable organizations.

TRANSFER PRICING

The conferees are concerned about the Nation's loss of revenue as a result of foreign corporations employing transfer pricing. Transfer pricing, utilized by State Trading Enterprises, reallocates items of income and deduction among entities under common control. Reallocation of the income and deduction results in minimizing the U.S. tax of foreign corporations' U.S. affiliates. Since the foreign parent corporations do not normally do business in the United States, their income is completely free from U.S. tax.

To ensure the Internal Revenue Service is vigorously administering section 482 of the Internal Revenue Code, which empowers the Secretary of the Treasury to distribute, apportion, and allocate items of gross income and deduction between the parent corporations and their U.S. affiliates, the conferees direct the Internal Revenue Service to review and report to Congress, no later than six months after enactment of this Act, on the following issues: IRS's loss of revenue as a result of transfer pricing; detailed information on IRS's administration of section 482 to distribute, apportion, and allocate items of gross income and deduction; and recommendations on how to improve the collection of revenue from trading enterprises.

INFORMATION SYSTEMS

The conference agreement appropriates $1,265,456,000 for Information Systems instead of $1,224,032,000 as proposed by the House and $1,329,486,000 as proposed by the Senate. The amount provided includes $43,939,000 for mandatory cost increases; however, the conferees have agreed not to transfer funding for the TIMIS personnel/payroll system from this appropriation to the Processing, Assistance, and Management account. In addition, the conference agreement includes an increase of $32,900,000 for operational information systems as proposed by the House and the Senate and $68,700,000 for the modernization program infrastructure as proposed by the Senate instead of $34,350,000 as proposed by the House.

The conferees have agreed to include language in the bill which provides that $103,000,000 of the funds appropriated in this account shall only be available for improvements to customer service. This is the full amount requested by the Administration for customer service initiatives within the Internal Revenue Service.

The conferees are aware that additional funds in the amount of $359,000,000 are required in fiscal year 1999 for Year 2000 compliance. Included in that total is: $8,700,000 for the submissions processing investment program, $4,000,000 for compliance research information systems, $33,300,000 for examination laptop computers, $60,700,000 to complete the rollout of the Integrated Collection System, $4,300,000 for the Inventory Delivery System, and $14,000,000 for the Integrated Personnel System.

The conference agreement deletes language proposed by the Senate which delayed the availability of $68,700,000 of the funds appropriated until September 30, 1999.

INFORMATION TECHNOLOGY INVESTMENTS

The conference agreement appropriates $211,000,000 for Information Technology Investments instead of $210,000,000 as proposed by the House and $137,569,000 as proposed by the Senate. These funds are not available for obligation until September 30, 1999. The conference agreement also provides that the funds shall remain available until September 30, 2002, as proposed by the Senate instead of remaining available until expended as proposed by the House.

The conference agreement includes language proposed by the House which specifies the contents of an expenditure plan that the Internal Revenue Service and the Department of the Treasury are required to submit before the funds appropriated may be obligated.

The conferees are concerned that the IRS's efforts to modernize its information systems could divert its attention from the more pressing matter of assuring that all of its existing systems will be Year 2000 compliant. The conferees expect that IRS will continue to view Year 2000 compliance as its highest priority and direct that the IRS not divert any resources from its Year 2000 efforts to the information systems modernization program.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 101. The conference agreement includes a provision proposed by the House and the Senate which allows the transfer of 5 percent of any appropriation made available to the IRS to any other IRS appropriation subject to Congressional approval.

Section 102. The conference agreement includes a provision proposed by the House and the Senate which requires the IRS to maintain a training program in taxpayer's rights, dealing courteously with taxpayers, and cross cultural relations.

Section 103. The conference agreement includes a provision proposed by the House and the Senate which requires the IRS to maintain taxpayer services at not less than fiscal year 1995 levels.

Section 104. The conference agreement includes a provision proposed by the House and the Senate which prohibits the expenditure of funds for the collection of taxes unless the conduct of officers and employees of the IRS complies with the Fair Debt Collection Practices Act.

Section 105. The conference agreement includes a provision proposed by the House and the Senate which requires the IRS to institute policies and practices which will safeguard the confidentiality of taxpayer information.

Section 106. The conference agreement includes a provision proposed by the House and the Senate which directs that funds shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line telephone assistance.

Section 107. The conference agreement includes a provision proposed by the Senate which provides that no reorganization of the field office structure of the Internal Revenue Service Criminal Investigation Division will result in a reduction in the number of criminal investigators in Wisconsin and South Dakota from the 1996 level.

The conference agreement deletes a Sense of the Senate provision regarding the use of random selection of returns for examination by the Internal Revenue Service.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

The conferees agree to provide $600,302,000 instead of $594,657,000 as proposed by the House and $584,902,000 as proposed by the Senate. This includes an additional $18,000,000 for the costs of protective travel. The conferees agree that $1,623,000 required for fixed site security will be included in the Acquisition, Construction, Improvement, and Related Expenses account, as proposed by the Senate. The conferees also agree that the limitation for new vehicle purchases shall be 739, as proposed by the House, rather than 705, as proposed by the Senate. The conferees direct the Under Secretary for Enforcement to exercise strong oversight over any purchases of new vehicles in keeping with Department-wide efforts (addressed under Departmental Offices, above) to manage the use, allocation and acquisition of law enforcement vehicles. The conferees agree that $5,000,000 shall not be available for obligation until September 30, 1999.

The conferees are aware that additional funds in the amount of $3,000,000 are required in fiscal year 1999 for Year 2000 compliance.

PROTECTIVE TRAVEL

The conferees continue to be concerned about shortfalls in the United States Secret Service protective travel activity. Therefore the conferees direct the Service to develop an accurate financial plan for predicting protective travel needs, and report regularly to the Committees on Appropriations on their progress. As part of the financial plan the conferees expect the funds for this activity will be apportioned separately. The Service should consult with the Office of Management and Budget about the level of detail required in the financial plan. The conferees agree to provide additional funding of $18,000,000 for protective travel, which is made available for two fiscal years.

ARMORED PRIMARY LIMOUSINES

The conferees understand the need to provide the President of the United States safe and secure ground transportation both locally and around the world. The conferees are, however, concerned with the Secret Service's projected cost to acquire primary limousines for this purpose. As a result, the conferees direct the Secret Service to report to the Committees on Appropriations on the major differences and costs between the proposed project and armored vehicles previously acquired by the Service prior to the obligation of funds for this project.

ACQUISITION, CONSTRUCTION, IMPROVEMENT, AND RELATED EXPENSES

The conferees agree to provide $8,068,000 as proposed by the Senate, instead of $6,445,000 as proposed by the House, which includes $1,623,000 for fixed site security.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

Section 110. The conference agreement includes a provision which requires the Secretary of the Treasury to comply with certain reprogramming guidelines when obligating or expending funds for law enforcement activities from unobligated balances available on September 30, 1999, as proposed by the Senate instead of September 30, 1998, as proposed by the House.

Section 111. The conference agreement includes a provision proposed by the House and the Senate which allows the Department of the Treasury to purchase uniforms, insurance, and motor vehicles without regard to the general purchase price limitation, and enter into contracts with the State Department for health and medical services for Treasury employees in overseas locations.

Section 112. The conference agreement includes a provision proposed by the House and the Senate which requires the expenditure of funds so as not to diminish efforts under section 105 of the Federal Alcohol Administration Act.

Section 113. The conference agreement includes a provision proposed by the House and the Senate which authorizes transfers, up to 2 percent, between law enforcement appropriations under certain circumstances.

Section 114. The conference agreement includes a provision proposed by the House and the Senate which authorizes transfers, up to 2 percent, between the Departmental Offices, Office of Inspector General, Financial Management Service, and Bureau of the Public Debt appropriations under certain circumstances.

Section 115. The conference agreement includes a provision proposed by the Senate which amends 18 U.S.C. 921(a) by broadening the definition of explosives and redefining the term "antique firearm."

Section 116. The conference agreement includes a provision regarding the purchase of law enforcement vehicles.

Section 117. The conferees have agreed to the provision contained in Section 117 of the Senate bill regarding the execution of property upon judgements against foreign state violators of international law. The conferees have included additional language giving the President the authority to waive the requirements of this provision in the interest of national security.

ELECTRONIC FILING

The conferees have agreed to delete language requested by the Administration and contained in Section 115 of the House and Senate bills regarding the electronic filing of tax returns since this matter has been addressed in a comprehensive fashion in the Internal Revenue Service Restructuring and Reform Act of 1998. In undertaking any electronic tax administration programs, the conferees expect the Internal Revenue Service to assure the security of all electronic transmissions and provide for the full protection of the privacy of taxpayer data.

CURRENCY PAPER

The House and Senate passed bills each contained a provision (Section 116 of both bills) regarding the acquisition of currency paper by the Bureau of Engraving and Printing. The conferees have agreed to include no language in the bill regarding this issue. The conferees are aware of attempts made by the Bureau of Engraving and Printing (BEP) to address concerns regarding the need to make it easier for all United States paper companies to compete for currency paper contracts. However, the conferees expect the BEP to continue to enhance the process for procuring currency paper to the extent permitted under Federal law. In carrying out its currency paper procurement responsibilities, the conferees expect BEP to secure the best overall value for the government giving equal consideration to all cost factors. Based on the General Accounting Office's (GAO) inability to reach any concrete conclusions with respect to competition and pricing, the conferees understand this issue is very complicated and, therefore, direct the Department of the Treasury and the Bureau of Engraving and Printing to report to the Committees on Appropriations how they plan to address GAO's recommendations to the Secretary of the Treasury. Further, it is the conferees' understanding that the authorizing committees in both the House and Senate will closely examine the GAO report, hold hearings on this matter, and develop legislation, if necessary, to ensure that the

Federal government will have adequate competition and fair pricing.

TITLE II—POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE FUND

The conferees agree to provide $71,195,000 as proposed by the House and the Senate. The conferees defer the obligation of these funds until October 1, 1999, as proposed by the Senate.

NON-POSTAL COMMERCIAL ACTIVITIES

The conferees are aware that the Postal Service is initiating a wide range of new commercial activities. These activities include, but are not limited to, volume retail photocopying, packaging services, bankwire services, the sale of office supplies and novelty items, and new e-commerce or Internet related technologies.

The conferees recognize the Postal Service's need to generate new sources of revenue to offset its operating costs. However, many of the Postal Service's new commercial activities may result in unfair competition with a number of private sector enterprises, thus raising significant policy issues about the Postal Service's present and future commercial role.

Therefore, the conferees request the Postal Service submit, within 6 months of enactment of this Act, a report on its ongoing and planned commercial services, including policy justifications, the costs of development and implementation, revenues earned, and revenues lost. As part of the report, the conferees are interested in packaging services ("Pack and Send") and specifically direct the Postal Service to describe how packaging services will meet "customer demand" in all geographic regions, especially rural areas, before such service is initiated. The conferees believe these issues deserve consideration by the authorizing committees.

AVONDALE-GOODYEAR, ARIZONA

The conferees urge the Postal Service, before awarding any contract to purchase or lease property for the Main Post Office in Avondale-Goodyear, Arizona, to do an analysis of the population presently in this area to be used in assisting the Postal Service in making a selection which will be most accessible for the current and future population of the area. The Postal Service shall report to the Committees prior to awarding any contract for sale or lease, but in no event later than October 14, 1998.

GILPIN COUNTY, COLORADO

The conferees urge the Postal Service to seriously consider providing a separate ZIP Code for Gilpin County, Colorado.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

The conferees agree to provide $52,344,000 for White House Office Salaries and Expenses, as proposed by the House and the Senate. The conferees provide $10,100,000 for reimbursements to the White House Communications Agency as a specific line item, as proposed by the House.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

The conferees provide $8,061,000, as proposed by the House instead of $8,691,000, as proposed by the Senate and prohibit the use of these funds for domestic staff overtime. As a separate provision, the conferees include $630,000 for domestic staff overtime and make these funds available upon the Comptroller General notifying the Committees that the Executive Office of the President (EOP) has received, reviewed and commented on the draft report of the General Accounting Office (GAO) with respect to Executive Residence operations and that the GAO is in receipt of the EOP's comments.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

The conferees agree to provide $28,350,000 for the Office of Administration as proposed by the House instead of $29,140,000 as proposed by the Senate.

The conferees are aware that additional funds of $12,200,000 for Year 2000 compliance within the Executive Office of the President are required for fiscal year 1999.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

The conferees agree to provide $60,617,000 for the Office of Management and Budget as proposed by the Senate instead of $59,017,000 as proposed by the House. The conferees agree to delete the earmark and the fence on the use of funds for the Office of Information and Regulatory Affairs, as proposed by the Senate, and include two provisos regarding the review of transcripts of the Committees on Veterans' Affairs and agricultural marketing orders, as proposed by the House. The conferees have included new language to amend Section .36 of OMB Circular A–110 to ensure that all data produced under an award will be made available to the public through the procedures established under the Freedom of Information Act.

Including technical modifications, the conferees agree to include bill language requiring OMB to report on government wide paperwork reduction and the implementation of the Congressional Review Act, as proposed by the Senate.

PERFORMANCE OF STATUTORY RESPONSIBILITIES

The conferees have agreed to delete the earmark of $5,229,000 for the Office of Information and Regulatory Affairs (OIRA) and a fence of $1,200,000 for OIRA. The conferees have been assured that OMB will strictly adhere to the statutory requirements included in the bill on Paperwork Reduction and the Congressional Review Act. The conferees will monitor OMB's compliance with these requirements carefully.

FEDERAL EMPLOYEES' PAY COMPARABILITY ACT

The conferees question the validity of the Administration's use of the "serious economic conditions" exception in the Federal Employees' Pay Comparability Act (FEPCA) to put forth an alternative pay plan for 1999. Press reports have indicated that members of the Administration may have concerns regarding the pay setting methodology established by FEPCA. In an effort to see that FEPCA is either fully implemented or perfected, the conferees direct the President's Pay Agent to provide the Committees with any pay setting methodology concerns it has with regard to FEPCA by May 1, 1999.

CENTURY DATE CONVERSION

The conferees remain concerned that with little more than a year to go before the new millennium, many critical government information systems are still in jeopardy of not meeting the January 1, 2000, deadline for date conversion. The conferees further believe that the Administration has failed to adequately champion the Y2K issue, not only to its own departments, but has also not provided the critical national leadership and coordination to our local, state and international partners in both the public and private sectors. Information systems experts have reported that the Y2K fix is rooted in management and oversight, not in the lack of technology available to address the problem. Unfortunately, valuable time has been lost waiting for management to embrace the magnitude and consequences of this issue. Only recently, has organizational management finally recognized the potential for shut down of critical information systems associated with entitlement payments, revenue collection, air traffic control, defense systems, telecommunications, mass transit, supply inventories, elevator function, medical equipment, to mention a few. Many agencies at all levels of government still do not have a complete grasp of the problem and are now at the greatest risk for systems failure.

The conferees direct the Administration to focus all of its attention and resources on the management and oversight of the most critical date sensitive information and infrastructure systems, prioritizing systems renovations, repair and replacement to those that can meet the January 1, 2000, deadline. The conferees further direct the Administration to accelerate the development of contingency plans for those critical systems that cannot meet the Y2K deadline, in order to maintain functional systems operations, until patent date conversion repairs can be completed.

The conferees strongly encourage the new Y2K Czar to take a high profile national leadership position, to aggressively promote century date change awareness for both information technology systems and sensitive infrastructure applications. The Y2K Czar should monitor, coordinate and provide oversight over the progress of all government-wide century date change conversion initiatives, with the primary goal of maintaining critical systems operations into the new millennium. Finally, the Y2K Czar should have Administration standing to directly access and take control of any critical agency system that is in jeopardy of not meeting the January 1, 2000, deadline because of ineffective management action.

OMB is directed to include in its quarterly Y2K report submissions an assessment of those critical information systems that will not meet the Y2K deadline and the problems that can be anticipated. In addition, the report should include the status of operational contingency plans for those systems identified as being in jeopardy.

VIOLENT CRIME REDUCTION PROGRAMS

The conferees expect the President's budget submissions for the Department of the Treasury's funding from the Violent Crime Reduction Trust Fund be reflected for the Department as a whole and not separately within each bureau's request.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

The conferees agree to provide $48,042,000 for the Office of National Drug Control Policy (ONDCP) as proposed by the Senate, instead of $36,442,000 as proposed by the House. This includes $13,000,000 to continue the technology transfer pilot program managed by the Counterdrug Technology Assessment Center (CTAC). It also includes $17,942,000 for ONDCP operations, as proposed by the Senate, $16,000,000 for the basic CTAC program, and $1,100,000 for policy research of which $100,000 is to be used for evaluating the Drug-Free Communities Act, as proposed by the Senate. The conferees agree to modify language governing the authority of ONDCP to accept and use gifts.

The conference agreement separately funds $1,000,000 for Model State Drug Law Conferences through the Violent Crime Reduction Trust Fund.

ONDCP STAFFING

The conferees are concerned about requests by ONDCP to reprogram monies from the Salaries and Expenses account to fund other initiatives. The conferees in the past have fully supported and funded the full time equivalent staffing level requested by ONDCP and are concerned that ONDCP is not filling those vacancies but is instead requesting to use those funds for other purposes. The conferees believe that ONDCP needs to maintain its staffing at the authorized level in order to maximize the agency's effectiveness. The conferees therefore direct ONDCP to review its staffing requirements and report back to the Committees on Appropriations by December 15, 1998, on the steps it is taking to fill the vacancies or, if not, what changes it is making in its staffing plan.

PERFORMANCE MEASURES OF EFFECTIVENESS

The conferees strongly urge ONDCP to work within the Administration to ensure that the Performance Measures of Effectiveness (PMEs) it developed are embraced and employed by all federal agencies for future budgetary and planning work. The conferees direct ONDCP to apply the same standard to its own internal management and organization, and to include such measures with each new budget submission.

RESEARCH AND ANALYSIS INITIATIVES

The conferees recognize that ONDCP has proposed some initiatives for research that, owing to lack of resources, cannot be funded in this appropriation. Nonetheless, the conferees strongly urge ONDCP to continue to press through its interagency leadership to coordinate research in such areas as improving R&D coordination, developing a government-wide intelligence architecture, and mapping out drug trafficking flows.

PROTECTIVE SECURITY ASSESSMENT

The conferees have included a new general provision, Section 643, as proposed by the Senate which directs the U.S. Marshals Service to conduct a threat assessment on the Director of the Office of National Drug Control Policy on a quarterly basis. The level of security is to be provided to ONDCP on a reimbursable basis by the U.S. Marshals Service and will be based on this quarterly threat assessment.

RURAL DRUG CONFERENCES

The conferees are concerned about the spread of drugs and drug-related crimes to rural areas and whether or not rural law enforcement can sufficiently address these new trends. Therefore, the conferees encourage the Director to consider convening a national conference on rural drug crime, to include regional conferences in rural areas, such as Luna County, NM, and similar counties in Colorado, in order to assess the needs of rural law enforcement and the impact that drug-related crimes have on rural communities as they cope with these issues.

The conferees believe that ONDCP can combine its knowledge and experience working with larger communities in this area and translate effective drug fighting practices to rural law enforcement, while taking into consideration their unique needs. Should ONDCP convene this event, the conference is requested to report to the Committees on Appropriations and the Director of ONDCP on its findings.

SHOUT

The conferees have provided $50,000 to continue the work of SHOUT, an outreach organization that works with minors, as defined by 21 CFR 897.14. This early intervention program focuses on shaping the attitudes of minors in order to discourage the use of illegal substances.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

The conferees expect the multiagency research and development programs to be coordinated by the Counterdrug Technology Assessment Center (CTAC) in order to prevent duplication of effort and to assure that, whenever possible, those efforts provide capabilities that transcend the need of any single Federal agency. Prior to obligation of these funds, the conferees expect to be notified by the chief scientist on how these funds will be spent. The conferees also expect to receive periodic reports from the chief scientist on the priority counterdrug enforcement research and development requirements identified by the Center and on the status of projects funded by CTAC.

Federal Drug Control Programs

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

The conferees provide $182,477,000, instead of $162,007,000 as proposed by the House and $183,977,000 as proposed by the Senate. The conferees agree to fund all existing High Intensity Drug Trafficking Areas (HIDTAs) at the fiscal year 1998 level. This funding level shall be based on direct fiscal year 1998 appropriations for HIDTAs contained in the HIDTA and Violent Crime Reduction Trust Fund accounts. The conferees also agree that not less than fifty-one percent of this amount shall be transferred to State and local entities for drug control activities.

Within the amount appropriated, the conferees include $20,477,000 to supplement or expand existing HIDTAs, or provide for the creation of new HIDTAs. The conferees have been informed that unmet needs for funding exist in: the Arizona HIDTA for completion of an intelligence center and unmet programmatic needs for methamphetamine and border initiatives; the New Mexico HIDTA for unmet programmatic needs; the Southwest HIDTA for its wiretapping initiative; the Cascade HIDTA for unmet programmatic needs; the expansion of the Midwest HIDTA to include the State of North Dakota; the Rocky Mountain HIDTA for expansion of its methamphetamine initiative; the Chicago HIDTA for unmet programmatic needs; and the Central Florida HIDTA for unmet programmatic needs. Additionally, the conferees are aware of interest in the designation of new HIDTAs in the New England states, East Texas, Ohio, and Hawaii.

While the conferees are obviously supportive of the HIDTA program, it is critical to the continued support and the health of all HIDTAs and the program in general that decisions about funding be founded on clear, concrete measures of performance. The conferees also believe that ONDCP must have the flexibility to allocate resources to those HIDTAs that will have the greatest impact on our drug problems. In making these decisions, ONDCP must focus on the performance of HIDTAs, existing or proposed, and their significant impact on drug trafficking, use, and associated crime. This means that ONDCP must assess which HIDTAs are the top performers and document the factors it uses to make this determination. At the same time, ONDCP must determine where the impact will be greatest based on the combined effect of HIDTA performance and the nature and severity of drug problems that exist in the areas where HIDTAs currently operate or are proposed—whether measured by use, associated crime, or volume of trafficking in drugs or money. The conferees therefore direct ONDCP to submit its fiscal year 2000 budget for HIDTAs based on applying both ONDCP's own performance measures of effectiveness and the priorities dictated by changing threats.

SPECIAL FORFEITURE FUND

The conferees agree to provide $214,500,000, instead of $215,000,000 as proposed by the House and $200,000,000 as proposed by the Senate. This includes $185,000,000 for the youth media campaign, $20,000,000 for implementation of the Drug-Free Community Act, $5,000,000 for the chronic users study, and $4,500,000 for a transfer to the Agricultural Research Service for anti-drug research and related matters.

YOUTH MEDIA CAMPAIGN

The conferees recommend a funding level of $185,000,000 for the National Media Campaign. In fiscal year 1998, ONDCP proposed a 5-year media campaign at a total cost to the Federal government of $875,000,000. The initial request was based on a $175,000,000 annual funding level for five years of the program. The conferees continue to be fully supportive of this program and believe that this national media campaign, if properly executed, has the potential to produce concrete results. The conferees look forward to working with ONDCP on this effort to produce demonstrable results as the campaign matures.

The conferees have included new language calling for ONDCP to report on its efforts to achieve corporate sponsorship beyond the matching requirement for participation in the media campaign; clarifies the pro bono requirement; and limits the possible use of funding for creative development efforts. The conferees agree that 75% of the funds will become available when ONDCP submits to the Committees the results of Phase I of the campaign and the remainder will become available when ONDCP submits the results of Phase II.

The Committees will closely track this national media campaign, and its contribution to achieving a drug-free America. Therefore, the conferees direct ONDCP to submit quarterly reports on the obligation of funds as well as the specific parameters of the pilot campaign. The conferees anticipate that future funding will be based upon results. ONDCP is directed to report to the Committees on Appropriations by January 15, 1999 on the effectiveness of the national media campaign. In addition, ONDCP is to report to the Committees within 6 months of enactment of this Act on State and local prevention and treatment facilities infrastructure and their capacity to handle the increased demands of communities as a result of the national media campaign. ONDCP is to continue to report on the effectiveness and implementation status of the guidelines set out in the fiscal year 1998 appropriations bill.

The conferees direct the General Accounting Office to conduct a financial audit and review of the financial transactions relating to the media campaign. The conferees request that the scope of the review include how monies have been obligated and the effectiveness of the campaign and report to the Committees on Appropriations. As part of this review, GAO shall determine the definition, acquisition, and utilization of matching contributions sought by ONDCP relating to the media campaign. In addition, the conferees direct GAO to review Phase I, the 12 city test pilot, and report its findings to the Committees. This review is to examine the development of the test market plan for Phase I, determine the viability of extrapolating Phase I results to the national level, and determine the success of Phase I in the 12 city pilot.

CHRONIC USERS STUDY

The Administration's budget estimate includes a request of $10,000,000 to expand a preliminary user study conducted in Cook County, IL. The Cook County study developed a methodology for estimating the number of hardcore drug users in the United States. Accurately identifying this population is important since they consume a massive amount of the drugs available in the United States, create a large proportion of the demand for illegal drug markets, and are responsible for a great deal of criminal activity. The accurate identification of this population will provide communities a base for estimating the type and number of drug treatment and prevention programs required.

The conferees congratulate ONDCP on conducting this study and continue to support this effort. The conferees provide $5,000,000 to expand the study to regional areas. Although this is less than the request, the conferees understand that ONDCP may be able to use this level of funding to complete a study that can serve as an accurate basis for a national estimate of the size and location of chronic user populations. The conferees encourage ONDCP to work with the Department of Health and Human Services to identify additional funding sources, if necessary and available, and encourage ONDCP to promote utilization of the Cook County study that contributes to reductions in the population of hardcore drug users.

UNANTICIPATED NEEDS

The conferees agree to provide $1,000,000 as requested by the Administration for unanticipated needs.

INFORMATION TECHNOLOGY SYSTEMS AND RELATED EXPENSES

The conferees have not included language contained in the Senate bill to provide $3,250,000,000 in contingent emergency funding for Year 2000 computer conversion costs. On September 2, 1998, the President transmitted to Congress a request for this level of funding in fiscal year 1998. The conferees expect that this issue will be resolved as part of a supplemental appropriation.

TITLE IV—INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

The conferees agree to provide $36,500,000 as proposed by the House and the Senate. This level of funding will support a base appropriation of $32,580,000, an additional $2,800,000 for enhanced enforcement efforts, as proposed by the House and Senate, and an additional $1,120,000 for other initiatives, as proposed by the House. The conferees fence $1,120,000, pending the submission of a plan for the obligation of these funds and provide that not less than $4,402,500 shall be available for internal automated data processing systems. The conferees strongly recommend that the FEC target the additional $1,120,000 in fenced appropriations to the improvement of enforcement procedures and preventing the unnecessary dismissal of appropriate enforcement actions; the conferees specifically recommend that FEC expedite automated data processing improvements as they relate to enforcement. The conferees assume that full time employment will not exceed 347 FTE in fiscal year 1999.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

The conference agreement provides $5,605,018,000 in new obligational authority for the General Services Administration's Federal Buildings Fund instead of $5,624,128,000 as proposed by the House and $5,648,680,000 as proposed by the Senate. In order to provide the resources necessary to carry out that program, the conferees have recommended an appropriation of $450,018,000 into the Fund instead of $479,300,000 as proposed by the House and $508,752,000 as proposed by the Senate.

The conferees have provided $492,190,000 for the construction and acquisition of new projects instead of $527,100,000 as proposed by the House and $538,652,000 as proposed by the Senate. The conferees have included funding for the following projects:

Arkansas: Little Rock, U.S. Courthouse	$3,436,000
California:	
San Diego, U.S. Courthouse	15,400,000
San Jose, U.S. Courthouse	10,800,000
Colorado: Denver, U.S. Courthouse	83,959,000
District of Columbia: Southeast Federal Center Remediation	10,000,000
Florida:	
Jacksonville, U.S. Courthouse	86,010,000
Orlando, U.S. Courthouse	1,930,000
Massachusetts: Springfield, U.S. Courthouse	5,563,000
Michigan: Sault Sainte Marie, Border Station	572,000
Mississippi: Biloxi-Gulfport, U.S. Courthouse	7,543,000
Missouri: Cape Girardeau, U.S. Courthouse	2,196,000
Montana: Babb, Piegan Border Station	6,165,000
New York:	
Brooklyn, U.S. Courthouse	152,626,000
New York, U.S. Mission to the United Nations	3,163,000
Oregon: Eugene, U.S. Courthouse	7,190,000
Tennessee: Greenville, U.S. Courthouse	28,229,000
Texas: Laredo, U.S. Courthouse	28,105,000
West Virginia: Wheeling, U.S. Courthouse	29,303,000
Nationwide: Non-prospectus construction projects	10,000,000

The conferees have not provided funds for the Savannah, Georgia, U.S. Courthouse Annex project. The conferees are aware that at a recent meeting to consider the authorization of new courthouse construction projects, the Public Buildings and Economic Development Subcommittee of the House Committee on Transportation and Infrastructure deferred action on this project pending further review. The conferees further understand that that action was taken primarily because of the significant increase in estimated project cost that has occurred since the approval of funds for site acquisition and design, even though the size of the building has been reduced. The conferees share those concerns and, have, therefore, elected to defer funding for the project pending resolution of the issues that have been raised by the authorizing committee.

The conferees recognize the efforts of the General Services Administration and the Judiciary to reduce the cost of courthouse construction and encourage the continuation of these efforts. The conferees are pleased that the Administrative Office of the U.S. Courts' recent draft utilization study answers some questions about the utilization rates of existing and proposed courthouses. The conferees are aware of the Judiciary's needs to have court space available to conduct business and understand their position that a courtroom's existence may result in moving a case to settlement. However, the conferees continue to be concerned that the courts are not fully examining information that is key to the development of a utilization planning model. As a result, the conferees request the Administrative Office of the U.S. Courts to revise the utilization study to include the assumptions used to develop the planning model. Additionally, the conferees direct the General Services Administration to provide the utilization rates of existing and proposed courtrooms with any request for new construction, replacement, or expansion of court space.

The conference agreement includes language proposed by the Senate authorizing the General Services Administration to reacquire the parcel of land on Block 111, East Denver, Denver, Colorado, which was sold at public auction by the Federal government to the present owner of the property.

The conference agreement includes language proposed by the Senate which provides that funds provided in fiscal year 1993 for the Hilo, Hawaii, federal building shall be expended for the planning and design of the Mauna Kea Astronomy Educational Center.

The conference agreement deletes language proposed by the Senate regarding funding for the design of the Department of Transportation headquarters building and landing rights at Denver International Airport.

The conference agreement includes language included in the House reported bill which provides that of the funds provided for non-prospectus construction projects, $2,100,000 shall be available for acquisition, lease, construction, and equipping of flexiplace telecommuting centers.

The conferees have also agreed to include language in the bill permitting the General Services Administration to purchase, at the appropriate price, real estate essential to meet security interests related to the successful completion of the new courthouse in Scranton, Pennsylvania.

The conferees have provided $668,031,000 for repairs and alterations as proposed by the Senate instead of $655,031,000 as proposed by the House. The conference agreement provides that $161,500,000 of the funds shall not be available for obligation until September 30, 1999, instead of $19,000,000 as proposed by the House and $323,800,000 as proposed by the Senate.

The amount provided includes $25,000,000 for the chlorofluorocarbons program and $25,000,000 for the energy program as proposed by the Senate instead of $18,500,000 for each program as proposed by the House.

The conferees have agreed to list in the bill the amounts provided for each of the projects and activities to be undertaken under Repairs and Alterations as proposed by the Senate. Accordingly, there is no need for GSA to submit the plan for program execution called for in the House report.

The conference agreement includes the language contained in the Senate bill regarding the use of funds for security improvements.

The conference agreement includes language proposed by the House which provides that funds provided in Public Law 103–329 for the IRS Service Center in Holtsville, New York, shall remain available until September 30, 1999.

The conference agreement includes language proposed by the Senate which: provides that $100,000 shall be used to address lighting issues at the Byrne-Green Federal Courthouse in Philadelphia, Pennsylvania; provides that $1,600,000 shall be used to complete alterations at the Milwaukee, Wisconsin, Courthouse; and provides that $1,100,000 may be used to provide a new fence for the Suitland Federal Complex in Suitland, Maryland.

The conferees have provided $215,764,000 for installment acquisition payments as proposed by the House and the Senate.

The conferees have provided $2,583,261,000 for rental of space as proposed by the Senate instead of $2,580,461,000 as proposed by the House. The conference agreement provides that $15,000,000 of the funds provided shall not be available for obligation until September 30, 1999, instead of $51,667,000 as proposed by the Senate.

The conferees have provided $1,554,772,000 for building operations as proposed by the House and the Senate. The conference agreement provides that $68,000,000 of the funds provided shall not be available for obligation until September 30, 1999, instead of $223,000,000 as proposed by the House and $31,095,000 as proposed by the Senate.

The conference agreement provides that $475,000 shall be available for the 1999 Women's World Cup soccer event and that $600,000 shall be available for the 1999 World Alpine Ski Championships.

PUBLIC SERVICE RECOGNITION WEEK

The conferees recognize that Public Service Recognition Week, a program of the Public Employees Roundtable, has educated America about the value of the career workforce which carries out the daily operations of government. This program, which has existed for over ten years, plays an important role in educating our nation's youth and providing them with timely information about their government. The conferees urge the General Services Administration to support the mission of the Public Employees Roundtable and provide administrative and logistical assistance equaling $100,000 for carrying out its Public Service Recognition Week activities.

LOS ANGELES, CALIFORNIA, CIVIC CENTER TRUST

The conferees are aware that the U.S. Courthouse in Los Angeles, California, will be serving as the cornerstone for an economic revitalization of the Civic Center neighborhood, where currently more than 50 public and private projects are in various stages of development. The Los Angeles City Civic Center Trust, established by Project Restore, a nonprofit organization, will facilitate and coordinate this revitalization. The conferees urge the General Services Administration to continue its current work and support the mission of the Los Angeles Civic Center Trust by providing planning, administrative, and logistical support for its activities.

RONALD REAGAN COURTHOUSE—SANTA ANA, CALIFORNIA

The conferees understand that none of the artwork acquired for the Ronald Reagan Courthouse in Santa Ana, California, recognizes President Ronald Reagan. The conferees urge the General Services Administration to acquire and display artwork that appropriately commemorates President Reagan. Further, the conferees urge the General Services Administration to work with the Ronald Reagan Presidential Library and Museum to determine the feasibility of maintaining a rotating exhibit at the Ronald Reagan Courthouse.

PRESIDENT HARRY S. TRUMAN

The conferees note that there is no major recognition of President Harry S Truman in the Nation's Capital. The conferees request that the General Services Administration review such proposals as may exist and report to the Committees on Appropriations no later than June 1, 1999.

POLICY AND OPERATIONS

The conference agreement appropriates $109,594,000 for Policy and Operations instead of $108,494,000 as proposed by the House and $106,494,000 as proposed by the Senate. The conferees direct that $2,000,000 be provided for the pilot project in digital learning technologies as described in the House report and that $1,000,000 be used to initiate a digital education project.

The conferees have also included language in the bill that provides that $100,000 of the funds appropriated shall be provided to the Property Disposal activity of this account. This amount represents the estimated fair market value of the property to be conveyed to the City of Racine, Wisconsin, as described in section 409 of the bill.

The conferees have modified language proposed by the Senate regarding the Old Post Office at 1100 Pennsylvania Avenue in Washington, D.C., to make the language applicable only for fiscal year 1999 and to require that the comprehensive plan for use of the property also be approved by the Senate Committee on Environment and Public Works and the House Committee on Transportation and Infrastructure.

SURPLUS EQUIPMENT TO SCHOOLS AND EDUCATIONAL INSTITUTIONS

The conferees urge the General Services Administration, in line with its responsibilities for the disposal of excess and surplus Federal personal property, to promote and foster the transfer of excess and surplus computer equipment directly to schools and to appropriate nonprofit, community-based educational organizations. The GSA should communicate with other Federal agencies to heighten their ongoing awareness of the existing opportunities at both the national and local levels to meet the needs of the schools for such equipment.

All Federal agencies are required, to the extent permitted by law and after determining that the equipment is excess to their needs, to give highest preference to schools and nonprofit organizations in the transfer of educationally useful Federal computer equipment. Agencies are required to inventory all computer equipment and identify in their inventories their excess and surplus equipment. Federal agencies are also required to report to GSA the transfer of any personal property, including computer equipment, made to nongovernmental entities such as schools.

The conferees commend GSA and the Office of Science and Technology Policy (OSTP) for the progress that has been made simplifying and improving the Federal Surplus Computer Donation Program. One remaining hurdle for schools interested in participating in the program is the lack of operating systems on many donated computers. The conferees urge GSA and OSTP to work together with operating system providers to develop a partnership with those providers similar to the partnership that has already been formed with van lines to assist in transporting donated computers. The goal of this partnership would be to provide operating systems to schools which receive computers through the donation program.

FEDERAL OFFICE BUILDING IN COLORADO SPRINGS, COLORADO

The Federal building located at 1520 Willamette Ave. in Colorado Springs, Colorado, is owned by GSA and is currently leased to the U.S. Air Force Space Command. It is the conferees' understanding that Space Command is moving ahead with options to vacate the facility. In the event that Space Command does not renew its lease and the facility becomes vacant and is deemed surplus, the conferees urge GSA to strongly consider the U.S. Olympic Committee's (USOC) need for additional space and to give priority to the USOC's request to gain title or acquire the property.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

Section 401. The conference agreement includes a provision proposed by the Senate which provides that accounts available to GSA shall be credited with certain funds received from government corporations. The provision was also included in the House reported bill.

Section 402. The conference agreement includes a provision proposed by the Senate which provides that funds available to GSA shall be available for the hire of passenger motor vehicles. The provision was also included in the House reported bill.

Section 403. The conference agreement includes a provision proposed by the Senate which authorizes GSA to transfer funds within the Federal Buildings Fund to meet program requirements. A similar provision was included in the House reported bill.

Section 404. The conference agreement includes a provision proposed by the Senate which prohibits the use of funds to submit a fiscal year 2000 budget request for courthouse construction projects that do not meet design guide criteria, do not reflect the priorities of the Judicial Conference of the United States, and are not accompanied by a standardized courtroom utilization study. A similar provision was included in the House reported bill.

Section 405. The conference agreement includes a provision proposed by the Senate which provides that no funds may be used to increase the amount of occupiable square feet or provide cleaning services, security enhancements, or any other service usually provided, to any agency which does not pay the requested rental rates. The provision was also included in the House reported bill.

Section 406. The conference agreement includes a provision proposed by the Senate which provides that funds provided by the Information Technology Fund for pilot information technology projects may be repaid to the Fund. The provision was also included in the House reported bill.

Section 407. The conference agreement includes a provision proposed by the Senate which permits GSA to pay claims of up to $250,000 arising from construction projects and the acquisition of buildings. The provision was also included in the House reported bill.

Section 408. The conference agreement includes a provision proposed by the Senate providing $5,000,000 for the demolition, cleanup, and conveyance of the property at block 35, and lot 2 of block 36 in Anchorage, Alaska. The House bill contained no similar provision.

Section 409. The conference agreement includes a provision proposed by the Senate authorizing GSA to convey the property which contains the U.S. Army Reserve Center in Racine, Wisconsin, to the City of Racine. The Senate language has been amended by deleting the phrase "without consideration." The House reported bill contained a similar provision.

Section 410. The conference agreement includes language proposed by the Senate directing the General Services Administration to enter into an operating lease to acquire space for the Department of Transportation headquarters. The House bill contained no similar provision.

Section 411. The conference agreement includes a provision proposed by the House regarding the fees charged by GSA for the use of telecommuting centers by Federal agencies. The Senate bill contained no similar provision.

Section 412. The conference agreement includes a provision proposed by the Senate authorizing GSA to transfer property in Dade County, Florida, to the University of Miami. The Senate language has been amended to allow a land exchange. The House reported bill contained a similar provision.

Section 413. The conference agreement includes a provision directing GSA to reincorporate the elements of the original proposed design for the facade of the United States Courthouse project in London, Kentucky, into the revised design of the building. This will ensure that the construction of the new courthouse is compatible with the architectural character of the historic existing U.S. courthouse. The construction of the project should in no way be diminished in order to achieve this goal. This provision was included in the House reported bill.

The conference agreement deletes language contained in section 411 of the Senate bill which appropriates $14,105,000 for costs associated with the security of the Capitol complex. The conferees recognize the importance of Capitol security and have consulted with and deferred to the jurisdiction of the Legislative Branch Appropriations Subcommittee to coordinate those requirements.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

The conference agreement appropriates $4,250,000 for capitalization of the Environmental Dispute Resolution Fund and operation of the United States Institute for Environmental Conflict Resolution as proposed by the House. The Senate did not include funds for this activity.

MERIT SYSTEMS PROTECTION BOARD

The conferees understand that an agreement has been reached between MSPB and its administrative judges regarding the establishment of a special pay classification for the administrative judges. The conferees are encouraged by this progress and urge MSPB to work with the proper House and Senate authorizing committees and the Office of Management and Budget so this agreement can be addressed in the fiscal year 2000 budget submission and through appropriate legislative action.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The conference agreement appropriates $224,614,000 for operating expenses of the National Archives and Records Administration instead of $216,753,000 as proposed by the House and $221,030,000 as proposed by the Senate. The conferees have included language delaying the availability of $7,861,000 of the funds appropriated until September 30, 1999, instead of $4,277,000 as proposed by the Senate.

The conferees are aware that additional funds in the amount of $5,411,000 are required in fiscal year 1999 for Year 2000 compliance.

NATIONAL PERSONNEL RECORDS CENTER

The conferees are aware that in many instances veterans are experiencing significant delays, often as long as six months, when attempting to gain access to records they need to obtain medical assistance or other benefits from the National Personnel Records Center in St. Louis, Missouri. The conferees believe that this is unacceptable. The conferees are also aware that the National Archives and Records Administration (NARA) has initiated a business process re-engineering project at the center to address concerns about the timeliness of responses to veterans' requests. The implementation of this project will take about five years at a total cost of approximately $6,000,000. The goal of the program is to achieve case cycle time of 10 days or less. For fiscal year 1999, the NARA will be conducting a pilot test of the business process re-engineering program to validate the processes and methods that have been recommended. The conferees have been informed by NARA that this pilot test can be funded from within existing resources. The conferees further understand that the Archives plans to begin implementation of this program in fiscal year 2000. The conferees are very supportive of this extremely important effort and expect NARA to request the funds it needs to begin implementation of the program in the fiscal year 2000 budget.

REPAIRS AND RESTORATION

The conference agreement appropriates $11,325,000 for repairs and restoration of Archives facilities as proposed by the Senate instead of $10,450,000 as proposed by the House. The conferees have not included language proposed by the Senate delaying the availability of $2,000,000 of the funds until September 30, 1999.

The conference agreement includes language proposed by the Senate providing $875,000 for a requirements study and design of a facility in Anchorage, Alaska.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

The conference agreement appropriates $10,000,000 for the Grants Program of the National Historical Publications and Records Commission instead of $6,000,000 as proposed by the House and $11,000,000 as proposed by the Senate.

The conferees have included language delaying the availability of $4,000,000 of the funds until September 30, 1999, instead of $5,500,000 as proposed by the Senate.

The conferees have agreed to provide $4,000,000 for a grant to the Center for Jewish History instead of $5,000,000 as proposed by the Senate. The conferees note, however, that a single grant of this size is far beyond the scope of activities normally undertaken by the National Historical Publications and Records Commission. For example, the Commission expects to fund, in whole or in part, 103 proposals with the $5,500,000 provided in fiscal year 1998. Therefore, the conferees agree that the funds provided for the Center for Jewish History represent the total to be provided from this account.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

The conference agreement appropriates $32,765,000 for the United States Tax Court as proposed by the Senate instead of $34,490,000 as proposed by the House.

TITLE V—GENERAL PROVISIONS

THIS ACT

Sec. 501. The conferees agree to continue to limit the expenditure of appropriated funds to the current year, unless otherwise designated.

Sec. 502. The conferees agree to continue to limit funding for consulting services.

Sec. 503. The conferees agree to continue to prohibit the use of funds prohibiting the enforcement of Sec. 307 of the 1930 Tariff Act. (Sec. 307 bans imported goods produced by slave/forced labor).

Sec. 504. The conferees agree to continue the prohibition on transfer of control over FLETC.

Sec. 505. The conferees agree to continue to protect civilian employee rights following assignment with the Armed Forces.

Sec. 506. The conferees agree to continue the requirements on "Buy American Act" compliance.

Sec. 507. The conferees agree to continue "Sense of Congress" language regarding purchase of American made equipment and products.

Sec. 508. The conferees agree to continue to prohibit contract eligibility where fraudulent intent has been proven in affixing "Made in America" labels.

Sec. 509. The conferees agree to a provision proposed by the House which prohibits funds to pay for an abortion or any administrative expenses for FEHBP plans that provide benefits or coverage for abortions.

Sec. 510. The conferees agree to a provision proposed by the Senate in Title VI of this bill providing that Sec. 509 shall not apply if the life of the mother is in danger or the pregnancy is the result of an act of rape or incest.

Sec. 511. The conferees agree to a provision proposed by the Senate which authorizes the use of unobligated balances for certain purposes, providing that such requests be made in compliance with reprogramming guidelines.

Sec. 512. The conferees agree to include a provision as proposed by both the House and Senate which prohibits the use of funds for the White House to request official background reports without the written consent of the individual who is the subject of the report.

Sec. 513. The conferees have included language which provides that funds provided in this Act may be used to initiate or continue projects or activities, to the extent necessary, consistent with existing agency plans, to achieve Year 2000 (Y2K) conversion to ensure adequate funding until such time as supplemental appropriations are made available for that purpose. The language also includes a provision which requires agencies that use funds appropriated in this Act for Y2K conversion activities to restore funds to the program, project, or activity from which the funds were obligated when supplemental appropriations for Y2K conversion activities are made available.

Sec. 514. The conferees agree to include a provision which provides for the appointment and reappointment of Staff Director and General Counsel of the Federal Election Commission as proposed by the House in the House-reported bill, instead of language proposed by the Senate.

Sec. 515. The conferees agree to include a provision authorizing the payment of attorneys' fees, costs and sanctions by the Federal government in the case *Association of American Physicians and Surgeons, Inc.* v.

Clinton from the White House Office Salaries and Expenses account, as proposed by the House in the House-reported bill.

Sec. 516. The conferees agree to include a new provision authorizing the use of fifty percent of the fiscal year 1997 unobligated balances available to the White House Salaries and Expenses account for the purposes of partially satisfying the conditions of Section 515.

Sec. 517. The conferees have agreed to include language which makes technical corrections to the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992.

Sec. 518. The conferees have agreed to include a new provision regarding cost accounting standards to contracts under the FEHBP.

TITLE VI—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 601. The conferees agree to continue a provision authorizing agencies to pay costs of travel to the United States for the immediate families of Federal employees assigned to foreign duty in the event of a death or a life threatening illness of the employee.

Section 602. The conferees agree to continue a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from the illegal use of controlled substances.

Section 603. The conferees agree to continue a provision authorizing reimbursement for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with the provision of child care services to Federal employees.

Section 604. The conferees agree to continue a provision regarding price limitations on vehicles to be purchased by the Federal government.

Section 605. The conferees agree to continue a provision allowing funds made available to agencies for travel to also be used for quarters allowances and cost-of-living allowances.

Section 606. The conferees agree to continue a provision prohibiting the Government, with certain specified exceptions, from employing non-U.S. citizens whose posts of duty would be in the continental U.S.

Section 607. The conferees agree to continue a provision authorizing agencies to use funds to pay GSA bills for renovations and other services.

Section 608. The conferees agree to continue a provision allowing agencies to finance the costs of recycling and waste prevention programs with proceeds from the sale of materials recovered through such programs.

Section 609. The conferees agree to continue a provision providing that funds may be used to pay rent and other service costs in the District of Columbia.

Section 610. The conferees agree to continue a provision prohibiting the use of appropriated funds to pay the salary of any nominee after the Senate voted not to approve the nomination.

Section 611. The conferees agree to continue a provision precluding the financing of groups by more than one Federal agency absent prior and specific statutory approval.

Section 612. The conferees agree to continue a provision authorizing the Postal Service to employ guards and give them the same special police powers as GSA guards.

Section 613. The conferees agree to continue a provision prohibiting the use of funds for enforcing regulations disapproved in accordance with the applicable law of the U.S.

Section 614. The conferees agree to continue a provision limiting the pay increases of certain prevailing rate employees.

Section 615. The conferees agree to continue a provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances.

Section 616. The conferees agree to modify a provision prohibiting the expenditure of funds for the acquisition of additional law enforcement training facilities.

Section 617. The conferees agree to continue a provision to allow for interagency funding of national security and emergency telecommunications initiatives.

Section 618. The conferees agree to continue a provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House.

Section 619. The conferees agree to continue a provision requiring agencies to administer a policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment.

Section 620. The conferees agree to continue a provision prohibiting the use of funds for travel expenses not directly related to official governmental duties.

Section 621. The conferees agree to a new provision providing that no adjustment shall take effect in fiscal year 1999 in the rates of basic pay for the statutory pay systems under section 5303 of title 5, United States Code.

Section 622. The conferees agree to continue a provision which prohibits the use of appropriated funds in this or any other Act to acquire information technology which does not comply with part 39.106 (Year 2000 compliance) of the Federal acquisition regulations.

Section 623. The conferees agree to continue the provision prohibiting the importation of any goods manufactured by forced or indentured child labor.

Section 624. The conferees agree to modify a provision which prohibits the use of funds for Sunday premium pay to an employee unless the work was actually performed.

Section 625. The conferees agree to continue a provision which prohibits the use of funds to prevent Federal employees from communicating with Congress or to take disciplinary or personnel actions against employees for such communication.

Section 626. The conferees agree to a new provision that provides additional flexibility relating to the FTS 2000 contract.

Section 627. The conferees agree to a new provision to protect Federal law enforcement officers who intervene in certain situations.

Section 628. The conferees agree to a new provision reforming Federal firefighters overtime pay.

Section 629. The conferees agree to a new provision requiring a joint review by the Department of the Treasury, the Department of Justice, and the Office of National Drug Control Policy on the coordination of Southwest border counter drug activities.

Section 630. The conferees agree to a new provision that provides that for fiscal year 1999 and each fiscal year thereafter, each executive agency of the Federal government shall make available at a minimum $50,000 for expenses necessary to carry out a flexiplace work telecommuting program.

Section 631. The conferees agree to a new provision to amend permanent law to make Senior Executive Service Presidential Awards based upon base salary percentages of 20 percent (for "Meritorious Awards") and 35 percent (for "Distinguished Awards") rather than the current dollar amounts.

Section 632. The conferees agree to a new provision to increase the formula used to calculate the aggregate amount available for performance awards to 10 percent of the Senior Executive Service pool or 20 percent of the average of annual rates of basic pay.

Section 633. The conferees agree to a new provision regarding U.S. Government participation in the Universal Postal Union.

Section 634. The conferees agree to continue a provision requiring the President to certify that no persons responsible for administering the Drug Free Workplace Program are themselves the subject of random drug testing.

Section 635. The conferees agree to modify a provision prohibiting Federal training not directly related to the performance of official duties.

Section 636. The conferees agree to continue a provision prohibiting expenditure of funds for implementation of agreements in nondisclosure policies, without "Whistleblower" protection clauses.

Section 637. The conferees agree to continue a provision which prohibits executive branch agencies from the use of appropriated funds for publicity or propaganda purposes to support or defeat legislation pending before Congress.

Section 638. The conferees agree to a new provision requiring the OMB to do an accounting statement and associated report on the cumulative costs and benefits of Federal regulatory programs, as proposed by the Senate and make this provision applicable for one year only.

Section 639. The conferees agree to continue a provision providing that no funds may be expended to provide an employee's home address to a labor organization except when the employee has authorized such a disclosure or such disclosure has been ordered by a court of competent jurisdiction.

Section 640. The conferees agree to continue a provision authorizing the Secretary of the Treasury to establish scientific certification standards for explosives detection canines.

Section 641. The conferees agree to continue a provision prohibiting the use of appropriated funds to provide nonpublic information such as mailing or telephone lists to any person or organization outside of the Government.

Section 642. The conferees agree to continue a provision prohibiting funding for publicity or propaganda purposes not authorized by Congress.

Section 643. The conferees agree to a new provision that directs the U.S. Marshals Service to conduct a quarterly threat assessment on the Director of the Office of National Drug Control Policy upon which the Director's security needs will be based.

Section 644. The conferees agree to a new provision to expand section 636 of the Treasury, Postal Service and General Government Appropriations Act, 1997 (Public Law 104–208) to include the judicial branch.

Section 645. The conferees agree to a new provision directing employees to use "official time" in an honest effort to perform official duties. The conferees agree that this section does not affect the rights and responsibilities under Chapter 71 of title 5, United States Code.

Section 646. The conferees agree to a new provision providing monetary relief to importers whose legally purchased goods were denied entry upon arrival because of changes in official policy.

Section 647. The conferees agree to a new provision regarding pay for Federal employees. The conferees anticipate that the President will issue an Executive Order allocating the 3.6 percent pay increase between an increase in rates of basic pay for the statutory pay systems under section 5303 of title 5, United States Code, and increases in comparability-based locality payments for General Schedule employees under section 5304. The conferees have not made the language more specific so that the President may exercise his discretion to distribute any amount allocated for comparability-based locality payments in the most appropriate fashion among the pay localities established by the President's Pay Agent.

Section 648. The conferees agree to a new provision requiring the Postal Rate Commission to submit an annual report to Congress regarding international mail rates.

Section 649. The conferees agree to a new provision to extend the sunset date for Section 2(f)(2) of the Undetectable Firearms Act of 1988 (18 U.S.C. 922 note) from 10 to 15 years.

Section 650. The conferees agree to a new provision to direct the Customs Service, in consultation with the U.S. Trade Representative and the Department of Commerce, to report on the importation of certain grains.

Section 651. The conferees agree to a new provision to designate the Eugene J. McCarthy Post Office Building.

Section 652. The conferees agree to a new provision authorizing the use of credit card rebates to support the Joint Financial Management Improvement Program.

Section 653. The conferees agree to a new provision addressing use of accrued leave as it applies to Senior Executive Service reduction in force actions.

Section 654. The conferees agree to a new provision directing agencies to assess the impact of Federal regulations and policies on families.

Section 655. The conferees include a new provision relating to the application of 18 U.S.C., Section 922(t).

Section 656. The conferees agree to a new provision addressing contraceptive coverage in health plans participating in the FEHB program.

The conferees delete a provision included by the House prohibiting the use of appropriated funds for new nonpostal commercial activities or pack and send services.

The conferees delete a provision included by the Senate prohibiting the acquisition of products produced by forced or indentured child labor.

The conferees delete a provision included by the Senate authorizing agencies to provide child care in federal or leased facilities. This issue is addressed in Title VII of this Act.

The conferees delete a provision included by the Senate expressing a sense of Congress that a postal stamp be created to commemorate Oskar Schindler.

The conferees delete a provision included by the Senate prohibiting the use of any funds in this Act to pay for abortions or administrative expenses of any FEHBP plans which provide abortion benefits. This provision is addressed in Section 509.

The conferees delete a provision included by the Senate authorizing the expenditure of funds for abortions under the FEHBP if the life of the mother is in danger or the pregnancy is the result of an act of rape or incest. This provision is addressed in Section 510.

The conferees delete a provision included by the Senate requiring any Senate or House bill or joint resolution of a public character to include a detailed analysis of the potential impact of such legislation on family well-being and on children.

The conferees delete a provision included by the Senate authorizing $420,000,000 in emergency funding for the Strategic Petroleum Reserve.

The conferees delete a provision included by the Senate expressing the sense of Congress that a postal stamp be created to honor the 150th Anniversary of Irish immigrants to the United States.

The conferees delete a provision included by the Senate authorizing the Community and Postal Participation Act of 1998.

The conferees delete a provision included by the Senate waiving Section 611 of this title to permit interagency funding of the National Bioethics Advisory Commission.

The conferees delete a provision included by the Senate to permit the interagency funding of the National Science and Technology Council.

The conferees delete a provision included by the Senate allowing amounts appropriated in this Act to be transferred to the FLETC ACIRE account. The conferees address this appropriation in Title I of this Act.

TITLE VII—CHILD CARE IN FEDERAL FACILITIES

The conferees agree to include and modify a new title dealing with child care in Federal facilities, as proposed by the Senate.

TITLE VIII—TECHNICAL AND CLARIFYING AMENDMENTS

The conferees agree to delete a new title authorizing the Office of National Drug Control Policy proposed by the Senate and instead insert a new title regarding administration of the DC Retirement Trust Fund.

TITLE IX—HAITIAN REFUGEE IMMIGRATION FAIRNESS ACT OF 1998

The conferees agree to language addressing the immigration status of Haitians previously paroled into the United States, as proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$25,325,767,500
Budget estimates of new (obligational) authority, fiscal year 1999	26,839,489,000
House bill, fiscal year 1999	26,614,669,000
Senate bill, fiscal year 1999	29,923,612,000
Conference agreement, fiscal year 1999	26,772,527,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+1,446,759,500
Budget estimates of new (obligational) authority, fiscal year 1999	−66,962,000
House bill, fiscal year 1999	+157,858,000
Senate bill, fiscal year 1999	−3,151,085,000

JIM KOLBE,
ERNEST ISTOOK,
ANNE M. NORTHUP,
BOB LIVINGSTON,
JOSEPH MCDADE
(except for section 656),
STENY H. HOYER,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVID R. OBEY
(except for section 514 on FEC),
Managers on the Part of the House.

BEN NIGHTHORSE CAMPBELL,
RICHARD SHELBY,
LAUCH FAIRCLOTH,
TED STEVENS,
HERB KOHL
(with exception to section 514),
BARBARA A. MIKULSKI
(with exception to section 514),
ROBERT C. BYRD
(with exception to section 514),
Managers on the Part of the Senate.

TRIBUTE TO THE HONORABLE JOSEPH M. McDADE, MEMBER OF CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania (Mr. SHUSTER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. SHUSTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the special order to follow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SHUSTER. Mr. Speaker, I rise today to honor JOE MCDADE, one of our colleagues, indeed, one of the most illustrious colleagues many of us have had the privilege to serve with in this Congress.

As we know, JOE is retiring after 18 terms in the Congress, 36 years of service to our country. Indeed, JOE MCDADE is an extraordinary person, an extraordinary Pennsylvanian, an extraordinary American. He is one of the most highly respected Members of this Congress, and for good reason. JOE MCDADE, if he has been anything here, he has been a builder. He has been a positive force, not only for his district and for the Commonwealth of Pennsylvania, but for the United States of America.

JOE MCDADE has made an imprint which will last for generations. Indeed, as a senior member of the Committee on Appropriations, JOE MCDADE was deeply involved in providing for the strong national defense which was so crucial in leading to our winning the Cold War. As a member of that Committee on Appropriations, as well as his service on other committees, JOE MCDADE was deeply involved in the economic development, not only of his district, but of Pennsylvania and the Nation.

Mr. Speaker, we honor JOE McDADE here today because he is so deserving of the honor, and, not only the honor, but the respect and the gratitude of not only the Members of this body, but of the entire country, and certainly of Pennsylvania and his beloved Congressional District.

JOE McDADE has been through some grossly unfair times, but he has emerged unscathed; not only unscathed, he has not only survived, he has prevailed, and he has prevailed with the blessing and the respect and the support of everyone who knows him. His honor, his integrity, his character shines as an example to all of us.

So we salute this giant, and we salute his wife, Sarah, and his family, and we say Godspeed, because we know JOE will have many, many months and years of opportunity to continue not only enjoying the fruits of his labor, but of continuing to make a contribution to his state and to the country.

So I would conclude by saying to our colleague, JOE McDADE, that as long as our Pennsylvania mountains turn green in the springtime and as long as our rivers run down to the ocean, your impact will be felt by future generations of Pennsylvanians and of Americans, because you, JOE McDADE, have made a positive impact for the future of our country.

I am pleased to yield to the distinguished senior Democrat of our Pennsylvania delegation (Mr. MURTHA).

Mr. MURTHA. Mr. Speaker, BUD SHUSTER and I came to Congress about the same time, and JOE McDADE at that time was a legend. He came 10 years before we came to Congress, and he has dedicated himself not only to the people of Pennsylvania, but to the people of this Nation.

JOE and I feel that our finest hour since we have been in Congress was when we were the chairman and ranking member of the appropriations subcommittee on defense during the war. Everything that happened during the war, we worked on, we had something to do with it. Before that, we made sure the appropriations were available to have the readiness that was necessary for that war to be carried out to the tremendous conclusion it was carried out to. Both of us supported George Bush, President Bush, in everything that he did, and I think we played a major role in getting the authorization to go to war and the appropriations necessary for that to be carried out adequately.

But, just as important as that is the impact JOE McDADE has had in this Congress with withstanding the prosecution by the Justice Department, the unfair prosecution.

They came to his home and for six years they harassed him. They tried to get him to give in.

They had a frivolous case. They leaked information. I sat beside JOE McDADE, as the rest of us did in Pennsylvania. We knew that any charges they brought against him would be frivolous and that it would be inadequate, and we knew JOE, how honest he was. In all the years that he served on the defense subcommittee, which had as much as $300 billion in it, never once did he try to get something done for financial reasons. Everything he did was what was good for the country.

So when they finally indicted him, the charges absolutely would have been devastating to the House of Representatives. If he had been convicted, it would have meant that every campaign contribution was considered a bribe. If he had been convicted, it meant that every honorarium would have been considered an illegal gratuity. The impact it would have had on the Congress would have been chilling.

The Justice Department was trying to intimidate the House of Representatives, and JOE McDADE withstood this tremendous pressure. It affected his health, it affected him emotionally, and it affected him physically. I watched him endure this. He and Sarah put up with this tremendous challenge, and they overcame it.

When it went to the jury, the jury decided in a couple of hours that the whole case was frivolous, that what they were doing was outrageous, and the procedures were outrageous. I am proud to say that the House of Representatives passed overwhelmingly a bill to force the Justice Department to follow the ethics of the states that they are practicing in, and certainly that is not too much to ask.

But think what he has done in protecting the House of Representatives. The ordinary citizen cannot raise $1 million to protect themselves. The ordinary citizen has to give in. Why in some cases does the Justice Department brag about a 98 percent conviction rate? Because people have to give in. They have to compromise. They go after the sons or daughters of the families with unjust situations.

JOE McDADE is one of the finest people to ever have served in this great institution. We are at the pinnacle of power. This country right now is the most influential it has ever been, economically and militarily, and we can be proud to say, myself and those who have served with JOE McDADE, what an outstanding American he is and what a tremendous service he has done to this country and to this great House of Representatives.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. I thank the gentleman for yielding.

Mr. Speaker, I rise also to pay tribute to our friend, a true patriot, a true statesman, a man we are all proud to call our friend, the gentleman from Pennsylvania, Mr. JOE McDADE. In his service for his district for 18 terms, a remarkable span of over 35 years, he has provided a source of inspiration for many of us, including this Member, in the initiatives and policies he has pursued and the way in which he has done so. Whether it was his focus to create new and better opportunities to the small businesses in his area, or his efforts to protect and restore the environment, or his pursuit to secure funds for hospitals, highways and schools, JOE McDADE has led by example.

Of particular interest to this member and the constituents I represent has been JOE's dogged determination to fund environmental infrastructure, providing millions of dollars for water and sewer improvements, flood control, abandoned mine stabilization and the like. Many of us take for granted these commonalities of clean water and modern wastewater treatment facilities, but I can tell you firsthand what a difference these initiatives make in people's lives. An effort such as these can literally turn the tide against unemployment, with good paying jobs, local citizens working better, and creating the environment that people are proud to call home.

We could go on and on about JOE's accomplishments, but I believe his record speaks for itself. For me it has been within the inner workings of the Committee on Appropriations where JOE has served since 1965 that we have come to know him best. But whatever his subcommittee assignment, JOE provided leadership when we needed it in a bipartisan fashion. When compromise was needed, JOE was there to broker the deal. Likewise, when a firm hand was needed, JOE was there to throw down the gauntlet. Needless to say, JOE got things done.

His latest accomplishment and example of his natural leadership came in the fiscal year 1999 Energy and Water Development Appropriations bill, just finished, where he serves as the Subcommittee Chairman. I can say that given the circumstances he had to endure this year, the 1999 bill was the finest we have seen brought to the floor. He certainly saved his best for last.

In closing, I will simply say it has been an honor, a pleasure, to serve with the gentleman from Pennsylvania. He has given us leadership, he has given us courage, and an overwhelming devotion to the American people for nearly four decades, and this institution will not be the same without JOE McDADE.

Whatever his endeavors in the future, we know that it will always display the same compassion, understanding and devotion, as he always has here in this body.

We wish JOE McDADE and his family all the best, and we will truly miss him here.

Mr. SHUSTER. Mr. Speaker, I yield to the distinguished Congressman from Pennsylvania, Mr. KANJORSKI.

Mr. KANJORSKI. Mr. Speaker, I rise today as a Member of Congress that shares a common border with the 10th district in northeastern Pennsylvania. The name "JOE MCDADE" is famous. As a matter of fact, he came to this Congress as the immediate successor to the Honorable William Scranton, who later went on to become an outstanding Governor of Pennsylvania and the United States representative to the United Nations. JOE MCDADE followed in his tradition, and for 36 years has been as an individual more responsible for the economic recovery of his district and northeastern Pennsylvania than any other Member.

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He also, in the course of his service to his constituents, raised bipartisanship to a new level. An immediate predecessor of mine was the honorable Daniel Flood, and JOE came as a junior member to Congressman Flood, but together worked for the benefits of northeastern Pennsylvania, to such an extent that in 1972 when Flood Agnes struck northeastern Pennsylvania's Wyoming Valley, it was not one Congressman that represented the 11th district, Dan Flood, that worked alone; it was two Congressmen. The people of my district will always be in debt to the honorable JOE MCDADE.

Mr. Speaker, I may say for my colleagues, those of them who have not had the honor and privilege of visiting JOE's district of northeastern Pennsylvania, take an opportunity and also take a lesson. Anywhere you travel in the 10th congressional district of Pennsylvania and you mention the name JOE MCDADE, whether it be Republican, Democrat or Independent, there is only high respect to the individual as a person and for his public service. They have memorialized that throughout that district with McDade Park, the McDade Highway, and on and on. Mr. Speaker, he will live for centuries to come because of his good efforts.

Mr. Speaker, we are working together, I hope, to see that a further tribute be paid to our great friend and our great Congressman and an outstanding Member of this House, and my good friend, JOE MCDADE.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman. As he well knows, we are indeed working on a further tribute for the distinguished gentleman from Pennsylvania (Mr. MCDADE).

I am pleased to yield to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I very much appreciate my colleague yielding and taking a moment to speak about our dear friend, JOE MCDADE. I would like to mention 3 elements of my own relationship. I would like to mention a bit about JOE MCDADE as a leader, a bit about him as a professional, and a bit about him as a friend.

Mr. Speaker, I must say that there are many in Washington over the years who inspire. Few in my lifetime in public affairs have been more inspiring than JOE MCDADE. He is a leader's leader.

In California in one of our great buildings there is inscribed, "Bring me men to match my mountains," and if there is a man who matches anybody's mountain, it is Congressman JOE MCDADE. For all of these years, holding nearest to his heart the importance of this institution and making certain that the institution remained as strong or much stronger than before he dreamt of coming to the Congress himself.

As a professional, he has been an inspiration for me in my committee work over the years. I will never forget the Joint Chiefs of Staff when JOE took them on a tour of the world regarding personnel, and he knew more about that subject than anybody in the room. He was an inspiration to those who would but learn by listening to him as a leader.

As I friend, I cannot match JOE as a friend anywhere, one of the great men of the Congress who I am proud to say is my very dear friend.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman.

I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. HOLDEN).

Mr. HOLDEN. Mr. Speaker, I am pleased to join with my colleagues tonight to pay tribute to our good friend, JOE MCDADE. It has been said, and we all know what honor and distinction JOE MCDADE has served with for 36 years, and what he has done for this country and for Pennsylvania and for his district. But what I will always remember is how JOE MCDADE helps all of us help our constituents.

I will just give my colleagues two examples. JOE MCDADE and PAUL KANJORSKI and myself have the great honor of representing the anthracite coal fields of northeastern Pennsylvania. There was a time when coal was king. That is no longer true, but we have a lot of hard working miners in our 3 districts, primarily mine and PAUL's, not so much JOE's anymore. JOE realized that this was a clean-burning fuel, and it was something that we needed to help maintain and sustain and create jobs and through his efforts on the Subcommittee on Defense Appropriations, we were able to find alternative markets that helped the miners of Schuylkill and Northumberland and Lackawanna Counties. And my constituents in Northumberland County on the Susquehanna River who are constantly in peril of flooding, and in the winter of 1996 found themselves facing difficult situations and a serious flood situation. Through the help of our good friend, my good friend, JOE MCDADE, we were able to secure funds for flood control that helped the City of Sunbury and the Borough of Northumberland, as well as the Borough of Milton.

So JOE, on behalf of the constituents of the 6th congressional district, thanks for all you do for all of us.

Mr. SHUSTER. Mr. Speaker, I yield to the distinguished gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding. It is true in the early 1960s, a handsome guy from Scranton was elected to the House of Representatives. He came from a great family, a great background, beloved of the area and the community, well-known in all of Pennsylvania. Of course I am speaking of Bill Scranton. And then, when Bill finished his distinguished service here in the House of Representatives, we drafted him to become governor of Pennsylvania. Lo and behold, the mold that he had set, Bill Scranton had, was filled immediately by JOE MCDADE who, with his gentleness, his ability to work with people, has accomplished all of the matters to which reference has been made here this evening with which I concur.

But I think the real sign of the JOE MCDADE that we all know and respect came one day when, as I learned later, in a golf tournament involving Members of the House, the contest for longest ball was in progress, and at the end of the day it was announced that JOE MCDADE, little JOE MCDADE had the longest drive, some 325 yards. This went unheralded, because JOE MCDADE never bragged about his feats on the golf course. He was always quiet and worked with people and never bragged about anything.

Well, that, to me, is how he operated in the Congress of the United States. He always hit the long ball, but always with dignity, always with respect for the other, always without heralding his efforts, always without seeking to take credit for it.

But here tonight, as we bestow our tribute to him, as did the golfers on that day when they acknowledged that he was the long ball hitter, we here tonight say, he hit the long ball for Pennsylvania throughout all of his tenure in the House of Representatives.

Mr. SHUSTER. I thank the gentleman. I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. MASCARA).

Mr. MASCARA. Mr. Speaker, I thank the chairman for yielding and allowing me to honor Congressman MCDADE.

Mr. Speaker, as this Congress comes to a close, we will be saying our fond farewells to one of this institution's finest legislators, JOSEPH MCDADE. As the longest serving Member of his party and the most senior Member of the Pennsylvania delegation, JOE McDADE has made a lasting contribution to this institution.

From his ranking position as vice chairman of the Appropriations Subcommittee on Defense, JOE McDADE pressed for a stronger defense to match the Soviet military buildup of the 1980s. He has also worked hard helping constituents devastated by the closing of coal mine operations to find new careers through job training and increased local investment. The University of Scranton, in his hometown, has honored his commitment to the community by dedicating the Joseph M. McDade Center of Technology after its proud son.

JOE McDADE has always devoted much of his time to the Washington D.C. community, serving as a trustee of the Kennedy Center, the National Cultural Center, and also as a member of the board of trustees of the Ford's Theatre. The Pennsylvania delegation will greatly miss the friendship and leadership that JOSEPH McDADE provided throughout his lifetime of service in the House of Representatives.

Mr. Speaker, I can say as a Member of the 104th Congress, one of 13, JOE, you have made me feel welcome, and when I had a project that needed some help, you did not care whether I was a Democrat or not, and I will never forget that. JOE, I wish you Godspeed, and God bless you.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished Chairman of the Committee on Rules (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, I thank the Chairman, the distinguished gentleman from Pennsylvania, because I would like to take a few minutes. I do not have any prepared remarks either, but when I came here 20 years ago, looking around this Chamber and wondering who you can trust, who you can take their word for, and when I looked at JOE McDADE and talked to you and others, because I served on your committee when I first came here 20 years ago, and you said JOE McDADE is a man of integrity, he is a man you can trust, he is a man that will always tell it like it is. It did not take long for that to prove true, because in all of the years that I have had the privilege of working with that gentleman over there, he is one of the most respected Members of this body, and I greatly admire and respect him. I know every other man does too, and woman, of this body.

JOE, we just wish you Godspeed. I think that you are not the type of person that just goes and retires in a rocking chair. You will seek a new career and you will be a great success, because you are a great man and a great American, and we salute you, sir.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentleman from Pennsylvania (Mr. DOYLE).

Mr. DOYLE. Mr. Speaker, I rise today to express my sincere admiration and great fondness for Representative JOE McDADE. It is clear from the number of Members who have gathered here this evening to pay tribute to JOE that he will not just be missed by one party or the delegation of one State, but by a vast and diverse group of people.

As a Member who personally strives to put progress above partisanship, I consider myself extremely fortunate to have had the opportunity to work with and, more importantly, to learn from, JOE McDADE as well as JACK MURTHA, both of whom have an outstanding reputation in this regard.

The list of accomplishments that have been amassed since JOE was elected to the U.S. House of Representatives in 1962 is both long and impressive. Equally impressive is the list of accomplishments that JOE has helped other Members to achieve. JOE, I cannot thank you enough for the concern that you have shown for the interests of the 18th congressional district. Locks and dams 2, 3 and 4 on the Monongahela River, DOE initiatives and the Pittsburgh supercomputer, just to name a few.

Without question, JOE, your presence will not be easily replaced. I will miss you both personally and professionally, and I wish you and your family, your wife, Sara and your children, Joseph, Aileen, Deborah, Mark and Jared, all the best. JOE, take care and God bless.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished leader from Pennsylvania for yielding, and I rise to pay my personal respects to my leader and my mentor for the past 14 years. I say 14 years, even though I am only in my 6th term, because if it were not for the gentleman that we are honoring tonight, I probably would not be here.

Back in the mid 1980s when my colleagues in Delaware County suggested I consider running for Congress, I said, what does this entail? They said, we want you to go down to Washington and meet with this fellow named JOE McDADE. Now, I had heard of JOE's name and his reputation, but I had not had the honor to meet him.

I came to Washington and met with him. He gave me some very wise advice about campaigning and what it would take to win the seat, and while I did not win the seat that year I lost by 400 votes out of 249,000, I did come back the following year and, winning by 60,000, JOE took me under his wings.

It was JOE McDADE who got me a seat on the Committee on National Security because JOE was our point person on the committee on committees. And it was over the first few years in that committee that I saw JOE McDADE as a leader, not just on behalf of Pennsylvania, and not just on behalf of national security, but a leader on behalf of this country.

Without a doubt, Joe McDade has had on the Republican side as much impact on the security of our Nation and the ability of our troops to respond around the world as any other single Member, certainly in my lifetime. That reputation continues today, and it will be very difficult for anyone in the Republican Party to top. Working together with our colleague, the gentleman from Pennsylvania (Mr. MURTHA), JOE McDADE and JACK MURTHA formed a team that has been unbeatable in this institution.

But, Mr. Speaker, as one looks to a person like JOE McDADE, who not only was the key leader for our commonwealth in so many different areas, and not just his role on the Committee on National Security where he was a key leader for Members on both sides of the aisle, but as the gentleman from Pennsylvania (Mr. MURTHA) said earlier, a leader for us in the Congress to make sure the integrity of this institution would be forever retained.

I think the greatest legacy of JOE McDADE is something we all strive for when we come here, and that is when we leave, what will people say about us? Now, we are all considered politicians, because that is our business. But I think we all seek to attain the moniker of statesman, and JOE, without a doubt, has achieved that title.

He is truly a statesman, because in the 12 years I have been in Congress I have never heard JOE McDADE utter one bad word about any other Member of this Congress, Republican or Democrat, irregardless of what that Member might have done.

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But likewise, in my 12 years in Congress, I have never heard any Member of this institution, in either party, utter any disparaging comments about the gentleman from Pennsylvania (Mr. JOE McDADE). In fact, every time JOE McDADE's name is discussed, it is always in the context of a gentleman, a leader, a friend, a true statesman; someone who has set the tone, and a role model for every future official who will serve in this great institution.

I thank my good friend and colleague, the gentleman from Pennsylvania (Mr. JOE McDADE), for being such a friend and role model for all of us.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from West Virginia (Mr. MOLLOHAN).

Mr. MOLLOHAN. Mr. Speaker, I am pleased to join my colleagues today in tribute to a great legislator and friend, the gentleman from Pennsylvania (Mr. JOE McDADE), of Pennsylvania's 10th District.

As other speakers have noted, the service of the gentleman from Pennsylvania (Mr. JOE McDADE) has impacted his country and his district in a very powerful way. His is a distinguished career, and it has earned the admiration of Members on both sides of the aisle.

It is difficult in a few moments to give due credit to a Member's service in this House, and it becomes particularly impossible when that service spans almost four decades, and is so full of accomplishments.

But I would like to note in particular our appreciation for the gentleman from Pennsylvania (Mr. McDADE's) work on critical defense issues, for his leadership in addressing national energy problems, for his stewardship of historical, cultural, and environmental resources, for his success in stimulating small business development, for his efforts to improve housing in rural areas, emphasizing the needs of the elderly, the handicapped, and low-income families, and for his focus on parks and recreation.

The record of the gentleman from Pennsylvania (Mr. McDADE) is one of solid achievement, and it is a compliment to his constituents that they have faithfully recognized the value of his service.

For those of us who had the pleasure of working with him, it is no mystery why he is so effective. It is because of his strong work ethic, his sharp intellect, and his gentlemanly manner. That last trait is what I will remember most about serving with the gentleman from Pennsylvania (Mr. JOE McDADE). I will always admire how he shows kindness, without fail, to everyone around him. He is a model of congressional courtesy, and it is a joy to work with someone who is so good-natured, so polite, so decent in every situation.

The gentleman from Pennsylvania (Mr. JOE McDADE) is, in every respect, the gentleman from Pennsylvania, and will be greatly missed by us all. As we salute his service, we offer our warm wishes to him and his family, his lovely wife Sarah and their five children. We thank the gentleman from Pennsylvania (Mr. McDADE), and wish him our best always.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, when I came to the Congress of the United States, the gentleman from Pennsylvania (Mr. JOE McDADE) was already a king on the Hill. My dad said, you will want to get to know the gentleman from Pennsylvania (Mr. JOE McDADE). He said, you will want to get to know him for two reasons. First of all, he is a wonderful gentleman, but secondly, you are going to need him. It did not take me long to realize that I truly was going to need him.

Scranton, the Scranton area, is going to lose just an outstanding legislator, but even more than that, we in the Pennsylvania delegation are going to lose one wonderful leader. It did not take me long to realize that if my businesses were going to survive, having so many that deal with defense in my area, I had better get to know the gentlemen from Pennsylvania, Mr. JOE McDADE and Mr. JOHN MURTHA, very well. I can go next door and get transportation, but I have to go a little further away in order to get all of that kind of help.

The gentleman from Pennsylvania (Mr. JOE McDADE) became a real mentor of mine. There is one thing, however, that always surprised me about JOE, which is that he speaks two languages. What always confused me is how could he get down there in the well and know which language to use, but he never slipped up. He always used the correct language.

He is just one wonderful gentleman, and we are going to miss him, but more importantly, the residents of the Scranton area truly are losing an outstanding legislator. I wish him the best, and many, many years of happiness. Come back and tell us what we are doing wrong, get us straightened out. We know the gentleman will, in a kind, gentle way. I thank the gentleman from Pennsylvania (Mr. JOE McDADE) for his service to the country.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentleman from Pennsylvania (Mr. McHALE).

Mr. McHALE. Mr. Speaker, when I arrived in the Congress some 6 years ago, the gentleman from Pennsylvania (Mr. JOE McDADE) had already served here for three decades.

The gentleman from Pennsylvania (Mr. JOE McDADE) is present in the Chamber as we speak this evening. I say to the gentleman, I hope he has some sense of not only the respect that we feel toward him, but the deep affection we feel for him.

Many Members of this House over a period of time will, through their own actions, earn respect. We certainly hope that to be the norm. No Member of this House is more beloved than the gentleman is. When I first arrived here, I talked to the gentleman from Pennsylvania (Mr. McDADE) on numerous occasions about the assistance that he and the gentleman from Pennsylvania (Mr. JOHN MURTHA) could give to me and to my district before the Committee on Appropriations. I was a junior member of the other party, and despite that fact, every time I needed help, the gentleman from Pennsylvania (Mr. JOE McDADE) was there.

Mr. Speaker, I can speak in the next few minutes about the tremendous contribution the gentleman from Pennsylvania (Mr. JOE McDADE) has made to the University of Scranton, my father's alma mater. At that school, I say to the gentleman from Pennsylvania, as well as here in the halls of Congress, there is a clear recognition of all that the gentleman has done.

I think back on the definition of courage that was brought forward by Ernest Hemingway, one of our great writers. Mr. Hemingway once said that courage is best defined as grace under pressure. During the 6 years that I have served with the gentleman from Pennsylvania (Mr. JOE McDADE), there have been times when, unjustly, he faced a great deal of pressure. He continued to perform his duties on behalf of the people of the 10th District of Pennsylvania with unfailing consistency and dedication. He has been courageous in the truest sense of that word.

I say to the gentleman from Pennsylvania (Mr. JOE McDADE), we will deeply miss him, not only as colleagues but as friends. We hold for him an unlimited degree of personal affection.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from California (Mr. COX).

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I am so proud to be up here with my colleagues on such a wonderful occasion to pay tribute to the gentleman from Pennsylvania (Mr. JOE McDADE). It has been mentioned that he came here so many years ago during the Kennedy administration. He was a wonderful lawyer in private practice after having graduated from law school at Penn.

He went to the University of Notre Dame, which befits his Irish background. It is hard for me to pay tribute to that part of his background, inasmuch as I am an alum of the University of Southern California, and Notre Dame has, particularly in recent, I should say decades, whupped the Trojans.

What can we say about a man who comes to Congress, serves 10 years as a Republican, and while he is picking up the Republican nomination, wins the Democratic primary as a write-in? What can we say about someone who, at this juncture, still more decades later, can sit here on the floor and listen to Democrats and Republicans come up and praise not only what he has done for all of us, leading by example, being our friend, but what he has done for the country?

One of my colleagues just mentioned that no one in Congress has done more for the national security. For all those years that we had a military buildup, the appropriators, the Committee on Appropriations, was looked to to put money into the Pentagon in order to win the Cold War, but we too little recognize what they have done even more recently.

Since America won the Cold War, due to the determination and leadership of the gentleman from Pennsylvania (Mr. JOE McDADE) and a handful of others like him, we have been able to pare back that spending. Since America won the Cold War, we have saved a cumulative total of $1 trillion on Pentagon spending. We owe that, as well as the victory that preceded the peace dividend, to leaders, chief among whom is the gentleman from Pennsylvania (Mr. JOE MCDADE).

Mr. Speaker, I have had a chance to go out to dinner with JOE and his family, and in particular, his youngest son, who is just a shade older than my oldest. It is a lot of fun to see the family side of the gentleman from Pennsylvania (Mr. JOE MCDADE) and Sarah. I cannot imagine, after having been in politics as long as the gentleman has, that he can be so upbeat and provide so much spirit to the rest of us, having taken the body blows that are often traded in politics, survived them, but excelled, in spite of them, to remain a gentleman, to remain humble, and to always keep his smile. That is the strongest and best example the gentleman can provide to every one of us.

The gentleman has served our country well, he has bettered this institution, he has led by his example, he has left many friends. We love him very much.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from Florida. I was not aware that this was happening this afternoon, and as God would have it, I passed through here after a markup and I saw the gentleman from Pennsylvania (Mr. JOE MCDADE) sitting over in the corner.

I must say, Mr. Chairman, that the gentleman from Pennsylvania (Mr. JOE MCDADE) to me is sort of a renaissance man. He covers all aspects of what we do here in the Congress. He has a very big heart for all people.

I met the gentleman from Pennsylvania (Mr. JOE MCDADE) first when we served on the Subcommittee on Energy and Water. Never have I worked with anyone with such a strong gentleness of purpose. He knew exactly the whole entire field. He did not mind sharing with those of us who knew less. He was fair. He had good judgment. Most of all, Mr. Speaker, the gentleman from Pennsylvania (Mr. JOE MCDADE) is a very intelligent man, able to talk on almost all the subjects and more that we know about.

I love the gentleman from Pennsylvania (Mr. JOE MCDADE). I have seen him go through the ups and downs, and he is a man for all seasons. He can face adversity and still do a job. He can face adversity and still smile and talk and shake hands with his colleagues.

I am very, very sure, Mr. Speaker, that when the history of this Congress is written, the name of the gentleman from Pennsylvania (Mr. MCDADE) will be very high at the top of those who achieve the kind of good will, the kind of working with others, that he has done. He is a credit to this House. He is a credit to the Congress. The people of this country, I am sure, will always worship the gentleman from Pennsylvania (Mr. JOE MCDADE).

I want to say to the gentleman from Pennsylvania (Mr. JOE MCDADE), God bless me for having crossed your path. I thank the gentleman.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Speaker, I wanted to pay tribute to the gentleman from Pennsylvania (Mr. JOE MCDADE). I did not know this was taking place. I happened to look at the television in my office. I just wanted to come over and pay my respects.

I was a staff member for a Republican Member of Congress years ago, Congressman Biester, and I always admired the gentleman from Pennsylvania (Mr. JOE MCDADE) then. Then I got a job as congressional relations assistant to Secretary Rogers C.B. Morton. I remember, my first visit here on the Hill was to pay a courtesy call by the office of the gentleman from Pennsylvania (Mr. MCDADE) for Mr. Morton, who was then Secretary of the Interior.

Mr. Speaker, I have learned a lot from the gentleman from Pennsylvania (Mr. JOE MCDADE), and I have admired him. The gentleman from Pennsylvania (Mr. JOE MCDADE) lived, in some respects, in my congressional district for a long period, in Arlington. Everything the gentlewoman from Florida (Mrs. MEEK) said was exactly true. The gentleman has always had a great disposition, and I just want to second literally everything that has been said, but kind of present my body here as a living testimony of my admiration and respect, and look forward to really a good friendship for many, many years to come. May God bless you, JOE.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentleman from Arizona (Mr. PASTOR).

Mr. PASTOR. Mr. Speaker, I too was walking through the hall and heard the accolades that were given to the gentleman from Pennsylvania (Mr. JOE MCDADE). I have to tell the Members, I have to take at least a minute to let the gentleman from Pennsylvania and the Speaker know that the gentleman from Pennsylvania (Mr. JOE MCDADE) is a great man.

Back in 1991 when I first came to Congress, I did not know too much about Congress, nor did I know too many Members of Congress, except the ones from Arizona. However, there was a gentleman here who shared a story, who shared a smile, and shared some advice.

I got to know the gentleman from Pennsylvania (Mr. JOE MCDADE) a little bit. He went through some very hard times, but I have to tell the Members, he is a man that, under adverse situations, still kept a smile, kept the positive attitude, and was very friendly to everyone in this House.

Mr. Speaker, I had the honor of being under the gentleman's leadership in the Subcommittee on Energy and Water. I have to tell the Members that he was a leader for the entire committee. He treated every Member with respect. He treated every Member in the way that all of us want to be treated.

I never saw him get cross, but I have to tell the Members that there were many department heads from the Department of Energy or Corps of Engineers who would come and testify, and he may not have agreed with them, but he was always, in a very positive manner, letting them know that their policy was not going to work in this Congress.

□ 1900

I have great admiration for JOE MCDADE. I wish him well. He served this House well. Thank you, Mr. Chairman.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from New York (Mr. WALSH).

Mr. WALSH. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. SHUSTER) for organizing this wonderful tribute to our good friend and colleague, the gentleman from Pennsylvania (Mr. MCDADE).

The gentleman from California (Mr. COX) alluded to his Notre Dame background and his Irish heritage. I too am of Irish heritage. This is a little bit like an Irish wake, a lot more subdued than a lot that I have been at. But the good news is that the honoree is quite alive and lively to hear these nice things, and what a treat it is for all of us.

Congressman MCDADE got me started off on the Committee on Appropriations. To this day, he still refers to me as "mayor," having appointed me to the Subcommittee on the District of Columbia of the Committee on Appropriations, and I had no idea what a challenge that would be. But he was always there with advice and counsel along the way, as he has been on so many things.

Congressman MCDADE is a friend, not only of mine, but of my family. My dad, Bill Walsh, who served with JOE back in the 1970s sends his regard and his best wishes. And JOE never hesitates or forgets to ask about dad, and he is doing quite well.

Congressman MCDADE is a man who never forgot where he came from. He has the same positive outlook about life in spite of all of the difficulties that you go through in public life, quick to smile, quick with advice, thoughtful, serving on the Committee on Appropriations and being in conference meetings when things get hectic and tense.

JOE always spoke with authority and with knowledge of the issues. If there is one thing that separates the wheat from the chaff in a legislative endeavor, it is when someone with authority and knowledge speaks. Everyone else stops, and they listen because chances are they are listening to find a way out of the thicket that they are in.

JOE is always there with that thoughtfulness, with that ability to help us to get through to work out the compromise, to make things work. It is that approach to government that has inspired so many of us to try to capture that same view and to continue that fine tradition that he has laid down for all of us.

So, JOE, thank you for everything. Both personally and as a citizen of the United States, we owe you a great deal.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Speaker, I wish there were more discussions like this, people from both sides of the aisle talking about positive things and talking about individuals like Congressman McDADE.

But I want to admonish Congressman McDADE. You do not want to inhale everything that has been said, because so many nice things have been said about you.

I look at Congressman McDADE in a couple of ways. First of all, having been in business so many years, the one thing you want in a director or employee or a stockholder or somebody when times are tough is somebody who is going to be with you. And you do not know what it is. You do not know what you are going to ask of them, but you have a sense in their character that they are going to be there.

I know this personally because of a situation that occurred, not only in Mr. McDADE's State, but in mine in 1972 when we had Hurricane Agnes, and there was terrible flooding. The response from people like Mr. McDADE and his associates was extraordinary. We literally could not have gotten through that if it had not been for the efforts of the people up there who lived and breathed it and understood it and suffered through it.

So I do not think anybody in the area that I represent will ever forget that. It is something to remember. It is something important to all of us.

The other thing is I have always felt that we have a limited period of life, and time is the most precious thing. Many times, it is more important who you do something with than what you do. The fact that we have been able to do something with you, JOE, has made it all worth the ride. I thank you very much for that.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I am deeply grateful for the chance to participate in this tribute. JOE McDADE has been a great friend to all of us. He has been an institution within this institution, and that is for a variety of reasons.

JOE McDADE is a great gentleman, as has been noted here. For that reason, he has, almost unique in this institution, a set of warm relationships that cut across party lines.

He brings to the House an institutional memory that I think we all value. He is a master mechanic of the process. He is also someone who has been willing to lend his wise counsel to junior Members like me.

JOE, I can remember a lot of projects you and I have worked on together where your advice has been critical to my getting it done; first and foremost, my getting on Ways and Means as a freshman. I will always be grateful to you for your essential role in that.

You have been a huge champion of all of Pennsylvania. I will tell you, as long as I am in this body, I will aspire to be like JOE McDADE. We already have, though, one small thing in common, and that is we both had big shoes to fill as freshmen, because we succeeded popular Members who were elected Governor.

There is a gentleman, JOE's predecessor, and who still is his constituent, who sent me a statement that I would like to read because it encapsulates my sentiments about JOE McDADE. He wrote: "JOE McDADE is not only the best Congressman this District has ever had but we think he is the best Congressman any District ever had!"

"He thinks deeply, he works hard and he gets things done in the right way."

Signed Bill Scranton.

I could not have said it any better myself.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I would like to thank the gentleman for yielding to me and to join with many of my colleagues in recognizing Congressman JOE McDADE.

For those of us who were lucky enough a week or so ago to attend JOE's retirement dinner, the film that was shown at that dinner captured you from your earliest days as a child throughout your entire public career. It made many of us new to this institution have a greater appreciation, not only for the institution, but for the major role you played in representing our Nation and most particularly the State of Pennsylvania for so many years.

I wanted to thank JOE McDADE, a wonderful Member of Congress for taking time out as a senior Member of the House to be a friend to a relatively new Member of the House. I would like to thank him for his advice over 4 years as a Member of the House, but also for his advice even before I was sworn in as a Member.

Congressman McDADE served as a Member of the House when my father Peter Frelinghuysen was a Member, and I knew of him, made his acquaintance, and he befriended me and has been a wise advisor and counselor.

I would also like to thank Congressman JOE McDADE for his perspective, unique perspective on the appropriations process and on the committee and for his leadership on that committee, most particularly for his assistance to my State of New Jersey and other States as chairman of the Subcommittee on Energy and Water Development.

I will particularly remember his admonition never to apologize for being parochial, that in fact if one is not parochial on any committee as a Member of Congress, you will soon be replaced by somebody who is parochial.

I would like to thank Joe as well, Congressman JOE McDADE for taking time out of his busy life to visit my district in New Jersey, the 11th Congressional District, most particularly the Picatinny Arsenal. Tobyhanna and Picatinny in some ways are joined at the hip in terms of serving our national defense. But your personal time and visit to the Picatinny Arsenal did a lot to boost the morale of many thousands of men and women who dedicate themselves to the research and development.

Above all, I want to wish JOE and Sarah many happy years ahead and to say what a privilege it has been to serve with you, as my father did for so many years in this body.

Mr. SHUSTER. Mr. Speaker, I am pleased to yield to the distinguished gentleman from Pennsylvania (Mr. PETERSON), the newest Member of our Pennsylvania delegation.

Mr. PETERSON of Pennsylvania. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. SHUSTER) for giving me this opportunity.

Congressman JOE McDADE, we thank you for the service you have given, not only your district of Pennsylvania, but this country. I am going to give a little different perspective.

I have known JOE 14 years. I have known of him a lot longer than that. But 14 years ago, when I was running for the Pennsylvania Senate, we met in Potter County where he was so capably serving that county, and then we have been friends ever since.

But JOE, I, we have heard here tonight the tremendous admiration in this body for you. But I can tell you from God's country, Potter County, where you used to serve them so capably, they respect you. They are thankful of how you served, and they have a deep affection for you.

In Congress, I serve three counties, one he serves a part of, and the other two he used to serve. And I can tell you there from Tioga County and Clinton County, they also have the greatest respect for you, the affection for you, and they miss you.

His record speaks for itself, reelected overwhelmingly 18 times, many times by almost unanimous vote. A potential candidate, I think this says it best, said to me, who really had a shot of being his replacement, he said "How can I compete with this record? How can I compete with the shadow that he has cast with the tremendous affection and respect in that district?" I looked at him, and I said you cannot. I cannot.

He is not the average congressman. He is the exception. He is a gentle giant, and you cannot compete with him. That man did not run. I may have discouraged him, but he could not compete; and he should not run for that reason.

Joe McDade, the Congressman of the 10th District is the exception, not the rule. He has been extremely effective. But on top of that, he has been kind. He has been compassionate. He cares about his district, and he cares about his colleagues. As many have said, he has played a great influence in the defense of this country, one of our most important issues we deal with.

Joe, I only regret that I did not have more time to learn from you as I continue to serve my District. Thank you for being a friend and neighbor.

Mr. DICKS. Mr. Speaker, it is a pleasure for me to join my colleagues here in the House chamber today to honor and pay tribute to our good friend Joe McDade of Pennsylvania. I certainly share many of the sentiments that have been expressed today from the members of the Pennsylvania delegation, noting the enormous contributions Joe has made to the state and to the 10th District. His legacy there will be monumental. But I would also like to remark that his contributions extend far beyond the boundaries of the State of Pennsylvania. I have worked with him on the Appropriations Committee since I entered Congress in 1977, and have come to appreciate his sincere interest in improving the lives of others, preserving our national heritage, and in maintaining a strong national defense. I have served with Joe on the Defense and Interior Appropriations Subcommittees, and I want to express my gratitude for his insight and his counsel in these two areas. Joe has been a forceful advocate for maintaining military readiness and for providing our armed forces with the most modern and most efficient weaponry. He has worked with members on both sides of the aisle in defining our defense priorities and in overseeing the proper expenditure of the nation's defense budget. And on the Interior Subcommittee I have been proud to work with him on a host of public lands issues over the years. In particular, though, I have appreciated his deep concern and support for the National Park Service. He is a member who has taken the time to learn the problems confronting the parks, which have struggled to maintain quality during a time of dramatic increases in visitor attendance. He has become personally invested in helping the Park Service carry on the legacy for future generations, and my constituents who treasure three great National Parks in Washington, are among the millions of our citizens who have benefitted from his work. In this session of Congress, I have appreciated all of his help on the important water and power issues that affect the western states most especially. As chairman of the Energy & Water Development Appropriations Subcommittee he has always been open to our views and sympathetic to our issues. And finally it is important to note as this session of Congress concludes and as Joe McDade completes his 18th term in office, how much he will be missed because of the style and the manner in which he approached his work here in the House. He was always the gentleman, always one who was willing to find a way to work out problems and to get things done in a way that, to some, may seem old fashioned. His friendly approach has been an endearing quality, and I know I can speak for many here in the House today in saying how much we will miss these qualities here in this chamber.

Mr. LAFALCE. Mr. Speaker, it is never easy to say "farewell" to a colleague, particularly to a friend with whom you have shared well over twenty years of service in the House of Representatives.

Congressman Joe McDade's 34 years of service to the people of the 10th District of Pennsylvania is, in itself, testimony to the high esteem in which Joe is held. Having risen to the level of fourth most senior Member in the House, there are few Members in this Chamber who know more about how this institution works and how it has changed over the years.

Despite the differences in our party affiliations, the close relationship I enjoy with Joe became much stronger during the years we served together on the Small Business Committee. The problems and concerns of the small business community in the Pennsylvania heartland are much the same as those in Niagara Falls and the rest of my western New York District. While we might not always vote the same way on most issues, more often than not, our concerns and interests within the Small Business Committee reflected a fundamentally similar perspective and a shared desire to spur small business growth and development.

My relationship with Joe McDade was not just a professional one. On a personal note, some of the best memories I will share with Joe McDade result from the many conversations we would have as we walked together back and forth from the House to our Congressional offices which, for a time, were across the corridor from each other. The American public tends to define Member to Member relationships solely by the sharp debate the television cameras often transmit from the well of the House. They do not see the many moments when Members of both parties talk quietly and with a warm camaraderie as they ride the underground tram or walk across Independence Avenue time after time each legislative day to answer the call of the House for votes.

It was during these quiet conversations that I got to know Joe McDade, not only as the Congressman from Pennsylvania's 10th District, but as a man and a father who worried about his family's well-being. I learned to appreciate Joe as a legislator, genuinely concerned about the problems of our nation, and as a colleague who wanted only the best for the House of Representatives as an institution. I will never forget our conversations for they conveyed the wisdom and institutional memory of a man who loved his job and the people he so well represented in this House.

Let me take this opportunity to formally convey my best wishes for a most happy, healthy, and productive retirement. Joe, you will be missed. Godspeed, my friend.

Mr. CRANE. Mr. Speaker, I am especially pleased to join with my colleagues in honoring our long-time fellow member and comrade-in-arms, Joe McDade.

It was with genuine regret that we heard Joe had decided to call a halt to his long and distinguished career in this legislative body. His leadership in hundreds of floor debates over these thirty-five years has left its mark on a great deal of the legislation that has passed into law. His work in the Appropriations Committee over that time has won him the admiration and gratitude of both Republicans and Democrats, and members on both sides of the aisle have often found themselves indebted to Joe McDade's highly effective legislative skills. A great many of us in this body have found him to be receptive to our needs and hard-working and dedicated in his efforts to see that important bills were successfully legislated.

He has clearly served the constituents of the 10th Congressional District of Pennsylvania with particular distinction, and in their gratitude for his leadership, they have returned him to the House time and again for a truly remarkable three and a half decades.

In all of his dealings with his colleagues, Joe's genial manner and Irish good humor has won him the warm friendship of members in both parties. May he be rewarded in his retirement with further challenging interests, insights and projects. Perhaps we can look forward to his producing a book or two, giving us his perspective on what has really happened on the Hill during this last turbulent one-third of a century, and offering some advice to all of us in our search for better and more effective legislation.

Joe's departure will clearly leave a void in this Congress, and we hope he will make a point of returning to visit the floor on many occasions so that his mere presence will remind us again that collegiality and hard work continue to be all important in this body.

Joe McDade, I rise with your fellow members in saluting you for your thirty-five years of real accomplishment and dedication in the service of your fellow Americans. You will remain an inspiration for those who will follow in your footsteps from the great state of Pennsylvania! We are more than confident you will find many more congenial friendships and rewarding opportunities throughout the coming salad days of your retirement. You will be missed! God bless!

Mr. YOUNG of Florida. Mr. Speaker, I want to commend my colleagues from Pennsylvania, Mr. Shuster and Mr. Murtha, for taking this Special Order tonight to honor one of my dearest friends, Joe McDade.

Joe has left his mark on this House in so many ways. As the Senior Republican in the

House, he is a respected Statesman who is looked up to by so many of our junior members. His wise counsel and advice have helped maintain the decorum and traditions of this great deliberative body.

As the senior Republican on the Appropriations Committee, he has served with great distinction. I can think of no finer tribute to JOE than in this his final year, our nation will enjoy a federal budget surplus for the first time in a generation.

Finally, I want to thank JOE for his selfless service as a member of the Appropriations Subcommittee on National Security to provide for the needs of our men and women in uniform. His leadership and long hours of work have ensured that he will leave this House secure in the knowledge that our troops in the field, at sea, and in the air are the strongest, most prepared fighting force anywhere in the world.

In addition to his work to provide for the defense of our nation, he has also worked hard to defend our nation's great treasures which are our national parks and our environment. As Chairman of the Appropriations Subcommittee on Energy and Water, JOE has reached every corner of our nation to support critical public works needs, and through his long service on the Interior Subcommittee, he has protected our public lands and rebuilt the decaying infrastructure of our National Park Service.

No where is JOE's work more evident then in the many large and small towns of Northeastern Pennsylvania. He has been a diligent public servant for young and old alike. He is revered by the veterans of his community and you cannot go far in the 10th Congressional District without seeing another sign of JOE's handiwork.

Mr. Speaker, JOE MCDADE has given this House and the people of our great nation 36 years of selfless service. JOE has been a revered colleague, and devoted member of the Appropriations Committee, and a warm personal friend. With his retirement, JOE will leave a great void in this House, but he also leaves those who follow him a lasting legacy of how one American can devote himself to service to this body and to our nation. JOE MCDADE has been a great American, a great colleague, and the greatest of friends. He will be missed by us all.

Mr. SHUSTER. Mr. Speaker, I think the outpouring that we have seen here tonight for JOE MCDADE shows how much we respect him, we admire him, and we love him. Godspeed to you, JOE MCDADE and Sarah and your family.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4104, TREASURY, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

Mr. MCINNIS (during special order of the gentleman from Illinois (Mr. LIPINSKI), from the Committee on Rules, submitted a privileged report (Rept. No. 105–761) on the resolution (H. Res. 563) waiving points of order against the conference report to accompany the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

TRIBUTE TO THE HONORABLE SIDNEY R. YATES

The SPEAKER pro tempore (Mr. EVERETT). Under the Speaker's announced policy of January 7, 1997, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 60 minutes.

Mr. LIPINSKI. Mr. Speaker, I am here tonight to pay tribute to one of the most outstanding Members that the United States House of Representatives has ever had; that is SIDNEY R. YATES of the 9th Congressional District in the State of Illinois.

SID YATES is retiring this year after 48 years in the House of Representatives, 24 terms. It would be an even 50 years if he had not been selected by the Democratic Party of Illinois in 1962 to run against the then Republican leader of the United States Senate Everett McKinley Dirksen.

In 1962, he ran against Dirksen in a very spirited hard-fought race, which he unfortunately, from our perspective, lost 53 to 47. For the 2 years he was gone from the House of Representatives, he served as the United States representative to the United Nations. He returned in 1964 to resume his influential position here in Congress.

SID YATES is the product of immigrant parents. His parents were born in Lithuania, and Sid was born here in this country shortly after his parents arrived. He also has 3 brothers that were born here in this country.

SID YATES has served on the Committee on Appropriations just about his entire career here in the House of Representatives. He also served on the Committee on Foreign Operations for many, many years. He has a law degree and a Ph.D. from the University of Chicago.

□ 1915

But besides pursuing those academic credits at the University of Chicago, SID YATES was an outstanding college basketball player. He was placed on the All Big 10 Team in his senior year, 1933, and he also was mentioned as an honorable all American candidate.

He did not shoot jump shots. He did not shoot set shots, but, believe it or not, he played center for the University of Chicago and had an excellent left-handed hook shot and an excellent right-handed hook shot.

SID has been the subcommittee chairman on the Subcommittee on Interior for over 20 years. He is now the ranking member of the Subcommittee on Interior. He is an individual that has fought for the environment his entire career here in the House of Representatives. He is a man who has been the chief supporter of the National Endowment for the Arts and Humanities. He has also been the chief supporter of the National Trust for Historic Preservation.

But he has also been very, very practical. He is a man that has always seen to it that money has come back into the City of Chicago and the State of Illinois for very significant and important projects: The Illinois Deep Tunnel system, Chicago Wilderness Project, the Chicago Green Streets program, the Chicago Shoreline project, the Indiana Dune center, and Navy Pier.

It is only fitting and proper that a few days ago the United States House of Representatives renamed the auditors main building located at 2101 14th Street, S.W. in Washington, DC in honor of SIDNEY R. YATES.

Back in 1944, when Sid was 35 years of age, he joined the United States Navy and served from 1944 to 1946. When he came out of the Navy, he got himself involved in politics and, as I mentioned earlier, he was elected to the House of Representatives in the Harry Truman year of 1948.

Through all those years, SID has had very, very few difficult primary or general elections. But in 1990, he did have what some people thought was going to be a strong challenge. He ran up against a young alderman in the City of Chicago who was independently wealthy, who was extremely well funded. And the newspapers in Chicago and some of the political pundits had great concern that SID YATES, after all these years in Congress, might go out a loser. But to the astonishment of many people who were not really that well informed, SID YATES won that primary with 70 percent of the vote. His opponent received only 27 percent of the vote.

I have a few other things to say here about SID YATES, but there is a gentleman who has now joined me on the floor, a colleague of SID YATES and a colleague of mine, Congressman DANNY DAVIS.

I yield to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman from Illinois (Mr. LIPINSKI), my colleague, for first of all taking out this time to salute and honor a tremendous legislator, a tremendous American, a man whom I am proud to call a colleague, Mr. SIDNEY YATES. I thank the gentleman for yielding me the opportunity.

Mr. YATES has the honor, of course, of representing the 9th congressional district of Illinois and has represented the people of the 9th district since 1953, serving 24 terms in the House. Born the son of Jewish immigrants in 1909, Mr. YATES was born in Chicago, and I am proud to say that he was born in my district, the district that I currently serve. His family lived on Maxwell Street, but later moved to the Lakeview area.

Mr. YATES was educated in the Chicago public schools, attended college at the University of Chicago where he played on the basketball team. I am not sure that he slam dunked that often but occasionally I suspect that he could rise to the heights of the basket. But nevertheless, he received his law degree from the University of Chicago Law School.

During the past 48 years, Mr. YATES can claim a leadership role in many important efforts. Most notably, he has been the staunch backer of the NEA and is often credited for saving this valuable program. Arts funding and environmental protection are perhaps two of his highest priorities.

In addition to this, Mr. YATES has assisted projects such as Navy Pier in Chicago, the U.S. Holocaust Memorial Museum, defunding the School of the Americas, gaining citizenship rights for the Japanese in the United States after World War II, and the Chicago Transit Authority. I can think of no more spirited of an advocate for the people and their civil liberties than my good friend, SID YATES. If he gets behind an issue, he will fight for it until the end.

Mr. YATES has often been deemed by the press a Truman era liberal, an unapologetic liberal and the greatest friend the arts have in America today. In 1973, Congressman Anunzio remarked, For in the Congress, he is the people's advocate, and his contributions have been positive and numerous. He has waged war against the common enemy: hunger, disease and apathy. He has helped relieve human suffering by devoting his energies to equal opportunity for employment, housing and education. He has encouraged the immigrants and the oppressed from other lands to migrate to America, the land of the free. He is a true liberal with his goals and sights high, but with his feet on the ground. He has vision and courage in abundance.

And so as SID YATES takes leave of 48 years of service in the House, I am proud to salute the honorable SIDNEY YATES. His voice is one of principle and honor. His vote has always been one of the people, and all of the people in the 7th congressional district in the State of Illinois commend, congratulate and salute him for his service.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman for those fine words about SID YATES.

I yield to the gentleman from Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the leadership of the gentleman from Illinois (Mr. LIPINSKI) in taking out this time to salute Congressman SID YATES, a pioneer for the people, someone who is a true gentleman and has been an outstanding member. He let his actions speak for his district and for his country, and in every way he has shown what a great Congressman can be, what it means to be selfless, what it means to be a visionary, what it means to make a difference. So while he will be concluding his many terms here in Congress, his legacy will live on in all the people programs that he supported. He is someone who for many of us who are newer Members, he is someone who we have gone to for advice. He is someone who has captured our imagination and our spirit and someone who has set high goals for us to reach, and we hope to continue the fine association with him and wish him the best as he moves forward in his life.

Let me add, if I may, that at the same time we are going to be missing Congressman MCDADE of Pennsylvania, who has been the dean of our delegation and also a fighter for his constituents as subcommittee chair of the Committee on Appropriations, someone who has done great things to stop waste, cut taxes and fight for important programs that he and SID YATES together thought were important to the people. And so two great giants of the House, Congressman SID YATES and Congressman JOE MCDADE are individuals whose accomplishments are legion, Members who have given their whole professional life to this institution.

Because of their outstanding service, their States, Illinois and Pennsylvania, are stronger, and America has a record of accomplishment second to none.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman for those words about Congressman YATES.

I yield to the gentleman from Illinois (Mr. LAHOOD).

Mr. LAHOOD. Mr. Speaker, I thank the gentleman from Illinois (Mr. LIPINSKI) for setting aside this time to pay tribute and honor one of the most distinguished and longest-serving Members of this House of Representatives.

Even though I have only been here for two terms, I remember SID YATES very findly because of the mark that he left on Illinois, because of the mark that he made in Illinois politics. He was in the House and actually ran for the United States Senate against a very distinguished Senator by the name of Senator Everett Dirksen. I think back in the days when SID ran for that position, he actually thought that he could beat Senator Dirksen. But given the kind of record that SID had even back then, he waged a very, very vigorous campaign and represented really, I think, the best of Illinois politics, because I know that he cares very deeply about issues that face Illinois and has been very strong on trying to solve problems on behalf of the State of Illinois.

He represents, I think, one of the prettiest parts of Illinois and one of the prettiest parts of the Chicago land area along the coast of Lake Shore Drive and commonly referred to as part of the Gold Coast of Chicago. I think that for the people that SID has represented, he will be long remembered, probably, as the Congressman for the arts.

Of all of the things that I think SID has accomplished here in the House, I think he will always be remembered for his very, very strong advocacy for the arts, for the humanities, and really trying to promote and encourage people in those areas, whether they be the arts or the humanities. I think in reality that is what his moniker will be.

He also is someone that any Member of our delegation could go to and speak to about any particular project or opportunity for funding for the State of Illinois. Whether it be in Central Illinois, which I represent, or Southern Illinois, it did not make any difference whether the Member was a Republican or a Democrat, SID would listen attentively, would pay attention, and then do his homework and do his work to accomplish whatever the Member needed for their part of the State, because as much as I know he loved his own district, he also loved the State of Illinois and would do anything he could to improve that part of Illinois that the Member had come to him and asked him about.

He will be sorely missed for our State on the Committee on Appropriations. He will be sorely missed by the people who represent the arts and humanities for his advocacy, and he will be missed by all of the House for his intelligence and his ability to really come to the floor and make a case for the important issues of the day or the important issues before the Committee on Appropriations.

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I am sorry SID is not here tonight, but in the remaining days that we have, I know that many of us will have an opportunity to bid him a fond farewell and thank him for the many, many things he has contributed to his own district, one of the most beautiful parts of Chicago, to the beautiful State of Illinois, and to our wonderful country. And on behalf of, I think, those in Illinois that are not represented by SID, in central or southern Illinois, we say, "Thank you for your stewardship and your service."

And I thank the gentleman for setting aside this time to honor a great American, a great Member of this body, SID YATES.

Mr. LIPINSKI. Mr. Speaker, I thank the gentleman very much. We appreciate the words the gentleman had to say about SID YATES, and I want to say to the gentleman that when he talked about SID YATES being a gentleman, he certainly is a gentleman. We could not find a finer gentleman in this body or, I believe, anyplace in this country. I think his character has always been beyond reproach and his integrity has been of the highest possible degree. And in this day and age, that is something we really have to salute and admire.

GENERAL LEAVE

Mr. LIPINSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. GILCHREST). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIPINSKI. Mr. Speaker, I yield to my colleague, the gentleman from Illinois (Mr. JESSE JACKSON).

Mr. JACKSON of Illinois. I thank the gentleman for yielding to me, and I rise today, Mr. Speaker, to pay tribute to a distinguished legislator, a paragon of virtue and a national treasure, Congressman SIDNEY YATES from my home State of Illinois.

I am deeply saddened that Mr. YATES will be leaving the House of Representatives at the end of this term. I join my colleagues in thanking this truly remarkable man for his invaluable contribution to this Nation.

Mr. YATES was first elected in 1948, and for 4 decades he has served as a member of the Committee on Appropriations. As the Member who coined the appropriations moniker, "College of Cardinals", he has spent 20 years as the chairman of the Subcommittee on Interior of the Committee on Appropriations and has been a staunch advocate for the arts and defender of the environment.

Mr. YATES embodies all that is just and virtuous about public service. Through his exemplary tenure, Sid Yates has typified what it truly means to be called "the honorable".

Mr. YATES has been considerate to me, generous with his time, and extremely helpful to me as a new legislator. On December 14th, 1995, Mr. YATES introduced me, after I took the oath of office, and has continued to serve as a guide and a teacher. As the dean of the Illinois delegation, he has proved inspiring by his courageous and principled stands on issues and legislation, despite great pressures to do otherwise.

I believe I speak for everyone in this body by thanking him for his leadership, public service, experience and wisdom. I will miss my good friend and trusted mentor, and I wish him and his family the very best as they embark upon the next chapter of their lives.

I want to take this opportunity to thank my colleagues, the gentleman from Illinois (Mr. DAVIS) and the gentleman from Illinois (Mr. RUSH), and certainly the gentleman from Illinois (Mr. LIPINSKI), for being considerate enough to yield to me this time and for hosting this special order on behalf of Mr. YATES.

Mr. LIPINSKI. I thank the gentleman very much for those outstanding words about Sid Yates.

I was just thinking the other day that people have never talked about the Ninth Congressional District in the State of Illinois as anything other than the Yates district. Even when people were campaigning in the primary to succeed Congressman YATES, they never talked about running for the Ninth Congressional District, they talked about running for SID YATES' seat. And I believe that it will be thought of as SID YATES' seat for a long, long time into the future.

As I mentioned earlier, SID YATES is a man of the highest quality of character, the greatest integrity. He is a gentleman in the finest sense of the word. He never has a bad word to say about anyone. He has led many, many causes on this floor. He led them very strongly. He led them with a great deal of intellectual persuasion behind these causes. He never became upset with what other people had to say, even though, as time has gone on, some of the causes, some of the things that he championed may have had less and less support here in the House of Representatives.

As the gentleman from Illinois (Mr. JESSE JACKSON) just mentioned, and as the gentleman from Illinois (Mr. DAVIS) has mentioned, he never changed his position. He never changed his principles. You knew when you met SID YATES where he stood. We knew that when he spoke, he spoke directly, accurately, forcefully, and with the highest degree of integrity behind it.

There are many, many things that SID YATES has done for this country by being a Member of this body. He is retiring at the end of this term, but the accomplishments that he has had for this country will not only be remembered for many, many years in this body but will be remembered by many people in this Nation. Because many of the things that he has done in the arts, in the humanities field, and in the environmental field are things that people know about, people appreciate, and people will always be happy that SID YATES was here for almost 50 years.

I would now like to conclude this special order by recognizing the Congressman from Indiana (Mr. PETER VISCLOSKY).

Mr. VISCLOSKY. Mr. Speaker, I thank the gentleman for yielding and for setting aside this time to honor Mr. YATES.

I have kidded Mr. YATES in the past that one of the advantages he has over me is that during the summer months potentially half of his constituents tend to live in my Congressional District along the southern shore of Lake Michigan. But what I would like to remember about Mr. YATES tonight is not only the fact that he is a true gentleman, in every sense of the word, but as the gentleman from Illinois (Mr. LIPINSKI) just pointed out, his unflinching devotion and energies to preserving the environment of the United States of America as well as this planet and, in particular, the closeness to which he held the Indiana Dunes National Lakeshore to his heart, one of the great natural resources of this country.

I have a picture in my office of my son John when he was 8 years old, and he had a look of bliss on his face as he was jumping off a small bluff along the southern shore of Lake Michigan on the day a fence was torn down and the Dunes was expanded to include an area called Crescent Dune in the Michigan City area.

It was the last 36 acres of undeveloped property along the 45-mile southern lakeshore of Lake Michigan. And that property was included for future generations forevermore because of the strenuous efforts and commitments of SID YATES to the environment. It sat next to Mount Baldy, which was also included in the Indiana Dunes National Lakeshore, the highest geographic feature in Northern Indiana because of the efforts of Mr. YATES.

But most importantly, I think, there are now environmental education centers, campgrounds and other facilities. So that whether it is the young students of our area, whether middle-aged individuals or senior citizens who want to learn more about their surroundings and the environment, they are now able to do that because of the good works of Congressman YATES.

He is a gentleman in every sense of the word. He is dedicated to his family and to his country, and it has been a privilege for me to be able to serve with Mr. YATES for 14 years. And, again, I thank the gentleman very much for allowing me the opportunity to speak.

Mr. CRANE. Mr. Speaker, I salute my good friend and long-time colleague and political neighbor, SID YATES, as he comes to the end of a most remarkable career in the House of Representatives.

It was an incredible fifty years ago that SID first won his seat in Congress. I was a high school senior at the time, undecided about my future in the post World War II period.

Over the years since, both SID and I have worked hard together in support of numerous projects involving many issues for the betterment of Illinois citizens. And I must say that Chicagoans have long been appreciative of SID's remarkable ability as Chairman of the Interior Subcommittee on Appropriations to bring to the Windy City large allocations of funds for many important projects. Literally he has been able to win billions for the city and for Illinois in projects such as the Chicago Shoreline Project, the Navy Pier Restoration Project, the Indiana Dunes Land Acquisition Project, the Chicago Cultural Center—in addition to many specific public works projects of importance to Chicago.

Moreover, as one of this country's earliest environmentalists, SID YATES will be remembered fondly by many across the land as the prime mover in the creation of many national parks, as well as in the preservation of wildernesses, scenic rivers, seashore and lakeshore projects, for all Americans to enjoy. Each one of these projects stands as a testimony to SID's long dedication to keep America beautiful.

These are just some of the accomplishments of my good friend who has represented the Ninth District of Illinois so ably and for so many years. His record has continually won him the admiration of his Congressional colleagues, who will surely miss him in the years ahead.

Because we were of different political parties, SID and I have not always, of course, concurred on all the issues. Over the years, we have particularly had disagreement regarding the NEA. However, all of our exchanges of opinions on the floor have always been marked by cordiality and comity. Indeed I have always enjoyed our debates in the House chamber.

I rise with my fellow Illinois delegation members to salute SIDNEY YATES for his incomparable half-century of dedication and accomplishment in the halls of Congress—a most admirable record which should well serve as a model for new members as they arrive and take up their tasks in this hallowed House. We hope he will find time on occasion to grace the House floor with this presence, so that those of us who remain may be reminded that his many past examples of collegiality and hard work should still remain important to this body.

Mr. LIPINSKI. I thank the gentleman.

I would just like to say, in concluding this special order honoring SID YATES, that there has not been a finer Member of the House of Representatives in its history than SIDNEY R. YATES of Illinois.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4104, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 563 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 563

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

Mr. MCINNIS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the proposed rule for the conference report to accompany H.R. 4104, the Treasury, Postal Service and General Government Appropriations bill for the fiscal year 1999, waives all points of order against the conference report and against its consideration. The rule provides that the conference report will be considered as read.

Mr. Speaker, the underlying legislation, which makes the appropriations for the Treasury Department, the Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year 1999, is very, very important legislation. Nearly 90 percent of the activities funded under this bill are devoted to the salaries and expenses of approximately 163,000 employees who are responsible for administering programs such as drug interdiction, Presidential protection, violent crime reduction, and Federal financial management. I would encourage my colleagues to support the rule as well as the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank my dear friend, the gentleman from Colorado (Mr. MCINNIS), for yielding me the customary half-hour.

Mr. Speaker, I want to commend my colleagues the gentleman from Arizona (Mr. KOLBE) and the gentleman from Maryland (Mr. STENY HOYER) for their very hard work on this bill and congratulate them on nearing the finish line.

This year's Treasury, Postal appropriations conference report provides $13.44 billion, which is slightly more than last year's bill. This conference report will provide substantial funding for Federal law enforcement, the Customs Service, the United States Mint, the Secret Service, the General Services Administration and the Bureau of Alcohol, Tobacco and Firearms. It is money that is much needed and will, to a large extent, be put to very good use.

It also fully funds the Office of the National Drug Control Czar, which is so critical to curbing the tide of illegal drugs that is still endangering our country's economy and our constituents' safety.

Today's conference report also fixes the problem with pay for Federal fire fighters. And without this language, Mr. Speaker, Federal fire fighters would continue to be paid much less than their municipal and civil service counterparts.

After watching Federal, local and State fire fighters battling the huge fires of Florida and elsewhere, to the point of exhaustion, I can say without hesitation, Mr. Speaker, these people do deserve a raise. And if we cannot give them that, the very least we can do is make sure that all fire fighters are paid about the same money. They all risk their lives for our safety, whether the truck on which they ride has a State seal or a Federal seal. This bill will fix that inequality, which I am very happy to see.

But, Mr. Speaker, there are some more serious problems with this conference report, and one of the most troubling aspects of this bill is its provision which will basically fire the general counsel of the Federal Election Commission. It does so, Mr. Speaker, by imposing term limits, but the effect is to fire somebody who has been working very hard to protect the integrity of the American electoral process.

Mr. Speaker, I am sad to say that common wisdom is that this person is being fired because he investigated GOPAC and the Christian Coalition and, in doing so, has angered some very high ranking Republicans. I do not need to tell anybody here, Mr. Speaker, that the Treasury, Postal appropriations conference report is no place to exact political vengeance, particularly against someone who was only doing his job.

The Federal Election Commission is the agency that watches over elections. It polices Federal campaigns, making sure that candidates and interest groups are raising and spending money within the bounds of the law, regardless of which party they represent. The Federal Election Commission and its employees are charged with making sure that our campaigns are fair and that the American people are heard, and its employees should be protected from partisan attacks.

So a partisan firing of upper level staffers could have widespread ramifications for fair elections all across these United States, and I will oppose the bill for that reason.

Also, Mr. Speaker, two members of the other body feel so strongly about this issue that they have promised to filibuster if it is not resolved.

Finally, Mr. Speaker, this is the third rule which we have done for some version of this bill. And with every rule, my Republican colleagues promise to address the pending computer meltdown known as Y2K.

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Well, here we are again, Mr. Speaker. It has been three months and still there is no emergency supplemental appropriation bill funding the $2.25 billion we need to begin solving this problem.

Mr. Speaker, if we ignore this, it is not going to go away. Most Americans believe it is our government's job to deal with this problem. And Mr. Speaker, for us that time has come. If we do not act soon, all sorts of calamities could befall us.

The stock market may drop. Air traffic control systems may falter. Our national defense monitors could lapse. Social Security checks and Medicare payments may not go out. There could be electrical blackouts and brownouts. Telephone bills could be filled with mistakes. Mutual funds and money markets could fail. Medical equipment might not work. The list just goes on and on and on.

Mr. Speaker, the money to address this problem was in here once. There was $2.25 million in this bill to prevent that chaos that might reign from the airports to the hospitals, from the stock market to the grocery stores, when that ball drops in Times Square on December 31.

In fact, Mr. Speaker, the House even voted for a motion to instruct conferees which directed them to have the money for Y2K, but still the money is not there. In fact, they even went so far as to take it out, Mr. Speaker. They took it out of this bill. They took it out of the defense bill.

However, Mr. Speaker, I do commend my colleagues on the Treasury, Postal conference committee for their hard work. They have had to juggle a lot of competing programs in many ways. In many ways this otherwise could be a very good bill.

But, Mr. Speaker, I urge my colleagues to oppose this bill for its attacks on our electoral integrity, and its failure to address the computer problem which is threatening to bring every aspect of American life to its knees.

Mr. Speaker, I reserve the balance of my time.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume. I see we are off to a energetic evening here with the nice buzz words, "term limits" and "Y2K." Of course those are words that the American public understands.

But let us clarify exactly what we are talking about here. First of all, we are not imposing term limits. What we are saying is, hey, every 4 years their job performance is going to be reviewed, and if they have 4 votes in the majority that say they are doing a good job, they keep their job. If they do not, they are out of work.

Now, the average person that is watching us today, the average person that we represent out there goes through a job performance review. And we are saying, with the Federal Election Commission, they are going to go through a job performance review. Just because they oversee our elections does not mean that they are immune, that they somehow get tenure over there. We are not for granting them tenure. We are saying, do their job and they keep their job. So do not say it is term limits.

Now this Y2K problem, Mr. Speaker, come on. In my opinion that is a cheap shot. It is in the emergency funding bill. The Democrats over there know it is coming. They have not exactly scrambled to help us out. It is coming in the emergency funding bill. It is not being ignored, my opinion, by any side of the aisle. It is a significant problem in this country. And for one side of the aisle, the Democrats, to jump up and start parading around that the Republicans are ignoring this is unfair. It is patently unfair for they to make a statement like that.

Both of us have a problem. Let us not spend our time attacking each other, saying the other party is not doing anything about it. Let us focus on it. We are putting the money in the emergency funding bill. Be fair with the people here and let them know. Sure, it is not in this rule, but it will be here in two days.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in a few moments, after we have heard from some others, I am sure I will have a few things to say about some of the negative things that are going to be said about this rule and this conference report. But I would like to start off, I hope, on a constructive note and one in which I urge my colleagues to support the rule and the conference report because I believe that it should be passed.

This is a good piece of legislation. Even the ranking Democrat of the Committee on Rules agreed that this is an important bill that funds vital, necessary parts of the Federal Government. Let me just highlight a few of these.

As agreed by the conferees, we have $13.4 billion in discretionary spending for the coming year. That is an increase of $700 million in budget authority over the current fiscal year. The conferees, working together in a bipartisan way, have fashioned this bill to target three critical areas: enhancing the drug efforts of the Office of National Drug Control Policy and the U.S. Customs Service; second, supporting ways to reform the way IRS interacts with the taxpayers; and third, ensuring that our judicial system can respond to its increased work load by making sure that we have secure and adequate space by providing courthouse construction.

In the interest of time, let me just highlight a few of the key provisions in the bill. One, we provide $1.59 billion for drug-related activities. That is an increase of about 1 percent over 1998 levels. Included in that is $185 million for the second year of the National Media Campaign to prevent youths from using drugs, something that we know is vitally important. We have $20 million for the Drug Free Communities Act, which Member after Member has told us how important this is for their communities.

For the Customs Service, we provide $1.8 billion. That is down slightly from the President's request. It includes $54 million for new narcotics detection technologies for both sea and land ports of entry, as well as $15.2 million to address badly needed maintenance needs of the air and marine interdiction program, including, Mr. Speaker, $14.2 million to return 3 Blackhawk helicopters to operational status, to increase flight hours for the entire Customs Blackhawk fleet from 18 hours to 30 hours per month. We need to get those Blackhawks up and flying. We need to use them in this interdiction effort, and this bill provides the funds to do that.

We provide $7.9 billion for the Internal Revenue Service. This body, by an overwhelmingly bipartisan vote earlier this year, voted to reform the IRS, and we provide the funds to make that reform work so that it will be more user friendly, more consumer friendly, more taxpayer friendly.

We have $128 million over the current fiscal year for the IRS. Included in that is $21 million for ongoing efforts to revamp the IRS computer system, which is so badly in need of being upgraded; $25 million to restructure the way the IRS does business with taxpayers; $103 million for improved customer service activities; and, as my colleague from the Committee on Rules said earlier, the money for Y2K will come in a separate bill.

Mr. Speaker, I cannot say how many Members have spoken to me about their new courthouse construction projects. This is not pork barrel construction. This list comes right from the list provided to us by the Judiciary. We do not add any projects. We take just the first 14 courthouses that they have ranked as the most important ones in the United States to construct.

Last year we had a moratorium on construction. We just did not have the money in the building fund. We have been able to find it this year and we have been able to support the requests of the Judicial Conference for the coming year.

Yes, Mr. Speaker, we do have a number of legislative provisions in our bill. We have a restriction on the use of funds for abortion. That has been in this legislation for a long time. We have a requirement for the Federal Employees Health Benefit Program to provide coverage for contraceptives. We have a new title on child care services within Federal agencies. We have a new title granting lawful permanent resident status to current Haitians and, yes, as the first speaker on the other side has already said, we have revisions to the appointment and reappointment authority of the general counsel and staff director of the FEC.

We will have more time to discuss that, and I hope that there will be some more discussion about the good provisions in this bill and why we should get this conference passed so that we can provide for the vital functions of the government to go forward.

Mr. McINNIS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am sorry if my dear friend, the gentleman from Colorado (Mr. McINNIS) thought I implied that the Republicans were ignoring Y2K. I know they have not ignored it, because they knocked it out of one bill and did not protect it in the other, so I know they are not ignoring it.

Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, this rule should not be before us tonight and neither should this bill. The conference report was just signed about an hour ago, and now under a martial law approach it is before the House. No Member has had a chance to examine what is in that conference report, and there is one provision in the conference report which is absolutely outrageous. The best way to deal with that is to simply defeat this rule.

This bill, pure and simple, if this rule is approved, will put the general counsel of the Federal Elections Commission out of business come January. Section 514 of the bill establishes term limits for the general counsel and the staff director of the Federal Elections Commission by requiring an affirmative vote of 4 of the 6 commissioners every 4 years. This is a blatant Republican political maneuver aimed at removing the Federal Elections Commission's current general counsel, Lawrence Noble.

Why? Because during his tenure, Mr. Noble has aggressively sought to enforce election laws and has been willing to punish violators of the law from across the political spectrum. The Federal Election Commission's general counsel, Mr. Noble, suggested that the FEC crack down on soft money, because he has had to take some of these cases to court recently; for example, GOPAC and the Christian Coalition.

Section 514 would undermine the bipartisan nature of the Commission by requiring the Commission to reappoint the staff director and the general counsel every 4 years by an affirmative vote of 4. That means, in plain English, a vote along party lines would enable the commissioners of either party to dismiss the senior staff. That is wrong, and that is why editorial boards and reform minded organizations throughout the country have rightly attacked this provision as an attempt to further weaken the Federal Elections Commission and ensure that the election laws go unenforced.

The New York Times recently stated, "This change is nothing more than an attempt to install a do nothing enforcement staff."

In my judgment, what this would do is simply require the counsel to deal with kid gloves in dealing with either party, because if they did not satisfy both parties they would not stand a chance of being reappointed.

The best way to satisfy both parties, obviously, is to do nothing, and that is not what we need in the Federal Elections Commission. We do not need a pussycat. We need a tough tiger. We do not need a paper tiger at the FEC, but this is a prescription for creating just that.

The recent Washington Post editorial comment was correct. It said that this FEC provision is, "In keeping with the rest of the record on campaign finance this year. The unifying theme has been hypocrisy."

Section 514 is an unwarranted retaliatory provision aimed at undermining the professionalism and independence of the Federal Election Commission general counsel's office. It ought to be rejected.

This Congress ought to be standing for election reform. It should not be putting impediments in the way of further election reform, and that is what it does when it disarms the Federal Election Commission.

There are many good provisions in this bill, but this is not one of them. The best way to correct the problem is defeat this rule, and have the committee go back to conference and eliminate this and other egregious provisions that Members may be concerned about. I urge a "no" vote on the rule.

Mr. McINNIS. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. GILCHREST). The gentleman from Colorado (Mr. McINNIS) has 22 minutes remaining. The gentleman from Massachusetts (Mr. MOAKLEY) has 18½ minutes remaining.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I cannot let the previous comments go without some call to question about those kind of comments. First of all, let us clarify it for the American public. It is not a term limit. It is a job performance. These people will keep their job if they pass their job performance.

The gentleman over here who just previously spoke is up for election every 2 years. Under his term, under his logic, because he has to face election every 2 years, he calls it a term limit. It is not a term limit. It is like what we ought to do a lot more of in this Federal Government, and that is say to our employees, your performance has to be up here. If you do not have job performance, you can lose your job.

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That is exactly the point we are making here. You can sure tell in my opinion it is an election season when you start throwing "job performance" around, calling it a "term limit," and then turning it around and saying "Gosh, you are trying to get rid of the Federal Election Commission."

I think we all have an obligation when we stand up here. Let us be accurate with the terms we use. We are not saying term limit. We are saying job performance. Job performance. If you do not perform, you are out. I want to remind the previous speaker that the majority of constituents that he represents face job performance review. If they do not perform their job, they are out. That is what you ought to face.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield one minute to the gentleman from Wisconsin (Mr. OBEY), the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, let us not kid ourselves: This does not have diddly-squat to do with term limits. What you want to do is to make sure that you can dismiss whoever is the general counsel of the FEC by a simple party line vote. That is what the proposal does.

The only way the general counsel can stay in office under those conditions is if he rolls over and place kissy-face with both political parties. We do not need an Election Commission that does that. We need an Election Commission that is going to police both parties, not one that is going to cave in to both parties, and you know very well that is exactly what this provision does. Quit kidding people.

Mr. MOAKLEY. Mr. Speaker, I yield one minute to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, the gentleman from Colorado has said on two occasions that this is just like every employee. It is not. This bill terminates the employment of Mr. Noble. That is what this bill does. It has a provision in it that he can be rehired by a vote of four to three. The commission is made up of three Republicans and three Democrats.

Do not kid anybody. This bill fires a Federal official for doing something that you did not like, and that is going after GOPAC and the Christian Coalition.

The gentleman from Colorado (Mr. McINNIS) is right, we need to be accurate on what this bill does. That provision should not be in this bill. There are three Republicans and three Democrats, and you are correct, if four of them believe that Mr. Noble is not performing, they ought to remove him from office. But it ought not to be done on a partisan vote. That is the reason for this provision in current law, to protect the counsel and the executive director from partisan attack.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is interesting that the other gentleman there said this does not have, I forget what kind of word he used, "diddly-squat" he says, about term limits, and he spent five minutes talking about how it is term limits. So I am glad that the gentleman has acceded to my point.

I would say to the gentleman from Maryland (Mr. HOYER), this is not about term limits or about anything. It is about tenure. And I am saying, by gosh, these guys, I know they look at what we do for elections, but that does not entitle them to a lifetime of employment. When do we have job performance? How do you question what these people are doing?

The gentleman from Maryland (Mr. HOYER) and I both face our job performance here in about five weeks. By the way, we have to get an affirmative vote in about six weeks for the gentleman and I to be back here in January. And what makes him any different? We are saying you have to be like other employees, just like the working Joe and working Jane out there. You have to come up with some job performance.

It does require one Democrat or one Republican, depending on the makeup, to come over and say your job performance is such that you should retain your job.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield two minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I came to the floor today to support the rule on the Treasury conference report. I rise in strong support of it. There has been a lot of work that has gone into this bill. It is not going to satisfy everyone. It is not going to satisfy everyone on this floor. But I say to you, a lot of work has gone into this. It has touched some very important points.

Number one, the money that has been allocated for drugs. They are overrunning our communities and it is time we continue to do something about it. Customs in the area where I come from is extremely important. If we do not have Customs officials, then we do not guard our borders and guard our water, and certainly our quality of life will be decimated by the wrong people coming in through Customs.

For example, I rise also because for the first time since I have been in the Congress the Haitians receive some kind of recompense in this bill. They did not receive everything that everyone wanted, but they did receive some recognition, and about 40,000 of them, perhaps, if this bill goes through, will get a chance to get equal rights in this country and get green cards and be able to work.

I say to you that this particular rule is one that we should stand up for, and I stand here not unafraid to say that this Treasury report is one that we need. We need it to be able to pay our government workers, we need it to be able to have our borders protected, as we have always wanted, and I want to say to the rest of my colleagues, sometimes you have to vote for a thing because it is right to vote for it.

Mr. RIGGS. Mr. Speaker, I yield two minutes to the gentleman from Florida (Mr. DIAZ-BALART), a member of the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, it has saddened me to see issues unrelated to the funding of the Postal Service and the Treasury Department, those two extraordinarily important Federal agencies that must be funded, and that is our responsibility. Before we get out of Washington, we must fund the Federal Government. I am saddened to see collateral issues put in jeopardy this rule. If this rule goes down, the underlying legislation will not be able to be reached tonight.

As my colleague from south Florida stated, there are 40,000 political refugees in this country, most of whom fled Haiti after the 1991 coup there because of political persecution, and they are looking at us tonight with an extreme amount of hope and faith, and I would urge my colleagues on both sides of the aisle to remember those 40,000 human beings who are watching us tonight.

I want to thank the gentlewoman from Florida (Mrs. MEEK) and I want to thank all of those who have worked on this legislation. I want to thank Jeb Bush in my state of Florida who has called our leadership time and time again and made it a top priority of his to get this legislation for justice for those 40,000 human beings passed.

I would say to Members, let us not bring this rule down and not be able to get to the underlying legislation. It is a fair rule, it is fair legislation. There are 40,000 human beings looking at us that need this legislation to pass. Please support this rule and the underlying legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in opposition to the rule and the conference report because it permits Congress to micromanage the very agency that is charged to police our elections.

It takes an organization, the Federal Election Commission, that has been called a toothless tiger, and turns it into a helpless kitten. It allows the accused to become the jury.

The provision permits just three commissioners or just one party in a partisan way to fire the top officers at the Federal Election Commission. That means that the staff at the FEC had better not annoy anyone of either party or they are going to find themselves in an unemployment line.

I believe that some of my colleagues on the other side of the aisle are just plain going after general counsel Lawrence Noble because he is doing his job, investigating GOPAC, investigating many campaign finance abuses.

It is very frustrating to speak out against this appropriations bill because I am pleased that we won a victory for women's contraceptive rights, and I am pleased that the FEC will be fully funded. But how can the FEC go about its business of investigating campaign finance violations with a sledge hammer being held over its head?

Mr. Speaker, we spent a great deal of this spring and summer months debating campaign finance reform. It passed the House; it was filibustered and killed in the Senate. Instead of moving forward with changes that would aid reform, this House leadership is rolling back reform. It is working to fire the one person who is actually trying to enforce the law in a bipartisan manner, and it is being done under the cover of night in this rule and this conference report.

Mr. Speaker, I truly do believe that there is a vendetta by the leadership on the other side of the aisle against the FEC, and many, many editorial boards across this country agree. The Washington Post accuses Republicans of giving Mr. Noble "the brush-off." The New York Times calls it "an arrogant attack." The Minneapolis Star Tribune calls Noble a "watchdog about to be muzzled by the Republican attack."

I urge my colleagues to leave the FEC with the small amount of bite it has left by voting against this conference report and voting against this rule that would muzzle and defang the Federal Election Commission.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume, first of all to address the previous comments made up there. I always get enjoyment out of hearing those buzzwords, "under the cover of night." I would concede that the hours are moving quicker now towards darkness, it is dark outside, but I would remind the previous speaker that obviously we are televised throughout the country. There is no secrecy going on there.

We have the Committee on Rules, and, obviously, all these newspapers, the three or four that the gentlewoman cited, that have been busy in their editorial pages. This is not something "sneaking by."

This is a good rule. I think the gentleman from Florida has a very pertinent point, Mr. Speaker, and that is there are a lot of good things that this bill will fund. This rule is important so that we can get to that; Postal, Treasury, drug interdiction and so on.

Mr. Speaker, I yield three minutes to the gentleman from New York (Mr. SOLOMON), the chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, the gentleman probably should not yield me any time, because I guess sometimes I tell it too much like it is.

I am upset with some Republicans. Usually I am upset with you Democrats. But when I first came here 20 years ago, I was so principled, I just thought there was not such a word as "compromise." You had to have it your own way, and, if you did not, you voted against it.

Well, you know, we had a President of this country elected in 1980 who was a great man, and he was a great compromiser. His name was Ronald Reagan. He vetoed very few bills. He had a Democrat Congress to work with, most of the time a Democrat Senate and always a Democrat House, but, you know, to govern he knew you had to sit down and you could not always have it your own way, and he vetoed very few bills.

Well, I am standing up here tonight, and I am hearing Democrats over there, and they are complaining because there is one thing in this massive bill, hold up that bill over there, would you. There is one little paragraph in this bill, and they are so upset they are going to vote against this bill.

Then I hear my Republicans over here, and they are going to come on this floor and they are going to vote on this rule, and they are going to try to vote the rule down, our Republicans, because they do not have it their own way.

Mr. Speaker, I wonder if they ever served in the military. Not many of them did, but that is not a criteria. I wonder if they ever played on a football team, and the quarterback called a play where the wide receiver was going to go out and make a sharp left. Well, the play takes off, and the wide receiver says, "I don't like that play; I am going the other way." The quarterback throws the pass, there is nobody out there, and they lose the game.

That is what you Republicans are going to do, my friends, because I can tell you that five years ago the Democrats were divided over here, and we defeated five or six or seven of their rules in the last two years they were here and they fell apart.

Do you remember that, guys? That is why you are in the minority.

Do you want to be in the minority over here? That is exactly what is going to happen. We have got a conference report here that the other body has agreed to, we have agreed to, and nobody got their own way. But there is no conference to go back to. You defeat the rule, the bill is dead.

Mr. Speaker, we have to compromise around here. If I catch one Republican coming over here and voting against this rule, I am going to invite you to go outside, because you are not a team player. This is what it is all about. So come over here and talk to me about it, but you do not vote against rules of your party.

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One votes to bring the bill to the floor, and if one does not like the bill, then one votes one's conscience. One votes any way one wants to, but one does not disrupt the House and kill the legislation. Think about that, I say to my colleagues. I love you all.

Mr. McINNIS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

I was very astounded to find out how my chairman felt about Republicans. If he wants, he can bring his football and play on our side of the team.

I would just like to read at this time, Mr. Speaker, just the first sentence of a Washington Post editorial of September 28. "Powerful Republicans are still trying to twist the appropriations process to oust longtime general counsel of the Federal Election Commission, Lawrence Noble, whom they regard as too aggressive an enforcer of the law."

Now, that is not the Democratic committee saying that, that is not the President of the United States, that is not the leadership of the minority, that is the Washington Post.

Sure, many people may vote against this bill because of a couple of little things like this, but why did they put a couple of little things like this in the bill in the first place? They do not belong there.

Mr. Speaker, I yield 2½ minutes to the gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of this rule on the Treasury Postal Conference Report, because the conference report includes an important women's health provision: the requirement that FEHB plans which cover prescriptions also cover prescription contraceptives.

The language passed the full Committee on Appropriations with support from Democrats and Republicans, pro-life and pro-choice. The Committee on Rules stripped it out of the bill, but I offered a rewritten amendment on the House floor, which passed. Then the same coalition of pro-choice and pro-life Democrats and Republicans defeated an attempt to weaken the language by my good friend, the gentleman from New Jersey (Mr. SMITH).

Unfortunately, the conference report also includes a politically vindictive attack on the bipartisan Federal Election Commission, and I think this is disgraceful, has no place in this legislation, and I do hope this will be eliminated in the Senate. However, because of the importance of contraceptive coverage for women across America, I will vote for the conference report.

Mr. Speaker, we are all in agreement that we want to reduce the number of abortions. Close to half of all unplanned pregnancies end in abortions. Many of these unplanned pregnancies could be prevented with better access to contraception. Contraception is basic health care for women. It allows couples to plan families, have healthier babies when they choose to conceive, and it makes abortion less necessary, which is a goal I thought we all shared.

Yet, 80 percent of FEHB plans do not cover all of the 5 most widely used contraceptives. Ten percent cover none of the 5 most widely used contraceptive methods. Meanwhile, all but one of the FEHB plans cover sterilization. Is it not clear that women and men who want to have families, who want to plan pregnancies, need better options?

It is important to understand, I say to my colleagues, what we are talking about when we talk about contraceptive methods. We are not talking about abortion, we are not talking about RU486 or any other abortion method. No abortions will be covered by this amendment. This is, in fact, clearly stated by the language in the conference report.

I just want to make it very clear to my colleagues that we are talking about providing women with the full range of contraceptive options. Women need the full range of options because not every woman can use one form or another form of birth control. Many women cannot use the pill. Its side effects, such as migraines, can be truly disabling for some. Other women choose not to go on the pill because they may be at special risk for stroke or breast cancer or something else.

So I urge my colleagues to support this rule, support this bill, and I hope we can change it in the Senate.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

I guess there are a couple of points that I would like to make about the previous speaker. First of all, she very eloquently and correctly supports the rule. That is what is important here. We have lots of time to debate the bill this evening or whenever that debate takes place. Mr. Speaker, there is not a partisan split on this bill, there is support. This bill covers drug use, supporting law enforcement efforts, and so on.

The other point I would like to make is that I hope the Democrats that are over there that are giving a lot of weight to these editorials of recent, I also hope they have that same kind of enthusiasm on the other editorials out of these newspapers, a couple hundred of them that have come out in the last couple of weeks on another subject.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 2½ minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I appreciate the gentleman yielding me this time.

I am pleased that here on the first day of the new Federal fiscal year we are debating one of the appropriations bills, but the tragedy is this is the first day of the new fiscal year and we do not have a concurrent budget resolution in place.

How does it happen that this body, which has committed itself to abiding by its own rules and by the legislation in the Budget Act, has not been able to work with the body at the other end of the building and develop a concurrent budget resolution? We do not have a road map for the budget process. It is a failure of leadership.

Mr. Speaker, this is the first time in the 24 years that we have had a Budget Act on the books that we have not produced a concurrent resolution. Last Saturday, we stayed in session and we debated and we voted on tax cuts. I think virtually every Member in this body would like to see tax reductions. The question was, do it now or defer it until we have balanced the budget without using Social Security. It was an important debate. But it certainly would have been helpful, again, if we had had a concurrent budget resolution to provide some guidance as to how we are to make decisions regarding Federal fiscal policy. It is unfortunate that we are debating appropriations bills for 1999 without a budget resolution.

Mr. Speaker, I urge that each Member of this body press upon the leadership the importance of our having a budget resolution. Hardly a week goes by that we are not telling State and local governments, the United Nations, International Monetary Fund, the World Bank or others that receive Federal funds that they ought to have a sound budget process, and here in Congress, we do not even have the wherewithal to adopt a current budget resolution.

Mr. Speaker, I hope that we proceed with these appropriations bills and do the best we can under the circumstances, but hopefully we will not repeat this tragic situation in 1999, but instead, we will move forward and have a budget resolution and provide guidance for where we are headed with this country and its fiscal policies into the next century.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

I cannot help but note the gentleman's comments about failure of leadership. I would challenge the gentleman: let him try and get together a body that has 535 different Members from 535 different locations around this country with 535 different philosophies, with thousands and thousands of different projects, whether it is Social Security or highways or military or the Y2K funding, and let him try and pull them all together. It takes some challenge.

I think we have leadership out there, the fact that we are here at this point. Of course it tests leadership.

The key here is that we always get into this kind of crunch time on an appropriation process. It is just like a family budget. In my family, my wife exercises her leadership pretty toughly, I might add, towards the end of a month when it gets to crunch time, but that is not a failure of leadership, that is a presentation of leadership.

The key here is the rule, and that is what we have to come back and focus on. The gentleman from Florida and the chairman of the Committee on Rules said, look, I thought his football example was excellent. We are going to throw I mean a bill that has a lot of good things about it, a lot of merit in it. There are Democrats and Republicans that support this bill. But if we kill this rule, which some people are set on doing this evening, we set those needs and those issues for a lot of those districts and a lot of people in this country back a few steps. It is not necessary. Let us go through this rule, let us pass the rule, and let us have fair debate following the rule, and that is what passing the rule will give us the opportunity to do.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I would simply like to emphasize that here we are in the 24th year of a process in which we have required of ourselves a concurrent budget resolution, and this is the first time in 24 years that we do not have one. That is why we have a failure of leadership.

Mr. MOAKLEY. Mr. Speaker, may I inquire as to the remaining time for my dear friend from Colorado (Mr. MCINNIS) and myself?

The SPEAKER pro tempore (Mr. GILCHREST). The gentleman from Massachusetts (Mr. MOAKLEY) has 5½ minutes remaining; the gentleman from Colorado (Mr. MCINNIS) has 11 minutes remaining.

Mr. MOAKLEY. Mr. Speaker, may I inquire of the gentleman from Colorado how many speakers he has remaining?

Mr. MCINNIS. Mr. Speaker, at this point it would be myself and the gentleman from Arizona (Mr. KOLBE), and I intend to yield him the last 5 minutes, so it depends on the number of speakers on the other side.

Mr. MOAKLEY. Mr. Speaker, I just have one speaker, so if the gentleman would yield to one of his speakers, and then I will yield to my speaker.

Mr. MCINNIS. Mr. Speaker, what I would prefer instead is for the gentleman to go ahead with a speaker, and then I will comment and we can wrap it up with yielding the balance of the time to the gentleman from Arizona (Mr. KOLBE).

Mr. MOAKLEY. But, Mr. Speaker, I understand that the gentleman from Colorado has only himself and the gentleman from Arizona (Mr. KOLBE).

Mr. MCINNIS. Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I think I understand.

Mr. Speaker, I yield the remaining time to the gentleman from Maryland (Mr. HOYER), the ranking member of the Subcommittee on Treasury, Postal Service, and General Government of the Committee on Appropriations.

Mr. HOYER. Mr. Speaker, it is difficult being a ranking member on a committee where the bill that confronts us is a good bill. I said that in the Committee on Rules, I said that to the gentleman from Arizona (Mr. KOLBE), I said it to others, and I will say it when we consider the bill. It is a good bill because as the Committee on Appropriations is required to do, if it is responsible, it gives the necessary resources to agencies to accomplish the objectives that the American people expect of them; and indeed, that this Congress expects of them.

In particular, I want to congratulate the gentleman from Arizona (Mr. KOLBE), the chairman of our subcommittee, for his tenaciousness in ensuring that agencies can effectively carry out their responsibilities. That is particularly the case as it relates to law enforcement and the fighting of the drug scourge on our borders and within our communities.

Mr. Speaker, this bill almost, I believe, is the best bill that this committee has reported out in the last 3 years. In part that was because we had sufficient resources to fund agencies. Not all they wanted, but sufficient.

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Mr. Speaker, therefore, it is with a great deal of regret that I rise, because we have included in this bill a number of extraneous provisions. All of them, without fail, were argued in a bipartisan fashion. That is to say that there were some Republicans for them and some Democrats for them, some Republicans against them and some Democrats against them.

One provision, however, is, I believe, without exception opposed on our side of the aisle because it is, I believe correctly, perceived as a totally partisan, inappropriate attack on the FEC.

I have heard my good friend, the gentleman from Colorado (Mr. MCINNIS) say that this was just like any other employee. He and I disagree on that proposition. In point of fact we have an individual, Lawrence Noble, a staff member, not a commissioner, who can take no action without having four votes, which means that he needs at least one Republican to authorize action of the Commission, because there are only three Democrats, and four votes are required.

Mr. Noble has taken some actions which have annoyed just about everybody on both sides of the aisle. In fact, more complaints have been made against Democrats, 38 percent, than Republicans, 32 percent. In fact, 80 percent of the Democrats have paid their fines, 51 percent of the Republicans have paid their fines. So in point of fact, it ought to be Democrats from that perspective who ought to be more annoyed at Mr. Noble, because he apparently has been tougher on us.

But in the performance of his duties, he concluded that actions were appropriate to be initiated against GOPAC and against the Christian Coalition for campaign actions which they had undertaken, just as he would take it against the Clinton campaign or the Bush campaign or other Republican and Democratic campaigns.

It is our belief, notwithstanding the fact we have been told we are in error on this, but it is our belief that this bill and the provision regarding Mr. Noble, which terminates Mr. Noble's tenure, because by this bill his tenure is terminated as of January 1, 1999, 90 days from today, I do not recall a bill firing a Federal employee before. Perhaps there has been, but I do not recall it. I do not recall it.

We would have hoped that during the consideration of this bill, that some compromise could have been reached. I brought to the attention of the conference that one of the Senators in the other body has indicated that he is going to filibuster this bill if this provision is in there, so the conference report probably cannot pass the other body.

Mr. Speaker, I am going to vote against this rule. I regret that, but I see no other way to indicate my opposition to this provision. I do not know what I am going to do on final passage, because the chairman has worked very hard, and I repeat again, this is a good bill. I would hope that my colleagues would join me, and that this provision would be taken out of this bill before, again, it is offered to us for passage.

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Maryland (Mr. HOYER) is an exceptionally bright, very capable gentleman, but I would point out that he says that he cannot think of another Federal employee who has ended their tenure like that. There are 435 sitting on this floor. In 30 days, every Member in this House has to, by affirmative vote, prove to the constituents that he or she has done the kind of job performance that would allow them to continue. We do the same thing. We go out to our judges.

What we are saying here, the gentleman can pull out of the air the Christian association or some of these other examples. That is not this. We are saying here, hey, one party, by the way, with three votes could get this guy a job for the rest of his life, or some gal a job for the rest of their lives. We are saying, job performance. If they perform, they keep the job. That is what we have to say. Right now, there is no accountability, in my opinion, from the Federal Election Commission. We are asking for accountability.

Mr. Speaker, I yield 7 minutes to the gentleman from Arizona (Mr. KOLBE).

Mr. KOLBE. Mr. Speaker, I thank the gentleman from Colorado for yielding time to me. I want to especially thank the chairman of the Committee on Rules for the comments that he made earlier. I think he is right on target.

Mr. Speaker, this is about getting a bill to the floor. This is about the necessary compromises that have to be made in the legislative process that all of us learn very painfully as we go through this process. We do not get everything we like. There are things in here which I would prefer not to see in here.

Mr. Speaker, this is about compromise. It is about teamwork. But as I listened to the arguments from the other side for the last hour, I think the comment that was made by the distinguished ranking member of the Committee on Rules at the outset put it right into perspective. He said, this is really about firing one person. This is about one person. This whole bill, this whole rule, is about one person.

Who here tonight is going to say that this one individual, this general counsel of the Federal Elections Commission, is not a powerful person? Here we are, threatening to take down a $27 billion appropriation bill that supports 163,000 good working men and women in the Federal Government. We are going to take it down because we do not like what it is doing to one single person. We want to save the job of one career bureaucrat.

We are willing to take down this bill, this appropriation bill, because one person, the minority says to us tonight, may not be able to muster up four votes to save his job; a majority, that is how we pass bills around here, a majority of the Federal Elections Commission, to save his job. That is what this debate tonight is all about.

Mr. Speaker, we are willing to defeat this bill, that gives the Customs Service another $15.2 million to put 16 Black Hawk helicopters in the air, to increase their flying time from the current 18 hours to more than 30 hours each month. We need those Black Hawks along the border, I can tell Members that. I represent one of those areas. We need those in the drug interdiction fight. This bill gives us the money to put those helicopters back in the air, to give them the time to fly, to help them interdict against the drugs.

Who says the general counsel of the FEC does not have power? He can ground the entire Customs Service fleet of Black Hawk helicopters in order to save his job.

The Democrats are willing to sacrifice $7.9 billion for the Internal Revenue Service, including $103 million for customer service initiatives, $25 million in restructuring and reform, to keep one man in his job. By a huge bipartisan vote earlier we passed IRS reforms on this floor. This gives us the money to put those into place, to make the IRS a more taxpayer-friendly, a more consumer-friendly place. But no, some people are willing to sacrifice this bill and the money it has for IRS reforms to save the job of one career bureaucrat.

The fact is, we do not fire the current general counsel, we simply require that he has to get a majority of the votes from the Federal Election Commission in order to stay on the job every 4 years. The FEC is supposed to be a bipartisan group. If the general counsel cannot get a bipartisan vote in order to stay on this job, then why should he stay on for a lifetime? Why should he not find other employment? The fact is, the House of Representatives here is debating the job security of one single person in the United States government who apparently cannot get four out of six people to think he is doing a fair job. That is unconscionable.

What else are we going to sacrifice? Are we going to sacrifice $3.4 million to stop cybercrime and the smuggling of child pornography? We are talking about giving up $3.2 million for the support of the National Center for Missing and Exploited Children, $20 million for drug-free communities. Letter after letter I have had from the majority and minority side saying how important this money for drug-free communities is.

There is $185 million for the second year of a national media campaign to keep our kids off of drugs. We have a good start on that program this year, but no, we are willing to give that up to save the job of one career bureaucrat if he cannot get four votes, a majority of votes, the same thing we have to have to pass any bill in the House and Senate, the same thing we have to have to confirm any person in the cabinet or in the Federal government, when he is confirmed by the United States. No, we are willing to give that up to keep that one person.

There is $183 million for high-intensity drug trafficking areas, in areas like Dallas and Fort Worth, and a new one that is very important, central Florida; Washington and Baltimore; Miami; the Midwest, for the methamphetamine reduction. All of these are in danger.

In Southern California, Mr. Speaker, in Los Angeles, in San Francisco, in Detroit, in Chicago, in El Paso and Arizona, and yes, along the Arizona and southwest border, all of those high-intensity drug trafficking areas could be endangered, and certainly the new ones will be endangered by not passing this rule and this bill.

And oh, yes, to save this career bureaucrat's job, we are willing to give up low-income taxpayer clinics we provide for in the IRS legislation, so that low-income taxpayers can get some service from the Internal Revenue Service; and yes, provisions that Members of this body have come to me about for land transfers in Racine, Wisconsin, and a very important one in Dade County, Florida. That, too, will be lost as a result of defeating this rule tonight.

A 3.6 percent pay increase for Federal employees could be in danger as a result of defeating this rule.

Finally, we are willing to zero out the funding for courthouses, not courthouses put in here as pork barrel projects, but courthouses that come from the Federal judiciary, as their list of priorities. I am looking down here, and I see that the majority of them are in Democratic districts. These are the ones that the Federal judiciary have said are important in Little Rock, Arkansas; in San Diego; San Jose; Denver, Colorado; Jacksonville, Florida; Orlando, Florida; Springfield, Massachusetts; Biloxi, Mississippi; Cape Girardeau, Missouri; Brooklyn, New York; Eugene, Oregon; Greenville, Tennessee; Laredo, Texas; Wheeling, West Virginia. All of those could be in danger by failing to do this.

We could lose the money for the anti-gang grant program, $13 million for that, and $27 million for the youth crime gun interdiction initiative. These are just some of the things, Mr. Speaker, that are jeopardized by the failure to pass this rule this evening.

Mr. Speaker, we should not let this rule go down, because we should not let this conference report go down. It is, as my good friend, the distinguished gentleman from Maryland (Mr. HOYER) just said, a good bill that we have worked hard on. I urge my colleagues to support the rule, support the conference report. Pass this tonight.

Mr. McINNIS. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. McINNIS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 106, nays 294, not voting 34, as follows:

[Roll No. 475]

YEAS—106

Abercrombie
Aderholt
Archer
Armey
Bass
Bateman
Bliley
Blunt
Boehlert
Boehner
Bonilla
Boswell
Brown (FL)
Burr
Burton
Camp
Campbell
Castle
Coble
Collins
Conyers
Cox
Davis (VA)
DeLay
Diaz-Balart
Dicks
Doggett
Dreier
Dunn
Ehrlich
English
Ensign
Everett
Foley
Forbes
Fox
Frelinghuysen
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Greenwood
Gutierrez
Gutknecht
Hastert
Hastings (WA)
Hobson
Houghton
Hulshof
Hutchinson
Istook
Jenkins
Johnson (CT)
Kelly
Kim
Kingston
Knollenberg
Kolbe
LaTourette
Lazio
Lewis (CA)
Linder
Lowey
McCarthy (NY)
McCollum
McCrery
McInnis
McKeon
Meek (FL)
Miller (FL)
Moran (KS)
Morella
Myrick
Neal
Nethercutt
Northup
Olver
Owens
Parker
Pastor
Paul
Paxon
Porter
Price (NC)
Radanovich
Ramstad
Rangel
Regula
Ros-Lehtinen
Salmon
Scarborough
Schumer
Shays
Solomon
Spence
Stump
Taylor (NC)
Upton
Weller
White
Wicker
Wilson
Wolf
Young (AK)

NAYS—294

Ackerman
Allen
Andrews
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Blumenauer
Bonior
Bono
Borski
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (OH)
Bryant
Bunning
Buyer
Calvert
Canady
Cannon
Capps
Cardin
Carson
Chabot
Chambliss
Chenoweth
Christensen
Clayton
Clyburn
Coburn
Combest
Condit
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dickey
Dingell
Dixon
Dooley
Doolittle
Doyle
Duncan
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Fazio
Filner
Ford
Fossella
Frank (MA)
Franks (NJ)
Frost
Furse
Gallegly
Gejdenson
Gephardt
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Hall (TX)
Hamilton
Hastings (FL)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hoekstra
Holden
Hooley
Horn
Hostettler
Hoyer
Hunter
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E.B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Latham
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McHugh
McIntosh
McIntyre
McKinney
McNulty
Meehan
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Nadler
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Pallone
Pappas
Pascrell
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Portman
Quinn
Rahall
Redmond
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Rothman
Roybal-Allard
Royce
Rush
Ryun
Sabo
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Souder
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stupak
Sununu
Talent
Tanner
Tauscher
Taylor (MS)
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Traficant
Turner
Velázquez
Vento
Visclosky
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Whitfield
Wise
Woolsey
Wynn

NOT VOTING—34

Callahan
Clay
Clement
Deal
DeFazio
Fawell
Fowler
Goss
Hall (OH)
Hansen
Harman
Kennelly
King (NY)
Klug
Largent
Livingston
Martinez
McDade
Moran (VA)
Murtha
Oxley
Packard
Poshard
Pryce (OH)
Roukema
Shuster
Smith (OR)
Stark
Tauzin
Thomas
Towns
Walsh
Yates
Young (FL)

□ 2107

Mr. MICA, Mr. SENSENBRENNER, Mrs. TAUSCHER, and Messrs. WAMP, EHLERS, HILL, CRANE, METCALF, PEASE and PICKERING changed their vote from "yea" to "nay."

Mrs. McCARTHY of New York, and Messrs. LAZIO of New York, PASTOR, UPTON, SCHUMER, and MORAN of Kansas changed their vote from "nay" to "yea."

So the resolution was not agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4274, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS ACT, 1999

Mr. MCINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–762) on the resolution (H. Res. 564) providing for consideration of the bill (H.R. 4274) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Mr. MORAN of Virginia. Mr. Speaker, I was unavoidably detained on the last vote. Had I been here, I would have voted "no."

□ 2115

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. GILCHREST). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

TRIBUTE TO JUDGE CHARLES D'ARRIGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

Mr. FOSSELLA. Mr. Speaker, since taking office last November, I have spoken before this House many times on the critical issues and decisions that face our nation. I would like to depart from my usual practice and speak before you this evening on an all-together different matter.

It is without question that the United States is the greatest nation in the history of the World. In the span of a little more than 200 years, we have gone from a fledgling nation surrounded by the wilderness of nature and coldness of international isolation, to the World's only military and economic superpower. In that role the United States has been the sole protector of liberty and freedom during the World's darkest hours of this century and acted as a benevolent force to defeat and turn back the tide of fascism and communism. The greatness of America does not come from military strength or economic wealth. Rather, the greatness of America flows from the spirit of freedom and accomplishment brought about by the individuals who live in our land. I would like to take this opportunity to talk to you about one of those individuals—Judge Charles D'Arrigo.

In many ways Judge D'Arrigo exemplifies the typical American success story. The son of an immigrant father, Judge D'Arrigo attended Wagner College and Brooklyn Law School and served in the United States Army during the Second World War in the European Theater of Operations. From 1954 through 1973 he was engaged in the private practice of law, and in 1973 was elected a Judge of the Civil Court of the City of New York. In 1981, he became the Judge of the Surrogate's Court of Richard County, a position that he continues to hold and will until his retirement at the end of this year.

Being a Judge of the Surrogate Court is not an easy task. The duties of a Surrogate very often have to deal with the intimate personal and financial situation of a grieving family after the loss of a loved one. Many times those cases are compounded by acrimonious disputes. True to his nature, of always seeing the bright side of life, Judge D'Arrigo transformed his position to help young, loving couples become parents by performing hundreds of adoptions. Adoption Day in the Surrogate's Court has been turned into a Staten Island holiday season tradition. Although soft spoken, Judge D'Arrigo has stood as a champion of justice and acted as a fair and compassionate arbiter of the law. Universally respected, Judge D'Arrigo exudes the honor and integrity that highlight the importance of our justice system and the rule of law that protects individual liberty.

Judge D'Arrigo's civic pursuits extend far outside of the court room as well. With Norma, his lovely wife and partner of 49 years, the D'Arrigo's have participated in so many philanthropic endeavors, that their good works, most often without credit or accolades, are inseparably woven throughout the social fabric of our great Borough.

On the occasion of his retirement from the bench, I wish to congratulate Charles. To Norma I say, thank you for allowing us to have your husband for so long and I hope that you both enjoy this special time for many years to come.

It is my sincere hope that you both remain active participants in the community. Collectively, as a community, we would be at a loss without the gentle words, kind smiles and steely determination to perform good works that you both bring into any project.

My best wishes to Charles and Norma D'Arrigo, their three children, Shelton, Janice and Charles. And of course, their lovely granddaughter, Christin, and I thank the Speaker for indulging me in this personal commemoration.

REPUBLICAN 90–10 PLAN

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Arizona (Mr. HAYWORTH) is recognized for 60 minutes as the designee of the majority leader.

Mr. HAYWORTH. Mr. Speaker, and for those who join us from coast to coast and beyond via C-SPAN, we make many historic decisions in this, the people's House, and one made last week is one of the most profound, with far-reaching consequences for the better, for our Nation and our people. Because, Mr. Speaker, last Saturday in this Chamber the majority passed a plan that said, quite simply, it is important that this Congress sets aside $1,400,000,000,000 to save Social Security.

Now, it has been interesting to hear some of the debate that was bandied back and forth; to hear some of the commentators and pundits, but this historical fact is beyond dispute: Never before, Mr. Speaker, in the history of this assembly, did anyone step forward to set aside funds to save Social Security.

Oh, there were efforts to raise payroll taxes, and always it seemed the temptation of raising taxes was something to which previous majorities succumbed. But what this common sense conservative majority did in this Chamber last Saturday provides a common sense plan not only for Social Security but also for tax relief to the American people. Those of us in our common sense conservative majority call it the 90–10 plan, setting aside 90 percent of the projected surplus, again, $1,400,000,000,000 for Social Security, and using a very modest amount, comparatively, for tax relief for the American people.

Mr. Speaker, I am joined tonight for this special order by one of my colleagues from the Committee on Ways and Means, my classmate who joined me in the new majority in that historic vote in November of 1994 as a newcomer to Congress in the 104th Congress, my seat mate now on the Committee on Ways and Means, one who has worked tirelessly to provide meaningful features of this tax relief plan. At this time I would yield to my good friend, the gentleman from Illinois (Mr. WELLER), to talk about what in essence is the centerpiece of this tax relief plan, this very prudent, this long-term profitable plan for the American Nation, the centerpiece of the feature being relief from the marriage penalty. I yield to my friend.

Mr. WELLER. Mr. Speaker, I thank my colleague for yielding me some time to talk about what I consider to be a big victory, not only for the people of Arizona and Illinois but people throughout this country. It is because of the Republican majority in the last 3½ years that for the first time in 28 years we have a balanced budget. Not only do we have a balanced budget but, beginning today, October 1st, we have a surplus, more tax revenue coming into the Treasury than we are spending.

We have held the President as well as our own leadership's feet to the fires. That freshman class of 1994 said that we were going to come to Washington to change how Washington works. We have succeeded in balancing the budget, and I am proud of that. And it is kind of something new here in Washington, that we actually have more tax revenue coming in than we are spending. We are more than living within our means.

In fact, it is projected today by the Congressional Budget Office that we expect to see over the next 10 years, thanks to a fiscally conservative Congress, a $1.6 trillion budget surplus. $1,600,000,000,000 in extra surplus tax dollars that are now in the Treasury over the next 10 years because we have held the line on spending. That is a big victory.

I want to point out that the balanced budget that we pushed through Congress last year, and convinced the President to sign, contained no tax increases on the American people. No income tax increases. In fact, we gave, for the first time in 16 years, middle class tax relief to the folks back home.

The gentleman was pointing out, of course, what is a big victory for a lot of people, for all of us that are working Americans, those of us who want to see the contract with working families, the retirement contract that is Social Security, honored. And, of course, we recognize that for people like my mom and dad, and when I think of Social Security we always think about those closest to us, our family, and how government in its ways and actions affect people we love and care about.

When I think of Social Security, I think of my own mom and dad, and I think of my Aunt Mary, and my Aunt Eileen, my Uncle Jack, my Uncle Bob, and members of my family that are seniors, where Social Security is an important part of their lives and their friends and their neighbors. And for them Social Security is in good shape. But for the next generation, my brothers and my sister's generation, for the baby boomers and for those that follow, Social Security is in question.

Because of our concern in this Congress to save Social Security, to ensure that we honor the contract of Social Security for the next generation and future generations, I am proud that we set aside $1,400,000,000,000 to save Social Security.

I mentioned earlier my sister Pat, when I think of the marriage tax penalty. And I have often asked this question in debate here in the House over the past year, and my colleague from Arizona and others have joined us in this fight to eliminate what we consider to be the most unfair provision in the Tax Code, and it is a simple question: Is it right, is it fair that under our current Tax Code a married working couple with two incomes pays higher taxes than an identical working couple, with an identical income, that lives together outside of marriage? They, instead, pay less. It is just not right that under our Tax Code a married working couple pay more in taxes just because they are married. And I am really proud that the centerpiece of the tax provisions in the 90–10 plan will eliminate the marriage tax penalty for a majority of those who suffer it.

It is really a simple solution in the way that we go about providing tax relief to married couples, eliminating the marriage tax penalty for a majority of married couples that suffer it today. It is estimated that almost 28 million married working couples will benefit from the marriage tax relief provisions in this package.

And it is pretty simple. The standard deduction is a standard deduction we take if we do not itemize. And right now the standard deduction for joint filers, in this case usually married couples always, of course, is not equal to twice what the single filer has. In fact, it is only $6,900. Now, we increase the standard deduction for joint filers to $8,300, exactly twice what a single taxpayer is able to claim. And in doing so, for 28 million married working couples they will see an extra $240 in higher take-home pay, less money they are going to send to Uncle Sam.

We eliminate the marriage tax penalty for a majority of those who suffer it with our simple solution by doubling the standard deduction for joint filers. I think of Joliet, Illinois, in the south suburbs of Chicago. $240, that is a car payment. That is two months worth of day care at a local day care center. That is groceries. That is a little extra money to help pay for school clothes for the kids. And that is real relief.

I am really proud that we made this the centerpiece of the tax provisions in this 90–10 plan. Think about it. We are saving Social Security with $1.4 trillion that was set aside. We are eliminating the marriage penalty for those who, of course, are suffering it, for the majority of those who suffer it. Twenty-eight million married couples will benefit. And there is one additional benefit, too. As my friend from Arizona pointed out earlier when we talked about this plan, what is really exciting is our goal not only to lower taxes for working Americans and working families but also to simplify the Tax Code.

One of the big benefits of doubling the standard deduction to twice that of a single filer is 6 million taxpayers will no longer have to itemize, will no longer have to use a schedule A. And in doing so, filing taxes is going to be simpler for 6 million filers. They will only need to file the 1040 EZ. That is a big victory. I am so proud that we not only save Social Security and eliminate the marriage tax penalty for so many, but this 90–10 plan received bipartisan support when it passed the House last Saturday, and I am proud to be a part of this.

Mr. HAYWORTH. I thank my colleague for the work he has done in focusing attention on the marriage penalty, one of the many features of our Tax Code that was just plain wrong. It did not make sense to penalize married couples, when other couples living out of wedlock were enjoying economic benefits as opposed to those who played by the rules, worked hard and observed the institution of marriage.

There are so many different things that we are offering in this relatively modest package of tax relief. Again, remember, we are setting aside $1,400,000,000,000 of the surplus to stay, to strengthen, to save Social Security, and only 10 percent of the projected surplus would go to tax relief. But in that package I think especially about my district and the seniors who live in my district and the many seniors who find that they have to work. As much as they would like to have the leisure time, their situation demands that they still need to earn an income.

And what we have done, as part of this bill of tax relief, is to increase the amount of money seniors can earn without losing Social Security benefits by increasing that earnings limit; to raise that, understanding that some people, A, enjoy working, they still want to be active, they appreciate the dignity of work, and they do not want to be penalized for working but; B, some folks, quite frankly, need it to make ends work. Why then would we seek to punish those seniors? And that is another area that is so vitally important.

My friend has another point to make, and I would gladly yield to him.

Mr. WELLER. I thank the gentleman. And I often think about seniors who we see working at restaurants, or they operate a small business on the side. We even see them at the arts and crafts shows. And it is just wrong that if we look at the Tax Code that senior citizens who have worked hard all their lives, and seniors are active longer, they are living longer, they want to be active longer, many want to work longer, of course they would like to have a little extra income, and it is really wrong that they are punished for working longer.

So that is why I think that raising the Social Security earnings limit to the level that we raise it makes a big difference for these seniors; that if we do not raise the earnings limit, they will have more of their Social Security benefits taxed away, and that is wrong. So by raising the Social Security earnings limit, we help a lot of seniors in Arizona, in Florida and Illinois.

And one thing I wanted to point out is that, of course, as we work on strengthening Social Security for the long term, a key part of that, I believe, is encouraging people to save for their retirement. And another provision in this tax package that I think is so important, as we help those who work hard and save a little for their retirement, for their future, is the Savers Act portion here.

And of course our colleague, the gentleman from Missouri (Mr. KENNY HULSHOF) really had the lead on this. A key member, a new member of the Committee on Ways and Means. His savers exclusion, which was included as part of this package, was a real winner if we want to encourage people to save for their retirement.

Because under this 90–10 plan we allow someone to have their first $100 in savings interest or dividend income exempt from taxes for a single taxpayer. And we also recognize, so there is no marriage tax penalty, that we allow the first $200 in savings interest for a married couple. What that essentially means is a married couple can have $10,000 in a bank account or a savings account, and the interest on that is tax free.

Not only do we reward saving for retirement, I would like to point out that is one more way that we simplify the Tax Code. It is estimated that 68 million taxpayers will benefit from exempting the first $100 for singles, $200 for couples from income taxes.

Not only will 68 million taxpayers benefit, but also it helps simplify the Tax Code. There is that Schedule B. That is where we report our dividend interest and dividend income in the taxes. And we helped simplify it because this will allow 10 million taxpayers to simplify their tax filing to the point where they only have to file one form. They will no longer need to itemize.

Think about that. Ten million taxpayers and seven million people will no longer need to file a Schedule B. So 17 million taxpayers will see their tax filing experience, which no one likes, simplified. That is a big victory. I thought it was important to point that out.

Mr. HAYWORTH. One of the things we have learned since coming to the Congress of the United States is just how important it is to listen to our constituents. When I was back home over the district work period, holding in excess of 30 town hall meetings, what I heard time and again from the folks who live in the Sixth Congressional District of Arizona is that they wanted to see now, as we move to the policies of surplus, that we set aside the surplus for three things: that we save Social Security; that we help pay down the debt, the $5.5 trillion debt, which hangs over the heads of our children; and that we understand again a hard and basic truth that has been difficult for folks inside the District of Columbia to understand, and it is a simple statement, very commonsensical, but sometimes the logic escapes people here, and it is this notion: that the funds that come from the pockets of American citizens belong to those citizens, not to the government.

To the extent possible, working people should hold on to more of their hard earned money and send less of it here to Uncle Sam, and that is the logic and the notion behind tax relief.

Mr. WELLER. The gentleman has brought up a really good point. As we have shared many times in our conversations, we have talked about our districts and the good people we have the privilege of representing, I represent a really diverse district, the south side of Chicago, the south suburbs in Cook and Will counties; bedroom communities like Morris, where I live, and a lot of corn fields and farm towns.

Whether I am at the grain elevator, the union hall or the VFW or a local Business and Professional Women's meeting, I find there is a lot of common concerns, and saving Social Security, eliminating the marriage tax penalty, helping farmers, helping small businesspeople, helping families who want to set aside a little money to help put the kids through college and, of course, this 90–10 plan, accomplishes that.

I had a senior citizen come up to me this last couple of days while I was back in Illinois and he said, Representative WELLER, what I am really excited about with that Social Security savings plan and the marriage tax elimination and the other tax provisions in the 90–10 plan, is I remember when President Clinton gave his speech back in January.

Remember that State of the Union speech? The President said, let us save Social Security first and let us set aside the surplus for Social Security? I stood up and applauded and we all did in a bipartisan effort because we wanted to save Social Security.

That senior pointed out, he said, Representative, you folks did twice what the President asked for because when the President said set aside the surplus, there was $600 billion in projected extra tax revenue. Well, nine months later, there is a projected $1.6 trillion extra tax dollars now in the treasury and we set aside $1.4 trillion. That is more than two times what the President asked for. That is going to help us save Social Security not only for today's seniors but particularly for the baby-boomers and the future generations that are looking to Social Security as part of their retirement income.

I thought it was real important to share that experience and that conversation back home.

Mr. HAYWORTH. Mr. Speaker, I would point out one other fact that I hope that American citizens will keep in mind. When the President of the United States graced us with his presence and stood at the podium behind us here, he not only said that every penny should go to save Social Security, we should save Social Security first, but sadly his actions failed to reconcile with that promise. For, even as he made that promise from the podium behind us here, he subsequently spent almost $3 billion in Bosnia, which points up the other basic truth of the pitfall of the great debate that continues in this chamber and across America.

As my constituents tell me, the sad fact is, if we leave money in Washington, Washington spends the money. It belongs to the American people and that is money that should return to their pockets.

Mr. Speaker, we are joined here tonight by another colleague. I look and see another classmate from the 104th Congress, our good friend, the gentleman from Pennsylvania (Mr. FOX), who joins us here on the floor tonight.

Mr. FOX of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman from Arizona (Mr. HAYWORTH) for yielding.

Mr. Speaker, I am very proud of the efforts of the gentleman from Arizona (Mr. HAYWORTH) on the Committee on Ways and Means to lead the fight to have the tax relief and to help our seniors in saving Social Security. I know we are joined by the gentleman from Missouri (Mr. HULSHOF) and also the gentleman from South Dakota (Mr. THUNE).

I think it is important that we be able to show this collective bipartisan effort to really help our seniors make sure that Social Security is secure.

I would say to my colleagues it is interesting to note that 60-plus, the fastest growing seniors advocacy group in the United States, has endorsed this 90–10 plan, which does exactly what the American people want. They want a Social Security system that is going to be secure, and with $1.4 trillion being placed in the Social Security trust fund, that is more than twice the amount of money that has been owed from prior Congresses.

The fact that we are able to make sure the marriage penalty elimination is going to help seniors and others, and the fact that the saver's tax exemption is going to help seniors and others, and the fact that reducing inheritance taxes is going to help seniors and others, shows that we have made our first initiative here to make sure that seniors have a Social Security system that is secure; then a modest tax decrease, which I think the American people deserve. It is their money after all.

This is really a great accomplishment. I am hoping that the Senate will move forward, agree with us and then eventually have the President sign the bill as well.

Mr. HAYWORTH. Mr. Speaker, we are joined also tonight by two colleagues from the freshman class of the 105th Congress, two gentlemen who hailed from States where agriculture is of vital importance, and I look to my left, very rarely philosophically do I find this gentleman on my left, but my friend, the gentleman from South Dakota (Mr. THUNE) joins us.

Mr. THUNE. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from South Dakota.

Mr. THUNE. Mr. Speaker, I want to thank my friend from the desert, the gentleman from Arizona (Mr. HAYWORTH), for yielding and thank him for the great work that he has done on the Committee on Ways and Means and our other colleagues on the floor this evening; the gentleman from Missouri (Mr. HULSHOF), who authored the small saver exclusion in this bill, which is so critical, too, for a lot of people in this country who are trying to save some money and is going to simplify the Tax Code.

There are a lot of people who will not have to fill out schedule B in the future and that is a significant thing, and the gentleman from Illinois (Mr. Weller), our distinguished colleague, who is responsible primarily for bringing forward and making the crown jewel of this tax cut package the marriage tax penalty relief.

What I would like to do just briefly is touch on a couple of other aspects of this bill which is very important in my part of the country, and that is in the world of agriculture. I might begin by saying that the last time we had a balanced budget in this country I was 8 years old. We have been living in this culture of debt now for the past 30 years, all of my adult life basically. It is just an amazing, I think remarkable, accomplishment.

The American people should make no mistake about it. The reason we are where we are is thanks to their hard work but also to the Republican majority in this Congress who when they were elected, when they came in in 1994 and we joined them in the 1996 and 1997 session of Congress, set upon a path of getting our fiscal house in order, making the hard decisions about spending and lowering taxes, which in the end has actually raised revenues so that we are in a position now to bring some additional tax relief.

Let me just briefly say on behalf of the farmers and ranchers of the country, and certainly those that I represent in South Dakota, that this is a wonderful plan for agriculture. The estate tax relief that is in here, the death tax relief which allows farmers and ranchers and small businesspeople to pass on their operation to the next generation without having to deal at the same time with the Internal Revenue Service and the undertaker, is, I think, a real tribute to the work that was done by this committee and a real asset and a real benefit to the producers of this country.

The health insurance deduction for self-employed individuals is critical. There are so many people in this country who are not able to deduct the premiums that they pay for health insurance policies and this allows for that to happen; an average benefit of about $382 to some 3.3 million people in this country who will benefit from that provision in the bill.

There is a small business expensing provision which will allow farmers and ranchers again the benefit of increasing the amount that they can expense out, and also a loss carryback provision for those who are experiencing losses, and there are a lot of them in my part of the country right now who, due to the price disaster, are losing money. It has been a tough couple of years, but they can take those losses and offset them against more profitable years and get a refund this year, which will tremendously help the cash flow situation and the problems that they are facing in trying to deal with the working capital they need to stay in business.

These are all provisions, in addition to income averaging which makes permanent that provision that allows farmers to spread out their income over time, and thereby lessen their tax liability in any one year. Farming and ranching is a very volatile industry when it comes to the income that they generate, a lot of ups and downs.

There are many provisions in this that are good for agriculture, and I think it is just remarkable at the same time we were able to dedicate $1.4 trillion to saving Social Security and be able to help the farmers and ranchers of this country who desperately need help right now, who are trying to recover from the economic crisis they are in, in the form of tax relief.

I think this is a wonderful package and one that I hope we can move forward in the Congress, and I want to give credit to those of my colleagues who were instrumental in the Committee on Ways and Means and my friend, the gentleman from Pennsylvania (Mr. FOX) here as well who is on the floor this evening. I look forward to moving this and advancing it in the process in the hopes that we can make it the law of the land and help out those people across this country who have worked hard to give us the surplus and who deserve to have some of it back.

Mr. HAYWORTH. Mr. Speaker, let us not forget that a previous liberal Congress put upon the American people the largest tax increase in our history. Indeed, to quote a member of the other body on this hill, a liberal Senator from New York State, he said it was not just the largest tax increase in American history but the largest tax increase in the history of the world.

If there is one primary difference, it is this: Our common sense conservative majority believes that, Mr. Speaker, the folks who live in this country, who work hard and pay the bills, have worked very hard for the money they earn. They need to hold on to more of it and send less of it here to Washington.

My friend, the gentleman from Pennsylvania (Mr. FOX), has one point that he wants to bring out and I am happy to yield some time to him.

Mr. FOX of Pennsylvania. In my discussion previously, and I wanted to add on to what the gentleman from Arizona (Mr. HAYWORTH) said earlier, I had spoken, of course, of the programs to strengthen Social Security but also talked about modest tax decreases. I may have inadvertently said another word, but it is decreases and the tax cuts that are so important to our constituents back home. It is their hard earned money and we want to not only make sure that passes, but the private prepaid tuition plans are excellent. The bond value caps can help us with affordable housing, and also to help us with the school construction. All by having tax cuts, we are helping our communities. It is the opposite of what we had in the prior forty years with democratic rule, with tax increases which actually hurt us from having more jobs in the private sector.

Mr. HAYWORTH. Mr. Speaker, now to my right, fittingly, although he stands at the other microphone here in the well, it is another newcomer in this 105th Congress, the gentleman from Missouri (Mr. HULSHOF), who has played a major role on the Committee on Ways and Means in bringing the tax bill to the floor and seeing its subsequent successful passage here in this chamber.

Mr. HULSHOF. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I yield to the gentleman from Missouri.

Mr. HULSHOF. Mr. Speaker, I thank my friend, the gentleman from Arizona (Mr. HAYWORTH) for yielding.

Mr. Speaker, the gentleman from Pennsylvania (Mr. FOX) has it just right. There is so much about this tax cut package that is to like. When we had this debate last week, as the gentleman knows, there was a lot of discussion and a lot of rhetoric being thrown around by our friends on the other side, especially when we talked about Social Security.

The beauty of this particular provision is that we want to take 90 percent of the projected surplus and put it aside to save Social Security; surplus funds, not monies needed to balance the Federal checkbook.

In fact, I came, Mr. Speaker, to this very floor and caused, I think, a little consternation because I had ten one dollar bills in my hand and I said, we have been talking in trillions and billions of dollars and sometimes that is a difficult concept to grasp, these numbers with so many zeroes. Let us think of it this way, and I had ten one dollar bills.

We wanted to take nine of those ten and fold them up and put them in our pocket and put that aside to save Social Security, to make sure that Social Security is there not just for today's seniors but for tomorrow's as well. Simply, what we want to do is take one dollar of the surplus funds, one dollar out of ten, and leave it in the pockets of those who earned it.

I am troubled by the statements made at the other end of Pennsylvania Avenue and talks of potential vetoes. In fact, the White House even said that we were, quote, squandering the surplus, squandering the surplus, by letting the American taxpayer keep what is rightfully his or hers.

There are so many things in this particular provision. The gentleman from Illinois (Mr. WELLER) is exactly right. When trying to at least make a down payment on the elimination of the marriage tax penalty, we have much further to go, but certainly when my wife and I a few short years ago stood at the altar and said I do, it was not I do want to pay more in income tax, and yet that is the plight of many married couples in this country.

Simply by investing in the institution of marriage, their tax bill has gone up. I think that this provision does a good job of trying to level the playing field.

As the gentleman from South Dakota (Mr. THUNE) talked about, farmers and ranchers who are having a difficult time right now in this country, there is relief for those farmers and ranchers, small businesspeople, with the death tax. All of those things are addressed, as the gentleman from Pennsylvania (Mr. FOX) talked about, the head of our economic development back in Missouri wrote a letter on behalf of our governor, a democratic governor as it turns out, urging us to increase the private activity bond cap because of the affordable housing issue. It is addressed in this bill.

□ 2145

One of the things that I want to visit about is something that we have worked on specifically that would leave that dollar of that surplus money in the pockets of the low and middle income people in this country, and that is those who try to save, those people who try to put away their pennies and nickels. When you think about it, Mr. Speaker, they are being punished for their thrift.

I happen to have a 1040 form over here, modified just a bit, with a big circle and a slash. But when you think about, and I know this is maybe painful for you to think about April 15th of each year, but when you think about having to pull out the files and start to fill out your 1040, as we do most spring months, obviously most taxable income of most Americans is wages and salaries.

But when you consider that those of us that are able to put aside a little bit into a money market account, or maybe an interest bearing checking account, and any interest that we earn is being taxed, it is included in taxable income. And you carry it down here and you are being taxed on that amount, as you are the rest of your income, when many other countries actually provide some more incentives for their citizens to save and invest.

What this bill does is simply allow an exclusion up to $400, if you are a married couple, as the gentleman has been talking about with married couples, allowing joint filers to exclude up to $400 of interest or dividend income, to not be taxed, to put that back perhaps into other investments.

The Congressional Research Service has recently done a study just on this small saver provision that said this proposal would really benefit the low and middle income taxpayers, because it hits them more proportionately than it would somebody down at Wall Street. Of course, having thousands of dollars in investments a $400 exclusion is not likely to help that individual very much.

As the gentleman from South Dakota talked about a moment ago, not only is this good in a broad-based way as far as providing relief for millions of taxpayers, the small saver provision is helping 68 million taxpayers, but, more importantly, it is an issue of simplification.

I know a year ago when we had the debate about taxpayer relief of 1997, one of the constructive comments was this was not something that added to simplification of the Tax Code. This bill we passed in the House does just that.

As the gentleman talked about, how many millions of taxpayers will not have to itemize any longer, just because of the marriage tax penalty elimination? I know that certainly millions of taxpayers will no longer have to fill out this Schedule B form, the interest and dividend income exclusion. So we are simplifying the Tax Code.

By not requiring those additional calculations and forms, some I think 10 million Americans will no longer have to file a 1040, they can file a 1040 EZ just because of the small saver provision. Seven million will not have to trouble themselves with the Schedule B if this small saver provision is signed into law by the President. So not only are we providing broad-based relief, we are simplifying the Tax Code, which I think is something even our friends on the other side support.

Mr. HAYWORTH. I thank my colleague from Missouri. As we take a look at the many different provisions, and as I hear my colleagues remark on the different provisions that benefit hard working Americans, Mr. Speaker, I am reminded again of the many town halls that I have held back in the 6th District of Arizona, and I hear from people, and perhaps we ought to change the nomenclature, because we so often casually refer to small business. I think, Mr. Speaker, we should change that notion and redefine small business as essential business, because really those essential businesses, not with thousands upon thousands of employees, but those smaller enterprises, sometimes called mom and pop operations, indeed form the backbone of our economy, for those essential businesses, or, in common nomenclature, those small businesses employ more people than the corporate giants.

Especially for those Americans who are self-employed, how much I have heard at town hall meetings, "Congressman, I am self-employed. When can I deduct my health insurance costs like the big guys in corporate America?" And this bill does that, allowing for 100 percent deduction of health insurance premiums for the self-employed, including so many of our hard working constituents down on the farm.

My colleague from Illinois, raised on a farm, understands what this means. How vital it is that we accelerate that, how important it is for so many Americans who have waited for so long to enjoy what others in corporate America at least have not taken for granted, but have benefitted from in years past with our Tax Code.

The gentleman from Illinois.

Mr. WELLER. Mr. Speaker, I would like to thank the gentleman from Arizona for yielding. The point the gentleman is making is such an important one. We often talk about small business, and I consider small business to be Main Street, and, of course, two-thirds of the jobs that are created in our Nation and our economy every year are small business.

I meet on a regular basis with a group of women entrepreneurs in the south suburbs, and they made a point to me that I took to heart, a lesson. They said when you think about small business issues, small business issues are women's issues, because the majority of new businesses that are created and started every year today, the majority of them are started by female entrepreneurs. In the State of Florida, two-thirds of new entrepreneurs are female, are women entrepreneurs.

I think that is why what we did last year with restoration of the home office deduction is so important, because many of the women entrepreneurs, they start a business in the home.

Of course, then the health insurance issue is so important, not just to women entrepreneurs, but to male entrepreneurs and all small business people and farmers and entrepreneurs. When you think about it, our goal is to make sure that health insurance is affordable for everyone. Our goal is giving everyone access to affordable health care. Of course, we should really work to achieve that goal.

This is a big step, because by giving the self-employed, the entrepreneur, the same tax deduction that the big corporations on Wall Street get, it is an issue of fairness. We are working to bring fairness to the Tax Code by helping these entrepreneurs, which I pointed out earlier the majority of are female-owned enterprises, that is a big victory.

But the 90–10 plan is good for education, and helping our schools and those who want to send their kids to college and local schools has been a priority in this Congress in the last four years that I have had the privilege of serving here.

I think it is important to note that some of what some people say are the smaller provisions in this tax package actually are pretty important.

Last year we gave tax exempt treatment to prepaid college tuition programs for state universities, such as the University of Illinois and the other state universities in the State of Illinois that offer them. States like Pennsylvania and others do as well. But we bring fairness to the Tax Code by extending that same tax exempt treatment to the small private colleges, schools such as St. Francis and Olivet Nazarene University and Lewis University in the district that I have the privilege of representing now will be able to offer prepaid college tuition programs and help parents who want to send their kids off to college in a few years be able to make the tuition much more affordable. That is a big victory.

I also represent a growing suburban and urban district. One of the challenges we have in the older urban areas is the school buildings are older. We have maintenance, and we want to wire them with fiber for computers, and keep the technology up as well as keep the roof from leaking, they need help.

Last year we passed a school construction bond program as part of the tax package. We also provide over $1 billion in school construction bond assistance to not only the old urban schools in need of repair, but also help those suburban school districts in need of adding additional classrooms. I think that is very, very important.

Of course, raising the bond cap, as my colleague from Missouri pointed out, it is so important. We provide for a 50 percent increase. That is to be a big help in states like Illinois, not only helping to provide affordable housing for working and moderate income families, but also in helping infrastructure, such as helping expand our schools.

I think it is important to point out that this tax package helps married couples, family farmers, small business people and entrepreneurs, and also those who want to send their kids off to college, and helps schools add on additional classrooms and keep the roof from leaking.

Mr. HAYWORTH. I thank my colleague from Illinois for raising this part of this very human equation, because there is a temptation when we start talking about tax bills and tax relief to somehow put on the green eyeshade and pull out the calculators or the slide rules and deal with numbers, and, please, do not get me wrong, the numbers are important, Mr. Speaker, especially the $1.4 trillion which we pledged to set aside for Social Security.

But, moreover, there is a concept here that my colleague from Illinois touched on, and it is this: There are those in this city who still fail to learn the lessons of history, who would still have us believe that a centralized bureaucracy can make decisions for your family, for your school district, sadly I suppose ultimately for your children in a lot of ways, and I think our new common sense conservative majority says this: That we believe education is too important to leave up to Washington bureaucrats. There is no way that folks inside this beltway can micro-manage education. Indeed, sadly, one need only look to the schools inside this District of Columbia to see what disarray can befall an educational system at the hands of big government solutions and more and more spending with less and less accountability.

So what we are saying in this tax bill is for local school districts, to have provisions that they can use for capital improvements, for construction, for renovation. As my colleague from Illinois points out, that is the key. We understand that not all the answers exist inside the Beltway in Washington D.C., and we are better served when we transfer money, power and influence out of Washington and back home to people on the front lines, living their lives, educating their kids, and seniors in the dignity of retirement.

Mr. HOLSHUF. Mr. Speaker, if the gentleman would yield, there is another provision in this bill that I think has not been getting a lot of attention, and I know last year when we were debating tax relief, that we heard the mantra, the weary mantra from the other side, "tax breaks for the wealthy." Yet in this particular bill, a colleague from the class of 1994, the gentleman from Oklahoma (Mr. WATTS) working with another colleague from Missouri, a neighbor of mine, the gentleman from Missouri (Mr. TALENT) from the 2nd Congressional District, the Watts-Talent Community Renewal Provision, again, to set up I think 20 separate empowerment zones, especially in these areas, you were talking about the schools, but especially in these inner-city areas that have become blighted, where we have seen businesses that have fled from those inner-cities to the suburbs. This particular provision would have zero capital gains for private industry that chooses to go back into the inner cities, to revitalize and renew those communities. That provision is in this bill as well and has not been getting much attention.

Again, I think what all of these very strong provisions, I dare say that I do not understand how the White House can talk about vetoing, and that is casting aside this very good tax package, with all of the things included, plus this very important community renewal provision that has been cosponsored by the gentleman from Oklahoma and the gentleman from Missouri.

Mr. HAYWORTH. Again, there are so many positive provisions of this bill that I think all of us on this floor stand in amazement to hear the mindset of those on the left who, after 40 years time, never set aside a single penny for Social Security, Mr. Speaker. That is right, zero, zip, zilch, nada, not even an idea of how to set aside funds to save Social Security.

Yet to hear the tired old chorus, they would have you believe some sort of cynical mumbo-jumbo that this is something that Americans are not entitled to. It is some sort of gimmick.

No, Mr. Speaker, I think all of us on the floor and those of us who voted for this common sense tax policy say quite the contrary: This is not a gift to the American people. This is money that belongs to the American people. We do not sit here and deign to give them a pittance of what they sent in to Uncle Sam. It is their money to begin with.

So, Mr. Speaker, tonight as we continue to review these provisions, let us respectfully take issue with those who time and again come to this floor, or sadly on an annual basis to the podium behind us here, and display a mindset that would seem to suggest that tax relief for working people is candy or dessert or some special gift, as if it is an accident.

□ 2200

Indeed, Mr. Speaker, the group here on this floor right now and other colleagues in this majority were sent to Washington precisely because the American people understand that they are not selfish for wanting to provide for their own families; that they are not selfish for wanting to have a greater control of their own destiny and their own futures; that they are not selfish for saying to Washington bureaucrats, we earned this money. We want to see a strong Federal Government, but not a government powerful enough to take away everything we have. That is the difference. Tax relief is not selfish; tax relief undergirds the notion of individual freedoms and a sense of responsibility.

I yield to my friend from Pennsylvania.

Mr. FOX of Pennsylvania. Mr. Speaker, I thank the gentleman from Arizona. The fact is that we would not be having this happy situation of a possible tax decrease if it were not for the fact that an historic balanced budget was adopted by the Republican-led Congress which has led to reduced costs for mortgage interest for the home, reduced costs for car expense loans, and reduced costs for education expenses. That has helped to spur the economy, have helped to increase employment, more people having jobs. The whole economy, we have seen it in the stock market, we have seen it in Wall Street, and we have seen it on Main Street, and that has led to the opportunity for what I believe should be a bipartisan tax decrease and a Social Security system that will be strengthened because of the passage of this bill.

We thank those of our colleagues who are on the Committee on Ways and Means for their leadership in starting the committee process.

I yield back to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Speaker, it is just a common sense notion. Money does not belong to Uncle Sam, it belongs to the hard-working people of the United States, and those hard-working people ought to hang on to more of it and send less of it here to Washington.

The gentleman from Illinois.

Mr. WELLER. Mr. Speaker, I thank the gentleman from Arizona for yielding.

I think one good point to make, I was of course walking down the street in Joliette the other day and the President had just given a little talk, and, of course, he said we should not "squander" was his term the surplus on anything except his priorities. What I found interesting is that the President ignores that we are setting $1.4 trillion, or $1 trillion, 400 billion in surplus tax revenue to set aside to save Social Security, and, of course, the remaining 10 percent we give back to the American people.

What the President for some reason does not want us to know is that I, growing up on the farm, as my friend from Arizona, I say, judge someone not by what they say, but by what they do. The President says we cannot squander surplus tax revenues on a tax cut for families because we have other things we want to use it for.

The President opposes what is a pretty modest tax cut, a $16 billion tax cut next year, but he turns right around and proposes spending $20 billion of the surplus tax revenues on defense spending and on the State Department and other things that he feels are important.

So he does not want to give back to the taxpayer that extra tax revenue; he wants to spend it. And that is why it is so important that the 90–10 plan be enacted. Because what is exciting I think really for the folks back home is the 90–10 plan, by setting aside 90 percent of the budget, the surplus, extra tax revenue for saving Social Security and giving the other 10 percent back in tax relief is we prevent those politicians who ran up the massive deficits over the last 28 years from spending it. I think that is a big victory.

I also would like to point out another provision in this tax bill. I think that it is also very important, one of those we do not hear about as much. All of us here, the 4 of us here are strong supporters of welfare reform, and whether one is liberal or conservative on welfare reform, I think we all agree that we want to have jobs there for those who are on welfare so that they can raise themselves up and become an active part of the community and a taxpayer and join the work rolls and get off of the welfare rolls. One of the key provisions that is in this legislation is we continue, and we extend, a streamlined work opportunity tax credit, a tax incentive for the private sector to give those who are on welfare an opportunity for a job. That is a big victory, I believe.

I think of the area in the south side of Chicago and in the south suburbs, where many communities are impoverished, older industrial communities, and there are those, even though the economy has been pretty good, who are still on welfare, who would like to have a job, and because of the work opportunity tax credit, we have now seen thousands of Illinois welfare recipients having the opportunity to go to work. In fact, I can think of about 6 companies that have provided almost 3,300 jobs in the Chicago area to former welfare recipients, giving them the opportunity to lift themselves up and go to work. That is a big victory.

That is why this tax package is so important. The President and his friends would like to spend the surplus on the State Department and military missions in Europe and so-called other spending priorities that the President has, but that is $20 billion next year he would like to spend of the surplus. We are saying, now, wait a second. What we spend here should go through the regular appropriations process, should be under the budget rules and be part of the budget. Instead, that extra tax revenue we should give back and use it to save Social Security.

That is what is exciting about the 90–10 plan. Under that plan we help save Social Security by setting aside $1.4 trillion, $1 trillion, 400 billion in extra tax revenue that goes to save social security, and the rest we give back. Eliminating the marriage tax penalty for the majority of those who have suffered, helping family farmers in Illinois, helping small businesses in Illinois, helping schools in Illinois, helping those on welfare in Illinois go to work, and helping those who want to send their kids to college in Illinois. That is a big victory for the kids back home.

That is why I think it is so important that we continue to work for bipartisan support. We need to convince the President that it is the right thing to do. We want to eliminate the marriage tax penalty and we want to eliminate those other unfair provisions in the Tax Code. We want to save Social Security and eliminate the marriage tax penalty. It should be a bipartisan effort. My hope is that the President will join with us.

One message I have heard time and time again back home, and that is that the seniors always say, let us keep the politics out of Social Security. Republicans and Democrats should work together to save Social Security and they should also work together to eliminate the marriage tax penalty as well.

I yield back to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague and would just reiterate his comments on welfare and welfare-to-work and what this tax bill does in providing those opportunities to extend the work opportunity tax credit and the welfare-to-work tax credit. It is so vital, because indeed, there has been a disconnection in this city with the rest of America, because this city has, and those in the Federal Government and the bureaucracy, have measured compassion by the number of people added to the welfare rolls. We say true compassion, Mr. Speaker, is exactly the opposite. True compassion is moving people off welfare and on to work.

Almost 4 million Americans have left the welfare rolls and are now gainfully employed. That is true compassion. Those are true results. And they go a long way, and this tax package will help further that endeavor.

The gentleman from Missouri.

Mr. HULSHOF. Mr. Speaker, I appreciate the gentleman yielding. I know our time is drawing short.

In addition to one of the provisions in the bill that does not get a lot of air play, if you will, is the credit that we provide companies in this country to invest in research. Mr. Speaker, my friend from Arizona knows that technology is the key for America remaining on the cutting edge of being a world leader. In the past we have provided certain credits, tax credits for businesses who try those new ideas, who put into practice, as they ordinarily would, those innovative plans off the drawing board that they try to put into action. And that tax credit of course has expired, but now we include that tax credit, that research and development treatment so that companies and businesses, not just the big ones, but the mom and pops that think they can build a better mousetrap, that they can also have access by bringing those plans off the drawing board to make sure that we remain the most competitive among other nations across the planet, and it is something that does not get again very much discussion, but something I think that is very critical and crucial that is included in this tax plan.

Mr. Speaker, as a final point I would say to my friend and allow the gentleman to conclude, my colleagues here this evening, most of them were elected I think in the elections of 1994. As a new Member, someone who is just about to conclude his first term, there seems to be a universal attraction here in Washington between a pot of unspent money and a Washington politician. If we do not set aside this surplus money to save Social Security as we are doing, 90 cents out of every dollar, putting that aside, and then allowing 10 cents out of a dollar remaining in the pockets of the taxpayers who earned it, if we do not take the measures now, those affirmative actions now to shield off those surplus funds, it will be spent. It will be spent on big government, it will be spent on Washington.

So I very much applaud and support our efforts last week of taking 90 percent of projected surpluses, strengthening Social Security, shoring it up for the future. Again, not just for today's seniors, but for future generations of seniors, while at the same time of putting that 90 percent towards Social Security, and allowing 10 percent to remain in the pockets of the taxpayers who send it here to Washington. They deserve no less than that.

I appreciate the gentleman for allowing me to spend some time with him this evening.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Missouri, also my colleagues from Illinois, Pennsylvania and South Dakota, for coming to the floor of the people's House to discuss the people's solution, grounded on 2 realities, Mr. Speaker. Number 1, our firm conviction that the money in the pockets of American citizens belongs to those citizens. Not to Uncle Sam, not to the Washington bureaucrats, not to a burgeoning Federal Government, which has grown leviathan through the years, but instead to the people of the United States who deserve to hang on to more of their hard-earned money and send less of it to Washington.

The second notion is this firm conviction, that to fulfill the social contract, time-honored over years in this century, we believe it is vital of the surplus we are projecting to set aside 90 percent of that surplus, $1 trillion, 400 billion to save Social Security. In stark contrast to our liberal friends who, during 40 years time in the majority, never quite found the time or the inclination to set aside 1 penny. We believe we owe it to today's seniors and future generations to save $1 trillion, 400 billion which will be devoted exclusively to saving Social Security.

Mr. Speaker, I suppose it really comes down to the policies of hope and prosperity versus the politics of fear and class-envy. Indeed, one year ago the President of the United States journeyed out of the District of Columbia across the river to the Commonwealth of Virginia where on a Sunday before a statewide election he proceeded to lecture the people of Virginia, essentially telling them that if they wanted their car tax reduced, they were being selfish. For all his alleged political acumen, sadly, the President was mistaken and his advise to Virginia voters last year was overwhelmingly rejected with the election of Governor Gillmor who has worked to reduce that unfair car tax.

Now, for all 50 States and the District of Columbia, we reaffirm this basic notion. That money should remain in the pockets of hard-working Americans, not as some cynical stunt as those on the left would have us believe, but because it is the right thing to do.

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This 90/10 plan provides, again, another modest attempt to ensure that Americans hold onto more of their money, thereby strengthening the institution of marriage, thereby strengthening the family, thereby strengthening local control of issues such as education, thereby strengthening seniors, who have seen the handcuffs taken off of the earnings limits; in short, to offer something to all working Americans, because, after all, Mr. Speaker, it is their money.

Mr. Speaker, in closing, I would address, through the Chair, the other body and those in the executive branch of government to join with us; to remain committed to the notion of a smaller, more effective Federal Government; to stay true to the notion of Americans holding onto more of their hard-earned money.

We would ask that, in a bipartisan way, even with the reality of a pending election in a little more than one month's time, that we join together. For if we do not, Mr. Speaker, again, what we have done is offered a clear choice to the American people: Do they want to stand up for a plan that recognizes that we should save social security by setting aside $1,400,000,000,000, and at the same time offering tax relief, reaffirming the promise of our individual freedoms and individual endeavors, and the fact that it is our money? Or do we want to return to the tired, old ways of the Washington bureaucracy, and the notion that Washington, D.C. knows best?

Mr. Speaker, the choice is crystal clear. But even now, while we rejoice in difference, we would ask people to cooperate, because after all, the American people have the most to gain.

CYPRUS'S INDEPENDENCE DAY

The SPEAKER pro tempore (Mr. GILCHREST). Under a previous order of the House, the gentleman from Pennsylvania (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise tonight to congratulate the Republic of Cyprus on the 38th anniversary of its independence today. I came down to the House floor to speak about Cyprus's Independence Day because I think it is imperative that Congress take every opportunity to highlight the fact that the Republic of Cyprus does not enjoy true independence as we understand it in the United States.

For 24 of the 38 years since Cyprus became an independent State, the northern 37 percent of the island has been occupied by an illegal Turkish occupation force. Today, some 35,000 Turkish troops remain entrenched in the self-declared Turkish Republic of Northern Cyprus, which has been recognized only by the regime in Ankara. This occupation continues to destabilize the region, and sadly, the Turks appear to be growing only more and more intransigent and unreasonable in moving the peace process forward.

Despite numerous outstanding U.N. resolutions calling for a negotiated settlement, and a standing offer by Cypriot President Clerides to demilitarize the island, the regime in Ankara deliberately set the peace process back.

Over the last several months, there have been some actions by the Turkish side that have been of particular cause for concern. In May, as most of us who follow the Cyprus issue know, a new attempt to resuscitate peace talks led by Ambassador Richard Holbrooke collapsed when the Turks abruptly insisted on three new and unfounded preconditions to meaningful negotiations.

These preconditions, Mr. Speaker, were absolutely ridiculous. They prompted a public rebuke from Ambassador Holbrooke, who noted that peace talks are useless when only one party truly wants peace. Frustrated with the almost instantaneous collapse of these talks, I wrote to President Clinton urging that he adopt a hard-line policy, and use American influence with the Turkish military to get the Turks to cooperate.

Specifically, I asked that the U.S. government communicate to Ankara that there would be severe consequences in U.S.-Turkey relations if it did not prevail upon its puppet regime in Northern Cyprus to abandon these new demands and cooperate in the peace process. I have, unfortunately, seen no indication that any such message was communicated.

While I do not question the administration's commitment to bring peace to the region, I have nonetheless been disappointed with its tepid response to this newest spate of Turkish obstinance.

I am also very wary of the administration's response to another issue that I have been following closely and working on over the last few weeks. Shortly after the collapse of the peace talks, the Cypriot foreign minister was in town visiting Washington, and came to Capitol Hill to meet with Members of Congress.

At that meeting, some Members raised the issue of illegal Turkish transfers of American weapons to Northern Cyprus. This was very troubling to learn of, in light of the collapse of the peace talks, and because it was consistent with other reports of similar Turkish behavior. The illegal transfer of weapons by Turkey in fact was something I was already concerned about. On trips I had taken to Armenia, I saw firsthand American weapons that had been seized from the Azerbaijanis.

Following the meeting with the foreign minister, I decided that we ought to pursue the idea of holding congressional hearings on this topic of weapons transfers. I teamed up with the gentleman from California (Mr. BRAD SHERMAN) and the gentlewoman from New York (Mrs. CAROLYN MALONEY), and sent a Dear Colleague to all Members of the House asking them to sign a letter to the chairman of the Committee on International Relations, asking him to hold hearings.

As it was being circulated, it came to the attention of Ambassador Tom Miller. Ambassador Miller is now the State Department's special coordinator for Cyprus. He subsequently contacted myself, the gentleman from California (Mr. SHERMAN), and the gentlewoman from New York (Mrs. MALONEY), and asked if he could come to talk with us.

During the meeting, he informed me that in response to the inquiries by Members of Congress about Turkish arms transfers, the State Department would prepare a report on the matter, and that report is at this time being prepared.

In addition to the report, Ambassador Miller indicated that he would be willing to come to my district to talk to leaders of the Greek and Cypriot communities, which he did on September 13.

I have to say, Mr. Speaker, I appreciated the Ambassador's visit to New Jersey. Everyone there, myself included, told Ambassador Miller that it was our very strong belief that Turkey with not change its behavior unless it was clear that that behavior would bring serious consequences from the international community and the United States, in particular.

But our concern was that the U.S. has not indicated to the Turkish government there would be any serious response to their activities. If anything, the U.S. gives the impression that Turkey is more important as an ally today than it was in the past, and that the administration was going out of its way to show U.S. support for Turkey in the context of its application to the European Union, its strategic significance in the Middle East, and in many other respects. Even our condemnation of human rights violations in Turkey, particularly with respect to the Kurds, I think has been insignificant.

What I would like to emphasize, though, Mr. Speaker, before I conclude tonight, is that I, along with quite a few other Members, are intent on holding Turkey accountable for its actions and bringing true independence to Cyprus. We have seen success in Northern Ireland and Bosnia. With continued vigilance, we can bring success to Cyprus.

With hard work and a hard-line policy, I must emphasize, harder than we have now, we will one day surely be able to celebrate the true independence of Cyprus on a future Independence Day.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. FOWLER (at the request of Mr. ARMEY) for today and the balance of the week on account of family medical reasons.

Ms. HARMAN (at the request of Mr. GEPHARDT) for Thursday, October 1 on account of family business.

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for Thursday, October 1 on account of personal reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KENNEDY of Rhode Island) to revise and extend their remarks and include extraneous material:)

Mr. KENNEDY of Rhode Island, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. SCAGGS, for 5 minutes, today.

Mr. HINCHEY, for 5 minutes, today.

(The following Members (at the request of Mr. HASTINGS of Washington) to revise and extend their remarks and include extraneous material:)

Mr. FOSSELLA, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

Mr. TALENT, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. HINCHEY, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. WELLER, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. PAUL, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. JONES, for 5 minutes, today.

(The following Members (at the request of Mr. THUNE) to revise and extend their remarks and include extraneous material:)

Mr. ARMEY, for 5 minutes, on October 2.

Mr. ENGLISH of Pennsylvania, for 5 minutes, on October 2.

Mr. DIAZ-BALART, for 5 minutes, on October 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KENNEDY of Rhode Island) and to include extraneous material:)

Ms. JACKSON-LEE of Texas.
Mr. KIND.
Mr. GORDON.
Mr. TOWNS.
Mr. MCGOVERN.
Mr. HAMILTON.
Mr. GEJDENSON.
Mr. BENTSEN.

(The following Members (at the request of Mr. HASTINGS of Washington) and to include extraneous material:)

Ms. ROS-LEHTINEN.
Mrs. ROUKEMA.
Mr. DREIER.
Mr. PETRI.
Mr. NEY.
Mrs. MORELLA.
Mr. MCKEON.
Mr. WALSH.
Mr. SMITH of New Jersey.
Mr. GILMAN.

(The following Members (at the request of Mr. MORAN of Virginia) and to include extraneous material:)

Mr. HOYER.
Mr. BENTSEN.
Mrs. CLAYTON.
Mr. KLECZKA.
Mr. STARK.
Mr. BERRY.
Mr. FARR of California.
Mr. KUCINICH.
Mr. BARCIA.
Mr. PALLONE.
Mr. DOYLE.
Mr. HINCHEY.
Mr. DAVIS of Florida.
Mr. GEJDENSON.

(The following Members (at the request of Mr. THUNE) and to include extraneous material:)

Mr. PORTMAN.
Mr. MCKEON.

Mr. SAXTON.
Mr. YOUNG of Florida.
Mr. CALVERT.
Mr. GALLEGLY.
Mr. SOLOMON.
Mr. CRANE.
Mr. ENSIGN.
Mr. CANNON.
Mr. NEY.
Mr. JENKINS.
Mr. CLAY.
Mr. LANTOS.
Mr. FAZIO of California.
Mr. UPTON.
Mr. STARK.
Mr. FATTAH.
Mrs. CLAYTON.
Mr. KLECZKA.
Mr. WEYGAND.
Mr. CLYBURN.
Mr. MARKEY.
Mrs. MCCARTHY of New York.
Mr. BERRY.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 3096. An act to correct a provision relating to termination of benefits for convicted persons.

H.R. 4060. An act making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes.

H.R. 4382. An act to amend the Public Health Service Act to revise and extend the program for mammography quality standards.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1355. An act to designate the United States courthouse located at 141 Church Street in New Haven, Connecticut, as the "Richard C. Lee United States Courthouse".

S. 2071. An act to extend a quarterly financial report program administered by the Secretary of Commerce.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Friday, October 2, 1998, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11387. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Acrylic Acid, Styrene, -Methyl Styrene Copolymer, Ammonium Salt; and Styrene, 2-Ethylhexyl Acrylate, Butyl Acrylate Copolymer; Exemption from the Requirements of a Tolerance [OPP-300722; FRL 6032-4](RIN: 2070-AB78) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11388. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fluroxypyr; Pesticide Tolerance [OPP-300724; FRL-6033-4] (RIN: 2070-AB78) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11389. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Mepiquat Chloride; Pesticide Tolerances for Emergency Exemptions [OPP-300719; FRL-6032-6] (RIN: 2070-AB78) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11390. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebufenozide; Pesticide Tolerances for Emergency Exemptions [OPP-300721; FRL-6033-3] (RIN: 2070-AB78) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11391. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Carfentrazone-ethyl; Pesticide Tolerance [OPP-300718; FRL-6032-1] (RIN: 2070-AB78) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11392. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Zucchini Juice Added to Buffalo Gourd Root Powder; Exemption From the Requirement of a Tolerance [OPP-300683; FRL-6017-5] (RIN: 2070-AB78) received Septmeber 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11393. A letter from the Chief, Programs and Legislation Division, Office of Legislative Liaison, Department of the Air Force, transmitting notification that the Air Force is initiating a cost comparison of Precision Measurment Equipment Laboratories (PMEL) Air-Force-wide, pursuant to 10 U.S.C. 2304 nt.; to the Committee on National Security.

11394. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the System's final rule—Home Mortgage Disclosure [Regulation C; Docket No. R-0999] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11395. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Consumer Leasing [Regulation M; Docket No. R-1004] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11396. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Truth in Savings [Regulation DD; Docket No. R-1003] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11397. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule—Electronic Fund Transfers [Regulation E; Docket No. R-1007] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11398. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Virginia; Final Approval of Underground Storage Tank [FRL-6167-7] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11399. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Priorities List for Uncontrolled Hazardous Waste Sites [FRL-6169-3] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11400. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Massachusetts: Final Authorization of State Hazardous Waste Management Program Revision [FRL-6167-9] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11401. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions; Treatment Standards for Spent Potliners from Primary Aluminum Reduction (K088) [FRL-6168-7] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11402. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Bay Area Air Quality Management District [CA 211-0102a: FRL-6161-8] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11403. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Placer County Air Pollution Control District [CA 206-0096a; FRL-6164-4] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11404. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Priorities List for Uncontrolled Hazardous Waste Sites [FRL-6161-2] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11405. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Oklahoma: Final Authorization of State Hazardous Waste Management Program Revisions [FRL-6160-9] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11406. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Final Approval of Amendments to Title V Operating Permits Program; Pima County Department of Environmental Quality, Arizona [AD-FRL-6165-8] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11407. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Authorization of State Hazardous Waste Management Program Revision [FRL-6165-3] Receiveed September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11408. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans: Alaska [AK10-1-7022a; FRL-6162-9] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11409. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, San Diego County Air Pollution Control District [CA 206-0095a; FRL-6164-6] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11410. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Regulation of Fuels and Fuel Additives: Modification of the Covered Areas Provision for Reformulated Gasoline [FRL-6169-5] (RIN: 2060-AG77) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11411. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Protection of Stratospheric Ozone: Halon Recycling and Recovery Equipment Certification [FRL—6136-8] (RIN: 2060-AI07) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11412. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Acid Rain Program: 1998 Reallocation of Allowances [FRL-6164-1] (RIN: 2060-AG-86) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11413. A letter from the AMD-Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations. (Big Pine Key, Clewiston, Ft. Myers Villas, Indiantown, Jupiter, Key Colony Beach, Naples and Tice, Florida) [MM Docket No. 94-155, RM-8468, RM-8802] received September 25, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11414. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's final rule—Financial Assurance Requirements for Decommissioning Nuclear Power Reactors (RIN: 3150-AF41) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11415. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Technical Assistance agreement with Japan [Transmittal No. DTC 100-98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11416. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Canada [Transmittal No. DTC 112-98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11417. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed Manufacturing License Agreement with Japan [Transmittal No. DTC 122-98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11418. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

11419. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting copies of the original report of political contributions by nominees as cheifs of mission, ambassadors at large, or ministers, and their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on International Relations.

11420. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severly Disabled, transmitting the Committee's final rule—Procurement List; Additions and Deletions—received September 25, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

11421. A letter from the Chairman, Federal Communications Commission, transmitting Activities under the Freedom of Information Act for calendar year 1997, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform and Oversight.

11422. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Migratory Bird Hunting; Late Seasons and Bag and Possession Limits for Certain Migratory Game Birds (RIN: 1018-AE93) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11423. A letter from the Acting Assistant Secretary for Fish and Wildlife and Parks, Department of State, transmitting the Department's final rule—Migratory Bird Hunting: Migratory Bird Hunting Regulations on Certain Federal Indian Reservations and Ceded Lands for the 1998-99 Late Season (RIN: 1018-AE93) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11424. A letter from the Director, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Endangered and Threatened Species; Threatened Status for JOHNSON's Seagrass [Docket No. 980811214-8214-01; I.D. 052493B] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11425. A letter from the Acting Director, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Department's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna; Closure [I.D. 090498SA] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11426. A letter from the General Counsel, Office of Community Oriented Policing Services (COPS), Department of Justice, transmitting the Department's final rule—FY 1998 Police Recruitment Program (RIN: 1105-AA58) received September 28, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

11427. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A310, A300-600, and A320 Series Airplanes [Docket No. 97-NM-107-AD; Amendment 39-10759; AD 98-19-18] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11428. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; CFM International CFM56-7B Series Turbofan Engines [Docket No. 98-ANE-50-AD; Amendment 39-10758; AD 98-14-51] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11429. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; S.N. Centrair 101 Series Sailplanes [Docket No. 98-CE-49-AD; Amendment 39-10755; AD 98-19-14] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11430. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC-9-10, -15, and -30 Series Airplanes, and C-9 (Military) Airplanes [Docket No. 96-NM-272-AD; Amendment 39-10738; AD 98-18-22] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11431. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 97-NM-47-AD; Amendment 39-10739; AD 98-18-23] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11432. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes [Docket No. 97-NM-156-AD; Amendment 39-10740; AD 98-18-24] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11433. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 1000, 2000, 3000, and 4000 Series Airplanes [Docket No. 97-NM-290-AD; Amendment 39-10741; AD 98-18-25] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11434. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model C-212 Series Airplanes [Docket No. 96-NM-123-AD; Amendement 39-10737; AD 98-18-21] (RIN: 2120-AA64) received September 26, 1998, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11435. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Price, UT [Airspace Docket No. 98–ANM–12] received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11436. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29330; Amdt. No. 1890] (RIN: 2120–AA65) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11437. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29329; Amdt. No. 1889] (RIN: 2120–AA65) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11438. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29328; Amdt. No. 1888] (RIN: 2120–AA65) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11439. A letter from the National Director of Appeals, Internal Revenue Service, transmitting the Service's final rule—Subchapter K Anti-Abuse Rule [Regulation 1. 701–2] received September 25, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11440. A letter from the National Director of Appeals, Internal Revenue Service, transmitting the Service's final rule—Tenant Allowances To Retail Store Operators—received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11441. A letter from the Acting Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Andean Trade Preference (T.D. 98–76) (RIN: 1515–AB59) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11442. A letter from the Railroad Retirement Board, transmitting the Annual Report of the Railroad Retirement Board for Fiscal Year 1997, pursuant to 45 U.S.C. 231f(b)(6); jointly to the Committees on Transportation and Infrastructure and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURTON: Committee on Government Reform and Oversight. H.R. 2566. A bill to amend title 5, United States Code, to expand the class of individuals under the Civil Service Retirement System eligible to elect the option under which the deposit which is normally required in connection with a refund previously taken may instead be made up through an actuarially equivalent annuity reduction; with amendments (Rept. 105–757). Referred to the Committee of the Whole House on the State of the Union.

Mr. LINDER: Committee on Rules. House Resolution 560. Resolution providing for consideration of the bill (H.R. 3789) to amend title 28, United States Code, to enlarge Federal Court jurisdiction over purported class actions (Rept. 105–758). Referred to the House Calendar.

Mr. BLILEY: Committee on Commerce. H.R. 563. A bill to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made; with an amendment (Rept. 105–759). Referred to the Committee of the Whole House on the State of the Union.

Mr. KOLBE: Committee of Conference. Conference report on H.R. 4104. A bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–760). Ordered to be printed.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BURTON: Committee on Government Reform and Oversight. H.R. 4280. A bill to provide for greater access to child care services for Federal employees; with an amendment; referred to the Committee on House Oversight for a period ending not later than October 9, 1998, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(h), rule X. (Rept. 105–756, Pt. 1).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GIBBONS (for himself and Mr. Young of Alaska):

H.R. 4656. A bill to provide for the orderly disposal of certain Federal lands in Clark County, Nevada, and to provide for the acquisition of environmentally sensitive lands in the State of Nevada; to the Committee on Resources.

By Mr. GIBBONS (for himself and Mr. Young of Alaska):

H.R. 4657. A bill to provide for the orderly disposal of certain Federal lands in Clark County, Nevada, and to provide for the acquisition by the Secretary of the Interior of environmentally sensitive lands in the State of Nevada; to the Committee on Resources.

By Mr. SMITH of Texas:

H.R. 4658. A bill to extend the date by which an automated entry-exit control system must be developed; to the Committee on the Judiciary.

By Mr. FAZIO of California (for himself, Mr. Hyde, Mr. Yates, Mr. Miller of Florida, Mr. Obey, Mr. Hoyer, Ms. Pelosi, Mrs. Lowey, Ms. DeLauro, Mr. Taylor of North Carolina, Mr. Neal of Massachusetts, Mr. Shays, Ms. Carson, Mr. Rush, Mr. Parker, Mr. Frost, Mr. Stearns, Mr. Bentsen, Mr. Allen, Mr. Pomeroy, Mr. Underwood, Mr. Etheridge, Mr. Cramer, Mr. Waxman, Mr. Berman, Mr. Smith of Michigan, Mr. Lewis of Georgia, Ms. Roybal-Allard, Mr. Snyder, Mr. Ramstad, Mrs. Tauscher, Mr. Evans, Mr. Maloney of Connecticut, Mr. Turner, Mr. English of Pennsylvania, Mr. Matsui, Mr. Baesler, Mr. Luther, Mr. Sandlin, Mrs. Myrick, Mr. Hilliard, and Mr. Forbes):

H.R. 4659. A bill to amend the National Child Protection Act of 1993 to ensure that elementary and secondary schools are included as a qualified entity; to the Committee on the Judiciary, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILMAN (for himself, Mr. Lantos, Mr. Hyde, Mr. Smith of New Jersey, Mr. Rohrabacher, Mr. King of New York, Mr. Fox of Pennsylvania, and Mr. Blunt):

H.R. 4660. A bill to amend the State Department Basic Authorities Act of 1956 to provide rewards for information leading to the arrest or conviction of any individual for the commission of an act, or conspiracy to act, of international terrorism, narcotics related offenses, or for serious violations of international humanitarian law relating to the Former Yugoslavia; to the Committee on International Relations.

By Mr. BISHOP:

H.R. 4661. A bill to designate the facility of the United States Postal Service at Tall Timbers Village Square, United States Route 19 South, in Thomasville, Georgia, as the "Lieutenant Henry O. Flipper Station"; to the Committee on Government Reform and Oversight.

By Mr. BUNNING of Kentucky:

H.R. 4662. A bill to direct the Commissioner of Social Security to establish a demonstration project to conduct outreach efforts to increase awareness of the availability of Medicare cost-sharing assistance to eligible low-income Medicare beneficiaries; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CRANE (for himself and Mr. Matsui):

H.R. 4663. A bill to prohibit the Secretary of the Treasury from issuing regulations dealing with hybrid transactions; to the Committee on Ways and Means.

By Mr. GILMAN:

H.R. 4664. A bill to establish a program to support a transition to democracy in Iraq; to the Committee on International Relations.

By Mr. HALL of Ohio (for himself, Mr. Stenholm, Mr. Gilman, Mr. Hamilton, Mr. Wolf, Ms. Jackson-Lee of Texas, and Mrs. Emerson):

H.R. 4665. A bill to establish the Bill Emerson and Mickey Leland memorial fellowship programs, and for other purposes; to the Committee on Agriculture, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HINCHEY (for himself, Mr. Watkins, Mr. Olver, Ms. Lee, Ms. Waters, Mr. Rodriguez, Mr. Brady of Pennsylvania, Mrs. Thurman, and Mr. Jackson of Illinois):

H.R. 4666. A bill to authorize the Secretary of Agriculture to make grants to establish 33 additional rural enterprise communities, to provide grant funding for 20 empowerment zones, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MARKEY:

H.R. 4667. A bill to enhance consumer privacy, prevent unfair and deceptive practices, and protect children's privacy; to the Committee on Commerce.

By Mr. PEASE (for himself, Mr. VISCLOSKY, Mr. McINTOSH, Mr. ROEMER, Mr. SOUDER, Mr. BUYER, Mr. BURTON of Indiana, Mr. HOSTETTLER, Mr. HAMILTON, and Ms. CARSON):

H.R. 4668. A bill to designate the facility of the United States Postal Service at 30 North 7th Street in Terre Haute, Indiana, as the "John T. Myers Federal Building"; to the Committee on Transportation and Infrastructure.

By Mr. PICKETT (for himself, Mr. WELDON of Pennsylvania, Mr. TAYLOR of Mississippi, Mr. JONES, Mr. SISISKY, and Mr. ORTIZ):

H.R. 4669. A bill to amend title 10, United States Code, to restore military retirement benefits that were reduced by the Military Retirement Reform Act of 1986; to the Committee on National Security.

By Mr. PITTS:

H.R. 4670. A bill to establish a program of formula grants to the States for programs to provide pregnant women with alternatives to abortion, and for other purposes; to the Committee on Commerce.

By Mr. SANDERS:

H.R. 4671. A bill to redesignate the Marsh-Billings National Historical Park in the State of Vermont as the "Marsh-Billings-Rockefeller National Historical Park"; to the Committee on Resources.

By Mr. SMITH of Michigan:

H.R. 4672. A bill to reenact chapter 12 of title 11 of the United States Code; to the Committee on the Judiciary.

By Mr. SMITH of Michigan:

H.R. 4673. A bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade; to the Committee on National Security, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself and Mr. KLECZKA):

H.R. 4674. A bill to amend part C of title XVIII of the Social Security Act to prohibit Medicare+Choice organizations from arbitrarily limiting coverage of medically necessary services under Medicare+Choice plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TAUZIN (for himself, Mr. MARKEY, Mr. DEAL of Georgia, Mr. BOUCHER, Mr. SANDERS, and Mrs. KELLY):

H.R. 4675. A bill to amend the Communications Act of 1934 to establish rules and regulations for the redistribution or retransmission of local signals by satellite broadcasters, and for other purposes; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOWNS:

H.R. 4676. A bill to amend the Inspector General Act of 1978 to establish an Office of Inspector General Oversight Council; to the Committee on Government Reform and Oversight.

By Mr. TRAFICANT:

H.R. 4677. A bill to require the registration of all persons providing intercountry adoption services; to the Committee on International Relations.

By Mr. BILBRAY:

H. Con. Res. 331. Concurrent resolution expressing the sense of Congress concerning the inadequacy of sewage infrastructure facilities in Tijuana, Mexico; to the Committee on International Relations.

By Mr. SMITH of New Jersey (for himself, Mr. HOYER, Mr. CARDIN, Mr. FOX of Pennsylvania, Mr. LANTOS, Mr. HALL of Ohio, Mr. MORAN of Virginia, Mr. OLVER, Mr. PAYNE, Mr. McGOVERN, Mr. ENGEL, Mr. WEXLER, Mr. HASTINGS of Florida, and Mr. McNULTY):

H. Res. 561. A resolution concerning the crisis in Kosovo and calling for NATO agreement to take direct and decisive action against those forces attacking civilian populations in Kosovo; to the Committee on International Relations.

By Mr. SMITH of New Jersey (for himself, Mr. GILMAN, Mr. LANTOS, Mr. HYDE, Mr. HOYER, Mr. MARKEY, Mr. CHRISTENSEN, Mr. ROHRABACHER, Mr. SALMON, and Mr. FOX of Pennsylvania):

H. Res. 562. A resolution concerning properties wrongfully expropriated by formerly totalitarian governments; to the Committee on International Relations.

By Mr. BASS (for himself, Ms. DUNN of Washington, Mr. GINGRICH, Mr. BACHUS, Mr. BAKER, Mr. BALDACCI, Mr. BALLENGER, Mr. BARRETT of Wisconsin, Mr. BARTLETT of Maryland, Mr. BENTSEN, Mr. BERRY, Mr. BLUNT, Mr. BOEHLERT, Mrs. BONO, Mr. BORSKI, Mr. BOUCHER, Mr. BOYD, Mr. BROWN of Ohio, Mr. BURTON of Indiana, Mr. CAMP, Mr. CAMPBELL, Mrs. CAPPS, Mr. CARDIN, Ms. CARSON, Mr. CHAMBLISS, Mrs. CLAYTON, Mr. CLEMENT, Mr. COBLE, Mr. COBURN, Mr. CONDIT, Mr. COOK, Mr. COOKSEY, Mr. CRAMER, Mr. CUMMINGS, Mr. CUNNINGHAM, Mr. DELAHUNT, Mr. DIXON, Mr. EHLERS, Mr. EHRLICH, Mrs. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. ENSIGN, Mr. ETHERIDGE, Mr. EWING, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FAZIO of California, Mr. FILNER, Mr. FOLEY, Mr. FORBES, Mr. FORD, Mrs. FOWLER, Mr. FOX of Pennsylvania, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GEKAS, Mr. GIBBONS, Mr. GILMAN, Mr. GORDON, Mr. GOSS, Mr. GREEN, Mr. HALL of Ohio, Mr. HASTERT, Mr. HEFLEY, Mr. HINCHEY, Mr. HINOJOSA, Mr. HOBSON, Mr. HOLDEN, Mr. HORN, Mr. HOUGHTON, Ms. JACKSON-LEE of Texas, Mr. JENKINS, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. JOHNSON of Connecticut, Mrs. KELLY, Mr. KENNEDY of Massachusetts, Ms. KILPATRICK, Mr. KING of New York, Mr. KLECZKA, Mr. KOLBE, Mr. LANTOS, Mr. LaTOURETTE, Mr. LAZIO of New York, Mr. McDERMOTT, Mr. McINTOSH, Mr. McINTYRE, Mr. McNULTY, Mr. MEEHAN, Mr. MEEKS of New York, Mr. METCALF, Mr. MICA, Mrs. MYRICK, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. NEY, Mr. OBERSTAR, Mr. PALLONE, Mr. PAPPAS, Mr. PASCRELL, Mr. PAYNE, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. QUINN, Mr. RADANOVICH, Mr. RAMSTAD, Mr. REDMOND, Mr. RILEY, Mr. ROGAN, Mr. ROMERO-BARCELO, Ms. ROS-LEHTINEN, Mrs. ROUKEMA, Mr. SABO, Mr. SALMON, Mr. SANDERS, Mr. SANDLIN, Mr. SAXTON, Mr. SESSIONS, Mr. SHADEGG, Mr. SHAW, Mr. SHAYS, Mr. ADAM SMITH of Washington, Mr. SMITH of New Jersey, Mrs. LINDA SMITH of Washington, Mr. SOLOMON, Mr. SOUDER, Mr. SPENCE, Mr. SUNUNU, Mr. TORRES, Mr. TOWNS, Mr. WATTS of Oklahoma, Mr. WAXMAN, Mr. WELDON of Pennsylvania, Mr. WELLER, Mr. WEYGAND, Ms. WOOLSEY, and Mr. YOUNG of Florida):

H. Res. 565. A resolution expressing the sense of the House of Representatives regarding the importance of mammograms and biopsies in the fight against breast cancer; to the Committee on Commerce.

By Mr. STUPAK (for himself, Mr. DINGELL, Mr. BARRETT of Wisconsin, Mr. JOHNSON of Wisconsin, Mr. STRICKLAND, Mr. OBERSTAR, Ms. RIVERS, Mr. OBEY, Mr. KILDEE, Mr. ENGLISH of Pennsylvania, Ms. KILPATRICK, Mr. LaTOURETTE, Mr. WALSH, Ms. KAPTUR, Mr. RAMSTAD, Mrs. THURMAN, Mr. KIND of Wisconsin, Mr. LUTHER, Mr. SABO, Mr. VISCLOSKY, Mr. SOUDER, Mr. VENTO, Mr. BARCIA of Michigan, Mr. McHUGH, Ms. STABENOW, and Mr. BROWN of Ohio):

H. Res. 566. A resolution expressing the sense of the House of Representatives that the President and the Senate should take the necessary actions to prevent the sale or diversion of Great Lakes water to foreign countries, business, corporations, and individuals until procedures are established to guarantee that any such sale is fully negotiated between and approved by the governments concerned; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. DAVIS of Florida introduced A bill (H.R. 4678) to authorize conveyance of each of two National Defense Reserve Fleet vessels to The Victory Ship, Inc., located in Tampa, Florida; which was referred to the Committee on National Security.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 303: Mrs. CHENOWETH and Mr. ADAM SMITH of Washington.

H.R. 519: Mr. CAMPBELL.

H.R. 902: Mr. CAMPBELL, Mrs. ROUKEMA, Mrs. WILSON, Mr. KASICH, Mr. SHUSTER, and Mr. BALLENGER.

H.R. 1126: Mr. JENKINS

H.R. 1197: Mr. PETERSON of Pennsylvania.

H.R. 1441: Ms. STABENOW.

H.R. 1521: Mr. ROGAN.

H.R. 1891: Mr. SPENCE.

H.R. 2020: Mr. DEAL of Georgia.

H.R. 2450: Mr. BURR of North Carolina.

H.R. 2549: Mr. STUMP.

H.R. 2635: Mr. BILBRAY, Mr. BOYD, and Mr. PASCRELL.

H.R. 2733: Mr. KUCINICH, Mr. BLAGOJEVICH, and Mrs. EMERSON.

H.R. 2914: Mr. BROWN of Ohio.

H.R. 2938: Mr. RODRIGUEZ.

H.R. 3032: Mr. KUCINICH and Mr. KANJORSKI.

H.R. 3081: Mr. EVANS, Mr. PASCRELL, Mr. SANDERS, Mr. QUINN, Mr. KIND of Wisconsin, Mrs. THURMAN, Mr. FRELINGHUYSEN, Mr. JOHNSON of Wisconsin, Mr. OBERSTAR, Mr. ABERCROMBIE, Ms. MILLENDER-MCDONALD, Mr. MATSUI, Mr. MOAKLEY, Mr. GILMAN, Mr. BECERRA, Mr. KENNEDY of Massachusetts, Mr. PASTOR, Mr. MCNULTY, and Mr. FATTAH.

H.R. 3134: Mr. DIXON, Mr. TORRES, Ms. ROYBAL-ALLARD, and Mr. MARTINEZ.

H.R. 3234: Mr. DAN SCHAEFER of Colorado.

H.R. 3251: Mr. MILLER of California and Mr. BILBRAY.

H.R. 3448: Mr. OLVER.

H.R. 3514: Mr. BARCIA of Michigan.

H.R. 3572: Mr. BALDACCI and Mr. JONES.

H.R. 3632: Mr. HASTINGS of Washington.

H.R. 3792: Ms. PRYCE of Ohio and Mr. RAMSTAD.

H.R. 3794: Mr. BENTSEN.

H.R. 3795: Mr. FOX of Pennsylvania.

H.R. 3831: Mr. RUSH.

H.R. 3855: Mrs. HARMAN, Mr. TRAFICANT, Mr. GILLMOR, Ms. THURMAN, Mr. BERMAN, Mr. PICKETT, and Mr. DEUTSCH.

H.R. 3861: Mr. KENNEDY of Rhode Island.

H.R. 3895: Mr. RUSH.

H.R. 3925: Mr. TURNER and Mr. LEACH.

H.R. 3949: Mr. LAMPSON.

H.R. 3990: Ms. STABENOW.

H.R. 3991: Mr. CARDIN, Mr. BEREUTER, and Mrs. CAPPS.

H.R. 4019: Mr. ENSIGN, Mr. MCINTYRE, and Mr. MARTINEZ.

H.R. 4080: Mrs. MALONEY of New York.

H.R. 4121: Mr. TALENT.

H.R. 4127: Mr. HILLIARD.

H.R. 4151: Mr. DOYLE.

H.R. 4167: Mr. BARCIA of Michigan and Mr. RAHALL.

H.R. 4214: Mr. DIXON, Mr. BROWN of California, and Mr. PALLONE.

H.R. 4220: Mr. BONIOR.

H.R. 4280: Mrs. KELLY.

H.R. 4293: Ms. FURSE.

H.R. 4311: Mr. GUTIERREZ and Ms. SLAUGHTER.

H.R. 4332: Mr. ADERHOLT, Mr. JOHNSON of Wisconsin, and Mr. SCARBOROUGH.

H.R. 4339: Mr. OBERSTAR and Mr. METCALF.

H.R. 4340: Ms. SLAUGHTER.

H.R. 4353: Mr. BILIRAKIS.

H.R. 4358: Mr. ACKERMAN.

H.R. 4376: Mr. FORBES.

H.R. 4402: Mr. GOODLATTE and Mr. BLILEY.

H.R. 4403: Mr. WAXMAN, Mr. BROWN of Ohio, Mr. MILLER of California, Mr. SMITH of New Jersey, and Mr. STUPAK.

H.R. 4421: Mrs. MINK of Hawaii, Ms. CHRISTIAN-GREEN, Mr. ENSIGN, and Mr. MANZULLO.

H.R. 4446: Mrs. NORTHUP.

H.R. 4449: Mr. CAMPBELL, Mr. MCINNIS, Mr. STUMP, Mr. VENTO, and Mr. DICKEY.

H.R. 4450: Mr. RUSH.

H.R. 4455: Mr. GOODE and Mr. RUSH.

H.R. 4465: Mr. LATOURETTE.

H.R. 4467: Ms. PELOSI.

H.R. 4504: Mr. THOMPSON.

H.R. 4513: Mr. DREIER.

H.R. 4527: Mr. MENENDEZ.

H.R. 4538: Mr. KUCINICH and Mr. BLUMENAUER.

H.R. 4567: Mr. MALONEY of Connecticut, Mr. ENSIGN, and Mr. NADLER.

H.R. 4574: Mr. CHRISTENSEN.

H.R. 4590: Mrs. JOHNSON of Connecticut, Ms. CARSON, Mr. KOLBE, and Mr. SHAYS.

H.R. 4591: Mr. HILLIARD.

H.R. 4621: Mr. REGULA, Mrs. KELLY, Mr. FROST, Mr. DOYLE, and Mr. MCHUGH.

H.R. 4627: Mrs. CAPPS, Mr. PALLONE, Mr. HINCHEY, Mr. MEEKS of New York, Mr. BOSWELL, Mr. OLVER, Mr. BLUMENAUER, Mr. HOLDEN, Mr. KLECZKA, and Mr. MATSUI.

H.R. 4634: Mr. PRICE of North Carolina, Mr. CAMPBELL, Mr. ENGLISH of Pennsylvania, Mr. METCALF, Mr. KENNEDY of Rhode Island, and Mrs. MORELLA.

H. Con. Res. 55: Mr. FOX of Pennsylvania.

H. Con. Res. 274: Mr. GINGRICH.

H. Con. Res. 281: Mr. DEFAZIO.

H. Con. Res. 295: Mr. JEFFERSON.

H. Con. Res. 299: Mr. SMITH of Oregon.

H. Con. Res. 328: Mr. JACKSON of Illinois, Mr. LEWIS of Kentucky, Mr. STRICKLAND, Mr. LATOURETTE, and Mr. LEWIS of Georgia.

H. Res. 460: Mr. DEFAZIO, Mr. KING of New York, Mr. DAVIS of Illinois, and Mr. LIVINGSTON.

H. Res. 519: Mr. GIBBONS, Mr. SMITH of New Jersey, Mr. WATTS of Oklahoma, Mr. FOX of Pennsylvania, and Mr. ROHRABACHER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3789

OFFERED BY: MR. CONYERS

AMENDMENT NO. 1: Page 7, strike lines 11 through 21 and insert the following:

"(f) If, after removal, the court determines that no aspect of an action that is subject to its jurisdiction solely under the provisions of section 1332(b) may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, the court shall remand the action to the State court from which the action arose. Upon remand of the action, the period of limitations for any claim brought by any member of the proposed class in any future class action or individual action shall be tolled for the period of time provided under Federal or State law, or for the period of time that the removed action was pending in Federal court, whichever period is longer. The remand of the action shall be without prejudice to the reallegation of any such claim in any State court in a class action that may meet applicable class certification requirements. The removal provisions of section 1453 shall apply after remand to any renewed State court class action described in the preceding sentence, and if the renewed action is removed to Federal court, the Federal court shall determine whether the renewed action meets the requirements of Rule 23 of the Federal Rules of Civil Procedure.".

H.R. 3789

OFFERED BY: MR. DOGGETT

AMENDMENT NO. 2: Page 5, line 3, strike the quotation marks and second period.

Page 5, insert the following after line 3:

"(4) Paragraph (1) and section 1453 shall apply to a State only if such State, on or after the date of the enactment of this Act, enacts a statute that—

"(A) is adopted in accordance with procedures established by that State's Constitution for enactment of a statute;

"(B) does not conflict with that State's Constitution, as interpreted by that State; and

"(C) declares that paragraph (1) and section 1453 shall apply to that State.".

H.R. 3789

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 3: Strike all after the enacting clause and insert the following:

SECTION 1. STUDY OF CLASS ACTIONS.

Within 12 months of the date of enactment of this Act, the Judicial Conference of the United States, in consultation with the National Center for State Courts, shall conduct a study of Federal and State class actions, which study shall include—

(1) identification of the number of class actions being brought and maintained in Federal and State courts;

(2) the extent to which class action rules are collusively misused or manipulated by either plaintiffs or defendants in a manner which denies any of the parties the right to fairness and due process; and

(3) the extent that changing Federal law to allow for removal to Federal court in any case where any one member of a plaintiff class and any one defendant are citizens of different States, and eliminate the $75,000 amount in controversy requirement of section 1332 of title 28, United States Code, would have on—

(A) the workload of the Federal judiciary and the civil docket backlog in the Federal courts; and

(B) possible delays in the resolution of class actions.

Upon completion of the study, the Judicial Conference of the United States shall submit a report to the Committees on the Judiciary of the House of Representatives and the Senate, which shall include any recommendations for changing class action rules at the Federal or State level.

H.R. 3789

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 4: In section 1332(b) of title 28, United States Code, as added by section 2(a) of the bill, strike the quotation marks and second period at the end of paragraph (3) (page 5, line 3), and after paragraph (3) (page 5, after line 3) insert the following:

"(4)(A) Paragraph (1) and section 1453 shall not apply to any class action that is brought for harm caused by a tobacco product.

"(B) As used in this paragraph, the term 'tobacco product' means—

"(i) a cigarette, as defined in section 3 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1332);

"(ii) a little cigar, as defined in section 3 of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1332);

"(iii) a cigar, as defined in section 5702(a) of the Internal Revenue Code of 1986;

"(iv) pipe tobacco;

"(v) loose rolling tobacco and papers used to contain that tobacco;

"(vi) a product referred to as smokeless tobacco, as defined in section 9 of the Comprehensive Smokeless Tobacco Health Education Act of 1986 (15 U.S.C. 4408); and

"(vii) any other form of tobacco intended for human consumption.".

H.R. 3789

OFFERED BY: MR. PALLONE

AMENDMENT NO. 5: Page 5, line 3, strike the quotation marks and second period.

Page 5, insert the following after line 3:

"(4) Paragraph (1) and section 1453 shall not apply to any class action that is brought for harm caused by any group health plan, health insurance issuer, health care provider, or health care professional, if the primary defendant in the action is a group health plan or health insurance issuer which has a substantial commercial presence in the State in which the action is brought.".

H.R. 3789

OFFERED BY: MR. WATT OF NORTH CAROLINA

AMENDMENT NO. 6: Page 5, strike line 17 and all that follows through page 6, line 19.

Page 6, line 20, strike "(b) REMOVAL" and insert "(a) REMOVAL".

Page 7, strike line 1 through the matter following line 3.

Page 7, line 4, strike "(d)" and insert "(b)".

Page 7, line 9, strike "(e)" and insert "(c)".

Page 4, line 1, strike "and section 1453".

Page 4, line 4, strike "and section 1453".

H.R. 4274

OFFERED BY: MR. ENGLISH OF PENNSYLVANIA

AMENDMENT NO. 7: Page 95, after line 17, insert the following new section:

SEC. 517. There are appropriated for carrying out the Low-Income Home Energy Assistance Act of 1981 $1,100,000,000, to be derived by hereby reducing by 3.098 percent each of the amounts appropriated by this Act that are not required by law to be appropriated.

H.R. 4274

OFFERED BY: MR. FATTAH

AMENDMENT NO. 8: Page 54, line 24, after the dollar amount, insert the following: "(decreased by $200,000,000)".

Page 55, line 6, after "section 1125," insert the following: "$200,000,000 shall be available for the education finance incentive program under section 1125A,".

H.R. 4274

OFFERED BY: MR. FATTAH

AMENDMENT NO. 9: Page 55, line 6, after "section 1125," insert the following: "$200,000,000 shall be available for the education finance incentive program under section 1125A,".

H.R. 4274

OFFERED BY: MR. FILNER

AMENDMENT NO. 10: Page 61, line 11, after the dollar amount insert "(increased by $12,000,000)".

Page 63, line 16, after the dollar amount insert "(decreased by $12,000,000)".

H.R. 4274

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 11: Page 32, line 9, after the dollar amount, insert the following: "(decreased by $5,000,000)".

Page 57, line 12, after the dollar amount, insert the following: "(increased by $5,000,000)".

H.R. 4274

OFFERED BY: MR. LOBIONDO

AMENDMENT NO. 12: Page 44, line 9, insert "(increased by $10,000,000)" after the dollar figure.

Page 63, line 16, insert "(reduced by $10,000,000)" after the dollar figure.

H.R. 4274

OFFERED BY: MR. RIGGS

AMENDMENT NO. 13: Page 2, line 16, after the dollar amount, insert the following: "(reduced by $25,000,000)".

Page 2, line 22, after the dollar amount, insert the following: "(reduced by $25,000,000)".

Page 53, line 17, after the dollar amount, insert the following: "(reduced by $25,000,000)".

Page 53, line 19, after the dollar amount, insert the following: "(reduced by $25,000,000)".

Page 58, line 26, after each of the dollar amounts, insert the following: "(increased by $50,000,000)".

H.R. 4274

OFFERED BY: MR. RIGGS

AMENDMENT NO. 14: Page 54, line 18, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 54, line 19, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 55, line 10, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 56, line 17, after the dollar amount, insert the following: "(increased by $120,000,000)".

H.R. 4274

OFFERED BY: MR. RIGGS

AMENDMENT NO. 15: Page 54, line 18, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 54, line 19, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 55, line 10, after the dollar amount, insert the following: "(reduced by $120,000,000)".

Page 56, line 17, after the dollar amount, insert the following: "(increased by $60,000,000)".

Page 58, line 26, after each of the dollar amounts, insert the following: "(increased by $60,000,000)".

H.R. 4274

OFFERED BY: MR. RIGGS

AMENDMENT NO. 16: Page 56, line 18, after the dollar amount, insert the following: "(reduced by $50,000,000)".

Page 56, line 23, after "1965,", insert the following: "$150,000,000 shall be for charter schools,".

H.R. 4274

OFFERED BY: MR. SANDERS

AMENDMENT NO. 17: Page 28, line 15, insert after the first dollar amount "(increased by $5,900,000)".

Page 62, line 20, insert after the dollar amount "(decreased by $5,900,000)".

H.R. 4274

OFFERED BY: MR. SANDERS

AMENDMENT NO. 18: Page 56, line 5, after each dollar amount, insert "(decreased by $2,000,000)".

Page 20, line 9, after the dollar amount, insert "(increased by $2,000,000)".

H.R. 4274

OFFERED BY: MR. SANDERS

AMENDMENT NO. 19: Page 95, after line 17, insert the following new section:

SEC. 517. Whereas 4,400,000 of this Nation's most vulnerable families will lose essential energy assistance, leaving them freezing in the winter or suffering from oppressive heat during the summer, if the Low-Income Home Energy Assistance Program (LIHEAP) is not funded; and whereas two-thirds of LIHEAP households have incomes of less than $8,000 per year, 49 percent of households receiving heating assistance have children less than 18 years old, households containing the elderly comprise 34 percent of all LIHEAP recipients, and households with at least 1 disabled person comprise 24 percent of those receiving heating assistance: Now, therefore, be it *Resolved*, That it is the sense of the House of Representatives that the Low-Income Home Energy Assistance Program should receive no less than the fiscal year 1998 level of $1,100,000,000 for fiscal year 1999.

H.R. 4274

OFFERED BY: MR. SANDERS

AMENDMENT NO. 20: Page 95, after line 17, insert the following new section:

SEC. 517. It is the sense of the House of Representatives that the Low-Income Home Energy Assistance Program should receive no less than the fiscal year 1998 level of $1,100,000,000 for fiscal year 1999.

H.R. 4274

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 21: Page 53, after line 8, insert the following new section:

SEC. 221. The program under section 1001 of title X of the Public Health Service Act shall be carried out in accordance with section 59.9 of title 42, Code of Federal Regulations, as issued on February 2, 1988 (53 Fed. Reg. 2945), except that such section 59.9 shall apply as if there were no references in the section to sections 59.8 and 59.10 of such title 42.

H.R. 4274

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 22: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. Of the funds made available in this Act under the heading "Department of Education—School Improvement Programs" for the arts in education program, not more than 40 percent may be used for the Federal administrative costs of such program.

H.R. 4274

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 23: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the funds appropriated in this Act may be made available by the Secretary of Education to any educational agency or institution that—

(1) denies or prevents the parent of an elementary school or secondary school student the right to inspect and review any instructional material used with respect to the educational curriculum of, or testing material that has been administered to, the student; or

(2) without the prior, written, informed consent of the parent of a student—

(A) requires the student to undergo medical, psychological, or psychiatric examination, testing, treatment, or immunization (except in the case of a medical emergency); or

(B) requires or otherwise seeks the response of the student to reveal any information about the student's personal or family life (other than directory information or information necessary to comply with the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a)).

H.R. 4274

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 24: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

SEC. 801. None of the amounts made available in this Act may be expended—

(1) to carry out the program under section 1001 of title X of the Public Health Service Act in a manner inconsistent with section 59.9 of title 42, Code of Federal Regulations; or

(2) to administer the provisions of such section 59.9 that relate to sections 59.8 and 59.10 of such title 42.

EXTENSIONS OF REMARKS

TRIBUTE TO MARK McGWIRE

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. DREIER. Mr. Speaker, at a time when America needed a distraction from Washington scandals, hurricanes, and global economic crises, St. Louis Cardinals first baseman Mark McGwire lifted our spirits and made us forget our troubles. For his achievements on and off the baseball field, Mark McGwire deserves our praise and admiration. We all share in the pride felt by his parents, Dr. John and Ginger McGwire, who were long time residents of Claremont, California.

The people of California feel a special bond with this son of the San Gabriel Valley. Born in Pomona and raised in Claremont, McGwire graduated from Damien High School where he was recruited by the University of Southern California as a pitcher. At USC, McGwire gave up pitching to become an everyday player. Like Babe Ruth, McGwire has become one of the most feared hitters in the major league. This year, his 70 home runs shattered the 37-year-old mark set by Roger Maris. McGwire also had a .752 slugging average, the highest average since 1927. He had 162 walks, which is the second most intentional walks in a season. To put that in perspective, in 1961 Roger Maris drew only 94 walks and never received an intentional walk.

Besides his accomplishments on the baseball diamond, McGwire is an all-star off the field. He is a devoted father, and the images of him hugging his son, Matt, after home run #62 brought tears to many eyes. In 1987, McGwire had a chance to lead the American League in home runs as a rookie, but instead he sat out the end of the season to be there for his son's birth. His love for children is extraordinary. Last year, McGwire pledged $3 million to his foundation which helps sexually abused children. While in Oakland, he regularly wore wristbands with the pictures of missing children so viewers could see them on television. After awarding McGwire with their Sportsman of the Year award last year, The Sporting News President James Nuckols appropriately commented, "the quantity and sheer power of Mark's home runs have put him in a class of his own, but his moving example of selflessness and loyalty have made him equally unique."

Baseball historians may view Mark McGwire's legacy as the greatest home run hitter of all time. McGwire has hit a home run every 11.3 at bats, which is the lowest ratio by a major leaguer—lower than Hank Aaron, Babe Ruth, Willie Mays, and Harmon Killebrew. Or, his legacy may be this year's 70 home runs which may never be surpassed. However, Mr. Speaker, I believe McGwire's legacy should be the tremendous inspiration that he provides. As he described in a recent interview, "for all the bad things that are going on in the world, for a short period of time, [I was] putting a lot of smiles on people's faces." To be sure, Mark McGwire has been an inspiration to all of us. He is the pride of the San Gabriel Valley.

COMMEMORATING RINGWOOD MANOR

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to call attention to Ringwood Manor, an historic home in Ringwood, New Jersey, that has come to be a symbol of the area's unique heritage and history. I would also like to offer my congratulations to the Ringwood Women's Club and the Friends of Ringwood Manor, two civic organizations that have helped preserve Ringwood Manor and keep it open to the public as an historic site. Their initiative and leadership have made them role models for the nation.

An elegant, 51-room mansion at the center of a 33,000-acre estate in Passaic County, Ringwood Manor served for two centuries as the home of the owners of the iron mines that were once the focus of the region's economy. Those huge mining operations made Ringwood the center of munitions production for U.S. forces in every major armed conflict from the French and Indian Wars to World War I. Ringwood Manor and the surrounding town of Ringwood have a place in our national history that should be recognized. The mines are gone but Ringwood Manor still stands, reminding residents of the area and tourists alike of Ringwood's place in history.

Established in 1740, Ringwood was a center of iron making and munitions making from Colonial days. Three ironmasters oversaw the bustling operations over the years leading up to the Revolutionary War but the last, Robert Erskine, was destined to play a major role in the creation of the United States. Erskine had run the Ringwood mines for seven years when, in 1777, General George Washington appointed him as Georgrapher and Surveyor General of the Continential Army. In this important role as our nation's army's first geographer, he and his staff produced nearly 300 highly detailed maps. These maps played a major role in leading the colonies' troops to victory over the British. The Robert Erskine Militia performs ceremonial functions in modern-day Ringwood as a tribute to this early prominent citizen.

The next prominent head of the mines was Martin J. Ryerson, who built the original portions of the existing manor house in 1807. (The original manor house burned in 1742.) Ryerson, who built a three-story home of 10 rooms decorated in Federal style, left Ringwood Manor to his sons. They, in turn, sold the house and surrounding 33,000 acres to Peter Cooper in 1854 for $100,000. Cooper and his business partner, Abram S. Hewitt, operated 32 working mines as Cooper Hewitt and Co.—and were two of the most important industrialists who transformed our nation's economy during the 19th Century.

In 1855, Hewitt married Cooper's daughter and the couple made Ringwood Manor their country home. Between 1864 and 1879, they greatly expanded the house, bringing it to a total of 51 rooms. Included were 28 bedrooms, 24 fireplaces, 13 bathrooms and 250 windows.

The Hewitts left the house to their children, who donated it to the State of New Jersey in 1936. The state opened the home to the public in 1939.

The present structures standing at Ringwood Manor reflect the period from 1854 to 1936, when the Hewitt family lived there. Among the many unusual features are gardens inspired by the grounds of the Palace of Versailles.

Ringwood Manor has been preserved and kept open to the public through the efforts of two private civic organizations in addition to the State of New Jersey—the Ringwood Women's Club and the Friends of Ringwood Manor. Ringwood Manor is one of the many projects undertaken by the Women's Club, which also works closely with the Ringwood Public Library, local schools and projects such as planting flowers at local shopping centers. The Friends of Ringwood Manor provide a wide variety of volunteer services at the Manor, from gardening to administration. Both these organizations deserve our thanks.

Mr. Speaker, I would like to ask our colleagues here in the U.S. House of Representatives to join me in congratulating Ringwood Manor and these outstanding community leaders for this important contribution to maintaining the history of our great nation. As U.S. Supreme Court Justice Oliver Wendell Holmes, Jr. wrote in New York Trust Co. v. Eisner, "A page of history is worth a volume of logic."

SOUND ADVICE FROM AN ALLY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. HAMILTON. Mr. Speaker, I recently received a letter from the South Korean Minister of Foreign Affairs and Trade, Hong Soon-young, in which he asks for the support of the U.S. Congress as his country seeks to manage the difficult relationship with North Korea.

Minister Hong specifically asks for the continued backing of the U.S. Congress for the South's policy of engagement with the North.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

He also notes that the 1994 Geneva Framework Agreement, while not perfect, has played "an effective and useful role" in dealing with the challenge posed by North Korea's nuclear weapons program.

In perhaps the letter's key sentence, he requests that the House of Representatives continue to support implementation of this agreement so as to give the North no excuse for backing out of its obligations under the accord.

Mr. Speaker, we hear much these days about the need to work closely with our friends and allies in South Korea. Here is a concrete request from Seoul. If the idea of working in cooperation with South Korea has any meaning at all, then I don't see how we have any choice but to honor Minister Hong's request that we not sabotage the Agreed Framework.

I submit Minister Hong's letter to the CONGRESSIONAL RECORD, so that other Members may have the benefit of his views.

THE MINISTER OF FOREIGN AFFAIRS
AND TRADE,
Seoul, Korea, September 16, 1998.

LEE HAMILTON,
Congressman, House of Representatives,
Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN HAMILTON. It was a great pleasure to meet you during my recent visit to the United States. In particular, I am very grateful for your kindness in attending the meeting I had at the U.S. House of Representatives. I found the discussions on the U.S.-Korea relationship as well as our policies toward north Korea to be very useful and informative.

As discussed during our meeting, I fully share with you and your colleagues the deep apprehension about north Korea's recent actions, such as the construction of underground facilities and the firing of a launcher.

However, we believe that the Geneva Framework Agreement, though not perfect, has played an effective and useful role in freezing north Korea's nuclear weapons program and thus maintaining peace and security of the Korean Peninsula and in Northeast Asia.

As we press north Korea to fully abide by its obligations under the Agreement, we should be careful not to give it any excuse to break the nuclear freeze. In this respect, the support of the U.S. House of Representatives for smooth implementation of the Agreement is most important.

At the same time, it is essential to draw north Korea to engage in genuine dialogue and exchanges with the Republic of Korea. Lasting peace and security on the Korean Peninsula can not be realized without talks between the parties directly concerned. We count on the continued assistance of the U.S. Congress for our engagement policy toward the north.

Once again, thanking you for your support and the warm hospitality extended to me during my visit to the United States, I wish you good health and success in all of your noble endeavors.

Sincerely,

HONG SOON-YOUNG.

IN REMEMBERANCE OF ROBERTA MURPHY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GILMAN. Mr. Speaker, I rise to inform our colleagues of the passing earlier this week of one of the most remarkable public servants of our Hudson valley region in New York.

Roberta Murphy was one of a kind. Our local newspaper dubbed her "the bulldog of Orange County" and considering her tenacity and dedication to the public interest that description is certainly apt. Roberta was a deeply caring person, and at the same time was also a skilled political leader who knew how to get things done and how to accomplish the impossible.

Roberta Murphy was first elected to the Legislature of Orange County, NY, in 1977, the first woman ever elected to that body. It became obvious as the years went by that she was no mere follower or rubber stamp who went along with others. Rather, she was a trailblazer, willing and eager to lead. In 1993, she became the Chairman of the Legislature—the first woman in New York south of Albany to serve in that position. It was as Chairman that she became a household word throughout our region. Many of the vital projects important to our county, including the expansion of our courthouse, the resolution of our landfill problems, the need for a new jail, moved forward under her leadership after vexing others for so long.

Roberta Murphy was a member of the Monroe-Woodbury Board of Education even before entering county politics, and served a total of 20 years in that position, and the education of our young people remained her first love. She often would question me and my staff regarding our educational policies, reminding us of her firm belief that our local school boards know what is best for their students, and that it is the role of the Federal government to assist when appropriate, but never to dictate.

Governor George Pataki came to know Roberta well when he represented her home town in the State Assembly. When she passed on earlier this week at the age of 66, the Governor stated: "Roberta was a tremendous personal friend and a woman of just tremendous courage."

Perhaps the greatest demonstration of the affection with which Roberta was held by all is the fact that in both 1993 and 1997, her constituents reelected her by the largest margin of any of the 21 members in the Orange County Legislature.

Roberta's husband John, with whom she had a remarkable partnership, predeceased her by four and a half years. She is survived by their sons, Robert, John, and Steve. She was also a proud grandmother.

I invite our colleagues to join me in extending our sincerest condolences to Roberta's entire family, and to her countless friends and admirers. Hopefully, their grief will be somewhat tempered by the knowledge that Roberta Murphy was a truly unique individual who touched many lives and who dedicated her life to a better society for all of us.

Roberta will be long missed by all of us.

HONORING THE DISTINGUISHED CAREER OF DR. CLIFF GILLESPIE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GORDON. Mr. Speaker, I rise today to recognize and commend the contributions Dr. George Clifford Gillespie, Jr. has made to Middle Tennessee State University (MTSU) and his community.

Dr. Gillespie is the Associate Vice President for Enrollment Management at Middle Tennessee State University. He is a native of Nashville and received his undergraduate and Masters degrees at MTSU. He also received a doctorate in College Administration from the George Peabody College at Vanderbilt University.

From 1975 to 1996, Dr. Gillespie held the position of Dean of Admissions, Records, and Information Systems at Middle Tennessee State. At the time of his appointment, he was the youngest person to hold such a position in the United States. From 1983 through 1986, Dr. Gillespie held the position of Secretary/Treasurer of the Executive Committee of the American Association of Collegiate Registrars and Admissions Officers. He has also been a presenter at the annual meeting of AACRAO on numerous occasions. In 1994, the National Collegiate Athletic Association (NCAA) appointed him Interassociation Representative.

Dr. Gillespie had the honor of being selected to serve on the Board of Trustees of ACT Inc. from 1998 to 2001 this year. Richard L. Ferguson, ACT President, said that "during his six years as Tennessee Representative to the ACT Corp., Cliff Gillespie has consistently given thoughtful advice on ways ACT can enhance its educational services."

Dr. Gillespie has done an exceptional job as Associate Vice President for Enrollment Management. Since his employment with the school in the early 70's, he has brought about many changes. Under Dr. Gillespie's leadership, enrollment has almost doubled. In addition, ACT average scores for the entering Freshmen at MTSU are above the national average and exceed the Tennessee tested population averages. He is truly a strong proponent of the institution.

Dr. Gillespie has also distinguished himself as the annual premier announcer for horse shows at the national and international level, including the Tennessee Walking Horse National Celebration at Shelbyville, TN and the International Championship Horse Show held at MTSU. His enthusiasm has earned him the distinction of being one of the best announcers in the country.

I would like to congratulate Dr. Gillespie on his stellar accomplishments. Additionally, I want to sincerely and personally thank Cliff, his wife, Gayle, and their children Matthew, Michael and Lauren for their contributions to Middle Tennessee State University and the Murfreesboro community.

CONGRATULATING THE NEWTON FIRE DEPARTMENT

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Kittatinny Hose & Ladder Co. #1 and Steam Co. #1 on their 125th anniversary of service to the residents of Newton, New Jersey. These two companies of the Newton Fire Department will be honored for meritorious service during the Sussex County Fireman's Inspection Day Parade on Saturday, October 3, in Newton. The Newton Fire Department this year has the honor of hosting the parade, which honors the hard-working volunteer firefighters of the entire county.

Volunteer firefighters are among the most dedicated public servants in our communities. They set aside their own convenience—indeed, their own safety—to protect the lives and property of their neighbors and ask nothing in return. Volunteer firefighters turn out to do their duty in the darkness of freezing winter nights and in the heat of suffocating summer days without hesitation. The officers and members of Kittatinny Hose & Ladder Co. #1 and Steam Co. #1—along with all members of the Newton Fire Department—deserve our gratitude and thanks.

Kittatinny Hose & Ladder Co. #1 and Steam Co. #1 were both incorporated in September 1873 and throughout their long and distinguished histories have protected both lives and property through the dedication and skill of their many volunteer members. Both have grown vastly in personnel, equipment and other resources over the years. Today, they are among the finest firefighting organizations in the State of New Jersey.

Both fire companies keep their heritage alive with lovingly maintained pieces of antique fire apparatus that show how far firefighting has come since the last century. Kittatinny Hose is the proud owner of an impressive 1849, four-wheel Hose Carriage, while Steamer Co. #1 owns a distinctive 1873 Clapp and Jones Steamer. Both will be on display in Saturday's parade.

Kittatinny Hose & Ladder Co. #1 and Steam Co. #1 have come a long way from the hand-pulled fire wagons of the 19th century. Today's state-of-the-art engines and high-tech equipment put Newton on par with any other fire department in the region. But it takes more than equipment and buildings to run a fire department. It takes dedicated, hard-working individuals willing to put the safety and property of their neighbors first. Kittatinny Hose & Ladder Co. #1 and Steam Co. #1 were founded 125 years ago on the principle of neighbors helping neighbors. That principle has made them a success and will continue to do so in the future.

I would like to ask my colleagues in the House to join me in congratulating Kittatinny Hose & Ladder Co. #1 and Steam Co. #1 on 125 years of meritorious service to the community and in paying tribute to their brave and dedicated firefighters past and present who have sacrificed personal safety in response to the needs of others. The Newton Fire Department and all members of all the fire departments of Sussex County deserve our deepest thanks for their work on the behalf of our community.

* * *

WHO'S WATCHING THE WATCHDOG INSPECTOR GENERAL OVERSIGHT COUNCIL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. TOWNS. Mr. Speaker, I rise today to introduce legislation to create an Inspector General Oversight Council.

1998 marks the twentieth anniversary of the creation of the Office of Inspector General. It was created to be an independent and objective investigative unit within an agency but not under the jurisdiction of that agency. My intention is not to change the independent nature of the office, but recent events involving the Inspector General's (IG) office have raised concerns about the necessity for oversight. Events such as:

A Treasury Department Deputy Assistant Inspector General asserted pressure for investigation of an IRS Deputy Commissioner about personal tax matters over which the IG has no jurisdiction. This came after a Senate hearing during which the Deputy IRS Commissioner apologized for IRS abuses of taxpayers.

A former Treasury IG resigned on the eve of the Senate Governmental Affairs Subcommittee on Investigations' release of a report criticizing the awarding of sole-source consulting contracts.

Despite concerns expressed by the Social Security Administration's Commissioner and employee groups, the SSA's IG planned arrest scenarios using SSA field offices to arrest wanted criminals, potentially endangering the public and field office personnel.

A series of skirmishes between the Secretary of HUD and IG of HUD caused Senator FRED THOMPSON (R–TN) to observe ". . . maybe we ought to try to get someone's attention over there . . ." (Washington Post, Sept. 9, 1998).

IGs have three principal responsibilities: to conduct and supervise audits and investigations; to combat fraud and promote efficiency; and to keep Congress and the agency head fully informed about problems and deficiencies. The original act did not anticipate the need to deal with arguments between the Secretary and IG of an agency, and provided no forum for the airing of grievances and input of impartial advice.

The bill I introduce today will create an Oversight Council to address concerns, such as those highlighted earlier, and recommend solutions to Inspector Generals. This would increase public confidence in the federal government by assuring that the Inspector General is held to standards of accountability and integrity while preserving the independent, nonpartisan role of the Inspector General. I urge my colleagues on both sides of the aisle to support this legislation to create an Inspector General Oversight Council.

THE NEED TO IMPROVE THE PALESTINIAN ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the Dvar Torah sermon Leo Kramer gave at the Adas Israel Congregation on August 8, 1998. The sermon is entitled "The Palestinians: The Strangers amongst Us."

Leo Kramer is an international business consultant with strong ties to Israel, but also with a strong commitment to helping the Palestinians enhance their economy. He sees Palestinian economic advancement as a key Israeli and U.S. interest and as essential to promoting real and effective peace. He says "We need to change the facts. The facts of Palestinian poverty, lack of export access, lack of dignity and respect. Once the facts change, the attitudes will change". And peace will be promoted.

Leo Kramer's remarks follows:

"THE PALESTINIANS: THE STRANGERS AMONGST US"

(By Leo Kramer)

As Americans, as Jews, our commitment, our objective is clear—a secure Israel where Judaism thrives, the salvation of the Jewish people

This is only possible in a peaceful environment.

What has happened the last 50 years?

Where are we now?

The answers ethically and practically are in Torah. Morality leading to action guarantees results.

"Do that which is right and good" (Deuteronomy, Chapter VI, verse 18), page 772 of Hertz Chumash—second edition.

"To do them" (Deuteronomy Chapter IV verse 1), page 756.

Man must act. Not only believe.

Not declarations for peace,

Not excuses based on what is wrong with others,

But to do what is right and "to do" means to deliver on the ground, where people live.

And what is right in our treatment of the strangers is clear.

How to Treat the Strangers (The Palestinians):

1. "You shall not wrong a stranger or oppress him, for you were strangers in the land of Egypt" (Exodus, Chapter 22, verse 20).

2. "And if a stranger sojourn with thee in your land, ye shall not do him wrong, The stranger that sojourneth with you shall be unto you as the home born among you, and thou shalt love him as thyself" (Leviticus Chapter, 19 verses 33–34).

3. "And I charged your Judges . . . Hear the causes between your brethren and judge righteously between the man and his brother and the stranger that is with him". (Deuteronomy Chapter IV verse 16).

The strangers amongst us, amongst our brethren, are the Palestinians.

And who are these Palestinians? Stereotypes don't work. Sometimes anecdotal history helps:

Ewan Clague, my colleague, no longer with us, who served four presidents and was the head of the Bureau of Labor Statistics, taught me, "If your eyes differ with data, believe your eyes."

Let me tell you what my eyes have seen and what my ears have heard.

A. When I last was in Amman, people remembered my first visit. Yes, I said, five years ago. No, they said eight.

That was the beginning of this mission taking the road less traveled. And as Robert Frost wrote. . . . "that has made all the difference."

When Israel agreed at that time with the European Community on the unrestricted shipment of Palestinian goods to Europe, Israeli leadership asked me to help the Palestinians because they were sure that economic problems would follow.

Sometime later my wife and I were invited to a New Year's Eve party in Amman.

On arrival, we found ourselves meeting with Palestinians who also asked for the same help.

Israelis and Palestinians requesting the same positive help started me on this less traveled road.

B. Soon I found myself setting in a packing house in Gaza. Present were fathers and sons, brothers and uncles and nephews and soon I wondered why they all have the familiar American accent. I asked how come and where they were educated. I found they went to college in Michigan, Tennessee and Arizona.

C. And some time later an orthodox Jew in New York says, "Leo, you must explain to the Palestinians the effect and meaning of Passover. And he prepared an excellent summary for them which I delivered. Not long thereafter, I find myself sitting with the Palestinians in Gaza, explaining Passover. They say they don't get it.

And I explained Passover again and they don't see the significance I am about to give up when a leader of the political Palestinian movement, Fatah, shouts out, "You mean Pesach, Leo!"

Not our stereotypical view of the Palestinians—but real!

Do these stories sound like the teaching of these last 50 years? Not at all!

What has been our education leading to orientation and attitude?

Fear and hate have been used to squeeze money out of us. And in the process no distinction was made between: all Arabs and Palestinians, and Palestinians in Israel, and Palestinians across the green line.

And there is a world of difference between the groups.

We were told if we do not contribute, our brethren will be thrown into the sea and to prove it, let us tell you how evil are the Palestinians. The image stuck.

Was fundraising now a substitute for religion and Torah and we gave and did not notice the world was changing?

The Torah does not say, "Do that which is right" only to those you like and admire. However, it is clear if you do what is right, you will reduce the arena from which terrorists are recruited.

Torah teaching—practical solution.

These 50 years we kept our views and did not notice changes.

We must not confuse security with terrorism. Did Israel not win every war? And is not Israel's military partner, the USA, the only real power by far, not only in the Middle East, but in the world? Are we not proud of Israel's might?

And the Palestinians? No army, no F-16s, no MI tanks—no U.S. military alliance. The Palestinians have been a beaten people—their life has been in part determined by Jews. In such a circumstance, how does our religion tell us to behave?

What I am saying would be the same during Rabin's days, during Peres' days, during Netanyahu's days. My statement before the U.S. Senate Subcommittee on Near Eastern and South Asian Affairs, at the Capitol, Thursday, July 13, 1995.

In part: Some years ago I came to the conclusion that the critical element essential to achieve peace in the Middle East was the economic well being and the dignity of the Palestinian people. And this was in the interest of Israel and the Jewish people.

Who has the power to make these critical changes and improvements? Not the Palestinians, not the PLO and not the PNA (Palestinian National Authority).

The resources, the power, and the controls in these critical areas lie with the West, the donor nations, the United States and Israel.

Until these matters are adequately addressed, there can be no lasting peace.

If they are not addressed, we will not stop this generation's hate from being passed on to the next generation and the children will be fighting each other. We must now allow this to happen.

The state of Israel and the well-being of its people are not threatened by a Palestinian Army, Air Force or Navy. They are not a security threat to the nation of Israel.

Some equate terrorism to a security threat. That in turn is used to delay economic liberation of the Palestinian people which, if not achieved, will guarantee that the children of this generation will still be at war. We cannot allow that. Yes, we must stop terrorism but how?

Economic deprivation will breed further terrorism. Raising the economic standard gives us hope.

I was proud to be appointed to participate in the peace signing in Cairo. I heard my government announce that without economic progress on the ground, peace is a risk. I agreed then and I agree now, Palestinians are still waiting for that delivery. We can no longer delay.

I have heard over and over again the Israeli pronouncement that the well being of the Palestinians is in their interest. I agree.

Hurts of the past must not be excuses for continuing hurts into the future.

Free passage of goods, open markets, investments and reliability of American commitment will produce prosperity and peace in the region.

Four conditions are needed, which are interdependent:

1. Reliable access to crossing borders for export.

2. The opening of overseas markets.

3. Private sector investment funds, i.e., perhaps $100 million from the American side to challenge the Palestinians to provide another $100 million to support and give confidence to the private sector for medium size investment based on reliable border crossings and open markets and long term commitments. Then we will see the capability of the Palestinians, the development, more effective use of our aid money.

4. A U.S. participation that is dependable and firm in the peace process, via the Middle-East Peace Facilitation Act.

True eight years ago. True three years ago. True today!

Recent conclusion by Ha'aretz (Israeli newspaper):

"Exports from the territories to overseas markets are still hamstrung by a seemingly infinite number of bureaucratic hurdles that pose under the guise of "security consideration" and which are forcing Palestinian manufacturers to export their products via Israeli companies. The atmosphere of political uncertainty is dissuading potential investors from sinking funds into the Palestinian economy's manufacturing sector.

It is therefore not in the least surprising that, in this unhealthy economic climate, wages on the West Bank and in Gaza have dropped."

How can you earn a living if you cannot get what you produce to market at a proper price?

The reality! What are we doing? What should we do?

There is not a single Jewish organization, not one contributing in any way to peace process. There is fundraising using the word "Peace" but delivering nothing—nothing on the ground, nothing across the green line. And without a proper peace, there can be no Jewish life in Israel. Not a single Jewish based organization in Washington (or any in the US or the UK—find them) is contributing one penny to peace on the ground—not one penny across the green line. Funding projects in Israel proper is fine, but if we ignore what is happening beyond the green line how are we truly contributing to peace?

Why?

Who knows?

Is 50-year education too difficult to change?

Does fundraising without commitment pay off?

Commitment to the moral and practical teaching of the Torah will pay off—will bring peace.

What must we Jews do now? The salvation of our people is at stake. We must not focus on what is wrong with others. That is no excuse! What to do? We must perform on the ground, the only way to reduce terrorism.

Contribute to those organizations that can demonstrate to your without any, ifs ands and buts that money is resulting in a better health, a better life, a better education on the other side of the Green Line for the Palestinian people.

This is where the urgent need is. That is what the Torah commands us to do.

If we are talking about peace, we must address the well being of the Palestinian people on the other side of the Green Line.

We have no time for do-good conferences. We have no time for pleasantries. We must do things that improve the well being of the "strangers" amongst us, those on the other side of the Green Line. We have no time to wait to change attitudes. We need to change the facts. The facts of Palestinian poverty, lack of export access, lack of dignity and respect. Once the facts change, the attitudes will change.

A leader of Egypt asked me why the Palestinian oranges at Ashdod are crushed and I said I did not know. And he said, "They are your cousins, Leo, and you must find out."

I met with the appropriate military authority. They asked do you want an investigation? And I said no. Do I want sensitivity training through various international funds? No. Then what do you want?

We must appoint a person to be responsible, a colonel who need not like the Palestinians, who has the assignment to see that their products get on the ship undamaged so that they arrive in good shape for the customers. And the colonel will do so if he knows the price of failure, dishonorable discharge and loss of pension.

He will then do the job, his children will see that it works, and his grandchildren will live in a better world. First change the facts, Do that which is right and good, then the people will learn and attitudes will change.

Do that which is right and good and peace will follow.

There is a program for the improvement of health, fortunately without great publicity and political involvement, with Canadian, Jordanian, Israeli and Palestinian doctors cooperating to improve the health of the people on the ground.

I mandate them, no declarations of love, no press releases that you are for peace, but if you do not improve the well being of the people, we will cut you off.

Results, real results for people on the ground is what we must do. We must solve the problem of goods crossing borders so they can get to market and people will then invest and create jobs. Therefore we must prepare them by training and education. A group of visionaries are planning to build a college, an industrial college in Gaza. If you think about it, you will find other ways and other projects to deliver results on the ground. Just follow the Torah. Do what is right for practical results.

Not conferences, not teas, but delivering improvements on the ground. Do what is right and peace will follow. Jews will win militarily. But if they win in the wrong way, their children and grandchildren will be at war.

The Torah makes it clear, do what is right, perform on the ground. The ground is the territory in which the strangers live, the Palestinians. If we do so, there will be peace and Jews and Judaism will prosper.

To help the Palestians is to help Israel.

TRIBUTE TO VERNON H. RICKS, JR.

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CLAY. Mr. Speaker, I am pleased to commend Mr. Vernon H. Ricks, Jr. on the occasion of his retirement from the Xerox Corporation. Wednesday, September 30, 1998 marked the end of Vernon's remarkable thirty-three year career with one of the world's leading corporations. In recognition of his exemplary years of service with Xerox, as well as his contributions to his community, it is a pleasure to highlight just a few of his many achievements with my colleagues here today.

Vernon began his career with Xerox as an entry level technician. He honed his skills in several critical management areas and rose to become the manager of field services. Throughout his career, he has devoted his time to serving as a mentor to many young, aspiring African Americans within the Xerox family. His selfless contributions led to his appointment to the corporation's Affirmative Action Development Task Force. From that position, Vernon went on to become the Founding Member of the Xerox "Corporate Few," the organization of Xerox's African American corporate executives.

Vernon's concern for equal opportunity and community involvement extended far beyond the confines of the Xerox Corporation. He has served as a member of the Congressional Black Caucus Corporate Braintrust; executive director of the Federation of Corporation Professionals; the Montgomery County, Maryland Sensitivity Task Force, and the Montgomery County, Maryland Police Community Relations Task Force.

Vernon Ricks' civic involvement has also been impressive. From 1972–1980 he was a councilman on the Takoma Park, Maryland City Council and from 1980–82 he served as Mayor Pro-Tem of Takoma Park. In addition, he has been a member of the Maryland Municipal League, the National League of Cities and a regional director of the National Black Caucus of Local Elected Officials.

As he begins a new chapter in his life, Vernon will continue his community involvement, serving as president of the Coalition for Equitable Representation in Government; the Montgomery County, Maryland Mentoring Task Force; Democratic Precinct Chair; and as Chairman of the Board of Trustees of Mt. Zion United Methodist Church. A Life/Golden Heritage member of the NAACP, Vernon will certainly maintain his extensive involvement with the nation's oldest and most distinguished civil and human rights organization.

In recognition of his brilliant career, Vernon has received numerous awards and citations from Xerox as well as from civic and communications organizations. Among the many awards commending his achievements in support of corporate and community endeavors is the 1st place-vocal group award he received in the Air Force Worldwide Talent Competition.

Prior to joining the Xerox Corporation in 1965, the third generation Washington, D.C. native and McKinley Technical High School graduate was a well known local entertainer and singer. He went on to become a missile technician and teletype/crypto specialist in the United States Air Force. He was honorably discharged in 1965.

He is married to the lovely and equally civic minded Janet Lee and he has one son, Brian, who is a real estate agent in the Washington, D.C. area. Vernon and Janet reside in Potomac, Maryland.

Mr. Speaker, it is indeed a pleasure to use this opportunity to salute the career and accomplishments of a true American role model, proud father and loving husband—Vernon H. Ricks, Jr. He is a man whom I have known and respected for many years. He is a friend and a gentleman; someone who has worked unselfishly on behalf of others. I know that his family and friends are proud of him, and I join them in congratulating him on a distinguished career with the Xerox Corporation. As he prepares to set course on yet another chapter in his illustrious life, I ask that you join me in extending our best wishes to him and Janet on a future abundant in the riches of God's love, good health, and much happiness.

100TH ANNIVERSARY OF HAWTHORNE, NEW JERSEY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Borough of Hawthorne on its 100th anniversary as an independent borough in the State of New Jersey. The people of Hawthorne this year are celebrating the many virtues of their wonderful community. Hawthorne is a good place to call home. It has the outstanding schools, safe streets, family oriented neighborhoods, civic volunteerism and community values that make it an outstanding place to live and raise a family.

On this occasion of its Centennial Celebration, I want to specifically acknowledge the outstanding leadership of Hawthorne's elected officials. Hawthorne has always enjoyed a history of good, sound local government—a tradition carried on today by Mayor Fred Criscitelli, Council President Joseph Metzler, Council Vice President John Lane and Council Members Marge Shortway, Lois Cuccinello, Richard Goldberg, Patrick Botbyl and Eugene Morabito. Indeed, the U.S. Congress should pay special respect to this community for having the wisdom and farsightedness to have elected Mayor Louis Bay 2nd in 1947. Mayor Bay, who retired in 1987 after 40 years of continuous service, set a record for consecutive terms as Mayor.

Today's leaders of Hawthorne draw upon nearly three centuries of heritage. Hawthorne was officially incorporated as a borough in 1898 but the area was first settled around the beginning of the 18th Century. Among the earliest settlers of Hawthorne were the Ryerson brothers, who purchased 600 acres of land in 1707. Their property extended from the Passaic River to what is now Diamond Bridge Avenue and from the crest of Goffle Hill to Lincoln Avenue. One of the Ryerson's homes, built in 1740 and destroyed by fire in 1950, served as General Lafayette's headquarters during the Revolutionary War. A monument erected by the Passaic County Park Commission marks the spot at 367 Goffle Road. Another Ryerson home survives as a restaurant.

Saw mills were the earliest industrial operation in Hawthorne, as trees cut to clear land for farming were turned into lumber for construction. Grist mills followed to process the grain raised by the farmers.

Located in Passaic County, Hawthorne originally was part of Manchester Township, which also included communities now known as Totowa, Haledon, North Haledon, Prospect Park and part of Paterson. Hawthorne was established as an independent borough on March 24, 1898. The other communities eventually declared their independence as well as Manchester Township ceased to exist.

There are two theories on the origin of the borough's name. One is that it was named for the profuse growth of the thorny Hawthorne bushes early farmers had to clear from their land before cattle could safely graze. The other is that it was named for the author Nathaniel Hawthorne. The true answer is lost to history. Nonetheless, the name is honored and revered and deserves the good reputation it has enjoyed for a century. It is one of the finest communities in our state.

Hawthorne's first Mayor, Dr. Sylvester Utter, was elected April 12, 1898. Adam Vreeland was chosen as assessor and William H. Post as tax collector. The councilmen were Albert Rhodes, Frank Post, Daniel Van Blarcom, Martin Marsh, John V.B. Terhune and Arthur F.J. Wheatley.

At the turn of the century, farms were already disappearing to make room for housing development and Hawthorne's population stood at 2,500. By 1908, large tracts of land were being developed for homes. The Arnold Brothers Co. developed land from Elberon to Tuxedo Avenues. The Rea Land Co. developed the northern end of town and Hawthorne Parks Estates developed the eastern section. By 1910, the population totaled 3,500.

One of the new government's first steps was to secure $19,000 in loans to renovate school buildings, including the Lafayette School, the Washington School and a one-room schoolhouse on Goffle Road. The Franklin School was built in 1910. The Lafayette School eventually became the borough municipal building but was destroyed by fire in 1979. A new municipal building was constructed on the same site.

The post-World War I boom of the 1920s brought more new homes, a variety of industrial and commercial enterprises and two new schools. Goffle Brook Park was established in 1927 by the Passaic County Park Commission, quickly becoming the setting for band concerts and baseball games. The park remains a setting for community events to this day. The First National Bank of Hawthorne, the Hawthorne Public Library and the Masonic Temple were all opened in 1928. The same year, the Hawthorne Chamber of Commerce was established and local chapters of the American Legion, Rotary Club and Veterans of Foreign Wars were opened.

The 1930s saw construction of Hawthorne High School, the beginning of the Hawthorne Women's Club and the Hawthorne Child Welfare League. The population in 1930 soared to 12,000—a 13 percent increase from 1920 reported to be the second-highest increase in the United States. Hawthorne today has a population of more than 17,000 and plays an essential role in the active economy of the reigon.

My colleagues, I am sure you would agree with my conviction and assertion that Hawthorne is one of the finest communities in the State of New Jersey. This community is symbolic of traditional American values. The residents work hard, are dedicated to their families, support their schools and volunteer to help their neighbors. I ask all my colleagues to join me in wishing all its residents continued success as their borough enters its second century.

TRIBUTE TO CLAIRE GAUDIANI ON THE TENTH ANNIVERSARY OF HER TENURE AS PRESIDENT OF CONNECTICUT COLLEGE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to pay tribute to Claire Gaudiani as she marks her tenth anniversary as President of Connecticut College in New London, Connecticut. President Gaudiani is an extraordinary academic, administrator and community activist who embodies the very best qualities of America. I am honored to call her my friend.

President Gaudiani came to Connecticut College from Purdue University in 1988. Over the past decade, she has made an indelible impact on the institution. Under her leadership, the college has dramatically expanded academic programs, including creating four new academic centers: the Centers for Community Challenges; Conservation Biology and Environmental Studies; Arts and Technology; and International Studies and the Liberal Arts. She spearheaded a campaign which has quadrupled the school's endowment. Today, Connecticut College is recognized as one of the leading liberal arts institutions in the nation.

Although her work as Connecticut College is truly impressive, President Gaudiani is much, much more than a university president. She is arguably the most articulate voice today on behalf of restoring civility to our society. Throughout much of our history, Americans helped their neighbors in need—communities built barns, families took in strangers displaced by natural disasters, and people gave whatever they could, even when they had very little, to fellow citizens who had fallen on hard times. Community was not merely a place where people lived, it embodied a sense of togetherness and common purpose. Civil discourse was not an abstraction but a way of life.

Unfortunately, as President Gaudiani has written: "Evidence is mounting that our national reservoir of good will toward each other is running out like water from a leaky bucket." Today, as so many rush to accomplish an ever growing list of tasks, we often forget to take time to lend a helping hand to our neighbors or to put the interests of our city, town or country ahead of our own. In an alarming example of how people are withdrawing from our most important national discourse—our electoral process, participation rates in national elections are at all-time lows.

President Gaudiani is leading a national effort to restore civility to society and to encourage all of us to work on behalf of the common good. She is a member of the National Council for a Civil Society based at the University of Chicago. She has written numerous articles and given speeches coast to coast discussing how the nation can achieve this goal. She has put this vision into practice at Connecticut College by creating the Center for Community Challenges, which offers students a wide array of opportunities to engage in community service, and the Institute for a Civil Society, which brings together non-profit organizations, businesses and government to encourage civic participation. Moreover, President Gaudiani has been courageous enough to challenge the nation's leaders "to stop widening the private rifts that separate us and call us to renew the values that can unite our public life." These are words each of us should take to heart when the politics of division appear to be overcoming the politics of inclusion.

Mr. Speaker, I believe the most extraordinary characteristic which distinguishes President Gaudiani is her commitment to her community—New London. Working with local elected officials, businesses, community activists and residents, President Gaudiani has helped to lead a renaissance in the city of New London as the President of the New London Development Corporation. Claire Gaudiani didn't have to take this job. She had more than enough to do at Connecticut College to keep her very busy. She accepted this position because the Corporation is focused on renewing the community in the larger sense. Although this effort is strongly focused on economic renewal, it encompasses a wide array of initiatives designed to improve quality of life, restore civic pride and bring every sector of the community—political, cultural, ethnic and racial—together in pursuit of a common goal.

I am proud to say that this effort has been a resounding success. Earlier this month, several hundred people gathered to celebrate the fact that Pfizer, one of the world's leading pharmaceutical companies which is based in southeastern Connecticut, will develop a $220 million state-of-the-art research facility in New London. This project will create as many as 2,000 jobs over the next decade and will be the centerpiece of a revitalized riverfront area. New London will be one of several sites in the United States to host OpSail 2000—the largest tall ship and maritime event in history—in July 2000.

Although these projects are exciting, the overall effort led by President Gaudiani has created a new sense of community spirit and pride. Residents, businesses, civic groups and others have a new appreciation of the common bonds that unite them. People are coming together in pursuit of common goals and with a renewed commitment to strengthening the entire community.

Mr. Speaker, I take great pride in congratulating Claire Gaudiani on her tenth anniversary as President of Connecticut College. Her commitment to academic excellence and civic renewal is an example for all of us. I wish her continued success as she embarks on her second decade in New London.

HONORING THE DISTINGUISHED CAREER OF DR. CLIFF GILLESPIE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GORDON. Mr. Speaker, I rise today to recognize and commend the contributions Dr. George Clifford Gillespie, Jr. has made to Middle Tennessee State University (MTSU) and his community.

Dr. Gillespie is the Associate Vice President for Enrollment Management at Middle Tennessee State University. He is a native of Nashville and received his undergraduate education at MTSU. He also received a Masters Degree at MTSU and a Ph. D. in College Administration from the George Peabody College at Vanderbilt University.

Prior to his recent promotion, he had held the position of Dean of Admissions, Records, and Information Systems at Middle Tennessee State since 1975. At the time of his appointment, he was the youngest person to hold such a position in the United States. Dr. Gillespie is a former member of the Executive Committee of the American Association of Collegiate Registrars and Admissions Officers. He held the position of Secretary/Treasurer from 1983 through 1986, and has been a presenter at the annual meeting of AACRAO on numerous occasions.

He has done an exceptional job with the office. Since his employment with the school, in the early 70's, he has witnessed many changes. One of the major changes is the increase of enrollment due to his professional expertise in admissions. He is truly a strong proponent of the institution.

Dr. Gillespie is noted for the automation he has brought to the admission processes at MTSU. He is often called upon by other institutions to serve as a consultant in the area of registration, records management, and enrollment. On occasion, he teaches in the doctoral program on higher education at Vanderbilt University.

Dr. Gillespie is known for more than his role as Associate Vice President for Enrollment Management at MTSU. He has also distinguished himself as the primary announcer for the Tennessee Walking Horse National Celebration.

I would like to congratulate Dr. Gillespie on his stellar career. He had done a fine job in representing Rutherford County. I thank him for the contributions he has made to Middle Tennessee State University and the Murfreesboro community.

PROTECT SOCIAL SECURITY ACCOUNT

SPEECH OF

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, September 25, 1998

Ms. PELOSI. Mr. Speaker, I rise in strong opposition to H.R. 4578. Social Security is a sacred trust between working Americans and the Federal government. It is the last program that should be used as a political tool in an election year.

This bill, which claims to save Social Security, would undermine the financial strength of the program, siphoning off the Social Security surplus into tax cuts. Ninety-eight percent of what we call the budget surplus over the next decade comes from the Social Security Trust Fund. Those funds must be protected until we have shored up the long term strength of the program.

This bill is a companion to an $80 billion tax cut bill. The Republicans temporarily have dropped their longtime commitment to tax breaks for the very wealthy and adopted Democratic tax relief proposals. Unfortunately, they pay for them by violating the Social Security Trust Fund. This Republican tax cut robs our seniors of their peace of mind and undermines the future fiscal stability of Social Security.

The Republicans are not proposing these tax cuts because they believe in them. This is an attempt to co-opt Democrats into helping the Republicans slowly dismantle Social Security. They have made the tax cuts as attractive as possible to Democrats in order to provide a mountain of sugar to disguise the taste of the poison. But the truth is that undermining Social Security will not help America's working families.

There can no longer be any doubt about the differences between the Republicans and the Democrats. Democrats want to protect the Social Security surplus. Republicans want a tax cut at the expense of America's seniors. Democrats want to ensure that for generations to come, Social Security will continue to be a constant in the lives of our elderly citizens.

Democrats have always supported responsible tax cuts paid for out of the budget. But to take money from the Social Security surplus is fiscally irresponsible and jeopardizes the future of the program. Those funds must be protected for today's retirees and for today's workers. We must save the surplus, strengthen the system, and secure the future for America's seniors. That's the Democratic way.

I urge my colleagues to oppose H.R. 4578.

INTRODUCTION OF H.R. 4566—IRAQ LIBERATION ACT OF 1998

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GILMAN. Mr. Speaker, on Tuesday, September 29th, I introduced H.R. 4566, the "Iraq Liberation Act of 1998." As the title suggests, the purpose of this legislation is to finally and irrevocably commit the United States to the removal from power of the regime headed by Saddam Hussein.

For almost eight years now, since the end of Operation Desert Storm, we waited for Saddam Hussein's regime to live up to its international obligations; to dismantle its weapons of mass destruction under international inspections, to stop threatening Iraq's neighbors, and stop menacing Iraq's Kurdish and Shi'ite minorities.

After dozens of U.N. Security Council resolutions, and compromise after compromise, we have too little to show. Our patience was misinterpreted by Saddam Hussein as weakness. Regrettably, America's friends in the Middle East believe our policy lacked seriousness. The time has come to let Saddam know—to let the whole world know—that the United States will not tolerate this regime's continued grip on power.

We must abandon the fiction that there can be peace and security in the Persian Gulf region with Saddam Hussein's regime still in power. Simply put, Saddam must go. This is not a simple task. Even when the international community was unified and the United States was energized, solutions were few and far between.

Some suggest that our nation should go to war and rid the Persian Gulf of the threat posed by Saddam. We may yet be compelled to do so, but before we put American lives at risk in that far away land, we have a duty to explore the alternatives. One alternative is to assist freedom-loving Iraquis.

Consider the people of Iraq who have no say in their future. Because of Saddam Hussein, they tolerated years of deprivation. At the hands of this man and his Republican Guards, tens of thousands of people were massacred. The people of Iraq are sick and tired of suffering; they have been willing to take up arms against Saddam Hussein, and they are willing to do so again.

The Iraq Liberation Act is not a complete recipe for Saddam's removal, but it contains some key ingredients. This bill calls on the President to designate a group or groups committed to a democratic Iraq. For the designated group or groups, it authorizes the President to provide up to $97 million in military assistance, to be drawn down from the stocks of the Department of Defense. In addition, it authorizes the provision of $2 million for opposition radio and television broadcasting inside Iraq.

These authorities, combined with other actions Congress already has taken, will contribute to a comprehensive policy of promoting democracy in Iraq. Earlier this year, the Congress appropriated $10 million to support pro-democracy groups, assist their organization, found Radio Free Iraq under the aegis of Radio Free Europe, and build a war-crimes case against Saddam Hussein. A further $10 million is contained in the Senate version of the Foreign Operations Appropriations bill that will soon go to conference.

The Iraq Liberation Act marks an important step forward in our fight against Saddam Hussein. We must not fool ourselves: The man is the problem. If this man remains in power, Iraq will remain a clear and present danger to the United States and our allies. We heard as much from the Chief U.N. weapons inspector, Scott Ritter, and we have heard as much from the Administration.

This bill will not tie the President's hands. It does not mandate the actual delivery of military assistance. The only requirement it contains is that the President designate a group or groups as eligible to receive the assistance we are authorizing. I would hope, however, that the President will use the authority we are offering him to begin to help the people of Iraq liberate themselves.

TRIBUTE TO THE LATE ERNEST MORISHITA

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. FARR of California. Mr. Speaker, I rise to express our community's grief at the loss of Ernest Morishita who died September 6 of this year at the age of 57. Ernie was more than an effective and dedicated public servant, Ernie instilled a feeling of family to Monterey County administration.

Monterey County was extremely fortunate to hire Ernie Morishita away from Fresno County in 1983 to become our County Administrative Officer. Ernie managed the 24 departments and over 3,700 employees with a combination of skill and good humor. It was under his leadership that an economic development program was implemented, bringing stability to County coffers in the face of such onslaughts as the economic downturns of the early 1990's and the erosion of property tax income due to changes in State formulae.

Ernie had a way of streamlining bureaucratic processes and making them user-friendly. Planning and building inspection processes, cooperation between county libraries with city libraries and schools, health and medical departments and programs all benefitted from Ernie's intelligent oversight and fine leadership. Ernie could call upon his positive relationship with the agencies and the political structure of the county to negotiate agreements across agency boundaries. The City of Salinas was able to build playing fields and a golf course on County land, for instance. As the Emergency Services Director during five major, presidentially declared disasters, Ernie created a full-time emergency services office for greater inter-agency cooperation and effective emergency response.

Ernie's droll humor brought warmth and loyalty to county administration, and his pranks are legend. He was not beyond impersonating the county environmental health officer upon arrival at a restaurant to see how it affected service. To better monitor operations and maintain accessibility to all levels of operations, Ernie often walked through county facilities, conversing with custodians and clerks. He was a mentor and advisor who developed affection and camaraderie at every level. Supervisor Simon Salinas once said "He had the biggest heart of anyone in the county."

Our heartfelt condolences go to his family, his wife Kay, daughter Emily, and son Mark, as well as to his father Irving and brother Ken.

Ernie's legacies are beyond the stability and financial integrity he established within county operations. Ernie was a patriarch, and the county became a family through his wise guidance.

TRIBUTE TO LEE HAMILTON

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. BEREUTER. Mr. Speaker, this Member has served in the U.S. House of Representatives with our very distinguished colleague from Indiana [Mr. LEE HAMILTON] for twenty years and this Member has worked closely with LEE on the House International Affairs Committee for sixteen of those twenty years. As a result of that contact, this Member will tell this body that this Member believes he is the most outstanding Member now serving in the U.S. House of Representatives. Certainly, he is one of the three most distinguished legislators with whom this Member has served in that period of twenty years.

This Member also knows that this Member's high regard for LEE is shared by the very wide circle of people who have known and observed him, not only by those of us in the Congress, but also by people across the country and in the far corners of the earth. His sound and well-reasoned judgment, his unswerving integrity, his unfailing courtesy, his intellect, and his very wise and deep knowledge of matters foreign and domestic have built his exceptional reputation that reflects to favorably on the people of Indiana who have elected him to Congress an amazing seventeen times.

There have been very few if any Members in the U.S. House of Representatives—for decades at least—who is more knowledgeable and respected on foreign affairs issues than Representative LEE HAMILTON. Whether serving as the Chairman or recently as the senior minority member of the House Committee on International Relations, he has consistently provided the leadership our country needed on these international issues. This had been true even when his analysis and convictions on such issues compelled him to stand almost alone against a tide of emotionalism and irrationality. First and foremost, this Member admires LEE HAMILTON, as others do, for keeping his focus on the American national interest and insisting, that against all pressures, it would remain his guide.

This Member wants Representative HAMILTON's constituents in Indiana to know, too, that despite his necessary attention to all these complex and demanding international issues and despite flattering acclaim, LEE HAMILTON kept his feet on the ground, his gaze on the horizon, and his focus "away back home in Indiana." Always a Hoosier, LEE was born and bred to understand and honor the views, interests, and values of his constituents. He always has so naturally demonstrated the self-confidence and judiciousness in decisions and the humbleness in demeanor that springs from a deep understanding and respect for what it means to truly serve the people who elect one in our representative democracy. Indianans and all Americans can take a full measure of pride in our distinguished colleague's extraordinary service to America.

In concluding, this Member wants to convey to LEE HAMILTON, our distinguished colleague from Indiana, and to his wonderful life, Nancy, who undoubtedly has been crucially important to his public service, this Member's great appreciation and admiration for the extraordinarily important public service you have rendered to our nation. LEE, undoubtedly you have so much yet you can offer. All of us, who have had the privilege to serve with you in the Congress, wish you every good opportunity and success in that respect, and also to Nancy, you, and your family in your life together.

HONORING ROHM AND HAAS TEXAS, INCORPORATED

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. BENTSEN. Mr. Speaker, I rise to congratulate Rohm and Haas Texas Incorporated for their selection by the Deer Park Chamber of Commerce as the 1998 Industry of the Year.

Rohm and Haas Texas Incorporated has been a responsible member of the Deer Park community for 50 years, safely manufacturing chemicals for use in the disposable diaper, automobile, paint, coatings and communication industries. Construction on the Deer Park Plant began in 1947 and in July of the following year, the first shipment of acetone cyanohydrin was made to another Rohm and Haas plant in Pennsylvania to produce acrylic sheet.

The Deer Park Plant would become the company's largest and most productive with five major expansions in the fifties, followed by four in the sixties, two in the seventies, two in the eighties and six in the nineties. Employment has climbed from 132 in 1948 to more than 800 today, making the plant one of the largest industrial employers in the area. When wages, purchases and taxes are considered, the plant and employees are responsible for adding more than $85 million each year to the local economy which, in turn, creates an estimated 4,500 jobs for others in the community.

Rohm and Haas' most far-reaching joint industry/community safety and environmental improvement effort is the "Responsible Care Program" developed by the Chemical Manufacturers Association (CMA). It requires that participating companies pledge to the community, in writing, to improve health and safety and environmental protection. In this regard, Rohm and Haas conducts periodic self-evaluations and reports publicly on releases of toxic materials in the air, land and water, along with plans for reducing them. They also invite third parties into the plant to see what is being done.

Rohm and Haas is also committed to investing in comprehensive programs designed to reach many deserving sectors of the community including youth, education, family, culture, the arts, health and the mentally and physically challenged, as well as supporting local industry and community efforts to improve the quality of life in neighboring communities. The plant contributes approximately $100,000 a year to charitable causes and employees make a significant impact as active volunteers, donating more than $150,000 a year to the United Way alone. Employee volunteers are rewarded through Rohm and Haas' Volunteer of the Year Program, which rewards outstanding individuals efforts while financially supporting the organizations they represent.

Mr. Speaker, I congratulate Rohm and Haas Texas Incorporated on being named the Deer Park Chamber of Commerce 1998 Industry of the Year. This honor is well deserved for their work in expanding business and job opportunities, establishing safer conditions for workers, and initiatives to protect and improve the environment, while supporting a comprehensive program committed to strengthening community relations by supporting employees volunteer activities and making corporate contributions to deserving sectors of the community.

PERSONAL EXPLANATION

HON. WILLIAM L. JENKINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. JENKINS. Mr. Speaker, due to a death in the family, I was unable to be present to vote on Monday, September 28, 1998, for the following votes:

Roll Call No. 473—H.R. 3150—I would have voted "yea"

Roll Call No. 472—H.R. 4060—I would have voted "nay"—This contains no funding for the Tennessee Valley Authority to perform navigation and flood control for the citizens of the

First Congressional District of Tennessee. This is unfair because navigation and flood control are paid for in every section of the country.

Roll Call No. 471—H.R. 4103—I would have voted "yea"

Roll Call No. 470—H.R. 3891—I would have voted "yea"

TRIBUTE TO THE LATE FRANK ANGELO SIINO

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. FARR of California. Mr. Speaker, I rise today to observe the passing of Frank Angelo Siino, who died in August 1998. He was a master boatwright who carried on the traditions of his family, a long line of boat builders.

Frank and his brother Raymond followed in their father's footsteps by working in the Siino Boat Works on Cannery Row in Monterey, California. They build feluccas, boats built upon the ancient double-ended, lateen-rigged design used since time immemorial in the Mediterranean. Liboria, an Italian felucca which the brothers built and named for their mother, now hangs in the Monterey Bay Aquarium as a prime example of a craft used by fisherman in Monterey. Frank's skill at molding wood and repairing boats was innate. His friend Mike Maiorana said "He was an authentic boatwright. When you'd see him at his band saw cutting out a compound curve, you couldn't tell where the wood left off and he began."

Frank's knowledge of authentic wooden boat-building was sought out by many, and, as a consequence, Frank became a teacher and a mentor. Although today's commercial boats are fiberglass, steel and aluminum, wooden boats by Frank Siino still ply the waters of Monterey Bay. Frank built *The Holiday* from scratch, and she still works as a charter fishing boat. Her sister, the *Miss Monterey*, works out of Morro Bay as a charter boat. The last boat Frank made, the *Anthony Boy*, is docked in Moss Landing. As a part of his legacy, it must be noted that Frank created a boat for the Dennis the Menace Park, *The Turkey*, for children to climb on, and in doing so physically learn about the boat which so gracefully illustrates a way of life in our region.

My thoughts are with the family, Frank's wife Lucille, his brother Raymond, his sister Rose, and his sons, Randy, Andy and Mark. Their loss is a profound one. Frank Angelo Siino created and maintained more than wooden boats in Monterey, he maintained our history.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his opposition to a particular provision in the H.R. 6 Conferene Report, which would increase the Ginnie Mae guaranty fee to nine basis points effective on October 1, 2004—a three basis point increase over the current level. This provision was not included in the House version of H.R. 6 legislation. However, the Senate version did contain this three point increase in the Ginnie Mae guaranty fee. Unfortunately, the H.R. Conference Report which includes this Senate passed provision is both illconceived and contrary to the spirit of promoting home ownership.

Under current law, Ginnie Mae guarantees payments to ivestors if mortgage servicers are unable to make the scheduled payments. In turn, the mortgage servicers are charged a present guaranty fee of six basis points.

This Member is opposed to a three basis point increase in the Ginnie Mae guaranty fee for the following two reasons.

No. 1. The cost of a three basis point increase will likely be passed in part to the homebuyer.

This provision in the H.R. 6 Conference Report will increase the costs of a mortgage servicer to lend. While some of this increase in basis points will likely be borne by the mortgage servicer, it is inevitable that some of this increase will be passed to the homebuyer as an unncessary tax for buying a home. This Member is opposed to passing on such avoidable costs to the homebuyer.

No. 2. The Senate had earlier rejected an increase in basis points for the Ginnie Mae guaranty fee.

On July 17, 1998, the Senate in considering the fiscal year 1999 VA/HUD appropriations bill, tabled the Nickles Amendment by a 69–27 vote. The Nickles Amendment would have increased the Ginnie Mae guaranty fee by six basis points. The VA/HUD appropriations bill appears to be a more suitable forum for debate and consideration of such a guaranty fee increase than in H.R. 6 Conference Report.

In closing, this Member opposes the provision in the H.R. 6 Conference Report which increases the Ginnie Mae guaranty fee by three basis points.

HONORING SAINT THOMAS EPISCOPAL SCHOOL'S PIPE BAND

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. BENTSEN. Mr. Speaker, I rise to congratulate Saint Thomas Episcopal School's Pipe Band in Houston, Texas, winners this summer of the World Championship Bagpipe competition in Glasgow, Scotland.

St. Thomas's Episcopal School is a private parochial school located in Houston. Founded in 1955, it has an enrollment of more that 675 students in grades K–12. St. Thomas' Pipe Band is just one example of the school's commitment to producing world class students and citizens.

In August, Saint Thomas Episcopal School's Pipe Band won five championships in Canada and Scotland: the North American Championship, the North Berwick Championship, the World Juvenile Championship, the Rothesay Championship, and the Cowal Pipe Band Championship. No American pipe band has won so many international championships in such a short time. That a group of 30 schoolboys from Texas achieved this feat is remarkable. This is the third time that Saint Thomas' Pipe Band has won a world championship, the most for any American band.

Band director Michael Cusack had band members practicing three times a week for several months before the trip. By the time they got to Scotland they were playing so well that they decided to compete against semi-professional bands in Grade II at the Rothesay Highland games after winning the juvenile division. They placed second overall and first in drumming.

At the World Pipe Band Championships, the band dedicated its performance to retiring headmaster Henry L. Walters, Jr. Mr. Walters has been headmaster since 1964 and was instrumental in promoting this program. For a short time, he even taught drumming.

Mr. Speaker, against overwhelming odds these young men distinguished themselves not only by their outstanding performance, but by their example to others in their school and community. Every day, we fight the battle to keep music and the arts viable and funding for our schools at a level which permits such achievements. These young people are an example of what can be accomplished when the necessary support is present. It is up to many of us in this body to ensure that all our children have the opportunity to achieve their dreams.

To the students I say congratulations for an outstanding tour. To their families, teachers, friends and classmates, I say thank you for supporting these young men with your love, guidance and, friendship. We all make a difference.

THE ANDREI SAKHAROV MUSEUM

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. SMITH of New Jersey. Mr. Speaker, we have heard a lot of discouraging news from Russia of late. We are told that the Russian economy is at a dead end, the currency is collapsing, political reform is stalled, and the military is deteriorating to a dangerous point. Moreover, it appears that a good deal of the money that the U.S. Government has extended to Russia through grants or loans has been—at best—ineffective.

Nevertheless, I would like to point out one small project where I believe U.S. contributions have been wisely used and appreciated in Russia. I am referring to the Andrei Sakharov Museum and Public Center in Moscow, named in memory of the distinguished human rights activist of the Soviet era. The museum was established through the efforts of the late Dr. Sakharov's wife and fellow human rights activist, Dr. Elena Bonner, along with many other friends of freedom. The museum director is Yuri Samodurov.

The U.S. Government, through the Agency for International Development, has been providing financial assistance to this worthwhile project. Naturally, the museum management has been seeking domestic funding and would like to be self-sufficient in the future.

When I visited the museum in January of this year, Mr. Chairman, I was very impressed by the layout and the thoughtfulness of the exhibits. There are permanent sections dedicated to the Bolshevik Revolution, political prisoners, and "perestroika," as well as temporary exhibits devoted to human rights issues currently facing Russia. The library contains a wide collection of human rights publications, dissident literature, and of course, the works of Dr. Sakharov himself. The museum has also become a major venue for important conferences on human rights and the humanitarian dimension.

This is one area where I believe our foreign assistance has played, and I trust will continue to play, an important role in assisting our friends in Russia to promote and further the cause of rule of law and civil society.

IN HONOR OF THE ORCHARD CIVIC ASSOCIATION

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to extend my best wishes to the Orchard Civic Association of Cleveland, Ohio, as they celebrate their 40th anniversary in the 71st Harvard area. Throughout the years, this organization has been dedicated to diligent community service in their neighborhood.

Ths mission of the Orchard Civic Association consists of informing residents about neighborhood issues and new information concerning the 71st Harvard area, working with the Councilman to resolve neighborhood concerns, as well as learning and becoming well-informed about the City of Cleveland. The Association has been gathering at Sacred Heart of Jesus Church to hold interesting and newsworthy meetings, often highlighted by a speech from Councilman Edward Rybka.

The Association's hard work and determination clearly shows through their numerous accomplishments. The group has ensured that the United Parcel Service expansions were compatible with the surrounding neighborhood, addressed concerns about truck traffic, pushed for poorly maintained housing to be brought up to code, as well as worked with the Councilman to renovate homes and build new ones. They have also worked to reduce crime and increase the number of police officers in the neighborhood and joined with the Warner Turney neighborhood to get the Harvard Refuse Landfill closed for all dumping, except building debris.

With all their success, the future of this organization looks promising. Their future goals will focus on plans to tackle absentee landlords, get housing code enforcement, and continue to address local issues.

My fellow colleagues, please join me in honoring Cleveland's Orchard Civic Association on 40 years of exceptional service in their neighborhood. Their dedication has brought substantial changes to the 71st Harvard area and its residents. I would like to extend them my best wishes for their future work.

TRIBUTE TO STANLEY J. DAILY

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GALLEGLY. Mr. Speaker, I rise to honor a native son of my district, a man who kept true to his roots and served his country and community with distinction.

Stanley J. Daily will step down soon from the Camarillo City Council, a post he has held since the city's founding in 1964. He holds the record as the longest-serving member of the City Council. He served six years as mayor and eight years as vice mayor during his distinguished tenure. As impressive as this is, it is only a small part of the unselfish service that the son of Frank and Frances Daily and the grandson of Ventura County pioneer W.P. Daily has shown to his community.

Mr. Daily has served as a commissioner of the Local Agency Formation Commission and as a director of the Ventura Regional Sanitation District. He was an elected commissioner for 18 years of the Port Hueneme, Oxnard Harbor District. He also served as president of the international body, the Pacific Coast Association of Port Authorities, which is composed of all the west coast ports of Canada and the United States, including Hawaii and Guam. He also served as a member of the executive committee on the Ventura County Association of Governments and has been a member and chair of the Camarillo Sanitary District.

In addition, Mr. Daily is a founding member and past chairman of the Ventura County Council of Governments, chaired the Cities Select Committee and served on the Regional Council of Southern California Association of Governments.

And, that's not all. In his spare time, Mr. Daily is an active member of the Pleasant Valley Lions Club and the Noontime Optimist Club of Camarillo, both of which are active in assisting our youth. He served as a board member on the Ventura County Council of the Navy League of the United States and is a charter member and parliamentarian of the Pleasant Valley Historical Society and Museum. He was also a longtime board member of the Port Hueneme Boys & Girls Club.

The former U.S. Army officer graduated cum laude from the University of California, Santa Barbara, where he also earned his General Secondary Credential for graduate work in history. In 1960, he became a teacher in the Oxnard Union High School District, where he served as department chairman of the Social Science Department and Director of Activities for about 35 years.

Mr. Daily also found time to be a family man. He and Liz have been married for more than four decades and has raised four sons, all of whom are now married as well. Stan and Liz are blessed as well with seven grandchildren.

As one might expect, Mr. Daily has won numerous local and statewide awards and recognitions for his service to his community and his profession. I add my voice to those who have praised Mr. Daily over the years, thank him for his enormous service, and wish him godspeed in this retirement years.

THE DEL RIO FLOOD HEROES

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. BONILLA. Mr. Speaker, on August 23, 1998, the residents of Del Rio and other Texas border communities were hit with a devastating flood caused by Tropical Storm Charley. Nine people lost their lives. Five people are still missing. Over 600 families lost their homes and all their worldly possessions. The entire area lost a notion of security that can never be recovered. The town will never be the same. Perhaps the only good to come from this tragic situation is the story of a ravaged community coming together to rebuild lives.

In this story four true heroes took the lead to restore peace and harmony in the grief-stricken town. Department of Public Safety Troopers, Joe Frank Martinez, Jimmey Granato and Robert "Cinco" Clark and Judge Dorothy Weddle emerged as heroes that set an example for us all. From the moment the realization of disaster hit, these four took the lead in the search for the missing persons. They went above and beyond the call of duty, working days and nights for two weeks straight—all for the unselfish purpose of helping families reunite with lost ones.

Officers Martinez, Granato and Clark started with a list of approximately 267 missing persons and used every resource available to track down these people. After poring over phone books utility bills, social security and drivers' license records, these dedicated officers went from door to door in their diligent search for the missing. Through their tireless efforts, these men were able to reduce the missing people list from 267 to five. Had it not been for their initiative, the missing list would not be down to what it is today.

Unfortunately, the search did not always end with a joyous reunion. All too often, the hunt ended with yet another casualty added to the death toll. Judge Dorothy Weddle notified and comforted families of the deceased so they could focus on more important things than bureaucratic procedures. She provided support to families when they needed it most.

I would like to commend these four people for their leadership, their dedication, and most of all, their tireless efforts to help others. Their endeavors will always be remembered by those whose lives they touched and by those families they helped to reunite. They helped to restore harmony to a town wracked by disaster.

ONE HUNDRED YEARS OF CONGREGATION AHAVATH ACHIM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. GEJDENSON. Mr. Speaker, I rise today to pay tribute to an extraordinary community in my district. This year the Congregation Ahavath Achim celebrates its Centennial Anniversary.

As a motto for the Centennial celebration, the Congregation chose the phrase "Rooted in the past, reaching for the future." Nothing could better capture the spirit of what this anniversary is about more than that. An anniversary ceremony is not only about remembering the past, but about taking the lessons of the past and looking toward the future.

In a century that has been marred by Eastern European pogroms, two world wars, the occupation of the land of Israel, intolerance and a continuous struggle to exercise a basic human right—the freedom of worship—this community has endured and grown stronger. Congregation Ahavath Achim has provided Jews in eastern Connecticut with a home and a center to celebrate their cultural and historic traditions.

The Congregation and its Synagogue have a storied history. The first meetings in 1898 were held in the home of Mr. Hirsch Cohen with High Holiday Services taking place in Colchester's Grange Hall. Four years later, in 1902, the Congregation bought a house on Windham Avenue and converted it into its first Synagogue. A new Synagogue was built on Lebanon Avenue in 1913. The Ahavath Achim Synagogue was rebuilt in 1960, just next to the 1913 site.

As I stated in a recent letter to the Congregation, much has changed over the past 100 years. The Synagogue has been rebuilt. The community is much larger and men and women now sit together during services. The state of Israel has gone from being a dream to a reality. However, much has stayed the same, as bar and bat mitzvahs, weddings and holidays still bring the community together. People continue to join together in faith to celebrate the great milestones of life.

And so, Mr. Speaker, I offer my most sincere congratulations to Congregation Ahavath Achim. One hundred years together as a community is an important milestone. I join the community in looking forward to the next 100 years.

CITY OF MANITOWOC HONORS SLAIN POLICE OFFICER

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. PETRI. Mr. Speaker, this past Monday, September 28th, more than 700 law enforcement officers from throughout Wisconsin and the Midwest gathered at First Reformed Church in Oostburg, Wisconsin to pay their respects to police officer Dale Ten Haken.

Officer Ten Haken, a member of the Manitowoc, Wisconsin police force, was shot to death on the evening of September 23rd during a seemingly routine traffic investigation. A five-year veteran of the Manitowoc Police Department, Dale was a dedicated public servant who loved police work, the career he had chosen as had his father and two brothers before him. Dale was 27 years old, and was engaged to be married in a few months.

The sorrow shown by the officers who came together to honor Dale as one of their own is shared by the people of Wisconsin and especially by the citizens of Manitowoc whom he served. Because Dale's death was the result of a senseless, unprovoked and unnecessary attack, the people's grief is compounded by a sense of anger and bewilderment.

Officer Ten Haken had stopped four teenagers to investigate why the car they were driving had no license plates and the headlights were not turned on. As he called for another officer to assist him, he was shot three times in the back. Although formal charges will not be filed until next week, it appears the two 17-year old suspects feared a return to the local judicial system. Both have prior police records and were currently wanted for bail and probation violations.

In Manitowoc, an official period of mourning continues until Saturday morning, October 3rd, when a public memorial service for Dale Ten Haken will be held in Washington Park. It is fitting, if ironic, that the memorial service take place in this common area in the center of the city, a lovely spot where the suspects and other young people have been known to hang out and pass time.

Mayor Kevin Crawford, in a newspaper column this week in the local Herald Times Reporter, has issued a wake-up call for the people of his city, asking for a renewed focus on and commitment to youth. Said Crawford, "We need to 'wake up' Manitowoc. Dale Ten Haken wants us to. In our homes and our schools and our churches we need to decide if we're giving our kids everything they need to grow up good and strong and moral."

Unfortunately, senseless acts of youth violence crowd today's headlines, and we search for the causes for young lives that spin out of control. As we ponder the whys and wherefores of this particular Wisconsin tragedy, we mostly feel a sense of tremendous loss for a good man who died much too young, a police officer who gave up his life while protecting those of his fellow citizens.

Dale Ten Haken's name will be the first one added to the new monument to fallen Manitowoc County police officers dedicated just four months ago. Hopefully, his will be the last.

As the city of Manitowoc pays tribute to Dale Ten Haken and reflects on his sacrifice, it is fitting that this House join in commemorating the life of a man committed to serving others and to making a difference.

INTRODUCTION OF THE ELECTRONIC PRIVACY BILL OF RIGHTS ACT OF 1998

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. MARKEY. Mr. Speaker, I rise to introduce the "Electronic Privacy Bill of Rights Act of 1998" This issue of privacy in the information age and in particular, children's privacy protection, is quite timely as the nation becomes ever more linked by communications networks, such as the Internet. It is important that we tackle these issues now before we travel down the information superhighway too far and realize perhaps we've made a wrong turn.

The legislation I am introducing today picks up on the excellent work of the Federal Trade Commission in its investigation of the privacy practices prevalent on the Web and in particular children's privacy practices. The legislation contains children's privacy protections similar to those contained in a Senate bill offered by Senator BRYAN (D–NV)—as well as provisions that pertain to adult privacy that are contained in my previous privacy legislation (H.R. 1964). These are critical issues for the growth of electronic commerce and I hope that we can legislate on these issues yet this Congress.

Mr. Speaker, the issues of child and adult privacy in an electronic environment, must find its ultimate solution in a carefully conceived and crafted combination of technology, industry action, government oversight or regulation.

Without question, the issues posed by advances in digital communications technology are tremendously complex. Again, how best to protect kids in a manner that puts real teeth into privacy protections must be addressed for the Internet to grow as a commercial medium. What may have worked for privacy protection or parental empowerment in the phone or cable or TV industry may not adequately serve as a model when these technologies converge. Therefore I believe we must pursue other creative alternatives.

Mr. Speaker, I believe that we must recognize that children's privacy is a subset of a parent's privacy rights. The bill I am introducing today is premised on the belief that regardless of the technology that consumers use, their privacy rights and expectations ought to remain a constant. Although the bill deals in detail with Websites with respect to children's privacy, ultimately I believe that in the era of convergence we will need to harmonize rules across media. Whether consumers are using a phone, a TV clicker, a satellite dish, or a modem, every consumer should enjoy a Privacy Bill of Rights for the Information Age. These core rights are embodied in a proposal I have advocated for many years and I call it "Knowledge, Notice and No." I hope to work with all of my colleagues in the House as we proceed in this important public policy area to instill the values of privacy and security in our communications marketplace.

In short, I believe the Congress ought to embrace a comprehensive policy whereby consumers and parents get the following 3 basic rights:

(1) *Knowledge that information is being collected about them.* This is very important because digital technologies increasingly allow people to electronically glean personal information about users surreptitiously. I would note here that many Internet browsers, for example, use "cookies"—a technology that can identify and tag an online user—unbeknownst to the user—and keep track of what Web sites a person visits.

(2) *Adequate and conspicuous notice* that any personal information collected is intended by the recipient for reuse or sale, or conversely, to allow consumers to give notice electronically to indicate the particular privacy preferences of the consumer.

And, (3) *the right of a consumer to say "no"* and to curtail or prohibit such reuse or sale of their personal information.

In addition to the children's privacy provisions, the bill is structured so that in Title II the FCC and the FTC ascertain whether there are technological tools that can empower consumers and parents before taking additional action to protect the public. The bill also requests the agencies specifically determine if there are industry standards and practices that embody this electronic Privacy Bill of Rights. Where technological tools don't exist, or where a particular industry refuses to embrace this code of electronic ethics in a way that solves the problem, then the government is obliged to step in and reinforce protection of privacy rights.

Again, I look forward to working with my colleagues in the House on important children's privacy issues this session and on other areas of online privacy as the debate moves forward.

TRIBUTE TO THOMAS MORE HIGH SCHOOL

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KLECZKA. Mr. Speaker, I rise today to honor Thomas More High School of Milwaukee, a 1997–98 recipient of the U.S. Department of Education's Blue Ribbon School award. This award honors some of the nation's most exemplary schools for their challenging curricular, excellent teachers, family and community partnerships, and high student performance.

Thomas More has a long tradition of excellence in education. Beginning with the school's predecessors, Pio Nono High School, Don Bosco High, and the St. Francis Minor Seminary, Thomas More has consistently provided academic excellence grounded in a faith based education. As an alumnus of Don Bosco, I am proud of this very special recognition.

Thomas More is the only high school in the State of Wisconsin to be selected as a 1997–98 winner and one of only nine high schools in Wisconsin to receive this prestigious award in this decade. The students, teachers, and staff at Thomas More are rightfully proud of this accomplishment. But this award is also for the parents, alumni and members of the community who have tirelessly given their time and support to help make Thomas More a very special place.

To the students, faculty and friends of Thomas More, my sincere congratulations on being named a National Blue Ribbon School of Excellence. It is an honor that is well deserved.

TRIBUTE TO JIM AND CAROL YARBROUGH

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. LAMPSON. Mr. Speaker, I rise before you to recognize Jim and Carol Yarbrough, an exceptional couple who share a love for learning. This love for learning has been realized in the form of the College of the Mainland Foundation's Jim and Carol Yarbrough Scholarship Endowment.

Carol Annette Urbani Yarbrough met James Daniel Yarbrough in the summer of 1973 at a dance. She was a junior at O'Connell High School, on her way to becoming valedictorian of her class. He was a senior at Ball High School and a star football player, on his way to leading the University of Texas Longhorns to a Southwest Conference football championship.

After graduating from O'Connell in 1975 at the head of her class Carol moved on to UT where she majored in math, graduated in a record 3 years and returned to Galveston to start her own business, Yarbrough Financial Services. Jim, as much a competitor off the field as he was on, was named to the All-Southwest Conference football team, completed his B.B.A. degree at UT in 3½ years and returned to Galveston to launch a successful business career before being elected Galveston County Judge in 1994.

Jim was elected to the Galveston Independent School District Board of Trustees and served a 4-year term from 1991–94 during which time a successful bond issue permitted major construction and renovation of GISD facilities. In 1994, he was a successful candidate for the Galveston County Judge, a leadership position he has held since and from which he has earned much praise for his efforts to streamline county government. The Galveston County Daily News and the Boy Scouts of America both honored him in 1996 as their Citizen of the Year.

During the past 10 months, Jim and Carol Yarbrough and their family have faced perhaps their greatest challenge with the discovery of Carol's breast cancer. They recognized immediately the value of educating others to the challenge of cancer when they chose to share their story with the people of Galveston County, and, indeed, all of us. Carol now visits all the Galveston County high schools as a volunteer with the "Check It Out" program to educate junior and senior girls about breast cancer.

Since education has been an important part of Jim and Carol Yarbrough's success, the College of the Mainland Foundation believes a scholarship named for this remarkable couple will help current and future students succeed.

Once again, I commend the Yarbroughs for their leadership in my community.

TAIWAN'S NATIONAL DAY

HON. EVA M. CLAYTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. CLAYTON. Mr. Speaker, as I rise today to welcome Taiwan Representatives Stephen Chen and Mrs. Rosa Chen to the nation's capital, I hope the Republic of China will be able to return to the United Nations and other international organizations as soon as possible.

As an economic power and a symbol of democracy, Mr. Speaker, Taiwan deserves the world's respect and recognition. Since 1949, the Republic of China on Taiwan has moved from an agricultural society, exporting only bananas and sugar, to a major trading nation today. Moreover, the 21 million people on Taiwan are prosperous and free.

Lastly, Mr. Speaker, I take advantage of this opportunity to congratulate President Lee Teng-hui, Vice President Lien Chan and Foreign Minister Jason Hu. I ask my colleagues to join me in wishing them good luck as they celebrate their National Day on October 10, 1998.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. STOKES. Mr. Speaker, I rise in support of the Conference Report on H.R. 6, the Higher Education Amendments of 1998., This measure is similar to the House-passed bill and contains key Democratic priorities. The heart of this measure is its student aid programs, which are authorized under titles III and IV. These critical programs expand postsecondary educational opportunities for all students and increase the affordability and accessibility of a college education for many of our Nation's families.

I am very pleased with the historic increases for the Pell Grant program, included in H.R. 6. This critical program provides need-based aid for undergraduate students. As such, H.R. 6 raises the maximum authorized level for Pell Grant awards from the current appropriation of $3,000 a year, to $4,500 for the 1999–2000 academic year, to $5,800 for the academic year 2003–2004.

In addition, the Conference Report makes some critical changes to the needs analysis formula used to determine the size of a student's Pell Grant and other Federal student aid awards. It increases the amount of income that families may exclude from calculations—

to determine what they should contribute to the cost of education—and decreases the percentage of a student's assets that must be contributed toward the cost of their education.

This measure also lowers interest rates of student loans from the current 8.25 percent to 7.46 percent. This is the lowest level in 17 years and will result in students experiencing $11 billion in savings over the life of their loans.

And, despite Republican efforts to eliminate the Federal Direct Loan Program, H.R. 6 strengthens both the Direct Loan and the Federal Family Educational Loan programs. This will continue to provide colleges and universities with the opportunity to choose the most appropriate program for them.

Mr. Speaker, while I am pleased with each of these commitments, I am particularly proud of the provisions included in H.R. 6 that were specifically designed to expand educational opportunities for underserved and minority students. One such report is the establishment of the "Gear Up Mentoring Initiative," which was originally introduced by Representative FATTAH (D–PA)—and endorsed by the administration—as the High Hopes Initiative. This program is a new national effort targeted at helping disadvantaged students prepare for college. Other important efforts include the strengthening of: the trio programs, which fund outreach and students support services designed to encourage disadvantaged students to enter and complete college; historically Black Colleges and Universities: and Hispanic-serving institutions.

Other important provisions include those focused on improving teacher quality, preparation and recruitment—and providing scholarships, support and services to recruit and prepare teachers to serve, for at least 3 years, in underserved urban and rural schools.

These are all critical investments that will continue to go a long way in leveling the playing field of educational opportunity for all of our Nations' students. As such, it is absolutely essential that they continue to receive strengthened and sustained support.

Mr. Speaker, I urge my colleagues to join me in supporting the Conference Report for H.R. 6. This is an acceptable compromise that will benefit students across the Nation.

IN HONOR OF THE CUYAHOGA COUNTY PUBLIC LIBRARY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor the Cuyahoga County Public Library for 75 years of serving its community. Throughout its existence, the library has earned a reputation for conducting innovative programs and providing valuable services which have become models for libraries across the nation.

When the state legislature passed a law enabling the establishment of a county district library for any area not served by a free public library, the ever-increasing population of Cuyahoga County saw an opportunity to build a library in its community. The Cuyahoga County Public Library was the first to be organized under the new law.

The library rendered its services through schools, which proved to be the best way to serve residents eager for this resource. The schools had ample space and were willing to provide the available quarters rent-free. According to the County Library Report for 1924–1925, eight branches and 49 stations and classroom libraries were opened to the public.

As it continued to expand throughout the years, the Cuyahoga County Library was restructured within the framework of a regional library system. It grew to include in-depth collections and subject specialities in specific areas of study. Annual circulation grew from six million in 1965 to 10 million by the mid-eighties.

Today, this library has reached such success that it is ranked among the 10 busiest library systems in the nation. It has 29 locations, serving 47 suburban communities with a population of approximately 608,000 people. I am pleased to honor such an achievement on the 75th anniversary of the Cuyahoga County Public Library.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. UNDERWOOD. Mr. Speaker, through bipartisan efforts, we have before us a piece of legislation which will assist students, teachers, parents and educational administrators for the next five years. As an educator and former educational administrator, I know that components of the bill, such as increasing Pell Grant limits and lowering interest rates on student loans, provide students the security of pursuing their educational goals without fear of financial constraints. Improving teacher quality and strengthening minority institutions of higher education is also a strong signal that the United States is committed to enhancing student education as well as leveling the playing field for students by continuing to assist historically disadvantaged student populations.

The Conference Report on HR 6 also contains language which would extend Pell Grant eligibility to the Freely Associated States (FAS) until 2004. I remind my colleagues that the FAS were formerly the Trust Territories of the Pacific Islands administered by the United States under a United Nations Trusteeship. Our special relationship with the FAS encompasses a wide range, from defense to trade to education. I commend the House and Senate conferees for reaching sufficient agreement to continue extending federal educational programs to FAS students at least until after the renegotiation of the Compacts of Free Association scheduled to begin in the year 2000. The FAS, composed of the Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau, are vital security allies in the Pacific and each have separate agreements with the United States which would allow for their eligibility in the Pell, College Work Study and the Supplemental Educational Opportunity Programs.

Mr. Speaker, education is a universal necessity. I think that HR 6 is testimony that this body is committed to continuing quality higher education. I urge my colleagues to support HR 6.

CONGRATULATIONS TO SUBARU OF AMERICA ON THEIR 30TH ANNIVERSARY

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. SAXTON. Mr. Speaker, today I rise to congratulate Subaru of America and its many proud, hard-working employees on thirty years in the United States.

I am especially proud that Subaru of America is headquartered in my Congressional District in Cherry Hill, New Jersey. As the only automobile company with its national headquarters based in the Delaware Valley, Subaru has an important presence in my state and local region. In addition to the 360 people employed at its Cherry Hill headquarters Subaru directly impacts more than 5,000 jobs in the U.S.

Subaru's success is evident in the important milestones the company has reached just this year. Additionally, Subaru's impact on the state of New Jersey and throughout the region through its generous charitable contributions is extraordinary.

On behalf of New Jersey's Third District, on this the 30th Anniversary of Subaru of America, I wish Subaru and its employees the best in their future endeavors, and thank them for their dedication and commitment to our region.

HONORING ROBERT AND REGINA LEVY ON THEIR 50TH WEDDING ANNIVERSARY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. NEY. Mr. Speaker, it is an honor to rise today to celebrate the 50th wedding anniversary of Robert and Regina Levy. It gives me great pleasure to congratulate Robert and Regina on their special day.

What a remarkable accomplishment to be able to celebrate a marriage that has endured for so many years. The bond that brought them together has remained and grown over the years. May they always share the love and joy they feel today.

In an era where marriages are too often short lived, it is wonderful to see a couple who have endured the trials and tribulations that can cause a marriage to fail. The love and commitment they have demonstrated should serve as an inspiration to couples everywhere.

Mr. Speaker, what an achievement to be married for 50 years. It is an honor to represent a couple like the Levy's. I ask that my colleagues join me, their 6 children and 11 grandchildren in celebrating this joyous occasion. I am proud to call them my constituents.

IN HONOR OF PETER P. DiLEONE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor the life of Peter P. Di Leone of Shaker Heights, Ohio. Mr. Di Leone was an accomplished man, serving his community as a lawyer, a labor expert, and an advocate of free speech.

Born in Providence, Rhode Island, he was raised by a socialist father who loved to have energetic discussions at the dinner table. He attended Adelbert College, where he played half back on the football team, and then went on to law school at Western Reserve University.

As a lawyer, Mr. Di Leone specialized in labor arbitration through the National Labor Relations Board. He was among a small number of experts who were chosen as permanent arbitrators for rubber companies and the rubber workers union. His accomplishments were awarded when he was elected to the board of governors of the National Academy of Arbitrators.

Along with that honor, he was known as the "Pillar of the Cleveland City Club," where he served as president. The City Club was established to encourage new ideas and a free exchange of thought through the renowned tradition of debate and discussion, pastimes that were embedded deep into his frame of mind. In 1987, he became the first person to be inducted into the City Club Hall of Fame while still living.

Mr. Peter P. Di Leone was a great man who led a successful and accomplished life. I would like to express my deepest condolences to his daughters, Linda Klein and Paulette Novak, and the rest of his surviving family. He will truly be missed by all who knew him.

TRIBUTE TO CARL FREEMAN

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to the late philanthropist, Carl Freeman. Mr. Freeman was not only a prominent developer and real estate manager, but was also a special friend of many charitable organizations in Maryland's 7th Congressional District. He came to prominence as a builder after World War II, when he constructed homes for veterans and their families in Takoma Park and Silver Spring. My husband and I fondly recall living in one of his apartments when we first married. The success of Carl Freeman's building projects helped him gain recognition in national magazines such as *House and Home, Practical Builder, Better Homes and Gardens,* and *American Home and Architect Forum.*

In addition to his financial success, Carl Freeman displayed a generous spirit. He sponsored a class of students through the I Have a Dream Foundation, chaired the Maryland Israel Bonds Committee, and was a supporter of the Treatment Learning Centers, United Jewish Appeal and the Jewish Community Center of Greater Washington.

He was a major supporter of the Corcoran Gallery of Art, the Phillips Collection, the Montgomery County Arts, the Museum of African Art, the Washington Ballet, the Washington Opera Society, Arena Stage Round House Theater, Olney Theater and the National Symphony Orchestra. He was also chairman of the Greater Rockville Foundation of the Arts.

Mr. Freeman was founding president of the Suburban Maryland Builders Association and a member of the Montgomery County Board of Realtors. He was also director of the Montgomery General Hospital.

While we are saddened by Carl Freeman's death, we are grateful for his life. He inspired us with his dedication, warmth and friendship. For over thirty years he played leadership roles in art, health and business organizations throughout Montgomery County. The thousands of people who were affected by Carl Freeman believe that he had a true gift of generosity and faith in the human spirit. Carl Freeman has left this world a better place for our children and our children's children. I am honored to add my voice to the praises of friends, colleagues, and family who will miss him.

THE FIGHT AGAINST BLINDNESS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Ms. ROS-LEHTINEN. Mr. Speaker, I wish to pay tribute today to a group of constitutents whom I am proud to represent.

"Some people see things as they are and say 'Why?' I see things that never were and say 'Why not?'" The words of George Bernard Shaw come to mind when I think of the group of wonderful, dedicated constituents and friends whom I have had the pleasure of working with on an issue critical to millions of Americans. Carlos and Betti Lidsky, Dr. Jaime Edelstein, and Dr. Jaime Suchlicki along with the help of other dedicated volunteers of the Heart Sight Committee and the Foundation Fighting Blindness have spearheaded an effort to bring the issue of Retinal Degenerative Diseases to the attention of the American public and to raise awareness over the need to fund critical research. Their work is tireless, their dedication unwavering, and the message they bring to those who suffer with the disease is that someday soon, a cure will be found.

Scientists have recently made exciting new discoveries in the laboratory that have brought us closer to discovering a cure for this group of diseases that take the sight of so many Americans. Just recently, Dr. Matthew LaVail, along with scientists from the National Eye Institute and Regeneron Pharmaceutical Company, made significant strides in their research. With ribosyme therapy, researchers have now established "proof of principle" for two forms of gene therapy. To scientists, proof of principle signifies that there is a good basis to move current studies to human clinical trials. In previous work, gene replacement therapy has slowed retinal degeneration in animals with recessive forms of the disease. With these exciting breakthroughs, we are at a critical juncture where we need to support these research efforts.

This month, the Heart Sight Committee, headed by Carlos and Betti Lidsky, will host "Party With a Purpose," in my Congressional district. The event will provide an opportunity to recognize those who have contributed to fighting Retinal Degenerative Diseases and to raise a portion of the much needed funds to continue research projects, such as those of Dr. LaVail and his fellow scientists. The Lidskys and the members of the Heart Sight Committee are dedicated to not letting lack of research funding be the obstacle to finding a cure. We need to support efforts such as these because with our help, there is a cure in sight.

TRIBUTE TO THE REPUBLIC OF CHINA ON TAIWAN

HON. RALPH M. HALL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. HALL of Texas. Mr. Speaker, I rise to pay tribute to the Republic of China on Taiwan, on the occassion of Taiwan's forthcoming National Day.

The Republic of China was founded 87 years ago. Throughout the twentieth century, the Republic of China has been an ally and partner of the United States. In recent years, despite the lack of formal diplomatic relations, Taiwan has been unwavering in its support of United States policies in all areas.

It is appropriate on the occassion of Taiwan's National Day that freedom loving, democratic societies everywhere give their congratulations to the people of Taiwan, for their abiding respect and practice of the most respected traditions common to any true democracy. The people of Taiwan enjoy the right to vote in free and regularly scheduled elections. Their judicial system shows respect for the rights of the individual, and the Legislature is structured under truly representative rules. Furthermore, the people of Taiwan have been their own best natural resource, exhibiting to the world the value of hard work and a capitalistic spirit.

It is time for us to recognize Taiwan for what it is—a faithful ally and partner. Let's help Taiwan support itself by declaring our affections and everlasting friendship for Taiwan.

IN HONOR OF ARCHBISHOP ALOJZ

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor Archbishop Alojz Tkac, Archbishop of

Kosice and the metropolitan of Eastern Slovakia.

Archbishop Alojz Tkac, a native of Hummenne, in the region of Zemplin Eastern Slovakia, was ordained a priest on June 25, 1961. After 14 years of service, Archbishop Tkac was denied permission to serve in priestly ministry by the communist party. After eight years of absence, Archbishop Alojz returned to his passion and was named the pastor of the parish in Cervenica.

On February 14, 1990, Pope John Paul II named him the Bishop of Kasice. In 1995, the Diocese of Kosice was elevated to a metropolitan see and Bishop Tkac became its first Archbishop since 1962. Pope John Paul II personally presented the Archbishop with a Pallium, which was worn by Metropolitans on July 2, 1995 during the Pope's visit to Kosice.

On his third visit to the United States, Archbishop Tkac will visit several churches in the Cleveland area and meet with many prominent members of the Slovak-American community. On October 4, 1998, the Archbishop will be attending mass at SS Cyril and Methodius Church in Lakewood, Ohio with Father Ondrejka. The SS Cyril and Methodius Church is honored that the Archbishop will be attending and is grateful for the Archbishop's efforts to preserve the Slovak tradition in Cleveland.

My fellow colleagues, join me in honoring Archbishop Alojz Takac, a man who has dedicated his life to God, freedom and the well-being of all people.

TRIBUTE TO EARL A. JOHNSON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CLYBURN. Mr. Speaker, I rise to pay tribute to Earl A. Johnson for 50 years of community service. Mr. Johnson currently acts as Mayor Pro-Tempore of the Darlington City Council where he has served since 1986.

Mr. Johnson was born in Darlington, South Carolina, which I am proud to represent in the U.S. House, and he has lived there all of his life. He was educated in the public schools, and graduated from Mayo High School in 1942. He later continued his education at Clemson University. After years as a brick mason in the private sector, Mr. Johnson became a masonry instructor at the Darlington Career Center from which he retired after 18 years. He helped with the development and implementation of a masonry education program at the Darlington County Prison Farm through the Darlington Adult Education program. He also taught masonry in the evening classes at Florence-Darlington Technical College for many years.

Mr. Johnson is a member of the St. James United Methodist Church where he has served in many capacities. His community involvement stretches from his church to the community's schools to the NAACP and other civic organizations. He has been a member of the Pee Dee United Elk Lodge #1679 for over 50 years, and he has been a member of American Legion Post #210 for 46 of those years. Mr. Johnson is also a dedicated member of the Friendship Masonry Lodge #17, a 32nd degree Mason member of the Pee Dee Consistory #197, and a noble of the Mystic Shrine Crescent Temple #148.

Throughout his career of community service, Mr. Johnson has received numerous awards. In 1993 he was named Man of the Year by his church, and he was recognized for working with the City-In-Schools Program as a mentor at Darlington Junior High. Mr. Johnson is also an accomplished musician who has played the drums with several area bands.

Mr. Johnson is married to the former Hilda Grayson from Beaufort, South Carolina, and they have two children and two grandsons.

Mr. Speaker, I ask you to join with me and my fellow South Carolinians from the Darlington area as we pay tribute to Earl A. Johnson for over 50 years of dedicated community service. He is an excellent role model and a devoted public servant.

A TRIBUTE TO SYRACUSE UNIVERSITY STUDENTS ABOARD PAN AM FLIGHT 103

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. WALSH. Mr. Speaker, this December it will be ten years since the downing of Pan Am Flight 103 over Lockerbie, Scotland. Thirty-five Syracuse University students, returning from a study abroad semester, were killed in that bombing. This event had a profound effect on the Syracuse community and time is still healing the wounds left by this terrible tragedy.

Jonathan Matthew Taylor, the current Student Government Association Parliamentarian, has asked for the words of a predecessor, John M. Mandyck, to be placed in the RECORD. The words of Mr. Mandyck were delivered January 18, 1989 at a tribute to the thirty-five Syracuse University students killed in the Pan Am Flight #103 bombing.

Along with Mr. Matthews, I believe it is appropriate to pay tribute again. I submit Mr. Mandyck's speech to be placed in the record and invite my colleagues to join with me in remembering those students who lost their lives in this terrorist attack.

A TRIBUTE—SYRACUSE UNIVERSITY FLIGHT 103 MEMORIAL SERVICE CARRIER DOME, JANUARY 18, 1989

(By John M. Mandyck)

We have come together today to pay tribute to our lost colleagues, friends, and loved ones. Meager words that I may think or say cannot eliminate pain or wipe away tears; they may unite us in one thought. May these words begin to ease the sorrow that has been felt from coast to coast, and ocean to ocean.

We may not have personally known one or more of the students called from this life, but we all share a common bond to our alma mater and loved each of the students in our own very special and personal way. I knew one student well. His name was Frederick Phillips—or "Sandy"—as friends called him. Sandy wrote to me from London several times. I never had a chance to respond to his last letter. Over the semester break, I finally wrote that response. I gathered my thoughts and put them on paper to Sandy. I know I won't be sending this letter, but I thought I'd read it here today, because I know he and the others are listening.

DEAR SANDY, Time has stopped for a while on our campus. It's a little quieter here. People don't seem to laugh as much. And it's cold. It's been cold since we heard the news. For almost a month now, we've been mourning your death and the loss of your companions on that flight. Our university family is a little smaller now, but I think we're a little closer too. I think this closeness has spread to all college students as seen from the dozens of sympathy letters I've received from around the country. So many are sharing in our grief, Sandy, but these letters don't explain your loss—I'm not sure anything will. I'm not even sure if I should look for answers because answers lead to more questions, and questions take time. Time as I have learned is so precious.

Sandy, I'm glad I got to know you for the short time you were with us at Syracuse. You made friends laugh, classrooms brighter, and you made this dome a little louder for those winning touchdowns and tie-breaking baskets. You made our campus better. Sandy, we may have lost you but we didn't loose your spirit. I see it every day now in others, and it's less painful knowing a part of you lives on.

When I first heard the cold news, I wanted to say a prayer. I didn't quite know what to pray for, now I do. I pray that we all live our lives, dream our dreams, walk forward like you did when you were here with us. You and the others have taught us that life is precious, and life too is short. I think you'd want us to know that tragic thoughts, guilty feelings, and profound grief tick away on our own timeclocks.

So we've been grieving for a month now. And I told you time stopped for a while on our campus. Tomorrow, will you mind if we start the clock again? You see, Sandy, the ink is drying on this chapter of our lives. Tomorrow I want to start a new chapter. You, yourself, won't be in this one because I can't bring you back, but you'll be guiding me—you and the others will be guiding all of us. You'll turn the pages as we write, you'll inspire our pens. You see, we all have a responsibility now . . . this book called "life" must read on.

Someday I'll look through the book of my life and in my browsing I'll find a chapter that ended on January 18, 1989. I'll be grateful because you helped me turn that page and write so many others. I'll be thankful that you taught me on Earth, and reminded me from Heaven, how precious time and life really is.

Tomorrow, Sandy, we'll be writing a new chapter with your help. One where clocks tick again, knowledge is sought again, and people laugh again. And Sandy, with your help, I think tomorrow our campus will be a little bit warmer.

INTRODUCTION OF LEGISLATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CRANE. Mr. Speaker, my distinguished colleague from the Committee on Ways and Means, Mr. MATSUI, and I today are introducing legislation to prohibit the Department of Treasury from issuing any regulations dealing with hybrid transactions under subpart F of the Internal Revenue Code. The bill will further instruct the Secretary of the Treasury to conduct a study of the tax treatment of hybrid transactions and, after receiving input from the public, to submit the report to the House Committee on Ways and Means and the Senate Committee on Finance.

The subpart F provisions found in the Code have a direct impact on the competitiveness of U.S. businesses in the global marketplace. Historically, Congress has moved carefully when making changes to those sections of the Code pertaining to international taxation. Unwarranted or injudicious action in these areas can have substantial impact on U.S. businesses operating abroad.

With this in mind, I was very concerned when the Treasury Department issued Notice 98–11 earlier this year to restrict the use of hybrid transactions, which Treasury suggested were being used "to circumvent the purposes of subpart F." Treasury's actions caused Mr. Matsui, me and many others to question the regulatory process Treasury intended to use to change the policy.

Both Chairman Archer and Ranking Democrat Rangel wrote Treasury Secretary Rubin to express their concern over the policy Treasury was suggesting as well as the means by which it was implementing the change. Rather than asking Congress to consider possible changes, Treasury was, in effect, legislating by executive fiat. Following up the letters from Messrs. Archer and Rangel, Mr. Matsui and I joined 31 fellow members of the Ways and Means Committee in asking Treasury to withdraw the regulations in order for Congress to have an opportunity to review the issues.

After receiving this input from Congress and the business community, Treasury did issue Notice 98–35, which withdrew Notice 98–11. However, the issue remains unresolved as Notice 98–35 still leaves Treasury with the option of issuing binding rules regarding hybrid transactions. And, although the rules will not be finalized before January 1, 2000, they will be effective for payments made on or after June 19, 1998. Because Treasury still retains this option to issue regulations and, in effect, legislate in this area, I believe Congress must act to protect its Constitutional prerogative.

With regard to the policy, I am concerned that proposed changes to hybrid transactions would increase foreign taxes on U.S. companies operating abroad—thus putting U.S. companies at a competitive disadvantage with their foreign competitors. Congress just simplified some of the subpart F rules in the Taxpayer Relief Act of 1997, and these, or similar, proposed regulations would be inconsistent with recent Congressional action. Lastly, this policy raises the question as to why the U.S. Treasury Department is so concerned about helping to generate revenue for the coffers of other countries.

I look forward to the study and input from the Department of Treasury on the issue of modifications to the subpart F provisions in the Code. Regardless of the merits of the proposed changes to the subpart F policy, we must not allow Treasury to move forward with regulations until Congress determines the appropriate course of action. The bill we introduce today will allow for that judicious process to go forward and I urge my colleagues to join with us in cosponsoring this bill.

TRIBUTE FOR CAPTAIN DONALD COLLINS BROWN

HON. CHRIS CANNON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CANNON. Mr. Speaker, I rise today to commemorate a constituent of mine, Captain Donald Collins Brown, upon his retirement after 28 years of active duty in the United States Navy.

Captain Donald Collins Brown was commissioned through the Naval Reserve Officer Training Corp at the University of New Mexico in 1970. He completed flight training and was designated a Naval Flight Officer in 1971. His sea duty tours include several fleet squadrons in the A–6 Intruder. He also served at sea as Aide and Flag Secretary to the Commander Carrier Group One and Chief of Staff to Commander Cruiser-Destroyer Group Three. Captain Brown commanded Attack Squadron one six five and Carrier Air Wing two. His shore assignments include Attack Aviation Readiness Officer at both Commander Medium Attack Wing and Naval Air Forces Pacific Fleet and most recently as Commanding Officer of the Naval Reserve Officer Training Corp at the University of Utah.

Captain Brown is a Distinguished Graduate of the Naval War College in Newport Rhode Island. He has completed nine extended deployments with various Carrier Battle Groups in the Atlantic, Pacific, and Indian Oceans, the Mediterranean Sea and Persian Gulf. He has over 4,000 flight hours, primarily in the A–6 Intruder and has experience with the F–14, S–3 and EA–6B. His awards include two Legions of Merit, two Meritorious Service Medals, the Strike/Flight Air Medal, the Navy Commendation Medal, and other campaign and service awards.

Captain Brown and his wife, Pauline, have two children and reside in Park City, Utah.

Mr. Speaker, I would like to wish Captain Brown my best and commend him on a job extremely well done.

IN HONOR OF THE ALLEN THEATER

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. KUCINICH. Mr. Speaker, I would like to extend my best wishes to Cleveland's newly remodeled Allen Theater in celebration of its grand re-opening. The Allen has stood the test of time through many hardships to allow its patrons to enjoy the hundreds of films and performances that have graced its dazzling auditorium.

Designed by the famous architect C. Howard Crane and built by Jule and Jay Allen, the theater first opened its doors on April 1, 1921 amidst a frenzy of publicity praising this $1,900,000 movie "palace." Its elegant interiors included a Great Rotunda illuminated by a grand chandelier hung 33-feet above ground. It held 3,080 seats and played host to many silent films.

Even with its obvious success, the Allens would operate the theater for only a year, at which time Lowes took over, starting a long succession of different owners. All brought significant changes to the Allen, from its structure to the actual performances that took place inside it. From 1972–76, it played host to many soon-to-be-famous rockers who were looking to showcase their acts, such as the BeeGees, Cheech & Chong and the rock band KISS.

After a brief "dark-out", the Allen came alive again with a techno-entertainment show called the Laserium that lasted only a year, after which the theater closed its doors for 16 years. But after a long struggle, the Playhouse Square Foundation received the support to save this historic landmark from demolition by signing a 20-year lease to handle its operations. It presented the cabaret show "Forever Plaid" which was met with great success. Officials chose to remodel the theater's stage and make it conducive to long-running musicals like Phantom of the Opera and Showboat.

My fellow colleagues, please join me in honoring the Allen Theater during this time of great celebration. Its grand re-opening marks a new beginning for this grand institution. Despite much adversity, it will continue to give us the magic of theater long into the future.

INTRODUCTION OF THE EMPOWERMENT ZONE ENHANCEMENT AND RURAL ENTERPRISE COMMUNITIES ACT

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. HINCHEY. Mr. Speaker, I rise with my colleague Mr. WATKINS of Oklahoma to introduce legislation aimed at securing funding for Round II of the Empowerment Zone program. Last year's Taxpayer Relief Act authorized the designation of 20 new Empowerment Zones—15 in urban cities and 5 in rural areas—but did not provide any funding for these communities. The bill we are introducing tonight builds on a measure we introduced earlier this year to expand the rural program—the Rural Enterprise Communities Act (H.R. 4071)—to include funding for the 15 urban empowerment zones.

The flexible funding for EZs and ECs is so important because it gives communities the ability to participate directly with their private sector partners in development projects. The communities leverage these funds many times over, using them as seed capital to attract resources from the private sector, non-profit organizations, foundations, universities, churches, and government agencies. Without the funding in place, it will be very difficult for the new empowerment zones to begin implementing their comprehensive strategic development plans.

In addition, we believe that the rural side of this program must be expanded. The Taxpayer Relief Act only authorized five rural empowerment zones. To date, more than 250 communities have notified USDA that they will be competing for these designations. Our bill recognizes the significance of this program for distressed rural communities and allows the USDA to designate an additional 33 enterprise communities in rural areas.

We need to act quickly to ensure that the new EZs and ECs are funded at the beginning of their life cycle when it will do the most good. I have attached a summary of the Empowerment Zone Enhancement and Rural Enterprise Communities Act, and urge my colleagues to support this important measure.

THE EMPOWERMENT ZONE ENHANCEMENT AND RURAL ENTERPRISE COMMUNITIES ACT

Section 2(a), (b). Selection of Additional Enterprise Communities. This section expands Round II of the EZ/EC competition to authorize the Secretary of Agriculture to designate 33 rural enterprise communities. The EC designations are in addition to the five rural and 15 urban empowerment zones authorized by the Taxpayer Relief Act of 1997. In addition, this section extends the filing deadline until January 1, 2000 for communities to apply for a new EC designation.

Section 2(c). Modification of Eligibility Criteria for Rural Empowerment Zones and Enterprise Communities. Poverty is still the main criteria for a rural EZ/EC designation. This section gives the Secretary the discretionary authority to consider other significant factors that contribute to distress in rural communities that are not as prevalent in urban areas. These include: Emigration; Underemployment; Rise in unemployment caused by the federal government, such as a military base closure; and Sudden economic dislocation that causes significant job loss, such as a plant closure.

In addition, this section clarifies that for communities that otherwise meet all of the program's eligibility criteria, the Secretary may exempt sites that will be developed for commercial and industrial purposes from the poverty criteria as long as they do not exceed 2,000 acres or contain more than three non-contiguous parcels.

Section 2(d), (e). Use of Bond Proceeds. The Taxpayer Relief Act authorized EZs to issue "new empowerment facility bonds" that are exempt from the state's tax-exempt bond cap, and also created a new type of "zone academy bond" to finance school construction in these communities. This section specifies that: Issues of new empowerment zone facility bonds must be consistent with the EZ's strategic plan to receive the special treatment; Rural ECs designated in the Round II competition may not issue zone facility bonds; The comprehensive education plan required to issue zone academy bonds must not be inconsistent with the EZ's strategic plan; and At least 25 percent of the zone academy bonds must be allocated to rural EZs

Section 3(a), (b). Recognition and Incentives for Top Performing EZs and ECs. This section directs the Secretaries of Housing and Urban Development and Agriculture to recognize top-performing EZs and ECs annually. Top performing Round I ECs that otherwise meet all the program's eligibility criteria will be given priority in the Round II EZ competition.

Section 3(c). Continuation Funding for Top Performing Round I EZs and ECs. This section allows HHS to set aside up to 10 percent, of the funds for the Round II EZs ($150 million for urban, $10 million for Rural). Round I EZs and ECs that have completed or made satisfactory progress toward implementing their strategic plans will be eligible to compete for these funds at the direction of USDA and HUD.

Section 4(a)-(d). Funding for Round II EZs and ECs. EZ/EC program funds are distributed through the Social Services Block Grant (Title XX). The President's budget allocates $1.7 billion for the Round II empowerment zones ($1.5 billion for urban and $200 million for rural). This section divides those funds to provide: Urban EZs an annual grant of up to $10 million for the next 10 years for a total of as much as $100 million; Rural EZs an annual grant of up to $2 million for the next 10 years for a total of as much as $20 million; and Rural ECs two grants of $1.5 million for the next two years for a total $3 million.

Section 4(e). Rural Community Planning Grants. To help rural communities prepare their strategic plans during the application process, this section designates $1 million for 100 community planning grants of up to $10,000 each.

Section 5. Responsibility for Environmental Review. The National Environmental Policy Act requires every federal agency that administers a program funded through grants to states, such as the Title XX Social Services Block Grant, to determine, among other things, whether the program will have any adverse effects on the environment. The Department of Health and Human Services—which releases the SSBG funds to the states for EZs and ECs—is currently required to make this environmental review for EZ/EC grants, even though it is not responsible for selecting the communities or approving their strategic plans. This section transfers responsibility for conducting the NEPA reviews to HUD for urban areas and to USDA for rural areas. It also gives the Secretaries the authority to delegate this responsibility to state and local governments and tribal authorities under certain conditions.

Section 6. Performance Measurement and Evaluation. This section requires HUD and USDA to make regular evaluations of the Round II EZ's and EC's progress toward implementing their strategic plans, according to a performance measurement system established by the Secretaries. This section also give HUD and USDA authority to adjust, reduce, or cancel a zone's or community's grant for poor performance.

Section 7. Distribution of Surplus Government Property. This section allows USDA to distribute surplus government property (computers, vans, construction equipment, etc.) to rural EZs, ECs, and champion communities on preferred basis.

Section 8. Effective Dates. In general, the amendments made by this bill take effect as if passed as part of the Taxpayer Relief Act of 1997.

PRESCRIPTION DRUG PRICING

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. BERRY. Mr. Speaker, I rise today to talk about an issue of importance to everyone across this country, especially our seniors.

Let me start by telling you about an 81-year-old woman. Her name is Mary Carson, who lives in my District in Jonesboro. She is presently taking 10 prescription drugs to treat blood blots, blood pressure, nervousness, and arthritis. Although Medicaid covers the cost of some of her prescription drugs, Ms. Carson still spends $80 to $200 monthly on her medications—up to almost half of her monthly income. Ms. Carson's only source of income is her $416 Social Security check. Because of the high costs. Ms. Carson has had to skip or cut back on medications. She is only taking half of her prescribed blood thinner, and has had to skip her arthritis medicine because she was not able to fill the prescription.

Mr. Speaker, unfortunately, Ms. Carson's problem is a common one for seniors across my District and across the country. Because of the high cost of prescription drugs, seniors often have to take half of what the doctor has told them to. Because of the high cost of prescription drugs, seniors often have to choose between taking their medicine and paying for food or their electricity. And because of the high cost of prescription drugs, our seniors are dying because they are too proud to ask their children to help them buy their medication.

Studies that have been done for several Members of Congress, including myself, over the last several months have shown, the prices seniors and other consumers are charged are on the average 106 percent more than what pharmaceutical companies charge their favored customers such as HMOs, insurance companies and the Federal Government. This just doesn't seem fair to me when you think about the fact that according to Industry ratings of Fortune 500 companies—pharmaceutical companies are the most profitable businesses in existence. They made $24.5 billion in profits last year. Pharmaceutical companies had a 17.2 percent return on revenues. Telecommunication companies, 8.1 percent; computers and office equipment manufacturers, 7.3 percent; food and drug stores made a whopping 1.7 percent.

One might think the success of pharmaceutical companies would be of tremendous benefit to American consumers. The reward: This year consumers have faced the highest two, monthly increases in prescription drug prices on record.

Earlier this week, I chaired the first meeting of the Prescription Drug Task Force because of the increasing importance of the issue. Also, last week I introduced legislation with Congressman TOM ALLEN that would allow senior citizens who are Medicare beneficiaries to purchase prescription drugs at the low prices available to Federal agencies under the Federal Supply Schedule.

For the remainder of this session of Congress and continuing into the 106th Congress, the task force will work to bring attention to issues involving the costs and availability of prescription drugs. The task force will serve the purpose of complementing our legislation and is open to finding new policy recommendations. It will be an advocate for consumers and ensuring competition within the industry.

All Members of Congress should stop and think about the blatant unfairness seniors face every day when they go to purchase their prescription drugs—medication they need to stay well and to stay alive. This is not an issue that will just go away. We should stand up for our seniors who are getting ripped off by pharmaceutical companies and ensure that they are not charged more than they should be for their medication.

CHRIST CHURCH OF ACCOKEEK 300TH YEAR ANNIVERSARY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. HOYER. Mr. Speaker, I rise today to pay tribute to the 300th Anniversary of Christ Church of Accokeek, Maryland, built by the Church of England, and one of six pre-Revolutionary War churches. It is believed this church congregation held their first prayer meetings sometime in 1698 in private homes with their first formal church structure being built a few years later.

Mr. Speaker, as I am sure you can imagine, Christ Church has weathered countless trials and tribulations through its 300 years of existence. Early settlers triumphed over the harshness of the 1700's, the separation from the Church of England, and the invasion of troops during the War of 1812. Christ Church's survival over the decades shows the uniqueness of the community of Accokeek.

In 300 years of existence there have been vast changes in liturgical theologies. In the early days the dictates of theology permitted no music, no stained glass or colored windows and only box type pews. Today, Christ Church radiates this same simplicity and symmetry with the addition of beautiful stained glass, music, conventional pews, and a bell tower. The ornate Holy Services offered now at Christ Church are a reflection of strong roots and faith of its members. A quality that has been strong enough to trickle down and bless the numerous generations of this Maryland community.

Christ Church makes a rich contribution to the history of Maryland and our great Nation. It sits as a symbol of the great sacrifices made by the early settlers to exercise their religious beliefs and through the years the clergy has worked tirelessly to minister to the people of the region during good times and bad.

Christ Church has seen years and years of families and neighbors coming together for convocations and picnics, weddings and funerals, for comfort and direction. In the words of an early Accokeek resident, Mr. Henry Williams (1862–1936) on speaking of the importance of this church to the community, "I think it has quite a bright future before it—good roads, good schools, and a dear old church."

Mr. Speaker and colleagues, please join with me in wishing this "dear old church", the Christ Church of Accokeek, congratulations on their 300th Year Anniversary.

TRIBUTE TO BOBBY RUSH

HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. THOMPSON. Mr. Speaker, I rise today to acknowledge and congratulate a dear and close friend of mine, the national and international known Mr. Bobby Rush. On November 9 at the House of Blues in Los Angeles, California, Bobby Rush will receive the Blue Foundation's second annual "B.B. King Blues Hero" Award during the Lifetime Achievement Ceremony.

The B.B. King Blues Hero Award was established in 1997 by the Blues Foundation to recognize a Blues artist whose career has been characterized by community service and charitable activity. As the recipient of the award, Bobby will receive an honorarium, as is characteristic of his goodness and concern for young people, is donating his honorarium to a program to provide computers for Mississippi classrooms.

While Bobby Rush is known for his amazing stage show and outstanding performances on the 21 releases that span his career, few people know of Rush's dedication to his community in Jackson, Mississippi. For years Bobby has taken time off the road to use his tour bus to transport people to the polls on Election Day, participates in voter registration drives, and encourages young people to be civic minded and help in their communities, which I truly appreciate. He also has played functions to raise money for sickle cell anemia research, child care, school band uniforms, and musical equipment for local students.

Bobby Rush promotes the Blues by participating in the Blues in the Schools programs nationwide. During Black History Month, Bobby visits schools throughout Mississippi and Alabama. He also volunteers his own home as an emergency shelter for children leaving the Hinds County Youth Correctional Facility in Raymond, Mississippi.

With professional accomplishments and personal acts of humanitarism such as these, I am truly proud and honored to stand here and extend congratulations to my friend Mr. Bobby Rush. He is truly a credit to America, his community, and his art.

HONORING MR. BENJAMIN S. PURSER, JR. FOR HIS SERVICE TO THE FEDERAL BUREAU OF INVESTIGATION AND THE UNITED STATES DEPARTMENT OF JUSTICE

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CLEMENT. Mr. Speaker, I rise today in honor of Mr. Benjamin S. Purser, Jr. and his service to the Federal Bureau of Investigation and the United States Department of Justice.

Mr. Purser will retire from the Federal Bureau of Investigation (FBI), after twenty-eight years of faithful service, on October 3, 1998. He will be greatly missed.

Mr. Purser, a native Tennessean, now serves as a Senior Supervisory Resident Agent for the agency in Nashville, with oversight responsibility for all operations and investigations in Middle Tennessee. He began his career with the FBI in 1970, and following training, was assigned to offices in Baltimore, Maryland, and New York City. During his ten years in New York, Mr. Purser was assigned to the Organized Crime Division where he earned significant investigation expertise relating to white-collar and violent crime, and health care fraud.

Mr. Purser gained notoriety throughout the South in the late 1980's and early 1990's, when he supervised "Rocky Top," a sensitive and complicated undercover investigation of public corruption, which focused on abuse of power by Tennessee public officials. This investigation resulted in the conviction of sixty-five state officials in U.S. District Court. He is also credited with forming the Violent Crimes Task Force in 1994, a successful partnership of six federal, state, and local law enforcement agencies.

In 1996, Mr. Purser received both the FBI Medal of Valor, the organization's highest award to acknowledge bravery and courage, and the FBI Star, the equivalent of a Purple Heart, for his intervention in an attempted car jacking and kidnaping that occurred in 1984. A fugitive on the FBI's "Ten Most Wanted" list was killed during the incident.

In an age where character and courage are often overlooked, I would like to commend my fellow Tennessean, and good friend since our university days, on his years of outstanding service to the Federal Bureau of Investigation and our nation. I applaud him for pursuing justice, no matter the cost.

Mr. Purser's leadership skills have benefited his agency, and the people of Tennessee. He has served as an example of fortitude to his peers and his family. I wish him the best in his retirement from the FBI.

CELEBRATING THE CHURCH OF ST. THERESE OF THE LITTLE FLOWER

HON. JOHN E. ENSIGN

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. ENSIGN. Mr. Speaker, I rise to congratulate the Church of St. Therese of the Little Flower in Reno, Nevada, on the milestone achievement of its Golden Jubilee. Today, October 1st, marks fifty years of the Church's service to Nevadans. Today is also the Church's celebration of the Feast of St. Therese of the Little Flower.

This rare occasion will be celebrated with a special Mass, complete with fifty years of church music, and a banquet. The Mass is a beautiful and fitting way to intertwine its rich tradition of history, family, music, prayer, worship, thanksgiving, and most of all, reverence to God.

While I was growing up in Reno, the Little Flower Church occupied much smaller quarters. Today, the church is among the most modern structures in Reno, and is a widely recognized landmark in its southeast neighborhood. And, like a beautiful flower, the parish has blossomed to 3,500 families. The Church of the Little Flower's congregation is diverse and welcoming, reflecting Reno's tremendous population growth in the last twenty years.

Little Flower Church is the focal point for quality education for the local children and a variety of ministries to help the sick, elderly, and inmates at the Washoe County Jail. Truly, Little Flower Church is dedicated to the spiritual and physical needs of all people.

I would also like to congratulate the pastor of the Little Flower Church, the Very Reverend Robert Bowling, on his remarkable twenty-four years of selfless service to this parish. Father Bowling has guided the Little Flower Church through its growth period. Because of his hard work and strong guidance at Little Flower, he has the admiration, support, love, and respect of the entire community.

Mr. Speaker, I ask my colleagues to join me in wishing the parish of the Church of St. Therese of the Little Flower all the best on this very important day.

HONORING THE LIFE OF ROLAND MANTEIGA

HON. JIM DAVIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. DAVIS of Florida. Mr. Speaker, my community is in mourning. We are saddened by the passing of Roland Manteiga, one of the most prolific, influential and admired chroniclers of politics and history in my hometown of Tampa.

For decades, you could count on walking into La Tropicana in the morning and at lunch and seeing Roland dressed in his trademark white suit sitting at his private table chatting with leaders of our community. Without fail, he always knew what was going on in Tampa politics and he faithfully shared it with his readers every week in his newspaper, La Gaceta. His "As We Heart It" column was a must read for thousands. If you wanted to know the pulse of the town, you read Roland.

The passion for the news business grabbed Roland early and hooked him. As a young boy, he started working for the paper his father, Victoriano, started in 1922. Except for his distinguished service in World War II, he spent his life at the paper and became its owner when his father died in 1982. He transformed the paper into the only trilingual weekly newspaper in the country. In addition to political news, Roland's paper was the voice of the Latin community and reported on it better than anyone. La Gaceta thoroughly documented the story of the immigrants who came to Tampa and contributed so much to the fabric of our community.

Roland's work won him many awards and recognitions, including Citizen of the Year and Hispanic Man of the Year. But typical of his self-effacing style, he always downplayed his importance to our town. His genteel manner made him equally as comfortable with presidents and governors as he was with store clerks and construction workers. And that's just one of the qualities that endeared him to so many people.

I think Ferdie Pacheco, the "Fight Doctor," summed up Roland's contributions to our community best when he wrote, "Years from now, when we are all gone, the historians will know exactly how we were and who we were because of the lifetime of dedicated work of one man."

Mr. Speaker, I know I speak for everyone at home when I say that we will miss our dear friend, Roland. May he rest in peace.

CARING, EXCELLENCE, & ACCOMPLISHMENT

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. BARCIA. Mr. Speaker, during our lives we may be privileged to meet people who make a difference, people who believe that it is far more important to accomplish something for the community than to accomplish something for themselves. We have been most fortunate to have been the beneficiaries of two extraordinary gentlemen, who just happen to be father and son—Hans Jeppesen, Sr., and Hans Jeppesen, Jr. Since 1954, these two men have been the heart and soul of Bay Health Systems, a leading and outstanding health care provider within my District. They are being honored on October 4 with the dedication of the Jeppesen Radiation Oncology Center at Bay Health Systems.

Hans Christian Jeppesen became the leader of General Hospital in 1954. He worked to make sure that General Hospital was the best source of health care until a merger with Mercy Hospital in 1972, creating Bay Medical Center. Having instilled a vital sense of confidence and capability in his employees, Hans Jeppesen established a standard of care and competence that was a model for others in the health care community. He passed away in 1973.

His son, Hans Jeppesen, II, began his career in health care as an administrative resident in 1964 at Wellborn Baptist Memorial Hospital in Evansville, Indiana, and first came professionally to Bay City in 1966. After terms as Assistant and Associate Administrator, he rose to Executive Vice President of Bay Medical Center in 1973, and to President in 1975. Since 1986, he as been President of Bay Health Systems, the parent company for Bay Medical Center, Bay Health Care, Bay Medical Services, Bay Medical Foundation, and Bay Special Care. He is credited with overseeing the merger of Bay Medical Center with Samaritan Hospital in 1979, and in 1988 with Bay Osteopathic Hospital, a very rare occurrence of the merger of four hospitals.

The community has also benefited from his willingness to work with many organizations. In particular, his concern for young people and women has made him a leader in Junior Achievement, Big Brothers, YMCA Youth Programs, and the Bay County Women's Center. He has been an outstanding role model for his five children, Jeff, Mary, Hans, Karen, and Niels, and his two grandchildren, Madeline and Meredith.

With two lifetimes of dedication, it is most fitting that the Radiation Oncology Center bear the name "Jeppesen", as a symbol of caring, excellence, and accomplishment. Mr. Speaker, I urge you and all of our colleagues to join me in celebration of the Jeppesen Radiation Oncology Center at the Bay Heatlh Systems West Campus.

TRIBUTE TO TONY MOCERI

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. COSTELLO. Mr. Speaker, I rise today to pay tribute to Anthony (Tony) Moceri. The International Brotherhood of Boilermakers Local 363 in Belleville, Illinois is naming their new hall for Tony Moceri.

Tony Moceri is a great union member. He earned his union card in San Francisco and was initiated into Lodge 363 in 1942. Tony was a dedicated, hardworking member until his retirement in 1984. Mr. Moceri was elected Lodge Assistant Business Agent in 1963 and moved to Business Manager in 1966—a position he held for nearly twenty years. Under Mr. Moceri's leadership, an apprenticeship program was developed. This program, initiated by Mr. Moceri in 1974, has proven extremely successful.

Mr. Moceri was on the State Boiler Board and the Building Trades Committee. He also had the honor and distinction of serving on Senator Percy's Labor Task Force Committee.

Tony Moceri has been married to his wife, Vera, for 44 years.

I would like for my colleagues to give special recognition in honor of Local 363 naming their new facility for Tony Moceri.

STATEMENT OF KATHIE LEE GIFFORD CONCERNING CHILD LABOR TO THE CONGRESSIONAL HUMAN RIGHTS CAUCUS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. LANTOS. Mr. Speaker, earlier this week on Monday September 28, the Congressional Human Rights Caucus held a briefing for members of this body on international child labor issues. Child labor has traditionally been among the most difficult and troubling of the human rights issues that we deal with. The problem is the greatest in those countries where poverty and lack of economic opportunity are the greatest. Furthermore, the extensive use of child labor only perpetuates that cycle of poverty by limiting the opportunity for these working children to attend school and gain the education they need to improve their situation.

Developing countries, in their struggle to improve their national economic and social conditions, often have failed to deal with the tragedy of child laborers. The International Labor Organizations (ILO) has estimated that some 250 million children between the ages of five and fourteen are working in developing countries around the world. Some 61 percent of this total, nearly 153 million children, are found in Asia alone.

To alleviate the grinding poverty and economic hardships that they face, many families in developing countries submit children to some of the worst forms of child labor such as exposure to extremely hazardous work, slave-like conditions, prostitution, pornography, and other intolerable situation. Often child victims of this practice never learn to read or write at all, and upon reaching adulthood these children can only past the legacy of poverty, illiteracy, and hardship to their own children.

Mr. Speaker, in recent years, with the strong support of our Department of State and our Department of Labor, efforts have been made to raise awareness of this serious problem. In 1992 the ILO initiated the International Program on the Elimination of Child Labor to work toward the progressive elimination of child labor. These efforts must be encouraged.

Mr. Speaker, at the briefing of the Congressional Human Rights Caucus, Kathie Lee Clifford, who was accompanied by her husband, Frank Gillord, made an excellent statement on this issue of child labor. I ask that her statement be placed in the RECORD, and I urge my colleagues to give thoughtful attention to her views.

STATEMENT OF KATHIE LEE GIFFORD

In the past two and half years I have learned a great deal about sweatshops and child labor—enough to make me physically ill and at many times brokenhearted. I have learned that all it takes to create a sweatshop environment is one greedy, unethical person and one desperate one. While it seems that solutions of the past have done little to combat labor abuses, I've also learned that if the various groups represented here work together, unified by the mandate that we must end these horrible conditions, we could accomplish a great deal.

When I was accused personally of being involved in labor abuses I was stunned. How could anyone possibly believe I could run a sweatshop? (1) I don't manufacture anything; (2) I don't own a factory; (3) I don't pay anyone to manufacture anything; and (4) I have an iron-clad contract that specifically states nothing can be manufactured with my name on it in an abusive manner. But, then I learned how easy it is for someone to exploit the system, ignore the compliance agreement, and profit from the misery of hardworking, vulnerable people—even children. I was angry and resolved it do whatever I could to do something about it.

Although I'm an endorser, a licensor of my trademark—and not the manufacture of goods—I promised that if, and whenever I discovered that any goods bearing my name were made in a factory with abusive conditions, either these conditions would be corrected or nothing with my name would continue to be made in that factory. I hired a reputable worldwide firm of independent monitors to inspect the factories so that I would learn their working conditions. When unfair working conditions are discovered we give the factory one chance to rectify the problem. If the conditions are not corrected, we take away our business. In the case of child labor abuses we do not allow a second chance—one time and the factory's out. This monitoring program will continue so long as I lend my name to any goods or products.

I learned about and campaigned for legislation on the Federal, State and local levels to address working conditions. I'm here to support legislation such as the "Young American Workers Bill of Rights Act" and the "Children's Act for Responsible Employment." These acts must promptly be passed by Congress. In Congressman LANTOS' words, "We have neither the time nor the luxury to debate whether this is a child labor problem." But I've also learned that legislation alone will not solve the problem: We need the concerted effort of Government, manufacturers, unions and human interest organizations. I know that these groups, while supporting many of the same ideas, sometimes disagree on means and methods of accomplish their goals. We must continue to work together, to enact and enforce laws; but also to educate consumers—these are the "new solutions for child labor abuses."

I truly appreciate being asked to appear before you today. I am here as the mother of two small children from whom I hope to leave a legacy of hard work, sacrifice, fairness and a determined commitment to make this world a better place for all children, especially children less blessed than my own. I realize that in certain ways my name has become synonymous with the term "sweatshop." That as been painful to me both personally and professionally, and yet I have always felt that all things work together for good for those who love God and are called according to his purpose. I find comfort and hope in this promise from the Scriptures—that indeed my struggle will result in aiding all of your efforts to end the very real and heartbreaking struggle of millions of vulnerable children around the world.

There are many other celebrity endorsers lending their good names of products manufactured throughout the world. I believe each of them has a moral responsibility to take whatever steps possible to ensure the integrity of their products. A contract with strong language is simply not enough. I encourage them to hire, at their own expense a reputable independent monitoring service and use their public platform to educate consumers and pressure their manufacturers to comply with all ethical and legal standards.

None of us can ignore the use of child labor. Today, in this room, there are Members of Congress and representatives of human rights organizations, unions and government and private citizens like myself. Let us together be a voice for those who cannot speak for themselves. Comfortable in our privileged world, we cannot hear the cries of the children chained to a life of abuse, but our silence at the injustices they suffer is deafening to the ears of God.

Perhaps we can put a face on child labor by substituting our own children with the faceless children we only know as statistics. Today when you go to dress your six-year-old, stop to think of that six-year old being snuck into the back of a sweatshop to work long hours, cutting and sewing clothes they could never afford. Today when you watch your seven-year-old run back and forth on a soccer field, think of that seven-year-old sitting in a sweltering factory making that soccer ball he will never have a chance to play with. And today when you shoot baskets with your eight-year-old, think of the eight-year-old who sewed those sneakers and who will never, every jump for joy. Think of your own children and think of all the children all over the world who are being denied a childhood because of others' greed and our own indifference.

Each of us has a responsibility and an opportunity. Our responsibility is to make the world a better place for these children to live and work in. Our opportunity is now for new solutions for child labor abuses; to enact laws like the "Young American Workers Bill of Rights Act" and the "Children's Act for Responsible Employment" to join together to form a powerful alliance of caring individuals who refuse to support companies that utilize child labor; and finally, to pray for all the children of the world that someday they may enjoy a life in the sunshine, breathing fresh air and laughing with a joy that can only come from knowing that they are loved and that they are precious just like our own children.

Perhaps the most important thing I have learned about this issue is that sweatshops operators are counting on one thing—that you don't care how your products are made. These children are counting on something very different—that you do care, especially when they're made by children. Together through our efforts and the work of this Congressional Human Rights Caucus, let's prove the children are right and let's make the unspeakable shame of abusive child labor a thing of the past.

IN SUPPORT OF H.R. 4646, THE PRESCRIPTION DRUG FAIRNESS ACT

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. McCARTHY of New York. Mr. Speaker, I rise today in support of H.R. 4646, a bill allowing pharmacies to purchase drugs for Medicare beneficiaries at the substantially reduced prices already available under the Federal supply schedule. This important piece of legislation would dramatically lower prescription drug costs for senior citizens.

Most Americans are aware of the ever increasing costs of health care and prescription medication. But no segment of the American population is impacted more than our senior citizens. Senior citizens are having an increasingly difficult time affording prescription drugs. For senior citizens on fixed incomes, the cost of prescription drugs is one of their highest monthly bills and can mean the difference between buying basic necessities or medicine. No senior should ever be forced to choose between buying food or medicine, especially those with disabling ailments who often depend on their medication just to make it through the day.

Seniors are being forced to pay much steeper prices than the "most favored customers" of drug companies such as HMO's. It's just plain wrong for large pharmaceutical companies to be charging the highest prices to those who can least afford to pay them. Large corporations should not be making a profit at the expense of our senior's health.

H.R. 4646 would fix this problem by leveling the playing field for retail pharmacies who sell drugs to senior citizens. This legislation would allow retail pharmacies to buy medications used by senior citizens directly from the General Services Administration (GSA) of the Federal Government. Because the GSA is one of the entities able to purchase prescription medication at much lower prices, this procedure will allow pharmacists to pass on significant savings to senior citizens.

I am proud to be an original cosponsor of this legislation that protects the health of our Nation's senior citizens. I urge all my colleagues to join me in supporting this legislation.

MEDICARE+CHOICE MEDICAL NECESSITY PROTECTION ACT

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. STARK. Mr. Speaker, I rise to introduce the Medicare+Choice Medical Necessity Protection Act. With passage of the Balanced Budget Act, Congress has opened the Medicare program to a host of private insurance companies that will be competing with each other to get the most Medicare patients while spending the least amount of money. One of the cost-saving mechanisms commonly used to managed care plans today is to interpret "medical necessity" on their own terms. In this manner, health plans can avoid paying for services that would be considered normal and appropriate based on the standard medical practice of the day. Using such means, health plans can and do override the medical decisions of treating physicians.

The clearest examples of this type of health plan behavior have also been areas where Congress has recently considered specific legislation. In the last Congress, we passed a law to prohibit health plans from requiring a mother who had just given birth to leave the hospital in less than 48 hours after birth. This year, Congress has been considering similar legislation with respect to a two-day stay for women who have undergone mastectomies.

It is not good legislative policy to pass such case-by-case fixes to health plan behavior that we find abhorrent. Standard medical practices change on a continual basis. Having requirements for length-of-stay in federal law could become problematic if that medical standard changes. These decisions are best left in the hands of medical professionals. Unfortunately, with the growth of managed care in our country, it is often not medical professionals who are making such treatment decisions. These cases are becoming so blatantly arbitrary and without medical merit that Congress has been forced into action by public outcries. Rather than continue such case-by-case legislating, I support the creation of a medical necessity standard that would eliminate health plans' abilities to manipulate the standard.

Under this proposal, medical necessity would be defined as "a service or a benefit which is consistent with generally accepted principles of professional medical practice." This definition was part of the Democratic Patients' Bill of Rights (HR 3605), which created federal consumer protection standards for managed care plans in the private sector. It is also the common definition of medical necessity which has been established in case law over the past century.

The Medicare+Choice Medical Necessity Protection Act would add that same definition of medical necessity to the Medicare+Choice program. This change would help ensure that seniors' who join any of the new Medicare+Choice health plan options in Medicare would have the protection of knowing that their private health plan could not manipulate the rules in order to avoid coverage and payment for appropriate medical services. It would put medical decision-making back in the hands of doctors where it belongs—not under the control health plan bureaucrats.

Let me emphasize that this amendment would not mean that a health plan would ever be required to cover a service that is clearly not covered by the plan's contract. It only applies to covered services. So, if a health plan does not provide coverage for hearing aids, inclusion of this definition would never require the health plan to make an exception and cover a hearing aid for a particular person.

The Medicare+Choice Medical Necessity Protection Act is a simple, sensible bill. It would ensure that all Medicare+Choice plans are playing under a uniform set of rules for coverage determinations and would end the practice of health plans arbitrarily overriding doctors' judgments. Our Medicare beneficiaries deserve no less. I urge my colleagues to join me in support of this important legislation.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. CHAKA FATTAH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. FATTAH. Mr. Speaker, I cannot overemphasize the importance of the passage of the High Hopes/GEAR UP program as a part of the Higher Education Reauthorization legislation adopted by the House today. This program is the embodiment of all that is right about our legislative process and about the fundamental American creed which unites us as a people. I want to take the time to recount the history of this idea so that the record will show the difference that can be made when we are true to the process and to that creed.

The challenge which the High Hopes/GEAR UP program addresses is insuring that all American children have the opportunity to go to college. For the children of most middle class families, that college is an option after high school graduation is taken for granted. For most poor children, college is not even in the picture. No one they know has gone to college. If the thought ever occurs to them, it is dismissed as an unattainable fantasy. Often these attitudes and conclusions are based on misinformation about the cost of college, or about the availability of financial aid and other sources of support, or perhaps it's just that the notion of college is so remote from their experience that nothing in their lives has prepared them to take advantage of opportunities that might be right before their eyes.

Whatever the underlying dynamic, the end result is that children in poor neighborhoods often make life-changing decisions that deal them out of the mainstream game before they get their first chance at bat. Because the vision of their future is inevitably defined solely by what they see and what they know, they are too often drawn off onto the various side roads of life—high school dropout, teenage pregnancy, truancy, delinquency, and other anti-social activities. These outcomes serve no one. They destroy the young people's potential, they tax our society, and they waste our precious human capital.

The High Hopes/GEAR UP Program will elevate the vision of millions of young people to let them see that college is possible for them. It will give them a future to focus on that will help pull them successfully through their high school years in a way that prepares and positions them to go on to college. As is done for children of middle class families, the program is designed to surround them with the expectation that they will pursue this goal, give them the complete spectrum of information that they need to conclude that this goal is achievable, and strengthen the support systems needed to get them from here to there.

The High Hopes/GEAR UP Program will provide certainty to students and their families that they will be able to afford college. Beginning in middle school, the Secretary of Education will send children in high poverty neighborhoods, 21st Century Scholar Certificates that notify them annually of the financial aid that will be available to them for college when they graduate from high school. It will support partnerships between universities, businesses, and community-based organizations that will insure that these "21st Century Scholars" will have the mentoring, educational enrichment, social services and academic supports they need to stay in school, work hard, and graduate prepared for college. The unprecedented success of private programs such as Eugene Lang's "I Have a Dream" in New York, and Ruth Hayre's "Tell Them We Are Rising" in Philadelphia, gives us every reason to believe that these approaches will have a huge impact on high school graduation, college attendance, and college completion rates.

The High Hopes/GEAR UP Program began as the 21st Century Scholars Act (H.R. 777) which I introduced in the House of Representatives in May, 1997. It was given a truly long term lease on life by Sara Goldsmith who was an AAAS Fellow in my office at the time. Sara made it the primary goal of her Fellowship to secure at least 100 cosponsors for this legislation. By the time her Fellowship ended a year later, she had secured 120 cosponsors with strong representation from both sides of the aisle. This gave us the credibility and the impetus we needed to succeed in our efforts to move the bill through the other venues that must be cleared before a bill becomes law. Thank you, Sara.

The 21st Century Scholars Initiative was initially designed to provide low income children with the assurance that financial aid would be available for them to go to college, and to connect them with the mentoring and support services they need to succeed. As the legislation gained steam in the House, it captured the imagination of the White House, and a strong partnership emerged between my office and the office of Gene Sperling, Director of the National Economic Council. Our staffs, principally Bob Shireman of the NEC, Claudia Pharis, my Chief of Staff, and Pauline Abernathy of the Department of Education, worked to incorporate into the bill, provisions of interest to the Clinton Administration. What emerged from this process was the High Hopes 21st Century Scholars Program which continued the commitment to providing assurances regarding financial aid, and greatly improved and strengthened the mentoring and support services provisions of the bill. These four people, Gene Sperling, Bob Shireman, Claudia Pharis, and Pauline Abernathy, also deserve our thanks.

The next hurdle was the markup in the House Committee on Education and the Workforce of H.R. 6, the Higher Education Reauthorization bill. Our objective was to add the High Hopes 21st Century Scholars Initiative to the HR6 as an amendment in Committee. Led by Lydia Sermons, then my Press Secretary, who was followed by Rebecca Kirszner and Philecia McCain, my staff had launched a major communications campaign that had penetrated every office in the House of Representatives, the education advocacy organizations affected by the program, the higher education community, and through the media, the general public. Thank you, Lydia, Rebecca, and Philecia. By the time we reached markup, the support for this program was broad and deep, and the amendment which attached the bill to H.R. 6 passed in Committee by a strong bi-partisan vote of 24 to 18. It should be noted that this incredible 6 vote margin was created with the cooperation of four of my Republican colleagues on the committee: Congressman GREENWOOD, SOUDER, MCINTOSH, and SCARBOROUGH. Committee staff, David Evans, Sally Stroup and Marshall Grigsby, and my legislative Director, Neil Snyder, were particularly helpful at this stage, and to them, I also extend my thanks.

Passage of the Higher Education Act by the House was virtually unanimous. We then faced the high hurdle of gaining Senate approval. There were already provisions in the Senate bill which addressed some of the same concerns addressed by the High Hopes 21st Century Scholars Initiative, however, the underlying program, called the National Early Intervention and Scholarship Program, or NEISP, served a much smaller population through a much different delivery system. As designed, it was not able to address the targeting, motivational, and institution building objectives of the High Hopes program. Senators JEFFORDS and KENNEDY, the NEC and Treasury Department team, my Chief of Staff, and the staff of the Senate Committee on Education and Labor worked intensely over an extended period of time to iron out the differences between these two programs and forge a compromise for incorporation into the Senate bill that retained the best and most crucial features of each. Our hand was strengthened in this process by the fact that my staff orchestrated a process that resulted in bipartisan letters of support for High Hopes signed by over 150 Members of Congress being sent to the Chair and Ranking Member of the Senate Committee. In addition to the people I have already mentioned, special recognition at this stage goes to the other members of my staff, particularly Michelle Anderson, my Executive Assistant, and to Jennifer Smulson and Marianna Pierce of the Senate Committee on Education and Labor.

Next came the House and Senate conference where all the differences between the House and Senate bills had to be resolved. The NEC and Treasury staffs remained involved, as did my Chief of Staff, but importantly, at this point, we added the strong, committed, and vocal leadership of Congressmen SOUDER and ANDREWS to the process, both of whom served as Members of the Conference Committee. Their staffs, Amy Adair and Audrey Williams respectively, were highly responsible, professional and focussed in their commitment to provide strong representation for the bipartisan interests of the House of Representatives in preserving the integrity of the High Hopes Program. That mission was accomplished in Conference, and what emerged from the Conference Committee for presentation to the House of Representatives as the GEAR UP Program is very true to my original vision, to the vision of the President, and to Senator JEFFORDS' vision that all American children be surrounded with the expectation that they can and will go to college, and be provided with the support and encouragement they need to get there.

Department of Education Secretary, Richard Riley, and Leslie Thornton, his Chief of Staff are also unsung heroes of this process. The staff resources and informational support they provided were invaluable in the development of the concept, and I understand that Secretary Riley mentioned High Hopes in every public speech he made while Congress was working on the legislation.

But I have saved the best and most important recognition for last. I extend my heartfelt thanks to my colleagues in the United States Congress, both the Senate and the House of Representatives. I particularly need to thank Senators KENNEDY and JEFFORDS again, and to thank as leaders of the process in the House, Congressmen GOODLING, CLAY, MCKEON, and KILDEE. The brilliance of the American system of government, a strong spirit of bipartisanship, and an underlying commitment to creating opportunity were all evident in the way we rallied in support of the High Hopes/GEAR UP program. An ingrained belief in and commitment to fairness undergirds the American character. Congressman SOUDER offered as his motivation for supporting the program, that we cannot both, in good conscience, continue to dismantle our systems of social and economic support, and at the same time fail to provide people with the support they need to become self-sufficient. This attitude augurs well for the reduction of educational disparities in our society, and for the emergence of a Nation in which a higher percentage of our people are fully engaged in creating and enjoying its prosperity.

Education is the great equalizer. Our democratic society cannot sustain itself if we continue to create a larger and larger dependent population through our failure adequately to educate our people. It is important to America's future that we field our best team in the globalized, high tech economy of the next century. We can only do that if we make sure that everybody gets a chance to play.

SALUTING EFFORTS TO HONOR FRANCIS SCOTT KEY

HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. WEYGAND. Mr. Speaker, I would like to share with my colleagues today the fine work being done by one of my constituents to honor an often overlooked American patriot. Everyone knows his work but few know him. No matter where we hear it played, at the beginning of sporting events or during times of national mourning, the Star-Spangled Banner is an important part of our nation's life. The patriot that penned the words to our National Anthem, however, remains largely unknown.

Virginia L. Doris of Warwick, Rhode Island knows that patriot is Francis Scott Key. She has devoted a great deal of her time over the last several decades to right what she views as a mistake of history and make sure that more of her fellow Americans learn about Key. Along with an extensive amount of research into Key and his life, Ms. Doris has spent a great deal of time working to establish a national day of recognition of Francis Scott Key. In that regard, just this year she was successful in convincing the members of the Rhode Island General Assembly to designate August 1 of each year as Francis Scott Key Day in Rhode Island. Several years ago, she was successful in having the period between August 1978 and August 1979 as Francis Scott Key year in Rhode Island.

As part of her effort to bring public attention to Francis Scott Key and his role in the history of our nation, Ms. Doris commissioned—at great personal expense—a portrait of Key which was painted by Mario Ahumada, a gifted artist at the Rhode Island School of Design. Ms. Doris feels great connection to her work and she speaks very highly of Mr. Ahumada's dedication to the project and the final work.

Over the last several weeks, we have spent a great deal of time, both as members of the House of Representatives and as citizens, discussing the intent of our Founding Fathers as they drafted our Constitution. It may serve us well to listen just a bit more carefully to Francis Scott Key's words as he describes some of the events that paved the way to the establishment of our nation. I am sure my colleagues will join me in my admiration for Ms. Doris' unwavering dedication to honoring the author of our national anthem.

CONGRATULATIONS TO MR. WES FREELAND

HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. UPTON. Mr. Speaker, I rise today to recognize the accomplishments of a great community leader and a good friend, Mr. Wes Freeland. This year, after more than thirty years, Wes is stepping down as Kalamazoo County Administrator. Though his career with the county may be drawing to a close, his service to our community will continue as Wes takes a position with the Kalamazoo Foundation.

Under his steady hand and trusted leadership, Wes guided the county's finances through good economic times and bad. He has played a role in guaranteeing our region's growth and helped paved the way for many more years of financial stability.

Wes will continue to play a leading role in helping to shape the region. The Kalamazoo Foundation is dedicated to supporting our community by providing a wide variety of resources to support education, housing, and economic development.

Mr. Speaker, I know that all of my neighbors in Kalamazoo County join me in thanking Wes for his many years of support, dedication and leadership. I urge my colleagues to join me in congratulating Wes for his great work and wishing him all the best in his new position.

KEEP KIDS SAFE AT SCHOOL ACT

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. FAZIO of California. Mr. Speaker, today I introduce the Keep Kids Safe at School Act along with 41 of my colleagues. I am pleased that, during this time of polarized political climate, Members from both sides of the aisle have come together to formulate sound policy to safeguard our children.

Last spring, a fifteen-year-old Rio Linda High School student from my district was brutally raped and murdered by a custodian after school. This tragedy could have been prevented had school authorities used a database that could detect the employee's prior interstate criminal history. Although a thorough California check was conducted, an interstate background check would have detected the man's prior convictions—including rape—from neighboring states.

This senseless crime has shaken the small, normally peaceful Rio Linda community—a suburb just north of Sacramento. However, this tragedy provides us all with a lesson. Crime has no face; it doesn't discriminate; it can affect us at any time; it can shatter our safest havens; and it crosses socio-economic boundaries.

My bill would help to prevent this tragedy from occurring again. The Keep Kids Safe at School Act amends the current National Child Protection Act of 1993. Under the National Child Protection Act, Congress established an interstate identification network which allows for a voluntary background check on child care providers and volunteers.

Already this system has caught dozens of potential child predators in California, Texas and Florida alone.

In California, the background checks have served as a measure which produces results. Between July 1995 and July 1996, 27,564 background checks were conducted at the state and federal level. Of those cases, 606 applicants were found to have a criminal history. Of the number of applicants denied credentials, 95% of the denials were based upon the information discovered in the background checks.

School employees, even those who don't provide care or supervise our children, have access to our children every day. In the morning before school, for example, cafeteria workers may be the first to greet our children. In the afternoon, long after the teachers are gone, custodians or other maintenance workers are on school grounds while our children participate in extracurricular activities.

Parents deserve to feel at ease when they drop their children off in the morning. And kids have the right to feel secure in order to maximize learning. According to the FBI, 19 states don't have laws in place that conduct background checks on all school employee. And four states don't administer background checks for any school employees.

The Keep Kids Safe at School Act is far from a Big Brother policy. It simply builds on an existing law which has proven results for day care workers and encourages states across the country to use this same voluntary system for those employed by our schools.

In addition, this legislation will work as a deterrent to potential child predators. Those with a criminal history won't think twice about applying knowing that they'll get caught. This bill sends a clear message to child predators—our commitment to protecting our children is real. The Keep Kids Safe at School Act will help prevent other tragedies.

The implementation of the Keep Kids Safe at Schools Act will save states and communities time and dollars. Background checks will not only detect child predators, but will provide other criminal history which could save schools thousands of dollars by preventing theft or other crimes.

This is a common sense proposal. The Keep Kids Safe at School Act will deter predators, save schools money and protect our children—period. Let's close the loop-hole, and give our states the tools they need to safeguard our kids—support the Keep Kids Safe at School Act.

CONGRATULATIONS TO THE LINFIELD SCHOOL

HON. KEN CALVERT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. CALVERT. Mr. Speaker, in 1956, President Dwight D. Eisenhower established the President's Council on Physical Fitness and Sports through an executive order as part of a national campaign to help shape up America's younger generation. In 1966, the Presidential Physical Fitness Award was initiated by President Johnson and is a prestigious accomplishment.

On October 1, 1998, the Linfield School in Temecula, CA, was designated as the 1997–98 President's Challenge State Champion School for Category II schools in California. The State Champion Award is presented to schools with the highest number of students scoring at or about the 85th percentile on the President's Challenge, a fitness awards program for children ages 6 through 17. The Linfield School had more than 82 percent of their student body score at or above the 85th percentile in the fitness program.

The five assessments of the President's Challenge measure four components of physical fitness: a one-mile run/walk for heart and lung endurance, curl-ups for abdominal strength and endurance, a "sit and reach" stretch for muscular flexibility, pull-ups for upper body strength and endurance, and a shuttle run for agility and explosive power.

On behalf of the residents of the 43rd congressional district, I congratulate the Linfield School for this award and commend them for recognizing that physical activity is an important component of health and development for future generations.

TRIBUTE TO COMMANDER JOSEPH A. SPATA

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. YOUNG of Florida. Mr. Speaker, I rise today to recognize an outstanding Naval Officer, Commander Joseph A. Spata, who has served with distinction for the past 25 months for the Assistant Secretary of the Navy, Financial Management and Comptroller.

It is a privilege for me to recognize his many outstanding achievements and commend him for the superb service he has provided to the Navy, the Congress, and our great Nation as a whole.

As the Chairman of the Appropriations Subcommittee on National Security, I want to thank Joe in particular for the tremendous assistance he has given me and my staff since August 1996. In his position as Deputy, Appropriations Matters Office, Joe has provided us with timely and accurate support regarding Navy plans, programs and budget decisions. These invaluable contributions have enabled our Subcommittee and the Department of the Navy to strengthen our close working relationship and to help ensure that we maintain the most modern, well trained and well equipped naval force attainable for the defense of our great nation.

Mr. Speaker, as with so many of our men and women in uniform, Joe Spata and his wife Eileen have made many sacrifices during his naval career. As they embark once again on that greatest adventure of a Surface Warfare Officer's career, command at sea of U.S.S. *Moosbrugger* (DD 980), I would ask my colleagues to say thank you to Joe Spata for his yeoman's service in working with our Committee, to wish him every success as Commander, and to pray that he always have fair winds and following seas.

TRIBUTE TO JOHN PEPPER

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. PORTMAN. Mr. Speaker, I rise today to pay special tribute to a leader in the Cincinnati community, Mr. John Pepper, who has recently announced his decision to step down as the Chief Executive Officer of the Procter & Gamble Company at year-end.

Under Mr. Pepper's leadership, Procter & Gamble has introduced exciting new products, moved into new markets overseas, and established a strong strategic plan for continued sales growth that will benefit the people of Southwest Ohio.

While he is highly regarded in business circles for his outstanding work at the helm of Procter & Gamble, his contributions to the Greater Cincinnati community, our state and our nation go well beyond his business successes. For years, he has devoted an enormous amount of his personal time and energy to improving the quality of life for all Americans.

Education has been his passion: he is a founder of an innovative youth development program called the Cincinnati Youth Collaborative, through which he has touched the lives of many thousands of young people in our area. He has led the effort to get businesses directly involved in improving public education, both in Ohio and nationwide, through the National Education Summit, the Business Roundtable, The Governor's Education Management Council and various other state and federal efforts.

John Pepper has also shown his commitment to service through over 30 years of volunteering for the Cincinnati United Way and Community Chest. In 1994, he chaired the most successful United Way Campaign ever in Greater Cincinnati.

I have had the opportunity to know John Pepper both in my official capacity and through our mutual involvement with the Coalition for a Drug-Free Greater Cincinnati and the National Underground Railroad Freedom Center. In both efforts he was a founding trustee whose credibility and guidance was crucial to the success of the organization and its mission. Time and time again he has proven himself to be a business leader willing to give generously of his time and energy to help others.

While John Pepper's leadership as CEO of Procter & Gamble will be missed, I know many of us look forward to continuing to work with him on projects to make a difference in our community.

HONORING AIRMAN 1ST CLASS JUSTIN WOTASIK

HON. HOWARD P. "BUCK" McKEON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. McKEON. Mr. Speaker, I speak today to honor the life of a dedicated young man who died while serving his country. Airman 1st Class Justin Christopher Wotasik was one of twelve persons killed last month in a helicopter collision near Nellis Air Force Base, Nevada. His unit, the 66th Rescue Squadron, was involved in a training exercise when the crash occurred.

Justin graduated in 1996 from Palmdale High School and was an Eagle Scout who attended the 1993 National Scout Jamboree in Virginia. He was one of those rare individuals who at a young age had a profound sense of purpose and knew what he wanted to do with his life. In his brief life, he served as an inspiration to others while symbolizing the dedication shared by many young men and women who pursue a military career.

Justin, who would have celebrated his 20th birthday this month, was buried today in Arlington National Cemetery. Justin, for all you did and all your stood for, thank you and may God bless you.

HOW GREAT THOU ART

O Lord my God, when I in awesome wonder consider all the worlds thy hands have made, I see the stars, I hear the rolling thunder, thy power throughout the universe displayed:

Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art!! Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art.

When through the woods and forest glades I wander and hear the birds sing sweetly in the trees; When I look down from my lofty mountain grandeur, and hear the brook and feel the gentle breeze:

Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art!! Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art.

And when I think that God, His Son not sparing, sent Him to die, I scarce can take it in; that on the cross, my burden gladly bearing, He bled and died to take away my sin:

Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art!! Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art.

When Christ shall come, with shout of acclamation and take me home, what joy shall fill my heart! Then I shall bow in humble adoration, and there proclaim, my God, how great Thou art!

Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art!! Then sings my soul, my Savior God to Thee: How great Thou art, how great Thou art.

IN HONOR OF THE SEVENTH ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF ARMENIA

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. PALLONE. Mr. Speaker, I rise today to pay tribute to the Seventh Anniversary of the Independence of the Armenian Republic, which was celebrated last Monday, September 21st.

Mr. Speaker, last month, we showed on the floor of this House that the Armenian people and nation have many friends in the Congress. During the debate on the Foreign Operations Appropriations bill, we succeeded in rolling back an effort to repeal Section 907 of the Freedom Support Act—a provision barring direct aid to the Government of Azerbaijan until that country lifts its blockades of Armenia and Nagorno Karabagh. I'm extremely proud to have been involved in that bipartisan effort. My goal, and that of my colleagues, as American elected officials, was to ensure that we keep a valuable and moral law on the books. But I'm also glad that, the way things worked out, it turned out to be a nice Independence Day present to Armenia.

Mr. Speaker, the story of the Armenian people—one of the world's most ancient and enduring cultures, the first nation to adopt Christianity as its national religion—is an inspiring saga of courage and devotion to family and nation. It is also an unforgettable story of the triumph of a people over adversity and tragedy. Earlier in this century, in one of history's most horrible crimes against humanity, 1.5 million Armenian men, women and children were slaughtered by the Ottoman Turkish Empire. Every April, Members of this House join in commemoration of the Armenian Genocide. We can never relent, and we will never relent, in our efforts to remind the world that this tragedy is an historic fact—despite the efforts of so-called "revisionists," many of them funded by the Turkish government, to deny the truth—and to make sure that our nation, the world community, and especially the Turkish nation, come to terms with and appropriately commemorate this historic fact.

During the collapse of the Ottoman Empire, the people of Armenia briefly established an independent state. But the Armenian lands were absorbed either into Ataturk's Turkey, where traces of Armenian history and culture were completely wiped out, or the Soviet Union, where at least some Armenian cultural presence was maintained, even if most of the political shots were called in Moscow.

Mr. Speaker, it was the collapse of the Soviet Union in 1991 that allowed the Armenian people to re-establish a state and a nation, to create a society where their language, culture, religion and other institutions would be able to prosper. The progress made in seven short years by the Republic of Armenia has been an inspiration—not only for the sons and daughters of the Diaspora, but for all Americans who support the cause of freedom. Having survived the Genocide, and having endured decades under the domination of the Soviet Union, the brave people of Armenia have endeavored to build a free and proud nation, based on the principles of democracy and a market economy.

Mr. Speaker, as they have for so much of their history, the Armenian people have accomplished all this against daunting odds. The tiny, land-locked Republic of Armenia is surrounded by hostile neighbors—Turkey and Azerbaijan—who have imposed blockades that have halted the delivery of basic necessities. Yet, independent Armenia continues to persevere. While democracy has proven to be elusive in much of the former Soviet bloc, democratic Armenia held multi-party Presidential elections this year that continued the steady progress towards the permanent taking root of the institutions of democracy and civil society.

As the founder and co-chairman, with the gentleman from Illinois [Mr. PORTER], of the Congressional Caucus on Armenia Issues, I consider U.S.-Armenia relations to be one of our key foreign policy objectives. Support for Armenia is in our practical interests, helping to support a stable nation in a strategically important and often unstable part of the world. Standing by Armenia is also consistent with America's calling to support democracy and human rights, and to defend free peoples throughout the world.

Mr. Speaker, I want to emphasize that the people of Armenia want good relations with their neighbors and the entire world community, and I believe the moral, political and economic power of the United States can go a long way toward helping Armenia achieve that goal.

Mr. Speaker, I hope that as we mark future Independence Days of the Republic of Armenia, we can look back with pride on building peace and prosperity in the entire Trans-Caucasus region, so that the people of Armenia and their neighbors can enjoy a stable, hopeful future. I hope that the Republic of Turkey and Azerbaijan will have responded positively to Armenia's offer to normalize relations, exchanging diplomats and allowing the free flow of goods and people across their borders. I hope that, with the active participation of the United States, we will have resolved the Nagorno Karabagh conflict, in a manner that guarantees the security and self-determination of the people of Karabagh. I hope that the effort to tap the vast Caspian Sea oil reserves will finally culminate in the construction of a pipeline carrying the oil west to Mediterranean ports through Azerbaijan, Armenia and Turkey—thereby further linking those neighbors in mutually beneficial security and economic ties. I hope that our policy in the region will not be overly influenced by the development of these oil reserves, at the expense of the values of democracy and human rights.

Thus, Mr. Speaker, while the reality for the people of the Republic of Armenia continues to be difficult, let us take this occasion to wish them well on the occasion of their Independence Day, and, more important, on their ongoing journey to establish a stable, democratic republic and a permanent homeland for the Armenian people in the Caucasus.

REDUCE THE HIDDEN TAX ON AMERICAN INVESTORS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. SOLOMON. Mr. Speaker, on July 14, 1998, along with the distinguished Chief Deputy Democratic Whip, the Gentleman from New Jersey, I introduced H.R. 4213, the Savings and Investment Relief Act of 1998. This legislation would cap the amount of stock transaction fees which could be collected by the Securities and Exchange Commission (SEC). Collections for the various SEC "user fees"—which were designed solely to fund the Commission—had grown over time to significantly exceed the SEC's budget. In 1996, we passed legislation to bring fee collections more in line with the SEC's budget. However, actual collections have continued to skyrocket. This year alone, the SEC will bring in $1.2 billion in fees—four times its budget.

These fees have become a large and unintended tax on all Americans who invest in the stock market. The distinguished gentleman from Texas, the Chairman of the Ways & Means Committee, has written to me to express the Committee's view that the excess fees amount to taxes. At this time Mr. Speaker, I would ask to have this letter made a part of the RECORD.

Mr. Speaker, this tax is paid by all Americans who own and sell stocks. This includes individuals and families investing for their future—for needs such as retirement and children's education. The tax affects mutual fund investors, pension plans, and other retirement vehicles, such as IRAs and 401(k) plans. It is time to stop this hidden tax on hard working investors.

Mr. Speaker, H.R. 4213 has received a groundswell of support. In addition to the distinguished Chief Deputy Democratic Whip, the bill now has close to 60 cosponsors from both sides of the aisle, including virtually the entire Republican leadership, and the distinguished gentleman from Louisiana, the Chairman of the House Appropriations Committee. Cosponsors include a number of Members from the Appropriations, Commerce and Ways & Means Committees. I would like to enter a list of the bill's cosponsors into into the RECORD. It has been endorsed by a number of outside groups, including Americans for Tax Reform, the U.S. Chamber of Commerce, the National Federation of Independent Businesses, the National Taxpayers Union, Citizens for a Sound Economy, the Profit Sharing/401(k) Council of America, and dozens of state-level taxpayer advocacy groups.

Perhaps most importantly, we have revised this legislation so that it has no impact on the collection and spending levels in the pending FY99 Commerce, Justice, State Appropriations bill and to avoid pay-go scoring problems. I am pleased to announce that the Congressional Budget Office (CBO) has scored this revised language as revenue neutral. At this time, Mr. Speaker, I would like to enter into the RECORD a copy of the revised legislation and the CBO letter scoring the legislation.

Mr. Speaker, it is imperative to act on this legislation this year. Due to the budget scoring rules, it will be virtually impossible to move a revenue neutral solution next year, once the CBO revises its baseline upward to reflect the reality of the fee surplus. This hidden tax is having a real impact on hardworking families saving for their retirement. We often talk in Congress about providing tax relief to families. Let's start by giving back some of the unintended hidden tax on investments. Mr. Speaker, I urge the House to act of this legislation expeditiously.

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, DC, September 23, 1998.

Hon. JERRY SOLOMON,
Rayburn House Office Building,
Washington, DC.

DEAR JERRY: I am writing to express my support for what you are trying to accomplish in H.R. 4213, the "Savings and Investment Relief Act of 1999." The Committee on Ways and Means has long taken a jurisdictional interest in the fees collected by the Securities and Exchange Commission. In our view, these "fees" are taxes because they greatly exceed the SEC's regulatory costs. We have worked for several years with the Committees on Commerce and Appropriations to rectify this problem.

We last addressed SEC fees in the National Securities Markets Improvement Act of 1996. That legislation was intended to reform the SEC fee structure and bring the total amount of fees down to the level of the SEC's budget. In a letter to Chairman Bliley (whose committee has jurisdiction over the SEC), I noted both my and his longstanding goal to reduce these "fees" so that they truly are fees rather than taxes. Although the extension and phase-down of SEC fees in the Act was longer and slower than we would have preferred, I recognized that it was the best that we could achieve under the circumstances. I also noted that thee Committee on Ways and Means reserved jurisdictional interest in this fee structure, and that I would strongly oppose any attempts to delay or lengthen the fee phase-down schedule provided by the Act.

The 1996 Act was a compromise that took years to achieve, so I am cautious about modifying it. However, it has become increasingly clear that actual fee collections, particularly section 31 transaction fee collections, will exceed what we estimated in 1996. Accordingly, I support your effort to cap the section 31 transaction fees, provided that it does not endanger the fee phase-down schedule in the 1996 Act and does not create a PAYGO problem. Under such circumstances (and without prejudice to the jurisdictional interest of the Committee on Ways and Means), I would not seek sequential referral of H.R. 4213 or have any objection to its condieration by the House.

I want to commend you for your tireless work and leadership in this area. As always, you are watching out for taxpayers.

With best personal regards,

Sincerely,

BILL ARCHER,
Chairman.

COSPONSORS H.R. 4213

Representatives Menendez, Forbes, Foley, Ehrlich, Towns, Houghton, Walsh, Scarborough, Gilman, Sessions, English, Cook, Pappas, and Hall of Texas.

Representatives Ramstad, Blagojevich, Largent, Christian-Green, Kelly, Armey, Hastert, Peterson of Pennsylvania, Goode, Cox, Barton, Velázquez, Norwood, Deal, and Livingston.

Representatives Hobson, Frelinghuysen, Riley, Sam Johnson of Texas, Pitts, Cubin, Quinn, Dickey, Manzullo, Pickering, McIntosh, Jackson-Lee of Texas, Barcia, and Chabot.

Representatives Hostettler, Ryun, Fox, Pryce, McHugh, Doolittle, DeLay, Boehlert, Boucher, Crane, Radanovich, Boehner, Paxon, and Brady of Pennsylvania.

H.R. 4213

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSACTION FEES.

(a) AMENDMENT.—Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended by adding the following new subsection:

"(h) TRANSACTION FEE LIMITATION: DEPOSIT OF FEES.—

(1) LIMITATION ON TRANSACTION FEES.—

"(A) IN GENERAL.—For fiscal years 1999 through 2006, the Commission shall not collect any fees described in subsections (b), (c) and (d) which in the aggregate exceed:

"(i) $430 million during fiscal year 1999;
"(ii) $396 million during fiscal year 2000;
"(iii) $434 million during fiscal year 2001;
"(iv) $468 million during fiscal year 2002;
"(v) $511 million during fiscal year 2003;

"(vi) $557 million during fiscal year 2004;

"(vii) $607 million during fiscal year 2005; and

"(viii) $661 million during fiscal year 2006.

"(B) PUBLICATION.—The Commission shall publish annually in the Federal Register notice of the fee limitations described in this paragraph and any suspension of fees pursuant to the limitations described in this paragraph.

"(2) DEPOSIT OF TRANSACTION FEES.—

"A) GENERAL REVENUE.—Notwithstanding subsections (b), (c) and (d), during fiscal years 1999 through 2006, fees collected pursuant to subsections (b), (c), and (d) shall be deposited and collected as general revenue of the Treasury, in an amount not to exceed:

"(i) $247 million during fiscal year 1999;

"(ii) $271 million during fiscal year 2000;

"(iii) $299 million during fiscal year 2001;

"(iv) $328 million during fiscal year 2002;

"(v) $361 million during fiscal year 2003;

"(vi) $397 million during fiscal year 2004;

"(vii) $437 million during fiscal year 2005; and

"(viii) $481 million during fiscal year 2006.

"(B) OFFSETTING COLLECTIONS.—Notwithstanding subsections (b), (c) and (d), during fiscal years 1999 through 2006, the balance of any amounts collected pursuant to subsections (b), (c), and (d) which are not deposited as general revenue pursuant to paragraph (A) shall be deposited and credited as offsetting collections to the account providing appropriations to the Commission, to the extent provided for in advance in appropriations Acts. If on the first day of a fiscal year, a regular appropriation to the Commission has not been enacted, the Commission shall continue to collect fees (as offsetting collections) under this subparagraph at the rate in offset during the preceding fiscal year, until such a regular appropriation is enacted."

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 24, 1998.

Hon. GERALD B.H. SOLOMON,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN: As you requested, the Congressional Budget Office has prepared the enclosed cost estimate for draft legislation to amend the Securities Exchange Act of 1934 to provide for an annual limit on the amount of certain fees that may be collected by the Securities and Exchange Commission, as provided by your staff on September 2, 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Mark Hadley.

Sincerely,

JUNE E. O'NEILL.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

DRAFT LEGISLATION TO AMEND THE SECURITIES EXCHANGE ACT OF 1934 TO PROVIDE FOR AN ANNUAL LIMIT ON THE AMOUNT OF CERTAIN FEES WHICH MAY BE COLLECTED BY THE SECURITIES AND EXCHANGE COMMISSION

Under current law, the Securities and Exchange Commission (SEC) charges national securities exchanges, national securities associations, brokers, and dealers transaction fees equal to 1/300 of a percent of the aggregate dollar amount of sales of securities. Fees from national securities associations are subject to appropriation action and are recorded as offsetting collections, which are credited to appropriations as an offset to discretionary spending. Fees from other sources are recorded as revenues (governmental receipts).

The draft legislation would change the budgetary treatment of these fees and would limit the total amount that could be collected each year. It would require that all fees be recorded as revenues until certain annual targets are reached. Once the target for a year is reached, any additional fees would be recorded as offsetting collections. The proposal specifies as the annual revenue targets the amounts of revenues projected under current law in CBO's March 1998 baseline, starting at $247 million for fiscal year 1999 and increasing to $481 million for fiscal year 2006. The draft legislation also would impose annual limits on the total amount of transaction fees collected (that is, the sum of revenues and offsetting collections). These limits would grow from $430 million in 1999 to $661 million in 2006. As under current law, authority to spend the amounts deposited as offsetting collections would be available only to the extent provided in appropriation acts.

CBO estimates that the limits on aggregate SEC fees would reduce total fees collected by the government by about $385 million over the 2000–2003 period, but would probably not affect the amounts of such fees that are recorded as revenues over that period. They would, however, reduce the amount of offsetting collections and would thereby necessitate higher net appropriations for the SEC, assuming that the agency's gross spending authority is maintained at or near its 1998 level of $283 million.

For purposes of this estimate, CBO assumes that the draft legislation will be enacted near the start of fiscal year 1999 and prior to enactment of the 1999 appropriation for the SEC. The proposal could decrease revenues, if revenues (as defined under current law) would otherwise exceed the annual caps on transaction fees specified in the draft legislation. However, CBO estimates that the proposal would probably not affect revenues—at least for fiscal years 1999 through 2003—because the cap on total fees in each year is significantly above the CBO baseline projections for revenues. (For example, the cap in 2003 is $511 million, while CBO projects revenues under current law of $361 million in that year.)

The caps on total fees would effectively limit offsetting collections in 1999 to CBO's baseline projection. Starting in 2000, the caps would gradually reduce offsetting collections, so that by 2006 such collections would be $176 million less than the CBO baseline projection for that year. The following table shows CBO's estimates of fee collections under current law as well as under the Solomon proposal.

SEC FEES UNDER CURRENT LAW AND THE SOLOMON PROPOSAL

[By fiscal year, in millions of dollars]

Fiscal Year	CBO Baseline Projections			Under Draft Legislation			Estimated Change in Total Fees
	Revenues	Offsetting Collections	Total	Revenues	Offsetting Collections	Total	
1999	247	183	430	247	183	430	0
2000	271	201	473	271	125	396	−77
2001	299	221	520	299	135	434	−86
2002	328	244	572	328	140	468	−104
2003	361	268	629	361	150	511	−118
2004	397	295	692	397	160	557	−135
2005	437	324	761	437	170	607	−154
2006	481	357	837	481	180	661	−176

To implement the draft legislation, the SEC would need to upgrade its fee tracking systems, but CBO estimates that this would not have a significant impact on the federal budget. Any such impact would be subject to appropriation action.

Because the draft legislation could affect governmental receipts, pay-as-you-go procedures would apply, but CBO estimates that it would have no effect on revenues for any year over the 1999–2003 period (the years for which pay-as-you-go procedures apply). Moreover, the proposal would not affect direct spending. The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would have no significant impact on the budgets of state, local, or tribal governments.

The CBO staff contact is Mark Hadley, who can be reached at 226–2860. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.

SENATE—*Friday, October 2, 1998*

The Senate met at 9:29 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we hear again the question You put before Solomon: "Ask! What shall I give you?" Suddenly we are challenged to identify our deepest need. We agree with Solomon's response when he asked for an understanding heart, one that listens to You and responds to Your guidance. Help us to listen attentively to You. A cacophony of other voices often limits our ability to hear what You have to say about the issues we face. We really need to hear the assurance You gave to Solomon and claim it for ourselves. "See, I have given you a wise and listening heart." We urgently need that gift coupled with the gift of courage to follow Your direction.

Father, continue to bless the women and men of this Senate as they humble themselves, confess their need to hear Your voice in their souls, and give dynamic leadership to our Nation at this crucial time. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator MCCAIN, is recognized.

SCHEDULE

Mr. McCAIN. Mr. President, this morning, the pending business will be S. 442, the Internet tax bill. An agreement has been reached on the bill allowing for relevant amendments, with the addition of a Bumpers amendment regarding catalog sales. Rollcall votes are expected during today's session on or in relation to amendments offered to the Internet bill or possibly an executive nomination. In either case, the first rollcall vote today will occur by 10:30 a.m.

Members are reminded that a cloture motion was filed yesterday on the motion to proceed to H.R. 10, the financial services bill. That vote will occur at 5:30 p.m. on Monday, October 5. Also, during Monday's session the Senate may consider any available appropriations conference reports. Therefore, further votes could occur following the 5:30 cloture on Monday. I thank my colleagues for their attention.

MEASURES PLACED ON CALENDAR—S. 2529

Mr. McCAIN. Mr. President, there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2529) entitled the "Patients' Bill of Rights Act of 1998."

Mr. McCAIN. Mr. President, I object to further proceedings on this bill.

The PRESIDING OFFICER. Objection is heard and the bill will be placed on the calendar.

MEASURE PLACED ON CALENDAR—S.J. RES. 59

Mr. McCAIN. I understand there is also a Senate joint resolution at the desk awaiting its second reading.

The PRESIDING OFFICER. The clerk will report the joint resolution.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 59) to provide for a balanced budget constitutional amendment that prohibits the use of Social Security surpluses to achieve compliance.

Mr. McCAIN. I object to further consideration of this matter at this time.

The PRESIDING OFFICER. The joint resolution will be placed on the calendar.

INTERNET TAX FREEDOM ACT

The PRESIDING OFFICER (Mr. ALLARD). The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 442) to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the committee amendments reported by the Finance and the Commerce Committees are agreed to. The bill is considered original text for the purpose of further amendment.

Who seeks recognition?

Mr. McCAIN. Mr. President, I am pleased that the Senate is today beginning debate on S. 442, the Internet Tax Freedom Act. Shortly, Senator BUMPERS will come to the floor to propose his amendment, and we expect further amendments following that.

Before I summarize the bill, I want to note for the record the importance of this measure. The reality is that this bill could determine the fate of electronic commerce. Without it, the economic revolution we are hoping for may never take place. Without it, electronic commerce may—and we are in fact seeing this occur—be hampered by politicians who see it as not as revolutionary, but as a source of new tax revenue.

First, I want to commend Senator WYDEN for his extraordinary leadership in moving this legislation forward. He kept all of the interested parties at the negotiating table when on many occasions it appeared as though we were at an impasse. After months of hard work and determination, we have come much closer to appeasing the National Governors' Association and other state and local organizations. Without Senator WYDEN's assistance, the bill may never have made it this far.

This bill will do the following: It would prohibit state and local governments from imposing any Internet access tax, bit tax or any multiple or discriminatory tax on electronic commerce for a two-year period.

The bill would establish a 16 member Advisory Commission on Electronic Commerce comprised of 4 Federal representatives (the Secretaries of Commerce, State, Treasury and USTR); 6 representatives of State and local government, as well as 6 representatives of electronic industry and consumer groups, all to be appointed by the Speaker of the House, the House Minority Leader, and the Senate Majority and Minority Leaders.

The Commission would exist for 18 months to study and develop policy recommendations on the appropriate domestic and international taxation and tariff treatment of transactions using the Internet, Internet access, and other comparable or international sales. The Commission's findings and any legislative recommendations are required to be transmitted to the Congress within 18 months after the bill's enactment.

The bill also includes a sense of the Congress that there should be no new federal taxes on the Internet; a requirement that electronic commerce be examined as part of USTR's annual trade estimates report; a declaration that the Internet should be free of foreign tariffs and other barriers; and a provision stating that nothing in this bill is intended to affect implementation of the 1996 Telecommunications Act.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Mr. President, we find ourselves at a critical juncture in the evolution of our economy and our society. The information technology industry, driven by the growth of the Internet, is connecting people and businesses around the world in ways we never dreamed possible.

At this critical juncture, we are faced with a choice. We can choose to hamper the growth of this vital medium by imposing old ways of thinking that just do not apply. Or we can seek new principles to govern in this new era of ubiquitous access to information, people, products, and services.

Mr. President, I hope that Congress will take this opportunity to establish new principles and ways of thinking and governing that will allow this vibrant medium to grow and flourish.

I believe we must embrace three fundamental principles: There must be no piecemeal regulation of the Internet, a medium with interstate and global reach. There must be no discrimination between goods sold over the Internet and goods sold by other means. There must be no tax on the right to access information.

The vast potential of the Internet can no longer be denied. According to one recently released research report, it took radio almost 40 years to reach 50 million listeners in the United States, while broadcast and cable television took about 13 and 10 years, respectively, to reach that many viewers. The number of Internet users in the U.S. reached 50 million users in just five years.

By the end of 1998, an estimated 100 million users will be connected worldwide. Some estimate that the Internet will soon reach 500 million users—nearing universal connectivity and access.

According to a recent Business Week article, online sales are expected to reach nearly $5 billion this year—double that of 1997. From computer software and airplane tickets to cars and investing, people are taking advantage of the Internet in new ways each day.

Now is not the time to allow complicated and unadministrable taxes to kill the tremendous potential of electronic commerce.

The Internet is creating tremendous value for business as well as consumers. The innovative use of the internet enables thousands of businesses—big and small—to establish internal networks, or intranets, that link geographically dispersed workers and information within an enterprise. Lockheed Martin and Boeing Aircraft collaborating over an Intranet developed the Darkstar aircraft in 11 months with 50 people, a process that would normally require hundreds of designers and years of work.

But a business need not be the sizer of a Lockheed Martin or a Boeing to utilize the advantages of the Internet. With the Internet, even small local companies can obtain a global reach that would otherwise have been unthinkable. A small supply company in Pennsylvania, the Lehigh Valley Safety Supply Company, realized a 150 percent increase in revenue when they placed 50 of their items for sale on the Internet.

Given the tremendous potential of the Internet, I see no reason for partisanship on an issue which is so vitally important to the future of America. I know we are in agreement that we want to see the Internet grow and expand. Everyone, including the experts, is astonished at how quickly the Internet has grown. Literally, every expert who has studied this industry has underestimated the growth that has taken place in the past few years. So it is very likely that they are underestimating the dramatic changes and growth that we will see in the future.

That is why we need a moratorium on Internet taxation as proposed in the Internet Tax Freedom Act. This bill will allow the various experts from industry and government to sit down and do the difficult work of determining how the Internet is different from other media and under what circumstances it should be taxed.

The time to act is now. Over the last several months, individuals representing government, consumers, and industry have been working tirelessly to make this a bill that achieves the goal of a temporary moratorium on confusing Internet taxing schemes while preserving the states' rights to continue collecting taxes. Those states that have been collecting Internet access taxes have been specifically grandfathered in the amendment that Senator WYDEN and I offer today so they can continue to collect those taxes during the moratorium.

The Commission created by this bill will address the issues of how the Internet and all remote commerce should be taxed. This Commission will make recommendations to Congress on how best to proceed. By working to create a clear taxing scheme for the Internet, we will continue to set an example for the world on how to nurture this vibrant medium.

Mr. President, the Internet Tax Freedom Act will allow the Internet to continue to develop and ultimately reach its full potential. Given the importance of this goal to consumers, businesses, and our global economy, I urge my colleagues to support this legislation.

Mr. President, on September 4, we received "An Open Letter To Congress" in support of the Internet tax moratorium legislation. It is paid for by the National Taxpayers Union, American Conservative Union, American Council of the Blind, American Legislative Exchange Council—some 60 organizations.

Mr. President, I ask unanimous consent this be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO CONGRESS

SEPTEMBER 4, 1998

Congress is considering various versions of Internet tax moratorium legislation. Some Members are attempting to add an issue onto these bills which we oppose. We, the undersigned organizations, oppose efforts to force vendors to collect out-of-state sales taxes when they do not have any physical presence in a state. This position is consistent with the landmark *Quill* decision by the Supreme Court, which we support.

The laudable goal behind Internet tax moratorium legislation is to create a no-new-taxes moratorium for the Internet. It would be ironic, to say the least, if Congress added a provision to this legislation that even raises the possibility for businesses, many of them quite small, to become tax collectors for the government.

Americans now pay more in taxes than they do for food, clothing, shelter, and transportation combined. The members of our organizations, like all Americans, already pay enough taxes. Some of our members are home bound, or otherwise lack the ability to visit retail stores. They like to shop at home. We strongly urge you not to add the out-of-state sales tax issue to Internet moratorium legislation.

Sincerely,

National Taxpayers Union; 60 Plus Association; American Conservative Union; American Council of the Blind; American Legislative Exchange Council; Americans for Hope, Growth and Opportunity; Americans for Tax Reform; Association of Concerned Taxpayers; Christian Coalition; Citizens for a Sound Economy; Coalitions for America; Council for Affordable Health Insurance; Council for Citizens Against Government Waste; Empower America; Food Distributors International; Independent Insurance Agents of America.

Bill Price, Independent Living for the Handicapped; National Association for Home Care; National Association of Manufacturers; National Association of People with AIDs; National Association of Wholesaler-Distributors; National Federation of Nonprofits; National Grange; National Tax Limitation Committee; Seniors Coalition; Small Business Survival Committee; United Seniors Association; Vietnam Veterans of America; Women for Tax Reform.

CLOTURE MOTION

Mr. McCAIN. Mr. President, in an effort to conclude this bill in a timely fashion, and with appropriations bills and other important legislation waiting in the wings for Senate action, I sent a cloture motion to the desk to S. 442, the Internet tax bill.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on Calendar No. 509, S. 442, the Internet tax bill:

Trent Lott, John McCain, Wayne Allard, Connie Mack, Gordon Smith, Paul

Coverdell, Spencer Abraham, Mike DeWine, Conrad Burns, James Inhofe, Judd Gregg, Rod Grams, Craig Thomas, Olympia Snowe, Rick Santorum, and Larry E. Craig.

Mr. MCCAIN. For the information of all Senators, this cloture vote will occur on Tuesday, or if cloture is invoked on the motion to proceed to H.R. 10, the financial modernization bill, then this cloture vote will occur immediately following the adoption of the motion to proceed to H.R. 10. All Members will be notified as to the exact time.

I now ask unanimous consent the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Mr. President, we expect Senator BUMPERS momentarily to propose his amendment. We would like to have a vote on that amendment as soon as Senator BUMPERS is able to describe that amendment adequately. We will have a rather brief response.

I thank Senator DORGAN for his continued efforts to reach a compromise on some of the differences we have had, as well as Senator GRAHAM of Florida and Senator GREGG of New Hampshire. We are close to agreement on several issues. I hope we can dispatch this legislation in an orderly fashion without having to go to cloture. It is just not something that we enjoy doing, because it prevents people, over time, from getting the attention to their amendments that they deserve. So I hope we will have an agreement and not have to have a cloture vote, and conclude this legislation as soon as possible.

Again, I thank Senator DORGAN. I yield the floor knowing that the Senator from Oregon has some important comments. I hope all of us understand as soon as Senator BUMPERS gets here we will move to his amendment as quickly as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, first let me thank the chairman of the full committee, Senator MCCAIN. I introduced S. 442 in March of 1997. Chairman MCCAIN and his staff have worked almost nonstop with me since that time to try to put together a bipartisan bill. I thank Chairman MCCAIN for all of these efforts. I share his views. We are anxious to get to the Bumpers amendment this morning. I have a few brief comments and, hopefully, we will be able to move to that expeditiously.

If ever there was an issue that called out for treatment as interstate commerce, it is the Internet. The Internet, as we all know, knows no boundaries—not Federal boundaries, not State boundaries, in effect not even global boundaries. But what we have tried to do in our efforts over the last few months, and we have done it through more than 30 separate changes, is try to be fair to all parties—the States that are trying to look thoughtfully at the ground rules for the new economy and small businesses who overwhelmingly have endorsed this legislation. For the small businesses, the Internet is a chance to compete with the Wal-Marts and other big guys because geography becomes irrelevant. So, small businesses have supported it. I think that is why we have fashioned a bill with so much bipartisan support.

The essence of this bill is that in the 21st century the new digital economy should be built on the principle of technological neutrality. The Internet should get no preference, nor should the Internet be the target of selective discrimination. Unfortunately, around the country we have seen instances, for example, where if you purchase a newspaper the traditional way, what is called snail mail, it is sent to you in your home and you pay no tax. But if you subscribe to the same newspaper via the Internet, you pay a hefty tax as a result.

Depending on what State you are in, electronic commerce may be taxed as a telecommunications service, computer service, information service, or some combination, and there are different rates around the country. My concern has long been that if a significant number of the 30,000 taxing jurisdictions in America all decide to take a bite out of the Internet, or if we have 50 States going at it individually, the Internet is going to look like Dodge City before the marshals showed up.

Chairman MCCAIN was very right, that Internet growth is going to be enormous. There is a fair amount of Internet commerce going on today, but it is going to grow dramatically in the years ahead. That is why in our legislation we seek to come up with some ground rules for the new economy, and to do it before we have to react to critical problems.

I submit the greatest beneficiaries of this legislation are not the affluent and the powerful. The affluent and the powerful have lots of tax lawyers and specialists who, if they run up against a crazy quilt of taxes on the Internet, they are not going to have any problem using all of their legions of tax specialists to deal with that kind of situation. The people who are really going to benefit from this legislation are folks like home-based businesses, one of the fastest growing sectors of our economy. My home State of Oregon has more than 100,000 home-based businesses, and in meeting with them, many of them have said that electronic commerce is the key to their survival.

For rural communities and at-home parents and disabled individuals, the online world is a gateway to economic opportunity. If somebody in a rural community has a home-based business, for example, selling fruit or jam or something of this nature, I cannot believe that there is a single Member of the U.S. Senate who would want to subject that kind of person to a score of different taxes. I don't think there is a Senator who would want to do that. That is why we have this legislation before the Senate today, to come up with a set of ground rules.

Mr. President, here is the kind of example we are going to be talking about: If the present Senator in the chair wants to send a gift basket from Harry and David's in Medford, OR, to his cousin, say, in Florida, paying for it with a bank card in New York, using America Online in Virginia, how many jurisdictions would have the opportunity to impose a tax on that kind of transaction?

There really are no ground rules for that sort of thing today, and if there were to be a hodgepodge of large, new taxes on electronic commerce, it would be especially punitive on those folks in rural States, like Colorado and Oregon. That is one of the reasons that I and Senator MCCAIN and others who have worked on this legislation have sought to bring this to the floor expeditiously.

I would like to take a minute to explain exactly what is in the bill and what is before the Senate.

First, the legislation is not going to preempt existing State and local taxes as long as they are technologically neutral. What that means is, if the authority is there for someone to pay a 5-percent sales tax when they buy a sweater in a particular jurisdiction, under the Internet tax freedom proposal, they will pay exactly the same kind of tax if they order it on the Internet.

States that impose and enforce taxes on Internet access in place today are going to be able to keep them. None of the States that tax Internet access today actually has a law on the books that expressly authorizes the taxation of Internet access, but as we heard in the hearings before the Commerce Committee, there are a variety of problems already cropping up as a result of administrative rulings and reinterpretations of existing law.

In fact, there is one major firm, Vertex, which has tried to sort through the status at the State level of how the Internet is being taxed. In a number of States, they basically said that they couldn't give a clear answer, but if anybody was interested in doing a business deal, a deal involving electronic commerce that touched on that particular State, they would be wise to get a consultation.

The legislation will not allow any State to attempt to impose or assess or attempt to collect a tax on Internet access after October 1, 1998, unless it already had done that with a tax in effect.

It is very clear that we are trying to be sensitive to the laws in place and the concerns of the States, but at the same time making sure that there is not going to be an opportunity for discriminatory taxes on electronic commerce.

In effect, what this legislation does is it ensures a timeout so that the commission of experts called for in the legislation can study these complicated questions and make sound policy recommendations to the Congress. But during that time, we take steps that we believe will be critically important to the development of electronic commerce as it relates to the smallest concerns in America. For example, the legislation assures that a web site is treated exactly like a mail-order catalog for purposes of interstate sales, so the taxing jurisdiction cannot attempt to impose a tax on a web site with respect to an out-of-State computer server.

The fact is, the online world is racing past outdated policies. The ground rules that we seek to establish here are just the beginning of what I think is going to be needed for the digital economy.

We have begun to debate in the Commerce Committee a variety of other issues. Yesterday, an important bill of Senator BRYAN's was passed dealing with online privacy concerns as they relate to children. We may hear more about that before the end of the session, but I think that with this legislation we will begin to get the common definitions, the more clearly defined principles and standards, that are going to be essential for Internet commerce to go forward.

Recently, I was home and met with some small businesses, and one of them said that he was very excited about the work that we were doing on this legislation. He said: "Just understand that I am not going to be able to grow my Internet business if there are 30,000 taxing jurisdictions all with their hands in our pocket."

The American taxpayers made it clear of late how they regard the IRS. If we were to have thousands of small jurisdictions collecting Internet taxes, I think that the concern we would have with respect to the IRS would be multiplied many times over at the thought of thousands of mini-IRS-taxing authorities collecting Internet taxes.

I see that Senator BUMPERS has arrived. I want to say, as Senator BUMPERS comes to the floor and prepares his amendment, that I have agreed with him on a great many concerns over the years. I have agreed with Senator BUMPERS about Social Security and the many times that he has led this body to take on spending boondoggles, environmental concerns, and the like. We don't happen to agree on this issue. I think it would be a mistake to let each State have its own sales tax arrangement for the Internet. It would certainly jack up taxes dramatically on the 100,000 home-based businesses in my State and the thousands of others across the country. I do think that if we have the States going off in their own directions, we do run the real risk of having the Internet look like Dodge City before the marshals showed up.

I will conclude by way of saying that Senator BUMPERS has worked very closely with this Senator, knowing that it is particularly important to me. We have gotten agreement on a number of key questions, and that was critical to getting the legislation to the floor.

I want the Senator to know that he is going to be somebody whom this Senator will miss very, very much next year when I cannot look over and see Senator BUMPERS and get his counsel on everything from Social Security to spending boondoggles. I thank him, because he has been aware that this legislation has been a priority of mine. I know he has strong feelings about it, and he was gracious enough to let it come forward and let us get these matters resolved. I express my appreciation to Senator BUMPERS.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I have not made an opening statement on this piece of legislation. I will do that at some future point. I want to allow the Senator from Arkansas to proceed with his amendment. I will, at some more convenient time, make an opening statement.

I have some very strong thoughts about a whole range of issues, including the issue that is going to be raised by the Senator from Arkansas.

But I think in an attempt to try to move this along—we want to get to a first vote on this at some point—I will ask the Senator from Arkansas to proceed and then at some point in the proceeding I will make an opening statement.

AMENDMENT NO. 3677

(Purpose: To authorize collection of certain State and local taxes with respect to the sale, delivery, and use of tangible personal property)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. GRAHAM, proposes an amendment numbered 3677.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BUMPERS. Mr. President, first, let me thank my very good friend, my distinguished colleague from the great State of Oregon, Mr. WYDEN, for his very kind and gracious comments. He talked about how he is going to miss me. Rest assured, wherever I am, if he will just raise the window, he can probably hear me.

But on a more serious note, I consider Senator WYDEN to be one of the finest additions to the U.S. Senate in my 24-year tenure here. He is truly becoming a great Senator, but more than anything else he has great values. Great values are the first thing you have to have to be a good Senator. So while I am prepared to leave at the end of this year, Senator WYDEN is one of the Senators I will certainly miss.

Let me just start off by saying, this amendment deals with the rights of States to require mail-order catalog houses to collect sales taxes on merchandise shipped into their States.

L.L. Bean, which does over $1 billion a year, ships a lot of merchandise into my State of Arkansas, as does Lands' End, as does 6,000 or 7,000 other mail-order catalog houses; and they do not pay one cent of tax to the State of Arkansas. They do not pay one cent of tax to any State. And I will tell you why.

In 1967, the Supreme Court said, in the National Bellas Hess v. Department of Revenue case, that States may not require mail-order catalog houses to collect use taxes for them because it violates the due process clause in the Constitution, No. 1, and, No. 2, it violates the interstate commerce clause of the Constitution—finis, end of story.

In 1992, as mail-order catalogs sales began to mushroom in this country, and States could see that their tax base was being eroded—incidentally, we depend on the sales tax in our State for 50 percent of our educational funds—being eroded by this constant stream of catalogs coming into people's homes every day through the mailbox—I have been checking; I have been averaging between 5 and 10 a day for the past year—North Dakota said, "Enough is enough." So they brought a lawsuit that resulted in the Quill decision in 1992.

They tried to get the Supreme Court to reverse the Bellas Hess decision that prohibited States from making mail-order houses collect sales tax. It is called a use tax. It is the same thing, but if it comes from out of State we call it a use tax. And the Supreme Court, in a very rare remarkable case of sanity, said, "We hereby reverse the National Bellas Hess case to the extent that we hold that the requirement of a State to make mail-order houses collect sales taxes on goods coming into their States no longer—no longer—violates the due process clause. However, we are not removing our objection to the fact that we believe the State's right to tax mail-order houses still is a violation of the interstate commerce clause." Now because the Commerce

Clause grants Congress exclusive authority over interstate commerce, Congress may, if it chooses, grant the states the authority to require out-of-state tax collection.

So here we are on October 2, 1998, about my sixth year to try to do something about this patently unfair proposition, asking Congress, please, do not impose a tax. My amendment does not impose a tax on anybody; it does not require the States to impose a tax on anybody. It simply does what the Supreme Court said in 1992 we had a right to do, and that is to give the States the right to require out-of-state sellers to collect sales tax on any goods they ship into that State. And what is wrong with that?

You know, in 1995, I offered this amendment to the unfunded mandates bill, stood right here where I am standing now, made the same speech I am making today. You remember the distinguished Senator from Idaho, Senator KEMPTHORNE, offered the unfunded mandates bill. I never saw as many tears shed in the U.S. Senate in my life as I saw during that debate—crocodile tears, of course—for those poor States and counties and municipalities that the Government was always imposing mandates on. We passed laws, and we said to the States and the counties and the cities, "You have got to do this; you must do that." And it was costing the States "gazillions." They said, "Let's get that old, mean Federal Government off the backs of the States and local governments. And in the future, any time Congress passes a law that mandates that the States and local governments do anything, we will make a computation of what it is going to cost the States to comply with it, and we will send them the money." I did not vote for that. I did not vote for it for a lot of reasons. I am not here to debate that one all over again. That is a done deal.

But the interesting thing is, when I offered this amendment on the unfunded mandates bill, I said, "Here is a mandate that you're imposing on the States by doing nothing. If you're so concerned about the States and local governments, why don't you help them with the biggest unfunded mandate of all?" It is about $4 billion a year we impose on the States by saying, you cannot collect taxes on anybody but the poor old sucker on Main Street who collects the tax on every sale, every bag of groceries, every refrigerator, every automobile, if he happens to live in your hometown or your State.

Yes, I was a Main Street merchant as well as a jackleg lawyer. I had a hardware, furniture and appliance store. And the catalog houses were my biggest competitors, not the guy down the street—the catalog sales. I was President of the Chamber of Commerce.

I arranged for the annual banquet. I was in charge of the Christmas parade. I was on the school board. I did all of those things to make my town a decent place to raise my children. And I made everybody who bought a dollar's worth of goods pay 3, 4 or 5 cents in sales taxes. It went to teachers' salaries. It went to law enforcement, police officers, and to sweep the streets. It went to test the purity of the water we drank. That is what we depended on, the sales tax. But only, of course, if you happen to live there.

Now, think about the fact that mail-order houses in this country are selling over $100 billion worth of goods through the mail. There are a few who collect this tax. Do you know why? Because they know it is right. Ask Senator BENNETT from Utah, a big stockholder and one of the original finders of a big mail-order house called Franklin Quest about collecting use taxes. Don't take my word for it. Ask Senator BENNETT what they did. I will tell you and let him ratify it. They sat around the table and said, "Shall we or shall we not collect sales taxes for the States in which we sell merchandise?" He said they discussed it and they concluded that, as good citizens, they should. And they did. I said, "Bob, when I was chairing the Small Business Committee and held hearings on this subject, they always talked about how complicated and difficult it was because there are 7,000 taxing jurisdictions in this country." He said, "Don't be fooled by that. Every month we push a computer button and it is done. It isn't complicated at all."

Now, 7 or 8 years ago when I started this, that was the principal debate—"It is so complicated. It is just so much paperwork, we can't do it." You rarely hear that argument anymore, since Senator BENNETT came and since I have enlightened this body about what he said. He is immensely respected here.

The NFIB—I don't know where they are now—in 1995, they said only about 35 percent of their people wanted Congress to take this action. I was getting ready to say something unkind, but I won't pursue that any further.

I simply want to say to my colleagues, where do you think this country is headed? The underlying bill is to give all sales on the Internet a free ride. The bill before the Senate is a 2-year moratorium. There will be amendments offered here to extend the moratorium to 3 or 5 years.

Listen to this, colleagues, because as I say, I am not lambasting Senator WYDEN's bill on Internet taxes. I am simply fortifying the argument I want to make on remote sales. That is, right now in 1997 Internet sales were roughly $8 billion. It is now estimated that by the year 2002 Internet sales will be $300 billion. You can buy an automobile on the Internet, no sales tax; you can buy a refrigerator; you can buy your furniture; you can buy anything you want on the Internet.

Now, if we are looking at Internet sales of $300 billion a year by the year 2002, what will they be at the end of 5 years and how much revenue will the States have lost? I ask my colleagues, why in the name of God will you go back home and tell the chamber of commerce your heart is in the right place, you are for small business, you are for Main Street merchants, and turn right around and put them at a hopeless, competitive disadvantage? Why? Why should I organize the Christmas parade, pay my taxes to go to the schools, taxes for law enforcement, the fire department, while other people ship 4 million tons of catalogs into the States for them to dispose of?

Ask any mayor, any Governor, what is their biggest headache? Almost invariably, it will come back, "We need more money." Secondly, "Our biggest headache is the landfill." Not only do states have to dispose of 4 million tons of catalogs, they also have to handle the boxes and the crates that the merchandise comes in. How can the catalog people tell us, "We don't cause a burden. We are no burden to the local jurisdictions. Why do you want to tax us? We don't send our children to school in Charleston, AR. Why should we pay sales taxes?"

I will tell you precisely why they should. Because the revenue base of the States and local jurisdictions of this country is being eroded to the point where it will wind up being about half of what it is right now or less. Let me ask you a better question: Why shouldn't they pay a sales tax and compete with the people who live in those communities that have to pay taxes? It is a mystery to me.

I don't take on these causes that I continue to lose for the fun of it. I take them on because I feel strongly about them. In 1995, the Senator from Maine, Mr. Cohen—who is now Secretary of Defense—and I got into a debate here. They said the Finance Committee had not even held a hearing. Of course, the Finance Committee hadn't held a hearing, the chairman of the Finance Committee doesn't favor this bill.

Do you know something else? Somebody else said, let's study this. That is always the way out, "Let's study it." For 7 years on the mining laws, they said we need to study this. We have been studying the mining laws since 1872, and the law is still fully intact, just as crass, just as base, just as unfair now as it was in 1872, and we are still studying it.

We will study this some more. Somebody will make the suggestion, "We have to study this. We don't know what the full impact of it is."

Let me shift gears a moment to another item, and this is always shocking to anybody you tell it to. Unhappily, most things said on the U.S. Senate floor don't get any higher than the dome here. Nobody hears it. Forty-five

States in this country have a use tax. Arkansas has one. It says to L.L. Bean, if you ship merchandise into Arkansas, the person you sell it to is liable for the Arkansas use tax. It is the same thing as a sales tax. In my State, it is 5 percent.

How many people in Arkansas do you think realize that when they buy something from a remote seller, they are responsible for that use tax? Maybe about 1 in 200,000. Nobody knows it. Yet, 45 States have it. Just 10 to 15 States—I forget which number—but it was 10 in 1995; so it is maybe 15 or 20 by now—have laws that say you must report on your State income tax whether or not you bought anything from out of State.

Now, the State of Maine does something that is really unique and, in my opinion, patently unconstitutional. If you live in Maine, when you fill out your income tax return, there is a line that says, "Did you buy anything from out of State?" You put in "yes" or "no," and if the answer is yes, you put the amount down.

Let's assume you bought some furniture for $1,000. I don't know what the sales tax is in Maine, but if it is 5 percent, you are liable for $50. "Please multiply 5 percent times the amount you bought." And so everybody kind of routinely ignores that because they don't want to pay it and they don't have to admit that they bought anything from out of State.

So do you know what else Maine does? They say that if this line is empty and you don't report having bought anything out of State from a mail-order house, please multiply .0366 times whatever your income is. If you make $30,000 a year, you put $11 on that line.

As I say, in my opinion, that is powerfully unconstitutionally. That is a tax that nobody ought to have to pay, and it is the wrong way to do it. A lot of people get rude awakenings. One couple from Florida went up to North Carolina because they saw this big catalog saying, "Buy your furniture at the factory in North Carolina and pay no sales tax." Not many people do this anymore. When I started in on this issue years ago, it was very common. Or, "Buy your tile or your linoleum for your kitchen from"—such-and-such—"no sales tax."

So this couple went from Florida to North Carolina and bought $25,000 to $35,000 worth of furniture. Later on, the North Carolina furniture company is audited and they find that they have sold this couple in Florida, as well as couples in a lot of other places, $25,000 worth of furniture. They notify Florida, and Florida calls these people up and say, "You owe us $1,000," or whatever it is. Now, that is a rude awakening, isn't it? You thought you bought something that was tax free and you find out, to your regret, that you didn't.

Well, Mr. President, I have just been handed a note that the majority leader wants to have a vote. Frankly, I don't like being interrupted in the middle of a debate. It is nothing but a bed check vote. But the majority leader apparently wants the floor by 10:30 and they want me to yield the floor. I got a note that I was going to yield so that Senator LEAHY and somebody else could talk about a judicial nomination. I don't see Senator LEAHY here. I don't see Senator HATCH here. Neither one of them is half as entertaining as I am either.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider Executive Calendar No. 529, the nomination of Sonia Sotomayor to be a U.S. circuit judge for the second circuit.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF SONIA SOTOMAYOR, OF NEW YORK, TO BE A UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT

The legislative clerk read the nomination of Sonia Sotomayor, of New York, to be a United States Circuit Judge for the Second Circuit.

Mr. McCAIN. Mr. President, I ask unanimous consent that there be 20 minutes for debate equally divided in the usual form. I further ask consent that following the debate the Senate proceed immediately to a vote on the confirmation of the nomination. I finally ask consent that following that vote the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I ask for the yeas and nays on the nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, the chairman of the Judiciary Committee is delayed in a committee of conference, but I understand that he has no objection to this side beginning on this nomination. I also notify colleagues that if we reach a point where neither side has further members wishing to speak on the nomination, it is going to be the intention of the managers to yield back whatever time we have. I mention that so that people understand that it is possible that this rollcall may occur sooner than 20 minutes from now.

Mr. President, at long last, this day has finally arrived. Senate confirmation of Judge Sonia Sotomayor has been stalled for 7 long months without any explanation or justification. I have spoken on behalf of this outstanding nominee more than a dozen times. In fact, the most recent time was Monday of this week. I hope that now those who have had the secret hold on this nomination will come forth and claim "credit" for preventing this qualified nominee from helping end the emergency that has confronted the Second Circuit since March. Throughout all the time that there have been secret holds that have kept her nomination from going forward, she has been denied her rightful seniority on the court as others have gone forward. It has not been the Senate's finest hour.

I recall the glowing statement of support from Senator MOYNIHAN to the Judiciary Committee at her hearing back in September 1997, a year ago. I appreciate, as well, the strong statement Senator MOYNIHAN made to the Senate on behalf of this outstanding nominee this summer when her nomination was being stalled. I very much appreciate the efforts he has made on behalf of this outstanding nominee. He has been persistent in his support and in seeking to bring this nomination to the floor without delay. As members of the minority party, that has been a very, very difficult task.

Along with a number of Senators, I wrote to the majority leader on April 9, 1998, urging "prompt and favorable action on the nomination of Judge Sonia Sotomayor." We noted then the judicial emergency that had to be declared by Chief Judge Winter of the Second Circuit. Since March 23, he has had to cancel hearings and proceed with three-judge appellate panels that contain only one Second Circuit judge. That crisis is continuing.

What is happening is when they have these three-judge panels, only one of the judges is from the Second Circuit. They have to bring judges from elsewhere, or retired judges to hear cases. Judge Sonia Sotomayor's nomination has taken over 15 months in spite of the emergency that plagues the Second Circuit.

We have seen the strong support for this nominee from the Congressional Hispanic Caucus and from the Puerto Rican Bar Association, the Hispanic

National Bar Association, and many other bar associations around the country. We have received literally thousands of letters of support for this nominee.

Late this summer, a column in the Wall Street Journal noted that Judge Sotomayor was being held up on the Republican side of the aisle because of speculation that she might one day be considered by President Clinton for nomination to the United States Supreme Court. This was confirmed by a report in the New York Times on June 14.

As I said earlier, this has not been the Senate's finest hour.

How disturbing and how shameful: trying to disqualify an outstanding Hispanic woman judge by an anonymous hold. Here is a highly-qualified Hispanic woman judge who should have been confirmed to help end the crisis in the Second Circuit more than seven months ago.

How petty, how mean, how wrong to cost this judge the seniority she should have had on the Second Circuit by someone anonymously holding her up on the other side of the aisle.

I note very clearly for the RECORD that every time the question of her nomination came forth, it has been made clear that every single Democrat said they were prepared to go forward with her nomination. Every single Democrat said they would vote for her.

When she is confirmed as I fully expect she will be, she will be only the second woman and second judge of Puerto Rican descent to serve on the Second Circuit. Judge Sotomayor is a source of pride to Puerto Rican and other Hispanic supporters and to women everywhere.

Judge Sotomayor is a highly qualified nominee who was confirmed to the United States District Court for the Southern District of New York in 1992 after being nominated by President Bush. She rose from a housing project in the Bronx to attend Princeton University and Yale Law School. She worked for over four years in the New York District Attorney's Office as an Assistant District Attorney and was in private practice with Pavia & Harcourt in New York.

She has been a fine District Court Judge. It was Judge Sotomayor who issued a key decision in 1995 that brought an end to the work stoppage in major league baseball. She applies the law. In this, as in her other decisions, Judge Sotomayor followed the law. That is what judges are supposed to do. There is no basis for a charge that she is or will be a judicial activist.

In his annual report on the judiciary this year on new Year's Day, the Chief Justice of the United States Supreme Court observed: "Some current nominees have been waiting a considerable time for a Senate Judiciary Committee vote or a final floor vote.* * * "The Senate is surely under no obligation to confirm any particular nominee, but after the necessary time for inquiry it should vote him up or vote him down."

Acting to fill judicial vacancies is a constitutional duty that the Senate—and all of its members—are obligated to fulfill. In its unprecedented slowdown in the handling of nominees in the 104th and 105th Congresses, the Senate is shirking its duty. When those nominees are women or members of racial or ethnic minorities, this is especially disturbing.

Today, after holding this nomination for seven months on the Senate calendar, the Senate will finally get a chance to vote on the nomination of Judge Sonia Sotomayor to the Second Circuit. I look forward to our taking action to confirm this outstanding nominee.

Mr. President, obviously I am not going to put this in the RECORD. But I would just note that this two-foot stack of papers contains some of the letters from distinguished lawyers and distinguished bar associations from all over this country—from prosecutors and defense attorneys alike; from people who do appellate work and those who do not; from every spectrum of the bar. These are all letters from people who support the nomination of Judge Sotomayor. These are people who can now finally get a response, a response indicating that this superb candidate is finally being considered by the Senate, that the anonymous holds are no longer being allowed to restrain her nomination, and that the Senate finally walked out into the daylight to vote. I have every confidence that vote will be a favorable one and that she will finally be confirmed—even though she was unjustly denied the seniority she would have gotten had the confirmation gone forward on schedule.

Mr. President, I understand there is no one else seeking to speak on either side. And I have been told by the Republican side that I have permission to yield back their time. I yield their time. I yield our time. We are prepared to vote.

The PRESIDING OFFICER. All time having been yielded, the question is, Will the Senate advise and consent to the nomination of Sonia Sotomayor of New York to be the United State Circuit Judge for the Second Circuit? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri (Mr. BOND) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Illinois (Ms. MOSELEY-BRAUN) are necessarily absent.

The PRESIDING OFFICER (Mr. FRIST). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 68, nays 28, as follows:

[Rollcall Vote No. 295 Ex.]

YEAS—68

Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Durbin
Feingold
Feinstein
Ford
Frist
Graham
Grams
Gregg
Harkin
Hatch
Helms
Inouye
Jeffords
Johnson
Kennedy
Kerrey
Kerry
Kohl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mikulski
Moynihan
Murkowski
Murray
Nickles
Reed
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Smith (OR)
Snowe
Specter
Stevens
Torricelli
Warner
Wellstone
Wyden

NAYS—28

Abraham
Allard
Ashcroft
Brownback
Burns
Coverdell
Craig
Enzi
Faircloth
Gorton
Gramm
Grassley
Hagel
Hutchinson
Hutchison
Inhofe
Kempthorne
Kyl
Lott
McCain
McConnell
Roberts
Sessions
Shelby
Smith (NH)
Thomas
Thompson
Thurmond

NOT VOTING—4

Bond
Glenn
Hollings
Moseley-Braun

The nomination was confirmed.

The PRESIDING OFFICER. Under the previous order, the motion to reconsider is laid on the table and the President will be notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. BURNS. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

INTERNET TAX FREEDOM ACT

The Senate continued with the consideration of the bill.

Mr. MCCAIN. Mr. President, what is the parliamentary situation?

AMENDMENT NO. 3677

The PRESIDING OFFICER. The Senate is considering the bill, S. 442, and the amendment offered by the Senator from Arkansas is the pending question.

Mr. MCCAIN. Mr. President, I am going to propound a unanimous consent request for a time agreement so that Members can know when the next vote will take place. I thank my colleagues for their cooperation. Perhaps not all time will be used.

I ask unanimous consent that prior to the vote on the Bumpers amendment, the following time be allocated: 10 minutes for Senator DORGAN, 10 minutes for Senator BUMPERS, 10 minutes for Senator GRAHAM of Florida, 10 minutes for Senator SNOWE and 5 minutes equally divided between Senator MCCAIN and Senator WYDEN.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, and I shall not object, I want to include, if it is agreeable with the manager, 2 minutes for the distinguished Senator from New York to speak on the previous nomination.

Mr. MCCAIN. Will the Senator repeat that?

The PRESIDING OFFICER. Will the Senator repeat the request? Can we have all extraneous conversations taken to the Cloakroom?

Mr. BUMPERS. I suggest to the distinguished floor manager that I will not object to his request, but I want to include 2 minutes immediately for the distinguished Senator from New York to speak on the previous nomination.

Mr. MCCAIN. Mr. President, I ask unanimous consent that prior to resuming debate, the Senator from New York be recognized for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MCCAIN. I understand the unanimous consent request is now agreed to, Mr. President.

The PRESIDING OFFICER. The Senator is correct.

The Senator from New York is recognized.

NOMINATION OF SONIA SOTOMAYOR, OF NEW YORK, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT

Mr. MOYNIHAN. Mr. President, the Senate has just passed an enormous milestone in the composition of the American judiciary with the confirmation of Judge Sonia Sotomayor for the appointment to the second circuit court of appeals. It is a fine day for New York, I might say specifically for the Bronx, a fine day for the judiciary.

I thank our distinguished Judiciary Committee chairman, Senator HATCH, Senator LEAHY, and the majority leader, Mr. LOTT, and his colleague, Mr. DASCHLE, and, of course, my colleague, Senator D'AMATO.

It was 7 years ago in March that I had the honor to nominate Sonia Sotomayor to serve on the southern district of New York. President Bush placed her name in nomination, and she was sworn in directly on October 1992. Her subsequent experience on the bench has been admirable. In 5½ years, she has presided over 500 cases and has been overturned only 6 times. She has presided over cases of enormous complexity with skill and confidence that would befit the editor of the Yale Law Journal and a person who rose from the most simple circumstances in south Bronx to the eminence she is now assured.

I thank the Senate, I thank all those involved, and I thank, not least, my friend from Arkansas for yielding me this time.

INTERNET TAX FREEDOM ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 3677

Mr. BUMPERS. Mr. President, let me remind my colleagues of a very simple fact. Don't vote against this amendment because you want to go home and tell your constituents that it imposes a new tax. It does not. For all of you people, when we talked about unfunded mandates, who talked endlessly about States rights, this is a classic States rights issue. If you vote against my amendment, you are saying to the States: We don't trust you; we are not going to let you collect new taxes on remote sales; we are going to stand by while your tax base is eroded, while you try to raise property taxes in order to pay for schools, but we simply cannot trust you and, therefore, we are not going to give you the authority.

I am telling you—I do not know how I can say it more dramatically, more graphically—as a former Main Street merchant, I can tell you it is patently unfair to make the people of my State and your States make Main Street merchants collect sales tax on every single dime they take in, but if you want to move just across the State line and ship it back into the State, you can do it and not charge any sales tax.

I had a cousin who bought a fur coat in New York. The clerk said, "You sound like you're southern." She said, "I am. I'm from Little Rock." The clerk said, "Why don't you let us mail this coat to you? That way you won't have to pay this $100 or $300"—whatever it was—"in sales tax." She said, "Fine. Just mail it to me." That is the kind of thing that is going on, and it is going to continue to go on.

On your desk, in about 10 minutes, you will find the list of people in this country who strongly favor the Bumpers amendment. You know who they are? They are the Governors; they are the mayors; they are the city councils; they are a whole host of Main Street merchant organizations. Look at it before you vote, and figure out what you are going to say to them the next time you address their organizations on why you didn't vote for this amendment. Tell the Governors why their tax base is being eroded.

Mr. President, we exempt in this bill—listen carefully—we exempt every mail-order house in the United States that does less than $3 million a year. That exempts about 89% of the mail-order companies in the United States. My amendment would make the States put in a 1-800 number so any mail-order house that is confused can call the State and find out what that State's rule is. We have a blended rate so that the mail-order house only has to collect one rate and the States will distribute it between the cities and the counties. We have done everything in the world to make this as easy as possible for everybody.

Mr. President, here is an article from the New York Times this morning. There is a copy of the article on every member's desk. This article make all the arguments that I have made here this morning.

Let me tell you one other argument they make that I have not made, and that is that people who buy on the Internet are the wealthiest people in the country. They are the ones who are doing most of the buying, because they have Internet access. So if I am a wealthy person, I have a computer in my home, and I am on-line, this sales tax loophole favors me. The guy making $6 to $10 an hour does not have a computer in his house. He does not know what is available on the Internet. It is another way of discriminating against those who have the least.

Mr. President, I am really sorry that we are in such a rush. I know a lot of people want to catch planes, and I am sympathetic to that. I have been in that situation myself. But I want to say, No. 1, please read the New York Times article; please look at the list of people that will be on your desk in about 5 minutes who support this amendment; and, finally, if you are going to vote against this amendment, please figure out what you are going to say to the mayors and the Governors who have the responsibility of keeping the schools open, who have the responsibility of funding the fire departments, who have the responsibility of funding the police departments, keeping the streets clean, keeping the landfills in compliance with EPA rules, and all the other things that cost "gazillions" of dollars across the country. Ask them why they are not allowed to collect a little tax to at least help pay the landfill for covering up 4 million tons of catalogs a year, if nothing else.

So, Mr. President, I know everybody is in a hurry. And I guess I have said about all I need to say. I see Senator DORGAN on the floor who wants to speak and who has time allocated. So, Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, let me, in just the 10 minutes that I am allotted, make a comment about the amendment offered by Senator BUMPERS and also to comment about the underlying bill.

Senator BUMPERS offers an amendment that I think is very important and one that I intend to vote for and feel is a good amendment. The bill brought to the floor of the Senate, in its original form when it was passed out of the Commerce Committee, was totally unacceptable to me. I voted against it, worked against it, and felt its provisions were counterproductive. But since that time, the Senator from Oregon, Senator WYDEN, Senator MCCAIN, I, and others, have worked together; and the bill that will now be presented—I believe changed also by the managers' amendment—is a piece of legislation that has merit. But I think the legislation will be improved by the amendment offered by the Senator from Arkansas as well.

This legislation is called the Internet Tax Freedom Act. And all of us understand that the information superhighway and new technology mean that commerce in this country is changing. Nowadays, if you want to buy a book, you can walk down to a bookstore someplace and buy a book. You might be able to look in a mail-order catalog and buy a book, or you might be able to go to your computer and buy a book. In either of those cases, you are a consumer purchasing a book.

You can do the same with a saddle, if you happen to ride horses. You can do the same with a car. For that matter, you can do the same with virtually all merchandise these days. And the Internet, used for commerce purposes, is exploding all around us.

The question is: When people are accessing the Internet or, for that matter, a mail-order catalog, or going downtown to make the purchase at a local business, what are the tax consequences? What kind of taxes do they pay? To whom do they pay those taxes? These are important issues.

I am not someone who believes we ought to impede the use of the Internet in any way with punitive taxes. I believe that if there are punitive or discriminatory taxes that would impede the ability of the Internet to serve this country's commerce interests, then let's stop that, let's prevent the States from doing that. I have always said to the Senator from Oregon, who has been a leader on this issue, you and I do not disagree on that score. If there are taxes imposed that are punitive, then I say, stop it. But the other question that is raised by the Senator from Arkansas is a very important question.

Someone decides to start a store on the main street of Fargo, ND, or Little Rock, AR, and they decide to open for business. They rent a place, buy a sign and put it out front. They hire some people to work in the place, get some inventory in, and then they open the door. And they are proud; they have some flowers around for their grand opening. There they are; they are in business. Then someone walks down the street, sees their picture window, goes on in, and buys a product.

When that person buys that product, in Little Rock or in Fargo, ND, that person is going to pay the local retail taxes that are imposed by that State. That is the way it works. That is the way it always works.

Then we see an increase in mail-order sales. What happens with mail-order sales is that someone sends a catalog into the home. The person sitting in a home orders the same products, does not go down to a store to order but just orders it through the mail, and gets those products sold without a sales tax attached. If that State has a 6-percent sales tax, it means that catalog seller has about a 6-percent advantage over the person who has hired the employees, rented the building, and holds himself open for business on Main Street.

The Senator from Arkansas is correct—and I think not many people know this—when the person orders from the mail-order catalog and gets the merchandise, that individual has a responsibility—in almost all the States—to pay a use tax. Most people will never do that because they do not know that requirement exists, don't have the forms to comply in any event, and would not want to fill out a set of forms for 86 cents or $1.86. So the fact is, it does not happen.

Now, add to mail-order catalog sales the question of Internet sales. And what are the tax consequences there? What will be the impact on the Main Street businessperson who is competing with that Internet seller, competing with the mail-order seller? What will be the impact on that Main Street merchant? That is the question that is raised by the Senator from Arkansas. It is a very legitimate question.

I come from the Jeffersonian wing of my political party. The Jeffersonian wing believes, as Thomas Jefferson did, that this country is made strong by broad-based economic ownership. A lot of men and women across this country are in the market system, opening up for business, with a network of small businesses doing business all across America. We ought to be mindful of how those folks on Main Street that are risking all their savings to open their businesses are treated with the tax system. If you are a real person that has a business on Main Street you are treated one way for tax purposes, but if you have a catalog firm or Internet selling operation you are treated a different way.

The Internet Tax Freedom Act, at its roots now, as it has been changed, is an attempt to say we don't want anybody to see this Internet system as some huge peach out there that they can take a big bite out of for tax purposes in a way that is punitive and impedes or retards the growth of Internet. I agree with that.

But the Senator from Arkansas raises another question: Do we want the Internet and/or mail-order sellers to have an advantage over the folks who open their businesses on Main Street with respect to the imposition of State and local taxes? The answer to that ought to be no. This ought to be tax neutral. The whole system ought to be tax neutral. No matter how you are selling your product, you ought not be in a circumstance where you are selling it at an advantage over the person that hired the people, found the location and is open for business on Main Street. That is the point the Senator from Arkansas is making.

This is not a new issue, incidentally, for mail-order catalogs, but it certainly is a new issue with respect to the Internet.

I guess it was probably 7 years ago when I was in the other body serving on the Ways and Means Committee, probably 8 years ago, and got a bill through the subcommittee on the Ways and Means Committee to do just exactly what the Senator from Arkansas is proposing. It was very controversial. It never got beyond the subcommittee. I got the subcommittee to vote it out. But then our committee got millions of post cards from across the mail-order spectrum saying that the attempt here was to increase taxes. That is not true at all. The Senator from Arkansas doesn't propose, and I would never propose, we increase taxes on transactions. That is not the case. There is no proposal here that would increase anybody's tax.

The question here is: How do you treat different kinds of commerce in a way that is fair with respect to the imposition of State and local taxes? Some say let's treat it in this way: Have the Federal Government set itself up as the referee and create moratoriums and prohibitions and all kinds of mandates with respect to the State and local governments. I don't happen to favor that. I don't think that is the right approach.

Others say let us find a way to be helpful to the State and local governments to do what is necessary to even this out so we don't have discriminatory taxes imposed on one kind of seller versus another kind of seller. That is what I think is addressed by the Senator from Arkansas.

I do want to mention with respect to the larger bill that is before the Senate, this is very important. If this is done in a way that is inappropriate, in a way that we really don't understand, in a way that changes words sufficient so that we have a blizzard of litigation in all the State courts all across the country or in a way that creates safe harbors for certain kinds of people doing certain kinds of business or punitive tax treatment because competitors are not faced with the same consequences, then we will have done a disservice.

The moratorium that is described in the legislation is a moratorium that I think is appropriate. It says let's take a time out for a few years. We will take a time out and we will evaluate where we are. We will grandfather the States that have certain kinds of taxes, but we won't impose different taxes until we understand what we are doing here. I agree with that.

The New York Times in their editorial this morning says the Senate, which debates this bill today, should resist extending the moratorium to 5 years. I agree with that, as well. We will have Members come to the floor and say, "Gee, the moratorium is a great idea. Let's slap a moratorium on the States."

I support a thoughtful, sensible moratorium to give time regarding what is happening here, but a 5-year moratorium is far too long. Those who propose that with an amendment—I am sure they will; I am told they will—I hope we can defeat a 5-year moratorium. That is wholly inappropriate.

Those are the comments I want to make in support of the effort made by the Senator from Arkansas. He does the Senate, in my judgment, a real service. As he leaves the Senate, I will miss him walking up and down the aisle telling us about his home State, but I will miss him most importantly for the causes he fights for and the aggressive, energetic manner that he fights for these important things. Sometimes he wins, sometimes he loses, but the prospect of winning and losing doesn't affect the kind of things he knows in his heart are right. He is as aggressive as anybody in this Senate in fighting for the things he finds important.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I urge my colleagues to vote favorably on the amendment offered by the Senator from Arkansas. It meets some basic tests. It meets the test of essential fairness.

We have today in this country a situation in which if Main Street were divided north and south, all of the stores along the northern part of Main Street are meeting their obligations to collect the appropriate State and local tax which is levied by their locally elected officials within that State and which are used to support State and local government. But the stores along the south side of Main Street are treated differently because the south side of Main Street is in another State, in another jurisdiction. Therefore, the sales that are made on the south side of Main Street are not subject to the requirement of collection by the seller as are the stores on the north side of Main Street.

Therefore, if you go into a clothing store on the north side of Main Street and buy a suit, shirt, dress or shoes, you will pay and the store will collect and remit to the State those taxes which have been levied. But if you are on the south side of Main Street and you are communicating by telephone or through the post office, that seller does not have that obligation to collect the tax.

This is fundamentally unfair. It is not only unfair to the retail seller on the north side of the street, it is also unfair in that it deprives the community of the resources which are necessary in order to pay for police, fire, health, and particularly educational services, the most expensive service that most communities provide to their citizens.

In his opening statement, the Senator from Oregon and my colleague and good friend, Senator WYDEN, indicated that the fundamental issue here is to treat commerce in a state of neutrality as it relates to technology. I think that very appropriately states the destination that we all want to get to, that we want to treat commerce with neutrality as it relates to the technology with which the commerce is conducted. Clearly, that is not the state of the law today.

Senator BUMPERS gives us an opportunity to achieve that neutrality by saying that all sellers will be responsible for the collection of State and local sales tax whether they are on the north or south side of Main Street.

In addition to being an issue of fairness, it is an issue of our Nation's future. If there is one thing that unites Americans in 1998, it is a recognition that our future as a nation, our future as a cultural leader, as a security leader, and as an economic leader depends, more than any single thing, on the ability of each individual American to be able to perform at their highest level of potential. And it is to our education system that we look to provide for most Americans that means by which they can achieve their full ability.

We have decided here in the Congress—and it is a position which I generally support also as a member of the Jefferson wing of the Democratic Party—that the best government is that government which is closest to the people who are served. We have, in a number of areas, devolved responsibilities to State and local governments. Those responsibilities also carry with them the obligation of State and local governments to provide the resources to finance those services.

We have also, Mr. President, thus far, refused to provide for additional partnerships where the Federal Government could enter into programs to assist State and local responsibilities. One of the most dramatic of those has been in the area of school construction. I must personally say, having stated my essential Jeffersonian position, that I believe it is appropriate for the Federal Government to assist local school districts and States in seeing that old schools are rehabilitated and new schools are constructed to meet an increase in student population. This is a particular issue in my State of Florida, Mr. President, as we are entering a state of maturity in Florida in which we have many schools that are now 40, 50, 60 years old, or more, and need substantial rehabilitation. We are also a State that, every year, is adding some 50,000 to 60,000 new students to our public schools, therefore requiring new schools to be constructed in order to provide the classrooms and laboratories for those additional students, without resorting to overcrowded classrooms.

I believe that the Federal Government has a role to play in this area, and it will be a role that could be played without undue interference with the responsibilities of State and local officials for the management of public education. I point out, however, that none of those efforts to provide for expanded Federal assistance has been accepted—other than some items through the Tax Code—and there has been a limited benefit to a certain number of school districts. But if we are not going to be providing an aggressive partnership to help States meet what today is over a $200 billion unmet need for school rehabilitation and new school construction, at least we ought to be assisting the States by allowing them to have their own taxes collected by remote sellers.

According to the New York Times editorial, which was previously referenced, the loophole that exists in today's law that holds that remote sellers are not responsible for collecting State and local sales taxes results in a revenue loss of $3.5 billion today. And that number will rise as more commerce is conducted from remote sales. That $3.5 billion, if the States collect it, could finance a significant beginning of States meeting their school construction needs.

So as I believe the first principle of the former profession of the occupant of the Chair is to "do no harm," at least we ought to do no harm to the States by not precluding them from securing the revenue which they would have gotten had those sales been on the north side of Main Street because the decision was made to buy on the south side of Main Street from a remote seller.

So, Mr. President, this is not only an issue of fundamental fairness, it is an issue of States in this era of devolution of responsibility and Federal reticence to provide assistance to States carrying out their most important responsibilities, such as the education of their children. This will be a step toward our recognizing our responsibilities to our brethren at the State level to be able to fulfill these responsibilities.

Now, Mr. President, as I conclude, I do so with strong support for the amendment of the Senator from Arkansas. Having offered the same amendment in the Finance Committee and having seen it defeated, and knowing this is not the first time that it has been debated on the Senate floor with the result being defeat, I am not optimistic that the Senate today, regrettably, will adopt the amendment of the Senator from Arkansas.

We are going to have another debate on a collateral subject, Mr. President. I alert my colleagues to this. It is the debate on whether the commission, which will be established in Senator WYDEN's bill, should have the opportunity to consider the issue of the responsibility of remote sellers to collect State and local sales tax. At a minimum, if we are not going to adopt Senator BUMPERS' very wise proposal today, we certainly should allow the commission to consider this on another day with even more analysis than we already have, and we will be in a position to do so.

Mr. President, as I conclude, I ask unanimous consent to have printed in the RECORD an editorial from the New York Times of October 2, 1998, entitled "Fair Taxation in Cyberspace."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Oct. 2, 1998]

FAIR TAXATION IN CYBERSPACE

The rapid growth in sales of goods over the Internet raises hard questions about how states might fairly tax those transactions. The same problem has existed for years in mail-order sales. Consumers are technically liable for sales taxes on all purchases, including out-of-state catalogue purchases, but mail-order companies are required to collect sales taxes only in states where they maintain a physical presence. This loophole costs state and local governments about $3.5 billion a year.

The National Governors' Association and local government groups are rightly worried they will lose billions more a year from Internet sales that would otherwise be taxable in a traditional store. That loss—estimated to reach $10 billion a year in the next decade—will have a disproportionate impact on states that depend heavily on sales taxes, providing a tax break mostly for the affluent who have access to the Internet.

On-line service providers and electronic commerce lobbying groups, of course, want to make cyberspace tax-free, arguing that taxation would choke off Internet growth. Tax policy should not discriminate against electronic sales. But neither should the Internet be protected from taxes that apply in other realms of commerce.

Congress should keep the principle of parity in mind as it works through the proposed Internet Tax Freedom Act. The bill is intended to give state and Federal officials some breathing room to tackle these issues in a coordinated fashion. The House version, approved in June, would establish a three-year moratorium on any new Internet sales taxes and taxes on access to on-line services. It would also create a national advisory commission to examine ways to improve tax collection on all remote sales, including possible changes in Federal law to close the out-of-state-sales loophole.

The Senate, which debates the bill today, should resist extending the moratorium to five years, as some senators want. A long moratorium is unnecessary and would be hard to undo as consumers and businesses become accustomed to a tax-free cyberspace. In the meantime, the dozen states that have enacted Internet access taxes should be allowed to keep those taxes in place. Congress has no good reason to truncate state taxing authority, particularly since Internet commerce is thriving.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. Mr. President, I yield myself 1 minute from the time remaining of the Senator from Arkansas, Mr. BUMPERS.

Mr. President, we have talked about catalog sales and the loss of funds. Yesterday, on the DOD authorization bill, we usurped States in their ability to tax, and now we are turning that around. Yesterday, we told the States that we are going to usurp a tax if we don't think it is fair locally or statewide. The residents of Tennessee who work in Kentucky at a Federal installation, who have been paying taxes—and the States have worked it out—were excluded yesterday. And then my residents in Kentucky are paying the Tennessee sales tax, and they were not exempt because Tennessee goes on a high sales tax and no income tax. So, yesterday we said to State and local governments that you can't tax.

There are 240 installations around the country. I think you will rue the day that you usurped the Buck Act and you said to the States that we are Big Brother and we will tell you how to tax. Now we have a catalog question before us that says we ought to get the tax. So we have to be very careful what we are doing. Yesterday was a bad day, not necessarily for Kentucky, but for others. Oregon had the same problem with Washington. They passed a law and worked it out and everything is fine. That is what we ought to do between States. This was not a Federal tax.

I yield the floor.

Mr. CHAFEE. Mr. President, like my friend from Arkansas, I am concerned about the effect that mail order sales companies have on local retailers. I have no axe to grind with these businesses, and in fact applaud their ability to provide a very important service to many Americans. The convenience of this type of purchasing is good for the consumer.

What does concern me is the possibility that mail order and other direct sales companies' popularity is on the rise simply because they are not required to collect state sales taxes. I do not know if that is the true reason for their growth, but I would be concerned if they are taking advantage of what may be, in effect, an uneven playing field. Remember, local merchants, who compete with direct sales companies for business, have no opportunity to avoid collecting sales tax on their transactions.

Mr. President, the amendment offered by the Senator from Arkansas raises a very important issue, and I am glad that the Senate has had the opportunity to debate it this morning. But this is a complicated issue, and cannot be fully considered over a few hours of debate on the floor of the Senate.

I have several questions about the proposal offered by the Senator from Arkansas. For example, is it reasonable to set the exemption level at $3 million of annual sales? Is the per state exemption level of $100,000 in annual sales an appropriate level? On whom should this obligation be imposed?

Mr. President, these are just some of the questions that the Advisory Commission should be given the opportunity to explore. It may be that when this issue is fully reviewed, the Congress will decide that the approach proposed by the Senator from Arkansas is the correct one. But I don't think we can make that judgment today, and that is why I am voting to table this amendment.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I yield 5 minutes of Senator SNOWE's time to the Senator from Pennsylvania, Senator SPECTER.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

INTERNATIONAL RELIGIOUS FREEDOM ACT

Mr. SPECTER. I thank my colleague.

Mr. President, I have sought recognition to speak briefly in support of the International Religious Freedom Act, which was introduced today.

Mr. President, this follows some 2 years of effort. This legislation, first introduced by Congressman FRANK WOLF in the House and then introduced by myself in the U.S. Senate, seeks to put the imprimatur of the United States of America squarely in opposition to the religious persecution that is going on around the world. Again, the efforts have continued for 2 years.

Recently, because of certain objections to the tough sanctions imposed in the bill introduced by Congressman WOLF and myself, compromise legislation has been crafted with the leadership of Senator NICKLES, Senator LIEBERMAN, Senator COATS, with my participation, which strikes out at religious persecution around the world. Freedom of religion is a basic American value; perhaps along with freedom of speech, the basic American value; perhaps even more important than any other value expressed in our Bill of Rights, because freedom of religion is the first item mentioned in the Bill of Rights.

We have seen around the world egregious religious persecution with clerics being mistreated in China; with individuals being sold into slavery in Sudan. My own observations and investigation in Saudi Arabia, illustratively where Christians cannot have a Christmas tree in their window if it can be viewed by the outside; where Jewish men and women in the fighting forces in Tent City—where we have some 5,000 American personnel protecting the Saudis in the midst of a desolate desert—those Jewish military personnel are afraid to wear their dog tags, their identification being just too risky. In the Egyptian press Congressman WOLF and I have been vilified and chastised for our efforts to fight against religious persecution around the world.

You can judge people by their enemies as well as by their friends. It is a tribute of a sort—also a tribute of a source—to be so chastised for speaking out against religious persecution.

The bill, which was introduced today, Senate bill 1868, candidly, does not go as far as this Senator would have liked. My own view is that religious persecution ought to be met by very forceful sanctions. But the message was clear and unequivocal that the President's administration would not sign legislation with tough sanctions.

It is regrettable that the almighty dollar continues to rule American foreign policy, and has limited the strike and has limited the resistance to religious persecution that we have articulated around the world. It would have been better for human rights to have tougher sanctions; it would have been a better statement of American values on human rights and freedom of religion and better to stamp out religious persecution to have been quite a lot tougher.

But the reality is that we are about to the end of the 105th Congress, a week from today. Congressman WOLF and I have pressed this stronger, tougher legislation for a lengthy period of time, and if no action is taken by the end of the congressional session, then I think that is a signal for open season for those who practice religious persecution to keep it up.

What has been crafted here is a compromise. We haven't compromised the principle, but we have adhered to the principle of compromise in crafting the legislation. It takes a very significant first step with the declaration by the U.S. Government that religious persecution is not to be tolerated. We will monitor the results, and, if necessary, we will be back with further legislation. I think this is a significant step forward.

I compliment Congressman WOLF for his diligence over a long period of time. I compliment Senator NICKLES and Senator LIEBERMAN for their craftsmanship of working out this compromise bill, along with our distinguished colleague, Senator COATS, who commented at a press briefing a few moments ago that as a final act on a very, very distinguished career in both the House and the Senate, this bill is something to be recommended.

I urge my colleagues to take a look at the bill, to join as cosponsors, but to certainly pass it before we end the 105th Congress so that it becomes the law of the land and it will strike a real blow for religious freedom around the world.

I thank the Chair, and I yield the floor.

INTERNET TAX FREEDOM ACT

The Senate continued with the consideration of the bill.

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

AMENDMENT NO. 3677

Mr. President, Senator MCCAIN and I have 5 minutes to briefly respond to Senator BUMPERS' proposal. I will use a couple of those minutes of time.

First, let me say that Senator BUMPERS is such an extraordinary person and such a wonderful orator that anyone who comes to the floor to speak after him is sort of in the position of being Tugboat Annie after the *Queen Mary* has sailed off.

I would like to try to briefly respond to Senator BUMPERS' proposal, and to urge my colleagues to strongly oppose it. First, let us be clear about what this legislation says with respect to those mayors and Governors about whom Senator BUMPERS is concerned.

This legislation says that if you are liable for a tax today, you are going to be liable if electronic commerce goes forward. You are going to be liable for a tax on an Internet sale just as if it was a traditional sale taking place today.

What the debate is all about is that some States believe that because they cannot collect on mail order today, they want to go out and collect taxes with respect to the Internet because they see the Internet as the cash cow.

Senator MCCAIN and I and others don't feel that the problem in our country is that mail-order sales aren't taxed enough. We think that what we ought to do as we look to the next century and the new economy—the digital economy—is to make sure that we have technological neutrality. This vote that we will be having in just a few moments on the Bumpers amendment is essentially the first substantive recorded vote that we will have had with respect to the Internet.

I urge my colleagues to oppose this. I will oppose it strongly, because I don't think the problem in our country is that mail-order sales aren't taxed enough. I think what we ought to do is go forward with this legislation as it stands now to ensure technological neutrality. I and others would be happy to work with Senator DORGAN and others to address this mail-order problem. But at the end of the day, let's not make the mistake with the Internet that was made with mail order years ago and create the same kind of fight and brawl.

Mr. President, I yield the floor.

Mr. MCCAIN. Mr. President, I will be very brief.

The proponents of this amendment say it is not a new tax but proper enforcement of an existing sales tax. This is not the case. With a few exceptions, States do not receive sales taxes from out-of-State mail-order businesses, nor can they expect one under current law since this is a tax that has never been collected in the past.

There is only one way to vote in favor of this amendment. Let's be clear. This amendment represents a very large tax increase on the public.

Mr. President, this amendment permits states to require out-of-state mail order businesses to collect their sales taxes on purchases made by their residents. The Senate Finance Committee, while reviewing the Internet Tax Freedom Act, determined by a bipartisan vote of 13-6 that the Internet Tax Freedom Act is not an appropriate vehicle for the Senate to act on this measure. I agree with the Finance Committee's assessment, and I know that were my colleague and chairman of the Finance Committee, Senator ROTH, present, he would object to the consideration of this measure by the Senate without a full review of this issue in committee hearings.

Make no mistake, this is not simply the collection of a standardized interstate sales tax, as troubling as that would be. There exist thousands of taxing jurisdictions at the state, county, and local level in the U.S. Combined with the different nuances of each of these jurisdictions, mail order businesses will face an administrative nightmare fulfilling their obligations under this amendment. In fact, it is the large number and complexity of different tax codes which now require the Senate to consider a moratorium on taxation of electronic commerce. Certainly we cannot now say that mail-order businesses can or should have to attempt to deal with the same difficulties electronic commerce faces when it comes to sales taxes.

Mr. President, in addition to representing an administrative burden to industry, this amendment would also place unacceptable burdens on consumers. Mail-order businesses contribute greatly to the quality of life for many Americans. The disabled, the elderly and others rely on mail-order businesses for a variety of products. Should out-of-state mail-order firms be required to collect sales taxes, it is entirely possible that consumers will find themselves having to calculate the proper sales tax to be remitted to the mail-order company. Given the complexity of taxes, it is more than likely that no small number of consumers will find the delivery of their purchases delayed due to insufficient sales tax payments. Not only will this amendment decrease mail order business' ability to cater to these Americans, but it will reduce the convenience of the mail order industry which is at the heart of its success.

Proponents of this amendment have cited fairness for small businesses as support for passing this amendment. The underlying philosophy is that small businesses cannot compete with tax-free products offered by out-of-state mail-order businesses. Mr. President, small businesses have more to fear from retailers in their own communities, such as K-Mart, Target, and Wal-Mart, than from mail-order businesses, yet small business continues to thrive. Most Americans are not spending their time shopping around for good deals on sales taxes, but they will go to a store two blocks away as opposed to a store a block away if they can get a better price on a product.

Mr. President, this amendment is not necessary for states to collect sales taxes on out-of-state mail order purchases as some suggest. Many states have adopted use taxes to make up for supposed losses in sales tax revenue on goods purchased out-of-state, which require residents to send in sales taxes on these purchases on their own. Proponents of this amendment say that the public is not aware of these use taxes, and therefore does not pay them. In reality, use taxes have not been effective because many of those states with use taxes are not actively enforcing them. Is this reason enough to place the burden of tax collection for Arkansas on Arizona businesses? Will Arizona businesses be able to take advantage of the sidewalks, roads, or public safety services in Arkansas? If taxing authorities are dissatisfied with their receipts from use taxes, they should work to devise alternative methods for informing the public about their existence.

Mr. President, the Congress has worked hard to balance the federal budget, and we now have a budget surplus. As a result, Congress is working on a tax cut package the American people have every right to expect. This is not the time to consider new taxes on an American public already being nickel and dimed. Proponents of this amendment say it is not a new tax, but merely the proper enforcement of existing sales taxes. This is not the case. With a few exceptions, states do not receive sales taxes from out-of-state mail-order businesses, nor can they expect to under current law. Since this is a tax that has never been collected in the past, there is only one way to view a vote in favor of this amendment. Let us be clear, this amendment represents a huge tax increase on the public.

I urge my colleagues to oppose this new tax.

Mr. President, I ask unanimous consent to have printed in the RECORD a Wall Street Journal article of December 23, 1992.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Dec. 23, 1992]

MAIL-ORDER TAXES, GHOST OF CHRISTMAS FUTURE

(By Arthur P. Hall II)

If many states have their way, consumers could lose lots of shopping flexibility at Christmastime—and all year long. In their increasingly desperate attempts to collect money without upsetting voters, certain states want Congress to help them cash in on their residents' out-of-state mail-order and direct-marketing purchases. But the results would be disastrous—disappointing state treasuries, depriving consumers and ruining many people who depend on mail-order firms for their livelihood.

The entire direct-marketing industry exceeds $200 billion annually, and includes charities and political fund-raising groups. States continue to explore the taxation of consumer services and advertising, but the tax assault is aimed primarily at mail-order catalogs, a strong and growing sector of the U.S. economy.

A study released in October by the Pennsylvania-based WEFA Group (formerly the Wharton economic consulting group) found that the catalog industry, with sales of $48.8 billion, contributed $39.9 billion (0.6%) to 1991's gross domestic product. (According to Virginia Daly of Daly Direct Marketing in Bethesda, Md., mail-order gifts account for 20% of all Christmas shopping.) In 1991, the catalog industry employed more than 250,000 people and generated a total employment of 1.17 million. The WEFA Group projects that these figures will grow substantially between 1991 and 1996, with total employment growing 16.6%.

HOW TO STIFLE GROWTH

But taxes could stifle this growth if states persuade Congress to pass legislation enabling them to make out-of-state firms collect what is called a "use" tax. It is like a sales tax, but it applies to transactions in which a buyer and seller reside in different states. The U.S. Supreme Court, in a 1967 decision, frustrated state tax collectors by ruling that, without congressional approval, they could not require out-of-state firms to collect the use tax when the firm's only presence ("nexus") in a state was the shipment of catalogs by common carrier or U.S. mail. In sum, the court required a physical presence within the taxing state.

Ever since, tax collectors have tried to find a way around the ruling. These efforts increased in intensity about 1986, and included laws passed by 36 states to broaden the nexus interpretation from a physical to an economic presence. The Supreme Court rejected these efforts and upheld the 1967 precedent in its May 1992 decision on *Quill Corp.* v. *North Dakota*. But the court also said that "Congress is now free to decide whether, when, and to what extent the States may burden interstate mail-order concerns with a duty to collect use taxes."

Since 1986, most states—with Bill Clinton's Arkansas being among the first—have enacted use-tax statutes, enforcing them with varying degrees of intensity while awaiting clear direction from Congress. Rep. Jack Brooks (D., Texas) offered such legislation in May 1989. The Brooks bill never passed, but the 1983 political landscape offers promise for revenue-hungry states.

The problem with use taxes is that they are a compliance nightmare for everyone—direct marketers, consumers and states. That's why states want Congress to simplify their task by allowing them to force mail-order firms to collect the taxes. But politicians have a bad habit of ignoring the economic, consumer-choice and administrative costs associated with revenue-raising measures.

According to a 1986 study by Touche Ross, the accounting firm (now Deloitte Torche), forcing mail-order firms to collect state use taxes will raise their operating costs by 10% to 20%. And the costs get more onerous for smaller firms. That's why the Brooks bill exempted firms with annual revenues under $12.5 million. But this threshold still leaves midsize firms ($13 million to $50 million) with huge and potentially crippling costs); it also erects a serious obstacle to growth. Firms surpassing the $12.5 million threshold would have to buy the equipment and hire the staff to comply with 46 different state tax laws, and absorb or pass on the cost of collecting use taxes by mail. These costs would be six times greater than collecting sales taxes at the point of retail sale.

The fact that more than 50% of mail-order customers still pay by check means that catalog sellers would have to include consumers in the use-tax compliance process. Having to dedicate a page or more of a catalog to reciting state tax laws would of course be costly. But the problem doesn't stop there. Picture a dear grandmother who gleefully picks out Christmas sweaters for her grandchildren, scattered across several states, and then has to spend the afternoon calculating her tax bill. Ho-ho-ho.

Consumer choice and jobs, however, would suffer the most from a federal use-tax law. Midsize mail-order firms increasingly give greater choice and flexibility to rural and elderly consumers. And these firms often establish themselves in market niches, offering unique products that most local markets couldn't support.

Moreover, mail-order firms tend to proliferate in rural areas, providing a core economic base. For example, Lands' End employs 3,700 people in Dodgeville, Wis., more than the population of the entire town. L.I. Bean, in Freeport, Maine, employs around 4,000 At both firms, the numbers swell by 25% in the months leading up to Christmas, Orvis Co. (Roanoke, Va.) employs 400, the Collin Street Bakery (Corsicana, Texas) employs 700, and George W. Park Seed Co. (Greenwood, S.C.) employs 600. If federal use-tax legislation passes, says Leonard Park of George W. Park Seed, "our company is going to get creamed, and a lot of traditional American families will suffer."

A PITIFUL SUM

This suffering will occur for the purpose of "enhancing" state revenues—but only by a pittance. (With administrative costs included, some states would even lose money.) Total state revenues for 1991 equaled $661.4

billion and revenue from general sales taxes equaled $103.2 billion. The Advisory Commission on Intergovernmental Relations—a study group that monitors taxation on federal, state and local levels—estimated potential 1991 use-tax revenue at only $2.08 billion. And even this estimate is too generous.

One should more rigorously adjust the potential tax base for lost jobs, lost mail-order sales, use-tax exemptions, firms that already pay sales taxes because of physical presence in a state, lost revenue from firms that service the catalog industry, services, and state administrative costs. When these adjustments are made, one discovers only about $500 million in potential revenue, about 0.5% of general sales tax revenues. Even Scrooge wouldn't try to collect that pitiful sum.

Taxing the thriving mail-order industry is a thoroughly bad idea. Let's hope its time has not come.

Ms. SNOWE. Mr. President, I rise in opposition to the amendment offered by my distinguished colleague from Arkansas, Senator BUMPERS, because I believe it is unnecessary and could prove detrimental to mail order companies.

For these reasons, I urge that my colleagues reject this amendment, just as they rejected it at the start of the 104th Congress by an overwhelming bipartisan vote of 73 to 25.

Mr. President, I do not believe that the bill currently before us—the Internet Tax Freedom Bill—is the appropriate place for the Senate to consider the imposition of new taxes. This amendment contains major compliance and tax issues that should be properly considered and reported from the Finance Committee before being brought to a vote on the floor.

In addition, my strong opposition to this amendment stems from my belief that this measure will be detrimental to the mail-order industry nationally, as well as posing a stark threat to a company whose quality craftsmanship, durable outdoor products, and legendary commitment to excellence has made it the pride of my home state of Maine—L.L. Bean of Freeport.

L.L. Bean was established 86 years ago as a small, Maine-based store catering to the surrounding community and a limited number of mail-order customers. In 1912, who would have guessed that someday L.L. Bean would rise to become one of the premier international manufacturers and marketers of outdoor gear and other goods? But by focusing on unquestioning customer satisfaction and unparalleled quality products, L.L. Bean succeeded in bringing to our state and the local community many jobs and much pride.

In Freeport alone, 4,000 people are employed by L.L. Bean full-time while over 11,000 are employed part-time during the Christmas holidays, making it the third largest employer in the State of Maine. At the same time, L.L. Bean's retail store brings to Freeport and its surrounding communities 4 million customers every year, and attracts an additional 4 million catalog customers annually—a powerful generator of tourism and business for the entire state.

Mr. President, the amendment offered by my colleague, Senator BUMPERS, would threaten the present and future job prospects of Freeport's residents needlessly, as well as any other community that employs individuals in the mail-order industry.

And even as this amendment would prove harmful in Maine and across the nation, the irony is that this amendment is not even necessary to accomplish the goal being sought by my friend from Arkansas.

Specifically, states already have the ability to collect sales taxes, just as Maine has demonstrated, and can easily collect these taxes through the voluntary income tax.

In Maine, taxpayers are given the option on their personal income tax form of either stating the actual amount of sales tax due for out-of-state purchases in a given year, or entering a flat tax amount based on a percentage of the taxpayer's income.

The bottom line is that states have the ability to collect these taxes—they do not need Federal legislation to do so.

Mr. President, the State of Maine has proven that the legislation being proposed by the Senator from Arkansas is not necessary. I urge my colleagues join me in opposing this proposal, just as they opposed it four years ago. Thank you, Mr. President. I yield the floor.

Mr. McCAIN. Mr. President, on January 19, 1995, this amendment was voted down by a vote of 73 to 25. I anticipate the same vote.

Mr. BUMPERS. Will the Senator yield the floor?

Mr. McCAIN. Mr. President, I yield the floor.

Mr. BUMPERS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arizona has 1 minute left; 2½ minutes remain for the Senator from Arkansas.

Mr. BUMPERS. Mr. President, I have lost this amendment several times.

As you have heard me say previously, this is the seventh or eighth year that I have offered this proposal. Every year the specious, absolutely false arguments are made that people don't want any more taxes and that this is a new tax. This is nothing more than a continuation of the unfunded mandates bill we passed here in 1995.

All my amendment does is say to the States, as the Supreme Court in 1992 said, if Congress gives the States authority to tax sales by mail-order catalog houses, the States may take the opportunity to make them pay it.

You are talking about the Chamber of Commerce types who go to work at 8 o'clock in Little Rock, AR, in Allentown, PA, and Nashville, TN, and work all day long and collect sales taxes on every dime of every merchant on all the merchandise they sell; and some guy has a big warehouse across the State line and can ship that same merchandise into Tennessee, Arkansas and Pennsylvania without even collecting a sales tax. The Governors and the mayors and the municipalities, the council of shopping centers, the council of State governments, why do you think they are for this? Because we are saying, if you want to. If you don't want to, fine, don't do it. But we are saying you now have the right that the Supreme Court gave you to require these people who fill your landfills with catalogs to make them collect a tax just like Main Street merchants do.

Why do you think they are for it? Because they see their tax base disappearing with Internet sales and mail-order sales.

I ask every Member of this body before you cast your vote, ask yourself this question: What is going to happen to this country when the schools start closing because the tax base is gone? One of the biggest problems mayors have right now is with their police forces, their fire departments. Community schools are strapped. And all we are saying is if you want to collect a sales tax on out-of-State sales, you can. But this bill doesn't mandate it, doesn't require it. It simply gives you the right, and that is the reason all these organizations are for it. That is the reason the New York Times is for it.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. I ask unanimous consent to speak for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. I thank the Chair.

Mr. President, let me just add to the comments of the Senator from Arkansas. This is a toothless argument that doesn't even wear well with age—that this is a new tax. I have heard that for 8 years. There is simply no demonstration of truth to that argument. It is demonstrably untrue. This is not a new tax. The tax already exists on that form of commerce. It is not now being paid. The Senator from Arkansas does not propose to change the fundamental question of whether that transaction is taxed or not taxed.

So when I hear comments from friends of mine saying that this is a new tax, I say they are wrong, dead wrong and the facts demonstrate that. So I hope Senators will support the Senator from Arkansas. I think he has offered a good amendment.

Mr. McCAIN. Mr. President, I move to table the Bumpers amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Missouri, (Mr. BOND) is necessarily absent.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. Hollings), the Senator from Nebraska (Mr. KERREY), the Senator from Illinois (Ms. MOSELEY-BRAUN), are necessarily absent.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 66, nays 29, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—66

Abraham
Allard
Ashcroft
Baucus
Biden
Boxer
Brownback
Burns
Campbell
Chafee
Coats
Collins
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Durbin
Faircloth
Feingold
Feinstein
Frist
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Kerry
Kohl
Kyl
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Murray
Nickles
Reid
Robb
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—29

Akaka
Bennett
Bingaman
Breaux
Bryan
Bumpers
Byrd
Cleland
Cochran
Conrad
Dorgan
Enzi
Ford
Gorton
Graham
Harkin
Inouye
Johnson
Kennedy
Landrieu
Levin
Mikulski
Moynihan
Reed
Roberts
Rockefeller
Sarbanes
Specter
Wellstone

NOT VOTING—5

Bond
Glenn
Hollings
Kerrey
Moseley-Braun

The motion to lay on the table the amendment (No. 3677) was agreed to.

CHANGE OF VOTE

Mr. HELMS. Mr. President, on rollcall vote No. 296, I was recorded as having voted "nay." It was my intention to vote "aye." I ask unanimous consent that I be recorded as a "aye." This would not affect the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The foregoing tally has been changed to reflect the above order.)

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, thank you very much.

Mr. President, let me take just a few minutes to talk about where we are with respect to the Internet tax bill and also to express my thanks to—who may have left the floor—but to express my thanks to Senator BUMPERS.

Senator BUMPERS could have filibustered this legislation. He could have insisted on his rights as a Senator to speak at length on this past amendment that he feels very strongly about, as do a number of Senators, and I want to thank him for not doing that. He has been exceptionally kind to me. He knows that I feel strongly about this legislation. And he has been very constructive in working with the bipartisan group pursuing the legislation.

Let me also just state, as I did, it is our intent—it is clearly spelled out in the legislation—that if a firm or a home-based business—I have thousands of them in Oregon; I know our colleagues do as well—if they are liable for a tax today, they are going to be liable under this legislation if that sale is conducted on the Internet. It is just that simple.

So what it comes down to, is if you have a question from a mayor or a Governor who asks you about this subject at home—any Senator who is asked about this issue should simply say that this legislation does no harm to the States or to the localities, and it simply treats Internet commerce like any other kind of commerce. That was something that I, as the bill's sponsor, felt very strongly about.

With respect to the legislation, I know other Senators wish to speak as well, and Senator DORGAN wants to address the Internet issue this afternoon as well. I am very hopeful we will be able to resolve the one remaining issue, and that is the question of the commission and what they are going to be looking at.

The Senator from North Dakota, Senator DORGAN, has been very helpful on this matter in an effort to try to get an agreement—Senator GRAHAM has as well. I am very hopeful that we will be able to, now that we have addressed the major amendment, the Bumpers amendment, I hope that we will be able to get an agreement on exactly the duties of the commission and be able to go forward with the managers' amendment.

Senator MCCAIN and myself and others have been anxious to try to address concerns that Senators have had with respect to the length of the moratorium, other issues surrounding the managers' amendment. I think we can do that.

So, again, let me say that I very much appreciate, especially on a Friday with Senators having a busy schedule, the opportunity to discuss this issue. We made considerable progress. I especially thank Senator BUMPERS who could have spoken at length, filibustered this legislation, and he has been especially kind to me. I express my appreciation to him.

I see the Senator from North Dakota who has worked many, many hours in an effort to try to get this issue to the floor, along with me and others, and I express my appreciation to him and say that I especially appreciate his effort to bring the parties together with respect to the commission and the issues that they will be pursuing there in an effort to make sure that as we look to the digital economy in the 21st century that we have a chance to examine those questions.

Does the Senator from North Dakota wish to pursue a question at this time?

Mr. DORGAN. Mr. President, it is my intention—I did not provide an opening statement as we brought the bill to the floor. Senator MCCAIN, who is managing the legislation, and I and Senator WYDEN and Senator BUMPERS and others talked about the schedule. I wanted the vote to be able to occur in a way that would allow Members to cast their vote and catch their airplanes, so I deferred on an opening statement. It is my intention to provide an opening statement to discuss the framework of, I think, some of the amendments that we will be debating as we continue this legislation this afternoon and also perhaps next week.

Let me, if I can, describe the circumstances that brought this legislation to the floor.

Mr. President, we are not under a time limit at this moment, are we?

The PRESIDING OFFICER. Has the Senator from Oregon yielded the floor? He still has control.

Mr. WYDEN. I thought the Senator from North Dakota had a question he wanted to postulate. I do want to address the concern that he has on the Internet tax bill. He has been very fair in working with the sponsors on this matter.

Mr. DORGAN. If I might, I would like to provide my opening statement. If the Senator would yield the floor so I might provide the opening statement on this side. There are a number of things I would like to discuss with the Senator from Oregon, but I think it would be appropriate for me to give the statement that I deferred previously.

Mr. WYDEN. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Would that be possible—I would like to accommodate the Senator from North Dakota—if I were to yield the floor at this point, given the fact that he had asked earlier for time to give his opening statement, that he be recognized if I yielded the floor?

The PRESIDING OFFICER. The Senator from North Dakota is the minority manager of this legislation and does have priority.

Mr. WYDEN. Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, as I indicated, along with Senator McCAIN, when we brought the legislation to the floor today, I was interested in trying to accommodate the schedules that Members had. And the second vote this morning was able to be held at a time that would allow some Members the opportunity to catch airplanes back to their home States. But I did want to discuss the circumstances that allowed us to get this legislation to the floor. And I would like to review with the Senator from Oregon some of the provisions of the bill that are yet to be completed.

First, with respect to this general subject of the Internet, my orientation of this issue is that, like most Americans, I view the Internet as something new and exciting and wonderful in a lot of ways and troublesome in other ways. The technology without question is remarkable and wonderful.

Obviously, there are some things on the Internet these days that are troublesome and that is why we struggle with this question of the Decency Act that we wrote in the Commerce Committee and was struck down by the Supreme Court. I think the Senator from Indiana, Senator COATS, is going to offer an amendment similar to something we have discussed previously with respect to the Internet and decency.

But leaving that aside, the Internet itself and the telecommunications revolution that exists in this country, and the information superhighway that comes from that revolution, is really quite remarkable.

I come from a town of 300 people. I have a very different background than the Senator from Wyoming or the Senator from Arizona for that matter. I come from a town of 300 people. I went to a very small school. Obviously, a school in a town of 300 people is not going to be big under any circumstance. But my high school graduating class was nine students. And we had a library in my high school that was a very small coat closet, and that contained all of our books. And that was it. That is the way life was in my school. Would I trade it for another experience? No. I thought it was a wonderful school, a wonderful hometown, and a wonderful education.

But now when I go back to my hometown it is slightly smaller than it was when I left. Some of those rural communities are shrinking. I go back to that wonderful community and go to the school. The library is not much larger than it was then except—that school is now connected to the information superhighway. Computers in those small schools can now access the information superhighway.

And what does that mean? It means in my hometown of Regent, ND, there is a student today who is able to use a computer and access the Library of Congress. Now, the Library of Congress has the largest repository of human knowledge that exists anywhere on Earth. Of all of the accumulated knowledge in human history—the largest body of that knowledge exists in the Library of Congress. In Regent, ND, that small library is now augmented by the largest library on Earth as a result of the information superhighway and the new revolution in telecommunications.

Is that wonderful? It is more than wonderful. It changes our ability to educate. It changes our ability to do a whole series of things. In fact, as an aside, I read a while ago that the CEO of IBM Corporation gave a speech to shareholders. He said they are on the cusp of discovery in researching storage density sufficient so that he expects we will soon be able to put all of that information from the Library of Congress—14 to 16 million volumes of work, the largest repository of human knowledge on Earth—on a wafer the size of a penny. Think of that, a computer storage wafer the size of a penny encompassing all of the works of the Library of Congress.

What does that mean? It is a wonderful opportunity in our future to use the Internet and to use telecommunications to enhance education and a whole range of things.

I wanted to provide that framework simply to say, especially coming from a very small community in North Dakota, we understand the wonders and the technological marvels that exist in what we are talking about here and how it changes things.

My hometown, 120 miles southwest of Bismarck, ND, 50 miles from Dickinson, and, for those who want to pinpoint it more precisely, 14 miles west of Mott, ND—my hometown is as close to the Hudson River as downtown Manhattan with telecommunications. Just like that, you can transmit data off the Internet. We have erased geography as a disadvantage.

Now, in addition to the advantages of education that I have described with respect to the Internet and the information superhighway, there is another entire area of commerce that also provides significant advantages to people in my hometown and people in every hometown in our country.

When I was a young boy, from my hometown we had to drive nearly 60 miles to go to a hospital. We had to drive 60 miles to a sporting goods store. When I was a young boy, that is what I wanted to do when my parents took me to the big town, Dickinson, ND, 10,000 people. I wanted to go to a sporting goods store. It was a small store with baseball mitts and merchandise. In my hometown, we had none. So I would go there and get lost in the sporting goods store, picking up the new baseball gloves, feeling and nurturing them, and wondering, what if I owned one of them? That was a big deal to me.

It was true with respect to a Dairy Queen—50, 60 miles to a Dairy Queen; 60 miles to a clothing store. That is the way it was.

Now, however, in my hometown you can't order a Dairy Queen over the Internet, but that sporting goods store is brought to my hometown by the Internet. The Internet changes commerce. Now someone in my hometown can dial up on the Internet a sporting goods store, a clothing store. Want to buy some new athletic shoes? That is available. How about a book? Amazon.com—we all know the success story of that company.

My point is, we are seeing dramatic new areas of commerce available to people around the country, and around the world for that matter, which will improve their lives. I agree with that.

We had a disagreement, the Senator from Oregon and I, about the piece of legislation in the Commerce Committee. I felt very strongly that what was proposed was dead wrong and he felt strongly it was right on target. We didn't disagree because we differed about the policy of what the Internet could mean to our country and to our people. I fully understand the full flow of benefits that will come from this. I understand and recognize that. Members know my interest is not in any way, ever, to impede the growth of the Internet or the growth of opportunity that people want to take advantage of on the Internet to market their goods, to build their business, and to do those kinds of things.

At the same time, however, I recognize that while the Internet might bring a sporting goods store to my hometown, it will also bring some merchandise to my hometown that those few merchants in my hometown sell and must now collect a sales tax on when they sell it. I want to make sure, relative to the previous amendment and also some other amendments we will discuss, that what we do with respect to this form of new commerce has some relationship to fairness, fairness tied to selling on Main Street, sales from mail-order catalogs, selling on the Internet. I want to make sure what we are doing here is fair to all areas of commerce.

That is why when Senator WYDEN—who has been a leader on this, no question about that; he was the author in the Senate Commerce Committee of the underlying legislation—brought this legislation to the committee, I felt very strongly that the way it was constructed was going to cause a lot of problems. I opposed it vigorously, as he well knows.

Since that time when it was passed out of the Commerce Committee, it has changed substantially. We now, I think, agree on one central principle, and that principle embodied in the underlying legislation is that we ought to have a moratorium of sorts so that we don't have State or local governments creating regimes of taxation here that could be punitive or could retard opportunities on the Internet in a punitive or discriminatory way. We agree with that and we have constructed legislation which I think will accomplish that and doesn't disadvantage any State or any local government. If there is a State or local government that has plans today to say let me be punitive in the way I apply a tax or construct a tax dealing with the Internet, I say I am not in your corner. I am not on your side on that. You are wrong; you ought not do that.

I didn't want to snare in the net the kinds of State and local taxes that are applied to virtually all other kinds of commerce and do it in a way that would say to those who are at home on Main Street that you will be at a disadvantage because we have created a special safe harbor or special tax haven for certain kinds of electronic commerce. That has always been my concern.

As long as the Senator from Oregon is here, I will engage him in this conversation. I think we are coming to the same point, Senator MCCAIN, Senator WYDEN, myself, and others, with respect to what we want to accomplish with this legislation. It is a system which, as we see the Internet begin to grow in its infancy—and it still is in its infancy—is nondiscriminating with respect to how taxes are imposed among different forms of commerce.

I yield for a comment from the Senator from Oregon about whether he sees us coming to that same point and whether he shares that goal.

Mr. WYDEN. I thank the Senator from North Dakota for his thoughtful comments, as well. I think there has been a considerable effort in the last few months to address this in a bipartisan way.

I think the Senator from North Dakota is exactly right; what we want is technological neutrality. We don't want the Internet to get a preference. We don't want the Internet to be discriminated against. We want to be able to say, as we look to the brand new economy, the digital economy, that we don't make some of the mistakes that we made as we tried to sort out some of the issues, for example, with respect to mail order. I think the Senator from North Dakota has been very persistent in terms of trying to work with all the parties in making sure that the commission studies these issues fairly. That is certainly what I want.

I was very interested in my friend's comments with respect to his town in North Dakota and how the Internet would allow, for example, somebody to log on in North Dakota and get goods from a sporting goods store far away and have them shipped to a small town in North Dakota. That is clearly one of the benefits. But what we also hope to do with the Internet Tax Freedom Act is make it possible to grow small businesses in North Dakota that will be able to furnish some of those goods and services.

My friend from North Dakota has many small communities in North Dakota, as I do in Oregon. I want to make sure that Burns and Wagontire and other small towns in Oregon can compete. My view is that sensible Internet policies will make those small businesses more competitive than they are today.

The reason that Main Street businesses support the Internet Tax Freedom Act, the bill that is before the Senate today, is that Main Street businesses, those small stores, recognize right now they are having a lot of difficulty competing with the Wal-Mart giants and certainly major corporations that are located overseas.

And once you make geography irrelevant, which the Internet does, once you get a fair tax policy for a home-based business in Oregon or North Dakota, rather than those businesses facing discriminatory taxes, as we have been addressing today, I think we will grow more small businesses in North Dakota and Oregon on Main Street, and that is the hope of the sponsors of this legislation.

So let me yield back to the Senator from North Dakota, as this Senator has to head off for a 7 or 8-hour flight home. I want to again express my thanks to the Senator from North Dakota. He and his staff have spent many, many hours toiling over what is arcane language, at best, with respect to the digital economy and these new issues. I think the Senator from North Dakota is right in saying that this is just the beginning of this whole discussion. We had another initiative yesterday that was very sensible—Senator BRYAN's initiative dealing with on-line privacy as it relates to children. So we are just at the beginning of these issues.

I hope to be sitting next to the Senator from North Dakota on the Communications Subcommittee as we tackle these questions. I think we have made considerable progress. I specifically thank Senator GRAHAM, Senator BUMPERS, as well as the Senator from North Dakota. They have had strong views on this matter, and they know this bill has been important to me. They have all been very gracious in helping to move it along. Also, Senator MCCAIN will be back on the floor in a few moments. We simply could not have been here without the support of Senator MCCAIN and his staff. I am looking forward to seeing this legislation go to the President before we wrap up. I thank the Senator from North Dakota.

Mr. DORGAN. Mr. President, one of the issues that we have not completely resolved is extending the moratorium. We have a moratorium in this legislation that says to the States that if you have not yet adopted or enforced an Internet tax, there is a moratorium; you will not be able to do that during this time out. During that period, a commission will meet and evaluate all of these issues. The Senate finance bill reported out a 2-year moratorium on bit taxes, discriminatory taxes, and on Internet taxes. The House-passed version of this legislation has a 3-year moratorium. My understanding is that there will be an amendment calling for a 5-year moratorium on the bill that is coming to the floor. The version passed out by the Senate Commerce Committee had a 6-year moratorium.

Keynes used to say, "In the long run, we are all dead." I don't know what the long run is, but when you talk about moratoriums here, 6 years is a large expanse of time. It seems to me that it is wholly inappropriate. I would more favor the Senate finance bill, which is a 2-year time out, or moratorium. We will likely have to agree to something more than that, but 5 or 6 years, in my judgment, is not reasonable. I think there is another amendment that was noticed, or at least will be offered, with a 3-year moratorium, which seems to me to be a more reasonable compromise. I ask the Senator from Oregon about that.

Mr. WYDEN. I thank the Senator. He has correctly laid out the various time periods. Let me say again, the Senator from North Dakota knows both the chairman of the Commerce Committee and I are still wanting to work with those who feel that 5 years is too long a period. We are anxious to try to get an agreement and, hopefully, this can all be resolved as part of a managers' amendment.

I think the concern of certainly myself and others is that 2 years is too short because it is going to take some time to work through a subject as complicated as this, and then there is going to need to be a period where the States have the chance to address it. I think we can come up with a period that is acceptable. Of course, the moratorium, such as it is, applies only to Internet access taxes. It does not apply to other spheres of economic activity. And with respect to other spheres of economic activity, again, Internet will be treated just like anything else. If a State and a locality has other means of raising revenue, we want to make it clear that, with respect to the Internet, the business conducted there will be treated like everything else.

So let me yield back to the Senator from North Dakota at this time, with an assurance that we are going to continue to try to negotiate on this point an acceptable time period for all parties. We have discussed 4 years, and we have discussed a variety of options. We are going to continue to do that. I want it understood that both Senator MCCAIN and I feel that the Senator from North Dakota is trying very hard to be helpful here, and we are going to continue to move forward in working with him to get this resolved.

Mr. DORGAN. Mr. President, I say to the Senator that the way to be most helpful would be to agree with me.

Mr. WYDEN. I will say, having made 30 changes since we left the Commerce Committee, that this Senator, who is a good friend of the Senator from North Dakota, has a very high batting average—since we have been talking about baseball—in terms of agreeing with the Senator from North Dakota. We are going to continue to work with him, as he knows.

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. Senate bill 442, the Internet access bill.

Mr. BYRD. Mr. President, I ask unanimous consent that I may speak out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Is there any time limit, Mr. President?

The PRESIDING OFFICER (Mr. THOMAS). Not that I know of.

Mr. BYRD. I thank the Chair.

TAX CUTS

Mr. BYRD. Mr. President, as all Senators are aware, at midnight on Wednesday, September 30, Fiscal Year 1998 expired. And with the expiration of the fiscal year came some most welcome and almost unbelievable news that, for the first time since 1969, the unified Federal budget was in surplus for Fiscal Year 1998. We do not know the exact figures yet. That will not be known until the Treasury Department completes its calculations of actual revenues and expenditures that occurred up through midnight, September 30, but we do know that the latest estimate by the Congressional Budget Office of that unified budget surplus is $63 billion. The President has announced that the official administration projection of the Fiscal Year 1998 unified budget surplus is about $70 billion. This unified budget surplus, whether it be $63 billion, or $70 billion, or some other figure, is a result of a dramatic turnaround from the massive budget deficits that were projected just a few short years ago.

Who should be given the lion's share of the credit for this dramatic turnaround in the country's fiscal fortunes? The President wants to claim a large share of the credit. The Republican-led Congress likes to say that things did not really change until they took over control of the House and Senate, and that they deserve the majority of the credit. Many financial analysts give a substantial amount of the credit to the policies of the Federal Reserve, which have attempted to manage the country's fiscal fortunes through adjustments in interest rates.

Suffice it to say, credit should be given to all of the above. Speaking from first-hand experience, I believe that Congress does deserve substantial credit for the turnaround from the triple-digit-hundred-billion-dollar deficits of the twelve years under Presidents Reagan and Bush. Those triple-digit deficits accumulated to the point where the nation's debt rose from just under $1 trillion on the day that President Reagan took office to more than $4,097,000,000,000 on the day that President Bush left office. In other words, in the entire history of the country, from the day that President George Washington took office to the day that President Reagan took office, the nation's accumulated debt amounted to less than $1 trillion. Twelve years later—the day that President Bush left office, it stood at $4,097,000,000,000.

Throughout the period of the 1980s, Congress attempted to rein in these massive Federal deficits, for example, with the Gramm-Rudman-Hollings sequester mechanism that was part of the 1985 Balanced Budget and Emergency Deficit Control Act. This mechanism, Senators may recall, required an across-the-board sequester of all Federal programs (with few exceptions) sufficient to bring down any deficits that exceeded those provided for in annual budget resolutions. In 1990, it became clear that the sequester that would be necessary to achieve the requirements of Gramm-Rudman-Hollings would have decimated the entire Federal establishment, including a cut in the budget of the Department of Defense ranging between 25 and 35 percent. Rather than allowing those sequesters to proceed, Congress and the Bush Administration had no choice but to convene what turned out to be a very lengthy and difficult budget summit. I participated in that summit, as did a number of my Senate colleagues who are still in the Senate—Senators DOMENICI and GRAMM, for example. After many months, including weekends and around-the-clock sessions at Andrews Air Force Base, that summit resulted in substantial changes in our budget discipline which have played a positive role in helping to rein in Federal deficits since their inception in 1990.

Under those mechanisms, sequesters of not only discretionary funds take place when so-called discretionary caps are exceeded, but also, for the first time, mandatory programs are under a pay-go system as well. Under the Budget Enforcement Act of 1990, any new mandatory spending must be fully offset. That 1990 Act also put in place a process for considering emergency spending, which is allowed to go forward outside the budgetary caps, if such spending is declared an emergency by both Congress and the President.

By and large, that emergency mechanism, I believe, has been beneficial and has been used in accordance with the intentions of the summiteers. That emergency designation is allowed for spending outside the caps for events that are sudden, urgent, unforeseen, and not permanent. Such events include natural disasters, military deployments around the world, and so forth.

The fact that the 1990 Budget Enforcement Act has been successful is not just the opinion of this Senator. It is shared by many, including the Chairman of the Federal Reserve Board, Alan Greenspan, who in recent testimony before the Senate Budget Committee, made the following statement in relation to that legislation, and I quote:

> I think that—frankly, much to my surprise, as I think I have indicated to you over the years, that the budgetary processes, which were put into place by the Congress a number of years ago, have worked far better than I would have ever anticipated them working. And I would be quite chagrined if we abandoned them because when you have a good thing, it seems rather pointless to dismantle it.

I think those words by Mr. Greenspan are right on the mark.

Subsequent to the 1990 changes in the Budget Act and the Gramm-Rudman-Hollings law, I believe that credit should also be given to those who voted for the 1993 budget package which passed each House of Congress by a one-vote margin and without a single vote from the Republican side of either body. That package was anathema to the Republicans. Yet, despite the dire predictions of economic doom which came from the Republican side of the aisle at the time, the economy has performed very, very well ever since the enactment of that legislation. All of those who have been involved in reducing Federal deficits can be justifiably proud of what is now a unified budget surplus for Fiscal Year 1998 in excess of $60 billion.

But, while we are basking in the glow of high praise and compliments all around, we must also take a heavy dose of realism. For reasons that I shall now attempt to explain in some detail, this is not the time to abandon the fiscal discipline we have undertaken for a number of years. I believe very strongly that any budget surpluses in the coming decade should be used for retiring the Federal debt, rather than for massive tax cuts or increases in Federal spending.

Mr. President, on July 15, 1998, the Congressional Budget Office issued its summer baseline projections for Fiscal Years 1998–2008 for the unified Federal budget. Now, let me stop here and explain what the term "unified Federal budget" means. The unified Federal budget includes not only the operating budget of the various departments and agencies throughout the Federal government, but it also includes the Postal Service and—get this—Trust Fund surpluses, the most important one of which is—guess what—the Social Security Trust Fund. By including these Trust Fund surpluses in the unified budget, one ignores the fact that none of the Trust Fund surpluses is available for anything other than the purposes for which the Trust Funds were established. In other words, it is to a large extent misleading and certainly amounts to budgetary wizardry to count these Trust Fund surpluses when one says that there is an overall unified Federal budget surplus. Nevertheless, for the moment, let us talk about what has happened to the projections of our Congressional Budget Office experts as far as they relate to the unified Federal budget between the period March 15, 1998, and July 15, 1998.

The unified budget surplus projections for the 11-year period 1998–2008 provided to Congress in March of this year by the Congressional Budget Office totaled $679 billion.

Let me say that again.

The unified budget surplus projections for the 11-year period 1998–2008 provided to Congress in March of this year by the Congressional Budget Office totaled $679 billion.

By July 15, 1998, just 4 months after its March 1998 projections, the Congressional Budget Office sent to Congress its summer report, which I have. In that report, CBO projects that unified budget surpluses for the period 1998–2008 will total more than $1.6 trillion. That is a change of some $932 billion in surplus projections for the next 11 years. So over a period of just 120 days, from March 15, 1998, to July 15, 1998, the Congressional Budget Office changed its projections of unified budget surpluses for the next 11 years from $679 billion to $1.611 trillion.

What caused the Congressional Budget Office, our premier independent budgetary experts, to make such a massive change in budget surplus projections in such a short time? The best that we have been able to determine is that the largest the contributor to the upward revision of future surpluses resulted in a change in CBO's treatment of revenues. Previously, CBO had argued that there had been a surge of unexpected revenues in the recent past, but that such surge was temporary. Now they argue that there are good reasons to think that this unexpected surge in revenues will continue indefinitely. This results in an ad hoc addition of approximately $50 billion each year of the latest 11-year budget forecast.

Does this mean, Mr. President, that the Congressional Budget Office is inept and that perhaps the Congress should seek the services of another budget prognosticator? Certainly not. Rather, my purpose in highlighting this significant change in estimates is to support my belief that, in all decisions affecting revenue and spending for future years, we must tread carefully on the planks of budgetary estimation. Like an old man crossing a footbridge strung over a chasm, only a small misstep can mean the difference between a successful crossing and spectacular failure.

CBO would be the first to tell you that they have consistently missed budgetary forecasts, as has the Office of Management and Budget. That is to be expected. No human being can ever predict accurately what revenues will come into the Treasury in a given year, or what expenditures will go out of the Treasury, or what the unemployment rate will be, or what the inflation rate will be, or whether there will be a recession, or the duration and virility of recessions. In short, Mr. President, there is no reason to believe that the CBO's current forecast of the budgetary picture over the upcoming 10 years will be any more accurate than have been its previous forecasts. Also, very importantly, Senators should remember that budgetary estimates can rapidly change and they can change for the worst, just as they have turned for the better in recent years. We saw this firsthand during the early 1990s when we suffered a severe and lengthy recession; there is no reason to think that it cannot happen again. There is no reason to think that it will not happen again. Consider the remarks of the Chairman of the Federal Reserve Board of Governors, again, Mr. Alan Greenspan, at a recent hearing by the Senate Budget Committee. This is what he said:

> According to CBO's figures, a recession comparable to the 1991 downturn would eliminate the unified surplus and create a budget deficit of more than $50 billion within 2 years. Over the next 10 years, more than half of the $1.5 trillion in projected unified surpluses would be eliminated.

That was Mr. Greenspan talking.

With this in mind, we should never underestimate just how unpredictable and capricious budget projections can be.

In virtually every CBO report, cautionary statements are made, such as the following, which is included in the CBO's most recent budget update:

> . . . there is a risk that future events will cause a significant divergence from the path laid out in the new forecast. The economy could be more adversely affected by the Asian crisis than CBO assumes; the tightness of the labor market could cause a significant jump in the rate of inflation; or the stock market could drop precipitously.

We have seen that happen all too many times of late.

> Conversely, the Asian crisis could have little additional effect on the United States; productivity growth might remain higher than CBO anticipates, which would permit a continuation of rapid noninflationary growth and stronger profits; or labor force participation rates might again increase rapidly, easing pressures on the labor market for a few years. Such alternative outcomes could have a substantial effect on the budget, increasing or decreasing its bottom line by $100 billion or more in a single year.

That is the end of the quotation.

To this point, Mr. President, I have concentrated my remarks on the "unified Federal budget", which, as I stated earlier, combines not only the operating budget of all Federal departments and agencies, but also the Postal Service and Trust Fund surpluses. In so doing, the unified Federal budget hides from view the question of whether, in its operations, the Federal budget is in deficit or is in surplus.

Let us now look at a couple of other Federal budget calculations that are available to us through the Congressional Budget Office. What, for example, are CBO's baseline projections for the next 5 years for on-budget deficits or surpluses? On-budget calculations, it should be noted, exclude Social Security surpluses and the Postal Service, which, I might add, are supposed to be treated as off-budget by law. CBO's on-budget calculations project that we will suffer deficits for Fiscal Years 1999, 2000, 2001, and 2003. In other words, if one leaves Social Security surpluses and the Postal Service out of the budget calculations, there is no surplus at all until the year 2002, at which time CBO says there will be a $1 billion on-budget surplus.

Let me read that again. CBO's on-budget calculations project that we will suffer deficits for Fiscal Years 1999, 2000, 2001, and 2003. In other words, if one leaves Social Security surpluses—we are talking about Social Security surpluses. We are talking about something that interests a lot of people, something that involves millions of people in this country, something that is of concern to the great mass of people out there, old and young, women, men, children—if one leaves Social Security surpluses and the Postal Service out of the budget calculations, there is no surplus at all until the year 2002, at which time CBO says there will be a $1 billion on-budget surplus. Deficits for the other fiscal years total $138 billion. Therefore, over the coming 5 budget years, CBO projects that, if we exclude Social Security surpluses and the Postal Service—if we exclude them—we will suffer deficits in 4 of those years totaling $138 billion and a surplus of only $1 billion in one year—2002—making a net on-budget deficit over the next 5 years of $137 billion.

Hence, it becomes obvious that for the next 5 years, there is no Federal budget surplus at all if one excludes Social Security and the Postal Service from the calculation. In fact, there is a net deficit of over $130 billion.

Now, let us take a look at CBO's calculations of what is called, in budgetary terminology, the "Federal Funds Budget." This budget, by definition, excludes not only Social Security and the Postal Service but all Trust Funds. In other words, the Federal funds budget excludes Social Security, the Postal Service, the Highway Trust Funds, the Airport and Airway Trust Funds, the Medicare Trust Funds, the Civil Service and Military Retirement Trust Funds, the Unemployment Trust Funds, and many, many more. CBO's projections are that we will have Federal funds deficits for 9 of the next 10 years. For that period, Fiscal Years 1999–2008, Federal funds deficits are projected to total $592.2 billion. Over that period, only the year 2008 is projected to show a small surplus.

What this means is that when all obligations of the Federal Government are taken into account, including the IOUs to all Federal Trust Funds, we will not have any surplus until the year 2008—even if these new, rosy CBO forecasts come true, and even if Congress restrains itself from spending any of those projected surpluses or cutting taxes.

Now, let us shift our attention to a discussion of the National Debt. Federal Debt is divided into two categories—namely, Debt Held by the Public and Debt Held by Government Trust Funds. Under present policies, CBO's latest projections show that Debt Held by the Public will decrease from $3.7 trillion in 1998 to $2.3 trillion in 2008.

This is so because Debt Held by the Public does not include any of the debt owed by the Treasury to Federal Trust Funds. Therefore, if CBO's $1.6 trillion in projected unified budget surpluses come to pass, those surpluses will go toward reducing Debt Held by the Public. However, Debt Held in Government Trust Funds will rise, according to CBO, from $1.8 trillion in 1998 to $3.9 trillion in 2008. In other words, the surpluses in the Government Trust Funds that I have previously named will continue to grow and add to the debt owed by the U.S. Treasury to those Trust Funds. When one combines both types of Federal debt, namely, Debt Held by the Public and Debt Held in Government Trust Funds, one arrives at what is known as Gross Federal Debt. This, to me, represents the truest picture of the debts being incurred by the Federal Government that will eventually have to be paid. CBO projects that Gross Federal Debt will rise from $5.475 trillion in 1998 to $6.222 trillion in the year 2008. In other words, even if all of the projected surpluses of CBO come true over the next 11 years, and even if all of the $1.6 trillion in projected budget surpluses come true, we will still face a massive mountain of Gross Federal Debt which will have grown from $5.5 trillion to $6.2 trillion over this same period.

Mr. President, I have attempted in these remarks to paint a realistic picture of the condition of the Federal budget, including a true picture of whether we are incurring deficits or surpluses and whether we are increasing or decreasing overall Federal debt in the coming 10 years. It should be perfectly clear to any rational person that there is no real surplus and that, even if CBO's latest 10-year forecast proves to be accurate and if Congress restrains itself from cutting taxes—there is a great hue and cry, a great push for cutting taxes—even if Congress restrains itself from cutting taxes or increasing spending, Gross Federal Debt will continue to rise by some $700 billion, even under CBO's rosy scenarios. Furthermore, this could all change massively, as I have pointed out, with one recession like the one suffered by the Nation in the early 1990s.

It is against this backdrop that the House recently passed what they call the "Taxpayer Relief Act of 1998." According to the Joint Committee on Taxation, this House-passed tax cut would reduce Federal revenues by $80 billion over the next 5 years and by $176 billion over the next 10 years. Keep in mind that tax cuts, once enacted, are permanent and the loss in revenues to the U.S. Treasury continue not just for 5, 10, or 15 years, but forever, unless they are repealed.

So, if the Congress lost its collective mind, and if the President joined Congress in losing our collective mind and signed such a reduction in revenues, those permanent tax cuts would come to pass regardless of whether CBO's latest projections of unified budget surpluses come true or not. Furthermore, we should keep in mind that over the next 5 years, there is no budget surplus at all—none—if one excludes the Social Security Trust Fund surpluses from the calculations. In effect then, the House-passed tax bill uses Social Security to pay for its $80 billion, 5-year cost to the Treasury.

We should also keep in mind that the Gross Federal Debt is going to continue to rise even without any tax cut. It follows that such a tax cut would increase the Federal debt by $80 billion over the next 5 years; by $176 billion over the next 10 years; and by ever-increasing amounts each year thereafter.

It should be noted, Mr. President, that the House-passed tax cut bill is in direct violation of the 1990 Budget Enforcement Act. That Act, as I stated earlier in my remarks, requires that any increase in mandatory spending or any tax cuts must be fully offset under what is called the "Pay-As-You-Go" rules. Those rules, which have been wisely extended through the year 2006 by the Budget Enforcement Act of 1997, allow for a point of order against any such un-offset tax cut. This means that the House-passed tax bill when, and if it comes before the Senate, will be subject to a 60-vote point of order.

I hope that Senators will come to their senses on both sides of the aisle and do what they know is right for the American people and vote against any tax bill that reduces Federal revenues, keeping in mind that even if all of the projected surpluses of CBO come true over the next 11 years, and even if all of those surpluses are applied to the Federal debt, we will still have massive Gross Federal Debt, which will grow from $5.5 trillion to $6.2 trillion over this same period. To fritter away billions of dollars at this time on massive tax cuts would be the height of irresponsibility and would signal to all the world that we cannot be relied upon to rid this great Nation of not only its deficits, but also its gigantic national debt as well. And that should be our solemn goal. It is ironic that after struggling mightily to overcome the 12 years of recordbreaking, triple-digit-billion-dollar Federal budget deficits under Reagan and Bush, the Republicans are now calling for cutting Federal revenues by huge amounts based on what could turn out to be flimsy projections by the Congressional Budget Office, which, even if they come true, will have done little more than put a small dent—just a small dent—in overall Federal debt.

Mr. President, you do not need any poll to do the right thing here. I say to Senators, this is a no brainer.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COATS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNET TAX FREEDOM ACT

The Senate continued with consideration of the bill.

AMENDMENTS NOS. 3678 AND 3679, EN BLOC

Mr. McCAIN. Mr. President, I send two amendments en bloc to the desk on behalf of Senator BRYAN and Senator ABRAHAM and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes amendments numbered 3678 and 3679, en bloc.

The amendments (Nos. 3678 and 3679), en bloc, are as follows:

AMENDMENT NO. 3678

At the end of the bill add the following new title:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 34 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(e) FORM, QUESTIONNAIRE, OR SURVEY.—The term "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

AMENDMENT NO. 3679

(Purpose: To add the provisions of S. 2326, as ordered reported by the Committee on Commerce, Science, and Transportation and as further modified, as a separate title to the bill)

(The text of amendment No. 3679 is printed in today's RECORD under "Amendments Submitted.")

Mr. McCAIN. Mr. President, these two amendments are not relevant, but they are acceptable to both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments (Nos. 3678 and 3679) were agreed to.

Mr. McCAIN. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3678

Mr. ABRAHAM. Mr. President, I want to take a moment to discuss language that has been added to this legislation, the "Government Paperwork Elimination Act." In May, I introduced S. 2107 to enhance electronic commerce and promote the reliability and integrity of commercial transactions through the establishment of authentication standards for electronic communications. S. 2107 was reported by the Committee on Commerce, Science, and Transportation last month.

After the bill was reported, it was discovered that the bill was erroneously referred to the Commerce Committee and should have been referred to the Committee on Governmental Affairs. S. 2107 deals with Federal government information issues and, according to the parliamentarian, falls directly within the jurisdiction of Governmental Affairs. I understand a similar bill had been approved by Governmental Affairs last Congress.

Obviously, this was discovered late in the session. Nevertheless, Senator THOMPSON, the chairman of the Governmental Affairs Committee, worked with me to develop language which combines language from the bill reported by his Committee last Congress and S. 2107. I want to thank my colleague from Tennessee for his help and insight. He spent a great deal of time assisting me with this legislation and, in my opinion, his language makes many improvements to the original bill.

Mr. THOMPSON. Mr. President, I thank my colleague from Michigan for his hard work on and dedication to information technology issues. The Committee on Governmental Affairs which I chair has had a long and involved history with this issue.

This language which we are discussing today seeks to take advantage of the advances in modern technology to lessen the paperwork burdens on those who deal with the Federal government. This is accomplished by requiring the Office of Management and

Budget, through its existing responsibilities under the "Paperwork Reduction Act" and the "Clinger-Cohen Act," to develop policies to promote the use of alternative information technologies, including the use of electronic maintenance, submission, or disclosure of information to substitute for paper, and the use and acceptance of electronic signatures.

The Federal government is lagging behind the rest of the nation in using new technologies. Individuals who deal with the Federal government should be able to reduce the cumulative burden of meeting the Federal government's information demands through the use of information technology. This language hopefully will provide the motivation that the Federal government needs to make this possible for our nation's citizens.

I thank Senator ABRAHAM for offering us the opportunity to work with him on this important issue.

MORNING BUSINESS

Mr. McCAIN. Mr. President, I ask unanimous consent that there now be a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, as I understand, we are in morning business for up to 10 minutes. I ask unanimous consent to be able to proceed for 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PATIENTS' BILL OF RIGHTS

Mr. KENNEDY. Mr. President, we are reaching the final days of this Congress, and the leadership is deciding about which measures the Senate is going to consider during these final few days.

As I mentioned previously, we have identified a number of different pieces of legislation that I don't believe, and I don't think the American people believe rise up in importance as to protecting the families of this country with the kinds of protections that we would have with our Patients' Bill of Rights. But, we have been unable to have this legislation up before the Senate, to have it debated and discussed, and to have a resolution by this body in a timely way.

As I have mentioned on other occasions, it is Friday afternoon at 2 o'clock and most Americans are still working. The Senate should be, on an issue of this importance, still here and debating these issues and resolving these matters in ways which I think, with a full debate and an open discussion, resolve these matters in favor of the families, in favor of the patients, in favor of this country.

It is a very basic and fundamental issue—whether we are going to have the medical professionals—the doctors and nurses—make the ultimate judgment in terms of health care, or whether those decisions are going to be made by the HMOs, the insurance companies, and their accountants.

For all Americans who are participating in these HMOs, they have paid the premiums and they expect their medical treatment will be decided by medical professionals, and not accountants in the insurance industry.

I doubt very much whether these HMOs—when they are out recruiting new members to join and pay their premiums from their hard-earned money which they work for every single day—are saying, "Well, we want you to know that the people who are going to be making decisions about your health care are going to be the accountants, and not the doctors we are referencing in our pamphlets."

Mr. President, this morning in the Wall Street Journal on the front page there was a rather ominous report. This is from this morning, Friday, October 2nd, on the front page of the Wall Street Journal: "Politicians seek to profit from the debate over health-care policies."

This is the debate—the one issue—that is before the U.S. Senate, the Patients' Bill of Rights. There are other health care issues. But this is the health care issue that commands the wide-range support of over 180 different organizations reflecting all of the various medical professionals—all the nurses, all the cancer patient organizations, all of the children's organizations, all of the disability organizations, and all of the women organizations. They have all virtually embraced and endorsed this health care debate that we have been trying to have. The debate has been rather one-sided since we have not been able to have engagement from the other side on this issue.

We have the Wall Street Journal saying the following. This is an exact quote:

> The GOP's congressional campaign committee invites a "select group" of health-care-industry leaders to a meeting Tuesday on the issue. The ticket price: $25,000 each."

$25,000 each.

> The meeting "will last one hour" only, says an invitation signed by Illinois Representative HASTERT and California Representative THOMAS. That would exceed $400 a minute per person for the fundraiser.

These are the two leading Republican House Members that have been opposed to the Patients' Bill of Rights. Evidently, Mr. President, we have been unable to get this measure before the Senate of the United States—we find that because of the fact that the legislation has been shelved, pigeonholed, the result is that our Republican friends are having a "select group" of health care industry leaders who will pay $25,000 to go to a meeting.

Mr. President, let us look at the most recent report of last month, a new study by Common Cause, which I saw this morning. I asked my staff to get the most recent study by Common Cause about contributions to the Republican National Committee by this industry. They reported that the industry which gave the most soft money to the Republicans of any group was the insurance industry.

It is very interesting that here we have the industry paying $25,000 each for each of their personnel to go to a fundraiser with people who have been effectively there to sidetrack this legislation. Then, when we look back, we find out the insurance industry has opened up its coffers to the party that is keeping us from debating this and resolving this in the U.S. Senate.

That is what is happening. The American people do not understand that. If they don't understand very much, they understand this: That Common Cause reported that in the first 6 months of this year they gave $5.5 million. This is where they have contributed.

I daresay we will find out as we move on through, month by month, and then at the end of the year the reports will come in after the election about what they have done in terms of the various candidates.

This is what we are faced with on the one hand. This is what we are faced with: Big money and powerful special interests denying the opportunity for the interests of these various organizations and the people they represent—not just Members of the U.S. Senate who favor this position but those who are really the constituencies of these organizations. We are talking about the Children's Legal Defense Fund that has represented the interests of the children. We are talking about the range of different groups that have been representing the disabled. We are talking about the medical societies representing the doctors and nurses societies—denying those particular interests the opportunity for debate on this legislation.

Mr. President, earlier today we heard some very moving testimony. It has been typical of the testimony that we have been hearing over the period of recent weeks and months.

This is by Mr. A.G. Newmyer of The Epilepsy Foundation.

I will include the statements in their entirety. Mr. President, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY A.G. NEWMYER III, THE EPILEPSY FOUNDATION, OCTOBER 2, 1998

Good morning. My name is Newmyer and I'm here on behalf of the 2.5 million Americans who have seizure disorders, and their families. Some of these folks are well known to you—former Congressman Tony Coelho, Representative Neil Abercrombie, Congressman Hoyer's late wife. Others are total strangers—like me. And a couple hundred people on the Hill either have epilepsy or someone in their family does, but you don't know about it because stigma and fear keep these folks in the closet.

The Epilepsy Foundation urges passage of strong patients' rights legislation. Today's health insurance system is a mean-spirited, predatory mess. But it's far worse for people with special medical needs.

Those of you who cover this debate may recall that Tracy Buccholz from MN was the first public witness before the President's commission on health care. Tracy has epilepsy and led a rather normal life until her health plan started playing games with her life. She explained to the commission, when she came to Washington to testify, that she had been waiting eight months for permission to see her neurologist, despite the literature and promises of her plan.

I'd like to make three brief points this morning:

First, the member satisfaction statistics are pure nonsense. If I asked each of you how you like your life insurance, you'd think I was nuts. You'd tell me that you think it's fine—you never had to use it. The same thing's true for the 80 percent of Americans who have no significant medical need in any one year. I urge the press to focus on satisfaction among plan participants who have faced a serious medical need.

Second, to those members who say they don't want to interfere in the insurance market, let's be serious. The user isn't the customer. Most patients get insurance at work and have very little choice. When the person making the purchase decision isn't the user of the service, it's not a market. It's an anomaly. And it needs to be fixed. Now.

Finally, I know of no other segment of our society where some people elect to engage in predatory behavior knowing that the victims can't go to court. No patients want more lawsuits. Patients want health plans to stop horsing around. Patients want to fix a system where some people prosper by denying care. The key is ERISA reform, which is why it's being fought so hard by for-profit managed care plans.

I leave you with this thought. Steve Wiggins, CEO of Oxford, made $29 million before he was fired. Last year, with his company ½ way down the toilet, he left with $9 million in severance. The CEO of Aetna-United took home $17,693,000 during the past three years.

Do you really think those plans can't afford for people with seizures to have easy access to decent care?

DON'T LET THE CLOCK RUN OUT ON PATIENT PROTECTIONS

(Statement By Debra L. Ness, Executive Vice President National Partnership for Women & Families)

Good morning. My name is Debra Ness, and I am executive vice president of the National Partnership for Women & Families. I'm here today on behalf of the leadership organizations working for passage of the Patients' Bill of Rights Act, S. 1890. More than 180 groups—representing patients, doctors, nurses, other health care professionals, women, children, people with disabilities, small businesses and people of faith—support this Patients' Bill of Rights, and I am here to say to Congress: don't let the clock run out on patient protections! Americans deserve better from their elected officials!

Today, we are sending a letter to Senate Majority Leader Trent Lott, demanding that the Senate fulfill its responsibility to represent the people's interest. We need a full and fair debate on the Patients' Bill of Rights Act before the end of this session. Every day Congress delays, patients suffer:

Imagine your father being sick, and watching helplessly as his insurance company overrules his doctor about what treatment is best for him.

And yet . . . Congress delays.

Imagine your wife being told she can't participate in a clinical trial that might be the only opportunity to save her life.

And yet . . . Congress delays.

Imagine your child becoming permanently disabled because your insurance company wouldn't let you go to the nearest emergency room.

And yet . . . Congress delays.

Imagine the chronic disease you have managed for years suddenly going awry because your cost-conscious health plan refused to let you continue using the medication that helped stabilize your condition.

And yet . . . Congress delays.

We've talked with women around the country who told us with great passion how they believe the health care industry has abandoned patients for profits. Single women, mothers, grandmothers; corporate executives and Medicaid recipients; Democrats and Republicans, African-Americans, whites, Asians, Hispanics. The consistency of their concerns was extraordinary. And it is clear that women do not trust the industry to fix itself. They desperately want health plans to provide quality care, and they are convinced that government must play a role in setting quality standards.

And yet . . . Congress delays.

Just one bill responds to these legitimate and deep-felt concerns, and that is S. 1890, the Patients' Bill of Rights Act. It is the only bill that gives patients real protections, not phony substitutes. Unfortunately, the House has already passed a sham proposal that would actually reverse what little progress has been made so far. But the Senate has an opportunity—and an obligation to Americans—to enact meaningful patient protections by passing S. 1890, the Patients' Bill of Rights Act.

The Senate has three choices:

(1) It can do nothing and ignore the will of the people;

(2) It can deliver a bill that pretends to solve managed care's problems; or

(3) It can deliver the real Patients' Bill of Rights.

There is only one right choice, and there's absolutely no excuse for the U.S. Senate to get it wrong.

Mr. **KENNEDY**. Let me highlight what we heard this morning.

Good morning. My name is Newmyer and I'm here on behalf of the 2.5 million Americans who have seizure disorders, and their families. Some of these folks are well known to you—former Congressman Tony Coelho, Representative Neil Abercrombie, Congressman Hoyer's late wife. Others are total strangers—like me. And a couple hundred people on the Hill either have epilepsy or someone in their family does, but you don't know about it because stigma and fear keep these folks in the closet.

The Epilepsy Foundation urges passage of strong patients' rights legislation. Today's health insurance system is a mean-spirited, predatory mess. But it's far worse for people with special medical needs.

Those of you who cover this debate may recall that Tracy Buccholz from MN was the first public witness before the President's commission on health care. Tracy has epilepsy and led a rather normal life until her health plan started playing games with her life. She explained to the commission, when she came to Washington to testify, that she had been waiting eight months for permission to see her neurologist, because the literature and promises of her plan.

I'd like to make three brief points this morning.

First, the member satisfaction statistics are pure nonsense. If I asked each of you how you like your life insurance, you'd think I was nuts. You'd tell me that you think it's fine—you never had to use it. The same thing's true for the 80% of Americans who have no significant medical need in any one year. I urge the press to focus on satisfaction among plan participants who have faced a serious medical need.

That is important, Mr. President.

Second, to those members who say they don't want to interfere in the insurance market, let's be serious. The user isn't the customer. Most patients get insurance at work and have very little choice. When the person making the purchase decision isn't the user of the service, it's not a market. It's an anomaly. And it needs to be fixed. Now.

That is a very important point, Mr. President.

Finally, I know of no other segment of our society where some people elect to engage in predatory behavior knowing that the victims can't go to court. No patients want more lawsuits. Patients want health plans to stop horsing around. Patients want to fix a system where some people prosper by denying care. The key is ERISA reform, which is why it's being fought so hard by for-profit managed care plans.

Do you really think these plans can't afford for people with seizures to have easy access to decent care?

That is very moving, Mr. President, and clearly all of the organizations want us to debate and resolve these issues, because every single day they know that the lives of their members, like other Americans' lives, are being threatened by the abuses in the HMO system.

Finally, Mr. President, there is Debra Ness, executive vice president of the National Partnership for Women & Families.

We need a full and fair debate on the Patients' Bill of Rights Act before the end of this session. Every day Congress delays, patients suffer:

Imagine your father being sick, and watching helplessly as his insurance company overrules his doctor about what treatment is best for him.

And yet . . . Congress delays.

Imagine your wife being told she can't participate in a clinical trial that might be the only opportunity to save her life.

And yet . . . Congress delays.

Imagine your child becoming permanently disabled because your insurance company wouldn't let you go to the nearest emergency room.

And yet . . . Congress delays.

Imagine the chronic disease you have managed for years suddenly going awry because your cost-conscious health plan refused to let you continue using the medication that helped stabilize your condition. [This happens, Mr. President. This happens.]

And yet . . . Congress delays.

We've talked with women around the country who told us with great passion how they believe the health care industry has abandoned patients for profits. They desperately want health plans to provide quality care, and they are convinced that government must play a role in setting quality standards.

And yet . . . Congress delays.

Just one bill responds to these legitimate and deep-felt concerns, and that is S. 1890, the Patients' Bill of Rights Act. It is the only bill that gives patients real protections, not phony substitutes. The Senate has an opportunity—and an obligation to Americans—to enact meaningful patient protections by passing S. 1890, the Patients' Bill of Rights Act.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter signed by a number of organizations saying:

We, the leadership organizations working for passage of the Patients' Bill of Rights. . .ask [the majority leader] to schedule a full and fair debate before the close of the 105th Congressional session.

Mr. President, I ask the letter be printed in its entirety.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUPPORT THE PATIENTS'
BILL OF RIGHTS,
October 2, 1998.

Hon. TRENT LOTT,
U.S. Senate, Washington, DC

DEAR SENATOR LOTT: As you know, there are only a few weeks left to pass meaningful patient protection legislation. We, the leadership organizations working for passage of the Patients' Bill of Rights (S. 1890) ask that you schedule a full and fair debate before the close of the 105th Congressional session. There are now more than 180 organizations supporting S. 1890.

Support for patient protection legislation has grown in the last year. In fact, after being presented with arguments pro and con, 65 percent of Americans believe the government needs to pass legislation to protect them from managed care industry abuses, according to a recent survey conducted by Harvard and the Kaiser Family Foundation. People across the country are calling for debate and passage of real patient protections.

We urge that the Senate fulfill its responsibility to represent the people's interests. While Congress delays, people are being denied access to the specialists they need, denied coverage for clinical trials that may save their lives, and harmed by bureaucrats making medical decisions based on cost concerns rather than patient care needs.

There is an urgent need for this legislation, and because of this urgency we request a meeting with you so that we can personally convey the critical importance of this issue to the people across America that we represent.

Thank you for your time and consideration of this matter. We look forward to hearing from you soon. Please contact Judith L. Lichtman, President, National Partnership for Women & Families, with your reply.

Sincerely,

Sandy Bernard, President, American Association of University Women; Peggy Taylor, Director, Department of Legislation, American Federation of Labor-Congress of Industrial Organizations; Charles M. Loveless, Director of Legislation, American Federation of State, County and Municipal Employees; Nancy W. Dickey, MD, President, American Medical Association; Dale Eazell, PhD, Chair, Board of Directors, American Medical Rehabilitation Providers Association; Beverly L. Malone, PhD, RN, FAAN, President, American Nurses Association; Ron Pollack, Executive Director, Families USA Foundation; A. Cornelius Baker, Executive Director, National Association of People with AID; Judith L. Lichtman, President, National Partnership for Women & Family.

Mr. KENNEDY. There are now more than 180 organizations that are supporting it. The time is running short, but, as we have seen in the paper, there is a great deal of work yet to be done. We have not lost faith that still, somehow, the central concerns of families across this country can be listened to and responded to with a positive answer that, still, we might be able to, even in these last days of this session, have action to protect our families in this country.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. WARNER. Mr. President, I ask CDR Richard Voter be granted floor privileges for the purpose of my delivery to the Senate, which will be perhaps 10 to 12 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator is notified that we are in morning business with a 10-minute limitation. Does he wish to ask for more?

Mr. WARNER. Mr. President, I ask for up to 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

KOSOVO

Mr. WARNER. Mr. President, there is increasing concern within the United States, and quite properly, for the fate of the people of Kosovo. I wish to address my concerns, in what I deliver to the Senate this afternoon, in what are entirely my remarks. I take full responsibility for the views and opinions that I express. I have, however, availed myself of every opportunity to learn firsthand about the critical nature of this problem, including a visit several weeks ago to this region which included a trip to Bosnia, thence to Belgrade, thence to Macedonia, and then into Kosovo. I commend the Ambassadors from the United States to Macedonia and—he has the rank of DCM—to Serbia for their very diligent and hard work in representing the interests of our Government and, indeed, those of our principal allies. That is Ambassador Hill and Ambassador Miles. I spent a considerable time with both.

Likewise, I was given the opportunity in Kosovo to visit with a group known as KDOM, which is an unusual group constituted following negotiations between our Ambassadors and, as I understand, their counterparts in Belgrade whereby this group of U.S. military and diplomatic, Russian military and diplomatic, Canadian military and diplomatic and, indeed, some of the EU nations, are given the opportunity to travel without weapons into certain regions of Kosovo for the purpose of observing—and I repeat—observing the tragic unfolding of atrocities throughout that country. I joined them in their armored cars for the purpose of this visit and then had the opportunity to be debriefed extensively by these individuals.

They are doing a remarkable job taking personal risks and providing the free world with an inside examination of this serious and critical problem. I wish to pay them tribute. I also was able, when I returned, to visit with the NATO commander, General Clark, to get them some additional equipment to carry out their missions.

I have also, like most Senators, availed myself, since 1992, of the opportunities to visit in Bosnia and to study the complex issues that brought about that tragic period of hostilities, which hostilities now have been brought to some measure of conclusion, largely because of the allied forces that are in there providing the security so that the Dayton accords can be implemented.

In this entire region, referred to as the Balkans, you cannot touch one spot without affecting, in my judgment, the others.

Now NATO, the United Nations, the United States—all of us—are faced with the following situation: Repeatedly in Kosovo atrocities are taking place against innocent human beings, largely innocent. We have no way of judging their culpability in the separatist movement initiated sometime ago by the forces known as the KLA, but while I was there, I saw the houses being burned, I saw armed people, I saw the hopeless refugees numbering in the hundreds of thousands who had been driven into the hills and wanted to do the right thing, to alleviate the human suffering. That is the main threshold.

Also, our Nation and our allies have put a very considerable investment, first, of the risks taken by our military and diplomatic people and the NGOs—those of nongovernmental organizations who have brought relief to this region—we have put an enormous investment of time and effort to bring about a cessation of those hostilities. In my judgment, unless this situation in Kosovo is likewise secured, it could undermine such advances, although modest, in my judgment, that we have made collectively as nations in this region. First is humanitarian concern for the people; second is to prevent instability as a consequence of this conflict, erasing some of the gains that we have had there.

Lastly, our Nation is proud of the fact that we are the leader, in my judgment, in NATO. Only NATO is the only military force that can and, indeed, should be employed if it is necessary to bring about the cessation of hostilities in Kosovo.

The administration has made efforts, I think many bona fide efforts, through the diplomatic chain—speaking directly with Milosevic in Belgrade. We have been joined by other nations, referred to as the "contact group." I think every effort has been made diplomatically in the past that could have been made, and now that effort is strengthened by a degree day by day of the assertion by the United Nations with regard to their growing concern about the humanitarian problems taking place in Kosovo.

But in no way should the military option, which has to back up diplomacy—diplomacy can be no more effective than the credibility of the willingness of certain nations to back up that diplomatic effort—in no way should the United Nations, in my judgment, have any veto over the decision of the collection of nations—the United States being one, Great Britain, France, Germany and others—to take such action as they deem necessary to bring about a cessation of the tragic situation in Kosovo.

I want to repeat that. Never should the United Nations be put in the position, nor NATO allow itself to be put in a position, where the United Nations has a veto power over the decisionmaking of NATO. But I think the annunciations by the Security Council recently give adequate cover for those nations who wish to collectively act, if necessary, to back up their diplomacy with military action.

That military action, in my judgment, has very severe consequences. I want to make it clear, speaking for myself, that I support the use of force if diplomacy fails, and that is a tough position to take, because I have had grave reservations through these many years about our continued participation and expenditure and deployment of troops in Bosnia, but in the final resolution of the Dayton accords, I felt that I would lend my support, and did, for the putting in of the SFOR and IFOR forces. They have, as I say, to some modest degree, achieved the milestones set out in the Dayton accords. But, in my judgment, of course, we took a step backward, regrettably, as a consequence of the recent elections. Nevertheless, always focus on the considerable investment we have put in that region and how that investment can be jeopardized unless the Kosovo situation is stopped in terms of the atrocities.

How do we do it? My concern is the discussion in the open thus far—and I have availed myself of classified sources and I will only address the open discussion—is that the use of air power will bring about a situation whereby Milosevic in Belgrade will cease the directions and cease sending the Serb Army and the police associated with the Serb Army to stop perpetrating these atrocities. I think if that air power were absolutely and unequivocally of a magnitude that could get that attention, then it would work. But, in my judgment, air alone will not satisfy the situation.

There is a very interesting fact of Kosovo that is well known: that the Kosovar Albanians number about 90 percent of the population, and 10 percent are of Serb ethnicity. Yet, for the past several years, ever since Milosevic I think wrongfully stripped Kosovo province of a certain degree of its autonomy years ago, the Serbians have pretty well controlled that region. And they have used repressive forces against the Kosovars for years.

This insurrection did not happen overnight. It has been coming on for many years. I visited Kosovo in 1991 with Senator Dole, with Senator NICKLES, and others. We went into that region. And we saw with our own eyes the tension that was developing. But the point I wish to make, the air operation, I am confident, could be of such a magnitude as to seal off and stop the flow of supplies, the professional Army and, indeed, I think many of the supplemental police forces that have come down from Serbia to perpetrate these atrocities. That can be done.

But then we leave a region which is affiliated largely 90 percent with the Kosovar Albanians pitted against the 10 percent remnants of the Serbian force. And it is my judgment that that situation would quickly destabilize and you would experience atrocities of a greater magnitude than are taking place in the recent weeks and, indeed, for many, many months in that region.

I want to point out these atrocities, the greater proportion of the atrocities, I think, are directly linked to Milosevic and the Serbian interests. But there have been instances where the Kosovar Albanians have perpetrated atrocities of a comparable magnitude in viciousness, but of course not in a magnitude of totality of loss of life in that region. So both sides come to this problem not with clean hands at all, in my judgment.

The Kosovar Albanians have as one of their objectives a greater Albania. You have virtual anarchy now in Albania. You have large populations of the refugees that have left Albania in Montenegro. That is destabilized. You have some in Macedonia. Indeed, these refugees are throughout this region. And in the event that force has to be used as a consequence of the failure of diplomatic efforts, my concern is that the KLA will view that as the allies, the nations of NATO, coming to their aid and supporting their long-term goal of a greater Albania. That is very troublesome, Mr. President, very troublesome.

That is why I believe—and, again, it is my judgment—that any military action to bring about a cessation of the current level of atrocities in Kosovo has to be associated with what I call a ground element or a stabilizing force that would prevent a greater level of insurrection amongst the populations of predominantly 90 percent Kosovar Albanians and 10 percent Serbs.

The PRESIDING OFFICER. The Senator from Virginia has only a few seconds left of his 15 minutes.

Mr. WARNER. Fine. I ask unanimous consent for additional time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I see that my distinguished colleague from Oklahoma is here. I could finish in 6 or 7 minutes.

Mr. NICKLES. No. Go ahead and finish.

Mr. WARNER. Fine. I will resume my remarks.

The PRESIDING OFFICER. How much more time does the Senator seek?

Mr. WARNER. Mr. President, I ask unanimous consent for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I go back to the situation and recap quickly. As I look at what is in the open, as I say, reported in the New York Times, the Washington Post—and recently we have had some excellent reporting about the military options being examined by NATO—they either intentionally or otherwise leave out any reference to a stabilizing force and the need for that force in Kosovo. And that is the basic reason why I take the floor of the Senate today, to express my own professional judgment that any air operation to alleviate the suffering here has to have, very speedily, a follow-up ground presence in Kosovo to prevent what I predict would be an increased clash among these peoples with the absence of a stabilizing force.

I think it is very important that the President, if he is contemplating the use of force, together with the heads of state of other nations, come to the Congress, come to the American people and point out—if I am wrong, point it out. But I have consulted a great many people about this situation. As I say, I saw it myself weeks ago. The hatred between the Kosovar Albanians and the remnants of the Serbs that are still there is incredible. It is beyond the ability of anybody really to explain it. They will fall upon themselves as they come down out of these hills.

There are maybe as much as a quarter of a million people—refugees—in these hills. When they return to their villages and homes, which I saw, which are burned and destroyed, and see the looting and the destruction, both of human beings and property, they will be incensed, and I think they will turn to fighting themselves. And that is a situation we cannot allow to happen as a consequence of an air operation there and in other areas of that region.

It would bring about greater instability, in my judgment, in Bosnia, that sort of insurrection. It could bring it about in Macedonia. It could feed into the instability here. Montenegro is an integral part of Serbia. There is a good deal of competition between the head of state and government in Montenegro and Milosevic in Serbia. And that situation would be exacerbated.

You must always remember, if airstrikes go against the Serbs, Greece historically has had long relationships with Serbia, as has Russia. Russia now has a very important part of the military that is stationed in Bosnia. What are the consequences that will flow with those two nations if we strike against Serbia?

So I basically conclude my remarks by saying that I think that any operation will have to explain why it is the judgment of those preparing this operation that the ground element is not necessary before this Senator is going to sign off and lend his support.

In my judgment, it is an essential part of any operation to prevent what I predict would be a greater increase of tragedies there. Nevertheless, with the absence of the Serbian Army and the police, other fighting would quickly fall behind.

Furthermore, if you are to help these quarter of a million refugees, you have to bring in food, medicine, supplies and shelter. How could these be brought in if there is a virtual civil war going on? Therefore, without a stabilizing force, you are not going to be able to get the NGO support and such other support that is essential to be brought to bear in that region in the coming weeks, as weather closes in on these hopeless, hapless people who are now confined in the hills.

Furthermore, if you start bombing in this region, that will create another group of refugees who will begin to flee from the sites that either have been bombed or sites that are likely to be bombed if the first raid or the second raid doesn't succeed. So the quarter million down here will grow in number by many more refugees in this situation. Then they will start, in my judgment, flowing across the borders.

I do not believe to the extent this plan has been discussed in the open—largely by the press—that this is a workable operation. At this time I could not lend my support, although I support a plan that would bring about the cessation of this tragic killing that is going on in Kosovo. The likely and precipitous undermining of what progress we have made in Bosnia and the fact that NATO would be viewed as not fulfilling its mission under the leadership of the United States are the reasons compelling us to look at this operation.

If we are going to do it, let's make certain we do it properly to achieve the goals of humanitarian relief and the lessening of the killings.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, first I wish to congratulate and compliment my colleague from Virginia for a very thoughtful speech, and also for his homework in this area, and the fact that he spent some time traveling to this troubled region of the world.

I had the pleasure of traveling with Senator WARNER and Senator Dole, I believe in 1991. We met with Mr. Milosevic and we traveled into Kosovo. I became convinced that Mr. Milosevic was a tyrant. I still believe he is. He needs to be stopped. We need to have affirmative action to stop him. We have had strong words from this administration. We have had very little action. I am not convinced they have a plan that will fully complement their desires, so I am concerned about that.

But I am also working with other colleagues in this body to try to see that the United States and NATO stand up to Milosevic and try to develop a plan that is workable. I appreciate the fact that my colleague from Virginia is willing to speak out and lend his experience and education in this area. Maybe together we can come up with something that will work and stop the atrocities, but also avoid some of the pitfalls that could easily have happened in Bosnia, where some of us were concerned about the cost and the expense.

Some of us felt misled by this administration when they said we would only be in Bosnia for a short period of time. We stated that wasn't the case. We knew that wasn't the case. We knew we wouldn't be limited to 1 year. Frankly, they misled Congress and they misled the American people as far as the commitment in Bosnia. I want to avoid that repetition of that as it pertains to Kosovo.

I appreciate my colleagues' comments.

Mr. WARNER. Mr. President, I thank my distinguished colleague and friend. I wish to commend the leadership of Senator LOTT and yourself, Senator HELMS, Senator THURMOND, Senator DOMENICI, Senator MCCAIN, and many of us who have quietly begun to try to look at this situation, to give constructive advice to Senator LOTT and yourself. I think that, hopefully, that message will get to the administration.

At the moment, I am expressing my own view. I am not satisfied with what I have seen in the open about this plan. I think it has to incorporate pieces which will bring about a stabilization of the potential conflict that could take place in the aftermath of an airstrike.

The Senator rightly points out we had the Joint Chiefs before the Armed Services Committee the other day seeking additional funds for critical needs in our forces, and we have now expended by our Nation up to $9 billion in Bosnia—much of that coming out of the military budget. It is unprogrammed, unbudgeted. We are taking funds out of R&D, operation and maintenance accounts. That has a direct adverse effect on the readiness and the lifestyle of our men and women in the Armed Forces.

We will take steps to correct that, but I think the Senator is absolutely right. I thank the Senator and the distinguished majority leader for the work they have done.

Mr. NICKLES. Mr. President, to conclude the dialog on Kosovo, the administration gave most Members of the Senate a briefing yesterday, but they have a lot of work to do. They have a lot of work to do if they are going to convince the Congress, if they are going to convince the American people. They have a lot of leveling with the American people as far as the expense, as far as the obligation, as far as what the next step is after the first phase. They haven't answered those questions.

That is not exactly what I call "consulting with Congress." Maybe we had a little dialog with the administration, but we have a lot of work to do yet.

Mr. WARNER. I thank my colleague for bringing that up. I participated, of course, in those briefings.

I am not here to advocate the U.S. ground forces in Kosovo. It seems to me if there is an air operation that the United States—because of its particular type of aircraft and munitions—would have to take a lead in that and then the role of the stabilization force should fall to other allies, in my judgment. I think you can't have one without the other.

I thank my colleague.

Mr. NICKLES. Mr. President, I ask unanimous consent to speak for an additional 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL RELIGIOUS FREEDOM ACT

Mr. NICKLES. Mr. President, earlier today, I, Senator LIEBERMAN, Senator SPECTER, Senator COATS, Senator AKAKA, as well as Congressman WOLF, and other leaders of various religious organizations, had a press conference discussing the International Religious Freedom Act. We came out and spoke in favor of Congress passing the International Religious Freedom Act this year.

I tell my colleagues, I very much hope and expect we will do that. I think it is one of the highest priorities we have left before we adjourn this session.

The issue of religious persecution and freedom is an issue that I have been working on, as many others have, for a long time. I very much value the opportunity and the right and the privilege that I have as an American citizen to worship as I please, where I please, how I please. In fact, I believe it is one of the most precious rights that any of us have as a citizen of this country.

Unfortunately, too many people in too many countries do not have that right. It is unfortunate that in many places all around the world, religious persecution is a common practice. It happens in more countries than we can imagine. There are far too many state laws and policies that restrict religious freedom.

For many years, I have worked with my colleagues, Senator HELMS, Senator LUGAR and Senator Nunn, to help win freedom for those around the world who suffer because of religious beliefs. While we have been successful on many occasions, sadly, in some cases, we haven't been. Most of this work has been done, I might mention, quietly and behind the scenes.

In 1996, I was honored to sponsor a Senate resolution on religious persecution, which passed by unanimous consent. In that resolution, the Senate made a strong recommendation "that the President expand and invigorate the United States' international advocacy on behalf of persecuted Christians, and initiate a thorough examination of all the United States' policies that affect persecuted Christians."

Unlike the resolution that we helped get through the Senate 2 years ago, the legislation we are talking about today makes no distinction as to the faith of those who are being persecuted. This bill, I believe, will benefit all persons of all faiths who are persecuted for practicing their religion.

Congressman FRANK WOLF and Senator ARLEN SPECTER have done a great job during the past year and a half in bringing this issue to the attention of the American public. I want to thank my friend, Congressman WOLF, for his leadership in the House, and of course all those persons in the House who passed a similar bill with a record vote, 375-41. Now, we in the Senate have a historic opportunity to finish the job that was started by the House, by passing the International Religious Freedom Act.

I also want to thank my colleague, Senator SPECTER, for his leadership as original sponsor of the resolution. His work on our legislation, I think, has added considerably to the effectiveness of the bill.

I also want to thank Senators GRAMS and HAGEL who worked with us to modify the bill to ensure that what we are doing is responsible and it is done in a careful way. I think with their efforts we have crafted a bill that can be supported by all Senators, as evidenced by the fact that a broad spectrum of grassroots organizations have endorsed this bill.

We have 29 Senate cosponsors, and I expect we will have more shortly. We have 21 groups that are supporting our bill who are advocating religious freedom. Those organizations include: the Religious Liberty Commission of the Southern Baptist Convention, the National Association of Evangelicals, the International Fellowship of Jews and Christians, the Christian Coalition, the Episcopal Church, the Anti-Defamation League, Advocates International, the National Jewish Coalition, Traditional Values Coalition, American Jewish Committee, Justice Fellowship, the Catholic Conference, B'Nai B'rith International, the Evangelical Lutheran Church of America, Catholic Conference of Major Superiors of Men's Institutes, Jewish Council for Public Affairs, Union of American Hebrew Congregations, Union of Orthodox Jewish Congregations of America, National Conference of Soviet Jewry, the United Methodist Church-Women's Division, and the American Coptic Association.

The Episcopal Church stated the following about the International Religious Freedom Act in a letter to each office on Capitol Hill:

> The Nickles-Lieberman bill is a moderate, flexible response to human rights abuses that strikes the right balance between imposing inflexible sanctions in overlooking serious human rights abuses.

The Catholic conference stated the following in a letter to my office:

> The bill is a reasonable and thoughtful effort to ensure that religious liberty has its rightful place in U.S. policy while preserving the authority of the Executive to pursue legitimate foreign policy goals. It deserves broad, bipartisan support and should be considered before Congress adjourns.

B'nai B'rith International, The Union of American Hebrew Congregations, and The Union of Orthodox Jewish Congregations of America signed a letter to me stating:

> Passage of this bill would underscore our nation's commitment to human rights worldwide and lend hope to millions of religious believers who suffer because of their faith. Failure to act now on this legislation would send a dangerous signal to persecutors that they can act with impunity.

Unfortunately, it is a tragic reality that literally millions of religious believers around the world live with the terrifying prospect of persecution—of being tortured, arrested, imprisoned, or even killed simply for their faith. Millions more around the world are denied, by government policy, the ability to practice their religion.

I believe that this bill can be an effective tool in helping to resolve the problem of religious persecution throughout the world.

The International Religious Freedom Act will establish a process to ensure that on an ongoing basis, the United States closely monitors religious persecution worldwide.

International Religious Freedom Act uses a broad definition of religious persecution. This definition ranges in scope from the most egregious form of religious persecution—imprisonment, torture or death—to the most common—the inability of one to speak freely about one's religion, or to change religion. That's right. There are prohibitions in certain countries on changing your religion, on talking about your religion, or practicing your religion.

This is an important aspect of the bill. If the definition of religious persecution were limited to only torture, imprisonment or death, the International Religious Freedom Act would only cover about a few countries, and would not include about 80 to 85 percent of the religious persecution that takes place in the world—the ability to practice one's religion. We adopted this standard to ensure that we address the problem before it escalates to torture and murder.

Under the provisions of the International Religious Freedom Act, the President is required to take action against those countries that engage in religious persecution. However, the President is given a menu of options, fifteen items, from which he can choose the most appropriate response. In addition, the President is given the discretion to calibrate that action in response to each country's particular situation.

In essence, this allows the President to weigh a variety of factors such as strategic importance, the historical relationship between the United States and that country and the severity of the religious persecution in that country when determining an action.

I believe this flexibility also makes the International Religious Freedom Act more effective. We provide the President with a menu of options that makes it make likely that he will take action.

We need to keep our eye on the goal. The goal of our bill is not to punish countries, but to change behavior, and if it is more likely that the President will take an action, then it is more likely that behavior will change. And that, Mr. President, in my opinion should be the goal of any legislation dealing with religious persecution—changing behavior in other countries that persecute people because of their faith.

The International Religious Freedom Act, also seeks to promote religious freedom. The bill insists that U.S. foreign assistance should place a priority on developing legal protections and respect for religious freedom, by promoting exchanges and visits of religious leaders in the U.S. and abroad, and by making one of the priorities of our international broadcast programs the promotion of and respect for religious freedom.

This bill is not a classic case of Uncle Sam imposing his views on the world. Although the right to religious freedom undergirds the very existence and origin of this country, the bill only asks other countries to live up to the commitments they have made in international documents and agreements.

For example, article 1, paragraph 3 of the Charter of the United Nations states one of the purposes of the United Nations is to:

> Achieve international cooperation in . . . promoting and encouraging respect for human rights and for fundamental freedoms for all without distinctions as to race, sex, language or religion.

There are 185 members of the United Nations. Some of the members of the United Nations are the biggest violators of the right to religious freedom.

Article 18 of the Universal Declaration of Human Rights states:

> Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief and freedom either alone or in community with others and in public or private to manifest his religion or belief in teaching, practice, worship and observance.

According to a CRS memo, The Universal Declaration of Human Rights was originally adopted in 1948 at the UN by 48 of the countries that belonged to the UN at that time (eight countries abstained). The Universal Declaration of Human Rights is considered as a part of the United Nations and any country who has joined since 1948 subscribes to its principles. No ratification is required.

Some have suggested that it is inappropriate to elevate religion to a "higher" or "privileged" status in U.S. policy on human rights. But the reality is the opposite. We are trying to correct the neglect that has too long existed, where religious persecution has been given a lower priority than persecution based on political opinion, labor activities, sexual orientation, what have you. This bill is remedial for years of neglect. Religion must no longer be an afterthought of American human rights policy.

As the Catholic Conference stated in its letter to me:

> The bill is a reasonable and thoughtful effort to ensure that religious liberty has its rightful place in U.S. policy while preserving the authority of the Executive to pursue legitimate foreign policy goals. It deserves broad, bipartisan support and should be considered before Congress adjourns.

In June of this year, an Episcopalian Bishop from Pakistan, the Right Reverend Munawar Rumlash, or Bishop Manno as he is called in the United States, gave gripping testimony before the Senate Foreign Relations Committee about the plight of Christians in Pakistan.

Bishop Manno cited the following examples of religious persecution in Pakistan before the Senate Foreign Relations Committee that have occurred this year alone.

In January, Protestant Pastor Noor Alam was stabbed to death in front of his family. Two months before his death, Pastor Alam's church was demolished by a Muslim mob. When he was stabbed to death he was in the process of rebuilding his church for which he had received several death threats.

On April 27, 1998, Ayub Masih was condemned to death on charges he blasphemed the prophet Mohammed by favorably mentioning Salman Rushdie, the author of "Satanic Verses." According to Freedom House, Mr. Rushdie's book has not been translated into the local Urdu language and is unavailable in Pakistan. It is improbable that Ayub Masih ever saw or read the book.

The blasphemy laws in Pakistan do not just impact Christians. According to the latest State Department Human Rights Report, the Ahmadis, a minority sect of Islam that does not accept Mohammed as the last prophet of Islam, also suffer from the religious policies in Pakistan.

Another country in the Middle East imprisoned some 30 Christians for distributing religious material just three months ago. There were credible reports that these people were beaten while in jail.

In Nepal, Hinduism is the state religion and it is illegal to convert. Several years ago a gentleman from Oklahoma was arrested for distributing religious material. I worked with our government to get him released from prison.

Just recently The American Coptic Association placed an ad in the Washington Times highlighting the trials that they are going through. I think there are something like 12 million Coptics in Egypt today.

Last summer our Government prepared a report on countries that engage in violations of religious freedom. Some 77 countries were listed in that report. I will include that report at the conclusion of my statement.

This is a problem, and we in the Senate have the power to try to do something to make improvements. That is what this bill is for. I believe the International Religious Freedom Act has the potential to significantly improve religious freedom throughout the world.

Mr. President, what was a mere resolution in 1996, I hope will become a reality in 1998. While in 1996 we acted with words, I hope we can act now with deeds by passing the International Religious Freedom Act.

I thank my colleague, Senator LIEBERMAN, for his leadership, and Senator COATS, who has worked on this very, very hard, and the 29 cosponsors that we have on this bill. I urge my colleagues to look at this bill, and to work with us to see if we can't pass this bill and make a very positive statement as the United States being a real leader to promote religious freedom throughout the world. I thank my colleagues for their patience.

I ask unanimous consent that a list of the countries that were included in the report on human rights and persecution listed in 1997 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTRIES LISTED IN 1997 REPORT ON CHRISTIAN PERSECUTION

1. Afghanistan: Islam is the state religion. No Proselytizing allowed by non-Muslims.

2. Algeria: Islam is the state religion. Islamic extremists killed several Catholics in 1996.

3. Armenia: Laws forbid proselytizing except by the Apostolic Church. All churches must register with the government. Funding restrictions tightened so foreign-based churches may not be supported by funds outside Armenia.

4. Austria: Registration requirements for recognition. Recognition by the government means tax privileges. The Jehovah's Witness have not been recognized by the government.

5. Azerbaijan: No proselytizing by foreigners in Azerbaijan. Non-Orthodox Christian religions have credibly complained of official harassment.

6. Bahrain: Islam is the state religion. Proselytizing by non-Muslims is discouraged. Anti-Islamic writings are illegal. Both the Sunni and the Shi'a Muslim are subject to government control and monitoring.

7. Bangladesh: Islam is state religion. Foreign missionaries may proselytize, but their right to do so is not protected by the constitution. Many foreign missionaries have problems getting visas.

8. Belarus: Government directive issued in 1995 limits religious activity of foreign religious workers. The Orthodox Church is granted tax and financial advantages not given to other churches.

9. Belgium: The government provides subsidies to Catholics, Protestants, Judaism, Islam, Anglicanism, and the Greek and Russian Orthodox Church. Baptists and other evangelical churches were denied recognition.

10. Bhutan: Buddhism is the state religion. Conversion is illegal. Foreign missionaries are not allowed to proselytize, but they can operate educational and humanitarian efforts.

11. Bosnia: The government has ignored Catholic church burnings.

12. Brunei: Despite constitutional provisions providing for the full and unconstrained exercise of religious freedom the government routinely restricts non-Muslim religions by banning the importing of religious material and prohibiting proselytizing.

13. Bulgaria: Although the constitution calls for freedom of religion the government restricts this right for some non-Orthodox Christian groups. Mormons and the Jehovah's Witness have reported acts of official harassment.

14. Burma: The government has imposed restrictions on certain religious minorities. Christian bibles translated into local languages cannot be imported, and it is difficult to get permission to build churches and mosques.

15. Burundi: There is no restriction on religion. However, religious leaders of the Hutu tribe have been arrested for aiding Hutus rebels. Another religious leader was arrested and has not been charged.

16. Cameroon: The government has registration requirements and has verbally attacked the Catholic Church for being supportive of the political opposition.

17. Central African Republic: Has a provisions of law prohibiting religious fundamentalism which is understood to be aimed at Muslims.

18. China: The government seeks to restrict religious practice to government controlled and sanctioned religious organizations. Leaders of house churches have been jailed and beaten.

19. Colombia: Jehovah's Witness and members of the Mennonite Church have complained that they are not allowed an alternative to military service even though Colombia's constitution calls for this.

20. Comoros: A government established council ensures that its laws abide with the law of Islam. Non-Muslims are allowed to practice their faith, but not proselytize.

21. Congo: Religious leaders have been jailed for criticizing the government.

22. Croatia: The government discriminates against Muslims in issuing documents.

23. Cuba: Although restrictions on religion have eased—especially because of the Pope's visit—the government still maintains a restriction on selling business machines to Churches. Pentecostal Churches have been closed in the last year.

24. Djibouti: Islam is the state Religion. Proselytizing while not illegal is discouraged.

25. Egypt: Religious practices that conflict with Islamic law are prohibited. Christians complain that their lives and property are not adequately protected by the police. Converts to Christ have been beaten and jailed.

26. Equatorial Guinea: Catholic clergy beaten & jailed for political sermons.

27. Eritrea: General religious freedom, except the Jehovah's Witness are denied government housing and passports.

28. Estonia: Some disputes have arisen over its registration requirements, but this has not hampered freedom of religion.

29. Ethiopia: Skirmishes between religions have resulted in claims by the Protestants that they are not being adequately protected by the police.

30. France: Certain churches get government subsidies. Some 172 religions have been labeled as a criminal sect.

31. Germany: Certain churches get government subsidies.

32. Greece: Muslims complain the government is thwarting their efforts to build a mosque in Athens. Mormons, Jehovah's Witness and Scientologists have been arrested by the police for proselytizing.

33. India: The government has refused to allow foreign missionaries into the country for long stays since the 1960s. Missionaries can stay for short periods of time on a tourist visa only.

34. Indonesia: The government only recognizes five religions (Islam, Catholics, Protestant, Buddhism and Hinduism). Marriages performed outside of these religions have difficulty being recognized. The Jehovah's Witness have been banned.

35. Iran: There are religious restrictions on non Shiites. Christians are arrested. Two Bahai men were killed under circumstances that has led many to believe they were killed for their beliefs.

36. Iraq: Restrictions on religion exist. There is a ban on Muslims call to prayer in certain cities and bans on books and funeral processions. Security forces are reported to have killed between 40 and 500 religious pilgrims.

37. Israel: Jehovah's Witness have reported buildings being looted, and complain that the police have not adequately investigated these attacks.

38. Jordan: Non-Muslims can't proselytize to Muslims. Some religions not recognized by the government.

39. Kazakstan: Foreign missionaries have complained of harassment by low-level government officials.

40. Kenya: Government has interfered with religious educations which it claims supported the opposition.

41. North Korea: Although the constitution calls for freedom of religion the government discourages all religious activity.

42. Kuwait: Islam is the state religion. The government prohibits proselytizing among Muslims.

43. Kyrgyz Republic: The government does not always ensure religious freedom. A Baptist congregation has been denied the ability to register with the government.

44. Laos: The government restricts religious freedom. There are reports of Christians being harassed. There are also restrictions on the imports of foreign religious publications.

45. Latvia: Religions are required to register. Jehovah's Witness are denied registration. This makes it very difficult for them as they are perceived as an illegal group.

46. Lebanon: Religious denomination determines who can hold the highest positions in government.

47. Lithuania: While the government generally allows freedom of religion, certain religions are having trouble getting registered.

48. Malaysia: Islam is the state religion. There are some restrictions on other religions.

49. Maldives: Severe restrictions on religion. Citizens are required to be Muslim. Conversions may result in a loss of citizenship. The practice of any other religion besides Islam is prohibited.

50. Mauritania: Proselytizing by non-Muslims prohibited. Conversion from Islam to another religion is prohibited.

51. Mexico: Local official do not always allow religious freedom.

52. Moldova: A 1992 law contains restrictions on proselytizing. Several Protestant religions are concerned that this could inhibit their activities.

53. Morocco: Islam is the official religion. Attempts to convert a Muslim are illegal and several Christian missionaries have been expelled from Morocco for proselytizing.

54. Nepal: Conversion and proselytizing are prohibited.

55. Nicaragua: Catholic Church bombings in 1996 blamed on extremists..

56. Nigeria: Open-air religious services are banned. Soldiers beat participants in an Easter-day parade.

57. Pakistan: Religious intolerance prevails. Blasphemy laws make it difficult for other religions besides Islam to grow. Proselytizing among Muslims is illegal.

58. Peru: Mormons harassed in Peru in 1996, problem declining.

59. Romania: Problems with low-level government harassment of several Protestant denominations.

60. Russia: Passed law that prohibits religious freedom in 1997. While this law is complex and contradictory, several denominations have been punished by local authorities for practicing their faith.

61. Saudi Arabia: No freedom of religion exists. The government does not permit non-Muslim religious activities. Police have been known to beat and jail those who do.

62. Serbia: Although there generally is freedom of religion, the government gives preferential treatment to the Orthodox Church.

63. Singapore: Jehovah's Witness are banned. Arrests have been made of them.

64. Slovakia: Subsidies provided to registered churches.

65. Somalia: Proselytizing prohibited except for Muslims.

66. Sri Lanka: Buddhism is the official national religion. Discrimination from the Buddhist clergy is often targeted at Christian groups who have proselytized.

67. Sudan: Islam is the de facto state religion. There are reports of forced conversion of Christians to Islam, Christians are victims of slave raids and Christian children being sent to reeducation camps. Muslims may proselytize, but non-Muslims cannot.

68. Syria: The President of Syria must be Muslim. The government discourages proselytizing. Jews are generally barred from holding government positions. Reports indicate that the government closely monitors worship services.

69. Tunisia: The government views proselytizing as an act against public order. Foreigners suspected of proselytizing are deported. The government controls mosques and pays the salaries of the prayer leader.

70. Turkey: there is compulsory religious education for Muslims. proselytizing is not illegal, but foreign missionaries are sometimes arrested for disturbing the peace.

71. Turkmenistan: Churches are required to be registered by the government. Requirements that the church have at least 500 adherents have hampered the efforts of some religions from setting up legal religious organizations. Missionaries arriving at the airport with religious material have had that material confiscated.

72. Ukraine: An amendment to a 1991 law restricts the activities of non-native churches. Local government officials have impeded the efforts of foreign missionaries.

73. United Arab Emirates: Islam is the official religion. Non-Muslims are free to worship, but may not proselytize, or distribute religious material.

74. United Kingdom: Has a state religion. Blasphemy is illegal although the law is not enforced. There is freedom of religion.

75. Uzbekistan: Although the distribution of religious material is legal, proselytizing is not. The government does not register Christian groups of which they do not approve, and has sought to control the Islamic hierarchy.

76. Vietnam: Only two Christian religions are approved by the government—The Catholics and the Christian Missionary Alliance. Police have raided house churches and harassed ethnic Hmong Protestant for proselytizing.

77. Yemen: Islam is the state religion. There are restrictions on the followers of other religions—They are not allowed to proselytize. Security officials have been known to censor the mail of Christian clergy who minister to the foreign population.

Mr. NICKLES. Mr. President, I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent to proceed for up to 30 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMPEACHMENT PROCESS

Mr. BIDEN. Mr. President, during the past 26 years as a U.S. Senator, I, like all who sit here, have been confronted with some of the most significant issues that have faced our Nation in the last quarter century—issues ranging from who sits on the highest court of the land, the Supreme Court, to whether or not we should go to war. These and others are, obviously, weighty issues. But none of the decisions has been more awesome, or more daunting, or more compelling than the issue of whether to impeach a sitting President of the United States of America, a responsibility that no Senator will take lightly.

As imposing as this undertaking is, I am sad to say that I have had to contemplate this issue twice during my service as a U.S. Senator—once during the term of President Richard Milhous Nixon, and now.

While the circumstances surrounding these two events are starkly different, the consequences are starkly the same. The gravity of removing a sitting President from office is the same today as it was 26 years ago. And 26 years ago as a much younger U.S. Senator, I took to the floor on April 10, 1974, and said the following:

> In the case of an impeachment trial, the emotions of the American people would be strummed, as a guitar, with every newscast and each edition of the daily paper in communities throughout the country. The incessant demand for news or rumors of news—whatever its basis of legitimacy—would be overwhelming. The consequential impact on the Federal institutions of government would be intense—and not necessarily beneficial. This is why my plea today [that was 1974] is for restraint on the part of all parties involved in the affair.

It is somewhat presumptuous for any Senator to quote himself. But I cite it to point out that my views then with a Republican President are the same as my views today with the Democratic U.S. President. It is time for all parties involved in this affair to show restraint.

I rise today because I believe that we are not exercising the restraint as we should. Those words that I said 24 years ago have an uncanny ring to them. Furthermore, in 1974, I urged my colleagues in the U.S. Senate during the Watergate period to learn from the story of Alice in Wonderland. I cautioned then that they remember Alice's plight when the Queen declared, "Sentence first and verdict afterwards." But the need for restraint then is even greater now than it was in 1974.

The impeachment question then was not as politically charged as it is today. In 1974, we were willing to hear all the evidence before we made any decision. We had men like Howard Baker and Sam Ervin. We had men like Chairman Peter Rodino. We had Democrats and Republicans. I remember a brilliant young Senator from Maine, who was then a Congressman named William Cohen, a Republican, and now our Secretary of Defense. He was a Congressman from Maine. I remember how serious they took the process, how much restraint they showed, and how bipartisan their actions were.

Today, I hope for our Nation's sake—not the President's, but for our Nation's sake—that we don't follow the Queen's directive in Alice in Wonderland to "sentence first and verdict afterwards," and that we will make a wise judgment about the fate of the President after deliberate consideration.

My legal training combined with more than a quarter of century of experience in the U.S. Senate, a significant part of that as chairman of the Judiciary Committee, has taught me several important lessons. Two of these are lessons that I believe are appropriate now. First is that an orderly society must first care about justice; and, second, all that is constitutionally permissible may not be just or wise.

Let me repeat the latter. All that is constitutionally permissible to do may be not wise to do, or may not be just in the doing.

It is with these two very important lessons guiding me that I embark upon a very important decision involving our country, our Constitution and our President. The power to overturn and undo a popular election by the people for the first time in our Nation's history must be exercised with great care and with sober deliberation.

We should not forget that 47.4 million Americans voted for our President in 1996, and 8.2 million voted for the President's opponent. We should also not forget, as I tell my students in the constitutional law class I teach on separation of powers, that the entire essence of our constitutional system is built upon the notion of the consent of the governed, and when we deign to overturn a decision of the governed, we are on very thin ice.

I believe Members of Congress should begin their deliberation with a thorough understanding of the impeachment process. They should understand what the framers of the Constitution intended the standard of impeachment to be. I have heard no discussion of that issue thus far. And, further, how the framers of the Constitution intended the process to work; again, I have heard no discussion of that thus far.

Let me say at the outset that what President Clinton did and acknowledged to have done is reprehensible. It was, at a minimum, a horrible lapse in judgment, and it has brought shame upon him personally. It has brought shame upon the Office of the Presidency, and his actions have hurt his family, his friends, his supporters, the causes for which he fights, and the country as a whole. I am confident that he fully understands the gravity of what he has done now.

Let me also say that I have made no judgment. I have not made any decision on what I think should happen. I have not come to any conclusion as to consequences the President should face for his shameful behavior, because I believe the oath of office that I have taken on five solemn occasions—four which were right here in the well, and one which was in a hospital in Wilmington, DE—on those five occasions, the oath that I took I believe precludes me, and I will respectfully suggest any other Senator, from prejudging, as I and all other Senators may be required to serve as the Constitution dictates, as judge and juror in what may become the trial of this century. I can only make—and I would respectfully suggest all of us can only make—an assessment after hearing all the evidence, evidence against the President and evidence in support of the President. No one knows, to the best of my knowledge, but the Lord Almighty, how all this will turn out. However, because this is the second time in my career I have had to face this awesome responsibility, I have given this topic a great deal of thought and consideration and would like to explore, with the indulgence of the Presiding Officer, some of the issues that I believe will surely confront responsible Members of Congress and all Americans as we enter this difficult period in our history.

Mr. President, the framers of the Constitution who met in Philadelphia in the summer of 1787 considered—and this is a fact little known, at least little spoken to—offering this country a Constitution that did not include the power to impeach the President. Let me reemphasize that. The founders considered not including in our Constitution the power to remove the President from office. After all, they reasoned, any wrongs against the public would be dealt with by turning the President out in the next election. To overturn an election, which I will speak to in a moment, would lend itself to political chicanery.

One delegate to the Constitutional Convention, Charles Pinckney of South Carolina, worried that the threat of impeachment would place the President under the thumb of a hostile Congress, thereby weakening the independence of the office and threatening the doctrine upon which our Constitution was built—the separation of powers. According to James Madison's notes, Pinckney called impeachment a "rod" that Congress would hold over the President.

In being reluctant to include any impeachment power, the framers were not trying to create an imperial Presidency. In fact, what they were worried about was protecting all American citizens against the tyranny of a select group. In their view, the separation of powers constituted one of the most powerful means for protecting individual liberty, because it prevented Government power from being concentrated in any single branch of Government. To make the separation of powers work properly, they reasoned, each branch must be sufficiently strong and independent from the other so that the power of one branch could not be encroached upon by the other.

The framers were concerned that any process whereby the legislative branch, the branch they deemed "the most dangerous," could sit in judgment of a President who would be vulnerable to the abuse of partisan faction which, as my friend and Presiding Officer and gifted lawyer knows, was one of the overwhelming, recurring concerns of the founders—partisan politics. They feared that this most dangerous branch could sit in judgment of a President who would be vulnerable to abuse by partisan factions.

Federalist No. 65 begins its defense of the impeachment process which ultimately was included by warning of the dangers of the abuse—of the abuse—of the power. It argues, Federalist 65, that is, that impeachment:

> . . . will seldom fail to agitate the passions of the whole community, and to divide them into parties, more or less friendly or inimical, to the accused. In many cases, it will connect itself with the preexisting factions, and will enlist all their animosities, particularities, influence and interest on one side, or on the other; and in such cases there will always be the greatest danger that the decision will be regulated more by the comparative strength of the parties than by the real demonstration of guilt or innocence.

Don't you find it kind of fascinating that the Federalist Papers, which were the 1787–1788–1789 version of advertising to sell the Constitution, don't you think it fascinating, instead of them writing about, warning about the abuse of power by the President requiring impeachment, they wrote about and were concerned about and more debate was conducted about the abuse of power by political factions in the legislative branch to overturn the will of the American people?

So the framers were fully aware that the impeachment process could become partisan attacks on the President—charged with animosities generated by all manner of trials, prior struggles and disagreements over executive branch decisions, over policy disputes, over resentment at losing the prior election, and God only knows what else.

Federalist No. 65 expresses the view that the use of impeachment to vindicate any of these animosities would actually be an abuse of power. So the power that they were at least equally in part worried about being abused was the partisan power of a legislative body to overturn a decision of the American people—giving too much power to the legislative branch at the expense of the executive branch, thereby diluting the separation of powers doctrine, concentrating it too much in one place and thereby jeopardizing the liberty and freedom of individual Americans.

This sentiment that I referred to about the abuse of power by this body and the House is as true today as it was when the Constitution was being written. It was also true when Richard Nixon faced impeachment in 1974. In fact, it would have been wrong for Richard Nixon to have been removed from office based upon a purely partisan vote. No President should be removed from office merely because one party enjoys a commanding lead in either House of Congress. And I would remind my colleagues that when I arrived here in 1973, and when the Nixon hearings were going on in 1974, the Democratic Party—and he was obviously a Republican—enjoyed an overwhelming, commanding plurality of votes. My recollection is there were roughly 64 Democratic Members of the Senate at the time, and a prohibitively large plurality of Democrats in the House of Representatives. In fact, it would have been wrong then, as it would be wrong now, to have removed him based upon the power that was in the hands of one party. No President should be removed merely because one party enjoys a commanding lead in either House of Congress.

Yet, while the framers knew that the impeachment process could become partisan, they needed to deal with the strong anti-Federalist factions that jeopardized the possibility of the Constitution being ratified by the requisite number of States. The anti-Federalists strenuously argued that the Federal Government would quickly get out of step with the sentiments of the people and become vulnerable to corruption and intrigue, arrogance and tyranny. These charges proved close to fatal as the ratifying conventions in the States took up the proposed Constitution.

It was with this looming danger in mind, of losing the ratification fight, that the Federalists decided to include the impeachment provision in the Constitution. The framers of the Constitution knew that the Constitution would have been even more vulnerable to charges of establishing a government remote from the people if the President were not subject to removal except at the next election.

James Madison's notes, again, of the Philadelphia Constitutional Convention, record his observations of the debate, where he said he:

> . . . thought it indispensable that some provision should be made for defending the community against the incapacity, negligence or perfidy of the chief magistrate, [that is, the President]. The limitation of the period of his service was not a sufficient security. He might lose his capacity after his appointment. He might pervert his administration into a scheme of speculation or oppression. He might betray his trust to foreign powers.

So, those concerns, those concerns expressed by Madison about whether or not the President might lose his ability to lead, might "pervert his administration to a scheme of speculation or oppression, might betray his trust to a foreign power"—they were thought to be sufficient reason to include the power of impeachment in the Constitution. So, in the end, the framers of the Constitution risked the abuse of power by the Congress to gain the advantages of impeachment.

Once the decision to include the power of impeachment had been made, the remainder of the debate on the impeachment clause focused on two issues. The first debate, which we do not even talk about, was whether or not to give the power to the Congress to impeach, and weighed the advantages and disadvantages. The disadvantage was, it would lead to partisan bickering and abuse of power by the Congress. But that was outweighed, ultimately, in their minds, by the process that a President could and might subvert the interests of this country to a foreign power or subvert the office to oppress the people or to take advantage of the office in a way that was inappropriate in the minds of the American people.

Once that decision was made, though, they then focused on, OK, we are going to include it, but—but—what was supposed to constitute an impeachable offense? Put another way, what was the standard going to be that they expected the Congress to use? And then they said: After we decide that, we have to decide how is impeachment to work? How is the process to be undertaken? And what were the procedures that should be set down as to how to approach such an awesome undertaking?

As we shall see, the framers proved unable to separate these two issues entirely. Understanding how they are entwined, however—that is, the question of what constitutes an impeachable offense and how is the mechanism to work—understanding how these two issues are intertwined, I believe, will help us to understand the full implications of the power that the Constitution gives those of us who serve in the Congress. The Constitution provides that the House of Representatives shall have the power to impeach—article I, section 2, clause 5.

The framers' decision that the House of Representatives would initiate the charges of impeachment follows the pattern of the English Parliament, where the House of Lords initiates charges of impeachment. Beyond this, the choice—the choice of the House being given this power—must have seemed fairly compelled by two related considerations.

The first, already mentioned, was the need to provide the people as a whole with assurances that the Government they were being asked to create would be responsive to the interests and concerns of the people themselves. So what better place to go than the people's house, the House of Representatives?

The second reason for the House being given this power to initiate was the framers' substantive understanding of the impeachment power. It was a power to hold accountable Government officers who had, in Hamilton's terms, committed "an abuse or violation of some public trust," thereby committing an injury "done immediately to the society itself."

Keep in mind what they are talking about here—at least what Hamilton was talking about—as to what constituted the kind of offense that was contemplated to be impeachable: Something that was an abuse or violation of the public trust and done immediately to the society itself.

If the gravamen of an impeachment is the breach of public trust, no branch of the Federal Government could have seemed more appropriate to initiate such a proceeding than the House of Representatives, which was conceived and defended as the Chamber most in tune with the people's sympathies and hence most appropriate to reflect the people's views as to whether the society itself was done immediate harm.

The Constitution further provides that the President shall be "removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors." Article 2, section 4 of the U.S. Constitution.

The Constitution provides that "the House of Representatives shall . . . have the . . . Power of Impeachment." Article I, section 2, clause 5. And the Senate shall remove from office on "Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors."

This language, the language about what he should be removed for, went through several changes during the summer of 1787. In the initial drafts, the grounds for impeachment—once the debate was over as to whether or not to include impeachment as a power—the initial drafts, the grounds for impeachment, were restricted to treason and bribery alone, period; nothing else—not another single thing.

I remind my friends who call themselves strict constructionists—I have run into them over my 26-year career and, as chairman of the Judiciary Committee, have had numerous debates with now Supreme Court Justices, and some who are not Supreme Court Justices, on what is the proper methodology for interpreting the Constitution. Those who view themselves as strict constructionists say the words, if their plain meaning is clear, control.

Initially this debate, once impeachment was decided upon as a power that would be granted to the Congress, included impeachable offenses for only two purposes: Treason or bribery.

When the matter was brought up on September 8, 1787, George Mason, of Virginia, inquired as to why the grounds should be restricted only to those two provisions. He reasoned that there are other ways the public trust in government can be abused, so why only these two? He argued:

> Attempts to subvert the Constitution may not be treason as above defined.

So, accordingly, he moved to add the word "maladministration" as a third ground for impeachment.

James Madison objected to Mason's motion, contending that to add "so vague a term"—the term being maladministration—to add "so vague a term will be equivalent to a tenure during the pleasure of the Senate."

Or put another way, if you said "maladministration," the majority party in the House and the Senate could at any time overturn an election by alleging maladministration. So Madison came along and said, "I understand what you are trying to do, old George, to Mason"—my words, not theirs—"I understand what you are trying to do here; we acknowledge that you can violate the public trust and abuse the office to do injury to the American people other than by treason and bribery." But if you read Madison's notes, if you read the debate, as I have, I challenge you to find an interpretation other than essentially what I am giving you here, which is this: "But, George, if you put maladministration on, it will be subject to too much—too much—abuse. And, George, I acknowledge that something beyond treason and bribery can do harm. But, George, let's be careful what we add."

They debated it. James Madison objected to the motion, as I said, because it was vague and here, again, we see the worry that impeachment would be misused by the Congress to reduce the independence of the President, allowing partisan factions to interfere at the expense of the larger public good and overturning the election or the consent of the governed being attacked because separation of powers had been reduced.

The objection on the part of Madison proved effective, because Mason subsequently withdrew the motion and came up with another phrase, and you know what the phrase was. It said: ". . .or other high crimes and misdemeanors."

Obviously, the context in which "high crimes and misdemeanors" was entered was to be something a heck of a lot more than maladministration and less than treason or bribery, or at least equal to.

What does this phrase mean? It is clear the framers thought it to be limited in scope, but beyond this, constitutional scholars of whom I have inquired and read have been debating the meaning of this phrase from the very early days of the Republic, and there is not a clear consensus. Despite this ongoing dialog and disagreement, though, I believe there are two important points of agreement in the minds of almost all constitutional scholars as to the original understanding of the phrase.

The PRESIDING OFFICER. The Chair informs the Senator that his 30 minutes have expired.

Mr. BIDEN. I ask unanimous consent to proceed for another 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, despite this dialog, as I indicated, scholars agree on two important points and a third issue where the weight of history suggests subtle practice. Let me speak to that.

As we already have seen, the framers did not intend that the President could be impeached for maladministration alone. Second, a great deal of evidence from outside the convention shows that both the framers and the ratifiers saw "high crimes and misdemeanors" as pointing to offenses that are serious, not petty, offenses that are public or political, not private or personal.

In 1829, William Rawle authored one of the early commentaries on the Constitution of the United States. In it, Rawle states that "the legitimate causes of impeachment . . . can only have reference to public character and official duty.

He went on to say:

> In general, those offences which may be committed equally by a private person as a public officer are not—

Emphasis, not—

> the subjects of impeachment.

In addition, more than 150 years ago, Joseph Story, as my learned colleague who is presiding knows was a lawyer, Joseph Story and his influential commentaries on the Constitution stated that impeachment is "ordinarily" a remedy for offenses "of a political character," "growing out of personal misconduct, or gross neglect, or usurpation, or habitual disregard of the public interests, in the discharge of the duties of political office."

The public character of the impeachment offense is further reinforced by the limited nature of the remedy for the offense. In the English tradition, which we rejected, impeachments were punishable by fines, imprisonment or even death.

In contrast, the American Constitution completely separates the issue of criminal sanctions from the issue of removal from office.

Our Constitution states that, "Judgment in Cases of Impeachment shall not extend further than to removal from Office, and disqualification to hold and enjoy any Office of honor, Trust, or Profit under the United States. * * *" Article I, section 3, clause 7.

The remedy for violations of the public's trust in the performance of one's official duties, in other words, is limited to removal from that office and disqualification from holding further office; remedies that, I might add, correspond nicely to the public nature of the offenses in the first instance.

Additional support comes from another commentator, James Wilson, a delegate to the Convention from Pennsylvania. In his lectures on the Constitution, Wilson wrote:

> In the United States and Pennsylvania, impeachments are confined to political characters, to political crimes and misdemeanors, and to political punishments.

All in all, the evidence is quite strong that impeachment was understood as a remedy for abuse of official power, breaches of public trust, or other derelictions of the duties of office.

The third point to make about the scope of the impeachment power is this: To be impeachable, an offense does not have to be a breach of the criminal law.

The renowned constitutional scholar and personal friend and adviser, the late Phillip Kurland, the leading constitutional scholar of this century, I argue, wrote that:

> At both the convention that framed the Constitution and at the conventions that ratified it, the essence of an impeachable offense was thought to be breach of trust and not violation of criminal law. And this was in keeping with the primary function of impeachment, removal from office.

If you put the notion that an impeachable offense must be a serious breach of an official trust or duty, together with the point that it does not have to be a criminal violation, you reach the conclusion that not all crimes are impeachable, and not every impeachable offense need be a crime.

These points provide important anchors for any impeachment inquiry, but they do not resolve all the questions of scope that may arise. Much remains to be worked out, and only to be worked out, in the context of particular circumstances and allegations. As Hamilton explained in Federalist 65 impeachment "can never be tied down by * * * strict rules, either in the delineation of the offense by the prosecutors or in the construction of it by the judges. * * *"

After all the legal research, we are still left with the realization that the power to convict for impeachment constitutes an "awful discretion."

This brings us directly to the Senate's role. To state it bluntly, I believe the role of the U.S. Senate is to resolve all the remaining questions. Let me elaborate.

The Senate's role as final interpreter of impeachments was recognized from the beginning of the Republic. For example, to refer again to Joseph Story, after he devoted almost 50 sections of his commentaries to various disputed questions about the impeachment power, he concluded that the final decision on the unresolved issues relating to impeachment "may be reasonably left to the high tribunal, constituting the court of impeachment."

I.e., the U.S. Senate, the floor upon which I stand.

The court of impeachment, the Senate, similarly was viewed in the Federalist Papers and referred to Senators as the judges of impeachment. Speaking of the Senate as the jury in impeachment trials is perhaps a more common analogy these days as you turn on your television and hear many of us speak. But the judge analogy is a more accurate analogy than the juror analogy.

In impeachment trials, the Senate certainly does sit as a finder of fact, as a jury does. But it also sits as a definer of the acceptable standards upon which the President is being judged, as a judge would do. The Senate, in other words, determines not only whether the accused has performed the acts that form the basis for the House of Representatives' articles of impeachment but also whether those actions justify removal from office.

So let's lay to rest this idea that if the President—any President—is impeached by the House of Representatives, and specific articles are alleged of violations, and we find the President violated the very charge that the House has made—that does not mean we must vote for impeachment, for we can reject the grounds upon which the House impeached in the first instance as being not sufficiently sound to meet "high crimes and misdemeanors." There is no question about that, and yet it seems to be a question in the minds of the press. There is no question about that.

Once again, we find support for this view from our country's history. In two of the first three impeachments brought forward from the House to the U.S. Senate, the Senate acquitted the accused. In each of the two acquittals, however, the Senate did not disagree with the House on the facts.

One case involved a Senator, William Blount, the other an Associate Justice of the Supreme Court, Samuel Chase. In neither one was there any question that the individual had done the deeds that formed the basis of the House's articles of impeachment. Yet in each case the Senate concluded that the deeds were not sufficient to constitute valid grounds for impeachment, and so they acquitted.

Eventually then, if the current impeachment proceeds, it will fall to the Senate to decide not only the facts but the law and to evaluate whether or not the specific actions of the President are sufficiently serious to warrant being thrown out of office—being convicted.

The framers intended that the Senate have as its objective doing what was best for the country, taking context and circumstances fully into account.

I should try to be as clear as I can about this point because the media discussions have come close to missing it. It seems to be widely assumed that if the President committed perjury, for example, then he must be impeached, and he must be convicted if the Senate concludes he perjured himself. Conversely, you may think that unless it can be proven that the President committed perjury, or violated some other criminal statute, that impeachment cannot occur. Both sentiments and statements are wrong.

Recall what I said earlier: Not all crimes are impeachable offenses and not every impeachable offense need be a crime to throw a President out of office.

The Senate, for example, could decline to convict, even if the President had committed perjury, if it concluded that under the circumstances this perjury did not constitute a sufficiently serious breach of duty toward removal of the President. There is no question about that either.

On the other hand, the Senate could convict a President of an impeachable offense even if it were not a violation of the criminal law. For instance, if the Senate concluded that the President had committed abuses of power sufficiently grave, it need not find any action to amount to a violation of some criminal statute.

Let me give you an example. If there was overwhelming proof that every day the President came to his office, the Oval Office, drunk, that is not a crime, but it is impeachable—it is impeachable—committing no crime, but is impeachable. Conversely, if the Senate can conclude that the President lied about whether or not he had an affair, they could conclude that did not constitute an impeachable offense warranting expulsion. Now, again I am not prejudging what we should decide, but

I think it is very important we understand what latitude and obligations we have.

Let me now stand back from the issue of substance and procedure and look at the impeachment mechanism as it has actually functioned in our country's history. The proof of the framers' design, after all, will be in how the mechanism has worked in practice.

I am almost finished, Mr. President.

As we have seen, the framers worried that impeaching a sitting President would most likely be highly charged with partisan politics and preexisting factions, enlisting, as they said, all of the "animosities, partialities, and influence and interest" that inevitably swirl around a sitting President. History shows, Mr. President, they had it right from the get-go. They had it right. And they were right to worry about it.

Prior to the case of President Nixon, Presidential impeachment had only been used for partisan purposes. History tells us that John Tyler was an enormously unpopular President, facing a hostile Congress dominated by his arch political enemy, Henry Clay—one of the several people younger than me when he got here. He was an amazing guy. Here he was, a leader in the House of Representatives before he was 25, and he became a U.S. Senator before he was 30.

During the impeachment effort of John Tyler, what he was facing, Tyler, was a hostile Congress dominated by the young Henry Clay. After several years of continual clashes, numerous Presidential vetoes, and divisive conflicts with the Senate over appointments, a select committee of the House issued a report recommending a formal impeachment inquiry.

President Tyler, not being as dumb as everyone thought, reached out to his political enemies. How did he do that? He signed an important bill raising tariffs, which had been one of the reasons that there was such animosity between him and Henry Clay and his friends. He raised tariffs which he had formerly opposed. And he found other means of cooperation with Congress.

In the end, even Henry Clay, speaking from the floor of the U.S. Senate, urged the slowdown on the impeachment proceedings that he had moved to initiate, suggesting instead a lesser action of a "want of confidence." "Want of confidence"—does it sound familiar? Does it sound at all like the idea of having the President sanctioned in some way other than impeachment? Does it sound like censuring the President? "Want of confidence."

So Clay suggested that a "want of confidence" vote, rather than a formal impeachment proceeding, might be better. So in early 1843, the resolution to proceed with an impeachment—whether to proceed with the impeachment inquiry, was defeated on the House floor, 127–83. They had already begun the process of inquiry, and along came Tyler, and he said, "I'll make peace with you."

In 1868, Andrew Johnson came much closer to conviction on charges of serious misconduct. No southerner will be unaware of—I ask unanimous consent that I be able to proceed for another 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. As every southern Senator knows, Andrew Johnson came much closer to conviction on the charges of serious misconduct. Although Johnson's impeachment proceedings ostensibly focused on his disregarding the Tenure in Office Act, historians—and not a single southerner does not understand—but historians uniformly agree that the true sources of opposition to President Johnson were policy disagreements and personal animosity.

The conflict this time was between Johnson's moderate post-Civil War policies toward the Southern States and the overwhelming Republican majorities in both Chambers. The Republicans feared dilution of their voting strength if the southerners were seated.

Johnson's defenders in the Senate were eventually able to hold on to barely enough votes to prevent his conviction. In Professor Raoul Berger's view, "Johnson's trial serves as a frightening reminder that in the hands of a passion-driven Congress, the process may bring down the very pillars of our constitutional system."

Yet, if the cases of Tyler and Johnson substantiate the framers' fears, the Nixon situation vindicates the utility of the impeachment procedures. Notice how different the Nixon proceedings were from Tyler's and Johnson's. As the Nixon impeachment process unfolded, there was broad bipartisan consensus each step of the way. I was there at the time.

While it would have been foolish to believe that Members of Congress did not worry about the partisan political repercussions of their actions, such factional considerations did not dominate decision making.

Political friends and foes of the President agreed that the charges against the President were serious, that they warranted further inquiry and, once there was definitive evidence of serious complicity and wrongdoing, a consensus emerged that impeachment should be invoked. The President resigned after the House Judiciary Committee voted out articles of impeachment by a 28–10 vote.

For me, several lessons stand out from our constitutional understanding of the impeachment process and our historical experience with it. Furthermore, I believe that a consensus has developed on several important points.

While the founders included impeachment powers in the Constitution, they were concerned by the potential partisan abuse. We should be no less aware of the dangers of partisanship. As we have seen, the process functions best when there is a broad bipartisan consensus behind moving ahead. The country is never well served when either policy disagreements or personal animosities drive the process.

Many scholars who have studied the Constitution have concluded that it should be reserved for offenses that are abuses of the public trust or abuses that relate to the public nature of the President's duties. Remember, what is impeachable is not necessarily criminal and what is criminal is not necessarily impeachable.

The Senate in particular has wide latitude in determining the outcome of this constitutional process. Just because the House may initiate an impeachment process does not mean that the Senate will conclude that the process with a vote on articles of impeachment was a correct process. It is well within our constitutional responsibilities to consider alternatives to impeachment if we find that circumstances warrant these alternatives.

I don't know that they will and I don't know that we will get there, but again, the debate is being waged as to whether or not it is in our constitutional power to consider alternatives. Remember Senator Henry Clay's "want of confidence."

There is no one-size-fits-all definition of impeachable offenses, divorced from such practical considerations. The Senate in particular, has an obligation to consider the full range of consequences of removing the President from Office.

In recent days, some have suggested that because the Starr Report provides a prima facie case and prima facie evidence of what are arguably impeachable offenses, the House and the Senate have a constitutional responsibility to see the impeachment process through to its conclusion.

In my view, the constitutional history that I have sketched here and more shows this position is entirely mistaken. Indeed, if anything, history shows a thoroughly understandable reluctance to have the procedure invoked in the first place.

Stopping short of impeachment would not be reaching a solution "outside the Constitution." It would be entirely compatible and consistent with what the Founders contemplated, if that is what we decide. Again, I am not prejudging what we should decide.

The 28th Congress hardly violated its constitutional duty when the House decided that, all things considered, terminating impeachment proceedings after cooperation between the Congress and the President improved was a better course of action than proceeding with impeachment based on his past actions, even though it apparently did so for reasons no more laudable than those that initiated the process in the first place.

Impeachment was and remains an inherently political process, with all the pitfalls and promises that are thus put into play by politics. Nothing in the document precludes the Congress from seeking means to resolve this or any other putative breach of duty short of removing him from office. In fact, the risky and potentially divisive nature of the impeachment process may counsel in favor of utilizing it only as an absolute last resort where there is no shadow of a doubt that it meets, the criteria of treason, bribery, or other high crimes and misdeameanors.

Of course, impeachment ought to be used if the breach of duty is serious enough—what the Congress was prepared to do in the case of Richard Nixon was the correct course of action. However, nothing in the constitution precludes the Congress from resolving this conflict in a manner short of impeachment.

The critical question—the question with which the country is currently struggling—is whether the President's breaches of conduct and shameful activity, which are now well known and which have been universally condemned, warrant the ultimate political sanction. Are they serious enough to warrant removal from office?

In answering that, we need to ask ourselves, What is in the best interests of the United States of America? That is something that the founders contemplated us asking ourselves if and when faced with this question.

While I have not decided ultimately what should happen, I do want to suggest that it certainly is constitutionally permissible to consider a middle ground as a resolution of this matter. Such an approach might bring together those of the President's detractors who believe there is a need for some sanction, but are willing to stop short of impeachment, as well as those of the President's supporters who reject impeachment, but are willing to consider that some sanction ought to be implemented.

As a country, Mr. President, we have not often faced decisions as stark and potentially momentous as the impeachment of a President of the United States. On the other hand, we would be wise not to overstate such claims. Surely we have faced some moments as stark and serious as this one. We have survived those moments and we will survive this one no matter how we handle it. As my dad always says, and he is going on 85 years of age, I remember over the last 26 years going home and saying, "Dad, this is a catastrophe," and he would look at me and say, "JOE, this country is so good, it is so strong, it is so solid, that it can stand 4 or 8 years of anybody or anything." And he is right. He is right. So I don't want to exaggerate this.

Whatever the outcome of the present situation, I'm confident that our form of government and the strength of our country present us not with a constitutional crisis but rather with a constitutional framework and flexibility to deal responsibly with the decisions we face in the coming months. My purpose in rising today is to remind all of us of what that constitutional framework and flexibility mean, what they are.

In my closing plea I begin where I started, as a young Senator in April of 1974. This is a time for us to be cautious. This is a time for Members of this body to hold our fire. This is the time to be prepared to exercise our responsibility to be judge and jury after, and only after, all of the facts are presented to us. This is not a constitutional crisis but it is a serious, serious business.

I yield the floor.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:27 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 2392. An act to encourage the disclosure and exchange of information about computer processing problems, solutions, test practices and test results, and related matters in connection with the transition to the year 2000.

The message also announced that the House insists upon its amendments to the bill (S. 2073) to authorize appropriations for the National Center for Missing and Exploited Children and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints Mr. GOODLING, Mr. CASTLE, Mr. SOUDER, Mr. HYDE, Mr. MCCOLLUM, Mr. HUTCHINSON, Mr. MARTINEZ, Mr. SCOTT, Mr. CONYERS, and Ms. JACKSON-LEE of Texas as the managers of the conference on the part of the Houses.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3874) to amend the National School Lunch Act to and the Child Nutrition Act of 1996 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference: Mr. GOODLING, Mr. RIGGS, Mr. CASTLE, Mr. CLAY, and Mr. MARTINEZ;

From the Committee on Agriculture, for consideration of section 2, 101, 104(b), 106, 202(c), and 202(o) of the House bill, and sections 101, 111, 114, 203(c), 203(r), and titles III and IV of the Senate amendment, and modifications committed to conference: Mr. SMITH of Oregon, Mr. GOODLATTE, and Mr. STENHOLM.

ENROLLED BILL SIGNED

At 3:03 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 6 An act to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

At 4:23 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

MEASURES REFERRED

The following bill, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated:

H.R. 4595. An act to redesignate the Federal building located at 201 Fourteenth Street Southwest in the District of Columbia as the "Sidney Yates Federal Building"; to the Committee on Environment and Public Works.

MEASURES PLACED ON THE CALENDAR

The following bill and joint resolution were read the second time and placed on the calendar:

S. 2529. A bill entitled the "Patients' Bill of Rights Act of 1998."

S.J. Res. 59. Joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 1419. A bill to deem the activities of the Miccosukee Tribe on the Tamiani Indian Reserve to be consistent with the purposes of the Everglades National Park, and for other purposes (Rept. No. 105–361).

By Mr. SPECTER, from the Committee on Veterans' Affairs, with amendments and an amendment to the title:

S. 2358. A bill to provide for the establishment of a service-connection for illnesses associated with service in the Persian Gulf War, to extend and enhance certain health care authorities relating to such service, and for other purposes (Rept. No. 105–362).

By Mr. CAMPBELL, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1905. A bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes (Rept. No. 105–363).

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2217. A bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes (Rept. No. 105–364).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 81. A bill to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the "Robert K. Rodibaugh United States Bankruptcy Courthouse."

H.R. 2225. A bill to designate the Federal building and United States courthouse to be constructed on Las Vegas Boulevard between Bridger Avenue and Clark Avenue in Las Vegas, Nevada, as the "Lloyd D. George Federal Building and United States Courthouse."

H.R. 2379. A bill to designate the Federal building and United States courthouse located at 251 North Main Street in Winston-Salem, North Carolina, as the "Hiram H. Ward Federal Building and United States Courthouse."

H.R. 3223. A bill to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the "J.J. 'Jake' Pickle Federal Building."

H.R. 3696. A bill to designate the Federal Courthouse located at 316 North 26th Street in Billings, Montana, as the "James F. Battin Federal Courthouse."

H.R. 3982. A bill to designate the Federal building located at 310 New Bern Avenue in Raleigh, North Carolina, as the "Terry Sanford Federal Building."

H.R. 4595. A bill to redesignate a Federal building located in Washington, D.C., as the "Sidney R. Yates Federal Building."

S. 2523. A bill to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the "J.J. 'Jake' Pickle Federal Building."

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works:

Greta Joy Dicus, of Arkansas, to be a Member of the Nuclear Regulatory Commission for the term of five years expiring June 30, 2003. (Reappointment)

Jeffrey S. Merrifield, of New Hampshire, to be a Member of the Nuclear Regulatory Commission for the term expiring June 30, 2002.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DEWINE (for himself and Mr. GLENN):

S. 2541. A bill to name the Department of Veterans Affairs outpatient clinic located at 543 Taylor Avenue, Columbus, Ohio, as the "Chalmers P. Wylie Veterans Outpatient Clinic"; to the Committee on Veterans Affairs.

By Mr. CHAFEE:

S. 2542. A bill to amend the Internal Revenue Code of 1986 to modify the tax on commercial aviation to and from airports located on sparsely populated islands; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. BAUCUS, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. KERREY, and Mr. ROCKEFELLER):

S. 2543. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on persons who acquire structured settlement payments in factoring transactions, and for other purposes; to the Committee on Finance.

By Mr. FAIRCLOTH:

S. 2544. A bill to enhance homeownership through community development financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DODD:

S. 2545. A bill to amend title XVIII of the Social Security Act to prevent sudden disruption of medicare beneficiary enrollment in Medicare+Choice plans; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. DODD, Mr. ASHCROFT, Mr. LIEBERMAN, Mr. SESSIONS, and Mr. TORRICELLI):

S. 2546. A bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes; to the Committee on the Judiciary.

By Mr. ROBB:

S. 2547. A bill to amend title 38, United States Code, to authorize the memorialization at the columbarium at Arlington National Cemetery of veterans who have donated their remains to science, and for other purposes; to the Committee on Veterans' Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. TORRICELLI:

S. Res. 284. A resolution expressing the sense of the Senate that the President should renegotiate the Extradition Treaty between the United States of America and the United Mexican States; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHAFEE:

S. 2542. A bill to amend the Internal Revenue Code of 1986 to modify the tax on commercial aviation to and from airports located on sparsely populated islands, to the Committee on Finance.

LEGISLATION PROVIDING RELIEF FOR CERTAIN ISLAND AIRPORTS

• Mr. CHAFEE. Mr. President, today, I am introducing legislation to provide relief to communities for whom air transportation is vital to their survival.

Last year, Congress altered the structure of the aviation excise tax which funds the Airport and Airway Trust Fund. As part of the Taxpayer Relief Act of 1997, the 10% ad valorem ticket tax was replaced with a combination ad valorem/flight segment charge. When fully phased in, the tax will consist of an ad valorem tax of 7.5% of the price of a ticket and a $3.00 charge per flight segment.

This change has dramatically increased the tax imposed on low-fare flights. A typical flight to or from the Block Island community located in my state costs $28. Prior to last year, the tax on this flight would be 10% or $2.80. When fully implemented, however, the new structure will increase the tax on the same ticket by 82%, to $5.10.

This new structure was intended to provide a user-based approach to paying for the use of FAA services and facilities. However, short distance flights between islands and a mainland make little demand on Air Traffic Control services as these flight segments do not use ATC centers, rarely use departure or arrive control, often operate under visual flight rules and usually are transferred from the departure control tower to the destination control tower.

Congress recognized that this new tax structure would adversely affect rural communities. Consequently, flights to or from rural airports are taxed at a rate of 7.5% of the ticket price, with no per passenger segment charge. For purposes of this exemption, a rural airport is one that is located at least 75 miles away from an airport with more than 100,000 passengers. Unfortunately, this restrictive definition fails to recognize the unique nature of island communities.

Island communities face transportation problems similar to those encountered by passengers from rural areas. Air and ferry transportation provide islands with a vital link to the mainland for shopping, employment, health care, and other needs. Most commercial passenger enplanements at island airports are for short-distance flights simply to get off the island. For those communities, air and ferry service maintain a delicate balance, and both are needed to meet the communities' needs for mainland access.

The current excise tax structure provides a disincentive to providing service to remote island communities. This result is contrary to Congress' intent to increase air service to these remote communities.

My legislation reinstates the prior tax structure for flights to or from an island community. Thus, a passenger flying to or from such a community would pay a tax equal to 10% of the price of a ticket. It is important to note that this is less favorable than the exemption currently provided to passengers to and from rural airports.

I encourage my colleagues to join me as cosponsors of this important health initiative.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2542

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MODIFICATION OF TAX ON AIR TRANSPORTATION TO AND FROM SPARSELY POPULATED ISLANDS.

(a) IN GENERAL.—Subsection (e) of section 4261 of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (4) and (5) as paragraphs (5) and (6) and by inserting after paragraph (3) the following new paragraph:

"(4) SEGMENTS TO AND FROM CERTAIN ISLAND AIRPORTS.—

"(A) EXCEPTION FROM SEGMENT TAX.—The tax imposed by subsection (b)(1) shall not apply to any domestic segment beginning or ending at an airport which is a qualified island airport for the calendar year in which such segment begins or ends (as the case may be).

"(B) QUALIFIED ISLAND AIRPORT.—For purposes of this paragraph, the term 'qualified island airport' means, with respect to any calendar year, any airport if—

"(i) such airport is located on an island having a population of 20,000 or less (determined under the 1990 decennial census), and

"(ii) during the second preceding calendar year—

"(I) there were 400,000 or fewer commercial passengers departing by air from such airport, and

"(II) 50 percent or more of the initial flight segments of such commercial passengers are 100 miles or less.

"(C) TICKET TAX.—In the case of any domestic segment beginning or ending at an airport which is a qualified island airport for the calendar year in which such segment begins or ends (as the case may be), subsection (a) shall be applied by substituting '10 percent' for '7.5 percent' and paragraph (6) shall not apply. A rule similar to the rule of paragraph (1)(C)(ii) shall apply for purposes of this subparagraph."

(b) CONFORMING AMENDMENT.—Clause (i) of section 4261(e)(1)(C) of such Code is amended by striking "Paragraph (5)" and inserting "Paragraph (6)".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to transportation beginning 7 days after the date of enactment of this Act.

(2) TREATMENT OF AMOUNTS PAID.—The amendments made by this section shall not apply to amounts paid before 7 days after the date of enactment of this Act.●

By Mr. CHAFEE (for himself, Mr. BAUCUS, Mr. GRASSLEY, Ms. MOSELEY-BRAUN, Mr. KERREY, and Mr. ROCKEFELLER):

S. 2543. A bill to amend the Internal Revenue Code of 1986 to impose an excise tax on persons who acquire structured settlement payments in factoring transactions, and for other purposes; to the Committee on Finance.

STRUCTURED SETTLEMENT PROTECTION ACT

● Mr. CHAFEE. Mr. President, today I am introducing legislation, together with Senators BAUCUS, GRASSLEY, MOSELEY-BRAUN, ROCKEFELLER, and KERREY of Nebraska, the Structured Settlement Protection Act. Companion legislation has been introduced in the House as H.R. 4314, cosponsored by Representative CLAY SHAW and PETE STARK and a broad bipartisan group of members of the House Ways and Means Committee.

The Act protects structured settlements and the injured victims who are the recipients of the structured settlement payments from the problems caused by a growing practice known as structured settlement factoring.

Structured settlements were developed because of the pitfalls associated with the traditional lump sum form of recovery in serious personal injury cases, where all too often a lump sum meant to last for decades or even a lifetime swiftly eroded away. Structured settlements have proven to be a very valuable tool. They provide long-term financial security in the form of an assured stream of payments to persons suffering serious, often profoundly disabling, physical injuries. These payments enable the recipients to meet ongoing medical and basic living expenses without having to resort to the social safety net.

Congress has adopted special tax rules to encourage and govern the use of structured settlements in physical injury cases. By encouraging the use of structured settlements Congress sought to shield victims and their families from pressures to prematurely dissipate their recoveries. Structured settlement payments are nonassignable. This is consistent with worker's compensation payments and various types of Federal disability payments which are also non-assignable under applicable law. In each case, this is done to preserve the injured person's long-term financial security.

I am very concerned that in recent months there has been sharp growth in so-called structured settlement factoring transactions. In these transactions, companies induce injured victims to sell off future structured settlement payments for a steeply-discounted lump sum, thereby unraveling the structured settlement and the crucial long-term financial security that it provides to the injured victim. These factoring company purchases directly contravene the intent and policy of Congress in enacting the special structured settlement tax rules. The Treasury Department shares these concerns as is evidenced with a similar proposal included in the Administration's FY 1999 budget.

Court records from across the country are shedding light on factoring company purchases of structured settlement payments from gravely-injured victims. Recent cases involve a quadriplegic in Oklahoma, a paraplegic in Texas, a person in Connecticut with traumatic brain injuries dating from childhood, and an injured worker receiving workers' compensation in Mississippi. Realizing the long-term risk being inflicted on these seriously-injured individuals, this legislation has the active support of the National Spinal Cord Injury Association, as well as the American Association of Persons With Disabilities (AAPD).

The National Spinal Cord Injury Association recently wrote to the Chairman of the Finance Committee strongly supporting the legislation. They state: "[o]ver the past 16 years, structured settlements have proven to be an ideal method for ensuring that persons with disabilities, particularly minors, are not tempted to squander resources designed to last years or even a lifetime. That is why the National Spinal Cord Injury Association is so deeply concerned about the emergence of companies that purchase payments intended for disabled persons at drastic discount. This strikes at the heart of the security Congress intended when it created structured settlements."

It is appropriate to address this problem through the federal tax system because these purchases directly contravene the Congressional policy reflected in the structured settlement tax rules and jeopardize the long-term financial security that Congress intended to provide for the injured victim. This problem is nationwide, and it is growing rapidly.

Accordingly, the legislation we are introducing would impose substantial penalty tax on a factoring company that purchases the structured settlement payments from the injured victim. This is a penalty, not a tax increase. Similar penalties are imposed in a variety of other contexts in the Internal Revenue Code to discourage transactions that undermine Code provisions, such as private foundation prohibited transactions and greenmail.

The factoring company would pay the penalty only if it engages in the transaction that Congress has sought to discourage. An exception is provided for genuine court-approved hardship cases to protect the limited instances where a true hardship warrants the sale of a structured settlement.

This bipartisan legislation, which is supported by the Treasury Department, should be enacted as soon as possible to stem this growing nationwide problem.

Mr. President, I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 2543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Structured Settlement Protection Act".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. IMPOSITION OF EXCISE TAX ON PERSONS WHO ACQUIRE STRUCTURED SETTLEMENT PAYMENTS IN FACTORING TRANSACTIONS.

Subtitle E is amended by adding at the end thereof the following new chapter:

"CHAPTER 55—STRUCTURED SETTLEMENT FACTORING TRANSACTIONS

"Sec. 5891. Structured settlement factoring transactions.

"SEC. 5891. STRUCTURED SETTLEMENT FACTORING TRANSACTIONS.

"(a) IMPOSITION OF TAX.—There is hereby imposed on any person who acquires directly or indirectly structured settlement payment rights in a structured settlement factoring transaction a tax equal to 50 percent of the factoring discount as determined under subsection (c)(4) with respect to such factoring transaction.

"(b) EXCEPTION FOR COURT-APPROVED HARDSHIP.—The tax under subsection (a) shall not apply in the case of a structured settlement factoring transaction in which the transfer of structured settlement payment rights is—

"(1) otherwise permissible under applicable law, and

"(2) undertaken pursuant to the order of the relevant court or administrative authority finding that the extraordinary, unanticipated, and imminent needs of the structured settlement recipient or the recipient's spouse or dependents render such a transfer appropriate.

"(c) DEFINITIONS.—For purposes of this section—

"(1) STRUCTURED SETTLEMENT.—The term 'structured settlement' means an arrangement—

"(A) established by—

"(i) suit or agreement for the periodic payment of damages excludable from the gross income of the recipient under section 104(a)(2), or

"(ii) agreement for the periodic payment of compensation under any workers' compensation act that is excludable from the gross income of the recipient under section 104(a)(1), and

"(B) where the periodic payments are—

"(i) of the character described in subparagraphs (A) and (B) of section 130(c)(2), and

"(ii) payable by a person who is a party to the suit or agreement or to the workers' compensation claim or by a person who has assumed the liability for such periodic payments under a qualified assignment in accordance with section 130.

"(2) STRUCTURED SETTLEMENT PAYMENT RIGHTS.—The term 'structured settlement payment rights' means rights to receive payments under a structured settlement.

"(3) STRUCTURED SETTLEMENT FACTORING TRANSACTION.—The term 'structured settlement factoring transaction' means a transfer of structured settlement payment rights (including portions of structured settlement payments) made for consideration by means of sale, assignment, pledge, or other form of encumbrance or alienation for consideration.

"(4) FACTORING DISCOUNT.—The term 'factoring discount' means an amount equal to the excess of—

"(A) the aggregate undiscounted amount of structured settlement payments being acquired in the structured settlement factoring transaction, over

"(B) the total amount actually paid by the acquirer to the person from whom such structured settlement payments are acquired.

"(5) RELEVANT COURT OR ADMINISTRATIVE AUTHORITY.—The term 'relevant court or administrative authority' means—

"(A) the court (or where applicable, the administrative authority) which had jurisdiction over the underlying action or proceeding that was resolved by means of the structured settlement, or

"(B) in the event that no action or proceeding was brought, a court (or where applicable, the administrative authority) which—

"(i) would have had jurisdiction over the claim that is the subject of the structured settlement, or

"(ii) has jurisdiction by reason of the residence of the structured settlement recipient.

"(d) COORDINATION WITH OTHER PROVISIONS.—

"(1) IN GENERAL.—In any case where the applicable requirements of sections 72, 130, and 461(h) were satisfied at the time the structured settlement was entered into, the subsequent occurrence of a structured settlement factoring transaction shall not affect the application of the provisions of such sections to the parties to the structured settlement (including an assignee under a qualified assignment under section 130) in any taxable year.

"(2) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to clarify the treatment in the event of a structured settlement factoring transaction of amounts received by the structured settlement recipient."

SEC. 3. TAX INFORMATION REPORTING OBLIGATIONS.

Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end thereof the following new section:

"SEC. 6050T. REPORTING REQUIREMENTS REGARDING STRUCTURED SETTLEMENT FACTORING TRANSACTIONS.

"(a) IN GENERAL.—In the case of a transfer of structured settlement payment rights in a structured settlement factoring transaction—

"(1) described in section 5891(b) and of which the person making the structured settlement payments has actual notice and knowledge, such person shall make such return and furnish such written statement to the acquirer of the structured settlement payment rights as would be applicable under the provisions of section 6041 (except as provided in subsection (c) of this section), or

"(2) subject to tax under section 5891(a) and of which the person making the structured settlement payments has actual notice and knowledge, such person shall make such return and furnish such written statement to the acquirer of the structured settlement payment rights at such time, and in such manner and form, as the Secretary shall by regulations prescribe.

"(b) COORDINATION WITH OTHER PROVISIONS.—The provisions of this section shall apply in lieu of any other provisions of this part to establish the reporting obligations of the person making the structured settlement payments in the event of a structured settlement factoring transaction. The provisions of section 3405 regarding withholding shall not apply to the person making the structured settlement payments in the event of a structured settlement factoring transaction.

"(c) DEFINITION.—For purposes of this section, the term 'acquirer of the structured settlement payment rights' shall include any person described in section 7701(a)(1)."

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall be effective with respect to structured settlement factoring transactions (as defined in section 5891(c)(3) of the Internal Revenue Code of 1986, as added by this Act) occurring after the date of enactment of this Act.

SUMMARY OF THE STRUCTURED SETTLEMENT PROTECTION ACT

1. Stringent excise tax on persons who acquire structured settlement payments in factoring transactions

In its analysis of the Administration's proposal, the Joint Tax Committee notes the potential concern that in some cases the imposition of a 20-percent excise tax may result in the factoring company passing the tax along by reducing even further the already-heavily discounted lump sum paid to the injured victim for his or her structured settlement payments. The Joint Committee notes that "[o]ne possible response to the concern relating to excessively discounted payments might be to raise the excise tax to a level that is certain to stop the transfers (perhaps 100 percent). . ." (Joint Committee on Taxation, Description of Revenue Provisions Contained in the President's Fiscal Year 1999 Budget Proposal (JCS-4-98) (February 4, 1998), p. 223).

Factoring company purchases of structured settlement payments so directly subvert the Congressional policy underlying structured settlements and raise such serious concerns for structured settlements and the injured victims that it is appropriate to impose a more stringent excise tax against the amount of the discount reflected in the factoring transaction (subject to a limited exception described below for genuine court-approved hardships). Accordingly, the Act would impose on the factoring company that acquires structured settlement payments directly or indirectly from the injured victim an excise tax equal to 50 percent of the difference between (i) the total amount of the structured settlement payments purchased by the factoring company, and (ii) the heavily-discounted lump sum paid by the factoring company to the injured victim.

Similar to the stuff excise taxes imposed on prohibited transactions in the private foundation and pension contexts—which can range as high as 100 to 200 percent—this stringent excise tax is necessary to address the very serious public policy concerns raised by structured settlement factoring transactions.

Unlike the Administration's proposal, the excise tax imposed on the factoring company under this legislation would use a more stringent tax rate of 50 percent and would apply it to the excess of the total amount of the structured settlement payments purchased by the factoring company over the heavily-discounted lump sum paid to the injured victim.

The excise tax under the Act would apply to the factoring or structured settlements in tort cases and in workers' compensation. A structured settlement factoring transaction subject to the excise tax is broadly defined under the Act as a transfer of structured settlement payment rights (including portions of payments) made for consideration by means of sale, assignment, pledge, or other form of alienation or encumbrance for consideration.

2. Exception from excise tax for genuine, court-approved hardship

The stringent excise tax would be coupled with a limited exception for genuine, court-approved financial hardship situations. Drawing upon the hardship standard enunciated in the Treasury proposal, the excise tax would apply to factoring companies in all structured settlement factoring transactions except those in which the transfer of structured settlement payment rights (1) is otherwise permissible under applicable Federal and State law and (2) is undertaken pursuant to the order of a court (or where applicable, an administrative authority) finding that the extraordinary, unanticipated, and imminent needs of the structured settlement recipient or his or her spouse or dependents render such a transfer appropriate.

This exception is intended to apply to the limited number of cases in which a genuinely extraordinary, unanticipated, and imminent hardship has actually arisen and been demonstrated to the satisfaction of a court (e.g., serious medical emergency for a family member). In addition, as a threshold matter, the transfer of structured settlement payment rights must be permissible under applicable law, including State law. The hardship exception under this legislation is not intended to override any Federal or State law prohibition of restriction on the transfer of the payment rights or to authorize factoring of payment rights that are not transferable under Federal or State law. For example, the States in general prohibit the factoring of workers' compensation benefits. In addition, State laws often prohibit or directly restrict transfers of recoveries in various types of personal injury cases, such as wrongful death and medical malpractice.

The relevant court for purposes of the hardship exception would be the original court which had jurisdiction over the underlying action or proceeding that was resolved by means of the structured settlement. In the event that no action had been brought prior to the settlement, the relevant court would be that which would have had jurisdiction over the claim that is the subject of the structured settlement or which would have jurisdiction by reason of the residence of the structured settlement recipient. In those limited instances in which an administrative authority adjudicates, resolves, or otherwise has primary jurisdiction over the claim (e.g., the Vaccine Injury Compensation Trust Fund), the hardship matter would be the province of that applicable administrative authority.

3. Need to protect tax treatment of original structured settlement

In the limited instances of extraordinary and unanticipated hardship determined by court order to warrant relief under the hardship exception, adverse tax consequences should not be visited upon the other parties to the original structured settlement. In addition, despite the anti-assignment provisions included in the structured settlement agreements and the applicability of a stringent excise tax on the factoring company, there may be a limited number of non-hardship factoring transactions that still go forward. If the structured settlement tax rules under I.R.C. Sections 72, 130 and 461(h) had been satisfied at the time of the structured settlement, the original tax treatment of the other parties to the settlement—i.e., the settling defendant (and its liability insurer) and the Code section 130 assignee—should not be jeopardized by a third party transaction that occurs years later and likely unbeknownst to these other parties to the original settlement.

Accordingly, the Act would clarify that if the structured settlement tax rules under I.R.C. Sections 72, 130, and 461(h) had been satisfied at the time of the structured settlement, the section 130 exclusion of the assignee, the section 461(h) deduction of the settling defendant, and the Code section 72 status of the annuity being used to fund the periodic payments would remain undisturbed. That is, the assignee's exclusion of income under Code section 130 arising from satisfaction of all of the section 130 qualified assignment rules at the time the structured settlement was entered into years earlier would not be challenged. Similarly, the settling defendant's deduction under Code section 461(h) of the amount paid to the assignee to assume the liability would not be challenged. Finally, the status under Code section 72 of the annuity being used to fund the periodic payments would remain undisturbed.

The Act provides the Secretary of the Treasury with regulatory authority to clarify the treatment of a structured settlement recipient who engages in a factoring transaction. This regulatory authority is provided to enable Treasury to address issues raised regarding the treatment of future periodic payments received by the structured settlement recipient where only a portion of the payments has been factored away, the treatment of the lump sum received in a factoring transaction qualifying for the hardship exception, and the treatment of the lump sum received in the non-hardship situation. It is intended that where the requirements of section 130 are satisfied at the time the structured settlement is entered into, the existence of the hardship exception to the excise tax under the Act shall not be construed as giving rise to any concern over constructive receipt of income by the injured victim at the time of the structured settlement.

4. Tax information reporting obligations with respect to a structured settlement factoring transaction

The Act would clarify the tax reporting obligations of the person making the structured settlement payments in the event that a structured settlement factoring transaction occurs. The Act adopts a new section of the Code that is intended to govern the payor's tax reporting obligations in the event of a factoring transaction.

In the case of a court-approved transfer of structured settlement payments of which the person making the payments has actual notice and knowledge, the fact of the transfer and the identity of the acquirer clearly will be known. Accordingly, it is appropriate for the person making the structured settlement payments to make such return and to furnish such tax information statement to the new recipient of the payments as would be applicable under the annuity information reporting procedures of Code section 6041 (e.g., form 1099–R), because the payor will have the information necessary to make such return and to furnish such statement.

Despite the anti-assignment restrictions applicable to structured settlements and the applicability of a stringent excise tax, there may be a limited number of non-hardship factoring transactions that still go forward. In these instances, if the person making the structured settlement payments has actual notice and knowledge that a structured settlement factoring transaction has taken place, the payor would be obligated to make such return and to furnish such written statement to the payment recipient at such time, and in such manner and form, as the Secretary of the Treasury shall by regulations provide. In these instances, the payor may have incomplete information regarding the factoring transaction, and hence a tailored reporting procedure under Treasury regulations is necessary.

The person making the structured settlement payments would not be subject to any tax reporting obligation if that person lacked such actual notice and knowledge of the factoring transaction. Under the Act, for purposes of the reporting obligations, the term "acquirer of the structured settlement payment rights" would be broadly defined to include an individual, trust, estate, partnership, company, or corporation.

The provisions of section 3405 regarding withholding would not apply to the person making the structured settlement payments in the event that a structured settlement factoring transaction occurs.

5. Effective date

The provisions of the Act would be effective with respect to structured settlement factoring transactions occurring after the date of enactment of the Act.

By Mr. FAIRCLOTH:

S. 2544. A bill to enhance homeownership through community development financial institutions; to the Committee on Banking, Housing, and Urban Affairs.

THE COMMUNITY DEVELOPMENT AND HOMEOWNERSHIP ACT OF 1998

Mr. FAIRCLOTH. Mr. President, today I introduce legislation that will allow Community Development Financial Institutions (CDFIs) and their affiliates to borrow from the Home Loan Bank System.

Since the 1930's the Home Loan Bank System has provided the nation's savings institutions with advances that can be used to make home mortgages. In 1989, the System was opened up to banks and credit unions. The Home Loan Bank System is critical for homeownership in the U.S. The Bank System has nearly 7,000 members and has outstanding nearly $181 billion in housing advances.

The membership of the system is reserved for insured institutions. My legislation, however, would permit Community Development Financial Institutions to have "non-member" borrowing status. This would allow approximately 200 CDFIs to borrow from the System, with the approval of their regional Home Loan Bank and on the same terms as all other members.

Mr. President, this is a small, but important step toward creating more homeownership opportunities, particularly for low income individuals. CDFIs were created for the purpose of reaching out to provide housing and economic opportunity in distressed areas. My home state of North Carolina is home to more CDFIs than any other state in the United States, except for California, New York and Illinois. North Carolina has been a leader in finding new and different ways to foster economic growth and home ownership.

Very simply, this legislation will allow CDFIs to have a source of credit to make home loans. These loans will have to meet the normal collateral requirements of any other institution that belongs to the Home Loan Bank System. Because CDFIs are chartered to target distressed communities, however, this could be an important source of credit for homeownership that might not otherwise exist. We know from experience that once an individual has a home—he or she has a stake in the community. This can help turn distressed communities into thriving communities. We have made great progress in the last few years. Welfare rolls are at their lowest point since 1969. Homeownership is at its highest level ever. We are no longer running our federal budgets in the red. Now we can begin to take new and creative steps to continue promoting economic growth and opportunity.

I would urge my colleagues to cosponsor and support this legislation.

By Mr. HATCH (for himself, Mr. DODD, Mr. ASHCROFT, Mr. LIEBERMAN, Mr. SESSIONS, and Mr. TORRICELLI):

S. 2546. A bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes; to the Committee on the Judiciary.

THE FAIRNESS IN ASBESTOS COMPENSATION ACT OF 19[illegible]

Mr. HATCH. Mr. President, I am pleased to introduce today the "Fairness in Asbestos Compensation Act of 1998". With me, sponsoring this important legislation are: Senator DODD, Senator ASCROFT, Senator LIEBERMAN, Senator SESSIONS and Senator TORRICELLI.

Asbestos litigation is a national crisis. Today, state and federal courts are overwhelmed by up to 150,000 asbestos lawsuits. Over 30,000 new suits are added to the dockets annually. Unfortunately, those that are truly sick with asbestosis and various asbestos-related cancers and illnesses spend years in court before receiving any compensation, and then lose 60% of that compensation to attorneys' fees and other costs. The best available data show that on average asbestos suits take 31 months to reach resolution, compared to 18 months for other product liability suits. One cause of this extraordinary delay in compensation is the large number of lawsuits filed by those who, without any symptoms or signs of asbestos-related illness, bring suits for future medical monitoring and fear of cancer.

In a lottery-like system, juries award enormous compensation and outrageous punitive damages to non-impaired plaintiffs, while others in identical cases or with actual illness receive little or no compensation. Excessive Damage awards, along with the transaction costs associated with the lawsuits, deplete the financial resources of defendant companies and lead them to file for bankruptcy. As legal and financial resources are tied up and exhausted, it is increasingly unclear whether those who are truly inflicted with asbestos-caused diseases will be able to recover anything at all in the years ahead.

Courts have tried unsuccessfully to cope with and alleviate the problems associated with the more than half a million asbestos cases. The major parties involved attempted to compromise on a fair and equitable solution that included prompt compensation. The Third Circuit Court of Appeals overturned one such compromise, known as the Amchem or Georgine agreement, on civil procedural rule grounds but found the settlement to be "arguably a brilliant partial solution." Justice Ruth Bader Ginsburg, writing for the Supreme Court, upheld the Appellate decision and stated, "[t]he argument is sensibly made that a nationwide administrative claims processing regime would provide the most secure, fair and efficient means of compensating victims of asbestos exposure. Congress, however, has not adopted such a solution." The Court accurately recognized that Congress is the most appropriate body to resolve the asbestos crisis. That is what we intend to do by introducing this important legislation.

Mr. President, by virtue of the hundreds of thousands of cases that already have been litigated in the court system, the legal and scientific issues relating to asbestos litigation have been thoroughly explored and punishments have been exacted on defendant companies. Recognizing the potential dangers of asbestos exposure, we have seen asbestos consumption in the United States drop to historic lows since peak consumption in the early 1970's. These factors along with the recent court decisions demonstrate that the asbestos litigation issue is now ripe for a legislative solution.

The bill that I introduce today will correct the asbestos litigation crisis problems. It is crafted to reflect as closely as possible the original settlement agreed to by the involved parties in the Amchem settlement. This bill will eliminate the asbestos litigation burden in the courts, get fair compensation for those who currently are sick, and enable the businesses to manage their liabilities in order to ensure that compensation will be available for future claimants. It is important to note that no tax-payer money will fund this bill. It will be entirely funded by asbestos defendants.

Specifically, the bill reforms asbestos litigation in the judicial system by establishing a national claims facility to provide fair and prompt compensation for persons suffering from asbestos-associated illnesses. Eligibility for compensation will be determined by objective predetermined criteria. The legislation provides for alternative dispute resolution and allows plaintiffs who go through the system without resolving their claims through the claims facility to use the tort system. Again no taxpayer dollars will fund this facility or any part of this program.

I have carefully crafted this legislation so that it is at least as favorable—and, in many cases, more favorable—to claimants as the original Amchem settlement. As this bill makes its way through the legislative process, I look forward to working with my colleagues to further refine the language in order to achieve the maximum public benefit from this legislation.

Mr. DODD: Mr. President, I am pleased to join with my colleague, Senator HATCH, to introduce the "Fairness in Asbestos Compensation Act of 1998." This legislation would expedite the provision of financial compensation to the victims of asbestos exposure by establishing a nationwide administrative system to hear and adjudicate their claims.

Mr. President, millions of American workers have been exposed to asbestos on the job. Tragically, many have contracted asbestos-related illness, which can be devastating and deadly. Others will surely become similarly afflicted. These individuals—who have or will become terribly ill due to no fault to their own—deserve swift and fair compensation to help meet the costs of health care, lost income, and other economic and non-economic losses.

Unfortunately, many victims of asbestos exposure are not receiving the efficient and just treatment they deserve from our legal system. Indeed, it can be said that the current asbestos litigation system is in a state of crisis. Today, more than 150,000 lawsuits clog the state and federal courts. In 1996 alone, more than 36,000 new suits were filed. Those who have been injured by asbestos exposure must often wait years for compensation. And when that compensation finally arrives, it is often eaten up by attorneys' fees and other transaction costs.

In the early 1990's, an effort was made to improve the management of federal asbestos litigation. Cases were consolidated, and a settlement to resolve them administratively was agreed to between defendant companies and plaintiffs' attorneys. This settlement also obtained the backing of the Building and Construction Trades Union of the AFL-CIO. Regrettably, the settlement was overturned by the Third Circuit Court of Appeals in 1996. Though the Court termed the settlement "arguably a brilliant partial solution," it found that the class of people created by the settlement—namely, those exposed to asbestos—was too large and varied to be certified pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Supreme Court affirmed that decision. In its decision, the Court effectively invited the Congress to provide for the existence of such a settlement as a fair and efficient way to resolve asbestos litigation claims.

Hence this bill. In simple terms, it codifies the settlement reached between companies and the representatives of workers who were exposed to asbestos on the job. It would establish a body to review claims by those who believe that they have become ill due to exposure to asbestos. It would provide workers with mediation and binding arbitration to promote the fair and swift settlement of their claims. It would allow plaintiffs to seek additional compensation if their non-malignant disease later developed into cancer. And it would limit attorneys' fees so as to ensure that a claimant receives a just portion of any settlement amount.

All in all, Mr. President, this is a good bill. I commend Senator HATCH for his leadership in crafting it. However, it is not a perfect bill. My office has received comments on the bill from representatives of a number of parties affected by asbestos litigation. I hope and expect that those comments will be given the consideration that they deserve by the Judiciary Committee and the full Senate as this legislation moves forward, as I hope it will early in the 106th Congress.

Mr. ASHCROFT. Mr. President, I rise today as a co-sponsor of the Fairness in Asbestos Compensation Act of 1998 to speak in favor of this important, bipartisan measure. I support this bill for a simple reason—it makes sense. The problems caused by the manufacture and use of asbestos are well-documented. Although some companies initially denied responsibility and fought suits to recover for asbestos-related injuries in court, the injuries associated with asbestos and the fact that manufacturers are liable for those injuries are now well-established.

The courts—both state and federal—have done an admirable job of establishing the facts and legal rules concerning asbestos. That is a job the courts do well. However, now that the basic facts and liability rules have been established, the courts are being asked simply to process claims. That is not a job the courts do particularly well. The rules governing court actions give parties rights to dispute facts that have been conclusively established in other proceedings. All the while the meter is running for the lawyers on both sides. Dollars that could go to compensate deserving victims, instead go to lawyers and court costs.

In the asbestos context, these problems are exacerbated by the finite amount of resources available to compensate victims and the fact that legal rules concerning both punitive damages and what constitutes a sufficient injury to bring suit make for jury awards that do not correspond to the seriousness of the injury. Someone filing suit because of a preliminary manifestation of a minor injury, i.e., pleural thickening, which may never lead to more severe symptoms, may receive more compensation than another person with more serious asbestos-related injuries. None of this is to suggest that it is somehow wrong for plaintiffs with a minor injury to file suit. To the contrary, some state rules concerning when injury occurs obligate plaintiffs to file suit or risk having their suit dismissed as time-barred. What is more, in light of the finite number of remaining solvent asbestos defendants, potential plaintiffs have every incentive to file suit as soon as legally permissible.

The Fairness in Asbestos Compensation Act of 1998 attempts to address these problems by establishing an administrative claims systems that aims to compensate victims of asbestos rationally and efficiently. The Act accomplishes this goal by ensuring that more serious injuries receive greater awards, by securing a compensation fund so that victims whose conditions are not yet manifest can recover in the future, and by eliminating the statute of limitations and injury rules that force plaintiffs into court prematurely. Although I wish I could claim some pride of authorship in these mechanisms, these basic features were all part of a proposed settlement worked out by representatives of both plaintiffs and defendants.

At the end of last term, the Supreme Court rejected the proposed global asbestos settlement in Amchem Products versus Windsor. The District Court had certified a settlement class under Rule 23 that included extensive medical and compensation criteria that both plaintiffs and defendants had accepted. The Supreme Court ruled that this type of global, nationwide settlement of tort claims brought under fifty different state laws could not be sustained under Rule 23. The Court recognized that such a global settlement would conserve judicial resources and likely would promote the public interest. Nonetheless, the Court concluded that Rule 23 was too thin a reed to support this massive settlement, and that if the parties desired a nationwide settlement they needed to direct their attention to the Congress, rather than the Courts.

I believe the Supreme Court was right on both counts—the proposed settlement criteria were in the public interest, but the proposed class simply could not be sustained under Rule 23. The Rules Enabling Act and the inherent limits on the power of federal courts preclude an interpretation of Rule 23 that would result in a federal court overriding or homogenizing varying state laws. However, as the Supreme Court pointed out, Congress has the power to do directly what the courts lack the power to do through a strained interpretation of Rule 23.

This bill takes up the challenge of the Supreme Court and addresses the tragic problem of asbestos. The bill incorporates the medical and compensation criteria agreed to by the parties in the Amchem settlement and employs them as the basis for a legislative settlement. In the simplest terms, the legislation proposes an administrative claims process to compensate individuals injured by asbestos as a substitute for the tort system (although individuals retain an ability to opt-in to the tort system at the back end). The net effect of this legislation should be to funnel a greater percentage of the pool of limited resources to injured plaintiffs, rather than to lawyers for plaintiffs and defendants.

I want to be clear, however, that I am not here to suggest that this is a perfect bill. This bill represents a complex solution to a complex problem. A number of groups will be affected by this legislation, and it may be necessary to make changes to make sure that no one is unfairly disadvantaged by this legislation. But that said, I am confident that we can make any needed changes. We have a bipartisan group of Senators who have agreed to cosponsor this legislation, and the bill represents a sufficient improvement in efficiency over the existing litigation quagmire that there should be ample room to work out any differences.

Finally, let me also note that this bill also plays a minor, but important role in preserving a proper balance in the separation of powers. I have been a strong and consistent critic of judicial activism. Judges who make legal rules out of whole cloth in the absence of constitutional or statutory text damage the standing of the judiciary and our constitutional structure. On the other hand, when judges issue opinions in which they recognize that the outcome sought by the parties might well be in the public interest, but nonetheless is not supported by the existing law, they reinforce the proper, limited role of the judiciary. Too often, federal judges are tempted to reach the result they favor as a policy matter without regard to the law. When judges succumb to that temptation, they are justly criticized. But when they resist that temptation, their self-restraint should be recognized and applauded. The Court in Amchem rightly recognized a problem that the judiciary acting alone could not solve. By offering a legislative solution to that problem the bill provides the proper incentives for courts to be restrained and reinforces the proper roles of Congress and the judiciary.

In short, this bill provides a proper legislative solution to the asbestos litigation problem. It ensures that in an area in which extensive litigation has already established facts and assigned responsibility, scarce dollars compensate victims, not lawyers. I want to thank Chairman HATCH for his leadership on this issue and to thank my cosponsors for their work on the bill. I look forward to working with them to ensure final passage of this legislation. The courts have completed their proper role in ascertaining facts and liability. It is time for Congress to step in to provide a better mechanism to direct scarce resources to deserving victims.

Mr. LIEBERMAN. Mr. President, I want to thank Senator HATCH for introducing this important legislation, which I am pleased to co-sponsor with him and Senators DODD, ASHCROFT, SESSIONS, and TORRICELLI. As Senator HATCH already has explained, this bill addresses an issue—asbestos litigation—that has clogged the federal and state courts for some time now. Due to the huge number of these cases and the massive verdicts they often yield, it is unclear whether those who have been exposed to asbestos, but have not yet become sick, will be able to gain full compensation for their injuries should they become sick in the future.

To address these concerns, and respond to calls from the courts and others for creating an alternative mechanism for resolving these disputes outside of the court system, a settlement was reached several years ago that, among other things, would have created an alternative claims resolution system for dealing with certain asbestos claims. Unfortunately, despite the desire of representatives of the interested parties—both victims and defendants—to enter into this settlement, and despite the trial court's belief that the settlement was fair, the Supreme Court voided it. The Supreme Court acted, however, not because it believed that the settlement was in any respect unfair, but instead because it concluded that only Congress has the authority to sanction such a settlement.

That is the goal of this bill—for Congress to step up to the plate and authorize a solution to the asbestos litigation problem that will ensure that all those who become sick from asbestos are fairly and efficiently compensated, as contemplated by the parties' earlier settlement. Because I believe this is a problem crying out for Congressional action, and because I believe the settlement reached by the parties was a fair one, I am supporting the bill.

With that said, I understand that representatives of some of those exposed to asbestos who supported the settlement are not currently supporting this proposed legislation. Because I firmly believe that this should go forward as a consensus bill, I remain open to supporting any reasonable changes that would be required to gain the support of all parties with an interest in asbestos litigation. I am hopeful that we can gain their support and move forward with and pass this legislation.

By Mr. ROBB:

S. 2547. A bill to amend title 38, United States Code, to authorize the memorialization at the columbarium at Arlington National Cemetery of veterans who have donated their remains to science, and for other purposes; to the Committee on Veterans' Affairs.

TO MEMORIALIZE VETERANS AT ARLINGTON NATIONAL CEMETERY WHO DONATE THEIR ORGANS

• Mr. ROBB. Mr. President, several months ago, one of my constituents, Ms. Llewellyn Hedgbeth of Arlington, Virginia, contacted my office to request my intervention in a matter which has brought considerable anguish and frustration to her family.

It so happened that Ms. Hedgbeth's father, Mr. Roger A. Hedgbeth, Sr., a decorated veteran of World War II, and a career civil servant, had recently passed away. Before his death, however, he made two simple requests: one, that his body be donated to science, and two, that his ashes be placed at Arlington National Cemetery. His widow, now 71, honored the first of those wishes. But in honoring the one, it seemed that the second was precluded.

The Hedgbeths learned that due to various legal concerns, no ashes of organ donors who donate their bodies to science are returned to the respective families of these donors. This situation presented an insurmountable obstacle for the Hedgbeth family who were informed by a regretful staff at Arlington National Cemetery, that current regulations prohibit memorializing veterans in the Columbarium unless their remains were actually inurned there.

While I can appreciate that limited space at Arlington has necessitated adherence to strict guidelines for burial and memorialization, I cannot see the virtue in denying appropriate recognition for an entitled veteran simply because he has donated his remains to science. In fact, I would like to encourage more veterans to do just that.

All of us recognize the great need for viable remains for both transplantation and for medical study. Mr. Roger Hedgbeth and other veterans who make this courageous commitment should be suitably recognized and their loved ones should know that a grateful nation has made a place for them at one of our country's most sacred memorials.

With that said, I submit this bill which seeks to modify current regulations to allow otherwise qualified veterans, who have donated their remains to science, to be memorialized at the Columbarium in Arlington National Cemetery, not withstanding the absence of their cremated remains.

Mr. President, I salute these veterans and their devoted families, and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2547

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEMORIALIZATION AT COLUMBARIUM AT ARLINGTON NATIONAL CEMETERY OF VETERANS WHO HAVE DONATED THEIR REMAINS TO SCIENCE.

(a) AUTHORITY TO MEMORIALIZE.—(1) Chapter 24 of title 38, United States Code, is amended by adding at the end the following:

"§ 2412. Arlington National Cemetery: memorialization at columbarium of veterans who have donated their remains to science

"The Secretary of the Army may honor, by marker or other appropriate means at the columbarium at Arlington National Cemetery, the memory of any veteran eligible for inurnment in the columbarium whose cremated remains cannot be inurned in the columbarium as a result of the donation of the veteran's organs or remains for medical or scientific purposes.".

(2) The table of sections at the beginning of that chapter is amended by adding at the end the following:

"2412. Arlington National Cemetery: memorialization at columbarium of veterans who have donated their remains to science.".

(b) APPLICABILITY.—Section 2412 of title 38, United States Code, as added by subsection (a), shall apply to veterans who die on or after January 1, 1996.•

ADDITIONAL COSPONSORS

S. 982

At the request of Mr. MCCONNELL, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 982, a bill to provide for the protection of the flag of the United States and free speech, and for other purposes.

S. 1529

At the request of Mr. KENNEDY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 1855

At the request of Mr. WYDEN, the name of the Senator from Minnesota (Mr. GRAMS) was added as a cosponsor of S. 1855, a bill to require the Occupational Safety and Health Administration to recognize that electronic forms of providing MSDSs provide the same level of access to information as paper copies.

S. 1868

At the request of Mr. HAGEL, his name was withdrawn as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2217

At the request of Mr. FRIST, the names of the Senator from Georgia (Mr. COVERDELL) and the Senator from Virginia (Mr. ROBB) were added as cosponsors of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2230

At the request of Mr. CHAFEE, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2230, a bill to amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit for 3 additional years.

S. 2283

At the request of Mr. DEWINE, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 2283, a bill to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes.

S. 2296

At the request of Mr. MACK, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 2296, a bill to amend the Internal Revenue Code of 1986 to repeal the limitation on the amount of receipts attributable to military property which may be treated as exempt foreign trade income.

S. 2358

At the request of Mr. ROCKEFELLER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2358, a bill to provide for the establishment of a service-connection for illnesses associated with service in the Persian Gulf War, to extend and enhance certain health care authorities relating to such service, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2418

At the request of Mr. JEFFORDS, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2426

At the request of Mr. COVERDELL, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 2426, a bill to amend the Internal Revenue Code of 1986 to provide a 2-month extension for the due date for filing a tax return for any member of a uniformed service on a tour of duty outside the United States for a period which includes the normal due date for such filing.

S. 2453

At the request of Mr. ROTH, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. 2453, a bill to amend the Internal Revenue Code of 1986 to extend the credit for producing electricity from certain renewable resources.

S. 2473

At the request of Mr. BREAUX, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 2473, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for meal and entertainment expenses of small businesses.

S. 2494

At the request of Mr. MCCAIN, the name of the Senator from Nevada (Mr. BRYAN) was added as a cosponsor of S. 2494, a bill to amend the Communications Act of 1934 (47 U.S.C. 151 et seq.) to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems, and for other purposes.

S. 2522

At the request of Mr. DEWINE, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 2522, a bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Oklahoma (Mr. INHOFE) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE JOINT RESOLUTION 59

At the request of Mr. GRAMM, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to provide for a Balanced Budget Constitutional Amendment that prohibits the use of Social Security surpluses to achieve compliance.

SENATE CONCURRENT RESOLUTION 121

At the request of Mr. SPECTER, the names of the Senator from Alabama (Mr. SHELBY), the Senator from Ohio (Mr. DEWINE), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of Senate Concurrent Resolution 121, a concurrent resolution expressing the sense of Congress that the President should take all necessary measures to respond to the increase in steel imports resulting from the financial crises in Asia, the independent States of the former Soviet Union, Russia, and other areas of the world, and for other purposes.

SENATE CONCURRENT RESOLUTION 122

At the request of Mr. LEVIN, the names of the Senator from North Dakota (Mr. DORGAN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Virginia (Mr. WARNER), the Senator from Delaware (Mr. ROTH), the Senator from California (Mrs. FEINSTEIN), the Senator from Ohio (Mr. GLENN), the Senator from New York (Mr. D'AMATO), the Senator from Michigan (Mr. ABRAHAM), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Maryland (Mr. SARBANES), the Senator from Ohio (Mr. DEWINE), the Senator from Kansas (Mr. BROWNBACK), the Senator from New York (Mr. MOYNIHAN), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of Senate Concurrent Resolution 122, a concurrent resolution expressing the sense of Congress that the 65th anniversary of the Ukrainian Famine of 1932–1933 should serve as a reminder of the brutality of the government of the former Soviet Union's repressive policies toward the Ukrainian people.

SENATE CONCURRENT RESOLUTION 123

At the request of Mr. DASCHLE, his name was added as a cosponsor of Senate Concurrent Resolution 123, a concurrent resolution to express the sense of the Congress regarding the policy of the Forest Service toward recreational shooting and archery ranges on Federal land.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Hawaii (Mr. AKAKA), the Senator from Colorado (Mr. ALLARD), the Senator from Louisiana (Mr. BREAUX), the Senator from Arkansas (Mr. BUMPERS), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Maine (Ms. COLLINS), the Senator from North Carolina (Mr. FAIRCLOTH), the Senator from New Hampshire (Mr. GREGG), the Senator from Idaho (Mr. KEMPTHORNE), the Senator from Florida (Mr. MACK), the Senator from Oklahoma (Mr. NICKLES), the Senator from Kansas (Mr. ROBERTS), the Senator from Alabama (Mr. SESSIONS), the Senator from Oregon (Mr. SMITH), the Senator from Maine (Ms. SNOWE), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from Florida (Mr. MACK), the Senator from Louisiana (Mr. BREAUX), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Virginia (Mr. ROBB), the Senator from Arkansas (Mr. HUTCHINSON), the Senator from South Dakota (Mr. JOHNSON), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Nebraska (Mr. KERREY), and the Senator from Nevada (Mr. BRYAN) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as "National Children's Day."

SENATE RESOLUTION 274

At the request of Mr. FORD, the name of the Senator from Kansas (Mr. BROWNBACK) was added as a cosponsor of Senate Resolution 274, a resolution to express the sense of the Senate that the Louisville Festival of Faiths should be commended and should serve as model for similar festivals in other communities throughout the United States.

SENATE RESOLUTION 284—EXPRESSING THE SENSE OF THE SENATE THAT THE PRESIDENT SHOULD RENEGOTIATE THE EXTRADITION TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED MEXICAN STATES

Mr. TORRICELLI submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 284

Whereas under the Extradition Treaty Between the United States of America and the United Mexican States, Mexico refused to extradite murder suspect and U.S. citizen Jose Luis Del Toro to the United States until the State of Florida agreed not to exercise its right to seek capital punishment in its criminal prosecution of him;

Whereas under the Extradition Treaty Mexico has refused to extradite other suspects of capital crimes; and

Whereas the Extradition Treaty interferes with the justice system of the United States and encourages criminals to flee to Mexico: Now, therefore, be it

Resolved,

SECTION 1. SENSE OF THE SENATE REGARDING THE RENEGOTIATION OF THE U.S.-MEXICAN EXTRADITION TREATY.

It is the sense of the Senate that—

(1) the President should renegotiate the Extradition Treaty Between the United States of America and the United Mexican States, signed in Mexico City in 1978 (31 U.S.T. 5059), so that the possibility of capital punishment will not interfere with the timely extradition of criminal suspects from Mexico to the United States.

AMENDMENTS SUBMITTED

INTERNET TAX FREEDOM ACT

BUMPERS (AND GRAHAM) AMENDMENT NO. 3677

Mr. BUMPERS (for himself and Mr. GRAHAM) proposed an amendment to the bill (S. 442) to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes.

At the appropriate place, insert the following new title:

TITLE ___ COLLECTION OF STATE AND LOCAL SALES TAXES ON OUT-OF-STATE SALES

SEC. ___01. SHORT TITLE.

This title may be cited as the "Consumer and Main Street Protection Act of 1998".

SEC. ___02. FINDINGS.

Congress finds that—

(1) merchandise purchased from out-of-State firms is subject to State and local sales taxes in the same manner as merchandise purchased from in-State firms,

(2) State and local governments generally are unable to compel out-of-State firms to collect and remit such taxes, and consequently, many out-of-State firms choose not to collect State and local taxes on merchandise delivered across State lines,

(3) moreover, many out-of-State firms fail to inform their customers that such taxes exist, with some firms even falsely claiming that merchandise purchased out-of-State is tax-free, and consequently, many consumers unknowingly incur tax liabilities, including interest and penalty charges,

(4) Congress has a duty to protect consumers from explicit or implicit misrepresentations of State and local sales tax obligations,

(5) small businesses, which are compelled to collect State and local sales taxes, are subject to unfair competition when out-of-State firms cannot be compelled to collect and remit such taxes on their sales to residents of the State,

(6) State and local governments provide a number of resources to out-of-State firms including government services relating to disposal of tons of catalogs, mail delivery, communications, and bank and court systems,

(7) the inability of State and local governments to require out-of-State firms to collect and remit sales taxes deprives State and local governments of needed revenue and forces such State and local governments to raise taxes on taxpayers, including consumers and small businesses, in such State,

(8) the Supreme Court ruled in Quill Corporation v. North Dakota, 112 S. Ct. 1904 (1992) that the due process clause of the Constitution does not prohibit a State government from imposing personal jurisdiction and tax obligations on out-of-State firms that purposefully solicit sales from residents therein, and that the Congress has the power to authorize State governments to require out-of-State firms to collect State and local sales taxes, and

(9) as a matter of federalism, the Federal Government has a duty to assist State and local governments in collecting sales taxes on sales from out-of-State firms.

SEC. ___03. AUTHORITY FOR COLLECTION OF SALES TAX.

(a) IN GENERAL.—A State is authorized to require a person who is subject to the personal jurisdiction of the State to collect and remit a State sales tax, a local sales tax, or both, with respect to tangible personal property if—

(1) the destination of the tangible personal property is in the State,

(2) during the 1-year period ending on September 30 of the calendar year preceding the calendar year in which the taxable event occurs, the person has gross receipts from sales of such tangible personal property—

(A) in the United States exceeding $3,000,000, or

(B) in the State exceeding $100,000, and

(3) the State, on behalf of its local jurisdictions, collects and administers all local sales taxes imposed pursuant to this title.

(b) STATES MUST COLLECT LOCAL SALES TAXES.—Except as provided in section ___04(d), a State in which both State and local sales taxes are imposed may not require State sales taxes to be collected and remitted under subsection (a) unless the State also requires the local sales taxes to be collected and remitted under subsection (a).

(c) AGGREGATION RULES.—All persons that would be treated as a single employer under section 52 (a) or (b) of the Internal Revenue Code of 1986 shall be treated as one person for purposes of subsection (a).

(d) DESTINATION.—For purposes of subsection (a), the destination of tangible personal property is the State or local jurisdiction which is the final location to which the seller ships or delivers the property, or to which the seller causes the property to be shipped or delivered, regardless of the means of shipment or delivery or the location of the buyer.

SEC. ___04. TREATMENT OF LOCAL SALES TAXES.

(a) UNIFORM LOCAL SALES TAXES.—

(1) IN GENERAL.—Sales taxes imposed by local jurisdictions of a State shall be deemed to be uniform for purposes of this title and shall be collected under this title in the same manner as State sales taxes if—

(A) such local sales taxes are imposed at the same rate and on identical transactions in all geographic areas in the State, and

(B) such local sales taxes imposed on sales by out-of-State persons are collected and administered by the State.

(2) Application to border jurisdiction tax rates.—A State shall not be treated as failing to meet the requirements of paragraph (1)(A) if, with respect to a local jurisdiction which borders on another State, such State or local jurisdiction—

(A) either reduces or increases the local sales tax in order to achieve a rate of tax equal to that imposed by the bordering State on identical transactions, or

(B) exempts from the tax transactions which are exempt from tax in the bordering State.

(b) Nonuniform Local Sales Taxes.—

(1) In general.—Except as provided in subsection (d), nonuniform local sales taxes required to be collected pursuant to this title shall be collected under one of the options provided under paragraph (2).

(2) Election.—For purposes of paragraph (1), any person required under authority of this title to collect nonuniform local sales taxes shall elect to collect either—

(A) all nonuniform local sales taxes applicable to transactions in the State, or

(B) a fee (at the rate determined under paragraph (3)) which shall be in lieu of the nonuniform local sales taxes described in subparagraph (A).

Such election shall require the person to use the method elected for all transactions in the State while the election is in effect.

(3) Rate of in-lieu fee.—For purposes of paragraph (2)(B), the rate of the in-lieu fee for any calendar year shall be an amount equal to the product of—

(A) the amount determined by dividing total nonuniform local sales tax revenues collected in the State for the most recently completed State fiscal year for which data is available by total State sales tax revenues for the same year, and

(B) the State sales tax rate.

Such amount shall be rounded to the nearest 0.25 percent.

(4) Nonuniform local sales taxes.—For purposes of this title, nonuniform local sales taxes are local sales taxes which do not meet the requirements of subsection (a).

(c) Distribution of Local Sales Taxes.—

(1) In general.—Except as provided in subsection (d), a State shall distribute to local jurisdictions a portion of the amounts collected pursuant to this title determined on the basis of—

(A) in the case of uniform local sales taxes, the proportion which each local jurisdiction receives of uniform local sales taxes not collected pursuant to this title,

(B) in the case of in-lieu fees described in subsection (b)(2)(B), the proportion which each local jurisdiction's nonuniform local sales tax receipts bears to the total nonuniform local sales tax receipts in the State, and

(C) in the case of any nonuniform local sales tax collected pursuant to this title, the geographical location of the transaction on which the tax was imposed.

The amounts determined under subparagraphs (A) and (B) shall be calculated on the basis of data for the most recently completed State fiscal year for which the data is available.

(2) Timing.—Amounts described in paragraph (1) (B) or (C) shall be distributed by a State to its local jurisdictions in accordance with State timetables for distributing local sales taxes, but not less frequently than every calendar quarter. Amounts described in paragraph (1)(A) shall be distributed by a State as provided under State law.

(3) Transition rule.—If, upon the effective date of this title, a State has a State law in effect providing a method for distributing local sales taxes other than the method under this subsection, then this subsection shall not apply to that State until the 91st day following the adjournment sine die of that State's next regular legislative session which convenes after the effective date of this title (or such earlier date as State law may provide). Local sales taxes collected pursuant to this title prior to the application of this subsection shall be distributed as provided by State law.

(d) Exception Where State Board Collects Taxes.—Notwithstanding section 03(b) and subsections (b) and (c) of this section, if a State had in effect on January 1, 1995, a State law which provides that local sales taxes are collected and remitted by a board of elected States officers, then for any period during which such law continues in effect—

(1) the State may require the collection and remittance under this title of only the State sales taxes and the uniform portion of local sales taxes, and

(2) the State may distribute any local sales taxes collected pursuant to this title in accordance with State law.

SEC. 05. RETURN AND REMITTANCE REQUIREMENTS.

(a) In General.—A State may not require any person subject to this title—

(1) to file a return reporting the amount of any tax collected or required to be collected under this title, or to remit the receipts of such tax, more frequently than once with respect to sales in a calendar quarter, or

(2) to file the initial such return, or to make the initial such remittance, before the 90th day after the person's first taxable transaction under this title.

(b) Local Taxes.—The provisions of subsection (a) shall also apply to any person required by a State acting under authority of this title to collect a local sales tax or in-lieu fee.

SEC. 06. NONDISCRIMINATION AND EXEMPTIONS.

Any State which exercises any authority granted under this title shall allow to all persons subject to this title all exemptions or other exceptions to State and local sales taxes which are allowed to persons located within the State or local jurisdiction.

SEC. 07. APPLICATION OF STATE LAW.

(a) Persons Required To Collect State or Local Sales Tax.—Any person required by section 03 to collect a State or local sales tax shall be subject to the laws of such State relating to such sales tax to the extent that such laws are consistent with the limitations contained in this title.

(b) Limitations.—Except as provided in subsection (a), nothing in this title shall be construed to permit a State—

(1) to license or regulate any person,

(2) to require any person to qualify to transact intrastate business, or

(3) to subject any person to State taxes not related to the sales of tangible personnel property.

(c) Preemption.—Except as otherwise provided in this title, this title shall not be construed to preempt or limit any power exercised or to be exercised by a State or local jurisdiction under the law of such State or local jurisdiction or under any other Federal law.

SEC. 08. TOLL-FREE INFORMATION SERVICE.

A State shall not have power under this title to require any person to collect a State or local sales tax on any sale unless, at the time of such sale, such State has a toll-free telephone service available to provide such person information relating to collection of such State or local sales tax. Such information shall include, at a minimum, all applicable tax rates, return and remittance addresses and deadlines, and penalty and interest information. As part of the service, the State shall also provide all necessary forms and instructions at no cost to any person using the service. The State shall prominently display the toll-free telephone number on all correspondence with any person using the service. This service may be provided jointly with other States.

SEC. 09. DEFINITIONS.

For the purposes of this title—

(1) the term "compensating use tax" means a tax imposed on or incident to the use, storage, consumption, distribution, or other use within a State or local jurisdiction or other area of a State, of tangible personal property;

(2) the term "local sales tax" means a sales tax imposed in a local jurisdiction or area of a State and includes, but is not limited to—

(A) a sales tax or in-lieu fee imposed in a local jurisdiction or area of a State by the State on behalf of such jurisdiction or area, and

(B) a sales tax imposed by a local jurisdiction or other State-authorized entity pursuant to the authority of State law, local law, or both;

(3) the term "person" means an individual, a trust, estate, partnership, society, association, company (including a limited liability company) or corporation, whether or not acting in a fiduciary or representative capacity, and any combination of the foregoing;

(4) the term "sales tax" means a tax, including a compensating use tax, that is—

(A) imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property as may be defined or specified under the laws imposing such tax, and

(B) measured by the amount of the sales price, cost, charge or other value of or for such property; and

(5) the term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. 10. EFFECTIVE DATE.

This title shall take effect 180 days after the date of the enactment of this title. In no event shall this title apply to any sale occurring before such effective date.

ABRAHAM AMENDMENT NO. 3678

Mr. McCAIN (for Mr. ABRAHAM) proposed an amendment to the bill, S. 442, supra; as follows:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State government, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

BRYAN AMENDMENT NO. 3679

Mr. MCCAIN (for Mr. BRYAN) proposed an amendment to the bill, S. 442, supra; as follows:

At the end of the bill, add the following:

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1998".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—The term "child" means an individuals under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purposes; and

(B) making personal information collected form a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail services;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contacting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection, use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) a commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an on-line service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.—

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 203, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER

THOMAS AMENDMENT NO. 3680

Mr. HAGEL (for Mr. THOMAS) proposed an amendment to the bill (H.R. 2186) to authorize the Secretary of the Interior to provide assistance to the National Historic Trails Interpretive Center in Casper, Wyoming; as follows:

On page 6, beginning on line 2 strike "and, subject to the availability of appropriations," and insert "and".

On page 6 line 12 strike "subject to appropriations,".

On page 6 strike section [e] in its entirety and renumber the remaining sections accordingly.

GALLATIN LAND CONSOLIDATION ACT OF 1998

BAUCUS (AND BURNS) AMENDMENT NO. 3681

Mr. HAGEL (for Mr. BAUCUS for himself and Mr. BURNS) proposed an amendment to the bill (S. 1719) to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co.; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gallatin Land Consolidation Act of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the land north of Yellowstone National Park possesses outstanding natural characteristics and wildlife habitats that make the land a valuable addition to the National Forest System;

(2) it is in the interest of the United States to establish a logical and effective ownership pattern for the Gallatin National Forest, reducing long-term costs for taxpayers and increasing and improving public access to the forest;

(3) it is in the interest of the United States for the Secretary of Agriculture to enter into an Option Agreement for the acquisition of land owned by Big Sky Lumber Co. to accomplish the purposes of this Act; and

(4) other private property owners are willing to enter into exchanges that further improve the ownership pattern of the Gallatin National Forest.

SEC. 3. DEFINITIONS.

In this Act:

(1) BLM LAND.—The term "BLM land" means approximately 2,000 acres of Bureau of Land Management land (including all appurtenances to the land) that is proposed to be

acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(2) BSL.—The term "BSL" means Big Sky Lumber Co., an Oregon joint venture, and its successors and assigns, and any other entities having a property interest in the BSL land.

(3) BSL LAND.—The term "BSL land" means approximately 54,000 acres of land (including all appurtenances to the land except as provided in section 4(e)(1)(D)(i)) owned by BSL that is proposed to be acquired by the Secretary of Agriculture, as depicted in Exhibit A to the Option Agreement.

(4) EASTSIDE NATIONAL FORESTS.—The term "Eastside National Forests" means national forests east of the Continental Divide in the State of Montana, including the Beaverhead National Forest, Deerlodge National Forest, Helena National Forest, Custer National Forest, and Lewis and Clark National Forest.

(5) NATIONAL FOREST SYSTEM LAND.—The term "National Forest System land" means approximately 29,000 acres of land (including all appurtenances to the land) owned by the United States in the Gallatin National Forest, Flathead National Forest, Deerlodge National Forest, Helena National Forest, Lolo National Forest, and Lewis and Clark National Forest that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(6) OPTION AGREEMENT.—The term "Option Agreement" means—

(A) the document signed by BSL, dated July 29, 1998 and entitled "Option Agreement for the Acquisition of Big Sky Lumber Co. Lands Pursuant to the Gallatin Range Consolidation and Protection Act of 1993";

(B) the exhibits and maps attached to the document described in subparagraph (A); and

(C) an exchange agreement to be entered into between the Secretary and BSL and made part of the document described in subparagraph (A).

(7) SECRETARY.—The "Secretary" means the Secretary of Agriculture.

SEC. 4. GALLATIN LAND CONSOLIDATION COMPLETION.

(a) IN GENERAL.—Notwithstanding any other provision of law, and subject to the terms and conditions of the Option Agreement—

(1) if BSL offers title acceptable to the Secretary to the BSL land—

(A) the Secretary shall accept a warranty deed to the BSL land and a quit claim deed to agreed to mineral interests in the BSL land;

(B) the Secretary shall convey to BSL, subject to valid existing rights and to other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary and BSL, fee title to the National Forest System land; and

(C) the Secretary of the Interior shall convey to BSL, by patent or otherwise, subject to valid existing rights and other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary of the Interior and BSL, fee title to the BLM land;

(2) if BSL places title in escrow acceptable to the Secretary to 11½ sections of the BSL land in the Taylor Fork area as set forth in the Option Agreement—

(A) the Secretary shall place Federal land in the Bangtail and Doe Creek areas of the Gallatin National Forest, as identified in the Option Agreement, in escrow pending conveyance to the Secretary of the Taylor Fork land, as identified in the Option Agreement in escrow;

(B) the Secretary, subject to the availability of funds, shall purchase 7½ sections of BSL land in the Taylor Fork area held in escrow and identified in the Option Agreement at a purchase price of $4,150,000; and

(C) the Secretary shall acquire the 4 Taylor Fork sections identified in the Option Agreement remaining in escrow, and any of the 6 sections referred to in subparagraph (B) for which funds are not available, by providing BSL with timber sale receipts from timber sales on the Gallatin National Forest and other eastside national forests in the State of Montana in accordance with subsection (c); and

(3)(A) as funds or timber sale receipts are received by BSL—

(i) the deeds to an equivalent value of BSL Taylor Fork land held in escrow shall be released and conveyed to the Secretary; and

(ii) the escrow of deeds to an equivalent value of Federal land shall be released to the Secretary in accordance with the terms of the Option Agreement; or

(B) if funds or timber sale receipts are not provided to BSL as provided in the Option Agreement, BSL shall be entitled to receive patents and deeds to an equivalent value of the Federal land held in escrow.

(b) VALUATION.—

(1) IN GENERAL.—The property and other assets exchanged or conveyed by BSL and the United States under subsection (a) shall be approximately equal in value, as determined by the Secretary.

(2) DIFFERENCE IN VALUE.—To the extent that the property and other assets exchanged or conveyed by BSL or the United States under subsection (a) are not approximately equal in value, as determined by the Secretary, the values shall be equalized in accordance with methods identified in the Option Agreement.

(c) TIMBER SALE PROGRAM.—

(1) IN GENERAL.—The Secretary shall implement a timber sale program, according to the terms and conditions identified in the Option Agreement and subject to compliance with applicable environmental laws (including regulations), judicial decisions, memoranda of understanding, small business set-aside rules, and acts beyond the control of the Secretary, to generate sufficient timber receipts to purchase the portions of the BSL land in Taylor Fork identified in the Option Agreement.

(2) IMPLEMENTATION.—In implementing the timber sale program—

(A) the Secretary shall provide BSL with a proposed annual schedule of timber sales;

(B) as set forth in the Option Agreement, receipts generated from the timber sale program shall be deposited by the Secretary in a special account established by the Secretary and paid by the Secretary to BSL;

(C) receipts from the Gallatin National Forest shall not be subject to the Act of May 23, 1908 (16 U.S.C. 500); and

(D) the Secretary shall fund the timber sale program at levels determined by the Secretary to be commensurate with the preparation and administration of the identified timber sale program.

(d) RIGHTS-OF-WAY.—As specified in the Option Agreement—

(1) the Secretary, under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), shall convey to BSL such easements in or other rights-of-way over National Forest System land for access to the land acquired by BSL under this Act for all lawful purposes; and

(2) BSL shall convey to the United States such easements in or other rights-of-way over land owned by BSL for all lawful purposes, as may be agreed to by the Secretary and BSL.

(e) QUALITY OF TITLE.—

(1) DETERMINATION.—The Secretary shall review the title for the BSL land described in subsection (a) and, within 45 days after receipt of all applicable title documents from BSL, determine whether—

(A) the applicable title standards for Federal land acquisition have been satisfied and the quality of the title is otherwise acceptable to the Secretary of Agriculture;

(B) all draft conveyances and closing documents have been received and approved;

(C) a current title commitment verifying compliance with applicable title standards has been issued to the Secretary; and

(D) the title includes both the surface and subsurface estates without reservation or exception (except as specifically provided in this Act), including—

(i) minerals, mineral rights, and mineral interests (including severed oil and gas surface rights), subject to and excepting other outstanding or reserved oil and gas rights;

(ii) timber, timber rights, and timber interests (except those reserved subject to section 251.14 of title 36, Code of Federal Regulations, by BSL and agreed to by the Secretary);

(iii) water, water rights, ditch, and ditch rights;

(iv) geothermal rights; and

(v) any other interest in the property.

(2) CONVEYANCE OF TITLE.—

(A) IN GENERAL.—If the quality of title does not meet Federal standards or is otherwise determined to be unacceptable to the Secretary of Agriculture, the Secretary shall advise BSL regarding corrective actions necessary to make an affirmative determination under paragraph (1).

(B) TITLE TO SUBSURFACE ESTATE.—Title to the subsurface estate shall be conveyed by BSL to the Secretary in the same form and content as that estate is received by BSL from Burlington Resources Oil & Gas Company Inc. and Glacier Park Company.

(f) TIMING OF IMPLEMENTATION.—

(1) LAND-FOR-LAND EXCHANGE.—The Secretary shall accept the conveyance of land described in subsection (a) not later than 45 days after the Secretary has made an affirmative determination of quality of title.

(2) LAND-FOR-TIMBER SALE RECEIPT EXCHANGE.—As provided in subsection (c) and the Option Agreement, the Secretary shall make timber receipts described in subsection (a)(3) available not later than December 31 of the fifth full calendar year that begins after the date of enactment of this Act.

(3) PURCHASE.—The Secretary shall complete the purchase of BSL land under subsection (a)(3)(B) not later than 30 days after the date on which appropriated funds are made available and an affirmative determination of quality of title is made with respect to the BSL land.

SEC. 5. OTHER FACILITATED EXCHANGES.

(a) AUTHORIZED EXCHANGES.—

(1) IN GENERAL.—The Secretary shall enter into the following land exchanges if the landowners are willing:

(A) Wapiti land exchange, as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(B) Eightmile/West Pine land exchange as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(2) EQUAL VALUE.—Before entering into an exchange under paragraph (1), the Secretary shall determine that the parcels of land to be

exchanged are of approximately equal value, based on an appraisal.

(b) SECTION 1 OF THE TAYLOR FORK LAND.—

(1) IN GENERAL.—The Secretary is encouraged to pursue a land exchange with the owner of section 1 of the Taylor Fork land after completing a full public process and an appraisal.

(2) REPORT.—The Secretary shall report to Congress on the implementation of paragraph (1) not later than 180 days after the date of enactment of this Act.

SEC. 6. GENERAL PROVISIONS.

(a) MINOR CORRECTIONS.—

(1) IN GENERAL.—The Option Agreement shall be subject to such minor corrections and supplemental provisions as may be agreed to by the Secretary and BSL.

(2) NOTIFICATION.—The Secretary shall notify the Committee on Energy and Natural Resources of the Senate, the Committee on Resources of the House of Representatives, and each member of the Montana congressional delegation of any changes made under this subsection.

(3) BOUNDARY ADJUSTMENT.—

(A) IN GENERAL.—The boundary of the Gallatin National Forest is adjusted in the Wineglass and North Bridger area, as described on maps dated July 1998, upon completion of the conveyances.

(B) NO LIMITATION.—Nothing in this subsection limits the authority of the Secretary to adjust the boundary pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Act") (16 U.S.C. 521).

(C) ALLOCATION OF LAND AND WATER CONSERVATION FUND MONEYS.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*-9), boundaries of the Gallatin National Forest shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(b) PUBLIC AVAILABILITY.—The Option Agreement—

(1) shall be on file and available for public inspection in the office of the Supervisor of the Gallatin National Forest; and

(2) shall be filed with the county clerk of each of Gallatin County, Park County, Madison County, Granite County, Broadwater County, Meagher County, Flathead County, and Missoula County, Montana.

(c) COMPLIANCE WITH OPTION AGREEMENT.—The Secretary, the Secretary of the Interior, and BSL shall comply with the terms and conditions of the Option Agreement except to the extent that any provision of the Option Agreement conflicts with this Act.

(d) STATUS OF LAND.—All land conveyed to the United States under this Act shall be added to and administered as part of the Gallatin National Forest and Deerlodge National Forest, as appropriate, in accordance with the Act of March 1, 1911 (5 U.S.C. 515 et seq.), and other laws (including regulations) pertaining to the National Forest System.

(e) MANAGEMENT.—

(1) PUBLIC PROCESS.—Not later than 30 days after the date of completion of the land-for-land exchange under section 4(f)(1), the Secretary shall initiate a public process to amend the Gallatin National Forest Plan and the Deerlodge National Forest Plan to integrate the acquired land into the plans.

(2) PROCESS TIME.—The amendment process under paragraph (1) shall be completed as soon as practicable, and in no event later than 540 days after the date on which the amendment process is initiated.

(3) LIMITATION.—An amended management plan shall not permit surface occupancy on the acquired land for access to reserved or outstanding oil and gas rights or for exploration or development of oil and gas.

(4) INTERIM MANAGEMENT.—Pending completion of the forest plan amendment process under paragraph (1), the Secretary shall—

(A) manage the acquired land under the standards and guidelines in the applicable land and resource management plans for adjacent land managed by the Forest Service; and

(B) maintain all existing public access to the acquired land.

(f) RESTORATION.—

(1) IN GENERAL.—The Secretary shall implement a restoration program including reforestation and watershed enhancements to bring the acquired land and surrounding national forest land into compliance with Forest Service standards and guidelines.

(2) STATE AND LOCAL CONSERVATION CORPS.—In implementing the restoration program, the Secretary shall, when practicable, use partnerships with State and local conservation corps, including the Montana Conservation Corps, under the Public Lands Corps Act of 1993 (16 U.S.C. 1721 et seq.).

(g) IMPLEMENTATION.—The Secretary of Agriculture shall ensure that sufficient funds are made available to the Gallatin National Forest to carry out this Act.

(i) REVOCATIONS.—Notwithstanding any other provision of law, any public orders withdrawing lands identified in the Option Agreement from all forms of appropriation under the public land laws are revoked upon conveyance of the lands by the Secretary.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

Amend the title so as to read: "To direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.".

FINANCIAL SERVICES ACT OF 1998

GORTON AMENDMENT NO. 3682

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (H.R. 10) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes; as follows:

Section 401(a) of H.R. 10 is amended as follows:

In new subparagraph (9)(C) of section (c) of the Home Owners' Loan Act (12 U.S.C. Sec. 1467a(c)), by inserting the following language after the word "date," in the last line of the subparagraph: "or that is a company described in subparagraph (A) that acquires control of a savings and loan holding company described in this subparagraph and complies thereafter with subparagraph (B) with respect to any activity in which such company or the acquired savings and loan holding company was not engaged as of the date of the acquisition,"

EXPLANATION

The proposed amendment prohibits a financial company that acquires a grandfathered unitary thrift holding company from engaging in any new non-financial activities post-acquisition. Under the proposed amendment, the financial company could retain and operate any existing non-financial activities of the grandfathered thrift holding company without a forced divestiture. This provision only applies to financial companies that are not regulated under the Bank Holding Company Act.

The proposed amendment does not alter the provisions that prohibit non-financial activities by a banking holding company or financial holding company under the Bank Holding Company Act. Thus, if a banking holding company or financial holding company acquired a grandfathered unitary thrift holding company with non-financial activities, these non-financial activities would have to be divested pursuant to the divestiture provisions of the Bank Holding Company Act.

NATIONAL MOTOR VEHICLE SAFETY, ANTI-THEFT, TITLE REFORM, AND CONSUMER PROTECTION ACT OF 1998

GORTON AMENDMENT NO. 3683

Mr. SESSIONS (for Mr. GORTON) proposed an amendment to the bill (S. 852) to establish nationally uniform requirements regarding the titling and registration of salvage, non-repairable, and rebuilt vehicles; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Salvage Motor Vehicle Consumer Protection Act of 1998".

SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States Code, is amended by inserting a new chapter at the end:

"CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

"Sec.
"33301. Definitions.
"33302. Passenger motor vehicle titling.
"33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.
"33304. Report on funding.
"33305. Effect on State law.
"33306. Civil penalties.
"33307. Actions by States.

"§ 33301. Definitions

"(A) DEFINITIONS.—For the purposes of this chapter:

"(1) PASSENGER MOTOR VEHICLE.—The term 'passenger motor vehicle' has the same meaning given such term by section 32101(10), except, notwithstanding section 32101(9), it includes a multi-purpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), a truck, other than a truck referred to in section 32101(10)(B), and a pickup truck when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and it only includes a vehicle manufactured primarily for use on public streets, roads and highways.

"(2) SALVAGE VEHICLE.—The term 'salvage vehicle' means any passenger motor vehicle, other than a flood vehicle or a nonrepairable vehicle, which—

"(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the passenger motor vehicle;

"(B) is a later model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

"(C) the owner wishes to voluntarily designate as a salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

Notwithstanding any other provision of this chapter, a State may use the term 'older model salvage vehicle' to designate a wrecked, destroyed, or damaged vehicle that does not meet the definition of a late model vehicle in paragraph (9). If a State, as of the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, has established a salvage definition at a lesser percentage than provided under subparagraph (A), then that definition shall not be considered to be inconsistent with the provisions of this chapter.

"(3) SALVAGE TITLE.—The term 'salvage title' means a passenger motor vehicle ownership document issued by the State to the owner of a salvage vehicle. A salvage title shall be conspicuously labeled with the word 'salvage' across the front.

"(4) REBUILT SALVAGE VEHICLE.—The term 'rebuilt salvage vehicle' means—

"(A) any passenger motor vehicle which was previously issued a salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' affixed to the driver's door jamb; or

"(B) any passenger motor vehicle which was previously issued a salvage title, has passed a State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, and has, affixed to the driver's door jamb, a decal stating 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria' in those States not requiring a safety inspection pursuant to section 33302(b)(8).

"(5) REBUILT SALVAGE TITLE.—The term 'rebuilt salvage title' means the passenger motor vehicle ownership document issued by the State to the owner of a rebuilt salvage vehicle. A rebuilt salvage title shall be conspicuously labeled either with the words 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' or 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria,' as appropriate, across the front.

"(6) NONREPAIRABLE VEHICLE.—The term 'nonrepairable vehicle' means any passenger motor vehicle, other than a flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a nonrepairable vehicle certificate and shall never again be titled or registered.

"(7) NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'nonrepairable vehicle certificate' means a passenger motor vehicle ownership document issued by the State to the owner of a nonrepairable vehicle. A nonrepairable vehicle certificate shall be conspicuously labeled with the word 'Nonrepairable' across the front.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(9) LATE MODEL VEHICLE.—The term 'Late Model Vehicle' means any passenger motor vehicle which—

"(A) has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

"(B) has a retail value of more than $7,500. The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

"(10) RETAIL VALUE.—The term 'retail value' means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

"(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

"(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

"(11) COST OF REPAIRS.—The term 'cost of repairs' means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

"(12) FLOOD VEHICLE.—

"(A) IN GENERAL.—The term 'flood vehicle' means any passenger motor vehicle that—

"(i) has been acquired by an insurance company as part of a damage settlement due to water damage; or

"(ii) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined—

"(I) to have no electrical, computerized or mechanical components which were damaged by water; or

"(II) to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

"(B) INSPECTION NOT REQUIRED FOR ALL FLOOD VEHICLES.—No inspection under subparagraph (A) shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of 'Flood' pursuant to this chapter.

"(C) EFFECT OF DISCLOSURE.—Disclosing a passenger motor vehicle's status as a flood vehicle or conducting an inspection pursuant to subparagraph (A) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

"(b) CONSTRUCTION.—The definitions set forth in subsection (a) only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

"§ 33302. Passenger motor vehicle titling

"(a) CARRY-FORWARD OF STATE INFORMATION.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'older model salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', 'nonrepairable', 'reconstructed', 'rebuilt', or any other symbol or word of like kind, or that it has been damaged by flood, and the name of the State that issued that title.

"(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

"(1) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a salvage vehicle, a nonrepairable vehicle, a rebuilt salvage vehicle, or a flood vehicle.

"(2) Such information concerning a passenger motor vehicle's status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

"(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

"(4) The certificate of title shall include the passenger motor vehicle make, model, body type, year, odometer disclosure, and vehicle identification number.

"(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

"(6) A passenger motor vehicle designated as nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

"(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies with the requirements for a rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

"(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle's damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

"(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary's rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from which the mark or vehicle identification number has been legally removed or altered.

"(8) Any safety inspection for a rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

"(9) No duplicate or replacement title shall be issued unless the word 'duplicate' is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

"(10) A State shall employ the following titling and control methods:

"(A) If an insurance company is not involved in a damage settlement involving a salvage vehicle or a nonrepairable vehicle, the passenger motor vehicle owner shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

"(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a salvage title or nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or salvage facility or other agent on its behalf with all liens released.

"(C) If an insurance company does not assume ownership of an insured's or claimant's passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company shall notify the owner of the owner's obligation to apply for a salvage title or nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a salvage title or nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

"(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the lessor shall apply for a salvage title or nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

"(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a salvage or nonrepairable vehicle for which a salvage title or nonrepairable vehicle certificate has not been issued, shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

"(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a nonrepairable vehicle certificate after 2 transfers of ownership.

"(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or nonrepairable vehicle certificate, the State of surrender shall notify the State of origin of the surrender of the title or nonrepairable vehicle certificate and of the destruction of such vehicle.

"(H) When a salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt salvage title for a passenger motor vehicle with a salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new salvage title for a salvage vehicle after a transfer of ownership.

"(I) After a passenger motor vehicle titled with a salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

"(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a rebuilt salvage title or vehicle registration, or both, by presenting to the State the salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a rebuilt salvage title or registration, or both, shall be issued to the owner. When a rebuilt salvage title is issued, the State records shall so note.

"(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written notice that the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the word 'Flood' shall be conspicuously labeled across the front of the new title.

"(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a flood vehicle.

"(13) Ownership of a passenger motor vehicle may be transferred on a salvage title, however, a passenger motor vehicle for which a salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

"(14) Ownership of a passenger motor vehicle may be transferred on a rebuilt salvage title, and a passenger motor vehicle for which a rebuilt salvage title has been issued may, if permitted by State law, be registered for use on the roads and highways.

"(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a nonrepairable vehicle certificate. A passenger motor vehicle which a nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

"(c) Consumer Notice in Noncompliant States.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998 and not complying with the requirements of subjections (a) and (b) of this section, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subjections (a) and (b) of this section: 'NOTICE: This State does not conform to the uniform Federal requirements of the National Salvage Motor Vehicle Consumer Protection Act of 1998.'.

"(d) Electronic Procedures.—A State may employ electronic procedures in lieu of paper documents whenever such electronic procedures provide the same information, function, and security otherwise required by this section.

"§ 33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles

"(a) Written Disclosure Requirements.—

"(1) General rule.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a rebuilt salvage vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written disclosure that the vehicle is a rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

"(2) False statement.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

"(3) Completeness.—A person acquiring a rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

"(4) Regulations.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

"(b) Label Requirements.—

"(1) In general.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State antitheft inspection in a participating State.

"(2) Removal, alteration, or illegibility of required label.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

"(c) Limitation.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

"§ 33304. Report on funding

"The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

"§ 33305. Effect on State law

"(a) In General.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

"(1) set forth the form of the passenger motor vehicle title;

"(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms 'salvage', 'nonrepairable', or 'flood', or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

"(3) set forth titling, recordkeeping, antitheft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, non-repairable vehicle, or flood vehicle.

"(b) Exceptions.—

"(1) Passenger motor vehicle; older model salvage.—Subsection (a)(2) does not preempt State use of the term—

"(A) 'passenger motor vehicle' in statutes not related to titling, recordkeeping, antitheft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle; or

"(B) 'older model salvage' to designate a wrecked, destroyed, or damaged vehicle that is older than a late model vehicle.

"(2) Consumer law actions.—Nothing in this chapter may be construed to affect any private right of action under State law.

"(c) Construction.—Additional disclosures of a passenger motor vehicle's title status or history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt national salvage title that a rebuilt national salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

"§ 33306. Civil penalties

"(a) Prohibited Acts.—It is unlawful for any person knowingly to—

"(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

"(2) fail to apply for a salvage title when such an application is required;

"(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

"(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

"(5) offer to sell any salvage vehicle or non-repairable vehicle as a rebuild salvage vehicle;

"(6) fail to make any disclosure required by section 33302(b)(11);

"(7) fail to make any disclosure required by section 33303;

"(8) violate a regulation prescribed under this chapter;

"(9) move a vehicle or a vehicle title in interstate commerce for the purpose of avoiding the titling requirements of this chapter; or

"(10) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (9.,

"(b) Civil Penalty.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to $2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

"§ 33307. Actions by States

"(a) In General.—When a person violates any provision of this chapter, the chief law enforcement officer of the State in which the violation occurred may bring an action—

"(1) to restrain the violation;

"(2) recover amounts for which a person is liable under section 33306; or

"(3) to recover the amount of damage suffered by any resident in that State who suffered damage as a result of the knowing commission of an unlawful act under section 33306(a) by another person.

"(b) Statute of Limitations.—An action under subsection (a) shall be brought in any court of competent jurisdiction within 2 years after the date on which the violation occurs.

"(c) Notice.—The State shall serve prior written notice of any action under subsection (a) or (f)(2) upon the Attorney General of the United States and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting an action, the Attorney General shall have the right—

"(1) to intervene in such action;

"(2) upon so intervening, to be heard on all matters arising therein; and

"(3) to file petitions for appeal.

"(d) Construction.—For purposes of bring any action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(e) Venue; Service of Process.—Any action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

"(f) Actions by State Officials.—

"(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

"(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State or behalf of its residents.".

(b) Conforming Amendment.—The table of chapters for part C at the beginning of subtitle VI of title 49, United States Code, is amended by inserting at the end the following new item:

"333. AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS .... 33301".

SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) Definitions.—

(1) Section 30501(4) of title 49, United States Code, is amended to read as follows:

"(4) 'nonrepairable vehicle', 'salvage vehicle', and 'rebuilt salvage vehicle' have the same meanings given those terms in section 33301 of this title.".

(2) Section 30501(5) of such title is amended by striking "junk automobiles" and insert "non-repairable vehicles".

(3) Section 30501(8) of such title is amended by striking "salvage automobiles" and inserting "salvage vehicles".

(4) Section 30501 of such title is amended by striking paragraph (7) and redesignating paragraphs (8) and (9) or paragraph (7) and (8), respectively.

(b) National Motor Vehicle Title Information System.—

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

"(3) whether an automobile known to be titled in a particular State is or has been a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle;".

(2) Section 30502(d)(5) of such title is amended to read as follows:

"(5) whether an automobile bearing a known vehicle identification number has been reported as a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle under section 30504 of this title.".

(c) State Participation.—Section 30503 of title 49, United States Code, is amended to read as follows:

"§ 30503. State participation

"(a) State Information.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

"(b) Verification Checks.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

"(1) communicating to the operator—

"(A) the vehicle identification number of the automobile for which the certificate of title is sought;

"(B) the name of the State that issued the most recent certificate of title for the automobile; and

"(C) the name of the individual or entity to whom the certificate of title was issued; and

"(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

"(c) Grants to States.—

"(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

"(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and

"(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

"(d) Report to Congress.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.".

(d) Reporting Requirements.—Section 30504 of title 49, United States Code, is amended by striking "junk automobiles or salvage automobiles" every place it appears and inserting "nonrepairable vehicles, rebuilt salvage vehicles or salvage vehicles".

SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIBITED SALE OF NONQUALIFYING VEHICLES FOR USE AS SCHOOLBUSES.

Section 30112 of title 49, United States Code, is amended by adding at the end hereof the following:

"(c) Notification Program for Dealers Concerning Sales of Vehicles as Schoolbuses.—Not later than September 1, 1998, the Secretary shall develop and implement a program to notify dealers and distributors in the United States that subsection (a) prohibits the sale or delivery of any vehicle for use as a schoolbus (as that term is defined in section 30125(a)(1) of this title) that does not meet the standards prescribed under section 30125(b) of this title.".

LEVIN (AND OTHERS) AMENDMENT NO. 3684

Mr. SESSIONS (for Mr. Levin for himself, Ms. Feinstein, and Mr. Bryan) proposed an amendment to amendment No. 3683 proposed by Mr. Gorton to the bill, S. 852, supra; as follows:

On page 2, before line 1, strike the item relating to section 33303 and insert the following:

"33303. Disclosure and label requirements on transfer of rebuilt Federal salvage vehicles.

On page 2, lines 17 and 18, strike "Salvage vehicle.—The term 'salvage vehicle'" and insert "Federal salvage vehicle.—The term 'Federal salvage vehicle'".

On page 4, line 10, strike "Salvage title.—The term 'salvage title'" and insert "Federal salvage title.—The term 'Federal salvage title'".

On page 4, lines 15 and 16, strike "Rebuilt salvage vehicle.—The term 'rebuilt salvage vehicle'" and insert "Federal rebuilt salvage vehicle.—The term 'Federal rebuilt salvage vehicle'".

On page 5, line 4, strike "Rebuilt" and insert "Federal Rebuilt".

On page 5, line 14, strike "Rebuilt" and insert "Federal Rebuilt".

On page 5, beginning on line 19, strike "Rebuilt salvage title.—The term 'rebuilt salvage title'" and insert "Federal rebuilt salvage title.—The term 'Federal rebuilt salvage title'".

On page 5, line 22, strike "rebuilt salvage" and insert "Federal rebuilt salvage".

On page 5, line 22, strike "a rebuilt salvage" and insert "a Federal rebuilt salvage".

On page 5, lines 24 and 25, strike "Rebuilt Salvage" each place that term appears and insert "Federal Rebuilt Salvage".

On page 6, lines 4 and 5, strike "Nonrepairable vehicle.—The term 'nonrepairable vehicle'" and insert "Federal nonrepairable vehicle.—The term 'Federal nonrepairable vehicle'".

On page 6, line 11, strike "nonrepairable" and insert "Federal nonrepairable".

On page 6, lines 14 and 15, strike "Nonrepairable vehicle certificate.—The term 'nonrepairable vehicle certificate'" and insert "Federal nonrepairable vehicle certificate.—The term 'Federal nonrepairable vehicle certificate'".

On page 6, lines 17 through 18, strike "nonrepairable" and insert "Federal nonrepairable.

On page 6, line 18, strike "nonrepairable" and insert "Federal nonrepairable".

On page 6, line 19, strike "word" and insert "words".

On page 6, lines 19 and 20, strike "Nonrepairable" and insert "Federal nonrepairable".

On page 8, line 3, strike "Flood vehicle.—" and insert "Federal flood vehicle.—".

On page 9, line 8, strike "flood" and insert "federal flood".

On page 9, line 11, strike "Flood" and insert "Federal Flood".

On page 22, strike lines 20 and 21 and insert the following:

"§ 33303. Disclosure and label requirements on transfer of Federal rebuilt salvage vehicles"

On page 21, line 2, strike "word" and insert "words".

On page 21, line 2, strike "Flood" and insert "Federal Flood".

Strike "salvage" and insert "Federal salvage" on the following pages and in or beginning on the following lines:

(1) Page 3, line 15.
(2) Page 4, lines 12, 13, 14, and 18.
(3) Page 5, line 9.
(4) Page 11, line 14.
(5) Page 15, lines 17, 18, and 20.
(6) Page 16, lines 7, 11, 16, 19, and 22.
(7) Page 17, lines 5, 6, 18, 19, and 21.
(8) Page 19, lines 8, 11, 12, 19, and 22.
(9) Page 20, line 10.
(10) Page 21, lines 10 and 11.
(11) Page 25, lines 15 and 22.
(12) Page 27, line 15.
(13) Page 28, line 4.
(14) Page 31, lines 11 and 19.
(15) Page 32, line 12.
(16) Page 34, line 17.

Strike "flood" and insert "Federal flood" on the following pages and in or beginning on the following lines:

(1) Page 6, line 6.
(2) Page 9, line 14.
(3) Page 11, line 15.
(4) Page 21, line 8.
(5) Page 25, lines 16 and 23.

Strike "rebuilt salvage" and insert "Federal rebuilt salvage" on the following pages and in or beginning on the following lines:

(1) Page 5, line 22 (each place it appears).
(2) Page 11, lines 14 and 15.
(3) Page 12, line 14.
(4) Page 14, line 18.
(5) Page 20, lines 8 through 9, 16, and 14.
(6) Page 21, lines 16 and 17.
(7) Page 22, line 25.
(8) Page 23, lines 3, 11, and 20.
(9) Page 24, lines 4 and 9.
(10) Page 25, line 22.
(11) Page 27, line 4.
(12) Page 28, line 5.
(13) Page 31, line 12.
(14) Page 32, lines 5 and 11.
(15) Page 34, line 16.

Strike "nonrepairable" and insert "Federal nonrepairable" on the following pages and in or beginning on the following lines:

(1) Page 11, line 14.
(2) Page 12, line 9.
(3) Page 15, lines 18 and 20.
(4) Page 16, lines 5, 8, 17, 20, and 23.
(5) Page 17, lines 5, 6 through 7, 18, 19, and 21.
(6) Page 18, lines 8, 12, 15, and 22.
(7) Page 19, lines 3 and 6.
(8) Page 21, lines 21 and 23.
(9) Page 25, lines 15 through 16.
(10) Page 25, lines 22 through 23.
(11) Page 27, line 18.
(12) Page 28, lines 4 and 5.
(13) Page 31, lines 11 and 15 through 16.
(14) Page 32, lines 4 and 11.
(15) Page 34, line 16.

On page 10, line 20, strike "title." and insert "title, or that the vehicle was a 'Federal salvage vehicle', 'Federal rebuilt salvage vehicle', 'Federal flood vehicle', or 'Federal nonrepairable vehicle'.".

On page 11, line 15, strike "vehicle." and insert "vehicle, or if records readily available to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol referred to in subsection (a).".

On page 27, between lines 7 and 8, insert the following:

"(d) STATUTORY CONSTRUCTION.—Except as specifically provided in this chapter, nothing in this chapter is intended to affect any State law—

"(1) relating to the inspection or titling of, disclosure, or other action concerning salvage, rebuilt salvage, flood, or nonrepairable motor vehicles; or

"(2) that provides for more stringent protection of a purchaser of a used motor vehicle.

On page 32, strike lines 1 through 12 and insert the following:

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

"(3) whether an automobile known to be titled in a particular State—

"(A) is or has been a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle; or

"(B) was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

(2) Section 30502(d)(5) of title 49, United States Code, is amended to read as follows:

"(5) whether—

"(A) an automobile bearing a known vehicle identification number has been reported as a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle under section 30504 of this title; or

"(B) the vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Friday, October 2, 1998, at 10:00 a.m. in open session, to receive testimony on ballistic missile defense programs, policies, and related issues.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, October 2, 1998, at 10:00 a.m., 11:00 a.m. and 2:00 p.m. to hold three hearings.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. SESSIONS. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Friday, October 2, 1998, at 9:00 a.m. for a hearing on the nominations of John Sepulveda, to be Deputy Director of the Office of Personnel Management, and Joseph Swerdzewski, to be General Counsel of the Federal Labor Relations Authority.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. SESSIONS. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet to consider pending business Friday, October 2, 1998, at 9:30 a.m., Hearing Room (SD-406).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGING

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Special Committee on the Year 2000 Technology Problem be permitted to meet on October 2, 1998 at 9:30 a.m. for the purpose of conducting a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights, and Competition, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Friday, October 2, 1998, at 10:00 a.m. to hold a hearing in room 226, Senate Dirksen Office Building, on: "International Antitrust Enforcement: How Well Is It Working?"

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL SAM ROBERTS, USAF (RETIRED)

• Mr. BURNS. Mr. President, I rise today in recognition of a great American patriot and fellow Montanan, Colonel Sam Roberts, U.S. Air Force, retired.

Colonel Roberts is a true American hero, who exemplifies the meaning of duty, honor and country. Today, in my home state of Montana, Colonel Roberts will be honored at the University of Montana during an 80th anniversary ceremony for the Reserve Officer Training Corps (ROTC).

Colonel Roberts received many honors during his career. These awards include the Bronze Star, the Distinguished Flying Cross, two Air Medals and Commendation Awards from both the Army and the Air Force. In the 1960's, Colonel Roberts, who was assigned to the Strategic Air Command, briefed our Nation's leaders about the threats to our country and potential targets for the United States during the cold war.

Sam Roberts was a great leader of those under his command. His motto: "Don't ask any of your men to do anything that you wouldn't do yourself or that you wouldn't show them how to do yourself," is a cornerstone that we should look for in the future leaders of our military.

I salute Colonel Sam Roberts, and his lovely wife, Kathleen, for the sacrifices they made during Sam's career and thank them for a job well done. I consider it an honor and privilege to call Sam and Kathleen Roberts my friends.•

STATEMENT ON THE DEATH OF GENE AUTRY

• Mrs. BOXER. Mr. President, I was saddened to learn of the death of Gene Autry, a longtime Californian, earlier this afternoon. Mr. Autry will always be remembered as a singer and performer of enormous talent and appeal. First making his way onto the radio airwaves in 1928 as a singer, his career quickly broadened to include acting. He appeared in such films as "Tumbling Tumbleweeds" in 1935 and television series as "The Gene Autry Show" between 1951–1954. Perhaps his most famous song, "Rudolph the Red Nosed Reindeer" will forever remind us of his zest for life and gentle charm each holiday season.

Mr. Autry succeeded in everything he undertook—radio, television, records, songwriting, movies, real estate, and business. In 1961, he bought the expansion Los Angeles Angels, renamed in 1965 as the California Angels. He maintained ownership of the team until the Walt Disney Company took operating control in 1996.

Over the course of his life, Mr. Autry collected Western memorabilia and art. In 1988, using much of his own funding, he opened the Gene Autry Western Heritage Museum in Los Angeles' Griffith Park. I cherish every opportunity I have to visit the Heritage Museum and view treasures from the Old West.

My most sincere condolences go out to Mrs. Autry and his entire family. Gene Autry will be missed by all, especially Californians who benefited tremendously from his works. I know that right now, the Singing Cowboy is "Back in the Saddle Again," smiling down on us.•

HONORING CHALMERS WYLIE

• Mr. DEWINE. Mr. President, I rise today to pay tribute to the memory of former Representative Chalmers Wylie, who passed away on August 14, 1998, at the age of 77.

Chalmers Wylie was elected to the House of Representatives in 1966, and went on to serve thirteen distinguished terms. His career included service as Ranking Member of the House Banking, Finance, and Urban Affairs Committee.

Mr. Wylie dedicated his life to public service—and especially to the service of the people of Ohio's 15th district. While serving in the Army during World War II, he received the Purple Heart for wounds sustained while aiding fallen soldiers in Germany. In addition, he was awarded the Silver and Bronze Star, the Presidential Unit Citation with two oak-leaf clusters, the French Croix de Guerre and the Belgian Fourragere.

Undoubtedly, Mr. Wylie's war-time service provided him with a special understanding of the needs of veterans. This experience was particularly apparent in the House Veterans' Committee, where he fought for veterans and was instrumental in improving veteran access to medical care in Columbus, Ohio through the establishment of the Veterans' Affairs Outpatient Clinic.

Along with my distinguished colleague Senator GLENN, I am introducing legislation today to name the Department of Veterans' Affairs Outpatient Clinic, located at 543 Taylor Avenue in Columbus, Ohio, the "Chalmers P. Wylie Veterans Outpatient Clinic." This is a companion bill to H.R. 4602, which was introduced by our distinguished House colleague Deborah Pryce, with the support of the entire Ohio delegation. I hope that my colleagues in the Senate will support the swift passage of this fitting tribute to our friend Chalmers Wylie, for his years of dedication to veterans, to Ohio, and to America.•

LET'S ENCOURAGE BROWNFIELDS DEVELOPMENT AND GET THE LITTLE GUY OUT OF SUPERFUND LITIGATION AT CO-DISPOSAL SITES

• Mr. LAUTENBERG. Mr. President, yesterday the Conferees on VA-HUD Appropriations decided to amend our nation's Superfund law.

At present, Superfund contains a limit on the liability of sureties who issue performance bonds to Superfund cleanup contractors. I was the author of that provision, which I introduced in 1990 as a free-standing Superfund bill (S. 3187). My bill was broadly supported by labor, environmentalists, and the American Insurance Association.

But, Mr. President, at the time the surety liability legislation was passed, certain Senators who doubted the limitation was necessary to increase the availability, and hence, competitiveness, of surety bonds, added a sunset provision.

During the VA-HUD Conference yesterday, the Conferees agreed to eliminate that sunset provision. The deletion has had broad-based, bipartisan support, and has appeared in each comprehensive Superfund reform bill introduced in this Congress.

I supported that amendment, Mr. President, but I want to underscore my distress at the manner in which the Conferees adopted the amendment.

Several months ago, I asked Senator CHAFEE to include two Superfund amendments on the agenda for an Environment and Public Works Committee business meeting before the end of the year—one pertaining to brownfields and the other to municipal solid waste ("MSW"). Senator CHAFEE rejected this request, based on his opposition to "piecemeal" Superfund reform, that is, anything less than a comprehensive overhaul of the entire Superfund statute—something that has eluded this body now for three consecutive Congresses, or six years.

I was therefore astonished that the surety amendment made its way into yesterday's VA-HUD Conference Report. I was especially surprised that Senator CHAFEE, as Chair of the authorizing Committee, signed off on this piece of Superfund reform on an appropriations bill, despite his repeated opposition to "piecemeal" reform, and the fact that this provision had not passed the House or the Senate as a stand-alone bill, and was not in either the House or the Senate VA-HUD bills.

Some argued that the surety amendment was merely technical in nature—that it simply perpetuated the opportunity for sureties to enjoy limited liability under Superfund.

Using that criterion, a brownfields liability exemption would also constitute nothing more than a technical fix—it would clarify that Congress did not intend Superfund liability to deter persons from purchasing and cleaning up brownfields properties. Nor would an MSW amendment—which would confirm that Congress did not intend persons who disposed of only household waste to be liable for cleanup of toxic waste.

The surety amendment has also been touted as non-controversial—having consistently enjoyed broad-based bipartisan support.

Mr. President, as I have stated on many occasions, and my esteemed colleagues must agree, brownfields and MSW liability exemptions can boast the same historic consensus. They have appeared in each of the comprehensive Superfund reform bills introduced by Republicans or Democrats since the 103rd Congress. And they have gained the support of all stakeholders, the Administration, and the national environmental community.

The brownfields and MSW fixes are minor, but they are crucial for successful brownfields development, or to relieve those subjected to unfair and unintended litigation. And they offer significant economic and environmental benefits. The nation's Mayors estimate they lose between $200 and $500 million a year in tax revenues from these properties sitting idle, and that returning these sites to productive use could create some 236,000 new jobs.

I am therefore honestly trying to understand what, if any, objective criteria exist for determining which small Superfund fixes will be made in this session.

When I consider yesterday's surety amendment, along with Senator LOTT's recycling proposal (S. 2180), I can find nothing that distinguishes sureties or recyclers from brownfields or MSW. There is virtually nothing that makes the surety's or recycler's needs more urgent than those of our cities in need of brownfields revitalization, and their taxpayers and residents, who want cleanup and redevelopment; or those of the homeowners and small businesses mired in litigation at landfill sites. And it certainly cannot be argued that brownfields or MSW have enjoyed any less broad-based support than have fixes for recyclers or sureties.

As a Senator from a state with literally thousands of brownfields sites, as well as altogether too many instances of homeowners and small businesses dragged into Superfund litigation by their corporate peers (and not by EPA), it is my responsibility to lobby for those communities and individuals who don't have lobbyists representing them here in the Congress. We, as their elected representatives, are their lobbyists. We are their voice. There is no reason in the world why this Senate, and this Congress, should not move forward to make the minor, non-controversial, and eminently sensible changes to Superfund law that impede brownfields development and rob small businesses of their hard earned profits.

Now, Mr. President, some of my colleagues have claimed that passage of brownfields or MSW amendments are anathema to comprehensive Superfund reform. Or some of my colleagues have argued that precisely because the brownfields and MSW amendments are so popular, and enjoy such broad ranging support, and provide such significant benefits to the nation, that they should be held hostage to comprehensive Superfund reform—that we should see if they will succeed in driving parties back to the table to negotiate comprehensive Superfund reform for the fourth consecutive Congress.

Mr. President, with all due respect, I think it is wrong to prevent enactment of legislation that enjoys broad support, and would reap acknowledged benefits, as a tactical matter to achieve unrelated goals. This disserves the public and adds to public cynicism. For a variety of reasons, efforts to radically change Superfund, the nation's toxic waste cleanup program, have failed for six years running. Toward the end of each of the past two Congresses, many Senators, including this Senator, have argued that we should move ahead with achievable reforms that are non-controversial and permit our people, our communities, and our economy to benefit from their enactment. Today, as we head into the final week of this Congress, I make the same plea. Just as holding recyclers or sureties hostage to comprehensive Superfund reform has not gotten us any closer to producing an acceptable product that the President could sign, so holding brownfields development and persons who disposed of household trash hostage to other legislative goals is a failed strategy. It will not mitigate the controversy intrinsic to the broader issues raised by comprehensive legislation. But it will rob communities across the country of the jobs and tax ratables that flow from revitalized brownfields and will impose severe penalties on the individuals and small businesses caught up in a litigation nightmare through no fault of their own.

Mr. President, I call upon my esteemed colleagues to move brownfields and MSW amendments before this Congress ends. I believe otherwise we will all have a hard time explaining, when we return to our home states in October, why sureties and recyclers merited this body's attention, but our communities and our taxpayers and our small businesspeople were somehow less worthy.•

ANNIVERSARY OF THE COUNCIL FOR RESPONSIBLE NUTRITION

Mr. HATCH. Mr. President, I rise to offer my congratulations to the Council for Responsible Nutrition (CRN), which is now celebrating its 25th anniversary.

For over a quarter of a century, the members of CRN have been working to enhance the public's health by promoting wise dietary choices and the appropriate use of nutritional supplements. CRN's work with federal legislators and policy makers has helped to ensure that consumers have access to a variety of quality nutritional products and to accurate information about the health benefits of these products.

Over 100 million Americans are using dietary supplements daily. There is ample—and growing—scientific evidence that dietary supplements can help promote good health. To cite but one example, for many years, we have known that use of folic acid during pregnancy can reduce the risk of birth defects. Now it appears it can help prevent heart disease as well.

One of the most significant achievements of which I have been a part, as a Senator for the last 22 years, has been the passage of the Dietary Supplement Health and Education Act (DSHEA) of 1994. I worked closely with the CRN in passing this bill, and I am extremely grateful to them for their insights and expertise, which were integral to the success of this endeavor.

I am pleased to have had such a positive relationship with CRN and look forward to working with this fine Association for many years in the future to help Americans live healthier lives. Again, my congratulations to the Council for Responsible Nutrition.

OCEAN SHIPPING REFORM ACT

• Mr. BREAUX. Mr. President, last night, after several years of effort, the Senate passed S. 414, the Ocean Shipping Reform Act, and I strongly urge the President to sign this important piece of legislation into law.

The Ocean Shipping Reform Act of 1998 modifies our existing shipping regulatory scheme by bringing it up to date with the industry as it operates today. It provides more flexibility for carriers and shippers to agree on transportation arrangements. It authorizes the privatized publication of rate information. It gives individual carrier conference members more leeway in taking independent actions and in entering service contracts, and thus makes the current system more competitive.

Yet the bill also preserves the basic system and principles of common carriage, and maintains protections for ocean transportation users against unfair or unreasonable actions by transportation providers. Importantly, S. 414 preserves the Federal Maritime Commission as an independent regulatory agency, which is vitally important as that agency enforces this program while it additionally ensures that our trades remain free from restrictive foreign shipping practices that impede our oceanborne foreign commerce.

The reason this bill was so long in coming is that the Senate took great care to make the legislative process an open one. I was critical of shipping legislation passed in the other body three years ago, because it did not reflect the diversity of concerns reflected in the broad spectrum of shipping interests. It was, as I noted at a Commerce Committee hearing, "conceived in darkness." By contrast, the legislation ultimately agreed to by both the House and Senate is truly a compromise, in which all industry interests were heard from and all sectors had input. No one got everything they wanted in this legislation, and no one's interests were completely disregarded. This legislation is a carefully crafted balance of the many interests at stake. When it was necessary, members of all segments sat down and negotiated a compromise. Not everyone is completely pleased with all aspects of the legislation, but it is incumbent upon us to move forward.

I would also like to take this opportunity to thank a number of members of both the House and Senate for their efforts on this bill including; Congressmen SHUSTER, OBERSTAR, GILCHREST and CLEMENT in the House, and Senators MCCAIN and HOLLINGS, the Subcommittee Chairwoman Senator HUTCHISON and of course, Senator LOTT in the Senate. I would also like to thank Jim Sartucci of Senator MCCAIN's staff and my counsel, Carl Bentzel, for their long hours of hard work and industry constituent service as they pieced this bill together. Without the efforts of Senate staffers, Amy Henderson, Jeanne Bumpus and Carl Biersack, and Mark Ashby of my staff, and House staffers John Cullather and Rebecca Dye we would not have been able to move this bill. I would also commend the FMC for its objective assessments and contributions to this project, particularly FMC Chairman Hal Creel, General Counsel Tom Panebianco and Legislative Counsel Dave Miles. When we needed expertise, they provided us with help.

I am particularly pleased that the Federal Maritime Commission will continue its mission as a nonpartisan, independent agency. The Commission, under Chairman Hal Creel, and with fellow Commissioners Ming Hsu, Joe Scroggins and Del Won, has done an excellent job administering our shipping laws in a firm but even-handed manner. I urge the FMC to keep up the good work, and to keep Congress informed of how the new legislation is working. I am particularly interested in whether the protections afforded the smaller shippers and intermediaries against unreasonable practices prove to be sufficient. To this end, I ask that the FMC pay particular attention to these parties' concerns about the new law and advise us of any recommended amendments to the legislation that may prove to be in order.

Again, I encourage the President to sign the Ocean Shipping Reform Act of 1998 into law.•

AMENDMENT TO VARIOUS REGULATIONS OF THE COMMITTEE ON RULES AND ADMINISTRATION

• Mr. WARNER. Mr. President, I would like to give notice to Members and staff of the Senate that the Committee on Rules and Administration has approved amendments to four Committee regulations, as noted below.

A. Committee Regulations Governing Franked Mail were amended by adding the following:

In section 8 (c), add the phrase "in excess of 500 notices per town meeting" after the phrase "Town meeting notices", so that it reads "Town meeting notices in excess of 500 notices per town meeting may not be sent fewer than 60 days immediately before the date of any primary or general election (whether regular, special, or runoff) for any Federal, State, or local office in which a Member of the Senate is a candidate for election.

EXPLANATION: The statutory prohibition on mass mailing (2 USC 3210) prohibits mailings in excess of 500 and completely exempts town meeting notices from this restriction. However, Committee regulations prohibited the use of town meeting notices during the 60 day period before a primary or general election regardless of the number of such notices that might be sent. This created the anomaly that a member may send less than 500 letters which include notice of a town meeting but may not send a simple, and less costly, town meeting notice. This amendment will permit town meeting notices less than 500 in number during the 60 day moratorium period.

A copy of the Committee Regulations Governing Franked Mail, as amended, is at attachment A.

B. Committee Public Transportation Subsidy Regulations for the United States Senate were amended by substituting as follows:

Substitute $40 for $21 in the first sentence of section 2 of so that it reads ". . .a value not exceeding $40.00 per month."

EXPLANATION: Committee regulations implementing the Tax Reform Act of 1986 authorize $21 per month as a tax free "de minimis fringe benefit" for employees using public transportation. This amount has not been increased since 1992. This amendment increases the benefit to $40, which approximates the average subsidy given by federal agencies within the DC area.

A copy of the Committee Public Transportation Subsidy Regulations, as amended, is at attachment B.

C. Committee Regulation For The Display Of Flags and State Seals In the Hallways Outside Senators' Offices was amended by deletion and substitution as follows:

Delete current paragraph one and substitute the following: Two wooden flagpoles, 8 feet in heights by 1–5/32" in diameter, mounted in bright brass finished stands weighing at least 15 pounds, for flying 3 foot by 5 foot state and United States flags, at the Senator's option, are permitted in the hallway outsides a Senator's office. The flagpoles and stands must be placed inside the office at night.

EXPLANATION: Committee regulations currently permit only one flag, either the United States or individual state flag, to be flown outside a member's office. This amendment will permit the flying of both the United States and the individual state flags outside a member's office.

A copy of the Committee Regulation For The Display Of Flags and State Seals In the Hallways Outside Senators' Offices, as amended, is at attachment C.

D. Committee Regulations Governing Advance Payments were amended by adding new section (k) as follows:

(k) state office rents, up to 1 year in advance

EXPLANATION: Committee regulations permited advance payment of numerous obligations but did not include advance payments for state office rents. This amendment authorizes a 1 year advance payment for state office rents to facilitate the processing of rent vouchers in a timely manner, consistent with good business practices.

A copy of the Committee Regulations Governing Advance Payment, as amended, is at attachment D.

I ask that the regulations be printed in the RECORD.

The Regulations follow:

ATTACHMENT A

REGULATIONS GOVERNING OFFICIAL MAIL

(Adopted by the Committee on Rules and Administration, United States Senate, October 30, 1997; Amended on September 30, 1998)

DEFINITIONS

SEC. 1. As used in these regulations—

(a) the term "election fiscal year" means a Federal fiscal year in which regular biennial general elections of Senators are held;

(b) the term "final printing and mailing clearance" means an approval of a blue line, color key, or other page proof giving final authorization to print and mail material submitted by a Senate office to the Sergeant at Arms;

(c) the term "franked mail" as defined in section 3201(4) of title 39, United States Code means: ". . . mail which is transmitted in the mail under a frank."

(d) the term "mass mailing" as defined in section 3210(a)(6)(E) of title 39, United States Code, as amended by the Legislative Branch Appropriations Act, 1995 (P.L. 103-283) means: ". . . with respect to a session of Congress, a mailing of more than five hundred newsletters or other pieces of mail with substantially identical content (whether such mail is deposited singly or in bulk, or at the same time or different times), but does not include any mailing—(i) of matter in direct response to a communication from a person to whom the matter is mailed; (ii) to other Members of Congress, or to Federal, State, or local government officials; or (iii) of a news release to the communications media; or (iv) of a town meeting notice, but no such mailing may be made fewer than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) for any Federal, State, or local office in which a Member of the Senate is a candidate for election, or (v) of a Federal publication or other item that is provided by the Senate to all Senators or made available by the Senate for purchase by all Senators from official funds specifically for distribution." With respect to (i), a franked mailing made specifically and solely in response to, and mailed not more than 120 days after the date of receipt of a written request, inquiry, or expression of opinion or concern from the person to whom it is addressed is not a mass mailing. S.Res. 212 (101st Congress)

(e) the term "name addressed mail" means any mailing sent to named individuals at specific addresses;

(f) the term "newsletter" means any professionally photocomposed mailing consisting of documents which set forth, in textual and graphic form (or both), factual information and commentary on prospective, pending, or past issues of public policy;

(g) the term "non-election fiscal year" means a Federal fiscal year other than an election fiscal year;

(h) the term "postal patron mail" means any mailing prepared and mailed pursuant to section 3210(d) of title 39, United States Code;

(i) the term "official mail costs" means the equivalent of—

(1) postage on, and fees and charges in connection with, mail matter sent through the mail under the franking privilege; and

(2) the portions of the fees and charges paid for handling and delivery by the Postal Service of mailgrams considered as franked mail under section 3219 of title 39, United States Code; and

(3) and all other official mail other than the franking privileged as defined in section 58(a)(3)(B) and (C) of title 2, United States Code.

(j) the term "opinion survey" means any assemblage of mass mailings and related individual mailings, including, but not limited to, survey questionnaires, pre-survey letters, response forms, follow-up letters, and instructions that are sent to a sample group of individuals for the purpose of obtaining a reliable estimate of the opinion of the population from which the survey sample is drawn and are processed in accordance with the "Guidelines for Opinion Surveys" issued by the Committee on Rules and Administration in September 1979.

(k) the term "Senate office" means the Vice President of the United States, a United States Senator, a United States Senator-elect, a committee of the Senate, the Joint Committee on Printing, the Joint Economic Committee, an officer of the Senate, or an office of the Senate authorized by section 3210(b)(1) of title 39, United States Code, to send franked mail.

(l) the term "town meeting notice" means any mailing which relates solely to a notice of the time and place at which a Senator or a member or members of his or her staff will be available to meet constituents regarding legislative issues or problems with Federal programs. The notice may include a short description as to the subject matter or purpose of the town meeting and an official photo in the banner of the notice.

(m) the term "prepared" means all necessary preparation prior to mailing; including the production of additional copies of a mailing, the folding of the mailing, and inserting of the mail into envelopes.

POSTAL ALLOCATIONS FOR NON-ELECTION FISCAL YEARS

SEC. 2. (a) With respect to a nonelection fiscal year, as soon as practicable after the enactment of the appropriation for Senate franked mail costs for such year, the Committee on Rules and Administration shall determine the following amounts:

(1) The amount that has been appropriated for franked mail costs of the Senate for the nonelection fiscal year.

(2) The amount necessary to be reserved for contingencies, which shall not exceed 10 percent of the amount determined pursuant to paragraph (1).

(3) The amount necessary for franked mail costs of Senate offices other than Senators for the nonelection fiscal year.

(4) The amount necessary for each Senator to send one State-wide postal patron mailing, based on total addresses in each state.

(5) 1/3 of the amount appropriated in (2)(a)(1), after deducting the amount necessary for contingencies and offices other than Senators.

(6) The amount which may be available for allocation to Senators, when the amount in (2)(a)(5) and amounts in (2)(a)(2) and (2)(a)(3) are subtracted from the amount appropriated for official mail paragraph (2)(a)(1).

(7) The factor to be used to equitably distribute remaining appropriated funds, determined by dividing the amount in paragraph (2)(a)(6) by the sum of the amounts in paragraph (2)(a)(4).

(b) As soon as practicable after making the determination described in section (a), the Committee on Rules and Administration shall make the following allocations:

(1) The allocation to Senate offices (other than a Senator personal's office) for the nonelection fiscal year

(2) The allocation for contingencies,

(3) The allocation to each Senator—

(A) to include the amount determined subsection (2)(a)(5), divided by 100, establishing the base amount for each office plus,

(B) the amount to be allocated to each Member, determined by multiplying each amount in (2)(a)(4) by the prorated percentage determined in subsection (2)(a)(7).

POSTAL ALLOCATIONS FOR ELECTION FISCAL YEARS

SEC. 3. (a) With respect to an election fiscal year, as soon as practicable after the enactment of the appropriation for Senate franked mail costs for such year, the Committee on Rules and Administration shall determine the following amounts:

(1) The amount that has been appropriated for franked mail costs of the Senate for the election fiscal year.

(2) The amount necessary to be reserved for contingencies, which shall not exceed 10 percent of the amount determined in paragraph (3)(a)(1).

(3) For the election fiscal year, the amount necessary for franked mail costs of Senate offices other than Senators and Senators-elect.

(4) 1/3 of the amount appropriated in (3)(a)(1), after deducting the amount necessary for contingencies and offices other than Senators.

(5) The amount which may be available for allocation to Senators, for an election fiscal year, when the amount in (3)(a)(4), and the amounts in (3)(a)(2), and (3)(a)(3) are subtracted from the amount appropriated for official mail, paragraph (3)(a)(1).

(6) For the period beginning on the date immediately following the date of the general election and ending January 3 of the election fiscal year, 10 percent of two-twelfths of the full funding amount necessary for each Senator-elect to send one state-wide postal patron mailing.

(7) For the period January 3 through September 30 of the election fiscal year, 75 percent of the full funding amount necessary for each newly-elected Senator to send one state-wide postal patron mailing.

(8) For the period October 1 through January 3 of the election fiscal year, 25 percent of the full funding amount necessary for each Senator whose service as a Senator will end on January 3 of the election fiscal year to send one state-wide postal patron mailing.

(9) For the period January 3 through April 3 of the election fiscal year, 10 percent of 25 percent of the full funding amount necessary for each Senator whose service as a Senator will end on January 3 of the election fiscal year to send one state-wide postal patron mailing.

(10) For the election fiscal year, the full funding amounts necessary for each Senator, other than those Senators whose terms of service as Senators will begin or end on January 3 of the election fiscal year, to send one state-wide postal patron mailing.

(11) The factor to be used to equitably distribute remaining election fiscal year appropriated funds, determined by dividing the amount in paragraph (3)(a)(5) by the sum of the amounts in paragraph (3)(a)(6) through (3)(a)(10).

(b) As soon as practicable after making the determination described in subsection (b), the Committee on Rules and Administration shall make the following allocations:

(1) The allocation to a Senate office (other than a Senator or Senator-elect) for the election fiscal year.

(2) The allocation for contingencies,

(3) The allocation to each Senator—

(A) to include the amount determined in subsection (3)(a)(4), divided by 100, establishing the base amount for each office (¾of the individual amount to Senators-elect, and ¼ to departing Senators), plus,

(B) the amount determined in (3)(a)(5), allocated;

(i) To each Senator referred to in (3)(a)(6), adjusted by the amount determined in (3)(a)(11).

(ii) To each Senator referred to in (3)(a)(7), adjusted by the amount determined in (3)(a)(11).

(iii) To each Senator referred to in (3)(a)(8), adjusted by the amount determined in (3)(a)(11).

(iv) To each Senator referred to in (3)(a)(9), adjusted by the amount determined in (3)(a)(11).

(v) To each Senator referred to in (3)(a)(10), adjusted by the amount determined in (3)(a)(11).

USES OF FUNDS RESERVED FOR CONTINGENCIES

SEC. 4. The amounts described in sections 2(a)(2) and 3(a)(2) shall be available for distribution by the Committee on Rules and Administration only for—

(a) providing a Senator appointed to complete the term of a Senator who dies or retires with an allocation for the fiscal year in which such appointment is effective;

(b) providing the Secretary of the Senate with sufficient postage to send franked mail as provided for by section 3218 of title 39, United States Code; and

(c) reimbursing a Senator for a charge to the Senator's allocation for franked mail costs when the charge is the result of an error on the part of an office of the Sergeant at Arms.

COST DETERMINATION AND REPORTING

Franked Mail, Mass Mail, Mail Prepared Pursuant to Section 9 of these Regulations

SEC. 5. (a)(1) The postage on all franked mail shall be determined by the Senate Customer Service Records Section and reported to the U. S. Postal Service. State offices must advise their D.C. offices of their frank mail counts on a monthly basis. By the 5th of each month, the D.C. offices will inform the Service Department of these counts. Timely and accurate reports are required to ensure proper accounting of franked mail.

(2) Not more than 250 extra copies of a mass mailing printed with the frank may be returned to an office for distribution in reception rooms and at town meetings. Additional copies, printed without the frank, may be requested on a separate work order.

(3) No mass mailing and no mailing prepared pursuant to section 9 shall be mailed until the density analysis, indicating the total number of pieces to be mailed and the locations to which they will be mailed, has been approved by the office for which the mail is being sent. Such approval shall be signified by signing a statement of approval on the density analysis sheet. The approved copy of the density analysis shall be retained by the Customer Service Records Section with the work order and a copy of the mail matter.

(4) Before processing a request for a mass mailing submitted by a Member office, the Sergeant at Arms shall determine: (1) the postage cost of the mailing, and (2) that the postage cost of the request, when added to costs incurred or encumbered for mass mailings by that Member in the fiscal year, will not exceed the amount ($50,000) allowed for mass mailings by each Member each fiscal year. (P.L. 103–283) If the requested mailing exceeds that amount, the Sergeant at Arms shall notify the Member and take no further action on the request.

Record Keeping

(b)(1) The Sergeant at Arms shall maintain records of the following information for each Senate office to which postage allocations are applicable.

(A) The amount of the allocation for franked mail costs.

(B) Each amount of franked mail cost determined pursuant to this section.

(C) The amount of the allocation for franked mail costs for such Senate office which remains after the amounts described in paragraph (B) is added to or subtracted from, as appropriate, the amount described in paragraph A.

(2) The Sergeant at Arms shall provide offices with monthly reports on the status of their postal allocations.

(3) The Sergeant at Arms shall provide to each Member a monthly report detailing the postage costs associated with franked mailings and mass mailings, and shall provide the office of the Financial Clerk of the Senate a monthly certification of franked mailing and mass mailing costs for each Member. The Financial Clerk of the Senate shall debit these costs from the respective expense accounts for such franked mailing and mass mailing, and issue a check in payment.

Publication of Mass Mail Costs

(c) Two weeks after the close of each calendar quarter, or as soon as practicable thereafter, the Sergeant at Arms and Doorkeeper of the Senate shall send to each Senate office a statement of the cost of postage and paper and of the other operating expenses incurred as a result of mass mailings processed for such Senate office during such quarter. The statement shall provide information regarding the cost of postage and paper and other costs, and shall distinguish the costs attributable to mass mailings. The statement shall also include the total cost per capita in the State. A compilation of all such statements shall be sent to the Senate Committee on Rules and Administration. A summary tabulation of such information shall be published quarterly in the Congressional Record and included in the semiannual Report of the Secretary of the Senate. Such summary tabulation shall set forth for each Senate office the following information: the Senate office's name, the total number of pieces of mass mail mailed during the quarter, the total cost of such mail, and, in the case of Senators, the cost of such mail divided by the total population of the State from which the Senator was elected, and the total number of pieces of mass mail divided by the total population of the State from which the Senator was elected, and the allocation made to each Senator from the appropriation for official mail expenses.

PREPARATION OF OFFICIAL MAIL

SEC. 6. (a) All mass mailings shall be submitted to and mailed by the Sergeant at Arms and shall be charged against the Senator's Official Personnel Office Expense Account, pursuant to the Legislative Branch Appropriations Act, 1995 (P.L. 103-283). All mailings are to be presented to the Sergeant at Arms for accountability prior to mailing. Such mailings shall not exceed total postage cost of $50,000 in any fiscal year, and must adhere to all regulations pertaining to mass mailings.

Two Sheet Limit

(b) A mass mailing by a Senator shall not exceed 2 sheets of legal size paper (or their equivalent), including any enclosure that—

(1) is prepared by or for the Senator who makes the mailing; or

(2) contains information concerning, expresses the views of, or otherwise relates to the Senator who makes the mailing.

Taxpayer Expense Notice

(c) Each mass mailing by a Senate office shall contain the following notice in a prominent place on the bottom of the cover page of the document: "PREPARED, PUBLISHED, AND MAILED AT TAXPAYER EXPENSE." The notice shall be printed in a type size not smaller than seven point.

Mail to be Mailed under the Frank

(d) All mass mailings by Senate offices shall be mailed under the frank.

Mail to be Mailed by the Sergeant at Arms.

(e) The following mail matter shall be mailed through the Sergeant at Arms—

(1) All mass mailings by Senate offices, whether printed on the Sergeant at Arms high speed laser printers or elsewhere.

(2) All mail prepared pursuant to section 9 of these regulations.

Town Meeting Notices

(3) Town meeting notices shall be processed as postal patron mail, unless sending name addressed mail to selected persons in the area served by the town meeting would be more economical, or the town meeting is to be on a subject or subjects that would not be of interest to all the people who would receive a postal patron mailing. Town meeting notices may not be mailed in franked envelopes.

(4) All franked and mass mail sent from D.C. offices, including flats and parcels, and constituent response mail and comparable mail prepared through an offices' Office Automation System shall be picked up by the Senate Post Office and delivered by the Senate Post Office to the Sergeant at Arms.

(5) Constituent response mail mailed through the Sergeant at Arms shall be sorted and bundled by zip code and endorsed with the most economical rate unless otherwise specified by the Senator for whom the mail is mailed. Senators may specify that such mail be endorsed "AUTO PRESORT" or "BLK. RATE."

Survey Questionnaires

(f) Mass mailings, other than opinion surveys, shall not contain franked response cards or forms. Any mass mailing containing a questionnaire shall contain instructions to the recipients on how to properly return their responses.

Rates and Endorsements

(g) (1) Name addressed mass mailings shall be sent at the lowest postal rate for which the mail qualifies, unless the office for whom the mail is being mailed directs, in writing, that it be mailed at a higher rate.

(2) Bulk rate mail will have no endorsement other than "BLK RATE" or "AUTO PRESORT."

Pictures of Missing Children

(h)(1) Unless (i) a Senator, committee chairman, or other office head for whom a mass mailing or automated mail system mailing is being sent directs that such picture and information not be printed on a particular mailing, or (ii) the Sergeant at Arms finds, with respect to any or all of the mass mailings in a period of time, that the printing of such pictures and information will significantly slow the processing of the mail, all mass-mailings that are mailed as self-mailers shall bear on the address panel a picture of and information about a missing child in accordance with this subsection, and all letters prepared, folded, inserted in envelopes, and mailed by the Sergeant at Arms shall be inserted in window envelopes bearing the picture of and information about the same missing child whose picture appears on mass mailings during the same work-week. No other official mail of the Senate shall be used for the mass dissemination of pictures of, and information about, missing children.

(2) Only pictures of, and information about, missing children that are provided by the National Center for Missing and Exploited Children (hereinafter in this section referred to as the Center) are to be printed on mass mail and envelopes subject to this section. The Sergeant at Arms shall be the liaison with the Center for obtaining such pictures and information.

(3) The Sergeant at Arms and the Director of the Center or his or her designee shall make arrangements for the Sergeant at Arms to periodically receive photographs of and information about a missing child for each State from which the Center has such photographs and information.

(4) The pictures of, and information about, missing children shall be made part of the printing plates prepared for mailings subject to this section. To the greatest extent possible, mail prepared for a Senator shall bear the photograph of, and information about, a missing child from the Senator's State.

(5) Whenever information is received from the Center that a child has been found whose picture and information are currently being printed on Senate mail, the Sergeant at Arms shall determine whether or not printing plates currently in use or awaiting use shall be discarded and new plates prepared. Whenever information is received from the Center that a child has been found whose picture and information were previously printed on Senate mail, the Sergeant at Arms shall notify offices on whose mail such picture and information were printed, and such offices shall destroy any extra copies of such mail that are on hand.

(6) The Sergeant at Arms shall transmit to the Center at the end of each month a list of the mass mailings and automated mail system letters mailed that month indicating for each mailing the State to which mailed, the number of pieces, and the child whose picture appeared thereon.

ORANGE BAG MAIL AND EXPRESS MAIL

Orange Bag Mail

SEC. 7. (a) Orange bags are used by offices only for intra-office mail from Washington, D.C. to State offices. These bags are charged at priority rates. (Orange bags used by state offices are only for transportation of franked mail to the Post Office).

Express Mail

(b) The frank may not be used for express mail. Expenses for non-frankable official mail, such as Express mail, Overseas mail, Registered and Certified mail, etc., may be defrayed from any source of funds only as provided by subsections (d) and (I) of section 311 of the Legislative Branch Appropriations Act of 1991, Public Law 101–520. Offices are advised that the Senate Post Office has created a system through which offices may present express mail, together with an authorization card similar to the cards used to purchase office supplies from the Keeper of Stationery, and have the cost of the express mail charged to the office's official office expense account. Offices choosing to use express mail originating outside Washington may establish commercial accounts with the U.S. Postal Service instead of pre-paying each mailing.

RESTRICTION ON THE USE OF MASS MAIL AND TOWN MEETING NOTICES PRIOR TO A PRIMARY OR BIENNIAL FEDERAL GENERAL ELECTION

SEC. 8. (a) No Senator may send mass mailings during the period beginning 60 days before the date of any biennial Federal general election. The 60-day pre-election moratorium on mass mailings does not apply to a committee when such mass mailings are mailed under the frank of the Chairman and relate to the normal and regular business of the committee.

Use of mass mail by Senators who are candidates is further restricted (unless the Senator's candidacy has been certified as uncontested pursuant to procedures of the Committee on Rules and Administration):

(b) Mass mailings may not be sent fewer than 60 days immediately before the date of any primary or general election (whether regular, special, or runoff) for any Federal, State, or local office in which a Member of the Senate is a candidate for election, unless the candidacy of the Senator in such elections is uncontested.correctmail

(c) Town meeting notices in excess of 500 notices per town meeting may not be sent fewer than 60 days immediately before the date of any primary or general election (whether regular, special, or runoff) for any Federal, State, or local office in which a Member of the Senate is a candidate for election. There is no exception for uncontested candidacies (P.L. 103-283).

(d) Solicitation forms provided by a Member through a mass mailing which are intended to be mailed back by constituents, may not be responded to during the 60 days immediately before the date of any primary or general election (whether regular, special, or runoff) for any Federal, State, or local office in which a Member of the Senate is a candidate for election.

RESPONSES TO ORGANIZED MAIL CAMPAIGNS

SEC. 9. (a) Whenever a Senator determines that he or she is the recipient of mail generated by an organized mail campaign and that the resources of his or her office are not sufficient to enter the names and addresses into the offices' mail management system, the Senator may use the services of commercial vendors under contracts approved by the Committee on Rules and Administration. This service converts names and addresses to machine readable media which then may be added to such Senator's mail management system. The Sergeant at Arms has the responsibility for the processing and administrative support for this service.

(b) Expenses for work performed in accordance with this section shall be paid from funds from a Senator's Official Personnel and Office Expense Account and shall be reported to offices with their quarterly mass mail cost reports required by section 5(c).

CHANGE OF ADDRESS PROGRAMS

SEC. 10. Offices may have names and address on their mail files processed through the National Change of Address (NCOA) Program. A Senator may use any of the vendors certified by the U. S. Postal Service to provide NCOA service. A current list of vendors can be obtained from the Senate Computer Center. Processing costs charged by the NCOA vendor and transportation costs charged by the delivery service shall be billed to, and paid by, such Senator from his or her Official Personnel and Office Expense Account.

(a) Such Senator shall request the Senate Computer Center to prepare his or her mail file for shipment to the vendor selected by the Senator, using the delivery service selected by the Senator. A Sergeant at Arms "Request for Assistance" form shall be used for this purpose, and shall include a statement in the following format:

Processing and shipping costs will be paid by the Office of Senator ________ (insert name). Bills are to be submitted to ________ (insert address).

____

Senator's Signature

(b) The Senate Computer Center will provide the Senator with information about the mail file that will assist the Senator in estimating processing costs that will be incurred. Please contact the Sergeant at Arms for other options regarding change of address.

(c) The Computer Center will prepare the Senator's file for processing, and arrange for transportation, using the delivery service designated by the Senator. The NCOA vendor and the delivery service will be provided with copies of the "Request for Assistance" for their use in billing the Senator for their services. On receipt of the corrected file from the NCOA vendor, the Senate Computer Center will restore it to the Senate Mail File System or provide the updated file to the appropriate vendor.

PAPER AND ENVELOPE ALLOWANCES

SEC. 12. (a)(1)(A) Each year the Secretary of the Senate shall provide each Senator with the greater of—

(i) one and one-third sheets of blank paper per adult constituent, as reported by the Bureau of the Census; or

(ii) 1,800,000 sheets of blank paper.

(B) Each year the Secretary of the Senate shall provide each Senator with letterhead paper and envelopes in the greater of the following quantities:

(i) 100 sheets and 100 envelopes per 1,000 constituents of the Senator; or

(ii) 180,000 sheets and 180,000 envelopes.

(2) A portion of a Senator's allowance for paper that is unused at the end of a year may be used during the following year but lapses at the end of that year and shall not be available for use thereafter.

(3) A portion of a Senator's allowance for paper that is unused at the time the Senator resigns, retires, or otherwise leaves office shall lapse and shall not be available for use thereafter.

(4) No portion of the paper allowance of a Senator may be given or otherwise transferred to another Senate office.

(b) (1) Each year the Secretary of the Senate shall provide each office set forth below with 180,000 sheets of blank paper, 180,000 sheets of letterhead paper, and 180,000 envelopes:

(A) Each standing committee of the Senate.

(B) Each select committee of the Senate.

(C) Each special committee of the Senate.

(D) Each impeachment trial committee of the Senate.

(2) A portion of an allowance for paper made pursuant to paragraph (1) that is unused at the end of a year shall not be available for use thereafter.

(c) (1) The Secretary of the Senate shall provide each of the following offices with such quantities of paper and envelopes as may be necessary for the performance of its official duties:

(A) The Joint Committee on the Library.

(B) The Joint Committee on Printing.

(C) The Joint Committee on Taxation.

(D) The Joint Economic Committee.

(E) The President of the Senate.

(F) The President pro tempore of the Senate.

(G) The Majority Leader of the Senate.

(H) The Assistant Majority Leader of the Senate.

(I) The Secretary for the Majority.

(J) The Minority Leader of the Senate.

(K) The Assistant Minority Leader of the Senate.

(L) The Secretary for the Minority.

(M) The Republican Conference.

(N) The Republican Policy Committee.

(O) The Republican Steering Committee.

(P) The Democratic Conference.

(Q) The Democratic Policy Committee.

(R) The Democratic Steering Committee.

(S) The Architect of the Capitol, including the Senate Restaurants and the Superintendent of the Senate Office Buildings.

(T) The Attending Physician.

(U) The Capitol Police.

(V) The Chaplain of the Senate.

(W) The Secretary of the Senate, including all offices reporting thereto.

(X) The Senate Legislative Counsel.

(Y) The Senate Legal Counsel.

(Z) The Senate Sergeant at Arms, including all offices reporting thereto.

(AA) The Congressional Budget Office.

(BB) The Democratic Senatorial Campaign Committee.

(CC) The Republican Senatorial Campaign Committee.

(DD) The Senate Employees' Federal Credit Union.

(EE) The Senate Day Care Center.

(FF) The Senate Defense Liaison Office.

(HH) The Senate Press Galleries.

(2) Except as provided in paragraph (3), no portion of an allowance for paper made pursuant to paragraph (1) may be given or otherwise transferred to a Senator or an office named in subsection (b)(1).

(3) Paper from the allowance of the Sergeant at Arms may be used to reprint matter previously printed and charged to the allowance of another office if—

(A) an error in the previously printed matter was caused by the Sergeant at Arms; and

(B) (i) the previously printed matter was destroyed prior to distribution; or

(ii) the previously printed matter was distributed before the discovery of the error, and the reprinted matter is noted as a corrected version of such previously printed matter.

(d) For the purposes of this section—

(1) blank paper means paper that is 8.5 inches by 11 inches or 8.5 inches by 14 inches; and

(2) letterhead paper means paper that is 8.5 inches by 11 inches.

(e) For the purposes of this section, the term "year" means the period beginning on January 3 of a calendar year and ending on January 2 of the following year. Paper for any mass mailing the work order for which is submitted prior to the close of business of the Sergeant at Arms on January 2 of any year shall be charged to the allotment for such year ending on January 2 (or, in the case of Senators, to any remaining balance from the previous year) if the office for which the mass mailing is being prepared gives the Sergeant at Arms, by its close of business the following February 14, a final printing and mailing clearance. If final clearance for printing is not given by close of business on February 14, the work order for such work shall be canceled and, if the office still desires to have the work completed, a new work order shall be prepared and the paper charged to the year in which such work order is dated (or, in the case of Senators, to any remaining balance from the previous year). Costs incurred in processing a work order that is canceled because the final clearance for printing was not received prior to close of business February 14 shall be reported in the cost report for the quarter ending March 31.

PRINTING OF LETTERHEAD STATIONERY AND ENVELOPES

SEC. 13. (a) The return address on envelopes to be used with franked mail must bear the nine-digit zip code of the office sending the mail.

(b) Envelopes with Senators' return addresses and nine-digit zip codes shall not be used for mail from committees. Envelopes with committee return addresses and nine-digit zip codes shall not be used for mail from Senators' offices.

(c) Senators' letterhead stationery and envelope allowances may be used for personal office letterhead stationery and envelopes and committee letterhead stationery. Such allowances shall not be used for committee envelopes.

(d) Paper used for the following purposes shall not be charged to an office's paper allowance—

(1) Mailings that relate solely to a notice of appearance or scheduled itinerary of a Senator in the State represented by the Senator and which is mailed to the part of the State where such appearance is to occur.

(2) "Dear friend" letters or post cards processed in accordance with section 9 of these regulations.

(3) Non-personalized Senate letterhead stationery used for automated mail system letters printed on the Sergeant at Arms high speed laser printers.

(e) Committee envelopes may bear only the frank of the chairman or the ranking minority member, the name and address of the full committee, including the nine-digit zip code of the committee, and "Official Business" or "Public Document."

Approved by Chairman and Ranking Member.

Date: 9/30/98.

ATTACHMENT B

APPENDIX A. PUBLIC TRANSPORTATION SUBSIDY REGULATIONS

(Committee on Rules and Administration, United States Senate, effective August 1, 1992, Amended on September 30, 1998)

SEC. 1. POLICY

It is the policy of the Senate to encourage employees to use public mass transportation in commuting to and from Senate offices.

SEC. 2. AUTHORITY

The Tax Reform Act of 1986 allows employers to give employees as a tax free "de minimis fringe benefit" transit fare media of a value not exceeding $40.00 per month. The Fiscal Year 1991 Treasury-Postal Appropriations Act (Pub. L. 101-509) allows Federal agencies to participate in state or local government transit programs that encourage employees to use public transportation.

SEC. 3. DEFINITIONS

(a) Public Mass Transportation—A transportation system operated by a State or local government, e.g. bus or rail transit system.

(b) Fare Media—A ticket, pass, or other device, other than cash, used to pay for transportation on a public mass transit system.

(c) Office—Refers to a Senate employee's appointing authority, that is, the Senator, committee chairman, elected officer, or an official of the Senate who appointed the employee. For purposes of these regulations, an employee in the Office of the President pro tempore, Deputy President pro tempore, Majority Leader, Minority Leader, Majority Whip, Minority Whip, Secretary of the Conference of the Majority, or Secretary of the Conference of the Minority shall be considered to be an employee, whose appointing authority is the Senator holding such position.

(d) Qualified Employee—An individual employed in a Senate office whose salary is disbursed by the Secretary of the Senate, whose salary is within the limit set by his or her appointing authority for participation in a transit program under these regulations, and who is not a member of a car pool or the holder of any Senate parking privilege.

(e) Qualified program Refers to the program of a public mass transportation system that encourages employees to use public transportation in accordance with the requirements of Pub. L. 101–509 whose participation in the Senate program in accordance with these regulations has been approved by the Committee on Rules and Administration.

SEC. 4. PROGRAM REQUIREMENTS

(a) Each office within the Senate is authorized to provide to qualified employees under its supervision a de minimis fringe employment benefit of transit fare media of a value not to exceed the amount authorized by statute (currently not to exceed $21 per month).

(b) Each appointing authority may establish a salary limit for participation in this program by his or her employees. If such salary limit is established, all staff paid at or below that limit, and who meet the other criteria established in these regulations, must be permitted to participate in this program.

(c) For purposes of these regulations, an individual employed for a partial month in an office shall be considered employed for the full month in that office.

(d) The fare media purchased by participating offices under this program shall only be used by qualified employees for travel to and from their official duty station.

(e) Any fare media purchased under this program may not be sold or exchanged.

(f) In addition to any criminal liability, any person misusing, selling, exchanging or obtaining or using a fare media in violation of these regulations shall be required to reimburse the office for the full amount of the fare media involved and may be disqualified from further participation in this program.

SEC. 5. OFFICE ADMINISTRATION OF PROGRAM

Each office electing to participate in this program shall be responsible for its administration in accordance with these regulations, shall designate an individual to manage its program, and may adopt rules for its participation consistent with these regulations.

An employee who wishes to participate in this program shall make application with his or her office on a form which shall include a certification that such person is not a member of a motor pool, does not have any Senate parking privilege (or has relinquished same as a condition of participation), will use the fare media personally for travelling to and from his or her duty station, and will not exchange or sell the fare media provided under this program. The application shall include the following statement:

This certification concerns a matter within the jurisdiction of an agency of the United States and making a false, fictitious, or fraudulent certification may render the maker subject to criminal prosecution under 18 U.S.C. o 1001.

Safekeeping and distribution of fare media purchased for an office is the responsibility of the program manager in that office. Participating offices may not refund or replace any damaged, misplaced, lost, or stolen fare media.

SEC. 6. SENATE STATIONERY ROOM RESPONSIBILITIES

The only program currently available in the Washington, DC metropolitan area at this time is "Metro Pool, a program established through Metro by the District of Columbia. Transit benefits will be provided through Metro Pool for participating offices in the Washington, D.C. area. The Committee on Rules and Administration shall enter into an agreement with Metro Pool for purchase of fare media by the Senate Stationery Room as required by participating offices on a monthly basis.

A participating office shall purchase the fare media with its authorized appropriated funds from the Senate Stationery Room through its stationery account pursuant to 2 U.S.C. ō 119.

At the time of purchase each office shall present to the Senate Stationery Room two copies of the certification referred to in section 7 of these regulations. The Stationery Room shall make one copy available to the Senate Rules Committee Audit Section. In addition, the Stationery Room may not refund or replace any damaged, misplaced, lost, or stolen fare media that has been purchased through the office's stationery account.

SEC. 7. CERTIFICATION

The certification required by section 6 shall be approved by the appointing authority and shall include the name, and social security number of each participating employee within that office, and the following statements:

(a) Each person included on the list is currently a qualified employee as defined in Section 3.

(b) No person included on the list has any current Senate parking privilege and that no parking privileges will be restored to any person on the list during the period for which the fare media is purchased.

(c) That only one (1) fare media per month is being purchased for each participating employee.

SEC. 8. OTHER PARTICIPATING PROGRAMS

Section 6 provides for procedures for participation by Washington offices in the Metro Pool program established through Metro by the District of Columbia. Additional programs in the Washington, D.C. metropolitan area, or programs offered in other locations where Members have offices that meet the requirements of the law and these regulations, may be used for qualified employees, subject to the following requirements:

(A) Authorization

The public transit system shall submit information to the Committee on Rules and Administration that it participates in an established state or local government program to encourage the use of public transportation for employees in accordance with the provisions of Pub. L. 101–509 and these regulations. If the program meets the requirements of the statute and these regulations and is approved by the Committee on Rules and Administration, any Senate office served by such transit system may provide benefits to its employees pursuant to these regulations.

(B) Procedures

(1) A qualified program operating in the Washington, D.C. metropolitan area that permits purchase arrangements similar to those provided by the Metro Pool program shall participate in the Senate program in accordance with the procedures set forth in Section 6.

(2) A qualified program operating in the Washington, D.C. metropolitan area that does not have purchase arrangements similar to Metro Pool, or a qualified program located outside that metropolitan area, that permits purchases directly by an office, may make arrangements for purchase of media directly with a participating office. Such an office may provide for direct payment to that system and shall submit the certification in accordance with Section 7.

(3) In the case of a qualified program that does not permit purchase arrangements as provided in paragraphs (1) or (2) above, an office may provide for reimbursement to a qualified employee and shall submit a certification in accordance with Section 7.

(C) Documentation

The following documentation must accompany a voucher submitted under paragraph 8(B)(2) or (3):

(1) A copy of the Rules Committee approval, in accordance with section 8(A), with the first voucher submitted for that transit program, provided subsequent vouchers identify the transit program.

(2) The certification.

(3) Proof of purchase of the fare media.

(D) Voucher Guidance

In the case of a Senator's state office, reimbursement for payment to either a qualified transit system, or a qualified employee shall be from the Senators' Official Personnel and Office Expense Account

(SOP&OEA) as a home state office expense on a seven part voucher.

In the Washington, DC metropolitan area, reimbursement for payment to either a qualified transit system, or a qualified employee shall be as follows:

(1) in the case of a Senator's office from the SOP&OEA as an "other official expense" (discretionary expense).

(2) in the case of a Senate committee or administrative office as an "Other" expense.

SEC. 9. SPECIAL CIRCUMSTANCES

Any circumstances not covered under these regulations shall be considered on application to the Committee on Rules and Administration.

SEC. 10. EFFECTIVE DATE

These regulations shall take effect on the first day of the month following date of approval.

Approved by Chairman and Ranking Member.

Date: September 30, 1998.

ATTACHMENT C

REGULATIONS FOR THE DISPLAY OF FLAGS AND STATE SENATE SEALS IN THE HALLWAYS OUTSIDE SENATOR'S OFFICES

(Adopted by the Committee on Rules and Administration, United States Senate, October 21, 1987; Amended on September 30, 1998)

1. Two wooden flagpoles, 8 feet in height by 1-5/32" in diameter, mounted in bright brass finished stands weighing at least 15 pounds, for flying 3 foot by 5 foot state and United States flags, at the Senator's option, are permitted in the hallway outside a Senator's office. The flagpoles and stands must be placed inside the office at night.

2. One state seal in cast bronze, or other acceptable material, not less than 14 inches nor more than 15 inches in diameter, may be mounted on the wall to the right or left of the main entrance to the suite, at a height of 5 feet above the floor. The state seal may not be mounted on the entrance door.

3. Artifacts are not permitted on the walls, doors, and in the corridors outside Senator's offices.

Approved by Chairman and Ranking Member.

Date: September 30, 1998.

ATTACHMENT D

REGULATIONS GOVERNING ADVANCE PAYMENT

(Adopted by the Committee on Rules and Administration, United States Senate, October 30, 1997; Amended on September 30, 1998)

Under the authority granted by Sec. 1(b) for P.L. 105–55, the FY98 Legislative Branch Appropriations bill and using these regulations—

The term "advance payment" means any expense authorized, by the Committee on Rules and Administration, pursuant to P.L. 105–55.

By the above definition of advance payment and following the enactment of the FY98 Legislative Branch Appropriations bill, in addition to subscriptions, the following items are for advance payment:

(a) Rental of water coolers (cooler units only/not for water)

(b) monthly maintenance on equipment that is either non-standard and/or above the $500 limit

(c) cable TV services (including basic satellite service where needed)

(d) online services (for official use by the Senator only)

(e) rental booths at State Fairs, rent for space to be use during town hall meetings and associated costs (not to include insurance)

(f) conference and seminar fees (not to include meals charged separately)

(g) payments on leased equipment

(h) paging service

(i) clipping services

(j) yellow page listings (not to include the classified yellow pages)

(k) State office rents, up to 1 year in advance.

With respect to charges for on-line services, paging services, clipping services, and equipment maintenance, advance payment shall only be made in the cases of "flat fee services." Also, no advance payment will be allowed in instances where cancellation fees may be incurred. Time limitation on the obligation of funds is restricted to a Member's six-year term of office and a Committee's biennial funding period.

Approved by Chairman and Ranking Member.

Date: September 30, 1998.•

BREAST AND CERVICAL CANCER TREATMENT ACT

• Mrs. BOXER. Mr. President, in the remaining days of this Congress, we can make a profound difference in the lives of American women. The Breast and Cervical Cancer Treatment Act, S. 2017, would ensure that women whose cancer is diagnosed through the Centers for Disease Control and Prevention's screening program have access to the medical care they need. It would give states the option of extending Medicaid coverage to low-income, uninsured women who have been diagnosed with breast or cervical cancer through the CDC program.

Federal legislation is needed because the patchwork of state laws does not ensure women the treatment they need. In California, the health care community and breast cancer activists mobilized behind a bill to provide breast cancer treatment to uninsured and underinsured women. The California legislature passed the bill and sent it to the Governor for his signature. Despite the bill's widespread popularity, the Governor vetoed it a few days ago.

If we care enough about women's health to provide coverage for screenings, then we should care enough to provide treatment when those screenings find cancer. The last thing a woman should have to worry about when she is diagnosed is how she will pay for her treatment.

The heart wrenching experience of one of my constituents shows us how important the Breast and Cervical Cancer Treatment Act is.

Two and a half years ago, Edna Harris of Imperial Beach, California felt a lump in her breast. Like so many other women in her position, she feared it was cancerous. But Edna had another reason to worry. She was uninsured, and neither she nor her husband were employed.

Under the CDC's Early Detection program, Edna underwent a mammogram, a fine needle biopsy, and then a full biopsy. When the results came in, her worst fear had come true: she was diagnosed with breast cancer, and told she needed surgery. The CDC program that had diagnosed her did not cover the costs of treatment. Edna was told that unless she would come up with nearly $4,000, she could not receive treatment.

Edna's experience reveals a fatal flaw in one of our best-intentioned, and indeed most successful, programs. Low income and uninsured women who are diagnosed with cancer under the CDC program must scramble to find the money for treatment. Edna was fortunate; she ultimately was able to come up with the resources to fund her treatment. But others are not so fortunate. I have heard from women who have had to mortgage their homes or hold bake sales to pay for cancer treatment. This is unacceptable.

The Breast and Cervical Cancer Treatment Act will help ensure that all our mothers, daughters, and sisters receive the treatment they need at one of the most vulnerable times of their lives. I urge our leadership to bring the Breast and Cervical Cancer Treatment Act to the floor this session. We owe it to the women of this country to pass this legislation before Congress adjourns.•

ONE GUN A MONTH FORUM

• Mr. LAUTENBERG. Mr. President, I rise today to inform my colleagues of a forum I held on September 2 on the deadly problem of gun trafficking. I am pleased that Senator ROBB and Senator SARBANES were able to join me at the forum.

As my colleagues know, I have introduced S. 466, the Anti-Gun Trafficking Act. The Judiciary Committee has not held hearings on this legislation, and I thought it was important to gather expert testimony on the issue. The testimony I heard at the forum has made me even more determined to pass this sensible legislation and make it more difficult for gun traffickers to obtain and sell their deadly merchandise on our streets.

The witnesses at this forum included: Philadelphia Mayor Ed Rendell, who is also the chair of the Conference of Mayor's Task Force on Gun Violence; James and Sarah Brady; Captain R. Lewis Vass of the Virginia State Police, and Captain Thomas Bowers of the Maryland State Police.

We also heard from a panel of youth from right here in our nation's capital who live with gun violence everyday in their communities. They were John Schuler, Kenisha Green and Quanita Favorite.

In this statement I will summarize what happened during the forum. But I will also be including, during the next few days, testimony from the witnesses so that my colleagues and the public will have a record of their views.

Mr. President, as a result of the Brady Act, we have helped prevent thousands of guns from getting into the hands of the wrong people. Since the Brady Act went into effect in 1994, more than 242,000 handgun purchases have been denied to convicted felons, fugitives, drug addicts and other dangerous persons. The Domestic Violence Gun Ban in the Brady Act, which I sponsored and which went into effect in 1996, has prevented more than 6,800 firearms sales to people convicted of abusing a spouse or child.

However, the Brady Law has not completely stopped the flow of handguns to those who should not have them. Gun traffickers continue to supply an illegal gun market by buying large quantities of guns in states with lax gun laws and then reselling them on the streets—often in cities and states with strict gun laws.

If these traffickers can not legally buy a gun themselves, or if they do not want to have their name turn up if the gun is later found at a crime scene, they find others to make the purchases for them. The trafficker pays a straw purchaser, in money or drugs, to buy 25, 50 or more handguns at a time and then resells the guns to those who otherwise could not buy them—such as convicted felons, drug addicts, or children.

In fact, the Maryland State Police official testified that multiple guns purchased by straw purchasers were the source of the majority of firearms used in the commission of violent crime.

My bill would make it far more difficult and less profitable for traffickers to conduct their deadly business, by prohibiting an individual from buying more than one handgun a month. We know this approach works because three states—Virginia, Maryland, South Carolina—have passed one-gun-a month laws and the results have been dramatic. Gun trafficking from these states has plunged.

For instance, officers from the Virginia State Police testified that after Virginia passed its one-handgun-a-month limit in 1993, the number of crime guns traced back to Virginia from the Northeast dropped by nearly 40 percent. Prior to one-gun-a-month, Virginia had been among the leading supplier of weapons to the so-called "Iron Pipeline" that feed the arms race on the streets of Northeastern cities.

In 1995, the Virginia Crime Commission conducted a comprehensive study of the one-handgun-a-month limit to determine if the law had achieved its purpose. That study found, and I quote, "Virginia's one-gun-a-month statute . . . has had its intended effect of reducing Virginia's status as a source state for gun trafficking."

Maryland and South Carolina showed similar results. In South Carolina, according to the same Crime Commission report: "Prior to the passage of the one-gun-a-month law, South Carolina was a leading source state for guns traced to New York City, accounting for 39% of guns recovered in criminal investigations. Following the implementation of the law, South Carolina virtually dropped off of the statistical list of source states for firearms trafficked to the northeast."

Maryland—the most recent state to pass a limit on handgun purchases—passed its law in 1996 and has already seen the results. According to testimony from the Maryland State Police:

"In 1991 Maryland was nationally ranked second in terms of suppliers of crime guns to the City of New York. By 1997, one year after the passage of Maryland's one gun a month law, Maryland moved out of the top ten suppliers of crime guns to New York City."

And most significant is the drop in crime that has followed enactment of limits on handgun sales. For example, in Virginia, the number of murders, robberies and aggravated assaults committed with a firearm significantly dropped after 1993 when the limit went into effect. Of course it should not come as a surprise to anyone that violent crime would drop when it becomes more difficult for criminals to get a handgun. Handguns are the gun of choice for criminals—they are cheap and concealable. Of all murders committed with firearm, about 80% are committed with a handgun.

Limits on handgun purchases, while disrupting gun traffickers, have little or no effect on the sportsman or law abiding citizen because a very small percent of all handgun purchases involve multiple sales. For example, in 1991, Virginia State Police reported only 6% of handgun purchases were multiple sales. But of these, nearly 75% were semi-automatic weapons, the weapon of choice among gun traffickers. Mayor Rendell testified that less than 1% of handgun purchasers in Philadelphia bought more than 12 handguns in a twelve month period.

Let me put some human faces on this issue. As I said earlier, kids from the District of Columbia testified at my forum. And what they had to say was terrifying. Guns were an every day part of their lives. For these kids, D.C. does not stand for District of Columbia. It stands for Dodge City.

These young people told us that guns are easy to get in their neighborhoods and schools. They call it getting strapped. And if you do not get strapped you might not make it through the day, they said.

One young woman put it eloquently: "It's not fair," she said. "Other kids get to go to college. We get to go to funerals. These people who sell guns are the real predators. They feed off our pain."

We must shut these predators down.

Most sane people would ask, who could possibly need more than one handgun a month? The testimony at my forum gave the clear and obvious answer. Someone who should not have any at all. The only people who would "need" more than one gun a month are gun traffickers. It is the only way to make their deadly business profitable.

The need for a national limit on handgun sales is clear. I hope this Congress has the courage to act in the interests of law abiding Americans. But I have my doubts. This Congress has defeated sensible proposals to try to make guns safer through mandated safety locks. This Congress has defeated legislation that would require adults to keep their guns locked and out of reach of children.

I look forward to the day when this Congress listens to the American people instead of the gun lobby and the National Rifle Association. Poll after poll shows that Americans, including gun-owning Americans, want tougher controls on guns. A University of Chicago study in 1996 found 85% support legislation mandating that all new handguns must be childproof, and 80% favors limiting handgun sales to one a month.

We have heard a lot from Charlton Heston lately now that he is president of the National Rifle Association. But I sometimes think Mr. Heston forgets he is only an actor—not Moses—when he uses that superb voice of his in the service of the National Rifle Association.

I would like to remind Mr. Heston of one of the last things Moses said to the children of Israel before he died.

"I have put before you life and death, blessing and curse. Choose life if you and your offspring would live."

Well, Mr. Heston, we choose life—for ourselves and our children. And we are going to fight the curse that gun traffickers have wrought upon cities, our schools and our streets.

I urge my colleagues to listen to the American people; stop turning a blind eye to the daily destruction caused by guns in America. I urge my colleagues to have the will to do something to help the youth of America live without the daily sound of gunshots in their lives. I ask my colleagues to support this common sense approach to keep handguns out of the hands of criminals.

Mr. President, I ask that the testimony of Mayor Edward Rendell be printed in the RECORD.

The testimony follows:

TESTIMONY OF MAYOR EDWARD G. RENDELL, FORUM ON HANDGUN VIOLENCE AND S. 466, "THE ANTI-GUN TRAFFICKING ACT'—TALKING POINTS

I. THE SCOPE OF THE PROBLEM

We have a crisis in Philadelphia: Gun violence is out of control, and the carnage it has created is unprecedented in our City.

The statistics are chilling: Between 1985 and 1995, deaths by firearm rose 66 percent in Pennsylvania, and by 102 percent in Philadelphia. In 1995 there were 432 total homicides in Philadelphia, and gun homicides represented a staggering 77 percent of that number. In 1996, there were 414 total homicides, and killings by gun represented 81 percent of that number. And last year, the gruesome trend continued: of the 410 total homicides in Philadelphia, 339 of them—almost 83 percent—were due to gun violence. These numbers are the highest of any city in the nation.

For the City, there is one particularly horrifying element to the growing plague of gun violence: More and more, kids are doing the killing. In almost 15 percent of all Philadelphia gun homicides over the last three years, a child under age 18 was arrested for pulling the trigger. And worst of all, kids are the victims, too: in 1995, 24 children were shot to death; in 1996, the number was 25; and last year, 26 kids were killed by gunfire. Ladies and gentlemen, homicide is now the leading cause of death among youths ages 16 to 21 in Philadelphia. Compare this Boston, where no kids—zero—under the age of 18 were killed by gunfire during the same period.

The carnage caused by gun violence in Philadelphia doesn't just show up in the murder statistics, either: More than half of all robberies committed in Philadelphia are robberies at the point of a gun. In Philadelphia last year, there were 11,938 robberies, and 53.7 percent were gun robberies. Almost one-third of those arrested for these crimes were under the age of 18.

Of the 6,198 aggravated assaults in Philadelphia last year, more than 36 percent involved a gun—a total of 2,279 shootings in one year. Almost 17 percent of those arrested for these crimes were juveniles.

In one bloody week earlier this year, our newspaper headlines recorded the shooting deaths of eight people in Philadelphia—five in one weekend alone. Among the victims: a 22-year-old man killed in a gun battle that erupted outside the Palestra at the University of Pennsylvania after a high-school basketball championship game. Three others were wounded in the melee, which took place in the middle of 33rd Street as the crowd was leaving the game. In other cases, two owners of a neighborhood pizzeria were gunned down in their store; an elderly woman was shot to death during a robbery in her own home; and a lawyer and his assistant were robbed and executed in their Center City office.

Though that week was particularly grim, it was by no means one-of-a-kind. In fact, the situation is so bad that an absence of murder actually became news last spring: In a story about the Philadelphia murder rate, one local newspaper reported that Philadelphia went 12 days without a homicide, from April 24th to May 5th. As the paper noted: "There had not been a comparable killing-free stretch for at least 10 years. The next longest streak on record was eight days, in 1988."

II. WE HAVE TRIED TO ADDRESS THE PROBLEM IN MANY WAYS

Having been a prosecutor for most of my professional career—I was the elected District Attorney of Philadelphia from 1978 to 1986, and before that, I served as the Chief of the Homicide Unit in the DA's office—I know a fair amount about crime and the fear that it generates among good and decent people in our communities. This is not an argument about whether people have the right to own guns or not. Rather, this is about stopping guns from getting into the wrong hands, particularly criminals and children.

I understand the need for comprehensive solutions to fighting crime involve more than controlling the flow of handguns in our City. For example, in my first term as District Attorney of Philadelphia, I authored the death penalty law in Pennsylvania, which withstood legal challenge and today is being used with increasing frequency.

In 1982, during my second term as DA, I authored Pennsylvania's current mandatory sentencing law, which created tough new mandatory jail terms for criminal offenders, including a flat five-year mandatory sentence for anyone convicted of using a firearm during the commission of a felony.

The results have meant longer sentences are being served in Pennsylvania. Last year alone, the number of convictions for gun offenses in Philadelphia almost doubled, and the number of jail terms meted out for these convictions jumped by more than 120 percent. Overall, the number of inmates in Pennsylvania prisons has increased by almost 30 percent since 1993 (26,060 inmates statewide in 1993, up to 34,534 inmates statewide by 1996.)

We have tried through the enactment of state legislation in Pennsylvania as recently a 1995. The Pennsylvania Uniform Firearms Act (18 Pa.C.S. §6111(g)(5)) makes it a felony to "knowingly and intentionally" sell or deliver a gun if he or she has "reason to believe" that the gun is intended to be used in the commission of a crime. But the problem has been in proving that the seller acted "knowingly or intentionally," with reason to believe that the firearm was intended for use in a crime. Proving intent is always difficult; proving that someone acted knowingly, intentionally and with reason to believe is practically impossible. As a result, a law meant to limit a criminal's access to guns in reality is used only very rarely, and as such has had no practical effect on the effort to keep guns out of the hands of criminals.

III. AND WE'RE STILL TRYING

The statistics show the grim toll of gun violence in Philadelphia, and these facts can be repeated in cities all over America. They can be measured in starkly human terms: the number of lives lost to gun violence, and the number of lives ruined by it, either through injury (victims and families) or incarceration (the perpetrators). But for cities like Philadelphia, the cost of gun violence can be quantified in dollars and cents too; Taking into account the enormous burden that guns place on our health services, courts, prisons, police, sheriffs, fire, pension, workers compensation, our public schools, and social services, the City estimates the cost of gun violence in Philadelphia is $58.8 million a year.

These statistics underscore the critical importance of doing all we can to eliminate the flow of guns to the wrong people: criminals, children, and those "straw purchasers" who sell to them. That is why we pushed for tougher sentences, for the death penalty, and for the construction of new prisons to house those sentenced to longer jail terms.

But the grim gun violence statistics keep climbing, showing that what we've done hasn't been nearly enough.

That's why we continue to do all that we can to stop the violence, with initiatives like the successful effort to win agreement with gun manufacturers to provide a child safety lock with every handgun they sell. The industry is to be commended for its willingness to act affirmatively to provide child safety locks. They are an easy, affordable way to reduce gun violence, and they are helping.

That is why we also have launched a comprehensive public education campaign in Philadelphia, targeting youngsters with a message that focuses on violence reduction (I Can End Violence) and specifically on carrying and using guns. These messages are aimed for distribution through churches, rec centers, and youth centers. In addition, we have launched a public service ad campaign—"What Are You Shooting For?"—that sends that same message throughout the Greater Philadelphia region, and we have garnered the assistance of the local media in supporting this effort by broadcasting these messages.

The Philadelphia Police Department has changed the way it does business with respect to handguns. A whole new series of initiatives have been introduced to control the damage done by criminals with handguns. These initiatives include: Standard Interview Protocol for all gun offenders to determine the origin of guns used in crimes; streamlining all gun issues in the Police Department under one command; aggressively serving warrants; zero tolerance for gun offenders in high violent-crime areas; and more aggressively tracing guns used in crimes, and cracking down on second sales, with the help of the ATF.

Working together, the ATF and the Philadelphia Police Department have made terrific progress in tracking the origins of guns used in the commission of crimes. Initially, the joint ATF-PPD task force traced firearms recovered in major crimes. Today, they trace all firearms linked to an arrest, and soon, they will have the capability to trace all firearms recovered in Philadelphia.

As a result of these initiatives, the task force has increased the number of arrests for gun violation prosecutions by 25 percent, and that number continues to rise. But again, to be successful in prosecuting those who sell guns to criminals, we must prove that the seller "knowingly or intentionally" sold the gun to someone he knew was going to use it to commit a crime. In practice, it is a difficult EGR standards to meet, especially since neither the seller nor the buyer has any incentive to testify to that effect. The seller clearly has no interest in testifying that he knowingly sold a gun to a criminal, or that he had reason to expect that it would be used in a crime. And the criminal likewise has little incentive to volunteer any inculpatory evidence whatsoever.

As a result, despite the success of these efforts, we must all do more.

IV. WHAT THE GUN INDUSTRY CAN DO

Gun manufacturers can help, too. Child safety locks were a great move, but more must be done. I have asked the industry to:

(1) increase internal security—14,000 guns were stolen from one manufacturer's plant in Southern California;

(2) stop selling guns that are attractive to criminals but have no legitimate use except to kill people: Saturday night specials, armor piercing bullets, military assault weapons;

(3) stop advertising that incorrectly suggests that people are safer for having a gun in their homes; the New England Journal of Medicine reports that bringing a gun into the home leads to a three-fold increase in risk of homicide in the home;

(4) take the lead and oppose senseless restrictions that impede investigation of gun crimes, such as obstruction of the Brady form and multiple purchase form in 20 days, making tracking infinitely more difficult. NOTE: even Ron Stewart of Colt recently called for federalization of state laws requiring a second set of serial numbers on weapons because, as he said, "isn't that a protective measure that prevents illegal ownership of a firearm?"

(5) A 1994 federal law banned further manufacture for civilian use of clips or magazines

holding more than 10 rounds of ammunition. Stop producing guns that accept "grandfathered" magazines;

(6) Develop technology to make illegal use almost impossible, such as the production of "personalized" handguns that can only be fired by their rightful owners. This is the ultimate weapon against illegal use of handguns. Last year, Colt unveiled a prototype personalized handgun for police to prevent them from being shot with their own weapons. This system should be developed ASAP for everyone, police and civilians alike.

The gun industry, working with the American Shooting Sports Council, has agreed to join mayors from a variety of cities, including Philadelphia, Chicago, Dallas, and St. Louis, in the formation of a joint task force to come with initiatives, by the fall of this year, to reduce handgun violence in American cities. That is the kind of partnership we need to substantively address the problem of handgun violence in our cities.

That is why I also urge federal support for Project Exile, a partnership we have created with the National Rifle Association in which Philadelphia would be used as a test city to gauge the impact of federalizing every violation of existing handgun laws. The idea is simple: federally prosecute all handgun violations, and mete out tough federal prison sentences for all convictions. It has shown dramatic results in Richmond, Va., and I have no doubt that it will reduce gun violence and the carnage that accompanies it on the streets of Philadelphia. People on both sides of the age-old gun debate have criticized this partnership, but again, this is not about the Second Amendment. This is not about the right to bear arms. We're talking about stemming the flow of guns into the inner city, where they are used by criminals and children to commit crimes and destroy families. Thanks to the support of Sen. Lautenberg and Sen. Specter, Congressional support for this initiative will help us obtain the federal resources needed to make the program a success. I have already been to the White House to discuss Administration support for the initiative, and I believe that it will be successful in that regard.

We are engaged in a war to reduce the carnage caused by gun violence. And we must fight this fight on many fronts, and sometimes with unusual allies. We have worked with the gun industry, the NRA and its representatives, for one simple reason: We need their help to reduce gun violence. And we are still considering litigation to force gun manufacturers to join the fight against gun violence if they do not do so willingly.

V. THE NEED FOR FEDERAL ONE GUN A MONTH LEGISLATION

If these initiatives are critical to our fight, then the enactment of legislation is no less essential in the effort to reduce gun violence. And that is why today's forum is critically important: Whatever other initiatives are implemented, we must develop Congressional support for S. 466, the federal Anti-Gun Trafficking Act sponsored by Sen. Lautenberg. Because gun trafficking knows no state lines, federal legislation—a uniform national standard limiting handgun purchases—is the only effective way to combat this problem.

I have long advocated support for One Gun a Month, because it is a matter of basic common sense. One Gun a Month deals only with handguns, and does not interfere at all with a citizen's right to maintain a firearm for home or personal protection. Instead, One Gun a Month focuses on stopping multiple purchases of handguns, because these are the guns that ultimately wind up being resold on the streets of our cities to criminals and children.

Look at the statistics on gun sales in Pennsylvania. In 1996, there were 150,000 handgun sales statewide. During roughly the same period, there were 38,338 guns sold in the Philadelphia region alone. Of that number, roughly nine percent of the purchasers bought nearly 30 percent of the guns.

What that means is that small numbers of people are buying lots of guns, and our experience shows that is for only one reason: to resell them on the street to people who use them in the commission of crimes.

One Gun a Month would limit purchasers to buying 12 guns a year. I also support the so-called "Collector's Exception," which would permit bona fide gun collectors from the legislation. As a result, for the overwhelming majority of gun purchasers, only the 13th gun would be prohibited. Ladies and gentlemen, legislation that proposes to ban handgun sales only at the purchase of 13 guns a year does not affect the average citizen—or the average gun purchaser. As the New York Times pointed out in a recent editorial supporting a federal limit, those who argue that One Gun a Month would limit a citizen's right to bear arms should be forced to "explain to crime-fearing Americans why a 12-gun-per-year limit would impose any offensive burden on law-abiding users who may want a weapons for target shooting or for personal protection."

Instead, the federal standard proposed in S. 466 simply limits the ability of those who resell guns on our streets. Again, look at just the Pennsylvania numbers. Of the 25,510 purchasers of guns in 1996, One Gun a Month would affect only 103 Pennsylvania purchasers (those who bought more than 12 guns in a 12-month period.) That's .4 percent of all purchasers of guns in Philadelphia, and only a total of 5,000 guns out of the 38,000 sold in 1996 in the Philadelphia region.

And while One Gun a Month does little to limit purchases by law-abiding citizens in Pennsylvania, it has the potential to crack down on the sales to those who sell to criminals and children. In other words, it has the ability to go after the gun sales that none of us want: not the City of Philadelphia, not any member of Congress, and not even the gun manufacturers or the NRA.

The grim reality of these types of sales is inescapable. FACT: At least 20 percent of all multiple gun purchasers can be linked to guns used in the commission of crime, particularly violent crime, in Philadelphia. FACT: A total of 608 handguns that were purchased in multiple purchase transactions have been directly linked to a homicide or other violent crime in Philadelphia. And as the tracing of these guns continues, these numbers undoubtedly will continue to rise. FACT: Under One Gun a Month, the sale of guns to "suspect purchasers" (those whose purchases suggest involvement in street resale of guns) could be reduced by as much as 54 percent.

States have taken the lead in the effort to limit purchases to one gun a month. And as Sen. Lautenberg has made clear, the good news is that One Gun a Month is working in Virginia, South Carolina and Maryland, where it was most recently enacted. In Virginia, the odds of a handgun seized in a crime anywhere along the East Coast has dropped 66 percent since One Gun a Month was enacted in 1993. In Maryland, handgun sales dropped more than 25 percent last year, and as the Washington Post noted sarcastically, that in turn "is threatening Maryland's position as a leading supplier of handguns seized by police at crime scenes up and down the East Coast."

I urge members of Congress to follow the lead of Sen. Lautenberg and support S. 466, the "Anti-Gun Trafficking Act." I have also urged the gun industry and the NRA to support this important legislation, together with my fellow mayors from cities all over the nation. Again, this is not about whether people have the right to bear arms or purchase weapons. This legislation does not affect them. This is about keeping guns out of the hands of criminals, and out of the hands of children. Gun violence is out of control in Philadelphia, and this legislation can help to stop it. I urge your support.

Several years ago, a Florida-based manufacturer of assault pistols which at that time were with a 32-round magazine, said: "I know some of the guns going out of here will end up killing people, but I'm not responsible for that." He was wrong then, and that attitude is wrong now. It is my responsibility, and it is everyone's responsibility, including mayors, state legislators, members of Congress, and indeed, especially the gun industry itself.

Back in April, I came to Washington to speak directly to gun manufacturers, thanks to the invitation of the American Shooting Sports Council. It was, I might add, not the greatest reception I've ever gotten. But they were at least willing to listen, and I told them that we very much wanted to be their allies in fighting the growing plague of gun violence. That remains true, but understand, one way or another we will try anything and everything—whether it is partnering with the gun industry or the NRA, or suing gun manufacturers—to end the terrible consequences of gun violence on the streets of Philadelphia.●

THE CALENDAR

Mr. HAGEL. Mr. President, for the leader, I ask unanimous consent that the Senate now proceed to the consideration of the following bills, en bloc:

Calendar Nos. 494, S. 890; 525, S. 1398; 527, S. 2171; 528, H.R. 449; 529, H.R. 2886; 530, H.R. 3796; 541, S. 1016; 542, S. 1408; 543, S. 1990; 546, S. 2232; 550, S. 1333; 551, S. 1665; 552, S. 2129; 561, S. 469; 565, S. 2272; 571, S. 1718; 573, S. 2106; 579, H.R. 3903; 598, H.R. 3381.

Further, I ask unanimous consent that any committee amendments be agreed to, the bills be read the third time and passed, as amended, if amended, the motions to reconsider be laid upon the table, and that any statements relating to the bills appear at the appropriate point in the RECORD, with the above occurring en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

DUTCH JOHN FEDERAL PROPERTY DISPOSITION AND ASSISTANCE ACT OF 1998

The Senate proceeded to consider the bill (S. 890) to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Dutch John Federal Property Disposition and Assistance Act of 1998".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1)(A) Dutch John, Utah, was founded by the Secretary of the Interior in 1958 on Bureau of Reclamation land as a community to house personnel, administrative offices, and equipment for project construction and operation of the Flaming Gorge Dam and Reservoir as authorized by the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.); and

(B) permanent structures (including houses, administrative offices, equipment storage and maintenance buildings, and other public buildings and facilities) were constructed and continue to be owned and maintained by the Secretary of the Interior;

(2)(A) Bureau of Reclamation land surrounding the Flaming Gorge Reservoir (including the Dutch John community) was included within the boundaries of the Flaming Gorge National Recreation Area in 1968 under Public Law 90–540 (16 U.S.C. 460v et seq.);

(B) Public Law 90–540 assigned responsibility for administration, protection, and development of the Flaming Gorge National Recreation Area to the Secretary of Agriculture and provided that lands and waters needed or used for the Colorado River Storage Project would continue to be administered by the Secretary of the Interior; and

(C) most structures within the Dutch John community (including the schools and public buildings within the community) occupy lands administered by the Secretary of Agriculture;

(3)(A) the Secretary of Agriculture and the Secretary of the Interior are unnecessarily burdened with the cost of continuing to provide basic services and facilities and building maintenance and with the administrative costs of operating the Dutch John community; and

(B) certain structures and lands are no longer essential to management of the Colorado River Storage Project or to management of the Flaming Gorge National Recreation Area;

(4)(A) residents of the community are interested in purchasing the homes they currently rent from the Secretary of the Interior and the land on which the homes are located;

(B) Daggett County, Utah, is interested in reducing the financial burden the County experiences in providing local government support services to a community that produces little direct tax revenue because of Federal ownership; and

(C) a withdrawal of the role of the Federal Government in providing basic direct community services to Dutch John would require local government to provide the services at a substantial cost;

(5)(A) residents of the Dutch John community are interested in self-government of the community; and

(B) with growing demands for additional commercial recreation services for visitors to the Flaming Gorge National Recreation Area and Ashley National Forest, there are opportunities for private economic development, but few private lands are available for the services; and

(6) the privatization and disposal to local government of certain lands in and surrounding Dutch John would be in the public interest.

(b) PURPOSES.—The purposes of this Act are—

(1) to privatize certain lands in and surrounding Dutch John, Utah;

(2) to transfer jurisdiction of certain Federal property between the Secretary of Agriculture and the Secretary of the Interior;

(3) to improve the Flaming Gorge National Recreation Area;

(4) to dispose of certain residential units, public buildings, and facilities;

(5) to provide interim financial assistance to local government to defray the cost of providing basic governmental services;

(6) to achieve efficiencies in operation of the Flaming Gorge Dam and Reservoir and the Flaming Gorge National Recreation Area;

(7) to reduce long-term Federal outlays; and

(8) to serve the interests of the residents of Dutch John and Daggett County, Utah, and the general public.

SEC. 3. DEFINITIONS.

In this Act:

(1) SECRETARY OF AGRICULTURE.—The term "Secretary of Agriculture" means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(2) SECRETARY OF THE INTERIOR.—The term "Secretary of the Interior" means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

SEC. 4. DISPOSITION OF CERTAIN LANDS AND PROPERTIES.

(a) IN GENERAL.—Lands, structures, and community infrastructure facilities within or associated with Dutch John, Utah, that have been identified by the Secretary of Agriculture or the Secretary of the Interior as unnecessary for support of the agency of the respective Secretary shall be transferred or disposed of in accordance with this Act.

(b) LAND DESCRIPTION.—Except as provided in subsection (e), the Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this Act) approximately 2,450 acres within or associated with the Dutch John, Utah, community in the NW¼ NW¼, S½ NW¼, and S½ of Section 1, the S½ of Section 2, 10 acres more or less within the NE¼ SW¼ of Section 3, Sections 11 and 12, the N½ of Section 13, and the E½ NE¼ of Section 14 of Township 2 North, Range 22 East, Salt Lake Base and Meridian, that have been determined to be available for transfer by the Secretary of Agriculture and the Secretary of the Interior, respectively.

(c) INFRASTRUCTURE FACILITIES AND LAND.—Except as provided in subsection (e), the Secretary of the Interior shall dispose of (in accordance with this Act) community infrastructure facilities and land that have been determined to be available for transfer by the Secretary of the Interior, including the following:

(1) The fire station, sewer systems, sewage lagoons, water systems (except as provided in subsection (e)(3)), old post office, electrical and natural gas distribution systems, hospital building, streets, street lighting, alleys, sidewalks, parks, and community buildings located within or serving Dutch John, including fixtures, equipment, land, easements, rights-of-way, or other property primarily used for the operation, maintenance, replacement, or repair of a facility referred to in this paragraph.

(2) The Dutch John Airport, comprising approximately 25 acres, including runways, roads, rights-of-way, and appurtenances to the Airport, subject to such monitoring and remedial action by the United States as is necessary.

(3) The lands on which are located the Dutch John public schools, which comprise approximately 10 acres.

(d) OTHER PROPERTIES AND FACILITIES.—The Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this Act) the other properties and facilities that have been determined to be available for transfer or disposal by the Secretary of Agriculture and the Secretary of the Interior, respectively, including the following:

(1) Certain residential units occupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(2) Certain residential units unoccupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(3) Lots within the Dutch John community that are occupied on the date of enactment of this Act by privately owned modular homes under lease agreements with the Secretary of the Interior.

(4) Unoccupied platted lots within the Dutch John community.

(5) The land, comprising approximately 3.8 acres, on which is located the Church of Jesus Christ of Latter Day Saints, within Block 9, of the Dutch John community.

(6) The lands for which special use permits, easements, or rights-of-way for commercial uses have been issued by the Forest Service.

(7) The lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources, as described in the survey required under section 7, including yards and land defined by fences in existence on the date of enactment of this Act.

(8) The Dutch John landfill site, subject to such monitoring and remedial action by the United States as is necessary, with responsibility for monitoring and remediation being shared by the Secretary of Agriculture and the Secretary of the Interior proportionate to their historical use of the site.

(9) Such fixtures and furnishing in existence and in place on the date of enactment of this Act as are mutually determined by Daggett County, the Secretary of Agriculture, and the Secretary of the Interior to be necessary for the full use of properties or facilities disposed of under this Act.

(10) Such other properties or facilities at Dutch John that the Secretary of Agriculture or the Secretary of the Interior determines are not necessary to achieve the mission of the respective Secretary and the disposal of which would be consistent with this Act.

(e) RETAINED PROPERTIES.—Except to the extent the following properties are determined by the Secretary of Agriculture or the Secretary of the Interior to be available for disposal, the Secretary of Agriculture and the Secretary of the Interior shall retain for their respective use the following:

(1) All buildings and improvements located within the industrial complex of the Bureau of Reclamation, including the maintenance shop, 40 industrial garages, 2 warehouses, the equipment storage building, the flammable equipment storage building, the hazardous waste storage facility, and the property on which the buildings and improvements are located.

(2) 17 residences under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture, of which—

(A) 15 residences shall remain under the jurisdiction of the Secretary of the Interior; and

(B) 2 residences shall remain under the jurisdiction of the Secretary of Agriculture.

(3) The Dutch John water system raw water supply line and return line between the power plant and the water treatment plant, pumps and pumping equipment, and any appurtenances and rights-of-way to the line and other facilities, with the retained facilities to be operated and maintained by the United States with pumping costs and operation and maintenance costs of the pumps to be included as a cost to Daggett County in a water service contract.

(4) The heliport and associated real estate, consisting of approximately 20 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(5) The Forest Service warehouse complex and associated real estate, consisting of approximately 2 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(6) The Forest Service office complex and associated real estate, which shall remain under the jurisdiction of the Secretary of Agriculture.

(7) The United States Post Office, pursuant to Forest Service Special Use Permit No. 1073, which shall be transferred to the jurisdiction of the United States Postal Service pursuant to section 6(d).

SEC. 5. REVOCATION OF WITHDRAWALS.

In the case of lands and properties transferred under section 4, effective on the date of transfer to the Secretary of the Interior (if applicable) or conveyance by quitclaim deed out of Federal ownership, authorization for each of the following withdrawals is revoked:

(1) The Public Water Reserve No. 16, Utah No. 7, dated March 9, 1914.

(2) The Secretary of the Interior Order dated October 20, 1952.

(3) The Secretary of the Interior Order dated July 2, 1956, No. 71676.

(4) The Flaming Gorge National Recreation Area, dated October 1, 1968, established under Public Law 90–540 (16 U.S.C. 460v et seq.), as to lands described in section 4(b).

(5) The Dutch John Administrative Site, dated December 12, 1951 (PLO 769, U–0611).

SEC. 6. TRANSFER OF JURISDICTION.

(a) TRANSFERS FROM THE SECRETARY OF AGRICULTURE.—Except for properties retained under section 4(e), all lands designated under section 4 for disposal shall be—

(1) transferred from the jurisdiction of the Secretary of Agriculture to the Secretary of the Interior and, if appropriate, the United States Postal Service; and

(2) removed from inclusion in the Ashley National Forest and the Flaming Gorge National Recreation Area.

(b) TRANSFERS FROM THE SECRETARY OF THE INTERIOR.—

(1) IN GENERAL.—The Secretary of the Interior shall transfer to the Secretary of Agriculture administrative jurisdiction over certain lands and interests in land described in paragraph (2), containing approximately 2,167 acres located in Duchesne and Wasatch Counties, Utah, acquired by the Secretary of the Interior for the Central Utah Project.

(2) LAND DESCRIPTION.—The lands referred to in paragraph (1) are lands indicated on the maps generally depicting—

(A) the Dutch John transfer of the Ashley National Forest to the State of Utah, dated February 1997;

(B) the Dutch John transfer of the Uinta National Forest to the State of Utah, dated February 1997;

(C) lands to be transferred to the Forest Service: Lower Stillwater Properties;

(D) lands to be transferred to the Forest Service: Red Hollow (Diamond Properties); and

(E) lands to be transferred to the Forest Service: Coal Mine Hollow (Current Creek Reservoir).

(3) STATUS OF LANDS.—

(A) NATIONAL FORESTS.—The lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) shall become part of the Ashley or Uinta National Forest, as appropriate. The Secretary of Agriculture shall adjust the boundaries of each of the National Forests to reflect the additional lands.

(B) MANAGEMENT.—The transferred lands shall be managed in accordance with the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 962, chapter 186; 16 U.S.C. 515 et seq.) and other laws (including rules and regulations) applicable to the National Forest System.

(C) WILDLIFE MITIGATION.—As of the date of the transfer under paragraph (1), the wildlife mitigation requirements of section 8 of the Act of April 11, 1956 (43 U.S.C. 620g), shall be deemed to be met.

(D) ADJUSTMENT OF BOUNDARIES.—This paragraph does not limit the authority of the Secretary of Agriculture to adjust the boundaries of the Ashley or Uinta National Forest pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 963, chapter 186; 16 U.S.C. 521).

(4) LAND AND WATER CONSERVATION FUND.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), the boundaries of the Ashley and Uinta National Forests, as adjusted under this section, shall be considered to be the boundaries of the Forests as of January 1, 1965.

(c) FEDERAL IMPROVEMENTS.—The Secretary of the Interior shall transfer to the Secretary of Agriculture jurisdiction over Federal improvements to the lands transferred under this section.

(d) TRANSFERS FROM THE SECRETARY OF AGRICULTURE.—The Secretary of Agriculture shall transfer to the United States Postal Service administrative jurisdiction over certain lands and interests in land subject to Forest Service Special Use Permit No. 1073, containing approximately 0.34 acres.

(e) WITHDRAWALS.—Notwithstanding subsection (a), lands retained by the Federal Government under this Act shall continue to be withdrawn from mineral entry under the United States mining laws.

SEC. 7. SURVEYS.

The Secretary of the Interior shall survey or resurvey all or portions of the Dutch John community as necessary—

(1) to accurately describe parcels identified under this Act for transfer among agencies, for Federal disposal, or for retention by the United States; and

(2) to facilitate future recordation of title.

SEC. 8. PLANNING.

(a) RESPONSIBILITY.—In cooperation with the residents of Dutch John, the Secretary of Agriculture, and the Secretary of the Interior, Daggett County, Utah, shall be responsible for developing a land use plan that is consistent with maintenance of the values of the land that is adjacent to land that remains under the jurisdiction of the Secretary of Agriculture or Secretary of the Interior under this Act.

(b) COOPERATION.—The Secretary of Agriculture and the Secretary of the Interior shall cooperate with Daggett County in ensuring that disposal processes are consistent with the land use plan developed under subsection (a) and with this Act.

SEC. 9. APPRAISALS.

(a) REQUIREMENTS.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall conduct appraisals to determine the fair market value of properties designated for disposal under paragraphs (1), (2), (3), (5), and (7) of section 4(d).

(2) UNOCCUPIED PLATTED LOTS.—Not later than 90 days after the date of receipt by the Secretary of the Interior from an eligible purchaser of a written notice of intent to purchase an unoccupied platted lot referred to in section 4(d)(4), the Secretary of the Interior shall conduct an appraisal of the lot.

(3) SPECIAL USE PERMITS.—

(A) IN GENERAL.—Not later than 90 days after the date of receipt by the Secretary of the Interior from a permit holder of a written notice of intent to purchase a property described in section 10(g), the Secretary of the Interior shall conduct an appraisal of the property.

(B) IMPROVEMENTS AND ALTERNATIVE LAND.—An appraisal to carry out subparagraph (A) may include an appraisal of the value of permit holder improvements and alternative land in order to conduct an in-lieu land sale.

(4) OCCUPIED PARCELS.—In the case of an occupied parcel, an appraisal under this subsection shall include an appraisal of the full fee value of the occupied lot or land parcel and the value of residences, structures, facilities, and existing, in-place federally owned fixtures and furnishings necessary for full use of the property.

(5) UNOCCUPIED PARCELS.—In the case of an unoccupied parcel, an appraisal under this subsection shall consider potential future uses of the parcel that are consistent with the land use plan developed under section 8(a) (including the land use map of the plan) and with subsection (c).

(6) FUNDING.—Funds for appraisals conducted under this section shall be derived from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d).

(b) REDUCTIONS FOR IMPROVEMENTS.—An appraisal of a residence or a structure or facility leased for private use under this section shall deduct the contributory value of improvements made by the current occupant or lessee if the occupant or lessee provides reasonable evidence of expenditure of money or materials in making the improvements.

(c) CURRENT USE.—An appraisal under this section shall consider the current use of a property (including the use of housing as a community residence) and avoid uncertain speculation as to potential future use.

(d) REVIEW.—

(1) IN GENERAL.—The Secretary of the Interior shall make an appraisal under this section available for review by a current occupant or lessee.

(2) ADDITIONAL INFORMATION OR APPEAL.—

(A) IN GENERAL.—The current occupant or lessee may provide additional information, or appeal the findings of the appraisal in writing, to the Upper Colorado Regional Director of the Bureau of Reclamation.

(B) ACTION BY SECRETARY OF THE INTERIOR.—The Secretary of the Interior—

(i) shall consider the additional information or appeal; and

(ii) may conduct a second appraisal if the Secretary determines that a second appraisal is necessary.

(e) INSPECTION.—The Secretary of the Interior shall provide opportunities for other qualified, interested purchasers to inspect completed appraisals under this section.

SEC. 10. DISPOSAL OF PROPERTIES.

(a) CONVEYANCES.—

(1) PATENTS.—The Secretary of the Interior shall dispose of properties identified for disposal under section 4, other than properties retained under section 4(e), without regard to law governing patents.

(2) CONDITION AND LAND.—Except as otherwise provided in this Act, conveyance of a building, structure, or facility under this Act shall be in its current condition and shall include the land parcel on which the building, structure, or facility is situated.

(3) FIXTURES AND FURNISHINGS.—An existing and in-place fixture or furnishing necessary for the full use of a property or facility under this Act shall be conveyed along with the property.

(4) MAINTENANCE.—

(A) BEFORE CONVEYANCE.—Before property is conveyed under this Act, the Secretary of the Interior shall ensure reasonable and prudent maintenance and proper care of the property.

(B) AFTER CONVEYANCE.—After property is conveyed to a recipient under this Act, the recipient shall be responsible for—

(i) maintenance and proper care of the property; and

(ii) any contamination of the property.

(b) INFRASTRUCTURE FACILITIES AND LAND.—Infrastructure facilities and land described in paragraphs (1) and (2) of section 4(c) shall be conveyed, without consideration, to Daggett County, Utah.

(c) SCHOOL.—The lands on which are located the Dutch John public schools described in section 4(c)(3) shall be conveyed, without consideration, to the Daggett County School District.

(d) UTAH DIVISION OF WILDLIFE RESOURCES.—Lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources described in section 4(d)(7) shall be conveyed, without consideration, to the Division.

(e) RESIDENCES AND LOTS.—

(1) IN GENERAL.—

(A) FAIR MARKET VALUE.—A residence and occupied residential lot to be disposed of under this Act shall be sold for the appraised fair market value.

(B) NOTICE.—The Secretary of the Interior shall provide local general public notice, and written notice to lessees and to current occupants of residences and of occupied residential lots for disposal, of the intent to sell properties under this Act.

(2) PURCHASE OF RESIDENCES OR LOTS BY LESSEES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Interior shall provide a holder of a current lease from the Secretary for a residence to be sold under paragraph (1) or (2) of section 4(d) or for a residential lot occupied by a privately owned dwelling described in section 4(d)(3) a period of 180 days beginning on the date of the written notice of the Secretary of intent of the Secretary to sell the residence or lot, to execute a contract with the Secretary of the Interior to purchase the residence or lot for the appraised fair market value.

(B) NOTICE OF INTENT TO PURCHASE.—To obtain the protection of subparagraph (A), the lessee shall, during the 30-day period beginning on the date of receipt of the notice referred to in subparagraph (A), notify the Secretary in writing of the intent of the lessee to purchase the residence or lot.

(C) NO NOTICE OR PURCHASE CONTRACT.—If no written notification of intent to purchase is received by the Secretary in accordance with subparagraph (B) or if a purchase contract has not been executed in accordance with subparagraph (A), the residence or lot shall become available for purchase by other persons under paragraph (3).

(3) PURCHASE OF RESIDENCES OR LOTS BY OTHER PERSONS.—

(A) ELIGIBILITY.—If a residence or lot becomes available for purchase under paragraph (2)(C), the Secretary of the Interior shall make the residence or lot available for purchase by—

(i) a current authorized occupant of the residence to be sold;

(ii) a holder of a current reclamation lease for a residence within Dutch John;

(iii) an employee of the Bureau of Reclamation or the Forest Service who resides in Dutch John; or

(iv) a Federal or non-Federal employee in support of a Federal agency who resides in Dutch John.

(B) PRIORITY.—

(i) SENIORITY.—Priority for purchase of properties available for purchase under this paragraph shall be by seniority of reclamation lease or residency in Dutch John.

(ii) PRIORITY LIST.—The Secretary of the Interior shall compile a priority list of eligible potential purchasers that is based on the length of continuous residency in Dutch John or the length of a continuous residence lease issued by the Bureau of Reclamation in Dutch John, with the highest priority provided for purchasers with the longest continuous residency or lease.

(iii) INTERRUPTIONS.—If a continuous residency or lease was interrupted, the Secretary shall consider only that most recent continuous residency or lease.

(iv) OTHER FACTORS.—In preparing the priority list, the Secretary shall not consider a factor (including agency employment or position) other than the length of the current residency or lease.

(v) DISPUTES.—A potential purchaser may file a written appeal over a dispute involving eligibility or ranking on the priority list with the Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation. The Secretary, acting through the Regional Director, shall consider the appeal and resolve the dispute.

(C) NOTICE.—The Secretary of the Interior shall provide general public notice and written notice by certified mail to eligible purchasers that specifies—

(i) properties available for purchase under this paragraph;

(ii) the appraised fair market value of the properties;

(iii) instructions for potential eligible purchasers; and

(iv) any purchase contract requirements.

(D) NOTICE OF INTENT TO PURCHASE.—An eligible purchaser under this paragraph shall have a period of 90 days after receipt of written notification to submit to the Secretary of the Interior a written notice of intent to purchase a specific available property at the listed appraised fair market value.

(E) NOTICE OF ELIGIBILITY OF HIGHEST ELIGIBLE PURCHASER TO PURCHASE PROPERTY.—The Secretary of the Interior shall provide notice to the potential purchaser with the highest eligible purchaser priority for each property that the purchaser will have the first opportunity to execute a sales contract and purchase the property.

(F) AVAILABILITY TO OTHER PURCHASERS ON PRIORITY LIST.—If no purchase contract is executed for a property by the highest priority purchaser within the 180 days after receipt of notice under subparagraph (E), the Secretary of the Interior shall make the property available to other purchasers listed on the priority list.

(G) LIMITATION ON NUMBER OF PROPERTIES.—No household may purchase more than 1 residential property under this paragraph.

(4) RESIDUAL PROPERTY TO COUNTY.—If a residence or lot to be disposed of under this Act is not purchased in accordance with paragraph (2) or (3) within 2 years after providing the first notice of intent to sell under paragraph (1)(B), the Secretary of the Interior shall convey the residence or lot to Daggett County without consideration.

(5) ADVISORY COMMITTEE.—The Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation, may appoint a nonfunded Advisory Committee comprised of 1 representative from each of the Bureau of Reclamation, Daggett County, and the Dutch John community to review and provide advice to the Secretary on the resolution of disputes arising under this subsection and subsection (f).

(6) FINANCING.—The Secretary of the Interior shall provide advice to potential purchasers under this subsection and subsection (f) in obtaining appropriate and reasonable financing for the purchase of a residence or lot.

(f) UNOCCUPIED PLATTED LOTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary of the Interior shall make an unoccupied platted lot described in section 4(d)(4) available for sale to eligible purchasers for the appraised fair market value of the lot.

(2) CONVEYANCE FOR PUBLIC PURPOSE.—On request from Daggett County, the Secretary of the Interior may convey directly to the County without consideration a lot referred to in paragraph (1) that will be used for a public use purpose that is consistent with the land use plan developed under section 8(a).

(3) ADMINISTRATION.—The procedures established under subsection (e) shall apply to this subsection to the maximum extent practicable, as determined by the Secretary of the Interior.

(4) LAND-USE DESIGNATION.—For each lot sold under this subsection, the Secretary of the Interior shall include in the notice of intent to sell the lot provided under this subsection the land-use designation of the lot established under the land use plan developed under section 8(a).

(5) LIMITATION ON NUMBER OF LOTS.—No household may purchase more than 1 residential lot under this subsection.

(6) LIMITATION ON PURCHASE OF ADDITIONAL LOTS.—No household purchasing an existing residence under this section may purchase an additional single home, residential lot.

(7) RESIDUAL LOTS TO COUNTY.—If a lot described in paragraph (1) is not purchased in accordance with paragraphs (1) through (6) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the lot to Daggett County without consideration.

(g) SPECIAL USE PERMITS.—

(1) SALE.—Lands on which Forest Service special use permits are issued to holders numbered 4054 and 9303, Ashley National Forest, comprising approximately 15.3 acres and 1 acre, respectively, may be sold at appraised fair market value to the holder of the permit.

(2) ADMINISTRATION OF PERMITS.—On transfer of jurisdiction of the land to the Secretary of the Interior pursuant to section 6, the Secretary of the Interior shall administer the permits under the terms and conditions of the permits.

(3) NOTICE OF AVAILABILITY FOR PURCHASE.—The Secretary of the Interior shall notify the respective permit holders in writing of the availability of the land for purchase.

(4) APPRAISALS.—The Secretary of the Interior shall not conduct an appraisal of the land unless the Secretary receives a written notice of intent to purchase the land within 2 years after providing notice under paragraph (3).

(5) ALTERNATIVE PARCELS.—On request by permit holder number 9303, the Secretary of the Interior, in consultation with Daggett County, may—

(A) consider sale of a parcel within the Daggett County community of similar size and appraised value in lieu of the land under permit on the date of enactment of this Act; and

(B) provide the holder credit toward the purchase or other negotiated compensation for the appraised value of improvements of the permittee to land under permit on the date of enactment of this Act.

(6) RESIDUAL LAND TO COUNTY.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) through (5) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(h) TRANSFERS TO COUNTY.—Other land occupied by authorization of a special use permit, easement, or right-of-way to be disposed of under this Act shall be transferred to Daggett County if the holder of the authorization and the County, prior to transfer of the lands to the County—

(1) agree to and execute a legal document that grants the holder the rights and privileges provided in the existing authorization; or

(2) enter into another arrangement that is mutually satisfactory to the holder and the County.

(i) CHURCH LAND.—

(1) IN GENERAL.—The Secretary of the Interior shall offer to sell land to be disposed of under this Act on which is located an established church to the parent entity of the church at the appraised fair market value.

(2) NOTICE.—The Secretary of the Interior shall notify the church in writing of the availability of the land for purchase.

(3) RESIDUAL LAND TO COUNTY.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) and (2) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(j) RESIDUAL PROPERTIES TO COUNTY.—The Secretary of the Interior shall convey all lands, buildings, or facilities designated for disposal under this Act that are not conveyed in accordance with subsections (a) through (i) to Daggett County without consideration.

(k) WATER RIGHTS.—

(1) IN GENERAL.—Subject to the other provisions of this subsection, the Secretary of the Interior shall transfer all water rights the Secretary holds that are applicable to the Dutch John municipal water system to Daggett County.

(2) WATER SERVICE CONTRACT.—

(A) IN GENERAL.—Transfer of rights under paragraph (1) is contingent on Daggett County entering into a water service contract with the Secretary of the Interior covering payment for and delivery of untreated water to Daggett County pursuant to the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.).

(B) DELIVERED WATER.—The contract shall require payment only for water actually delivered.

(3) EXISTING RIGHTS.—Existing rights for transfer to Daggett County under this subsection include—

(A) Utah Water Right 41–2942 (A30557, Cert. No. 5903) for 0.08 cubic feet per second from a water well; and

(B) Utah Water Right 41–3470 (A30414b), an unapproved application to segregate 12,000 acre-feet per year of water from the original approved Flaming Gorge water right (41–2963) for municipal use in the town of Dutch John and surrounding areas.

(4) CULINARY WATER SUPPLIES.—The transfer of water rights under this subsection is conditioned on the agreement of Daggett County to provide culinary water supplies to Forest Service campgrounds served (on the date of enactment of this Act) by the water supply system and to Forest Service and Bureau of Reclamation facilities, at a rate equivalent to other similar uses.

(5) MAINTENANCE.—The Secretary of Agriculture and the Secretary of the Interior shall be responsible for maintenance of their respective water systems from the point of the distribution lines of the systems.

(l) SHORELINE ACCESS.—On receipt of an acceptable application, the Secretary of Agriculture shall consider issuance of a special use permit affording Flaming Gorge Reservoir public shoreline access and use within the vicinity of Dutch John in conjunction with commercial visitor facilities provided and maintained under such a permit.

(m) REVENUES.—

(1) IN GENERAL.—Except as provided in paragraph (2), all revenues derived from the sale of properties as authorized by this Act shall temporarily be deposited in a segregated interest-bearing trust account in the Treasury with the moneys on hand in the account paid to Daggett County semiannually to be used by the County for purposes associated with the provision of governmental and community services to the Dutch John community.

(2) DEPOSIT IN THE GENERAL FUND.—Of the revenues described in paragraph (1), 15.1 percent shall be deposited in the general fund of the Treasury.

SEC. 11. VALID EXISTING RIGHTS.

(a) AGREEMENTS.—

(1) IN GENERAL.—If any lease, permit, right-of-way, easement, or other valid existing right is appurtenant to land conveyed to Daggett County, Utah, under this Act, the County shall honor and enforce the right through a legal agreement entered into by the County and the holder before the date of conveyance.

(2) EXTENSION OR TERMINATION.—The County may extend or terminate an agreement under paragraph (1) at the end of the term of the agreement.

(b) USE OF REVENUES.—During such period as the County is enforcing a right described in subsection (a)(1) through a legal agreement between the County and the holder of the right under subsection (a), the County shall collect and retain any revenues due the Federal Government under the terms of the right.

(c) EXTINGUISHMENT OF RIGHTS.—If a right described in subsection (a)(1) with respect to certain land has been extinguished or otherwise protected, the County may dispose of the land.

SEC. 12. CULTURAL RESOURCES.

(a) MEMORANDA OF AGREEMENT.—Before transfer and disposal under this Act of any land that contains cultural resources and that may be eligible for listing on the National Register of Historic Places, the Secretary of Agriculture, in consultation with the Secretary of the Interior, the Utah Historic Preservation Office, and Daggett County, Utah, shall prepare a memorandum of agreement, for review and approval by the Utah Office of Historical Preservation and the Advisory Council on Historic Preservation established by title II of the National Historic Preservation Act (16 U.S.C. 470i et seq.), that contains a strategy for protecting or mitigating adverse effects on cultural resources on the land.

(b) INTERIM PROTECTION.—Until such time as a memorandum of agreement has been approved, or until lands are disposed of under this Act, the Secretary of Agriculture shall provide clearance or protection for the resources.

(c) TRANSFER SUBJECT TO AGREEMENT.—On completion of actions required under the memorandum of agreement for certain land, the Secretary of the Interior shall provide for the conveyance of the land to Daggett County, Utah, subject to the memorandum of agreement.

SEC. 13. TRANSITION OF SERVICES TO LOCAL GOVERNMENT CONTROL.

(a) ASSISTANCE.—

(1) IN GENERAL.—The Secretary of the Interior shall provide training and transitional operating assistance to personnel designated by Daggett County, Utah, as successors to the operators for the Secretary of the infrastructure facilities described in section 4(c).

(2) DURATION OF TRAINING.—With respect to an infrastructure facility, training under paragraph (1) shall continue for such period as is necessary for the designated personnel to demonstrate reasonable capability to safely and efficiently operate the facility, but not to exceed 2 years.

(3) CONTINUING ASSISTANCE.—The Secretary shall remain available to assist with resolving questions about the original design and installation, operating and maintenance needs, or other aspects of the infrastructure facilities.

(b) TRANSITION COSTS.—For the purpose of defraying costs of transition in administration and provision of basic community services, an annual payment of $300,000 (as adjusted by the Secretary for changes in the Consumer Price Index for all-urban consumers published by the Department of Labor) shall be provided from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d), to Daggett County, Utah, or, in accordance with subsection (c), to Dutch John, Utah, for a period not to exceed 15 years beginning the first January 1 that occurs after the date of enactment of this Act.

(c) DIVISION OF PAYMENT.—If Dutch John becomes incorporated and become responsible for operating any of the infrastructure facilities referred to in subsection (a)(1) or for providing other basic local governmental services, the payment amount for the year of incorporation and each following year shall be proportionately divided between Daggett County and Dutch John based on the respective costs paid by each government for the previous year to provide the services.

(d) ELECTRIC POWER.—

(1) AVAILABILITY.—The United States shall make available electric power and associated energy from the Colorado River Storage Project for the Dutch John community.

(2) AMOUNT.—The amount of electric power and associated energy made available under paragraph (1) shall not exceed 1,000,000 kilowatt-hours per year.

(3) RATES.—The rates for power and associated energy shall be the firm capacity and energy rates of the Salt Lake City Area/Integrated Projects.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

(a) RESOURCE RECOVERY AND MITIGATION.—There are authorized to be appropriated to the Secretary of Agriculture, out of nonpower revenues to the Federal Government from land transferred under this Act, such sums as are necessary to implement such habitat, sensitive resource, or cultural resource recovery, mitigation, or replacement strategies as are developed with respect to land transferred under this Act, except that the strategies may not include acquisition of privately owned lands in Daggett County.

(b) OTHER SUMS.—In addition to sums made available under subsection (a), there are authorized to be appropriated such sums as are necessary to carry out this Act.

The committee amendment was agreed to.

The bill (S. 890), as amended, was considered read the third time and passed.

IRRIGATION PROJECT CONTRACT EXTENSION ACT OF 1998

The Senate proceeded to consider the bill (S. 1398) to extend certain contracts between the Bureau of Reclamation and irrigation water contractors in Wyoming and Nebraska that receive water from Glendo Reservoir, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Irrigation Project Contract Extension Act of 1998".

SEC. 2. EXTENSION OF CONTRACTS.

(a) IN GENERAL.—The Secretary of the Interior shall extend each of the water service or repayment contracts for the Glendo Unit of the Missouri River Basin Project identified in subsection (c) until December 31, 2000.

(b) EXTENSIONS COTERMINOUS WITH COOPERATIVE AGREEMENT.—If the cooperative agreement entitled "Cooperative Agreement for Platte River Research and other Efforts Relating to Endangered Species Habitats Along the Central Platte River, Nebraska", entered into by the Governors of the States of Wyoming, Nebraska, and Colorado and the Secretary of the Interior, is extended for a term beyond December 31, 2000, the contracts identified in subsection (c) shall be extended for the same term, but not to go beyond December 31, 2001. If the cooperative

agreement terminates prior to December 31, 2000, the contracts identified in subsection (c) shall be subject to renewal on the date that the cooperative agreement terminates.

(c) CONTRACTS.—The contracts identified in this subsection are—

(1) the contract between the United States and the New Grattan Ditch Company for water service from Glendo Reservoir (Contract No. 14–06–700–7591), dated March 7, 1974;

(2) the contract between the United States and Burbank Ditch for water service from Glendo Reservoir (Contract No. 14–06–700–6614), dated May 23, 1969;

(3) the contract between the United States and the Torrington Irrigation District for water service from Glendo Reservoir (Contract No. 14–06–700–1771), dated July 14, 1958;

(4) the contract between the United States and the Lucerne Canal and Power Company for water service from Glendo Reservoir (Contract No. 14–06–700–1740, as amended), dated June 12, 1958, and amended June 10, 1960;

(5) the contract between the United States and the Wright and Murphy Ditch Company for water service from Glendo Reservoir (Contract No. 14–06–700–1741), dated June 12, 1958;

(6) the contract between the United States and the Bridgeport Irrigation District for water service from Glendo Reservoir (Contract No. 14–06–700–8376, renumbered 6–07–70–W0126), dated July 9, 1976;

(7) the contract between the United States and the Enterprises Irrigation District for water service from Glendo Reservoir (Contract No. 14–06–700–1742), dated June 12, 1958;

(8)(A) the contract between the United States and the Mitchell Irrigation District for an increase in carryover storage capacity in Glendo Reservoir (Contract No. 14–06–700–1743, renumbered 8–07–70–W0056 Amendment No. 1), dated March 22, 1985; and

(B) the contract between the United States and the Mitchell Irrigation District for water service from Glendo Reservoir (Contract No. 14–06–700–1743, renumbered 8–07–70–W0056) dated June 12, 1958; and

(9) the contract between the United States and the Central Nebraska Public Power and Irrigation District for repayment of allocated irrigation costs of Glendo Reservoir (Contract No. 5–07–70–W0734), dated December 31, 1984.

(d) STATUTORY CONSTRUCTION.—Nothing in this section precludes the Secretary of the Interior from making an extension under subsection (a) or (b) in the form of annual extensions.

The committee amendment was agreed to.

The bill (S. 1398), as amended, was considered read the third time and passed.

FEDERAL POWER ACT EXTENSION

The bill (S. 2171) to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2171

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF DEADLINES.

Notwithstanding the time limitations of section 13 of the Federal Power Act (16 U.S.C. 806), the Federal Energy Regulatory Commission, upon the request of the licensee for FERC Project No. 10455 (and after reasonable notice), is authorized, in accordance with the good faith, due diligence and public interest requirements of section 13 and the Commission's procedures under such section, to extend the time required for commencement of construction of the project for up to a maximum of three consecutive two-year periods. This section shall take effect for the project upon the expiration of the extension (issued by the Commission under section 13) of the period required for commencement of such project.

SOUTHERN NEVADA PUBLIC LAND MANAGEMENT ACT OF 1998

The bill (H.R. 449) to provide for the orderly disposal of certain Federal lands in Clark County, Nevada, and to provide for the acquisition of environmentally sensitive lands in the State of Nevada, was considered, ordered to a third reading, read the third time, and passed.

Mr. REID. Mr. President, Clark County has seen phenomenal growth over the past ten years, and is the fastest growing county in the nation. This influx of new residents has put great pressure on the infrastructure of the region, and also the recreational assets. While no one thing can solve all the problems associated with the burgeoning growth rate that has occurred, we can take steps to control and manage it. The Southern Nevada Public Land Management Act has a long history and can trace its genesis back to Congressman Jim Santini, author of the Santini-Burton Act. Former Congressman Jim Bilbray continued this initiative with the public lands task force, a process which Senator BRYAN and I continued. It is from these efforts that the bill before us has evolved, with the input of Congressmen GIBBONS and ENSIGN.

This bill takes important steps by providing for the orderly disposal of public lands in southern Nevada, providing for the acquisition of environmentally sensitive lands in the state, and providing a mechanism for local governments to offset the costs associated with development of disposed federal lands. The distribution of the proceeds from federal land sales will give the federal government 85% for the acquisition of environmentally sensitive lands in Nevada. The State will use its 5% share for general education programs, while the remaining 10% will benefit the Las Vegas Valley water treatment programs, water infrastructure development, parks, and trails.

Mr. President, as we approach the 21st century, we have to be cognizant of our future generations and the legacy that we will leave them. Any growth that occurs in a community must have coordinated planning and this measure will greatly assist with this process by providing for local government involvement. It allows state, county and city governments to manage the costs associated with the development of these lands by adding to the state education fund, as well as assisting with the future development of the southern Nevada water system and airport infrastructure. It will also assist us in protecting and preserving wild and scenic places for future generations, which are of value not just to the residents of Clark County, but to all taxpayers.

This bill has the bipartisan support of the Nevada Congressional delegation, enjoys broad-based support in Clark County, and support throughout the State. It means a great deal to me personally and I believe it will be of enormous benefit to the State of Nevada.

GRANITE WATERSHED ENHANCEMENT AND PROTECTION ACT OF 1998

The Senate proceeded to consider the bill (H.R. 2886) to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform resource management activities for that unit of the National Forest System, which had been reported from the Committee on Energy and Natural Resources, with an amendment on page 2 to strike line 20 and insert in lieu thereof "prescribed burns in the Granite watershed."

The Committee amendment was agreed to.

The bill was considered, ordered to a third reading, read the third time, and passed.

ROGUE RIVER NATIONAL FOREST

The Senate proceeded to consider the bill (H.R. 3796) to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support building for the Rogue River National and the Bureau of Land Management, which had been reported from the Committee on Energy and Natural Resources, with an amendment on page 2, line 13 to strike "provide" and insert in lieu thereof "accept."

The Committee amendment was agreed to.

The bill was considered, ordered to a third reading, read the third time, and passed.

COASTAL HERITAGE TRAIL ROUTE

The bill (S. 1016) to amend the Elementary and Secondary Education Act of 1965 regarding charter schools, was considered, ordered to be engrossed for third reading, read the third time, and passed; as follows:

S. 1016

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

Section 6 of Public Law 100-515 (16 U.S.C. 1244 note) is amended—

(1) in subsection (b)(1), by striking "$1,000,000" and inserting "$4,000,000"; and

(2) in subsection (c), by striking "five" and inserting "10".

LOWER EAST SIDE TENEMENT NATIONAL HISTORIC SITE ACT OF 1997

The bill (S. 1408) to establish the Lower East Side Tenement National Historic Site, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Lower East Side Tenement National Historic Site Act of 1997".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1)(A) immigration, and the resulting diversity of cultural influences, is a key factor in defining the identity of the United States; and

(B) many United States citizens trace their ancestry to persons born in nations other than the United States;

(2) the latter part of the 19th century and the early part of the 20th century marked a period in which the volume of immigrants coming to the United States far exceeded that of any time prior to or since that period;

(3) no single identifiable neighborhood in the United States absorbed a comparable number of immigrants than the Lower East Side neighborhood of Manhattan in New York City;

(4) the Lower East Side Tenement at 97 Orchard Street in New York City is an outstanding survivor of the vast number of humble buildings that housed immigrants to New York City during the greatest wave of immigration in American history;

(5) the Lower East Side Tenement is owned and operated as a museum by the Lower East Side Tenement Museum;

(6) the Lower East Side Tenement Museum is dedicated to interpreting immigrant life within a neighborhood long associated with the immigrant experience in the United States, New York City's Lower East Side, and its importance to United States history; and

(7)(A) the Director of the National Park Service found the Lower East Side Tenement at 97 Orchard Street to be nationally significant; and

(B) the Secretary of the Interior declared the Lower East Side Tenement a National Historic Landmark on April 19, 1994; and

(C) the Director of the National Park Service, through a special resource study, found the Lower East Side Tenement suitable and feasible for inclusion in the National Park System.

(b) PURPOSES.—The purposes of this Act are—

(1) to ensure the preservation, maintenance, and interpretation of this site and to interpret at the site the themes of immigration, tenement life in the latter half of the 19th century and the first half of the 20th century, the housing reform movement, and tenement architecture in the United States;

(2) to ensure continued interpretation of the nationally significant immigrant phenomenon associated with New York City's Lower East Side and the Lower East Side's role in the history of immigration to the United States; and

(3) to enhance the interpretation of the Castle Clinton, Ellis Island, and Statue of Liberty National Monuments.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) HISTORIC SITE.—The term "historic site" means the Lower East Side Tenement found at 97 Orchard Street on Manhattan Island in City of New York, State of New York, and designated as a national historic site by section 4.

(2) MUSEUM.—The term "Museum" means the Lower East Side Tenement Museum, a nonprofit organization established in City of New York, State of New York, which owns and operates the tenement building at 97 Orchard Street and manages other properties in the vicinity of 97 Orchard Street as administrative and program support facilities for 97 Orchard Street.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 4. ESTABLISHMENT OF HISTORIC SITE.

(a) IN GENERAL.—To further the purposes of this Act and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.), the Lower East Side Tenement at 97 Orchard Street, in the City of New York, State of New York, is designated a national historic site.

(b) COORDINATION WITH NATIONAL PARK SYSTEM.—

(1) AFFILIATED SITE.—The historic site shall be an affiliated site of the National Park System.

(2) COORDINATION.—The Secretary, in consultation with the Museum, shall coordinate the operation and interpretation of the historic site with the Statue of Liberty National Monument, Ellis Island National Monument, and Castle Clinton National Monument. The historic site's story and interpretation of the immigrant experience in the United States is directly related to the themes and purposes of these National Monuments.

(c) OWNERSHIP.—The historic site shall continue to be owned, operated, and managed by the Museum.

SEC. 5. MANAGEMENT OF THE SITE.

(a) COOPERATIVE AGREEMENT.—The Secretary may enter into a cooperative agreement with the Museum to ensure the marking, interpretation, and preservation of the national historic site designated by section 4(a).

(b) TECHNICAL AND FINANCIAL ASSISTANCE.—The Secretary may provide technical and financial assistance to the Museum to mark, interpret, and preserve the historic site, including making preservation-related capital improvements and repairs.

(c) GENERAL MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary, in consultation with the Museum, shall develop a general management plan for the historic site that defines the role and responsibility of the Secretary with regard to the interpretation and the preservation of the historic site.

(2) INTEGRATION WITH NATIONAL MONUMENTS.—The plan shall outline how interpretation and programming for the historic site shall be integrated and coordinated with the Statue of Liberty National Monument, Ellis Island National Monument, and Castle Clinton National Monument to enhance the story of the historic site and these National Monuments.

(3) COMPLETION.—The plan shall be completed not later than 2 years after the date of enactment of this Act.

(d) LIMITED ROLE OF SECRETARY.—Nothing in this Act authorizes the Secretary to acquire the property at 97 Orchard Street or to assume overall financial responsibility for the operation, maintenance, or management of the historic site.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

FORT DAVIS NATIONAL HISTORIC SITE

The bill (S. 1990) to authorize expansion of Fort Davis National Historic Site in Fort Davis, Texas, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 1990

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXPANSION OF FORT DAVIS NATIONAL HISTORIC SITE, FORT DAVIS, TEXAS.

The first section of the Act entitled "An Act authorizing the establishment of a national historic site at Fort Davis, Jeff Davis County, Texas", approved September 8, 1961 (75 Stat. 488; 16 U.S.C. 461 note), is amended by striking "not to exceed four hundred and sixty acres" and inserting "not to exceed 476 acres".

CENTRAL HIGH SCHOOL NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (S. 2232) to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the 1954 U.S. Supreme Court decision of Brown v. Board of Education, which mandated an end to the segregation of public schools, was one of the most significant Court decisions in the history of the United States;

(2) the admission of nine African-American students, known as the "Little Rock Nine", to Little Rock's Central High School as a result of the Brown decision, was the most prominent national example of the implementation of the Brown decision, and served as a catalyst for the integration of other, previously segregated public schools in the United States;

(3) 1997 marked the 70th anniversary of the construction of Central High School, which has been named by the American Institute of Architects as "the most beautiful high school building in America";

(4) Central High School was included on the National Register of Historic Places in 1977 and

designated by the Secretary of the Interior as a National Historic Landmark in 1982 in recognition of its national significance in the development of the Civil Rights movement in the United States; and

(5) the designation of Little Rock Central High School as a unit of the National Park System will recognize the significant role the school played in the desegregation of public schools in the South and will interpret for future generations the events associated with early desegregation of southern schools.

(b) PURPOSE.—The purpose of this Act is to preserve, protect, and interpret for the benefit, education, and inspiration of present and future generations, Central High School in Little Rock, Arkansas, and its role in the integration of public schools and the development of the Civil Rights movement in the United States.

SEC. 2. ESTABLISHMENT OF CENTRAL HIGH SCHOOL NATIONAL HISTORIC SITE.

(a) ESTABLISHMENT.—The Little Rock Central High School National Historic Site in the State of Arkansas (hereinafter referred to as the "historic site") is hereby established as a unit of the National Park System. The historic site shall consist of lands and interests therein comprising the Central High School campus and adjacent properties in Little Rock, Arkansas, as generally depicted on a map entitled "Proposed Little Rock Central High School National Historic Site", numbered LIRO–20,000 and dated July, 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(b) ADMINISTRATION OF HISTORIC SITE.—The Secretary of the Interior (hereinafter referred to as the "Secretary") shall administer the historic site in accordance with this Act. Only those lands under the direct jurisdiction of the Secretary shall be administered in accordance with the provisions of law generally applicable to units of the National Park System including the Act of August 25, 1916 (16 U.S.C. 1, 2–4) and the Act of August 21, 1935 (16 U.S.C. 461–467). Nothing in this Act shall affect the authority of the Little Rock School District to administer Little Rock Central High School nor shall this Act affect the authorities of the City of Little Rock in the neighborhood surrounding the school.

(c) COOPERATIVE AGREEMENTS.—(1) The Secretary may enter into cooperative agreements with appropriate public and private agencies, organizations, and institutions (including, but not limited to, the State of Arkansas, the City of Little Rock, the Little Rock School District, Central High Museum, Inc., Central High Neighborhood, Inc., or the University of Arkansas) in furtherance of the purposes of this Act.

(2) The Secretary shall coordinate visitor interpretation of the historic site with the Little Rock School District and the Central High School Museum, Inc.

(d) GENERAL MANAGEMENT PLAN.—Within three years after the date funds are made available, the Secretary shall prepare a general management plan for the historic site. The plan shall be prepared in consultation and coordination with the Little Rock School District, the City of Little Rock, Central High Museum, Inc., and with other appropriate organizations and agencies. The plan shall identify specific roles and responsibilities for the National Park Service in administering the historic site, and shall identify lands or property, if any, that might be necessary for the National Park Service to acquire in order to carry out its responsibilities. The plan shall also identify the roles and responsibilities of other entities in administering the historic site and its programs. The plan shall include a management framework that ensures the administration of the historic site does not interfere with the continuing use of Central High School as an educational institution.

(e) ACQUISITION OF PROPERTY.—The Secretary is authorized to acquire by purchase with donated or appropriated funds by exchange, or donation the lands and interested therein located within the boundaries of the historic site: Provided, That the Secretary may only acquire lands or interests therein within the consent of the owner thereof: Provided further, That lands or interests therein owned by the State of Arkansas or a political subdivision thereof, may only be acquired by donation or exchange.

SEC. 3. DESEGREGATION IN PUBLIC EDUCATION THEME STUDY.

(a) THEME STUDY.—Within two years after the date funds are made available, the Secretary shall prepare and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a National Historic Landmark Theme Study (hereinafter referred to as the "theme study") on the history of desegregation in public education. The purpose of the theme study shall be to identify sites, districts, buildings, structures, and landscapes that best illustrate or commemorate key events or decisions in the historical movement to provide for racial desegregation in public education. On the basis of the theme study, the Secretary shall identify possible new national historic landmarks appropriate to this theme and prepare a list in order of importance or merit of the most appropriate sites for national historic landmark designation.

(b) OPPORTUNITIES FOR EDUCATION AND RESEARCH.—The theme study shall identify appropriate means to establish linkages between sites identified in subsection (a) and between those sites and the Central High School National Historic Site established in section 2, and with other existing units of the National Park System to maximize opportunities for public education and scholarly research on desegregation in public education. The theme study also shall recommend opportunities for cooperative arrangements with State and local governments, educational institutions, local historical organizations, and other appropriate entities to preserve and interpret key sites in the history of desegregation in public education.

(c) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with one or more educational institutions, public history organizations, or civil rights organizations knowledgeable about desegregation in public education to prepare the theme study and to ensure that the theme study meets scholarly standards.

(d) THEME STUDY COORDINATION WITH GENERAL MANAGEMENT PLAN.—The theme study shall be prepared as part of the preparation and development of the general management plan for the Little Rock Central High School National Historic Site established in section 2.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be necessary to carry out this Act.

The Committee amendment was agreed to.

The bill (S. 2232), as amended, was considered read the third time and passed.

LAND AND WATER CONSERVATION FUND ACT AMENDMENTS

The Senate proceeded to consider the bill (S. 1333) to amend the Land and Water Conservation Fund Act of 1965 to allow national park units that cannot charge entrance or admission fee to retain other fees and charges, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. USE OF CERTAIN RECREATIONAL FEES.

Section 4(i)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l-6a(i)(1)) is amended by adding at the end the following:

"(C) UNITS AT WHICH ENTRANCE FEES OR ADMISSIONS FEES CANNOT BE COLLECTED.—

"(i) WITHHOLDING OF AMOUNTS.—Notwithstanding subparagraph (A), section 315(c) of section 101(c) of the Omnibus Consolidated Recessions and Appropriations Act of 1996 (16 U.S.C. 460l–6a note; Public Law 104–134), or section 107 of the Department of the Interior and Related Agencies Appropriations Act, 1998 (16 U.S.C. 460l–6a note; Public Law 105–83), the Secretary of the Interior shall withhold from the special account under subparagraph (A) 100 percent of the fees and charges collected in connection with any unit of the National Park System at which entrance fees or admission fees cannot be collected by reason of deed restrictions.

"(ii) USE OF AMOUNTS.—Amounts withheld under clause (i) shall be retained by the Secretary and shall be available, without further Act of appropriation, for expenditure by the Secretary for the unit with respect to which the amounts were collected for the purposes of enhancing the quality of the visitor experience, protection of resources, repair and maintenance, interpretation, signage, habitat or facility enhancement, resource preservation, annual operation (including fee collection), maintenance, and law enforcement."

The Committee amendment was agreed to.

The bill (S. 1333), as amended, was considered read the third time and passed.

DELAWARE AND LEHIGH NATIONAL HERITAGE CORRIDOR ACT AMENDMENTS OF 1998

The Senate proceeded to consider the bill (S. 1665) to reauthorize the Delaware and Lehigh Navigation Canal National Heritage Corridor Act, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Delaware and Lehigh National Heritage Corridor Act Amendments of 1998".

SEC. 2. NAME CHANGE.

The Delaware and Lehigh Navigation Canal National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4552) is amended by striking "Delaware and Lehigh Navigation Canal National Heritage Corridor" each place it appears (except section 4(a)) and inserting "Delaware and Lehigh National Heritage Corridor".

SEC. 3. PURPOSE.

Section 3(b) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4552) is amended—

(1) by inserting after "subdivisions" the following: "in enhancing economic development within the context of preservation and"; and

(2) by striking "and surrounding the Delaware and Lehigh Navigation Canal in the Commonwealth" and inserting "the Corridor".

SEC. 4. CORRIDOR COMMISSION.

(a) MEMBERSHIP.—Section 5(b) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4553) is amended—

(1) in the matter preceding paragraph (1), by striking "appointed not later than 6 months after the date of enactment of this Act";

(2) by striking paragraph (2) and inserting the following:

["(2) 3 individuals appointed by the Secretary from among individuals recommended by the Governor, of whom—]

"(2) 3 individuals appointed by the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent the Pennsylvania Department of Conservation and Natural Resources;

"(B) 1 shall represent the Pennsylvania Department of Community and Economic Development; and

"(C) 1 shall represent the Pennsylvania Historical and Museum Commission.";

(3) in paragraph (3), by striking "the Secretary, after receiving recommendations from the Governor, of whom" and all that follows through "Delaware Canal region" and inserting the follow-
[ing: "the Secretary from among individuals recommended by the Governor, of whom—]
ing: "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent a city, 1 shall represent a borough, and 1 shall represent a township; and

"(B) 1 shall represent each of the 5 counties of Luzerne, Carbon, Lehigh, Northampton, and Bucks in Pennsylvania"; and

(4) in paragraph (4)—

(A) by striking "8 individuals" and inserting "9 individuals"; and

(B) by striking "the Secretary, after receiving recommendations from the Governor, who shall have" and all that follows through "Canal region. A vacancy" and inserting the [following: "the Secretary from among individuals recommended by the Governor, of whom—]
following, "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 3 shall represent the northern region of the Corridor;

"(B) 3 shall represent the middle region of the Corridor; and

"(C) 3 shall represent the southern region of the Corridor.
A vacancy".

(b) TERMS.—Section 5 of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4553) is amended by striking subsection (c) and inserting the following:

"(c) TERMS.—The following provisions shall apply to a member of the Commission appointed under paragraph (3) or (4) of subsection (b):

"(1) LENGTH OF TERM.—The member shall serve for a term of 3 years.

"(2) CARRYOVER.—The member shall serve until a successor is appointed by the Secretary.

"(3) REPLACEMENT.—If the member resigns or is unable to serve due to incapacity or death, the Secretary shall appoint, not later than 60 days after receiving a nomination of the appointment from the Governor, a new member to serve for the remainder of the term.

"(4) TERM LIMITS.—A member may serve for not more than 2 full terms starting after the date of enactment of this paragraph.".

[(c) CONFIRMATION.—Section 5 of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4553) is amended by adding at the end the following:

["(h) CONFIRMATION.—The Secretary shall accept or reject an appointment under paragraph (3) or (4) of subsection (b) not later than 60 days after receiving a nomination of the appointment from the Governor.".]

SEC. 5. POWERS OF THE COMMISSION.

(a) CONVEYANCE OF REAL ESTATE.—Section 7(g)(3) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4555) is amended in the first sentence by inserting "or nonprofit organization" after "appropriate public agency".

(b) COOPERATIVE AGREEMENTS.—Section 7(h) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4555) is amended—

(1) in the first sentence, by inserting "any nonprofit organization," after "subdivision of the Commonwealth,"; and

(2) in the second sentence, by inserting "such nonprofit organization," after "such political subdivision,".

[(c) GRANTS AND LOANS.—Section 7 of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4554) is amended—

[(1) by redesignating subsection (i) as subsection (j); and

[(2) by inserting after subsection (h) the following:

["(i) GRANTS AND LOANS.—The Commission may administer any grant or loan from amounts—

["(1) appropriated to the Commission for the purpose of providing a grant or loan; or

["(2) donated or otherwise made available to the Commission for the purpose of providing a grant or loan.".]

SEC. 6. DUTIES OF THE COMMISSION.

Section 8(b) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4556) is amended in the matter preceding paragraph (1) by inserting ", cultural, natural, recreational, and scenic" after "interpret the historic".

SEC. 7. TERMINATION OF THE COMMISSION.

Section 9(a) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4556) is amended by striking "5 years after the date of enactment of this Act" and inserting "10 years after the date of enactment of the Delaware and Lehigh National Heritage Corridor Act Amendments of 1997".

SEC. 8. DUTIES OF OTHER FEDERAL ENTITIES.

Section 11 of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4557) is amended in the matter preceding paragraph (1) by striking "the flow of the Canal or the natural" and [inserting "the historic, cultural, natural, recreational, or scenic".]
inserting "directly affecting the purposes of the Corridor".

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—Section 12(a) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4558) is amended by striking "$350,000" and inserting "$650,000".

(b) MANAGEMENT ACTION PLAN.—Section 12 of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4558) is amended by adding at the end the following:

"(c) MANAGEMENT ACTION PLAN.—

"(1) IN GENERAL.—To implement the management action plan created by the Commission, there is authorized to be appropriated $1,000,000 for each of fiscal years 1998 through 2007.

"(2) LIMITATION ON EXPENDITURES.—Amounts made available under paragraph (1) shall not exceed 50 percent of the costs of implementing the management action plan.".

SEC. 10. LOCAL AUTHORITY AND PRIVATE PROPERTY.

The Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4552) is amended—

(1) by redesignating section 13 as section 14; and

(2) by inserting after section 12 the following:

"SEC. 13. LOCAL AUTHORITY AND PRIVATE PROPERTY.

"The Commission shall not interfere with—

"(1) the private property rights of any person; or

"(2) any local zoning ordinance or land use plan of the Commonwealth of Pennsylvania or any political subdivision of Pennsylvania.".

SEC. 11. DUTIES OF THE SECRETARY.

Section 10(d) of the Delaware and Lehigh National Heritage Corridor Act of 1988 (Public Law 100–692; 102 Stat. 4557) is amended by striking the subsection and inserting—

"(d) TECHNICAL ASSISTANCE AND GRANTS.—The Secretary, upon request of the Commission, is authorized to provide grants and technical assistance to the Commission or units of government, nonprofit organizations, and other persons, for development and implementation of the Plan.".

The Committee amendment was agreed to

The bill (S. 1665), as amended, was read the third time and passed.

HAWAII VOLCANOES NATIONAL PARK ADJUSTMENT ACT OF 1998

The bill (S. 2129) to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2129

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hawaii Volcanoes National Park Adjustment Act of 1998".

SEC. 2. HAWAII VOLCANOES NATIONAL PARK.

The first section of the Act of June 20, 1938 (52 Stat. 781, chapter 530; 16 U.S.C. 391b), is amended by inserting before the period at the end the following: ", except for the land depicted on the map entitled 'NPS–PAC 1997HW', which may be purchased with donated or appropriated funds.".

SUDBURY, ASSABET, AND CONCORD WILD AND SCENIC RIVERS ACT

The Senate proceeded to consider the bill (S. 469) to designate a portion of the Sudbury, Assabet, and Concord Rivers as a component of the National Wild and Scenic Rivers System, which had been reported from the Committee on Energy and Natural Resources, with an amendment; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sudbury, Assabet, and Concord Wild and Scenic Rivers Act".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Title VII of Public Law 101–628—

(A) designated segments of the Sudbury, Assabet, and Concord Rivers in the Commonwealth of Massachusetts, totaling 29 river miles, for study and potential addition to the National Wild and Scenic Rivers System; and

(B) directed the Secretary of the Interior to establish the Sudbury, Assabet, and Concord River Study Committee to advise the Secretary of the Interior in conducting the study and the consideration of management alternatives should the river be included in the National Wild and Scenic Rivers System.

(2) The study determined the following river segments are eligible for inclusion in the National Wild and Scenic Rivers System based on their free-flowing condition and outstanding scenic, recreation, wildlife, cultural, and historic values:

(A) The 16.6-mile segment of the Sudbury River beginning at the Danforth Street Bridge in the town of Framingham, to its confluence with the Assabet River.

(B) The 4.4-mile segment of the Assabet River from 1,000 feet downstream from the Damon Mill Dam in the town of Concord to the confluence with the Sudbury River at Egg Rock in Concord.

(C) The 8-mile segment of the Concord River from Egg Rock at the confluence of the Sudbury and Assabet Rivers to the Route 3 bridge in the town of Billerica.

(3) The towns that directly abut the segments, including Framingham, Sudbury, Wayland, Lincoln, Concord, Bedford, Carlisle, and Billerica, Massachusetts, have each demonstrated their desire for National Wild and Scenic River Designation through town meeting votes endorsing designation.

(4) During the study, the Study Committee and the National Park Service prepared a comprehensive management plan for the segment, entitled "Sudbury, Assabet and Concord Wild and Scenic River Study, River Conservation Plan", dated March 16, 1995, which establishes objectives, standards, and action programs that will ensure long-term protection of the rivers' outstanding values and compatible management of their land and water resources.

(5) The Study Committee voted unanimously on February 23, 1995, to recommend that the Congress include these segments in the National Wild and Scenic Rivers System for management in accordance with the River Conservation Plan.

SEC. 3. DESIGNATION.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following new paragraph:

["( ) SUDBURY, ASSABET, AND CONCORD RIVERS, MASSACHUSETTS.—The 29 miles of river segments in Massachusetts consisting of the Sudbury River from the Danforth Street Bridge in Framingham downstream to its confluence with the Assabet River at Egg Rock; the Assabet River from a point 1,000 feet downstream of the Damondale Dam in Concord to its confluence with the Sudbury River at Egg Rock; and the Concord River from its origin at Egg Rock in Concord downstream to the Route 3 bridge in Billerica (in this paragraph referred to as the 'segments'), as scenic and recreational river segments. The segments shall be administered by the Secretary of the Interior in cooperation with the SUASCO River Stewardship**]**

"( ) SUDBURY, ASSABET AND CONCORD RIVERS, MASSACHUSETTS.—The 29 miles of river segments in Massachusetts, as follows—

"(A) the 14.9-mile segment of the Sudbury River beginning at the Danforth Street Bridge in the town of Framingham, downstream to the Route 2 Bridge in Concord, as a scenic river;

"(B) the 1.7-mile segment of the Sudbury River from the Route 2 Bridge downstream to its confluence with the Assabet River at Egg Rock, as a recreational river;

"(C) the 4.4-mile segment of the Assabet River beginning 1,000 feet downstream from the Damon Mill Dam in the town of Concord, to its confluence with the Sudbury River at Egg Rock in Concord; as a recreational river; and

"(D) the 8-mile segment of the Concord River from Egg Rock at the confluence of the Sudbury and Assabet Rivers downstream to the Route 3 Bridge in the town of Billerica, as a recreational river.

The segments shall be administered by the Secretary of the Interior in cooperation with the SUASCO River Stewardship Council provided for in the plan through cooperative agreements under section 10(e) between the Secretary and the Commonwealth of Massachusetts and its relevant political subdivisions (including the towns of Framingham, Wayland, Sudbury, Lincoln, Concord, Carlisle, Bedford, and Billerica). The segments shall be managed in accordance with the plan entitled 'Sudbury, Assabet and Concord Wild and Scenic River Study, River Conservation Plan' dated March 16, 1995. The plan is deemed to satisfy the requirement for a comprehensive management plan under section 3(d).".

SEC. 4. MANAGEMENT.

(a) FEDERAL ROLE.—(1) The Director of the National Park Service or his or her designee shall represent the Secretary in the implementation of the Plan and the provisions of this Act and the Wild and Scenic Rivers Act with respect to each of the segments designated by section 3, including the review of proposed federally assisted water resources projects that could have a direct and adverse effect on the values for which the segment is established, as authorized under section 7(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1278(a)).

(2) Pursuant to sections 10(e) and section 11(b)(1) of the Wild and Scenic Rivers Act (16 U.S.C. 1281(e), 1282(b)(1)), the Director shall offer to enter into cooperative agreements with the Commonwealth of Massachusetts, its relevant political subdivisions, the Sudbury Valley Trustees, and the Organization for the Assabet River. Such cooperative agreements shall be consistent with the Plan and may include provisions for financial or other assistance from the United States to facilitate the long-term protection, conservation, and enhancement of each of the segments designated by section 3 of this Act.

(3) The Director may provide technical assistance, staff support, and funding to assist in the implementation of the Plan, except that the total cost to the Federal Government of activities to implement the Plan may not exceed $100,000 each fiscal year.

(4) Notwithstanding section 10(c) of the Wild and Scenic Rivers Act (16 U.S.C. 1281(c)), any portion of a segment not already within the National Park System shall not under this Act—

(A) become a part of the National Park System;

(B) be managed by the National Park Service; or

(C) be subject to regulations which govern the National Park System.

(b) WATER RESOURCES PROJECTS.—(1) In determining whether a proposed water resources project would have a direct and adverse effect on the values for which the segments designated under section 3 were included in the National Wild and Scenic Rivers System, the Secretary shall specifically consider the extent to which the project is consistent with the Plan.

(2) The Plan, including the detailed Water Resources Study incorporated by reference therein and such additional analysis as may be incorporated in the future, shall serve as the primary source of information regarding the flows needed to maintain instream resources and potential compatibility between resource protection and possible additional water withdrawals.

(c) LAND MANAGEMENT.—(1) The zoning bylaws of the towns in Framingham, Sudbury, Wayland, Lincoln, Concord, Carlisle, Bedford, and Billerica, Massachusetts, as in effect on the date of enactment of this Act, are deemed to satisfy the standards and requirements under section 6(c) of the Wild and Scenic rivers Act (16 U.S.C. 1277(c)). For the purpose of that section, the towns are deemed to be "villages" and the provisions of that section which prohibit Federal acquisition of lands through condemnation shall apply.

(2) The United States Government shall not acquire by any means title to land, easements, or other interests in land along the segments designated under section 3 or their tributaries for the purposes of designation of the segments under section 3. Nothing in this Act shall prohibit Federal acquisition of interests in land along those segments or tributaries under other laws for other purposes.

SEC. 5. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term "Director" means the Director of the National Park Service.

(2) PLAN.—The term "Plan" means the plan prepared by the Study Committee and the National Park Service entitled "Sudbury, Assabet and Concord Wild and Scenic River Study, River Conservation Plan" and dated March 16, 1995.

(3) STUDY COMMITTEE.—The term "Study Committee" means the Sudbury, Assabet, and Concord River Study Committee established by the Secretary of the Interior under title VII of Public Law 101–628.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary of the Interior to carry out this Act not to exceed $100,000 for each fiscal year.

The committee amendment was agreed to.

The bill (S. 469), as amended, was considered read the third time and passed.

GRANT-KOHRS RANCH NATIONAL HISTORIC SITE

The bill (S. 2272) to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana, was considered, ordered to be engrossed for a third reading, read the third time, and passed; as follows:

S. 2272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Grant-Kohrs Ranch National Historic Site Boundary Adjustment Act of 1998".

SEC. 2. ADDITIONS TO GRANT-KOHRS RANCH NATIONAL HISTORIC SITE.

The Act entitled "An Act to authorize the establishment of the Grant-Kohrs Ranch National Historic Site in the State of Montana, and for other purposes", approved August 25, 1972 (86 Stat. 632), is amended by striking the last sentence in the first section and inserting: "The boundary of the National Historic Site shall be as generally described on a map entitled, "Boundary Map, Grant-Kohrs Ranch National Historic Site", numbered 80030-B, and dated January, 1998, which shall be on file and available for public inspection in the local and Washington, District of Columbia, offices of the National Park Service, Department of the Interior.".

WEIR FARM NATIONAL HISTORIC SITE

The Senate proceeded to consider the bill (S. 1718) to amend the Weir Farm National Historic Site Establishment Act of 1990 to authorize the acquisition of additional acreage for the historic site to permit the development of visitor and administrative facilities and to authorize the appropriation of additional amounts for the acquisition of real and personal property, which had been reported from the Committee on Energy and Natural Resources, with an amendment; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 1718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WEIR FARM NATIONAL HISTORIC SITE, CONNECTICUT.

(a) Acquisition of Land for Visitor and Administrative Facilities.—Section 4 of the Weir Farm National Historic Site Establishment Act of 1990 (16 U.S.C. 461 note; Public Law 101-485; 104 Stat. 1171) is amended by adding at the end the following:

"(d) Acquisition of Land for Visitor and Administrative Facilities; Limitations.—

"(1) Acquisition.—

"(A) In general.—To preserve and maintain the historic setting and character of the historic site, the Secretary may acquire not more than 15 additional acres for the development of visitor and administrative facilities for the historic site.

"(B) Proximity.—The property acquired under this subsection shall be contiguous to or in close proximity to the property described in subsection (b).

"(C) Management.—The acquired property shall be included within the boundary of the historic site and shall be managed and maintained as part of the historic site.

["(2) Development.—

["(A) In general.—The Secretary shall keep development of the property acquired under paragraph (1) to a minimum so that the character of the acquired property will be similar to the natural and undeveloped landscape of the property described in subsection (b).

["(B) Parking area.—Any parking area for the resulting visitor and administrative facility shall not exceed 30 spaces.

["(C) Sales.—Items sold in the visitor facilities—

["(i) shall be limited to educational and interpretive materials related to the purpose of the historic site; and

["(ii) shall not include food.**]**

"(2) Development.—The Secretary shall keep development of the property acquired under paragraph (1) to a minimum so that the character of the acquired property will be similar to the natural and undeveloped landscape of the property described in subsection (b).

"(3) Agreements.—Prior to and as a prerequisite to any development of visitor and administrative facilities on the property acquired under paragraph (1), the Secretary shall enter into 1 or more agreements with the appropriate zoning authority of the town of Ridgefield, Connecticut, and the town of Wilton, Connecticut, for the purposes of—

"(A) developing the parking, visitor, and administrative facilities for the historic site; and

"(B) managing bus traffic to the historic site and limiting parking for large tour buses to an offsite location.".

(b) Increase in Maximum Acquisition Authority.—Section 7 of the Weir Farm National Historic Site Act of 1990 (16 U.S.C. 461 note; Public Law 101-485; 104 Stat. 1173) is amended by striking "$1,500,000" and inserting "$4,000,000".

The committee amendment was agreed to.

The bill (S. 1718), as amended, was considered read the third time and passed.

ARCHES NATIONAL PARK EXPANSION ACT OF 1998

The Senate proceeded to consider the bill (S. 2106) to expand the boundaries of Arches National Park, Utah, to include portions of certain drainages are under the jurisdiction of the Bureau of Land Management, and to include a portion of Fish Seep Draw owned by the State of Utah, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Arches National Park Expansion Act of 1998".

SEC. 2. EXPANSION OF ARCHES NATIONAL PARK, UTAH.

(a) Boundary Expansion.—The first section of Public Law 92-155 (16 U.S.C. 272) is amended—

(1) by striking "That (a) subject to" and inserting the following:

"SECTION 1. ESTABLISHMENT OF PARK.

"(a) In General.—

"(1) Initial boundaries.—Subject to"; and

(2) by striking "Such map" and inserting the following:

"(2) Expanded boundaries.—Effective on the date of enactment of this paragraph, the boundary of the park shall include the area consisting of approximately 3,140 acres and known as the 'Lost Spring Canyon Addition', as depicted on the map entitled 'Boundary Map, Arches National Park, Lost Spring Canyon Addition', numbered 138/60,000-B, and dated April 1997.

"(3) Maps.—The maps described in paragraphs (1) and (2)".

(b) Inclusion of Land in Park.—Section 2 of Public Law 92-155 (16 U.S.C. 272a) is amended—

(1) by striking "Sec. 2. The Secretary" and inserting the following:

"SEC. 2. ACQUISITION OF PROPERTY.

"(a) In General.—The Secretary"; and

(2) by adding at the end the following:

"(b) Lost Spring Canyon Addition.—As soon as practicable after the date of enactment of this subsection, the Secretary shall transfer jurisdiction over the Federal land contained in the Lost Spring Canyon Addition from the Bureau of Land Management to the National Park Service.".

(c) Livestock Grazing.—Section 3 of Public Law 92-155 (16 U.S.C. 272b) is amended—

(1) by striking "Sec. 3. Where" and inserting the following:

"SEC. 3. LIVESTOCK GRAZING.

"(a) In General.—In a case in which"; and

(2) by adding at the end the following:

"(b) Lost Spring Canyon Addition.—

"(1) Continuation of grazing leases, permits, and licenses.—In the case of any grazing lease, permit, or license with respect to land in the Lost Spring Canyon Addition that was issued before the date of enactment of this subsection, the Secretary shall, subject to periodic renewal, continue the grazing lease, permit, or license for a period equal to the lifetime of the holder of the grazing lease, permit, or license as of that date plus the lifetime of any direct descendants of the holder born before that date.

"(2) Retirement.—A grazing lease, permit, or license described in paragraph (1) shall be permanently retired at the end of the period described in paragraph (1).

"(3) Periodic renewal.—Until the expiration of the period described in paragraph (1), the holder (or descendant of the holder) of a grazing lease, permit, or license shall be entitled to renew the lease, permit, or license periodically, subject to such limitations, conditions, or regulations as the Secretary may prescribe.

"(4) Sale.—A grazing lease, permit, or license described in paragraph (1) may be sold during the period described in paragraph (1) only on the condition that the purchaser shall, immediately upon acquisition permanently retire the lease, permit, or license.

"(5) Taylor grazing act.—Nothing in this subsection affects other provisions concerning leases, permits, or licenses under the Act of June 28, 1934 (commonly known as the 'Taylor Grazing Act') (48 Stat. 1269, chapter 865; 43 U.S.C. 315 et seq.).

"(6) ADMINISTRATION.—Any portion of a grazing lease, permit, or license with respect to land in the Lost Spring Canyon Addition shall be administered by the National Park Service.".

(d) WITHDRAWAL FROM MINERAL ENTRY AND LEASING; PIPELINE MANAGEMENT.—Section 5 of Public Law 92–155 (16 U.S.C. 272d) is amended—

[(1) by striking "SEC. 5. (a) The National Park Service" and inserting the following:

["SEC. 5. ADMINISTRATION, PROTECTION, AND DEVELOPMENT.

["(a) IN GENERAL.—The Director of the National Park Service"; and]

(1) by striking subsection (a) and inserting the following:

"(a) IN GENERAL.—The Secretary shall administer, protect and develop the park in accordance with the provisions of the law generally applicable to units of the National Park System, including the Act entitled 'An Act to establish a National Park Service, and for other purposes', approved August 25, 1916 (39 Stat. 535)"; and

(2) by striking subsection (b) and inserting the following:

"(b) LOST SPRING CANYON ADDITION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, all Federal land in the Lost Spring Canyon Addition is appropriated and withdrawn from entry, location, selection, leasing, or other disposition under the public land laws (including the mineral leasing laws).

"(2) EFFECT.—The inclusion of the Lost Spring Canyon Addition in the park shall not affect the operation or maintenance by the Northwest Pipeline Corporation (or its successors or assigns) of the natural gas pipeline and related facilities located in the Lost Spring Canyon Addition on the date of enactment of this paragraph.".

(e) EFFECT ON SCHOOL TRUST LAND.—

(1) FINDINGS.—Congress finds that—

(A) a parcel of State school trust land, more specifically described as section 16, township 23 south, range 22 east, of the Salt Lake base and meridian, is partially contained within the Lost Spring Canyon Addition included within the boundaries of Arches National Park by the amendment by subsection (a);

(B) the parcel was originally granted to the State of Utah for the purpose of generating revenue for the public schools through the development of natural and other resources located on the parcel; and

(C) it is in the interest of the State of Utah and the United States for the parcel to be exchanged for Federal land of equivalent value outside the Lost Spring Canyon Addition to permit Federal management of all lands within the Lost Spring Canyon Addition.

(2) LAND EXCHANGE.—Public Law 92–155 (16 U.S.C. 272 et seq.) is amended by adding at the end the following:

"SEC. 8. LAND EXCHANGE INVOLVING SCHOOL TRUST LAND.

"(a) EXCHANGE REQUIREMENT.—

"(1) IN GENERAL.—If, not later than 1 year after the date of enactment of this section, and in accordance with this section, the State of Utah offers to transfer all right, title, and interest of the State in and to the school trust land described in subsection (b)(1) to the United States, the Secretary—

"(A) shall accept the offer on behalf of the United States; and

"(B) not later than 180 days after the date of acceptance, shall convey to the State of Utah all right, title, and interest of the United States in and to the land described in subsection (b)(2).

"(2) SIMULTANEOUS CONVEYANCES.—Title to the school trust land shall be conveyed at the same time as conveyance of title to the Federal lands by the Secretary.

"(3) VALID EXISTING RIGHTS.—The land exchange under this section shall be subject to valid existing rights, and each party shall succeed to the rights and obligations of the other party with respect to any lease, right-of-way, or permit encumbering the exchanged land.

"(b) DESCRIPTION OF PARCELS.—

"(1) STATE CONVEYANCE.—The school trust land to be conveyed by the State of Utah under subsection (a) is section 16, Township 23 South, Range 22 East of the Salt Lake base and meridian.

"(2) FEDERAL CONVEYANCE.—The Federal land to be conveyed by the Secretary consists of approximately 639 acres, described as lots 1 through 12 located in the S½N½ and the N½N½N½S½ of section 1, Township 25 South, Range 18 East, Salt Lake base and meridian.

"(3) EQUIVALENT VALUE.—The Federal land described in paragraph (2) shall be considered to be of equivalent value to that of the school trust land described in paragraph (1).

"(c) MANAGEMENT BY STATE.—

"(1) IN GENERAL.—At least 60 days before undertaking or permitting any surface disturbing activities to occur on land acquired by the State of Utah under this section, the State shall consult with the Utah State Office of the Bureau of Land Management concerning the extent and impact of such activities on Federal land and resources and conduct, in a manner consistent with Federal law, inventory, mitigation, and management activities in connection with any archaeological, paleontological, and cultural resources located on the acquired lands.

"(2) PRESERVATION OF EXISTING USES.—To the extent that it is consistent with applicable law governing the use and disposition of State school trust land, the State shall preserve existing grazing, recreational, and wildlife uses of the acquired lands in existence on the date of enactment of this section.

"(3) ACTIVITIES AUTHORIZED BY MANAGEMENT PLAN.—Nothing in this subsection precludes the State of Utah from authorizing or undertaking a surface or mineral activity that is authorized by a land management plan for the acquired land.

"(d) IMPLEMENTATION.—Administrative actions necessary to implement the land exchange under this section shall be completed not later than 180 days after the date of enactment of this section.".

The committee amendment was agreed to. The bill (S. 2106), as amended was considered, read the third time an passed.

GLACIER BAY NATIONAL PARK BOUNDARY ADJUSTMENT ACT OF 1998

The bill (H.R. 3903) to provide for an exchange of lands located near Gustavus, Alaska, and for other purposes. was considered, ordered to a third reading, read the third time, and passed.

GALLATIN LAND CONSOLIDATION ACT OF 1998

The bill (H.R. 3381) to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities, was considered read the third time, and passed.

UNANIMOUS CONSENT AGREEMENT—H.R. 2186 AND S. 1719

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following bills, en bloc: Calendar No. 564, H.R. 2186 and Calendar No. 572, S. 1719.

I ask unanimous consent that amendment No. 3680, to H.R. 2186 and amendment No. 3681 to S. 1719 be considered agreed to the appropriate bills, en bloc. I further ask consent that any committee amendments be agreed to as necessary, the bills be read the third time and passed, any title amendments be agreed to, and the motions to reconsider be laid upon the table, any statements relating to the measures appear at this point in the RECORD, and the preceding all occur en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER

The Senate proceeded to consider the bill (H.R. 2186) to authorize the Secretary of the Interior to provide assistance to the National Historic Trails Interpretive Center in Casper, Wyoming.

The amendment (No. 3680) was agreed to, as follows:

AMENDMENT NO. 3680

(Purpose: To delete concession provisions)

On page 6, beginning on line 2 strike "and, subject to the availability of appropriations," and insert "and".

On page 6 line 12 strike "subject to appropriations,".

On page 6 strike section [e] in its entirety and renumber the remaining sections accordingly.

The bill (H.R. 2186), as amended, was passed.

GALLATIN LAND CONSOLIDATION ACT OF 1998

The Senate proceeded to consider the bill (S. 1719) to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co., which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gallatin Land Consolidation Act of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the land north of Yellowstone National Park possesses outstanding natural characteristics and wildlife habitats that make the land a valuable addition to the National Forest System;

(2) it is in the interest of the United States to establish a logical and effective ownership pattern for the Gallatin National Forest, reducing long-term costs for taxpayers and increasing and improving public access to the forest;

(3) it is in the interest of the United States for the Secretary of Agriculture to enter into an Option Agreement for the acquisition of land owned by Big Sky Lumber Co. to accomplish the purposes of this Act;

(4) other private property owners are willing to enter into exchanges that further improve the ownership pattern of the Gallatin National Forest; and

(5) BSL, acting in good faith, has shouldered many aspects of the financial burden of the appraisal and subsequent option and exchange process.

SEC. 3. DEFINITIONS.

In this Act:

(1) BLM LAND.—The term "BLM land" means approximately 2,000 acres of Bureau of Land Management land (including all appurtenances to the land) that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(2) BSL.—The term "BSL" means Big Sky Lumber Co., an Oregon joint venture, and its successors and assigns, and any other entities having a property interest in the BSL land.

(3) BSL LAND.—The term "BSL land" means approximately 54,000 acres of land (including all appurtenances to the land except as provided in section 4(e)(1)(D)(i)) owned by BSL that is proposed to be acquired by the Secretary of Agriculture, as depicted in Exhibit A to the Option Agreement.

(4) EASTSIDE NATIONAL FORESTS.—The term "Eastside National Forests" means national forests east of the Continental Divide in the State of Montana, including the Beaver Head National Forest, Deer Lodge National Forest, Helena National Forest, Custer National Forest, and Lewis and Clark National Forest.

(5) NATIONAL FOREST SYSTEM LAND.—The term "National Forest System land" means approximately 29,000 acres of land (including all appurtenances to the land) owned by the United States in the Gallatin National Forest, Flathead National Forest, Deer Lodge National Forest, Helena National Forest, Lolo National Forest, and Lewis and Clark National Forest that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(6) OPTION AGREEMENT.—The term "Option Agreement" means—

(A) the document signed by BSL, dated July 29, 1998 and entitled "Option Agreement for the Acquisition of Big Sky Lumber Co. Lands Pursuant to the Gallatin Range Consolidation and Protection Act of 1993";

(B) the exhibits and maps attached to the document described in subparagraph (A); and

(C) an exchange agreement to be entered into between the Secretary and BSL and made part of the document described in subparagraph (A).

(7) SECRETARY.—The "Secretary" means the Secretary of Agriculture.

SEC. 4. GALLATIN LAND CONSOLIDATION COMPLETION.

(a) IN GENERAL.—Notwithstanding any other provision of law, and subject to the terms and conditions of the Option Agreement—

(1) if BSL offers title acceptable to the Secretary to the BSL land—

(A) the Secretary shall accept a warranty deed to the BSL land and a quit claim deed to agreed to mineral interests in the BSL land;

(B) the Secretary shall convey to BSL, subject to valid existing rights and to other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary and BSL, fee title to the National Forest System land; and

(C) the Secretary of the Interior shall convey to BSL, by patent or otherwise, subject to valid existing rights and other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary of the Interior and BSL, fee title to the BLM land;

(2) if BSL places title in escrow acceptable to the Secretary to 11½ sections of the BSL land in the Taylor Fork area as set forth in the Option Agreement—

(A) the Secretary shall place Federal land in the Bangtail and Doe Creek areas of the Gallatin National Forest, as identified in the Option Agreement, in escrow pending conveyance to the Secretary of the Taylor Fork land, as identified in the Option Agreement in escrow;

(B) the Secretary, subject to the availability of appropriations, shall purchase 7½ sections of BSL land in the Taylor Fork area held in escrow and identified in the Option Agreement at a purchase price of $4,150,000 plus interest at a rate acceptable to the Secretary; and

(C) the Secretary shall acquire the 4 Taylor Fork sections identified in the Option Agreement remaining in escrow, and any of the 6 sections referred to in subparagraph (B) for which appropriations are not available, by providing BSL with timber sale receipts from timber sales on the Gallatin National Forest and other eastside national forests in the State of Montana in accordance with subsection (c); and

(3)(A) as appropriated funds or timber sale receipts are received by BSL—

(i) the deeds to an equivalent value of BSL Taylor Fork land held in escrow shall be released and conveyed to the Secretary; and

(ii) the escrow of deeds to an equivalent value of Federal land shall be released to the Secretary in accordance with the terms of the Option Agreement; or

(B) if appropriated funds or timber sale receipts are not provided to BSL as provided in the Option Agreement, BSL shall be entitled to receive patents and deeds to an equivalent value of the Federal land held in escrow.

(b) VALUATION.—

(1) IN GENERAL.—The property and other assets exchanged or conveyed by BSL and the United States under subsection (a) shall be approximately equal in value, as determined by the Secretary.

(2) DIFFERENCE IN VALUE.—To the extent that the property and other assets exchanged or conveyed by BSL or the United States under subsection (a) are not approximately equal in value, as determined by the Secretary, the values shall be equalized in accordance with methods identified in the Option Agreement.

(c) TIMBER SALE PROGRAM.—

(1) IN GENERAL.—The Secretary shall implement a timber sale program, according to the terms and conditions identified in the Option Agreement and subject to compliance with applicable environmental laws, judicial decisions, and acts beyond the control of the Secretary, to generate sufficient timber receipts to purchase the portions of the BSL land in Taylor Fork identified in the Option Agreement.

(2) IMPLEMENTATION.—In implementing the timber sale program—

(A) the Secretary shall provide BSL with a proposed annual schedule of timber sales;

(B) as set forth in the Option Agreement, receipts generated from the timber sale program shall be deposited by the Secretary in a special account established by the Secretary and paid by the Secretary to BSL;

(C) receipts from the Gallatin National Forest shall not be subject to the Act of May 23, 1908 (16 U.S.C. 500); and

(D) the Secretary shall fund the timber sale program at levels determined by the Secretary to be commensurate with the preparation and administration of the identified timber sale program.

(d) RIGHTS-OF-WAY.—As specified in the Option Agreement—

(1) the Secretary, under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), shall convey to BSL such easements in or other rights-of-way over National Forest System land for access to the land acquired by BSL under this Act for all lawful purposes; and

(2) BSL shall convey to the United States such easements in or other rights-of-way over land owned by BSL for all lawful purposes, as may be agreed to by the Secretary and BSL.

(e) QUALITY OF TITLE.—

(1) DETERMINATION.—The Secretary shall review the title for the BSL land described in subsection (a) and, within 45 days after receipt of all applicable title documents from BSL, determine whether—

(A) the applicable title standards for Federal land acquisition have been satisfied and the quality of the title is otherwise acceptable to the Secretary of Agriculture;

(B) all draft conveyances and closing documents have been received and approved;

(C) a current title commitment verifying compliance with applicable title standards has been issued to the Secretary; and

(D) the title includes both the surface and subsurface estates without reservation or exception (except as specifically provided in this Act), including—

(i) minerals, mineral rights, and mineral interests (including severed oil and gas surface rights), subject to and excepting other outstanding or reserved oil and gas rights;

(ii) timber, timber rights, and timber interests (except those reserved subject to section 251.14 of title 36, Code of Federal Regulations, by BSL and agreed to by the Secretary);

(iii) water, water rights, ditch, and ditch rights;

(iv) geothermal rights; and

(v) any other interest in the property.

(2) CONVEYANCE OF TITLE.—

(A) IN GENERAL.—If the quality of title does not meet Federal standards or is otherwise determined to be unacceptable to the Secretary of Agriculture, the Secretary shall advise BSL regarding corrective actions necessary to make an affirmative determination under paragraph (1).

(B) TITLE TO SUBSURFACE ESTATE.—Title to the subsurface estate shall be conveyed by BSL to the Secretary in the same form and content as that estate is received by BSL from Burlington Resources Oil & Gas Company Inc. and Glacier Park Company.

(f) TIMING OF IMPLEMENTATION.—

(1) LAND-FOR-LAND EXCHANGE.—The Secretary shall accept the conveyance of land described in subsection (a) not later than 45 days after the Secretary has made an affirmative determination of quality of title.

(2) LAND-FOR-TIMBER SALE RECEIPT EXCHANGE.—As provided in subsection (c) and the Option Agreement, the Secretary shall make timber receipts described in subsection (a)(3) available not later than December 31 of the fifth full calendar year that begins after the date of enactment of this Act.

(3) PURCHASE.—The Secretary shall complete the purchase of BSL land under subsection (a)(4) not later than 30 days after the date on which appropriated funds are made available and an affirmative determination of quality of title is made with respect to the BSL land.

SEC. 5. OTHER FACILITATED EXCHANGES.

(a) AUTHORIZED EXCHANGES.—

(1) IN GENERAL.—The Secretary shall enter into the following land exchanges if the landowners are willing:

(A) Wapiti land exchange, as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(B) Eightmile/West Pine land exchange as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(2) EQUAL VALUE.—Before entering into an exchange under paragraph (1), the Secretary shall determine that the parcels of land to be exchanged are of approximately equal value, based on an appraisal.

(b) SECTION 1 OF THE TAYLOR FORK LAND.—

(1) IN GENERAL.—The Secretary is encouraged to pursue a land exchange with the owner of section 1 of the Taylor Fork land after completing a full public process and an appraisal.

(2) REPORT.—The Secretary shall report to Congress on the implementation of paragraph (1) not later than 180 days after the date of enactment of this Act.

SEC. 6. GENERAL PROVISIONS.

(a) MINOR CORRECTIONS.—

(1) IN GENERAL.—The Option Agreement shall be subject to such minor corrections and supplemental provisions as may be agreed to by the Secretary and BSL.

(2) NOTIFICATION.—The Secretary shall notify the Committee on Energy and Natural Resources of the Senate, the Committee on Resources of the House of Representatives, and each member of the Montana congressional delegation of any changes made under this subsection.

(3) BOUNDARY ADJUSTMENT.—

(A) IN GENERAL.—The boundary of the Gallatin National Forest is adjusted in the Wineglass and North Bridger area, as described on maps dated July 1998, upon completion of the conveyances.

(B) NO LIMITATION.—Nothing in this subsection limits the authority of the Secretary to adjust the boundary pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Act") (16 U.S.C. 521).

(C) ALLOCATION OF LAND AND WATER CONSERVATION FUND MONEYS.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), boundaries of the Gallatin National Forest shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(b) PUBLIC AVAILABILITY.—The Option Agreement—

(1) shall be on file and available for public inspection in the office of the Supervisor of the Gallatin National Forest; and

(2) shall be filed with the county clerk of each of Gallatin County, Park County, Madison County, Granite County, Broadwater County, Meagher County, Flathead County, and Missoula County, Montana.

(c) COMPLIANCE WITH OPTION AGREEMENT.—The Secretary, the Secretary of the Interior, and BSL shall comply with the terms and conditions of the Option Agreement except to the extent that any provision of the Option Agreement conflicts with this Act.

(d) CONVEYANCE OF TIMBER.—After completion of the land-for-land exchange under section 4(a)(1), the Secretary shall convey to BSL 1,000,000 board feet of timber from roaded land in the Gallatin National Forest, which—

(1) shall be treated as reserved timber under section 251.14 of title 36, Code of Federal Regulations; and

(2) shall not be considered as part of the appraisal value of land exchanged under this Act.

(e) STATUS OF LAND.—All land conveyed to the United States under this Act shall be added to and administered as part of the Gallatin National Forest and Deerlodge National Forest, as appropriate, in accordance with the Act of March 1, 1911 (5 U.S.C. 515 et seq.), and other laws (including regulations) pertaining to the National Forest System.

(f) MANAGEMENT.—

(1) PUBLIC PROCESS.—Not later than 30 days after the date of completion of the land-for-land exchange under section 4(f)(1), the Secretary shall initiate a public process to amend the Gallatin National Forest Plan and the Deerlodge National Forest Plan to integrate the acquired land into the plans.

(2) PROCESS TIME.—The amendment process under paragraph (1) shall be completed as soon as practicable, and in no event later than 540 days after the date on which the amendment process is initiated.

(3) LIMITATION.—An amended management plan shall not permit surface occupancy on the acquired land for access to reserved or outstanding oil and gas rights or for exploration or development of oil and gas.

(4) INTERIM MANAGEMENT.—Pending completion of the forest plan amendment process under paragraph (1), the Secretary shall—

(A) manage the acquired land under the standards and guidelines in the applicable land and resource management plans for adjacent land managed by the Forest Service; and

(B) maintain all existing public access to the acquired land.

(g) RESTORATION.—

(1) IN GENERAL.—The Secretary shall implement a restoration program including reforestation and watershed enhancements to bring the acquired land and surrounding national forest land into compliance with Forest Service standards and guidelines.

(2) STATE AND LOCAL CONSERVATION CORPS.—In implementing the restoration program, the Secretary shall, when practicable, use partnerships with State and local conservation corps, including the Montana Conservation Corps, under the Public Lands Corps Act of 1993 (16 U.S.C. 1721 et seq.).

(h) IMPLEMENTATION.—The Secretary of Agriculture shall ensure that sufficient funds are made available to the Gallatin National Forest to carry out this Act.

(i) REVOCATIONS.—Notwithstanding any other provision of law, any public orders withdrawing lands identified in the Option Agreement from all forms of appropriation under the public land laws are revoked upon conveyance of the lands by the Secretary.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

FEDERAL LANDS IN FACILITATED EXCHANGES

EIGHTMILE/WEST PINE (WILSON)
(Gallatin NF)

Parcel & map #	Legal description	County	Ranger district	Acres
	T5S, R8E, Sec 6, Lots 1–7, S½NE¼, SE¼NW¼, E½SW¼, SE¼	Park	Livingston	643.62
	Total			643.62

WAPITI (KELSEY)
(Gallatin NF)

Parcel & map #	Legal description	County	Ranger district	Acres
1	T9S, R4E, Sec 9, SW¼SW¼	Gallatin	Hebgen Lake	40
2	T9S, R4E, Sec 7, Lot 3 (portion S. of T. Fork Rd.) Lot 4, SW¼SW¼, E½SE¼SW¼.	Gallatin	Hebgen Lake	*77
3	T9S, R3E, Sec 12, SE¼NE¼NW¼, NW¼SE¼, S½SE¼	Gallatin	Hebgen Lake	130
	Total			*247
	Total Federal (NFS) lands in facilitated exchanges			*891

* Acres approximate—Survey needed.

NON-FEDERAL LANDS IN FACILITATED EXCHANGES

EIGHTMILE/WEST PINE (WILSON)
(Gallatin NF)

Parcel & map #	Legal description	County	Acres
	T4S, R8E, Sec 7, all	Park	640.00
	Total		640.00

WAPITI (KELSEY)
(Gallatin NF)

Parcel & map #	Legal description	County	Acres
	T9S, R3E, Sec 25, S½	Gallatin	320.00
	Total		320.00
	Total non-Federal lands in facilitated exchanges		*960
	Total BSL and other non-Federal lands		*55,097

* *Approximate.*

Amend the title so as to read: "To direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.".

The amendment (No. 3681) was agreed to.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

The committee amendment, as amended, was agreed to.

The bill (S. 1719), as amended, was passed, as follows:

S. 1719

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Gallatin Land Consolidation Act of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the land north of Yellowstone National Park possesses outstanding natural characteristics and wildlife habitats that make the land a valuable addition to the National Forest System;

(2) it is in the interest of the United States to establish a logical and effective ownership pattern for the Gallatin National Forest, reducing long-term costs for taxpayers and increasing and improving public access to the forest;

(3) it is in the interest of the United States for the Secretary of Agriculture to enter into an Option Agreement for the acquisition of land owned by Big Sky Lumber Co. to accomplish the purposes of this Act; and

(4) other private property owners are willing to enter into exchanges that further improve the ownership pattern of the Gallatin National Forest.

SEC. 3. DEFINITIONS.

In this Act:

(1) BLM LAND.—The term "BLM land" means approximately 2,000 acres of Bureau of Land Management land (including all appurtenances to the land) that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(2) BSL.—The term "BSL" means Big Sky Lumber Co., an Oregon joint venture, and its successors and assigns, and any other entities having a property interest in the BSL land.

(3) BSL LAND.—The term "BSL land" means approximately 54,000 acres of land (including all appurtenances to the land except as provided in section 4(e)(1)(D)(i)) owned by BSL that is proposed to be acquired by the Secretary of Agriculture, as depicted in Exhibit A to the Option Agreement.

(4) EASTSIDE NATIONAL FORESTS.—The term "Eastside National Forests" means national forests east of the Continental Divide in the State of Montana, including the Beaverhead National Forest, Deerlodge National Forest, Helena National Forest, Custer National Forest, and Lewis and Clark National Forest.

(5) NATIONAL FOREST SYSTEM LAND.—The term "National Forest System land" means approximately 29,000 acres of land (including all appurtenances to the land) owned by the United States in the Gallatin National Forest, Flathead National Forest, Deerlodge National Forest, Helena National Forest, Lolo National Forest, and Lewis and Clark National Forest that is proposed to be acquired by BSL, as depicted in Exhibit B to the Option Agreement.

(6) OPTION AGREEMENT.—The term "Option Agreement" means—

(A) the document signed by BSL, dated July 29, 1998 and entitled "Option Agreement for the Acquisition of Big Sky Lumber Co. Lands Pursuant to the Gallatin Range Consolidation and Protection Act of 1993";

(B) the exhibits and maps attached to the document described in subparagraph (A); and

(C) an exchange agreement to be entered into between the Secretary and BSL and made part of the document described in subparagraph (A).

(7) SECRETARY.—The "Secretary" means the Secretary of Agriculture.

SEC. 4. GALLATIN LAND CONSOLIDATION COMPLETION.

(a) IN GENERAL.—Notwithstanding any other provision of law, and subject to the terms and conditions of the Option Agreement—

(1) if BSL offers title acceptable to the Secretary to the BSL land—

(A) the Secretary shall accept a warranty deed to the BSL land and a quit claim deed to agreed to mineral interests in the BSL land;

(B) the Secretary shall convey to BSL, subject to valid existing rights and to other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary and BSL, fee title to the National Forest System land; and

(C) the Secretary of the Interior shall convey to BSL, by patent or otherwise, subject to valid existing rights and other terms, conditions, reservations, and exceptions as may be agreed to by the Secretary of the Interior and BSL, fee title to the BLM land;

(2) if BSL places title in escrow acceptable to the Secretary to 11½ sections of the BSL land in the Taylor Fork area as set forth in the Option Agreement—

(A) the Secretary shall place Federal land in the Bangtail and Doe Creek areas of the Gallatin National Forest, as identified in the Option Agreement, in escrow pending conveyance to the Secretary of the Taylor Fork land, as identified in the Option Agreement in escrow;

(B) the Secretary, subject to the availability of funds, shall purchase 7½ sections of BSL land in the Taylor Fork area held in escrow and identified in the Option Agreement at a purchase price of $4,150,000; and

(C) the Secretary shall acquire the 4 Taylor Fork sections identified in the Option Agreement remaining in escrow, and any of the 6 sections referred to in subparagraph (B) for which funds are not available, by providing BSL with timber sale receipts from timber sales on the Gallatin National Forest and other eastside national forests in the State of Montana in accordance with subsection (c); and

(3)(A) as funds or timber sale receipts are received by BSL—

(i) the deeds to an equivalent value of BSL Taylor Fork land held in escrow shall be released and conveyed to the Secretary; and

(ii) the escrow of deeds to an equivalent value of Federal land shall be released to the Secretary in accordance with the terms of the Option Agreement; or

(B) if funds or timber sale receipts are not provided to BSL as provided in the Option Agreement, BSL shall be entitled to receive patents and deeds to an equivalent value of the Federal land held in escrow.

(b) VALUATION.—

(1) IN GENERAL.—The property and other assets exchanged or conveyed by BSL and the United States under subsection (a) shall be approximately equal in value, as determined by the Secretary.

(2) DIFFERENCE IN VALUE.—To the extent that the property and other assets exchanged or conveyed by BSL or the United States under subsection (a) are not approximately equal in value, as determined by the Secretary, the values shall be equalized in accordance with methods identified in the Option Agreement.

(c) TIMBER SALE PROGRAM.—

(1) IN GENERAL.—The Secretary shall implement a timber sale program, according to the terms and conditions identified in the Option Agreement and subject to compliance with applicable environmental laws (including regulations), judicial decisions, memoranda of understanding, small business set-aside rules, and acts beyond the control of the Secretary, to generate sufficient timber receipts to purchase the portions of the BSL land in Taylor Fork identified in the Option Agreement.

(2) IMPLEMENTATION.—In implementing the timber sale program—

(A) the Secretary shall provide BSL with a proposed annual schedule of timber sales;

(B) as set forth in the Option Agreement, receipts generated from the timber sale program shall be deposited by the Secretary in a special account established by the Secretary and paid by the Secretary to BSL;

(C) receipts from the Gallatin National Forest shall not be subject to the Act of May 23, 1908 (16 U.S.C. 500); and

(D) the Secretary shall fund the timber sale program at levels determined by the Secretary to be commensurate with the preparation and administration of the identified timber sale program.

(d) RIGHTS-OF-WAY.—As specified in the Option Agreement—

(1) the Secretary, under the authority of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), shall convey to BSL such easements in or other rights-of-way over National Forest System land for access to the land acquired by BSL under this Act for all lawful purposes; and

(2) BSL shall convey to the United States such easements in or other rights-of-way over land owned by BSL for all lawful purposes, as may be agreed to by the Secretary and BSL.

(e) Quality of Title.—

(1) Determination.—The Secretary shall review the title for the BSL land described in subsection (a) and, within 45 days after receipt of all applicable title documents from BSL, determine whether—

(A) the applicable title standards for Federal land acquisition have been satisfied and the quality of the title is otherwise acceptable to the Secretary of Agriculture;

(B) all draft conveyances and closing documents have been received and approved;

(C) a current title commitment verifying compliance with applicable title standards has been issued to the Secretary; and

(D) the title includes both the surface and subsurface estates without reservation or exception (except as specifically provided in this Act), including—

(i) minerals, mineral rights, and mineral interests (including severed oil and gas surface rights), subject to and excepting other outstanding or reserved oil and gas rights;

(ii) timber, timber rights, and timber interests (except those reserved subject to section 251.14 of title 36, Code of Federal Regulations, by BSL and agreed to by the Secretary);

(iii) water, water rights, ditch, and ditch rights;

(iv) geothermal rights; and

(v) any other interest in the property.

(2) Conveyance of title.—

(A) In general.—If the quality of title does not meet Federal standards or is otherwise determined to be unacceptable to the Secretary of Agriculture, the Secretary shall advise BSL regarding corrective actions necessary to make an affirmative determination under paragraph (1).

(B) Title to subsurface estate.—Title to the subsurface estate shall be conveyed by BSL to the Secretary in the same form and content as that estate is received by BSL from Burlington Resources Oil & Gas Company Inc. and Glacier Park Company.

(f) Timing of Implementation.—

(1) Land-for-land exchange.—The Secretary shall accept the conveyance of land described in subsection (a) not later than 45 days after the Secretary has made an affirmative determination of quality of title.

(2) Land-for-timber sale receipt exchange.—As provided in subsection (c) and the Option Agreement, the Secretary shall make timber receipts described in subsection (a)(3) available not later than December 31 of the fifth full calendar year that begins after the date of enactment of this Act.

(3) Purchase.—The Secretary shall complete the purchase of BSL land under subsection (a)(3)(B) not later than 30 days after the date on which appropriated funds are made available and an affirmative determination of quality of title is made with respect to the BSL land.

SEC. 5. OTHER FACILITATED EXCHANGES.

(a) Authorized Exchanges.—

(1) In general.—The Secretary shall enter into the following land exchanges if the landowners are willing:

(A) Wapiti land exchange, as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(B) Eightmile/West Pine land exchange as outlined in the documents entitled "Non-Federal Lands in Facilitated Exchanges" and "Federal Lands in Facilitated Exchanges" and dated July 1998.

(2) Equal Value.—Before entering into an exchange under paragraph (1), the Secretary shall determine that the parcels of land to be exchanged are of approximately equal value, based on an appraisal.

(b) Section 1 of the Taylor Fork Land.—

(1) In general.—The Secretary is encouraged to pursue a land exchange with the owner of section 1 of the Taylor Fork land after completing a full public process and an appraisal.

(2) Report.—The Secretary shall report to Congress on the implementation of paragraph (1) not later than 180 days after the date of enactment of this Act.

SEC. 6. GENERAL PROVISIONS.

(a) Minor Corrections.—

(1) In general.—The Option Agreement shall be subject to such minor corrections and supplemental provisions as may be agreed to by the Secretary and BSL.

(2) Notification.—The Secretary shall notify the Committee on Energy and Natural Resources of the Senate, the Committee on Resources of the House of Representatives, and each member of the Montana congressional delegation of any changes made under this subsection.

(3) Boundary adjustment.—

(A) In general.—The boundary of the Gallatin National Forest is adjusted in the Wineglass and North Bridger area, as described on maps dated July 1998, upon completion of the conveyances.

(B) No limitation.—Nothing in this subsection limits the authority of the Secretary to adjust the boundary pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Act") (16 U.S.C. 521).

(C) Allocation of land and water conservation fund moneys.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–9), boundaries of the Gallatin National Forest shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(b) Public Availability.—The Option Agreement—

(1) shall be on file and available for public inspection in the office of the Supervisor of the Gallatin National Forest; and

(2) shall be filed with the county clerk of each of Gallatin County, Park County, Madison County, Granite County, Broadwater County, Meagher County, Flathead County, and Missoula County, Montana.

(c) Compliance With Option Agreement.—The Secretary, the Secretary of the Interior, and BSL shall comply with the terms and conditions of the Option Agreement except to the extent that any provision of the Option Agreement conflicts with this Act.

(d) Status of Land.—All land conveyed to the United States under this Act shall be added to and administered as part of the Gallatin National Forest and Deerlodge National Forest, as appropriate, in accordance with the Act of March 1, 1911 (5 U.S.C. 515 et seq.), and other laws (including regulations) pertaining to the National Forest System.

(e) Management.—

(1) Public process.—Not later than 30 days after the date of completion of the land-for-land exchange under section 4(f)(1), the Secretary shall initiate a public process to amend the Gallatin National Forest Plan and the Deerlodge National Forest Plan to integrate the acquired land into the plans.

(2) Process time.—The amendment process under paragraph (1) shall be completed as soon as practicable, and in no event later than 540 days after the date on which the amendment process is initiated.

(3) Limitation.—An amended management plan shall not permit surface occupancy on the acquired land for access to reserved or outstanding oil and gas rights or for exploration or development of oil and gas.

(4) Interim management.—Pending completion of the forest plan amendment process under paragraph (1), the Secretary shall—

(A) manage the acquired land under the standards and guidelines in the applicable land and resource management plans for adjacent land managed by the Forest Service; and

(B) maintain all existing public access to the acquired land.

(f) Restoration.—

(1) In general.—The Secretary shall implement a restoration program including reforestation and watershed enhancements to bring the acquired land and surrounding national forest land into compliance with Forest Service standards and guidelines.

(2) State and local conservation corps.—In implementing the restoration program, the Secretary shall, when practicable, use partnerships with State and local conservation corps, including the Montana Conservation Corps, under the Public Lands Corps Act of 1993 (16 U.S.C. 1721 et seq.).

(g) Implementation.—The Secretary of Agriculture shall ensure that sufficient funds are made available to the Gallatin National Forest to carry out this Act.

(i) Revocations.—Notwithstanding any other provision of law, any public orders withdrawing lands identified in the Option Agreement from all forms of appropriation under the public land laws are revoked upon conveyance of the lands by the Secretary.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out this Act.

The title was amended so as to read: "To direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.".

GALLATIN LAND CONSOLIDATION ACT OF 1998

Mr. BAUCUS. Mr. President, I am delighted that the Senate has taken up and passed S. 1719 and H.R. 3381, the Gallatin Land Consolidation Act of 1998. S. 1719, a bill that I have sponsored and that my good colleague Senator Burns has cosponsored, is identical to H.R. 3381, a bill sponsored by Montana Congressman Rick Hill that has already passed the House. These bills complete the Gallatin Land Exchange process—an effort that began almost ten years ago.

In 1993, I had the pleasure of sponsoring the Gallatin Land Consolidation and Protection Act that completed phase 1 of this exchange. Like S. 1719, that bill was co-sponsored by Senator Burns. The House companion in that case was carried by my good friend and colleague, former Representative Pat Williams from Montana.

Together, these bills represent a bipartisan effort where members from both sides of the aisle have worked in a cooperative spirit for the good of Montana. And these bills represent a broad community consensus in Montana about the needs of the Gallatin area for today and for tomorrow.

Mr. President, let me tell you why these bills are good for Montana and good for America. In the early 1990s when we first began this process, the federal government owned every other section of land in the Gallatin Range. As people in the area were fond of saying, you could play checkers from Bozeman, Montana to the Yellowstone border.

And while this pattern might be good for checkers, it was bad for just about every other purpose. The Forest Service could not manage this unwieldy land ownership pattern. Imagine the frustration of trying to manage every other section of land for elk habitat as houses and subdivisions spring up in the middle of your forest. And this pattern kept the public from even being able to access their public lands.

Mr. President, this pattern may have made sense when it was created as part of the railroad land grants over a hundred years ago, but it does not make sense today.

And that is why I am pleased that we have put our backs into this effort and, after ten years, are finally poised to complete this project. The pending legislation is supported by Montanans from all walks of life. Hunters and fishermen support the exchange because it will protect important habitat for elk and moose and will protect important fisheries. Conservationists support the exchange because it protects important grizzly bear habitat in the Taylor Fork. Loggers support the exchange because it will help deliver trees to the local mill in Livingston, Montana. And local homeowners, from the Taylor Fork to Bridger Canyon, all have endorsed this exchange.

This consensus did not just happen. It was the result of a lot of hard work. I met personally with representatives from each of these groups and walked the lands involved in this exchange. I heard the concerns of Mike Liebleson from the Bridger Canyon Property Owners Association and I heard the concerns from George and Patricia Leffingwell. And we addressed their concerns. And we addressed the concerns of Montana small mills represented by the Independent Forest Products Association. And we met the concerns of the Greater Yellowstone Coalition, The Wilderness Society and other local conservation organizations. And last, but certainly not least, we worked closely with the Forest Service and the Administration to try to make sure that this bill reflected their needs.

Throughout this process, the private party to this exchange, Big Sky Lumber Company, has acted in good faith. They have made numerous unilateral concessions to increase the environmental benefits of this exchange and to address public concerns. Their attorney, Joe Sabol, has been instrumental in pulling this package together. Without his efforts and those of Bob Dennee, Lands Specialist for the Gallatin National Forest, and Kurt Alt, Wildlife Biologist for the Montana Department of Fish, Wildlife and Parks, none of this would have been possible.

Mr. President, this has been a community effort. And, as a result, it reflects a community consensus. This is the way that we should resolve issues in the West.

STAR PRINT—REPORT TO ACCOMPANY S. 1719

Mr. HAGEL. Mr. President, I ask unanimous consent that the report to accompany S. 1719 be star printed with the changes that are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

GREAT LAKES FISH AND WILDLIFE RESTORATION ACT OF 1998

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 599, H.R. 1481.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

> A bill (H.R. 1481) to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

• Mr. GLENN. Mr. President, I would like to thank my colleagues for taking the time today to consider this legislation which is so important to my region.

I introduced The Great Lakes Fish and Wildlife Restoration Act GLFWRA of 1997 as S. 659 in the Senate in April of 1997, in coordination with the introduction of the companion bill, H.R. 1481, in the House by Congressman STEVE LATOURETTE. It's been a long process, but one in which bipartisan and bicameral cooperation at every step of the process served to create a better and stronger bill to serve the needs of the Great Lakes region.

The Great Lakes Fish and Wildlife Restoration Act has eight Senate sponsors, including myself, and twenty-eight of our colleagues on the House are also cosponsors. This bill represents the consensus of a diverse collaboration of tribal, state, federal and international agencies with jurisdiction over the management of fish and wildlife resources of the Great Lakes. The bill also has received favorable review and broad support of organizations throughout the Great Lakes region for the approach it takes toward restoration of the ecological integrity of the Great Lakes ecosystem.

The primary purpose of the Great Lakes Fish and Wildlife Restoration Act is to implement proposals that address recommendations put forth by the Great Lakes Fishery Resources Restoration Study. To this end, the Act reauthorizes the existing Great Lakes Coordination and Great Lakes Fishery Resources Offices. The bill also sets up a proposal review committee under the guidance of the existing Council of Lake Committees to review grant proposals and identify projects of the highest priority for the restoration of the fish and wildlife resources of the Great Lakes Basin. The Act encourages, supports, and coordinates Federal and non-federal cooperative habitat restoration and natural resource management programs in the Great Lakes Basin.

The Great Lakes Fish and Wildlife Restoration Act represents a new generation of environmental legislation, one that recognizes the complexity and inter-relatedness of ecosystems. This act seeks to address natural resource management in a comprehensive and conscientious manner by building partnerships among the Great Lakes states, U.S. and Canadian governments, and native American Tribes. Through regional cooperation, I believe we can address the environmental and economic concerns of the Great Lakes Basin and continue on the road towards the recovery of this precious natural and national resource. By passing this legislation, we in the Congress will be taking the right next step toward responsible stewardship of the Great Lakes as we venture into the new millennium.

This fall, as I look back on the earth from space, I will be sure to look down on the Great Lakes. I know that they will be a cleaner, safer place for both humans and wildlife to live than they were at the time of my last flight because of the efforts we have made over the past decades. With the passage of this legislation, I will also be sure that they will continue to become even cleaner, safer places where fish and wildlife communities, and the human communities who enjoy them can continue to prosper.

Mr. LEVIN. I would like to ask the distinguished sponsor of the Senate bill if he could comment on whether or not the bill, H.R. 1481, is intended to provide Indian Tribes in the Great Lakes region with any fish and wildlife management authority beyond that contained in existing treaty provisions and as recognized by Federal courts.

Mr. GLENN. The bill's provision appointing tribal representatives to the committee created by the bill is not intended to expand their existing authorities.

Mr. ABRAHAM. Would the Senator from Ohio provide a further clarification that the Senate intends that the committee created in the bill will provide its recommendations under the guidance and direction of the Council of Lake Committees of the Great Lakes Fishery Commission?

Mr. GLENN. The Senator from Michigan is correct. That is the intent.

Mr. LEVIN. I thank the Senator from Ohio for his assistance and, as an original cosponsor of S. 659, I applaud his efforts to move this important legislation expeditiously.●

Mr. HAGEL. Mr. President, I ask unanimous consent that the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1481) was considered read the third time, and passed.

COASTAL BARRIER RESOURCES SYSTEM MAP CORRECTION

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 660, S. 2469.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

A bill (S. 2469) to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

[SECTION 1. FINDINGS AND PURPOSE.

[(a) FINDINGS.—Congress finds that—]

[(1) Coastal Barrier Resources System unit FL–35P was designated under the Coastal Barrier Improvement Act of 1990 (Public Law 101–591) to include Florida State conservation land within the Coastal Barrier Resources System;

[(2) unit FL–35P is an "otherwise protected area", a designation that was intended to include land held for conservation purposes;

[(3) the boundary of unit FL–35P runs through a portion of the Ocean Reef Harbor Course South development, which was in existence on the date of enactment of the 1990 Act;

[(4) at the time unit FL–35P was designated, 9 residences were located in the portion of the development that was included within the boundaries of the unit;

[(5) the 11.7 acres comprising that portion are not held for conservation purposes, and are not an inholding within conservation land;

[(6) the United States Fish and Wildlife Service has received certificates of occupancy and corresponding plat maps from Monroe County, Florida, verifying that a portion of unit FL–35P was developed, and accordingly that the portion referred to in paragraph (5) was mistakenly included in the Coastal Barrier Resources System; and

[(7) modification of the boundary of unit FL–35P to exclude the 11.7-acre parcel referred to in paragraph (5) would constitute a valid technical correction.

[(b) PURPOSE.—The purpose of this Act is to make a technical correction to unit FL–35P of the Coastal Barrier Resources System to exclude from the unit the 11.7-acre parcel of developed property that was mistakenly included in the unit.

[SEC. 2. CORRECTIONS TO MAP.]

SECTION 1. CORRECTIONS TO MAP.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in sub-[section (b) as are necessary to ensure that depictions of areas on the map are consistent with the depictions of areas appearing on the map entitled "Amendments to the Coastal Barrier Resources System", dated August 31, 1998, and on file with the Secretary.] *section (b) as are necessary to exclude—*

(1) the lots that, as of the date of enactment of this Act, are located on Harbor Island Drive and Baker Road; and

(2) the adjacent body of water;

within the Ocean Reef Harbor Course South development.

(b) MAP DESCRIBED.—The map described in this subsection is the map that—

(1) is included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990; and

(2) relates to unit FL–35P of the Coastal Barrier Resources System.

Mr. HAGEL. Mr. President, I ask unanimous consent that the committee amendments be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriated place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were agreed to.

The bill (S. 2469), as amended, was considered read the third time, and passed, as follows:

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CORRECTIONS TO MAP.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in subsection (b) as are necessary to exclude—

(1) the lots that, as of the date of enactment of this Act, are located on Harbor Island Drive and Baker Road; and

(2) the adjacent body of water;

within the Ocean Reef Harbor Course South development.

(b) MAP DESCRIBED.—The map described in this subsection is the map that—

(1) is included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990; and

(2) relates to unit FL–35P of the Coastal Barrier Resources System.

COASTAL BARRIER RESOURCES SYSTEM MAP CORRECTION

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 661, S. 2470.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2470) to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. CORRECTION OF MAP.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in subsection (b) as are necessary to exclude Pumpkin Key from the Coastal Barrier Resources System.

(b) MAP DESCRIBED.—The map described in this subsection is the map that—

(1) is included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990; and

(2) relates to unit FL–35 of the Coastal Barrier Resources System.

Mr. HAGEL. Mr. President, I ask unanimous consent that the Committee substitute be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2470), as amended, as considered read the third time, and passed.

COASTAL BARRIER RESOURCES SYSTEM MAP CORRECTION-UNIT SC–03, SOUTH CAROLINA

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 662, S. 2474.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2474) to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment, as follows:

(The part of the bill intended to be stricken is shown in boldface brackets and the part of the bill intended to be inserted is shown in italic.)

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CORRECTIONS TO COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) UNIT SC–03.-

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in paragraph (2) as are necessary to ensure that depictions of areas on the map are consistent with the depictions of areas appearing on the map entitled "Amendments to the Coastal Barrier Resources System", dated May 15, 1997, and on file with the **[**Committee on Resources of the House of Representatives**]** *Secretary of the Interior*.

(2) MAP.—The map described in this paragraph is the map that—

(A) is included in the set of maps entitled "Coastal Barrier Resources System" and dated October 24, 1990; and

(B) relates to unit SC–03 of the Coastal Barrier Resources System.

Mr. HAGEL. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2474), as amended, was considered read the third time, and passed, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CORRECTIONS TO COASTAL BARRIER RESOURCES SYSTEM MAPS.

(a) UNIT SC–03.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in paragraph (2) as are necessary to ensure that depictions of areas on that map are consistent with the depictions of areas appearing on the map entitled "Amendments to the Coastal Barrier Resources System", dated May 15, 1997, and on file with the Secretary of the Interior.

(2) MAP.—The map described in this paragraph is the map that—

(A) is included in the set of maps entitled "Coastal Barrier Resources System" and dated October 24, 1990; and

(B) relates to unit SC–03 of the Coastal Barrier Resources System.

COASTAL BARRIER RESOURCES SYSTEM MAP CORRECTIONS

Mr. HAGEL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 659, S. 2351.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

A bill (S. 2351) to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CORRECTIONS TO MAP.

[(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in subsection (b) as are necessary to move on that map the northeastern boundary of the otherwise protected area (as defined in section 12 of the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3503 note; Public Law 101–591)) to the Cape Henlopen State Park boundary to the extent necessary to exclude from the otherwise protected area the adjacent property owned, as of the date of enactment of this Act, by the Barcroft Company and Cape Shores Associates (which are privately held corporations under the law of the State of Delaware).**]**

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in subsection (b) as are necessary to move on that map the boundary of the otherwise protected area (as defined in section 12 of the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3503 note; Public Law 101–591)) to the Cape Henlopen State Park boundary to the extent necessary—

(1) to exclude from the otherwise protected area the adjacent property leased, as of the date of enactment of this Act, by the Barcroft Company and Cape Shores Associates (which are privately held corporations under the law of the State of Delaware); and

(2) to include in the otherwise protected area the northwestern corner of Cape Henlopen State Park seaward of the Lewes and Rehoboth Canal.

(b) MAP DESCRIBED.—The map described in this subsection is the map that is included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, as revised October 15, 1992, and that relates to the unit of the Coastal Barrier Resources System entitled "Cape Henlopen Unit DE–03P".

Mr. HAGEL. Mr. President, I ask unanimous consent that the committee amendment be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2351), as amended, was considered read the third time, and passed, as follows:

S. 2351

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CORRECTIONS TO MAP.

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Interior shall make such corrections to the map described in subsection (b) as are necessary to move on that map the boundary of the otherwise protected area (as defined in section 12 of the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3503 note; Public Law 101–591)) to the Cape Henlopen State Park boundary to the extent necessary—

(1) to exclude from the otherwise protected area the adjacent property leased, as of the date of enactment of this Act, by the Barcroft Company and Cape Shores Associates (which are privately held corporations under the law of the State of Delaware); and

(2) to include in the otherwise protected area the northwestern corner of Cape Henlopen State Park seaward of the Lewes and Rehoboth Canal.

(b) MAP DESCRIBED.—The map described in this subsection is the map that is included in a set of maps entitled "Coastal Barrier Resources System", dated October 24, 1990, as revised October 15, 1992, and that relates to the unit of the Coastal Barrier Resources System entitled "Cape Henlopen Unit DE–03P".

ORDERS FOR MONDAY, OCTOBER 5, 1998

Mr. HAGEL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11 a.m on Monday, October 5. I further ask that the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAGEL. I further ask unanimous consent that there then be a period for the transaction of morning business until 2 p.m., with Senators permitted to speak for up to 10 minutes each, with the following exceptions: Senator MACK, 15 minutes; Senator ASHCROFT in control of 1 hour between 11 a.m. and 12 noon; Senator BAUCUS in control of the time between 1 and 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HAGEL. Mr. President, for the information of all Senators, on Monday the Senate will convene at 11 a.m. and begin a period of morning business until 2 p.m. Following morning business, it will be the leader's intention to begin consideration of the Agriculture appropriations conference report under a short time agreement. The Senate may also resume consideration of S. 442, the Internet tax bill.

At 5:30 p.m., under a previous order, the Senate will proceed to a vote on the motion to invoke cloture on the motion to proceed to H.R. 10, the financial services modernization bill. Further votes could occur following the cloture vote in relation to the motion to proceed, and if consent is granted, votes on or in relation to the agriculture conference report, the Internet tax bill, or any other legislative or executive items cleared for action.

Members are reminded that a cloture petition was filed today on the Internet tax bill. That vote will occur on Tuesday. Therefore, Members have until 1 p.m. on Monday to file first-degree amendments.

ORDER FOR RECESS

Mr. HAGEL. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in recess under the previous order, following the remarks of Senators AKAKA and SESSIONS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAGEL. I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii, Mr. AKAKA.

HELP OUR STUDENTS LEARN

Mr. AKAKA. Mr. President, yesterday I stood with the President and several of my Democratic colleagues to call on the Republican leadership to focus their attention on the children of America. Millions of American children in schools across the United States are being denied the basic education foundation they need to succeed.

In Hawaii, thousands of children waited with anticipation for the new school year. Parents took their children to buy school supplies, new clothes, and other back-to-school preparations. However, many of these students entered or returned to schools that are so inadequate that they cannot receive a quality education. Our children are being asked to learn in environments that are not conducive to learning, and may even be dangerous. But still, these young, bright-eyed, captivated children go day-after-day to schools seeking to learn the wonders of the world.

Mr. President, Congress has the moral responsibility to ensure that we provide our children access to quality education. President Clinton recently called on Congress to enact several education initiatives that will improve education facilities, ensure that the education curriculum challenges and engages our students, and provide teachers and administrators the resources they need to teach and support our children.

These proposals work together to strengthen our nation's schools. First, we need to build and modernize our nation's schools. We continue to demand that our workforce compete in the demanding high technology marketplace, yet we educate children in schools that do not have access to the information superhighway, let alone the physical capabilities to support the demand for access. Many of Hawaii's schools were built over 50 years ago, before schools required a computer in every classroom. For example, I recently received a e-mail from a concerned parent whose child attends Hickam Elementary School. The parents had decided to hold a teachers' breakfast for the faculty at the school. They turned on the air conditioning in the office and the library and blew the fuses—the electrical wiring was unable to handle the demand for the increased energy required by the air conditioners. If the wiring cannot support air conditioners, how can it support the computers and the air conditioners needed to cool the rooms which house the computers? Although Hawaii is facing economic problems, we are not facing these problems alone. Every day 14 million students attend schools that need extensive repair and replacement, like Hickam Elementary School. Almost 60 percent of America's schools reported at least one major building feature in disrepair.

As we continue to rely on technological advances to improve education for our children, schools need to be capable of supporting these increasing demands. Hickam is not the only school in Hawaii experiencing this hardship; many schools in Hawaii face this problem. Administrators must choose whether to cool the library so that children can read and learn, or turn on the computers in their labs. This should not be. We need to assist schools in making the investments to improve existing facilities or allow them to build new facilities to meet the growing technological demands. We must commit ourselves to ensuring that our children are able to learn in a comfortable and safe environment. That is why I support efforts to rebuild, modernize, and reduce overcrowding in more than 5,000 public schools through Federal support that would pay the interest on nearly $22 billion in bonds to help improve the schools across the country, including Hawaii.

But a new school loaded with technology gizmos is not enough. Ensuring access to such advancements does not guarantee success. We must also invest in our teachers. We chide teachers for being unqualified, but we fail to provide them the support needed to succeed. We lament the teacher shortage, but fail to provide the resources to recruit quality individuals. And, we have a growing problem with teacher retention, yet we fail to give teachers the respect they deserve and acknowledge that teaching is a very complex and difficult profession.

As my colleagues know, before I came to Congress, I was a teacher. I taught elementary, intermediate, and high school students in Hawaii. I know, firsthand, the difficulties teachers face each day in their classroom. Fortunately, I taught during a time when teachers were respected and appreciated. Today, however, we take teachers for granted. We expect them to be teachers, counselors, and sometimes, even part-time parents. We fail to recognize the importance these individuals have in shaping the nature of our nation's future leaders. I am not sure when this terrible decline began, but I know that it must stop. We must raise our respect for teachers and realize that they are not the source of our education problems, nor are they the only ones that can improve our current situation.

We have a responsibility to provide the resources needed to allow our nation's teachers to succeed. We need to increase funding for teacher development programs such as technology teacher training, which helps teachers learn to use technology effectively to improve classroom instruction and enhance student learning. We need to help communities hire 100,000 new qualified teachers to allow schools to reduce there class sizes. We need to reduce the number of out-of-field teachers, particularly for new teachers who are more often assigned to teach subjects outside of their field of training and often do not have the support and mentoring to assist in their development. The First Lady said, "it takes a village to raise a child." I believe that, but I also believe that it takes a village to teach a child. Teachers, parents, administrators, and communities as a whole must be committed to ensuring that our children are provided the assistance they need to obtain a quality education.

Children are wonderful, forthright, and open individuals, particularly when they are young. It is always a treat for me to meet with young students, they often have a very truthful and direct way of putting things into perspective. Just three weeks ago, I participated in a satellite conference with third grade students from Queen Liliuokalani Elementary School and high school students from Radford and Kaimuki High Schools. The high school students are participants in E-school, a virtual school which provides on-line and satellite distance learning opportunities to students and teachers. Hawaii's Department of Education is a national leader in the virtual school concept. Leveraging federal funding through the Technology Literacy Fund and the Technology Challenge Grants, Hawaii students are able to learn and receive over 21 high school credit courses for on-line classes. Yet, even with these wonderful achievements in Hawaii, more needs to be done. The students who participated shared with me their concerns over the lack of more capable computers, the need for greater security for the system, and the desire for more teachers who are able to use the system. Students want to learn, it is our responsibility to ensure that they have the resources available to help them achieve their goals.

We know that children learn better in small classes, particularly in the early childhood years, study after study has proven that class size makes a difference in the achievements of our children. President Clinton has requested $12 billion over 7 years to reduce the class size in grades 1 to 3. As a former teacher, I strongly believe that the proposal would significantly advance the educational achievements of our students. The average class size in the United States for grades 1 to 3 is 23. In Hawaii, the average class size for kindergarten through third grade is 21.9. How can we expect our children to be able to learn when one teacher is required to teach 21 five- to eight-year-olds. I challenge my colleagues to spend a day, just one day, at a elementary school in their State to experience firsthand the challenges in getting 21 five through eight-year-olds to pay attention to you.

Our responsibility should not stop with the school bell. As many as 5 million children are home alone after school each week. Hawaii was fortunate to have the first state-wide after-school care program. This innovative program began in 1990 under the leadership of Governor Benjamin Cayetano while he was the Lieutenant Governor. Hawaii's A-Plus program provides after-school activities to eligible students in grades K through 6. The program provides supervised enrichment and physical development activities at 171 public schools. It is available to eligible children and fees are based on a sliding scale from $6 to $55 per month.

However, many of our children in other states are not as fortunate. Only one-third of the schools in low-income neighborhood and half the schools in affluent areas offer after-school programs. Full funding for the 21st Century Community Learning Centers program would provide 400,000 children in the United States access to safe learning centers, similar to those provided in Hawaii.

First-rate facilities, quality teachers, students ready and willing to learn are important ingredients needed to ensure success for our children, but that success also needs to be based on high academic standards. We must set significant academic standards for our students to ensure that they will be able to compete in the growing global economy. We should increase funding for Goals 2000 to assist states in raising and setting academic standards that challenge and motivate students. We need to expand funding for Title I to provide the means for disadvantaged communities to develop and maintain high academic standards.

Mr. President, our schools are in disrepair, our classrooms are overcrowded, our teachers are overburdened, our children need our help now. We have a responsibility and a moral obligation to provide modern, safe facilities, reduce class sizes, provide the support for children outside of the classrooms, and support and help recruit and retain well-qualified teachers. I urge my Senate colleagues to make a concerted effort to address this vital national problem. The implications of ignoring or delaying our obligation may have ramifications that may not be so easily corrected.

Our nation's children are depending upon us to make the sacrifice and do what needs to be done. We must stand up and meet this challenge, if we do not, we will have failed our nation's children—our nation's future.

THE INTERNATIONAL RELIGIOUS FREEDOM ACT

Mr. AKAKA. Mr. President, I wish to associate myself with the remarks delivered earlier this afternoon by my friend, the senior Senator from Oklahoma (Mr. NICKLES) regarding the International Religious Freedom Act. I commend him and Senator LIEBERMAN for their leadership in advancing this legislation. I congratulate their willingness to work with the Administration and all interested parties to craft legislation that is inclusive, that preserves many options for the President, yet is strong and effective in addressing religious persecution around the world. The revisions suggested and accepted in the spirit of compromise have not weakened the core purpose or value of this legislation.

This is one of the most important pieces of foreign relations legislation this Congress will consider during this session. It proposes action against religious persecution worldwide, and establishes a structure by which the United States can more effectively investigate, monitor, and address serious violations of religious freedom, an internationally recognized human right, as well as an issue of concern to all people of faith.

The International Religious Freedom Act is a necessary step to ensure that religious persecution will not be tolerated in our conduct of foreign policy. S. 1868 seeks to promote religious freedom by establishing an Ambassador-at-Large for Religious Liberty, a Special Advisor within the White House on Religious Persecution, and a bipartisan Commission on International Religious Liberty. It also provides the President with an array of options, including economic sanctions, which he can use to respond to countries that engage in or condone religious persecution. The measure in no way constricts or mandates the conduct of American foreign policy.

This is not a Republican bill or a Democratic bill, a conservative or liberal proposal, or an effort to protect or promote any one faith. It is supported by the Episcopal Church, the Christian Coalition, the Anti-Defamation League (ADL), Catholic organizations, and other religious and human rights associations across the country. Indeed, it is an ecumenical effort supported by a bipartisan group in Congress, and it enjoys wide support among all people of faith and supporters of human rights. This is why I was honored to join Senator NICKLES, LIEBERMAN, SPECTER, and COATS, Congressmen WOLF and CLEMENT, and a diverse coalition of religious leaders this morning to urge Congressional action on the International Religious Freedom Act before adjournment.

As a longtime supporter of human rights, the defense of the right to religious freedom is as significant as IMF funding and our ongoing efforts to deal with the international financial crisis. Sadly, many of the conflicts we are witnessing today have religious intolerance at their core. It is my strong belief that if we in the United States, our allies in other nations and people of faith around the world speak out about religious liberty and call attention to religious persecution, and bring positive forces to bear in defense of religious freedom, we can advance understanding and respect for this basic human right and prevent religious intolerance from festering and exploding into conflict and violence.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from Alabama.

THE QUESTION OF IMPEACHMENT

Mr. SESSIONS. Mr. President, I had the opportunity a few moments ago to hear the distinguished Senator from Delaware talk about his views and his analysis and his historical perspective from his extensive research on the question of impeachment. I found it instructive, full of much good insight and food for thought, and I agreed with the vast majority of it.

We ought to be respectful and responsive as we go through this process. It may be that it will never even get to this body. I certainly don't hear many Senators making speeches about it. We don't have any hearings going on in this body concerning impeachment. It is solely a decision to be made by the House first, and only then would we begin to focus on it. And I think that is the way it should be.

So far as I can tell, our attention in this body, the U.S. Senate, has in fact been on appropriations bills and other legislation that is important for the American people, and I am glad that is what has been happening.

I agree that the founders were concerned about the abuse of the impeachment process, and well they should be. They were wise people. They knew there were dangers and they discussed whether or not to have impeachment. But the important thing is they did adopt an impeachment process and they set it forth in the Constitution with good clarity, and it requires a majority vote in the House to impeach and a two-thirds vote of the sitting Members of the U.S. Senate, with the Chief Justice of the Supreme Court presiding, I assume in the President's chair. He would preside and manage the action on the floor. It would be a controlled environment with the case being presented by managers from the House following the historical rules of procedure. I believe impeachment proceedings would be handled in a dignified and proper manner. Certainly, that process is part of our Constitution and it is something we ought not to treat lightly.

Now, as to the question of politics, I, and I think every Member of this body, would be careful and very diligent to ensure that any decision they made concerning such a momentous subject as impeachment would be made on the law, on the facts, and on what is fair and just.

I do not believe politics will control this process, but, of course, to get the 67 votes, the necessary two-thirds, a substantial number of Democrats would have to vote for conviction before such an event could occur. So I think the framers thought it out carefully, and they have done a very good job in planning it out.

I hope that we do not talk politics in such a way that we create a political situation. I know the House is dealing with procedure: Some want to do it this way; some want to do it that way and some want to do it another way. Often these are legitimate debates. Who knows precisely how some of these procedural steps should be accomplished? Now, if every time you lose a vote you say it is politics and accuse the other side of politics, the charge of playing politics can be thrown back on the person making the accusation.

I think both groups—the people who are supporting the President and want to see him succeed, and those who are politically opposed to him—both need to be careful to ensure that what they do is fair and is perceived as creating a positive environment, as was done by Senator Howard Baker during Watergate. He didn't always agree with everyone, but he conducted himself in a way that brought respect to the system.

I think both parties, the Republican and the Democratic Parties, and Members of the House and Senate need to be careful about how we conduct ourselves and avoid politics and try to decide these matters on what is right and fair and just.

I don't know what others might say, but I was a Federal prosecutor. I had the opportunity over the years to be before grand juries hundreds of times. Perhaps, I have presented a thousand cases to a grand jury. I have seen people testify and tell the truth at great pain to themselves.

I would agree with Senator BIDEN that it just may be that as a matter of law, we are not in this body compelled to any conclusion because the President may have committed perjury. At the same time, I want us to not denigrate, not to too lightly respect the obligation of every citizen, when they are called in a civil case or a criminal case and placed under oath, to tell the truth, because when we do not have truth-telling in the judicial system, then the whole legal system is corrupted and can be undermined. That is so fundamental.

I have seen witnesses sweat drops of blood, but they told the truth. A businessman lately told me: "I had to give a deposition and it never occurred to me I was not required to tell the truth."

A few years ago, I had occasion to prosecute a young police officer who was, basically, I think the driver for the chief of police, a controversial chief of police, in my hometown. I liked him. He was an aggressive young African-American officer and made some good community-based changes. There were people with different views about things, and the young officer made some statements that were not true, and a lawsuit was filed. He testified in that lawsuit and later admitted what he said was not true.

It caused a big controversy in town, and in the newspapers. The people were upset, they didn't know whether the chief deserved to be kept in office or not. Finally, we found out it wasn't true. I was U.S. attorney then. We returned an indictment against that young officer for perjury in a civil case because he abused the legal system. He corrupted the legal system and caused great public damage and turmoil in the community.

I don't know what the standards are here. I don't expect to be prejudging what ought to occur in this body. But I want to say, as someone who has spent 15 years, really 17 years as a prosecutor, as someone who has been in court all my life professionally, and having seen these kinds of cases, I am telling you, we don't ever want to get in a situation in this country where we treat lightly the act of testifying falsely in a court of law. I mean that very sincerely and from my heart.

The President of the United States takes an oath to faithfully execute the duties of the Office of President, and one of those duties is to faithfully "take care that the laws of the United States be faithfully executed".

I think the Senator from Delaware has given us much insight and much food for thought. He said these are stark and momentous decisions, and they are. But at the same time, he said something else that was just right. He quoted his father saying, "This country is so big, so strong, so solid; we can handle an awful lot." I really believe that.

The process is set out in the Constitution and, as the Senator from Delaware said, this is not a constitutional crisis. Some way, we will get through it. If we follow what the Constitution says, if we let the House do its duty, and if they vote impeachment, it will come over here; if they don't vote impeachment, it won't come over here. It is set out clearly in the Constitution. I don't think there will be any doubt about the procedure to follow. I am much comforted, as I have studied the Constitution in that regard, that there won't be much confusion or doubt about how this process ought to be handled.

I thank the Senator from Delaware for his comments. They are insightful and important. All of us need to begin to think about this. I don't think we are required to be mute and not say anything about what is obviously taking place around us, never expressing an opinion about anything relating to this matter. This is not that kind of process. I think we ought to be careful and respectful and, above all, fair and just as we do this process.

TRITIUM PRODUCTION PROVISION IN THE STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. SESSIONS. Mr. President, on another subject, and the primary purpose of my being here this afternoon is to talk about the issue of tritium. It was a much debated issue in the Armed Services Committee bill.

I thank the chairman of the Senate Armed Services Committee, Senator STROM THURMOND, for his outstanding leadership, his commitment to this country and his dedication to America. He, at age 40, volunteered to fight—he was a judge—he forced his way into World War II, went off to Europe and volunteered on D-Day not just to land, he volunteered to get in one of the glider planes that they pulled up and let go and flew over the enemy lines and landed who knows where, in Belgium or somewhere near, to form commando groups to assist in the invasion effort.

Senator THURMOND recounted, when they asked him how rough the landing was, "Well, I'll just say you didn't have to open the door, you could just walk out the side of the plane." It is kind of hard to land one of those things in hedgerows and who knows what else when they are coming down. He served his country.

I asked him, "What happened after the surrender of Germany? Were you there all the way to the surrender, STROM?"

He said, "Yes," he was there until the day of the surrender, and then he was put on a train and sent to the Pacific, but Japan surrendered before he reached the battlefront in the Pacific.

He is a true patriot and has done an outstanding job on this entire defense bill—the Strom Thurmond National Defense Authorization Act. I do appreciate his willingness to work with us as we endeavored to reach a compromise on the question of tritium.

There was a colloquy on the floor of this body yesterday between Senator WARNER, Senator KYL and Senator ROBERT SMITH. Due to Hurricane Georges ravaging my hometown of Mobile, AL, I was not able to be here. But I appreciate Senator WARNER's expressed concern for the people of our State during that colloquy. I would like to make a few comments, since I was not able to be here at that time.

First and foremost, tritium is an essential element for maintaining the safety, security and reliability of a national nuclear weapons stockpile. Without it, as Senator JON KYL alluded to yesterday, we place our ability to meet our stockpile needs under the START I treaty, by 2005, in a precarious situation.

Therefore, regardless of how passionate we may become in debating the merits of the options on this issue, let there be no doubt that the core of this discussion lies in the U.S. national interests. And we cannot compromise that issue. We cannot compromise the national security interests of the United States.

For the last several years, the Department of Energy has been pursuing a dual-track strategy in considering two technologies for tritium production: One is a commercial light water reactor and the other a proton accelerator. I firmly believe it was premature for the House of Representatives to engage in a political effort that would have eliminated one of those options; that is, the commercial light water reactor option.

I personally believe that the commercial light water reactor option would be the most cost-effective and is the most proven way to produce tritium. So, we will have that debate coming up next year. We will go into some detail about it.

But beyond my own personal belief in the commercial light water reactor option, I continue to be committed to the support of the role that the experts at the Department of Energy and the Department of Defense must have to select the best option. We have had a process that has been going on for 2 years to have them analyze the options and make a selection. I believe they are better suited to deal with these technological questions than are Members of the House and the Senate.

So I worked hard, along with Senator SHELBY and Congressman ROBERT ADERHOLT and BOB RILEY and BUD CRAMER, and other Senate and House colleagues with the Senate Armed Services Committee and the House National Security Committee on this issue.

We did what we could to raise the issue. We let everyone who would listen know we were making a mistake to allow the politics of the moment rule the day. The amendment to eliminate the commerical light water reactor option was never debated in the House, but was attached to a large defense bill, and boom, passed. There was no discussion or debate on a measure that interrupted and abrogated the almost 2 years of study on tritium production by the Department of Energy.

There has been a lot of discussion about it. We concluded, according to recent CBO studies—that the accelerator option would cost between $4 billion and $13 billion more than the commercial light water reactor. That is a lot of money. We do not have $4, $5, $6, $7 billion or more to waste on that process.

So we have not had the final decision. The Department of Energy is analyzing it. They need to be allowed to complete their analysis. And that is what I believe was achieved in this bill. The process was allowed to continue. It was delayed somewhat, but I do not think it was delayed too long. But the Department of Energy will make its decision. And next year I suppose we will make our decision in this body, and then in the other body, as to how tritium should be produced and in what process.

So I am pleased that we have reached this accord. Senator LOTT stated yesterday that "we cannot afford to delay this program." I cannot agree more. And I hope this message is understood as we go forward to reaching a final solution on the production of tritium, an essential component for our nuclear arsenal.

In June, I entered a number of letters in the CONGRESSIONAL RECORD on this issue. We had letters from the Secretary of Defense, Secretary Cohen, and from the then Secretary of Energy, Secretary Peña, and the White House—all expressing grave concern about a political decision on a scientific, technical and defense issue. And Senator CARL LEVIN, my good friend from Michigan, was very strong in resisting this effort that had begun in the House of Representatives. So we now find ourselves on the right path again.

Secretary Richardson needs to move forward deliberately and aggressively in selecting the proper option. The Department's implementation plan must be submitted early next year and should be carefully considered by this body, thoroughly debated and swiftly acted upon.

The majority leader, TRENT LOTT, and others have indicated they will be thoroughly engaged in the debate when it comes. This is the next and logical step in the tritium story. Its outcome will provide a roadmap to a future guarantee for our Nation's security. I plan to be engaged in that important debate. I encourage my colleagues to do so as well.

I thank the Chair.

NATIONAL SALVAGE MOTOR VEHICLE CONSUMER PROTECTION ACT OF 1998

Mr. SESSIONS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 495, S. 852.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 852) to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Salvage Motor Vehicle Consumer Protection Act of 1997".

SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States Code, is amended by inserting a new chapter at the end:

"CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

"Sec.
"33301. Definitions.
"33302. Passenger motor vehicle titling.
"33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles.
"33304. Report on funding.
"33305. Effect on State law.
"33306. Civil and criminal penalties.
"33307. Actions by States.

"§ 33301. Definitions

"(a) DEFINITIONS.—For the purposes of this chapter:

"(1) PASSENGER MOTOR VEHICLE.—The term 'passenger motor vehicle' shall have the same meaning given such term by section 32101(10), except, notwithstanding section 32101(9), it shall include a multipurpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), or a truck, other than a truck referred to in section 32101(10)(B), when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and except further, it shall only include a vehicle manufactured primarily for use on public streets, roads, and highways.

"(2) SALVAGE VEHICLE.—The term 'salvage vehicle' means any passenger motor vehicle, other than a flood vehicle or a nonrepairable vehicle, which—

"(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 80 percent of the retail value of the passenger motor vehicle;

"(B) is a late model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

"(C) the owner wishes to voluntarily designate as a salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

"(3) SALVAGE TITLE.—The term 'salvage title' means a passenger motor vehicle ownership document issued by the State to the owner of a salvage vehicle. A salvage title shall be conspicuously labeled with the word 'salvage' across the front.

"(4) REBUILT SALVAGE VEHICLE.—The term 'rebuilt salvage vehicle' means—

"(A) any passenger motor vehicle which was previously issued a salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' affixed to the driver's door jamb; or

"(B) any passenger motor vehicle which was previously issued a salvage title, has passed a State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, and has, affixed to the driver's door jamb, a decal stating 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria' in those States not requiring a safety inspection pursuant to section 33302(b)(8).

"(5) REBUILT SALVAGE TITLE.—The term 'rebuilt salvage title' means the passenger motor vehicle ownership document issued by the State to the owner of a rebuilt salvage vehicle. A rebuilt salvage title shall be conspicuously labeled either with the words 'Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' or 'Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria,' as appropriate, across the front.

"(6) NONREPAIRABLE VEHICLE.—The term 'nonrepairable vehicle' means any passenger motor vehicle, other than a flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a nonrepairable vehicle certificate and shall never again be titled or registered.

"(7) NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'nonrepairable vehicle certificate' means a passenger motor vehicle ownership document issued by the State to the owner of a nonrepairable vehicle. A nonrepairable vehicle certificate shall be conspicuously labeled with the word 'Nonrepairable' across the front.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(9) LATE MODEL VEHICLE.—The term 'Late Model Vehicle' means any passenger motor vehicle which—

"(A) has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

"(B) has a retail value of more than $7,500.

The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

"(10) RETAIL VALUE.—The term 'retail value' means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

"(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

"(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

"(11) COST OF REPAIRS.—The term 'cost of repairs' means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

"(12) FLOOD VEHICLE.—The term 'flood vehicle' means any passenger motor vehicle that—

"(A) has been acquired by an insurance company as part of a damage settlement due to water damage; or

"(B) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except—

"(i) where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined to have no electrical, computerized or mechanical components which were damaged by water; or,

"(ii) where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

Disclosure that a vehicle is a flood vehicle must be made at the time of transfer of ownership and the brand 'Flood' shall be conspicuously marked on all subsequent titles for the vehicle. No inspection shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of 'Flood' pursuant to subparagraph (B). Disclosing a passenger motor vehicle's status as a flood vehicle or conducting an inspection pursuant to subparagraph (B) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

"(b) CONSTRUCTION.—The definitions set forth in subsection (a) shall only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

"§ 33302. Passenger motor vehicle titling

"(a) CARRY-FORWARD OF INFORMATION ON A NEWLY ISSUED TITLE WHERE THE PREVIOUS TITLE FOR THE VEHICLE WAS NOT ISSUED PURSUANT TO NEW NATIONALLY UNIFORM STANDARDS.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year from the date of the enactment of this chapter, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', 'nonrepairable', 'reconstructed', 'rebuilt', or any other symbol or word of like kind, or that it has been damaged by flood.

"(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of this chapter, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

"(1) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a salvage vehicle, a nonrepairable vehicle, a rebuilt salvage vehicle, or a flood vehicle.

"(2) Such information concerning a passenger motor vehicle's status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

"(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

"(4) The certificate of title shall include the passenger motor vehicle make, model, body type, year, odometer disclosure, and vehicle identification number.

"(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

"(6) A passenger motor vehicle designated as nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

"(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies with the requirements for a rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

"(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle's damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

"(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary's rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from which the mark or vehicle identification number has been legally removed or altered.

"(8) Any safety inspection for a rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

"(9) No duplicate or replacement title shall be issued unless the word 'duplicate' is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

"(10) A State shall employ the following titling and control methods:

"(A) If an insurance company is not involved in a damage settlement involving a salvage vehicle or a nonrepairable vehicle, the passenger motor vehicle owner shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

"(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a salvage title or nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or salvage facility or other agent on its behalf with all liens released.

"(C) If an insurance company does not assume ownership of an insured's or claimant's passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the insurance company shall notify the owner of the owner's obligation to apply for a salvage title or nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a salvage title or nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

"(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a salvage vehicle or nonrepairable vehicle, the lessor shall apply for a salvage title or nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

"(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a salvage or nonrepairable vehicle for which a salvage title or nonrepairable vehicle certificate has not been issued, shall apply for a salvage title or nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

"(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a nonrepairable vehicle certificate after 2 transfers of ownership.

"(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or nonrepairable vehicle certificate, the State of surrender shall notify the State of origin of the surrender of the title or nonrepairable vehicle certificate and of the destruction of such vehicle.

"(H) When a salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt salvage title for a passenger motor vehicle with a salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new salvage title for a salvage vehicle after a transfer of ownership.

"(I) After a passenger motor vehicle titled with a salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

"(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a rebuilt salvage title or vehicle registration, or both, by presenting to the State the salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a rebuilt salvage title or registration, or both, shall be issued to the owner. When a rebuilt salvage title is issued, the State records shall so note.

"(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, at or prior to the time of transfer of ownership, give the buyer a written notice that the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the word 'Flood' shall be conspicuously labeled across the front of the new title.

"(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a flood vehicle.

"(13) Ownership of a passenger motor vehicle may be transferred on a salvage title, however, a passenger motor vehicle for which a salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

"(14) Ownership of a passenger motor vehicle may be transferred on a rebuilt salvage title, and a passenger motor vehicle for which a rebuilt salvage title has been issued may be registered for use on the roads and highways.

"(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a nonrepairable vehicle certificate. A passenger motor vehicle for which a nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

"(c) CONSUMER NOTICE IN NONCOMPLIANT STATES.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of this chapter and not complying with the requirements of subsections (a) and (b) of this section, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subsections (a) and (b) of this section: 'NOTICE: This State does not conform to the uniform Federal requirements of the

National Salvage Motor Vehicle Consumer Protection Act of 1997.'.

"§33303. Disclosure and label requirements on transfer of rebuilt salvage vehicles

"(a) WRITTEN DISCLOSURE REQUIREMENTS.—

"(1) GENERAL RULE.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a rebuilt salvage vehicle shall give the transferee a written disclosure that the vehicle is a rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

"(2) FALSE STATEMENT.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

"(3) COMPLETENESS.—A person acquiring a rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

"(4) REGULATIONS.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

"(b) LABEL REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State antitheft inspection in a participating State.

"(2) REMOVAL, ALTERATION, OR ILLEGIBILITY OF REQUIRED LABEL.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

"(c) LIMITATION.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

"§33304. Report on funding

"The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

"§33305. Effect on State law

"(a) IN GENERAL.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of this chapter, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

"(1) set forth the form of the passenger motor vehicle title;

"(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms 'salvage', 'nonrepairable', or 'flood', or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

"(3) set forth titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle.

The requirements described in paragraph (3) shall not be construed to affect any State consumer law actions that may be available to residents of the State for violations of this chapter.

"(b) CONSTRUCTION.—Additional disclosures of a passenger motor vehicle's title status or history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt salvage title that a rebuilt salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

"§33306. Civil and criminal penalties

"(a) PROHIBITED ACTS.—It shall be unlawful for any person knowingly and willfully to—

"(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

"(2) fail to apply for a salvage title when such an application is required;

"(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

"(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

"(5) offer to sell any salvage vehicle or nonrepairable vehicle as a rebuilt salvage vehicle;

"(6) fail to make any disclosure required by section 33303, except when the person lacks actual knowledge of the status of the rebuilt salvage vehicle;

"(7) violate a regulation prescribed under this chapter; or

"(8) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), or (7).

"(b) CIVIL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to $2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

"(c) CRIMINAL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined up to $50,000 or sentenced to up to 3 years imprisonment or both, per offense.

"§33307. Actions by States

"(a) IN GENERAL.—Whenever an attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has violated or is violating section 33302 or 33303, the State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States or the appropriate State court to enjoin such violation or to enforce the civil penalties under section 33306 or enforce the criminal penalties under section 33306.

"(b) NOTICE.—The State shall serve prior written notice of any civil or criminal action under subsection (a) or (e)(2) upon the Attorney General and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting a civil or criminal action, the Attorney General shall have the right—

"(1) to intervene in such action;

"(2) upon so intervening, to be heard on all matters arising therein; and

"(3) to file petitions for appeal.

"(c) CONSTRUCTION.—For purposes of bringing any civil or criminal action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(d) VENUE; SERVICE OF PROCESS.—Any civil or criminal action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

"(e) ACTIONS BY STATE OFFICIALS.—

"(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

"(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents.".

(b) CONFORMING AMENDMENT.—The table of chapters for part C at the beginning of subtitle VI of title 49, United States Code, is amended by inserting at the end the following new item:

"333. Automobile safety and title
disclosure requirements .... 33301".

SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) DEFINITIONS.—

(1) Amend section 30501(4) of title 49, United States Code, to read as follows:

"(4) 'nonrepairable vehicle', 'salvage vehicle', and 'rebuilt salvage vehicle' have the same meanings given those terms in section 33301 of this title.".

(2) Amend section 30501(5) of title 49, United States Code, by striking "junk automobiles" and inserting "nonrepairable vehicles".

(3) Amend section 30501(8) by striking "salvage automobiles" and inserting "salvage vehicles".

(4) Strike paragraph (7) of section 30501 of title 49, United States Code, and renumber the succeeding sections accordingly.

(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.—

(1) Amend section 30502(d)(3) of title 49, United States Code, to read as follows:

"(3) whether an automobile known to be titled in a particular State is or has been a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle;".

(2) Amend section 30502(d)(5) of title 49, United States Code, to read as follows:

"(5) whether an automobile bearing a known vehicle identification number has been reported as a nonrepairable vehicle, a rebuilt salvage vehicle, or a salvage vehicle under section 30504 of this title.".

(c) STATE PARTICIPATION.—Amend section 30503 of title 49, United States Code, to read as follows:

"§30503. State participation

"(a) STATE INFORMATION.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

"(b) VERIFICATION CHECKS.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

"(1) communicating to the operator—

"(A) the vehicle identification number of the automobile for which the certificate of title is sought;

"(B) the name of the State that issued the most recent certificate of title for the automobile; and

"(C) the name of the individual or entity to whom the certificate of title was issued; and

"(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

"(c) GRANTS TO STATES.—

"(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

"(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and

"(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

"(d) REPORT TO CONGRESS.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.".

(d) REPORTING REQUIREMENTS.—Section 30504 of title 49, United States Code, is amended by striking "junk automobiles or salvage automobiles" every place it appears and inserting "nonrepairable vehicles, rebuilt salvage vehicles, or salvage vehicles".

AMENDMENT NO. 3683

(Purpose: To establish a uniform system for titling and registering vehicles that are salvaged, irreparably damaged, or rebuilt)

Mr. SESSIONS. Mr. President, Senator GORTON has a substitute amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS], for Mr. GORTON, proposes an amendment numbered 3683.

Mr. SESSIONS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 3684 TO AMENDMENT NO. 3683

(Purpose: To modify certain terms to clarify that certain Federal laws requiring labeling and titling of salvage vehicles do not preempt more stringent State laws)

Mr. SESSIONS. Mr. President, Senators LEVIN and FEINSTEIN have an amendment to the amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alabama [Mr. SESSIONS] for Mr. LEVIN, for himself, Mrs. FEINSTEIN and Mr. BRYAN, proposes an amendment numbered 3684 to amendment No. 3683.

Mr. SESSIONS. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, before line 1, strike the item relating to section 33303 and insert the following:

"33303. Disclosure and label requirements on transfer of rebuilt Federal salvage vehicles.

On page 2, lines 17 and 18, strike "SALVAGE VEHICLE.—The term 'salvage vehicle'" and insert "FEDERAL SALVAGE VEHICLE.—The term 'Federal salvage vehicle'".

On page 4, line 10, strike "SALVAGE TITLE.—The term 'salvage title'" and insert "FEDERAL SALVAGE TITLE.—The term 'Federal salvage title'".

On page 4, lines 15 and 16, strike "REBUILT SALVAGE VEHICLE.—The term 'rebuilt salvage vehicle'" and insert "FEDERAL REBUILT SALVAGE VEHICLE.—The term 'Federal rebuilt salvage vehicle'".

On page 5, line 4, strike "Rebuilt" and insert "Federal Rebuilt".

On page 5, line 14, strike "Rebuilt" and insert "Federal Rebuilt".

On page 5, beginning on line 19, strike "REBUILT SALVAGE TITLE.—The term 'rebuilt salvage title'" and insert "FEDERAL REBUILT SALVAGE TITLE.—The term 'Federal rebuilt salvage title'".

On page 5, line 22, strike "rebuilt salvage" and insert "Federal rebuilt salvage".

On page 5, line 22, strike "a rebuilt salvage" and insert "a Federal rebuilt salvage".

On page 5, lines 24 and 25, strike "Rebuilt Salvage" each place that term appears and insert "Federal Rebuilt Salvage".

On page 6, lines 4 and 5, strike "NONREPAIRABLE VEHICLE.—The term 'nonrepairable vehicle'" and insert "FEDERAL NONREPAIRABLE VEHICLE.—The term 'Federal nonrepairable vehicle'".

On page 6, line 11, strike "nonrepairable" and insert "Federal nonrepairable".

On page 6, lines 14 and 15, strike "NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'nonrepairable vehicle certificate'" and insert "FEDERAL NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'Federal nonrepairable vehicle certificate'".

On page 6, lines 17 through 18, strike "nonrepairable" and insert "Federal nonrepairable.

On page 6, line 18, strike "nonrepairable" and insert "Federal nonrepairable".

On page 6, line 19, strike "word" and insert "words".

On page 6, lines 19 and 20, strike "Nonrepairable" and insert "Federal nonrepairable".

On page 8, line 3, strike "FLOOD VEHICLE.—" and insert "FEDERAL FLOOD VEHICLE.—".

On page 9, line 8, strike "FLOOD" and insert "FEDERAL FLOOD".

On page 9, line 11, strike "Flood" and insert "Federal Flood".

On page 22, strike lines 20 and 21 and insert the following:

"§ 33303. Disclosure and label requirements on transfer of Federal rebuilt salvage vehicles"

On page 21, line 2, strike "word" and insert "words".

On page 21, line 2, strike "Flood" and insert "Federal Flood".

Strike "salvage" and insert "Federal salvage" on the following pages and in or beginning on the following lines:

(1) Page 3, line 15.
(2) Page 4, lines 12, 13, 14, and 18.
(3) Page 5, line 9.
(4) Page 11, line 14.
(5) Page 15, lines 17, 18, and 20.
(6) Page 16, lines 7, 11, 16, 19, and 22.
(7) Page 17, lines 5, 6, 18, 19, and 21.
(8) Page 19, lines 8, 11, 12, 19, and 22.
(9) Page 20, line 10.
(10) Page 21, lines 10 and 11.
(11) Page 25, lines 15 and 22.
(12) Page 27, line 15.
(13) Page 28, line 4.
(14) Page 31, lines 11 and 19.
(15) Page 32, line 12.
(16) Page 34, line 17.

Strike "flood" and insert "Federal flood" on the following pages and in or beginning on the following lines:

(1) Page 6, line 6.
(2) Page 9, line 14.
(3) Page 11, line 15.
(4) Page 21, line 8.
(5) Page 25, lines 16 and 23.

Strike "rebuilt salvage" and insert "Federal rebuilt salvage" on the following pages and in or beginning on the following lines:

(1) Page 5, line 22 (each place it appears).
(2) Page 11, lines 14 and 15.
(3) Page 12, line 14.
(4) Page 14, line 18.
(5) Page 20, lines 8 through 9, 16, and 14.
(6) Page 21, lines 16 and 17.
(7) Page 22, line 25.
(8) Page 23, lines 3, 11, and 20.
(9) Page 24, lines 4 and 9.
(10) Page 25, line 22.
(11) Page 27, line 4.
(12) Page 28, line 5.
(13) Page 31, line 12.
(14) Page 32, lines 5 and 11.
(15) Page 34, line 16.

Strike "nonrepairable" and insert "Federal nonrepairable" on the following pages and in or beginning on the following lines:

(1) Page 11, line 14.
(2) Page 12, line 9.
(3) Page 15, lines 18 and 20.
(4) Page 16, lines 5, 8, 17, 20, and 23.
(5) Page 17, lines 5, 6 through 7, 18, 19, and 21.
(6) Page 18, lines 8, 12, 15, and 22.
(7) Page 19, lines 3 and 6.
(8) Page 21, lines 21 and 23.
(9) Page 25, lines 15 through 16.
(10) Page 25, lines 22 through 23.
(11) Page 27, line 18.
(12) Page 28, lines 4 and 5.
(13) Page 31, lines 11 and 15 through 16.
(14) Page 32, lines 4 and 11.
(15) Page 34, line 16.

On page 10, line 20, strike "title." and insert "title, or that the vehicle was a 'Federal salvage vehicle', 'Federal rebuilt salvage vehicle', 'Federal flood vehicle', or 'Federal nonrepairable vehicle'.".

On page 11, line 15, strike "vehicle." and insert "vehicle, or if records readily available to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol referred to in subsection (a).".

On page 27, between lines 7 and 8, insert the following:

"(d) STATUTORY CONSTRUCTION.—Except as specifically provided in this chapter, nothing in this chapter is intended to affect any State law—

"(1) relating to the inspection or titling of, disclosure, or other action concerning salvage, rebuilt salvage, flood, or nonrepairable motor vehicles; or

"(2) that provides for more stringent protection of a purchaser of a used motor vehicle.

On page 32, strike lines 1 through 12 and insert the following:

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

"(3) whether an automobile known to be titled in a particular State—

"(A) is or has been a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle; or

"(B) was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

(2) Section 30502(d)(5) of title 49, United States Code, is amended to read as follows:

"(5) whether—

"(A) an automobile bearing a known vehicle identification number has been reported as a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle under section 30504 of this title; or

"(B) the vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

Mr. SESSIONS. Mr. President, I ask unanimous consent that the amendments be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (No. 3684 and No. 3683, as amended) were agreed to.

Mr. LEVIN. Mr. President, I am pleased Senators LOTT and GORTON have accepted my amendment to the substitute to S. 852, the National Salvage Motor Vehicle Consumer Protection Act of 1998. Senators FEINSTEIN and BRYAN have joined me in offering this amendment which will remedy concerns that the substitute bill would have preempted state laws that provide greater consumer protection with regard to the titling of salvage vehicles.

My colleagues may have heard from the state attorneys general about their opposition to the state preemption impact of the substitute bill. Mr. President, I have worked with the state attorneys general to address their concern. Simply put, my amendment will allow states with higher standards to keep them.

S. 852 without my amendment would establish national titling standards that act as a ceiling rather than a floor because, except for a few narrow exceptions, the legislation would have preempted existing tougher state standards for when a vehicle must be declared salvage, rebuilt salvage, non-repairable or flood damaged.

For example, Michigan has a stronger consumer protection standard for when a vehicle must be declared "non-repairable" which would be preempted by S. 852. In Michigan, if a vehicle is damaged 91 percent or more of its value, its title must be branded "scrap" or non-repairable.

S. 852 defines non-repairable as a vehicle which has no resale value except as a source of parts or scrap and it excludes flood vehicles. That is considered a weaker and more subjective definition than Michigan's, but under the substitute to S. 852 without my amendment, Michigan must accept the lower or weaker national standard.

In addition, Michigan's salvage definition includes motorcycles, motor homes, and flood vehicles and S. 852 exempts them. Again, the substitute legislation would force Michigan to abide by a standard that excludes these types of vehicles. My amendment would allow Michigan to retain these provisions of its vehicle titling code.

To avoid the preemption of state laws providing greater vehicle titling protection to consumers, my amendment would establish a national or federal standard for when a vehicle's title must be branded with the term "salvage", "rebuilt salvage", "non-repairable", and "flood" damaged. Under my amendment, the federally required standard would become a floor because no state opting in would be allowed to have a lower standard. However, my amendment would allow states that choose to provide more protection to consumers to retain or enact standards that may be considered more stringent.

Therefore, under the substitute, with my amendment, consumers would be protected against unscrupulous people who take the title of a vehicle that has been in a wreck to a state with lower standards in order to give the vehicle a clean title to hide the fact that it was damaged. There will now be a national standard that each participating state will have to meet. But it will be a national floor rather than a ceiling because states can retain or enact tougher standards if they so wish. Establishing a federal standard leaves state salvage law intact and not preempted.

I view this legislation, as amended, as a big step forward in protecting the consumer from the unscrupulous practice known as "title washing" because it gives us a relatively high national standard that did not previously exist. At the same time, it is not watering down any state standard that may be even more protective of the consumer than the federal standard established by this legislation.

I would have preferred that the federal standard contain a tougher measurement for when a damaged vehicle would be declared "salvage". However, the majority of states that have a percentage based salvage definition use the 75% number contained in this legislation and it is appropriate we go with the definition of the majority of states.

This legislation, as amended, does not preempt state law and the national standard that it sets is where the majority of states are, in terms of the percentage used in the definition of "salvage" vehicle.

Mr. President, few would dispute the need to stop the current practice of selling rebuilt wrecks to unsuspecting buyers. The objective of this legislation is to make it more difficult for the unscrupulous seller to conceal the fact that a vehicle has been in an accident by transferring the vehicle's title in a state with lower standards then where the vehicle is ultimately sold. This legislation, as amended, accomplishes this objective and with my amendment, it represents important consumer protection.

Mrs. FEINSTEIN. Mr. President, I rise in support of the Salvage Motor Vehicle legislation as it has been amended by the Levin/Feinstein amendment.

The sale of rebuilt vehicles that have been wrecked in accidents has become a major national problem. According to the National Association of Independent Insurers, about 2.5 million vehicles are involved in accidents so severe that they are declared a total loss. Yet, more than a million of these vehicles are rebuilt and put back on the road.

In many cases, "totaled" cars are sold at auction, refurbished to conceal prior damage, and resold to consumers without disclosure of the previous condition of the car. The structural integrity of these vehicles has been so severely weakened that the potential for serious injury in an accident is greatly increased.

This bill seeks to address the problem by requiring vehicle owners to disclose that the car has been salvaged if it has sustained damage valued at more than 75% of its retail value. The problem with this approach is that it sets a ceiling rather than a floor for consumer protection. States who may already have stronger definitions of salvage vehicles would be preempted.

The amendment that I have offered with the senior Senator from Michigan will eliminate this flaw in the bill. Our amendment says specifically that nothing in this bill will effect a state law that provides more stringent consumer protection relating to the inspection, titling or any other action dealing with salvage vehicles. We believe that this is the best possible outcome. A minimum level of consumer protection will be set at the federal level, but the bill now authorizes states to provide greater or more comprehensive protection if they wish.

Protection for consumers in my state of California will be greatly enhanced by the Levin/Feinstein amendment. California law does not set a percentage value for salvage vehicles. Instead it says that a vehicle is salvaged when the owners determines that repairing the vehicle is "uneconomical". Our amendment will allow California to maintain that definition as well as states with other protections. California law is also more comprehensive in terms of what vehicles are covered. California's law covers all vehicles including large trucks, motorcycles, and motor homes which would not be covered under the federal law.

I believe we now have a good bill. By setting a federal level of consumer protection that is a floor rather than a ceiling, we will achieve the goal of protecting consumers from fraud while at the same time giving states the flexibility to implement a stricter definition for salvage vehicles.

I want to thank the Senator from Michigan. Together we have crafted an amendment that will protect the residents of our states and many others. I also want to thank the Majority Leader for his willingness to work with us to improve the bill.

Mr. SESSIONS. I ask unanimous consent that the substitute amendment, as amended, be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The substitute amendment, as amended, was agreed to.

Mr. SESSIONS. I ask unanimous consent that the bill be considered read a third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 852), as amended, was considered read the third time and passed, as follows:

S. 852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Salvage Motor Vehicle Consumer Protection Act of 1998".

SEC. 2. MOTOR VEHICLE TITLING AND DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 49, UNITED STATES CODE.—Subtitle VI of title 49, United States Code, is amended by inserting a new chapter at the end:

"CHAPTER 333—AUTOMOBILE SAFETY AND TITLE DISCLOSURE REQUIREMENTS

"Sec.
"33301. Definitions.
"33302. Passenger motor vehicle titling.
"33303. Disclosure and label requirements on transfer of rebuilt Federal salvage vehicles.
"33304. Report on funding.
"33305. Effect on State law.
"33306. Civil penalties.
"33307. Actions by States.

"§ 33301. Definitions

"(a) DEFINITIONS.—For the purposes of this chapter:

"(1) PASSENGER MOTOR VEHICLE.—The term 'passenger motor vehicle' has the same meaning given such term by section 32101(10), except, notwithstanding section 32101(9), it includes a multipurpose passenger vehicle (constructed on a truck chassis or with special features for occasional off-road operation), a truck, other than a truck referred to in section 32101(10)(B), and a pickup truck when that vehicle or truck is rated by the manufacturer of such vehicle or truck at not more than 10,000 pounds gross vehicle weight, and it only includes a vehicle manufactured primarily for use on public streets, roads, and highways.

"(2) FEDERAL SALVAGE VEHICLE.—The term 'Federal salvage vehicle' means any passenger motor vehicle, other than a flood vehicle or a nonrepairable vehicle, which—

"(A) is a late model vehicle which has been wrecked, destroyed, or damaged, to the extent that the total cost of repairs to rebuild or reconstruct the passenger motor vehicle to its condition immediately before it was wrecked, destroyed, or damaged, and for legal operation on the roads or highways, exceeds 75 percent of the retail value of the passenger motor vehicle;

"(B) is a late model vehicle which has been wrecked, destroyed, or damaged, and to which an insurance company acquires ownership pursuant to a damage settlement (except in the case of a settlement in connection with a recovered stolen vehicle, unless such vehicle sustained damage sufficient to meet the damage threshold prescribed by subparagraph (A)); or

"(C) the owner wishes to voluntarily designate as a Federal salvage vehicle by obtaining a salvage title, without regard to the level of damage, age, or value of such vehicle or any other factor, except that such designation by the owner shall not impose on the insurer of the passenger motor vehicle or on an insurer processing a claim made by or on behalf of the owner of the passenger motor vehicle any obligation or liability.

Notwithstanding any other provision of this chapter, a State may use the term 'older model salvage vehicle' to designate a wrecked, destroyed, or damaged vehicle that does not meet the definition of a late model vehicle in paragraph (9). If a State, as of the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, has established a salvage definition at a lesser percentage than provided under subparagraph (A), then that definition shall not be considered to be inconsistent with the provisions of this chapter.

"(3) FEDERAL SALVAGE TITLE.—The term 'Federal salvage title' means a passenger motor vehicle ownership document issued by the State to the owner of a Federal salvage vehicle. A Federal salvage title shall be conspicuously labeled with the words 'Federal salvage' across the front.

"(4) FEDERAL REBUILT SALVAGE VEHICLE.—The term 'Federal rebuilt salvage vehicle' means—

"(A) any passenger motor vehicle which was previously issued a Federal salvage title, has passed State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, has passed the State safety inspection in those States requiring a safety inspection pursuant to section 33302(b)(8), has been issued a certificate indicating that the passenger motor vehicle has passed the required safety inspection in those States requiring such a safety inspection pursuant to section 33302(b)(8), and has a decal stating 'Federal Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' affixed to the driver's door jamb; or

"(B) any passenger motor vehicle which was previously issued a Federal salvage title, has passed a State anti-theft inspection, has been issued a certificate indicating that the passenger motor vehicle has passed the required anti-theft inspection, and has affixed to the driver's door jamb, a decal stating 'Federal Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria' in those States not requiring a safety inspection pursuant to section 33302(b)(8).

"(5) FEDERAL REBUILT SALVAGE TITLE.—The term 'Federal rebuilt salvage title' means the passenger motor vehicle ownership document issued by the State to the owner of a Federal rebuilt salvage vehicle. A Federal rebuilt salvage title shall be conspicuously labeled either with the words 'Federal Rebuilt Salvage Vehicle—Anti-theft and Safety Inspections Passed' or 'Federal Rebuilt Salvage Vehicle—Anti-theft Inspection Passed/No Safety Inspection Pursuant to National Criteria', as appropriate, across the front.

"(6) FEDERAL NONREPAIRABLE VEHICLE.—The term 'Federal nonrepairable vehicle' means any passenger motor vehicle, other than a Federal flood vehicle, which is incapable of safe operation for use on roads or highways and which has no resale value except as a source of parts or scrap only or which the owner irreversibly designates as a source of parts or scrap. Such passenger motor vehicle shall be issued a Federal nonrepairable vehicle certificate and shall never again be titled or registered.

"(7) FEDERAL NONREPAIRABLE VEHICLE CERTIFICATE.—The term 'Federal nonrepairable vehicle certificate' means a passenger motor vehicle ownership document issued by the State to the owner of a Federal nonrepairable vehicle. A Federal nonrepairable vehicle certificate shall be conspicuously labeled with the words 'Federal nonrepairable' across the front.

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Transportation.

"(9) LATE MODEL VEHICLE.—The term 'Late Model Vehicle' means any passenger motor vehicle which—

"(A) has a manufacturer's model year designation of or later than the year in which the vehicle was wrecked, destroyed, or damaged, or any of the six preceding years; or

"(B) has a retail value of more than $7,500.

The Secretary shall adjust such retail value on an annual basis in accordance with changes in the consumer price index.

"(10) RETAIL VALUE.—The term 'retail value' means the actual cash value, fair market value, or retail value of a passenger motor vehicle as—

"(A) set forth in a current edition of any nationally recognized compilation (to include automated databases) of retail values; or

"(B) determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

"(11) COST OF REPAIRS.—The term 'cost of repairs' means the estimated retail cost of parts needed to repair the vehicle or, if the vehicle has been repaired, the actual retail cost of the parts used in the repair, and the cost of labor computed by using the hourly labor rate and time allocations that are reasonable and customary in the automobile repair industry in the community where the repairs are to be performed.

"(12) FEDERAL FLOOD VEHICLE.—

"(A) IN GENERAL.—The term 'flood vehicle' means any passenger motor vehicle that—

"(i) has been acquired by an insurance company as part of a damage settlement due to water damage; or

"(ii) has been submerged in water to the point that rising water has reached over the door sill, has entered the passenger or trunk compartment, and has exposed any electrical, computerized, or mechanical component to water, except where a passenger motor vehicle which, pursuant to an inspection conducted by an insurance adjuster or estimator, a motor vehicle repairer or motor vehicle dealer in accordance with inspection guidelines or procedures established by the Secretary or the State, is determined—

"(I) to have no electrical, computerized or mechanical components which were damaged by water; or

"(II) to have one or more electrical, computerized or mechanical components which were damaged by water and where all such damaged components have been repaired or replaced.

"(B) INSPECTION NOT REQUIRED FOR ALL FEDERAL FLOOD VEHICLES.—No inspection under subparagraph (A) shall be required unless the owner or insurer of the passenger motor vehicle is seeking to avoid a brand of 'Federal Flood' pursuant to this chapter.

"(C) EFFECT OF DISCLOSURE.—Disclosing a passenger motor vehicle's status as a Federal flood vehicle or conducting an inspection pursuant to subparagraph (A) shall not impose on any person any liability for damage to (except in the case of damage caused by the inspector at the time of the inspection) or reduced value of a passenger motor vehicle.

"(b) CONSTRUCTION.—The definitions set forth in subsection (a) only apply to vehicles in a State which are wrecked, destroyed, or otherwise damaged on or after the date on which such State complies with the requirements of this chapter and the rule promulgated pursuant to section 33302(b).

"§ 33302. Passenger motor vehicle titling

"(a) CARRY-FORWARD OF STATE INFORMATION.—For any passenger motor vehicle, the ownership of which is transferred on or after the date that is 1 year after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing such vehicle for use, shall disclose in writing on the certificate of title whenever records readily accessible to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'older model salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', 'nonrepairable', 'reconstructed', 'rebuilt', or any other symbol or word of like kind, or that it has been damaged by flood, and the name of the State that issued that title, or that the vehicle was a 'Federal salvage vehicle', 'Federal rebuilt salvage vehicle', 'Federal flood vehicle', or 'Federal nonrepairable vehicle'.

"(b) NATIONALLY UNIFORM TITLE STANDARDS AND CONTROL METHODS.—Not later than 18 months after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, the Secretary shall by rule require each State receiving funds, either directly or indirectly, appropriated under section 30503(c) of this title after the date of the enactment of that Act, in licensing any passenger motor vehicle where ownership of such passenger motor vehicle is transferred more than 2 years after publication of such final rule, to apply uniform standards, procedures, and methods for the issuance and control of titles for motor vehicles and for information to be contained on such titles. Such titling standards, control procedures, methods, and information shall include the following requirements:

"(1) A State shall conspicuously indicate on the face of the title or certificate for a passenger motor vehicle, as applicable, if the passenger motor vehicle is a Federal salvage vehicle, a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal flood vehicle, or if records readily available to the State indicate that the passenger motor vehicle was previously issued a title that bore any word or symbol referred to in subsection (a).

"(2) Such information concerning a passenger motor vehicle's status shall be conveyed on any subsequent title, including a duplicate or replacement title, for the passenger motor vehicle issued by the original titling State or any other State.

"(3) The title documents, the certificates, and decals required by section 33301(4), and the issuing system shall meet security standards minimizing the opportunities for fraud.

"(4) The certificate of title shall include the passenger motor vehicle make, model, body type, year, odometer disclosure, and vehicle identification number.

"(5) The title documents shall maintain a uniform layout, to be established in consultation with the States or an organization representing them.

"(6) A passenger motor vehicle designated as Federal nonrepairable shall be issued a nonrepairable vehicle certificate and shall not be retitled.

"(7) No rebuilt salvage title shall be issued to a salvage vehicle unless, after the salvage vehicle is repaired or rebuilt, it complies with the requirements for a Federal rebuilt salvage vehicle pursuant to section 33301(4). Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. Any such anti-theft inspection program shall include the following:

"(A) A requirement that the owner of any passenger motor vehicle submitting such vehicle for an anti-theft inspection provide a completed document identifying the vehicle's damage prior to being repaired, a list of replacement parts used to repair the vehicle, and proof of ownership of such replacement parts, as may be evidenced by bills of sale, invoices, or, if such documents are not available, other proof of ownership for the replacement parts. The owner shall also include an affirmation that the information in the declaration is complete and accurate and that, to the knowledge of the declarant, no stolen parts were used during the rebuilding.

"(B) A requirement to inspect the passenger motor vehicle or any major part or any major replacement part required to be marked under section 33102 for signs of such mark or vehicle identification number being illegally altered, defaced, or falsified. Any such passenger motor vehicle or any such part having a mark or vehicle identification number that has been illegally altered, defaced, or falsified, and that cannot be identified as having been legally obtained (through bills of sale, invoices, or other ownership documentation), shall be contraband and subject to seizure. The Secretary, in consultation with the Attorney General, shall, as part of the rule required by this section, establish procedures for dealing with those parts whose mark or vehicle identification number is normally removed during industry accepted remanufacturing or rebuilding practices, which parts shall be deemed identified for purposes of this section if they bear a conspicuous mark of a type, and applied in such a manner, as designated by the Secretary, indicating that they have been rebuilt or remanufactured. With respect to any vehicle part, the Secretary's rule, as required by this section, shall acknowledge that a mark or vehicle identification number on such part may be legally removed or altered as provided for in section 511 of title 18, United States Code, and shall direct inspectors to adopt such procedures as may be necessary to prevent the seizure of a part from which the mark or vehicle identification number has been legally removed or altered.

"(8) Any safety inspection for a Federal rebuilt salvage vehicle performed pursuant to this chapter shall be performed in accordance with nationally uniform safety inspection criteria established by the Secretary. A State may determine whether to conduct such safety inspection itself, contract with one or more third parties, or permit self-inspection by a person licensed by such State in an automotive-related business, all subject to criteria promulgated by the Secretary hereunder. Any State inspection program operating under this paragraph shall be subject to continuing review by and approval of the Secretary. A State requiring such safety inspection may require the payment of a fee for the privilege of such inspection or the processing thereof.

"(9) No duplicate or replacement title shall be issued unless the word 'duplicate' is clearly marked on the face thereof and unless the procedures for such issuance are substantially consistent with Recommendation three of the Motor Vehicle Titling, Registration and Salvage Advisory Committee.

"(10) A State shall employ the following titling and control methods:

"(A) If an insurance company is not involved in a damage settlement involving a Federal salvage vehicle or a Federal nonrepairable vehicle, the passenger motor vehicle owner shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate, whichever is applicable, before the passenger motor vehicle is repaired or the ownership of the passenger motor vehicle is transferred, but in any event within 30 days after the passenger motor vehicle is damaged.

"(B) If an insurance company, pursuant to a damage settlement, acquires ownership of a passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a salvage vehicle or Federal nonrepairable vehicle, the insurance company or salvage facility or other agent on its behalf shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate within 30 days after the title is properly assigned by the owner to the insurance company and delivered to the insurance company or Federal salvage facility or other agent on its behalf with all liens released.

"(C) If an insurance company does not assume ownership of an insured's or claimant's passenger motor vehicle that has incurred damage requiring the vehicle to be titled as a Federal salvage vehicle or Federal nonrepairable vehicle, the insurance company shall notify the owner of the owner's obligation to apply for a Federal salvage title or Federal nonrepairable vehicle certificate for the passenger motor vehicle and notify the State passenger motor vehicle titling office that a Federal salvage title or Federal nonrepairable vehicle certificate should be issued for the vehicle, except to the extent such notification is prohibited by State insurance law.

“(D) If a leased passenger motor vehicle incurs damage requiring the vehicle to be titled as a Federal salvage vehicle or Federal nonrepairable vehicle, the lessor shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate within 21 days after being notified by the lessee that the vehicle has been so damaged, except when an insurance company, pursuant to a damage settlement, acquires ownership of the vehicle. The lessee of such vehicle shall inform the lessor that the leased vehicle has been so damaged within 30 days after the occurrence of the damage.

“(E) Any person acquiring ownership of a damaged passenger motor vehicle that meets the definition of a Federal salvage or Federal nonrepairable vehicle for which a Federal salvage title or Federal nonrepairable vehicle certificate has not been issued, shall apply for a Federal salvage title or Federal nonrepairable vehicle certificate, whichever is applicable. This application shall be made before the vehicle is further transferred, but in any event, within 30 days after ownership is acquired. The requirements of this subparagraph shall not apply to any scrap metal processor which acquires a passenger motor vehicle for the sole purpose of processing it into prepared grades of scrap and which so processes such vehicle.

“(F) State records shall note when a nonrepairable vehicle certificate is issued. No State shall issue a Federal nonrepairable vehicle certificate after 2 transfers of ownership.

“(G) When a passenger motor vehicle has been flattened, baled, or shredded, whichever comes first, the title or Federal nonrepairable vehicle certificate for the vehicle shall be surrendered to the State within 30 days. If the second transferee on a Federal nonrepairable vehicle certificate is unequipped to flatten, bale, or shred the vehicle, such transferee shall, at the time of final disposal of the vehicle, use the services of a professional automotive recycler or professional scrap processor who is hereby authorized to flatten, bale, or shred the vehicle and to effect the surrender of the Federal nonrepairable vehicle certificate to the State on behalf of such second transferee. State records shall be updated to indicate the destruction of such vehicle and no further ownership transactions for the vehicle will be permitted. If different than the State of origin of the title or Federal nonrepairable vehicle certificate, the State of surrender shall notify the State of origin of the surrender of the title or Federal nonrepairable vehicle certificate and of the destruction of such vehicle.

“(H) When a Federal salvage title is issued, the State records shall so note. No State shall permit the retitling for registration purposes or issuance of a rebuilt Federal salvage title for a passenger motor vehicle with a Federal salvage title without a certificate of inspection, which complies with the security and guideline standards established by the Secretary pursuant to paragraphs (3), (7), and (8), as applicable, indicating that the vehicle has passed the inspections required by the State. This subparagraph does not preclude the issuance of a new Federal salvage title for a Federal salvage vehicle after a transfer of ownership.

“(I) After a passenger motor vehicle titled with a Federal salvage title has passed the inspections required by the State, the inspection official will affix the secure decal required pursuant to section 33301(4) to the driver's door jamb of the vehicle and issue to the owner of the vehicle a certificate indicating that the passenger motor vehicle has passed the inspections required by the State. The decal shall comply with the permanency requirements established by the Secretary.

“(J) The owner of a passenger motor vehicle titled with a salvage title may obtain a Federal rebuilt salvage title or vehicle registration, or both, by presenting to the State the Federal salvage title, properly assigned, if applicable, along with the certificate that the vehicle has passed the inspections required by the State. With such proper documentation and upon request, a Federal rebuilt salvage title or registration, or both, shall be issued to the owner. When a Federal rebuilt salvage title is issued, the State records shall so note.

“(11) A seller of a passenger motor vehicle that becomes a flood vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written notice that the vehicle has been damaged by flood, provided such person has actual knowledge that such vehicle has been damaged by flood. At the time of the next title application for the vehicle, disclosure of the flood status shall be provided to the applicable State with the properly assigned title and the words ‘Federal Flood’ shall be conspicuously labeled across the front of the new title.

“(12) In the case of a leased passenger motor vehicle, the lessee, within 15 days of the occurrence of the event that caused the vehicle to become a flood vehicle, shall give the lessor written disclosure that the vehicle is a Federal flood vehicle.

“(13) Ownership of a passenger motor vehicle may be transferred on a Federal salvage title, however, a passenger motor vehicle for which a Federal salvage title has been issued shall not be registered for use on the roads or highways unless it has been issued a rebuilt salvage title.

“(14) Ownership of a passenger motor vehicle may be transferred on a Federal rebuilt salvage title, and a passenger motor vehicle for which a Federal rebuilt salvage title has been issued may, if permitted by State law, be registered for use on the roads and highways.

“(15) Ownership of a passenger motor vehicle may only be transferred 2 times on a Federal nonrepairable vehicle certificate. A passenger motor vehicle for which a Federal nonrepairable vehicle certificate has been issued can never be titled or registered for use on roads or highways.

“(c) CONSUMER NOTICE IN NONCOMPLIANT STATES.—Any State receiving, either directly or indirectly, funds appropriated under section 30503(c) of this title after the date of enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998 and not complying with the requirements of subsections (a) and (b) of this section, shall conspicuously print the following notice on all titles or ownership certificates issued for passenger motor vehicles in such State until such time as such State is in compliance with the requirements of subsections (a) and (b) of this section: ‘NOTICE: This State does not conform to the uniform Federal requirements of the National Salvage Motor Vehicle Consumer Protection Act of 1998.’.

“(d) ELECTRONIC PROCEDURES.—A State may employ electronic procedures in lieu of paper documents whenever such electronic procedures provide the same information, function, and security otherwise required by this section.

“§ 33303. Disclosure and label requirements on transfer of Federal rebuilt salvage vehicles

“(a) WRITTEN DISCLOSURE REQUIREMENTS.—

“(1) GENERAL RULE.—Under regulations prescribed by the Secretary of Transportation, a person transferring ownership of a Federal rebuilt salvage vehicle shall, prior to the time of transfer of ownership of the vehicle, give the transferee a written disclosure that the vehicle is a Federal rebuilt salvage vehicle when such person has actual knowledge of the status of such vehicle.

“(2) FALSE STATEMENT.—A person making a written disclosure required by a regulation prescribed under paragraph (1) of this subsection may not make a false statement in the disclosure.

“(3) COMPLETENESS.—A person acquiring a Federal rebuilt salvage vehicle for resale may accept a disclosure under paragraph (1) only if it is complete.

“(4) REGULATIONS.—The regulations prescribed by the Secretary shall provide the way in which information is disclosed and retained under paragraph (1).

“(b) LABEL REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary shall by regulation require that a label be affixed to the windshield or window of a Federal rebuilt salvage vehicle before its first sale at retail containing such information regarding that vehicle as the Secretary may require. The label shall be affixed by the individual who conducts the applicable State anti-theft inspection in a participating State.

“(2) REMOVAL, ALTERATION, OR ILLEGIBILITY OF REQUIRED LABEL.—No person shall willfully remove, alter, or render illegible any label required by paragraph (1) affixed to a Federal rebuilt salvage vehicle before the vehicle is delivered to the actual custody and possession of the first retail purchaser.

“(c) LIMITATION.—The requirements of subsections (a) and (b) shall only apply to a transfer of ownership of a Federal rebuilt salvage vehicle where such transfer occurs in a State which, at the time of the transfer, is complying with subsections (a) and (b) of section 33302.

“§ 33304. Report on funding

“The Secretary shall, contemporaneously with the issuance of a final rule pursuant to section 33302(b), report to appropriate committees of Congress whether the costs to the States of compliance with such rule can be met by user fees for issuance of titles, issuance of registrations, issuance of duplicate titles, inspection of rebuilt vehicles, or for the State services, or by earmarking any moneys collected through law enforcement action to enforce requirements established by such rule.

“§ 33305. Effect on State law

“(a) IN GENERAL.—Unless a State is in compliance with subsection (c) of section 33302, effective on the date the rule promulgated pursuant to section 33302 becomes effective, the provisions of this chapter shall preempt all State laws in States receiving funds, either directly or indirectly appropriated under section 30503(c) of this title after the date of the enactment of the National Salvage Motor Vehicle Consumer Protection Act of 1998, to the extent they are inconsistent with the provisions of this chapter or the rule promulgated pursuant to section 33302, which—

“(1) set forth the form of the passenger motor vehicle title;

“(2) define, in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any term defined in section 33301 or the terms 'Federal salvage', 'Federal nonrepairable', or 'Federal flood', or apply any of those terms to any passenger motor vehicle (but not to a passenger motor vehicle part or part assembly separate from a passenger motor vehicle); or

"(3) set forth titling, recordkeeping, anti-theft inspection, or control procedures in connection with any Federal salvage vehicle, Federal rebuilt salvage vehicle, Federal nonrepairable vehicle, or Federal flood vehicle.

"(b) EXCEPTIONS.—

"(1) PASSENGER MOTOR VEHICLE; OLDER MODEL SALVAGE.—Subsection (a)(2) does not preempt State use of the term—

"(A) 'passenger motor vehicle' in statutes not related to titling, recordkeeping, anti-theft inspection, or control procedures in connection with any salvage vehicle, rebuilt salvage vehicle, nonrepairable vehicle, or flood vehicle; or

"(B) 'older model salvage' to designate a wrecked, destroyed, or damaged vehicle that is older than a late model vehicle.

"(2) CONSUMER LAW ACTIONS.—Nothing in this chapter may be construed to affect any private right of action under State law.

"(c) CONSTRUCTION.—Additional disclosures of a passenger motor vehicle's title status or history, in addition to the terms defined in section 33301, shall not be deemed inconsistent with the provisions of this chapter. Such disclosures shall include disclosures made on a certificate of title. When used in connection with a passenger motor vehicle (but not in connection with a passenger motor vehicle part or part assembly separate from a passenger motor vehicle), any definition of a term defined in section 33301 which is different than the definition in that section or any use of any term listed in subsection (a), but not defined in section 33301, shall be deemed inconsistent with the provisions of this chapter. Nothing in this chapter shall preclude a State from disclosing on a rebuilt national salvage title that a Federal rebuilt national salvage vehicle has passed a State safety inspection which differed from the nationally uniform criteria to be promulgated pursuant to section 33302(b)(8).

"(d) STATUTORY CONSTRUCTION.—Except as specifically provided in this chapter, nothing in this chapter is intended to affect any State law—

"(1) relating to the inspection or titling of, disclosure, or other action concerning salvage, rebuilt salvage, flood, or nonrepairable motor vehicles; or

"(2) that provides for more stringent protection of a purchaser of a used motor vehicle.

"§ 33306. Civil penalties

"(a) PROHIBITED ACTS.—It is unlawful for any person knowingly to—

"(1) make or cause to be made any false statement on an application for a title (or duplicate title) for a passenger motor vehicle or any disclosure made pursuant to section 33303;

"(2) fail to apply for a Federal salvage title when such an application is required;

"(3) alter, forge, or counterfeit a certificate of title (or an assignment thereof), a Federal nonrepairable vehicle certificate, a certificate verifying an anti-theft inspection or an anti-theft and safety inspection, a decal affixed to a passenger motor vehicle pursuant to section 33302(b)(10)(I), or any disclosure made pursuant to section 33303;

"(4) falsify the results of, or provide false information in the course of, an inspection conducted pursuant to section 33302(b)(7) or (8);

"(5) offer to sell any Federal salvage vehicle or Federal nonrepairable vehicle as a Federal rebuilt salvage vehicle;

"(6) fail to make any disclosure required by section 33302(b)(11);

"(7) fail to make any disclosure required by section 33303;

"(8) violate a regulation prescribed under this chapter;

"(9) move a vehicle or a vehicle title in interstate commerce for the purpose of avoiding the titling requirements of this chapter; or

"(10) conspire to commit any of the acts enumerated in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (9).

"(b) CIVIL PENALTY.—Any person who commits an unlawful act as provided in subsection (a) of this section shall be fined a civil penalty of up to $2,000 per offense. A separate violation occurs for each passenger motor vehicle involved in the violation.

"§ 33307. Actions by States

"(a) IN GENERAL.—When a person violates any provision of this chapter, the chief law enforcement officer of the State in which the violation occurred may bring an action—

"(1) to restrain the violation;

"(2) recover amounts for which a person is liable under section 33306; or

"(3) to recover the amount of damage suffered by any resident in that State who suffered damage as a result of the knowing commission of an unlawful act under section 33306(a) by another person.

"(b) STATUTE OF LIMITATIONS.—An action under subsection (a) shall be brought in any court of competent jurisdiction within 2 years after the date on which the violation occurs.

"(c) NOTICE.—The State shall serve prior written notice of any action under subsection (a) or (f)(2) upon the Attorney General of the United States and provide the Attorney General with a copy of its complaint, except that if it is not feasible for the State to provide such prior notice, the State shall serve such notice immediately upon instituting such action. Upon receiving a notice respecting an action, the Attorney General shall have the right—

"(1) to intervene in such action;

"(2) upon so intervening, to be heard on all matters arising therein; and

"(3) to file petitions for appeal.

"(d) CONSTRUCTION.—For purposes of bringing any action under subsection (a), nothing in this Act shall prevent an attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

"(e) VENUE; SERVICE OF PROCESS.—Any action brought under subsection (a) in a district court of the United States may be brought in the district in which the defendant is found, is an inhabitant, or transacts business or wherever venue is proper under section 1391 of title 28, United States Code. Process in such an action may be served in any district in which the defendant is an inhabitant or in which the defendant may be found.

"(f) ACTIONS BY STATE OFFICIALS.—.

"(1) Nothing contained in this section shall prohibit an attorney general of a State or other authorized State official from proceeding in State court on the basis of an alleged violation of any civil or criminal statute of such State.

"(2) In addition to actions brought by an attorney general of a State under subsection (a), such an action may be brought by officers of such State who are authorized by the State to bring actions in such State on behalf of its residents.".

(b) CONFORMING AMENDMENT.—The table of chapters for part C at the beginning of subtitle VI of title 49, United States Code, is amended by inserting at the end the following new item:

"333. AUTOMOBILE SAFETY
AND TITLE DISCLOSURE RE-
QUIREMENTS .... 33301".

SEC. 3. AMENDMENTS TO CHAPTER 305.

(a) DEFINITIONS.—

(1) Section 30501(4) of title 49, United States Code, is amended to read as follows:

"(4) 'Federal nonrepairable vehicle', 'Federal salvage vehicle', and 'Federal rebuilt salvage vehicle' have the same meanings given those terms in section 33301 of this title.".

(2) Section 30501(5) of such title is amended by striking "junk automobiles" and inserting "Federal nonrepairable vehicles".

(3) Section 30501(8) of such title is amended by striking "salvage automobiles" and inserting "Federal salvage vehicles".

(4) Section 30501 of such title is amended by striking paragraph (7) and redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(b) NATIONAL MOTOR VEHICLE TITLE INFORMATION SYSTEM.—

(1) Section 30502(d)(3) of title 49, United States Code, is amended to read as follows:

"(3) whether an automobile known to be titled in a particular State—

"(A) is or has been a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle; or

"(B) was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

(2) Section 30502(d)(5) of title 49, United States Code, is amended to read as follows:

"(5) whether—

"(A) an automobile bearing a known vehicle identification number has been reported as a Federal nonrepairable vehicle, a Federal rebuilt salvage vehicle, or a Federal salvage vehicle under section 30504 of this title; or

"(B) the vehicle was previously issued a title that bore any word or symbol signifying that the vehicle was 'salvage', 'unrebuildable', 'parts only', 'scrap', 'junk', or any other symbol or word of like kind, or that the vehicle has been damaged by flood.".

(c) STATE PARTICIPATION.—Section 30503 of title 49, United States Code, is amended to read as follows:

"§ 30503. State participation

"(a) STATE INFORMATION.—Each State receiving funds appropriated under subsection (c) shall make titling information maintained by that State available for use in operating the National Motor Vehicle Title Information System established or designated under section 30502 of this title.

"(b) VERIFICATION CHECKS.—Each State receiving funds appropriated under subsection (c) shall establish a practice of performing an instant title verification check before issuing a certificate of title to an individual or entity claiming to have purchased an automobile from an individual or entity in another State. The check shall consist of—

"(1) communicating to the operator—

"(A) the vehicle identification number of the automobile for which the certificate of title is sought;

"(B) the name of the State that issued the most recent certificate of title for the automobile; and

"(C) the name of the individual or entity to whom the certificate of title was issued; and

"(2) giving the operator an opportunity to communicate to the participating State the results of a search of the information.

"(c) GRANTS TO STATES.—

"(1) In cooperation with the States and not later than January 1, 1994, the Attorney General shall—

"(A) conduct a review of systems used by the States to compile and maintain information about the titling of automobiles; and

"(B) determine for each State the cost of making titling information maintained by that State available to the operator to meet the requirements of section 30502(d) of this title.

"(2) The Attorney General may make reasonable and necessary grants to participating States to be used in making titling information maintained by those States available to the operator.

"(d) REPORT TO CONGRESS.—Not later than October 1, 1998, the Attorney General shall report to Congress on which States have met the requirements of this section. If a State has not met the requirements, the Attorney General shall describe the impediments that have resulted in the State's failure to meet the requirements.".

(d) REPORTING REQUIREMENTS.—Section 30504 of title 49, United States Code, is amended by striking "junk automobiles or salvage automobiles" every place it appears and inserting "Federal nonrepairable vehicles, Federal rebuilt salvage vehicles, or Federal salvage vehicles".

SEC. 4. DEALER NOTIFICATION PROGRAM FOR PROHIBITED SALE OF NONQUALIFYING VEHICLES FOR USE AS SCHOOLBUSES.

Section 30112 of title 49, United States Code, is amended by adding at the end thereof the following:

"(c) NOTIFICATION PROGRAM FOR DEALERS CONCERNING SALES OF VEHICLES AS SCHOOLBUSES.—Not later than September 1, 1998, the Secretary shall develop and implement a program to notify dealers and distributors in the United States that subsection (a) prohibits the sale or delivery of any vehicle for use as a schoolbus (as that term is defined in section 30125(a)(1) of this title) that does not meet the standards prescribed under section 30125(b) of this title.".

Passed the Senate October 2, 1998.

Mr. LOTT. Mr. President, today, I want to talk to my colleagues about used cars. No, I don't want to sell one, I want to talk about how my colleagues have worked to protect every American who purchases a used car.

Mr. President, the Title Branding Bill that I co-authored with Senator FORD passed this chamber by unanimous consent. This significant consumer protection legislation is long overdue. It will protect you and other consumers from unknowingly buying a severely damaged auto from dishonest rebuilders.

Our bill will help eliminate the growing fraud of selling rebuilt vehicles that have been "totaled" and then sold to consumers who are never informed of the vehicle's damage history. This deceptive practice costs Americans nearly $4 billion annually. Today, Congress has helped solve this $4 billion problem.

Mr. President, here is another statistic that scares me, and should also scare our colleagues. It is estimated that each year, one million cars are totaled, rebuilt, and put back on the roads. As you go home tonight try to imagine which car around you is one of the million put back this year.

Clearly Senator FORD and I have addressed an issue that affects everyone—those who buy and drive used cars and those who share the roads with them. Remember, that's one million totaled cars per year that are structurally unsafe to drive. These previously totaled cars and trucks are put back on our roads here in DC, in my home state of Mississippi, and all across the nation.

Mr. President, I am pleased that some states require disclosure on a vehicle's title to indicate its damage history, however, these requirements vary from state to state. As a result, unscrupulous re-builders can take advantage of the inconsistencies in state titling procedures to obtain what are known as "clean or washed" titles. Adopting a uniform federal standard will eliminate this problem by closing the loopholes.

In 1992, Congress directed the Secretary of Transportation to establish a taskforce to study the problems related to motor vehicle titling, and more importantly, the specific problems that have contributed to this serious consumer fraud. The taskforce included all stakeholders representing a wide array of interests. This diverse group provided specific recommendations that became the foundation upon which Senator FORD and I built S. 852, the National Salvage Motor Vehicle Consumer Protection Act. Mr. President, our goal is simple and direct—to protect Americans on our roads with a uniform disclosure standard.

Mr. President, contrary to what some people believe, our bill is not a federal mandate on the states. The bill does not restrict the ability of states to adopt higher "damage disclosure" requirements. Rather this bill provides the basic minimum federal standard while giving states the necessary flexibility to adopt more regulations if they so choose.

As a result of our bipartisan effort, we have a bill that I firmly believe will benefit individuals, state motor vehicle administrators, automobile dealers, insurance companies and policy holders, consumer groups, salvage yards and many others involved in used car commerce.

Our bill requires that if a salvage vehicle is rebuilt, it must have a theft inspection, as well as any required state safety inspection, and a branded title must be obtained before the vehicle is considered road-worthy. In addition, all rebuilt salvage vehicles must have a decal permanently affixed to the driver's door jamb, and its window, indicating that the vehicle has been rebuilt and specifying whether the vehicle has passed an approved safety inspection.

In the future, a vehicle's title will disclose the damage history with a uniform minimum standard. A brand from one state will be carried forward to any new state in which the vehicle is registered. And, irreparably damaged vehicles' Vehicle Identification Numbers (VIN) will be tracked to help address automobile theft. I would also like to point out that while civil damages may be recovered by those who are victims of these fraudulent schemes, this bill will not prohibit currently permitted private rights of action.

Mr. President, this legislation is a major step toward reducing motor vehicle titling fraud, improving consumer protection and disclosing valuable information to every American, their families and friends about a vehicle's damage history.

Mr. President, as I mentioned earlier, this bill has been crafted in a bipartisan fashion. I want to thank my Commerce Committee colleague from Kentucky, the Minority Whip, Senator FORD, for co-authoring this legislation with me. This bill is a fitting tribute to protect consumers as my friend retires from the Senate this year.

I also greatly appreciate the support and cosponsorship of 57 of my colleagues in the Senate, including the distinguished Minority Leader, Senator DASCHLE. I also appreciate the efforts of Senator MCCAIN for his stewardship as Chairman of the Senate Commerce Committee. Additionally, I want to thank Senator HOLLINGS for his input and contributions to this legislative approach. I also want to commend my friend and colleague from Washington State, Senator GORTON, for his diligent work over the past several months to improve this bill. Senators LEVIN and FEINSTEIN also deserve recognition for their efforts to provide states with maximum flexibility.

Mr. President, I also want to take this opportunity to congratulate all of my colleagues for passing this important nonpartisan measure by unanimous consent. It is another example of how this Congress can put aside partisan differences and deliver significant legislation for the American people.

In this particular case, it demonstrates that my colleagues are serious about protecting American consumers from fraud. By promoting the use of a uniform disclosure standard, Congress will help put dishonest rebuilders out of business, save consumers and automobile dealers as much as $4 billion annually, and keep 1 million totaled vehicles from being put back on the road each year.

I would like to take a moment and recognize a few people who made this legislative effort successful. The first is Mr. Al East of East Ford in Jackson, Mississippi. Mr. East, a past president of the Mississippi National Automobile Dealers Association, identified the problem facing consumers and dealers in my home state and across the country.

As an automobile dealer himself, Mr. East knows first hand the tremendous cost that title washing has on the used car industry. Al East's dedication to his clients, his community and to American automobile industry, and his work on the Board of Directors for the National Automobile Dealers Association has positively effected this much needed legislation.

I also want to recognize Ruddy Dossett, of Dossett Big Four in Tupelo, Mississippi for his testimony before the Commerce Committee.

Additionally, I would like to acknowledge the Congressional staff who labored on the details. They include Clay Williams and Steven Apicella from my office, Lance Bultena, Jim Drewery and Moses Boyd from the Commerce Committee, David Regan from Senator FORD's office, and Jeanne Bumpus, from Senator GORTON's office. Each made a significant and tangible contribution to the bill. Each had the used car consumer in mind as they dotted the i's and the t's.

As you are aware Mr. President, the House of Representatives took up a different companion bill last year that passed by an overwhelming majority. I call upon the House to complete the legislative process by working with the Senate's conferees and by ultimately passing this important automobile titling legislation.

Mr. President, I am very proud that members from both sides of the aisle are continuing to fulfill the peoples' business.

By passing this title branding bill today, the Senate has taken an important step toward removing structurally unsafe cars and trucks that would otherwise share the roads with our friends, neighbors, and loved ones. On behalf of all American motorists, I thank all my colleagues for voting in favor of this important pro-consumer, anti-fraud, anti-criminal legislation.

Mr. SESSIONS. Mr. President, I yield the floor.

TRIBUTE TO DAVE ROSE

Mr. STEVENS. Mr. President, I take a moment to honor Dave Rose, an Alaskan who has dedicated his life to public service. This weekend the American Diabetes Association (Alaska area) is honoring Dave for his leadership in raising funds to combat this disease. He will be the first recipient of the "Golden Rose Award" honoring his commitment in the fight against diabetes.

Dave has diabetes, but he hasn't let the disease slow him down. Even with impaired vision and regular dialysis treatments, he has been a tireless fund raiser, spokesman, and volunteer organizer. When Dave isn't working to help combat diabetes he lends his time to a whole host of causes including the Anchorage Concert Association Foundation, the Alaska Pacific University Foundation, the Alaska Federation of Natives Sobriety Foundation, and the Alaska Community Foundation. Dave and his wife Fran also have their own foundation which distributes funds to arts, health, and higher education programs.

Dave's leadership in Alaska goes beyond the philanthropic. After a distinguished career in the Army, he spent many years on the Anchorage Assembly. He also shepherded Alaska's permanent fund from a fledgling portfolio to the multi-billion dollar account which stands as a rainy day fund for the time when Alaska's oil revenues decline dramatically.

Dave's optimism, his love of people, and his willingness to share his talents for the betterment of others deserves our recognition. Alaska is a better place for Dave's dedication and commitment.

Mr. President, I ask unanimous consent that an article about Dave Rose entitled "Golden Attitude" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Anchorage Daily News, Sept. 29, 1998]

GOLDEN ATTITUDE

(By Susan Morgan)

All was quiet in Dave Rose's offices at Alaska Permanent Capital Management Co. one morning last week, so he figured the stock market was doing well.

"I'd hear screaming" if there was trouble, said Rose, the company's chairman.

Rose, first director of the Alaska Permanent Fund Corp., knows the signs. Since retiring in 1992—the fund grew to $13.5 billion from $3.8 billion and earned more than $8 billion in cash during the 10 years he was there—he's been running his own money management company, now investing about $1.5 billion dollars for Alaska clients.

As during his tenure with the Permanent Fund, business is quietly successful.

"We are always classified as dull and boring. We hit a lot of singles (return rates)," Rose explained. "If we hit a double, we're euphoric."

This is a man who unabashedly loves his work. "They pay me to do this, which is fun."

That appreciation for the good things in life has been made sweeter by Rose's recent struggles to maintain his health. While many of those with diabetes suffer eye, heart or kidney problems, Rose—diagnosed 15 years ago—has been hit hard by all three.

Now 61, he is dependent on daily shots of insulin, has no vision in his left eye, underwent quadruple bypass heart surgery this year and endures three hours of dialysis—losing 7 pounds of fluid each time—three times a week while he awaits a kidney transplant.

Dialysis is an arduous process in which Rose's blood is removed from his body via a needle in an artery, then "dewatered" and cleaned of toxins—work normally done by healthy kidneys. The blood is returned through another needle inserted in a vein. Rose's arm shows a long line of scars from the process.

"I have nails in my workshop that are smaller than those needles," he says.

But Rose, who calls himself "basically an optimist," hasn't taken to his sickbed. He's been known to dress up in costumes for the amusement of others during dialysis and has added to an already jampacked personal schedule.

In addition to owning several local businesses, running his investment firm and serving as finance director for Gov. Tony Knowles' current campaign, Rose has added the American Diabetes Association to the already lengthy list of charitable organizations to which he volunteers time and his prodigious fund-raising energy.

Crediting a "good Rolodex" for his success, Rose has led a small group of local bicyclists to national championships in the Tour De Cure, a fund-raising event for the American Diabetes Association. For three years in a row, until this year, "Rose's Riders" raised more money than any other team in the United States—more than $80,000 in four years.

Because of those efforts, the Alaska office of the association has created the Golden Rose Award. In a ceremony Saturday, Rose will be its first recipient.

"We wish to honor Dave for his generosity, as well as his commitment . . . to improve the lives of people with diabetes and to find a cure," district manager Connie Weel wrote in a press release.

Meanwhile, Rose looks for the best in his situation. With just one arm to use during dialysis, he can't manage both a book and the now-necessary magnifying glass, so he listens to books on tape—especially his favorite "trashy mysteries."

He even gets a kick out of a conversation with his doctor about whether he should get a Seeing Eye dog.

"He said to get a Lab, If I do, because in Alaska, if you're blind you can get a free hunting license."

Rose urges Alaskans to get a test to show if they're among the millions of Americans with undiagnosed diabetes—"You can deal with it if you catch it early enough"—and emphasizes the importance of becoming an organ donor.

Most important to him seems to be not letting diabetes limit his life. He and his wife, Fran—they married in 1959 and she's now "my eyes and driver"—dote on their Maine Coon Kitten, two grown sons and gardens.

"I'm trying to live a normal life and fit everything in," Rose says.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, October 1, 1998, the federal debt stood at $5,540,570,493,226.32 (Five trillion, five hundred forty billion, five hundred seventy million, four hundred ninety-three thousand, two hundred twenty-six dollars and thirty-two cents).

One year ago, October 1, 1997, the federal debt stood at $5,420,506,000,000 (Five trillion, four hundred twenty billion, five hundred six million).

Five years ago, October 1, 1993, the federal debt stood at $4,406,340,000,000

(Four trillion, four hundred six billion, three hundred forty million).

Twenty-five years ago, October 1, 1973, the federal debt stood at $460,589,000,000 (Four hundred sixty billion, five hundred eighty-nine million) which reflects a debt increase of more than $5 trillion—$5,079,981,493,226.32 (Five trillion, seventy-nine billion, nine hundred eighty-one million, four hundred ninety-three thousand, two hundred twenty-six dollars and thirty-two cents) during the past 25 years.

RECESS UNTIL 11 A.M., MONDAY, OCTOBER 5, 1998

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until Monday, October 5, 1998, at 11 a.m.

Whereupon, the Senate, at 4:57 p.m., recessed until Monday, October 5, 1998, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate October 2, 1998:

DEPARTMENT OF JUSTICE

MARIA BORRERO, OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE OFFICE FOR VICTIMS OF CRIME, VICE AILEEN CATHERINE ADAMS.

POSTAL RATE COMMISSION

DANA BRUCE COVINGTON, SR., OF MISSISSIPPI, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING OCTOBER 14, 2004, VICE GEORGE W. HALEY.

EDWARD JAY GLEIMAN, OF MARYLAND, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING OCTOBER 14, 2004. (REAPPOINTMENT)

CONFIRMATION

Executive Nomination Confirmed by the Senate October 2, 1998:

THE JUDICIARY

SONIA SOTOMAYOR, OF NEW YORK, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SECOND CIRCUIT.

HOUSE OF REPRESENTATIVES—*Friday, October 2, 1998*

The House met at 9 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We recognize, gracious God, that it is easy to see what is wrong with our world, but we can see the good as well. It is simple to list the weaknesses, but we can also list the works of justice that stand the moments of time. We can quickly catalog the mistakes of those with whom we disagree, but it is apparent that others can do good works, the works of justice and mercy. We know there are times to despair, but we also know there are wonderful occasions to sing.

So teach us, O God, to open our eyes to all the glories of Your creation so we can celebrate all Your gifts, this day and every day we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from North Carolina (Mrs. MYRICK) come forward and lead the House in the Pledge of Allegiance.

Mrs. MYRICK led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

> H.R. 3007. An act to establish the Commission on the Advancement of Women and Minorities in Science, Engineering, and Technology Development.
>
> H.R. 4068. An act to make certain technical corrections in laws relating to Native Americans, and for other purposes.

The message also announced that the Senate has passed bills and a joint resolution of the following titles in which the concurrence of the House is requested:

> S. 1092. An act to provide for a transfer of land interests in order to facilitate surface transportation between the cities of Cold Bay, Alaska, and King Cove, Alaska, and for other purposes.
>
> S. 2540. An act to extend the date by which an automated entry-exit control system must be developed.
>
> S.J. Res. 58. Joint resolution recognizing the accomplishments of Inspectors General since their creation in 1978 in preventing and detecting waste, fraud, abuse, and mismanagement, and in promoting economy, efficiency, and effectiveness in the Federal Government.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 414) "An Act to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes."

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will recognize 20 one-minutes on each side.

TAX CUTS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, on October 12 we will observe Columbus Day. For those of you who have forgotten, Columbus Day is the day that we celebrate the discovery of America. So let us talk about what the term "discovery" means to my liberal Democratic colleagues.

For decades liberal Democrats believed that you would literally fall off the edge of the world if you lowered taxes. After Republicans passed the Balanced Budget and Taxpayer Relief Acts, wow, the Democrats, the liberals discovered that tax cuts for hard-working men and women provide a healthy economy, giving low unemployment and investment incentives.

Liberals discovered that by allowing Americans to keep more of their hard-earned money, they should and could send their kids off to school, take that needed vacation or invest in their retirement. Republicans in the House have passed a plan that will not only help save Social Security but will also provide billions of dollars in tax cuts to America's hard-working men and women.

Mr. and Mrs. America, Columbus discovered a new world. Democrats discovered new taxes. I applaud my Republican colleagues for discovering a brave new America, full tax relief and hope for the future.

IN HONOR OF BILL DOLAN

(Mr. PASCRELL asked and was given permission to address the House for 1 minute.)

Mr. PASCRELL. Mr. Speaker, just for a change of pace, today I wish to bring to your attention the end of an era in my hometown of Patterson, New Jersey. Today marks the last day of the tenure of public safety director Bill Dolan, who served in the capacity for 11 years and as a cop for 43 years in the Silk City.

As the former mayor of Patterson, I feel that this occasion should be recorded in the annals of the CONGRESSIONAL RECORD. In the day of sunshine friends, let me tell you about a true friend.

Bill Dolan served our Nation in the United States Marine Corps during the Korean conflict. In 1956 he joined the Patterson police department and in 1987 he was appointed public safety director by my predecessor in the mayor's office.

Mr. Speaker, being the top public safety official in a big city is like no other job in government. Director Dolan was responsible for the largest department in Patterson's municipal government and overseeing the police and the fire divisions. During his tenure, Bill Dolan not only modernized his department, but he was at the helm of public safety. It was a big job. He performed it with honor, courage, dignity, and class.

I ask that my colleagues join me, the 150,000 residents of Patterson, and Mayor Martin Barnes and city council members in honoring Bill Dolan and congratulating him on his exemplary service to the people of Patterson and the Garden State.

PARTISAN VERSUS BIPARTISAN

(Mr. PITTS asked and was given permission to address the House for 1

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, consider the charges of partisanship by the liberal spin doctors. Just what does bipartisanship mean to the other side? Does it mean whenever Republicans agree with the Democrats, that is bipartisanship?

Fact: The overwhelming majority of Democrats voted with the Republicans to release materials from the Starr report. Yet the majority of Democrats on the Committee on the Judiciary voted against what the majority of their own caucus, including their leadership, voted. So by this definition, it is the Republicans who are acting in a partisan manner.

Mr. Speaker, this is classic liberal rhetoric, typical of the double standards of liberalism.

Fact: Liberals who assailed Ronald Reagan for 8 years because they disagreed with his policies are the very same people who label anyone who criticizes the President as a Clinton hater. Anyone who disagrees with a liberal is met with shrill accusations of being partisan.

The next time you hear a liberal say "partisan," just remember the Robert Bork or Clarence Thomas hearings. You will say, thank heavens for HENRY HYDE.

IN HONOR OF CAPTAIN ANTHONY STANCIL

(Mrs. MYRICK asked and was given permission to address the House for 1 minute.)

Mrs. MYRICK. Mr. Speaker, I rise today to honor Captain Anthony Stancil of the Mecklenburg County, North Carolina Sheriff's Office. Last Tuesday, shortly after 1 a.m., Captain Stancil was murdered in cold blood by a shoplifter at the Mallard Creek Harris Theater.

He leaves behind two children and a wife with a baby on the way. He was one of our Nation's best, risking his life day in and day out to preserve the peace and freedom that we so often take for granted.

Our prayers go out to his wife and children. They lost a strong husband and a father. In the last few days the citizens of Charlotte-Mecklenburg have come together to reach out to the family and take care of them in their time of greatest need, but they are going to need our help for longer than just a few weeks. We all need to reach out to Anthony Stancil's fellow law enforcement officers because it has been a tough week for all of them.

I hope we come away from this tragedy with a renewed sense of the debt we owe our local police and with a renewed intolerance for the cruelty of someone who would end the life of one of Charlotte's best citizens.

PROVIDING FOR CONSIDERATION OF H.R. 4274, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS ACT, 1999

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 564 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 564

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4274) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1999, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed 90 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with ": *Provided*" on page 41, line 9, through line 19; page 95, line 18, through page 109, line 19. Where points of order are waived against part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. The amendments printed in the report of the Committee on Rules accompanying this resolution may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment except as specified in the report, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. CAMP). Pursuant to the rule, the gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from Fairport, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume.

All time yielded is for the purpose of debate only.

This rule provides for consideration of H.R. 4274, the fiscal year 1999 appropriations for the Departments of Labor, Health and Human Services under an open rule. There will be 90 minutes of general debate, divided equally between the chairman and ranking minority member of the Committee on Appropriations.

☐ 0915

The rule waives clause 2 and clause 6 of rule XXI against provisions in the bill except as otherwise specified by the rule. The provisions in the bill which are subject to points of order, and they have been authored by both Republicans and Democrats, violate the protocol that legislative provisions included in appropriations bills be sanctioned by the appropriate authorizing committee chairmen.

Mr. Speaker, the rule makes in order and waives points of order against the amendments printed in the Committee on Rules report. The rule authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, allows for the chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce votes to 5 minutes on the postponed question if the vote follows a 5-minute vote. Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, the Labor, Health and Human Services appropriations bill is the single largest appropriations bill that comes before Congress each year, exceeding even the level of spending in the defense bill. It includes most of the health care, medical research, education and job training programs that touch so many people's lives and, therefore, generate tremendous support in communities around the country. At the same time, many of those same programs, because they touch on areas of daily life which were outside the purview of government, especially the Federal Government in Washington, for so long in this country, raise deep and often emotional questions about values.

Between the highly charged social issues that this bill cannot help but be immersed in, and the funding difficulties that are inherent in any effort to set priorities within a balanced budget framework, this is always an extraordinarily difficult bill to craft and enact into law. The chairman of the subcommittee, my friend from Wilmette, Illinois, has tackled this incredible challenge in as commendable a fashion as possible. His bill deserves a fair hearing on the House floor.

Mr. Speaker, it is impossible to detail how the Labor-HHS appropriations bill allocates nearly $82 billion in discretionary funds. However, I must note that the bill is based on the principle that issues like health care, education, substance abuse and job training are best addressed by solutions crafted at the local level, not imposed top down by Washington bureaucrats. The Federal Government will help local communities meet these needs by providing vital resources, but we will give those communities flexibility to meet local needs. That is why the bill increases funding for key block grant programs by $879 million over the President's request. That is a trend that should continue in coming years.

The rule provides for a vigorous debate on Title X, family planning regulations. In addition, as an open rule, Members can attempt to change the spending priorities in the bill. However, at the end of this process, it is critical to remember that a bill which attempts to scale such lofty heights, but which can never enjoy unlimited resources, will leave some people unhappy.

I believe this rule will permit the House to engage in a spirited debate worth having. I urge Members on both sides of the aisle to recognize that fact and support this rule.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume, and I thank my colleague, the gentlewoman from North Carolina, for yielding me the customary half-hour.

Mr. Speaker, both the rule and the underlying bill have provisions that I support, but they also include provisions that I must oppose.

In general the rule is an open rule that would allow the Members of the House to offer germane perfecting amendments. However, the rule is partisan and unfair in which provisions of the bill it protects from points of order. The rule protects provisions that will delay new worker safety provisions, particularly those designed to protect workers from repetitive motion injuries. But it subjects to a point of order by a single Member, important language guaranteeing a woman the option of choosing an obstetrician-gynecologist as her primary physician.

The rule makes in order a vital amendment offered by the gentleman from Pennsylvania (Mr. GREENWOOD) to modify ill-conceived restrictions that this bill would place on Title X family planning services. The current version of the bill would require all clinics that provide Title 10 family planning services to minors to notify his or her parents 5 days before doing so. I would suggest that this provision takes a hopelessly naive view of our world and our children. As much as we might wish we could, Congress cannot legislate healthy family relationships and good communication between parents and children.

The parental consent provision of this bill sets up a deceptively attractive choice for Congress. Its proponents claim that we are simply ensuring that minors involve parents in their decisions to become sexually active and to seek family planning. In reality, however, this legislation will not compel any young man or young woman to talk to their parents about decisions. Instead, it will simply drive minors away from family planning services and lead them to engage in risky sexual behavior without the benefit of contraceptives. A vote for the Greenwood amendment is a vote to reduce teen pregnancy and sexually transmitted diseases, and I urge all of my colleagues to support it and oppose the Istook substitute.

Like the rule, the underlying bill has some very positive provisions and others that I strongly oppose. As a former microbiologist and supporter of basic biomedical research, I applaud the committee's decision to increase funding for the National Institutes of Health, and I am pleased to see that the committee report addresses vital health issues like eating disorders, colorectal cancer, and female genital mutilation.

I am very pleased that the bill provides $30 million for the education of homeless children, Mr. Speaker. This small initiative has had a big effect on helping homeless children stay in school and giving them the tools to succeed.

I also commend the $834 million increase in Pell Grant funding. It will allow more economically disadvantaged students to participate and increases the maximum grant to $3,150.

However, I am extremely disappointed by the committee's decision to slash funding for the Low Income Home Energy Assistance Program by $1.1 billion. In my home district of Rochester, New York, the average winter temperature is 12 degrees below freezing. I am sure my colleagues would not deny my constituents access to literally life-saving home heating.

The bill will hurt American workers also. Workplace safety enforcement is cut. The riders in the bill delay all new worker safety safeguards and block the reform of Black Lung benefits.

But, Mr. Speaker, perhaps most egregiously, the majority has not taken advantage of an opportunity to raise the performance of our public schools. This bill does nothing to fund school modernization, nothing to reduce class size, nothing to help train teachers, and nothing to fulfill an agreement, made just last year, to provide opportunities for children unable to read.

Mr. Speaker, our children represent this Nation's most precious resource, and I hope that no one in this chamber would ever dispute that fact. If we fail in our solemn responsibility to prepare them for the future, we will be faced with a work force unable to compete in a global economy.

When I criticize the bill, I recognize that many of its problems stem from the fact that the subcommittee was not given a high enough appropriation allocation to meet all of the important needs in its jurisdiction. And the fact that we have never adopted a final budget resolution, as required by law, certainly contributed to that failing.

Mr. Speaker, I have been proud to support Labor-HHS appropriations bills in the past, but this bill will hurt the poor, who will have to choose between food and heat; it will hurt children, who will not receive the special assistance they need to fulfill their potential; it will hurt the American worker, who may be unnecessarily injured on the job.

Mr. Speaker, we can craft a better bill and we can craft a better rule. I ask my colleagues to defeat the rule and the bill so that we can do better.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to simply congratulate my very dear friend from Charlotte, North Carolina, for her spectacular presentation of the opening remarks on this rule, and to rise in strong support of this rule and urge my colleagues to vote in favor of it.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. CAMP). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, further proceedings on this motion are postponed.

CONGRATULATIONS TO FUTURE FARMERS OF AMERICA ON 50TH ANNIVERSARY

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, I would like to take this opportunity to congratulate the Pleasant Hill Chapter of the Future Farmers of America for the celebration of their 50th anniversary this past August 19th.

The goal of this organization is to train and develop future leaders in the agricultural community, a very valuable commodity in the 20th Congressional District of Illinois. The work of the FFA has not just turned high school kids into agricultural leaders but also into leaders of our communities.

One way that I am trying to assure that the FFA has a market is by encouraging the use of bio-diesel fuel, which is made with soybeans. Again, I congratulate the Pleasant Hill Chapter of the Future Farmers of America for reaching its 50th year anniversary and wish them all the success in their future endeavors.

DEMOCRATS NOT USING HONEST ARGUMENTS REGARDING SOCIAL SECURITY TRUST FUND

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, I often have discussions, serious discussions, with Democrats who have a point of view that I do not agree with. It is always a healthy thing to have an honest debate with another person, for there are usually two sides to every story and every issue. But it is also frustrating to debate someone who is not using honest arguments.

The other side has charged repeatedly that the tax cut package promoted by the Ways and Means chairman, the gentleman from Texas (Mr. ARCHER), is a raid on the Social Security Trust Fund.

If my colleagues believe that, look at this chart. The absurdity of the allegation becomes quite obvious. If the raid is so, then how can $9.6 trillion in spending over 5 years not be a threat to Social Security, while this little $80 billion right here in tax cuts are not a threat?

Then, to add insult to injury, the Democrats did not put one dime aside for Social Security during the 40 years they were in control. And now Republicans are putting aside $1.4 trillion for Social Security and we get blamed for attacking Social Security.

Mr. Speaker, this is what liberalism has become.

DEMOCRATS DEMAGOGUING SOCIAL SECURITY ISSUE DUE TO EMBARRASSMENT

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, how big is $80 billion? We have this chart right here that shows, over a 5-year period, $9.6 trillion of expenditures. It is obviously a little tiny sliver. When we compare it to the size of the Federal Government, $1.7 trillion in spending last time I checked, we realize that the Republican tax cut package, alas, is quite modest indeed.

A liberal could spend $80 billion by lunch, but $80 billion over 5 years is considered a threat to the Social Security Trust Fund. Why spending is not a threat to the Social Security Trust Fund but tax cuts are is anybody's guess, but that is what the liberals are trying to say.

Just take a look at this chart and try to put things in perspective. Republicans are putting aside $1.4 trillion to save the Social Security Trust Fund, but the Democrats are strangely silent about that. But that is not surprising, given how much money they put aside during the four long decades they were in the majority. Right here. A great big zero. Zero versus $1.4 trillion. That is pretty embarrassing, and maybe that is why they are trying to change the subject and demagogue on this issue.

First, it was Medicare, now it is frightening nonsense about Social Security.

☐ 0930

RECESS

The SPEAKER pro tempore (Mr. CAMP). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 9 o'clock and 30 minutes a.m.), the House stood in recess, subject to the call of the Chair.

☐ 1250

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. DICKEY) at 12 o'clock and 50 minutes p.m.

RULE ON LABOR-HHS APPROPRIATIONS BILL SHOULD NOT BE ADOPTED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin (Mr. OBEY) is recognized for 40 minutes as the designee of the minority leader, without prejudice to the presumption of business.

Mr. OBEY. Mr. Speaker, I am taking this special order because earlier today, without notice to anyone on our side of the aisle, the House considered the rule under which the Labor, Health, Education appropriations bill would be brought to the floor. I believe that that issue should be discussed before the House votes, because I think it is ridiculous for any Member of this House to vote for a rule that makes this bill in order.

I want to make clear, first of all, that the bill this rule would make in order is going absolutely nowhere. The bill that comes to the floor makes huge reductions in education, in job training, in a number of health programs that both parties claim that they are for. And yet at the very time that we are supposed to be debating this bill, the conferees, the lead conferees, have already been meeting in Senator SPECTER's office yesterday, and I participated in those meetings for over 3 hours.

We are in the process of putting together a different bill, which will be at least $3 billion above the bill being brought to the floor and, in my judgment, considerably above that level before we are done. So this is a sham bill. If it is brought up it will be merely to take up time that would more usefully be used for other purposes.

Secondly, I would point out that if this rule is adopted, a vote for this rule will simply be an endorsement for a bill that fails our children and hurts workers to an extreme degree. This bill, for instance, eliminates the Low Income Heating Assistance Program, which is the key program that helps low-income seniors avoid having to choose between heating their houses and eating. This bill would eliminate the summer jobs program that gives some young people in this country their first experience at dealing with the world of work.

This bill slashes the President's request for new funding for after-school centers to try to give young people a useful place to go, recognizing that the vast majority of juvenile crime occurs in after-school hours, and many times before parents get home and can have a place for their kids to come home to. It cuts reading and math help for 520,000 Title I kids below the President's budget. It denies anti-drug coordinators for 6,500 middle schools with the worst drug and violence problems. It block grants, and then cuts by $300 million, Eisenhower teacher training programs and Goals 2000 programs. It cuts OSHA workplace safety enforcement and undermines worker protections. It does absolutely nothing to lower class size in the first three grades, one of the President's top initiatives.

So, in my view, there is absolutely no substantive reason to bring this bill to the floor, because this bill is so bad and guts so many national priorities that even the Republican allies of House Members on the other side of the Capitol, in the Senate, recognize that this bill is so extreme that they will not even bring it to the Senate floor for a vote.

So a vote for this rule today is a vote for extremism on these issues. It will be taken seriously by nobody because this bill is going nowhere. It is a simple waste of our time.

Mr. Speaker, I yield to the distinguished gentlewoman from New York (Mrs. LOWEY).

Mrs. LOWEY. Mr. Speaker, last year I was proud to stand on the House floor and work hard with our distinguished chairman, the gentleman from Illinois (Mr. JOHN PORTER), to pass a bipartisan Labor, HHS, Education spending bill. I am disappointed and sad this year, however, that the bill has become a partisan vehicle to satisfy the right wing of the Republican Party. While the bill contains very necessary increases in certain health programs such as the NIH, I must reluctantly urge my colleagues to vote against the rule and final passage.

We must defeat the rule before us today because it protects anti-worker provisions while at the same time denies the House a clean, fair vote on family planning. The rule also fails to protect another key women's health provision which would have given women in HMOs direct access to their OB-GYN. This OB-GYN provision is in the bipartisan and Republican managed care bills which have stalled. By failing to protect it from a point of order, the leadership is sacrificing a valuable opportunity to enact this provision into law.

The rule reported out last night allows family planning opponents an opportunity to offer a second degree to the Greenwood-Castle substitute. Those of us who support family planning sought and were entitled to receive a clean up or down vote on the Greenwood-Castle substitute.

The bill contains the same language restricting teenagers' access to Title X family planning services which was defeated on the House floor last year. This parental consent restriction will deny vulnerable teens the contraceptive services they need to avoid pregnancy, HIV and STDs.

Last year's attack on the Title X program failed because a majority of Members understood that denying teens' access to family planning does not promote abstinence. I only wish it were that simple. Instead, it increases STDs and HIV infections, unintended pregnancies and abortions.

The bill also shortchanges students who are hoping to pursue the American dream. Everyone in this Chamber understands that a college education is as necessary today as a high school education was just a generation ago.

In April the House overwhelmingly passed a Higher Education Act bill that increases and expands Pell Grants, preserving the Perkins Loan, SSIG, TRIO and SEOG programs. Only four Members of Congress voted against this bill.

Fast forward, and we have before us a bill that provides additional funding to strengthen Pell and TRIO programs. At the same time, however, the bill eliminates SSIG and provides no capital contributions to Perkins.

Three-quarters of a million low-income students depend on the Perkins program, including 60,000 New Yorkers. Nearly all of them come from families with incomes of $50,000 or below. These families need more, not less, to send their kids to college and to reach for the dream.

I am equally concerned about the elimination of the SSIG program. This program serves needy students, not affluent ones. My colleagues, we have a strong economy but too many people are shut out.

This is the time to invest in education, not cut back.

The bill also cuts funding to senior programs by $10 million. Funds that are used to prevent elder abuse, help families locate long-term care, and provide pension counseling have been zeroed out. These cuts are unnecessary and destructive.

The bill also grossly underfunds the National Labor Relations Board which is already stretched to the breaking point. This independent law enforcement agency was created to carry out a vital law of this land. Without this law and the Board which oversees it, labor disputes between private employers and employees would grow out of control. Productivity in our nation's workplaces would plummet dramatically.

My colleagues, the NIH increases in this bill should be applauded. However, on balance the bill severely shortchanges education, our seniors and hard-working Americans. We can and must do better.

Let us vote down this rule and come back with a bill that reflects our values, our priorities.

□ 1300

Mr. OBEY. Mr. Speaker, I yield to the distinguished gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. OBEY) for arranging for us to have this opportunity to talk about the Labor-Health and Human Services-Education bill. I want to voice my strong opposition to this rule and to this bill.

The Labor-Health and Human Services-Education appropriations bill has always been known as the people's bill, the bill that reflects our priorities as a Nation. Unfortunately, this bill funds only a few important programs at the expense of education and job training for some of our neediest citizens. And while I am pleased that we are increasing our much-needed investment in biomedical research, we cannot do so at the expense of the most vulnerable members of our country.

There are so many problems in this bill, I do not think I can cover them in the short time that I have. Let me just give my colleagues a couple of examples.

It eliminates LIHEAP, the low-income heating energy assistance program that provides heating assistance to low-income seniors, including more than 75,000 families in my State of Connecticut. Across the Nation, millions of seniors and families with small children depend on this program to pay their heating bills in the coldest months of the winter. Without this kind of assistance, many will be forced to choose between heating their homes and buying the food and the medicine that they need to stay healthy.

This bill wipes out summer jobs which provide career opportunities for disadvantaged youth, including more than 4,000 young people in my State. I visited a summer jobs program in West Haven, Connecticut. The students there use the money they earn to help their parents pay the bills. It is an opportunity for them to learn skills that will help them in the future.

I understand that there will be a token amendment to put small amounts of money into LIHEAP and summer jobs. We need more than tokens. These are investments which in the long run pay off.

This bill also cuts $2 billion out of the President's education initiatives. It cuts Goals 2000, the Technology Literacy Challenge Fund, Title I grants, Eisenhower Professional Development State Grants, Safe and Drug Free Schools. Cutting these programs means fewer teachers will have access to training programs, fewer students will have access to computers in their schools, and fewer districts will receive grants to help their students achieve high standards.

I urge my colleagues to vote against this rule, vote against the bill. Let us go back and draft legislation that makes a strong investment in education and other programs that our families depend on.

Mr. OBEY. Mr. Speaker, could I ask how much time I have remaining?

The SPEAKER pro tempore (Mr. DICKEY). The gentleman from Wisconsin (Mr. OBEY) has 30 minutes remaining.

Mr. OBEY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois (Mr. PORTER) be allowed to allocate 15 minutes of the 30 minutes remaining.

The SPEAKER pro tempore. This is with the concurrence of the Minority Leader, and the gentleman from Wisconsin must remain on the floor. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. OBEY. Mr. Speaker, I yield to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, this particular bill is an attack on our educational system in the country. At a time when we should be concentrating on making sure that we take care of our youngsters, at the present time this particular bill will cut $160 million from the administration's proposal on Head Start, at a time when we need those resources to assure that those youngsters have that Head Start in order to be able to start at school.

This particular piece of legislation cuts the funding for bilingual education by $25 million. This is not the time to be doing this kind of activity, and we should be moving forward.

This particular piece of legislation also denies $237 million sought by the administration for three higher education initiatives, including the High Hopes initiatives that would have provided new funds for mentoring, tutoring, college and various other programs.

One of the other things that this particular bill does is hit at the most important aspect in education, that is, after-school learning programs. It cuts $140 million below the administration's request in denying over 3,000 communities the opportunity to be able to provide after-school programs.

Again, Mr. Speaker, I ask that we look seriously and we reconsider what we are doing with this particular piece of legislation. I would ask that we vote against this particular rule.

Mr. OBEY. Mr. Speaker, I yield to the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. OBEY), the distinguished ranking member of the Committee on Appropriations, for taking this special order to allow us to debate this most important bill, as it may be the only time, likely will be the only time we will have to debate this issue.

I rise in opposition to the rule and the bill because of its threat to the health and safety and welfare of our coal miners who are suffering from the crippling disease known as pneumonoconiosis or black lung.

Over the history of the Appalachian coal fields, we have seen many atrocities invoked among our coal miners. Even today, we are left with a legacy of abandoned coal mine lands and abandoned coal miners. Indeed, as it stands now, we are now experiencing less than a 10 percent approval rate on claims for black lung benefits, even after the appeals, and this figure does not attest to any unreasonable and unbiased comportment of the facts.

We have seen delays in the promulgation of new rules as proposed by the Department of Labor, for which I highly commend them. Yet there is a provision in this legislation that constitutes a vicious assault on black lung victims. This provision, while falling short of placing an outright moratorium on the promulgation of these rules by the Department of Labor, does seek to create further delays and place roadblocks in the way of the publication of the new rules.

I, therefore, urge defeat of this legislation.

Recognizing this, on January 22, 1997, the Labor Department proposed rules aimed at making the black lung program more receptive to the thousands of miners, their widows and families who are being victimized by the current procedures. Public comment opportunities were extensive, including two lengthy hearings during the summer of 1997. Yet, today, final rules have yet to be promulgated.

This delay is of concern. Even more troubling is a provision contained in H.R. 4274 which constitutes a vicious assault on black lung victims.

Specifically, instead of allowing the Labor Department to proceed with this rulemaking under those laws normally applicable to the promulgation of Federal regulations, the provision forbids the rule from being finalized until certain certifications are made by SBA and OMB. Under current law, SBA is to be consulted but has no "certification" role. Further, after these so-called certifications, the provision requires an additional 60-day comment period.

I would submit that these proposed rules have now been published for almost 1 year and 9 months. That is ample time for review and comment. There is simply no need for this provision except as a delaying tactic aimed at killing this rulemaking. And let us be perfectly clear. Further delay is the death knell for those coal miners seeking the benefits they so justly deserve under this program.

Coal miners have suffered enough without being subjected to this type of abuse. For my part, I will not stand idle during consideration of amendments to this bill and will seek to strike this onerous provision.

Mr. OBEY. Mr. Speaker, I yield to the distinguished gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding.

In 2 minutes it is difficult to speak fully to this particular rule and to the bill that underlies it. But let me just say that I thought we all came here to Congress understanding what the needs and concerns were of our various constituents.

Fundamental among them was a good educational background for all of our students, the opportunity to rise no matter what their situation in life or their family situation; an ability to help people in the workplace, to make sure that if they were displaced or if they were just entering the market, that they would have the skills and the education they need to succeed.

All of these things are fundamental to this particular bill that underlies this rule. And yet, I think very unwisely, we are cutting program after program that are necessities.

The School to Work Program, important in my district, helps work-based learning experiences for high school students. Yet this bill will cut $250 million or up to 63 percent of that program. How are students supposed to understand the connection between what they learn in the classroom and what their opportunities in life are without programs like this?

We try to encourage college participation. Yet we are going to cut, through this bill, if the majority has its way, substantial funds, making sure 120,000 deserving postsecondary students do not get campus-based low interest loans.

At a time when all people believe that teachers have to have more development and more training for their skills and work in the classroom, this would not only block grant Eisenhower but do what most block grants do, eventually end up defunding that particular program. One hundred thousand teachers will be without the training they need to educate our children.

Literacy, an issue where there has been considerable time spent in my district developing so that this cycle of illiteracy does not continue, is attacked in this bill. The America Reads program is entirely eliminated.

After-school learning programs, as we talk about getting children off the streets to continue their learning during the day, to have supervision, is attacked in this bill.

Head Start, a tremendously successful program helping children get the nutrition and the learning skills and the societal skills they need to do well, to hold their grade level, to improve their IQ and to succeed in school, is being cut.

College work-study programs, students that are trying hard and desperately to work their way through school, to contribute in that way, is cut in this program; and technologies and so on.

I think we are making a serious mistake here. I urge Members to vote against the rule and against the bill in its current form.

Mr. PORTER. Mr. Speaker, while this technically is a special order that the gentleman from Wisconsin (Mr. OBEY) has called, it really amounts to general debate on the bill, and it has given an opportunity for many on the opposite side to demagogue the funding levels in the bill.

Let me respond to all of them at the same time. A year ago, the President and the Congress came to an agreement to work over a 5-year period to bring the budget into balance. As part of that agreement, the President insisted that the funding in areas that were of priorities to the White House be increased in the first year, and that was done.

The bill funding the Departments of Labor, Health and Human Services, and Education was increased by $5 billion last year, and many of the programs that have been mentioned today and many others were increased very substantially, and I supported that. We passed that bill on the House floor overwhelmingly.

The second year and the outyears of the agreement called for fiscal restraint on discretionary spending. The spending levels were agreed to by the White House and by the Congress together, and the allocations that were given to our subcommittee and others this year reflected the caps on spending that were necessary to help bring the budget into balance.

So when we marked up this bill in subcommittee and in full committee, we operated under the budget caps that restrained spending very significantly. In fact, we had to work with $500 million less in outlays than we had in the past fiscal year. So our job was a tough job and we approached it, I think, responsibly.

The Senate, when they marked up their bill in subcommittee and full committee, were not held to the same restraints. They used $4 billion of forward funding so that their numbers appear higher. I am very proud that our subcommittee and our full committee approached their job differently and lived within the budget caps. We did what we are charged to do as appropriators: look at every single program and decide which ones are the best ones, those most deserving of funding, and provide for those. Conversely, those that are less effective and less needed are cut.

What did we do? Well, we increased biomedical research with a 9 percent increase, even with less money to work with. We gave a substantial increase to the Centers for Disease Control and Prevention, public health. We increased up the Job Corps, a very effective program for the very poorest and most at-risk youth in our society. We increased Pell grants for needy college students. We increased the TRIO Program that serves many minority students and others in need in our country. Trio is a very important college program that gives an opportunity to people who would not otherwise have it.

We plussed up community health centers who help needy Americans with health care. We gave more money to impact aid, a Federal obligation to assist communities and schools that are impacted by Federal facilities. We gave a very substantial increase to special education, IDEA, that helps local school districts cope with the problems of disabled students.

We gave more money for the health professions so that young people could be trained as health professionals and receive help in their education. We gave more money for Ryan White AIDS treatment because we know of the need in that area. We plussed up the substance abuse block grant so that we can work harder to solve our drug abuse problems in this country.

These may not be the priorities on the minority's side of the aisle, but these are some of the priorities on our side of the aisle, and we did them within the budget caps that we have to live under.

□ 1315

Now, the gentleman from Wisconsin asked, a moment ago, for what purpose do we take up this bill? Well, let me say that the purpose is democracy. The purpose is to give the House a chance to shape a bill that ultimately the House is going to be responsible for.

Sure, he and I and our Senate counterparts can sit down alone and we can work out the numbers and we do not have to listen to anyone else. But I did not come here to do that. I came here to work through a process where we could have the participation of everyone. We all have an equal chance to shape the bill and to make it a bill that guides us in our negotiations with the Senate and not simply by our own proclivities.

So for what purpose do we take up this bill? To try to get the House's guidance before we come to final closure with the Senate on any negotiations, because that is what is really important in the long term.

This bill must pass. It is an appropriations bill. We must pass them all. I believe very strongly that what we do in respect to this bill is incredibly important to how the final product comes out, and that is the purpose to which all of us ought to lend ourselves: to do the people's work and to allow the process to work to shape the legislation that we ultimately are going to be responsible for.

You may disagree with our priorities. You have a chance to change them on the House floor. You may disagree with legislative provisions that are placed in the bill, I disagree with some of them, but we will have a chance to address them on the House floor.

So I have pressed very hard for a long time that the impasse that we have had over parental notification under title X, family planning, might be resolved and this bill might be brought to the House floor. Yes, it is late. I regret that there has been a serious disagreement on that issue. It has prevented us from going forward. But if that has been resolved, it is our responsibility to go forward and to allow the House to do its will in respect to this legislation.

So I would say to the gentleman from Wisconsin, I think it is very important that this bill go forward. I am glad that these things have been resolved. If the gentleman and his side disagrees with the priorities in the bill, they should have a chance to shape them differently. Yes, it is going to come out different in the conference, conference bills always do, but all of this, it seems to me, is to be serving the very purposes for which we were sent here. That is for all of us to participate in shaping legislation for which we are responsible.

Mr. Speaker, I reserve the balance of my time.

Mr. OBEY. Mr. Speaker, I yield three minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I rise in opposition to the proposed rule. I did so last night as well. I indicated last night that the Treasury-Postal bill was a good bill in terms of the numbers, the dollars that were appropriated. I rise today in saying that I do not believe this bill is such a bill.

One of the aspects of serving on the Committee on Appropriations is the pride that I think all of us have in the ability and integrity of the chairman of this committee. I say that as a minority member. I cannot think of a chairman who I do not have great respect for.

The gentleman from Illinois (Mr. PORTER), the chairman of our committee, is one of those for whom I have unrestrained respect, admiration, and, yes, affection. He is a good Member of this Congress and he acts in the best interests of America as he sees it. His priorities that he articulated just recently I think we share.

However, when we talk about increasing, what we have done is we have zero-funded LIHEAP. I was at the home of Susan Smith in Prince George's County, 20 minutes from this floor. Susan Smith is 85 years of age. She and her husband built a home in 1937. Her husband died 24 years ago, and she still lives in that home.

Governor Glendening and I were there to say that we were not going to allow this LIHEAP to take the money away from her Social Security revenue, obviously as we all know, relatively small, and put her in the position of having to choose between her energy and heating her home or oil heat and her food and prescription drugs. That is a choice that we should not make her make.

So, yes, it is good to say we have increased NIH by 9 percent, but Susan Smith ought not to pay for that. And those youth, frankly, who are looking to have a summer job experience so they can partake of the opportunities America has to offer, are not funded, so there are no summer jobs for youth in this bill.

Mr. Speaker, this rule should be defeated. This rule should be defeated, that brings a $291 billion bill to the floor of the House after having been reported weeks ago, weeks ago, not only out of the subcommittee but full committee, with only eight days left to go, presumably, in this session, and say take it or leave it.

This bill took 40 hours of debate last time. I say to my Republican friends, you would have savaged Democratic leadership for doing this. You would have savaged us, and in fact did. Not the gentlemen that are on the floor. As a matter of fact, a member not even in the Congress any more, used to stand at that podium and give us the devil for not operating efficiently. We are not operating efficiently. We ought to reject this rule and we ought to forge a bill that speaks to America's needs.

Mr. Speaker, I rise to oppose H.R. 4274, the Departments of Labor, Health and Human

Services, and Education appropriations bill for fiscal year 1999, and its rule.

This bill cuts $2 billion out of the President's education agenda to improve public schools. The former chairman of the Subcommittee on Labor, Health and Human Services, and Education Appropriations, William Natcher, used to say, "If we continue to educate our children and take care of the health of our people, we will continue to live in the greatest Nation on the face of the Earth." Mr. Speaker, we fail to do so in this bill.

By eliminating the LIHEAP Program, we fail to help 4.4 million of the poorest households in the country pay their heating bills. Two-thirds of LIHEAP recipients earn less than $8,000 a year and many are elderly, disabled or are struggling to raise young children in poverty. Yesterday, I visited one of these courageous people, 85-year-old Susan Smith, whose husband built her house in Lanham, Maryland in 1937. If she did not receive LIHEAP funds, she would have to choose between heating her house, buying food, or purchasing her medication. We should not be eliminating funding that assists those most in need, those like Susan Smith.

We live in a great Nation because we give people the opportunity to make a better life for themselves and their children through public education. By not including the President's school construction initiative in this bill, we fail to respond to the urgent need for school renovation and additional classrooms in communities across the Nation. In fact, we fail to respond to research that shows that reducing class size to 15 to 18 students in the early grades improves student achievement, particularly among low-income and minority students in inner cities. And by eliminating funding for the America reads challenge, we will not only break last year's bipartisan budget agreement that protected this program, but we will fail to reach 450,000 at-risk first, second, and third graders who desperately need this assistance.

The American people believe that we should invest more, not less, money to improve public education. This bill goes against the very core of what this Nation believes. Mr. Speaker, when expectations are raised, students rise to meet them. This bill, however, has very low expectations and fails to provide the framework in which our Nation's youth can develop and flourish. I urge my colleagues to oppose this bill and vote against the rule.

Mr. PORTER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would say to the gentleman from Maryland that he had ample opportunity in the subcommittee and ample opportunity in the full committee to offer amendments that would have made adjustments where adjustments may have been needed in his judgment. What he did not have an opportunity to do was to break the budget caps under which we are living. No amendments were offered in either of those venues. The opportunity will appear on the floor to do the same thing.

I will tell the gentleman right now that I think I have the LIHEAP problem solved to his satisfaction, and I made a lot of progress on summer youth as well. But let me say, again, if those were problems, if any of the cuts were problems and the priorities were not right, the gentleman has had, and his side has had, ample time to address that.

What the gentleman is really saying is there is not enough money in the bill. He wants more money in the bill. But the gentleman and his side and the president all agreed last year that we would live under these budget caps, and that is exactly what we are doing.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, if my friend would yield for another mild compliment, I want to say to my friend, frankly, I am absolutely confident if the chairman had the votes on your side in large numbers that we would forge a bill that was a bill that we would all be proud of. I understand the chairman's problems, and I understand what the chairman is saying about the constraints.

But I will tell my friend, both in subcommittee and committee we raised the same issues, and we really have not had an opportunity to address them. I am pleased that at this late moment, and I am pleased, I am not surprised, the chairman is trying to solve the LIHEAP problem which we raised in subcommittee, committee, and we have been raising ever since. We should not have done what we did, and I am pleased that the chairman perhaps is going to correct that in his manager's amendment.

But I say to my friend, there are still problems, of course, with things that are in the bill that should not be in the bill.

Mr. PORTER. Mr. Speaker, I yield three minutes to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, one of the things we have done in this bill, which is very important to me as a cancer survivor, is since we took the majority in 1994 we have increased biomedical research by over 24 percent, and the Speaker is committed to doubling biomedical research. That is very important for us.

For example, for care of diabetes, diabetes takes up about 23 percent of the Medicare bill. Just by early detection we can save two-thirds of the amputations, two-thirds of blindness. That not only means quality of life, or life, but it means money that we can use in other fields.

Cancer research has more than doubled, but yet prostate cancer has mortality for men and among especially African Americans higher second only to AIDS, but yet it is one of the lowest funded.

Now, another area I would like to speak on, I am pro-life, and I am not here to convince people for pro-life or pro-choice, but I had a very interesting perception of family planning units. That perception was wrong, and I speak as a pro-life member.

I went to a family planning center in San Diego and I saw women's health care where we should at least come together on family planning. I saw women there that in some cases would not receive health care in any other areas. I saw them getting mammograms. I saw them getting pap smears. I saw them getting doctors' evaluations, x-rays for lung cancer, and many were indigent people coming across the border. It is going to save a lot of people's lives, and a lot of people from even becoming exposed to cancer.

I think another area we need to come together in the family planning issue as pro-life and pro-choice is to support family planning's methods which prevent unwanted pregnancies. Federal dollars are not used for abortions by family planning. It is all private. At least we ought to be able to come together on those issues that are for women's health care and those issues that stop and eliminate unwanted pregnancies. I say that again as a pro-life member.

Secondly, biomedical research to me is one of the most important things that this body can invest in. There are a lot of things. LIHEAP, I will be frank, was established when fuel costs were very, very high. You cannot get rid of a Federal program. Whether the fuel prices are low, whether they are high or whatever, as long as you have money going out to a certain group. I am convinced it is very difficult to stop it here in this body.

LIHEAP is one that I think should be totally eliminated, just like the National Endowment for the Arts. Some of the people on the other side disagree and think there are other cuts. But as the gentleman from Illinois (Mr. PORTER) said, we are operating under a budget, and the priorities I think that he listed, I believe that every single Member on your side of the aisle would support those priorities. But we cannot have the funds under a balanced budget to meet all the priorities.

Mr. OBEY. Mr. Speaker, I yield two minutes to the distinguished gentlewoman from California (Ms. PELOSI), a member of the subcommittee.

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member of the committee for yielding me time and for his leadership on this bill.

As anyone knows who has ever served on this committee, it is indeed a privilege that we share with the distinguished Speaker, Mr. DICKEY, because this is a bill about the strength of our country. The health, the education and the well-being of the American people should certainly be a measure of the strength of our country. It is a privilege to serve with our distinguished chairman, the gentleman from Illinois

(Mr. PORTER), and with our ranking member, Mr. OBEY.

I want to focus on our ranking member for a moment though, because tomorrow is his birthday. I want to thank him for being born because of his extraordinary leadership in this House of Representatives. Of course, I am getting no credit for saying this about him right now because he is not paying attention to me, but I did want to wish him happy birthday, which is tomorrow. Again I thank him for being born and for his extraordinary leadership, especially in this committee.

□ 1330

I know this committee best because this is one of my primary committees of service in this Congress.

What I am afraid of about this bill, despite the valiant efforts of our distinguished chairman, the gentleman from Illinois (Mr. PORTER), I am afraid this is a bill about missed opportunities. It is about sending a mixed message to America's children. My colleagues have spoken to the specifics of this bill and what it is lacking. In addition the overall message of this bill is that we say to children that education is very, very important to them and that it is central to their success in life and our competitiveness as a country, and yet this bill misses opportunities to include the Clinton administration agenda for smaller classes with well prepared teachers where children can learn, teachers can teach and parents can participate.

This bill, instead of modernizing schools for the 21st century, helping local communities modernize and build 5,000 schools nationwide, enough though this bill can not do the interest-free bonds, it could help in modernizing schools. Instead, the Republican Labor-HHS bill chops $2 billion out of the administration request, cuts the safe school and drug-free schools by $50 million, slashes investments in education technology, and eliminates funding for America Reads. It sends a mixed message to American children that education is important, but that we do not value it in this bill.

Mr. OBEY. Mr. Speaker, I would like to respond to something my good friend from Illinois said a couple minutes earlier. He indicated that the reason that we are stuck with this miserable bill is because both parties agreed to the limitations that have produced this bill. That is not correct.

It is true that the leaders of both parties voted for a budget last year which imposed limits, of course. But then, under the process when the appropriation bills came to the floor this year, the Republican committee leadership chose, alone, without consulting us on this side of the aisle, how they would divide that money between the 13 subcommittees, and it is clear that the committee leadership on the Republican side of the aisle decided to take money out of this bill and give it to other subcommittees so that they would have an easier time passing bills favored by the majority leadership, leaving this bill holding the bag. That is why we are now stuck with a bill which even the Republican leadership in the Senate says is at least $3 billion below where it should be.

Now, we know that. We heard them say that just yesterday. So it is not just us saying that this bill is inadequate; your own party brethren in the Senate are saying the same thing.

So all I would say is that we need to recognize the fact that we did not agree on this side of the aisle to cut education $2 billion below the President's level. We did not agree that we should eliminate funding for low income heating assistance and summer jobs programs, the 2 programs that deal most directly with the least fortunate people in this society. Those decisions were made unilaterally on the other side of the aisle, and those are the decisions to which we object.

That is why, while I have great respect and affection for the gentleman from Illinois, I think he has done the very best job he can defending a very bad case. It seems to me that a vote for this rule is an endorsement of each and every one of the cuts in this bill which I predict will be repudiated on both sides of the aisle within the next 2 weeks. There is no reason to bring this charade to the floor, and I urge a "no" vote on the rule.

Mr. PORTER. Mr. Speaker, I would say to the gentleman from Wisconsin, he had a chance also in respect to the allocations to offer an amendment. I heard of no amendment being offered. The gentleman had a chance to shape within the budget allocations and the spending for each account and no amendments were forthcoming.

I would also say to the gentleman, I am not so sure how he knows what is the "proper level of spending" for any bill, but clearly the gentleman and the people on his side of the aisle see no place ever to make any cuts in any program, regardless of what it may be, because he has had the opportunity to do so and he has not done so during the entire process.

I would suggest to the gentleman that it is not enough simply to criticize. He must participate in the process and to shape the legislation and not simply to say, "well, it is not the way I would do it." If we had more money, obviously we might do it differently. But thank God, for the first time in a long time, we are living within the allocations. We are bringing down the deficits. We have brought the budget into balance. And we have done it not only with a wonderful economy, we have done it with some good fiscal discipline here in the Congress and the majority party making some tough decisions that have been needed for a long, long time in our country that were never made on the other side of the aisle.

Mr. OBEY. Mr. Speaker, again, in the interest of fact, I am required to correct the gentleman's previous statements. He says that no one on this side of the aisle has tried to cut unneeded spending. It was not people on this side of the aisle who decided that we should arrange to have a new set of accounting procedures approved so that we could provide $637 million in ships that the Pentagon did not even ask for. This Member personally offered amendments in the defense appropriations bill to eliminate funding for additional C–130s, which were provided purely and simply so that the Congress could provide 7 additional aircraft again that the Pentagon did not even ask for. That decision was made by your committee leadership.

This Member certainly did not vote for the highway bill that went through here, which had 1,800 pork barrel projects. To put that in perspective, in the entire 42-year history of the highway program, up until this year, when our party was in control, in 42 years there were a total of 1,042 pork barrel projects. This bill had over 100 in one year alone, including roads to a brew pub and almost $80 million to be spent on a highway in a foreign country.

So if I were the gentleman, I would not brag too much about the discipline shown on that side of the aisle on legislation like that.

Mr. Speaker, I make no apology for saying that I believe that more funding in the Federal budget should have been put in this bill so that we did not have to cut education $2 billion below the President's level. I believe that we should have provided those after-school centers to keep juveniles out of trouble and under adult supervision. I believe we should be funding higher levels for children's mental health. When we see kids shooting each other in school yards around the country, I believe that we should not be eliminating the summer youth program that gives millions or hundreds of thousands of young people their first exposure to the world of work. And I certainly do not believe that we ought to continue to deny the President's top education priority, which is the reduction of class size by adding new teachers in the first 3 grades.

This bill does all of that, and that is why it seems to me that we should vote against the rule because a vote for this rule is a vote to endorse the bill which Senate Republicans have already indicated is at least $3 billion below where it ought to be in order to provide a balanced set of priorities for the people we are supposed to represent.

Mr. TORRES. Mr. Speaker, I want to thank the chairmen of the committee and subcommittee, the ranking member, and the committee staff for their work on this bill and for attempting to achieve a balance within the small budget allotted to the subcommittee. As you all can attest, work on this particular appropriations bill has always been a difficult task. I have been honored to contribute to these efforts. I am proud that my membership to this committee has had an influence in the human service and educational goals for which I came to Congress to fight.

I have been a longtime supporter of the High School Equivalency Program and the College Assistance Migrant Program. The HEP and CAMP programs are the only programs funded on the national level which recruit and serve the children of migrant and seasonal farm workers. Some of you may know that I am the son of migrant workers. There were no such student programs when I was growing up. But these programs have successfully helped migrant youth complete high school or obtain their GED. This has opened the door to continuing education opportunities in institutions of higher education.

In the 104th Congress, HEP–CAMP faced the threat of large cuts in funding. I introduced an amendment to maintain funding for HEP–CAMP. I wrote letters to committee chairs in both Chambers, describing the importance of these programs and the cost-effectiveness of their success. With the support of the Congressional Hispanic Caucus, funding was maintained. Since then, the programs have received increased funding. I am proud to have assisted HEP–CAMP in advancing their efforts.

Hispanic-serving institutions are another example of a critical funding stream for underrepresented minorities. These institutions carry the burden of providing higher education for Latinos, the fastest growing segment of our nation's population. Still, they are subjected to educational, economic and political discrimination. The Congressional Hispanic Caucus has been working tirelessly to increase funding for Hispanic serving institutions to meet the growing educational needs of this target population. We have been successful in doing so for fiscal year 1998 and again in this year's bill. I thank the chairmen again for this necessary increase and Congressman LEWIS for spearheading such efforts. I am pleased to acknowledge Congressman LEWIS understands this important educational need for the growing segment of his district's, California's, and our Nation's population.

While I am pleased with these increases, I am gravely disappointed in the cuts and eliminations many other critical programs have received. We speak of engaging a new generation of Americans that are prepared to succeed in the global economy and technologically advanced society of the 21st century. Yet, we stand here, as a committee, ready to vote on a bill that falls far short of such a goal. I am deeply concerned that the funding levels in this mark will not meet the challenge of our future. We can all think of reasons to blame particular districts or the public education system for the seemingly poor education standards in this country, but we offer no solution.

The population of young people today far exceeds that of the so-called baby boom generation. Congress must rise to the challenge of providing greater opportunities for the growing mass of young people in this country. We must continue to fund programs that have proven successful in these efforts. This bill will not do this. We cut summer jobs and school-to-work programs which have also made notable efforts to advance and promote youth success. We have not given the necessary increases to after school programs and mentoring proposals.

Most disappointing is the subcommittee's decision to follow a misguided, poorly developed trend from my State, to cut funding for bilingual education. The administration is meeting the challenges of the growing Latino population with a Hispanic education action plan. This is a comprehensive plan based on high standards and research-based reform. The unacceptably high Hispanic dropout rate has signaled a need that must be addressed if we are to successfully prepare our nation for the next century. Instead of meeting that need, we have turned our back on these students who want to learn English, finish high school and prepare for college.

Instead of investing in the future of this country as a whole, Congress is specifying which Americans deserve education funding, grants, and assistance. The restrictive language in this bill would impair a school district's ability to provide successful programs for their limited-English speaking students and make critical decisions that impact the education of all children. The arbitrary deadline for the acquisition of the English language prevents teachers and school administrators from doing what is best for each individual child. By basing such grants on exiting limited-English proficient children to English-only classes, without considering individual needs or academic performance, we are encouraging a debasing of standards and expectations for students.

My colleagues, I implore you to use better foresight in determining the funding levels from which we prepare Americans to meet the demands of their future. I thank the leaders who saw potential in my future and gave me the support and encouragement to continue my education and become a productive citizen of this country. Without the wisdom and vision of those people, I may not be here today. I cannot support this bill and I urge you to reject it as well. I am hopeful that we can devise a plan for a more balanced bill that does more to encourage progress rather than stifle it.

Mr. FORD. Mr. Speaker, I rise today to express my opposition to the proposed rule for the Labor/HHS appropriations bill and voice my concerns over the myopia that appears to plague many of my colleagues on the other side of the aisle.

As you may recall, Mr. Speaker, yesterday we agreed to go to conference with the Senate on juvenile crime legislation. And during the brief floor debate on this matter, several of my Republican colleagues expressed their belief that reducing juvenile crime requires a two-prong approach: punishment and prevention.

Well, Mr. Speaker, I find it curious at best how Republicans honestly can contend that they believe prevention is a vital component in reducing juvenile crime, when they plan on bringing a Labor/HHS bill to the floor that drastically cuts funding for Summer Jobs, School-to-Work, and After School Learning Programs—all of which are designed to help young people on the front end, by providing them a chance to do the right thing.

I wonder, Mr. Speaker, what kind of prevention strategy could be more counterproductive than:

Summer Jobs—cutting funding by over $500 million, effectively denying 530,000 young people—over 1,500 in my district alone—the opportunity to work during the summer of 1999.

School-to-Work—cutting funding by $250 million, effectively undermining the ability to provide work-based learning experiences to more than 1 million students in over 3,000 high schools.

After-School Learning Programs—cutting funding to $140 million below the administration's request, effectively denying 3,000 communities the opportunity to provide after-school safe haven learning programs for nearly 400,000 school-age children.

How, I ask, do my colleagues on the other side of the aisle realistically expect young people in America to develop an appreciation of the value and importance of education and work, if all they see is Congress appropriating money to build more jail cells, but not to improve their schools or provide them summer jobs.

Mr. Speaker, I am also having a very difficult time understanding how the Republicans can reconcile their willingness to cut or eliminate funding for programs like Goals 2000, Star Schools, School-to-Work, and America Reads, with their professed commitment to education. In response to this criticism, I am sure many of my Republican colleagues will tout their Dollars-to-the-Classroom bill, which will block grant funding to states for education-related programs. Well, Mr. Speaker, if the funding levels in the Labor/HHS appropriations are any indication of what the Republicans plan on investing in, then America's young people and our Nation's public education system are in serious jeopardy.

So, Mr. Speaker, I say to every single Member of this body, if you believe in giving young people a chance at success, and truly want to see the juvenile crime rate go down in America—as opposed to just looking tough on crime—then you cannot in good conscience support the rule or underlying Labor/HHS appropriations bill.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mr. SKEEN (during the special order of Mr. OBEY) submitted the following conference report and statement on the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

CONFERENCE REPORT (H. REPT. 105–763)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101) "making appropriations for Agriculture, Rural Development, Food and Drug

Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes'', having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: Provided, That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service, shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary: Provided further, That none of the funds appropriated or otherwise made available by this Act may be used to pay the salaries and expenses of personnel of the Department of Agriculture to carry out section 793(c)(1)(C) of Public Law 104–127: Provided further, That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104–127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,620,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $6,120,000.

OFFICE OF THE CHIEF INFORMATION OFFICER

For necessary expenses of the Office of the Chief Information Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $5,551,000.

OFFICE OF THE CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: Provided, That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded by this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $132,184,000: Provided, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, $5,000,000, to remain available until expended; making a total appropriation of $137,184,000.

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961, $15,700,000, to remain available until expended: Provided, That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, $32,168,000, to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $3,000,000, to remain available until expended.

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded by this Act, including programs involving intergovernmental affairs and liaison within the executive branch, $3,668,000: Provided, That no other funds appropriated to the Department by this Act shall be available to the Department for support of activities of congressional relations: Provided further, That not less than $2,241,000 shall be transferred to agencies funded by this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, $65,128,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $100,000 for certain confidential operational expenses, including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: Provided, That for fiscal year 1999 and thereafter, funds transferred to the Office of the Inspector General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $29,194,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, $65,757,000: Provided, That $2,000,000 shall be transferred to and merged *with the appropriation for "Food and Nutrition Service, Food Program Administration" for studies and evaluations: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).*

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627), the Census of Agriculture Act of 1997 (Public Law 105–113), and other laws, $103,964,000, of which up to $23,599,000 shall be available until expended for the Census of Agriculture: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, and for land exchanges where the lands exchanged shall be of equal value or shall be equalized by a payment of money to the grantor which shall not exceed 25 percent of the total value of the land or interests transferred out of Federal ownership, $781,950,000: Provided, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: Provided further, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: Provided further, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: Provided further, That appropriations hereunder shall be available for granting easements at the Beltsville Agricultural Research Center, including an easement to the University of Maryland to construct the Transgenic Animal Facility which upon completion shall be accepted by the Secretary as a gift: Provided further, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): Provided further, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

In fiscal year 1999, the agency is authorized to charge fees, commensurate with the fair market value, for any permit, easement, lease, or other special use authorization for the occupancy or use of land and facilities (including land and facilities at the Beltsville Agricultural Research Center) issued by the agency, as authorized by law, and such fees shall be credited to this account and shall remain available until expended for authorized purposes.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, $56,437,000, to remain available until expended (7 U.S.C. 2209b): Provided, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including $180,545,000 to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–i); $21,932,000 for grants for cooperative forestry research (16 U.S.C. 582a–a7); $29,676,000 for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); $63,116,000 for special grants for agricultural research (7 U.S.C. 450i(c)); $15,048,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); $119,300,000 for competitive research grants (7 U.S.C. 450i(b)); $5,109,000 for the support of animal health and disease programs (7 U.S.C. 3195); $750,000 for supplemental and alternative crops and products (7 U.S.C. 3319d); $600,000 for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977 (7 U.S.C. 3318), to remain available until expended; $3,000,000 for higher education graduate fellowship grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,350,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education multicultural scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); $2,850,000 for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $500,000 for a secondary agriculture education program and two-year postsecondary education (7 U.S.C. 3152 (h)); $4,000,000 for aquaculture grants (7 U.S.C. 3322); $8,000,000 for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants (7 U.S.C. 3152(b)(4)) to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University, to remain available until expended (7 U.S.C. 2209b); $1,552,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and $10,688,000 for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, $481,216,000.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 103–382 (7 U.S.C. 301 note), $4,600,000.

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, $276,548,000; payments for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3)), $2,060,000; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, $58,695,000; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, $3,000,000; payments for the pesticide impact assessment program under section 3(d) of the Act, $3,214,000; payments to upgrade research, extension, and teaching facilities at the 1890 land-grant colleges, including Tuskegee University, as authorized by section 1447 of Public Law 95–113 (7 U.S.C. 3222b), $8,426,000, to remain available until expended; payments for the rural development centers under section 3(d) of the Act, $908,000; payments for a groundwater quality program under section 3(d) of the Act, $9,561,000; payments for youth-at-risk programs under section 3(d) of the Act, $9,000,000; payments for a food safety program under section 3(d) of the Act, $3,500,000; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, $3,192,000; payments for Indian reservation agents under section 3(d) of the Act, $1,714,000; payments for sustainable agriculture programs under section 3(d) of the Act, $3,309,000; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), $2,628,000; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326 and 328) and Tuskegee University, $25,843,000; and for Federal administration and coordination including administration of the Smith-Lever Act, and the Act of September 29, 1977 (7 U.S.C. 341–349), and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, $11,741,000; in all, $434,122,000: Provided, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, the Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947 (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, $425,803,000, of which $4,105,000 shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: Provided, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: Provided further, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as may be deemed necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, and section 102 of the Act of September 21, 1944, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: Provided further, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1999, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1999, $88,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $7,700,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $90,000 for employment under 5 U.S.C. 3109, $46,000,000, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $60,730,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: Provided, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,998,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937 and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,200,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, including field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $26,787,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

LIMITATION ON INSPECTION AND WEIGHING SERVICES EXPENSES

Not to exceed $42,557,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry out services authorized by the Federal Meat Inspection Act, the Poultry Products Inspection Act, and the Egg Products Inspection Act, $609,250,000, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: Provided, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)): Provided further, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the Farm Service Agency, the Foreign Agricultural Service, the Risk Management Agency, and the Commodity Credit Corporation, $572,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, $714,499,000: Provided, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: Provided further, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987 (7 U.S.C. 5101–5106), $2,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of: (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer; or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968 (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $450,000, to remain available until expended (7 U.S.C. 2209b): Provided, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of the farmer's willful failure to follow procedures prescribed by the Federal Government: Provided further, That this amount shall be transferred to the Commodity Credit Corporation: Provided further, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $510,682,000, of which $425,031,000 shall be for guaranteed loans; operating loans, $1,648,276,000, of which $948,276,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, $25,000,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $100,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $19,580,000, of which $6,758,000 shall be for guaranteed loans; operating loans, $62,630,000, of which $11,000,000 shall be for unsubsidized guaranteed loans and $17,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $153,000; for emergency insured loans, $5,900,000 to meet the needs resulting from natural disasters; and for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $1,440,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $219,861,000, of which $209,861,000 shall be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

RISK MANAGEMENT AGENCY

For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $64,000,000: Provided, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1999, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $8,439,000,000 in the President's fiscal year 1999 Budget Request (H. Doc. 105–177)), but not to exceed $8,439,000,000, pursuant to section 2 of the Act of August 17, 1961 (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1999, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, 42 U.S.C. 6961: Provided, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the programs administered by the Natural Resources Conservation Service, including the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $641,243,000, to remain available until expended (7 U.S.C. 2209b), of which not less than $5,990,000 is for snow survey and water forecasting and not less than $9,025,000 is for operation and establishment of the plant materials centers: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592(c)): Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2).

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001–1009), $10,368,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954 (16 U.S.C. 1001–1005 and 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $99,443,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701 and 16 U.S.C. 1006a)): Provided, That not to exceed $47,000,000 of this appropriation shall be available for technical assistance: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $35,000,000, to remain available until expended (7 U.S.C. 2209b): Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, the Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL COMMUNITY ADVANCEMENT PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1926a, 1926c, and 1932, except for sections 381E–H, 381N, and 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), $722,686,000, to remain available until expended, of which $29,786,000 shall be for rural community programs described in section 381E(d)(1) of the Consolidated Farm and Rural Development Act; of which $645,007,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; and of which $47,893,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act: Provided, That of the amount appropriated for the rural business and cooperative development programs, not to exceed $500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: Provided further, That not to exceed $16,215,000 shall be for technical assistance grants for rural waste systems pursuant to section 306(a)(14) of such Act; and not to exceed $5,300,000 shall be for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: Provided further, That of the total amount appropriated, not to exceed $33,926,000 shall be available through June 30, 1999, for empowerment zones and enterprise communities, as authorized by Public Law 103–66, of which $1,844,000 shall be for rural community programs described in section 381E(d)(1) of such Act; of which $23,948,000 shall be for the rural utilities programs described in section 381E(d)(2) of such Act; of which $8,134,000 shall be for the rural business and cooperative development programs described in section 381E(d)(3) of such Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund, as follows: $3,965,313,000 for loans to section 502 borrowers, as determined by the Secretary, of which $3,000,000,000 shall be for unsubsidized guaranteed loans; $25,001,000 for section 504 housing repair loans; $100,000,000 for section 538 guaranteed multi-family housing loans; $20,000,000 for section 514 farm labor housing; $114,321,000 for section 515 rental housing; $5,152,000 for section 524 site loans; $16,930,000 for credit sales of acquired property, of which up to $5,001,000 may be for multi-family credit sales; and $5,000,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $116,800,000, of which $2,700,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $8,808,000; section 538 multi-family housing guaranteed loans, $2,320,000; section 514 farm labor housing, $10,406,000; section 515 rental housing, $55,160,000; section 524 site loans, $17,000; credit sales of acquired property, $3,492,000, of which up to $2,416,000 may be for multi-family credit sales; and section 523 self-help housing land development loans, $282,000: Provided, That of the total amount appropriated in this paragraph, $10,380,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $360,785,000, which shall be transferred to and merged with the appropriation for "Rural Housing Service, Salaries and Expenses".

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, $583,397,000; and, in addition, such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: Provided, That of this amount, not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: Provided further, That agreements entered into or renewed during fiscal year 1999 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $26,000,000, to remain available until expended (7 U.S.C. 2209b): Provided, That of the total amount appropriated, $1,000,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

RURAL HOUSING ASSISTANCE GRANTS

For grants and contracts for housing for domestic farm labor, very low-income housing repair, supervisory and technical assistance, compensation for construction defects, and rural housing preservation made by the Rural Housing Service, as authorized by 42 U.S.C. 1474, 1479(c), 1486, 1490e, and 1490m, $41,000,000, to remain available until expended: Provided, That of the total amount appropriated, $1,200,000 shall be for empowerment zones and enterprise communities, as authorized by Public Law 103–66: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, title V of the Housing Act of 1949, and cooperative agreements, $60,978,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109: Provided further, That the Administrator may expend not more than $10,000 to provide modest nonmonetary awards to non-USDA employees.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, $16,615,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans of $33,000,000: Provided further, That through June 30, 1999, of the total amount appropriated, $3,215,520 shall be available for the cost of direct loans for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000: Provided further, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1999, they shall remain available for other authorized purposes under this head.

In addition, for administrative expenses to carry out the direct loan programs, $3,482,000 shall be transferred to and merged with the appropriation for "Rural Business-Cooperative Service, Salaries and Expenses".

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $15,000,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $3,783,000.

Of the funds derived from interest on the cushion of credit payments in fiscal year 1999, as authorized by section 313 of the Rural Electrification Act of 1936, $3,783,000 shall not be obligated and $3,783,000 are rescinded.

RURAL COOPERATIVE DEVELOPMENT GRANTS

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), $3,300,000, of which $1,300,000 shall be available for cooperative agreements for the appropriate technology transfer for rural areas program and $250,000 shall be available for an agribusiness and cooperative development program.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and for cooperative agreements; $25,680,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $260,000 may be used for employment under 5 U.S.C. 3109.

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), $3,500,000 is appropriated to the Alternative Agricultural Research and Commercialization Corporation Revolving Fund.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936 (7 U.S.C. 935) shall be made as follows: 5 percent rural electrification loans, $71,500,000; 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $300,000,000; municipal rate rural electric loans, $295,000,000; and loans made pursuant to section 306 of that Act, rural electric, $700,000,000 and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935 and 936), as follows: cost of direct loans, $16,667,000; cost of municipal rate loans, $25,842,000; cost of money rural telecommunications loans, $810,000: Provided, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000, which shall be transferred to and merged with the appropriation for "Rural Utilities Service, Salaries and Expenses".

RURAL TELEPHONE BANK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out its authorized programs. During fiscal year 1999 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $157,509,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936 (7 U.S.C. 935), $4,174,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,000,000, which shall be transferred to and merged with the appropriation for "Rural Utilities Service, Salaries and Expenses".

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., $12,680,000, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: Provided, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, and the Consolidated Farm and Rural Development Act, and for cooperative agreements, $33,000,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Nutrition Service, $554,000.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751 et seq.), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), except sections 17 and 21; $9,176,897,000, to remain available through September 30, 2000, of which $4,128,747,000 is hereby appropriated and $5,048,150,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c): Provided, That none of the funds made available under this heading shall be used for studies and evaluations: Provided further, That up to $4,300,000 shall be available for independent verification of school food service claims: Provided further, That none of the funds under this heading shall be available unless the value of bonus commodities provided under section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), and section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is included in meeting the minimum commodity assistance requirement of section 6(g) of the National School Lunch Act (42 U.S.C. 1755(g)).

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,924,000,000, to remain available through September 30, 2000: Provided, That none of the funds made available under this heading shall be used for studies and evaluations: Provided further, That of the total amount available, the Secretary shall obligate $10,000,000 for the farmers' market nutrition program within 45 days of the enactment of this Act, and an additional $5,000,000 for the farmers' market nutrition program from any funds not needed to maintain current caseload levels: Provided further, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: Provided further, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966: Provided further, That State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996, only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than 5 percent.

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. 2011 et seq.), $22,585,106,000, of which $100,000,000 shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations: Provided, That none of the funds made available under this head shall be used for studies and evaluations: Provided further, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: Provided further, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: Provided further, That funds made available for Employment and Training under this head shall remain available until expended, as authorized by section 16(h)(1) of the Food Stamp Act.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) and the Emergency Food Assistance Act of 1983, $131,000,000; to remain available through September 30, 2000: Provided, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note), and section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a), $141,081,000, to remain available through September 30, 2000.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, $108,561,000, of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law and of which $2,000,000 shall be available for obligation only after promulgation of a final rule to curb vendor related fraud: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954 (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), $136,203,000: Provided, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392).

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691, 1701–1704, 1721–1726a, 1727–1727e, 1731–1736g–3, and 1737), as follows: (1) $203,475,000 for Public Law 480 title I credit, including Food for Progress programs; (2) $16,249,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) $25,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: Provided, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: Provided further, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, and the Food for Progress Act of 1985, including the cost of modifying credit agreements under said Act, $176,596,000.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, to the extent funds appropriated for Public Law 480 are utilized, $1,850,000, of which $1,035,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service and General Sales Manager" and $815,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, $3,820,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which $3,231,000 may be transferred to and merged with the appropriation for "Foreign Agricultural Service and General Sales Manager" and $589,000 may be transferred to and merged with the appropriation for "Farm Service Agency, Salaries and Expenses".

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for payment of space rental and related costs pursuant to Public Law 92–313 for programs and activities of the Food and Drug Administration which are included in this Act; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $1,098,140,000, of which not to exceed $132,273,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: Provided, That fees derived from applications received during fiscal year 1999 shall be subject to the fiscal year 1999 limitation: Provided further, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701: Provided further, That of the total amount appropriated: (1) $226,580,000 shall be for the Center for Food Safety and Applied Nutrition and related field activities in the Office of Regulatory Affairs, of which, and notwithstanding section 409(h)(5)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.), an amount of $500,000 shall be made available for the development of systems, regulations, and pilot programs, if any, that would be required to permit full implementation, consistent with section 409(h)(5) of that Act, in fiscal year 2000 of the food contact substance notification program under section 409(h) of such Act; (2) $291,981,000 shall be for the Center for Drug Evaluation and Research and related field activities in the Office of Regulatory Affairs; (3) $125,095,000 shall be for the Center for Biologics Evaluation and Research and for related field activities in the Office of Regulatory Affairs; (4) $41,973,000 shall be for the Center for Veterinary Medicine and for related field activities in the Office of Regulatory Affairs; (5) $145,736,000 shall be for the Center for Devices and Radiological Health and for related field activities in the Office of Regulatory Affairs; (6) $31,579,000 shall be for the National Center for Toxicological Research; (7) $34,000,000 shall be for the Office of Tobacco; (8) $25,855,000 shall be for Rent and Related activities, other than the amounts paid to the General Services Administration; (9) $88,294,000 shall be for payments to the General Services Administration for rent and related costs; and (10) $87,047,000 shall be for other activities, including the Office of the Commissioner, the Office of Policy, the Office of External Affairs, the Office of Operations, the Office of Management and Systems, and central services for these offices.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $11,350,000, to remain available until expended (7 U.S.C. 2209b).

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized, $2,565,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109, $61,000,000, including not to exceed $1,000 for official reception and representation expenses: Provided, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

FARM CREDIT ADMINISTRATION

LIMITATION OF ADMINISTRATIVE EXPENSES

Not to exceed $35,800,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249: Provided, That this limitation shall not apply to expenses associated with receiverships.

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1999 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 440 passenger motor vehicles, of which 437 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427 and 1621–1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: Provided, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, integrated systems acquisition project, and up to $2,000,000 for costs associated with collocating regional offices; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; Food Safety and Inspection Service, field automation and information management project; funds appropriated for rental payments; funds for the Native American Institutions Endowment Fund in the Cooperative State Research, Education, and Extension Service; and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost *rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.*

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 711. None of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award: Provided, That notwithstanding section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310), funds provided by this Act for grants awarded competitively by the Cooperative State Research, Education, and Extension Service shall be available to pay full allowable indirect costs for each grant awarded under the Small Business Innovation Development Act of 1982, Public Law 97–219 (15 U.S.C. 638).

SEC. 712. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 713. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1999 shall remain available until expended to cover obligations made in fiscal year 1999 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 714. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated by this Act.

SEC. 715. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service; Grain Inspection, Packers and Stockyards Administration; and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between the Agricultural Marketing Service, the Grain Inspection, Packers and Stockyards Administration or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 716. Notwithstanding the Federal Grant and Cooperative Agreement Act, the Natural Resources Conservation Service may enter into contracts, grants, or cooperative agreements with a State agency or subdivision, or a public or private organization, for the acquisition of goods or services, including personal services, to carry out natural resources conservation activities: Provided, That Commodity Credit Corporation funds obligated for such purposes shall not exceed the level obligated by the Commodity Credit Corporation for such purposes in fiscal year 1998.

SEC. 717. None of the funds in this Act may be used to retire more than 5 percent of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.

SEC. 718. Hereafter, none of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel to carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the United States Mink Export Development Council or any mink industry trade association.

SEC. 719. Of the funds made available by this Act, not more than $1,800,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture, except for panels used to comply with negotiated rule makings and panels used to evaluate competitively awarded grants: Provided, That interagency funding is authorized to carry out the purposes of the National Drought Policy Commission.

SEC. 720. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

SEC. 721. No employee of the Department of Agriculture may be detailed or assigned from an agency or office funded by this Act to any other agency or office of the Department for more than 30 days unless the individual's employing agency or office is fully reimbursed by the receiving agency or office for the salary and expenses of the employee for the period of assignment.

SEC. 722. None of the funds appropriated or otherwise made available to the Department of Agriculture shall be used to transmit or otherwise make available to any non-Department of Agriculture employee questions or responses to questions that are a result of information requested for the appropriations hearing process.

SEC. 723. None of the funds made available to the Department of Agriculture by this Act may be used to acquire new information technology systems or significant upgrades, as determined by the Office of the Chief Information Officer, without the approval of the Chief Information Officer and the concurrence of the Executive Information Technology Investment Review Board: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be transferred to the Office of the Chief Information Officer without the prior approval of the Committee on Appropriations of both Houses of Congress.

SEC. 724. (a) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which: (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions or activities presently performed by Federal employees; unless the Committee on Appropriations of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided by this Act, or provided by previous Appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1999, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that: (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Committee on Appropriations of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 725. None of the funds appropriated or otherwise made available by this Act or any other Act may be used to pay the salaries and expenses of personnel to carry out section 793 of Public Law 104–127, with the exception of funds made available under that section on January 1, 1997.

SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an environmental quality incentives program authorized by sections 334–341 of Public Law 104–127 in excess of $174,000,000.

SEC. 727. None of the funds appropriated or otherwise available to the Department of Agriculture may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

SEC. 728. The Federal facility located in Stuttgart, Arkansas, and known as the "United States National Rice Germplasm Evaluation and Enhancement Center", shall be known and designated as the "Dale Bumpers National Rice Research Center": Provided, That any reference in law, map, regulation, document, paper, or other record of the United States to such federal facility shall be deemed to be a reference to the "Dale Bumpers National Rice Research Center".

SEC. 729. Notwithstanding any other provision of law, the Secretary of Agriculture, subject to the reprogramming requirements established by this Act, may transfer up to $26,000,000 in discretionary funds made available by this Act among programs of the Department, not otherwise appropriated for a specific purpose or a specific location, for distribution to or for the benefit of the Lower Mississippi Delta Region, as defined in Public Law 100–460, prior to normal state or regional allocation of funds: Provided, That any funds made available through Chapter Four of Subtitle D of Title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) may be included in any amount reprogrammed under this section if such funds are *used for a purpose authorized by such Chapter: Provided further, That any funds made available from ongoing programs of the Department of Agriculture used for the benefit of the Lower Mississippi Delta Region shall be counted toward the level cited in this section.*

SEC. 730. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to enroll in excess of 120,000 acres in the fiscal year 1999 wetlands reserve program as authorized by 16 U.S.C. 3837.

SEC. 731. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the emergency food assistance program authorized by section 27(a) of the Food Stamp Act if such program exceeds $90,000,000.

SEC. 732. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out the provisions of section 401 of Public Law 105–185.

SEC. 733. Notwithstanding any other provision of law, the City of Big Spring, Texas shall be eligible to participate in rural housing programs administered by the Rural Housing Service.

SEC. 734. Notwithstanding any other provision of law, the Municipality of Carolina, Puerto Rico shall be eligible for grants and loans administered by the Rural Utilities Service.

SEC. 735. Notwithstanding section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009), the definitions of rural areas for certain business programs administered by the Rural Business-Cooperative Service and the community facilities programs administered by the Rural Housing Service shall be those provided for in statute and regulations prior to the enactment of Public Law 104–127.

SEC. 736. None of the funds appropriated or otherwise made available by this Act shall be used to carry out any commodity purchase program that would prohibit eligibility or participation by farmer-owned cooperatives.

SEC. 737. Section 512(d)(4)(D)(iii) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360b(d)(4)(D)(iii)) is amended by inserting before the semicolon the following: ", except that for purposes of this clause, antibacterial ingredient or animal drug does not include the ionophore or arsenical classes of animal drugs".

SEC. 738. (a) None of the funds appropriated or otherwise made available to the Secretary by this Act, any other Act, or any other source may be used to issue the final rule to implement the amendments to Federal milk marketing orders required by subsection (a)(1) of section 143 of the Agricultural Market Transition Act (7 U.S.C. 7253), other than during the period of February 1, 1999, through April 4, 1999, and only if the actual implementation of the amendments as part of Federal milk marketing orders takes effect on October 1, 1999, notwithstanding the penalties that would otherwise be imposed under subsection (c) of such section.

(b) None of such funds may be used to designate the State of California as a separate Federal milk marketing order under subsection (a)(2) of such section, other than during the period beginning on the date of the issuance of the final rule referred to in subsection (a) through September 30, 1999.

(c) For purposes of this section, a rule shall be considered to be a final rule when the rule is submitted to Congress as required by chapter 8 of title 5, United States Code, to permit congressional review of agency rulemaking and before the Secretary of Agriculture conducts the producer referendum required under section 8c(19) of the Agricultural Adjustment Act (7 U.S.C. 608c(19)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

SEC. 739. Whenever the Secretary of Agriculture announces the basic formula price for milk for purposes of Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, the Secretary shall include in the announcement an estimate, stated on a per hundredweight basis, of the costs incurred by milk producers, including transportation and marketing costs, to produce milk in the different regions of the United States.

SEC. 740. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel to carry out a conservation farm option program, as authorized by section 335 of Public Law 104–127.

SEC. 741. WAIVER OF STATUTE OF LIMITATIONS. (a) To the extent permitted by the Constitution, any civil action to obtain relief with respect to the discrimination alleged in an eligible complaint, if commenced not later than 2 years after the date of the enactment of this Act, shall not be barred by any statute of limitations.

(b) The complainant may, in lieu of filing a civil action, seek a determination on the merits of the eligible complaint by the Department of Agriculture if such complaint was filed not later than 2 years after the date of enactment of this Act. The Department of Agriculture shall—

(1) provide the complainant an opportunity for a hearing on the record before making that determination; and

(2) award the complainant such relief as would be afforded under the applicable statute from which the eligible complaint arose notwithstanding any statute of limitations.

(c) A proposed administrative award or settlement, exceeding $75,000 (other than debt relief), of an eligible complaint—

(1) shall not take effect until 90 days after notice of that award or settlement is given to the Attorney General (or the Attorney General's designee); and

(2) shall not take effect in any event if, during that 90-day period, the Attorney General (or the Attorney General's designee) objects to the award or settlement.

(d) Notwithstanding subsections (a) and (b), if an eligible claim is denied administratively, the claimant shall have at least 180 days to commence a cause of action in a Federal court of competent jurisdiction seeking a review of such denial.

(e) The United States Court of Federal Claims and the United States District Court shall have exclusive original jurisdiction over—

(1) any cause of action arising out of a complaint with respect to which this section waives the statute of limitations; and

(2) over any civil action for judicial review of a determination in an administrative proceeding in the Department of Agriculture under this section.

(f) As used in this section, the term "eligible complaint" means a non-employment-related complaint that was filed with the Department of Agriculture before July 1, 1997 and alleges discrimination at any time during the period beginning on January 1, 1983 and ending December 31, 1996:

(1) under the Equal Credit Opportunity Act (15 U.S.C. 1691 et seq.) in administering a farm ownership, farm operating, or emergency loan from the Agricultural Credit Insurance Program Account; or

(2) in the administration of a commodity program or a disaster assistance program.

(g) This section shall apply in fiscal year 1999 and thereafter.

SEC. 742. In any claim brought under the Rehabilitation Act of 1973 and filed with the Secretary of Agriculture after January 1994 resulting in a finding that a farmer was subjected to discrimination under any farm loan program or activity conducted by the United States Department of Agriculture in violation of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), the Secretary of Agriculture shall be liable for compensatory damages. Such liability shall apply to any administrative action brought before the date of enactment of this Act, but only if the action is brought within the applicable statute of limitations and the complainant sought or seeks compensatory damages while the action is pending.

SEC. 743. Public Law 102–237, Title X, Section 1013(a) and (b) (7 U.S.C. 426 note) is amended by striking ", to the extent practicable," in each instance in which it appears.

SEC. 744. Funds made available for conservation operations by this or any other Act, including prior-year balances, shall be available for financial assistance and technical assistance for Franklin County, Mississippi, in the amounts earmarked in appropriations report language.

SEC. 745. Section 306D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d) is amended by inserting "25 percent in" in lieu of "equal" in subsection (b), and by inserting "$20,000,000" in lieu of "$15,000,000" in subsection (d).

SEC. 746. None of the funds made available to the Food and Drug Administration by this Act shall be used to close or relocate, or to plan to close or relocate, the Food and Drug Administration Division of Drug Analysis in St. Louis, Missouri.

SEC. 747. None of the funds made available by this Act or any other Act for any fiscal year may be used to carry out section 302(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) unless the Secretary of Agriculture inspects and certifies agricultural processing equipment, and imposes a fee for the inspection and certification, in a manner that is similar to the inspection and certification of agricultural products under that section, as determined by the Secretary: Provided, That this provision shall not affect the authority of the Secretary to carry out the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), or the Egg Products Inspection Act (21 U.S.C. 1031 et seq.).

SEC. 748. Notwithstanding the provisions of section 508(b)(5)(A) of the Federal Crop Insurance Act (7 U.S.C. 1508(b)(5)(A)), for the 1999 reinsurance and subsequent reinsurance years, no producer shall pay more than $50 per crop per county as an administrative fee for catastrophic risk protection under section 508(b)(5)(A) of the Act.

SEC. 749. That notwithstanding section 4703(d)(1) of title 5, United States Code, the personnel management demonstration project established in the Department of Agriculture, as described at 55 FR 9062 and amended at 61 FR 9507 and 61 FR 49178, shall be continued indefinitely and become effective upon enactment of this Act.

SEC. 750. (a) The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking "fiscal year 1998" and inserting "fiscal year 2000".

(b) Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking "September 30, 1998" and inserting "September 30, 2000".

(c) The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1998" and inserting "fiscal year 2000".

(d) Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking "fiscal year 1998" and inserting "fiscal year 2000"; and

(2) in subsection (u), by striking "September 30, 1998" and inserting "September 30, 2000".

(e) Section 538(f) of the Housing Act of 1949 (42 U.S.C. 1490p–2(f)) is amended by adding after paragraph (5) the following new flush sentence:

"The Secretary may not deny a guarantee under this section on the basis that the interest on the loan, or on an obligation supporting the loan, for which the guarantee is sought is exempt from inclusion in gross income for purposes of chapter 1 of the Internal Revenue Code of 1986.".

SEC. 751. Section 1237D(c)(1) of subchapter C of the Food Security Act of 1985 is amended by inserting after "perpetual" the following "or 30-year".

SEC. 752. Section 1237(b)(2) of subchapter C of the Food Security Act of 1985 is amended by adding the following:

"(C) For purposes of subparagraph (A), to the maximum extent practicable should be interpreted to mean that acceptance of wetlands reserve program bids may be in proportion to landowner interest expressed in program options.".

SEC. 753. (a) Section 3(d)(3) of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642(d)(3)) (as amended by section 253(b) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking "The Secretary" and inserting "At the request of the Governor of the State of Maine, New Hampshire, New York, or Vermont, the Secretary".

(b) Section 7(e)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606(e)(2)) (as amended by section 605(f)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998) is amended by striking "$0.0075" each place it appears and inserting "$0.01".

(c)(1) Section 793(c)(2)(B) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(B)) is amended—

(A) in clause (iii), by striking "or" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(v) a State agricultural experiment station.".

(2) Section 401(d) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(d)) is amended—

(A) in paragraph (3), by striking "or" at the end;

(B) in paragraph (4), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(5) a State agricultural experiment station.".

(d) Section 3(d) of the Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended—

(1) in paragraph (1), by striking "No" and inserting "Except as provided in paragraph (4), no"; and

(2) by adding at the end the following:

"(4) TERRITORIES.—In lieu of the matching funds requirement of paragraph (1), the Commonwealth of Puerto Rico, the Virgin Islands, and Guam shall be subject to the same matching funds requirements as those applicable to an eligible institution under section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d).".

(e) Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is amended—

(1) in paragraph (1), by inserting "paragraph (4) and" after "provided in"; and

(2) by adding at the end the following:

"(4) TERRITORIES.—In lieu of the matching funds requirement of paragraph (1), the Commonwealth of Puerto Rico, the Virgin Islands, and Guam shall be subject to the same matching funds requirements as those applicable to an eligible institution under section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d).".

(f) The amendments made by this section shall take effect on the date of enactment of the Agricultural Research, Extension, and Education Reform Act of 1998.

SEC. 754. None of the funds appropriated by this Act or any other Act shall be used to pay the salaries and expenses of personnel who prepare or submit appropriations language as part of the President's Budget submission to the Congress of the United States for programs under the jurisdiction of the Appropriations Subcommittees on Agriculture, Rural Development, and Related Agencies that assumes revenues or reflects a reduction from the previous year due to user fees proposals that have not been enacted into law prior to the submission of the Budget unless such Budget submission identifies which additional spending reductions should occur in the event the users fees proposals are not enacted prior to the date of the convening of a committee of conference for the fiscal year 2000 appropriations Act.

SEC. 755. (a) Section 203(h) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1622(h)) is amended by adding at the end the following: "Shell eggs packed under the voluntary grading program of the Department of Agriculture shall not have been shipped for sale previous to being packed under the program, as determined under a regulation promulgated by the Secretary.".

(b) Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture, and the Secretary of Health and Human Services, shall submit a joint status report to the Committees on Appropriations of the House of Representatives and the Senate that describes actions taken by the Secretary of Agriculture and the Secretary of Health and Human Services—

(1) to enhance the safety of shell eggs and egg products;

(2) to prohibit the grading, under the voluntary grading program of the Department of Agriculture, of shell eggs previously shipped for sale; and

(3) to assess the feasibility and desirability of applying to all shell eggs the prohibition on repackaging to enhance food safety, consumer information, and consumer awareness.

SEC. 756. Expenses for computer-related activities of the Department of Agriculture funded through the Commodity Credit Corporation pursuant to section 161(b)(1)(A) of Public Law 104–127 in fiscal year 1999 shall not exceed $65,000,000: Provided, That section 4(g) of the Commodity Credit Corporation Charter Act is amended by striking $193,000,000 and inserting $188,000,000.

SEC. 757. (a) The Secretary of Agriculture may use funds for tree assistance made available under Public Law 105–174, to carry out a tree assistance program to owners of trees that were lost or destroyed as a result of a disaster or emergency that was declared by the President or the Secretary of Agriculture during the period beginning May 1, 1998, and ending August 1, 1998, regardless of whether the damage resulted in loss or destruction after August 1, 1998.

(b) Subject to subsection (c), the Secretary shall carry out the program, to the maximum extent practicable, in accordance with the terms and conditions of the tree assistance program established under part 783 of title 7, Code of Federal Regulations.

(c) A person shall be presumed eligible for assistance under the program if the person demonstrates to the Secretary that trees owned by the person were lost or destroyed by May 31, 1999, as a direct result of fire blight infestation that was caused by a disaster or emergency described in subsection (a).

SEC. 758. None of the funds appropriated or otherwise made available by this Act shall be used to establish an Office of Community Food Security or any similar office within the United States Department of Agriculture without the prior approval of the Committee on Appropriations of both Houses of Congress.

SEC. 759. Notwithstanding any other provision of law, the city of Vineland, New Jersey, shall be eligible for programs administered by the Rural Housing Service and the Rural Business-Cooperative Service.

SEC. 760. (a)(1) For purposes of this section, the term "Commission" means the Commodity Futures Trading Commission.

(2) For purposes of this section, the term "qualifying hybrid instrument or swap agreement" means a hybrid instrument or swap agreement that—

(A) was entered into before the start of the restraint period or is entered into during the restraint period; and

(B) is exempt under part 34 or part 35 of title 17, Code of Federal Regulations (as in effect on January 1, 1998), qualifies for the safe harbor contained in the Policy Statement of the Commission regarding swap agreements published in the Federal Register on July 21, 1989 (54 Fed. Reg. 30694), or qualifies for the exclusion set forth in the Statutory Interpretation of the Commission concerning certain hybrid instruments published in the Federal Register on April 11, 1990 (55 Fed. Reg. 13582).

(3) For purposes of this section, the term "restraint period" means the period—

(A) beginning on the date of the enactment of this Act; and

(B) ending on March 30, 1999, or the first date on which legislation is enacted that authorizes appropriations for the Commission for a fiscal year after fiscal year 2000, whichever occurs first.

(b) During the restraint period, the Commission may not propose or issue any rule or regulation, or issue any interpretation or policy statement, that restricts or regulates activity in a qualifying hybrid instrument or swap agreement.

(c) Notwithstanding subsection (b), during the restraint period, the Commission may—

(1) act on a petition for exemptive relief under section 4(c) of the Commodity Exchange Act (7 U.S.C. 6(c));

(2) enter such cease and desist orders and take such enforcement action, including the imposition of sanctions, as the Commission considers necessary to enforce any provision of the Commodity Exchange Act (7 U.S.C. 1 et seq.) or title 17, Code of Federal Regulations, in connection with a qualifying hybrid instrument or swap agreement, to the extent such provision is otherwise applicable to that qualifying hybrid instrument or swap agreement or a transaction involving that qualifying hybrid instrument or swap agreement;

(3) take such action as the Commission considers appropriate with regard to agricultural trade options; and

(4) take such action as the Commission considers appropriate to respond to a market emergency.

(d)(1) The legal status of contracts involving a qualifying hybrid instrument or swap agreement shall not differ from the legal status afforded such contracts during the period—

(A) beginning on—

(i) in the case of swap agreements, July 21, 1989, which was the date on which the Commission adopted a Policy Statement regarding swap agreements (54 Fed. Reg. 30694); and

(ii) in the case of hybrid instruments, April 11, 1990, which was the date that the Statutory Interpretation of the Commission concerning hybrid instruments was published in the Federal Register; and

(B) ending on January 1, 1998.

(2) Neither the comment letter of the Commission submitted on February 26, 1998, to the Securities and Exchange Commission regarding

the proposal known as "Broker-Dealer Lite", nor the Concept Release of the Commission regarding over-the-counter derivatives published in the Federal Register on May 12, 1998 (63 Fed. Reg. 26114), shall alter or affect the legal status of a qualifying hybrid instrument or swap agreement under the Commodity Exchange Act (7 U.S.C. 1 et seq.).

(e) Nothing in this section shall be construed as reflecting or implying a determination that a qualifying hybrid instrument or swap agreement, or a transaction involving a qualifying hybrid instrument or swap agreement, is subject to the Commodity Exchange Act (7 U.S.C. 1 et seq.).

SEC. 761. None of the funds appropriated or otherwise made available by this or any other Act may be used to carry out provisions of section 612 of Public Law 105–185.

SEC. 762. Section 136 of the Agricultural Market Transition Act (7 U.S.C. 7236) is amended by striking "1.25 cents" each place it appears in subsections (a) and (b) and inserting "3 cents".

SEC. 763. In implementing section 1124 of subtitle C of title XI of this Act, the Secretary of Agriculture shall:

(a) provide $18,000,000 to the states for distribution of emergency aid to individuals with family incomes below the federal poverty level who have been adversely affected utilizing Federal Emergency Management Agency guidelines;

(b) transfer to the Secretary of Commerce for obligation and expenditure (1) $15,000,000 for programs pursuant to title IX of Public Law 91–304, as amended, of which six percent may be available for administrative costs; (2) $5,000,000 for the Trade Adjustment Assistance program as provided by the Trade Act of 1974, as amended; and (3) $7,000,000 for disaster research and prevention pursuant to section 402(d) of Public Law 94–265; and

(c) transfer to the Administrator of the Small Business Administration for obligation and expenditure, $5,000,000 for the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, for eligible small businesses.

SEC. 764. (a) Section 604 of the Clean Air Act is amended by inserting at the end the following:

"(h) METHYL BROMIDE.—Notwithstanding subsection (d) and section 604(b), the Administrator shall not terminate production of methyl bromide prior to January 1, 2005. The Administrator shall promulgate rules for reductions in, and terminate the production, importation, and consumption of, methyl bromide under a schedule that is in accordance with, but not more stringent than, the phaseout schedule of the Montreal Protocol Treaty as in effect on the date of the enactment of this subsection.".

(b) Section 604(d) of the Clean Air Act is amended by inserting at the end the following:

"(5) SANITATION AND FOOD PROTECTION.—To the extent consistent with the Montreal Protocol's quarantine and preshipment provisions, the Administrator shall exempt the production, importation, and consumption of methyl bromide to fumigate commodities entering or leaving the United States or any State (or political subdivision thereof) for purposes of compliance with Animal and Plant Health Inspection Service requirements or with any international, Federal, State, or local sanitation or food protection standard.

"(6) CRITICAL USES.—To the extent consistent with the Montreal Protocol, the Administrator and the Secretary of Agriculture, after notice and opportunity for public comment, may exempt the production, importation, and consumption of methyl bromide for critical uses.".

(c) Section 604(e) of the Clean Air Act is amended by inserting at the end the following:

"(3) METHYL BROMIDE.—Notwithstanding the phaseout and termination of production of methyl bromide pursuant to section 604(h), the Administrator may, consistent with the Montreal Protocol, authorize the production of limited quantities of methyl bromide, solely for use in developing countries that are Parties to the Copenhagen Amendments to the Montreal Protocol.".

TITLE VIII—AGRICULTURAL CREDIT

SEC. 801. Section 373 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008h) is amended by striking subsection (b) and inserting the following:

"(b) PROHIBITION OF LOANS FOR BORROWERS THAT HAVE RECEIVED DEBT FORGIVENESS.—

"(1) PROHIBITIONS.—Except as provided in paragraph (2)—

"(A) the Secretary may not make a loan under this title to a borrower that has received debt forgiveness on a loan made or guaranteed under this title; and

"(B) the Secretary may not guarantee a loan under this title to a borrower that has received—

"(i) debt forgiveness after April 4, 1996, on a loan made or guaranteed under this title; or

"(ii) received debt forgiveness on no more than 3 occasions on or before April 4, 1996.

"(2) EXCEPTIONS.—

"(A) IN GENERAL.—The Secretary may make a direct or guaranteed farm operating loan for paying annual farm or ranch operating expenses of a borrower who—

(i) was restructured with a write-down under section 353; or

(ii) is current on payments under a confirmed reorganization plan under chapters 11, 12, or 13 of Title II of the United States Code.

"(B) EMERGENCY LOANS.—The Secretary may make an emergency loan under section 321 to a borrower that—

"(i) on or before April 4, 1996, received not more than 1 debt forgiveness on a loan made or guaranteed under this title; and

"(ii) after April 4, 1996, has not received debt forgiveness on a loan made or guaranteed under this title.".

SEC. 802. Section 324(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964(d)) is amended—

(1) by striking "(d) All loans" and inserting the following:

"(d) REPAYMENT.—

"(1) IN GENERAL.—All loans"; and

(2) by adding at the end the following:

"(2) NO BASIS FOR DENIAL OF LOAN.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall not deny a loan under this subtitle to a borrower by reason of the fact that the borrower lacks a particular amount of collateral for the loan if the Secretary is reasonably certain that the borrower will be able to repay the loan.

"(B) REFUSAL TO PLEDGE AVAILABLE COLLATERAL.—The Secretary may deny or cancel a loan under this subtitle if a borrower refuses to pledge available collateral on request by the Secretary.".

SEC. 803. (a) Section 508(n) of the Federal Crop Insurance Act (7 U.S.C. 1508(n)) is amended—

(1) by striking "If" and inserting the following:

"(1) IN GENERAL.—Except as provided in paragraph (2), if"; and

(2) by adding at the end the following:

"(2) EXCEPTION.—Paragraph (1) shall not apply to emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).".

(b) Section 196(i)(3) of the Agricultural Market Transition Act (7 U.S.C. 7333(i)(3)) is amended—

(1) by striking "If" and inserting the following:

"(A) IN GENERAL.—Except as provided in subparagraph (B), if"; and

(2) by adding at the end the following:

"(B) EXCEPTION.—Subparagraph (A) shall not apply to emergency loans under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).".

SEC. 804. Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended by adding at the end the following:

"(D) NOTICE.—Beginning with fiscal year 2000 not later than 12 months before a borrower will become ineligible for direct loans under this subtitle by reason of this paragraph, the Secretary shall notify the borrower of such impending ineligibility.".

SEC. 805. The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended—

(1) in section 302(a)(2) (7 U.S.C. 1922(a)(2)), by inserting "for direct loans only," before "have either";

(2) in section 311(a)(2) (7 U.S.C. 1941(a)(2)), by inserting "for direct loans only," before "have either"; and

(3) in section 359 (7 U.S.C. 2006a)—

(A) in subsection (a), by striking "and guaranteed"; and

(B) in subsection (c), by striking "or guaranteed" each place it appears.

SEC. 806. (a) Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended—

(1) by striking "Sec. 305. The Secretary" and inserting the following:

"SEC. 305. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

"(a) IN GENERAL.—The Secretary";

(2) by striking "$300,000" and inserting "$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary)";

(3) by striking "In determining" and inserting the following:

"(b) DETERMINATION OF VALUE.—In determining"; and

(4) by adding at the end the following:

"(c) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

"(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

"(2) the average of the Consumer Price Index (as so defined) for the 12-month period ending on August 31, 1996.".

(b) Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended—

(1) by striking "Sec. 313. The Secretary" and inserting the following:

"SEC. 313. LIMITATIONS ON AMOUNT OF OPERATING LOANS.

"(a) IN GENERAL.—The Secretary";

(2) by striking "this subtitle (1) that would cause" and inserting "this subtitle—

"(1) that would cause";

(3) by striking "$400,000; or (2) for the purchasing" and inserting "$700,000 (increased, beginning with fiscal year 2000, by the inflation percentage applicable to the fiscal year in which the loan is guaranteed and reduced by the unpaid indebtedness of the borrower on loans under the sections specified in section 305 that are guaranteed by the Secretary); or

"(2) for the purchasing"; and

(4) by adding at the end the following:

"(b) INFLATION PERCENTAGE.—For purposes of this section, the inflation percentage applicable to a fiscal year is the percentage (if any) by which—

"(1) the average of the Consumer Price Index (as defined in section 1(f)(5) of the Internal Revenue Code of 1986) for the 12-month period ending on August 31 of the immediately preceding fiscal year; exceeds

"(2) the average of the Consumer Price Index (as so defined) for the 12-month period ending on August 31, 1996.".

SEC. 807. Section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) is amended by adding at the end the following:

"(6) NOTICE OF RECAPTURE.—Beginning with fiscal year 2000 not later than 12 months before the end of the term of a shared appreciation arrangement, the Secretary shall notify the borrower involved of the provisions of the arrangement.".

SEC. 808. Section 353(c)(3)(C) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(c)(3)(C)) is amended by striking "110 percent" and inserting "100 percent".

TITLE IX—INDIA-PAKISTAN RELIEF ACT

SEC. 901. SHORT TITLE. This title may be cited as the "India-Pakistan Relief Act of 1998".

SEC. 902. WAIVER AUTHORITY. (a) AUTHORITY.—The President may waive for a period not to exceed one year upon enactment of this Act with respect to India or Pakistan the application of any sanction or prohibition (or portion thereof) contained in section 101 or 102 of the Arms Export Control Act, section 620E(e) of the Foreign Assistance Act of 1961, or section 2(b)(4) of the Export Import Bank Act of 1945.

(b) EXCEPTION.—The authority provided in subsection (a) shall not apply to any restriction in section 102(b)(2) (B), (C), or (G) of the Arms Export Control Act.

(c) AVAILABILITY OF AMOUNTS.—Amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 903. CONSULTATION. Prior to each exercise of the authority provided in section 902, the President shall consult with the appropriate congressional committees.

SEC. 904. REPORTING REQUIREMENT. Not later than 30 days prior to the expiration of a one-year period described in section 902, the Secretary of State shall submit a report to the appropriate congressional committees on economic and national security developments in India and Pakistan.

SEC. 905. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED. In this title, the term "appropriate congressional committees" means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives and the Committees on Appropriations of the House of Representatives and the Senate.

TITLE X—UNDER SECRETARY OF AGRICULTURE FOR MARKETING AND REGULATORY PROGRAMS

SEC. 1001. GENERAL.

Title II of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 et seq.) is amended—

(1) in section 218(a)—

(A) in paragraph (1) by adding "and" at the end;

(B) in paragraph (2) by striking "; and" and inserting a period; and

(C) by striking paragraph (3);

(2) by redesignating subtitle I as subtitle J;

(3) by inserting after subtitle H the following:

T2"SUBTITLE I—MARKETING AND REGULATORY PROGRAMS

"SEC. 285. UNDER SECRETARY OF AGRICULTURE FOR MARKETING AND REGULATORY PROGRAMS.

"(a) AUTHORIZATION.—The Secretary is authorized to establish in the Department the position of Under Secretary of Agriculture for Marketing and Regulatory Programs.

"(b) CONFIRMATION REQUIRED.—If the Secretary establishes the position of Under Secretary of Agriculture for Marketing and Regulatory Programs authorized under subsection (a), the Under Secretary shall be appointed by the President, by and with the advice and consent of the Senate.

"(c) FUNCTIONS OF UNDER SECRETARY.—

"(1) PRINCIPAL FUNCTIONS.—Upon establishment, the Secretary shall delegate to the Under Secretary of Agriculture for Marketing and Regulatory Programs those functions and duties under the jurisdiction of the Department that are related to agricultural marketing, animal and plant health inspection, grain inspection, and packers and stockyards.

"(2) ADDITIONAL FUNCTIONS.—The Under Secretary of Agriculture for Marketing and Regulatory Programs shall perform such other functions and duties as may be required by law or prescribed by the Secretary.

"(d) SUCCESSION.—Any official who is serving as Assistant Secretary of Agriculture for Marketing and Regulatory Programs on the date of the enactment of this section and who was appointed by the President, by and with the advice and consent of the Senate, shall not be required to be reappointed under subsection (b) to the successor position authorized under subsection (a) if the Secretary establishes the position, and the official occupies the new position, within 180 days after the date of enactment of this section (or such later date set by the Secretary if litigation delays rapid succession).

"(e) EXECUTIVE SCHEDULE.—Section 5314 of title 5, United States Code, is amended by inserting after the item relating to the Under Secretary of Agriculture for Food Safety (as added by section 261(c)) the following:

'Under Secretary of Agriculture for Marketing and Regulatory Programs.'."; and

(4) in section 296(b)—

(A) in paragraph (2), by striking "or";

(B) in paragraph (3), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(4) the authority of the Secretary to establish in the Department the position of Under Secretary of Agriculture for Marketing and Regulatory Programs under section 285.".

SEC. 1002. PAY INCREASE PROHIBITED.

The compensation of any officer or employee of the Department of Agriculture on the date of enactment of this Act shall not be increased as a result of the enactment of this Act.

SEC. 1003. CONFORMING AMENDMENT.

Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Agriculture (3)." and inserting "Assistant Secretaries of Agriculture (2).".

TITLE XI—EMERGENCY AND MARKET LOSS ASSISTANCE

Subtitle A—Emergency Assistance for Crop and Livestock Feed Losses Due to Disasters

SEC. 1101. GENERAL PROVISIONS.

(a) FAIR AND EQUITABLE DISTRIBUTION.—Assistance made available under this subtitle shall be distributed in a fair and equitable manner to producers who have incurred crop and livestock feed losses in all affected geographic regions of the United States.

(b) PROGRAM ADMINISTRATION.—In carrying out this subtitle, the Secretary of Agriculture (referred to in this title as the "Secretary") may determine—

(1) 1 or more loss thresholds producers on a farm must incur with respect to a crop to be eligible for assistance;

(2) the payment rate for crop and livestock feed losses incurred; and

(3) eligibility and payment limitation criteria (as defined by the Secretary) for persons to receive assistance under this subtitle, which, in the case of assistance received under any section of this subtitle, shall be in addition to—

(A) assistance made available under any other section of this subtitle and subtitle B;

(B) payments or loans received by a person under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.);

(C) payments received by a person for the 1998 crop under the noninsured crop assistance program established under section 196 of that Act (7 U.S.C. 7333);

(D) crop insurance indemnities provided for the 1998 crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.); and

(E) emergency loans made available for the 1998 crop under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.).

SEC. 1102. CROP LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary shall administer a program under which emergency financial assistance is made available to producers on a farm who have incurred losses associated with crops due to disasters (as determined by the Secretary).

(b) LOSSES INCURRED FOR 1998 CROP.—Subject to section 1132, the Secretary shall use not more than $1,500,000,000 to make available assistance to producers on a farm who have incurred losses in the 1998 crop due to disasters.

(c) MULTIYEAR LOSSES.—Subject to section 1132, the Secretary shall use not more than $675,000,000 to make available assistance to producers on a farm who have incurred multiyear losses (as defined by the Secretary) in the 1998 and preceding crops of a commodity due to disasters (including, but not limited to, diseases such as scab).

(d) RELATIONSHIP BETWEEN ASSISTANCE.—The Secretary shall make assistance available to producers on a farm under either subsection (b) or (c).

(e) QUALIFYING LOSSES.—Assistance under this section may be made for losses associated with crops that are due to, as determined by the Secretary—

(1) quantity losses;

(2) quality (including, but not limited to, aflatoxin) losses; or

(3) severe economic losses due to damaging weather or related condition.

(f) CROPS COVERED.—Assistance under this section shall be applicable to losses for all crops, as determined by the Secretary, due to disasters.

(g) CROP INSURANCE.—

(1) ADMINISTRATION.—In carrying out this section, the Secretary shall not discriminate against or penalize producers on a farm who have purchased crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).

(2) ENCOURAGING FUTURE CROP INSURANCE PARTICIPATION.—Subject to section 1132, the Secretary, acting through the Federal Crop Insurance Corporation, may use the funds made available under subsections (b) and (c), and only those funds, to provide premium refunds or other assistance to purchasers of crop insurance for their 1998 insured crops, or their preceding (including 1998) insured crops.

(3) PRODUCERS WHO HAVE NOT PURCHASED CROP INSURANCE FOR 1998 CROP.—As a condition of receiving assistance under this section, producers on a farm who have not purchased crop insurance for the 1998 crop under that Act shall

agree by contract to purchase crop insurance for the subsequent 2 crops produced by the producers.

(4) LIQUIDATED DAMAGES.—

(A) IN GENERAL.—The contract under paragraph (3) shall provide for liquidated damages to be paid by the producers due to the failure of the producers to purchase crop insurance as provided in paragraph (3).

(B) NOTICE OF DAMAGES.—The amount of the liquidated damages shall be established by the Secretary and specified in the contract agreed to by the producers.

(5) FUNDING FOR CROP INSURANCE PURCHASE REQUIREMENT.—Subject to section 1132, such sums as may be necessary, to remain available until expended, shall be available to the Federal Crop Insurance Corporation to cover costs incurred by the Corporation as a result of the crop insurance purchase requirement of paragraph (3). Funds made available under subsections (b) and (c) may not be used to cover such costs.

SEC. 1103. EMERGENCY LIVESTOCK FEED ASSISTANCE.

Subject to section 1132, the Secretary shall use not more than $175,000,000 to make available livestock feed assistance to livestock producers affected by disasters during calendar year 1998.

Subtitle B—Market Loss Assistance

SEC. 1111. MARKET LOSS ASSISTANCE.

(a) IN GENERAL.—Subject to section 1132, the Secretary shall use $1,650,000,000 for assistance to owners and producers on a farm who are eligible for final payments for fiscal year 1998 under a production flexibility contract for the farm under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) to partially compensate the owners and producers for the loss of markets for the 1998 crop of a commodity.

(b) AMOUNT.—The amount of assistance made available to owners and producers on a farm under this section shall be proportional to the amount of the contract payment received by the owners and producers for fiscal year 1998 under a production flexibility contract for the farm under the Agricultural Market Transition Act.

(c) TIME FOR PAYMENT.—The assistance made available under this section for an eligible owner or producer shall be made as soon as practicable after the date of enactment of this Act.

Subtitle C—Other Assistance

SEC. 1121. INDEMNITY PAYMENTS FOR COTTON PRODUCERS.

(a) FEDERAL CONTRIBUTION.—Subject to subsection (b), the Secretary of Agriculture shall pay $5,000,000 to the State of Georgia to help fund an indemnity fund, to be established and managed by that State, to compensate cotton producers in that State for losses incurred in 1998 or 1999 from the loss of properly stored, harvested cotton as the result of the bankruptcy of a warehouseman or other party in possession of warehouse receipts evidencing title to the commodity, an improper conversion or transfer of the cotton, or such other potential hazards as determined appropriate by the State.

(b) CONDITIONS ON PAYMENT TO STATE.—The Secretary of Agriculture shall make the payment to the State of Georgia under subsection (a) only if the State also contributes $5,000,000 to the indemnity fund and agrees to expend all amounts in the indemnity fund by not later than January 1, 2000, to provide compensation to cotton producers as provided in such subsection. If the State of Georgia fails to make its contribution of $5,000,000 to the indemnity fund by July 1, 1999, the funds that would otherwise be paid to the State shall be available to the Secretary for the purpose of providing partial compensation to cotton producers as provided in such subsection.

(c) REPORTING REQUIREMENTS.—Upon the establishment of the indemnity fund, and not later than October 1, 1999, the State of Georgia shall submit a report to the Secretary of Agriculture and the Congress describing the State's efforts to use the indemnity fund to provide compensation to injured cotton producers.

SEC. 1122. HONEY RECOURSE LOANS.

(a) IN GENERAL.—In order to assist producers of honey to market their honey in an orderly manner during a period of disastrously low prices, the Secretary shall make available recourse loans to producers of the 1998 crop of honey on fair and reasonable terms and conditions, as determined by the Secretary.

(b) LOAN RATE.—The loan rate of the loans shall be 85 percent of the average price of honey during the 5-crop year period preceding the 1998 crop year, excluding the crop year in which the average price of honey was the highest and the crop year in which the average price of honey was the lowest in the period.

(c) NO NET COST BASIS.—Repayment of a loan under this section shall include repayment for interest and administrative costs as necessary to operate the program established under this section on a no net cost basis.

SEC. 1123. NONINSURED CROP ASSISTANCE TO RAISIN PRODUCERS.

Notwithstanding any of the provisions of section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333) that would exclude the following producers from benefits thereunder, the Secretary shall make Noninsured Crop Assistance Program payments in fiscal year 1999 to raisin producers who obtained catastrophic risk protection but because of adverse weather conditions were not able to comply with the policy deadlines for laying the raisins in trays.

SEC. 1124. EMERGENCY ASSISTANCE.

In addition to amounts appropriated or otherwise made available by this Act, $50,000,000 is appropriated to the Department of Agriculture, to remain available until expended, to provide emergency disaster assistance to persons or entities who have incurred losses from a failure under section 312(a) of Public Law 94–265.

SEC. 1125. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (f)(3), by inserting after "$30,000,000" the following: "(or, in the case of fiscal year 1999, $35,000,000)";

(2) in subsection (l)(1), by inserting after "$10,000,000" the following: "(or, in the case of fiscal year 1999, $12,000,000)";

(3) by redesignating subsection (n) as subsection (o); and

(4) by inserting after subsection (m) the following:

"(n) During fiscal year 1999, to the maximum extent practicable, the Secretary shall utilize Private Voluntary Organizations to carry out this section.".

SEC. 1126. TEMPORARY EXPANSION OF RECOURSE LOAN AUTHORITY.

Section 137 of the Agricultural Market Transition Act (7 U.S.C. 7237) is amended—

*(1) in the section heading, by inserting "**and other fibers**" before the period at the end;*

(2) by redesignating subsection (c) as subsection (d); and

(3) by inserting after subsection (b) the following:

"(c) RECOURSE LOANS AVAILABLE FOR MOHAIR.—

"(1) RECOURSE LOANS AVAILABLE.—Notwithstanding any other provision of law, during fiscal year 1999, the Secretary shall make available recourse loans, as determined by the Secretary, to producers of mohair produced during or before that fiscal year.

"(2) LOAN RATE.—The loan rate for a loan under paragraph (1) shall be equal to $2.00 per pound.

"(3) TERM OF LOAN.—A loan under paragraph (1) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

"(4) WAIVER OF INTEREST.—Notwithstanding subsection (d), the Secretary shall not charge interest on a loan made under paragraph (1).".

Subtitle D—Administration

SEC. 1131. COMMODITY CREDIT CORPORATION.

Subject to section 1132, the Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out subtitles A, B, and C.

SEC. 1132. EMERGENCY REQUIREMENT.

Notwithstanding the last sentence of section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, amounts made available by subtitles A, B, and C of this title are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided, That such amounts shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress.

SEC. 1133. REGULATIONS.

(a) ISSUANCE OF REGULATIONS.—As soon as practicable after the date of enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement subtitles A, B, and C. The issuance of the regulations shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the "Paperwork Reduction Act").

(b) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

TITLE XII—BIODIESEL

SEC. 1201. BIODIESEL FUEL USE CREDITS.

(a) AMENDMENT.—Title III of the Energy Policy Act of 1992 (42 U.S.C. 13211–13219) is amended by adding at the end the following new section:

"SEC. 312. BIODIESEL FUEL USE CREDITS.

"(a) ALLOCATION OF CREDITS.—

"(1) IN GENERAL.—The Secretary shall allocate one credit under this section to a fleet or covered person for each qualifying volume of the biodiesel component of fuel containing at least 20 percent biodiesel by volume purchased after the date of the enactment of this section for use by the fleet or covered person in vehicles owned or operated by the fleet or covered person that weigh more than 8,500 pounds gross vehicle weight rating.

"(2) EXCEPTIONS.—No credits shall be allocated under paragraph (1) for a purchase of biodiesel—

"(A) for use in alternative fueled vehicles; or

"(B) that is required by Federal or State law.

"(3) AUTHORITY TO MODIFY PERCENTAGE.—The Secretary may, by rule, lower the 20 percent biodiesel volume requirement in paragraph (1) for reasons related to cold start, safety, or vehicle function considerations.

"(4) DOCUMENTATION.—A fleet or covered person seeking a credit under this section shall provide written documentation to the Secretary

supporting the allocation of a credit to such fleet or covered person under paragraph (1).

"(b) Use of Credits.—

"(1) In general.—At the request of a fleet or covered person allocated a credit under subsection (a), the Secretary shall, for the year in which the purchase of a qualifying volume is made, treat that purchase as the acquisition of one alternative fueled vehicle the fleet or covered person is required to acquire under this title, title IV, or title V.

"(2) Limitation.—Credits allocated under subsection (a) may not be used to satisfy more than 50 percent of the alternative fueled vehicle requirements of a fleet or covered person under this title, title IV, and title V. This paragraph shall not apply to a fleet or covered person that is a biodiesel alternative fuel provider described in section 501(a)(2)(A).

"(c) Credit Not a Section 508 Credit.—A credit under this section shall not be considered a credit under section 508.

"(d) Issuance of Rule.—The Secretary shall, before January 1, 1999, issue a rule establishing procedures for the implementation of this section.

"(e) Collection of Data.—The Secretary shall collect such data as are required to make a determination described in subsection (f)(2)(B).

"(f) Definitions.—For purposes of this section—

"(1) the term 'biodiesel' means a diesel fuel substitute produced from nonpetroleum renewable resources that meets the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under section 211 of the Clean Air Act; and

"(2) the term 'qualifying volume' means—

"(A) 450 gallons; or

"(B) if the Secretary determines by rule that the average annual alternative fuel use in light duty vehicles by fleets and covered persons exceeds 450 gallons or gallon equivalents, the amount of such average annual alternative fuel use.".

(b) Table of Contents Amendment.—The table of contents of the Energy Policy Act of 1992 is amended by adding at the end of the items relating to title III the following new item:

"Sec. 312. Biodiesel fuel use credits.".

TITLE XIII—EMERGENCY APPROPRIATIONS

DEPARTMENT OF AGRICULTURE

Farm Service Agency

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", $40,000,000, to remain available until expended: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For an additional gross obligation for the principal amount of direct and guaranteed farm operating loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, $540,510,000, of which $150,000,000 shall be for unsubsidized guaranteed loans and $156,704,000 shall be for subsidized guaranteed loans.

For the additional cost of direct and guaranteed farm operating loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, farm operating loans, $31,405,000, of which $15,969,000 shall be for direct loans, $13,696,000 for guaranteed subsidized loans, and $1,740,000 for unsubsidized guaranteed loans: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

Natural Resources Conservation Service

FORESTRY INCENTIVES PROGRAM

For an additional amount to carry out the program of forestry incentives, as authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $10,000,000, to remain available until expended, as authorized by that Act: Provided, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: Provided further, That such amount shall be available only to the extent that an official budget request that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

This Act may be cited as the "Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999".

And the Senate agree to the Same.

Joe Skeen,
James T. Walsh,
Jay Dickey,
Jack Kingston,
George R. Nethercutt, Jr.,
Henry Bonilla,
Tom Latham,
Bob Livingston,
Marcy Kaptur
(except CFTC derivative moratorium),
Vic Fazio,
José E. Serrano,
Rosa L. DeLauro,
Managers on the Part of the House.

Thad Cochran,
Arlen Specter,
Kit Bond,
Slade Gorton,
Mitch McConnell,
Conrad Burns,
Ted Stevens,
Dale Bumpers
(with exception of title XI),
Tom Harkin
(with exception of title XI),
Patrick J. Leahy
(with exception of title XI),
Barbara Boxer
(with exception of title XI),
Robert C. Byrd
(with exception of title XI),
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

CONGRESSIONAL DIRECTIVES

The statement of the managers remains silent on provisions that were in both the House and Senate bills that remain unchanged by this conference agreement, except as noted in this statement of the managers.

The conferees agree that executive branch wishes cannot substitute for Congress' own statements as to the best evidence of congressional intentions—that is, the official reports of the Congress. The conferees further point out that funds in this Act must be used for the purposes for which appropriated, as required by section 1301 of title 31 of the United States Code, which provides: "Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law."

The House and Senate report language that is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein.

FOOD SAFETY INITIATIVE

Funding for Food Safety is of critical importance to the conferees and, accordingly, it has been given high priority. The conferees note that many of the activities described under the President's Food Safety Initiative have been funded for many years. The President's budget request, which assumes the collection of user fees that have not been authorized, further complicates the process.

The following table reflects funding increases for activities identified under the Food Safety Initiative:

Food and Drug Administration	$20,000,000
Food Safety and Inspection Service	8,412,000
Office of the Chief Economist	98,000
Economic Research Service	453,000
Food and Nutrition Service	2,000,000
Cooperative State Research, Education and Extension Service	12,135,000
Agricultural Research Service	8,802,000
Total	$51,900,000

TITLE I—AGRICULTURAL PROGRAMS

Production, Processing, and Marketing

Office of the Secretary

The conference agreement provides $2,836,000 for the Office of the Secretary as proposed by the Senate instead of $2,941,000 as proposed by the House.

The conference agreement adopts language as proposed by the House to prohibit the use of salaries and expenses to carry out section 793(d) of Public Law 104–127, a limitation on program levels in the Fund for Rural America and section 793(c)(1)(C) of Public Law 104–127, a limitation on housing assistance. The Senate bill had no similar provision.

The conferees concur with Senate report language regarding the Food Quality Protection Act (FQPA) that says that, in implementing the FQPA, decisions should be ". . . based on sound science, and reliable, accurate and widely accepted data which reflects the Nation's agricultural production, practices, and conditions."

The conferees understand the trust responsibility the U.S. has toward Indians and Alaska Natives and directs the Department of Agriculture to report to the Congress no later than February 1, 1999, on the progress made with Indian agriculture, Federal interagency coordination, and the level of Indian usage of Federal programs and initiatives outlined to benefit Indian agriculture.

The conferees have included in the bill a prohibition on funding to establish an Office of Community Food Security or any similar office without the prior approval of the Committees on Appropriations.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

The conference agreement provides $5,620,000 for the Chief Economist instead of $5,973,000 as proposed by the House and $5,048,000 as proposed by the Senate. Included in this amount is $219,000 for agricultural weather activities, $255,000 for the World Agricultural Outlook Board, and $98,000 to support the Food Safety Initiative.

NATIONAL APPEALS DIVISION

The conference agreement provides $11,718,000 for the National Appeals Division as proposed by the Senate instead of $12,204,000 as proposed by the House.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

The conference agreement provides $6,120,000 for the Office of Budget and Program Analysis as proposed by the House instead of $5,986,000 as proposed by the Senate.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

The conference agreement provides $613,000 for the Office of the Assistant Secretary for Administration as proposed by the Senate instead of $636,000 as proposed by the House.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

The conference agreement does not include language as proposed by the House limiting the purpose for which funds may be transferred to commercial space expansion. The conference agreement includes new language that provides flexibility for the Secretary to transfer not more than 5 percent of this appropriation to or from another agency's appropriation to allow for incremental changes in the amount of GSA or commercial space and not to finance changes in GSA billing.

DEPARTMENTAL ADMINISTRATION

The conference agreement provides $32,168,000 for Departmental Administration as proposed by the House instead of $27,034,000 as proposed by the Senate.

OFFICE OF THE INSPECTOR GENERAL

The conference agreement provides $65,128,000 for the Office of the Inspector General instead of $67,178,000 as proposed by the House and $63,128,000 as proposed by the Senate. Included in this amount is $100,000 for confidential operational expenses instead of $95,000 as proposed by the House and $125,000 as proposed by the Senate. The conference agreement includes $2,000,000 for law enforcement and related work instead of $1,965,000 as proposed by the House.

OFFICE OF THE GENERAL COUNSEL

The conference agreement provides $29,194,000 for the Office of the General Counsel instead of $30,396,000 as proposed by the House and $28,759,000 as proposed by the Senate. Included in this amount is $435,000 to provide legal support for the Department's civil rights program.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

The conference agreement provides $540,000 for the Office of the Under Secretary for Research, Education and Economics as proposed by the Senate instead of $560,000 as proposed by the House.

ECONOMIC RESEARCH SERVICE

The conference agreement provides $65,757,000 for the Economic Research Service instead of $67,282,000 as proposed by the House and $53,109,000 as proposed by the Senate. Included in this amount is $12,195,000 for studies and evaluations of the child nutrition, WIC, and food stamp programs. Of this amount, $2,000,000 is transfered to the Food Program Administration account of the Food and Nutrition Service to conduct programmatic evaluations and analyses. The conferees direct that any welfare reform studies, analyses, or evaluations undertaken by the agency shall directly relate to USDA programs.

The conferees expect a study as proposed by the House, as part of the nutrition related studies, to assess cost containment practices used by states to limit branded products sold in the WIC food package other than infant formula. The conferees direct that the total cost for this study shall not exceed $1,100,000 in fiscal year 1999 nor $1,500,000 over the next three years.

The conference agreement includes $453,000 for estimating the benefits of food safety.

The conferees are aware of a 1996 GAO study on plate waste in the school lunch program and expect the USDA to develop recommendations for eliminating this problem.

Two years ago, the U.S. Congress set U.S. farm policy through the year 2002. As international trade negotiations move into a phase critical to U.S. agriculture, it is essential that our negotiators and farmers have accurate and timely information. Therefore, in addition to the language in the Senate report, the conferees expect commodity situation and outlook reports be maintained at the reporting frequency in place at the time of enactment of the Food and Agriculture Improvement and Reform Act.

The conference agreement provides $300,000 for a study by the National Academy of Sciences concerning the appropriate amounts of fruit, fiber and sugar in the diet of the population targeted for benefit by the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The study will be a compilation and review of existing studies and data, including data compiled and materials prepared by the Department in developing the Dietary Guidelines and the Healthy Eating Index. It will examine, in particular, whether WIC program participants would benefit nutritionally if the six grams of sugar per ounce of dried cereal limitation in WIC program regulations were to be modified so that sugar contained in dried fruit in such cereals did not count against this limitation. The study will also examine the impact of the above modifications to the WIC dried cereal limitation on the dental health of WIC participants. A report on this study should be transmitted to the appropriate committees of Congress and to the Secretary no later than 12 months after the project is initiated by the Academy.

NATIONAL AGRICULTURAL STATISTICS SERVICE

The conference agreement provides $103,964,000 for the National Agricultural Statistics Service as proposed by the Senate instead of $105,082,000 as proposed by the House. Of this amount up to $23,599,000, is provided for the Census of Agriculture including $600,000 for the agriculture economics and land ownership survey and the aquaculture statistics census as proposed by the Senate instead of up to $23,141,000 as proposed by the House.

The conferees expect the National Agricultural Statistics Service to continue to revise the Census of Agriculture to eliminate redundancies in questions asked of farmers.

AGRICULTURAL RESEARCH SERVICE

The conference agreement provides $781,950,000 for the Agricultural Research Service instead of $755,816,000 as proposed by the House and $768,221,000 as proposed by the Senate.

The following table reflects the conference agreement:

	Amount
FY 1998 Appropriation	$744,605,000
Transfer:	
Office of Civil Rights	170,000
Department of State	16,000
Rescission	($223,000)
Adjusted FY 1998 Base	744,568,000
Emerging Diseases and Exotic Pests	7,550,000
Plants: Emerging Plant Diseases	(1,450,000)
Albany, CA	{250,000}
Beltsville, MD	{250,000}
Frederick, MD	{250,000}
College Station, TX	{250,000}
Montpellier, FR	{250,000}
Logan, UT	{200,000}
Fusarium Head Blight (ARS/Consortium of 12 Land Grant Univ	{3,000,000}
Animals: Exotic Infectious Diseases	(3,100,000)
Athens, GA	{500,000}
Ames, IA {NADC	{1,000,000}
Beltsville, MD	{500,000}
Pullman, WA	{600,000}
Laramie, WY	{500,000}
Environmental Quality/Natural Resources	2,400,000
Bioactive Compounds	(250,000)
Gainesville, FL	{250,000}
IPM/Areawide	{1,150,000}
Beltsville, MD	{250,000}
Columbia, MO	{400,000}
Stoneville, MS	{250,000}
College Station, TX	{250,000}
Livestock Management Systems	(1,000,000)
Everglades Initiative	750,000
Canal Point, FL	{250,000}
Miami, FL	{250,000}
Ft. Lauderdale, FL	{250,000}
Food Safety	8,802,000
Preharvest	(4,802,000)
Athens, GA	{250,000}
Ames, IA	{250,000}
West Lafayette, IN	{250,000}
Beltsville, MD	{250,000}
Clay Center, NE	{600,000}
College Station, TX	{250,000}
Postharvest	(2,000,000)
Safety/Quality of Fruits/Vegetables	1,000,000
Food Safety Engineering, Purdue Univ	1,000,000
Genetic Resources	2,100,000
Palmer, AK	{100,000}
Columbia, MO	(700,000)
Leetown, WV	{1,000,000}
Human Nutrition Initiative	2,250,000
Little Rock, AR	{750,000}
San Francisco, CA	{250,000}
Boston, MA	{250,000}
Beltsville, MD	{250,000}
Grand Forks, ND	{250,000}
Houston, TX	{500,000}
Pfiesteria	719,000
Alternative Fish Feed, Aberdeen, ID	250,000
Appalachian Fruit Research Station, Kearneysville, WV	250,000

	Amount
Aquaculture Research, AK	1,100,000
Biological Control of Western Weeds, Albany, CA ...	300,000
Biomedical Materials in Plants {C/A with Biotech. Foundation, Inc.	500,000
Cereal Crops Research, Madison WI	250,000
Cotton Ginning, Stoneville, MS	250,000
Endophyte Research {C/A with Univ. of AR, MO and OSU	200,000
Fish Diseases, Auburn, AL	750,000
Fish Farming Experiment Laboratory, Stuttgart, AR	750,000
Floriculture and Nursery Crop Res {USNA, Washington, DC/OSU/Cornell and CA Univ	1,000,000
Ft. Pierce, FL {Horticulture	500,000
Forage Crops, Woodward, OK	250,000
Garden Unit, USNA, Washington, DC	250,000
Golden Nematode, Ithaca, NY	150,000
Grape Rootstock, Geneva, NY	300,000
Grasshopper Research, AK	750,000
Grazinglands Research, El Reno, OK	250,000
Honeybee Research Varroa/Tracheal Mites, Baton Rouge, LA	300,000
Lettuce Geneticist/Breeding, Salinas, CA	250,000
Lyme Disease {Tick Control Project, Beltsville, MD	200,000
Manure Handling and Disposal, Starkville, MS	500,000
Meadowfoam Research, Peoria, IL	200,000
Mycoplasma Research, Starkville, MS	250,000
National Warmwater Aquaculture Center, Stoneville, MS	1,100,000
National Agricultural Library	250,000
Natural Products, Oxford, MS	750,000
New England Plant, Soil and Water Lab, Orono, ME	250,000
Non-Chemical Control of Pecan Insect Pests, Byron, GA	250,000
Peach Varieties Research, Byron, GA	150,000
Peanut Quality Research Dawson, GA/Raleigh, NC	1,000,000
Pear Thrips, Ithaca, NY	100,000
Potato Breeder Position, Aberdeen, ID	150,000
Range Research, Burns, OR	250,000
Rice Research:	
Stuttgart, AR	1,400,000
Davis, CA	250,000
Beaumont, TX	200,000
Root Diseases of Wheat and Barley, Pullman, WA	500,000
Small Fruits Research, Poplarville, MS	250,000
Small Fruits Research, Corvallis, OR	250,000
Soil Tilth Research, Ames, IA	500,000
Soybean and Corn Research, Stoneville, MS ...	750,000
Subtropical Animal Research Station, Brooksville, FL	500,000
Subtropical Horticultural Research Station, Miami, FL	300,000
Sugarbeet Research, Ft. Collins, CO	200,000
U.S. Plant Stress and Water Conserv. Lab, Lubbock, TX	500,000
Vegetable Research, East Lansing, MI	200,000
Wild Rice Research, St. Paul, MN	100,000
Wind Erosion Research, Manhattan, KS	250,000
Termination of ongoing projects	−1,419,000
Children's nutrition study	−5,000,000
Food safety study	−420,000
Citrus Tristeza Virus {transfer	−500,000
Total, ARS	781,950,000

The conference agreement concurs in the following program terminations: global environmental change, CO; and water and agrochemical management, LA.

The conferees understand that ARS and the Institute for Technology Development are collaborating to develop promising imaging technology to help assure food quality and safety. The conferees encourage the continuation of this important research and expect ARS to increase its support for this cooperative project from the increased funding provided for food safety.

The conferees are aware of the important research carried out by ARS National Animal Disease Center at Ames, Iowa, on corn insects and crop genetics, plant introduction, soil tilth, and national programs to control and prevent avian and animal diseases. The conferees continue funding for these important ARS projects in FY 1999 and have provided an additional $2,000,000 for ARS research as reflected in the table.

The amount recommended does not provide funding for program and operations supporting the mission of the newly-constructed swine facility which has been deeded to Iowa State University (ISU). In the Department's report to the Committees regarding funding options for the facility, the conferees understand (1) ISU is presently investing funds in research that is related or complementary to the research proposed for the new facility, and (2) the swine industry is prepared to work toward obtaining other sources of funds to support operational costs and the program of research planned for this facility. The National Swine Research Center was conveyed to ISU in March, 1996, as directed under the Emergency Supplemental Appropriations and Rescissions Act, P.L. 104–19, October 17, 1995. Under this agreement, the conference report stated "that any future costs of operation associated with that facility be provided by sources other than the Federal government."

The conferees expect the Department to consult with the Strategic Planning Task Force on the appropriateness of establishing a human nutrition research center in preventive nutrition, diet, and obesity.

The conferees recognize the important research being done at the ARS-Athens Russell Research Center on competitive exclusion of enteritidis food safety pathogens and encourage the Department to extend this important research to swine.

BUILDINGS AND FACILITIES

The conference agreement provides $56,437,000 for Agricultural Research Service, Buildings and Facilities instead of $61,380,000 as proposed by the House and $31,930,000 as proposed by the Senate.

The following table reflects the conference agreement:

Arizona: Water Conservation and Western Cotton, Maricopa	$500,000
California: Western Human Nutrition Laboratory, Davis	6,150,000
Hawaii: U.S. Pacific Basin Agricultural Research Center	4,500,000
Illinois: National Center for Agricultural Utilization, Peoria	8,200,000
Iowa: National Animal Disease Center, Ames	2,957,000
Kansas: U.S. Grain Marketing Research Laboratory, Manhattan	1,400,000
Louisiana: Southern Regional Research Center, New Orleans	6,000,000
Maryland:	
National Agricultural Library, Beltsville	1,200,000
Beltsville Agricultural Research Center, Beltsville	2,500,000
Mississippi: Biocontrol and Insect Rearing Laboratory, Stoneville	200,000
Montana: Pest Quarantine/Integrated Pest Management Facility, Sidney	7,300,000
New Mexico: Jornada Range Research Station, Las Cruces	6,700,000
New York: Plum Island Animal Disease Center, Greenport	3,500,000
Pennsylvania: Eastern Regional Research Center, Philadelphia	3,300,000
Utah: Poisonous Plant Laboratory, Logan	30,000
West Virginia: National Center for Cool and Cold Water Aquaculture, Leetown	2,000,000
Total	56,437,000

The conference agreement provides $500,000 in additional planning funds for the relocation and replacement of ARS research laboratory from the Phoenix, Arizona location to the Maricopa Agriculture Center. The conferees direct the agency to further review and evaluate the size, capacity and costs associated with replacing the existing research laboratory. This effort is essential to determine the required scope and the most cost-efficient facility required to meet the needs of ARS water and cotton research. The conference agreement provides $2,957,000 for the National Animal Disease Center and expects the ARS to use $1,943,000 in available unobligated funds to complete the project.

The conference agreement does not include funding for the avian disease laboratory in Michigan without any prejudice toward the project.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

The conference agreement provides $481,216,000 for research and education activities instead of $431,125,000 as proposed by the House and $432,982,000 as proposed by the Senate.

The conference agreement reflects a 7% increase from the fiscal year 1998 level for payments under the Hatch Act, cooperative forestry research, payments to 1890 Colleges and Universities, animal health and disease grants, and payments to 1994 institutions; and an increase of $32,100,000 for the National Research Initiative. The following table reflects the conference agreement:

Research and education activities

[In thousands of dollars]

Payments Under Hatch Act	180,545
Cooperative forestry research (McIntire-Stennis)	21,932
Payments to 1890 colleges and Tuskegee	29,676
Special Research Grants (P.L. 89-106):	
Aegilops cylindricum (WA)	360
Aflatoxin (IL)	113
Agriculture-based industrial lubricants (IA)	250
Agricultural diversification (HI)	131
Agricultural diversity/Red River Corridor (MN/ND)	250
Agriculture water usage (GA)	300
Alliance for food protection (NE, GA)	300
Alternative crops (ND)	550
Alternative crops for arid lands (TX)	100
Alternative marine and fresh water species (MS)	308
Alternative salmon products (AK)	400
Animal science food safety consortium (AR, IA, KS)	1,521
Apple fire blight (NY, MI)	500
Aquaculture (LA)	330
Aquaculture (MS)	592
Aquaculture (VA)	100
Aquaculture product and marketing development (WV)	750
Babcock Institute (WI)	400
Binational agriculture research and development	400
Biodiesel research (MO)	152
Brucellosis vacinos (MT)	150
Center for animal health and productivity (PA)	113
Center for innovative food technology (OH)	381
Center for rural studies (VT)	200
Chesapeake Bay agroecology (MD)	150
Chesapeake Bay aquaculture	385
Citrus tristeza	500
Competitiveness of agricultural products (WA)	680
Contagious equine metitis (KY)	250
Cool season legume research (ID, WA)	329
Cotton research (TX)	200
Cranberry/blueberry (MA)	150
Cranberry/blueberry disease & breeding (NJ, MA)	220
Dairy and meat goat research (TX)	63
Delta rural revitalization (MS)	148
Designing foods for health (TX)	250
Drought mitigation (NE)	200
Ecosystems (AL)	500
Environmental research (NY)	486
Environmental risk factors/cancer (NY)	100
Expanded wheat pasture (OK)	285
Farm and rural business finance (IL)	87
Feed barley for rangeland cattle (MT)	600
Floriculture (HI)	250
Food and Agriculture Policy Institute (IA, MO)	800
Food irradiation (IA)	200
Food marketing policy center (CT)	400
Food processing center (NE)	42
Food quality (AK)	350
Food safety	5,000
Food safety (AL)	300
Food systems research group (WI)	225
Forestry (AR)	523
Fruit and vegetable market analysis (AZ, MO)	320
Generic commodity promotion research and evaluation (NY)	212
Global change	1,000
Global marketing support service (AR)	127
Grain sorghum (KS)	106
Grass seed cropping systems for a sustainable agriculture (WA, OR, ID)	423
Human nutrition (IA)	473
Human nutrition (LA)	752
Human nutrition (NY)	622
Hydroponic tomato production (OH)	200
Illinois-Missouri Alliance for Biotechnology	1,184
Improved dairy management practices (PA)	296
Improved fruit practices (MI)	445
Infectious disease research (CO)	250
Institute for Food Science and Engineering (AR)	1,250
Integrated production systems (OK)	180
International agricultural market structures and institutions (KY)	250
International arid lands consortium	400
Iowa biotechnology consortium	1,564
Livestock and dairy policy (NY, TX)	475
Lowbush blueberry research (ME)	220
Maple research (VT)	100
Meadowfoam (OR)	300
Michigan biotechnology consortium	675
Midwest advanced food manufacturing alliance	423
Midwest agricultural products (IA)	592
Milk safety (PA)	250
Minor use animal drugs (IR-4)	550
Molluscan shellfish (OR)	400
Multi-commodity research (OR)	364
Multi-cropping strategies for aquaculture (HI)	127
National biological impact assessment	254
Nematode resistance genetic engineering (NM)	127
Non-food uses of agricultural products (NE)	64
Oil resources from desert plants (NM)	175
Organic waste utilization (NM)	100
Pasture and forage research (UT)	225
Peach tree short life (SC)	162
Pest control alternatives (SC)	106
Phytophthora root rot (NM)	127
Plant, drought, and disease resistance gene cataloging (NM)	150
Postharvest rice straws (CA)	300
Potato research	1,300
Precision agriculture (KY)	500
Precision agriculture (MS)	1,000
Preharvest food safety (KS)	212
Preservation and processing research (OK)	226
Rangeland ecosystems (NM)	200
Regional barley gene mapping project	400
Regionalized implications of farm programs (MO, TX)	294
Rice Modeling (AR)	296
Rural devel. cntrs. (PA, IA (ND), MS, OR, LA)	523
Rural policies institute (NE, MO)	644
Russian wheat aphid (CO)	200
Seafood and aquaculture harvesting, processing and marketing (MS)	305
Small fruit research (OR, WA, ID)	300
Southwest consortium for plant genetics and water resources	338
Soybean cyst nematode (MO)	475
STEEP III—water quality in Northwest	500
Sustainable agriculture (MI)	445
Sustainable agriculture and natural resources (PA)	95
Sustainable agriculture systems (NE)	59
Sustainable beef supply (MT)	500
Sustainable pest management for dryland wheat (MT)	400
Swine waste management (NC)	500
Tillage, silviculture, waste management (LA)	212
Tomato wilt virus (GA)	200
Tropical and subtropical	2,724
Turkey carnavirus (IN)	200
Urban pests (GA)	64
Vidalia onions (GA)	100
Viticulture consortium (NY, CA)	1,000
Water conservation (KS)	79
Water quality	3,461
Weed control (ND)	423
Wetland plants (LA)	600
Wheat genetic research (KS)	261
Wood utilization research (OR, MS, NC, MN, ME, MI, ID, TN)	5,136
Wool research (TX, MT, WY)	300
Total, Special Research Grants	63,116
Improved pest control:	
Critical issues	200

Emerging pest and disease issues	1,623
Expert IPM decision support issues	177
Integrated pest management	2,731
Pesticide clearance (IR-4)	8,990
Pesticide impact assessment	1,327
Total, Improved pest control	15,048
Competititve research grants: .	
Animal systems	29,000
Markets, trade and policy	4,600
Nutrition, food quality and health	16,000
Natural resources and the environment	20,500
Plant systems	41,000
Processes and new products	8,200
Total, Competitive research grants	119,300
Animal Health and Disease (Sec. 1433)	5,109
Critical Agricultural Materials Act	600
Aquaculture Centers (Sec. 1475)	4,000
Alternative Crops	750
Sustainable agriculture	8,000
Capacity building grants	9,200
Payments to the 1994 Institutions	1,552
Graduate fellowship grants	3,000
Institution challenge grants	4,350
Multicultural scholars program	1,000
Hispanic-serving institutions	2,850
Secondary/2-year post-secondary	500
Federal Administration:	
Agriculture development in American Pacific	564
Agriculture waste utilization (WV)	250
Alternative fuels characterization laboratory (ND)	218
Animal waste management (OK)	250
Center for Agricultural and Rural Development (IA)	355
Center for North American Studies (TX)	87
Data information system	1,000
Geographic information system	844
Mariculture (NC)	250
Mississippi Valley State University	583
National Center for Peanut Competitiveness	300
Office of grants and program systems	310
Pay costs and FERS (prior)	1,100
Peer panels	350
PM-10 study (CA, WA)	873
Shrimp aquaculture (AZ, HI, MS, MA, SC)	3,354
Total, Federal Administration	10,688
Total, Research and Education Activities	481,216

The conferees direct the USDA to consult with the Food and Drug Administration regarding food safety research objectives of that agency and recommend that $5,000,000 of the funds provided for the food safety component of the National Research Initiative be used to meet those needs.

The conference agreement includes $523,000 for Rural Development Centers, of which $100,000 is for a new center in Louisiana. The conference agreement includes $750,000 for alternative crops, of which $550,000 is for canola and $200,000 is for hesperaloe. The conference agreement includes $1,000,000 for the wood utilization special grant for the establishment of two new centers in Idaho and Tennessee with the remainder of the increase to be shared on a proportionate basis by the existing centers.

The conference agreement includes $5,000,000 for the special grant for food safety as requested by the President and an increase of $7,400,000 in the National Research Initiative category for nutrition, food quality and health.

EXTENSION ACTIVITIES

The conference agreement provides $434,122,000 for extension activities instead of $416,789,000 as proposed by the House and $432,181,000 as proposed by the Senate.

The following table reflects the conference agreement:

Extension activities

[In thousands of dollars]

	Conference agreement
Smith Lever 3(b) & 3(c)	276,548
Smith Lever: 3(d):	
Farm safety	3,000
Food and nutrition education (EFNEP)	58,695
Food safety	3,500
Indian reservation agents	1,714
Pest management	10,783
Pesticide impact assessment	3,214
Rural development centers	908
Sustainable agriculture	3,309
Water quality	9,561
Youth at risk	9,000
1890's Colleges and Tuskegee	25,843
1890's facilities grants	8,426
Renewable Resources Extension Act	3,192
Rural health and safety education	2,628
Extension services at the 1994 institutions	2,060
Subtotal	422,381
Federal Administration and special grants:	
Ag in the classroom	208
Beef producers' improvement (AR)	197
Delta teachers academy	3,500
Diabetes detection, prevention (WA)	550
Extension specialist (AR)	99
Extension specialist (MS)	100
General administration	4,787
Income enhancement demonstration (OH)	246
Integrated cow/calf resources management (IA)	300
National Center for Agriculture Safety (IA)	195
Pilot tech. transfer (OK, MS)	326
Pilot tech. transfer (WI)	163
Range improvement (NM)	197
Rural development (NM)	280
Rural development (OK)	150
Rural rehabilitation (GA)	246
Wood biomass as an alternative farm product (NY)	197
Total, Federal Administration	11,741
Total, Extension Activities	434,122

The conferees are concerned that funds for cooperative agriculture extension services are being used to promote Federal welfare programs. Such activities are appropriate only to the extent that they fall within the traditional educational role of extension for home economics and similar missions.

The conference agreement includes a 3% increase for the formula grant programs as proposed by the Senate.

The conference agreement has provided an increase for water quality and expects the projects in North Dakota and Illinois to compete for these funds.

The conference agreement includes an increase of $500,000 for the Farm*A*Sys program, and an increase of $145,000 for the Agribility project.

MARKETING AND REGULATORY PROGRAMS

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

The conference agreement provides $618,000 for the Office of the Assistant Secretary for Marketing and Regulatory Programs as proposed by the Senate instead of $642,000 as proposed by the House.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

The conference agreement provides $425,803,000 for the Animal and Plant Health Inspection Service (APHIS) instead of $424,500,000 as proposed by the House and $419,473,000 as proposed by the Senate.

The following table reflects the conference agreement:

[In thousands of dollars]

	Conference agreement
Pest and disease exclusion:	
Agricultural quarantine inspection	30,648
User fees	88,000
Subtotal, Agricultural quarantine inspection	118,648
Cattle ticks	4,627
Foot-and-mouth disease	3,803
Import-export inspection	6,815
International programs	6,630
Fruit fly exclusion and detection	22,970
Screwworm	30,301
Tropical bont tick	407
Total, Pest and disease exclusion	194,201
Plant and animal health monitoring:	
Animal health monitoring and surveillance	63,389
Animal and plant health regulatory enforcement	5,855
Pest detection	6,426
Total, Plant and animal health monitoring	75,670

Pest and disease management programs:	
Aquaculture	567
Biocontrol	8,160
Boll weevil	16,209
Brucellosis eradication	11,864
Golden nematode	435
Gypsy moth	4,366
Imported fire ant	1,000
Miscellaneous plant diseases	1,410
Noxious weeds	424
Pink bollworm	1,048
Pseudorabies	4,567
Scrapie	2,991
Silverleaf whitefly	
Tuberculosis	4,920
Wildlife services—operations	28,797
Witchweed	1,506
Total, Pest and disease management programs	88,264
Animal care:	
Animal welfare	9,175
Horse protection	361
Total, Animal care	9,536
Scientific and technical services:	
Aviation safety	1,200
Biotechnology/environmental protection	7,393
Integrated systems acquisition project	3,500
International cooperative administrative service	909
Plant methods development laboratories	4,693
Veterinary biologics	10,345
Veterinary diagnostics	15,622
Wildlife services—methods development	10,365
Total, Scientific and technical services	54,027
Contingency fund	4,105
Total, Salaries and expenses	425,803

The conference agreement includes $909,000 for the International Cooperative Administrative Support Service Program.

The conferees direct APHIS to conduct an analysis of the existing Medfly exclusion and detection program in the State of Florida and include in that analysis a review of various potential alternatives, including the feasibility of implementing a year-round sterile Medfly release program. Specifically, the analysis should identify the scope, annual cost, and method of implementation for such programs. APHIS shall report its findings to both the House and Senate Appropriations Committees no later than May 1, 1999.

Infestations of red imported fire ants have been found in Dona Ana County, New Mexico and, as a result, the county has been quarantined. In order to properly survey and monitor the remaining counties of New Mexico for red imported fire ants, the conferees direct APHIS to provide the necessary financial and technical assistance to the State of New Mexico to carry out the necessary activities.

The conferees request APHIS to grant a six-month extension of the comment period for the proposed rule published in the *Federal Register* on August 12, 1998, concerning importation of grapefruits, lemons, and oranges from Argentina. Additional time is needed to allow independent scientists to review the scientific data submitted on behalf of Argentina's petition and to review the risk mitigation measures advocated by APHIS.

The conferees direct the Department to publish rules regarding the compensation of Arizona wheat producers, seed companies, seed producers, and handlers for their economic loss for the 1997–1998 crop due to Karnal bunt.

The conferees direct the Department to work with the Arizona wheat industry and Arizona regulatory agencies to develop a plan for de-regulation of Karnal bunt in Arizona, to be submitted to the Committees on Appropriations no later than November 15, 1998, to allow for appropriate grower decisions for planting wheat for 1999.

The conferees direct APHIS to establish protocols containing appropriate verification procedures including permanent country of origin marking requirements for each country or region requesting to export livestock into the United States.

The conference agreement adopts House report language providing $1,500,000 for rabies control activities. The Senate report provided $800,000 for specific states.

The conference agreement adopts House report language providing $450,000 for trap testing and related activities to meet U.S. obligations under international standards. The Senate report had no similar language. The conferees expect the agency to work toward the development of more humane trapping methods.

The conference agreement adopts Senate report language providing $300,000 for an assessment of the economic threat from a newly-described contagious equine metritis-like bacterium to the U.S. horse industry. The House report had no similar provision.

The conference agreement adopts Senate report language providing $500,000 for operation of the bison quarantine facility and all associated operations including the testing of bison which have left Yellowstone National Park. The House report had no similar provision.

The conference agreement adopts Senate report language providing $300,000 to establish and operate a Wildlife Services office in Hawaii. The House report had no similar provision.

The conference agreement provides an increase of $175,000 to offset the impact of expanding wolf populations and the reintroduction of wolves in the northern Rocky Mountains.

The conference report adopts Senate report language providing $400,000 to require the Secretary to prevent the inadvertent introduction of brown tree snakes into Hawaii and other states. The House had no similar language.

The conferees urge the Secretary to delay the implementation of regulations issued by the Animal and Plant Health and Inspection Service (Fed. Reg. Vol. 63, No. 172, September 4, 1998) entitled "Swim with the Dolphin" as applied to wading programs. The managers expect the Department to solicit input from affected parties and ensure that the regulations will not impose unreasonable requirements, economic hardship, or conflict with State laws.

BUILDINGS AND FACILITIES

The conference agreement provides $7,700,000 for the Animal and Plant Health Inspection Service, Buildings and Facilities, instead of $5,200,000 as proposed by the House and $4,200,000 as proposed by the Senate.

The conference agreement includes $3,500,000 for completion of a wing at the National Wildlife Research Center in Fort Collins, CO.

The conferees direct the agency to consider locations in Montana and Iowa for construction of a large animal biosafety level-3 containment facility.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

The conference agreement provides $46,000,000 for the Agricultural Marketing Service instead of $46,567,000 as proposed by the House and $45,567,000 as proposed by the Senate. The conferees expect that, of the funds available for the National Organic Standards Program, amounts as may be necessary shall be used to offset the initial costs of accreditation services.

El Nino and the Asian currency crisis have caused significant problems to West Coast tuna fishermen. The USDA should use its surplus removal authorities to assist with this problem.

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement provides $60,730,000 for the Limitation on Administrative Expenses as proposed by the House instead of $59,521,000 as proposed by the Senate.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides $26,787,000 for the Grain Inspection, Packers and Stockyards Administration instead of $27,542,000 as proposed by the House and $26,390,000 as proposed by the Senate. Included in this amount is $2,500,000 as proposed by the Senate for restructuring the Packers and Stockyards Administration and $397,000 as proposed by the House for packer concentration and industry structure.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

The conference agreement provides $446,000 for the Office of the Under Secretary for Food Safety as proposed by the Senate. The House bill provided an unspecified amount of funding for the Office of the Under Secretary from the Food Safety and Inspection Service account.

FOOD SAFETY AND INSPECTION SERVICE

The conference agreement provides $609,250,000 for the Food Safety and Inspection Service as proposed by the House instead of $605,149,000 as proposed by the Senate.

The conference agreement includes the full amount requested in the fiscal year 1999 budget for the Food Safety Initiative and inspection costs.

The conferees note that the report on ratites was not delivered until six months after the requested submission date and, although a cost-benefit analysis was requested, it was not supplied. While citing significant potential health risks and the existence of industry microbiological data, the Department did not perform a risk assessment to quantify public health benefits. The Department is directed to resubmit the report with the cost-benefit analysis, as requested, by December 31, 1998, or to provide the conferees a detailed accounting of the projected cost and time required to determine the merits and effectiveness of a mandatory ratite inspection program.

The conference agreement adopts language as proposed by the House disagreeing with the Administration's proposal to waive cost-sharing limitations for cooperative state inspection programs. The Senate report had no similar provision.

The conferees direct the Secretary of Agriculture to report to the House and Senate Committees on Appropriations by March 1, 1999, recommendations on lifting the ban on the interstate distribution of State inspected meat.

Office of the Under Secretary for Farm and Foreign Agricultural Services

The conference agreement provides $572,000 for the Office of the Under Secretary for Farm and Foreign Agricultural Services as proposed by the Senate instead of $597,000 as proposed by the House.

The conferees are concerned that the USDA is administering the forfeiture penalty provisions of 7 U.S.C. 7272(g) in a manner inconsistent with the intent of Congress. These provisions were intended only to act as a disincentive to program loan forfeitures. Unfortunately, as evidenced in the fiscal year 1999 Budget Summary, the Department has interpreted the provisions to have "effectively reduced sugar loan rates." The conferees direct the Secretary of Agriculture to administer the program consistent with Congressional intent, and to ensure that the forfeiture penalty shall not apply for any purpose other than an actual loan forfeiture resulting in the reduction of the statutory price support loan levels for sugarcane (18 cents per pound of raw cane sugar) or sugar beets (22.9 cents per pound of refined beet sugar). In addition, the conferees direct that the penalty shall not be considered in the calculation of any sugar forfeiture price level by the Secretary or by any other official responsible for the administration of the sugar program under 7 U.S.C. 7272, the no-cost provision in section 902(a) of P.L. 99-198, and any related authorities.

Farm Service Agency

SALARIES AND EXPENSES

The conference agreement provides $714,499,000 for salaries and expenses of the Farm Service Agency instead of $724,499,000 as proposed by the House and $710,842,000 as proposed by the Senate. The conference agreement does not include $10,000,000 as proposed by the House for the Common Computing Environment.

The conferees expect the Secretary, to the extent practicable, to avoid the use of reductions-in-force or furloughs for both Federal and non-Federal employees or any county office closings.

Agricultural Credit Insurance Fund Program Account

The following table reflects the conference agreement:

Farm Ownership Loans:	
Direct	($85,651,000)
Subsidy	12,822,000
Guaranteed	(425,031,000)
Subsidy	6,758,000
Farm Operating Loans:	
Direct	(500,000,000)
Subsidy	34,150,000
Subsidized Guaranteed	(200,000,000)
Subsidy	17,480,000
Unsubsidized Guaranteed	(948,276,000)
Subsidy	11,000,000
Boll Weevil Eradication	(100,000,000)
Subsidy	1,440,000
Credit Sales of Acquired Property	
Subsidy	

Disaster Assistance/Reserve Inventories

The conference agreement does not include $521,000,000 as proposed by the Senate for disaster assistance and reserve inventories. Disaster related problems are addressed in Titles XI—XIII.

Risk Management Agency

The conferees note that risk management tools are limited for livestock producers. The conferees expect the Risk Management Agency to provide a report to the appropriate Committees of Congress on the feasibility of a crop insurance program that livestock producers can utilize for forages and native pasture.

TITLE II—CONSERVATION PROGRAMS

Office of the Under Secretary for Natural Resources and Environment

The conference agreement provides $693,000 for the Office of the Under Secretary for Natural Resources and Environment as proposed by the Senate instead of $719,000 as proposed by the House.

Natural Resources Conservation Service

CONSERVATION OPERATIONS

The conference agreement provides $641,243,000 for the Natural Resources Conservation Service Conservation Operations as proposed by the House instead of $638,664,000 as proposed by the Senate. Included in this amount is not less than $5,990,000 for snow survey and water forecasting as proposed by the House instead of $5,835,000 as proposed by the Senate and not less than $9,025,000 for operation and establishment of plant materials centers as proposed by the Senate instead of $7,825,000 as proposed by the House.

In addition to the items in the House and Senate reports that are not changed by the conference agreement, funding is included for the following items: $100,000 increase for native plants on the Island of Kahoolawe in Hawaii; $300,000 increase for the Loess Hills Erosion Control in Iowa; $300,000 for the Long Beach Water Management District Project in Mississippi; $400,000 increase for the Delta Water Resources Study in Mississippi; $500,000 for the Tri-Valley watershed in Utah; $500,000 for the Great Lakes Basin Program for Soil and Erosion Sediment Control; $100,000 increase for the Potomac Ohio River Basin Soil Nutrient Project; $100,000 for the Trees Forever Program in Iowa; and $443,000 increase for construction of the Plant Materials Center at Alderson, West Virginia.

The conferees do not agree with the Senate report language citing problems that have arisen with the Wetlands Reserve Program (WRP). However, the conferees concur with Senate report language that encourages the USDA to structure the terms of WRP contracts so that high priority is given to the consideration of adjacent landowners, including but not limited to the maintenance of watershed protection.

The conferees encourage the agency to provide any technical assistance for construction and repairs to the spillway and roads for Lake Peltier at Salmen Scout Reservation, Hancock County, Mississippi.

Watershed Surveys and Planning

The conference agreement provides $10,368,000 for Watershed Surveys and Planning instead of $9,545,000 as proposed by the House and $11,190,000 as proposed by the Senate.

Watershed and Flood Prevention Operations

The conference agreement provides $99,443,000 for Watershed and Flood Prevention Operations instead of $97,850,000 as proposed by the House and $101,036,000 as proposed by the Senate. The conference agreement includes House language providing that not more than $47,000,000 shall be available for technical assistance. The conference agreement includes continued progress and assistance for the Chino Dairy Preserve Project, San Bernardino County, CA.

The conferees expect the NRCS to provide for corrective action to the North Powder-Rock Creek South pipeline in the Powder Valley Water Control District, OR, to prevent the premature deterioration of the pipeline. The conferees note that since the Powder Valley Water Control District cost-shared in the construction of the current pipeline the cost-share requirements shall not apply to the corrective action necessary since the NRCS has admitted their design flaw.

Resource Conservation and Development

The conference agreement provides $35,000,000 for the Resource Conservation and Development program as proposed by the House instead of $34,377,000 as proposed by the Senate. The conferees expect the Department to present to the House and Senate Appropriations Committees no later than March 1, 1999, options to fund new Resource Conservation and Development districts, including a graduation component, while considering program effectiveness, efficiency, and necessary structural changes.

Forestry Incentives Program

The conference agreement provides $6,325,000 for the Forestry Incentives Program as proposed by the Senate. The House bill provided no funds for this account.

TITLE III—RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

Office of the Under Secretary for Rural Development

The conference agreement provides $588,000 for the Office of the Under Secretary for Rural Development as proposed by the Senate instead of $611,000 as proposed by the House.

The conferees expect the Secretary, to the extent practicable, to avoid the use of reductions-in-force and furloughs in the rural development work force. The conferees further expect that no reductions-in-force or furloughs will take place unless the Secretary provides detailed justifications for such actions to the House and Senate Committees on Appropriations.

The conferees note that it has become necessary in annual appropriations bills to declare certain communities eligible for rural development programs. This is because of anomalies in the criteria for eligibility, such as population and average income levels, that have made these communities ineligible under a strict interpretation of regulations. The conferees believe that there may not be sufficient flexibility under current law and regulations to address this problem. Therefore, the conferees direct the Department to develop a plan that will address this situation including changes in current law or regulation and present this plan to the House and Senate Committees on Appropriations.

The House and Senate reports recommend projects for consideration under various rural development programs and the conferees expect the Department to apply established review procedures when considering applications.

The conferees further expect the Department to give consideration to business enterprise and housing preservation projects in the city of Bayview, VA; applications for rural business enterprise grants from TELACU, for a project in Selma, CA; for assistance for a community improvement program in Arkansas; water and sewer improvements for the City of Vaughn, NM; the Shulerville/Honey Hill Water project, S.C.; and a rural enterprise grant for Indian Hills Community College, IA.

The conferees direct the agency to exercise its authority to consider the effects of economic circumstances and high unemployment in calculating median household income for the community of Wrangell, AK, for the purpose of determining whether the community is eligible for loans and grants.

The Department should consider a request, subject to normal review procedures, from the Water Environment Research Foundation for water quality research.

The conferees are aware that the Territory of American Samoa is currently in the grip of a severe, prolonged drought, and that the island's water system is rapidly becoming infiltrated by salt water and is unsafe for human consumption. Even with aggressive water conservation and service curtailment efforts, there will soon be insufficient safe drinking water to sustain human needs in the Territory. If assistance is not provided expeditiously, there is an imminent threat that waterborne illnesses will reach epidemic proportions which will severely overburden American Samoa's limited health care facilities. The drought crisis poses an immediate and rapidly escalating threat to human life in this most remote part of American Territories.

It has come to the attention of the conferees that the American Samoa Power Authority (the Territory's water, electric, and sanitary sewer utility) has applied to USDA for assistance in obtaining and installing water filtration and treatment equipment. This project would provide approximately one million gallons per day of safe drinking water necessary to sustain basic human needs and prevent life-threatening illness.

The conferees urge the Secretary to utilize creative and flexible solutions under the existing water and sewer loan and grants program, the community facilities loan and grants program, and such other rural development programs as the Secretary in his discretion may determine appropriate to meet this critical need in American Samoa.

Rural Development

RURAL COMMUNITY ADVANCEMENT PROGRAM

The conference agreement provides $722,686,000 for the Rural Community Advancement Program (RCAP) instead of $702,601,000 as proposed by the Senate and $745,172,000 as proposed by the House.

The following table reflects the conference agreement:

RCAP accounts

Water/Sewer	$645,007,000
Community Facilities	29,786,000
Business-Cooperative Development	47,893,000
Total	722,686,000
Earmarks:	
Tech. Asst. (water/sewer)	16,215,000
Circuit Rider	5,300,000
EZ/EC	33,926,000
Tech. Asst. (transportation)	500,000

The conference agreement adopts House bill language that does not include section 381O of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f) from authorized activities included in RCAP funding. The Senate bill had no similar provision.

The conference agreement does not include language in the Senate report directing USDA to provide for rural venture capital demonstration projects in Kentucky and Vermont. The House report had no similar provision.

The conference agreement also adopts Senate bill language providing that funds not obligated for empowerment zones and enterprise communities by June 30, 1999, will remain available for other purposes under this heading. The House bill had no similar provision.

The conference agreement does not provide the requested three percent earmark for Federally-recognized Indian tribes. The conferees note that, according to USDA, Indian tribes now receive approximately five percent of funding under the RCAP and the conferees believe the three percent earmark would arbitrarily restrict rural development benefits to the tribes.

The conferees expect the Department to use funds provided for technical assistance for water and sewer projects to maintain the number of circuit riders at the same level as fiscal year 1998.

The conferees have agreed to permanently increase the authorization of funding for water and sewer projects benefiting Alaska Natives under the Federal Agriculture Improvement and Reform Act of 1996 from $15,000,000 to $20,000,000 and to make the state match required under the program consistent with the 25 percent requirement for the Colonias. The conferees direct the Department, in awarding grants to various regions of the country, to give priority consideration to areas which lack flush toilets and running water . It shall also give highest priority to areas without modern sewage disposal systems, with open sewers, and high rates of disease caused by poor sanitation.

Rural Housing Service

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

The conference agreement provides a total subsidy of $197,285,000 (providing for an estimated loan program level of $4,251,717,000) for activities under the Rural Housing Insurance Fund Program Account instead of $186,855,000 (providing for an estimated loan program level of $4,235,601,000) as proposed by the House and $207,601,000 (providing for an estimated program level of $4,284,398,000) as proposed by the Senate.

The conference agreement provides $10,380,000 from the total amount available for empowerment zones and enterprise communities instead of $10,380,100 as proposed by the Senate. The House bill had no similar provision.

The following table reflects the conference agreement:

Rural Housing Insurance Fund Program Account

Loan authorizations:	
Single family (sec. 502)	(965,313,000)
Unsubsidized guaranteed	(3,000,000,000)
Housing repair (sec. 504)	(25,001,000)
Farm labor (sec. 514)	(20,000,000)
Rental housing (sec. 515)	(114,321,000)
Multi-family housing guarantees (sec. 538)	(100,000,000)
Site loans (sec. 524)	(5,152,000)
Credit sales of acquired property	(16,930,000)
Self-help housing land development fund	(5,000)
Total, Loan authorizations	(4,251,717,000)
Loan subsidies:	
Single family (sec. 502)	114,100,000
Unsubsidized guaranteed	2,700,000
Housing repair (sec. 504)	8,808,000
Multi-family housing guarantees (sec. 538)	2,320,000
Farm labor (sec. 514)	10,406,000
Rental housing (sec. 515)	55,160,000
Site loans (sec. 524)	17,000
Credit sales of acquired property	3,492,000
Self-help housing land development fund	282,000
Total, Loan subsidies	197,285,000
RHIF administrative expenses (transfer to RHS)	360,785,000
Total, Rural Housing Insurance Fund	1,141,467,000
(Loan authorization)	(4,251,717,000)

The conferees direct that the Department give preference to projects with the lowest interest rates in the section 538 program to ensure that the program serves tenants with low incomes.

The conferees recognize the importance of providing assistance to the economically distressed areas of the Lower Mississippi Delta. The conferees encourage the Secretary to consider using the reprogramming authority provided in section 724 of this Act to fund applications for Rural Housing Service programs in those areas where there is a shortage of affordable rental and home ownership opportunities. One of the areas to be considered is West Tallahatchie, MS, where there is a shortage of housing for teachers.

MUTUAL AND SELF-HELP HOUSING GRANTS

The conference agreement provides $1,000,000 from the total amount available for Mutual and Self-Help Housing Grants for empowerment zones and enterprise communities as proposed by the Senate. The House bill had no similar provision.

RURAL HOUSING ASSISTANCE GRANTS

The conference agreement provides $41,000,000 for Rural Housing Assistance Grants as proposed by the House instead of $45,720,000 as proposed by the Senate.

The conference agreement provides $1,200,000 from the total amount available for empowerment zones and enterprise communities as proposed by the House instead of $1,372,000 as proposed by the Senate. The House bill had no similar provision.

SALARIES AND EXPENSES

The conference agreement provides $60,978,000 for salaries and expenses as proposed by the Senate instead of $57,958,000 as proposed by the House. The conference agreement also provides for a transfer of $360,785,000 from the Rural Housing Insurance Fund as proposed by the Senate instead of $354,785,000 as proposed by the House. The total provided for Rural Housing Service salaries and expenses is $421,763,000 as proposed by the Senate instead of $412,743,000 as proposed by the House.

The conference agreement includes a provision that allows the Administrator of the Rural Housing Service to spend not more than $10,000 for non-monetary awards to non-employees of the Department of Agriculture. The House bill had no similar provision.

Rural Business-Cooperative Service

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

The conference agreement provides a total subsidy of $16,615,000 (providing for an estimated loan program level of $33,000,000) for the Rural Development Loan Fund Program Account as proposed by the Senate instead of $17,622,000 (providing for an estimated loan program level of $35,000,000) as proposed by the House.

The conference agreement also provides from the total amount available a subsidy of $3,215,520 (providing for an estimated loan program level of $7,246,000) for empowerment zones and enterprise communities as proposed by the Senate.

The conference agreement also provides $3,482,000 for administrative expenses as proposed by the Senate instead of $3,499,000 as proposed by the House.

The conference agreement adopts Senate language that provides that funds not obligated for empowerment zones/enterprise communities by June 30, 1999, will remain available for other authorized purposes. The House bill had no similar provision.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

The conference agreement rescinds $3,783,000 of funds derived from interest on the cushion of credit payments established in the Rural Electrification Act (7 U.S.C. 901) and further provides $3,783,000 (providing for an estimated loan program level of $15,000,000) for the cost of loans under the Rural Economic Development Loans Program Account as proposed by the House instead of $5,801,000 (providing for an estimated loan program level of $23,000,000) as proposed by the Senate.

RURAL COOPERATIVE DEVELOPMENT GRANTS

The conference agreement provides a total of $3,300,000 for rural cooperative development grants as proposed by the House instead of $3,000,000 as proposed by the Senate. Both House and Senate bills provide $1,300,000 from the total amount available for cooperative agreements for the Appropriate Technology Transfer for Rural Areas Program. The conference agreement also provides $250,000 for a cooperative development program as proposed by the Senate.

The conference agreement has not earmarked projects under this title but the conferees expect the Department to give consideration to the following projects requesting assistance under the Rural Cooperative Development Grants program: agricultural diversification, to be conducted by the Jefferson Institute, MO; Silos and Smokestacks, IA; and the Pennsylvania Cooperative Development Center. The conferees expect the Department to use established review procedures in considering these projects.

SALARIES AND EXPENSES

The conference agreement provides a direct appropriation of $25,680,000 for salaries and expenses of the Rural Business-Cooperative Service. The conference agreement further provides for transfers of $3,482,000 to this account from the Rural Development Loan Fund Program Account as proposed by the Senate instead of $3,499,000 as proposed by the House.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

The conference agreement provides a total subsidy of $43,319,000 (providing for an estimated loan program level of $1,561,500,000) for activities under the Rural Electrification and Telecommunications Loans Program Account as proposed by the House instead of $43,184,000 (providing for an estimated loan program level of $1,511,500,000) as proposed by the Senate.

The following table reflects the conference agreement:

Rural Electrification and Telecommunications Loans Program Account

Loan authorizations:	
Direct loans:	
Electric 5%	(71,500,000)
Telecommuincations 5%	(75,000,000)
Subtotal	(146,500,000)
Treasury rates: Telecommunications	(300,000,000)
Muni-rate: Electric	(295,000,000)
FFB loans:	
Electric, regular	(700,000,000)
Telecommunications	(120,000,000)
Subtotal	(820,000,000)
Total, Loan authorizations	(1,561,500,000)
Loan subsidies:	
Direct loans:	
Electric 5%	9,325,000
Telecommunications 5%	7,342,000
Subtotal	16,667,000
Treasury rates: Telecommunications	810,000
Mini-rate: Electric	25,842,000
FFB loans: Electric, regular	....
Total, Loan subsidies	43,319,000
RETLP administrative expenses (transfer to RUS)	29,982,000
Total, Rural Electrification and Telecommunications Loans Program Account	73,301,000
(Loan authorization)	(1,561,500,000)

By increasing the amount available for Federal Financing Bank lending, it is the intent of the conferees that the Rural Utilities Service will fully utilize the authorities of section 306 of the Rural Electrification Act by issuing guarantees to private sector lenders such as the Cooperative Finance Corporation and other legally organized organizations to ensure the financial needs of borrowers are met in a timely and efficient manner.

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The conference agreement provides a total subsidy of $4,174,000 (providing for an estimated loan program level of $157,509,000) for the Rural Telephone Bank Program Account instead of $4,638,000 (providing for an estimated loan program level of $175,000,000) as proposed by the House and $3,710,000 (providing for an estimated program level of $140,000,000) as proposed by the Senate.

DISTANCE LEARNING AND TELEMEDICINE PROGRAM

The conference agreement provides $12,680,000 for the Distance Learning and Telemedicine Program as proposed by the Senate instead of $10,180,000 as proposed by the House. The conference agreement also provides that $12,500,000 of the total amount shall be available for grants under this program as proposed by the Senate instead of $10,000,000 as proposed by the House. Both House and Senate bills provide a subsidy of $180,000 from the total amount available, which provides for an estimated loan level of $150,000,000.

TITLE IV—DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

The conference agreement provides $554,000 for the Office of the Under Secretary for Food, Nutrition and Consumer Services as proposed by the Senate. The House bill provided an unspecified amount of funding for the Office of the Under Secretary from the Food Program Administration account.

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

The conference agreement provides a total of $9,176,897,000 for child nutrition programs instead of $9,218,647,000 as proposed by the House and $9,219,897,000 as proposed by the Senate. Included in this amount is an appropriated amount of $4,128,747,000 and an amount transferred from section 32 of $5,048,150,000.

The conference agreement includes language as proposed by the Senate providing that no funds are available for the commodity procurement program unless the value of section 32 commodities and section 416 commodities are calculated in meeting the minimum commodity assistance requirement of section 6(g) of the School Lunch Act.

The conference agreement provides the following:

Total Obligational Authority

Child Nutrition Programs:	
School lunch program	$5,384,452,000
School breakfast program	1,396,955,000
Child and adult care food program	1,611,520,000
Summer food service program	294,414,000
Special milk program	18,055,000
State administrative expenses	118,074,000
Commodity procurement and computer support	337,127,000
School meals initiative	10,000,000
Coordinated review effort	4,300,000
Food safety education	2,000,000
Total	9,176,897,000

The conference agreement provides $10,000,000 for the school meals initiative. Included in this amount is $4,000,000 for food service training grants to states, $1,600,000 for technical assistance materials, $800,000 for National Food Service Management Institute cooperative agreements, $400,000 for print and electronic food service resource systems, and $3,200,000 for other activities.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The conference agreement provides $3,924,000,000 for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as proposed by the House instead of $3,948,000,000 as proposed by the Senate. The conference agreement includes bill language that directs USDA to obligate $10,000,000 for the farmers' market nutrition program within 45 days of enactment of this Act, and an additional $5,000,000 for the farmers' market nutrition program from any funds not needed to maintain current caseload levels.

The conferees direct that USDA reduce to 120 days the time period in which states are required to report on monthly obligation of funds as proposed by the House. The Senate had no similar language.

The conferees direct the Department to review the methodology and data used to estimate participation and funding levels for WIC and to report to the House and Senate Committees on Appropriations its recommendations for improvements no later than April 1, 1999, as proposed by the House. The Senate had no similar language.

The conferees address the need for a study on WIC cost containment activity under the Economic Research Service.

The conference agreement does not include bill language as proposed by the House regarding the allocation of fiscal year 1998 recovered funds.

The conference agreement includes bill language as proposed by the House that state agencies required to procure infant formula using a competitive bidding system award a contract only to the bidder offering the lowest net price.

FOOD STAMP PROGRAM

The conference agreement provides $22,585,106,000 for the Food Stamp Program instead of $22,591,806,000 as proposed by the House and $23,781,806,000 as proposed by the Senate. Included in this amount is a contingency reserve of $100,000,000. Also included in this amount is $1,236,000,000 for nutrition assistance to Puerto Rico and $90,000,000 for TEFAP commodity purchases.

COMMODITY ASSISTANCE PROGRAM

The conference agreement provides $131,000,000 for the Commodity Assistance Program instead of $141,000,000 as proposed by the House and Senate. Included in the amount is $45,000,000 for administration of TEFAP. The conferees provide that these funds may be used for administration or food costs at the discretion of the states. The conferees note that there is a $10,000,000 carryover from fiscal year 1998 in this account for the Commodity Supplemental Food Program and have adjusted the appropriation accordingly.

FOOD PROGRAM ADMINISTRATION

The conference agreement provides $108,561,000 for Food Program Administration instead of $108,311,000 as proposed by the House and $109,069,000 as proposed by the Senate. Included in this amount is $252,000 for publication of Dietary Guidelines and $725,000 for program and financial integrity advancement. The conference agreement includes language that withholds $2,000,000 of this appropriation until a final rule is promulgated to curb vendor-related fraud in the WIC program as proposed by the House.

The conferees understand USDA is reviewing the Dietary Guidelines and should ensure that scientific messages on dietary and nutritional behaviors are consistent among the Dietary Guidelines, the Food Guide Pyramid, and any related nutritional publications.

The conferees direct that the funds transferred to this account from the Economic Research Service be used for programmatic studies and evaluations directly related to USDA programs, and that any welfare reform studies, analyses, or evaluations undertaken shall directly relate to USDA programs.

TITLE V—FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

The conference agreement includes a direct appropriation of $136,203,000 instead of $131,295,000 as proposed by the House and $131,795,000 as proposed by the Senate.

The conference agreement adopts a Senate provision which provides for the transfer of $3,231,000 from the Export Loan Program and $1,035,000 from the P.L. 480 program account under the P.L. 480 and Export Loan program accounts. The House bill provided for these transfers under this heading.

The conference agreement does not include a Senate provision providing up to $2,000,000 solely for the purpose of offsetting international exchange rate fluctuations. The House bill had no similar provision. The conferees note that the deletion of this provision does not indicate a judgment on the merits of the request but reflects the fact that the agency has not developed a plan for this activity as requested in the fiscal year 1998 conference agreement. The conferees expect such a plan to be submitted with the fiscal year 2000 President's Budget.

The amount provided includes $4,408,000 for the International Cooperative Administrative Support Service Program.

The conference agreement includes $128,000 of the total provided for a representation allowance as proposed by the Senate instead of $140,000 as proposed by the House. The conferees also provide $3,500,000 for the Cochran Fellowship Program.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

The following table reflects the conference agreement for Public Law 480 Program Accounts:

Public Law 480 Program and Grant Accounts

Title I—Credit sales:	
Program level	(219,724,000)
Direct loans	(203,475,000)
Ocean freight differential	(16,249,000)
Title II—Commodities for disposition abroad:	
Program level	(837,000,000)
Appropriation	837,000,000
Title III—Commodity grants:	
Program level	(25,000,000)
Appropriation	25,000,000
Loan subsidies	176,596,000
Salaries and expenses:	
General Sales Manager (transfer to FAS)	1,035,000
Farm Service Agency (transfer to FSA)	815,000
Subtotal	1,850,000
Total, Public Law 480:	
Program level	(1,081,724,000)
Appropriation	1,056,695,000

The conferees are concerned that Agency for International Development (AID) and Title II operational policies are not fully meeting both statutory mandates and the program's primary humanitarian objective of providing U.S. agricultural products and commodities for feeding the needy worldwide. While encouraged by recent aid commitments to increase relief-type feeding programs, the conferees expect AID, to the extent practicable, in utilizing the funds provided herein, to ensure that the non-emergency programs, including monetization programs, comply with the statutory requirement that 75% of the commodities provided be in the form of highly nutritious value-added agricultural commodities.

TITLE VI—RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement includes a direct appropriation of $1,098,140,000 for the salaries and expenses of the Food and Drug Administration, instead of $998,340,000 as proposed by the House and $1,062,642,000 as proposed by the Senate.

The following table reflects the conference agreement:

Food Safety & Applied Nutrition	$226,580,000
Human Drugs	200,305,000
Biologics	96,279,000
Animal Drugs and Feeds	41,973,000
Devices & Radiological Products	145,736,000
National Center for Toxicological Research	31,579,000
Tobacco	34,000,000
Rent and related activities	25,855,000
Other activities	80,694,000
Rental Payments to GSA	82,866,000
Sub-Total	965,867,000
Prescription Drug User Fees [1]	132,273,000
Total	1,098,140,000

[1] Of the total $132,273,000 in PDUFA collections, $91,676,000 is for Human Drugs, $28,816,000 is for Biologics, $6,353,000 is for other activities, and $5,428,000 is for payments to the General Services Administration.

The conference agreement includes an increase of $2,500,000 for the Office of Cosmetics and Color; $500,000 to begin development of a new approval process for food packaging materials; $1,000,000 for the Office of Generic Drugs; and $250,000 for the Office of Seafood Inspection. Within the amount for the Office of Seafood Inspection $200,000 is for a grant to the Interstate Shellfish Sanitation Commission.

The conference agreement includes an increase of $20,000,000 for the Food Safety Initiative. The FDA should use $19,500,000 for increased food inspection and $500,000 for research at the National Center for Toxicological Research.

The conferees expect the FDA to publish a proposed rule concerning the use of foreign marketing data in the review of new sunscreen active ingredients in the sunscreen over-the-counter drug monograph. The conferees expect the proposed rule will be published not later than June 1, 1999.

The conferees note that the Food and Drug Administration will soon consider a citizen petition requesting approval of disjunctive labeling for surimi. The conferees strongly urge the agency to act in an expeditious manner to propose a rule in response to the petition, but in no case shall the FDA propose such a rule later than six months after the receipt of the citizen petition, nor shall the agency finalize such a rule later than twelve months after the receipt of the citizen petition.

Included within the amount is $700,000 for the Clinical Pharmacology program. The conferees expect these funds to be used for competitive grants.

The conferees note that recent court decisions (Mova Pharmaceutical Corp. v. Shalala, 104 F.3d 1061 (D.C. Cir. 1998); Granutec, Inc. v. Shalala, No. 97–1873 and No. 97–1874, 1998 U.S. App. LEXIS 6685 (4th Cir. Apr 3, 1998)) have invalidated an element of the Food and Drug Administration's regulations regarding the 180-day exclusivity period for first applicants under section 505(j)(5)(B)(iv) of the Federal Food, Drug, and Cosmetic Act. The conferees strongly urge the FDA to use the funds provided to issue new regulations and guidance for industry to fulfill the intent of the Generic Drug Act (Waxman/Hatch) for the broadest possible availability of generic drugs to consumers consistent with the Act.

BUILDINGS AND FACILITIES

The conference agreement provides $11,350,000 for Food and Drug Administration Buildings and Facilities as proposed by the House instead of $12,350,000 as proposed by the Senate.

The conference agreement provides $3,000,000 for construction of Phase III at the National Center for Toxicological Research as proposed by the House instead of $4,000,000 as proposed by the Senate. The conferees expect these funds, in addition to any Phase II remaining balances, to be sufficient to initiate Phase III construction.

RENTAL PAYMENTS

The conference agreement provides $88,294,000 for FDA rental costs in the salaries and expenses account as proposed by the Senate. The House proposed these funds in a separate account.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

The conference agreement provides $61,000,000 for the Commodity Futures Trading Commission as proposed by the Senate instead of $62,140,000 as proposed by the House.

FARM CREDIT ADMINISTRATION

LIMITATION OF ADMINISTRATIVE EXPENSES

The conference agreement adopts the limitation of $35,800,000 on the expenses of the Farm Credit Administration as proposed by the House. The Senate bill had no limitation on expenses.

TITLE VII—GENERAL PROVISIONS

Senate Section 705.—The conference agreement includes language (Section 705) proposed by the Senate to allow up to $2,000,000 for costs associated with collocation of APHIS regional offices to remain available until expended. The House bill had no similar provision.

House Section 710.—The conference agreement does not include language proposed by the House that limits agencies' reimbursement to General Services Administration for costs for rental space. The Senate bill had no similar provision.

House Section 716 and Senate Section 715.—The conference agreement includes language (Section 715) proposed by the House that allows the Grain Inspection, Packers and Stockyards Administration to use cooperative agreements to carry out programs.

Senate Section 716.—The conference agreement includes language that allows the Natural Resources Conservation Service to use contracts, grants or cooperative agreements for goods or services.

Senate Section 717 and House Section 718.—The conference agreement includes language (Section 718) proposed by the Senate that permanently prohibits funds of the Market Access Program from being used to promote mink product exports.

House Section 719 and Senate Section 718.—The conference agreement includes language (Section 719) to allow up to $1,800,000 for expenses of advisory committees, panels, commissions, and task forces. The House bill recommended a limit of $1,400,000 and the Senate bill recommended a limit of $1,350,000.

Senate Section 722.—The conference agreement includes language (Section 723) to require the approval of the Chief Information Officer for purchases of information technology systems or upgrades by the Department of Agriculture. The language also includes a provision to prohibit any transfers of funds to the Office of the Chief Information Officer without the prior approval of the Committees on Appropriation of both Houses.

House Section 724.—The conference agreement does not include language relating to common support services. The conferees concur that the Department has sufficient authority to carry out such a program. The Senate bill had no similar provision.

Senate Section 724.—The conference agreement modifies language (Section 727) to prohibit contract acreage payments to a producer who plants wild rice on contract acreage unless the contract payment is reduced by an acre for each contract acre planted to wild rice. The agreement deletes the Senate provision that made this permanent law. The House bill had no similar provision.

Senate Section 725.—The conference agreement includes language (Section 728) that names the National Rice Germplasm Evaluation and Enhancement Center the "Dale Bumpers National Rice Research Center." The House bill had no similar provision.

Senate Section 726.—The conference agreement includes language (Section 729) proposed by the Senate to allow the Secretary of Agriculture to transfer, subject to reprogramming requirements, up to $26,000,000 for authorized programs to benefit the Lower Mississippi Delta Region. This amount should include any and all funds provided to that region as part of the total. The House bill had no similar provision.

House Section 725 and Senate Section 727.—The conference agreement includes language (Section 725) to prohibit funding for the Fund for Rural America.

House Section 726.—The conference agreement does not include language proposed by the House that prohibited funding for the Wildlife Habitat Incentive Program.

House Section 727.—The conference agreement includes language (Section 726) proposed by the House that limits funding for the Environmental Quality Incentives Program to $174,000,000.

House and Senate Section 728.—The conference agreement includes language (Section 730) to limit acreage enrolled in the Wetlands Reserve Program to 120,000 acres as proposed by the Senate. The House proposed a limit of 130,000 acres.

House and Senate Section 729.—The conference agreement includes language (Section 731) to limit funding for The Emergency Food Assistance Program to $90,000,000 as proposed by the House instead of $80,000,000 as proposed by the Senate.

Senate Section 730 and House Section 739.—The conference agreement includes language (Section 740) that prohibits funding for the Conservation Farm Option Program as proposed by both the House and Senate.

House Section 730.—The conference agreement includes language (Section 732) that prohibits funding for the Initiative for Future Agricultural and Food Systems (P.L. 105–185) as proposed by the House. The Senate bill had no similar provision.

Senate Section 731.—The conference agreement includes language (Section 743) proposed by the Senate that amended Public Law 102–237 with regard to control of the brown tree snake. The House bill had no similar provision.

House Section 731.—The conference agreement includes language (Section 733) proposed by the House to make the City of Big Spring, Texas eligible for rural housing programs.

House Section 732.—The conference agreement includes language (Section 734) that makes the municipality of Carolina, Puerto Rico eligible for grants and loans administered by the Rural Utilities Service.

Senate Section 732.—The conference agreement includes language (Section 744) as proposed by the Senate that makes funds in this or any other Act available for financial and technical assistance for Franklin County, Mississippi.

House Section 734 and Senate Section 736.—The conference agreement includes language (Section 736) as proposed by the House that does not allow funds from this Act to be used to carry out any commodity purchase program that would prohibit eligibility or participation by a farmer-owned cooperative.

Senate Section 733.—The Conference agreement includes language (Section 745) that makes the cost share requirement for Alaska water and wastewater loan and grants 25% and the authorized level $20,000,000.

Senate Section 735.—The conference agreement includes language (Section 746) as proposed by the Senate that prohibits the Food and Drug Administration from closing or relocating the Division of Drug Analysis in St. Louis, MO.

House Section 735.—The conference agreement includes language (Section 737) as proposed by the House that amends the technical definition of the word "antibacterial" in the Federal Food, Drug, and Cosmetic Act.

House Section 736.—The conference agreement includes language (Section 738) as proposed by the House that prohibits funds from being used to issue a final rule to implement the amendments to the Federal milk marketing orders as required by subsection (a) of the Agricultural Market Transition Act other than during the period February 1, 1999 through April 4, 1999. The conference agreement also modifies the House provision to include language clarifying marketing order reform in the state of California.

House Section 737 and Senate Section 738.—The conference agreement does not include language proposed by both the House and Senate related to sanctions for the sales of agricultural products. A similar provision has been enacted into law.

Senate Section 737.—The conference agreement includes language (Section 747) proposed by the Senate that requires the Secretary of Agriculture to inspect and certify agricultural processing equipment and to impose a fee for the inspection and certification in a manner that is similar to the inspection and certification of agricultural products under the Agricultural Marketing Act of 1946.

House Section 738.—The conference agreement includes language (Section 739) which requires that when the Secretary of Agriculture announces the basic formula price for milk, the Secretary shall include in the announcement an estimate of the costs incurred by milk producers to produce milk in the different regions of the United States.

Senate Section 739.—The conference agreement includes language (Section 748) as proposed by the Senate to prohibit funds from being used to require a producer to pay an administrative fee of 10 per cent for catastrophic insurance protection. The language also makes the provision permanent law.

House Section 740 and Senate Section 761.—The conference agreement includes bill language (Section 741) that waives the statute of limitations on non-employment complaints of discrimination in certain programs of the Department of Agriculture, and modifies the House language to include expedited procedure in processing the complaints as proposed in Senate Section 761.

Senate Section 741.—The conference agreement includes language (Section 749) as proposed by the Senate that mandates the indefinite continuation of a personnel management demonstration project.

House Section 741.—The conference agreement includes language (Section 750) as proposed by the House that provides that the Secretary may not deny certain guarantees in housing on the basis that the interest on the loan for which the guarantee is sought is exempt from inclusion in gross income for purposes of Chapter 1 of the Internal Revenue Code of 1986.

Senate Section 742.—The conference agreement modifies language proposed by the Senate (Section 750) that extends the authorization of certain provisions of the Housing Act of 1949 through September 30, 2000. The Senate proposed an extension until September 30, 1999.

Section 742.—The conference agreement includes language that makes the Secretary of Agriculture liable for compensatory damages to farmers who are found to have been discriminated against under any farm loan program or activity conducted by the USDA in violation of section 504 of the Rehabilitation Act of 1973.

House Section 742.—The conference agreement does not include language to prohibit the Food and Drug Administration from using funds for the testing, development, or approval of any drug for the chemical inducement of abortion.

Senate Section 743.—The conference agreement does not include bill language as proposed by the Senate requiring a review of methyl bromide alternatives research. The House bill had no similar provision. The conferees expect the Agricultural Research Service to conduct a review of the methyl bromide alternatives research conducted by the Department. The review should include: 1) the total amount of funds expended by the Department for methyl bromide alternatives research for each fiscal year 1990 to 1997 and estimates for fiscal years 1998 and 1999, including a description of how funds are distributed and utilized; 2) descriptions of plot and field scale testing of methyl bromide alternatives conducted in fiscal years 1990 through 1998, including: a) total amount of funds expended for plot and field scale testing; and b) the results of the testing and the impact of the results on future research; and 3) a description of the variables that impact the effectiveness of methyl bromide alternatives and the Department's strategy for addressing them.

The conferees expect the Department to submit a report describing the results of its review to the appropriate committees of both Houses of Congress not later than 180 days after enactment of this Act.

Senate Section 744.—The conference agreement does not include language proposed by the Senate regarding the need to provide drought relief in Texas. The conference agreement includes language related to all agriculture disasters in Titles XI–XIII.

Senate Section 745.—The conference agreement includes language (Section 751) proposed by the Senate that amends the 1985 farm bill to exempt 30-year easements from payment limitations for the Wetlands Reserve Program.

Senate Section 746.—The conference agreement includes language (Section 752) proposed by the Senate that acceptance of Wetlands Reserve Program bids may be in proportion to landowner interest expressed in program operations.

Senate Section 748.—The conference agreement includes language (Section 754) proposed by the Senate that prohibits funds from being used to prepare a budget submission to Congress that assumes reductions from the previous year's budget due to user fee proposals unless the submission also identifies spending reductions which should occur if the user fees are not enacted. The House bill had no similar provision.

Senate Sections 747 and 752.—The conference agreement includes language (Section 753) that makes several technical corrections to the Agriculture Research, Extension, and Education Reform Act.

Senate Section 749.—The conference agreement does not include language to establish a pilot program to permit haying and grazing on conservation reserve land.

Senate Section 750.—The conference agreement includes language proposed by the Senate (Section 755) that amends the Agricultural Marketing Act of 1946 regarding shipment of shell eggs and mandates a report on egg safety and repackaging.

Senate Section 751.—The conference agreement does not include the sense of the Senate provision regarding economic hardships faced by agricultural producers and rural communities. The conference agreement includes language related to agriculture disasters in Titles XI–XIII.

Senate Section 753.—The conference agreement does not include language proposed by the Senate that exempts food, other agricultural products, medicines and medical equipment from export control sanctions except where the country repeatedly provided support for the acts of terrorism.

Senate Section 754.—The conference agreement does not include language proposed by the Senate regarding mandatory price reporting.

The conferees direct the Secretary of Agriculture to take steps to increase the voluntary reporting of fed cattle, and wholesale beef carcass prices and volumes on a quality and yield grade basis, as well as the prices and volumes of boxed beef (on carcass equivalent basis) sales by quality grades and trim categories, on a daily basis. These reports may include all domestic and international forward sales for delivery period currently reported, prices for branded products, sales delivered as priced basis to a futures contract, sales of less than carlot volume and formulated sales. The Secretary shall encourage the reporting of the price differential for USDA Prime, the upper ⅔ of USDA Choice, and a sub-select price category. Reports should include imported beef products and livestock.

With regard to lamb, the conferees direct the Secretary of Agriculture to expand current voluntary reporting of live lamb and wholesale lamb carcass prices and volumes on a yield grade basis, as well as the prices and volumes of boxed lamb and other fabricated lamb cut sales. Price should be reported on a weekly basis, for the period currently reported, and should include prices for certified and branded products, sales of less than carlot volume and formulated sales. Reports should include imported lamb products.

The Secretary of Agriculture shall compile and publish price, volume sales, and the shipment information regarding all exports and imports of beef, veal, lamb and products thereof which is collected via the expanded voluntary process. The livestock, carcass, boxed product, primal, sub-primal and other meat cut descriptions currently being used by AMS Market News Service should serve as a basis for describing and reporting imported and exported products for price and volume purposes. The Secretary shall also standardize AMS price reporting data collection activities to ensure uniformity and complete sales data capture and to maximize the information available to all aspects of the industry. The Secretary shall report to Congress, not more than six months after enactment, on the feasibility or need for mandatory price reporting. The Secretary is also directed to implement new, electronic export certificate issuance and data-reporting programs. The Secretary shall encourage the information to be reported not later than one week after the end of the week during which exports occurred consistent with the advanced notice of rule-making published by USDA during 1997.

Senate Section 755.—The conference agreement does not include language related to metered dose inhalers. The House bill had no similar provision. The conferees note the Senate's interest in a transition from the use of chlorofluorocarbons (CFCs) in metered-dose inhalers (MDIs) to less environmentally damaging substances, as required by international treaty. The use of CFCs has been shown to be harmful to the atmospheric ozone layer, which protects humans from skin cancer, although the magnitude of the environmental impact of the amount of CFCs used in MDIs is unclear. Metered-dose inhalers, which contain CFCs as propellants, are used primarily for the treatment of asthma and other chronic pulmonary disorders. Asthma and pulmonary patients and physicians rightfully believe that the Food and Drug Administration (FDA) must consider their concerns, as well as the need to have a range of suitable substitutes in place before current products are withdrawn from the market, as the agency moves forward with a proposal to manage the transition from CFC to non-CFC products. At the same time, clear and timely guidance about a transition process is needed by both patients and caregivers. Therefore, the conferees direct FDA to devote the resources necessary to ensure that a proposed rule is issued no later than September 1, 1999.

Senate Section 756.—The conference agreement does not include language proposed by the Senate directing the Secretary, in consultation with the Comptroller General, to submit a report on the Market Access Program (MAP) to the appropriate committees of Congress not later than 180 days after enactment of this Act.

The conferees direct the Secretary to produce a report on the MAP which should include an analysis of the costs and benefits of the program for compliance with OMB circular A–94; estimate the impact of MAP on the agricultural sector, on consumers, and other sectors of the economy in the United States; assess the relation between the priorities and spending levels of programs carried out under MAP and the privately funded market promotion activities undertaken by participants in the programs; and evaluate the additional spending of participants and the amount of export additionality resulting from the MAP.

Senate Section 757.—The conference agreement does not include Sense of the Senate language regarding the economic effect of low commodity prices. The conference agreement includes language regarding agricultural disasters in Titles XI–XIII.

Senate Section 758.—The conference agreement does not include language as proposed by the Senate that amends the law regarding reserve inventories. The conference agreement includes language relating to agricultural disasters in Titles XI–XIII.

Senate Section 759.—The conference agreement does not include language proposed by the Senate that provided for an assessment on tobacco programs and reductions in several Department of Agriculture programs and increased funding for food safety related activities.

Senate Section 760.—The conference agreement (Section 756) modifies Senate Section 760 and reduces the spending cap on computer-related activities funding through the CCC.

Senate Section 762.—The conference agreement does not include language proposed by the Senate to amend the Census of Agriculture Act of 1997. This issue is addressed under the National Agricultural Statistics Service.

Senate Section 763.—The conference agreement includes language (Section 757) as proposed by the Senate that makes certain owners of trees with fire blight eligible for disaster assistance.

Senate Section 764.—The conference agreement does not include language as proposed by the Senate that requires the Secretary of Agriculture to make assistance and information available to the Commission on 21st Century Production Agriculture. The conferees expect the Secretary to assist and cooperate as necessary with the Commission.

Senate Section 765.—The conference agreement does not include bill language requiring country of origin labeling for fresh produce.

The conferees direct the General Accounting Office (GAO) to conduct a comprehensive study on the potential effects of mandatory country of origin labeling of fresh produce. This report should assess the impact of such mandatory labeling requirements on importers, producers, consumers, and retailers, including a cost/benefit analysis. The report should identify U.S. trading-partner countries which currently have country of origin practices in place, the nature and scope of such practices, and a record of U.S. challenges to those requirements. The GAO report should also address the ability of the Federal government and the public to respond to warnings about the outbreak of food-borne illness arising from imported produce. The final report should be submitted to the Congress no later than six months after the enactment of this Act.

Senate Section 766.—The conference agreement does not include the Sense of the Senate provision that certain programs in the bill receive additional funding in the event that additional allocation becomes available.

Senate Section 767.—The conference agreement does not include a provision requiring creation of a new Office of the Small Farms Advocate as provided in the Senate bill. The conferees believe that better management of existing programs within the Department, generally, would result in a more efficient and effective use of limited resources as they apply to small farm and other considerations. Accordingly, the conferees urge the Secretary to coordinate activities and to encourage policy considerations within existing programs of the Department that promote the needs of small farm operators and that may help reverse the unwarranted decline in small farm operations.

Senate Section 768.—The conference agreement does not include Senate language addressing the inadvertent planting of ineligible beans. The conferees are aware that there may be instances in which producers, in good faith or in reliance on information provided by agricultural consultants, inadvertently planted crops in violation of section 118 of the Federal Agriculture Improvement and Reform Act of 1996 (FAIR). The FAIR Act encouraged producers to exercise planting flexibility in order to adapt to new markets and to promote sound conservation and agronomic practices. Accordingly, the Secretary is urged to exercise reasonable treatment of producers in order to avoid harmful consequences.

Senate Section 769.—The conference agreement does not include language as proposed by the Senate that requires a report to Congress on a recommendation to lift the ban on interstate distribution of state inspected meat. The conferees direct the Secretary of Agriculture to report to the House and Senate Committees on Appropriations by March 1, 1999, with recommendations on lifting the ban on the interstate distribution of State-inspected meat.

Senate Section 770.—The conference agreement includes language under Title VIII regarding loans to borrowers who have received debt forgiveness.

Senate Section 771.—The conference agreement does not include language related to the definition of family farm.

Senate Section 772.—The conference agreement includes language under Title VIII regarding the basis for denial of loans.

Senate Section 773.—The conference agreement does not include language as proposed by the Senate that amends the Federal Food, Drug, and Cosmetic Act regarding medical drug and device recalls.

Section 759.—The conference agreement includes language proposed by the House to make the city of Vineland, New Jersey eligible for programs administered by the Rural Housing Service and the Rural Business-Cooperative Service.

Section 760.—The conference agreement includes language that places a moratorium on the rule-making authority of the Commodity Futures Trading Commission (CFTC) over swaps and derivatives until March 30, 1999. The conferees do not intend to preclude the CFTC's participation in the President's Working Group on Financial Markets. Further, the conferees do not intend to preclude the Commission from taking action pursuant to any determination by the President's Working Group on Financial Markets regarding regulatory restraints with respect to qualifying hybrid instruments and swap agreements.

In light of recent market events, including the need for financial rescue measures to avert the collapse of a large hedge fund, the conferees strongly urge the President's Working Group on Financial Markets to undertake an immediate review and study of over-the-counter transactions of entities such as hedge funds and their relationships with their creditors. This provision would not interfere with the Commission's ability to take action in furtherance of any determination by the President's Working Group.

Section 761.—The conference agreement includes language providing a limitation on the use of funds to carry out section 612 of Public Law 105–185.

Section 762.—The conference agreement includes language amending section 136 of the Agricultural Market Transition Act (7 U.S.C. 7236) by striking "1.25 cents" each place it appears in subsection (a) and (b) and inserting "3 cents".

Section 763.—The conference agreement includes language regarding the distribution of funds made available by section 1124 of subtitle C of Title XI of this Act.

Section 764.—The conference agreement includes language regarding methyl bromide.

TITLE VIII—AGRICULTURAL CREDIT

The conference agreement includes several changes to agricultural credit laws including eligibility for emergency loans, notification of ineligibility for loans, training requirement exemptions, limitations on amount of farm loans, and cash flow requirements.

TITLE IX—INDIA-PAKISTAN RELIEF ACT

The conference agreement adopts Senate language (Title IX) allowing waivers of certain export control laws for India and Pakistan.

(SENATE TITLE X)

The conference agreement does not include language proposed by the Senate requiring meat labeling.

The conferees direct the Secretary to conduct a comprehensive study on the potential effects of mandatory country of origin labeling of imported fresh muscle cuts of beef and lamb. The report shall include the impact of such requirements on imports, exports, livestock producers, consumers, processors, packers, distributors and grocers. The report shall also include, but is not limited to, the following: any additional costs to the Federal government which would be incurred as a result of mandatory country of origin labeling of imported fresh muscle cuts of beef and lamb; the projected costs for beef and lamb distributors, retailers or consumers; any projected gains that may result from country of origin labeling of imported fresh muscle cuts of beef and lamb; and any empirical evidence of benefit or harm, to producers, processors, distributors, retailers or consumers produced by similar labeling programs in other countries. The report shall be submitted to Congress no later than 6 months after the enactment of this Act and shall contain a detailed statement of the findings and conclusions of the Secretary, together with his recommendations for such legislation and administrative actions as he considers appropriate.

The study may also consider the economic effects of exempting imported beef and lamb, including meat produced from animals imported directly for slaughter in sealed trucks and containers, from eligibility for USDA quality grades. The Secretary is directed to differentiate "meat produced from animals in sealed trucks and containers directly for slaughter" from "U.S. production" in all market reports.

TITLE X—UNDER SECRETARY OF AGRICULTURE FOR MARKETING AND REGULATORY PROGRAMS

The conferees have included bill language that gives the Secretary of Agriculture the authority to create an Under Secretary for Marketing and Regulatory Programs position at USDA.

TITLE XI—EMERGENCY AND MARKET LOSS ASSISTANCE

The conference agreement includes funding to provide assistance to agricultural producers who have suffered financial hardship due to adverse weather conditions and loss of markets.

The conference agreement provides $1,500,000,000 in assistance directed to producers who have incurred losses in the 1998 crop due to disaster. An additional $675,000,000 is provided to make available assistance to producers who have incurred multiyear losses in the 1998 and preceding crop years. The Secretary may make assistance available for crop losses associated with crops due to losses in quantity, quality or severe economic losses due to damaging weather or related conditions.

The conference agreement requires that producers receiving crop loss assistance who have not purchased crop insurance for the 1998 crop shall agree to purchase crop insurance for the subsequent two crops produced by the producers.

The conference agreement makes available $175,000,000 to provide livestock feed assistance to livestock producers affected by disasters during calendar year 1998.

The conferees have granted the Secretary broad authority to create and implement a crop loss assistance program with the funds made available. This will allow the Secretary to complete an assessment of 1998 crop losses and provide the maximum flexibility to expedite the delivery of assistance.

The conference agreement provides $1,650,000,000 to partially compensate producers for loss of markets in 1998 due to circumstances beyond their control, such as regional economic dislocation, unilateral trade sanctions and failure of the government to pursue trade opportunities aggressively. Payments shall be proportional to the amount of the production flexibility contract payment made to producers in fiscal year 1998.

The agreement includes $50,000,000 for emergency disaster assistance to persons or entities who have incurred losses from a failure under section 312 (a) of P.L. 94-265, $5,000,000 for cotton warehouse losses, temporary recourse loans for honey and mohair, and adjustments to crop insurance for raisin producers. The conference agreement includes language providing additional funding for the Food for Progress program.

The conferees direct the Farm Service Agency to take into consideration the history of flooding in a watershed in determining emergency conservation program eligibility in Vermont.

The conferees expect the Secretary of Agriculture to extend for two years the time period that a participant in the Conservation Reserve Program (CRP) has for completion of pruning, thinning, and stand improvement of trees on lands subject to a contract under CRP. Such pruning, thinning, or stand improvement activities are otherwise required to be completed under the contract in 1998 or 1999.

The conferees expect the Secretary of Agriculture to provide guaranteed loans for purposes of installing irrigation systems if a farmer operates a farm within an area that has been declared an agricultural disaster due to drought conditions.

The conferees understand that in addition to the devastating forest fires that occurred in Florida earlier this year, the drought in Texas has also had a significant impact on timber production and forest health. The conferees also understand that it may take several planting seasons to complete the reforestation due to lack of available planting stock.

The conferees are concerned about the weather-related crop losses that have devastated New York State fruit and onion growers in 1998. The Secretary shall make funding available to assist producers who have incurred losses during the 1998 crop year to fruit crops and to the trees and vines on which those fruit crops are produced.

The Secretary is also directed to develop a crop disaster assistance program suitable for the New York State fruit and onion growers. The Secretary shall provide financial assistance to apple producers proportioned according to their volume of apples sold in fresh, processing and juice markets, based on 1997 marketing data, and shall not deduct a salvage value when the cost of harvesting a crop in that marketing category approximates the 1998 cash market value at the time of harvest.

The Secretary shall make eligible for the Emergency Conservation Program fruit drops in orchards as well as replacement of trellises in orchards and vineyards that were damaged by storms.

The managers direct that in carrying out the disaster relief activities funded by this conference agreement, the Secretary of Agriculture shall give particular attention to assessing and meeting the needs of Puerto Rico and the United States Virgin Islands following Hurricane Georges. The Secretary should take all necessary steps to help the territories recover from the 1998 hurricane season and restore their agricultural economies, such as covering losses in livestock and non-program crops, including but not limited to coffee, bananas, and tropical fruits.

TITLE XII—BIODIESEL

The conference agreement includes language that creates a biodiesel program. The Senate bill included similar language.

TITLE XIII—EMERGENCY APPROPRIATIONS

The conference agreement includes additional funding for emergency related costs including $40,000,000 for salaries and expenses for the Farm Service Agency, $31,405,000 for subsidy costs for additional operating loans for a total loan amount of $540,510,000, and $10,000,000 for the Forestry Incentives Program.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the committee of conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$49,793,563,000
Budget estimates of new (obligational) authority, fiscal year 1999	59,567,544,000
House bill, fiscal year 1999	55,883,142,000
Senate bill, fiscal year 1999	56,820,368,000
Conference agreement, fiscal year 1999	59,949,240,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+10,155,677,000
Budget estimates of new (obligational) authority, fiscal year 1999	+381,696,000
House bill, fiscal year 1999	+4,066,098,000
Senate bill, fiscal year 1999	+3,128,872,000

JOE SKEEN,
JAMES T. WALSH,
JAY DICKEY,
JACK KINGSTON,
GEORGE R. NETHERCUTT, Jr.,
HENRY BONILLA,
TOM LATHAM,
BOB LIVINGSTON,
MARCY KAPTUR (except CFTC derivative moratorium),
VIC FAZIO,
JOSE E. SERRANO,
ROSA L. DELAURO,
Managers on the Part of the House.

THAD COCHRAN,
ARLEN SPECTER,
KIT BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONRAD BURNS,
TED STEVENS,
DALE BUMPERS (with exception of title XI),
TOM HARKIN (with exception of title XI),
PATRICK J. LEAHY (with exception of title XI),
BARBARA BOXER (with exception of title XI),
ROBERT C. BYRD (with exception of title XI),
Managers on the Part of the Senate.

PROVIDING FOR CONSIDERATION OF H.R. 4274, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore (Mr. DICKEY). The pending business is the question of agreeing to the resolution, House Resolution 564, on which the yeas and nays are ordered.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

Without objection, the time for a recorded vote, if ordered, on the Speaker's Approval of the Journal will be reduced to 5 minutes immediately following this vote.

There was no objection.

RECORDED VOTE

The vote was taken by electronic device, and there were—yeas 216, nays 200, not voting 18, as follows:

[Roll No. 476]

YEAS—216

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Northup
Norwood

Nussle
Oxley
Packard
Pappas
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—200

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Farr
Fattah
Fazio
Filner
Ford
Fox
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weller
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—18

Callahan
Clay
DeFazio
Evans
Fowler
Goss
Harman
Hefley
Kennelly
King (NY)
Lipinski
Livingston
Martinez
Parker
Pitts
Poshard
Pryce (OH)
Tauzin

□ 1402

Ms. MCCARTHY of Missouri and Messrs. MINGE, LEACH, and FOX of Pennsylvania changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THE JOURNAL

The SPEAKER pro tempore (Mr. DICKEY). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. OBEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 15-minute vote, notwithstanding the Chair's prior announcement.

The vote was taken by electronic device, and there were—ayes 346, noes 60, answered "present" 1, not voting 27, as follows:

[Roll No. 477]

AYES—346

Abercrombie
Ackerman
Allen
Andrews
Armey
Bachus
Baesler
Baker
Baldacci
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Foley
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Herger
Hill
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Lofgren
Lowey
Lucas
Luther
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Mollohan
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Ortiz
Owens
Oxley
Packard
Pappas
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Salmon
Sánchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stokes
Stump
Sununu
Talent
Tanner
Taylor (NC)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Traficant
Turner
Upton
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Wexler
Weygand
White
Whitfield
Wilson
Wise
Wolf
Woolsey
Yates
Young (AK)
Young (FL)

NOES—60

Aderholt
Becerra
Bonior
Borski
Brown (CA)
Chenoweth
Costello
Crane
Dickey
English
Fazio
Filner
Fox
Gephardt
Gibbons
Green
Gutierrez
Hastings (FL)
Hefner
Hilleary
Hilliard
Hinchey
Hulshof
Johnson (WI)
Klink
Kucinich
LaFalce
Lee
Lewis (GA)
LoBiondo
Maloney (CT)
McDermott
McNulty
Menendez
Miller (CA)
Moran (KS)
Oberstar
Obey
Olver
Pallone
Pickett
Ramstad

Rangel
Rogan
Sabo
Schaffer, Bob
Slaughter
Stenholm
Strickland
Tauscher
Taylor (MS)
Thompson
Towns
Velázquez
Vento
Visclosky
Waters
Weller
Wicker
Wynn

ANSWERED "PRESENT"—1

Carson

NOT VOTING—27

Archer
Ballenger
Bryant
Callahan
Clay
Clyburn
DeFazio
DeLay
Fowler
Goss
Harman
Hefley
Kennelly
King (NY)
Lipinski
Livingston
Martinez
Moran (VA)
Parker
Pickering
Pitts
Poshard
Pryce (OH)
Snowbarger
Stupak
Tauzin
Waxman

□ 1421

So the Journal was approved.

The result of the vote was announced as above recorded.

REREFERRAL OF H.R. 4614, FEDERAL LAND TRANSFER IN NEW CASTLE, NEW HAMPSHIRE TO COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that the Committee on Transportation and Infrastructure be discharged from further consideration of the bill (H.R. 4614) to provide for the conveyance of Federal land in New Castle, New Hampshire to the town of New Castle, New Hampshire, and to require the release of certain restrictions with respect to land in such town, and that the bill be rereferred to the Committee on Government Reform and Oversight.

The SPEAKER pro tempore (Mr. PETRI). Is there objection to the request of the gentleman from Maryland?

Mr. CLEMENT. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Maryland (Mr. GILCHREST) to explain the request.

Mr. GILCHREST. Mr. Speaker, I make the request because H.R. 4614 directs the administrator of general services to convey this property and specifically waives section 203 of the Federal Property and Administrative Services Act of 1949.

Mr. CLEMENT. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1995

Mrs. CUBIN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Wyoming?

There was no objection.

PERSONAL EXPLANATION

Ms. LEE. Mr. Speaker, on September 14, I inadvertently voted "yea" on rollcall vote 428. I ask that the RECORD reflect I intended a "nay" vote on House Concurrent Resolution 254.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 105–764) on the resolution (H. Res. 567) waiving points of order against the conference report to accompany the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 567 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 567

Resolved, That up adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

SEC. 2. House Resolution 551 is laid on the table.

The SPEAKER pro tempore. The gentleman from New York (Mr. SOLOMON) is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the very distinguished gentleman from Dayton, Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule waives all points of order against the agriculture appropriations conference report in order to allow its prompt consideration today on the House floor. Today is the second day of fiscal year 1999, and it is important to get this conference report through Congress and on its way to the White House as soon as possible.

In order to further expedite the process, this rule provides that the conference report will be considered as read.

Finally the rule lays on the table the old rule providing for consideration of H.R. 4618, the separate agriculture emergency spending bill. The provisions of that bill have been incorporated in this conference report and, therefore, the old rule is no longer necessary.

Mr. Speaker, I want to commend the distinguished gentleman from New Mexico (Mr. SKEEN), chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, and the very distinguished gentlewoman from Ohio (Ms. KAPTUR), ranking minority member, for the long hours that they have put into producing this conference report.

I particularly want to thank them for upholding the 1995 farm bill as it concerns milk marketing orders, the lifeblood of every dairy farmer in America. This provision will prohibit the Department of Agriculture from changing the rules until we have gone through both a legislative and an appropriations cycle next year.

Mr. Speaker, the agricultural appropriations conference agreement provides necessary funding for agricultural programs and related programs, such as school lunch programs and assistance for Women, Infants and Children, the WIC program. It also provides for rural development.

I support the rule and the conference report it will permit this House to consider.

Mr. Speaker, I ask unanimous consent that the gentleman from Washington (Mr. HASTINGS) be allowed to manage the balance of my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume, and I thank my colleague, the gentleman from New York (Mr. SOLOMON), for yielding me the time.

As he explained, this rule waives all points of order against the conference report to accompany H.R. 4104, which is the agriculture appropriations bill. The bill appropriates funds for agriculture, rural development and food and nutrition programs.

This is one of the most important of the 13 appropriation bills that we pass each year. It contains funding to help American farmers, and it is the crops they grow which feed the world.

This bill also funds food and nutrition assistance programs for the Nation's poor and hungry, so it is not an exaggeration to say that the programs funded by this bill are life sustaining for millions of people in America and around the world.

Unfortunately, this bill does not go far enough. We have had a year of droughts and flooding and other natural disasters that has created a crisis on our Nation's farms. However, the emergency aid to farmers contained in this bill is too little to offset the massive crop loss. The conferees rejected a proposal to remove caps from loan rates, and this would have enabled farmers to receive an infusion of capital to pay bills while waiting for markets to rebound. Although we are blessed with a prosperous economy and a declining poverty rate, one out of every five American children still live in poverty, and 21 million of our citizens face hunger on a regular basis.

□ 1430

Emergency food needs have risen dramatically over the past 2 years, and private donations are not keeping pace with demand at our Nation's food banks. It is estimated that more than 15 percent of requests for emergency food are being turned down because of insufficient supplies.

This bill provides hunger relief for the poor through the emergency food assistance program known as TEFAP. The conference level for the program is $90 million, which represents a cut from the administration's request of $100 million. While I would like to have seen full funding, this level is better than the Senate bill, which appropriated only $80 million.

I am very grateful to the gentleman from New Mexico (Mr. SKEEN), the chairman of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies of the Committee on Appropriations for maintaining the funding at the higher level. He kept his word and I appreciate it.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. JOHNSON).

Mr. JOHNSON of Wisconsin. Mr. Speaker, I appreciate the gentleman yielding me this time.

Mr. Speaker, I rise today to vigorously oppose this rule because the agriculture appropriations bill continues to punish dairy farmers in Wisconsin and, indeed, across the Midwest.

For years the dairy producers in Wisconsin have been forced to work under an outdated dinosaur policy that our government calls the dairy policy. It is a policy that has disregarded the advance of time and transportation and technology. In spite of all the talk here about a global economy, the government has spent more than 60 years rewarding dairy farmers with higher prices based on the distance of their farm and their cows located from Eau Claire, Wisconsin. As a result, Wisconsin farmers who live and work in America's dairyland have struggled, and dairy producers elsewhere have thrived.

This Congress seems to like ripping up the government by the root, yet when it comes to dairy pricing, this Congress sticks with the status quo, even when the status quo penalizes the dairy farmers in Wisconsin and, indeed, in the Midwest.

Back in 1996, Wisconsin dairy farmers were promised real reform by April of 1999. And now, as the reform just nears, Congress backs out of the agreement and delays reform for another 6 months. We have waited long enough for dairy price reform. The delay has added insult to hard-working Wisconsin farmers.

And to make matters worse, the Congress has also agreed to extend the Northeast Dairy Compact, a cartel that gives further unfair leverage to farmers in the Northeast at the expense of those in the Midwest.

With our pricing system and this Northeast Compact, this Congress is pitting region against region and, unfortunately, farmer against farmer. The Senate was right to resist placing riders in the appropriations bill, but the House leadership used their back room tactics to negotiate an unfair position in this conference that is before us.

This bill represents not a forward movement but, I think, indeed a giant leap backward. I have said it before, the Congress wants a return to the Stone Ages of dairy policy, and I ask people to oppose this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Minnesota (Mr. MINGE).

Mr. MINGE. Mr. Speaker, I thank my colleague from Ohio for yielding me this time. I would also like to associate myself with the remarks of my colleague from Wisconsin.

The Minnesota-Wisconsin, or the M-W, price for milk is a price that we all know has been the lowest in the country. We have discriminated against the heart of America's dairy production for decades. A Congress which we thought was going to address these grievances has abandoned the principle of equity when it comes to dairy production in America and is driving this policy backwards. I think the time has come for us to make sure that all of our colleagues in the country understand what we are being asked to accept here this afternoon.

I would also like to address another aspect of this bill, and that is the emergency or the disaster assistance portion of the legislation. I also expect that most of us are now well aware that we have a combination of a crop production failure or yield failure, and a price collapse that is affecting much of American agriculture. Those crops that are hardest hit are wheat, corn, and oilseeds, particularly soybeans. Hog prices and cattle prices are also very low.

It is important that we take responsive measures to deal with this price collapse and the yield problems, and this bill does make a good start in that direction. However, I am very disappointed that on the price side of it we have chosen to put all of our eggs, so to speak, in one basket, and that is by inserting an additional AMTA, or transition payment, to agriculture.

These transition payments are the ones established in the '96 farm bill that replaced the old crop-specific subsidy programs. The disadvantages of using this transitional payment approach at this time are four, and I would like to briefly list them.

First, the amount of money for the typical American family farmer is nominal. A farmer in my district came up to me and said, and this fellow farms a fair amount of land, "I won't even be able to fill my tractor's tank with gasoline, or diesel fuel, for the amount of money I will be receiving." This is not an assist. This may well be interpreted by many American farmers as an insult. I think we should go back to the drawing board and reexamine that portion of the bill.

Secondly, oilseed production does not benefit at all from this approach. The transition payments do not include soybeans as base crops. So as a consequence, American soybean farmers are not being included, even though the collapse of soybean prices is one of the unfortunate conditions that they face. So the second consideration that I think counsels against this approach is the problem of not including oilseed, or specifically soybeans.

The third is, the U.S. Department of Agriculture has carefully examined the effectiveness of the transition payments in helping America's family farmers, especially those that are actually growing the crops as opposed to those that may have retired owning land, and they have determined that the transition payments have largely benefitted land ownership in the form of higher rents and higher land prices.

Query: Do we need to be investing more money for this type of benefit when we are trying to respond to our price disaster situation?

And finally, some ag economists, in looking at where commodity prices are headed, have indicated that cotton and rice does not appear to be suffering from the same price problems as the feed grains and wheat. If this is the case, query: Is this a good investment of the American taxpayer dollar, to send money out through the transition payments which benefit those crops as well as the ones where assistance is needed?

For these reasons, I submit that this committee ought to be reexamining the disaster program that it is bringing to the floor.

Mr. HALL of Ohio. Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to Section 2 of House Resolution 567, House Resolution 551 is laid on the table.

Mr. SKEEN. Mr. Speaker, pursuant to House Resolution 567, I call up the conference report on the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 567, the conference report is considered as having been read.

(For conference report and statement, see prior proceedings of the House of today.)

The SPEAKER pro tempore. The gentleman from New Mexico (Mr. SKEEN), and the gentlewoman from Ohio (Ms. Kaptur) each will control 30 minutes.

The Chair recognizes the gentleman from New Mexico (Mr. SKEEN).

GENERAL LEAVE

Mr. SKEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. SKEEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the House today the conference report on H.R. 4101, making appropriations for Agriculture, Rural Development, the Food and Drug Administration, and Related Agencies.

The House approved our bill on June the 24th by a vote of 373 to 48. This conference report has almost $55 million in additional discretionary spending which we have put into research, food safety and rural development.

Although the budget situation is extremely tight, we did manage to hold the higher House number of $90 million on The Emergency Food Assistance Program. WIC is fully funded to meet the expected participation levels, with a nearly $200 million carryover for emergencies. School lunch and school breakfast and the Child and Adult Food Program are all funded at the administration request.

The Food Safety Initiative is increased by almost $51.9 million over last year and the two main food safety agencies in the government, the Food and Drug Administration and the Food Safety and Inspection Service, have both received substantial increases.

Research, which is the foundation of our agricultural system, has strong support in this bill. The Agricultural Research Service is funded at $37 million over last year, and the Cooperative State Research, Education and Extension Service has a $61 million increase.

Many of our rural development programs remain at the same levels as the previous years, as requested by the administration. And, frankly, I think we need to do better next year. But in this bill we have been able to improve some of the most critical programs, such as water and sewer and farm labor housing.

I am sure that every Member is aware of the problems in rural America caused by the extreme weather, low prices and loss of important overseas markets. This bill also includes approximately $4.2 billion in emergency assistance to farmers, ranchers and fishermen for losses due to natural disasters and other emergencies.

And while I have highlighted some of the individual program increases, Mr. Speaker, I do not want to give the impression that we have reversed the course on spending. In fact, we have to deal with another very difficult budget situation and the discretionary spending level in this bill, $13.65 billion, is $100 million less than last year.

Mr. Speaker, I would say to my colleagues that every one of our constituents needs this bill every day of their lives. This bill delivers a safe and bountiful food supply. It supports feeding and nutrition programs for mothers, infants and senior citizens. And it ensures consumers of safe supplies of medicine and medical devices.

This bill also protects and enhances our soil and water resources, which are critical not only to rural areas but to suburban and urban areas as well. This bill not only serves farmers and ranchers, indeed, they get only a small percentage of the benefits in this bill. This bill serves all Americans, no matter where they live.

I deeply appreciate the help that Members from both sides of the aisle have given us in putting this bill together. It has always been a bipartisan effort and I want it to stay that way. I ask all to vote "aye" on this conference report.

Mr. Speaker, I provide for the RECORD tabular material regarding H.R. 4101:

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - AGRICULTURAL PROGRAMS						
Production, Processing, and Marketing						
Office of the Secretary	3,379,000	2,941,000	2,941,000	2,836,000	2,836,000	-543,000
Executive Operations:						
Chief Economist	5,048,000	5,823,000	5,973,000	5,048,000	5,620,000	+572,000
Commission on 21st Century Production Agriculture	...	350,000	...	...	...	...
National Appeals Division	11,718,000	13,297,000	12,204,000	11,718,000	11,718,000	...
Office of Budget and Program Analysis	5,986,000	6,045,000	6,120,000	5,986,000	6,120,000	+134,000
Office of the Chief Information Officer	4,773,000	7,222,000	5,551,000	5,551,000	5,551,000	+778,000
Total, Executive Operations	27,525,000	32,737,000	29,848,000	28,303,000	29,009,000	+1,484,000
Office of the Chief Financial Officer	4,283,000	4,562,000	4,283,000	4,283,000	4,283,000	...
Office of the Assistant Secretary for Administration	613,000	636,000	636,000	613,000	613,000	...
Agriculture buildings and facilities and rental payments	131,085,000	147,689,000	137,184,000	137,184,000	137,184,000	+6,099,000
Payments to GSA	(98,600,000)	(108,057,000)	(108,057,000)	(108,057,000)	(108,057,000)	(+9,457,000)
Building operations and maintenance	(24,785,000)	(24,127,000)	(24,127,000)	(24,127,000)	(24,127,000)	(-658,000)
Repairs, renovations, and construction	(5,000,000)	(15,505,000)	(5,000,000)	(5,000,000)	(5,000,000)	...
Relocation expenses	(2,700,000)	...	...	...	...	(-2,700,000)
Hazardous waste management	15,700,000	15,700,000	15,700,000	15,700,000	15,700,000	...
Departmental administration	29,231,000	32,168,000	32,168,000	27,034,000	32,168,000	+2,937,000
Outreach for socially disadvantaged farmers	3,000,000	10,000,000	3,000,000	3,000,000	3,000,000	...
Office of the Assistant Secretary for Congressional Relations	3,668,000	3,814,000	3,668,000	3,668,000	3,668,000	...
Office of Communications	8,138,000	8,319,000	8,138,000	8,138,000	8,138,000	...
Office of the Inspector General	63,128,000	87,689,000	67,178,000	63,128,000	65,128,000	+2,000,000
Office of the General Counsel	28,759,000	30,448,000	30,398,000	28,759,000	29,194,000	+435,000
Office of the Under Secretary for Research, Education and Economics	540,000	560,000	560,000	540,000	540,000	...
Economic Research Service	71,604,000	55,839,000	67,282,000	53,109,000	65,757,000	-5,847,000
National Agricultural Statistics Service	118,048,000	107,190,000	105,082,000	103,964,000	103,964,000	-14,084,000
Census of Agriculture	(36,327,000)	(23,741,000)	(23,141,000)	(23,599,000)	(23,599,000)	(-12,728,000)
Agricultural Research Service	744,382,000	776,828,000	755,816,000	768,221,000	781,950,000	+37,568,000
Buildings and facilities	80,630,000	35,900,000	61,380,000	31,930,000	56,437,000	-24,193,000
Total, Agricultural Research Service	825,012,000	812,728,000	817,196,000	800,151,000	838,387,000	+13,375,000
Cooperative State Research, Education, and Extension Service:						
Research and education activities	431,410,000	412,589,000	431,125,000	432,982,000	481,216,000	+49,806,000
Native American Institutions Endowment Fund	(4,600,000)	(4,600,000)	(4,600,000)	(4,600,000)	(4,600,000)	...
Extension activities	423,376,000	418,651,000	416,789,000	432,181,000	434,122,000	+10,746,000
Total, Cooperative State Research, Education, and Extension Service	854,786,000	831,240,000	847,914,000	865,163,000	915,338,000	+60,552,000
Office of the Assistant Secretary for Marketing and Regulatory Programs	618,000	642,000	642,000	618,000	618,000	...
Animal and Plant Health Inspection Service:						
Salaries and expenses	425,932,000	417,752,000	424,500,000	419,473,000	425,803,000	-129,000
AQI user fees	(88,000,000)	(100,000,000)	(88,000,000)	(88,000,000)	(88,000,000)	...
Buildings and facilities	4,200,000	5,200,000	5,200,000	4,200,000	7,700,000	+3,500,000
Total, Animal & Plant Health Inspection Service	430,132,000	422,952,000	429,700,000	423,673,000	433,503,000	+3,371,000
Agricultural Marketing Service:						
Marketing Services	46,567,000	58,469,000	46,567,000	45,567,000	46,000,000	-567,000
New user fees	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	...
(Limitation on administrative expenses, from fees collected)	(59,521,000)	(60,730,000)	(60,730,000)	(59,521,000)	(60,730,000)	(+1,209,000)
Funds for strengthening markets, income, and supply (transfer from section 32)	10,690,000	10,998,000	10,998,000	10,998,000	10,998,000	+308,000
Payments to states and possessions	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	...
Total, Agricultural Marketing Service	58,457,000	70,667,000	58,765,000	57,765,000	58,198,000	-259,000
Grain Inspection, Packers & Stockyards Administration	25,390,000	11,797,000	27,542,000	26,390,000	26,787,000	+1,397,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(43,092,000)	(42,557,000)	(42,557,000)	(42,557,000)	(42,557,000)	(-535,000)
Office of the Under Secretary for Food Safety	446,000	598,000	...	446,000	446,000	...
Food Safety and Inspection Service	588,761,000	149,566,000	609,250,000	605,149,000	609,250,000	+20,489,000
Lab accreditation fees 1/	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	...
Total, Production, Processing, and Marketing	3,292,303,000	2,840,480,000	3,299,073,000	3,259,614,000	3,383,709,000	+91,406,000
Farm Assistance Programs						
Office of the Under Secretary for Farm and Foreign Agricultural Services	572,000	597,000	597,000	572,000	572,000	...

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)—continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Farm Service Agency:						
Salaries and expenses	699,579,000	723,478,000	724,499,000	710,842,000	714,499,000	+14,920,000
(Transfer from export loans)	(589,000)	(672,000)	(589,000)	(589,000)	(589,000)	
(Transfer from P.L. 480)	(815,000)	(845,000)	(815,000)	(815,000)	(815,000)	
(Transfer from ACIF)	(209,861,000)	(227,673,000)	(209,861,000)	(209,861,000)	(209,861,000)	
Total, salaries and expenses	(910,844,000)	(952,668,000)	(935,764,000)	(922,107,000)	(925,764,000)	(+14,920,000)
State mediation grants	2,000,000	4,000,000	2,000,000	2,000,000	2,000,000	
Dairy indemnity program	550,000	450,000	450,000	450,000	450,000	-100,000
Total, Farm Service Agency	702,129,000	727,928,000	726,949,000	713,292,000	716,949,000	+14,820,000
Agricultural Credit Insurance Fund Program Account:						
Loan authorizations:						
Farm ownership loans:						
Direct	(78,320,000)	(85,000,000)	(75,000,000)	(85,649,000)	(85,651,000)	(+7,331,000)
Guaranteed	(425,000,000)	(425,031,000)	(425,031,000)	(425,000,000)	(425,031,000)	(+31,000)
Subtotal	(503,320,000)	(510,031,000)	(500,031,000)	(510,649,000)	(510,682,000)	(+7,362,000)
Farm operating loans:						
Direct	(565,000,000)	(500,000,000)	(500,000,000)	(560,472,000)	(500,000,000)	(-65,000,000)
Guaranteed unsubsidized	(992,906,000)	(1,700,000,000)	(1,276,000,000)	(992,906,000)	(948,276,000)	(-44,630,000)
Guaranteed subsidized	(235,000,000)	(200,000,000)	(200,000,000)	(235,000,000)	(200,000,000)	(-35,000,000)
Subtotal	(1,792,906,000)	(2,400,000,000)	(1,976,000,000)	(1,788,378,000)	(1,648,276,000)	(-144,630,000)
Indian tribe land acquisition loans	(1,000,000)	(1,003,000)	(1,000,000)	(1,000,000)	(1,000,000)	
Emergency disaster loans	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	
Boll weevil eradication loans	(53,467,000)	(30,000,000)	(100,000,000)	(40,000,000)	(100,000,000)	(+46,533,000)
Credit sales of acquired property	(25,000,000)	(25,000,000)	(25,000,000)			(-25,000,000)
Total, Loan authorizations	(2,400,693,000)	(2,991,034,000)	(2,627,031,000)	(2,365,027,000)	(2,284,958,000)	(-115,735,000)
Loan subsidies:						
Farm ownership loans:						
Direct	8,329,000	12,725,000	11,228,000	12,822,000	12,822,000	+4,493,000
Guaranteed	16,407,000	6,758,000	6,758,000	6,758,000	6,758,000	-9,649,000
Subtotal	24,736,000	19,483,000	17,986,000	19,580,000	19,580,000	-5,156,000
Farm operating loans:						
Direct	36,823,000	34,150,000	34,150,000	38,280,000	34,150,000	-2,673,000
Guaranteed unsubsidized	11,617,000	19,720,000	11,000,000	11,518,000	11,000,000	-617,000
Guaranteed subsidized	22,654,000	17,480,000	17,480,000	20,539,000	17,480,000	-5,174,000
Subtotal	71,094,000	71,350,000	62,630,000	70,337,000	62,630,000	-8,464,000
Indian tribe land acquisition	132,000	153,000	153,000	153,000	153,000	+21,000
Emergency disaster loans	6,008,000	5,900,000	5,900,000	5,900,000	5,900,000	-108,000
Boll weevil loans subsidy	472,000	432,000	1,440,000	576,000	1,440,000	+968,000
Credit sales of acquired property	3,255,000	3,260,000	3,260,000			-3,255,000
Total, Loan subsidies	105,697,000	100,578,000	91,369,000	96,546,000	89,703,000	-15,994,000
ACIF expenses:						
Salaries and expense (transfer to FSA)	209,861,000	227,673,000	209,861,000	209,861,000	209,861,000	
Administrative expenses	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	
Total, ACIF expenses	219,861,000	237,673,000	219,861,000	219,861,000	219,861,000	
Total, Agricultural Credit Insurance Fund	325,558,000	338,251,000	311,230,000	316,407,000	309,564,000	-15,994,000
(Loan authorization)	(2,400,693,000)	(2,991,034,000)	(2,627,031,000)	(2,365,027,000)	(2,284,958,000)	(-115,735,000)
Total, Farm Service Agency	1,027,687,000	1,066,179,000	1,038,179,000	1,029,699,000	1,026,513,000	-1,174,000
Risk Management Agency:						
Administrative and operating expenses	64,000,000	66,000,000	64,000,000	64,000,000	64,000,000	
Sales commission of agents	188,571,000					-188,571,000
Total, Risk Management Agency	252,571,000	66,000,000	64,000,000	64,000,000	64,000,000	-188,571,000
Total, Farm Assistance Programs	1,280,830,000	1,132,778,000	1,102,778,000	1,094,271,000	1,091,085,000	-189,745,000

·AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Corporations						
Federal Crop Insurance Corporation:						
Federal crop insurance corporation fund	1,584,135,000	1,504,036,000	1,504,036,000	1,504,036,000	1,504,036,000	-80,099,000
Commodity Credit Corporation Fund:						
Reimbursement for net realized losses	783,507,000	8,439,000,000	8,439,000,000	8,439,000,000	8,439,000,000	+7,655,493,000
Operations and maintenance for hazardous waste management (limitation on administrative expenses)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	
Total, Corporations	2,367,642,000	9,943,036,000	9,943,036,000	9,943,036,000	9,943,036,000	+7,575,394,000
Total, title I, Agricultural Programs	6,940,775,000	13,916,292,000	14,344,885,000	14,298,921,000	14,417,830,000	+7,477,055,000
(By transfer)	(211,265,000)	(229,190,000)	(211,265,000)	(211,265,000)	(211,265,000)	
(Loan authorization)	(2,400,693,000)	(2,991,034,000)	(2,827,031,000)	(2,365,027,000)	(2,284,958,000)	(-115,735,000)
(Limitation on administrative expenses)	(107,613,000)	(108,287,000)	(108,287,000)	(107,078,000)	(108,287,000)	(+674,000)
TITLE II - CONSERVATION PROGRAMS						
Office of the Under Secretary for Natural Resources and Environment	693,000	719,000	719,000	693,000	693,000	
Natural Resources Conservation Service:						
Conservation operations	632,853,000	742,231,000	641,243,000	638,664,000	641,243,000	+8,390,000
Watershed surveys and planning 2/	11,190,000		9,545,000	11,190,000	10,368,000	-822,000
Watershed and flood prevention operations 3/	101,036,000	49,000,000	97,850,000	101,036,000	99,443,000	-1,593,000
Resource conservation and development	34,377,000	34,377,000	35,000,000	34,377,000	35,000,000	+623,000
Forestry incentives program	6,325,000			6,325,000	6,325,000	
Total, Natural Resources Conservation Service	785,781,000	825,608,000	783,638,000	791,592,000	792,379,000	+6,598,000
Total, title II, Conservation Programs	786,474,000	826,327,000	784,357,000	792,285,000	793,072,000	+6,598,000
TITLE III - RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS						
Office of the Under Secretary for Rural Development	588,000	611,000	611,000	588,000	588,000	
Rural community advancement program	652,197,000	715,172,000	746,172,000	702,801,000	722,686,000	+70,489,000
Delta region economic development program		26,000,000				
Rural Housing Service:						
Rural Housing Insurance Fund Program Account:						
Loan authorizations:						
Single family (sec. 502)	(1,000,000,000)	(1,000,000,000)	(930,800,000)	(1,000,000,000)	(965,313,000)	(-34,687,000)
Unsubsidized guaranteed	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	(3,000,000,000)	
Housing repair (sec. 504)	(30,000,000)	(25,001,000)	(25,001,000)	(30,000,000)	(25,001,000)	(-4,999,000)
Farm labor (sec. 514)	(15,000,000)	(32,108,000)	(20,000,000)	(15,758,000)	(20,000,000)	(+5,000,000)
Rental housing (sec. 515)	(128,640,000)	(100,000,000)	(100,000,000)	(128,640,000)	(114,321,000)	(-14,319,000)
Multi-family housing guarantees (sec. 538)	(19,700,000)	(150,000,000)	(125,000,000)	(75,000,000)	(100,000,000)	(+80,300,000)
Site loans (sec. 524)	(600,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,152,000)	(+4,552,000)
Credit sales of acquired property	(25,000,000)	(30,007,000)	(25,000,000)	(25,000,000)	(16,930,000)	(-8,070,000)
Self-help housing land development fund	(587,000)	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(+4,413,000)
Total, Loan authorizations	(4,219,527,000)	(4,347,116,000)	(4,235,801,000)	(4,284,398,000)	(4,251,717,000)	(+32,190,000)
Loan subsidies:						
Single family (sec. 502)	128,100,000	118,200,000	110,000,000	118,200,000	114,100,000	-14,000,000
Unsubsidized guaranteed	6,900,000	2,700,000	2,700,000	2,700,000	2,700,000	-4,200,000
Housing repair (sec. 504)	10,300,000	8,808,000	8,808,000	10,569,000	8,808,000	-1,492,000
Multi-family housing guarantees (sec. 538)	1,200,000	3,460,000	2,900,000	1,740,000	2,320,000	+1,120,000
Farm labor (sec. 514)	7,388,000	16,708,000	10,406,000	8,199,000	10,406,000	+3,018,000
Rental housing (sec. 515)	68,745,000	48,250,000	48,250,000	62,069,000	55,160,000	-13,585,000
Site loans (sec. 524)		17,000	17,000	16,000	17,000	+17,000
Credit sales of acquired property	3,492,000	4,672,000	3,492,000	3,826,000	3,492,000	
Self-help housing land development fund	17,000	282,000	282,000	282,000	282,000	+265,000
Total, Loan subsidies	226,142,000	203,115,000	186,855,000	207,601,000	197,285,000	-28,857,000
RHIF administrative expenses (transfer to RHS)	354,785,000	367,857,000	354,785,000	360,785,000	360,785,000	+6,000,000
Rental assistance program:						
(Sec. 521)	535,497,000	577,497,000	577,497,000	577,497,000	577,497,000	+42,000,000
(Sec. 502(c)(5)(D))	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000	
Total, Rental assistance program	541,397,000	583,397,000	583,397,000	583,397,000	583,397,000	+42,000,000
Total, Rural Housing Insurance Fund	1,122,324,000	1,154,369,000	1,125,037,000	1,151,783,000	1,141,467,000	+19,143,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,235,801,000)	(4,284,398,000)	(4,251,717,000)	(+32,190,000)
Mutual and self-help housing grants	26,000,000	26,000,000	26,000,000	26,000,000	26,000,000	
Rural community fire protection grants	2,000,000					-2,000,000
Rural housing assistance grants	45,720,000	46,900,000	41,000,000	45,720,000	41,000,000	-4,720,000
Subtotal, grants and payments	73,720,000	72,900,000	67,000,000	71,720,000	67,000,000	-6,720,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)—continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
RHS expenses:						
Salaries and expenses	57,958,000	60,978,000	57,958,000	60,978,000	60,978,000	+3,020,000
(Transfer from RHIF)	(354,785,000)	(367,857,000)	(354,785,000)	(360,785,000)	(360,785,000)	(+6,000,000)
Total, RHS expenses	(412,743,000)	(428,835,000)	(412,743,000)	(421,763,000)	(421,763,000)	(+9,020,000)
Total, Rural Housing Service	1,254,002,000	1,288,247,000	1,249,995,000	1,284,481,000	1,269,445,000	+15,443,000
(Loan authorization)	(4,219,527,000)	(4,347,116,000)	(4,235,601,000)	(4,284,398,000)	(4,251,717,000)	(+32,190,000)
Rural Business-Cooperative Service:						
Rural Development Loan Fund Program Account:						
(Loan authorization)	(35,000,000)	(35,000,000)	(35,000,000)	(33,000,000)	(33,000,000)	(-2,000,000)
Loan subsidy	16,888,000	17,622,000	17,622,000	16,615,000	16,615,000	-273,000
Administrative expenses (transfer to RBCS)	3,482,000	3,547,000	3,499,000	3,482,000	3,482,000	....
Total, Rural Development Loan Fund	20,370,000	21,169,000	21,121,000	20,097,000	20,097,000	-273,000
Rural Economic Development Loans Program Account:						
(Loan authorization)	(25,000,000)	(15,000,000)	(15,000,000)	(23,000,000)	(15,000,000)	(-10,000,000)
Direct subsidy	5,978,000	3,783,000	3,783,000	5,801,000	3,783,000	-2,195,000
Alternative Agricultural Research and Commercialization Revolving Fund	7,000,000	10,000,000	....	7,000,000	3,500,000	-3,500,000
Rural cooperative development grants	3,000,000	5,700,000	3,300,000	3,000,000	3,300,000	+300,000
RBCS expenses:						
Salaries and expenses	25,680,000	26,396,000	25,680,000	25,680,000	25,680,000	....
(Transfer from RDLFP)	(3,482,000)	(3,547,000)	(3,499,000)	(3,482,000)	(3,482,000)	....
Total, RBCS expenses	(29,162,000)	(29,943,000)	(29,179,000)	(29,162,000)	(29,162,000)	....
Total, Rural Business-Cooperative Service	62,028,000	67,048,000	53,884,000	61,578,000	56,360,000	-5,668,000
(By transfer)	(3,482,000)	(3,547,000)	(3,499,000)	(3,482,000)	(3,482,000)	....
(Loan authorization)	(60,000,000)	(50,000,000)	(50,000,000)	(56,000,000)	(48,000,000)	(-12,000,000)
Rural Utilities Service:						
Rural Electrification and Telecommunications Loans Program Account:						
Loan authorizations:						
Direct loans:						
Electric 5%	(125,000,000)	(55,000,000)	(71,500,000)	(71,500,000)	(71,500,000)	(-53,500,000)
Telecommunications 5%	(75,000,000)	(50,000,000)	(75,000,000)	(75,000,000)	(75,000,000)	....
Subtotal	(200,000,000)	(105,000,000)	(146,500,000)	(146,500,000)	(146,500,000)	(-53,500,000)
Treasury rates: Telecommunications	(300,000,000)	(300,000,000)	(300,000,000)	(250,000,000)	(300,000,000)	....
Muni-rate: Electric	(500,000,000)	(250,000,000)	(295,000,000)	(295,000,000)	(295,000,000)	(-205,000,000)
FFB loans:						
Electric, regular	(300,000,000)	(300,000,000)	(700,000,000)	(700,000,000)	(700,000,000)	(+400,000,000)
Telecommunications	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	(120,000,000)	....
Subtotal	(420,000,000)	(420,000,000)	(820,000,000)	(820,000,000)	(820,000,000)	(+400,000,000)
Total, Loan authorizations	(1,420,000,000)	(1,075,000,000)	(1,561,500,000)	(1,511,500,000)	(1,561,500,000)	(+141,500,000)
Loan subsidies:						
Direct loans:						
Electric 5%	9,325,000	7,172,000	9,325,000	9,325,000	9,325,000	....
Telecommunications 5%	2,940,000	4,895,000	7,342,000	7,342,000	7,342,000	+4,402,000
Subtotal	12,265,000	12,067,000	16,667,000	16,667,000	16,667,000	+4,402,000
Treasury rates: Telecommunications	60,000	810,000	810,000	675,000	810,000	+750,000
Muni-rate: Electric	21,100,000	21,900,000	25,842,000	25,842,000	25,842,000	+4,742,000
FFB loans: Electric, regular	2,760,000	....	....	....	....	-2,760,000
Total, Loan subsidies	36,185,000	34,777,000	43,319,000	43,184,000	43,319,000	+7,134,000
RETLP administrative expenses (transfer to RUS)	29,982,000	32,000,000	29,982,000	29,982,000	29,982,000	....
Total, Rural Electrification and Telecommunications Loans Program Account	66,167,000	66,777,000	73,301,000	73,166,000	73,301,000	+7,134,000
(Loan authorization)	(1,420,000,000)	(1,075,000,000)	(1,561,500,000)	(1,511,500,000)	(1,561,500,000)	(+141,500,000)
Rural Telephone Bank Program Account:						
(Loan authorization)	(175,000,000)	(175,000,000)	(175,000,000)	(140,000,000)	(157,509,000)	(-17,491,000)
Direct loan subsidy	3,710,000	4,638,000	4,638,000	3,710,000	4,174,000	+464,000
RTP administrative expenses (transfer to RUS)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	....
Total	6,710,000	7,638,000	7,638,000	6,710,000	7,174,000	+464,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Distance learning and telemedicine program:						
(Loan authorization)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	(150,000,000)	
Direct loan subsidy	30,000	180,000	180,000	180,000	180,000	+150,000
Grants	12,500,000	15,000,000	10,000,000	12,500,000	12,500,000	
Total	12,530,000	15,180,000	10,180,000	12,680,000	12,680,000	+150,000
RUS expenses:						
Salaries and expenses	33,000,000	33,445,000	33,000,000	33,000,000	33,000,000	
(Transfer from RETLP)	(29,982,000)	(32,000,000)	(29,982,000)	(29,982,000)	(29,982,000)	
(Transfer from RTP)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)	
Total, RUS expenses	(65,982,000)	(68,445,000)	(65,982,000)	(65,982,000)	(65,982,000)	
Total, Rural Utilities Service	118,407,000	123,040,000	124,119,000	125,556,000	126,155,000	+7,748,000
(By transfer)	(32,982,000)	(35,000,000)	(32,982,000)	(32,982,000)	(32,982,000)	
(Loan authorization)	(1,745,000,000)	(1,400,000,000)	(1,886,500,000)	(1,801,500,000)	(1,869,009,000)	(+124,009,000)
Total, title III, Rural Economic and Community Development Programs	2,087,222,000	2,220,118,000	2,173,781,000	2,174,804,000	2,175,234,000	+88,012,000
(By transfer)	(391,249,000)	(406,404,000)	(391,268,000)	(397,249,000)	(397,249,000)	(+6,000,000)
(Loan authorization)	(6,024,527,000)	(5,797,116,000)	(6,172,101,000)	(6,141,896,000)	(6,168,726,000)	(+144,199,000)
TITLE IV - DOMESTIC FOOD PROGRAMS						
Office of the Under Secretary for Food, Nutrition and Consumer Services	554,000	573,000		554,000	554,000	
Food and Consumer Service:						
Child nutrition programs	2,612,675,000	3,887,703,000	4,166,747,000	4,171,747,000	4,128,747,000	+1,516,072,000
Discretionary spending	3,750,000	10,000,000	3,750,000			-3,750,000
Transfer from section 32	5,151,391,000	5,332,194,000	5,048,150,000	5,048,150,000	5,048,150,000	-103,241,000
Total, Child nutrition programs	7,767,816,000	9,229,897,000	9,218,647,000	9,219,897,000	9,176,897,000	+1,409,081,000
Special supplemental nutrition program for women, infants, and children (WIC)	3,924,000,000	4,081,000,000	3,924,000,000	3,948,000,000	3,924,000,000	
Reserve		(20,000,000)				
Food stamp program:						
Expenses	23,736,479,000	22,365,806,000	21,165,806,000	22,365,806,000	21,159,106,000	-2,577,373,000
Reserve	100,000,000	1,000,000,000	100,000,000	100,000,000	100,000,000	
Nutrition assistance for Puerto Rico	1,204,000,000	1,236,000,000	1,236,000,000	1,236,000,000	1,236,000,000	+32,000,000
The emergency food assistance program	100,000,000	100,000,000	90,000,000	80,000,000	90,000,000	-10,000,000
Total, Food stamp program	25,140,479,000	24,701,806,000	22,591,806,000	23,781,806,000	22,585,106,000	-2,555,373,000
Commodity assistance program	141,000,000	317,081,000	141,000,000	141,000,000	131,000,000	-10,000,000
Food donations programs for selected groups:						
Needy family program	1,165,000		1,081,000	1,081,000	1,081,000	-84,000
Elderly feeding program	140,000,000		140,000,000	140,000,000	140,000,000	
Total, Food donations programs 4/	141,165,000		141,081,000	141,081,000	141,081,000	-84,000
Food program administration	107,505,000	111,848,000	108,311,000	109,069,000	108,561,000	+1,056,000
Total, Food and Consumer Service	37,221,965,000	38,441,632,000	36,124,845,000	37,340,853,000	36,066,645,000	-1,155,320,000
Total, title IV, Domestic Food Programs	37,222,519,000	38,442,205,000	36,124,845,000	37,341,407,000	36,067,199,000	-1,155,320,000
TITLE V - FOREIGN ASSISTANCE AND RELATED PROGRAMS						
Foreign Agricultural Service and General Sales Manager:						
Direct appropriation	131,295,000	141,087,000	131,295,000	131,795,000	136,203,000	+4,908,000
(Transfer from export loans)	(3,231,000)	(3,413,000)	(3,231,000)	(3,231,000)	(3,231,000)	
(Transfer from P.L. 480)	(1,035,000)	(1,093,000)	(1,035,000)	(1,035,000)	(1,035,000)	
Total, Program level	(135,561,000)	(145,593,000)	(135,561,000)	(136,061,000)	(140,469,000)	(+4,908,000)
Public Law 480 Program and Grant Accounts:						
Title I - Credit sales:						
Program level	(244,508,000)	(111,558,000)	(197,514,000)	(221,083,000)	(219,724,000)	(-24,784,000)
Direct loans	(226,900,000)	(102,163,000)	(182,624,000)	(203,475,000)	(203,475,000)	(-23,425,000)
Ocean freight differential	17,608,000	9,395,000	14,890,000	17,608,000	16,249,000	-1,359,000
Title II - Commodities for disposition abroad:						
Program level	(837,000,000)	(837,000,000)	(837,000,000)	(837,000,000)	(837,000,000)	
Appropriation	837,000,000	837,000,000	837,000,000	837,000,000	837,000,000	
Title III - Commodity grants:						
Program level	(30,000,000)	(30,000,000)	(25,000,000)	(30,000,000)	(25,000,000)	(-5,000,000)
Appropriation	30,000,000	30,000,000	25,000,000	30,000,000	25,000,000	-5,000,000
Loan subsidies	178,596,000	88,667,000	158,499,000	178,596,000	178,596,000	

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Salaries and expenses:						
General Sales Manager (transfer to FAS)	1,035,000	1,093,000	1,035,000	1,035,000	1,035,000	
Farm Service Agency (transfer to FSA)	815,000	845,000	815,000	815,000	815,000	
Subtotal	1,850,000	1,938,000	1,850,000	1,850,000	1,850,000	
Total, Public Law 480:						
Program level	(1,111,508,000)	(978,558,000)	(1,059,514,000)	(1,088,083,000)	(1,081,724,000)	(-29,784,000)
Appropriation	1,063,054,000	987,000,000	1,037,239,000	1,063,054,000	1,056,695,000	-6,359,000
CCC Export Loans Program Account:						
Export credit: Loan subsidy	407,630,000	253,000,000	252,500,000			-407,630,000
(Loan authorization)	(5,500,000,000)	(4,615,000,000)	(4,615,000,000)			(-5,500,000,000)
Emerging markets export credit	(200,000,000)					(-200,000,000)
Salaries and expenses (Export Loans):						
General Sales Manager (transfer to FAS)	3,231,000	3,413,000	3,231,000	3,231,000	3,231,000	
Farm Service Agency (transfer to FSA)	589,000	672,000	589,000	589,000	589,000	
Total, CCC Export Loans Program Account	411,450,000	257,085,000	256,320,000	3,820,000	3,820,000	-407,630,000
Total, title V, Foreign Assistance and Related Programs	1,605,799,000	1,365,172,000	1,424,854,000	1,196,669,000	1,196,718,000	-409,081,000
(By transfer)	(4,266,000)	(4,506,000)	(4,266,000)	(4,266,000)	(4,266,000)	
TITLE VI - RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Food and Drug Administration						
Salaries and expenses, direct appropriation	857,501,000	878,884,000	871,499,000	940,367,000	965,867,000	+108,366,000
Prescription drug user fee act	(117,122,000)	(126,845,000)	(126,845,000)	(132,273,000)	(132,273,000)	(+15,151,000)
Mammography clinics user fee	(13,966,000)	(14,385,000)	(14,385,000)	(14,385,000)	(14,385,000)	(+419,000)
Subtotal, program level	(988,589,000)	(1,020,114,000)	(1,012,729,000)	(1,087,025,000)	(1,112,525,000)	(+123,936,000)
Buildings and facilities	21,350,000	8,350,000	11,350,000	12,350,000	11,350,000	-10,000,000
Rental payments (FDA)	46,294,000	82,866,000	82,866,000			-46,294,000
By transfer from PDUFA		(5,428,000)	(5,428,000)			
Subtotal, program level	(46,294,000)	(88,294,000)	(88,294,000)			(-46,294,000)
Total, Food and Drug Administration	925,145,000	970,100,000	965,715,000	952,717,000	977,217,000	+52,072,000
DEPARTMENT OF THE TREASURY						
Financial Management Service: Payments to the Farm Credit System Financial Assistance Corporation	7,728,000	2,565,000	2,565,000	2,565,000	2,565,000	-5,163,000
INDEPENDENT AGENCIES						
Commodity Futures Trading Commission	58,101,000	63,360,000	62,140,000	61,000,000	61,000,000	+2,899,000
Farm Credit Administration (limitation on administrative expenses)	(34,423,000)	(35,800,000)	(35,800,000)		(35,800,000)	(+1,377,000)
Total, title VI, Related Agencies and Food and Drug Administration	990,974,000	1,036,025,000	1,030,420,000	1,016,282,000	1,040,782,000	+49,808,000
TITLE VII - EMERGENCY APPROPRIATIONS						
DEPARTMENT OF AGRICULTURE						
Farm Service Agency						
Emergency conservation program	34,000,000					-34,000,000
Tree assistance program	14,000,000					-14,000,000
Agricultural Credit Insurance Fund Program Account:						
Emergency insured loans:						
Loan subsidy	21,000,000					-21,000,000
(Loan authorization)	(87,400,000)					(-87,400,000)
Total, Farm Service Agency	69,000,000					-69,000,000
Commodity Credit Corporation						
Livestock disaster assistance fund	4,000,000					-4,000,000
Dairy production indemnity assistance program	6,800,000					-6,800,000
Total, Commodity Credit Corporation	10,800,000					-10,800,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Natural Resources Conservation Service						
Watershed and flood prevention operations	80,000,000					-80,000,000
Total, title VII, Emergency appropriations	159,800,000					-159,800,000
TITLE XI - EMERGENCY APPROPRIATIONS						
DEPARTMENT OF AGRICULTURE						
Farm Service Agency						
Salaries and expenses		40,000,000			40,000,000	+40,000,000
Agricultural Credit Insurance Fund Program Account:						
Loan authorizations:						
Farm operating loans:						
Direct					(133,806,000)	(+133,806,000)
Guaranteed unsubsidized					(150,000,000)	(+150,000,000)
Guaranteed subsidized					(156,704,000)	(+156,704,000)
Total, Loan authorizations					(440,510,000)	(+440,510,000)
Loan subsidies:						
Farm operating loans:						
Direct		15,969,000			15,969,000	+15,969,000
Guaranteed unsubsidized		1,740,000			1,740,000	+1,740,000
Guaranteed subsidized		13,696,000			13,696,000	+13,696,000
Total, Agricultural Credit Insurance Fund		31,405,000			31,405,000	+31,405,000
(Loan authorization)					(440,510,000)	(+440,510,000)
Total, Farm Service Agency		71,405,000			71,405,000	+71,405,000
Federal Crop Insurance Corporation						
Federal crop insurance corporation fund		1,545,000,000				
Purchase requirement					66,000,000	+66,000,000
Commodity Credit Corporation						
Natural disasters					1,500,000,000	+1,500,000,000
Multi-year losses					675,000,000	+675,000,000
Livestock disaster assistance fund		85,000,000			175,000,000	+175,000,000
Multi-year flooding		50,000,000				
Market loss					1,650,000,000	+1,650,000,000
Total, Commodity Credit Corporation		135,000,000			4,066,000,000	+4,066,000,000
Natural Resources Conservation Service						
Forestry incentives program					10,000,000	+10,000,000
Forest Service						
State and private forestry		10,000,000				
Total, title XI, emergency appropriations		1,761,405,000			4,147,405,000	+4,147,405,000
TITLE XIII - EMERGENCY APPROPRIATIONS						
DEPARTMENT OF AGRICULTURE						
Office of the Secretary (cotton warehouse)					5,000,000	+5,000,000
Federal Crop Insurance Corporation						
Federal crop insurance corporation fund (raisins)					3,000,000	+3,000,000
Commodity Credit Corporation						
Economic loss (Alaska)					50,000,000	+50,000,000
Honey					1,000,000	+1,000,000
Mohair fiber					27,000,000	+27,000,000
Total, Commodity Credit Corporation					78,000,000	+78,000,000
Foreign Agricultural Service and General Sales Manager						
Food for progress					25,000,000	+25,000,000
Total, title XIII, emergency appropriations					111,000,000	+111,000,000

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS BILL, 1999 (H.R. 4101)— continued

	FY 1998 Enacted	FY 1999 Estimate	House	Senate	Conference	Conference compared with enacted
Grand total:						
New budget (obligational) authority	49,793,563,000	59,567,544,000	55,883,142,000	56,820,368,000	59,949,240,000	+10,155,677,000
Appropriations	(49,633,763,000)	(57,806,139,000)	(55,883,142,000)	(56,820,368,000)	(55,690,835,000)	(+6,057,072,000)
Emergency appropriations	(159,800,000)	(1,761,405,000)			(4,258,405,000)	(+4,098,605,000)
(By transfer)	(606,780,000)	(640,100,000)	(606,797,000)	(612,780,000)	(612,780,000)	(+6,000,000)
(Loan authorization)	(14,012,620,000)	(13,403,150,000)	(13,414,132,000)	(8,506,925,000)	(8,894,194,000)	(-5,118,426,000)
(Limitation on administrative expenses)	(142,036,000)	(144,087,000)	(144,087,000)	(107,078,000)	(144,087,000)	(+2,051,000)

1/ In addition to appropriation.

2/ Budget proposes to fund this account under Conservation Operations.

3/ Budget proposes to fund technical assistance for WFPO under Conservation Operations.

4/ Budget proposes to include funding for these programs under the Commodity Assistance Program in FY 1998.

Mr. SKEEN. Mr. Speaker, I reserve the balance of my time.

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of this conference report on H.R. 4101, which is the 1999 appropriations bill for Agriculture and Related Agencies.

Mr. Speaker, I want to say how pleased we are today also that our fine and distinguished colleague, the gentleman from the State of Texas (Mr. HENRY GONZALEZ), is here for this debate, and how very much we enjoy working with him on every single issue that comes before the Nation.

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Mr. Speaker, I rise today to commend our chairman, the gentleman from New Mexico (Mr. SKEEN), and as well as all the members of our subcommittee, and the committee staff, Tim, Sally, and Bobby, for their outstanding leadership in helping us put this bill together.

Without question, it keeps our Nation at the leading edge for food, fiber, fuel, and forest production as well as research, trade, and food safety. Really a full plate. Our bill contains this year $55.88 billion in total budget authority for the fiscal year 1999, where the clock has already begun running, of which $13.65 billion is for discretionary programs, with the vast majority, $42.2 billion, for mandatory programs.

Over two-thirds of this bill's spending, in fact, is dedicated to mandatory programs, largely the nutrition programs, like the school lunch and the school breakfast programs and the food stamp program, which comprise nearly 70 percent of all the funding incorporated in this measure.

Now, this is a balanced bill that attempts to address the needs of farmers, food and drug safety, rural community development, consumers, and those in our population most nutritionally at risk. The chairman has fashioned a bill with our committee that is the best possible bill within the allocation that we were all dealt.

I have to say, I appreciate the bipartisanship and sensitivity of the gentleman from New Mexico (Mr. SKEEN) to balancing the burden of these tight funding levels between various constituencies served by our bill, Members who may represent Bronx, New York, all the way to the southern third of New Mexico and Arizona. So we have a very diverse committee and a very diverse Congress.

I would be remiss if I did not point out that there remains a veto threat on this bill because of the level provided for disaster assistance in agriculture. I would hope that there would be another opportunity for this Congress to perhaps incorporate additional disaster assistance in an omnibus supplemental appropriations bill.

Funding levels are also still well below the administration's request for several of our most critically important programs in this bill. For example, in the area of food safety; the Women, Infants, and Children's feeding program; our conservation program, so important to today and tomorrow; youth tobacco prevention; all of the rural water and sewer needs that each of us knows so well from our respective States, and certainly The Emergency Feeding and Assistance Program known as TEFAP.

Without an additional allocation of resources, we continue to betray our commitment to American farmers and to all consumers who benefit from the bounty that our farmers produce.

I am going to reference a few of the major points in the bill right now, beginning with disaster assistance.

Mr. Speaker, there is a real crisis facing most American farmers in rural communities today, and many have been unduly affected by the drought and other extreme and unusual weather conditions. Some are suffering the impact of repeated crop disease year after year, and others have been impacted by very low farm prices, falling farm prices, and increasing inability to obtain credit at prices that really work on the balance sheet.

While the rest of the country may be experiencing economic recovery, thousands and thousands of farm and ranch families, certainly so many of our dairy farmers that the gentleman from Wisconsin (Mr. OBEY), our ranking member, has so eloquently represented in these debates, and the communities that depend on them have been left behind. The gentleman from Wisconsin (Mr. JOHNSON) just talked about that a bit earlier during the debate on the rule.

I am pleased that we were able to provide over $4 billion in emergency assistance to farmers in this conference report, but I remain concerned that this level of funding still remains insufficient to deal with the magnitude of the real farm crisis facing this country. We must keep in mind that this bill will provide only a 1-year fix and that prices are projected to be low again next year.

In fact, at a meeting earlier today, one of our Ohio members told me he had taken his third cutting on hay and alfalfa. That is terrific, except it means that prices are going to continue to go down. Farmers need a long-term safety net and we may need to look to other options for assistance in the future.

Let me move on to the area of food safety. Each year over 9,000 Americans die, that is 9,000, die in this country and another 33 million become ill from food-borne pathogens. Currently less than two-tenths of 1 percent, less than 1 percent of imported produce is being inspected for pathogen contamination.

This bill provides a $51 million increase for the President's Food Safety Initiative, and we thank the administration for that initiative, with $20 million targeted to import inspection through our Food and Drug Administration. This will go a long way toward bolstering our Nation's food safety inspection and research efforts to assure that our food and produce are of higher quality.

I regret, however, that the conferees were unable to adopt country-of-origin labeling for produce and meat, specifically beef and lamb, which we feel is so important for our people to know where their food is coming from. Consumers have a right to know where the food that they eat originates from.

Let me move on, finally, to the area of derivatives and say I remain concerned about a provision in the bill that places a moratorium on the ability of the Commodity Futures Trading Corporation to regulate over-the-counter derivatives.

We have all seen in the recent headlines the default and bailout of the company called Long-Term Capital Management, which in essence was a hedge fund. They play in the area of risk with no assets. Many of the Members in this Chamber may already know about this situation. An emergency financial rescue of over $3.5 billion was hurriedly put together by the Federal Reserve and several New York banks on behalf of a very few large financial institutions and wealthy individuals.

In effect, the largest banks in this country, who lent organizations money to invest in these hedge funds, are at risk because their fundamental deposits are insured by the Federal Deposit Insurance Corporation, which means the taxpayers of this country, because our Nation guarantees bank deposits up to $100,000. That creates the risk pool for insurance, and they are going to be faced with drawing on it very heavily if they are not able to make whole the people who play in those markets.

This federally backed rescue involved Long-Term Capital Management from Connecticut, which was not even regulated by the Federal Government. Yet the package put together was a Federal package. In essence, the taxpayers of America are becoming the insurance company of last resort for a handful of very high risk takers, institutions and individuals that are involved in the highest stakes game and are completely over-leveraged in the international markets.

Mr. Speaker, where are we, where is this Congress and where is our government when it comes to helping out all of the people of this land, including our farmers who are strung out, many of them, to their very last acre?

I find it ironic that this conference report includes nearly $4 billion in emergency assistance for America's farmers, barely much more than is being provided to some of America's wealthiest individuals and largest institutions connected to long-term capital management. It is an interesting ratio to think about.

Drought and floods and deteriorating world markets are ravaging America's farm sector. Our dairy farmers are being wiped out one after another, and regularly we see on television incidents and acts of God beyond the control of those who are making a living, a hard and difficult living, off the land. Thousands and thousands of farmers and farm families and ranchers are looking to us for this much needed assistance.

Those who speculate on financial trends, those who take major risks and never get their hands dirty, based on which direction currency and commodity prices will go, are taken care of in an instant. One could say that they are bailed out in less than a New York minute by the New York Fed's intervention.

In closing, I want to express my appreciation to the gentleman from New Mexico (Mr. SKEEN) again for putting together the best bill that we could under the circumstances.

Let me just reiterate my continuing concern that we have not been able to provide in this bill country-of-origin labeling on meat, especially beef and lamb. Also, our hope to provide some certainty in the market, for mandatory price reporting in the livestock area, which would be such a simple thing for us to do, it was not included in this legislation. Those are shortcomings in this bill that we hope to overcome in future years.

Overall, it is a good bill. It is worthy of the Members' support.

Mr. Speaker, I reserve the balance of my time.

Mr. SKEEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to return the bouquet to the lady, the gentlewoman from Ohio (Ms. KAPTUR), the ranking member, and thank her for all the service and the help that she has been, and also the rest of the members of the committee. They are a great bunch to work with.

Mr. Speaker, I yield 4 minutes to the gentleman from Oregon (Mr. SMITH), who is chairman of the Committee on Agriculture.

Mr. SMITH of Oregon. Mr. Speaker, I want to compliment the gentleman from New Mexico (Mr. SKEEN) and the ranking member for bringing forth a responsible and reasonable package that is in favor of agriculture across this country, but especially I want to visit for a moment about the disaster relief which is a portion of this program.

Seldom in our history have we ever had a situation that has occurred to us in agriculture as it has in this year, and that simply is drought and flood and disaster conditions throughout much of the country, especially in the South, and a loss of revenue at the same time which was caused by loss of markets.

The problems that we face with disasters, of course, we cannot control, and we have stepped up here today with this program, which certainly is not adequate to fulfill all the needs of farmers and ranchers but certainly will take care of many, many of the problems in disaster as we have been able to identify them around the country.

The other portion of this bill, which is brand new to us, is the restoration of some revenue loss because of market loss. The reason we are doing that is simply because it is the government's responsibility, we feel, to provide markets for agriculture and for farmers and for commodities.

We passed the 1996 Freedom in Farm bill which said no more intervention by the Federal Government in commodities, which gave freedom for the farmer to plant and to harvest and to decide his own fate and future. As a part of that, we also gave the responsibility to the government to provide markets for his products, and that he cannot provide markets for, obviously.

That has been attempted, and we have simply lost that race for the moment. We have lost 30 percent of our market in Asia, as we well know. Japan, which is a huge market for us, is fumbling in economic, questionable situations. South America is combining with their own programs, through MERCOUR and others, to trade with themselves. And we cannot get any commodities into the European Union. So here we are.

This is an adequate and important program for revenue redistribution, and that is why $1.65 billion has been returned through increased AMTA payments to farmers who have lost revenue, who have lost some of their crops through loss of revenue. A part of that, of course, is a recognition that livestock feed is important, and part of this disaster relief goes to emergency feed for livestock people.

All in all, Mr. Speaker, I believe that this program is fair, it is reasonable. It answers farmers' questions, wherever they may be in this country, whatever kind of commodities and crops they may grow. And beyond that, it is fair to the taxpayer and to the budget.

I suggest that we pass this bill. It is important to us. It is important to farmers and it is essential to this nation.

Ms. KAPTUR. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. STENHOLM) the very distinguished ranking member of the Committee on Agriculture, a rancher and farmer himself, from the great State of Texas.

Mr. STENHOLM. Mr. Speaker, I rise in support of this conference report, commend the chairman and the ranking member for their work on this very difficult task.

Mr. Speaker, I rise in strong support of the conference report and I thank my colleague for yielding time.

Mr. Speaker, H.R. 4101 is an important bill which funds the operations of the Department of Agriculture, the Food and Drug Administration, the Commodity Futures Trading Commission and the many functions of those agencies. The Department of Agriculture is an important partner to our nation's farmers and ranchers, and with the normal provisions of this bill the conferees have made recommendations that carefully balance program priorities.

I am particularly grateful that the conferees have risen to the occasion and provided additional funding to aid our nation's farmers and ranchers whose livelihoods are being devastated by natural crises and low prices.

Mr. Speaker, a year ago we were considering the conference report for the FY 1998 version of this bill. At that time, the El Niño weather pattern was continuing to warm the waters of the Eastern Pacific Ocean, the prices of agricultural commodities were displaying considerable volatility, and signs were appearing of trouble spots in the world's economy. We were well aware of the increasing level of uncertainty facing agriculture. With the failure to address IMF and Fast Track, I am afraid that we have ensured future uncertainty in agriculture.

Now, this uncertainty has given way to multiple, compounded disasters. Extreme weather patterns have wiped out crops and pastures, increasing stocks and plummeting economies in Asia are destroying our prices, and it has become clear that the agriculture policies we have set in place are not sufficient to help producers secure the stable revenues they need to continue in business for the long haul.

Mr. Speaker, I support the conference report because it addresses the short-term impacts of the crisis. However, I am disappointed that we were unable to focus on improving the long-term safety net for farmers and ranchers. When I look at the projections for next year's crops, I see continuing low incomes in our agricultural sector. This year's events have made it more clear than ever that we on the Agriculture Committee must commit ourselves to making long-term improvements in Federal programs and give our producers the tools they need to manage adequately production and yield risks.

Mr. Speaker, we have to move forward with this conference report. Too many producers need the assistance that will be provided. Unfortunately, we cannot at this time accurately assess the total damage inflicted on agriculture this year from natural disaster—including Hurricane Georges—or from low prices. To the extent that this bill fails to address adequately the current agricultural crisis, in the days, weeks, and months ahead, we can continue to consider the scope of difficulties in rural America and fashion the appropriate Federal response.

Mr. Speaker, in addition to disaster spending, H.R. 4101 will provide the Agriculture Department with the resources it needs to address the challenges facing rural America. Under the bill, funding is provided for cooperative efforts in agricultural research—the key to sustained economic viability for agriculture. While the bill prohibits funding for the Initiative for Future Agriculture and Food Systems which became law earlier this year, I look forward to working with my colleagues to ensure that this promising program can be up and running in the not too distant future. The bill provides funding for the administration of the basic farm programs established under the Farm Bill, and for the conservation programs which are an increasingly important focus of the mission of USDA. The bill also funds important programs that will help rural communities address the substantial economic challenges they face.

Mr. Speaker, again I wish to thank and congratulate my colleagues who worked so hard to develop this bill, and I urge all of my colleagues to vote for its passage.

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wanted to enter into the record, because the staff gets so little recognition and just reading their names does not seem to be enough, but I do have to say we have the best staff in the Congress on this subcommittee. To Tim Sanders, our hat is off to him, to Sally Chadbourne, to Bobbi Jeanquart, to John Ziolkowski, to Martin Delgado and Jim Richards. I thank them very much for helping America help our people.

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Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY), the ranking member on the Committee on Appropriations. There is no harder fighter in our country for the needs of farmers and ranchers, including dairy farmers in his own state.

Mr. OBEY. Mr. Speaker, it is getting a little deep in here. Let me simply say that I want to express my affection for the gentleman from New Mexico and my great respect for the gentlewoman from Ohio, and I regret that I have to oppose their bill, but I want to explain why I am doing that.

Mr. Speaker, I think there are four very good reasons to vote "no" on this bill. First of all, this bill blocks the ability of Secretary of Agriculture Glickman to propose even the smallest reform of the ancient, outmoded and disgracefully discriminatory milk marketing order system. I do not think it ought to do that, and that is one reason I am voting against it.

Secondly, this bill is a very expensive admission that the Freedom to Farm bill is a spectacular failure and it has in fact become the freedom-to-fail-at-farming bill.

Last year, the farm bill provided some $36 billion in transition payments to farmers who are moving their way into the wonderful new world of no safety net. Despite that fact, this bill now recognizes the need to add billions more, because the bottom has dropped out of the market. That is a confession of failure. I think people ought to recognize that.

The problem, however, is that while those grain farmers are getting multi-billion dollar payments from the government for the next number of years, when I asked the conferees to provide transition payments for dairy farmers that were only 4 percent as large as those transition payments for grain farmers, we were turned down flat by unanimous vote of the Republican House conferees. If that had been provided, dairy farmers would have gotten an extra 50 cents per hundred weight this year, a small amount, but certainly it would have been welcome.

Thirdly, the conferees then threw beef farmers overboard. There are three companies who control 80 percent of the market in the meat packing industry. They know with perfect understanding what the prices are that they are offering the farmers. But farmers are dispersed and they do not know what the real price is that they can get in the marketplace. We tried to get that corrected by having mandatory price reporting. Again, the House Republican conferees turned that down unanimously, even though it had been supported on a bipartisan basis in the Senate.

Then look at the fact that this bill turned its back on consumers in two ways. First of all, the Senate, again on a bipartisan basis, proposed country-of-origin food labeling on beef because of concerns about problems such as E. coli. Again, the Republican House conferees unanimously turned that down.

We then tried to pass the Senate bipartisan proposal to provide country-of-origin food labeling for fruits and vegetables because we had a cyclosporia outbreak with raspberries from Guatemala and we had hepatitis outbreak because of strawberries from Mexico. Again, Republican House conferees unanimously blocked that bipartisan initiative in the Senate. Given the fact that we only inspect 2 percent of the fruits and vegetables that come into this country for pathogens, it seems to me that is the least that Congress could have done, but they chose not to do it.

Therefore, I am simply going to urge a no vote on this bill. There are many good provisions in the bill, but there are also many cases where the conferees simply gave in to the processors or continued grossly discriminatory pricing practices, and they certainly walked away from the consumer protection actions that they should have taken on these country-of-origin provisions. So I am going to vote no, and I would urge others to do likewise.

Mr. SKEEN. Mr. Speaker, I yield four minutes to the gentleman from Iowa (Mr. LATHAM) a real farmer.

Mr. LATHAM. Mr. Speaker, I thank the chairman very much, and I want to express my appreciation to him for working very hard through a very tough bill, and the ranking member for being so very, very helpful and accommodating.

Let me just say, first of all, the gentleman just talked about the Freedom to Farm bill, calling it the freedom-to-fail bill. I think what this bill points out is the fact that the administration has totally abandoned and failed our farmers, when you look at the fact over the last three years we have had $1.5 billion available for this administration to use to market our grains overseas in the form of Export Enhancement Program funds, and only when the European Union dumped 30,000 metric tons of feed grain barley in California did they finally use about $7 million of this.

Let us look at what the administration's response has been to the plight of the American farmer. In their budget proposal from the other side that they brought forward they had $573 million of new taxes on livestock producers, and these are people who are in dire straits today. But they have got $573 million of new taxes on beef and pork producers in their budget. They cut $35 million out of the Food for Peace program. And when we have a safety net in the farm bill as far as revenue assurance, what is the administration's response in their budget proposal? It is to cut funds out of insurance for farmers to the point where they were going to decimate the entire program for farmers to actually cover their risk out here as far as price and yield.

This is the response of an administration who pretends to be concerned about farmers? The problem is the administration has failed in enacting a good bill which finally gives farmers the freedom to make decisions for themselves.

There are people here who want to roll back the clock and go back to government control on everything, which they have never controlled price except exacerbated a real problem when we have surpluses, and that is what they want to do again.

This is a good bill which actually helps farmers. Being a farmer myself who lives on a farm and operates a farm and understands a little bit about agriculture, I hope, I hope people will support this bill.

The emergency funds in here actually go to help farmers who have need today. The alternative was to put money into a program which, if you did not have a crop this year, would give you no help at all. To raise loan caps when you do not have any grain to put under loan, does not help you.

I would also say by extending the period of the loans, let us think about this for a second, shall we? If you do not have a crop to put under loan, how does extending the loan help you? How does raising the caps on the loans help you, when you have nothing to put under loan? All their program does is give more money to people who have good crops and take money away from people who have had natural disasters. Does that make any sense at all? No, it makes no sense at all.

We have a good bill that is going to help farmers who have disasters, who need financial assistance because of the administration's policy, which has caused the low prices that we have in agriculture today. Let us support this bill. I would ask everyone to join together in making this work, because it is critical for agriculture and it is critical for this country.

Ms. KAPTUR. Mr. Speaker, I yield two minutes to the very able and dedicated gentlewoman from Connecticut (Ms. DELAURO), who works harder than any other Member of this chamber on most days.

Ms. DELAURO. Mr. Speaker, let me say thank you to my good friend and colleague, the gentlewoman from Ohio (Ms. KAPTUR), for yielding me time and for the wonderfully high compliment. I am much appreciative. I also would like to recognize the gentleman from New Mexico (Chairman SKEEN) and our ranking member, the gentlewoman from Ohio (Ms. KAPTUR), for their outstanding work to bring this conference report to the floor.

I am pleased to rise in support of the conference report. The report omits dangerous language which would have had the chilling effect of slowing or stopping research on drugs to treat cancer, ulcers, hypertension, rheumatoid arthritis and many other serious illnesses. Science, not politics, should dictate whether drugs are approved and made available to the patients whose lives depend on them. I am pleased that this conference report reaffirms that important principle.

The conference report also provides $4.2 billion in critical emergency aid to help agricultural families across this country recover from the terrible losses suffered due to disease, El Nino and other natural disasters, and from the Asian financial crisis and the loss of export markets. I voted in conference to increase these funds.

Farm communities are facing the worst agricultural crisis in a decade, and I believe that additional funds will be needed to address this crisis. However, I am pleased that the conference report takes an important step in the right direction to get aid to our farmers. Despite my desire for higher funding for disaster relief, WIC nutritional assistance, food safety and the FDA tobacco initiative, I would like to say thank you to the chairman and the ranking member for their hard work in putting this package together. I would also like to extend my thanks to the staff who have helped to make this possible. They make it possible for us to do our work.

Ms. KAPTUR. Mr. Speaker, I yield one minute to the gentleman from California (Mr. FAZIO). This is his last conference bill. I can honestly say this is a man that has worked so hard for America, for California and on our committee. We will miss his brilliance and his leadership. We hope he will come back and visit us many, many times, and we thank him for his service to America.

Mr. FAZIO of California. Mr. Speaker, I want to thank my dear colleague, the gentlewoman from Ohio (Ms. KAPTUR), for yielding me this time and for those very generous remarks.

I want to thank the ranking member, along with the chairman, the gentleman from New Mexico (Mr. SKEEN), for the outstanding work they have done on this bill. I rise in support of it, and want to express my deep thanks for the way in which the people I represent in agriculture in California have been treated in this bill and in prior bills. I have enjoyed greatly my opportunity to serve on this committee, and this bill reflects the impact that the very important agricultural State of California has on our national economy, and this bill at the same time responds well to that.

I thank all of my colleagues for the time I have been able to spend with them on this subject.

I rise in support of the conference report.

Each appropriation bill is an amalgam of agencies and issues, but I believe our bill—even though it is confined primarily to one department—is one of the most challenging to balance adequately. We provide funding for farm programs, for rural development and housing, for food safety and operations of the Food and Drug Administration, to promote foreign trade, for research and support for our land-grant colleges, and for human nutrition programs for our school children, for pregnant women and young children, and for others in need.

The House-Senate conference committee was a reflection of the many issues that can be raised in this bill. Although everyone may not be completely happy, I believe we resolved a number of difficult issues in as satisfactory a manner as can be expected under the circumstances.

I want to focus my remarks on one of the issues I raised at conference—methyl bromide. My amendment was agreed to without objection by House and Senate conferees.

Methyl bromide is the most important and widely used agricultural fumigant in use in the United States today and in international agricultural commerce. Despite its importance, methyl bromide is a dangerous chemical, and it is believed to deplete the ozone, so the United States and other countries have made a decision to phase out its use and have worked together in negotiating the Montreal Protocol Treaty.

As many of my colleagues know, based on the requirements of the Clean Air Act, the U.S. has been under a self-imposed methyl bromide phase-out of 2001 for many years. As 2001 has grown closer, our farmers and others who depend upon methyl bromide have experienced considerable anxiety—both because of the phase-out but, more importantly, because of the competitive disadvantage that would be imposed on them if it continues to be available to other countries.

In anticipation of this phase-out, we have provided funding in our bill for many years to the Agricultural Research Service for research into alternatives to methyl bromide. Although there is increased attention on research into alternatives for some users, there is little evidence that we are close to an all-purpose methyl bromide alternative. If cost-effectiveness is taken into account, the situation becomes even less promising.

For those who think this is an issue just related to farming, I want to point out many uses of methyl bromide that we all depend upon. Although much of methyl bromide is used for crop fumigation—especially pre-planting preparation of fields—there are many other important uses that touch home for all of us. Methyl bromide is used for funmigation of many agricultural commodities before they are shipped overseas, in fact, countries such as Japan require methyl bromide certification before accepting our U.S. agricultural commodities. On the receiving end, methyl bromide is used in U.S. ports to fumigate a variety of shipments being received from other countries—not just agricultural commodities, but essentially any pallet of goods that may be infested with unseen parasites that would cause catastrophe if released into our agriculture. In addition, methyl bromide is used for fumigating bakeries, rice mills, grain silos, and food processing plants, so it is an essential tool for federal, state and local sanitation requirements that contribute to a safe food system.

The Administration's negotiating team has attempted over several international meetings to conform the Montreal Protocol to our self-imposed 2001 phase-out under the Clean Air Act. However, they were unsuccessful, and at a September meeting just last year, a 2005 phase-out for developed countries was negotiated.

The amendment I offered at our conference and that is included in this conference report is a relatively simple conformance for the U.S. to the Montreal Protocol. it would amend the Clean Air Act in order for the U.S. to conform to the schedule that has been negotiated by the Administration—a negotiating team headed by officials from the Council on Environmental Quality and EPA. The language of each of its provisions—including a sanitation exemption and a critical uses provision—is specifically conditioned to be consistent with the Montreal Protocol.

Some opposition has been raised to my amendment and that is to be expected for a provision of this importance. I can tell you that farmers would have preferred far more—many of my farmers are competing not with developed countries but with Chile or Argentina or Mexico, who will continue to enjoy a 10-year advantage in using methyl bromide. I can tell you that some environmentalists would prefer we do nothing at all—that we adhere to the self-imposed 2001 phase-out despite its possible devastating effect on our farm economy.

But I believe there has been a recognition by this Administration and by this Congress for many years that this is an issue we need to address. President Clinton told California farmers in 1995 that he would help them resolve this issue, and Kathleen McGinty, chair of the Council on Environmental Quality has written the Commerce Committee on two occasions to indicate the Administration's willingness to work with it, yet the Administration has never taken the next step by suggesting how we might move ahead.

The Commerce Committee, for understandable reasons, has been hesitant to move ahead despite the compelling case for conforming to the rest of the world, because of the protracted fight between farmers and environmentalists that would probably have resulted.

So, with an Administration which has chosen to remain silent and a Commerce Committee that has chosen not to act, it was left to a retiring congressman who didn't have to face the voters again—namely me—to suggest the approach that is embodied in this conference report today.

While I suspect both the Administration and the Commerce Committee do not think my amendment is perfect, I urge both to support it as a common-sense solution to this problem, and I believe they will.

A provision in an appropriations bill is probably not the best way to handle an issue of this magnitude. The Appropriations Committee is approached time and time again by both authorizers who are unable to work issues through their own committees, and by constituents who are unable to get the normal processes to respond. For those who dislike Appropriations Committee intervention in major issues, I say: show us that you can make the regular process work.

This increasing desire to politicize many issues spills over to ones like this where we should have reached consensus long ago. We need to work harder to identify common ground and put together bipartisan coalitions that can speak with authority to our various constituencies whose nature is always to ask for more. In pushing too hard for the impossible, we too often lose sight of the possible, and we are left with nothing.

My amendment is a common-sense proposal that means that American farmers will not be put at a competitive disadvantage while farmers in every other country are on a different phase-out schedule. it makes sense for the American farmer, it makes sense for our international trade, and it makes sense for all Americans.

Mr. SKEEN. Mr. Speaker, I yield two minutes to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I was not going to speak, except that I do just want to commend both the chairman of the committee, my good friend, the gentleman from New Mexico (Mr. SKEEN), and the gentlewoman from Ohio (Ms. KAPTUR), because they have brought an excellent bill to this floor.

I do not have to tell Members that in New York State, everyone thinks of it as the money capital of the world, and you would not believe that in a small area like mine, it is the 20th largest dairy producing district in America, not to mention the apples and other produce. But agriculture is the mainstay of industry in New York State, and this bill goes a long way to preserving especially the dairy industry, but all of the agricultural industry.

So I wanted to take a minute just to commend both of you, and particularly your staffs. You have some of the best staff in this entire Congress. I salute you and them and urge support of and passage of the bill.

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Ms. KAPTUR. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. BISHOP), who really helped our committee a great deal in enlightening us on some of the civil rights damage suits pending before the U.S. Department of Agriculture and who worked so closely with us, as did the gentlewoman from North Carolina (Mrs. CLAYTON) and the gentlewoman from California (Ms. WATERS). Without question, this is a better bill, a much better bill because of their leadership.

(Mr. BISHOP asked and was given permission to revise and extend his remarks.)

Mr. BISHOP. Mr. Speaker, I rise to support the conference report on H.R. 4101, the fiscal year 1999 agricultural appropriations bill, which includes disaster and market loss assistance to cover losses incurred by farmers this year.

The total farmgate losses in Georgia have been estimated by the University of Georgia to be in excess of three-quarters of a billion dollars. In light of this, the $4.6 billion provided in the bill for all agricultural disasters throughout the United States might prove to be inadequate.

Indeed, many of the details of this bill's implementation will be entrusted to the Department of Agriculture, so I do not know that any of us is confident that every producer in our districts who has suffered a loss through acts of God or record low prices will be indemnified. However, this is a bird in the hand and I must support the bird that we have in hand.

In addition, I am pleased to say that the conferees have seen fit to respond to the Department of Agriculture and the minority farmers in this Nation in providing appropriations and report language which will assist in a long-term problem there. I am pleased to say the conferees, in addition to the overall relief provisions, have included at least three other items of importance to me, two of which I authored after listening to producers throughout South Georgia.

One provision will adjust the Conservation Reserve Program contracts to avoid a further decline in low timber prices throughout the Southeast, and the other will ensure that the Secretary makes available guaranteed loans for the purpose of irrigation installation.

The third, which I am pleased to support, offered by my friend, the gentleman from Georgia (Mr. KINGSTON), will provide for indemnity payments to compensate a number of cotton producers who, through no fault of their own, were left holding the bag when a licensed warehouseman went bankrupt earlier this year.

I urge adoption of the conference report, and it is a good bill.

The current market condition for the sale of harvested timber throughout the Southeast is poor, due in part to the increased harvesting activity in the aftermath of the fires which scorched, but did not completely destroy thousands of acres of commercial pine trees in Florida. Many farms which contain land subject to contract under the Conservation Reserve Program require thinning of pine stands in 1998 or in 1999, as a condition of continued participation in the program. Farmers with land under contract were concerned that the current market condition for timber throughout the Southeast is such that this required thinning activity could exacerbate the oversupply which has resulted in record low prices for harvested trees. I asked for and the conferees agreed to report language that a delay in this requirement is warranted, in order to give the market a chance to absorb the current glut, and for prices to rebound. Therefore, the conferees have directed that the Secretary authorize no less than a two-year extension period on the requirement that owners of land under Conservation Reserve Program contracts should prune, thin or conduct stand improvement activities otherwise required to be completed in 1998 or 1999.

Many of the crop losses suffered through the country during 1998 were due to drought conditions, sustained by dryland farming operations. Many of the dryland farmers report that they could minimize their losses due to drought conditions in future years if they had access to loan financing for installation of irrigation systems, including retention ponds. I believe that the policy of the Congress in responding to disasters should include measures which would serve to mitigate losses from future disasters of the same nature, which are certain to occur again. I asked and the conferees have directed the Secretary to provide loans to borrowers who farm in areas subject to a past Secretarial Declaration of Disaster, due to drought conditions.

In view of the widespread drought conditions this bill is attempting to relieve, directing the Secretary to place a priority on irrigation-related lending is vital.

Ms. KAPTUR. Mr. Speaker, might I inquire as to the remaining time on this side, please?

The SPEAKER pro tempore (Mr. PETRI). The gentlewoman from Ohio (Ms. KAPTUR) has 9 minutes remaining.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. PALLONE) who has worked so hard with us on the sanctions portion of the bill.

Mr. PALLONE. Mr. Speaker, I want to thank the ranking member from Ohio for yielding me this time.

I rise in support of the conference report, and I want to thank the conferees for including a provision that would give the President authority to waive sanctions that were imposed on both India and Pakistan as a result of the nuclear tests that those countries conducted earlier this year.

The sanctions imposed after the nuclear tests have disrupted a variety of bilateral assistance programs, including technical support for the very market reforms that we would like to see India and other developing countries adopt. These reforms offer short- and long-term opportunities for U.S. companies, large and small, to gain entry into India's vast consumer market and to help meet India's significant infrastructure improvement needs. Under the unilateral sanctions, we stand to lose many of these economic opportunities.

Mr. Speaker, the sanctions have not achieved the desired result; namely, gaining India's support for the Comprehensive Test Ban Treaty. However, several rounds of negotiations between both sides have shown significant progress, and at this time of significant progress in south Asia, giving the President the authority to waive sanctions in exchange for significant agreements from India and Pakistan will help to move the process forward.

Mr. SKEEN. Mr. Speaker, I reserve the balance of my time.

Ms. KAPTUR. Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the ranking member for yielding me this time. I want to commend the chairman and the ranking member for their support in bringing the bill before the House.

This bill has many provisions that are good. It has been noted for things that are lacking, but when we balance it all, it has more good than bad. Obviously, we judge good by what things are hurting us back home, and our farmers back home are in some disarray there and they are in disarray for many reasons; not only because the prices are low, but some farmers who have been discriminated against for years are really looking forward to this bill coming, to getting some legal relief from the statute of limitations. Many farmers who have had 17 years of complaints, now this bill will at least allow them to have the legal opportunity to remove the statute of limitations.

I am also pleased about the credit provisions that are in the bill. The credit provisions amend some of the harshness of the 1996 farm bill, where it allows a person who might have defaulted or had problems with their loan to have a second chance. It does not do it as far as I would like, but I must say it is a step in the right direction.

It provides also some relief for emergency loans, if persons have had emergency loans, and again, that is in the right direction. There is not enough money for research, but through the conferees there was some restoration of some funds for research and some expansion for extension programs.

All of those go to make the agricultural community, not only the 1990 colleges, but the university for research, appreciative that the bill will mean that the agriculture community can go forward.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. BERRY), who has worked so hard on this measure.

Mr. BERRY. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me this time.

I rise in support of America's farmers. I think it is time for us not to try to find someone to blame this crisis on that our farmers are facing. It is clearly from natural disasters, global oversupply, diminished overseas demand, and low prices, and the last time I checked, droughts are caused by lack of rainfall and floods are caused by too much rainfall.

Now is the time for us to take appropriate action. We should not have delayed the passage of this bill even one day. The partisan fights over unrelated issues should not be allowed to impede the much-needed assistance that this bill will provide for thousands of farmers, not only in the First Congressional District of Arkansas but across this country.

Mr. Speaker, we must recognize this as a true emergency when our agriculture base is in danger of collapsing. Since this bill will deliver funding and serve as an investment in our future security for this country and our prosperity, it is essential that it be delivered without delay.

Mr. Speaker, I urge passage of this bill.

Ms. KAPTUR. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. SANDERS), the fighter for justice.

Mr. SANDERS. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I rise in support of this legislation because it provides important benefits for dairy farmers in Vermont and farmers throughout the country. Specifically for our region, it expands the Northeast Dairy Compact for another year, which is terribly important for farmers in my State who are fighting to keep their heads above water.

This legislation provides some disaster relief for farmers all over this country, including New England, which is vitally needed. It also gives us more time to address the Federal Milk Marketing Order formula, a very, very important issue, and I want to thank the gentleman from New York (Mr. SOLOMON) for his leadership role in that fight.

Having said that, we still have a long way to go. Family farmers are what this country is supposed to be about. We believe in decentralized agriculture. We need to significantly improve Federal policy for dairy farmers, family farmers, or else we are going to continue to lose them, and that will be a tragedy not only for New England but for every State in this country.

Ms. KAPTUR. Mr. Speaker, I yield such time as he may consume to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Speaker, I rise in support of the conference report.

Ms. KAPTUR. Mr. Speaker, I yield 3 minutes to the gentleman from North Dakota (Mr. POMEROY), who has fought harder than anyone I know for the needs of the farmers in the Great Plains States due to the disasters that have been ravaging that part of the country. The Dakotas are lucky to have him here.

Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I want to commend the chairman of the Subcommittee on Agriculture of the Committee on Appropriations, and the chairman of the agriculture authorizing committee, as well as the ranking members, the gentlewoman from Ohio (Ms. KAPTUR) and the gentleman from Texas (Mr. STENHOLM).

Mr. Speaker, I like these individuals a lot; they have put real hard work into this bill. However, I must rise and oppose this conference report. It is not my style, as the Members will note, to oppose agriculture appropriations bills, much less ask for a motion to recommit late on a Friday afternoon. But that is precisely what I am doing today, because the amount of relief in this bill is simply nowhere near adequate to meet the magnitude of the catastrophe unfolding in farm country.

We have had a collapse of commodity prices. Wheat is down $1.66 a bushel in the last 2 years. That is a 36 percent drop. The relief provided under the AMTA increase in this bill would amount to 13 cents a bushel. Mr. Speaker, corn is down $2.37 a bushel; that is a 57 percent drop in market price. The relief in this bill would amount to 2 cents a bushel. Soybeans, $1.90 a bushel drop from 2 years ago, a 27 percent fall. The relief in this bill amounts to 2 cents a bushel.

Mr. Speaker, the worst thing we can do is hold forth to the public some agriculture disaster response and then go home and let the farmers realize that it amounts to pennies on the dollar, compared to what their problems are. There is a difference as we look at what we face this fall, and the difference is, we no longer have a farm program that automatically triggers in relief when market prices collapse.

Market prices have collapsed. There has been a start made in the bill to give farmers relief for both disaster assistance and market price collapse.

The disaster assistance goes a lot further to meeting the need than the market price collapse. It is a good start, but we have to do more.

The President has held out a veto threat on this bill. Let us not run this down Pennsylvania Avenue, have it vetoed, have it come back. Let us get it right the first time.

Mr. Speaker, I am going to be making a motion to recommit. My motion is going to provide that within the scope of the conference we recommit to increase the assistance available to family farmers suffering economic loss as a result of record low prices, deteriorating market conditions, and/or natural disasters.

The fact of the matter is we have not done an adequate job in this bill. We need more relief. We will lose thousands and thousands of farmers across the country, and if it was not just so darn desperate, there is no way in the world I would try and make this motion on this bill at this time, but we have to do more. Please support the motion to recommit.

Ms. KAPTUR. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. KAPTUR) has 1½ minutes remaining.

Mr. SKEEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Speaker, I rise in very strong support of the conference report on H.R. 4101.

Mr. Speaker, I support the conference report on H.R. 4101. I want to thank the Chairman, Ranking Member, and the House Leadership for their efforts to address the problems in the agriculture economy, through this bill.

There's no question there's trouble in agriculture today. We've had disastrous drought and flooding, which my state was fortunate to escape this year. Exports are down and farmgate prices are extremely low, and my producers haven't escaped that devastation.

With the 1996 farm bill, we hoped for a smooth transition from government-controlled to market-oriented agriculture. Unfortunately, the problems in Asia and incredibly abundant production worldwide, have made the transition rough going.

This bill addresses the situation in the right way. We maintain our commitment to freedom in agriculture, but we provide assistance to producers facing weather-related disasters, and every producer coping with low prices and decreased exports.

I say to my friends on the other side of the aisle, who are also good friends of agriculture, that I understand your arguments for reverting to old farm polices, and for raising loan rates. That may seem like the best, quick fix, but in the long run will do more harm than good. I understand the demand for more money. But please don't vote to put agriculture back in the hands of government, or vote to lose this piece of pie just because it's not a big enough slice.

Let's stay the course on the 1996 farm bill, but respond to the current problems. Please support this bill. This is must-pass, must-be-signed legislation for rural America.

Mr. SKEEN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. COMBEST).

Mr. COMBEST. Mr. Speaker, I rise in strong support of H.R. 4101.

Mr. Speaker, I rise today in support of the conference to H.R. 4101, the FY 1999 Agriculture Appropriations Act. Among other important provisions, this conference report provides emergency assistance for farmers and ranchers across the country who are facing income losses this year due to lost export markets, and devastating weather. Rural America has an extreme need for assistance right now, and I appreciate the opportunity we have today to meet that need.

Mr. Speaker, American farmers and ranchers are the most efficient in the world—it's a fact, and it benefits our nation more than we can know. But even the most insightful and efficient agricultural producers cannot predict, nor plan for the economic devastation that can occur when prices fall, or when drastic weather wipes out a year's work. In my home of West Texas this year, we are facing both sides of this crisis. Severe heat and drought have left many producers without a crop. For those who did manage to hang on, low prices and higher input costs have robbed their profitability.

The emergency assistance provided in this conference report represents the most even-handed way to infuse a substantial amount of needed capital into the cash poor rural economy. For producers of the traditional row-crops who are suffering excessively low prices, this bill provides supplemental market loss payments equal to 29 percent of their FY 1998 AMTA payment. For farmers who have suffered additional losses because of natural disasters, it gives the Secretary of Agriculture the ability and resources needed to provide cash indemnities. In addition, for soybean farmers, the package establishes a market for the value-added biodiesel product which should aide the industry for years to come. And lastly, for ranchers, the bill funds a livestock feed program that will reimburse a portion of any additional feed costs incurred this year.

However, let us be clear: no amount of assistance we provide this year will make producers whole. But when combined with additional support provided through the Emergency Farm and Financial Relief Act—which allows farmers to collect the full amount of their FY 1999 AMTA payments this month—and the tax package which this body passed last Saturday, the provisions of this agricultural relief package will go far in helping farmers and ranchers recover a portion of their losses. What's more, this cash assistance will roll over several times in our rural communities—bringing life to their ailing economies.

Mr. Speaker, looking beyond today, I believe the current state of our farm sector commands further attention by this Congress—particularly in the committees of jurisdiction. But I believe we are acting prudently today to only consider a disaster relief package which works within the framework of our current farm bill. In 1996, we sought to empower the American farmer to be more competitive, and to capture a larger share of the growing world market by doing away with artificial price supports and planting restrictions. To renege on these goals now, or to make hasty reforms to this policy without having full knowledge of all the costs or ramifications involved would be reckless.

Again, I want to express my strong support for this balanced disaster relief package. America's farmers and ranchers need our support. I urge the passage of this conference report.

Mr. SKEEN. Mr. Speaker, I reserve the balance of my time.

Ms. KAPTUR. Mr. Speaker, I yield our remaining time to the gentleman from New York (Mr. LAFALCE), from the Buffalo area, one of the hardest working Members of this Chamber.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

□ 1530

Mr. LAFALCE. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I am very pleased, and I congratulate the conferees on the agriculture appropriations bill for providing crop disaster relief that is so desperately needed by the apple growers in my district and throughout western New York, most especially Orleans County and Niagara County.

Our apple industry in New York State was devastated recently by tornado force winds on Labor Day. It could not have come at a worse time. The latest weather-related damage estimates to this year's apple crop is 41.4 million, fully 28 percent of the total crop value.

The hardest hit area was in Orleans County, in my district. The Labor Day storm there caused more than a $5 million loss to my county's apple crop. Yields are down by as much as 70 percent on over 6,000 acres in my county, and thousands of trees were destroyed.

I applaud this $1.5 billion new disaster grant program that is so crucial to restoring the financial health of New York apple growers. I applaud the conferees for the tremendous work they have done in inserting and including this $1.5 billion.

Mr. Speaker, I am very pleased that conferees on the Agriculture Appropriations bill agreed to provide crop disaster relief that is so desperately needed by the apple growers in my district and throughout Western New York.

New York's apple industry has been both physically and financially devastated by a series of unusual weather events this past year—from last frosts in the spring to an intense hail and wind storm on Labor Day.

The tornado force winds on Labor Day could not have come at a worse time. They completely destroyed five million bushels just prior to harvest—more than 20 percent of the entire New York apple crop. The latest weather-related damage estimates to this year's apple crop is $41.4 million—fully 28 percent of the total crop value.

One of the hardest hit areas was Orleans County in my district. The Labor Day storm caused more than a $5 million loss to that county's apple crop. Yields are down by as much as 70 percent on 6,000 acres in the county. And thousands of trees were destroyed.

This appropriations bill will help those farmers by providing $1.5 billion in emergency assistance for 1998 crop losses due to disasters, and an additional $675 million for farmers who have suffered multiyear losses. I am very grateful that this critical funding has been included.

This new disaster grant program is crucial to restore the financial health of New York apple growers. Most of them are carrying huge debt loads. They simply cannot afford emergency disaster loans, no matter how low the interest rate. Without these direct payments, many of them would not be able to survive the devastating losses they have suffered this year.

I want to thank the Chairman, the gentleman from New Mexico, and the ranking Democrat, the gentlelady from Ohio, for the excellent work they've done in responding to this apple crop disaster in New York State, and to the farm crisis nationwide. I also commend the gentleman from New York, Mr. WALSH, for leading the effort on the conference committee to provide this essential disaster relief. And I thank all my New York colleagues who joined Mr. WALSH and me in urging conferees to provide this grant assistance.

I look forward to working with Mr. WALSH and with Secretary Glickman to ensure that the emergency grant assistance program is developed and implemented in a way that will most effectively help New York apple growers and other fruit producers recover from this year's weather disasters and continue producing for year to come.

Ms. KAPTUR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say in closing that, again, we urge our colleagues to vote for this bill. For those who are anxious to catch their planes to go home, let me say that the gentleman from New Mexico (Mr. SKEEN), the chairman and I, did not select this period in which to debate our bill. We were given this time.

We feel that it is an important bill. We apologize to the Members who missed their 4 o'clock flights. It was not our choice to go up before the Committee on Rules this afternoon. I can say this, and the gentleman cannot. We ask for the Members' support of our bill.

Mr. SKEEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to my colleagues, the farmers and ranchers need this bill now. American consumers need this bill now. Do not make them wait any longer. Vote no on the motion to recommit.

Mr. SANDLIN. Mr. Speaker, I commend Chairman SKEEN and Ranking Member KAPTUR for the skill and hard work they have put into crafting this conference report. I also want to recognize the efforts of Agriculture Committee Chairman SMITH and Ranking Member STENHOLM. They have all shown great sensitivity to and understanding of the needs of our Nation's farmers, and for that I thank them. I rise in strong support of this conference report and urge all my colleagues to vote for it.

For months, parched fields forced Texas ranchers to purchase feed or hay for their herds. The dry conditions and the increased demand, however, have made hay scarce and expensive. Texas ranchers are spending an average of $3.5 million a day in extra feed costs to support their herds. Now, many of the remaining hayfields in East Texas are being ravaged by army worms. I commend the committee for raising emergency funding for the livestock feed assistance program from the original $75 million to $175 million. Ranchers in east Texas are cash starved after having to purchase hay all summer, and this cash infusion is sorely needed.

All agricultural producers in Texas, not just the ranchers, are suffering through the second severe drought to hit Texas in 3 years. Total farm and ranch losses from the drought are now estimated to reach $2.1 billion statewide, with an overall impact to the State economy estimated at $5.8 billion. Other factors, such as a glut of foreign cotton, the depressed demand from foreign markets, and bumper crops of grain in the Midwest are driving down commodity prices and compounding an already disastrous year for Texas farmers.

Forest landowners have not escaped the devastation this year. The Texas Forestry Service estimates that 65 percent of the pine seedlings planted this year on 150,000 acres have died, at a total cost to private landowners of $16.6 million. I especially appreciate the committee working with me to direct the forest service to use disaster relief funds for the Forestry Incentives Program in east Texas. East Texas timber producers have tremendous losses this year, and the work of this committee will aid in replanting efforts for years to come.

Mr. Speaker, the one thing I can count on hearing every time I return home is that our farmers need help this year. Our farming families put everything they have on the line every year to feed America. This year, every farmer and rancher in Texas was dealt a hand with no rain and no demand for their products. The disaster relief package in this conference report is a vital step in returning strength to our agricultural producers and agriculture communities.

The President wants more funding in disaster relief for our farmers and I support his efforts. However, this relief is too badly needed by too many farmers in east Texas right now for me to consider opposing this bill. Any further disaster relief that is needed will have to come in an omnibus bill or a supplemental package. Texas agricultural producers need this money now.

Mr. GEPHARDT. Mr. Speaker, rural America is in a crisis. Farmers across this country are struggling to survive natural disasters and commodity prices that are at a two-decade low. Driven down by the economic slide in Asia, farmers are being forced to sell crops at prices that don't even cover production costs. They need our help.

When hedge-funds ran into trouble because of the impact of a global economic tidal wave, our government took strong action. We need to take the same kind of immediate steps to shore up the farm economy, which is as important to our economy and our national standard of living as the health and stability of the financial markets.

America's farmers have never failed us. But too often we have taken their hard work for granted. America has the best in quantity and quality of food products—produced at low prices and with an efficiency that is a model for the world. Agriculture is vital to the economic success of this country. It is one of our export leaders.

But in 1996, when we passed the Republican farm bill, we cut the safety net out from under our farmers. Now, we are reaping the effects of that misguided effort.

Thanks to the Republican Freedom to Farm bill, the only freedom farmers still have is the freedom to fail. They face hardship and even ruin because of a financial crisis not of their making and a 1996 Republican farm bill which still makes no sense.

For months we having been begging with the majority to listen to farmers—to help farmers. Farm income is projected to drop between $7.5 and $9 billion this year alone. It has been obvious that we needed to take immediate action to save family farmers. But Republicans were too busy doing nothing to respond. It was only a few short weeks ago that the Republican leadership reluctantly acknowledged that farm families can't pay 1990's mortgages on 1970's crop prices.

It's too little and too late. We are long past Band-Aid cures. There is only $1.65 billion in economic assistance in this bill when the loss in farm income is five to six times higher. The Republic message to farmers is: Be happy with the crumbs off our table.

Farmers put more than crumbs on our table. We owe them the same. We must reject the Republican half-measure and take strong action to shore up prices.

We need to lift the caps Republicans put on marketing loans in 1996 so we can raise bushel prices for corn and soybeans more than 30 cents—so we can raise prices on wheat more than 60 cents. And we need to direct aid to producers who have actually suffered losses, instead of using the outdated formula in this bill that will give out assistance based on historic production dating back years.

We must do better for the people who have worked so long and labored so hard to feed Americans and the world. They don't ask for more than their due; they only request a stable, decent return on their investment of time and capital.

I urge my colleagues to give America's farmers what they have always given us. Give them a decent, fair bill that helps farm families. Vote "yes" on the motion to recommit. Vote "no" on this conference report.

Mr. FORD. Mr. Speaker, I rise today in support of this conference report. Although this legislation doesn't contain the level of emergency funding the President requested, I believe it is critical that we provide some level of emergency assistance for farmers. As we all know, farmers throughout this nation are suffering from low prices, globalization and bad weather. The Mid-South region is no different.

In my own State of Tennessee, corn farmers have been hurt by the aflatoxin fungus and drought and low prices in the Mississippi Delta have adversely affected cotton farmers.

Equally important, Mr. Speaker, this measure includes $26 million to spur economic growth in the Lower Mississippi Delta region. The delta encompasses 219 counties in 7 States, and taken together, it is one of the poorest regions in the nation, with poverty rates exceeding 20 percent. This initiative will result in expanded agricultural exports, better schools and a modern infrastructure in the delta region.

The Ninth Congressional District of Tennessee is the hub of the delta, and as such stands to benefit greatly from this funding. I would like to thank the chairmen and ranking Democrats of both the full committee and the agriculture appropriations subcommittee and also my colleague, Mr. Berry from Arkansas and Senator Bumpers, from the other body, who were also instrumental in ensuring these funds were included in the bill. I urge my colleagues to support the conference report.

Mr. GILMAN. I am pleased to rise in support of the conference report to H.R. 4101, the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act for fiscal year 1999.

I especially want to thank the hard work of the distinguished subcommittee chairman, Joe Skeen, the distinguished committee chairman, Bob Smith, and my friend and colleague from New York, Jim Walsh for all of their diligent work in crafting a much needed emergency assistance fund for our Nation's farmers and ranchers.

Mr. Speaker, on June 13 a severe storm passed through my congressional district in Orange County, NY, severely damaging our farms throughout the Wallkill Valley. This storm included hail and high winds damaging over 5,000 acres of onions and a few thousand acres of other vegetables. In addition, excessive rainfall and additional hail passed through the Walker Valley since the initial storm, wiping out any hope of salvaging a decent crop.

Many of the growers are currently uncertain about the ultimate fate not only of their crop, but of their farms.

Marketing challenges have already arisen due to storm damages. Grocery store chains are balking at the Orange County product. Many growers are already seeking alternative employment. Migrant labor has either been laid off and/or hiring has ceased, which also has a negative impact on our local economy.

This is nothing new to the farming community in Orange County. In fact, in the last 3 years the Walkin Valley has seen 116 farm and farm families go out of business.

It is projected that unless emergency USDA assistance is offered, another 12 farms will soon be in jeopardy of being lost forever.

Under the current USDA crop insurance program for onions, growers anticipate losing approximately $988 to $1,147 per acre or a total of $38,000 to $44,725 each. This means more of our farms will go out of business and many more will be on the brink.

Accordingly, I wholeheartedly support the efforts of the conferees in crafting a necessary emergency assistance fund which includes our onion farmers in Orange County.

In addition, I look forward to working with our Agriculture Committee chairman during the 106th Congress, to craft a workable onion crop insurance program, which will act as initially intended—a safety net. It has become clear that there are serious problems with portions of the current crop insurance program as it relates to onion crops.

Accordingly, I urge all of my colleagues to support this conference report.

Mr. MILLER of Florida. Mr. Speaker, I am disappointed to report that tucked away in this conference report is language that could actually increase the Government subsidies provided to Big Sugar.

Big Sugar claims this is simply "clarifying" language. They claim Congress never intended the one-cent loan forfeiture penalty contained in the farm bill to be considered an effective reduction of sugar loan rates. But Congress did.

In fact, during debate on the 1996 farm bill, some members of the House Agriculture Committee told this body that the support level for sugar would effectively be reduced by one-cent per pound because of the forfeiture penalty. Sugar producers know very well this was the express intent of Congress in 1996.

Why? Because in more recent debates, defenders of the sugar program have pointed to the one-cent forfeiture penalty as evidence that Congress had reformed the sugar program in 1996, and therefore the program should not be changed further. Big Sugar keeps wanting to change the rules for their own benefit.

I am pleased that the conferees wisely opted to include this change as report language and not bill language. Nevertheless, the language in this report is simply an attempt to reinterpret the legislative history of the farm bill to prompt the Agriculture Department to raise the price of sugar. The USDA should pay no attention to it.

USDA should continue to consider the forfeiture penalties as having caused an effective reduction in the loan rates for sugar, just as Congress intended in 1996.

Mr. SKEEN. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. POMEROY

Mr. POMEROY. Mr. Speaker, I offer a motion to recommit this conference report, with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. POMEROY. I am opposed to the conference report in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Pomeroy moves to recommit the conference report on the bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes (H.R. 4101) to the committee of conference with instructions to the managers on the part of the House to the extent possible within the scope of conference to increase the assistance available to family farmers suffering economic loss as a result of record low prices, deteriorating market conditions and/or natural disasters, to take into account the almost 50% drop in real income that has occurred in some farming sectors since 1980; and to limit such assistance to individuals actively engaged in farming.

The SPEAKER pro tempore. The motion is not debatable.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. POMEROY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 156, nays 236, not voting 42, as follows:

[Roll No. 478]

YEAS—156

Abercrombie
Ackerman
Allen
Barcia
Barrett (WI)
Becerra
Bereuter
Berman
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clayton
Clement
Clyburn
Condit
Conyers
Coyne
Cramer
Cummings
Danner
Davis (FL)
DeGette
Delahunt
DeLauro
Dicks
Dingell
Dixon
Doyle
Emerson
Engel
Eshoo
Evans
Farr
Fazio
Filner
Frank (MA)
Frost
Furse
Gejdenson
Gonzalez
Goode
Gordon
Green
Gutierrez
Hastings (FL)
Hill
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Klink
Kucinich
Lampson
Lantos
Leach
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Mascara
Matsui
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meek (FL)
Meeks (NY)
Millender-McDonald
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Roemer
Roybal-Allard
Sabo
Sanders
Sawyer
Schumer
Scott
Sherman
Sisisky
Skaggs
Slaughter
Spratt
Stabenow
Stark
Strickland
Tauscher
Taylor (MS)
Thompson
Thune
Thurman
Tierney
Towns

Turner
Velázquez
Vento
Watkins
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NAYS—236

Aderholt
Andrews
Archer
Bachus
Baesler
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bentsen
Berry
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Davis (IL)
Davis (VA)
Deal
Diaz-Balart
Dickey
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Etheridge
Everett
Ewing
Fawell
Foley
Forbes
Ford
Fossella
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Graham
Granger
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefner
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Inglis
Istook
Jackson (IL)
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kingston
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Oxley
Packard
Pappas
Pascrell
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rivers
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Rush
Ryun
Sánchez
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snyder
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Talent
Tanner
Taylor (NC)
Thomas
Thornberry
Tiahrt
Traficant
Upton
Visclosky
Walsh
Wamp
Waters
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NOT VOTING—42

Armey
Barton
Boucher
Brady (PA)
Callahan
Clay
Costello
Cunningham
DeFazio
DeLay
Deutsch
Fattah
Fowler
Gephardt
Goss
Harman
Hefley
Houghton
Hyde
Kennelly
Kilpatrick
King (NY)
Klug
Lipinski
Martinez
Meehan
Menendez
Moakley
Parker
Pickett
Pitts
Poshard
Pryce (OH)
Salmon
Smith, Adam
Snowbarger
Stokes
Stupak
Sununu
Tauzin
Torres
Wise

□ 1551

Messrs. LUCAS of Oklahoma, SAXTON, GILCHREST, JOHN, McINNIS, ROTHMAN, HALL of Texas and SHADEGG changed their vote from "yea" to "nay."

Messrs. KUCINICH, CRAMER, LAMPSON, HILLIARD and GEJDENSON changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. HOBSON). The question is on the conference report.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 333, nays 53, not voting 48, as follows:

[Roll No. 479]

YEAS—333

Abercrombie
Ackerman
Aderholt
Allen
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barrett (NE)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Calvert
Camp
Canady
Cannon
Capps
Cardin
Carson
Chambliss
Chenoweth
Christensen
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Coyne
Cramer
Crapo
Cubin
Cummings
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Ewing
Fawell
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fox
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hastert
Hastings (FL)
Hayworth
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Holden
Hooley
Horn
Hoyer
Hulshof
Hunter
Hutchinson
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kim
Kingston
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McGovern
McHale
McHugh
McInnis
McIntyre
McKeon
McNulty
Meeks (NY)
Metcalf
Mica
Millender-McDonald
Minge
Mink
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Olver
Ortiz
Oxley
Packard
Pallone
Pascrell
Pastor
Paxon
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pombo
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Serrano
Sessions
Shadegg
Shaw
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stenholm
Strickland
Stump
Talent
Tanner
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traficant
Turner
Upton
Velázquez
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Wicker
Wilson
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

NAYS—53

Andrews
Barr
Barrett (WI)
Berman
Blumenauer
Campbell
Castle
Chabot
Cox
Crane
Doggett
Ensign
Eshoo
Farr
Frank (MA)
Franks (NJ)
Frelinghuysen
Hoekstra
Hostettler
Johnson (WI)
Johnson, Sam
Kind (WI)
Kleczka
Kucinich
Lee
Lofgren
McDermott
McIntosh
McKinney
Miller (CA)
Miller (FL)
Neumann
Oberstar
Obey
Pappas
Paul
Payne
Petri
Pomeroy
Rivers
Rohrabacher
Rothman
Royce
Sanford
Scarborough
Sensenbrenner
Shays
Stark
Stearns
Tauscher
Taylor (MS)
Vento
Yates

NOT VOTING—48

Barton
Borski
Brady (PA)
Callahan
Clay
Costello
Cunningham
DeFazio
DeLay
Deutsch
Fattah
Fowler
Gephardt
Gillmor
Goss
Hansen
Harman
Hastings (WA)
Hefley
Houghton
Hyde
Kennelly
Kilpatrick
King (NY)
Klug
Lipinski
Martinez
Meehan
Meek (FL)
Menendez
Moakley
Owens
Parker
Pickett
Pitts
Poshard
Pryce (OH)
Salmon
Shuster
Smith, Adam
Snowbarger
Stokes
Stupak
Sununu
Tauzin
Torres
Whitfield
Wise

□ 1609

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight, October 2, 1998, to file a conference report on the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The SPEAKER pro tempore (Mr. Hobson). Is there objection to the request of the gentleman from Florida?

There was no objection.

PERSONAL EXPLANATION

Mr. TAYLOR of Mississippi. Mr. Speaker, on Monday, September 2, I was unavoidably detained because of Hurricane Georges. All flights out of Mobile, New Orleans and Gulfport, Mississippi were cancelled. Had I been here, I would have voted "no" on H.R. 3891. I would have voted "yes" on H.R. 4103. I would have voted "yes" on H.R. 4060, and I would have voted "yes" on H.R. 3150.

TRIBUTE TO VIC FAZIO

(Mr. HOYER asked and was given permission to address the House for 1 minute.)

Mr. HOYER. Mr. Speaker, unfortunately, during the course of the consideration of the energy and water bill, I was not able to be on the floor because I was doing other business on another committee. Therefore, I did not get an opportunity to rise to pay tribute to my colleague and one of the closest friends I have, not just in this institution but in my life, and that is Vic Fazio our colleague.

He is about to, I think, have a colloquy about the schedule, acting in his leadership capacity. Very frankly, Mr. Speaker, Vic Fazio has been a leader of this House since I arrived here in 1981. He is an extraordinarily capable Member. He is a Member whose integrity and intellect will match anybody, not only in this institution but in our country. He has chosen to leave this body and this body will be a lesser place for that decision.

I wanted to take, Mr. Speaker, this short, brief minute to stand and say to him, thank you. During the 5½ years that I served as chairman of the caucus, Vic was my vice chair, and I was proud to have him serving with me. During his time as chairman of the DCCC, I was one of his strongest supporters.

During the decade that he headed the Subcommittee on Legislative of the Committee on Appropriations and served this institution and its Members and the citizens of this Nation so well in ensuring the effective operation of the people's House, I was proud to be his strong supporter.

During the last four years he has chaired the Democratic caucus. One of the hallmarks of his leadership was a partisan commitment to the issues and principles for which our party stands. But I know that my colleagues on the majority side also found in Vic Fazio a gentleman who was interested in the interests of America and was willing and able and desirous of working with the other side in a collegial way to effect progress in this House on behalf of this country and its citizens.

Mr. Speaker, I appreciate the opportunity to rise to say to one of the closest friends I have that we are going to miss you. I am going to miss you. This institution is going to miss you.

The good news for all of us is that Vic Fazio will be around. He hopefully will stay in Washington. I know he will go back to his beloved California frequently, but hopefully he and his beloved wife, Judy, an extraordinary individual in her own right, will be here, and we will see him frequently and have the opportunity to benefit from his advice and counsel and his leadership.

Vic, you have been one of the extraordinary Members of this House. The House is a better place for your service, and our country is better for your service.

□ 1615

TRIBUTE TO VIC FAZIO

(Mr. DIXON asked and was given permission to address the House for 1 minute.)

Mr. DIXON. Mr. Speaker, one of the best benefits of holding public office is to meet colleagues who have integrity, who work for consensus, who are bridge builders. Vic Fazio is that type of person.

I was very sorry that I could not be on the floor when the California delegation saluted him. We worked together in Sacramento and we worked together on the Committee on Standards of Official Conduct here, and for 20 years on the Committee on Appropriations.

The sad thing is that he is leaving this institution, but he leaves a great deal of friends here and we are very pleased that he will remain in Washington. He will now have the time to spend with his family, to regulate his own schedule, and I know that all of our colleagues wish he and Judy very well.

LEGISLATIVE PROGRAM

(Mr. FAZIO of California asked and was given permission to address the House for 1 minute.)

Mr. FAZIO of California. Mr. Speaker, I want to thank my colleagues first for their very gracious remarks, and I appreciate the Speaker's latitude in allowing them to make them.

At this time I ask the chief deputy whip, my friend the gentleman from Illinois (Mr. Hastert), to enter into a dialog with me about next week's schedule.

Mr. HASTERT. Mr. Speaker, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Illinois.

Mr. HASTERT. Mr. Speaker, I thank the gentleman from California, and we, too, want to extend our best, Mr. Fazio, for your future.

Mr. Speaker, I am pleased to announce that we have concluded legislative business for the week.

The House will next meet on Monday, October 5, at 12:30 p.m. for morning hour and at 2 p.m. for legislative business. We do not expect any recorded votes before 5 p.m. on Monday.

On Monday, October 5, we will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices this afternoon.

On Tuesday, October 6, and through the balance of the week, the House will consider the following legislation:

H.R. 3694, the Intelligence Authorization Act, which is a conference report;

H.R. 4274, the Labor-HHS Appropriations Act;

H.R. 4570, the Omnibus National Parks Act;

H.R. 3789, the Class Action Jurisdiction Act; and

H.R. 4259, the Haskell Indian Nations University Act of 1998.

Mr. Speaker, we also expect a number of appropriation and authorization conference reports to be ready next week. As we head into the final days of this session, Members should be ready to work late throughout next week in order to finish work on important conference reports.

Mr. Speaker, the target adjournment is still October 9th, but of course Members should be prepared to stay through the weekend, if necessary.

Mr. Speaker, I thank the gentleman for yielding to me.

Mr. FAZIO of California. Reclaiming my time, Mr. Speaker, I do have a couple of questions I would like to pose.

First of all, it looks increasingly as if we may need another continuing resolution, or CR. I know a good deal of effort will be put forth next week to avoid that, but I also do not see any provision on the schedule that would allow us to have additional time should the October 9 deadline pass.

Is the gentleman aware of a time when we might have another, hopefully short-term, CR?

Mr. HASTERT. Mr. Speaker, if the gentleman will continue to yield, obviously, our goal is October 9. The date on the CR that we have under action right now is October 9, and we will have to take that into assessment next week as bills move along, and especially the conference reports. We would be ready to move such a bill, if necessary.

Mr. FAZIO of California. Could the gentleman indicate what the tentative time frame for that would be? I realize that we would be running into the Columbus Day holiday and possibly into the next week, and I am moved to ask what the gentleman thinks the time frame of that might be.

Mr. HASTERT. As I repeat it, it is our hope we will be able to adjourn by October 9. If there are signals that that will not be able to happen, we will take that under consideration later next week in a timely manner.

Mr. FAZIO of California. Well, it is not my intention to fail to keep hope alive, but I think we all realize it is going to be difficult. So we are not expecting to be in that next week.

Is it the intention of the majority to complete the Labor-HHS appropriations next week? And what day would the gentleman understand that might come up?

Mr. HASTERT. Well, as the gentleman knows, we passed the rule on that bill today and it would be the intention of the House, after passing the rule, to act on that legislation. Hopefully, as that bill would come back, we could act on that as early as Tuesday.

Mr. FAZIO of California. I appreciate the gentleman's comments. One more question, if I could reclaim my time and yield again.

Obviously, at some point next week the Committee on the Judiciary will bring us their best efforts on the decision regarding impeachment. Is there any time at this point that the majority would point to as the day and time when we might anticipate taking that very important issue up?

Mr. HASTERT. As the gentleman knows, the Committee on the Judiciary would either act on Monday or Tuesday and, depending on what the parameters of the rules are for that particular measure, we would take that bill up probably later in the week, possibly Thursday or Friday.

Mr. FAZIO of California. Thursday or Friday. I appreciate the information of the majority and the good work of my friend from Illinois, and I yield back the balance of my time.

ADJOURNMENT TO MONDAY, OCTOBER 5, 1998

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore (Mr. HOBSON). Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. HASTERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALIFORNIA RACIST MAILER

(Ms. MCKINNEY asked and was given permission to address the House for 1 minute.)

Ms. MCKINNEY. Mr. Speaker, once again the Republicans are showing their true colors. In this recent mailer, the California Republican Party urged citizens to vote Republican by using a photograph of four Latino lawmakers in order to scare white voters.

Mike Madrid, director of the California Republican Party, said that the mailer was targeted at liberals, not Latinos. If this is true, then why did not Mr. Madrid picture any one of several white liberals currently serving in the State legislature? First LORETTA SÁNCHEZ and now this. How many times will the Republicans use racist tactics to divide America?

Mr. Madrid asserted that the mailer is not racist because he designed it and he is Latino. Well, if that is the case, then I have a suggestion. Rather than Director Mike, perhaps he should be known as Uncle Tom.

Mr. Speaker, I include the mailer for the RECORD:

Liberal Democrats in the Assembly have an agenda for California:

- Higher taxes to pay for more social programs.[1]
- Welfare without work requirements for able-bodied adults.[1]
- Weakening our 3-Strikes Law.[1]
- Legalizing same-sex marriages.[1]

Assembly Democrats are celebrating because they think Republicans won't vote in the upcoming election. And if you don't vote, they win. That spells disaster for California. You can foil the liberal's plans by applying to vote my mail. Every citizen has the right to vote-by-mail. Just sign your name and return your application today. Your postage has already been paid.

Here is your Republican Vote-By-Mail Application.

Please check the information and sign and date in the colored boxes.

Thank you.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

IMF REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARMEY) is recognized for 5 minutes.

Mr. ARMEY. Mr. Speaker, today the President called for a further expansion of the International Monetary Fund. He repeated the audacious request that Congress provide $18 billion to the IMF with no conditions and without first requiring IMF reform.

It is time for some presidential accountability, Mr. Speaker, in this area as well as others. We need to recognize that it was the Clinton administration's own policies that accelerated the financial collapse overseas that is threatening the United States' economy today.

For Congress to simply endorse those policies through the full funding of an unreformed IMF would be recklessly irresponsible. If the President will not, or, as yet another consequence of his diminished leadership, cannot bring about real changes in international financial institutions, then Congress must supply leadership in his place.

The IMF proposal actually illuminates a major policy departure that has developed largely unnoticed by Congress, the press and the public. Unnoticed, that is, until it was too late. I call it the Clinton Doctrine. It is a policy under which virtually any groupings of bankruptcies anywhere in the world is eligible for a bailout by American taxpayers.

This has inflamed what economists call "moral hazard". By covering bad investments, the administration has encouraged irresponsible behavior. The financial disasters overseas are in large part a direct consequence of this "moral hazard".

To make matters worse, once the financial collapses occurred, the IMF, presumably with the President's blessing, imposed catastrophic contractionary policies on the affected countries. Even Keynesians, Mr. Speaker, know not to raise taxes in a recession, and yet that is exactly what the Clinton-guided IMF often proposed. As Larry Lindsey put it, these policies have become our own era's equivalent of the Smoot-Hawley tariff.

In fairness to the President, he did not initiate this policy of global bailout which we have been drifting towards for some time. His role has been to sanction it, legitimize it, and to take it to new and unprecedented levels. Beginning with the 1995 bailout of Mexico, continuing with the multiple bailouts of Asia, and reaching its inevitable culmination in the farcical bailout of Russia this summer, the administration has undermined market discipline and helped to create the very crisis it was ostensibly trying to prevent.

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[1] Actual bills introduced or positions taken by Assembly Democrats during the 1997–98 legislative session.

The IMF, under the direction of the Clinton administration, helped cause the problem. Then the IMF made it worse. Now it is making it more difficult for the world to recover. The IMF, Mr. Speaker, has the Midas touch in reverse. Virtually every country it has tried to help has become worse from the experience.

In Korea today, children made homeless by the continuing recession are bitterly referred to as "IMF Orphans". Our friends in Korea know, as many in the Clinton administration do not, that the IMF is largely responsible for their continuing economic difficulties.

Congress must reverse this Clinton Doctrine that has helped bring the world economy to its current state. A positive step would be to restrain the IMF by deferring a decision on providing the huge $14.5 billion quota increase. This is essentially the House position contained in the foreign operations bill.

Delaying a decision on the IMF money would allow us time to hold an international conference and other meetings to improve the world financial system. The disasters we see overseas are clear evidence that the current arrangements have failed. Rather than pump more money into them, we need to redesign them. We need nothing less than a new Bretton Woods conference. Only then can we make an informed decision on giving away $14.5 billion of our taxpayers' money for those purposes.

Now many, including many in this House, say that we should give the IMF money up front in exchange for "real IMF reforms". What they do not understand is that the administration and the IMF are adamantly against any U.S.-imposed reform. As the French director of the IMF arrogantly put it last week, "The U.S. must bring its contribution and no country is entitled to impose conditions." That from the head of an agency that imposes conditions on each and every country to which it brings its money, and all too many times, as I have cited, conditions that do harm rather than good.

The most the administration and other IMF supporters will accept are weak suggestions from us. The reform provisions in pending IMF bills, for instance, are a little more than sense-of-Congress resolutions.

So, Mr. Speaker, if Members are serious about doing a money-for-reform trade, I suggest they adopt this principle to start with: No IMF reform is real IMF reform until IMF adopts it before it receives any additional money from the United States.

□ 1630

This, in my judgment, is plain common sense. We do not give away $18 billion of our taxpayers' money on the strength of a promise or on an assurance. Any reform provisions that do not meet this principle should be rejected out of hand.

What should these reforms involve? If our aim is to reverse the destabilizing influence that the IMF has had on the world's economic and financial system, we should insist on these:

One, real transparency requirements that will allow us to open their books and see what in fact they do, what are their resources and what do they do with them.

Two, a ban on the IMF offering of low interest rates below the market. This is very important if we are going to stop this business called moral hazard. It is the oldest story in economics: If you subsidize bad decisions, you get more bad decisions.

Three, a 1-year limit on all IMF loans. When we do that, we again signal to the world, they do not have permanent bailouts for loans or activities that prudent people would not have undertaken in the first place.

I am not naive, Mr. Speaker. I can count votes and I know this is an uphill fight, but it is one we must make even in the waning days of this Congress. In the end, Mr. Speaker, it comes down to first principles. My party believes in freedom and responsibility. Guided by those values, we have resisted the status temptation and instead led America into this era of limited government and broad prosperity. How can we then acquiesce in a plan to vastly expand an international agency that covers other people's bad debts and undermines free market processes the world over?

No, Mr. Speaker, it is time to bring the reforms, the discipline, and the responsibility that make this Nation great to all the world's nations through all the transactions and institutions that this Nation supports and it tries to influence.

SIMPLIFIED USA TAX ACT OF 1998

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, the American tax system is a Frankenstein's monster that terrorizes individual taxpayers while casting a cold shadow over the productive sectors of the U.S. economy. It is too complicated. It is riddled with obvious inequities. It punishes savings and investment. It reduces economic growth and burdens domestic industry struggling to remain competitive.

Next week I will introduce the Simplified USA Tax Act, because I want to reform the American tax system in a way that makes sense to average citizens and that, therefore, will pass the test of time. Not only do we need a Tax Code that is fair and sensible, we need one that is stable.

As bad as the current Tax Code is, and I am one of its severest critics, the last thing that we need is to enact some reform that is so radical and experimental that we may have to redo it all over again a few years later.

The Tax Code must give Americans a fair opportunity to save part of their earnings. After all, it is thrift that has helped provide Americans with the security and independence that is the foundation of freedom. It is savings that buys the tools to make Americans more productive. And it is productivity that raises our living standards to the highest in the world.

In my tax reform proposal, "USA" stands for unlimited savings allowance. Everyone is allowed an unlimited Roth IRA in which they can put the portion of each year's income they save after paying taxes and living expenses. After 5 years, all money in the account can be withdrawn for any purpose and all withdrawals are tax free. Nothing could be simpler and nothing could give people a better opportunity to save, especially young people.

Under the new Tax Code, tax rates must be low, especially for wage earners who now must pay both an income tax and a FICA payroll tax on the same amount of wages. The USA tax starts out with low tax rates, 15 percent at the bottom, 25 percent in the middle, 30 percent at the top. Then the rates are reduced even further by allowing wage earners their full tax credit for the Social Security and Medicare payroll tax that is withheld from their paychecks under current law.

I do not propose to repeal the payroll tax because to do so would imperil Social Security, but I do allow a credit for it. And when the credit is taken into account, the rates of tax on workers' wages are very low indeed, in the 7 percent to 17 percent range for nearly all Americans.

The USA tax provides tax relief for all Americans, especially who own their home, give to their church, educate their children and set aside some savings for a better tomorrow. Under my proposal, everyone gets a deduction for the mortgage interest on their home and for charitable contributions they make. In addition, and this is brand new and long overdue in our society. USA allows a deduction for tuition paid for college and postsecondary vocational education. Generous personal and family exemptions are also allowed under my proposal.

The USA tax is simplicity itself. The tax return will be short, only a page or two for most of us. But, more to the point, the tax return will be understandable. For the first time in a long time, America's tax system will make sense to the citizens who file the tax returns and pay the taxes. For the first time since inception of the Federal income tax, Americans will have a full and fair opportunity to save whatever portion of their income they wish and for whatever purpose they wish.

For the first time in history, working people will be allowed a credit for the payroll taxes they pay. And for the first time ever, families will have a generous tax-free allowance for the education of their children.

My proposal also contains a new and better way of taxing corporations and other businesses that will allow them to compete and win in global markets in a way that exports American-made products, not American jobs. Experts who have studied this believe that, if enacted in America, this innovative approach to business taxation will soon become the worldwide standard to which other countries will aspire.

For too long, the Tax Code has been a needless drag on the economy. That is not very smart and it is certainly not fair to those Americans whose living standards are lower because of it. For years its complex inanities have been the object of ridicule. It has also been the ultimate source of bureaucratic excesses and abuse by the IRS that is inconsistent with our free society.

Mr. Speaker, it is high time that we restore people's faith in the integrity and competence of their tax system and, in the process, take a major step toward restoring people's confidence in the good character of their government.

CONTRACEPTION FOR WOMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I am amazed to have had to have come to the floor more than once on this issue. The Treasury, Postal rule went down again. There may be more than one reason why. But underlying that rule is a bill that allows basic minimal health protection for women.

Since when does contraception for female government employees deserve to be in a bill whose rule is voted down? The women of America would say, no, never. And the bipartisan Women's Caucus of this Congress has said no in no uncertain terms.

This is a bill that deserves the word "noncontroversial." It passed unanimously in the Senate. In the House it has passed twice. What we are talking about is a provision that simply says that if a health plan pays for prescriptions, it must also pay for contraception prescriptions.

Plans are often willing to pay for abortion. Plans are willing to pay for surgical procedures involved in reproduction. They certainly ought to be willing to pay for what prevents abortion. They pay for sterilization often, but not for simple contraception measures.

Now, the provision contains a religious exemption. Among the religious plans would be Catholic plans. Catholic plans would not have to pay for contraception.

The gentleman from New Jersey (Mr. SMITH) has inserted himself into this matter. He wants a morality exemption. That, of course, could never be granted by the Congress. One of the problems, I suppose, in a country like ours is we cannot figure out where everyone is on basic moral questions, but we do know where people are on religious questions.

I do not know what the gentleman from New Jersey (Mr. SMITH) or anybody else is doing in this matter. We are talking about a non-conferenceable item. There was no disagreement between the House and the Senate. Why is this matter up for grabs? Unless we now are in a Soviet-style body where both sides can pass a bill but somebody else can zap in and overturn it.

The gentleman from New Jersey (Mr. SMITH) has a provision that is a true insult to the women of America. He says, yes, they can cover contraception but only for the diaphragm. Surely only police states would tell women what kind of contraception to use. But let me be clear. Women need options in contraception precisely because some do not work, some make people sick, some are unsafe to some people, some have long-term effects and consequences. It is not for this body to decide.

The health plan, if it is providing prescriptions anyway, should not be able to exclude this basic minimal kind of prescription that most women of childbearing age in fact need in one form or the other, and it is not for the gentleman from New Jersey (Mr. SMITH) or any Member of this body to tell women which kind of contraception is the one that should be covered.

Women indeed should not have to explain themselves to this body on this question. I am embarrassed to have to stand before this body to talk about contraception for women, especially for women who work for the Federal service.

There are five major forms of contraception used, and none of them involve or come close to abortion. The pill, the diaphragm, the IUD, Norplant, and Depo-Provera. Ten percent of Federal plans offer no contraceptive coverage at all. This is a real family bill, when we consider that the woman of the family in this country pays 68 percent more for health coverage than the man in the family. We have got to get this thing down to size.

This provision is central to women's health. Above all, we should not bring abortion-style politics into contraception. That is where we have a broad umbrella of agreement.

Thus, this provision presents two fundamental issues for this House. One is simple democracy, when an item is non-conferenceable because both sides have agreed to it. Democracy works. We must leave it alone. We must not set the precedent that someone else can turn it around.

And the second principle, of course, is that contraception is central to women's health. Leave it be. Pass this provision in the Treasury, Postal appropriations bill.

BIG WEEK IN NATION'S CAPITAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. WELLER) is recognized for 5 minutes.

Mr. WELLER. Mr. Speaker, this week is a big week here in our Nation's capital. Yesterday was October 1 and yesterday was the first day of the new fiscal year, and we are celebrating something that has not occurred for 29 years.

This week we are celebrating the first not only balanced budget in 29 years, but the first budget surplus in 29 years, where we actually have more tax revenue coming into our Treasury than we are spending. It is now projected that over the next 10 years that this budget surplus will contain $1.6 trillion, that is $1 trillion, $600 billion, in tax revenue more than we are spending.

We have to make some choices now, of course, on what we are going to do with that extra money, money that the hard-working folks back home send to Washington. Just a week ago, 10 days ago, we made a choice, and with a bipartisan vote this House adopted what is called the 90–10 plan, a plan which sets aside 90 percent of surplus tax revenues to save Social Security.

□ 1645

Ninety percent, of course, equals $1.4 trillion, $1,400,000,000,000, is surplus tax revenues being allocated under the 90/10 plan to save Social Security. I might note when the President first discussed the idea of using surplus tax revenues to save Social Security in January, the projected surplus at that time was $600 billion, and, since then, because of the economy and because of fiscal responsibility here in this House, we now have a $1.6 trillion surplus tax revenues. Under the 90/10 plan, we set aside more than twice what the President asked for. $600 billion by the President; we set aside $1.4 trillion.

That is a big victory, because the remaining 10 percent we give back to the American people. Ninety percent goes to Social Security; the remaining 10 percent goes back to the American people.

Representing the south side of Chicago and the south suburbs, I think it is important to point out that the 90/10 plan not only saves Social Security, the 90/10 plan helps eliminate the marriage tax penalty, helps Illinois farmers, helps Illinois small business people, helps Illinois schools and helps parents in Illinois who wish to send their kids on to college.

I might also note that while we propose to give extra tax dollars back to the taxpayers as well as saving Social Security, the President says he wants to save Social Security and spend the rest. I might note in the 90/10 plan we provide about $7 billion in tax relief in 1999, this coming year, whereas the President wants to spend $14 billion of the surplus. It is kind of interesting he would spend twice as much as we want to give back of the surplus to the American people.

Not only does our plan save Social Security, but, as I pointed out, it eliminates the marriage tax penalty for the majority of those who suffer the marriage tax penalty. I have often stood in this well and raised the question, is it right, is it fair, that 28 million married working couples with two incomes pay higher taxes under our Tax Code just because they are married? In fact, under our Tax Code, married working couples with two incomes pay more in taxes than identical couples with identical incomes living together outside of marriage. That is just wrong.

Our plan here, the 90/10 plan, eliminates the marriage tax penalty, and it not only eliminates it for the majority of those who suffer it, but for 28 million married working couples, they will see an extra $240 in extra take-home pay next year under our proposal. That is a car payment. That is a month or two of day care in Joliet, Illinois. That is real money for real people. Also six million married taxpayers will no longer need to itemize under our marriage tax relief plan. We are bringing fairness, we are bringing simplicity, to the Tax Code.

Also, because we want to encourage individuals to save more for their retirement and future, save for education, the 90/10 plan not only eliminates the marriage tax penalty and saves Social Security, but it also rewards savings by allowing a single person to have their first $100 in savings interest tax exempt, and for a married couple the first $200. For a married couple they could have $10,000 in a savings account and essentially that interest they earn will be tax-free. That also simplifies our Tax Code, because 10 million couples will no longer need to itemize.

Mr. Speaker, the 90/10 plan saves Social Security. The 90/10 plan eliminates the marriage tax penalty for the majority of those suffer it, it helps Illinois farmers, it helps Illinois small business, it helps Illinois schools, it helps Illinois parents.

My hope is in the next week the Senate will take up this legislation, give it the same kind of bipartisan support it received here in the House, and I also hope the President will join with us to save Social Security and eliminate the marriage tax penalty.

THREE REASONS TO BE PROUD OF THE 20TH DISTRICT OF ILLINOIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. SHIMKUS) is recognized for 5 minutes.

Mr. SHIMKUS. Mr. Speaker, I am proud to be from Illinois and the 20th district. Today I want to mention three reasons why.

The first integrated school in the Nation is about to be added to the National Register of Historic Places. The addition of Hamilton School in Otterville, Illinois, was recently announced by the Illinois Historic Preservation Agency. Behind the history of the school is a heartwarming story of unselfish brotherly love between a young black slave and his master.

Silas Hamilton, a white doctor, founded the Hamilton School. Not having any children of his own, he freed a six-year-old black slave, George Washington, and raised him as his own child. Two years later, in 1836, when he was old enough, Washington began attending classes at the formerly all-white school in Otterville and grew up to be a successful farmer in Jersey County. When Washington died, he left a fund to have a monument erected in Hamilton's memory on the lawn of the school.

Today, Washington and Hamilton are buried together; not as master and slave, but as friend and friend. The large stone crypt is visible from the window of the Hamilton School, and serves as a symbol of the friendship between a white and a black man, and the beginnings of American racial harmony.

Secondly, Mr. Speaker, while most rural post offices are seeing a decline in customers due to the resent technological advancements of e-mail, Internet and fax machines, the Texico Post Office's business just seems to keep growing.

The Texico Post Office will be celebrating its 100th year of service on Monday, the 5th of October. The celebration will include an open house, refreshments and a special commemorative postmark celebrating the 100th anniversary, which will be available for 30 days.

Fred Young has been the postmaster of the office for over 30 years and has seen a lot of changes during his tenure. "There is a lot more paperwork involved, and there have been several rate changes. Also since I've been here our rural route delivery has doubled," said Mr. Young.

The Texico office is undoubtedly quieter than some of the bigger offices. The rural route only covers 75 miles. However, they are able to serve their patrons with just one rural carrier, Sondra Coldwell, her substitute, Marla Saupe, and the office's clerk, Terri Pemberton.

Even though the office is a bit smaller and quieter, it not something that Postmaster Young minds. Maintaining the tradition of good quality service for the patrons is Young's priority.

Mr. Speaker, in addition to sharing with the Members the information about Otterville and Texico, I want to take this time to make special mention of a loss to central Illinois of a woman that the State Journal-Register called a "trailblazer" who opened the doors for women.

Josephine Oblinger died last Sunday day at St. John's hospital in Springfield, Illinois. At 85, she left behind a legacy of good works that will likely never be duplicated. Her son Carl said, "She just did the good things that needed to be done," and described her as his "confidant for life."

Josephine was a native of Chicago. She attended the University of Detroit Law School, graduating in 1943 Magna Cum Laude. The significance of that accomplishment is lost on many of us today, who forget that there was a time when women were neither expected or even allowed in some cases to pursue a career in the law. In fact, her son Carl remind us that even though she was the class valedictorian, she was not allowed to speak at the graduating ceremony solely because she was a woman.

In addition to the law, she was a teacher. She also was elected as Sangamon County Clerk, as an outstanding state representative, and President of the Illinois Federation of Teachers. In her later years, she never shied away from continuing to help those in need.

Yet, despite all that she has accomplished and all that she did for so many of us in central Illinois, her proudest accomplishment was her beloved son Carl. Since it is true that our greatest legacy is our children and the kind of people they turn out to be, I can tell you that her son Carl has honored his mother and his father in immeasurable terms.

My prayers go out to Carl and Marge along with thought, Josephine Oblinger made a difference in our lives, and so do the two of you.

AN APPEAL FOR FAIRNESS IN AIRLINE COMPETITION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Minnesota (Mr. OBERSTAR) is recognized for

60 minutes as the designee of the minority leader.

Mr. OBERSTAR. Mr. Speaker, rarely, probably only one or two other times in my 24 year service in this House, have I taken the time of this body to address the House during special orders, but I do so today to express my utter astonishment over a multimillion dollar advertising campaign by the major airlines, designed to discredit a proposal by the Department of Transportation to stop unfair competitive practices against new low-fare airlines.

The ads seek to arouse public opinion by totally mischaracterizing the Department's proposal. Unfortunately, consumer organizations and new entrant carriers do not have the resources to respond by purchasing a comparable amount of advertising.

Typical of the airline campaign is the Brian Olson ad which shows a picture of a disappointed young man under the headline "Vacation Canceled—Due to Government Regulation."

The text of the ad says:

> Brian Olson was looking forward to the family vacation. With so many cheap air fares available, his family was planning the trip of a lifetime, but proposed Department of Transportation regulations could keep Brian home. That's bad news for Mrs. Olson.
>
> The DOT has proposed new regulations that will eliminate many discounted air fares and raise air fares for leisure travel in a misguided effort to re-regulate the airline industry.

The DOT proposal described in the ad bears flow resemblance to DOT's actual proposal. Quite frankly, if the issues were not so important, the ad is so ridiculous as to be laughable. The actual DOT proposal does not contemplate any general limitations on discounted air fares. The proposal is not designed to raise air fares, it is designed to produce lower air fares by protecting the new low-fare service against unfair competition, the purposes of which are to drive the low-fare carrier out of the market and then raise fares to their prior level. The purpose of the DOT regulation is to give the so-called Brian Olson and his family more opportunities for a vacation at affordable air fares, rather than fewer or higher costs.

The DOT proposal only covers those markets in which low-fare service first becomes available because a new low-fare carrier enters the market. The policy is designed to prevent the established carrier in any given market from trying to drive the new carrier out with unfair anticompetitive practices which are described in the proposed rule as follows: The established carrier matches the fare and substantially increases capacity to the point where the established carrier is losing money on the route at issue. This type of so-called "competition" makes economic sense only if the established carrier expects to drive the new carrier out of the market and then recover its losses by raising air fares.

The DOT proposed policy declares that this type of competitive response is an unfair competitive practice prohibited by 49 U.S. Code 41712.

I want to make it very clear that every carrier has a right to defend its market, its route or its hub. Carriers do not have a right to do so by unfair competitive practices in which they flood a market with unprofitable service.

My years of experience in support of deregulation lead me to conclude that DOT's proposed guidelines are directed at a serious problem that has to be corrected if we are to continue to enjoy the low-fare benefits of airline deregulation.

Further, the law and the legislative history of deregulation are clear that DOT has the necessary authority to issue guidelines to deal with the problem and that the type of guideline DOT has proposed is not re-regulation, but it is consistent with the principles of airline deregulation.

Attorneys General from 29 states, including Republican Attorneys General from New York, Virginia, Wyoming, Arkansas and Kansas, agree. They have written in support of the DOT guidelines saying:

> The proposal of the Department of Transportation is not an attempt to re-regulate the airline industry. It does not propose to dictate routes or prices. It only sets out guidelines for interpreting an existing statute, and it does so in a rational way which seeks to prevent competitive strategies designed to destroy competition, rather than compete.

Predatory practices are not a theoretical problem. DOT investigations and Congressional hearings have uncovered a number of instances in which major airlines have adopted money-losing strategies to drive out new entrants who have instituted low-fare service.

For example, during the time when I was Chairman of the Aviation Subcommittee, in 1993, Reno Air entered the Minneapolis-Reno market. Northwest Airlines, which had dropped out of this market in 1991, apparently decided that any new Minneapolis competition was intolerable. Northwest reinstituted Minneapolis-Reno service, matching Reno's low fares and capacity, understandable, acceptable behavior up to that point.

□ 1700

Northwest went further. The carrier also announced that it would inaugurate new low-fare service in several other markets served by Reno Air, including Reno to Los Angeles, to Seattle and to San Diego.

The Department of Transportation began an investigation of Northwest's actions with a view toward instituting an enforcement case. Result: Northwest moderated its response. But the change came too late. Northwest had achieved its objective of driving Reno Air out of Minneapolis. After Reno left, Northwest raised its lowest refundable daytime fare in the Minneapolis-Reno market from $136 to $454.

Northwest followed a similar strategy against Spirit Airlines. When Spirit began offering a single daily round trip of low-fare service between Detroit and Boston, Northwest matched Spirit's fares on every coach seat on the 11 daily flights it operated. Northwest's average fare was reduced from $259 to $100. After about half a year, Spirit was driven out of the market. When Spirit left the market, Northwest raised its fare to an average of $267, $12 higher than its previous number, just about.

My distinguished Republican colleague, the gentleman from Iowa (Mr. GANSKE) cited the following example in a letter to the Wall Street Journal: "Predatory pricing does exist and can be a successful strategy for a major carrier. In 1995, Vanguard Airlines entered the Des Moines market. In response, the major carriers lowered fares from Des Moines to Chicago to $79. After driving Vanguard out of the market, the major carrier is now charging $800 for a business class round trip. I dare say that not only has predatory pricing driven out the competitor, but at $800 per round trip, the major airline long ago made up its losses. For comparison, a round trip fare from Omaha to Chicago is about $200."

That major carrier was United Airlines, I might add.

DOD cites 4 additional examples, without naming the carriers involved, and I will cite 2 of those cases. An established carrier responded to new low-fare service in a market by increasing its service from 41,000 seats in a quarter to 55,000 seats. The number of seats the established carrier offered at low fares below $75 increased from 11,000 to 47,000. The new entrant was selling 9,000 low-fare seats a quarter. As a result of this dumping of capacity, the established carrier's revenue dropped from $7.6 million a quarter to $3.9 million in that same period of time.

Second example: An established carrier responded to a new low-fare entrant by increasing the number of seats it offered in the market from 44,000 in a quarter to 67,000. The number of seats offered at a low fare of $50 to $75 was increased from 1,300 to 50,000. The established carrier's revenues decreased from $9 million a quarter to $5.6 million. When the new entrant was driven out of the market, the established carrier reduced total capacity from 67,000 seats a quarter to 36,000 seats. Mr. Speaker, 15,000 of those seats were at a fare of over $325. The result: Total revenues went back to $9 million.

Mr. Speaker, it is not surprising that Northwest Airlines has been a leader in the practice of driving out new entrants by lowering fares and dumping excess capacity. Michael Levine, now Northwest executive vice president for marketing and international, is the same Michael Levine who 10 years ago, when he was a law professor, conducted an in-depth study of airline marketing strategies. Mr. Levine concluded after an extensive analysis that a strategy of predatory pricing practices was frequently employed by major airlines and was likely to be effective. Levine found,

> Economists committed to a high degree of airline market contestability have historically maintained that predation is doomed to failure and is therefore unlikely, because capital assets involved in airline production are mobile.

Continuing quote,

> This contestability analysis is unfortunately inconsistent with much observed behavior since deregulation. Many new entrant airlines such as People Express, for example, in Newark, Minneapolis; Muse Air on its routes to Texas, Oklahoma and Louisiana, and other points out of Love Field and Hobby; Pacific Express in the Los Angeles-San Francisco market and others, have been pressed and helped out of business through aggressive pricing by incumbent rivals.

Continuing to quote,

> New entrants are very vulnerable, both to predation and to aggressive price competition between holdover incumbents and new entrants. If circumstances, including the financial condition of the new entrant, warrants, the incumbent can flood the market with low-price seats, withdrawing them almost invisibly at peak times or as competitive conditions allow. Economies of scope and perhaps of scale in these tactics allow large incumbents to use them more effectively than the smaller, newer airlines. The economies of scope are easily seen. An incumbent who uses such tactics a few times quickly develops a reputation for fierce response to entry. The smaller the route on which the predatory war takes place as a percentage of the total operations of the airlines, the more staying power the airline will have as cash is lost in operations which do not cover incremental costs. In effect, the airline lends itself money out of accounting reserves to fight a war which drains cash. If the new entrant cannot find a source of capital which will accept the information that the temporary losses are a worthwhile investment, it will not be able to sustain losses for as long a time as will the large scale incumbent.

Source: Airline Competition, Competition in Deregulated Markets of the Yale Journal on Regulation, Spring, 1987.

Well, Mr. Levine followed this blueprint to a tee when he became executive in charge of pricing and marketing for Northwest Airlines. The benefits of service by low-fare carriers go far beyond the service they provided to their passengers. When a low-fare carrier is successful, major carriers are forced to reduce their fares and their passengers also benefit. The savings to travelers are truly astonishing.

A DOT analysis concluded that for the year 1995, low-fare competition saved more than 100 million travelers a total of $6.3 billion in air fares. DOT studies also show that many passengers and markets which are not served by low fare carriers do not receive the full benefits of deregulation. DOT studied fares in all markets under 750 miles and found that in markets served by low-fare carriers, fares had decreased by 41 percent, adjusted for inflation, since deregulation in 1978. But, for those markets not served by low-fare carriers, fares had increased by 23 percent, adjusted for inflation.

The DOT study showed that average fares in markets served by low-fare carriers were $70 to $90 lower than average fares in other markets. It is very instructive that the higher fares prevailed in all markets not served by low-fare carriers. Fares were high even in markets in which established carriers competed.

Conclusion: It is the low-fare carriers, not the major carriers, who drive prices down and benefit consumers.

DOT has given some specific examples of fare disparities related to whether a market is served by a low-fare carrier. For example, Chicago-Cincinnati, where United competes with a major carrier, Delta. The average fare is $259. In Chicago-Louisville, a market of comparable distance where United competes with a low-fare carrier, Southwest, the average fare is $72. And there are many more such case example studies.

It is clear that the traveling public has a lot to lose if low-fare carriers are driven out of the marketplace by unfair competitive practices.

In competing with established carriers, low-fare carriers face obstacles beyond price-cutting and capacity-dumping. Established carriers control slots, gates, and computer reservation systems which are essential to effective competition. Established carriers can also use frequent flyer programs and travel commission overrides as competitive weapons. I know of a number of cases in which major airlines offer extra frequent flyer miles and give travel agents added commissions for flights in markets in which the major carrier was faced with low fare competition.

Even more disturbing are recent trends toward industry concentration. As the number of established carriers is reduced, the surviving carriers will become even more formidable, new threats to new entrants. Furthermore, the reduction in the number of established carriers means less competition within this group, and that means that the need for competition from low-fare carriers will become even greater. When markets are controlled by established carriers, the tendency is for the carrier simply to follow each other's fare changes, with the result that fares are identical and passenger choice is limited.

Since the early 1980s, there has been a long-term trend toward industry concentration. In the past few months, there have been some proposals which threaten to escalate the process dramatically to the disadvantage of air travelers. During the 20 years of airline deregulation, competition was reduced by a wave of mergers in the late 1980s, and by the bankruptcies of many established carriers and new entrants. Although a few small carriers who started operation in the post-deregulation era have survived, the new competition does not come close to offsetting the loss of competition caused by mergers and bankruptcies.

Very recently there has been an even greater threat to competition: Global-straddling alliances. In the past few months, proposals have surfaced for alliances between Northwest, with 9 percent of the domestic market, and Continental, 8 percent of the market; between American, 17 percent of the domestic market, and USAirways, 8 percent; and between United Airlines, 17 percent of domestic market, and Delta, with 18 percent, although it now appears that this latter proposal may not be able to proceed because they do not seem to be able to come to agreement on a code share alliance, for the time being. In addition, there is an alliance already in place between America West with 4 percent of the domestic market and Continental at 8 percent.

If, as some have suggested, alliances are the equivalent of mergers, these recent proposals indicate a very disturbing trend toward an aviation sector worldwide consisting of 3 major carriers, which Secretary of Transportation Sam Skinner warned us about in the early 1990s during hearings that I chaired at that time. The General Accounting Office found that if all of the 3 alliances proposed a few months ago were implemented, competition could be reduced for about 100 million passengers a year.

Alliances between major carriers pose an especially serious threat to competition because many of these carriers are already in alliances with major foreign airlines, such as Northwest-KLM, United-Lufthansa-SAS-Air Canada, and Delta-Swiss Air-Sabena-Austrian-Virgin. America is now trying to develop alliances with British Air, TACA, Canadian, Quantas and Japan Airlines. Big powerful global-straddling carrier alliances, reducing competition and increasing fares for air travelers.

These alliances have enormous market power. They control slots at the major slot constrained airports of the world: O'Hare, Heathrow and Narita. They operate in countries with which we have restrictive bilaterals that limit competition: our bilaterals with the United Kingdom and Japan. They control the major computer reservation systems through which most airline travel is marketed. They control major networks of domestic feeder airlines and some new entrants.

Experience has shown that when a U.S. carrier enters an alliance with a foreign carrier, other U.S. carriers limit or terminate their service to the foreign carrier's home market. If major U.S. carriers are added to these already imposing alliances, there will be an irrevocable change in worldwide airline competition.

□ 1715

The Committee on Transportation and Infrastructure has reported legislation to give the Department of Transportation an opportunity to review the proposed alliances between major carriers before they are implemented, very important legislation.

As Robert Crandall, former chairman and CEO of American Airlines said shortly before he retired, "The Department can promote competition by preventing any further concentration in the domestic industry, and by undoing the collusive alliances it has created in the international marketplace. Doing so will offer the consumers more choices than they have today."

Regardless of whether our committee's alliance legislation passes, the trend toward new alliances makes it even more important that DOT ensure that new entrants are not driven out of the business by unfair competitive practices.

The major airlines have tried to damn the DOT proposal by labeling it with the pejorative term "reregulation." This is a gross mischaracterization. DOT is not proposing to add any new regulatory requirements. DOT is only implementing its statutory responsibility which predates the Deregulation Act of 1978 to prevent unfair competitive practices.

To understand what "reregulation" means, we first need to understand the meaning of "deregulation." Before 1978, the airlines were fully regulated. They needed authority from the Civil Aeronautics Board to change the cities they served and the fares they charged.

In 1978, this regulatory regime was ended by the Airline Deregulation Act, which gave airlines the same freedom as other industries to establish their service and their fares. But deregulation did not mean that there would be no limits on airlines' business decisions. All American business is subject to controls to ensure that their products are safe and that consumers are not deceived among other protections.

Some of these controls affect pricing decisions. For example, under the antitrust laws, no American business is free to set its prices by an agreement with its competitors. All businesses in America are prohibited from pricing practices which constitute unfair competitive practices violating the letter or spirit of the antitrust laws.

This prohibition is found in Section 5 of the Federal Trade Commission Act, governing industry generally, and in former Section 411 of the Federal Aviation Act, which is now 49 U.S.C. 41712, which applies specifically to airlines.

Since 1938 airlines have been exempt from Section 5 of the Federal Trade Commission Act, and subject to a provision specifically prohibiting unfair competitive practices by airlines administered by CAB's predecessor, and then by CAB, and since 1985, by DOT. This is the prohibition on which DOT's guidelines are based, historically established in law for the benefit and protection of air travelers.

Congress has made it absolutely clear that we expect the U.S. Department of Transportation to prohibit unfair competitive practices by airlines. In 1984 when we passed legislation terminating the Civil Aeronautics Board and giving its remaining responsibilities to the U.S. Department of Transportation, we explained that, "There is also a strong need to preserve the Board's authority under Section 411 to ensure fair competition in air transportation. Again, this is the same authority which the Federal Trade Commission exercises over other industries under Section 5 of the Federal Trade Commission Act.

Although the airline industry has been deregulated, this does not mean that there are no limits to competitive practices. As in the case with all industry, carriers must not engage in practices which would destroy the framework under which fair competition operates.

Air carriers are prohibited, as are firms in other industries, from practices which are inconsistent with the antitrust laws or the somewhat broader prohibitions of Section 411 of the Federal Aviation Act (corresponding to Section 5 of the Federal Trade Commission Act) against unfair competitive practices. Source, House Committee Report on CAB Sunset Act, H.R. 98–793, 98th Congress, Second Session.

I cite this to be perfectly precisely clear about the legal basis for the authority that the DOT seeks now to exercise.

The principal architect of deregulation, Dr. Alfred Kahn, has confirmed that the DOT proposal is not reregulation. Dr. Kahn said:

> The entry of these new low-fare carriers keeps the industry honest. I'm a strong advocate of competition and I don't want to go back to regulation. But you've got to distinguish legitimate competition from what is intended to drive competitors out and exploit consumers.

That is Alfred Kahn, as quoted in USA Today, April 6, 1998.

Dr. Kahn further says, "When I hear 'vigorous competitive' responses to describe a situation in which, within a space of a year, fares started at $260, went down to $100 in two quarters, and then back up to $270, I want to retch," said Dr. Kahn in the hearing on Aviation Competition of the Subcommittee on Aviation, the Senate Committee on Commerce, Science, and Transportation, April 23, 1998.

Strong language from a man who knows what "deregulation" means and what "fair competition" is.

Two other issues need to be clarified. First, the prohibition against unfair competitive practices is related to but is broader than the prohibitions of the antitrust laws. As the court ruled in United Airlines against CAB, 766 F.2nd 1107, 7th Circuit, 1985, "We know from many decisions under both this section, (Section 411 of the Federal Aviation Act prohibiting unfair competitive practices)," and its progenitor, Section 5 of the Federal Trade Commission Act, "that the Board can forbid anticompetitive practices before they become serious enough to violate the Sherman Act."

Secondly, DOT has authority to issue general rules determining that specific practices constitute unfair competitive practices. DOT is not limited to enforcing the prohibition against unfair practices through a case-by-case determination.

This was the issue in the 7th Circuit Court case of United Airlines against CAB, in which United Airlines challenged the CAB's authority to issue rules determining that various practices in the operation of computer reservation systems would be unfair competitive practices.

After analyzing the background of the reenactment of Section 411 in 1984, the court concluded,

> Congress, looking forward to the period after abolition of the Board, was very concerned to preserve in the Department of Transportation authority to enforce Section 411 . . . It is too late to inquire whether, as an original matter of interpretation of Sections 204(a) and 411, rulemaking can be used to prevent unfair or deceptive practices or unfair methods of competition. To hold that it cannot be so used would pull the rug out from under Congress's restructuring of airline regulation.

Wise words rightly said by the court.

There have been some proposals for legislation to stop the DOT rulemaking. I am pleased that the Committee on Transportation and Infrastructure has rejected these proposals, and instead has reported legislation to ensure that the final guidelines will include a full analysis of relevant issues, and that Congress will have an opportunity to legislate before final guidelines become effective.

I agreed to this legislation as a compromise, making it clear that my support should not be construed as indicating doubts about DOT's proposal, but rather, as a means of moving the issue forward. The Secretary of Transportation has pledged to give serious open-minded consideration to all comments filed, and I am confident that final guidelines will reflect any legitimate problems which may be raised.

I believe the basic approach proposed by DOT is sound. It is inconsistent with deregulation for established airlines to respond to low fare competition by adopting pricing and scheduling policies which lose money, and then when the new entrant leaves the market, raising fares to prior levels.

I respect the rights of established airlines to oppose the DOT proposal, but I urge them to contest the proposal by responding to the real issue with real case studies and honest facts, rather than using their fictitious strawman claim of "reregulation" in their rush to ban all low-fare service.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today after 3:30 p.m. on account of official business.

Ms. HARMAN (at the request of Mr. GEPHARDT) for today on account of illness in the family.

Mr. MARTINEZ (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. PITTS (at the request of Mr. ARMEY) for today after 1:00 p.m. on account of his son's wedding.

Mr. CALLAHAN (at the request of Mr. ARMEY) for September 26 through October 2 on account of personal reasons associated with Hurricane Georges.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. OBERSTAR) to revise and extend their remarks and include extraneous material:)

Mr. CONYERS, for 5 minutes, today.

Mr. SKAGGS, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. WELLER) to revise and extend their remarks and include extraneous material:)

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. WELLER, for 5 minutes, today.

Mr. SHIMKUS, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. OBERSTAR) and to include extraneous material:)

Mr. HAMILTON in two instances.

Mr. TAYLOR of Mississippi.

Ms. DELAURO.

Mr. STARK.

Mr. TOWNS in two instances.

Mr. BENTSEN.

Mr. NEAL of Massachusetts.

Mr. MILLER of California.

Mr. SKELTON.

Mr. DINGELL.

Ms. JACKSON-LEE of Texas.

Mr. POSHARD.

Mr. KIND.

Ms. BROWN of Florida.

Ms. LEE.

Mr. MALONEY of Connecticut.

Mr. COYNE.

Ms. MCCARTHY of Missouri.

Mr. BARCIA.

(The following Members (at the request of Mr. WELLER) and to include extraneous material:)

Mr. SHIMKUS.

Mrs. MORELLA.

Mr. WALSH.

Mr. MCCRERY.

Mr. MILLER of Florida.

Mr. BOB SCHAFFER of Colorado.

Mr. HASTERT.

Mrs. WILSON.

Mr. PAUL.

Mr. BLILEY.

Ms. DUNN.

Mr. NEY.

Mr. LAZIO of New York.

Ms. PRYCE of Ohio.

(The following Members (at the request of Mr. OBERSTAR) and to include extraneous material:)

Mr. GALLEGLY.

Mr. ENGLISH of Pennsylvania.

Mr. TOWNS.

Mr. YOUNG of Florida.

Mr. HORN.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 58. Joint Resolution recognizing the accomplishments of Inspectors General since their creation in 1978 in preventing and detecting waste, fraud, abuse, and mismanagement, and in promoting economy, efficiency, and effectiveness in the Federal Government; to the Committee on Government Reform and Oversight.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6. An act to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, bills of the House of the following titles:

On October 1, 1998:

H.R. 4060. Making appropriations for energy and water development for the fiscal year ending September 30, 1999 and for other purposes.

H.R. 4380. To amend the Public Health Service Act to revise and extend the program for mammography quality standards.

H.R. 3096. To correct a provision relating to termination of benefits for convicted persons.

ADJOURNMENT

Mr. OBERSTAR. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 25 minutes p.m.), under its previous order, the House adjourned until Monday, October 5, 1998, at 12:30 p.m. for Morning Hour debates.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Omitted from the Record of October 1, 1998]

Mr. MCINNIS: Committee on Rules. House Resolution 563. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–761). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 564. Resolution providing for consideration of the bill (H.R. 4274) making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–762). Referred to the House Calendar.

[Submitted October 2, 1998]

Mr SKEEN: Committee on Conference. Conference report on H.R. 4101. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–763). Ordered to be printed.

Mr. SOLOMON: Committee on Rules. House Resolution 567. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4101) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–764). Referred to the House Calendar.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1833. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further Self-Governance by Indian Tribes, and for other purposes; with an amendment (Rept. 105–765). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3972. A bill to amend the Outer Continental Shelf Lands Act to prohibit the Secretary of the Interior from charging State and local government agencies for certain uses of the sand, gravel, and shell resources of the outer Continental Shelf (Rept. 105–766). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. S. 1693. An act to provide for improved management and increased accountability for certain National Park Service programs, and for other purposes; with an amendment (Rept. 105–767). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. BLILEY: Committee on Commerce. H.R. 3844. A bill to promote and enhance public safety through use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous and reliable networks for personal wireless services, and ensuring access to Federal Government property for such networks, and for other purposes, with an amendment; referred to the Committee on Transportation and Infrastructure for a period ending not later than October 9, 1998, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(q), rule X. (Rept. 105–768, Pt. 1).

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BLILEY:

H.R. 4679. A bill to amend the Federal Food, Drug, and Cosmetic Act to clarify the circumstances in which a substance is considered to be a pesticide chemical for purposes of such Act, and for other purposes; to the Committee on Commerce.

By Ms. JACKSON-LEE of Texas (for herself, Ms. KILPATRICK, Ms. MCKINNEY, Mr. RUSH, Mrs. CLAYTON, Ms. MILLENDER-MCDONALD, Mr. FORD, Mr. LAMPSON, Mr. REYES, Mr. HINOJOSA, Mr. RODRIGUEZ, Mr. GREEN, Mr. PASTOR, and Mr. CLYBURN):

H.R. 4680. A bill to amend title XVIII of the Social Security Act to require hospitals reimbursed under the Medicare system to establish and implement security procedures to reduce the likelihood of infant patient abduction and baby switching, including procedures for identifying all infant patients in the hospital in a manner that ensures that it will be evident if infants are missing from the hospital; to the Committee on Ways and Means, and in addition to the Committees on Commerce, and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARR of Georgia (for himself and Mr. BISHOP):

H.R. 4681. A bill to require a 33 percent reduction in funds provided to a State under title I of the Omnibus Crime Control and Safe Streets Act of 1968 unless law enforcement officers are afforded due process in a case which could lead to dismissal, demotion, suspension, or transfer of a law enforcement officer; to the Committee on the Judiciary.

By Mr. BARCIA of Michigan (for himself, Mr. GORDON, Mrs. MORELLA, Mr. BROWN of California, Mrs. CAPPS, Ms. RIVERS, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. ETHERIDGE, Ms. STABENOW, Mr. TRAFICANT, Ms. LEE, and Ms. JACKSON-LEE of Texas):

H.R. 4682. A bill to minimize the disruption of Government and private sector operations caused by the Year 2000 computer problem; to the Committee on Science.

By Mr. BILIRAKIS (for himself, Mr. BLILEY, Mr. DINGELL, Mr. BROWN of Ohio, Mr. GINGRICH, Mr. PORTER, Mr. BARTON of Texas, Mr. HASTERT, Mr. WAXMAN, Mr. STEARNS, Mr. GREENWOOD, Mr. BILBRAY, Mr. ROGAN, Mr. STRICKLAND, Mr. BURR of North Carolina, Mr. LAZIO of New York, and Mr. GREEN):

H.R. 4683. A bill to amend the Public Health Service Act to revise and extend certain programs with respect to women's health research and prevention activities at the National Institutes of Health and the Centers for Disease Control and Prevention; to the Committee on Commerce.

By Mr. CAMPBELL (for himself, Mr. SESSIONS, Mr. PAUL, Mr. JONES, and Mr. COOK):

H.R. 4684. A bill to amend the Internal Revenue Code of 1986 to encourage a strong community-based banking system; to the Committee on Ways and Means.

By Ms. DUNN of Washington:

H.R. 4685. A bill to amend the Internal Revenue Code of 1986 to expand the exclusion for qualified small business stock, to increase the annual limit with respect to incentive stock options, and for other purposes; to the Committee on Ways and Means.

By Mr. KENNEDY of Massachusetts (for himself, Mr. BARRETT of Wisconsin, Mr. HASTINGS of Florida, Mr. COSTELLO, Mr. FILNER, Mr. WAXMAN, Ms. KILPATRICK, Mr. STARK, Mr. KENNEDY of Rhode Island, Mr. NEAL of Massachusetts, Ms. SLAUGHTER, Mr. SANDLIN, Mr. UNDERWOOD, Mr. MEEHAN, and Ms. ROYBAL-ALLARD):

H.R. 4686. A bill to amend titles XI, XVIII, and XIX of the Social Security Act to permit paid staff other than nurse aides and licensed health professionals to provide feeding and hydration assistance to residents in nursing facilities participating in the Medicare and Medicaid Programs (and to provide special training requirements for such staff), and to establish a program to ensure that such facilities do not employ individuals who have a history of patient or resident abuse or have been convicted of certain crimes; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MALONEY of Connecticut:

H.R. 4687. A bill to amend the Internal Revenue Code of 1986 to allow vendor refunds of Federal excise taxes on kerosene used in unvented heaters for home heating purposes; to the Committee on Ways and Means.

By Mr. MCGOVERN (for himself, Mr. WEYGAND, Mrs. THURMAN, and Mr. PALLONE):

H.R. 4688. A bill to require that jewelry imported from another country be indelibly marked with the country of origin; to the Committee on Ways and Means.

By Mr. MCNULTY (for himself and Mr. HOUGHTON):

H.R. 4689. A bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees; to the Committee on Ways and Means.

By Mr. MINGE (for himself and Mr. POMEROY):

H.R. 4690. A bill to respond to the needs of United States farmers experiencing exceptionally low commodity prices and extensive crop failures; to the Committee on Agriculture.

By Mrs. ROUKEMA:

H.R. 4691. A bill to amend title 31, United States Code, to prevent the smuggling of large amounts of currency or monetary instruments into or out of the United States, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. TOWNS:

H.R. 4692. A bill to make any State whose child poverty rate increases by 5 percent or more in a fiscal year ineligible for a high performance bonus for the next fiscal year under the program of block grants to States for temporary assistance for needy families; to the Committee on Ways and Means.

By Mr. YOUNG of Alaska (for himself, Mr. HEFNER, and Mr. MCINTYRE):

H.R. 4693. A bill to provide for Federal recognition of the Qutekcak Native Tribe of Alaska and the Tuscarora Nation of the Kauta-Noh, and for other purposes; to the Committee on Resources.

By Mr. KOLBE (for himself, Mr. STUMP, Mr. SHADEGG, Mr. HAYWORTH, Mr. SALMON, and Mr. YOUNG of Alaska):

H. Con. Res. 332. Concurrent resolution expressing the sense of Congress regarding the policy of the Forest Service toward recreational shooting and archery ranges on Federal land; to the Committee on Agriculture, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. REDMOND:

H. Con. Res. 333. Concurrent resolution expressing the sense of the Congress that public schools should conduct ceremonies and other activities to educate and inform students about the sacrifice and commitment of veterans of the United States Armed Forces; to the Committee on Education and the Workforce.

By Mr. CARDIN (for himself and Mr. EHRLICH):

H. Res. 568. A resolution recognizing and congratulating Cal Ripken, Jr.; to the Committee on Government Reform and Oversight.

By Mr. MORAN of Virginia:

H. Res. 569. A resolution concerning the extradition to the United States of Salvadorans; to the Committee on International Relations.

By Mr. ROHRABACHER:

H. Res. 570. A resolution expressing the sense of the House of Representatives regarding support for the formation of the Chinese Democracy Party (CDP) and to urge the Government of the People's Republic of China to guarantee the rights and safety of the CDP organizers; to the Committee on International Relations.

By Mr. WELDON of Pennsylvania (for himself, Mr. PICKETT, Mr. BARTLETT of Maryland, Mr. WATTS of Oklahoma, Mr. TAYLOR of North Carolina, Mr. THORNBERRY, Ms. GRANGER, Mr. PAPPAS, and Mr. CUNNINGHAM):

H. Res. 571. A resolution expressing sympathy to the family and colleagues of Lev Yakovlevich Rokhlin, and expressing the sense of the House of Representatives that the President of the United States should urge the Russian Government to promptly and thoroughly investigate the circumstances surrounding the death of Lev Yakovlevich Rokhlin and to provide a full accounting of the circumstances as soon as practicable, but not later than November 1999; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Ms. PELOSI:

H.R. 4694. A bill for the relief of Suchada Kwong; to the Committee on the Judiciary.

H.R. 4695. A bill for the relief of Oleg Rasulyevich Rafikov, Alfia Fanilevna Rafikova, Evgenia Olegovna Rafikova, and Ruslan Khamitovich Yagudin; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 98: Mr. MILLER of California.

H.R. 158: Mr. MENENDEZ.

H.R. 218: Mr. JONES, Mr. BISHOP, and Mr. GILMAN.

H.R. 902: Mr. NEUMANN.

H.R. 1126: Mr. SKEEN.

H.R. 1628: Mr. SMITH of New Jersey.

H.R. 1711: Mr. ADERHOLT, Mr. PICKERING, Mr. HUNTER, Mr. HILLEARY, Mr. GIBBONS, Mr. BURR of North Carolina, Mr. HOEKSTRA, Mr. RYUN, Mr. KLINK, and Mr. EVERETT.

H.R. 1773: Mr. GOODE.

H.R. 1883: Mr. ADERHOLT.

H.R. 2009: Mr. COX of California.

H.R. 2397: Mr. GORDON, Mr. DEFAZIO, Mr. SAXTON, Mr. VENTO, Mr. METCALF, Mr. DOYLE, Mr. JACKSON of Illinois and Mr. HAYWORTH.

H.R. 2499: Mr. LAZIO of New York and Mr. BEREUTER.

H.R. 2560: Mr. BASS, Mr. BUNNING of Kentucky, Mr. FRELINGHUYSEN, Mr. LAHOOD, Mr. BONILLA, Mr. CAMPBELL, Mr. HANSEN, and Mr. PACKARD.

H.R. 2748: Mr. SHIMKUS.

H.R. 2754: Mr. NEAL of Massachusetts, Mr. DIXON, and Ms. ROYBAL-ALLARD.

H.R. 2817: Mr. MCINTOSH, Mr. MORAN of Virginia, Mrs. CAPPS, and Mr. DOYLE.

H.R. 2819: Ms. SLAUGHTER.

H.R. 2914: Mr. SAWYER.

H.R. 2923: Mr. BALDACCI.

H.R. 2938: Mr. BOB SCHAFFER, Mr. LUTHER, and Mr. OBERSTAR.

H.R. 2941: Mr. HUTCHINSON.

H.R. 2951: Mr. STENHOLM.

H.R. 3008: Mr. PAYNE.

H.R. 3081: Mr. HOYER and Mr. RANGEL.

H.R. 3247: Mr. BATEMAN and Mr. MCHUGH.

H.R. 3261: Mr. POMBO.

H.R. 3296: Ms. DEGETTE.

H.R. 3437: Mr. SCOTT.

H.R. 3484: Mr. THOMPSON, Mr. JEFFERSON, and Mr. LUTHER.

H.R. 3514: Mr. NEAL of Massachusetts.

H.R. 3684: Mr. ADERHOLT.

H.R. 3779: Mr. BONILLA and Mr. STRICKLAND.

H.R. 3795: Mrs. MORELLA.

H.R. 3879: Mr. KNOLLENBERG.

H.R. 3895: Ms. FURSE.

H.R. 3900: Mr. MCHUGH.

H.R. 3911: Mr. WAXMAN and Mr. CAMPBELL.

H.R. 4009: Mr. SPRATT, Mr. VENTO, Mr. ABERCROMBIE, Mr. WISE, Mr. DEFAZIO, Ms. CARSON, and Mr. LEVIN.

H.R. 4016: Mrs. MINK of Hawaii.

H.R. 4031: Ms. STABENOW.

H.R. 4035: Mr. BARTON of Texas, Mr. BRADY of Texas, Mr. NEY, Mr. LARGENT, Mr. HEFNER, Mr. POMEROY, Mr. SANDLIN, Mr. PRICE of North Carolina, Mr. ACKERMAN, Mr. DAVIS of Florida, Mr. HALL of Texas, Mr. BEREUTER, Ms. LEE, Mr. PAUL, Mr. WISE, Mr. FRANK of Massachusetts, Ms. WATERS, Mr. WATT of North Carolina, Mr. DUNCAN, Mr. ADERHOLT, Mrs. BONO, Mr. MATSUI, Mr. FORD, and Ms. ROS-LEHTINEN.

H.R. 4036: Mr. BARTON of Texas, Mr. NEY, Mr. LARGENT, Mr. GOODLING, Ms. ESHOO, Mr. HEFNER, Mr. WELDON of Florida, Mr. SANDLIN, Mr. PRICE of North Carolina, Mr. ACKERMAN, Mr. CRAMER, Mr. HALL of Texas, Mr. CALVERT, Mr. BARR of Georgia, Ms. LEE, Mr. WEYGAND, Mr. GOODE, Mr. PAUL, Mr. WISE, Mr. FRANK of Massachusetts, Mr. BARCIA, Mr. GONZALEZ, Mr. DICKEY, Ms. WATERS, Mr. WATT of North Carolina, Mr. ADERHOLT, Mr. OWENS, Mr. JENKINS, Ms. HARMAN, Mrs. BONO, Mr. MATSUI, Mr. FORD, Ms. ROS-LEHTINEN, Mr. MCKEON, Ms. PELOSI, Mr. HORN, and Mr. STARK.

H.R. 4071: Mrs. EMERSON.

H.R. 4096: Mr. DOOLITTLE.

H.R. 4154: Mr. CALVERT, Mr. JENKINS, and Mr. SPENCE.

H.R. 4179: Mr. MEEKS of New York, Mr. METCALF, Mr. REDMOND, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. VENTO, Mr. LUTHER, Mr. UPTON, Ms. KILPATRICK, Mr. MARTINEZ, Ms. SLAUGHTER, and Ms. DEGETTE.

H.R. 4203: Ms. KILPATRICK, Mr. ALLEN, and Mr. MANTON.

H.R. 4213: Mrs. CAPPS, Mr. MEEKS of New York, and Mr. REYES.

H.R. 4217: Mr. POMBO.

H.R. 4235: Mr. SHAW and Mr. JEFFERSON.

H.R. 4242: Mr. SANDERS.

H.R. 4280: Mr. HOYER.

H.R. 4281: Mr. POMBO and Mr. BOB SCHAFFER.

H.R. 4285: Mr. BEREUTER.

H.R. 4314: Mr. BUNNING of Kentucky.

H.R. 4362: Ms. MCCARTHY of Missouri, Mr. UNDERWOOD, and Mr. DOYLE.

H.R. 4424: Mr. STUMP.

H.R. 4449: Mr. WELLER, Mr. HASTINGS of Washington, Mr. SANDERS, Mr. THOMPSON, and Mr. DAVIS of Virginia.

H.R. 4455: Mr. RAMSTAD.

H.R. 4472: Mrs. LINDA SMITH of Washington.

H.R. 4505: Mr. MORAN of Virginia.

H.R. 4513: Mr. LAHOOD.

H.R. 4516: Mr. CUMMINGS, Mr. CARDIN, Mr. BARTLETT of Maryland, Mr. GILCHREST, Mr. HOYER, Mrs. MORELLA, and Mr. EHRLICH.

H.R. 4590: Mr. HOBSON, Mr. GILLMOR, and Mr. ADAM SMITH of Washington.

H.R. 4604: Mr. JEFFERSON, Mr. BRADY of Texas, Mr. ENGLISH of Pennsylvania, and Mr. PAXON.

H.R. 4609: Mr. FRANKS of New Jersey, Mr. ENGLISH of Pennsylvania, and Mr. SMITH of New Jersey.

H.R. 4611: Mr. OBERSTAR.

H.R. 4628: Ms. SLAUGHTER, Mr. BARRETT of Wisconsin, Mr. ABERCOMBIE, Mr. SANDLIN, and Mr. ENGEL.

H.R. 4669: Mr. WATTS of Oklahoma, Mr. MCHALE, and Mr. FILNER.

H. Con. Res. 100: Mr. BENTSEN.

H. Con. Res. 126: Mr. STENHOLM, Mrs. MINK of Hawaii, and Mr. MOAKLEY.

H. Con. Res. 229: Mr. ACKERMAN, Ms. BROWN of Florida, Mr. ENSIGN, Mr. MCINTOSH, and Mr. OLVER.

H. Con. Res. 264: Mr. BONILLA.

H. Con. Res. 274: Mr. LIVINGSTON, Mr. PACKARD, Mr. KASICH, Mr. RILEY, Mr. CONDIT, Ms. SÁNCHEZ, Mr. SNOWBARGER, Mrs. CAPPS, and Mr. ROMERO-BARCELO.

H. Con. Res. 290: Mr. HAYWORTH, Mrs. CHENOWETH, Mr. PEASE, Mr. JENKINS, Mr. HANSEN, Mr. ROHRABACHER, Mrs. THURMAN, Mr. MORAN of Kansas, Mr. CLYBURN, and Mr. SCARBOROUGH.

H. Con. Res. 295: Mrs. CAPPS.

H. Con. Res. 306: Mr. NETHERCUTT.

H. Con. Res. 320: Mr. GILMAN and Mr. BEREUTER.

H. Res. 483: Mr. MCGOVERN, Mr. KLINK, Ms. RIVERS, and Mr. LANTOS.

H. Res. 518: Mr. ENGLISH of Pennsylvania, Mr. LANTOS, Ms. CARSON, Mr. MEEKS of New York, and Mr. MARKEY.

H. Res. 523: Mrs. MCCARTHY of New York, Mr. BEREUTER, Mr. WEXLER, Mrs. MEEK of Florida, Mr. WATT of North Carolina, Ms. FURSE, and Mr. FOX of Pennsylvania.

H. Res. 529: Mr. HASTINGS of Washington.

H. Res. 533: Mr. MCGOVERN and Mr. BEREUTER.

H. Res. 561: Ms. SLAUGHTER, Mrs. KELLY, and Mr. ROTHMAN.

H. Res. 565: Mr. BARTON of Texas, Mr. BOB SCHAFFER, Mr. HALL of Texas, Mr. MCHUGH, Mr. NETHERCUTT, Mrs. MALONEY of New York, Mr. FOSSELLA, Mr. RANGEL, Mr. RODRIGUEZ, Mr. LUCAS of Oklahoma, Mr. DAVIS of Virginia, Ms. CHRISTIAN-GREEN, and Mrs. KENNELLY of Connecticut.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS.

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1995: Mrs. Cubin.

DISCHARGE PETITIONS— ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 6 by Mr. OBEY on H.R. 3580: Karen L. Thurman and Ron Klink.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3789

OFFERED BY: MR. BRYANT

AMENDMENT NO. 7: Page 3, add the following after line 25:

"(C) In a case removed to the district court on the basis of jurisdiction under this subsection in which the district court determines under this paragraph to abstain from hearing an action, the court shall not determine whether the case may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure.

Page 4, line 1, strike lines 1 through 3.

Page 4, line 4, strike "(B)" and insert "(3)(A)".

Page 4, line 5, strike "(C)" and insert "(B)".

Page 4, line 10, strike "(C)" and insert "(B)".

Page 5, strike lines 1 through 3 and insert the following:

"(C) Paragraph (1) and section 1453 shall not apply to any civil action, regardless of the forum in which it may be filed, that involves—

"(i) a class action brought under the Securities Act of 1933 or the Securities Exchange Act of 1934, or that is subject to the limitations on class actions under the Securities Act of 1933 or the Securities Exchange Act of 1934; or

"(ii) a claim or claims relating to—

"(I) the internal affairs or governance of a corporation or other form of entity or business association arising under or by virtue of the statutory, common, or other laws of the State in which such corporation, entity, or business association is incorporated (in the case of a corporation) or organized (in the case of any other entity); or

"(II) the rights, duties (including fiduciary duties), and obligations relating to or created by any security.

"(D) Paragraph (1) and section 1453 shall not apply to—

"(i) an action involving a security that is brought by a State, a political subdivision thereof, or a State pension plan, whether on its own behalf, or as a member of a class comprised solely of other States, political subdivisions, or State pension plans that are named plaintiffs, and that have authorized participation, in such action;

"(ii) an action that seeks to enforce a contractual agreement between an issuer and an indenture trustee; or

"(iii) an action involving any debt securities that is exempt from registration under the Securities Act of 1933 pursuant to rules issued by the Securities and Exchange Commission under section 4(2) of such Act.

"(E) As used in this paragraph—

"(i) the terms 'issuer', 'security', and 'equity security' have the meanings given those terms in section 3 of the Securities Exchange Act of 1934;

"(ii) an 'affiliate' of an issuer is a person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with, that issuer; and

"(iii) the term 'State pension plan' means a pension plan established and maintained for its employees by the government of a State or political subdivision thereof, or by any agency or instrumentality thereof.".

Page 6, lines 18 and 19, strike "district court's direction in accordance with Rule 23(c)(2) of the Federal Rules of Civil Procedure" and insert "direction of the State court".

Page 7, line 21, insert after the first period the following: "Nothing in this subsection shall preclude a party from amending its complaint after remand to State court.".

H.R. 4274

OFFERED BY: MR. WEYGAND

AMENDMENT NO. 25: Page 6, line 10, before the period insert the following: ": *Provided further*, That, to the extent practicable, not less than 50 percent of the total number of Job Corps centers established during fiscal year 1999 shall be established in States that, as of the date of the enactment of this Act, do not have Job Corps centers".

H.R. 4274

OFFERED BY: MR. WEYGAND

AMENDMENT NO. 26: Page 6, line 10, before the period insert the following: ": *Provided further*, That, to the extent practicable, Job Corps centers established during fiscal year 1999 shall be established in States that, as of the date of the enactment of this Act, do not have Job Corps centers".

H.R. 4274

OFFERED BY: MR. WEYGAND

AMENDMENT NO. 27: Page 28, line 15, insert "(decreased by $6,008,000)" after the last dollar figure.

Page 34, line 24, insert "(decreased by $6,327,000)" after the dollar figure.

Page 44, line 9, insert "(increased by $5,000,000)" after the dollar figure.

EXTENSIONS OF REMARKS

HONORING RAYMOND MILLER, MANAGER OF THE BALTIMORE ORIOLES

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. NEY. Mr. Speaker, I rise today to pay tribute to a man whose love for baseball inspires us all. "Rapid" Raymond Miller, the 13th manager of the Baltimore Orioles, has just completed his first full season managing. Mr. Miller is a man whose talent and great love of baseball span more than 30 years.

Throughout his entire career Mr. Miller has had many accomplishments. A minor league baseball pitcher for ten years, 18 years as a major league pitching coach and manager of the Minnesota Twins are all experiences that have qualified him to lead the Baltimore Orioles. His career has taken him from his beginnings with a minor league team in San Francisco to coaching a team that won the World Series.

Most of Mr. Miller's career has been spent as a pitching coach in which he has demonstrated tremendous success. Under his direction, not only did three players receive the Cy Young Award, but he also coached seven different 20-game winners. As the 1998 season came to a close, Mr. Miller demonstrated the same enthusiasm and promise as manager of the Baltimore Orioles that he has shown throughout his career.

Mr. Miller has made baseball fans from Ohio's 18th Congressional district very proud. With all of Mr. Miller's continued success, he has never forgotten the area from where he came. He and his wife continue to reside in New Athens, Ohio.

Mr. Speaker, I ask that you and my colleagues join me in congratulating and wishing continued future success to a man I am proud to call my constituent, Mr. Raymond Miller.

RECOGNITION OF THE JEWISH WAR VETERANS OF THE UNITED STATES OF AMERICA

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. PACKARD. Mr. Speaker, I rise today to recognize the Jewish War Veterans of the U.S.A., Department of California.

The Jewish War Veterans of the USA, was organized in 1896 by veterans of the Civil War. They proudly hold the title of the oldest active national veterans' service organization in America. The Jewish War Veterans focus their attention on promoting veterans legislation, sponsoring projects on Jewish communal concerns, support of Israel, advocacy for Soviet Jewry, and combating anti-Semitism.

The courageous men and women of the Department of California chapter will be celebrating their 60th Anniversary on November 15, 1998. As a former member of the U.S. Navy, I respect the role they have played in protecting our country and our constitution. They have given us a shining example in courage with their participation in the military during World War II. These soldiers served in the Armed Forces beyond their numerical proportion to the general population and received more than 52,000 awards, including the coveted Congressional Medal of Honor.

Mr. Speaker, I would like to thank these Americans for their dedication and commitment to our nation. Their selfless acts of patriotism have helped spread the hope of freedom all over the world.

HONORING THE 75TH ANNIVERSARY OF THE LONG BEACH AIRPORT

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. HORN. Mr. Speaker, On November 26, 1923, a famed aviator and well-known community leader in Long Beach piloted his airplane to the very first landing at the brand-new Long Beach Airport. Today, I want to note not only that landing by Earl S. Daugherty but the fact that it launched the outstanding history of the Long Beach Airport. This year marks the airport's 75th year of service to Long Beach, southern California and the nation.

Earl Daugherty gained fame at the beginning of this century not only as an aviator but as a builder of aircraft, helping to lay the groundwork for southern California's vital aerospace industry. He also was the driving force behind the creation of the new airport for his hometown of Long Beach, where the only landing strip was the huge crescent-shaped beach. In 1923, the Long Beach City Council set aside 150 acres near the intersection of Spring and Cherry Streets to become Long Beach's airport.

Appropriately named Daugherty Field, the airport quickly proved an immediate success and the business of aviation began to flourish in Long Beach. Conditions at the airport were deemed perfect in the aviation community, making the facility known as one of the better year-round airports on the West Coast.

Within five years the airport had grown to 380 acres, with 16 large commercial hangars capable of accommodating more than 75 planes. By this point, several aircraft manufacturing businesses were established at the airport as well. During this time of growth the airport also saw the arrival of the United States Army and Navy at hangars and administrative offices provided by the city.

Two runways were added to the expanding airport in the mid 30's and soon the Civil Aeronautics Authority (known today as the Federal Aviation Administration) began operating a new air traffic control tower. In 1941, the current terminal building was added. The terminal building was designated a City of Long Beach Cultural Heritage Landmark in 1990. While the terminal has expanded over the years, excellent planning has retained its distinguishing architectural characteristics. In 1991, in honor of the building's 50th anniversary, the Long Beach Airport Historical Aviation Exhibit was opened. This important exhibit allows travelers to learn first hand the significance of air travel to the City of Long Beach.

Throughout the Second World War the field was focused on the war effort, expanding to 500 acres as many famous military units, including Captain Eddie Rickenbacher's 94th Pursuit Squadron, passed through on their way to Europe or the Pacific. Many longtime residents of Long Beach remember that the airport also served as home to the Air Transport Command's Ferrying Division, which included a quadron of 18 women pilots commanded by Barbara London, a preeminent Long Beach aviatrix, who still maintains business at the airport.

As the City of Long Beach continued to grow, so too did its airport. Today, the airport has grown to 1,166 acres with five runways. It has remained a key part of the aerospace industry ever since it attracted the attention of Donald Wills, who brought the McDonnell Douglas Corporation to Long Beach. Now part of the Boeing Corporation, plants at the airport turn out both commercial aircraft, such as the new 717, and the C–17 military transport and employ more than 20,000 workers. That makes Boeing the largest employer in Long Beach.

The Long Beach Airport is well situated between the major business and tourism areas of both Orange and Los Angeles Counties. Currently, there are more than 200 businesses located on airport property. As a leader in the aviation field, Long Beach boasts not only Boeing, but also Cessna Citation and Gulfstream Aerospace aircraft service centers.

The City of Long Beach owns and operates the airport today. The airport generously contributes time and resources to the Long Beach community through its sponsorship of schools and a volunteer tour program which brings in more than 3,000 children annually.

I congratulate the City of Long Beach on the continued success of the airport. The proud history of the Long Beach Airport demonstrates the foresight of Earl Daugherty and all of those who advanced the airport to its current respected status. I also commend the men and women who work on a daily basis to insure that the Long Beach Airport continues to offer the highest level of aviation safety and

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

service that has become synonymous with this fine airport. I wish a happy 75th anniversary to the Long Beach Airport.

CELEBRATING THE FORTIETH ANNIVERSARY OF THE MONTGOMERY COUNTY HUMANE SOCIETY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mrs. MORELLA. Mr. Speaker, I rise today in recognition of the Montgomery County Humane Society as they celebrate their 40th anniversary. As an animal lover and member of the Congressional Friends of Animals Caucus, I am so proud that this organization has provided compassionate animal welfare services to my district in Montgomery County, Maryland for so many years.

The Montgomery County Humane Society offers many critically important services to the county. Every year, the organization shelters over 10,500 animals and provides other assistance to 100,000 local citizens. The adoption program is nationally recognized with an impressive 69% adoption rate. The Montgomery County Humane Society also provides rescue services, low- and no-cost spaying and neutering, veterinary care, and critical humane education programs.

Mr. Speaker, I would like to offer congratulations and my warmest wishes to the Montgomery County Humane Society as they celebrate this important milestone. May they continue to grow and prosper.

WOMEN'S HEALTH RESEARCH

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. LAZIO of New York. Mr. Speaker, I rise today in strong support of legislation that was introduced by Congressman BILIRAKIS. This legislation is a necessary step to ensure that the most promising research receives the attention it deserves and that women receive the best screening and prevention methods available.

The Women's Health Research & Prevention Amendments of 1998 includes a section that will renew the CDC National Breast and Cervical Cancer Early Detection Program (NBCCEDP). More than 1 million women in this country who otherwise would not have the benefit of early cancer detection have been screened by this excellent program. Since the inception of the NBCCEDP, over 3,400 women have been diagnosed with cancer.

Breast and cervical cancer is devastating. One in eight women will develop breast cancer. Today, 2.6 million women are living with breast cancer. Every three minutes a woman is diagnosed and every 11 minutes a woman dies of breast cancer. Additionally, 13,700 women will be diagnosed with invasive cervical cancer. Deaths related to cervical cancer will total 3,900 this year. These startling statistics prove the importance of education, screening, early detection, and treatment.

In collaboration with Congressman BILIRAKIS, I drafted language to expand the services provided under this program. Women diagnosed with cancer through this program will now be able to rely on case managers to help them obtain the care they need and the care they deserve.

Case management in this CDC screening program is a critical component in most states' programs. My language would ensure that all women who are diagnosed case managers. Women need expert advice as they face the challenges posed by breast and cervical cancer. We are ensuring that today every woman has as much knowledge as possible to take control of her own life and obtain the care she needs to fight her cancer.

I would like to take this opportunity to point out that I am pleased to be an original sponsor of Congressman BILIRAKIS' legislation. I thank him for accommodating my concerns and taking this important first step in addressing a critical problem facing underserved women in this nation.

There are thousands of medically underserved women who need access to critical health care. We must continue to look for long term solutions to the challenge of ensuring treatment for women served under this CDC-funded program. Case management is vitally important, however, as more women are screened and more cancers are diagnosed through this program, ensuring care for all who need it will place increasing stress on fragile and overburdened treatment systems.

Earlier this year, I introduced legislation that solves this problem for women screened through the CDC program. My bill, The Breast and Cervical Cancer Treatment Act, H.R. 3779, will strengthen an already strong program by allowing case managers to serve those women diagnosed with cancer in a more timely manner. Currently, program managers must rely on outside funding sources for treatment—a process that requires time, labor, and resources. My bill gives states the option to help these women find the appropriate care through Medicaid. Additionally, my bill would free up resources, especially time and money, so that case managers can focus efforts on bringing more women into the program to take advantage of early cancer screening. My legislation will make the CDC screening program a complete success and should be enacted as well.

I am hopeful that Congress will take the necessary steps to make the program stronger through the passage of The Women's Health Research and Prevention Amendments of 1998. Not only does this legislation reauthorize the NBCCEDP, but it also addresses many other quality programs in women's health at the NIH and the CDC. The legislation reauthorizes research on osteoporosis, cancer, heart attack, stroke, and aging at the NIH. Under the CDC, this bill also reauthorizes the National Center for Health Statistics, National Program of Cancer Registries, and the Centers for Research and Demonstrations of Health Promotion and Disease Prevention.

I urge all my colleagues to cosponsor Mr. BILIRAKIS' legislation and do our share to ensure that women can be screened, treated, and cured of breast and cervical cancer.

INDIAN PARLIAMENT MEMBER SAYS INDIA MAY SUFFER SAME FATE AS SOVIET UNION

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. TOWNS. Mr. Speaker, on August 7, India-West reported that Sharad Pawar, the leader of the opposition in the Lok Sabha, the lower house of India's Parliament, "expressed fear that the country might go the erstwhile Soviet Union way." Speaking at a function for the release of a book, Pawar said that although the Soviet Union was a nuclear power, it fell apart. He said that India's missile tests should not make it overconfident about keeping the country together.

The decline of India is inevitable, Mr. Speaker, for many of the same reasons that doomed the Soviet Union. The fact that a leader of the Indian Parliament is now taking note of it is a significant development.

India is a country made of may nations. It has 18 official languages. While it maintains a democratic form of government, the principles of democracy do not seem to apply where the minority nations are concerned. Tens of thousands of Sikhs, Christian Nagas, Kashmiri Muslims, Dalits, Tamils, Assamese, Manipuris, and others have been murdered by the government, with no apparent difference no matter which party is in power. Currently, there are 17 freedom movements within India's borders. It looks like Mr. Pawar is on to something.

India's breakup is inevitable. I think I speak for most of us here when I say that I hope it happens in the peaceful way that the Soviet breakup did. Otherwise, there is the risk of another Yugoslavia in South Asia.

It has been American policy to preserve the current artificial stability in South Asia, but let us remember that we pursued a similar policy with regard to the Soviet empire and it collapsed anyway. The best way to preserve stability, democracy, prosperity, freedom, and peace in South Asia is to get on the side of the peaceful, democratic, nonviolent freedom movements in Khalistan, Kashmir, Nagaland, and the other nations living under Indian rule.

I call on my colleagues to support an internationally supervised plebiscite to settle the future of Punjab, Khalistan by votes, the way that democracies decide issues. I also call on India to fulfill its obligation to hold a plebiscite in Kashmir as it promised the United Nations it would in 1948. By these steps, India will signal its commitment to a democratic solution rather than a Yugoslavian-style ethnic war. If it will not commit itself to take these steps, my colleagues can draw their own conclusions—and so can the people of the world. India must not try to settle this issue with more bullets, more genocide, and more nuclear warheads. The time has come to shine the light of freedom on all the people and nations of South Asia.

I thank Dr. Aulakh for bringing this very informative article to my attention and I am placing the article into the RECORD.

[From India-West, Aug. 7, 1998]

INDIA MAY SUFFER SOVIET FATE: PAWAR

PUNE (PTI).—The leader of opposition in the Lok Sabha Sharad Pawar Aug. 2 expressed the fear that the country might go the erstwhile Soviet Union way unless concerted efforts are taken to strengthen its economy in the wake of international reaction to its carrying out nuclear tests.

Pawar was speaking at a function to release a book, "Hiroshima," by noted Marathi writer D.B. Kher on the after effects of bomb explosion in Japan Aug. 6, 1945.

Pawar said though the erstwhile USSR was a nuclear power it collapsed, and added that India should not become over-confident after the Pokhran-II tests.

He said India should also be very vigilant as the economy of Pakistan was in the doldrums. It might take any dangerous step out of frustration. "We should not forget the fact that Pakistan had a history of aggression against India and hence we should be on guard," he said.

IN COMMEMORATION OF THE 20 YEARS OF SERVICE OF "A SAFE PLACE"

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. LEE. Mr. Speaker, I rise to share with you the exemplary work of a community service organization that addressed the need for a battered woman's program in the East Bay. "A Safe Place" was founded by four women who began providing crisis counseling, referral, and information services from an office in the Bethlehem Lutheran Church in Oakland. Under the leadership of the Executive Director, Ms. Carolyn Russell, the agency has grown with expanded programs and services. A Safe Place continues to be the only shelter exclusively for women and children who are homeless due to domestic violence.

A Safe Place exists to provide battered women and their children with transitional and supportive services to enable them to break the cycle of violence and regain a sense of self-esteem and personal power.

A Safe Place is a comprehensive and holistic approach to service the needs of battered women and children under the Domestic Violence Assistance program. This program consists of Emergency Shelter, Community Counseling, Community Education and Outreach. A Safe Place provides urgent safe shelter with counseling and support services; a community counseling and support group, and education on domestic violence. A special therapeutic service is directed to children who have witnessed domestic violence. The most recent program, and one of its greatest accomplishments, is a partnership with the Oakland Police Department in its implementation of a Domestic Violence Unit located in the police department with family violence coordinators.

Recognizing that domestic violence is a health issue and battered women are seen by medical providers, A Safe Place has developed partnerships with local hospitals to develop a Domestic Violence Medical Response Project, where staff can respond to battered women who are seen in local emergency rooms and clinics.

Domestic violence in teen relationships has increased. "Young People Taking Action" is a comprehensive teen violence prevention educational program, providing education on teen relationship violence, resources and alternatives for battered teens and criteria for establishing healthy relationships. This program is successfully implemented in the Oakland Unified School District.

A Safe Place has developed partnerships and joined forces with local agencies including law enforcement, the criminal justice system, medical community, social service agencies and with families and friends of battered women. The goal is to decrease domestic violence in our community to make it a safe place for our children to have a quality of life without fear and violence.

In 1996, California law enforcement agencies fielded nearly 228,000 domestic violence related calls. National crime surveys show that domestic violence directly affects our communities and families. A Safe Place provides a refuge and an important bridge for victims of domestic abuse to move to a position where they are better able to protect themselves. Part of this process draws in members of the larger community in forums to learn more about this epidemic.

On October 23, 1998, A Safe Place will celebrate its 20th year of providing quality services to families in the East Bay in conjunction with Domestic Violence Awareness Month.

I would like to extend my congratulations to A Safe Place for 20 years of community service and to the five women being honored for their longstanding work: Liz Hendrickson, Kim Kline, Cheri Pies, Nancy Brester, and civil rights attorney, Eva Jefferson-Paterson, for her legal work on behalf of A Safe Place with the Oakland Police Department. Together with A Safe Place and other partners to decrease domestic violence, I am proud to join with A Safe Place and other partners to decrease domestic violence by encouraging the continuation of similar programs of community service to improve the quality of life of all our citizens.

TRIBUTE TO MARILYN A. ELROD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. SKELTON. Mr. Speaker, I want to bring to the attention of my colleagues the contributions of a great public servant, Marilyn Elrod, on the occasion of her retirement from the staff of the House of Representatives. On August 31st, after more than 29 years on the Hill, Marilyn retired from her position as the minority staff director of the House National Security Committee. She will be greatly missed.

Marilyn, a native of Indiana, started her tenure on the Hill working for Representative Allard Lowenstein in June of 1969 after doing graduate work at American University. In November of 1970, Ronald V. Dellums of California was elected to Congress and before beginning his first term in the 91st Congress, Ron hired Marilyn as a military caseworker and legislative aide. From there she moved up to become the Legislative Director for Mr. Dellums, a position she held until 1983.

In 1983, Ron Dellums assumed the chair of the Military Installations and Facilities Subcommittee of the then Armed Services Committee. He quickly had Ms. Elrod appointed to the staff of the Subcommittee where she worked for the next six years. There, she helped him shift the focus of the Subcommittee toward quality of life issues for military personnel. Increased attention to housing, child development centers, and bringing installations into line with Environmental Protection Agency guidelines were all part of the new emphasis in military construction funding. Appropriately, this focus continues today.

Marilyn was assigned to be Mr. Dellums' staff person on the Research and Development Subcommittee in 1989 when he became chair of that Subcommittee. There she was a leader in the effort to have the Subcommittee make policy decisions about the military and economic viability of future weapon systems early in the process—during the research and development phase—rather than in the procurement phase where such decisions had so often been made in the past. Earlier scrutiny where a wasteful or ineffective program could be stopped or realigned means greater savings to the taxpayer. In the same vein, she worked with Mr. Dellums to lead the fight against the wastefulness of "concurrent" research, development and procurement.

After ten years as Mr. Dellums' most trusted committee staff person, she made a bit of history. Ron Dellums was chosen by the Democratic Caucus to Chair the House Armed Serviced Committee—the first African American ever to do so—in January of 1993, and he immediately tapped Marilyn to be the first female staff director in the history of the Congress' four defense committees. He often told his colleagues how proud he was to have Marilyn with him to "break the glass ceiling." Two years later, Marilyn continued as staff director to the minority of the National Security Committee when the Republican party took control of the House. For the past several months, I have been proud to have her stay on as my staff director subsequent to the retirement of my good friend and colleague Ron Dellums. Though she was eligible to leave when Mr. Dellums did, I consider it a personal favor that she stayed on and helped ease the transition to a new staff director with her valuable advice and by sharing the benefit of her institutional memory.

As my colleagues and I know, having a staff person who is able to develop expertise quickly and thoroughly on a range of issues is extremely valuable. Ron Dellums knew that when Marilyn briefed him on any subject, he was getting the information and advice he needed to make competent legislative and political decisions. During her twelve years in his personal office, she was always the defense expert, but also became exceptionally knowledgeable on a variety of other subjects, especially health care legislation.

But being an expert is not enough. Working with elected officials, a staff person has to have the confidence and capability to take the policy initiatives of the Representatives and work them without straying from the electoral mandate. Marilyn, though fully capable in her own right, never crossed the line by supplanting the rights of the Members to make the decisions.

Marilyn Elrod was able to carve out a most impressive career on Capitol Hill. She started out on the bottom rung of the ladder as an entry-level administrative staff person in 1969 and, with all of the downward pressures that women have as they rise through an institution, advanced to become the staff director of the House Armed Services Committee. Being the first to accomplish such an achievement, she has set an example for others to emulate.

When staff director of the Armed Services Committee and minority staff director of the National Security Committee, Marilyn displayed her incredible strength as an administrator and her mastery of the legislative process. She brought a management style to the Committee which was a combination of openness, fairness and consultation. It is part of the Dellums-Elrod legacy that a progressive, liberal ascended to be the head of the Armed Services Committee and led it with intelligence, vision and fairness. They rose to the occasion and discharged their leadership responsibilities to the institution.

Marilyn Elrod is a person who understands the right and responsibility of an American to thoroughly investigate government policy and, using her influence as a staff person, would always try to craft the best legislative product. She did it with a sense of humor, a sense of duty and above all, a sense of patriotism. She is a dedicated American in the finest tradition, and this institution will greatly miss her.

TRIBUTE TO THE PLANT A ROW FOR THE HUNGRY PROJECT

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to the many Coloradans who contributed hard work, selfless dedication, community spirit and fresh produce to the Plant a Row for the Hungry Project. This locally organized, nationally recognized project asks local gardeners to donate fresh produce for local people in need.

Last spring, seed packets were given out to many participants in the program. Now, their gardens are overflowing with fresh vegetables, many of which were donated to local residents living below the poverty line.

Susan Moore, Becky Simmons and the rest of the staff at Gulley's Greenhouse contributed storage space, time and labor as did Chuck Gill and Paul Blackburn of the Larimer County Food Distribution Center. These fine people handled, stored and distributed bushels of cucumbers, carrots, squash, lettuce and peppers locally for the program.

Mr. Speaker, I commend Ms. Susan Moore, Ms. Becky Simmons, Mr. Chuck Gill and Mr. Paul Blackburn for all of their fine efforts. Particularly, I would like to recognize the many participants in the program. Their toil has brought forth produce from the land, and food for the needy.

Often, we don't recognize those who provide us with the essentials of life like food, water, shelter and security. Like the many farmers in Colorado's Fourth Congressional District, these local gardeners strengthen the age-old bond between land, labor, food and happiness.

CHILD POVERTY AND BLOCK GRANTS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. TOWNS. Mr. Speaker, I rise today to introduce legislation that would link HHS award granting to child poverty rates.

As part of welfare reform, the Temporary Assistance to Needy Families block grant program (TANF), provides over $1 billion for incentive awards to states. Beginning in FY 1999, TANF's High Performance Bonus Award program will give bonuses to states that reduce the number of welfare recipients. In an unrelated section of the bill, TANF requires that states determine the rate of child poverty each year and initiate corrective action if the rate increases above five percent from the previous year due to the TANF program. There is no linkage between the receipt of a high performance bonus award and child poverty rates. Therefore, under the current system, a state could sustain a dramatic increase in child poverty rates and still qualify for a bonus award if enough adults have been removed from the welfare rolls.

Such an outcome would not only constitute a major "disconnect" in welfare policy but is highly likely. For instance, in recent testimony about the Summer Food Service Program administered by the U.S. Department of Agriculture, the U.S. General Accounting Office (GAO) found that TANF caused half of the states to reduce the number of food items in the meals or reduce the number of meal locations. GAO predicted that 2 million children would be provided insufficient meals, would travel further to obtain meals or may go hungry because meals will not be served in an accessible location. Under the current rules, states that reduced the lunch program would be eligible for bonus grants. I am sure my colleagues will agree with me that this result, though unintended, is something we cannot ignore, or allow to continue.

This legislation would require HHS to consider child poverty rates prior to granting awards and prohibits an award to any state that allows child poverty to increase more than 5 percent per year. My colleagues, if you share my concern about the well being of children under welfare reform, join me in support of this timely and needed legislation.

HONORING THE 90TH ANNIVERSARY OF THE ARMY RESERVES AND THEIR CONTRIBUTION TO CALIFORNIA

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. HORN. Mr. Speaker, I rise today to honor the great contributions of the United States Army Reserve to our country. I particularly want to recognize the 63rd Regional Support Command in California. The Army Reserve was started as a pool of people whose professional skills were not regularly needed during peacetime, but were critical during deployment and mobilization. The Reserves have grown to fill a critical need for our armed services in war and peace.

The Army Reserve has served in every major American military operation since its establishment and has played a key role in supporting international peacekeeping missions around the world. Additionally, the mission of the Reserve goes far beyond aiding American interest missions abroad. An often forgotten contribution of our Army Reservists is their role here at home supporting fellow Americans in the event of disasters.

No discussion of the United States Army Reserves would be complete without mentioning their greatest resource of all—their people. These are citizen-soldiers—the fathers and mothers, sons and daughters, husbands and wives—that give their time to serve and protect us at home and abroad. These noble men and women make up 20 percent of the Army's organized units, provide 46 percent of the Army's combat service support and 30 percent of the Army's combat support. All of this is done for about 5 percent of the Army's budget. Having served for 8 years in strategic intelligence with the Army Reserve, I can attest to the important role for these men and women.

In Southern California, the U.S. Army 63rd Regional Support Command proudly stands as our regional branch of the Army Reserve. This Support Command was established originally to help the 63rd Infantry Division support relief efforts during natural disasters and other regional crises more quickly. Headquartered in Los Alamitos, California, the 63rd Regional Support Command continues to support Active Army missions with more than 14,000 soldiers.

In response to a downsized force and frequently shifting missions, the United States Army Reserve announced in 1995 its largest realignment in decades. This realignment led to the 63rd having its geographic boundaries realigned to conform with the standard Federal district observed by the Federal Emergency Management Agency.

The 63rd Regional Support Command continues to provide combat support and combat service support to field units during deployments. The 63rd adds flexibility to our Active Army force by filling in for troops deployed abroad. Furthermore, the 63rd is trained to provide medical units; port, rail, and other transportation support; as well as acting as a training base during full mobilization.

Presently, the 63rd Regional Support Command has control of more than 14,000 men and women serving in approximately 140 units in my home State of California, as well as Arizona and Nevada. Commanded by Brigadier General John L. Scott, the 63rd will certainly continue to shine as a keen example of the importance and prominence of the United States Army Reserve.

Today, the Army Reserve is positioned better than ever to be an active and vital player in America's Active Army. The Army Reserve stands as a symbol of the strength of the American citizen-soldier and I want to thank the Army Reserve for the continuation of their past efforts and their 90 years of dedicated service.

PERSONAL EXPLANATION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. PACKARD. Mr. Speaker, I was unavoidably detained on October 1, 1998 for roll call votes 474 and 475. Had I been present, I would have voted "yea" on roll call vote 474 and "yea" on roll call vote 475.

THE DISTINGUISHED CAREER OF REPRESENTATIVE LEE HAMILTON OF INDIANA

SPEECH OF

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. SKELTON. Mr. Chairman, being unable to attend the Special Order for retiring Congressman LEE HAMILTON, I take this means to congratulate him for a highly successful career in the House of Representatives and for being a role model for those Members who follow.

LEE has been a leader, both as chairman and ranking member of the International Relations Committee. His knowledge of America's efforts in this world has proven invaluable. His advice has been sought by other Members concerning our relations with other countries. His contributions to the field of foreign affairs will be sorely missed. But most of all, LEE HAMILTON serves as a role model as an honorable, decent, hardworking, and knowledgeable Member of this House. I have admired him as an individual and I have respected him as a Member. I am proud to call him my friend. I wish all the best for LEE and his charming wife Nancy as they enter private life at the close of this session.

TRIBUTE TO PATRICK KELLEY AND MABEL SWAFFORD

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to two of my constituents that operate a farmers market on Highway 34 near Greeley. Small business owners and hard-working entrepreneurs across my home state of Colorado are the heart and soul of our thriving economy. At the heart of every small business owner is the entrepreneurial spirit of our forefathers who founded and shaped this great country. I commend Mr. Patrick Kelley and Ms. Mabel Swafford for their hard work, good business, and devotion to making their customers happy. Mr. Kelley and Ms. Swafford sell fresh-picked fruit and vegetables with a warm smile and a kind hand. I commend them for their selfless dedication and extra effort for their customers. These good people set a fine example of why rural Colorado is such a wonderful place and their work contributes to building a better Colorado and a stronger America.

TRIBUTE TO EARL AND EVA KIRK

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. POSHARD. Mr. Speaker, I rise today to recognize the 50th anniversary of Earl and Eva Kirk of West Frankfort, Illinois. It is a great honor to recognize this distinguished couple. They serve as excellent role models for Illinois and for future generations to follow. Their loving family celebrated Earl and Eva's milestone last month at a surprise party for them in West Frankfort. They are very dedicated Franklin county constituents, and it is my pleasure to acknowledge them as they celebrate their anniversary.

I have known the Kirks for many years now, and Earl has always been a tremendous help, especially when I need his assistance with legislation relating to people with disabilities. He has been blind for the past eight years, and has been very active with the blind community focusing his attention on their concerns. Eva has been a great asset and strength for Earl and the Illinois Council of the Blind. Earl is not only an activist on their issues, but is also one of the founders of the Three County Blind Support Group in my hometown of Marion. Every year, when the nation's budget is decided in Congress, Earl and Eva participate in the legislative process by organizing letter campaigns, making appointments with various lawmakers, and pushing for the necessary research and funding for national blind programs. Their energy and attention on these issues has been tremendous and Illinois will be forever grateful for their dedication.

The Kirks are Illinois natives, and are proud of their state and their nation. Earl served faithfully in the United States Infantry Division during World War II. As soon as he returned, he wanted to complete college at Southern Illinois University, but finished at Lockyears Business College in Evansville, Indiana. He met Eva in high school on a double date, but was interested in her, not the blind date he was with. But in 1948, he met Eva all over again. She was working as a cashier at the GTE West Frankfort office, and they were married the same year. Earl and Eva stayed in West Frankfort for a few years until he was hired as a miner and construction worker in New Mexico. Earl even got involved in local politics there, serving on the Democratic Policy State Central Committee. The Kirks called New Mexico home for almost six years, and it was there where they started raising their children Debbie and George.

They eventually returned to West Frankfort in 1958, and helped increase the booming coal economy in southern Illinois as Earl worked in the construction of Freeman #5 Mine in Benton. Earl understood the power of unions, and immediately joined the United Mine Workers of America District 12. He later worked at Freeman #4 Mine near Johnston City, and retired in 1987. The Kirks have remained in southern Illinois since then, and have been faithful citizens of Franklin county. They are dedicated participants in civic organizations, such as the American Legion and the Lions Club. Moreover, the Kirks are faithful Christians and long time members of Ezra Church of God. They even have enough time to assist their local government and health associations. From the Williamson Human Services Agency to the Coalition of Citizens with Disabilities and the Illinois Council of the Blind, they exemplify the essence of Illinois citizenship.

Mr. Speaker, it is my pleasure to recognize the Kirks as they reach their milestone. What an honor to have such distinguished constituents like the Kirks serving their community, and their nation. I wish them my very best, and many blessings as they celebrate their 50 years of marriage.

TRIBUTE TO THE HONORABLE SIDNEY R. YATES

SPEECH OF

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. COSTELLO. Mr. Speaker, it is a great honor for me to rise today to join my colleagues in paying special tribute to my good friend and colleague from Illinois, Mr. SID YATES. During my tenure in Congress, Mr. YATES has been an inspiration and a friend. He welcomed me here on my first day in Congress after my special election in 1988 and I am glad to call him a friend.

SID YATES has represented the 9th Congressional District and the State of Illinois well. He has dedicated himself to representing the citizens of the Great State of Illinois. He has been a great representative for our state and as an fellow Illinoisan, I salute Mr. YATES for his dedication and good work. He is a true statesman.

Mr. YATES' distinguished career began as an attorney in Chicago. He was first elected to this House in 1948. As a member of this body, Mr. YATES has been a quiet yet strong voice.

Mr. YATES has risen through the ranks to hold positions on the Appropriations Committee. I have worked closely with Mr. YATES in his capacity as the Ranking Member on the Interior Subcommittee to develop an interpretive center at the first campsite of Meriwether

Lewis and William Clark. This project is very exciting, especially since we will be celebrating the bicentennial of Lewis and Clark's historic journey to explore the American West in 2003–4. Mr. YATES has worked diligently to help establish this important center. If this project comes to fruition, it will be in part due to Mr. YATES. I appreciate his interest and hard work on the issue.

Mr. YATES has used his influence on the Appropriations Committee to create new national parks, wilderness, seashores, lakeshores and wild and scenic rivers. He has been a great champion for the arts and humanities. During years of attacks on the National Endowment of the Arts, Mr. YATES has been its chief defender. I believe we as a nation owe a debt of gratitude of Mr. YATES for his perseverance on preserving the integrity and, in fact, the institutions themselves that promote artistic expression and our cultural heritage for future generations.

SID YATES has served this institution well and he will be missed. I wish Mr. YATES and his family well in the years to come.

THOMAS M. BARRY ACCEPTING NEW POSITION AND CHALLENGE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. DINGELL. Mr. Speaker, I rise today to congratulate my friend, Thomas M. Barry, on his promotion to President of the SBC International's Telkom South Africa.

When Tom arrived in this town just a few short years ago to take the helm of SBC Communication's Inc. Washington office his assignment was a modest one: to work to modernize the rules by which the United States telecommunications industry was governed.

Now, Tom Barry was not your ordinary Washington lobbyist. Having spent some 30 years with the telephone company and most recently having come to the world of strategic planning, he knew a whole lot more about the true impact of our telecommunications rules governing universal service and competition in local and long distance than many who had worked on them. His knowledge and experience were important to those of us who had been working ardently to modernize the telecommunications industry so that American companies could compete in a global arena. The result of our work, The Telecommunications Act of 1996, was landmark legislation in which we can all take pride. Tom Barry was vital to our efforts.

It is in this light that I would like to join my dear friend and former colleague, Jack Brooks, and submit his remarks for the RECORD.

FORMER CONGRESSMAN JACK BROOKS SENDS CONGRATULATIONS TO THOMAS M. BARRY UPON HIS APPOINTMENT AS PRESIDENT, SBC INTERNATIONAL'S TELKOM SOUTH AFRICA OPERATION

Sometimes, due to circumstances surrounding the nature of one's position, an individual shows up briefly in your life but his contributions, even if for no longer than a year or so, make him unforgettable. Such an individual is Thomas M. Barry of SBCI.

As Chairman of the House Judiciary Committee, I had been involved for several years in an effort to rationalize existing laws and to develop new legislation to provide for more open competition in the telecommunications industry. It was not surprising that with all the competing and diverse interests involved, we were having considerable difficulty and receiving widely conflicting advise. One significant difficulty was that there was no one in a leadership role for the regional Bell companies to present all of their various concerns to me and to John Dingell, who as Chairman of the House Energy and Commerce Committee was key to the passage of any telecommunications legislation.

In 1992, Southwestern Bell Telephone Company selected a seasoned telecommunications veteran, Tom Barry, as its Senior Vice President for Federal Relations. When Tom arrived on the Washington scene, it became readily apparent that we had met a knowledgeable, experienced expert in all aspects of the industry. Not only did he have an encyclopedic knowledge of the industry and its issues, but also he brought a reasonable, enlightened approach to the legislative dialogue.

While he was an extremely effective advocate for his company, he recognized the need to be reasonable and with his long experience was able to place into perspective the varying participating and often conflicting interests. He was strongly committed to his company and to his industry but he never lost sight of the need to resolve matters equitably if any consensus was to be reached.

When we finally put together a bill with the leadership of my esteemed former colleague, John Dingell, although it was not perfect, it was workable and fair. That we were able to do so was aided greatly by the hard work and solid efforts of many individuals, but particularly Tom Barry.

Although our association in retrospect was fleeting, I believe I came to know him quite well during our strenuous meetings. He is a man of integrity. He is an affable, highly intelligent individual. We were able to conduct our work with good humor and respect for one another's sincere beliefs. Tom's superior intellect and ability to manage situations and people should serve him well as he travels to South Africa to begin his tenure as President of SBC International's Telkom South Africa operations.

Tom Barry has my warmest congratulations upon his latest appointment within SBC International. It will be most likely not be an easy assignment, however, there is no question in my mind but that he will do an outstanding job there, as he has with everything else he has undertaken. I wish him and his family all my best as they begin a new journey in life. Although South Africa is quite a long way from the United States, at least now—through state of the art improvements in telecommunications—it won't seem to be that far. I hope that Tom will take some time to thoroughly enjoy this new challenging opportunity. Certainly SBC made a wise decision in the selection of this fine man to head up their operation.

PERSONAL EXPLANATION

HON. DEBORAH PRYCE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. PRYCE of Ohio. Mr. Speaker, during the week of September 28, 1998, I was absent due to an illness in my family. I received an official leave of absence from the Majority Leader in this regard.

However, had I been present, I would have voted in the following manner on the following legislation:

Monday, September 28, 1998

H.R. 3891—Trademark Anticounterfeiting Act: Motion to Suspend the Rules and Pass the bill (Roll Call No. 470): AYE

H.R. 4103—Defense Appropriations Act for FY 1999: On Agreeing to the Conference Report (Roll Call No. 471): AYE

H.R. 4060—Energy and Water Development Appropriations for FY 1999: On Agreeing to the Conference Report (Roll Call No. 472): AYE

H.R. 3150—Bankruptcy Reform Act: On the Motion to Instruct Conferees (Roll Call No. 473): AYE

Thursday, October 1, 1998

S. 2073—Juvenile Crime Control and Delinquency Prevention Act: On the Motion to Go to Conference (Roll Call No. 474): AYE

H. Res. 563—Waiving points of order against the conference report on H.R. 4104, Fiscal Year 1999 Treasury, Postal, and General Government Appropriations.

On Agreeing to the Resolution (Roll Call No. 475): AYE

Friday, October 2, 1998

H. Res. 564—providing for consideration of the bill (H.R. 4274) making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1999, and for other purposes.

On Agreeing to the Resolution (Roll Call No. 476): AYE

House Journal of Friday, October 2, 1998

On approving the Journal (Roll Call No. 477): AYE

H.R. 4101—making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes.

On Motion to Recommit Conference Report with Instructions (Roll Call No. 478): NAY

On Agreeing to the Resolution (Roll Call No. 479): AYE

TRIBUTE TO TIGGES FARMERS MARKET

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to pay tribute to the owners and operators of the Tigges farmers market in Weld County. Mary Tigges handles the gardening, her son Ken creates unique metal sculptures, and her two daughters contribute crafts such as hand-crafted bears and painted gourds for decoration and bird houses. Besides being a family business amidst 20 acres of pumpkins and thousands of pepper and tomato plants, the Tigges market is unique because it does business on the honor system. Children play in the pumpkin patch, while shoppers are free to purchase fresh produce while no one is around. The Tigges demonstrate a special trust in the good nature and honesty of people that shop at their market. And Mr. Speaker, I am happy to say that they have never had any problems with this policy. I salute the Tigges family for their fine work and service, and all the good people that uphold the values that make rural Colorado such a wonderful place.

RETIREMENT OF ADMIRAL JOSEPH LOPEZ

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. SKELTON. Mr. Speaker, I rise today to recognize and honor Admiral T. Joseph Lopez, U.S. Navy, as he prepares to retire upon completion of 39 years of faithful service to our Nation.

A native of Powellton, West Virginia, Admiral Lopez entered the United States Navy in September 1959, and was commissioned an Ensign via the Seaman-to-Admiral Program in December 1964. His educational background includes a Bachelor of Arts (Cum Laude) in International Relations, and a Master of Science in Personnel Management. Admiral Lopez is currently the only serving admiral who enlisted, was commissioned through the seaman to admiral program, and currently wears four stars.

Upon commissioning, Admiral Lopez was assigned to U.S.S. *Eugene A. Greene* (DD 711), which deployed to both the Mediterranean Sea and the Gulf of Tonkin. He then attended the U.S. Naval Destroyer School in Newport, RI, immediately returning to sea as Weapons Officer onboard U.S.S. *Lind* (DD 703), which also deployed to Vietnam. Admiral Lopez received his first command in September 1969, when he assumed the duties as Commander, River Assault Division 153, which operated in the Mekong Delta in Vietnam and as part of a counter-offensive into Cambodia in May 1970.

Admiral Lopez attended the Naval Postgraduate School in Monterey, CA, from 1970–73 and the Armed Forces Staff College in 1974. He was then assigned as Flag Secretary and Staff Officer for Commander, Cruiser-Destroyer Group Eight from 1974 to 1977. He was the Executive Officer onboard U.S.S. *Truett* (FF 1095) from October 1977 through March 1979. Upon completion of tours at the Naval Military Personnel Command and assignment as Special Assistant to the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), Admiral Lopez assumed command of U.S.S. *Stump* (DD 978) in September 1982, completing a Persian Gulf deployment in 1983. In November 1984, he was assigned as Special Assistant to the Chief of Naval Personnel (Flag Officer Matters).

Commander, Destroyer Squadron 32, which deployed to the Mediterranean Sea, was Admiral Lopez' next command tour from February 1987 to March 1988. He followed this assignment with duties as Executive Assistant to the Deputy Chief of Naval Operations (Manpower, Personnel and Training) and Executive Assistant to the Vice Chief of Naval Operations. Admiral Lopez was designated Rear Admiral (Lower Half) in July 1989, and served as Deputy Director, Current Operations (J–3) on the Joint Staff. He served as Senior Military Assistant to the Secretary of Defense during the Persian Gulf Conflict and from July 1990 to July 1992. He commanded the United States Sixth Fleet and NATO's Striking and Support Forces, Southern Europe, homeported in Gaeta, Italy, from July 1992 to December 1993. He then served as Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessments) from December 1993 to July 1996.

Admiral Lopez became Commander in Chief, U.S. Naval Forces, Europe (London, England) and Commander in Chief, Allied Forces, Southern Europe (Naples, Italy) on 31 July 1996, where he serves today. Additionally, he commanded the Peace Implementation Forces (IFOR) in Bosnia-Herzegovina from July 1996 to November 1996. He arrived in the middle of the IFOR deployment and almost immediately deployed to Bosnia to command the NATO forces in charge of enforcing the Dayton Peace Agreement.

Admiral Lopez has been honored by the Governor of his home state as a "Distinguished West Virginian," and as an "Outstanding West Virginian" by the President of Salem College. West Virginia Institute of Technology conferred upon him the honorary degree as Doctor of Humanities, and the Italian Heritage Festival, in 1989, selected him as "West Virginia Man of the Year." Additionally, in June of 1997, the newly constructed Interstate 64 bridge spanning the Kanawha River near Charleston was named in his honor by the West Virginia State Legislature.

A man of Joe Lopez's stature and vision is rare. He is an individual of uncommon character and professionalism. He will be missed by both his Navy and NATO colleagues. Mr. Speaker, it gives me great pleasure to recognize him, and to thank him and his wife Vivian for their selfless service to our country.

ATHLETES UNITED FOR PEACE AND THE ANNUAL DON BARKSDALE "HUMANITARIAN OF THE YEAR" AWARD RECIPIENT, MARTIN WYATT

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. LEE. Mr. Speaker, on November 21, 1998, the Athletes United for Peace (AUP) will present the Don Barksdale "Humanitarian of the Year" award to Mr. Martin Wyatt.

Athletes United for Peace (AUP) is a Bay Area nonprofit organization committed to promoting peace, education, friendship and understanding through community programs and events for young people. The organization was established in 1984 after the boycott of the Olympic Games by athletes from the former USSR and the United States.

In 1992, after serving primarily as an international organization during the early years, AUP focused its energy toward providing programs and activities for high-risk youth and young adults throughout the East Bay communities of Berkeley, Oakland and Richmond. The organization continually strives to offer low-income disadvantaged participants programs and events that promote the agency's ideals and serve as health alternatives to criminal activity and antisocial behavior amongst young people.

Each year, AUP serves more than 700 young people between the ages of 7–26 with programs, activities and events that include: mentorship, late-night basketball, academic and sports camps, youth sport camps and clinics, video production training, academic lectures, tournaments and special events. These services are regularly provided in partnership with several public schools, local government and law enforcement agencies, and the local business community.

AUP established the Don Barksdale "Humanitarian of the Year" Award in 1994 as a tribute to the last Oakland philanthropist who devoted his life to help aspiring Bay Area young people through his "Save High School Sports" Foundation (established in 1985) in Oakland, CA. Through Don Barksdale's diligent efforts, the foundation raised more than one million dollars to help fund financially troubled high school sports programs throughout the Bay Area.

Don Barksdale, a sports and entertainment pioneer, broke the color barrier and paved the road for countless other people. In the 1940's and the 1950's, he was the Nation's premiere African American basketball star and was named to the NCAA college basketball All America team (UCLA 1947); selected to compete in the US Men's Olympic Basketball team (London 1948); and played in the NBA All Star game (Ft. Wayne 1953).

Don Barksdale was a trailblazer being the first popular radio disc jockey (KROW and KLX); the first to host a weekly television show (SEPIA REVIEW KRON 4); the first to own and operate a beer distributorship, while integrating the local beverage driver's union in Oakland. He helped thousands of musicians and entertainers break into the entertainment industry by employing them at the Sportsman and Showcase night clubs that he owned and operated in the 1950's, 60's and 70's. Don Barksdale's impact on the East Bay is unparalleled and recognized through the Athletes United for Peace awards.

The Don Barksdale "Humanitarian of the Year" award recipient is Martin Wyatt, founder of the "Sports Image & Education Foundation." He will be recognized for his dedication and commitment to charitable agencies in the community serving youth. Martin Wyatt, an Emmy award winning television sports anchor/director for ABC TV in San Francisco, is the annual host of his foundations' "Sports Image Award" ceremony that honors men and women in sports who do enormous amount of community work. He has also devoted time serving on the board of directors for the Bay Area Black United Fund and the Oakland Area Black community Crusade for Children.

It is with great pride and honor that I salute the work of the Athletes United for Peace and Martin Wyatt, a deserving recipient of the Don Barksdale "Humanitarian of the Year" award.

CONFERENCE REPORT ON H.R. 6, HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mr. MILLER of California. Mr. Speaker, next week, President Clinton will sign the Higher Education Amendments of 1998, passed unanimously by both the House and Senate earlier this week. This is, on balance, a good bill that will make a real difference in the lives of our Nation's students.

With the Higher Education Act, we have established a proud tradition over the last 34 years of providing opportunities to millions of Americans—giving them the skills and knowledge they need to succeed in their careers and to be active and productive citizens. Above all, we have given these millions of Americans, particularly those with lower-incomes, life options they simply would not have had otherwise. That is something we can all be proud of.

STUDENT INTEREST RATE

This most prominent feature of this bill is the lowering of the student loan interest rate. Under this bill, a student with an average student loan debt of $13,000 will save $700 in interest payments. Students with higher burdens of debt will save even more.

This is a good deal for students and for parents who help pay for their children's education.

Unfortunately, this bill continues what I, and many others, consider to be unnecessarily high subsidies to the banks and guaranty agencies that participate in the student loan program. I seriously question the fairness of the burden that, as a result, will continue to fall on our nation's taxpayers.

In this authorization, we have shaved slightly the rate of return to banks. But since we went much further in lowering the rate that students pay, we had to come up with more than a billion dollars to makes up the difference to maintain the hefty profits that banks in the student loan program enjoy. Ironically, a great deal of the cost will be born by students who are least able to afford it, those with loan debt who encounter financial hardship.

It did not have to be that way.

Earlier this year, the Treasury Department published a thorough and detailed analysis which showed that we could have gone much farther in reducing interest rates while still keeping the program profitable for lenders.

Unfortunately, Congress chose to largely ignore this report.

One of the problems in finding the "right" interest rate is that if Congress were to go too far in cutting rates, it would risk causing a major withdrawal of bankers from student lending, which would be very disruptive to students and parents. One would hope to be able to rely on information from the lending community in making such a determination, but instead the banks have traditionally played a game of chicken in which they have threatened to leave the student loan program each and every time Congress has sought to lower interest rates or trim unnecessary costs. Of course, they have never followed through on such threats because the reality is that student loans have been, and under this bill will continue to be, a very profitable enterprise.

I believe there are better places—Head Start, Pell Grants, TRIO, Title I—to put billions of federal education dollars other than in the coffers of already wealthy financial institutions.

President Clinton and members of Congress, particularly Congressmen ANDREWS and Senator KENNEDY, have worked hard over the years and in this reauthorization to create a fairer and more efficient system for setting interest rates. I look forward to continuing working with them on this issue.

TEACHER QUALITY PROVISIONS

This bill contains a number of provisions aimed at strengthening teacher quality, including those drawn from my bill, the "Teaching Excellence for All Children Act" (HR 2228). I appreciate the opportunity we have had to work together in a bipartisan fashion on these issues, and particularly want to thank Chairman GOODLING, Ranking member CLAY, Mr. KILDEE, Mr. GRAHAM, Ms. WOOLSEY, Ms. MCCARTHY, and Mr. FORD, as well as Senator JEFF BINGAMAN, for all their hard work in crafting what I think is a fairly strong package.

I also want to commend the excellent policy analyses, particularly those by the Education Trust, the National Commission on Teaching and America's Future, and the Congressional Research Service, that have done so much to inform the work we did here.

All across the nation, states and local school districts are raising standards for what students should know and be able to do. Research clearly shows that qualified teachers are key to children's ability to succeed in school. In fact, after parental involvement, the quality of a student's teacher is the most important factor in their academic career.

We now have, for the first time, a bill that addresses, from a federal perspective, issues of teacher quality at each stage in the process: preparation, recruitment, placement, professional development, and retention.

This bill provides financial incentives to attract qualified individuals into teaching and authorizes funds for support and mentoring to help make sure that qualified teachers remain in the profession. This will also help ensure that the taxpaying public gets its money's worth, by improving the quality of teacher preparation, by providing better information to parents regarding the quality of their child's teacher, and by implementing a more rigorous system of accountability.

For the first time, federally funded teacher preparation programs nationwide will publish and disseminate information on the percentage of their graduates who pass state licensing tests. States will be required to identify low-performing teacher preparation programs. And, ultimately, federal funds will be withheld from consistently low-performing schools.

Teacher preparation is the foundation of our entire educational system. Many schools do a good job in preparing teachers, but the evidence is clear that too many others fall far short. In this bill, Congress is sending an important notice to colleges and universities: we will hold you accountable for the billions in taxpayer dollars you get each year. You owe it to students, their parents, taxpayers and to the teachers themselves to raise the bar on teacher training.

LABOR CODES OF CONDUCT FOR UNIVERSITY MERCHANDISE

I am also pleased that the House and Senate agreed to include my amendment to call on universities and colleges to adopt labor codes of conduct to prevent the use of sweatshops or child labor in the manufacture of university merchandise that they sell.

These codes of conduct are on the agenda for universities and colleges across the country and I applaud the students and administrators that are working to see that schools of higher learning do not participate in the lowest forms of exploitation.

By adopting this amendment, Congress sends an important message to schools across this country: Use the power of your purse. Tell businesses what you will accept and what you will not, and they will adhere to your demands. The market for university merchandise like sweatshirts and baseball caps is big enough to influence the way the goods are made. In fact, schools sell nearly $2.5 billion worth of goods each year.

Without a code of conduct, schools will not know whether they are participating in labor exploitation. And without a good code, promises made about good labor conducts can be easily broken.

A quote by the provost of Harvard, made in another context, illustrates the importance of codes of conduct to schools. He said, "All members of the University and the institution as a whole benefit when its name is well used, and suffer when it is ill used."

Codes of conduct alone are not enough to assure honest wages, a safe workplace, and respect for workers, and I believe Congress should look to take additional actions against child labor and sweatshops. There are many bills pending in the House today that would help in that effort.

But simply raising the issue can make a difference. Look at the soccer ball industry. After widespread publicity and outrage over the manufacture of soccer balls by small children in Pakistan, a few of the manufacturers announced they would no longer use child labor for soccer balls.

The international economy today places great pressure on companies to compete for low wages and low standards. Consumers are the last defense for workers and children in the United States and around the world. The codes of conduct for universities and colleges are one important weapon in our arsenal against exploitation.

CONTINUED ELIGIBILITY FOR THE FREELY ASSOCIATED STATES

As passed by the House, this legislation included language which would have abruptly ended eligibility to the Republic of the Marshall Islands, the Federated States of Micronesia, and Palau for Pell Grants, Special Educational Opportunity Grants (SEOG), and the College Work-Study Program.

I am therefore particularly pleased that the conferees were able to agree to continue these programs and thereby honor our commitment to these Pacific islands to assist them in becoming self-sufficient. Under the conference report students will continue to benefit from these important programs through 2004, by which time the Compacts of Free Association with these nations will have been renegotiated.

CAUTION ON TRADE AND PROPRIETARY SCHOOLS

Trade and proprietary schools play an integral role in educating and training our nation's workforce and we should do whatever we can to ensure that students have access to the high quality training that they provide.

But, unfortunately, this bill contains new loopholes that will weaken monitoring and enforcement of current laws that address trade school abuses of federal student aid programs.

In the last reauthorization of the Higher Education Act, Congress tightened oversight of proprietary and trade schools in response to widespread instances of fraud, abuse, and mismanagement. Since 1990, more than 1,500 trade schools have been kicked out of federal student aid programs, saving taxpayers millions of dollars and protecting thousands of students from being ripped off.

The Department of Education's Inspector General recommended this year that we tighten program requirements even further. But instead the Congress, under heavy pressure from trade school owners, has decided to retreat in the battle against fraud and abuse.

I fear that once again we will see a spate of press accounts of schemes to bilk students and taxpayers. I fear that once again, a few bad apples will be allowed to tarnish the reputations of schools that are doing an effective job of training and educating students.

I intend to monitor the implementation of these new provisions closely and hope that if and when problems do arise, Congress will act swiftly and responsibly to protect students and taxpayers.

EDUCATION CAN AND SHOULD BE A BIPARTISAN ENDEAVOR

On balance, however, this is a good bill with many important provisions that will benefit America's students and workers. It is an example of what can be accomplished when partisan differences are set aside and members work together to find common ground on issues of great importance to our nation. It is an example I hope we continue to follow on education legislation.

HONORING THE IMANI SCHOOL

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BENTSEN. Mr. Speaker, I rise to congratulate the Imani School of Houston as it celebrates 10 years of excellence at a Gala on November 13, 1998 at The Power Center.

The Imani School is a private, Christian coeducational school serving children from preschool through eighth grade. Founded in 1988 by Windsor Village United Methodist Church, it began with 25 three- and four-year-olds. Today, the enrollment for 1998–99 includes 450 students, with a waiting list of more than 100 applicants each year. The school is accredited by the National Private Schools Accreditation Alliance, and admission is open to all students on a first come, first serve basis.

The Imani School has earned a national and international reputation for academic excellence and service to the community. The School has been featured on numerous television programs, including on CBS television as a "Cool School" for its outstanding community service, on NBC Today Weekend, and on a British Broadcasting Company program broadcast around the globe. Its success has attracted many dignitaries, including First Lady Hillary Rodham Clinton, Texas Governor George W. Bush, former Governor Ann Richards, and Houston Mayor (and former director of the U.S. Office of Drug Control Policy) Lee Brown, who hailed Imani as "one of the finest schools in the nation".

The Imani School's record certainly backs up these claims. Ninety percent of all former Imani students who enter area public schools for the first time place in classes for the academically gifted. SAT scores for the school surpass the national average in both reading and math at every grade level. Students in fifth through eighth grades won a gold medal for "Best of Show", as well as first and second place awards, at the Regional Association of Christian Schools International Science Fair. In addition, Imani students received seven out of ten of the first awards given at the 1997 NTA Regional Science fair sponsored by the National Aeronautics and Space Administration (NASA). Imani students also were awarded first and second place in the primary division and first in the intermediate division in the area Juneteenth Black History Essay contest.

The Imani School is also involved in positive school/community partnership efforts including a collaboration with the Garden Terrace Retirement Home, where students in the third to eighth grades make weekly trips to do crafts, entertain, or just visit with elderly residents. Also, middle school students join preschoolers and parents to repair and paint homes and provide food, clothing, and toys to needy families. Each summer, the Imani School provides summer camp programs to residents of the Patrice House, a shelter for abused and neglected children. Imani students also speak before corporations including Exxon and Chevron and at educational events throughout the community.

The Imani School has also achieved athletic success. At the end of Imani's first season in the Private School Basketball League, two students were chosen All Tournament Players.

To the students, their families, and faculty of the Imani School, I say congratulations. Your hard work and dedication is paying off. To the Windsor Village United Methodist Church, I say thank you for having the wisdom to start the Imani School and the fortitude to keep it strong. Your efforts have produced a school that is an example of the educational success that can be achieved with a supportive community, dedicated parents and teachers, and a commitment to innovation and excellence.

IN MEMORY OF A HERO AND A PASTOR, REV. EDWARD CONNORS

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. McGOVERN. Mr. Speaker, it has been nearly thirteen years since the Rev. Edward T. Connors, retired pastor of Immaculate Conception parish and chaplain of the 9th "Yankee" Infantry Division during World War II, passed away on January 28, 1986, but his memory and spiritual inspiration still remain strong in Central Massachusetts.

Father Connors received many awards and honors throughout his lifetime, including the Silver Star, one of our nation's highest honors for heroism, for rescuing a soldier from "no man's land" through a mine field that was considered suicidal to cross. He was also honored frequently for his life's work in the Worcester region, including the Fourth Degree Patriotism Award from Bishop O'Reilly Assembly, Knights of Columbus, in 1980, and the Crusader of the year award from Holy Cross College in 1981. In 1985, he was honored by 1,600 at a testimonial at Worcester Auditorium.

Many families and veterans, clergy and faculty, from the cities and towns of Worcester, Northbridge, Grafton, North Grafton and Whitinsville still remember his courage, humor, intelligence and dedication as a pastor, community leader, and humanitarian.

In his memory, and on behalf of all whose lives were touched by this pastor and gentleman of distinction, I would like to enter into this RECORD the January 30, 1986 article in the Worcester Telegram and Gazette describing his deeds and his contributions to our nation.

[From the Worcester Telegram and Gazette Thursday, Jan. 30, 1986]

REV. EDWARD CONNORS, RETIRED IMMACULATE CONCEPTION PASTOR

The Rev. Edward T. Connors, 80, retired pastor of Immaculate Conception parish and chaplain of the 9th "Yankee" Infrantry Division during World II, died Tuesday in St. Francis Home, 37 Thorne St.

He lived at 87–5 Park Ave.

Father Connors was chaplain of the 9th Infantry Division during the invasions of Tunisia, Sicily, Italy, France, Belgium and Germany—invasions which cost the division 4,581 lives during the war.

After he was discharged from service in 1945, Father Connors returned as a curate at St. Peter's Church.

In 1950 he was named pastor of St. Phillip's Church in Grafton. He was also pastor at St. Mary's parish in North Grafton before becoming pastor of Immaculate Conception parish in Worcester in 1952. During his pastorate at Immaculate Conception, the parish built a new church in 1957. He retired in 1980.

Born in Whitinsville, he was a son of Bartholomew J. and Mary (Haggerty) Connors.

He graduated from Northbridge High School and from Holy Cross College in 1927. He studied at St. Mary's Seminary in Baltimore from 1927 to 1931, and was ordained in Springfield in 1931 by Bishop Thomas J. O'Leary.

He was assigned as curate of St. Peter's church and athletic director of St. Peter's High School in 1931, when the football team then won the state championship. Lester "Buster" Sheary, who was coaching three sports at St. Peter's when the new curate arrived, recalled, "If anyone ever revived St. Peter's athletics, it was Father Ed."

And Joseph Walsh, St. Peter's basketball standout during Father Connors' second tour there after World War II, recalled his spirit: "He had a special enthusiasm for the athletes and the teams."

Two years after his arrival at St. Peter's, Father Connors joined Father James M. McCarron in forming the Catholic League for Worcester and County high school basketball teams.

In 1935, Father Connors was transferred to Sacred Heart Academy and a year later to St. Bernard's High School in Fitchburg, where he was athletic director until he entered the Army in 1942.

"CONNOR'S COFFEE SHOP"

Partly because of his pleading with military and church authorities, he was allowed to follow "his boys" into the front lines.

The legend of the chaplain's "coffee shop," his friendly mingling with enlisted men, his disregard for rank, his intense interest in "his boys" regardless of their religion, and his heroism long outlived the war.

In particular, "Connors' Coffee Shop" was a tradition among the troops of the 9th during any respite from battle. Brewed in a big aluminum pitcher and heated on a ration-can stove with kerosene, the coffee was simply boiled and served. When the coffee ran low, Father Connors just added more grounds and water.

"We never dared get all the way down to the bottom of the pot," he mused. "We were afraid of what we might find in it. There was a quarter-inch cake of coffee on the sides of it to add to the flavor, and there were days when the men claimed they had to chew it—it was too strong to drink."

Father Connors was awarded the Silver Star for rescuing a soldier from "No Man's Land" through a mine field that was considered suicidal to cross.

One veteran of the 9th, of the Greek Orthodox faith, recalled Father Connors as "a great chaplain . . . he was right down in front when it all counted. He was one of the troops."

In recalling the growth of the ecumenical movement, he once said of the soldiers of the 9th, "We didn't talk it; we've lived it . . . It was no big deal for us. This was the way we lived those years: Dedicated to our own faith, praying together in a common purpose." He told of a Jewish chaplain who was shelled and dying in a battlefield in France.

"He asked for my blessing before dying. Not absolution," he added. "He died a strong, dedicated Jew, but wanted my blessing. We all must have a faith. We must believe in it. Stand up for it. But—we can all pray together."

During the war, he became a close friend of Gen. William C. Westmoreland, later Army chief of staff.

When he returned to Worcester after the war, Father Connors yearned for a reunion with his 9th Division comrades. So he launched a yearly tradition in his home parish, then St. Peter's parish. The reunion and memorial Mass were conceived, he said, to celebrate the living and honor the dead of the 9th.

HONORED MANY TIMES

Father Connors received numerous awards, including the Fourth Degree Patriotism Award from Bishop O'Reilly Assembly, Knights of Columbus, in 1980, Crusader of the Year award from Holy Cross College in 1981.

Of his parishioners, Father Connors said, "I hope I have inspired them as much as they inspired me."

In March 1985, he was honored by 1,600 at a testimonial at Worcester auditorium.

Bishop Bernard J. Flanagan then called Father Connors "a good friend and an example of a dedicated and zealous priest."

The Rev. Paul T. O'Connell, his associate for 10 years at Immaculate Conception Church, said Father Connors had really taught him "the good things in life."

And President Ronald Reagan wrote from the White House, "Your spirit of patriotism and your spirit of faith is the same that built America."

Father Connors was spiritual director for 35 years of the Worcester Diocesan Council of Catholic Nurses. He was also chaplain for Division 36 of the Ancient Order of Hibernians in Worcester and chaplain of the St. Patrick's Day Parade Committee in Worcester.

He was a member of the Emerald Club.

He leaves several cousins.

The funeral will be tomorrow with a concelebrated Mass at 11 a.m. in Immaculate Conception Church, 353 Grove St. Bishop Timothy J. Harrington will be principal celebrant. Burial will be at 2 p.m. tomorrow in St. Patrick's Cemetery, Whitinsville.

Calling hours at the church are 2 to 9 p.m. today.

A wake service will be there at 7 p.m. today. Members of Division 36, Ancient Order of Hibernians, will convene at 7 p.m. to attend the service.

It is requested flowers be omitted. Memorial donations may be made to the Clergy Fund of the Diocese of Worcester, 49 Elm St.

Athy Memorial Home, 111 Lancaster St., is directing arrangements.

INDIAN PRIME MINISTER'S APPEARANCE MET WITH LARGE PROTEST

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. TOWNS. Mr. Speaker, Indian Prime Minister Atal Bihari Vajpayee went to the United Nations in New York last week. He was met by about 200 protestors, mostly Sikhs, Kashmiri Muslims, and others, who were there to protest Indian nuclearization of South Asia and demand freedom for their people. This protest did not get as much coverage in the media as you might have expected under normal circumstances, so it is appropriate to take note of it here.

The demonstration was led by Sikh youth in the New York area and the President of the Richmond Hill (N.Y.) Gurdwara. The demonstrators shouted slogans against Indian nuclear-weapons development. They also shouted slogans like "India stop genocide" as well as slogans for Sikh independence.

In a flyer circulated at the demonstration, the organizers wrote that "Vajpayee's government is responsible for plunging South Asia into a nuclear arms race. They are taking India towards a bloody confrontation with neighboring countries that could involve the entire world."

India has recently deployed its Agni and Prithvi missiles in Punjab, Khalistan. Some of these missiles are capable of reaching parts of the United States. This deployment greatly increases the likelihood of war in South Asia, a war we now know can easily become nuclear.

The Indian government has also practiced genocide against the minorities it rules. It has murdered over 250,000 Sikhs since 1984, more than 200,000 Christians in Nagaland since 1947, almost 60,000 Muslims in Kashmir since 1988, and ten of thousands of Assamese, Manipuris, Tamils, Dalits, and others. The government paid thousands of cash bounties to police officers who killed Sikhs!

This is why the organizers wrote that "the Indian government's main mission is Hindu, Hindi, Hindustan. There is no room for Muslims, Sikhs, Buddhists, or Christians. A religiously intolerant government can never be democratic."

While India pursues this undemocratic, imperialist objective, it takes the average Indian worker three days' pay just to buy a box of Corn Flakes. Half the population of the country lives below the international poverty line, which is substantially lower than the U.S. poverty line. Yet America officially supports this repressive, hegemonic country. We must be a beacon for freedom in South Asia.

Mr. Speaker, the United States must codify the sanctions now in place against India. We must stop providing aid to this repressive regime. And finally, we must put this Congress on record in support of a free and fair plebiscite in Punjab, Khalistan and in Kashmir—the latter in accord with India's 50-year-old promise to the United Nations.

Mr. Speaker, I would like to thank Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, for bringing this event to my attention. I would also like to insert the Burning Punjab article on the demonstration and the flyer from that event into the RECORD for the information of my colleagues. I hope that this information will help make it clear to us all just what kind of country India really is.

[From the Burning Punjab News, Sept. 26, 1998]

SIKHS AND OTHERS HOLD LARGE PROTEST AGAINST INDIAN PRIME MINISTER'S UN VISIT

(By Atam Inder Singh)

NEW YORK.—A large numbers of Sikhs came to the United Nations in New York on Thursday to protest the appearance of Indian Prime Minister Atal Bihari Vajpayee. In addition, Kashmiri Muslims and other victims of Indian tyranny protested simultaneously. Protestors distributed a large number of flyers to passers-by. They shouted slogans of "India stop genocide," and "Raj Kare Ga Khalsa", as well as slogans against Indian nuclear weapons development. Agni and Prithvi missiles have been deployed in Punjab. The flyer pointed out that "Vajpayee is the leader of the BJP, the militant Hindu fanatic party in India, and is the head of a repressive, fascist government that oppresses its minorities and is unfriendly to the United States." The flyer said that "Vajpayee's government is responsible for plunging South Asia into a nuclear arms race. They are taking India towards a bloody confrontation with neighboring countries that could involve the entire world," it said. The flyer took note of the deployment of Agni and Prithvi missiles in Punjab, of its support of the nuclear efforts of rogue states like Iraq, and of the murders of large numbers of minorities living under Indian rule. The Indian government has eliminated large numbers of Sikhs since 1984, over 200,000 Christians in Nagaland since 1947, almost 60,000 Kashmiri Muslims since 1988, and tens of thousands of Assamese, Tamils, Manipuris, Dalits, and others. "The Indian Government's main agenda is Hindu, Hindi, Hindustan," the flyer said. "There is no room for Muslims, Sikhs, Buddhists, or Christians. A religiously intolerant government can never be democratic," it said. "On behalf of the Sikh Nation, I salute the organizers of this demonstration, especially Gurpreet Singh and the President of the Richmond Hill Gurdwara, Mr. Balwinder Singh Cheema," said Gurmit Singh Aulakh, President of the Council of Khalistan, the organization that leads the peaceful, democratic, nonviolent struggle to free the Sikh Nation. "This effort was mostly done by the educated Sikh youth," he added.

Protest Against Nuclear Arms Buildup

The American Sikh community and its supporters are gathering at the United Nations on September 24th 1998, to protest the visit of the Prime Minister of India, Atal Bihari Vajpayee. Mr. Vajpayee is the leader of the BJP, the militant Hindu nationalist party in India, and is the head of a repressive, fascist government that oppresses its minorities and is unfriendly to the United States:

Mr. Vajpayee's government is responsible for plunging Southeast Asia into a Nuclear arms race. They are taking India towards a bloody confrontation with neighboring countries that could involve the entire world. Earlier this year, two members of the BJP publicly called for Pakistan to become part of India.

The Indian government has deployed its Agni and Prithvi missiles in Punjab, Khalistan greatly increasing the likelihood of war and putting the lives of Sikhs and other minorities at risk.

Indian has provided heavy water to Iran and is now working closely with Saddam Hussein's regime in Iraq. India votes against the United States at the United Nations more often than any other country except Castro's Cuba. India publicly supported the Soviet invasion of Afghanistan.

The Indian government's main agenda is "Hindu, Hinda, Hindustan (India)". There is no room for Muslims, Sikhs, Buddhists, for Christians. A religiously intolerant government can never be democratic.

The government made every effort to disrupt the first meeting of the Punjab People's Commission, which was set up to investigate human-rights violations at Punjab. They cancelled the reservation the commission had for meeting space and tried to influence other facilities not to grant them space. The People's Commission issued citations to 90 police officers and now has received 3,000 more cases. The Indian government has spent over 20 million Rupees in legal fees to protect the police officers that have carried out these atrocities.

On July 23, Indian police arrested human-rights activist Jaspal Singh Dhillon and his attorney on a false charge. Dhillion worked with Jaswant Singh Khalra on his report which showed that the police abducted, tortured, and murdered tens of thousands of Sikh youth, then declared their bodies "unidentified" and cremated them, a policy the Indian Supreme Court called "worse than a genocide."

In August, it was reported that death squads from the Central Reserve Police Force (CRPF) are going into villages in the Faridkot district of Punjab and murdering villagers.

To date, Amnesty International and other Human Rights organizations have been denied access to Punjab to witness for themselves the atrocities that the Sikhs are suffering.

Please join us and raise your voice to condemn Nuclear India and support human rights for Sikhs and all minorities in India.

THE SAVE SOCIAL SECURITY ACT

HON. JIM McCRERY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. McCRERY. Mr. Speaker, I commend Chairman ARCHER on the inclusion in this bill of the provision to modify and extend the present law treatment of active financial services income under Subpart F of the Internal Revenue Code. The provision permits U.S.-based insurance companies, banks, finance companies, securities dealers, and other financial services firms—like other U.S. industries doing business abroad—to defer the U.S. tax on the earnings from the active operations of their foreign subsidiaries until such earnings are returned to the U.S. parent company. The provision is vital to the global competitiveness of the U.S. financial services industry.

In particular, I commend Chairman ARCHER and the staff for the resolution of the question relating to the interaction of this subpart F provision regarding active financial services income and the ability of the U.S. financial services industry to use so-called hybrid arrangements and other techniques to reduce their foreign taxes. In January of this year, the Treasury Department issued notice 98–11, attacking the use by U.S.-owned foreign companies of hybrid arrangements to reduce their foreign taxes. Chairman ARCHER, along with a bipartisan majority of the Ways and Means Committee, strongly opposed the Treasury Department's action on Notice 98–11. In response to the concerns raised by Congressman ARCHER, in June of this year, the Treasury Department issued Notice 98–35, withdrawing Notice 98–11. According to Notice 98–35, "the purpose of this action [was] to allow Congress an appropriate period to review the important policy issues raised . . . and if appropriate, address the issues by the legislation." Notice 98–35 further provides specific rules with respect to the use of hybrid arrangements during the interim. In Notice 98–35, the Treasury Department wisely anticipated and explicitly provided for the use of hybrid arrangements to reduce foreign taxes with respect to financial services income.

Concerns had been raised regarding whether the provision in this bill modifying and extending the subpart F treatment of active financial services income could be interpreted to limit in any way the ability to use hybrid arrangements to reduce foreign taxes. Of course, such a limit would be inconsistent with the position regarding active financial services income set forth by the Treasury Department in Notice 98–35. Moreover, such a limit would be inconsistent with the purpose of this provision, which is intended to improve the ability of the U.S. financial services industry to compete with its foreign counterparts. Because of the importance of this issue, I am very pleased that the provision modifying and extending subpart F treatment of active financial services income was carefully drafted so that nothing in the provision would authorize or allow this treatment to be denied because a hybrid arrangement, or any other technique available under foreign tax law, is used to reduce foreign tax.

TRIBUTE TO THE HONORABLE SIDNEY R. YATES

SPEECH OF

HON. JOHN SHIMKUS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. SHIMKUS. Mr. Speaker, I rise to pay my respects to my Illinois colleague, Congressman SIDNEY YATES, as he nears the end of this, his 24th and final term as a Member of this body.

Congressman YATES has been a true patriot in the very best sense of the word. He has been a stalwart advocate for issues near and dear to his heart and those of the people he has so ably represented over the years.

In 1996, Congressman YATES told the Chicago Sun-Times that, "my promise is to fight, and I did that."

Indeed he has done so. SIDNEY YATES has been a tremendous advocate for the arts, for our environment and for our nation. His work has made a difference for all of us but has a particular impact on our home state of Illinois.

Back home, SIDNEY YATES is regarded as a living standard of excellence in public service by which the rest of us only hope to be measured favorably.

Not long ago, Congressman YATES showed me a certificate from a congressional baseball game that game he had played in back in 1950. It amused me because I hadn't even been born when that game had been played. As a current participant in the game, I will play hard and play to win as SIDNEY did back in 1950.

It humbled me by the notion that I was standing next to a man who had played the game and played it well for so many years. SIDNEY YATES stands among us tonight as a reminder of the fact that age and experience can never be matched or duplicated, but can be a learning tool for those of us who attempt to follow it.

From your downstate admirers, let me say thank you to an illustrious career whose full measure has yet to be realized.

A SPECIAL TRIBUTE TO HULON B. "ROCKY" WHITTINGTON FOR HIS DEDICATION AND SERVICE TO THE UNITED STATES OF AMERICA

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. GILLMOR. Mr. Speaker, I rise today to pay a very special tribute to an outstanding individual from Ohio's Fifth Congressional District, the late Hulon B. "Rocky" Whittington.

Mr. Whittington, who hails from the small town of Oak Harbor, Ohio, in Ottawa County, lived a truly memorable life. During his life he was committed to the principles of duty, honor, country. Nowhere is this legacy more evident than in the fact that Mr. Whittington was a recipient of the Congressional Medal of Honor.

For his bravery and commitment, Mr. Whittington was presented with our nation's most prized and coveted military recognition. His heroism and patriotism are examples for each of us to live by, and his efforts played a key role in securing the very freedom that we, as Americans enjoy each and every day of our lives.

The Congressional Medal of Honor's origin dates back to the Civil War, where it was signed into law by President Abraham Lincoln. The Medal of Honor is presented to those in combat having gone "above and beyond the call of duty."

In July of 1944, near Grimesnil, France, Sergeant Hulon B., Whittington, Second Armored Division, led a group of men into battle against an advancing German tank column. with their platton leader missing in action and in the face of scores of enemy troops, Sergeant Whittington's expert leadership and bravery resulted in the destruction of more than 100 German vehicles. During the battle, countless numbers of German soldiers were killed or taken prisoner during a bayonet charge that he inspired.

Mr. Speaker, On Saturday, October 3, 1998, Sergeant Whittington will be recognized by members of the Oak Harbor Masonic Lodge for his dedication and commitment to service. He was an outstanding community member and a caring and devoted Mason. His efforts have been and will continue to be sorely missed.

Mr. Speaker, although Sergeant Whittington passed away several years ago, his deeds on the battlefields of World War II and in the Oak Harbor community will not soon be forgotten. I would urge my colleagues to stand and join me in paying special tribute to a true American hero, Sergeant Hulon B. "Rocky" Whittington.

THE PASSING OF MEG DONOVAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues the tragic death yesterday of Meg Donovan, a former member of the staff of the Committee on Foreign Affairs, now the Committee on International Relations, and most recently a Deputy Assistant Secretary of State for Legislative Affairs.

Meg worked for our committee for eight years. During that time, and in her previous work for the National Conference on Soviet Jewry and the Commission on Cooperation and Security in Europe, she was a tireless advocate of human rights. At a time when it was not always fashionable, she worked to ensure that every piece of legislation which this committee considered took into account the human rights record of the governments involved. Many staffers, and Members, learned—sometimes the hard way—that whatever their own agenda might be, their legislation would be "scrubbed" by Meg for its human rights implications before it left this committee. In short, Meg put the human rights issue on the Congressional map.

Some Members would be more familiar with Meg in her more recent work, as an indispensable aide to first Secretary of State Christopher and then Secretary of State Albright. Both Secretaries relied heavily on Meg in their relations with Capitol Hill, and to help run the State Department.

While her professional accomplishments were extraordinary, I think what most of us will remember about Meg is her always cheerful smile, her infectious laughter, her enthusiasm for life, and her endless energy. Meg was one of those rare people who brought warmth, laughter and joy to so many lives.

I know all of our hearts go out to Meg's husband, her three children, and to all her family.

IN SUPPORT OF INCREASED FUNDING FOR THE OLDER AMERICANS ACT

HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BERRY. Mr. Speaker, I rise today in support of programs funded through the Older Americans Act including congregate meals, home delivered meals and supportive services. These programs are of vital importance to the First Congressional District of Arkansas.

In the ten county area of North Central Arkansas over 100 persons are on the Home Delivered Meal waiting list due to a lack of federal funding. Furthermore, because of a lack of funds, two County Aging Programs consisting of 15 Senior Centers now operate only four days per week.

The Older Americans Act has not received substantial increases in almost a decade—local Senior Centers now have to do fund-raising to provide at least 30 percent of their budgets. Local communities, particularly those in rural areas, can only generate a small portion of the funding needed.

With the expected rise in the older population, the demand for services is expected to double over the next 15 years. An increase in federal funding is urgently needed.

I urge my colleagues to support an 8 percent increase to support the reauthorization of the Older Americans Act contained in H.R. 4344.

OLDEST YEAR-ROUND SCHOOL CELEBRATES 30TH ANNIVERSARY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. STARK. Mr. Speaker, I rise today to pay tribute to the Park Elementary School in Hayward, California, the oldest year-round school in the nation. Over three decades ago, two elementary school principals, Mr. Barney Moura and Dr. Dan Foster, proposed the idea of an all year-round school schedule. In 1968, Park adopted the first single-trick, 200-day school calendar under provisions of a special seven year pilot program approved by the California State Legislature.

Now celebrating its 30th anniversary as a year-round school, Park Elementary has provided a wealth of research and experience to corroborate the original goals of the program. Currently, almost 2 million students in 41 states attend year-round schools and I am proud that Park Elementary has led the way.

Park Elementary not only deserves recognition as the original pioneer for year-round school, but it should also be acknowledged as the working model for success. Recent studies have demonstrated that student achievement is significantly higher at schools with a single track schedule than their nine-month counterparts.

On November 6, Principal Jeanne Duarte-Armas will join with students and faculty, along with representatives from the Hayward Unified School District, to celebrate Park School's 30th anniversary with an afternoon picnic. I extend my hearty congratulations on their accomplishments and offer my best wishes for continued success. Mr. Speaker, I ask my colleagues to join in honoring those who have helped Park Elementary School reach its 30th year of achievement and excellence.

IN HONOR OF RUSSELL L. HANLIN

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. GALLEGLY. Mr. Speaker, I rise to pay tribute to Russell L. Hanlin, a man who has had an enormous impact on America's agricultural industry during his illustrious 48-year career. Not only has he been the consummate businessman, but he has served three presidents—and his countrymen—as well.

Mr. Hanlin is retiring soon as President and Chief Executive Officer of Sunkist Growers, Inc., an agricultural marketing cooperative representing more than 6,500 citrus growers in California and Arizona, many of which operate in my home, Ventura County. Mr. Hanlin is the epitome of the American dream, and proof that hard work and perseverance in this great land will carry anyone to the pinnacle they seek. He started with Sunkist as a clerk in

1951. Over the years, he served in several capacities before earning an appointment as a corporate officer. After serving six years as Vice President of the Producers Group, he was elected President and CEO in 1978.

President Bush appointed Mr. Hanlin to the President's Commission on Executive Exchange. Presidents Carter and Reagan both appointed him to the President's Advisory Committee for Trade Negotiations, an appointment he held from 1978 to 1984. President Reagan also appointed Mr. Hanlin to the President's Export Council, a post he held for five years.

In 1990, Mr. Hanlin was inducted into the World Trade Hall of Fame.

Mr. Hanlin is past Chairman of the National Council of Farmer Cooperatives. He is a member of the Agricultural Task Force on Japan-U.S. Economic Relations, a member of the U.S./Hong Kong Economic Cooperation Committee, a member of the Board of Directors of the California Chamber of Commerce, and Chairman of the Chamber's Agricultural Committee. He is a member of the Board of Trustees of Woodbury University, Chairman of the United Fresh Fruit and Vegetable Association, and Chairman of the Japan America Society of Southern California. In 1996, he was Chairman of World Trade Week.

Mr. Hanlin has won several awards, ranging from the Good Scout Award from the Western Los Angeles County Council, Boy Scouts of America; to the Maple Leaf Award from the Canada-California Chamber of Commerce, which he earned for promoting understanding between the United States and Canada.

Mr. Hanlin and his wife, Norma, live in Pasadena, California. They have been blessed with three children.

Mr. Speaker, I know my colleagues will join me in thanking Mr. Hanlin for his many years of promoting and nurturing America's agricultural industry and wish him well in any future endeavors.

A TRIBUTE TO WALDO PROFITT

HON. DAN MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. MILLER of Florida. Mr. Speaker, for 37 years, the people of Sarasota, Florida have been lucky to have Waldo Profitt Jr. as Editorial Page Editor of the Sarasota Herald-Tribune. Waldo provided great journalism with unquestioned integrity and commitment to community service.

Waldo Profitt recently retired from the Herald-Tribune. His reporting and commentary on the social, fiscal, political and public environment of Sarasota County during its fast-paced growth years are a tribute to the finest qualities of a first-class journalist. Waldo was on the front lines on many issues and he never failed to thoroughly investigate, and then critically comment, on what this meant in the big picture.

Long before the mainstream environmental movement, Waldo Profitt educated his readers that environmental protection, resource conservation and local responsibility for community resources were crucial to the preservation of Florida's quality of life and to the State's long-term economic viability and vitality. He emphasized that environmental protection was not about hugging trees, but enhancing and protecting our future.

Anyone in public life would appreciate Waldo's approach to his craft, which rejected attack journalism and recognized that "today's opponent may be tomorrow's ally." His colleagues pay him a high compliment when they say that he taught them that successful journalists need not be mean or unpatriotic. Even those who disagreed with him philosophically, will honestly say, that Waldo "wrote with integrity" and that he was "incisive, fair and balanced."

One of my proudest moments in Congress was when Waldo wrote, "I've been underestimating Dan Miller." Let me tell you, NO ONE has ever underestimated Waldo's ability to quickly humble any public servant in Southwest, Florida. So, his words meant a great deal to me.

For Waldo Profitt, Jr., professional integrity and decency were watchwords. It is a fitting time for us to recognize those qualities in his career and to salute a gentleman who served his country in the U.S. Army Air Corps during World War II. But I want to especially honor Waldo for always taking the courageous path of the highest standards in his chosen field—journalism. My hat goes off to him.

DID TAX AVOIDANCE PLAY A ROLE IN THE FALL OF LONG-TERM CAPITAL?

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, in the past week, we all read about the gathering of Wall Street's financial giants and their agreement to bail out Long Term Capital Management L.P., which "The Wall Street Journal" has referred to as a "high flying hedge fund that was on the verge of collapse."

After a meeting orchestrated by the Federal Reserve, a group of investment firms and commercial banks agreed to a $3.5 billion bailout of Long-Term Capital. Without this bailout, Long-Term Capital's $80 billion balance sheet and additional exposure in the form of off-balance-sheet agreements would have been liquidated. A forced liquidation could have had an adverse impact on worldwide markets.

The financial service industry bears the overwhelming portion of blame. Lenders extended enormous amounts of credit without adequate supervision or knowledge of the activities of the fund.

However, Congress also shares a part of the blame for this debacle. Derivatives have legitimate uses, but they can be used to create excessive levels of leverage by avoiding margin requirements. They have the potential of tax avoidance. Congress was aware of this. The Commodity Futures Trading Commission (CFTC) raised questions earlier this year about the adequacy of supervision of hedge funds. Congress not only chose to ignore the warning of the CFTC, but it pushed legislation that would prohibit the CFTC from proposing new derivatives regulation.

This tax avoidance potential of derivatives did not cause the fall of Long-Term Capital, but it may have added fuel to the fire in the failure. In the fall of 1997, management of Long-Term Capital wanted to increase its stake in the fund. Rather than invest directly, the founder and partners entered into a complex transaction with Union Bank of Switzerland (UBS) that gave them $750 million of equity in the fund through the use of derivatives. According to Derivatives Strategy Special online Report, the management of Long-Term Capital deliberately chose this complex transaction in order to convert foreign interest income from their offshore hedge fund into long-term capital gains and defer it for seven years. Their motivation for this transaction was pure and simple—tax evasion.

Congresswoman KENNELLY was the only one who had the foresight to recognize that the tax avoidance potential of derivatives should have a legislative response. On February 5, 1998, Congresswoman KENNELLY introduced H.R. 3170, legislation which would prevent the use of derivatives to convert ordinary income into long-term capital gain eligible for the 20% capital gain rate. That legislation was aimed at investments in hedge funds through derivatives. The deal that the management of Long-Term Capital entered into with UBS is an example of a transaction that the Kennelly legislation would have shut down.

I commend Congresswoman KENNELLY on her efforts to prohibit transactions that use derivatives for tax avoidance. If this legislation had been enacted, the motivation for the transaction between the managers of Long-Term Capital and UBS would have not existed.

The rise and fall of Long-Term Capital will be studied by Congress in the upcoming months. I plan on following Congresswoman's KENNELLY lead and to work towards the passage of legislation which addresses the tax avoidance potential of derivatives.

The Kennelly bill affects transactions such as the transaction between the founder and partners of Long-Term Capital and UBS that are not available to the ordinary investor because of their cost. In an economic sense these transactions are equivalent to ownership, but their costs are substantially greater than the costs of a simple purchase.

Congresswoman KENNELLY believes that there is no tax policy justification for giving an investor in a derivative more favorable tax treatment than an investor in an identical underlying product. The Kennelly bill redefines the concept of when there is ownership for tax purposes in order to take into account the economic substance of these new transactions.

I look forward to working on the Kennelly bill and ultimately working towards passage of legislation that addresses the potential tax avoidance of derivatives. Attached is a technical description of the Kennelly legislation.

CONSTRUCTIVE OWNERSHIP TREATMENT

The Kennelly bill would apply to taxpayers who hold constructive ownership positions with respect to any financial property. The legislation would treat gain from constructive ownership positions as long-term gain only to the extent the investor would have received long-term gain treatment if he/she held the underlying asset directly.

The bill would define constructive ownership as any of the following transactions (and any other transaction having substantially the same effect as a transaction described below):

1) entering into an offsetting notional principal contract with respect to the same or substantially identical property;

2) entering into a futures or forward contract to acquire the same or substantially identical property;

3) granting a put and holding a call with respect to the same or substantially identical property and such options have substantially equal strike prices;

4) entering into 1 or more than other transactions (or acquiring 1 or more positions) that have substantially the same effect as a transaction described in any of the preceding subparagraphs.

The bill would only apply to financial positions in stock, debt instruments, partnerships and investment trusts held through derivatives. This legislation is not intended to apply to interests held through mutual funds.

A deferred interest charge would apply to constructive ownership transactions in order to recapture the benefits of deferral. The deferred interest charge would be equal to the underpayment of tax rate in Section 6601.

The legislation would be effective for gains recognized after date of enactment.

IN CELEBRATION OF THE 40TH ANNIVERSARY OF THE U.S. CIVILIAN SPACE PROGRAM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BROWN of California. Mr. Speaker, today marks the 40th anniversary of the establishment of the U.S. civilian space program. I would like to congratulate Administrator Goldin and all of the NASA team of NASA's 40th anniversary. It is a significant milestone, and all of the present and former NASA and contractor employees should feel proud of what our nation's civil space program has accomplished. I believe that space exploration is a noble calling, and one that is worthy of our continued support.

When I celebrate a birthday or anniversary, I like to reflect both on what has come to pass in my life and what might still lie ahead. I think that it is appropriate that we do the same at this juncture in NASA's life as an institution.

It is difficult to know what to say and what to leave out in a statement such as this. I have been interested in our nation's civil space program since its inception, and I have rejoiced at its successes and grieved at its setbacks over the years. I also have tried to play a small part in helping to nurture our space program's growth during my tenure in Congress.

As we try to assess how best to approach America's future in space, I would like to offer some thoughts on ways in which our civil space program has succeeded, as well as ways in which it has fallen short. I hope that those observations may provide useful guideposts for NASA's future.

Where has our civil space program succeeded? I believe that there can be no disputing that the nation's history of excellence in space and Earth science is one of the most gratifying outcomes of the space program's establishment 40 years ago. To say that we have been unlocking the secrets of the universe may be a cliché—but it also is a simple statement of fact. Robotic probes have visited every other planet in our solar system except Pluto. Equally important, we are gaining insights into our own planet and into how human activities affect its systems.

Yet, as the news about the immense burst of gamma-rays and X-rays from deep in space that bathed Earth in radiation last month and disrupted spacecraft operations demonstrates, we also are learning how little we really know about the universe. Nevertheless, we are making advances. From the earliest satellites to the Hubble Space Telescope, the Mars Pathfinder, and beyond, NASA's scientific activities have enriched our stores of knowledge and captured our imaginations. I find it incomprehensible that anyone could seriously assert that NASA has made these space activities "boring."

Another area where I think our space program has succeeded is in the use of space technology to deliver benefits to society. Communications satellites, weather and remote sensing satellites, technologies for health care and industrial competitiveness, and so forth—all of these have improved the quality of our lives. Yet I strongly believe that we can do more to harvest the potential of space to help people in America and around the world to live better lives. We dare not walk away from that responsibility.

Another development that has been gratifying to me has been the emergency—allbeit somewhat unevenly—of a healthy and growing commercial space sector. Can anyone dispute the importance of commercial satellite communications to the world's economy, both directly and indirectly? I expect to see similar developments in commercial remote sensing, launch services, and in areas we do not even contemplate at present.

Yet, a world with a large, global commercial space sector offers challenges to policymakers. I would gently note that those who argue for unleashing the private sector to commercialize space on a global scale should not then attempt to demonize companies for pursuing their interests globally. Loose allegations of unpatriotic behavior against American companies are not helpful as we attempt to sort out the complex issues associated with commerce in a multipolar world.

Next, I must say that I consider one of NASA's finest achievements to have been its continued adherence to the principle that "activities in space should be devoted to peaceful purposes for the benefit of all mankind." NASA has made international cooperation an integral part of its mission, and I think it has paid dividends to our nation over the past four decades. As I testified to the House space subcommittee fifteen years ago on NASA's 25th anniversary:

"We have tended to cut back on these activities when budgets are tight, or when we get nervous about technology transfer to other nations. My view is that international cooperation serves many functions and is important to support; political, scientific, and economic benefits can be derived from international cooperation."

I continue to stand by those sentiments.

Before I close, I must confess that I have been disappointed by what we have not accomplished in our space program since its inception. Among my frustrations is our sorry record in the development of low-cost space transportation. For too long, we have seen advances in transportation come in fits and starts, instead of being an integral part of the space agency's R&D portfolio. That approach has seriously impeded the progress of our nation in space exploration and utilization. I believe that we are making some improvements in our approach to developing new transportation systems; however, we must not go overboard in the other direction and make our programs dependent on the delivery of revolutionary advances by a date certain. Innovation does not work that way—especially under constrained budgets.

Speaking of budgets, those who know me know that I long have been troubled by the nation's inconsistent support of our civil space program. Both Congress and the White House have at various times over the last forty years, wreaked havoc on NASA's ability to make and carry out long-range plans. While some have argued that there is no long-term vision or plan for NASA, I would submit that over the years there have been no lack of plans, studies, and recommendations both from the space agency and from distinguished panels of outside experts—my files are filled with them! Rather, the nation—and I most definitely include Congress in this criticism—has been unable or unwilling to establish institutional mechanisms for providing a stable budgetary and programmatic framework in which long-term (i.e., over multiple Administrations and Congresses)—and possibly multinational—R&D initiatives can be carried out successfully. Until we address that situation, I am not optimistic that we will be able to achieve many of the ambitious goals that NASA is contemplating for the 21st century.

One of those goals, of course, is human exploration beyond low Earth orbit. I believe that this is one of the areas in which we have fallen most short, to my intense disappointment. I still consider it extremely short-sighted for the Nixon Administration to have canceled the nation's program of lunar exploration just as it was transitioning from an amazing technological and managerial achievement to a sustained program of scientific and human exploration.

Then, when President Reagan approved the development of a Space Station in 1984, I never would have believed that almost fifteen years later we still would not have launched even the first elements of the Station into orbit. Still, there are no easy villains in the Space Station saga—as much as some would like to find them. The simple truth is that NASA, successive Congresses, and successive Administrations all have had their fingerprints on this program, and any blame for the slow progress of this program needs to be shared. At the same time, all of us will have to now work together for this program to be completed successfully.

However, I would like to look forward to the future of human space exploration and not just dwell on past missteps. There are no lack of worthy goals for human exploration. Those goals need to be a fundamental part of our vision for NASA's future.

While there is more that I could say, I will conclude my statement on that note. I have offered these observations with the intention of stimulating some discussion on how best to proceed as our space program enters the 21" century. We must learn from our past if we are to avoid becoming captive to our past.

HONORING THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES LOCAL UNION 51 OF HOUSTON, TEXAS

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BENTSEN. Mr. Speaker, I rise to congratulate The International Alliance of Theatrical State Employees Local Union 51 as they celebrate their 100th Anniversary on February 23, 1999. Local 51, which is an integral part of Houston's highly successful arts community, will celebrate with a Gala Program in the Brown Theater of the Wortham Theater Center in Houston, Texas.

The International Alliance of Theatrical Stage Employees, Moving Pictures Technicians, Artists and Allied Crafts of the United States and Canada (I.A.), which began in 1893, represents people behind the scenes in the manifold media of show business and exhibitions. Today, there are over 800 local unions throughout the United States and Canada. The local chapter of the Galveston-Houston Theatrical Stage Employees Protective Union was chartered on May 1, 1899. Houston's own Local 51 broke away from that larger group and is today the only stage crafts union in Harris County. In the early part of this century, members of Local 51 set up the traveling vaudeville shows and performances by touring companies that came to the Bayou City first by train, later by truck. Local 51 even supplied the personnel for the backstage work at the downtown movie houses. By the time Houston's major arts organizations presented their first performances, the Local was already in place to provide professional, behind-the-scenes service.

Every stage craft is practiced by these dedicated men and women, making each a valuable link in the production of any show. From the moment a production or meeting is conceived until the last truck pulls away, I.A. technicians are on the job. Today, Local 51 boasts a work roster of over 400 technicians and can fill a producer's or promoter's crew needs with only one telephone call. The local provides a network of qualified technicians for projects of any magnitude.

The members of Local 51 are known and respected worldwide for the quality of the work they provide. They have traveled from China to Singapore to Cairo and throughout the United States with the road tours of hits such as "Phantom of the Opera", "Jesus Christ Superstar", "State Fair", "Carousel", and with David Copperfield. The talents of Local 51 are not limited to the stage. The local has provided convention and exhibit support for several local audio visual companies and in every major hotel and meeting facility in Houston.

Mr. Speaker, I congratulate Local Union 51 as they celebrate this special time in their history, and extend to all members my personal appreciation for their contributions to the arts in Houston.

ASSESSING TAX CUTS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Friday, October 2, 1998 into the CONGRESSIONAL RECORD.

ASSESSING TAX CUTS

With the new congressional session approaching and a projected $1.6 trillion surplus in the U.S. Treasury over the next ten years, it is not surprising to see Washington politicians crafting and talking about tax cuts which will appeal to constituents. People will naturally be eyeing the several proposals to determine how they affect their own pocketbook. That is an entirely appropriate perspective, but people ought also to be looking at another question: What impact will the tax proposals have on the distribution of income and wealth in the country?

Broad income trends: Tax proposals need to be assessed in light of two broad trends in our country—the widening income gap between the haves and the have nots, and the difficulty middle-class families have had in improving their status despite the current economic boom.

There is not much doubt but that the gap between the nation's poorest and richest workers has widened. Adjusted for inflation, the incomes of the poorest fifth of working families dropped by 21% between 1979 and 1995, while the incomes of the richest fifth jumped by 30% during the same time period. So during both good times and bad the gap has grown. Most economists think that a principal reason for the widening gap is technology. Other factors are the erosion over several years of the minimum wage, international trade, the decline of unionization, and immigration. So while the new technologies are creating growth in the economy and new opportunities, they are also increasing economic inequalities and sharpening social divisions.

In the last few years, lower-income workers have gotten some help from the strong economy and from the 90 cent an hour increase in the minimum wage in 1996. Yet middle-class members overall have not done as well in the race to improve their incomes. At the top and the bottom of the economic ladder, wages have risen briskly but in the middle they have risen more slowly. Computers, technology, and imports have diluted the demand for medium-skilled workers, and corporate downsizing has made middle-income people feel less secure in their jobs and more reluctant to push for wage increases.

The middle class today is not complaining too visibly because their pay has gone up faster than the inflation rate over the last two years, even if the increase is not as great as the one by lower- and upper-income workers. But the longer the expansion of the economy lasts, the more people will begin to understand their position in the total economy and the less happy they will be. If a recession occurs and the trends continue they will become quite angry.

Policy choices: There is no shortage of answers to this widening income gap. The best medicine may be steady economic growth and the extraordinarily low unemployment rates we have today that can help push workers' hourly wages up. But several other steps have been proposed. Some people want to remove regulatory barriers, improve school systems, and expand programs to improve workers' skills. Others want to concentrate on tougher trade rules, better anti-poverty programs, and strong labor protections. We need to create and keep good high-wage jobs.

But it seems to me that we also need to consider carefully the impact of any proposed federal tax cuts. Tax policy should recognize the need to improve the lot of moderate-income working Americans. At a minimum it shouldn't worsen the income gap by giving the most benefits to those already very well off.

The income trends in the American economy are disquieting. The scale of the problem and the dearth of solutions add up to difficult political challenges ahead in the not too distant future. Historically tax policy has helped keep inequality from going too far. Too much inequality almost certainly leads to making societies unstable. There may be little risk of instability at this point, but nonetheless the broader question of the impact of tax cut proposals on the distribution of income and the wealth in society should not be ignored.

House proposal: The main tax cut currently being considered in Congress is a House proposal to cut $80 billion over the next five years. The biggest tax cuts in the package—accounting for three-fourths of its total cost—would provide "marriage penalty" tax relief to two-income married couples whose tax liability is higher than if they were single; expand the amount of interest and dividends excluded from income taxes; and move up the date for exempting from taxation estates worth up to $1 million.

This proposal faces problems in the Senate and a likely Presidential veto because it spends money that we don't have. 98% of the projected overall budget surplus is due to the temporary surplus being built up in Social Security in order to help cushion the blow when the baby boomers retire. For now and the next several years the budget is in deficit, other than Social Security. If it were not for Social Security, the federal budget would have an estimated deficit of $137 billion over the next five years.

Looking at the tax cut bill's impact on the income gap, it has some reasonable provisions, and it is certainly tilted far less toward the wealthy than other recent House-passed tax bills. But it is still not what we would propose if one of our primary concerns was looking out for moderate-income people. For example, it does nothing to address Social Security payroll taxes, even though most lower and middle-income workers pay more in Social Security taxes than they pay in federal income taxes. And several of its provisions—such as its tax relief for million-dollar estates—benefit primarily upper-income Americans. Overall, the changes in this tax bill would make the tax system less progressive.

Conclusion: It is inevitable that we will be hearing more proposals to cut income taxes in the days and months ahead. There are many ways to assess proposed tax cuts. But the increasing income gap in America suggests to me that it may be time for us to ask what they mean for the country, not just for each of us as individuals. That's not an easy question to answer, but in light of recent economic trends it appears to me to be an important factor in making a judgment on tax cuts.

TRIBUTE TO THE HONORABLE JOSEPH M. McDADE, MEMBER OF CONGRESS

SPEECH OF

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. COYNE. Mr. Speaker, I rise today to pay tribute to JOSEPH McDADE—a distinguished member of this body who will retire at the end of the session.

The House of Representatives will lose a great Member of Congress when Representative McDADE retires. Mr. McDADE has represented both his constituents and the United States well and faithfully since he was first elected 36 years ago.

Mr. McDADE began his career in politics as the Solicitor of the City of Scranton. This experience, along with his degree in law from the University of Scranton, provided him with an excellent foundation for becoming a Member of Congress.

JOSEPH McDADE was first elected to the House in 1962. Since then, he has worked hard to protect the environment, keep military bases open in his district, and help Americans buy homes. Today, he has served longer in Congress than any other Republican and longer than all but two Democrats.

Mr. McDADE has served for many years as Chairman of the Appropriations Subcommittee on Energy and Water Development. He is also Vice Chair of the Appropriations Subcommittee on National Security (formerly Defense) and is a member on the Subcommittee on the Interior. He also served on the Appropriations Subcommittee for Housing and Urban Development, and he was the most-senior Republican on the Small Business Committee, of which he was a member from 1978 to 1991.

Representative McDADE has been the ranking Republican on the Defense Subcommittee since 1985. On this subcommittee, he helped to craft much of the annual defense and national security legislation during the final years of the Cold War. His emphasis throughout his tenure on the Defense Subcommittee has been on military programs that stress a high-quality force that is trained and ready for combat. He also was instrumental in keeping the region's largest employer, the Tobyhanna Army Depot, open during the periods of base closures in 1991, 1993, and 1995.

Mr. McDADE, through his seat on the Interior Appropriations Subcommittee, has led the charge in addressing nation's energy problems and has fought to reduce our dependence on foreign oil. He was invaluable in establishing the Delaware Water Gap National Recreation Area, the Steamtown National Historic Site in Scranton, and the Fishery Laboratory in Wellsboro. From this position, he has also helped to enact major clean air and water legislation. Representative McDADE was honored for these and other efforts by the National Parks and Recreation Association.

Over the years, Mr. McDADE has also pushed for community rehabilitation and development, promoted housing for the elderly, handicapped and low-income families, and in 1990, led the effort to enact the Housing Guaranteed Loan program enacted into law. This program will help more than 50,000 low- and moderate-income Americans buy homes this year. Congressman McDADE also drafted measures to help stimulate and protect small companies in his time on the Small Business Committee.

His work with many philanthropic organizations, including the Kennedy Center and the National Cultural Center in Washington, D.C., are evidence of his strong commitment to the arts. He is also committed to education, as his trusteeships at both the University of Scranton and Keystone College both indicate.

Congressman McDADE has had an active career in the United States House of Representatives. He has helped to pass many significant pieces of legislation and will not soon be forgotten by friends and colleagues on either side of the aisle.

JOE, you will be sorely missed in the House. We are going to miss your dedication, your intelligence, and your experience. I wish you the best of luck in your future endeavors.

TRIBUTE TO WILLIAM HAWKINS

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to pay tribute to Mr. William Hawkins. On October 20, 1998 in St. Louis, Missouri, National Industries for the Blind will honor Mr. Hawkins with the first annual Milton J. Samuelson Career Achievement Award, named for the late Milton J. Samuelson in recognition of his leadership for upward mobility and placement programs for people who are blind.

Mr. Hawkins was diagnosed with progressive glaucoma and cataracts soon after birth. Before his third birthday he had lost all of his sight, but the challenge of his blindness did not prevent Mr. Hawkins from striving for excellence. With the help of his grandparents who raised him, he achieved an impressive record of success in his youth. He graduated from high school in 1983 as valedictorian, student boy president, and scholar athlete.

Following high school, Mr. Hawkins attended college at night while he worked as a successful insurance sales agent and for the Alphapointe Association for the Blind. Although his college career ended after marriage and the birth of his daughter, he continued to set and achieve meaningful goals for himself. He accepted a part time position as a telemarketer with United Missouri Bank (UMB), and within the next two years was promoted by UMB several times. Mr. Hawkins is currently a valued member of UMB management, and has assisted other people who are blind with securing employment at UMB. I applaud him for both his personal achievements and for his generosity to others.

Mr. Speaker, please join me in congratulating this admirable American upon being the first person to be honored with this prestigious award.

HONORING PHI DELTA KAPPA FOR TWENTY-FIVE YEARS OF SERVICE

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. DELAURO. Mr. Speaker, I am pleased to rise before you today to honor the Southern Connecticut State University Chapter of Phi Delta Kappa on their twenty-fifth anniversary. Phi Delta Kappa members provide a variety of services to promote and improve education in our community.

Members of this successful international organization are Connecticut educators who are continually active in the education arena and dedicated to the ideals of service, research, and leadership. They are teachers, principals, administrators and superintendents—people who are with kids every day, who have given their all to ensuring that our children have the best start in life.

On October 3, 1973, one hundred and twenty charter members were initiated into the newly formed chapter of Phi Delta Kappa at Southern Connecticut State University. Twenty-five years later, I am proud to say, this chapter has grown to nearly five hundred members strong. It is these individuals, and all that they contribute, which make the Connecticut school system a success. Membership in this fraternity is recognition of the contributions to education made by our educators. I commend the members of the Southern Connecticut State University Chapter for all the work they have done in order to guarantee that our children will develop the skills they will need to build a successful future.

On behalf of the parents, students, and the residents of Connecticut, I thank you for your good work. It is for twenty-five years of dedicated and distinguished service of all members of the Southern Connecticut State University Chapter of Phi Delta Kappa that I am proud to stand and recognize their achievements today.

COMMEMORATING THE 150TH ANNIVERSARY OF MANALAPAN TOWNSHIP, NEW JERSEY

HON. MICHAEL PAPPAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. PAPPAS. Mr. Speaker, I rise today to congratulate the people of Manalapan Township, New Jersey as they celebrate their 150th anniversary.

The word "Manalapan" means "land that produces good bread" in the language of the Leni Lenape Indians who were the first to inhabit the town. Another group of early settlers to Manalapan were farmers who were attracted to the area's rich soil and clear, running brooks. Some of these farms still exist today, having been handed down from one generation to the next.

The Battle of Monmouth, an important battle during our nation's War for Independence, was fought in Manalapan. The landmark, Old Tenent Church, still an active congregation, served as a temporary hospital for the war's wounded, while its cemetery serves as a final resting place for those who died. Our nation's battle for independence is commemorated in the township's Battleground Park, a recreation area for township residents and those who visit this beautiful area of central New Jersey.

Over the past 150 years, Manalapan has grown from a rural, farming community to one of over 27,000 residents. It boasts a strong educational system, many parks and recreation facilities and a close-knit community atmosphere. Manalapan is a major reason why Monmouth County, New Jersey was voted the third best place to live in the United States by *Money* Magazine.

I wish to commend the Township Committee and all of the people of Manalapan on this historic anniversary. It is an honor to have this great township within the borders of the twelfth congressional district.

INTRODUCTION OF SMALL BUSINESS INVESTMENT INITIATIVE

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. DUNN. Mr. Speaker, the American economy is moving quickly from one dominated by large corporations to one whose growth is fueled by emerging entrepreneurial high-growth companies. Entrepreneurial companies are today's leaders in job creation, technological innovation, and international competitiveness. America's future economic well-being lies in the hands of today's emerging companies and the central organizing principle for our nation's economic policy should be entrepreneurship.

Over the course of many years, a complex fabric of public policies have created the environment in which entrepreneurial firms compete. Due to the fact that the public policy needs of this community have not been articulated in a united fashion or widely understood by policy makers, however, the basic "building blocks" used to enhance economic growth have not been properly constructed. I rise today to begin to lay the foundation for this policy and ensure that the engine that drives this economy has access to the fuel it needs to thrive: capital.

Entrepreneurs are synonymous with jobs. Between 1980 and 1990, U.S. private sector employment grew by 19 million jobs, but employment in the Fortune 500 firms dropped by three million jobs. In other words, job creation outside of the Fortune 500 companies rose by 22 million. By creating an environment for entrepreneurship to thrive, we also ensure that "spin off" companies develop to foster even greater job creation and technological development. Nowhere is this more clearly demonstrated than in the biotechnology and computer industries that have grown up in my home state of Washington.

The bill I am introducing today will ensure that these new capital-intensive small businesses will have the money they need to create innovative technologies and create jobs. By raising the Section 1202 definition of small business from $50 million to $300 million and raising the capital gains exclusion from 50% to 75%, we can create a climate in which individual investors are rewarded for their risky investment and entrepreneurs have the tools they need to succeed.

Capital gains taxes are one of the nation's primary obstacles to job creation and technological innovation. anything to reduce the effective or actual rate on capital gains taxes will help put more money in the hands of our nation's most enterprising citizens and lift the standard of living for everyone. In addition, this proposal is completely consistent with Speaker GINGRICH's effort, of which I am a supporter, to reduce the broad-based capital gains rate to 15%.

Over the course of the next two years, I expect a healthy debate over tax policy. It is my hope that this bill will put the primary focus of this debate where it ought to be: removing incentives to economic freedom and entrepreneurship.

I urge my colleagues to support this effort.

TRIBUTE TO KRISTEN GRACZYC

HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mrs. WILSON. Mr. Speaker, Kristen Graczyc is a constituent of mine. Although she is not old enough to vote, the lesson she has learned and taught to students and adults make her wise beyond her years. A 15-year-old soccer star at La Cueva High School, Kristen has been called the Mia Hamm of New Mexico soccer. As a sophomore she has scored 20 goals in the first six games for one of the best high school soccer teams in the Nation.

And then, before the Homecoming dance, she got drunk. At the dance she was pulled off the dance floor by principal Sam Soto, her parents were called and she was kicked off the soccer team. In these times, the story might have been that she found a lawyer and fought the suspension all the way to the Supreme Court. But Kristen did something different. She wrote a letter to her team and all of the media outlets in Albuquerque.

In the letter she takes responsibility for her actions and warns other children about the effects of alcohol and encourages them not to drink. She further said that she has let down her parents and her team and lost what meant the world to her; being part of the La Cueva women's soccer team. Kristen feels that this will make her a stronger person and a stronger player next year.

Kristen has made all of us stronger. She has taught all of us who have heard about her efforts about admitting your mistakes, taking responsibility for your actions, and apologizing when you are wrong. This year, Kristen is going to go to the soccer games and cheer for her teammates. Next year, she will be back on the team. A little older, a little wiser, and respected not only for her talent, but for her character.

YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

SPEECH OF

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. CAPPS. Mr. Speaker, I rise today in strong support of S. 2392, the Year 2000 Information and Readiness Disclosure Act.

This important piece of bipartisan legislation will encourage sharing of Y2K solutions by protecting businesses on the Central Coast of California and throughout the Nation from liability when they share Y2K technologies in good faith.

As an original cosponsor of similar legislation, HR 4355, I believe that the bill before us today will will increase the flow of technical data on solutions to this difficult problem.

In communities across the nation we could be facing widespread economic disruption and inconvience if the problems that the Year 2000 presents are not adequately addressed.

In my district, I am working hard to make sure that federal Y2K resources are available to small businesses and community leaders. We simply must raise the national consciousness on the Y2K problem before it is too late.

This bill is a positive step in that effort and I urge all Members to support it.

YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT

SPEECH OF

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mrs. MORELLA. Mr. Speaker, over 2½ years ago, my Technology Subcommittee first began our review of the Year 2000 problem and discovered that the fear of potential legal liability created a disturbing chilling effect that froze private industry from sharing important Y2K information with each other and with the American public.

As a result, instead of working together on an industry-wide basis to craft common solutions to expedite effective Year 2000 assessment, remediation, and validation efforts, many companies have simply chosen to not publicly discuss their Y2K situation. With just 450 days before January 1, 2000, clearly this needs to change. In the short time remaining, we must foster a climate of greater collaboration and not one of silence and uncooperation.

That is why passage of S. 2392, the Year 2000 Information and Readiness Disclosure

Act, the bill we passed late last night, is so very important. As the Co-Chair of the House Year 2000 Task Force and the Chair of the Technology Subcommittee, I was very pleased to be an original House sponsor of the bill, to help address some of the industry concerns in the original version of the bill, and to work towards its enactment.

Mr. Speaker, in one of the series of Year 2000 hearings conducted by my Technology Subcommittee, witnesses testified that the risk of failure and its liability consequences, including both punitive and compensatory damages, has created a large Year 2000 cottage industry for lawyers waiting to file suits. Some are even speculating that the cost of legal damages could ultimately exceed the total cost for actually fixing the Year 2000 problem.

It should then come as no surprise that certain industries have refused to acknowledge or share Year 2000 information for fear that such disclosure could ultimately leave them vulnerable to negligence and warranty suits. Many companies have resisted exchanging technical advice with one another, delaying the pace of repair work, because they fear costly litigation if the information they provide inadvertently turns out to be inaccurate.

The goal of S. 2392 is to encourage the widest possible dissemination of Y2K information so that organizations can move effectively to remediation by immunizing businesses from lawsuits if they share information about the problem. By incorporating certain provisions of H.R. 4455, the Year 2000 Readiness Disclosure Act, of which I am also an original sponsor, into S. 2392 the private-sector should now have the legal protection needed to share Y2K information.

The current language in the bill reflects changes to accommodate the concern of a number of industries that the original bill was crafted too narrowly and did not go far enough to achieve its stated goal. For example, the bill as originally introduced only protected companies from liability lawsuits based on unknowingly false Year 2000 information disclosures.

Many companies, however, feared that their accurate Y2K statements would be used against them as evidence in liability lawsuits. S. 2392, as amended in the Senate, addresses the full range of concerns regarding Y2K information-sharing by permitting private-sector entities to release "Year 2000 Information Disclosures," as contained in H.R. 4455. Accurate information in these written, labeled statements would be protected from use in any civil litigation related to Y2K failures.

Mr. Speaker, while S. 2392 is narrowly tailored to just the issue of information exchange and does not affect the greater liability questions, I believe that we must fully explore the legal liability issues and discuss the policy implications of creating liability caps, safe harbors, immunity protection, and alternative dispute resolution mechanisms, among other provisions, in the near future.

While I look forward to engaging in this debate in the upcoming 106th Congress, addressing legal liability will not be an easy task. We must continue to encourage all businesses to devote their full resources and commitment to solving the Year 2000 problem, and not to sit around in expectation of enacted legislation which has the potential of unburdening them from taking any corrective action. If we are to eventually enact liability legislation, we should not be providing companies an easy out for failing to engaging in Y2K remediation in a timely and effective manner.

It concerns me that the legal battles have already begun. A Michigan grocery store is suing the manufacturer of its cash registers because the machines reject credit cards with year 2000 expiration dates. Several software companies are facing lawsuits for breach of warranty, fraud, and unfair business practices because they charge clients for the upgrades necessary to correct the millennium bug. According to the Gartner Group, some 200 disputes have already been settled out of court across the country.

Mr. Speaker, S. 2392 is a necessary first step in the congressional review of Year 2000 liability issue and will play a significant role in helping the private sector in addressing the Year 2000 computer problem. I am pleased to support its enactment and I look forward to its signature into law by the President.

THE HIGH COST OF PRESCRIPTION DRUGS

SPEECH OF

HON. JAMES H. MALONEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. MALONEY of Connecticut. Mr. Speaker, a number of studies have concluded that many older Americans pay high prices for their prescription drugs. Senior citizens across the country are becoming increasingly concerned about their ability to afford medications that are necessary to maintaining good health. It has even been reported that more than one in eight older Americans has been forced to choose between buying food and buying medicine.

At the request of my colleague, Rep. JIM TURNER, the Minority staff of the House Government Reform and Oversight Committee conducted several studies to determine why older Americans pay high prices for prescription drugs. Their findings are disturbing:

They uncovered a "discriminatory pricing" scheme whereby senior citizens pay, on average, over twice as much for prescription drugs as the drug manufacturers' most favored customers—such as large insurance companies, hospital chains and the Federal government. Specifically, corporate and institutional customers with market power are able to buy their drugs at discounted prices—however, prices are raised for sales to seniors and others who pay for needed prescriptions themselves in order to compensate for the discounts offered to favored customers.

The average price differential among the 10 drugs studied between what seniors pay and what favored customers pay is five times what it is for other consumer products.

This practice allows the drug industry to amass large profits at the expense of those who are least able to afford it—older Americans. Although the elderly have the greatest need for prescription drugs, they often have the most inadequate insurance coverage for the cost of these drugs. Medicare does not cover the cost of most prescription drugs, and supplemental "Medigap" policies are often prohibitively expensive or limited in their coverage. Furthermore, a 1996 AARP survey indicated that 37% of older Americans do not have insurance coverage for prescription drugs. As a result, many senior citizens—a large portion of whom live on a fixed income—are forced to pay the full, out-of-pocket expense of prescription drugs.

The problem is clear: drug manufacturers are selling drugs to their favored customers at drastically reduced prices while not passing along those same savings to retail pharmacies and senior citizens. HR 4646, the "Prescription Drug Fairness Act", addresses this problem by giving every Medicare-eligible person a prescription drug card that they can take to their pharmacy and use to purchase prescription drugs at the same prices enjoyed by the drug manufacturers' favored customers.

The bill accomplishes this by allowing local pharmacies to purchase drugs used by senior citizens from the General Services Administration (GSA) of the Federal government. Since the GSA is one of the entities able to purchase prescription medication at much lower prices, pharmacists will be able to pass on significant savings to our senior citizens.

This is smart legislation that will save Medicare dollars by allowing seniors to get the medications they need to stay healthy. But more importantly, this is an effective approach to the problem of discriminatory pricing that will improve the quality of life for our senior citizens. I believe this bill will save lives and promote the personal financial stability of older Americans.

I strongly urge my colleagues to support H.R. 4646.

TRIBUTE TO SUSAN DAVIDSON

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. ENGLISH of Pennsylvania. Mr. Speaker, it is with great pride I rise today to honor a young woman from Butler, Pennsylvania, who has shown remarkable integrity and determination. She is Miss Susan Davidson, America's 1998 Junior Miss.

The 1998 Butler High School graduate is the first Miss Pennsylvania Junior Miss from Butler, Pennsylvania to win the national title. Susan Davidson is a straight A student as well as an accomplished pianist who practices four hours a day. In fact, she demonstrated her tremendous musical talents by placing in the top four in the creative and performing arts category with her moving performance of "Toccata" by Khachaturian. She also won a scholastic achievement award and took first place in the presence and composure category. Susan's dedication to her goals has become her trademark. She works hard to achieve her dreams.

At Butler High School, Susan was a member of National Honor Society. She also played the French Horn in Butler High School's marching band and participated in the 1996 Governors School for the Arts, the 1997 All-State Chorus, as well as Regional Band and Regional Orchestra. Last year, she was the Butler County 1997 Fair Queen.

Miss Davidson best described her achievements when she said, "(Being a Junior Miss) doesn't make you something that you aren't. The title rewards you for who you are, for what you have inside." Well Susan, I could not agree with you more. Congratulations on your accomplishments. You are an inspiration to us all.

HEDGE FUND BAILOUT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. PAUL. Mr. Speaker, the Federal Reserve orchestrated bailout of the hedge fund Long-Term Capital Management LP raises serious policy questions. At one point, the notional value of the Cayman Island-registered fund's derivatives totalled about $1.2 trillion. We should look seriously at this issue because of the taxpayer-backed liability concerns raised by the involvement of an agency with the full faith and credit of the U.S. government. The state of Michigan has taken a constructive first step regarding the public policy concerns of derivatives. I urge us to consider the wisdom of the State Representative Greg Kaza as we debate this issue.

STATEMENT OF HON. GREG KAZA, MICHIGAN STATE REPRESENTATIVE, ADJUNCT PROFESSOR OF FINANCE, WALSH COLLEGE

Derivatives are financial instruments broadly defined as any contract or convertible security that changes in value in concert with a related or underlying security, fixed-income instrument, future or other instrument, currency or index; or that obtains much of its value from price movements in a related or underlying instrument; or an option, swap, warrant, or debt instrument with one or more options embedded in or attached to it, the value of which contract or security is determined in whole or in part by the price of one or more underlying instruments or markets.

Although derivatives are a relatively recent development in financial markets, their use by corporations, pension and mutual funds, financial institutions, governments and those involved in money management are clearly ascendant, according to the Federal Reserve and other federal agencies. The issue is not whether the government should ban or in some way restrict the prudent use of derivatives to hedge risk. Rather, the issue is one of disclosure, i.e., how best to provide increased transparency as our complex international financial system enters the 21st Century.

Three years ago I addressed the very same issue in Michigan by authoring state legislation that provided increased transparency by requiring units of government to disclose their derivative holdings to the public. Government units have to make investment decisions regarding the money they receive or retain; unfortunately, investment practices and decisions can sometimes lead to significant losses when taxdollars are unwisely invested in derivatives. Orange County in California and Independence Township in Oakland County, Michigan are both examples of government units that experienced significant losses as a result of the imprudent use of derivatives.

Initially, some of my colleagues wondered whether a ban or restriction on the use of derivatives would be preferable. But committee testimony soon convinced them that derivatives, although complex, are used by many institutions, including government pension funds, to prudently hedge risk. Our five-bill package required public disclosure of derivative holdings by government units. The legislation garnered bi-partisan sponsorship and support, and ultimately became state law.

A related issue that we discussed privately at the time was whether the potential for moral hazard created by federal deposit insurance means private financial institutions should be required to disclose their derivative holdings in the interest of transparency. You are now likely to contemplate this issue yourselves given events surrounding the hedge fund in question, Long-Term Capital Management; and the potential for systemic risk posed by any future episode that might involve the imprudent use of derivatives and excessive amounts of leverage.

10TH ANNIVERSARY OF WCVE–FM

HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BLILEY. Mr. Speaker, it is my pleasure to honor WCVE–FM (88.9 FM), a public radio station in my home town of Richmond. The station celebrated its ten year anniversary this year. I was glad to be a part of the WCVE–FM's opening ten years ago and I am proud to honor the station today.

WCVE attracts 96,000 listeners per week. There's nothing else like it on the radio dial in central Virginia. Listeners can tune into a diverse selection of unique music and unduplicated programming including classical music, jazz, National Public Radio (NPR), news magazines, and specialty programming.

One of WCVE's unique programs is Gallery, a local production that highlights the wealth of fine arts and humanities activities in Richmond. Each week, Gallery features interviews with members of the museum, performing arts and literary communities. WCVE's broadcasts of the Virginia Opera and the Richmond Symphony performances provide Richmonders with a wonderful cultural opportunity. The performances are enhanced with in-depth interviews with symphony and opera personnel—adding context and a better understanding to the performances for all the listeners.

In addition to cultural offerings, the station provides a variety of public affairs programs. Every winter WCVE–FM airs daily state legislature reports from the State capital. Throughout the year the station records and broadcasts speeches delivered to the World Affairs Council of Greater Richmond. These programs feature comments from foreign policy decision makers from all over the world on current international policy issues.

Mr. Speaker, I recognize the valuable service WCVE has provided to the citizens of my community in the past 10 years. In the past decade it has established itself as central Virginia's fine arts radio station. I appreciate WCVE's thoughtful discussion on a wide range of serious issues affecting the city of Richmond, the state and the world. I congratulate Charlie Sydnor, President of Central Virginia Educational Telecommunications Corporation, and station manager Bill Miller. I wish WCVE continued success.

YEAR 2000 ACT

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BARCIA. Mr. Speaker, I rise today to introduce the Year 2000 Act. While most people are aware of the Year 2000 computer problem, I have consistently been struck by the lack of specific information on the exact nature and magnitude of the problem.

The Subcommittee on Technology, of which I am the Ranking Member, has taken the led in holding hearings on the Y2K issue. We have spent a lot of time reviewing Federal efforts and promoting the free flow of information on the Y2K problem. However, there has been several gaps in our Y2K efforts, and the intent of this legislation is to fill these gaps.

This bill has four very specific goals: 1) to raise consumer awareness and create a consumer Y2K checklist; 2) to raise Y2K awareness in small and medium sized businesses and create a Y2K self-assessment checklist for the nation's small and medium-sized companies; 3) to require Federal agencies that have worked with outside entities to ensure that all date sensitive data exchanges are Year 2000 compliant; and 4) to require the Secretary of Commerce to report to Congress on the economic implications of a global Y2K problem.

Other than federal agencies, we have been given little more than anecdotal evidence and generalities regarding the total effect of the Year 2000 computer problem. However, there is general agreement that computer hardware and software, as well as embedded microchips found in many consumer products, could fail after January 1, 2000.

More importantly, I find that many people do not know how Y2K will impact them, nor do they know what specific actions they can take to minimize the impact of the Y2K problem on their everyday lives. This bill requires the Undersecretary for Technology at the Department of Commerce to develop a Year 2000 self-assessment checklist for consumers; provide a list of all federal government Year 2000 computer problem resources; list all GSA approved Year 2000 compliant products; and conduct a series of public awareness announcements and seminars on the impact of the Y2K problem on consumer products and services. These goals are consistent with the recommendations made by witnesses who have appeared before the Subcommittee on Technology, and I am confident that with the right information, consumers will be able to make those decisions necessary to minimize the disruption the Y2K computer problem.

The situation at small and medium-sized businesses mirrors that of consumers. The nation's more than 381,000 small- and medium-sized manufacturers contribute more than half of the country's total value in manufacturing. However, as of 1997, 88% of all companies with fewer than 2000 employees had not yet started Year 2000 remediation projects.

Small and medium-sized companies are an integral part of the business supply chain, becoming increasingly reliant on computer applications for manufacturing operations, accounting and billing practices, and meeting just-in-time order and delivery concepts. To assist our small and medium-sized manufacturers in meeting the Y2K challenge, this bill requires that the National Institute of Standards and Technology's highly successful Manufacturing Extension Partnership program, working with the Small Business Administration, identify the best practices to attack the problem, develop a Year 2000 self-assessment checklist, and list all federal government Y2K resources including the General Services listing of approved Y2K compliant products.

Federal agencies make thousands of date sensitive data exchanges every day. These data exchanges include social security and Medicare information, information related to the air traffic control system, and important financial transactions. Consequently, as federal computer systems are converted to process year 2000 dates, the associated data exchanges must also be made Year 2000 compliant.

The testing and implementation of Year 2000 compliant data exchanges must be closely coordinated with exchange partners. Agencies must not only test its own software, but effective testing includes end-to-end testing, and agreed upon date formats with all exchange partners. If these Year 2000 data exchanges do not function properly, data will not be exchanged between systems or invalid data could cause receiving computer systems to malfunction. In other words, regardless of federal efforts to fix its own computer systems, unless their data exchange partners have Y2K compliant systems, the computer network as a whole will fail.

A recent GAO report entitled "Year 2000 Computing Crisis: Actions Needed on Electronic Data Exchanges" found that federal agencies have made little progress in addressing this data exchange issues. This legislation is based on these specific GAO recommendations, and will help ensure that federal agencies fully address the data exchange issue. This legislation also requires agencies to establish a test schedule with data exchange partners, notify exchange partners of the implications and consequences of non-compliance, develop contingency plans, and send a quarterly report to Congress outlining their progress.

Finally, this bill requires the Secretary of Commerce to report to Congress on the international implications of the Y2K problem, and outline the potential impact on the U.S. economy. Again, we lack specific information on how other countries are addressing the Y2K issue, and the international implications are truly profound. Disruptions in international financial services, international air travel, international telecommunications, and international commercial transactions are all possible scenarios.

However, it is near impossible to make contingency plans in the face of so little and often inadequate information. And as I mentioned earlier, it is lack of information that leads to panic and uncertainty. I believe that such an international assessment could be a guide post for federal and private sector actions.

With so much to be done before January 1, 2000, there isn't much time to act. While we can't legislate Y2K compliance, we must ensure the availability of good information so that consumers and small businesses are able to check existing products, make sure their equipment will work with other equipment, and most importantly, successfully address any Y2K problems in their operations.

With this information in hand, I believe that the public and Congress will be able to make the right decisions and avoid the panic which is so often predicted in articles about the Y2K computer crisis.

I urge co-sponsorship of this legislation, as well as its swift passage.

RAPE OF NUNS IN INDIA MUST BE INVESTIGATED

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. DOOLITTLE. Mr. Speaker, I was very distressed to learn from Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, of the rape of four nuns in the Madhya Pradesh state of India. According to published reports, a gang of armed men forced their way into a Christy Jyoti Convent School, vandalized school property, and raped and terrorized the nuns.

This terrible incident shows that it is not safe to be a member of a religious minority in Hindu India. Christian groups have reported a spate of attacks on members of the minority community since a Hindu nationalist-led coalition took office in New Delhi six months ago. The Indian government seems to have little interest in protecting the rights of religious minorities, whether Sikh, Christian, Muslim, or other. India's claims of secularism and democracy are suspect.

The rapes were reported to India's National Commission on Minorities, which referred the incident to the National Human Rights Commission. America will be watching closely to see how the Indian Government handles it.

All who love freedom must condemn this terrible incident. This offers one more reason for American taxpayers to be wary of supporting the questionable Indian government. We must maintain pressure on India until all the people of South Asia are free. We must support self-determination for all states throughout the subcontinent, including a free and fair vote in Punjab, Kashmir.

I am placing the Council of Khalistan's press release and articles on the rape into the RECORD.

[From the Council of Khalistan, Sept. 28, 1998]

FOUR NUNS RAPED IN INDIA

WASHINGTON.—Four nuns were raped in the Indian state of Madhya Pradesh on September 23. The case was sent to the National Commission on Minorities, which referred it to the National Human Rights Commission.

"This rape was designed to threaten religious minorities and prevent anyone from objecting to the repression India practices against its religious and ethnic minorities," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan, the government pro tempore of Khalistan, the independent Sikh homeland declared independent on October 7, 1987. The Council of Khalistan leads the Sikh Nation's peaceful, democratic, nonviolent movement for independence.

"Such ghastly crimes are a disgrace for the nation and make us hang our heads in shame," said Tahir Mahmood, chairman of the National Commission on Minorities.

"On behalf of the Sikh Nation, I extend our deepest sympathies to India's Christians and to the nuns who were raped for the political advancement of Hindutva," said Dr. Aulakh. "If swift action is not taken, it will once again show India's religious intolerance and its terrorism against the minorities under its rule," he said.

The Indian government has murdered more than 250,000 Sikhs since 1984, over 200,000 Christians in Nagaland since 1947, almost 60,000 Kashmiri Muslims since 1988, and tens of thousands of Assamese, Tamils, Manipuris, Dalits, and others. The U.S. State Department reported that the Indian government paid over 41,000 cash bounties to police officers for killing Sikhs. More than 50,000 young Sikhs have been abducted by the police, tortured, and killed, then their bodies were declared unidentified and cremated.

"These rapes are of a piece with the repression in Punjab, Khalistan, in Kashmir, and throughout the nations occupied by India," Dr. Aulakh said. "It is of a piece with the murders of Catholic priests in Bihar last year. The real aims of India's theocracy are now exposed to the world," he said. "It is clear that there is no place in Indian democracy for Sikhs, Christians, Muslims, or any other minorities," Dr. Aulakh added. "As the Sikhs who recently demonstrated at the United Nations noted, a religiously intolerant country cannot be democratic."

Dr. Aulakh called on the United States to maintain its sanctions against India. "The repression of minorities and the nuclearization of South Asia by the Indian government both support India's dreams of empire and its drive for hegemony over all South Asia," he said. He called on India to hold an internationally-supervised plebiscite in Punjab, Khalistan to let the Sikh Nation decide its future in a free and fair vote. He said that the people of Kashmir should have the plebiscite they are seeking as well. "That is the democratic way to do things," Dr. Aulakh said. "If India will not do this, how can it call itself a democracy?"

[From the Burning Punjab News, Oct. 2, 1998]

NUNS' RAPE CASE—MOOPANAR HITS OUT AT VHP

MADRAS.—Tamil Maanila Congress president G K Moopanar has demanded that those involved in the rape of four nuns in Madhya Pradesh and the Vishwa Hindu Parishad functionaries who justified the incident, be detained under the National Security Act. In a statement here, he termed as 'politically uncivilised,' the VHP describing the culprits as 'patriotic youth'. The BJP-led Government at the Centre should nip this tendency in the bud before such criminal act spread to other parts of the country, he added. Referring to the VHP's reported description of the nuns as 'betrayers of the country, Mr. Moopanar said this was unpardonable and went against the Constitution.

[From the Burning Punjab News, Sept. 29, 1998]

MINORITIES COMMISSION CONDEMNS RAPE OF NUNS

NEW DELHI.—India's National Commission for Minorities has strongly condemned the alleged rape of four nuns at Bhandaria village in Jharva district of Madhya Pradesh on September 23. "Such ghastly crimes are a disgrace for the nation and make us hang our heads in shame," said NCM chairman Tahir Mahmood in a press statement. Professor Mahmood added that the NC did receive a complaint by fax in this regard from a prominent all- India Christian organization. "Finding it to be a case of wild abuse of basic human rights and militancy against women's right to modesty, rather than violation of minority rights, I forwarded it with a request for immediate action to the National Human Rights Commission and the National Commission for Women," Professor Mahmood said. The Madhya Pradesh Government "must move into swift action treating this case as a test for its genuine commitment to protection of humanitarian values and human rights," the NCM chairman said.

[From the Hindustan Times, Oct. 1, 1998]

VHP WANTS FOREIGN MISSIONARIES TO LEAVE

NEW DELHI—The Vishwa Hindu Parishad (VHP) today demanded that foreign missionaries should not be allowed to function in the country since they were acting as insurgent groups in some areas and forcibly converting Hindus in some other parts.

Although senior VHP leader Giriraj Kishore refused to speak on it, he is understood to have raised this issue at a meeting with a Canadian High Commission official today.

But he was open in stating that the VHP would urge the missionaries to go on their own while also creating social awareness on the issue.

Interestingly, Mr. Kishore's remarks came at a Press conference called to disassociate the VHP from the views expressed by another senior VHP leader B.L. Sharma Prem on the Jhabna incident and the "one-side" projection given to it by a prominent daily which, he claimed, sought to put the entire blame for the incident on the VHP. Here, Mr. Kishore pointed out, even the delegation which called on Home Minister L. K. Advani did not blame the VHP.

Mr. Prem had justified the attack on the nuns on the ground that the missionaries represented "antinational forces" working against Hindu interests and that the incident was sparked by the anger of patriotic Hindu youth against them.

Mr. Prem, who had demanded that the Centre throw out those who sought to convert Hindus to Christianity, has reportedly been asked to seek the VHP's sanction before speaking on its behalf. Although Mr. Kishore disassociated the organization from Mr. Prem's remarks, he tried to defend his colleague by maintaining that Mr. Prem may have said what he did because of the track record of the Christian missionaries in tribal areas.

Mr. Kishore's remarks today reflected the VHP's dilemma of exploiting the Jhabua incident to put the Congress Government in Madhya Pradesh on the mat and to use it for its own campaign against the missionaries.

Although Mr. Kishore condemned the Jhabua incident and urged the Government to bring the culprits to book at the earliest, he could not restrain himself from demanding that the Christians also condemn any attack on Hindus in Christian-majority areas.

The VHP leader, who charged that a criminal issue involving Christians was being projected as a communal problem in the case of the Jhabua incident, however, virtually dubbed the insurgency problem in the North-East as a Hindu-Christian issue. He described the NSCN (National Socialist Council of Nagaland) as a "Christian and terrorist" outfit and alleged that several cases of attacks on Hindus were reported in Nagaland. To a question whether insurgency in the North-East was based on religion he maintained that members of a particular community were behind it.

While the VHP leader called for the ouster of the foreign missionaries, he defended the activities of ISKCON (International Society for Krishna Consciousness) and other organizations operating abroad. According to Mr. Kishore, these groups did not indulge in forceful conversions.

Mr. Kishore also dismissed reports about attacks on Christians in Gujarat as a "one-sided newspaper propaganda" and went on to allege that the Muslims were also seeking to marry Gujarai girls as part of a larger design.

CONGRESSIONAL BLACK CAUCUS FOUNDATION VETERANS BRAINTRUST

HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Ms. BROWN of Florida. Mr. Speaker, this year during the Congressional Black Caucus Foundation proceedings, I along with my colleague on the Committee on Veterans' Affairs, Congressman SANFORD BISHOP, hosted the 10th annual Congressional Black Caucus Foundation Veterans Braintrust. For the past 10 years the Braintrust has been the premiere forum for discussion and policy debate between African-American veterans and leaders in government. It is important because so many African-Americans have served, or have family members who served honorably in the U.S. military. Consequently, what happens in terms of veterans' well-being is significantly interrelated to the African-American community as a whole. Congressman RANGEL, Ranking Democratic Member on the Committee on Ways and Means and a decorated Korean War veteran, established the Braintrust 10 years ago, and Congressman BISHOP and I are proud to continue his work and legacy on behalf of African-American veterans. Congressman RANGEL was honored during the proceedings for his work and legacy in this area. Overall, the proceedings were very well received, with a standing room only audience in attendance.

This year's Braintrust entitled "The Future of Veterans Education and Entrepreneurship," gave us a national forum to discuss ways to improve access to education and small business, two key elements essential for success and prosperity in our communities, particularly among veterans. The moderator for the Braintrust, Dr. Reginald Wilson, led a very distinguished panel of experts, government officials, military sociologist, academicians, advocates and veteran business owners including Dr. Joshua Angrist, Mr. Dennis Douglass, Mr. Steven Pappas, Dr. David Segal, Dr. Gantz, Dr. Dorothy Simpson-Taylor, Mr. Duane Jackson, Mr. Ralph Thomas III, Mr. Ramsey Alexander, Mr. Bruce Bolling, and Col. Anita McMiller, USA, Ret. These professionals were selected because of their everyday work with veterans issues and expertise in the veterans affairs and public policy arena. The Braintrust was designed to bring their work, insights, research findings, and historical background to the attention of the general public and leaders in government.

During the Braintrust, Congressman BISHOP reminded African Americans that September 18 marked yet another important day, National MIA/POW Recognition Day. He stated that a number of military bases are located within middle and southern Georgia, and that the new National POW/MIA Museum, dedicated this past spring within Andersonville National Historic Site near Americus, lies within his Congressional district. The MIA/POW issue is indeed an emotional one for him and veterans' families because for them there is never closure, just never ending grief and uncertainty. Like many of us, Congressman BISHOP said he was committed to doing everything possible to locate each and every American missing in action and to repatriate their remains.

Our keynote speaker was Secretary of Veterans Affairs, Togo D. West, Jr., who eloquently addressed the Braintrust about this being an important opportunity to think about the issues that affect veterans in this country from the African-American perspective. He also said that the Braintrust provides an excellent forum to discuss what we all can bring to challenging issues affecting veterans, and because these issues affect veterans, they affect all of us. In addressing the "Two E's: Education and Entrepreneurship," he asked why are fewer African Americans participating in Montgomery GI Bill benefits than in previous eras? Why was this happening after decades of African Americans pursuing civil rights, better housing, a higher standard of living, and opportunities for themselves and their children, particularly when this benefit is something earned through military service?

Secretary West also stated that entrepreneurship is a key to unlocking opportunity for veterans to be able to participate in the American dream. He indicated that last year, VA addressed the question of minority entrepreneurship, and he said that VA leads all other Federal agencies, in terms of percentages, in making grants to small and disadvantaged business. Secretary West agreed that VA would undertake a new partnership with the Braintrust as a way to digest information and put it to use. Secretary West urged persistence and determination in addressing these pressing issues, saying that for like the "Field of Dreams," if we have the determination, the resources will be found. Secretary West urged participants of the Braintrust to examine all of these issues and questions, and he expressed thanks for the role the Braintrust plays in this discussion.

At the conclusion of Secretary West's speech, Mr. Wayne Smith, President and CEO of the Black Revolutionary War Patriots Foundation presented him with the first Black Revolutionary War Patriots Commemorative Coin, legislated by Congress to commemorate Black

Patriotism, and the 275th anniversary of the birth of Crispus Attucks, the first African American killed during the American Revolution. Following this very moving moment, Mr. Michael Handy, Director of the New York City Major's Office of Veterans Affairs and Mr. Morocco Coleman, Assistant Director for the Office of Veterans Programs for the Georgia Department of Labor, presided over a special awards presentation to Mr. Ron Armstead, Executive Coordinator for the Congressional Black Caucus Foundation Veterans Braintrust, and Mr. Anthony Hawkins, Associate Director of the Center for Minority Veterans at the Department of Veterans Affairs. These awards were given on behalf of the entire Veterans Braintrust Executive Committee in appreciation of their outstanding leadership, commitment, and service to the Congressional Black Caucus Foundation, Congressional Black Caucus, and other Members of Congress over the past 10 years.

Other 10th anniversary awards were presented to 30 exemplary veterans for their national and equally important community service: Dr. Doris "Lucki" Allen, Dr. Irving Allen, M.D.; Mr. Ramsey Alexander, Jr.; Mr. Kent Amos; Mr. Charles Ballard; Mr. Lafayette Barnes; Dr. Anne Bell, M.D.; Mr. Bruce Bolling; Col. Mary Boyd; Dr. Howard Brabson; Ms. Thelma Branch, USNA; Ms. Sheila Chamberlain; Brig. Gen. Robert Cocroft, USAR; Ms. Nora Dunn, RN; Mr. Calvin Gross; Mr. Roger "Kevvy" Harris; Mr. Duane Jackson; Ms. Dorothy Johnson; Mr. John Johnson; Mrs. Norma King-Joiner; Mr. Alvin Jones; Mr. William Leftwich, III; Mr. Leonard Long; Dr. Shirley Marks, M.D., M.P.H.; Col. Anita McMiller, USA, Ret.; Mr. Michael Neely; Col. Felix "Pete" Peterson, Jr., USA, Ret.; Mr. Harold Raymond; Ms. Lizette Rhones; Mr. Michael Robbins; Lt. Col. Jordan Simmons, III, USA, Ret.; Mr. William Sims; Mr. Peters Spears; Mr. Ralph Thomas III; Mr. Charles Tompkins; Assemblyman Darryl Towns; Mr. Larry Williams; Mr. Carmen Wilson II; Dr. Reginald Wilson; Mr. Jacob "J.J." Chestnut, USAF, Ret. (Posthumous); Black Patriots Foundation; Troops to Teachers Program, Department of Defense, Defense Activity for Non-Traditional Education Support; and the Veterans Education Project.

The Congressional Black Caucus Foundation Veterans Braintrust activities closed with a tenth anniversary reception co-hosted by the Black Patriots Foundation, the Veterans Benefits Clearinghouse, Inc., the Gatehouse Group, Inc. and Amistad Associates. More than 100 veterans, family members and friends gathered to celebrate the accomplishments of the past 10 years and to renew old friendships. Veterans will always hold a very special place in my heart and I look forward to working together with African American veterans representatives and advocates in order to present a strong national voice for veterans. I thank Dr. Elizabeth Allen, Mr. Arthur Barham, Mr. Harold "Lightbulb" Bryant, Mr. Ralph Cooper, Mr. Morocco Coleman, Mr. Michael Handy, Mr. Thomas Harris, Ms. Lane Knox, Mr. Reginald Lawrence, Mr. Job Mashariki, Dr. Erwin Parson, Mr. Clyde Poag, Mr. Wayne Smith, Ms. Arlene Williams, Ms. Joann Williams, Dr. James Woodard, Mr. Arthur Wright, and Mr. Thomas Wynn, Sr. for their commitment, dedication, and perseverance. I also want to thank the Congressional staff members Mr. Nick Martinelli, Ms. Brittley Wise, volunteer Mr. Ron Armstead, Rev. Rosita Mathews, and forum evaluators Dr. Brenda Moore, Dr. Brenda "BJ" Jarmon, Dr. Lorraine Blackman, and Dr. Phillip Schervish, for their hard work and dedication.

TRIBUTE TO THE HONORABLE SIDNEY P. YATES

SPEECH OF

HON. BOBBY L. RUSH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. RUSH. Mr. Speaker, I come before you today in recognition of the distinguished career of my colleague and friend Congressman SIDNEY YATES. His service to his district and commitment to the amelioration of the lives of his constituents has long been a source of admiration for me.

YATES' 48 years as a United States Congressman has been a gift to the city of Chicago, the state of Illinois and the nation on a whole. He is responsible for channeling billions of dollars into various local projects ranging from the Chicago Deep Tunnel project to the Chicago Shoreline project. Additionally, YATES served as the House's chief defender of the National Endowments for the Arts and Humanities. During the Bush years, when the NEA was under attack and politically unpopular, he insightfully recognized the institution's importance and successfully fought for its preservation for future generations of artists and art enthusiasts.

The assiduous and tireless efforts of SID YATES have never gone unnoticed by his constituents. Every two years, his general election percentages have consistently been robust and resilient.

So, today, I salute "Chicago's statesman." YATES' lifetime of service is a standard of excellent that I would encourage all of my colleagues to emulate.

DR. CARL M. KUTTLER HONORED AS OUTSTANDING COMMUNITY COLLEGE PRESIDENT OF THE YEAR

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. YOUNG of Florida. Mr. Speaker, it is a great pleasure for me to inform my colleagues that Dr. Carl M. Kuttler, Jr., President of the St. Petersburg Junior College, has just been named the outstanding community college president of the year by the National Association of Community College Trustees.

Having the privilege to represent the St. Petersburg Junior College, I know of the great work that Dr. Kuttler has done these past 20 years as President to make it one of the premiere colleges in our nation.

According to the U.S. Department of Education, the college ranks third in the Nation in the number of Liberal Arts and Science degrees conferred, fourth in the number of associate degrees awarded in Health Professions and Related Sciences, fourth in the number of associate degrees awarded in Nursing, and fourth in the total number of associate degrees awarded.

Dr. Kuttler has devoted his life to the growth of the St. Petersburg Junior College, having served in various capacities for 32 years. He was first a student at the college beginning in 1958 and in his second year was elected president of the student government, so he understands the needs of the students and faculty from various perspectives.

In addition to raising the academic level of excellence at the college, Dr. Kuttler has also established a number of unique programs that respond to the needs of our State and our community. In 1998, he negotiated a special agreement under which the Allstate Insurance Company agreed to donate to the college land and facilities valued at $11.2 million. With this gift in place, Dr. Kuttler and the college have secured Federal and State grants totaling more than $30 million to establish a state of the art Southeastern Public Safety Institute, which provides training to Federal, State, and local law enforcement officers and emergency response personnel.

Under his leadership, the college also responded to an unmet need for trained health care professionals by raising $3.4 million in gifts, and $6.5 million in State funds, to establish one of our Nation's finest allied health education centers at the St. Petersburg Junior College's Caruth Health Education Center.

Pamela Jo Davis, the Chairman of the college's Board of Trustees who nominated Dr. Kuttler for this award, said, "He personifies the 21st Century president, demonstrating all the global vision and community caring that balanced, successful leaders must have."

In presenting the association's most prestigious award to Dr. Kuttler, Ray Taylor, the President of the Association of Community College Trustees, said, "I only wish all of the Nation's 1,100 community colleges had somebody as outstanding as Dr. Kuttler."

Mr. Speaker, speaking for the people of the 10th Congressional District I represent, I can say that we are proud and fortunate to have an educational leader who is as committed to his students, faculty, and staff as Carl Kuttler. It is a most fitting honor that his peers across the country have recognized him with such a great honor this month.

TRIBUTE TO JUDGE SONIA SOTOMAYOR

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. SERRANO. Mr. Speaker, I rise today to congratulate and to pay tribute to Judge Sonia Sotomayor, an outstanding individual who has dedicated her life to public service. She was confirmed today by the Senate for the United States Court of Appeals for the Second Circuit. Clinton nominated Sotomayor in June 1997 and after an arduous process, the Senate ratified her nomination by voting 68–28.

The 2nd Circuit Court includes New York, Connecticut and Vermont.

Judge Sotomayor was born and raised in the South Bronx. After graduating summa cum laude from Princeton University, she earned her Juris Doctor from Yale Law School. I have known her personally for many years, and I am very familiar with her background, experience, character, and personality. She is a person of the highest personal and professional integrity.

Mr. Speaker, since her appointment to the United States District Court for the Southern District of New York by President George Bush in 1992, Judge Sotomayor has distinguished herself and has received continuous recognition for her outstanding performance. During her tenure, she has been reversed only six times in what is considered perhaps the most litigious and scrutinized district court in the United States.

Being the first Hispanic woman to serve on the United States District Court for the Southern District of New York, Judge Sotomayor is well known and highly respected by her peers and the different communities for her sensitivity, professionalism, integrity and sound judgment. Her confirmation brings to the Court an outstanding judge at the same time that it expands its ethnic composition.

This is the kind of issue that should be discussed in the classrooms. She is a role model for all Hispanics. Judge Sotomayor has set an example of how success is available for all of those who persevere to achieve their goals. She is an inspiration for many Puerto Ricans and for the people in the Bronx who are trying to break the cycle of poverty.

Mr. Speaker, I ask my colleagues to join me in commending Judge Sonia Sotomayor for her outstanding achievements and in wishing her continued success as Judge on the United States Court of Appeals for the Second Circuit.

THANKING THE HEROES OF THE STORM OF '98

HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. WALSH. Mr. Speaker, this past Labor Day my home district endured one of the most furious storms ever to assault Central New York. A violent line of thunderstorms, which the National Weather Service calls a "derecho," began their attack just after one o'clock in the morning. With swirling winds surpassing one hundred miles an hour, Mother Nature unleashed her wrath—ripping roofs off buildings, smashing trees against houses, snapping telephone poles and leaving a path of desolate neighborhoods and a fractured infrastructure.

As the gusts finally deteriorated into breezes and the rain subsided, the members of the Central New York community showed their true spirit. People helped one another remove the debris from their yards and newspapers were full of stories about neighborhood heroes. But there is a group of "professional" heroes, too—the utility workers, telephone linemen, postal workers, the National Guard, fire fighters, local police and state, county, city and town public works crews. Not to mention the "official" heroes, those elected representatives of the people who did their jobs with the energy and skill we always expect. Emergency workers from all municipalities and members of the New York Air and Army National Guard emerged to aid those in need. New York Governor George Pataki, Onondaga County Executive Nicholas Pirro and Syracuse Mayor Roy Bernardi took immediate action to guarantee a rapid recovery for all affected. Working in conjunction with utility company crews on loan from all over New York, Pennsylvania, Ohio, Maine, New Jersey and the Canadian provinces of Ontario and Quebec, the members of local fire and police departments, emergency and medical personnel and employees of local telephone and cable companies as well as the Niagara Mohawk Power Corporation toiled for countless hours to restore power and phone service.

Mr. Speaker, I am proud of my office's role in working with Federal Emergency Management Agency Director James Witt to mitigate the aftershock of this disaster. Indeed we were on the phone within eight hours of the end of the storm and FEMA responded quickly and professionally. I ask my colleagues to join me in commending those who contributed their sweat, tears and labor to the recovery effort in Central New York during this time of crisis.

POLKA POWER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BARCIA. Mr. Speaker, today, I rise to pay tribute to a man whose musical talents have brought much joy and laughter to all who know him, Mr. Roger Balcer. On Sunday, October 4, Roger Balcer will be inducted into the Michigan Polka Music Hall of Fame.

Born in 1940, the oldest son of Barney and Henrietta Balcer, music was in young Roger's blood. Following in the footsteps of his uncle Leo Balcer, Roger too wanted to become a celebrated accordion player. He began to develop his skills early on, beginning accordion lessons at age eight. Even at this young age, everyone realized Roger had a talent. He took this talent and formed a band with his high school friends, Jerry Kolsowski, Fred Lenisz, and Tom Reder. In their first engagement, these four charmed the crowd at the Polish Falcon's Club of Saginaw.

However, Roger did not stop here. Along with playing in the band, Roger began signing with Choir Chopin under the directorship of Polish National Alliance Conductor Ted Nedzielski. Being a member of the acclaimed Choir Chopin gave Roger the opportunity to share his music with audiences in cities around the country.

As Roger grew older, his musical career continued to blossom. An electrician by day, Roger was a musician by night. He became a member of the Ray Massicolle Orchestra, playing at the "Shamrock" four nights a week. He soon began playing weekend engagements at the Washington Club. Roger also played Mexican Polkas at the Savoy in Saginaw as a member of Mike Luna's Band. Roger recorded albums with Tom Reder and John Lipiniski that were played on Otto Hubner's Polka Program. He spent sixteen years as a member of the Kings Four Group playing at various country clubs around Michigan. After taking a few years away from his music, Roger became a favorite entertainer of the Seniors at the State Hospital in Caro.

In 1984, Roger and his uncle Leo became representatives for the Iorio computerized accordion. He traveled to countless polka festivals demonstrating this instrument and expanding his exposure to many types of music. Today, Roger still performs at numerous functions playing music ranging from Jazz to Irish folk music. However, his first love is still polkas. Roger also spends time with his charming wife, Mary Ann and his four sons, Matthew, Steven, Mark and Vincent.

Mr. Speaker, Roger Balcer has dedicated his life to bringing music and joy to others. I ask you and our colleagues to roll out a barrel of applause and recognize the outstanding accomplishments of Roger Balcer as he is inducted into the Michigan Polka Music Hall of Fame.

THE HIGH COST OF PRESCRIPTION DRUGS

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Ms. JACKSON-LEE. Mr. Speaker, I rise in support of the "Prescription Drug Fairness for Seniors Act of 1998." It is a cruel fact that America's senior citizens are the subject of widespread price discrimination. While the federal government and large HMOs pay little, our seniors pay twice as much for their prescription drugs.

This price discrimination has a devastating effect on older Americans. For those on a fixed income, it is certainly not easy to meet all of their financial obligations. These high prices have forced many of our senior citizens to choose between buying food or paying for the medications they desperately need. This is a choice which I and every American should view as unacceptable.

Mr. Speaker, a recent Congressional study showed that our senior citizens pay on average 106% higher than those paid by "preferred customers." Ticlid, a drug prescribed for stroke victims, cost seniors two and a half times more than it does drug companies' most-favored customers. Mr. Speaker, this form of discrimination must end.

The Prescription Drug Fairness for Seniors Act will protect senior citizens from drug price discrimination and make prescription drugs available to Medicare beneficiaries at substantially reduced prices. This legislation will effectively reduce drug prices for seniors by over 40%.

The key provision of this bill will provide Medicare beneficiaries with a drug benefit card. This card will allow our seniors to purchase prescription drugs at significantly reduced prices. This bill will allow pharmacies to purchase drugs for Medicare beneficiaries at lower prices. Pharmacies that enter into agreements with the Department of Health and Human Services will be able to purchase prescription drugs for Medicare beneficiaries at the same low prices available to federal agencies under the Federal Supply Schedule. This bill provides the framework for further reductions in prices by requiring Congressional oversight of the effectiveness of the legislation. This will ensure that Congress will continue to work for the health of our seniors.

Mr. Speaker, our seniors should not have to choose between food and the prescription drugs they need. No member of this body has to make that choice and our seniors should not either. I urge the members of this body to support our seniors by voting for the Prescription Drug Fairness Act.

SENATE—*Monday, October 5, 1998*

(Legislative day of Friday, October 2, 1998)

The Senate met at 11 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and Lord of our lives, grant us Your peace for the pressures of this week. May Your peace keep us calm when tensions mount and serene when strain causes stress. Remind us that You are in control and that there is enough time to do what You want us to accomplish.

Fill this Senate Chamber with Your presence. May we hear Your whisper in our souls, "Be not afraid; I am with you." Bless the women and men of this Senate with a special measure of Your strength for the demanding schedule ahead. Through our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning the Senate will be in a period for morning business until 2 p.m. Following morning business, it will be the leaders' intention to begin consideration of the agriculture appropriations conference report under a short time agreement. The Senate may also resume consideration of S. 442, the Internet tax bill. At 5:30 p.m., under a previous order, the Senate will vote on the motion to invoke cloture on the motion to proceed to H.R. 10, the financial services modernization bill.

Further votes could occur following the cloture vote in relation to the motion to proceed, and if consent is granted, a vote on or in relation to the agriculture conference report, the Internet tax bill, or any other legislative or executive items cleared for action.

Members are reminded that a cloture petition was filed on Friday to the Internet tax bill. That vote will occur immediately following the adoption of the motion to proceed to the financial modernization bill, if cloture is invoked today at 5:30 p.m.

In addition, as a result of cloture being filed on the Internet bill on Friday, members have until 1 p.m. today to file first-degree amendments to the Internet bill.

Mr. President, finally, I ask unanimous consent that the time under the control of Senator MACK begin at 12 noon today.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. The Senate will now proceed to a period for the transaction of morning business until 2 p.m., with Senators permitted to speak for up to 10 minutes with the following exceptions: The Senator from Missouri controls the time until 12 noon; the Senator from Florida, Mr. MACK, 15 minutes; the Senator from Montana, Mr. BAUCUS, controls the time from 1 p.m. until 2 p.m.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, thank you.

TAX CUTS

Mr. ASHCROFT. Mr. President, I am pleased to have this opportunity to begin a discussion today which should clarify some of the competing rhetoric and certainly some of the misinformation that is being spoken about the potential for tax cuts in our culture.

We are taxed at the highest rates in history. Never before have the American people been asked to devote so much of their hard-earned resources to government. Yet there are lots of statements made about the incapacity of this government to afford tax cuts to the American people, to give them some more of what they have earned in return for their hard work.

I rise today to speak the truth about tax cuts, to speak the truth about the so-called emergency spending, about Social Security, and about the budget surplus. A group of like-minded Senators and I have been engaged in a long and arduous fight to return to the American taxpayers more of their own money. We are here to announce that we are not giving up that fight. It may now be clear that the Senate will not be passing a tax cut this year.

Even if the majority leader were to bring the House-passed bill to the floor, there are just too many Members, big spenders, if you will, who are more interested in spending the surplus than returning the surplus to the rightful owners—those who generated the surplus. I only wish the advocacy groups who attack tax cuts would be honest enough to criticize the President and the other big spenders as they spend the surplus on more and more government programs and projects.

Senators INHOFE, GRAMS, BROWNBACK, BOB SMITH and I have waged a long battle, battle after battle, as a matter of fact, since May of this year, when we opposed the Senate Budget Committee resolution, because it contained only $30 billion in tax cuts over the next 5 years. Because of our strong and vocal opposition to that particular measure, our leadership made a commitment to us to fight for more tax relief, to adopt the House-passed tax cut number, to make eliminating the marriage penalty a priority of the Senate in a tax cut bill, and to move the budget reconciliation package so that tax cuts would be protected.

In June, the House did pass a budget resolution that included $101 billion in tax relief. The other Senators and I, in accordance with the previous agreement with the leadership of this House, assumed that this would be the amount of tax relief that would be delivered to hard-working Americans this year. You have $101 billion in the House and an agreement by the Senate that it will go to the House figure; you would think you would be able to get to $101 billion.

As the August recess loomed before us, the tax cuts remained elusive. That is why on July 17, a group of Senators and I came to the floor during consideration of the legislative branch appropriations bill and attempted to add a marriage penalty elimination amendment to that bill. To eliminate the marriage penalty would effectively reduce taxes for about 21 million couples who are penalized simply because they are married. Our point was simple and clear: Congress should not receive the funding under the legislative branch appropriations before the American people got the opportunity to keep a reasonable amount of what they earned. Why give all the money that Congress wants to Congress while we don't honor the need for the American people to fund their families?

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

We were prevented from offering our amendment at that time by the Democrats. We came back 2 weeks later while this body was considering the Treasury-Postal Services appropriations bill and we offered our amendment again. Our amendment would have eliminated the unfair and discriminatory marriage penalty, that extra tax that people pay just because they are married, which affects 21 million American families to the tune of about $29 billion a year.

We did not rely on spending the surplus in order to advocate that tax cut. We called for reductions in spending. We said that the Government has been on a budget high in fat for too long, it is time for us to provide the people with some relief, and we should do that by cutting spending. So we called for reductions in spending to offset the reduced revenues that would have come as a result of the tax cut.

On July 29, a majority of the individuals serving in this Senate voted in favor of eliminating the marriage penalty when they voted not to table our amendment. A majority of the Senate said that it is time to stop imposing Washington's values on the people and start imposing the people's values on Washington. The marriage penalty is perhaps one of the best examples of an elitist Washington imposing its values on the principles of the American people. We know that the American people understand the value of marriage and families in our culture. We know that they understand that if we expect to succeed in the next century, if we don't want to sink, if we want to swim, we had better make it possible for families to meet their needs. One way to do that is to stop penalizing people for being families, and we ought to do that.

Unfortunately, we had to withdraw the amendment because of the constitutional requirement that revenue bills originate in the House of Representatives. But the Senate did go on record supporting a marriage penalty elimination—this tax cut. A majority of this body voted to support eliminating the marriage penalty, but today we are facing the disappointing reality that the Senate will not pass, or probably will not even vote on, tax relief.

Much has been made about the surplus that is now attendant to the financial situation in Washington. Last week, the President happily announced that, for the first time in almost 30 years, the Federal budget is in balance—not just in balance, but there is a budget surplus of almost $70 billion. President Clinton even took credit for the balanced budget and the budget surplus.

Well, who is really responsible for the budget surplus? Was it the President and his party who voted for the largest tax increase in American history in 1993? Or was it the Republicans who made balancing the budget a national priority? Let me suggest that it wasn't the President, and let me suggest that it wasn't the Republicans, but that it was the American people who continued to work hard, to pay their taxes, continued to demand from their elected officials that we have some fiscal discipline. The American people should be credited with balancing the budget through their hard work, creativity, innovation, and their industry. Government doesn't generate revenue, it doesn't create wealth, people do, when they work hard.

Make no mistake, the Federal budget surplus is up because Federal income taxes are up. Income tax revenues have increased $83.7 billion, or 11 percent, just since last year. Where do those tax revenues come from? They come from the American people.

The President's record on taxes is threefold: Increase, increase, and increase. He has not proposed cutting taxes. Rather, his latest budget proposed increasing taxes by $100 billion over the next 5 years. Americans pay more in taxes today than they have in any other time in our history. President Clinton raised taxes by $242 billion in 1993, the largest hike in U.S. history, and sought to increase them another $290 billion as part of his plan to nationalize the Nation's health care system in 1994. And he sought to increase taxes by another $500 billion-plus this year as part of a tobacco tax bill. In 1995, he vetoed the first major tax cut since Ronald Reagan was President. We all remember when the President mused aloud about his 1993 tax increase. He put it this way: "It might surprise you to know that I think I raised them too much, too."

Well, frankly, I believe the President is right that he raised taxes too much. If we raised taxes too much, wouldn't it behoove us to begin to settle the account and start to let the American people have some of their hard-earned resources for expenditure in their families? It is one thing to confess that you raised taxes too much; it is another thing to develop another plan to spend all that you raised when you raised too much. If he really believes we raised taxes too much, we should give some of these hard-earned resources back. The President seems to have forgotten that it is the American people who have led us to this budget surplus. It is their money, not our money.

Mr. President, I have not forgotten this key fact. That is why I am here today—to say to the American people that they deserve not to have their money squandered on more Government, but they deserve a return on their investment—a return in the form of tax relief that is funded by reducing the spending of a Government addicted to a high-fat diet. This Government should be involved in reducing its invasion of the American culture with more and more Government and thereby consuming more and more of what families need to meet their needs.

Now, the President has a plan, but his plan is to spend the surplus. When it became clear earlier in the year that the fiscal discipline the Republican Congress had demanded from the President would result in a budget surplus, the President made a statement in his State of the Union Address which he has repeated numerous times since then. He said this, and I have this statement on a chart here:

> But whether the issue is tax cuts or spending, I ask all of you to meet this test: Approve only those priorities that can actually be accomplished without adding a dime to the deficit. Now, if we balance the budget for next year, it is projected that we will then have a sizable surplus in the years that immediately follow. What should we do with this projected surplus? I have a simple four-word answer: Save Social Security first. Tonight, I propose that we reserve 100 percent of the surplus—that's every penny of any surplus—until we have taken all the necessary measures to strengthen the Social Security system for the 21st century.

That is quite a statement. It is a bold statement. The President has used this statement to attack our plan to eliminate the marriage penalty and provide tax relief. He has used this sort of suggestion that we will just have to save Social Security and therefore you can't have any tax relief for the American people—a tax relief package that we were and are prepared to pay for out of reduced spending. But has the President attempted to keep his pledge to use every penny to save Social Security? There is only one answer. That answer is a resounding no.

Only days after his Social Security pledge, he sent a budget to Congress that contained $150 billion in new spending, according to the Senate Budget Committee. Without that new spending, the surplus would have been $150 billion larger—hardly every penny of any surplus being used to save Social Security.

It seems like every week the President has proposed an additional new spending program. His fiscal year 1999 budget, submitted earlier in the year, contained $150 billion in new spending. Just last Thursday, the President was at it again. At a press conference at the White House, he repeated his call for $34 billion to run our schools from Washington and to take control of our children's education away from their parents and teachers with new Federal expenditures of resources that are hard-earned by the American people, which he won't allow them to keep to fund their families.

The President called for this new spending, as with all his spending requests, without a dime of offsetting savings. He is not talking about reallocating Federal expenditures, he is talking about increasing Federal expenditures. That means it can only be financed by dipping into the same surplus that he pledged would be spent for Social Security.

Every penny of any surplus—the President said, should be reserved until we have taken all the necessary measures to strengthen Social Security.

The President is gifted with language, so now we're redefining the phrase, every penny.

It reminds me of the fellow who sat down to dinner every night and put his finger in the wine glass and flipped a little wine off his fingers. His friend said to him, "Why do you do that? Every night you come in, stick your finger in the wine glass, and you flip the wine off your finger." He said, "Well, I promised my mother on her deathbed that I would never drink a drop of wine. And that is the drop I am not drinking."

The truth of the matter is that the President has said we are going to devote every penny of the surplus to Social Security, and there are not any pennies there—just dollars, and billions of dollars. So we are free to spend the billions of dollars. Those are the pennies we are not saving but flipping them off our finger because they are not there.

In addition to all the increased spending that the President has asked for—spending that breaks the budget caps—this body will be called upon to vote for a package that includes at least $17.8 billion to pay for so-called emergencies—and I will go into what those quote-emergencies-unquote are shortly—that will be paid for out of the surplus.

The truth is, they have done nothing to save Social Security. They have no proposal. They tried to discredit tax cuts by saying cutting taxes would impair Social Security. They might impair some other invasive government programs but not Social Security. But this is a way of trying to fight against any reduction in government, any ability of this Senate to try to say to families you need to be able to fund your needs rather than just be used as workers to fund the ambitious schemes of spending and big government.

The truth is that the big spenders don't care about saving Social Security or balancing the budget. They care about reserving their ability to spend the taxpayers' money.

They do not want their ability to spend curtailed in any way—they want the amounts to continue to increase, and they want to stop any tax cut that infringes on their spending power.

They look at this surplus as an huge pot of money to finance all their pork barrel pet projects. There is no fiscal discipline here! There is only a strong commitment, an all consuming passion to prevent tax cuts at any expense—even if it means misleading the American people by their demagoguery about saving social security.

The President said he wanted to save Social Security; devote every penny. The President and the big spenders have feigned their concern for Social Security and fiscal responsibility. It is a mantra that has been repeated thousands of times—sort of a slogan that any time there is a problem, they run and hide behind the Social Security billboards. They stick their heads into the ground and yell, "Social Security," so they can avoid dealing with issues that count.

I guess we can expect to hear that mantra another thousand more times in the next month preceding the election. But it is also clear that when we look at the President's record on Social Security reform, that he talks the talk but then takes a walk.

Despite promising to save Social Security first, the President has never proposed a plan to reform Social Security—not even hinted at it. Clinton's one and only proposal related to Social Security was to promote and to sign into law a $25 billion tax increase for some Social Security beneficiaries. For all his rhetoric, not one plan—not one concrete proposal—to preserve the Social Security program.

Social Security merely becomes a tool in his hand to try to divert attention from the opportunity to cut government spending and provide Americans with the opportunity to fund their families rather than to fund the bureaucracy.

While a series of bills have been introduced by Republicans and Democrats addressing Social Security solvency, Congress is still, to this day, waiting upon a plan from the President.

But the President has one goal, and that is to spend the surplus, and spend it as quickly as he can. Unfortunately, the President is not alone in this goal. It appears that a majority of the Senate is opposed to cutting taxes or cutting spending. They are only interested in one thing as well—stopping tax relief so that they can spend the surplus themselves.

The President has presented to the American people a false choice—he said it has to be either this or this—and it is a false choice. He has said it is a choice between saving Social Security and Squandering the Surplus on tax relief. But this is a misleading choice. It doesn't have to be one or the other. We can take the surplus, devote it to Social Security, and we can provide tax relief by cutting some of the spending that is wasteful and inappropriate by a bureaucracy which is bloated.

I believe we can do both. But only if we do not spend the surplus on increased government, as is currently being planned. Congress is planning to spend at least $17.8 billion of the surplus next week in the "emergency supplemental" bill. And we can be sure that the $17.8 billion figure will continue to grow exponentially by the time this Congress adjourns.

Mr. President, the Administration's spending requests during this Congress have become more than a bad habit. These requests reveal a consistent failure at responsible governance. Twenty billion dollars or more in "emergency" appropriations may be requested before this Congress adjourns.

Billions of these dollars will pay for expenditures the Administration knew it would incur. What are we talking about? These aren't surprise expenditures. These aren't emergencies that have come up. These are expenditures that have long been planned to be put into the emergency spending portion of the budget so they wouldn't come under the caps—so they wouldn't come under the normal limits that are related to balancing the budget.

First, the administration did not realize—according to this, if it is an emergency—the year 2000 would follow the year 1999. It requested $3.25 billion to clean up the year 2000 computer problem. Why wasn't that in the ordinary spending appropriations request?

Did anyone in the Administration have a calendar? Not only is the emergency designation of Y2K funding wrong, but experts in the field have informed my office that the Administration could have corrected this computing problem for far less money if the process had been stated earlier.

So instead, the administration proposes to raid the surplus and to spend money that could have been used to save Social Security.

Every penny? Maybe there haven't been any pennies, just dollars.

Second, the administration claims it did not know that we would continue to deploy troops in Bosnia next year. This is an "emergency"—that somehow the Bosnia deployment is unanticipated.

It has been apparent from the beginning of NATO's Implementation Force (IFOR) that American troops were there to stay much longer than the President had initially promised the American people three years ago.

In dispatching over 22,000 U.S. soldiers to participate in the NATO Bosnia mission in 1995 and 1996, the President told the American people that the mission would take about one year. Secretary of Defense William Perry and Chairman of the Joint Chiefs John Shalikashvili both confirmed the one-year duration of NATO's Implementation Force (IFOR). Secretary Perry testified before the House International Relations Committee that the total cost of the Bosnia mission would be about $2 billion.

Now, three years later, after two broken troop withdrawal deadlines and over $6 billion in cost, the Administration is seeking to fund this operation straight out of the surplus, which could be used, if we were to take the President at his word, to save Social Security. The President announced in December of 1997 that American troops would stay in Bosnia indefinitely, and yet he asked for an emergency appropriations of $1.9 billion for fiscal year 1999 operational costs.

Next the Administration proposed to spend the surplus that he proposed be used to save Social Security on building embassies overseas. Yet, after the tragic bombings of Kenya and Tanzania, the State Department could not even tell the Congress how much money they had spent to upgrade embassy security to meet standards set forth in the Inman Report of 1985. An effective accounting system to track these funds had not been established.

A failure to monitor where the money has been going is not the only problem. In recent years, the State Department has not even spent all the money appropriated by Congress for diplomatic security. In 1995 and 1996, the State Department failed to spend $100 million appropriated by Congress to enhance the security of U.S. overseas posts but now they want to raid the surplus in a so-called "emergency."

Mr. President, this administration has not managed fiscal resources in a manner which inspires confidence. The administration will spend over $550 billion in discretionary spending under the budget agreement, but instead of paying for these new spending requests from some other part of the budget, the administration wants to raid the surplus that would save Social Security.

The real outrage is that the President plans to spend the surplus, not to preserve Social Security. The truth is that the President and some in the Congress have misled the American people about their plans for the surplus. They have no intention of saving the surplus to fix Social Security. They have no plan to fix Social Security. Their plan is to spend the surplus on fake emergencies and increase spending. They are unwilling to use the budget process to live within the budget caps to finance their spending, so they categorize items as emergencies so that they don't have to exist within the framework and discipline that would characterize any family's budget. We have caps on our spending at home. We have limits on what we can take and spend. We can't decide we are going to call something an emergency and create resources out of thin air. It can't be done by the American people. It shouldn't be done by the American President and Congress. So we, the Congress, end up denying hard-working Americans a tax cut and we scare senior citizens about the future of Social Security, and then they spend the surplus.

One of the things we end up spending the surplus on is pork projects. There are many additional spending items that are being talked about for the omnibus appropriations emergency spending behemoth. I do not mean to say all of these items are without merit. Indeed, there have been natural disasters, floods, embassy bombings and other occurrences which demand our attention and perhaps some additional funding. But to do it all in an emergency rather than to be addressing in the next funding year, very shortly anyhow, where we would put the funding in the stream of limits and discipline that the budget process imposes is to simply not do our job.

But even these events should not be used to excuse our willingness to deny tax relief or to spend the surplus. The Congress should find the money within the existing budget to pay for these items. As I said before, most of these items are not true emergencies. We have known about Bosnia for a long time. The need to increase our military's readiness we have known, and the Y2K computer problem we have known for years. But by labeling them emergencies, the President wants to use an accounting gimmick to spend the surplus, to spend it outside the normal budget process, and spend it in a way that does not affect the calculation under our spending caps. The fiscally disciplined way to deal with this is to work within the budget, to stop pork barrel spending, and to pay for these priorities.

Mr. President, I want to share with you some of the items contained in the fiscal year 1999 budget in various appropriations bills that the Congress thinks are more important than saving Social Security because they are willing to spend on this kind of pork.

Now, the Senator from Arizona, Mr. McCAIN, has done the American people and this body a great service. He has gone through the appropriations bills and he has identified all the earmarked pork programs and put this information on his home page on the Internet. I recommend it to people who want to spend an evening getting a headache reading about additional Federal spending. Seriously, it is a list that is comprehensive and it is worth looking at. I have looked at the information. Let me share some of it with you. Here are some of the examples of what we are spending for this year, items that the big spenders obviously think are more important than Social Security because they are unwilling to cut these programs in order to save the surplus. If they really wanted these things, thought they were worth it, they should be willing to cut other spending. But they are willing to take them out of the surplus.

Believe you me, if this list of earmarked expenditures that Senator McCAIN has on his web site were put up in big print, it would be a stack that would be substantial. Here are a couple things. Here is $3.3 million for the Shrimp Aquaculture project. And let me apologize to the Senate for calling it pork. This isn't pork. This is shrimp. But there is $3.3 million.

Here is another earmark. Wait a minute. Here is another one that is not pork, either. Pardon me. This is grasshoppers—$750,000 for grasshopper control research. Here is another—pardon me, not pork, not shrimp, not grasshoppers. Here is $150,000 to hire a new potato breeder. Here is $143,200 to continue subterranean termite research.

Well, we have gotten through virtually everything but pork. Let's see if we can find something related to pigs in the process. Obviously, this is political pork, whether or not it is pork in the nutritional sense. Here is $2 million to unspecified communities in southern California for planning associated with the National Communities Conservation Planning Program. So we have $2 million for communities to plan to be a part of a planning program. We might call it planning squared, I think—planning for planning. I suppose we could have some additional resources to help people plan for planning to plan. Here is an earmark of $1.1 million to rehabilitate priest quarters in an old schoolhouse in a national historic site; an earmark of $1 million for incinerator replacement; an earmark of $3.4 million to meet uncontrollable costs at a wildlife center located in Wisconsin. "Uncontrollable costs" may be a phrase that seems acceptable in government, but families don't allow for uncontrollable costs. We are not allowed to have uncontrollable costs.

So the bottom line is this. When we are willing to load up our bills with this kind of pork or termites or shrimp or grasshoppers or whatever else it is, it is not about tax cuts, and it is not about saving Social Security. It is about money. It is about spending. It is about power because he who has the money has the power. Someone said it is the Golden Rule: He who has the gold makes the rules. It is a power game here in Washington, and the big spenders just can't allow the American people to control their own money.

Last week, Federal Reserve Chairman Alan Greenspan appeared before the Senate Budget Committee and was asked what in his opinion should be done with the surplus. Let's look at his remarks.

> My first preference is to allow the surplus to reduce the debt. I am also, however, aware of the pressures that will exist to spend it.

This individual, who perhaps knows as much about Washington and knows as much about this country and its financial caps indicates he knows about . . .

> . . . the pressures that will exist to spend it. And that in my judgment would be the worst of all outcomes. And if push came to

> shove and it was either to spend it or cut taxes, I would strongly and unequivocally be on the side of cutting taxes.

Alan Greenspan happens to know that the growth and intensity, the kind of opportunity that is presented in the American economy is curtailed when we have more and more spending, and that growth and opportunity is enlarged when we have people with more of their money to spend themselves through tax cuts.

That is why he says:

> And if push came to shove and it was either to spend it or cut taxes, I would strongly and unequivocally be on the side of cutting taxes.

He stated that to spend the surplus would be the worst of all outcomes, but that is apparently what this President plans to do.

I am sad to inform you, Mr. President, that the worst of all outcomes is about to happen. The pressure to spend is just too strong. I am here today to set the record straight. We cannot let the surplus be spent on mislabeled emergencies and increased spending. We must demand fiscal discipline from this Congress. We should demand truth to senior citizens about the fate of the surplus, and we will demand that the President, who decries tax cuts—we will demand that the President stand accountable for his actions as he prepares to spend the surplus rather than to keep his promise to save Social Security.

The American people will not be fooled. You cannot save Social Security by wasting the surplus on bureaucracy in Washington, DC. You cannot save Social Security when you are sending the elderly's Social Security checks to the shrimp aquaculture project in Hawaii. You cannot save Social Security when the people recognize your posturing for what it is, a political exercise designed not to save Social Security but to save yourself.

Mr. President, I appreciate this opportunity and yield the remainder of my time to my colleagues.

I yield the floor to the Senator from Idaho, Senator CRAIG.

The PRESIDING OFFICER. The Senator from Idaho.

TAX CUTS

Mr. CRAIG. Mr. President, I will take just a few moments because I want to sandwich some comments into this very important discussion on cutting taxes and lowering the rate of impact our Federal Government has on the average American family. The Senator from Missouri has spoken so very clearly today about what is happening, once again, in our Nation's capital. We fought for a decade to balance the budget—and Republicans are proud that it has now happened, it happened on our watch with our fiscal conservatism—but now we have a President who wants to throw up the facade of saving Social Security and yet sending a very large spending package to Capitol Hill. I hope we do have an opportunity to vote for tax cuts. This is one Senator who will proudly cast an "aye" vote for it.

PRESIDENTIAL TRAVEL

Mr. CRAIG. Mr. President, I thought it would be important this morning to do a short reality check on our President. The President last week said Congress is a do-nothing Congress. They have not done their work. Why has Congress not done its work? You know, when he made that comment about us—and I have been here hour after hour in committee meeting after committee meeting, here on the floor, day after day for the balance of the year—I thought, you know, Mr. President, you challenged me a little bit. It is time to do a reality check. So I sent staff scurrying. We compiled the President's travel log, and what I am about to report to you is the travel log of President Bill Clinton.

For a man who is bent on remaining in the White House, President Clinton sure spends a lot of time away from the White House. What you are about to hear is an analysis of how much time he has spent away, and why his people have not been on the Hill, why they have not been working with us, and now in the closing hours of a Congress he is either threatening a veto or threatening that he might just have to shut down Government to awaken us. Mr. President, let's do a bit of a reality check.

Last year, President Clinton broke the Presidential record for foreign travel with his 27th trip abroad. Like the Energizer Bunny, he has continued to keep on going and going and going. This year so far he has logged 41 days in 11 countries—11 different foreign countries. Some say he is traveling in foreign countries to keep his mind off domestic problems. I would not want to make that assertion. What I do know is that the President has now broken all-time Presidential travel records with 32 trips abroad, more than any other president ever. Mr. President, you are out breaking records.

However, just because President Clinton is not on foreign soil all the time doesn't mean he is in the White House. Bill Clinton also likes to travel around the country as well. He is particularly fond of combining both domestic travel and campaign fundraisers, with at least 37 trips which include fundraisers just through this year, 1998, and there are at least 14 more fundraising events scheduled for October, according to reports. Stay tuned as I go down through this report, because you will find an anomaly between official travel and fundraising travel and what it is costing the taxpayers and maybe why he needs a little bit of supplemental spending.

All told, the President has spent almost half of 1997, 149 days, as well as over half of 1998 so far, 155 days, outside of Washington, DC. Hello, Mr. President, we are trying to get our work done here. You criticize us for being a do-nothing Congress? Mr. President, where have you been?

The President's travel at taxpayers' expense long ago broke the foreign travel record. To put it in perspective, Mr. President, you have traveled domestically over 304 days in the last 2 years. You have already spent more time out of Washington than four out of the last five Congresses have spent in session.

If the implications were not so serious, the President's wanderlust would be a mere fact for amusement, and we could all chortle a little bit about it. This is, after all, a President who has claimed an initiative for every problem and credit for every solution. Yet the President has not been around for much of the work. If America is to believe he is serious about Social Security reform and Medicare reform and health care reform, tax reform and a host of other problems, it would help if they could first believe he is going to be here so we could meet with him to get the work done.

In 1992, then-candidate Bill Clinton excoriated President Bush for taking 25 trips to 60 countries from 1989 to 1993. He stated, "It is time for us to have a President who cares more about Littleton, NH, than Liechtenstein; or more about Manchester than Micronesia." But once in office, guess what? Mr. Clinton took Air Force One and away he went, and he broke the Bush record. In less than 2 years, 1997 through 1998, Clinton has spent almost as many days overseas as Bush spent during his entire term in office—79 versus 86 days. President Clinton has taken 32 foreign trips during his Presidency, 6 more than President Bush, to 78 countries, including 51 different ones. Trips to South Korea, Japan, Malaysia are already in the travel plans for next year.

Mr. President, I could go on and on. The point is quite simple. As America has discovered, just because Mr. Clinton is in the country does not mean he is in the White House. The "DC" in Washington, DC, probably means "Devoid of Clinton." While Clinton was able to leave his passport in the White House, he has made sure he has taken donor cards. As the press has noted, fundraising is prominent in his travel agenda.

What is in the Washington Post today? The President was out once again, Friday, fundraising. I understand now the American people are waking up a little bit. Here is what one of the picket signs said as the President entered a fundraiser in Ohio: "Fundraising? Is this the people's work?"

I am starting to ask the same thing. In 1997, President Clinton spent 111 days on the road on domestic travel. He has already surpassed that in 1998 with 114 days. In 1997, he used at least 28 of those trips for fundraising. Through September of this year, President Clinton has already used at least 37 of those days for fundraising.

That is part of the story, but here is the rest of the story that really concerns me. Do you know how much it costs to fly Air Force One? Mr. President, in 1992 figures it was $42,000 an hour. Mr. President, that is for you and the entourage. How do you balance that off between important domestic travel and fundraising? I hope you are keeping an accurate record, or the taxpayers will be paying a phenomenal amount for our President to be out of the White House.

President Clinton was out of town 149 days in 1997; 155 days through September of 1998. The President spent a total of 304 days outside of Washington in just the last 21 months.

The reason I come to the floor this morning to talk about the President's travel schedule is to bring some substance to the seaminess of a comment a week ago that this is the do-nothing Congress. You might have grounds to make that kind of an argument if you had been sitting down at the White House with a phone in your hand working with us to try to resolve the budgets, to try to get out our appropriation bills, to try to do the business of this Government. But you have chosen not to do that. You have been out and about the country and the world at a record pace, and at the expense of the American taxpayer.

I understand by news reports today the President is in town for the week: Mr. President, welcome back to Washington. I understand that you are going to be here for a week, hopefully to work with us in finalizing the work of Congress to get our budgets complete so we can leave town—most important, adjourn the Congress and go home as the American people would expect us to do and turn off the expense clock.

I also think it is important, Mr. President, that you do, in fact, recognize that our country and our world is just in a little bit of an economic crisis and you are finally willing to cancel a few travel schedules and stay home to see if we can work out our problems.

So, Mr. President, welcome home. I am going to be watching very closely and giving reports from time to time as the President spends the American public's tax dollars to travel around the country. Here is the travel log, and it is growing. Here are the charts, and they are growing. Call us a do-nothing Congress, Mr. President, and I will call you AWOL because you won't be here; you will be off flitting around the country, either fundraising or staying out of Washington because the heat is too hot in the kitchen.

I yield the floor.

Mr. HUTCHINSON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

THE TAXPAYER RELIEF ACT

Mr. HUTCHINSON. Mr. President, I rise in support of tax relief for the American people and in support of the House-passed legislation that will provide taxpayer relief today.

Tax collections, it is estimated, will exceed over $8 trillion in the next 5 years. An $80 billion tax cut—that is what the House of Representatives cut—an $80 billion tax cut amounts to about one penny savings on every dollar paid in to the Federal Government. I don't believe that is too much out of this surplus that we are realizing because of a robust economy and because of restraints on spending, as much waste as therestill is. We have slowed the growth of Federal spending and, as a result of that, for the first time in 29 years, we have a balanced budget, we have a surplus, and it is only right and it is only proper that a portion of that be returned to the American people.

I think the only problem with the House-passed tax cut is that it is too little, but we should at least bring it forward, and we should at least have that debate on the floor of the U.S. Senate.

Under the Clinton administration, taxes have risen to the highest level in peacetime history. If Ben Franklin was right, that the only thing that is certain is death and taxes, this administration has made it equally true that nothing is as certain as spending and overtaxation. We have the highest tax rate in peacetime history. Taxes are at a historic high at a level of 21 percent of the gross domestic product.

According to data from the OMB, total Federal receipts will amount to 19.9 percent of the GDP in 1998 and 20.1 percent of the GDP in 1999. That tells me one thing. That tells me that even under a Republican-controlled House and Senate, Government continues to grow and Government revenues continue to grow as well.

In my home State of Arkansas, this amount of taxation translates into $7,352 in taxes per capita in 1998. That is an onerous burden to put on a low-income State. It is a heavy burden to place upon people anywhere.

In Connecticut, the tax burden is $15,525 per capita.

The typical American family sees 38 percent of its income going to pay for taxes, as opposed to 28 percent for food, for clothing, for housing and only 3.6 percent going to savings—38 percent for taxes—Federal, State and local level—28 percent for food, clothing and housing.

Mr. President, it is time to stop picking the pockets of American taxpayers, and it is time to put money back in their pockets and untie their hands. The Taxpayer Relief Act does just that by giving the American people a tax cut of $80.1 billion.

Couples today who want to be responsibly married, to share their lives together, have a slap in the face immediately from the Federal Government. Twenty-one million couples pay an average of $1,400 extra in taxes for pursuing the right course of marriage.

The Taxpayer Relief Act takes away this stinging insult by allowing married couples who file jointly to claim a standard deduction twice the amount of the standard deduction for a single taxpayer. It also increases the basic standard deduction for married taxpayers who file separately to equal the basic standard deduction for singles. Even as they try to raise a family with limited resources and increasing costs, parents strain under this very heavy burden of taxation.

The House-passed bill protects important tax credits, including credits for children, the $500-per-child tax credit, new credits for adoption and education, and reduces the alternative minimum tax as well.

All of these are important steps. They are, I believe, the right course for this Congress to take. I regret the President's commitment to veto any tax-cut legislation this year.

American farmers and ranchers have had to face a terribly hard time with unpredictable and damaging weather trends that have destroyed their harvest and livelihood, only to face income erosion from unpredictable and damaging tax regulations as well. The House-passed bill would provide greater stability amidst this turmoil by income averaging, currently set to expire in the year 2000, and it would make that permanent. Farmers and ranchers would be able to benefit from the 100 percent health insurance deductibility. All of these things would provide relief for the agricultural community.

Men and women attempting to manage their money wisely find the Government chipping away at their savings, through taxation on interest and dividends, and the Taxpayer Relief Act will exclude the first $200 in interest and dividends that they receive. We say we want the American people to save and invest, and yet we penalize them with our Tax Code. Some say the $200 exclusion is not very much. That exclusion will eliminate all taxation on interest and dividends for 32 million people in this country.

When taxpayers become senior citizens, their Social Security earnings limit will be increased under this legislation, between full retirement age and age 70, from $17,000 in fiscal year 1999 to almost $40,000 in fiscal year 2008.

These are important provisions, certainly not the least of which is the accelerated relief that will be provided from the death tax, a heinous provision in our Tax Code that says if you work hard enough, save enough, invest well enough, Uncle Sam is going to reach into your grave, reach into your pocket and take 55 percent of what you own. The American dream is to work hard enough, invest enough, and pass them on to your children and give them a little better start than you had.

The death tax is just the opposite. It is one of the most anti-American dream provisions in the Tax Code. The bill passed from the House would accelerate raising that exclusion to 41 million. It would be a small step in providing relief from the death tax.

There are those who say we can't cut taxes this year; we have to give it all to Social Security. It is interesting to me that those who argue that have yet to come forward with a save Social Security plan. They have yet to come forward with a Social Security reform plan, but they have advocated billions of dollars in new spending.

Mr. President, I wish I had much longer to elaborate on this, but I quote the President when on May 26 of this year, he said:

> We can use these good times to honor those who've put in a lifetime of work and prepare for the future retirement of the baby boomers by saving the Social Security system for generations to come. Or we can give in to the temptation in this election year to squander our surpluses the moment they start coming in.

Do you get the picture? If you take the surplus and spend it on new spending programs, that is good, but if you return it to the American people in the form of tax relief, that is squandering. The very President who made that statement has advocated billions of dollars in additional spending—$5.8 billion already spent—and a request in supplemental funds for $14.148 billion, including almost $2 billion for Bosnia. That is coming out of this sacrosanct untouchable surplus.

The Taxpayer Relief Act just says let's return $7 billion of that surplus in the first year, 1999, to the American people. I believe that is what we should do. Instead of enacting $150 billion in new spending programs, we should return one penny on the dollar, which is what the Taxpayer Relief Act does, out of what they are paying into the Government back to them in the form of tax relief.

The debate hasn't changed: higher taxes and more Government; lower taxes and less Government. We were given that mandate by the American people, and we should enjoin that debate by passing the Taxpayer Relief Act this year, sending it to the President and letting him decide whether or not he will give the American people the relief they so much deserve.

I thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER (Mr. KYL). The Chair, in his capacity as a Senator from the State of Arizona, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, I thank the Chair.

(The remarks of Mr. MACK pertaining to the submission of S. Res. 286 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. MACK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 4101

Mr. MACK. Mr. President, I ask unanimous consent that at 2 p.m. today the Senate proceed to the consideration of the conference report to accompany H.R. 4101, the Agriculture Appropriations bill, with the reading of the conference report being waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MACK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. HUTCHISON). Without objection, it is so ordered.

WHITE HOUSE PROPOSALS TO SPEND THE SURPLUS

Mr. GRAMM. Madam President, I have come over today to respond to the Office of Management and Budget and to the White House in relation to comments they made about our weekly radio address, which we made in response to the President's radio address and which I had the privilege to make on behalf of the Republican majority in the Senate.

What I thought I would do is simply take a little bit of time and review what I said in the radio address because it is relevant, obviously, to the response by OMB and the White House. I would like then to respond to the comments they made. And I will try to do it as quickly as possible.

Madam President, in the Saturday radio address I tried to make several simple points, the first point being that we all can remember vividly, when the President gave his State of the Union Address, in probably the most dramatic statement made by any political figure in 1998, the President proclaimed: "Save Social Security first." He then set out a prescription for Congress, and the prescription basically boiled down to: "Don't increase spending; don't cut taxes; take every penny of the surplus and save it for Social Security."

The President kept delivering exactly the same message over and over and over again through February, into June; and then all of a sudden, during the summer and into the fall, the President's message started to change. And the President's message started to change because he started leaving out the part of the policy prescription that had to do with not spending the surplus.

What the President is now saying is that Republicans are wrong in trying to cut taxes, eliminating the marriage penalty, providing some tax relief to farmers and small business and to senior citizens—that Republicans are wrong in doing that in the House because it takes $6.6 billion away from the surplus. And then the President last week said if you take a little of the surplus here and a little of it there on tax cuts, then you don't have the money to put Social Security first.

The problem is that at the very moment that the President is saying to the Republicans in the House not to use $6.6 billion to fund a tax cut, the President is proposing to Congress, in the strongest possible terms, that we spend up to three times that amount—roughly $20 billion this year—on a series of programs, most of which have nothing whatsoever to do with emergency spending by any definition that we have ever used for emergency spending.

So the point I made, in very simple terms, was the President is not living up to his word. He is not putting Social Security first. The President is pretty clear about not wanting Republicans in the House to cut taxes and to use $6.6 billion of the surplus for that purpose. But the President is now actually threatening to veto bills and to shut down the Government unless we spend up to $20 billion of additional money this year, every penny of which would come out of the same surplus that the President is saying to the Republicans in the House, "Don't dare touch that surplus, don't take $6.6 billion to cut taxes."

The White House decided, over the weekend, that they wanted to respond to what I had to say. And I want to respond to a lady, Linda Ricci, who is the spokeswoman for the Office of Management and Budget. She made two statements that I want to respond to.

Let me read you from the Reuters wire service story:

> Linda Ricci, spokeswoman for the administration's Office of Management and Budget, noted the actual additional spending request is roughly $14 billion, and said such emergency packages have become a normal part of the budget process.

She further says:

> There is nothing extraordinary about emergency spending and there's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget.

Madam President, I take great exception to these statements because they are not true. I mean, other than the fact that they are not true, I do not have much objection to them. But one of the standards that we normally set in debate is a standard that we cannot have much of a meaningful dialogue if we are not sticking with the facts. One of the things that is often said in these kinds of debates is that you have a right to your own opinion, you just do not have a right to your own facts.

Let me remind the Senate, and anybody who is listening, of the following facts: No. 1, we have already passed a $6 billion emergency spending bill earlier this year. If you add up all the requests the President has made for additional emergency spending, it is $14 billion. And when you add the two, that is a $20 billion emergency spending increase that was requested in calendar year 1998.

The OMB says, "There's nothing extraordinary about the amount of emergency spending we are requesting in this year's budget."

Let me tell you what is extraordinary about it. Everything—everything—is extraordinary about it.

First of all, the level of emergency spending is far beyond any level of emergency spending ever proposed by any President under the budget agreement that was reached in 1990 that started this current loophole of emergency spending.

I remind my colleagues, and anybody who is interested, that the first year that this ability to designate something as "emergency" and exempted from the budget—the first year it was in effect, in 1991, President Bush signed into law $.9 billion worth of emergency spending. President Clinton this year has asked for $20 billion of emergency spending. In fact, if you take the 3 years that President Bush was in office while we have had this emergency spending designation, in those 3 years President Bush averaged $4.6 billion of emergency spending, virtually all of it for things like hurricanes, floods, natural disasters, or what we normally refer to as acts of God.

In the years, since President Clinton came into office, if this year's request is granted, President Clinton will have requested $9.9 billion worth of emergency spending a year. And, as I said, this year's total is roughly twice what the President has requested, on average. And that is what Bill Clinton has requested since he has been President. So to say there is nothing extraordinary about the request I think is simply not true.

But there are two other things that are extraordinary. First of all, we have never had emergency requests for money to be spent in years where we have not even appropriated the money yet. And, finally, what we have in the President's proposal is a designation of emergency spending for ongoing programs of the Federal Government. I could talk a long time about this, but let me give you three examples.

The President tells us that he needs $3.25 billion because he has discovered since he submitted his budget in January that the year 2000 is coming. Apparently he was unaware of this in January when he submitted his budget, because he did not ask for the money to be used for year 2000 computer problems of the Government in January, but since then it is an emergency because he did not ask for it in January.

I went back and looked, Madam President, at when we first started to keep time in Anno Domini, "in the Year of Our Lord." And the first time we did was when the Julian calendar was amended so that the measurement of time started at the birth of Christ. And that was in the year 525. The point is, we have known for 1,470 years that the year 2000 was coming. Everyone in the world knew it was coming. In fact, we hardly hear a political speech that does not talk about the 21st century or the President rarely opens his mouth that he doesn't talk about the new millennium.

Many people have actually planned where they are going to be on New Year's eve of next year. The only people on the planet who were surprised that the year 2000 is actually coming, are people in the Clinton administration. The reason they are surprised is they knew the year 2000 was coming, they knew we had these computer problems, but they didn't include this in their budget in January so they could try to hide the fact that they are busting their own budget, so that they could hide the fact that they are taking money away from Social Security to spend, at the same time that they are criticizing the House of Representatives for trying to have a modest tax cut.

Now, a second example of nonemergency spending is Bosnia. I know the Presiding Officer is aware that we have troops in Bosnia because I have heard her demand that the administration establish a policy on numerous occasions. Her feelings and leadership on this are well-known. But we have an emergency in the President's mind because we don't have funding in his budget for Bosnia.

I remind my colleagues the President sent troops to Bosnia 3 years ago. Then he extended the mission for our troops to Bosnia 2 years ago, and he extended it again last year. Finally, he said they would be there indefinitely. You might ask yourself a question: Given that we have had troops in Bosnia for 3 years, given that no one on the planet is surprised that there are troops in Bosnia, why does the President now ask for funding for troops in Bosnia as an emergency?

Now, this lady, Linda Ricci, with the Office of Management and Budget says that there is nothing extraordinary about the President's emergency requests. I find it extraordinary, when we are in our fourth year of troops in Bosnia and the President has an emergency because he has discovered that we have troops in Bosnia, that we have no money in his budget to pay for troops in Bosnia. I find that extraordinary.

The next item is my last. The Constitution, in article I, mandates that there be a census; that every 10 years we go out and count the number of people in the country and that we allocate representation in the House of Representatives based on the census. It has been in the Constitution for over 200 years. We have never had the change of a decade occur that we have not done a census. We have known from the first day that the Constitution was ratified in 1779 that we were going to do a census in the year 2000. Yet now we are considering declaring an emergency because we are going to have to do a census in the year 2000. Now, why is there an emergency? There is an emergency because the Administration did not include enough money in their budget to provide the funding for the buildup to the census year. In fact, they and Congress have systematically underfunded the census.

Now, the Office of Management and Budget may not find it extraordinary that we have $20 billion worth of requested emergency spending by the President. But I find it extraordinary. They may not find it extraordinary that the President is asking for twice as much emergency spending this year as he has on average since he has been President, and on average since President Clinton has been in office. He has asked for twice as much as President Bush. In fact, his request in calendar year 1998 is over 20 times as big as President Bush's request for emergency spending in 1991, the first year that we had this emergency designation. I find it extraordinary. OMB may not, but the fact that they don't, it seems to me, simply shows that either they don't know what the history of the use of emergency spending is or they don't want to know.

Now, the second response I wanted to give is a response to the brand-new White House spokesman. Joe Lockhart, in his first day on the job, White House spokesman Joe Lockhart rejected my comments saying that the emergency requests only total $14 billion and that it would not come out of the surplus. As I have already said, in calendar year 1998 the President has requested a total of $20 billion. The fact that he already has gotten $6 billion does not change the fact we are talking about $20 billion worth of new unbudgeted spending.

I suggest that Joe Lockhart, in one day at the White House, has either shown that he is getting bad habits at the White House very quickly or he knows absolutely nothing about the budget. The only way these "emergency spending programs"—like fixing the computers of the government, the census, funds for Bosnia—can be funded is taking every penny of it directly out of the surplus.

When Mr. Lockhart, in his first day at the White House says that none of this money will come out of the surplus, it is obvious that Mr. Lockhart either doesn't know how the budget works, or he has gotten a very bad habit in only one day at the White House.

I suggest that Mr. Lockhart set the record straight.

Now, what is relevant here is the following: There were a few people—and I am one of them, so I am sensitive about it—who took the President at his word back in January. That word was "save Social Security first." I would like to vote for a tax cut but I have said, given that we have problems in Social Security, given that we need next year to restructure Social Security and build the financial base of it, I have been willing to forego a tax cut so that we could set aside the whole $70 billion of the surplus to put Social Security first. I feel in this area that I have been trying to do what the President requested. Now I find that the President is not doing what the President requested, that while I have been trying to say no to spending and while I have been trying to say no to tax cuts, the President is saying no to tax cuts, but he is trying to force-feed Congress the largest increase in emergency spending in history.

Mr. BAUCUS. Will the Senator yield?

Mr. GRAMM. Let me finish this thought and I would be happy to yield.

Mr. BAUCUS. What is the pending order?

The PRESIDING OFFICER. The Senator from Montana, by unanimous consent, does control the time between 1 o'clock and 2 o'clock.

Mr. BAUCUS. I am happy to yield 3 minutes to the Senator from Texas.

Mr. GRAMM. That is more than generous and I can complete what I have to say.

Madam President, I have tried to live up to the President's challenge in that State of the Union Address by putting Social Security first, by delaying until next year a tax cut so that we could rebuild the financial base of Social Security and have the money to do it with.

However, I have to say I am very distressed in that while I am trying to carry out the President's policy on a bipartisan basis and not supporting something that I am very much for—a tax cut—the President now is trying to say to Congress I am going to veto your spending bills and shut down the Government unless you spend $20 billion more than you have written into your budget and $20 billion of additional spending that the President didn't even ask for in his budget back in February.

Now we have people at the White House and at OMB who are saying there is nothing extraordinary about what the President is doing and that the amount of money he is spending is not coming out of the surplus. My point is, everything about what the President is doing is extraordinary. It is twice as much as the President, on average, has requested in the past.

It is 20 times as much as the last President requested for emergencies in 1991; it is for programs that have nothing to do with conventional emergencies: Funding for Bosnia, when we have been there 3 years. Why doesn't the President put it in his budget? Funding for the census, which we have done every 10 years since 1789. Why doesn't the President put it in his budget? Funding for the computer problem for the year 2000, when we have known since 525, when the world went to measuring time from the birth of Christ, that we were going to have a year 2000.

Clearly, every penny that the President spends, or forces the Congress to spend, is coming right out of the surplus and right out of Social Security. So I don't believe the President is living up to his word. I don't think he is putting Social Security first, and I don't think it is right.

I thank our dear friend from Montana for allowing me to finish my statement.

I yield the floor.

THE GLOBAL CRISIS, BIPARTISANSHIP AND THE IMF

Mr. BAUCUS. Madam President, in my 20 years in the Senate, I have scarcely experienced a more politically trying time than this. As the nation decides how to cope with an unprecedented political crisis, Congress must not only consider impeachment proceedings but pass spending measures to keep our government running.

More important, a number of serious foreign policy crises demand our attention. From Kosovo to Iraq and Tanzania to Latin America, the need for American leadership has never been greater.

To the extent that we can deal with these issues in a reasoned, bipartisan fashion, the world and the United States stand to gain.

AMERICA'S ROLE

Mr. President, we Americans have a unique role. More than at any time since the early years of the cold war, the world looks to us as a guarantor of peace in regions from Kosovo to Central Africa to Cambodia and the Persian Gulf; as a leader in the quest for prosperity, as we look toward more fair and open trade and an effective approach to the financial crisis; as the pace-setter in science and technology; and as an example of effective democratic government and respect for human rights.

This is a demanding role. We may not have sought it. Some of us may not entirely welcome it. But it is a role that in this post-cold-war world nobody else can fulfill.

Japan is in the midst of a deep financial crisis; Russia and China still in the process of economic reform; Europe concentrated on deepening and expanding the EU. Only the United States can lead.

As the world's largest economy and most trusted trading partner, the United States is unique. I find this sentiment continually reinforced as I travel to Asia, Europe and South America. My counterparts there tell me that there is no one with whom they would rather do business than Americans.

Our openness, respect for the rule of law and willingness to innovate mark the United States as the global leader. It's why we won the cold war, and it's why we are viewed as a relative safe haven in these times of global financial instability.

Mr. President, we are also the world's foremost cultural power. America is the birthplace of the Internet and more than 80 percent of World Wide Web material is in English; our movies dominate over 70 percent of the European market, more than half that of Japan; and there are increasingly few countries where one cannot order a Big Mac in English, pay for it in U.S. dollars and wash it down with a Coke or Pepsi.

Mr. President, I may sound biased, but I think it appropriate that if there is to be a world superpower, the United States should be it. We are not an imperialist country; we respect human rights; we have open markets; and we are the foremost example of this experiment called democracy.

It has been said that our Founding Fathers envisioned a governmental system that is fragmented and dispersed of power. Our Founding Fathers succeeded. Neither the President nor the Congress nor the Judiciary has an inordinate ability to effect change, and that sets us apart from parliamentary systems of government.

But this is the system we have, and while we must accept its limitations, we must also praise its virtues for making us the wealthiest and most powerful nation in the history of the world.

We must also work especially hard to facilitate more contact between Congress and the Executive, and between the parties that make up our unique political system.

And we must accept that despite the current political crisis, Bill Clinton is still our President. Whatever the outcome of impeachment proceedings, crises the world over will not wait.

Americans have a duty—bipartisan, bicameral, and bi-institutional—to lead.

Like or not, this is a role we must fulfill—for the sale of our own people, because if we do not lead, Americans will pay the price in a more turbulent, dangerous world.

So while we may at times have differences, as individuals or as Democrats and Republicans, we must also at times put these differences aside and remember our larger responsibililities.

ASIAN FINANCIAL CRISIS

We see this very clearly in the Asian financial crisis. In the past eighteen months, an event which began with the devaluation of the Thai currency has become a crisis threatening nations all over the globe.

It has brought cataclysmic change to Indonesia, a nation of 200 million people. It has threatened the stability of Russia—a nuclear power whose efforts toward reform will help determine the future of Europe. It has shaken the economies of South America and South Africa.

And this year, it has come home to the farms and the farmers in our country. And I can say that particularly of my State of Montana, as our export markets have dropped. Asians are not buying our wheat. Prices have fallen and families have faced the worst threats they have faced in recent years to their future in farming.

On such an occasion, the United States must lead, both in long-term reform and in short-term emergency action.

In the long run, we need to carefully examine our international financial policies. This includes the question of whether the international financial institutions have enough capability to monitor the health of foreign financial systems.

And it includes the search for ways to improve our ability to predict financial crises and thus prevent them from spreading around the world. That must be a careful, deliberate process.

In the short run, however, we need to do two things.

First, the Administration should speed up and perhaps augment food relief to Indonesia and other countries that may be threatened by hunger. The President has committed to provide 2.5 million tons of wheat to these people, and the Administration has now disbursed about 25 percent of that. We need to do better.

We are already hearing reports of malnutrition in Indonesia; and our farmers are watching prices decline by the week. When people need food and farmers need relief, we need to act fast and we need to act boldly.

Second, we in Congress ought immediately to pass our contribution to the International Monetary Fund.

RESULTS OF IMF PROGRAMS

Last year, the IMF organized recovery programs for Thailand, Indonesia, Korea, the Philippines, and Russia. And while even the best-off among these countries still face difficult times ahead, it's clear that those which have implemented IMF programs most efficiently now have the best prospects for early recovery.

The Philippines, which under Presidents Aquino and Ramos carried out financial reform monitored by the IMF, has suffered less than any other affected country.

Thailand, where the present Democrat Party government has overseen the closure of 56 finance companies and the nationalization of four banks, has seen the baht recover from a low of 57 to the dollar this February to a stable band around 40 since March. This means a reduced debt burden for Thai companies and an earlier recovery.

Korea, where President Kim Dae-jung has committed to breaking up the monopolies and closed markets many of us have protested in the past, has also seen currency rates rise.

By contrast, those countries which did not implement reforms early—in particular Russia and Indonesia—now face a far more difficult future.

The Indonesians—including the government as well as the citizen movements which sparked last spring's "reformasi"—have on the whole peacefully changed a 30-year-old government; and moved on to open the press, set an election time-table, and begin economic reform. They deserve our support.

CRITICISMS OF IMF FUNDING

Some of course have criticised the IMF programs on the merits. And it is true that these programs have not always been flawless.

For example, some have criticised them as "austerity programs" requiring too much economic sacrifice. To some extent I have shared that criticism. For example, I said last February that their Korea and Southeast Asia programs were mistaken in asking for budget cuts during a deep recession.

But they have learned and improved over time. In Thailand, the initial IMF requirement for a budget surplus at 1 percent of GDP has been dropped and replaced with a deficit of 3.5 percent GDP.

And in a larger sense, had the IMF not been there to provide loans when Thailand and Korea were threatened with default, we would be much worse off today.

Others have expressed fears that these programs will create a "moral hazard." That is, emergency IMF loans will encourage other countries to make the same types of mistakes later. I find this theory completely untenable.

A glance at daily papers—let alone a visit to Southeast Asia or Korea—will show you families pulling their children out of school because they can't afford to pay tuition; men spending all day in local parks because they are ashamed to tell heir families they have lost their jobs; governments choosing between money for schools and money for food relief.

No country anywhere in the world will want to repeat their experience.

NEED TO ACT NOW

Thus, our experience with these programs is clear. Those countries which have implemented reforms are by no means in good shape, but their situation is much better than those which have not.

And as we face the prospects that the crisis may spread beyond Asia, we must make sure the IMF has the resources it needs to address any new emergencies. If we do not, we run a tremendous risk.

Imagine how much worse, for example, the crisis in rural America will become if we do nothing in the face of threats to Mexico, Brazil or other critical Latin American markets. The pressure we are under because of the decline in our Asian markets could double overnight.

After bailing out Russia, the Fund's coffers are nearly empty, the IMF having had to draw on a credit line not used since 1978. If the House does not act soon, it risks jeopardizing global and American economic viability by rendering the IMF broke and unable to deal with future crises.

To quote the Economist Magazine:

> If the Fund runs out of money—a real possibility if Congress remains obdurate—the next emerging market collapse could trigger a default that would spill over, fatally, to all other emerging markets. And since rich countries now account for barely half of world output, that could easily mean a global slump. Even the most isolationist congressman would hardly welcome that.

Madam President, it should be noted here that allocating funds for the IMF has no budgetary impact. A capital increase in the IMF is paid for with an exchange of assets, not cash. Any country has a right to demand that its contribution to the Fund be returned—at any time.

So we need to act now. We need to put political disputes aside and focus on our larger responsibilities. Thus, on a bipartisan basis and with particular credit due to Senator HAGEL, the Senate has now twice voted to approve our full IMF quota. The House, however, has approved only a bill providing $3.4 billion for the IMF's New Arrangements to Borrow.

This is very disappointing in itself. And I am even more troubled that some in the House have apparently decided to link this issue to support for family planning overseas. That goes beyond disappointing to irresponsible.

Abortion is, as we all know, among the most heated and emotional issues we have. We can debate our views and the right way to support family planning on its own merits. But to link this question to IMF funding threatens our ability to address a financial crisis of world magnitude.

U.S. RESPONSIBILITIES

Madam President, those affected by this crisis are democracies and treaty allies: Thailand, the Philippines, and Korea. They are countries attempting to build democracy in the face of enormous challenges: Indonesia and Russia. They are Montana farmers and factory workers. And we must do the right thing.

As Surin Pitsuwan, the immensely capable Thai Foreign Minister, said in his recent visit to Capitol Hill:

"We look to Washington for leadership. We need the dynamism, the energy, the focus from Washington. There is a need for leadership, and that leadership is only here." That is the United States. "That is the expectation of the world."

Madam President, let us prove him right. It is time to act; it is time to lead.

Let us search, carefully but seriously, for financial reforms that will create a more stable world economy.

Let us push ahead more quickly and globally with food relief, pay our U.N. dues, pass fast track, and, above all, I urge the House to act without any further delay to pass our IMF quota. That is the very least we can do now in exerting responsible American leadership in the world.

AG CRISIS IN AMERICA

Mr. BAUCUS. Madam President, I stand before you today with a heavy heart.

Why? Because I am extremely disappointed and terribly frustrated that despite our best efforts, the Agriculture appropriations conference report has completely missed the mark in responding to the crisis in farm and ranch country.

As I see it, we had four issues that were worthy of bipartisan support in this conference.

Proposals that would have delivered immediate support to our producers suffering from unusually low prices and natural disasters.

Disaster assistance is necessary; uncapping those market assistance loans is necessary; mandatory price reporting; and, improved meat labeling—all would have helped just a little but would still have helped tremendously in view of the depths of the situation.

Perhaps we've come to a meeting of the minds on natural disaster assistance. And, we should. No one can argue that drought, disease, flooding, and now hurricanes have devastated crops across the board and across the country. But what brought us to this point in the first place; that is, the crisis facing rural America? Extraordinarily low prices, prices rivaling the disaster of the 1980s, with no end in sight. And what did our Republican ag conferees deliver? Thirteen cents a bushel for wheat.

To be honest, it is an outrage, it is an insult, it is a slap in the face to every hard-working, struggling, desperate grain farmer. And the so-called "relief" is equally inadequate for every commodity.

The agriculture conference committee looked at the options, including a package offered by Senators DASCHLE and HARKIN that would have lifted loan caps and extended the term of the marketing loan. But they shot it through the heart.

We should have laid aside our partisan politics and done what was right for folks back home—giving them relief enough to make it through the crisis so they don't lose their family farm this year. The Daschle-Harkin plan to lift loan caps would give our producers roughly 60 cents a bushel—not 13 cents but 60 cents—a far cry from the pittance included in the conference report.

I think we can do better. We must do better. In the 1980s we spent nearly $16 billion in just 1 year to get through that agriculture crisis. Now we are asking for half of that on a one-time, 1-year bases. Is that too much to ask? Too much to ask to help provide some relief?

In Montana, the U.S. Department of Agriculture estimates that the Daschle-Harkin plan would provide Montana producers with $100 million more than the plan of 13 cents proposed by the other side. Every precious dollar counts to those in Montana's largest industry.

What happened to the other parts of the package that passed the Senate—price reporting and mandatory imported meat labeling? We lost the fight to the House—an easy fight, a bipartisan fight. The result now is that we have a 6-month study on both price reporting and meat labeling—just a study.

You tell me how I can tell folks back home that they have to wait for a report when they already know things aren't right in the market. They see it every day. I hear it every day in telephone calls I make to home. When I go home and talk to producers worried about holding onto the farm, or the ranch, or passing it on to their children, these people aren't complainers, they are hard workers who believe in the land and doing what is best for their community.

If we do not help them, no one will. We don't need to study the problem more. Rather, we need to fix it. What will this conference report send home? It will send home rhetoric, not help them as they need help.

Madam President, we still have time. The clock is ticking. But I say let's get to work. We have to work together on both sides of the aisle to help people in our country, people who are not Democrats, people who are not Republicans, people who are not Independents—people who are America's farmers.

A decent cash influx for bad prices should be part of a bipartisan package; adequate disaster assistance and real price reporting and meat labeling. That is not asking much at all. That is what we should together agree to. Then together we can send a message from both sides of the aisle that we won't go home emptyhanded; that we are here to help our people; that this Congress did something right. It is simple. We should have sent this bill back to conference and crafted a package that would have really done something to halt this crisis. That is no longer an option.

I encourage my colleagues to vote against the conference report which will be before us. If the report is not adopted, that is, the vote is not successful, then I say let's go back to work and do the right thing. On the other hand, if the vote on the conference report is successful, as it may well be, then I expect the President will veto it, as he should. Maybe then we can sit down and roll up our sleeves and figure out a way to adequately help our people.

I thank the Chair. I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the report will be stated.

The assistant legislative clerk read as follows:

> The committee on conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101), have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 2, 1998.)

Mr. COCHRAN. Madam President, pending before the Senate at this time is the conference report on the fiscal year 1999 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act. We present this conference report for the Senate's approval this afternoon.

The agreement provides total new budget authority of $55.7 billion for programs and activities of the U.S. Department of Agriculture—except for the Forest Service, which is funded by the Interior appropriations bill—the Food and Drug Administration, the Commodity Futures Trading Commission, and expenses and payments of the farm credit system. This is $6 billion more than the fiscal year 1998 enacted level; it is $1.9 billion less than the President's request level; it is $192 million less than the House-passed bill, and it is $1.1 billion less than the Senate-passed bill level.

The changes that were made in conference on mandatory funding requirements account for the overall increase from the fiscal year 1998 enacted level, principally reflecting a $2.6 billion lower estimate for Food Stamp Program funding requirements, higher Child Nutrition Program expenses, and a $7.6 billion increase in the payment to reimburse the Commodity Credit Corporation for net realized losses. The conference report also provides an additional $4.2 billion in emergency appropriations to assist agricultural producers and others who have suffered financial hardship due to adverse weather conditions and loss of markets.

Including congressional budget scorekeeping adjustments and prior year spending actions, this conference agreement provides total discretionary spending for fiscal year 1999 of $13.651 billion in budget authority and $14.050 billion in outlays. These amounts are consistent with the revised discretionary spending allocations established for this conference agreement under the Budget Act.

It was a very difficult conference. As Members may recall, a number of legislative provisions were added to the bill when it was considered in the Senate in July. Not only did the conference committee have to reach agreement with the House on these issues, but it had to resolve funding differences within a more constrained discretionary spending allocation for the conference than originally established in the Senate bill.

Special recognition is due and deserved by the ranking member of the subcommittee, my distinguished colleague from Arkansas, Mr. BUMPERS. In addition, the chairman of the House subcommittee, Congressman SKEEN from New Mexico, and ranking minority member of the House subcommittee, Congresswoman KAPTUR from Ohio, turned in hard work and cooperated with our efforts to make this conference agreement possible.

The report includes credit relief for farmers, a 6-month extension of the Northeast Dairy Compact, sanctions relief for exports to India and Pakistan, a waiver of the statute of limitations for certain discrimination claims filed against the Department of Agriculture, and a number of other legislative provisions that were included in the Senate and House-passed bills.

In addition, at the request of the House and Senate Agriculture Committees, chaired by Senator LUGAR here and Congressman SMITH in the House, the conference report includes a moratorium on the rulemaking authority of the Commodity Futures Trading Commission over swaps and derivatives, as well as language requested by the administration authorizing the creation of an Under Secretary for Marketing and Regulatory Programs position at the Department of Agriculture. That change also had the approval of the legislative committees with jurisdiction over that subject.

During consideration of the bill in the Senate, an amendment was adopted providing increased funding for the President's Food Safety Initiative. A major portion of this additional spending was offset by an "assessment" on the purchasers and importers of tobacco. This was subsequently determined by the House Ways and Means Committee to be a "tax," and therefore off limits to the Appropriations Committee and was not included in the conference report. I am pleased to report to the Senate, however, that the conference report provides increased funding of $51.9 million for activities and programs which are part of the administration's Food Safety Initiative.

In addition, the conference report provides $609 million for the Food Safety and Inspection Service, an agency critical to maintaining the safety of our food supply. That is $20 million more than the fiscal year 1998 level, and $460 million more than the President requested in his budget.

As most of my colleagues are aware, one of the major differences between the House and Senate-passed bill was a House bill provision to prevent fiscal year 1999 funding for the new Competitive Agriculture Research Program established by the Agricultural Research, Extension, and Education Reform Act of 1998. I did not support the proposal to remove or prevent the funding going forward as directed in that legislation. However, with a total discretionary budget authority allocation for the conference that was $64 million below the level we had for the Senate bill, it was a House position that the Senate conferees had little choice but to accept.

Without that offset, drastic cuts would have been necessary in funding for other discretionary programs and activities in the bill. In view of this 1-year delay in funding for the new Agriculture Research Competitive Grant Program, the conference provided increased appropriations for existing agricultural research programs.

Here are some examples: There is an appropriation of $782 million for the Agriculture Research Service. That represents a $38 million increase from the 1998 fiscal year level, and it is $14 million more than was included in the Senate-passed bill.

There is total funding of $481 million for research and education activities of the Cooperative Research, Education and Extension Service. That is $50 million more than the fiscal year 1998 level, and it is $48 million more than was in the Senate-passed bill. Included in this amount is a 7-percent increase from the fiscal year 1998 level for payments under the Hatch Act, cooperative forestry research, payments to the 1890 and 1994 institutions, including Tuskegee and animal and health disease grants.

Also included is a $22.1 million increase for the National Research Initiative Competitive Grants Program.

In addition, the bill recommends $434 million for extension activities which preserves the 3-percent increase recommended by the Senate for Smith-Lever formula funds, as well as extension payments to the 1994 and 1890 institutions, including Tuskegee University.

Approximately $36.1 billion, close to 65 percent of the total new budget authority provided by this conference report, is for domestic food programs administered by the U.S. Department of Agriculture. These include food stamps; commodity assistance; the special supplemental food program for Women, Infants, and Children (WIC); and the school lunch and breakfast programs. The Senate receded to the House-recommended appropriations level for the WIC program because recent data on actual participation rates and food package costs indicate that this amount should be sufficient to maintain current program participation levels in fiscal year 1999.

For farm assistance programs, including the Farm Service Agency and farm ownership and operation loan subsidies, the conference report provides $1.1 billion in appropriations.

Appropriations for conservation programs administered by the Natural Resources Conservation Service total $793 million, $9 million more than the House bill level and $1 million more than the level recommended by the Senate.

For rural economic and community development programs, the conference report provides appropriations of $2.2 billion to support a total loan level of $6.2 billion. Included in this amount is $723 million for the Rural Community Advancement Program, $583 million for the rental assistance program, and a total rural housing loan program level of $4.25 billion.

A total of $1.2 billion is provided for foreign assistance and related programs of the Department of Agriculture, including $136 million in new budget authority for the Foreign Agricultural Service and a total program level of $1.1 billion for the P.L. 480 Food for Peace Program.

Total new budget authority for the Food and Drug Administration is $977 million, $11.5 million more than the level recommended by the House and $24.5 million more than the Senate bill level, along with an additional $132 million in Prescription Drug Act and $14 million in mammography clinics user fee collections. Included in the appropriation for salaries and expenses of the Food and Drug Administration is a $20 million increase for food safety.

For the Commodity Futures Trading Commission, $61 million is provided; and a limitation of $35.8 million is established on administrative expenses of the Farm Credit Administration.

Titles XI–XIII of this conference report provide emergency relief to agricultural producers and others who have suffered weather-related and economic losses. As Members will recall, a number of amendments were adopted to this bill when the Senate considered it in July to address disaster-related requirements with the understanding that additional relief would be necessary once actual losses were determined by the Department of Agriculture and a supplemental request was submitted by the Administration. No request was submitted to the Congress until September 23. On September 23, the Administration submitted a $1.8 billion budget authority request to support $2.3 billion in emergency agricultural programs. In the interim, the Republicans released a $3.9 billion relief package to assist agricultural producers. This emergency agricultural relief package is included in this conference report, along with additional emergency supplemental appropriations, to make a total of $4.2 billion in emergency assistance available.

A total of $1.5 billion is made available to assist producers who have been hit by crop losses in 1998, and an additional $675 million for producers who have suffered from multiple-year crop losses. Also included is $175 million for emergency livestock feed assistance, and $1.65 billion to assist producers with market losses. In addition, the conference report provides temporary recourse loans for honey and mohair; $5 million for cotton indemnity payments; an increase of $25 million for the Food for Progress program to help move more grain out of the country; and expanded non-insured crop assistance for raisin producers. Additional supplemental emergency appropriations provided by the conference report include the $40 million to cover additional costs to the Farm Service Agency of administering this assistance, $10 million for the Forestry Incentives Program; and $31 million in subsidy appropriations to fund an additional $541 million in farm operating loans.

Madam President, this conference report was filed on Friday and was passed by the House of Representatives that day by an overwhelming vote of 333 yeas to 53 nays. Senate passage of this conference report today is the final step necessary to send this fiscal year 1999 appropriations bill to the President for signature into law.

I urge my colleagues to adopt this conference report. Many of our farmers and ranchers are facing the worst crisis in agriculture that they can remember. The economic collapse in Asia has resulted in lost markets. Producers in some states have suffered severe weather conditions. Others have been hit hard by crop diseases. The farmers need help now, and it is time to quit playing politics with disaster relief and adopt this conference report.

Madam President, this is the last Agriculture Appropriations bill my distinguished colleague, the Senator from Arkansas, will manage in the Senate after serving on the Appropriations Committee for 20 years and this Subcommittee for 13 years. Senator BUMPERS has been an advocate of American agriculture and a proponent of the programs in this bill to improve the quality of life and help bring jobs to rural areas. His expertise and many contributions to this process and this bill will indeed be missed.

In summary, let me point out, Madam President, that there has been raised the specter of a Presidential veto over this conference report because of the inadequacy of the provision relating to disaster assistance payments. I am very disturbed by that suggestion, and I hope that it is more rumor than promise. I know the President spent some time on Saturday in his weekly radio address speaking to that subject.

I recall that 2 weeks ago, I was asked to deliver the Republican response to the President's weekly radio address, and my subject was the need for a more aggressive and meaningful disaster assistance program for farmers.

I think everyone can agree that both the President and the Congress have been speaking out and making very clear the fact that we need a helpful, sensitive, generous program of disaster assistance to help deal with the realities of weather-related disasters that have struck many parts of the country, market loss problems because of the Asian economic crisis, and other factors that have worked together to make this a very difficult year for agriculture.

The question is, Are we going to resolve this in a way that is consistent with the legislative process that makes sense for farmers, that serves to establish policies that are thoughtful and consistent with the needs of American agriculture, or are we going to continue to treat this as a political football and just kick it around and have us skirmish every day or every week over this issue, leading to delay, leading to uncertainties, leading to anxieties? Farmers in America certainly deserve better.

I would like just for a moment or two to think back on the date when we had the bill on the floor of the Senate and the subject of disaster assistance was first raised. We adopted in the Senate a sense-of-the-Senate resolution calling on the President and the Congress to work together to come up with a proposal that would meet the needs for emergency action to respond "to the economic hardships facing agriculture producers and their communities." The Senate adopted that on July 15 by a vote of 99 to 0.

The next day, there was an amendment offered by the Senator from North Dakota, Mr. CONRAD, and others who suggested we establish a $500 million indemnity program to compensate farmers for income losses that had been suffered due to various adverse conditions—weather and otherwise—throughout the country, although mainly the benefits were directed to the upper plains and other selected areas, not countrywide benefits or a program designed to be national in scope.

During my remarks on that occasion, I recall on the Senate floor saying that we needed to have the President and the Department of Agriculture get involved and provide the Congress with a complete and accurate assessment of the funds that were needed for a program of this kind. We hadn't had a proposal from the administration for any specific benefit program for agriculture, although there had been meetings on the Hill with farm groups, with Senators and Congressmen trying to, first, get the facts and get a sense of what the agriculture leadership throughout the country thought would be an appropriate response by the Federal Government.

There was no question at the time we were debating the bill that there was great interest in developing a disaster assistance program to meet the needs of American agriculture. As a matter of fact, during the discussion, I asked Senators if they had any better ideas, if they had suggestions for anything other than this $500 million indemnity program, and no one came forward to offer any amendments and no one expressed opposition to adopting that amendment. We checked with the legislative chairman in the Senate, and others, and without objection, we suggested that the Senate adopt the amendment of the Senator from North

Dakota on a voice vote, and that is what we did. We accepted the amendment.

After that was done, it became clear that through gathering information, that the situation was more widespread. I remember going to Georgia, for example, with the distinguished Senator from Georgia, Mr. COVERDELL. I had an opportunity to meet with farmers in southern Georgia and became convinced that we had a problem that was bigger than the upper plains and Texas. Everybody knew about the drought in Texas and the severe complications that were resulting from that for agriculture producers and ranchers in that area. But I do not think it was well known that in south Georgia, which had had a series of weather-related disasters over a period of years, the agriculture sector there was really hurting. And the $500 million indemnity program, suggested by the Senators from North Dakota and others, was not going to be sufficient to deal with that problem and others as well.

I know in my State of Mississippi, for example, when I was home right after we adopted this bill in July—we had a break during the August recess—I had an opportunity to visit some areas of my State that were devastated because of isolated weather patterns that had ruined corn crops in the northwest part of Mississippi, and others had been damaged to the extent that diseases were infesting the crops. Aflatoxin was attacking the corn crops.

There was no provision in any Federal disaster assistance program for yield losses, for crop losses. Those who were suggesting an indemnity program based on lifting loan caps had to realize that was not going to help somebody who had a total crop failure. It would not help them a bit.

So we came back, started working on a new proposal, got with the leadership of the House and Senate, and asked the administration they were going to request supplemental funding. They did come back with a $1.8 billion supplemental budget authority request to support $2.3 billion in emergency agricultural programs, without a lot of specificity about how those benefits would be determined, how the eligibility would be determined, who would administer the program. But, nonetheless, it was a step in the right direction, and I applauded the President for responding in that way.

But based on that supplemental request—and working with the knowledge that other Members had generated from their States—we proposed to the conference committee a $4.1 billion disaster assistance program, and it was accepted in the conference committee with some changes. We accepted some amendments proposed by House Members in conference. We added some money proposed by the Senate in response to specific amendments that were urged in conference to the managers' proposal. So the end result was the conference committee agreed to provide emergency benefits totaling about $4.2 billion.

So I come to the Senate today very pleased to be able to report that, instead of a $500 million indemnity program that the Senate adopted as a way to deal with the crisis in agriculture, working with farmers, producers, and ranchers from around the country, and other Members of the Congress, including the House, we now have a conference report that is much more generous, much more responsive to the real needs that exist in our country today in production agriculture, and designed to more nearly bring farmers to a point where they can continue to operate without going broke, without the devastating effects that would have been the reality of the situation had not this package of changes been agreed upon.

We hear now that the Democratic leadership has urged the President to veto the bill. And I got a letter suggesting that he would if the conference agreement on disaster assistance was inconsistent with the proposal just recently made by the Democratic leader of the Senate to remove the loan caps under the current farm program for the commodities that are subsidized, in effect, by the Federal Government—no ifs, ands, buts about it.

The letter said—and I took this up with the Secretary of Agriculture to be sure I understood that that was the meaning—that the President said he would veto the bill if the conference report was inconsistent with a proposal made by the Democratic leader to remove the loan caps for those commodities that are subsidized by the Government.

I am very disappointed by that. I certainly hope that there is room for the President to change his mind on that subject, because it seems to me that rather than argue over whether or not this program is really going to do a good job and is thoughtfully crafted to try to put farmers back on their feet who have been devastated by bad weather and market conditions beyond their control, it just seems to me that this is not an appropriate response for the President to be making, given the other opportunities for positive things.

Here are some examples of positive things that I think could be done which are beyond the jurisdiction of this committee today that brings you this conference report. The House of Representatives just passed recently a tax bill making a lot of changes in the Tax Code, but I specifically recall that some of those tax changes are designed to benefit farmers and farm families, and I am told that we are not going to have a chance to vote on that tax bill here in the Senate because we cannot get the bill cleared to bring up. We cannot get the House-passed tax bill cleared.

So in order to bring it up, the majority leader would have to move to the consideration of the bill, the motion would become debatable, and then in order to get the bill on the floor for consideration and debate and passage, 60 votes to invoke cloture would have to be undertaken because the Democrats are promising to filibuster the bill.

Here are the changes that it bothers me we will not even get a chance to approve that would help farmers.

There is a 5-year net loss carryback of losses that you can carry back and set against income for 5 previous years. That is in the House-passed bill. The House-passed bill makes permanent income averaging, which permits farmers and ranchers to average income, high years against low years, and even out the tax burden, which is very beneficial to many.

There is a provision that makes deductible, to 100 percent of the cost, health insurance premiums by those who are self-employed. If you are in agriculture and you have a farm and you are your own boss, under this change you will be able to deduct 100 percent of the cost of your health insurance. That helps farmers. That helps farm families.

There is also an acceleration of the exemption for death taxes and gift taxes. One of the most difficult things facing agriculture today is the obligation to come up with cash money to pay the Federal Government so-called inheritance taxes on the death of a family member who has an interest in the land or the other property that goes into making up the decedent's estate.

We have passed rules that phase in some higher exemptions for small farms and for businesses. What this House-passed bill does is accelerate the phasing in of those exemptions. That would be a big help to many farm families who are going to have to liquidate assets in real estate to pay death taxes.

Another thing that this administration has been slow to react to is the trade problems that we are having in this hemisphere, with Canada, with Mexico, and beyond, barriers to trade so that our farmers and our exporters are having to deal with unfair tariff situations and other difficulties that are erected to keep America from selling what we are producing in the world marketplace and at the same time importing, in violation of some existing rules, I am told, some foodstuffs, live cattle, from other countries.

Finally the administration is beginning to act. We see the Trade Representative engaging Canada in trade talks now about steps that can be taken to solve the problems that have developed in that area. But we were hearing this on the Senate floor and urging the administration to take action. Being the chief negotiator in the executive branch, the President has an obligation to assume some leadership. Frankly, there has been a breakdown in leadership on that subject.

We hope we haven't waited too late to make changes and reach agreements and work out problems in the trade area for the farmers who have suffered this year. That is one of the reasons why we felt it necessary to include direct payments that are bonus payments under the transition.

We think the market transition program to compensate producers directly for income losses due to the economic crisis and trade problems that we have is very important. The administration does not propose and has not suggested that as an appropriate step to aid America's farmers.

I make those comments, Madam President, not to pick a fight with anybody here on the floor of the Senate today, but to simply express my concern that we not see this bill held up, delayed, postponed, vetoed, whatever may happen to it, because of an interest in being able to say the Democrats are for a $7 billion disaster program, the Republican bill is only $4 billion. I bet it will be the same folks who said we want $500 million in an indemnity program to help meet the needs of the agriculture crisis. That is what the story was in July. We all agreed at that time that was probably temporary, that more needs to be done. So I am not belittling that suggestion. It was the suggestion on the floor of the Senate at the time and no one had any better idea at that time.

Since then it seems we have been engaged in a show of one-upsmanship. The Republicans then come up with, with Democrat input in many cases, this $4 billion program of disaster assistance. Now, all of a sudden, that is not enough; we need $7 billion.

How much has the President requested? I have the exact amount: $1.76 billion in budget authority has been requested by the President for agriculture producers and ranchers. That will support $2.3 billion program level. The other suggestion is removing the loan caps. Then CBO is called on to answer the question, what will that cost? The answer is that will probably cost—and it is speculation, it is a guess, nobody knows because nobody knows what commodity prices will be in the future—it is guessed it will be $5.5 billion.

The proponents of that proposal say we are for spending $5.5 billion plus $2.3 billion, so we are for spending almost $8 billion. So this is a more generous plan. What is not disclosed is the effect that policy change of raising the loan caps will have on prices of those commodities next year or the next. The fact is there are many who tell us that we are buying into a program that is going to have a continuing depressing effect on market price of these commodities that are covered by the loan programs.

I don't know if that is true or not. I don't think anybody could have guessed that corn and wheat prices would have been as low as they are right now a year ago. So nobody knows what the prices are going to be in the future. I am told they will be lower because of that change in policy. So are we doing farmers a favor by making that policy change?

It is really not a question, in my view, of who is willing to spend more money on farmers, the Republicans or the Democrats. Both are being very generous. That is the fact. Both are being very, very generous in terms of where we started, existing programs, precedent, previous disaster benefit efforts. The fact is the Democrats are in favor of making a policy change and substituting a change for an existing farm bill provision that set up the market transition payments and the phasing in to a market economy. We are in the second year of that farm bill. There are 3 more years left under the authority of the 1996 bill. I m hopeful that we can find a way to provide the benefits to American agriculture producers without rewriting or trying to rewrite portions of the 1996 farm bill. So we have a difference of opinion on that.

Let me simply conclude my remarks by thanking everyone who helped us write this conference report. It has been a very challenging experience. I don't know that we had a more contentious or at least long drawn out conference on agriculture appropriations since I have been in the Congress. I don't recall having any more difficult time putting the bill together. We had a lot of disagreements that were discussed, but we worked them all out. We have a conference agreement. That is the good news. The other body has passed the conference report by a very large vote.

PRIVILEGE OF THE FLOOR

Mr. COCHRAN. Madam President, I ask unanimous consent that the following members of the staff of the Appropriations Committee be granted the privilege of the floor during consideration of the conference report to accompany H.R. 4101, and during any votes that may occur in relation to this measure: Rebecca Davies, Martha Scott Poindexter, and Rachelle Graves.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska is recognized.

Mr. KERREY. Madam President, first of all, let me compliment the Senator from Mississippi for his usual articulate and persuasive fashion—always a gentleman, always wanting to work with us, regardless of momentary disagreements. I regret to say this is one of those momentary disagreements.

I come to the floor today to offer arguments against this conference report. I had initially intended to offer a motion to recommit the report back to conference, but now that motion would be out of order since the House has reported it. I prefer that it go back to the conference rather than going on to the President.

I appreciate very much the President indicating he will veto this bill. Perhaps if we can dispose of this conference report in a hurry, get the President's veto, the conferees can direct their attention to the objections the President has raised. Those objections are similar to the ones I will offer here this afternoon.

Let me say, first of all, I do appreciate that there is bipartisan agreement that rural America is facing a real crisis. That is very good news. What the Senator from Mississippi said is quite right. There has been, throughout the year, a process of developing proposals, but there has been significant disagreement on one particular point; that is, taking the caps off the loan rate. We voted twice on that. It did not pass here in the Senate. I will talk about that later. I think, unfortunately, that ideological argument is getting in the way of our ability to be able to reach agreement.

This conference report, I believe, fails in two areas: First, it does not achieve the goal of providing support, both to the farmers who grow the crop who are in serious trouble due to the prices, and those who are in trouble as a consequence of weather disasters. For livestock, this conference report fails to put the law on the sides of the producers and take action to make our markets work better.

First, as to the amount of income support for grains, it is simply not enough. It is not targeted as it should be to the people growing our food.

I ask unanimous consent to have printed in the RECORD an editorial that appeared in the Lincoln Journal Star praising Congressman DOUG BEREUTER, a Republican from Nebraska, who represents the First Congressional District. Congressman BEREUTER also objected to the plan in the conference report as not sufficiently generous to meet the needs of agriculture under current economic conditions; that the $4 billion in aid should be closer to $7 billion in aid that the budget has requested. I ask unanimous consent that this be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Lincoln Journal Star, Oct. 2, 1998]

BEREUTER PATH ON FARM AID BEST APPROACH

First District Rep. Doug Bereuter has a sound, responsible approach to helping farmers at a time when commodity prices have plunged to lows not seen since the 1980s.

Breaking with his GOP cohorts, Bereuter said this week the Republican plan "is not sufficiently generous" to meet the needs of agriculture under current economic conditions.

House and Senate conferees Wednesday chose the Republican plan, which would provide $4 billion in aid, over a Democratic plan which would have provided $7.1 billion in tax subsidies to farmers.

Agriculture was one of the first sectors of the economy to be buffeted by the Asian financial crisis. Export markets in some Asian nations have virtually evaporated. Now markets in Latin America also are being affected.

In addition to providing a cushion against low prices, the aid package under consideration in Congress is intended to help farmers who have been hit by drought and other adverse weather conditions.

Debate over the size of an aid package for farmers unfortunately has bogged down in partisan rhetoric and a running debate over the five-year Freedom to Farm act approved by Congress in 1996.

The Republican aid package unfortunately also rejects other measures that would provide substantial benefit to agriculture. For example, it does not require mandatory price reporting, which would allow cattle producers to know what packing plants are paying for beef.

It also does not include a provision to require labeling showing the national origin of meat. The measure would allow consumers to select beef produced in the U.S. rather than other countries. While pushing for more financial help for farmers, Bereuter rightly resists a return to previous ag policies that are part of the Democratic approach, which would base subsidies for grain farmers on the so-called loan rate.

Previous farm policy was based on a heavily bureaucratic approach with strict government dictates. Proponents of the Freedom to Farm act left more decision-making to farmers, at the same time leaving them more subject to market pressures.

In the long run, the market-oriented approach under Freedom to Farm will benefit agriculture, although it certainly should be open for modification and improvement.

But now, while farmers are facing a double whammy of record harvests and low prices, is not the time to get bogged down in partisan debate over basic philosophy.

Providing aid under the payment system of the existing farm bill makes sense. But, as Bereuter suggested, the amount should be more generous than Republicans have agreed to so far to preserve the stability and capability of the sector of the economy that feeds the nation.

Mr. KERREY. Madam President, as to the income, the proposal in the conference report would be, approximately, for corn, 7 cents a bushel. That does not get the farmer much closer to either recovering the cost of production nor providing his banker confidence to lend him money again next year, and significantly, of all the tests that I trust as to whether or not the President's proposal should be a part of the conference report or not, economists will come forward and argue on both sides of practically any proposal you come out with. The Independent Bankers of America have endorsed taking the caps off the loan rate, not because it provides more income, and by no means does it provide a sufficient amount of income that we won't still have significant people going broke, but because it is attached to a marketing loan, it increases the chances that farmers who will need operating loans will be able to get them.

Likewise, this conference report is inadequate because provisions were dropped that were passed in the Senate in July, which were to require price reporting for beef, and meat labeling requirements as well. The conferees have said to farmers and ranchers that they think the livestock markets work just fine. But I am here in a brief period of time to say that the markets are not working.

Cattle feeders and ranchers have lost more than $2 billion in equity this year, with millions more being lost every week. When I am home—typically every weekend—the people in Nebraska are worried about their financial stability and they believe that this Agriculture appropriations bill, with the disaster package attached to it, will be terribly important for their financial stability. More deeply than just the money, they are worried about their way of life, because, in the final analysis, this debate is about much more than just the size and makeup of a relief package; it is about the future of rural America.

We can see the future of our small towns and rural areas very clearly right now, and it doesn't look good, with prices low and economic conditions as hard as they are on our farms and ranches.

Those who are not driven off the land in this crisis have already found that their children are not interested in the life farming has to offer. Two weeks ago, in Scottsbluff, I held a town hall meeting, and 60 people were in the room who are involved directly in production agriculture. I asked how many of them had children who would take over the farms, and I didn't get a single affirmative answer. Those with grown children had already lost them to the cities. Others said, "There is no opportunity out here."

That is what this Congress has the ability to change, and we can start with this piece of legislation. We need an agricultural sector that offers some opportunity, but first we must bring some stability to that agricultural sector.

Again, I am pleased the President is going to veto it. Let me talk of the differences, specifically to our States. Again, I heard the distinguished Senator from Mississippi talk about economists who are saying taking the caps off of loan rates could have a depressing impact on price. I have not come to the floor and said that Freedom to Farm produced these lower prices. I think the lower prices are clearly there as a consequence of a declining demand in the international marketplace. Nobody is forecasting that demand is going to come back in 1999. Nobody expects the decline in exports to increase. I wish this Congress had been able to pass fast-track legislation. I have supported it in the past. I believe that, long term, it would help. But in the short term, we see substantial declines in income that are there as a consequence of this decline in demand and increased production that has occurred here in America.

This package in the conference report versus what the President asked for is substantially different. I pointed this out before, and it bears repeating. In Nebraska, the difference is $434 million of income—this does not go to State government or county government; it goes to individual farm families—versus $177 million, almost a quarter of a million dollars. In Mississippi, it is $145 million versus $71 million. In Minnesota, it is $483 million versus $227 million.

I ask unanimous consent that this table, which shows the differences between the package in the conference report and what the President has asked for be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEMOCRATIC VERSUS REPUBLICAN PROPOSALS, BY STATE (CBO ESTIMATE)

[In millions of dollars]

State	Democratic	Republican	Difference
Alabama	96	64	32
Arizona	39	19	20
Arkansas	194	105	89
California	227	142	85
Colorado	120	53	67
Connecticut	2	1	1
Delaware	6	2	4
Florida	58	47	11
Georgia	218	147	71
Idaho	127	37	90
Illinois	527	186	341
Indiana	277	95	182
Iowa	600	235	365
Kansas	371	176	195
Kentucky	65	30	35
Louisiana	99	84	16
Maine	3	2	1
Maryland	21	7	14
Massachusetts	1	1	0
Michigan	109	47	62
Minnesota	483	227	256
Mississippi	145	71	74
Missouri	205	81	124
Montana	160	71	89
Nebraska	434	177	257
Nevada	1	0	1
New Hampshire	1	0	1
New Jersey	5	1	4
New Mexico	40	27	14
New York	41	12	29
North Carolina	185	115	70
North Dakota	431	316	115
Ohio	197	64	133
Oklahoma	170	109	60
Oregon	74	14	60
Pennsylvania	46	10	36
South Carolina	46	28	18
South Dakota	363	214	149
Tennessee	73	29	44
Texas	896	813	83
Utah	11	3	8
Vermont	26	11	15
Virginia	39	19	20
West Virginia	153	42	111
Washington	12	2	10
Wisconsin	139	60	79
Wyoming	10	4	6
Total	7,546	4,000	3,546

Mr. KERREY. Madam President, again, not only are our grain farmers adversely affected, but cattle producers and cattle processors have been as well. We have met extensively with our ranchers and our feeders, and they say to us two things need to happen, and they need to happen in order to improve our prices and increase the chances that we are going to get a market bid that is higher than what we are getting now.

The first is mandatory reporting of prices, regardless of whether the prices occur in cattle that are owned by the feeder or cattle controlled through formula feeding, or some other contract by the packinghouse. Those prices today are not reported. We had extensive debate here on the floor about that issue. Unfortunately, the conferees dropped that. I believe that provision, all by itself, would increase prices for cattle in the United States, for beef, and would have a very positive impact as a consequence on our rural communities.

Likewise, the meat labeling requirement included in the Senate bill was dropped by the conferees, and it is supported by almost all of the cattle organizations. There is some dispute on price reporting, although I think we can deal with the changes that we had in the conference language. There is almost no dispute, from the standpoint of the producer, on the need to put on the label information that allows the consumer to determine from where that product came. It is allowing the market to work. Rather than saying that the Government is going to impose a solution, we say inform the consumer where the product came from and let them decide.

I hope, as I said in the beginning, that the President's veto of this conference report will lead to the conferees coming back quickly and looking, as no doubt they will, for ways to improve it along the lines of what the President has recommended. Not only are there tens of thousands of farmers who will survive if we can get this legislation passed and on to the President for his signature, as he has asked us to, but it will give us a chance to take a step in the direction of giving our rural communities a chance to survive.

I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, it is a custom in the Senate to speak well of someone you are about to oppose. So let me speak well of the Senator from Mississippi. We have worked together on a wide range of issues. He is a very effective Senator and somebody I enjoy working with a great deal. He has a very effective staff and we work on a lot of issues together. But I come to the floor today opposing the conference report and to do so as aggressively as I possibly can. I want to explain to him and other Members why I feel so strongly about this.

First of all, it is not the case that all that was offered in July was the $500 million indemnity program that was introduced as an amendment by Senator CONRAD and myself. It is the case that we also proposed, and had a vote on an amendment to increase the price supports by lifting the caps on the loan rate. We did it then; and we did it a second time. We lost twice in those efforts. We proposed a series of steps, one of which was lifting the loan rate, and another of which dealt with disaster issues.

I want to describe why I feel so strongly about this. I received a letter from the head of the Farm Service Agency in our State. I asked him, "If things don't change, what should we expect in the next few months in North Dakota with respect to family farms?" He points out that North Dakota in the judgment of the Farm Service Agency, will lose over 3,500 farms by this spring without some significant assistance. That is probably some 14,000 people. I assume there is an average of three or four persons on each of those family farmers, including a spouse and a couple of children. So at least 3,500 family farms will not get credit and will not be able to continue farming this coming year. That means 12,000 to 14,000 North Dakota farm people will be told that their dream is over. They tried, but they failed.

Let me describe the reasons they are not making it. There are two main reasons. One, is the disaster. We had the 500-year flood of the Red River, and people know about that. They remember the flood at Grand Forks. For a number of years we have been in a wet weather cycle in eastern North Dakota. We have had massive quantities of standing water that have inundated acres and acres of farmland in North Dakota. This wet cycle has caused and exacerbated a crop disease known as fusarium head blight, or scab. This combination has devastated the quality of farm life in North Dakota.

I have a chart here. If you are a North Dakota farmer and you are in these red counties on this chart in the eastern part of the State, you have had 5 straight years of disaster declaration. The red counties are not 1, 2, or 3, but every year for 5 straight years that these counties have been declared a disaster. Why? Because of weather-related events, and other events, their production has been devastated. So that is the disaster portion of this problem. You can see that with the orange counties and yellow counties, that these counties have had disasters 3 out of 5 years. In fact two thirds of the counties in my State have been declared a disaster area 3, 4 or 5 years out of 5 years.

Now, in addition to the disaster, what also has happened to these farmers is that Congress passed a new farm bill. The Senator from Nebraska might be right that this might have nothing at all to do with price. The new farm bill might not be related to the collapse in price. But it might be; I don't know. I am not asserting that today, I am just saying that we passed a new farm bill. This chart shows what has happened to the price of wheat since Congress passed the farm bill. It is down by almost 60 percent. There has been a 60-percent drop in the price of wheat since Congress passed the new farm bill. The price of wheat has fallen from $5.75 a bushel to $2.36.

Add together the significant disasters year after year and the collapse of prices and here is what you have. In my State, in North Dakota, which is the hardest hit, in 1 year there was a 98-percent drop in net farm income. These are U.S. Government figures. We had a 98-percent drop in net farm income. With respect to this group of North Dakotans, their income has virtually been wiped away.

Is it any wonder they are in deep trouble? We are not a State of big corporate agrifactories. We are a State largely composed of family farms. When they suffer a loss of virtually all of their income, many of them just do not make it.

The current farm bill doesn't provide a bridge across price valleys. The philosophy of the current farm bill is that you ought to operate in the free market. If there is a price valley, the farmer is told, "Tough luck; try and find your way across the valley."

So because we don't have that pricing bridge under this economic philosophy, family farmers certainly don't get to the other side. The head of our Farm Service Agency says 3,500 farms will not be in the field next spring in North Dakota.

I am betting that if any other Member of this body had the same set of statistics in front of them concerning what is happening to their family farmers would also be here. They would be here with as much energy and as much passion as I have to see if we can't change this result and to do whatever we need to do to change it.

The underlying bill has disaster assistance. I am very appreciative of that. We might argue about who provides more. But overall, frankly, I think the underlying bill, and the administration, and virtually everyone who is party to this has offered a fairly decent package with respect to disaster assistance.

The Senator from Mississippi correctly pointed out that he and Senator LOTT accepted the $500 million indemnity program amendment that we put into in the bill in the Senate in the first instance to deal with the initial estimate of damages from the disaster in the Northern Plains. That amendment was done prior to the almost complete collapse of the cotton crop in Texas and the devastation in Louisiana, Oklahoma and other States. At that time we all understood that the disaster indemnity program was going to have to be increased at some point along the way. The disaster package in this appropriations bill started with the acceptance by the Senator from Mississippi to put in the $500 million indemnity for the Northern Plains. I appreciate that.

I am not here to argue about which disaster proposal for this bill is better than the other. Both the President and the conference report addressed this disaster issue in a very significant way. But, I am here to say that is not enough.

On top of the disaster provision, as the Senator from Mississippi indicated, the majority party added a 18-cents-a-bushel payment for wheat. This additional AMTA payment really only means that farmers will get 13 cents a bushel for wheat when it is all figured out. That is because AMTA payments are made on only 85 percent of contract acreage on the frozen historic yields. So the real assistance to deal with price collapse in this bill amounts to 13 cents a bushel for wheat. And it is not enough.

It won't allow farmers enough cashflow. It won't allow their bankers to decide that they will get another loan to go to the fields next spring to plant crops. They simply won't be able to do it. That is the dilemma. This is not enough. And there isn't any way to argue to say that it is enough, or that it will solve this problem.

If numbers are to be believed with respect to the estimates in North Dakota, at least 3,500 farm families are going to be washed away. These farm families are not going to be able to farm next spring. I am not willing to accept that result. It is not a fair result. Family farmers are not getting their share of this country's national income. They should be expected to get a decent share of that.

Let me show you what family farms face. They are told that they should just go ahead and operate in the free market and whatever happens, happens. What is that free market about? Everywhere they look, they confront near monopolies, or at least enormous concentrations of economic power. The top four firms in this country control 62 percent of flour milling. The top four firms in dry corn milling control 57 percent. In wet corn milling, the top four control 76 percent. In soybean crushing, the top four have 76 percent.

If a farmer happens to produce livestock and he markets that cow, he finds that 87 percent of the beef slaughter is controlled by the top four firms. The top four control 73 percent of sheep slaughter. It is 60 percent for pork. Or, if farmers want to haul their grain to market on a railroad—and most of them have to—they stick it on a rail car somewhere in my State, and they get double charged at least because there is no competition.

I have mentioned this before and I will say it again. If you put a carload of wheat on the rail track in Bismarck and haul it to Minneapolis, they charge you $2,300. If you put it on a car in Minneapolis, and haul it to Chicago, which is about the same distance, it costs you $1,000. Why do we get double charged? Because there is no rail competition in North Dakota, while there are multiple lines between Minneapolis and Chicago.

So it is not just concentration among processors. It is also the transportation components of the grain trade that are highly concentrated. This isn't a circumstance where there is a free market. Yet farmers are told to operate in the free market. If prices collapse, they are told tough luck, and we will give you 13 cents. If they can't make it with that, tougher luck.

Those want to pass this bill also contemplate tax cuts that they say will help farmers. Tax cuts don't help people without income. The problem in farm country is lack of income. The first thing we should do is to restore income.

I happen to support most of those tax proposals that I have heard about. In fact, some that the Senator from Mississippi described today have great merit. I support fully deductible health insurance for sole proprietorships and income averaging. I can go down a whole list of proposals that I support. My point is that first we need to restore income to these family farmers. They need to get a fair share of this Nation's income.

The fact is that everybody who touches products produced by these farmers is virtually making record profits. The railroads? You bet your life they are doing fine. They haul the farmers' products. How about the slaughterhouses? Are they doing fine? You bet they have solid profits. They are the ones who slaughter the livestock that is sent to market by those farmers.

How about the cereal manufacturers who put the snap, crackle and pop into a cereal. They take a kernel of wheat, put it in a plant some place, put it in a bright-colored box, ship it to a grocery store, and sell it at $4 a box. The company that puts the puff in puffed wheat makes far more than the person who gassed the tractor, planted the seed, and harvested that wheat. In fact, the person that harvested the wheat that they planted is going broke. And the people who are puffing it, crackling it, and snapping it are having record profits.

I don't understand the notion that somehow, if we just do nothing, things will work out. When we look at all of the evidence here, we are going to lose tens and tens of thousands of family farmers across this country unless this Congress does what it needs to do now. We need to provide some decent price supports to get farmers across this price valley.

I am not standing here asking that we tip the current farm program upside down. I didn't vote for the current farm program. I am not going to stand here and provide a litany of why I think it is not a good program. I am not suggesting we tip it upside down. I am simply saying what this farm program did in the big print it took away in the small print. This farm program, passed by this Congress, said we would provide farmers 85 percent of the five-year Olympic average price as a price support in the form of a loan rate. That is what it said in the big print. In the small print it said that the 85 percent of the five-year Olympic average price would be capped. The small print says we will put an artificial cap on it to bring the loan rates way down.

All we are saying is that we should take the artificial cap off. Do what the big print said the farm bill will do. Get rid of the small print that took away that help to the family farmers.

In North Dakota it means a $156 million difference just on the price support mechanism. The difference for the farmers in my State alone is $156 million. That could well mean the difference between making it and not making it. It can mean the difference between succeeding and failing.

A young fellow wrote to me recently. I have referred to his letter previously in the last couple of days. His name is Wyatt. He is a sophomore in high school at Stanley, ND. He wrote this plaintive cry for help on behalf of his family farm. He is a young boy who loves to farm. He knows his dad and mom do as well. He wrote me a letter that says, "My dad can feed 180 people. And he can't feed his family." He was describing a circumstance where his family's income has been washed out. Their family farm may not be able to make it and he wonders whether that is fair, and whether that is good economic policy for this country. The answer clearly is no, that is not fair. And clearly it is not good economic policy for our country.

Both the independent community bankers in my State and the North Dakota Bankers Association tell me that if we don't pass some meaningful assistance this year these farmers won't be in the field next spring. That is from the lenders.

This weekend, I was reading some of President Truman's speeches in 1948. I want to read a couple of pieces from President Truman in 1948. Old Harry was doing a whistle stop tour on a train back then. I like Harry Truman. Harry spoke plainly and never minced any words. I thought maybe we would celebrate just a bit of what Harry Truman said about family farmers and what this debate is about today.

Harry Truman said at the National Plowing Match in Dexter, IA, September 18, 1948:

> [I] believe that farmers are entitled to share equally with others in our national income. [I] believe a prosperous and productive agriculture is essential to [this country's] national welfare.

He said:

> Those who are wilfully trying to discredit the price support program for farmers don't want the farmers to be prosperous. They believe in low prices for farmers, cheap wages for labor, and high profits for big corporations.

And then he said:

> The big money [interests look] on agriculture and labor as merely an expense item in a business venture. [They try] to push their share of the national income down as low as possible and increase [their] own profits. And [they] look upon the Government as a tool to accomplish this purpose.

That was 1948, 50 years ago. Isn't it interesting that as we stand here debating agriculture, in North Dakota there are probably 12,000 to 14,000 citizens who will not get into the fields next spring unless this Congress does the right thing. At least 3,500 farms will go belly up. That is 12,000 to 14,000 people, who will lose their livelihood unless we do the right thing. Yet, surrounding those farmers are the bigger economic interests that are all making money. There are the railroads, slaughterhouses, grain trader, cereal manufacturers, grocery manufacturers, and you can name all the others that are all making record profits.

Does that say something about whether the system is fair? And you might say, well, what business is it of ours? The business for this country is that if we do not act, we will not have people living in the country. We will not have people living out on the land. We won't have yard lights illuminating those family farms. We won't have the Jeffersonian notion of broad-based economic democracy in America if we don't start caring a bit about whether we have family farmers in our future.

Instead, we will end up having big agribusiness in control in rural America from California to Maine. When they do that, the price of food will go way up, and then they will have cornered everything. I guess they can haul it, process it, slaughter it, and make money off of that and then finally they can grow it because they got rid of mom and pop on the family farm. You ask them, would that be good for the country? I don't think so.

So this issue is very simple. Is what the conference committee brought to the Senate floor enough? The answer is clearly no. It is not nearly good enough. Do we have the resources in this country to do better and do what we should? The answer is yes, clearly yes. For those who believe in this as a priority, there are clearly enough resources to make the difference. I hope that if the Congress falls short, the President will veto the legislation as he indicated earlier. He should send it back and say let us do better. We can do better and work together.

We must understand that there are two components, one of which is a disaster component. For that portion I commend the Senator from Mississippi and the entire conference. But the second portion is the price support component. These two components added together must be enough to give farmers some hope and some opportunity. This bill falls far short of that.

As I mentioned in my opening statement, it is not the case that somehow the proposal to increase the price supports that are available to family farmers has just emerged from some mysterious corner of policy making. That is not the case at all. We have already had two votes in the Senate on this issue of raising price supports. We have lost by a handful of votes both times, and we may lose again. But, I will be here through the last breath of legislative effort to see that this Congress is persuaded to do the right thing for these family farmers.

These 3,500 farm families deserve a chance. They didn't cause the Asian financial crisis. They didn't cause the crisis in Asia which means that this country can export fewer agricultural goods to Asia. Family farmers didn't cause crop disease. Family farmers didn't cause the collapse of grain prices. Family farmers didn't cause the incessant wet cycle in our part of the country that has helped exacerbate crop disease. Family farmers didn't cause these problems. And this Congress should not say to family farmers, "Well, you deal with it. And if you can't, you don't matter."

This Congress ought to extend a helping hand to say to family farmers, "We want to help you over this trouble spot. We want to help you survive because you are important to this country."

Madam President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. I thank the Chair.

Madam President, first of all, I would like to start out thanking my colleague from Mississippi, Senator COCHRAN. Above and beyond his ability as Senator, I think probably the best thing about him is his civility, and I wish I wasn't in profound disagreement with my colleague, but I am. I do wish to thank him for some of the good things in this bill. In this appropriations bill, we are talking about farm programs; we are talking about nutrition programs, forestry, and also there is a great deal of research money. In particular, I am very pleased that we are going to see additional funding for research of the scab disease which is a terribly important problem for my State and certainly for North Dakota as well. The faculty at the University of Minnesota is doing some very important research in this area.

Madam President, I talked to our FSA director, Wally Sparby, and he sent me some information that I might just start out with. Mr. Sheldon Erickson from Roseau, MN at Border State Bank is talking about the situation of bankers: 90 percent of his farmers can't repay in 1998; 25 percent he won't be able to lend to in 1999; he says more equity lending is required but less is available. Percy Blake of Bremer Bank in Crookston, MN: 75 percent of borrowers won't be able to meet their obligations in 1998; 50 percent are in jeopardy of not being financed in the coming year; he says that regulators are trying to pressure them away from equity financing.

We have a plea and cry from not just family farmers in our communities, but from the lenders and small businesses and from the citizens, I say to my colleague from Mississippi.

I have here petitions from all over the State of Minnesota. People who signed these petitions did this with some hope. It says:

> We, the people of rural Minnesota, exercising our constitutional right to petition the Government for redress of grievances, hereby state and declare: That the exceptionally low prices being paid for farm commodities in the State of Minnesota constitute a dire threat, a crisis imperiling residents, businesses and institutions of rural communities who are demanding an immediate response from our Federal Government; that without action by the Secretary of Agriculture to increase the support prices for corn, soybeans, wheat, small grains, hogs, cattle and dairy products and to extend loans and increase loan rates and to make crop insurance coverage effective, thousands of families relying on farming and rural businesses will lose their livelihoods; that the 1996 Federal farm bill must be revised this year in order to restore an economic safety net for family farmers and allow them to support rural small businesses and community institutions; that these destructive policies must be reversed to ensure healthy main streets, full schools and full churches in rural communities of the State of Minnesota.

I say to the Chair, I don't know how many signatures there are here, but this is just a sample of the people. Let me show you those who have signed their names to this with the hope that it will make a difference.

Madam Chair, the differences between this bill's $4 billion package and the $7 billion package that we proposed are ones that make a difference.

Part of it has to do with the amount of assistance, but the big issue is the price crisis. I am actually not going to speak that long on the floor of the Senate because my colleagues, Senator KERREY from Nebraska and Senator DORGAN from North Dakota, have already spoken about this. In many ways what we are struggling with is not just the wet weather and not just the scab disease, but disastrously low prices. It is hard to believe that we really want to have such a low cap as that in the Freedom to Farm bill—I call it the "Freedom to Fail" bill—at a time when prices are so low.

In our proposal we talked about taking the current cap off the loan rate. As I hear from people in our communities—not just the farmers but the lenders as well—this is the most direct and dramatic way that we can get some income to these families. We would raise the loan rate about 57 cents a bushel for wheat, about 27 cents a bushel for corn, and over 20 cents a bushel for soybeans. That would be what would happen if we would lift the cap.

What was not anticipated—I think my colleague from Mississippi would agree with me on this point—when the Freedom to Farm bill, or "Freedom to Fail" bill, was passed, was that the prices would plummet. I do not think Senators realized that, although I think farmers have always known that prices go up and down. What happened is we basically eliminated the leverage the farmers have in the marketplace—where the loan rate helps them in their dealing with grain companies. In addition there was a safety net that was extremely important. At least it provided some direct assistance to people. We have eliminated that.

I say to my colleagues today, I appreciate their work, but this relief package will not do the job. It is impossible for me as a Senator to come out here and speak for it or to vote for it. It is very important that the President veto this. The President said he will. It is important that we get back to negotiations and work out a package together. It has to be a bipartisan package.

Just in terms of corn growers who currently are receiving $1.50 a bushel for corn or less, they cannot cash flow on that. The same is going on with our wheat farmers—low prices.

I think surely we will hear from Senator FEINGOLD from Wisconsin. Senator KOHL actually has just come out on the floor. Our dairy farmers in the upper Midwest have been going under. We have a federal milk marketing order system that is absolutely discriminatory, and there is a legislative rider in this appropriations bill which effectively extends that discrimination another half a year. That is completely unsatisfactory, at the very time the Secretary of Agriculture has put a process into effect to examine and reform this system. That reform process is not enough for many of us, but we appreciate it as a positive step, moving forward. Now that reform process will be postponed for an additional 6 months under the provision of this legislative rider, which in addition has the effect of extending for 6 months the Northeast Interstate Dairy Compact, another policy which has a discriminatory effect upon dairy producers and the dairy industry of the upper Midwest.

So, as a Senator from Minnesota, I cannot in good conscience support an appropriations bill that will not provide the needed assistance to family farmers in rural communities in my State. It would amount to betrayal. People are in desperate shape. That is the "why" of all these petitions. That is the "why" of all the meetings I have attended: in Crookston, East Grand Forks, Granite Falls, Fulda, Worthington. That is the "why" of grown men and women crying because they are being driven off their farms. They work there, they live there, it is everything that they have ever worked for.

Nobody can say we are talking about a group of citizens who do not work hard, but this just seems beyond their control. Now we have an appropriations bill that does not deal with the price crisis, that does not get enough relief out there, that is not going to enable these people to stay on the farms. It does not do the job.

I think family farmers in rural America know that. We have to do better. Senator COCHRAN has done all that he can do. I think he has pushed hard for what he thinks is right. But some of the rest of us have to come out here and we have to fight hard for what we think is right. The President has to stay strong, and he has said he will veto this bill. We need to go back to the table and put negotiations on a fast-track to get a farm crisis relief package that will do the job.

For my State, the differences between the two packages amount to a quarter of a billion dollars. That is $250 million more for family farmers and small businesses in rural communities. This is a decisive moment for the State of Minnesota, for agriculture and for family farmers.

In many parts of our country we hardly have a family farm structure of agriculture any longer, where the people who live on the land make the investments and work on the land. In the Midwest I think we understand a very sound economic point, which is also, I think, a social message: the health and vitality of our communities are not based upon the number of acres that are farmed or the number of animals that are owned. Somebody will always farm that land or own that land. The question is, Are we going to have family farmers? The health and vitality of our communities are based upon the number of farmers—I say to the Senator from Wisconsin—the number of family dairy farmers.

We have a crisis, and that crisis deserves a strong and effective response from the U.S. Congress. This appropriations bill—and I say this not in a shrill way but in a very determined way—is not an adequate response to that crisis.

Therefore, I will vote against it. I call on the President to veto it. And I call on my colleagues please to work together and do better.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Madam President, I rise to discuss the conference report that is before us as well. I want to start by acknowledging the efforts of the chairman of the committee, Senator COCHRAN. Senator COCHRAN, I think, is really one of the most decent Members in this Chamber. He is somebody I respect, somebody I like, somebody who has made a real contribution in the Agriculture Committee in previous years as well as being chairman of the Agriculture Appropriations subcommittee. So I acknowledge right up front he is someone, I think, who has the best interests of American agriculture at heart.

But he is not the only one to make the decisions. He has to make the decision, not only in the Senate Agriculture Appropriations Subcommittee, but in a conference committee. It is a conference between the Senate and the House. And what has been brought back to this Chamber is inadequate.

I represent North Dakota. North Dakota has been absolutely devastated by what I call the triple whammy of bad prices, bad weather and bad policy. That triple whammy has washed away farm income.

This chart shows the Government's own figures. From 1996 to 1997, we saw a 98-percent drop in farm income in the State of North Dakota. That is a crisis by any definition. It is a combination of terrible prices—we have the lowest prices in 50 years—coupled with natural disasters—we have had an outbreak of scab and other fungi because of continuing overly wet conditions—and then we have, on top of it, bad policy.

The last farm bill, I don't know how else to say it, is bad policy. It is its own disaster, because, in previous times, if prices would have collapsed, there would have been an automatic adjustment mechanism. That automatic adjustment mechanism has been taken away, and the result is now, when prices collapse and you have a natural disaster, there is not much there. The result is literally thousands of farmers in our State being forced off the land.

When the Secretary of Agriculture came to North Dakota, his crisis response team told him over the next 2 years we could lose 30 percent of the farmers in North Dakota—30 percent. That would change the face of our State forever.

We have no choice but to fight. We have no choice but to come out and plead with our colleagues to do better and to do more, because if we fail, there will be dire consequences, not only in our State, but in other farm-belt States as well.

It is not just conditions in North Dakota, although we have had the worst conditions. The price collapse is affecting everybody in the farm belt. This chart shows what has happened to spring wheat prices over a very extended period. This shows what has happened to prices from 1946 to 1998, 52 years of prices. You can see we are at an all-time low. In 52 years, this is the lowest they have ever been, adjusted for inflation. This is it. At no time in 52 years have prices been lower than they are today.

It is not just spring wheat prices. We lead the Nation in production of spring wheat, or at least in many years we do. Barley is also a major crop in North Dakota. Again, 52 years of history, and here we are today, the lowest prices in 52 years. When I talk about the triple whammy of bad prices, bad weather and bad policy, the bad prices are abundantly clear. We have the worst prices in 52 years.

We have looked at spring wheat. We looked at barley. This chart shows durum prices. Does it look familiar? It is exactly the same pattern, the lowest prices in 52 years. You can look back on the whole period of 52 years, and prices have never been lower.

When we then look at what our colleagues have brought before us from the conference committee, we can see that the Republican plan does not measure up. The Democratic plan is $7.5 billion. Some estimates are as high as $7.8 billion. The Republican plan is $4.1 billion.

I must say to you, Madam President, and say to my colleagues, honestly, even the Democratic plan will not solve this problem. If you go back to 1986, the Federal Government spent $26 billion because we were faced with a similar farm economy.

We are not going to be anywhere close to that. We will be less than half of that level of funding this year, even if the Democratic plan passes. Make no mistake, the Democratic plan does not solve the problem, but what our Republican colleagues are offering is totally inadequate. It is not going to stem the tide. It is not going to prevent literally thousands of family farmers from being forced off the land.

I just had a series of meetings all across my State, and every town I go to, there are large meetings of farmers. It is very interesting because usually when I hold meetings like this, it is just farmers. Not this year. Now it is Main Street businesspeople. The mayors and city councilmen in the cities and the bankers are all coming to these meetings, many of whom have never attended a farm meeting in my 12 years in the U.S. Senate, stopping me afterwards and saying, "Senator, there's something radically, radically wrong, and unless something is done and done quickly, not only is that farmer going to fail, but the Main Street businesses are going to fail and the towns themselves are going to fail."

For the first time ever in my experience, mayors and city councilmen are coming to my meetings and telling me that the cities are going to fail unless something dramatic is done and done quickly.

If we look at the constituent elements of the plan, the first part involves support on the income side. The Democrats call for removing the marketing loan rate caps. The Republicans call for increased transition payments. There is a dramatic difference here. The Democratic plan costs over $5 billion; the Republican plan, less than one-third of that.

The difference here is the Democratic plan says that the loan rate caps that were put in the last farm bill at a very low level, artificially low level, especially on the commodities that we produce in our part of the country, leave farmers in a circumstance in which if prices collapse, they have no protection.

Some have said, "Gee, you're going to give a loan to farmers who have an income problem? Isn't that just digging the hole deeper?" Let me explain for those who may be listening that a marketing loan in agriculture is not like a normal loan.

A marketing loan in agriculture works this way: A farmer gets a loan—and in the farm bill, on wheat it is $2.58, but if the price goes below that, if the farmer sells for not $2.58 but sells for $2, he doesn't have to pay back the difference between the market price and the loan rate. That is why it is called a marketing loan. He only pays all of it back if prices exceed the amount of the loan level. This doesn't build debt. This is a floor under income. It is to guard against the kind of price collapse that we have occurring now.

Unfortunately, in the new farm bill, the loan rates were capped at an artificially low level. They did that because of a budget consideration. That is why these loan levels were set at such low rates, because, frankly, agriculture was cut dramatically at the same time the new farm bill was put in place. In fact, much of the problem that we are experiencing with the new farm bill is not the specifics of the farm bill as much as the budget limitation that we were under when the farm bill was written.

In fact, the support for agriculture was cut in half at the time the last farm bill was written. In the previous 5 years, we had been getting about $10 billion a year to support agriculture. Under the new budget agreement, that was cut in half, to about $5 billion a year. That is one reason we are in such desperate shape, because our major competitors, the Europeans, are spending almost $50 billion a year, 10 times as much as we are to support our producers. It is not too hard to understand that the Europeans are on the move, they are on the march, they are gaining market share because they are doing it the old-fashioned way: They are buying these markets.

Madam President, one thing we have to ask ourselves is do we want to roll over, do we want to play dead, do we want to fly the white flag of surrender when our major competitors are spending 10 times as much as we are to support their producers?

I said at the time I thought it represented unilateral disarmament, that the United States was making a profound mistake, because the Europeans have a strategy and they have a plan. And, oh, how well that strategy and plan are working. Their strategy and their plan is to dominate world agricultural trade.

If you look at the trend lines in agriculture, you can see that their strategy and their plan are working very well. They have gone from being major importers to being major exporters in just 10 years. In the United States we are going backwards. If you look at our world position, it is slipping. And it is slipping in part because we are not in this fight. We have ceded it to our competitors.

Why do they have a different view? In part, because they have been hungry twice in Europe. They do not intend to be hungry again. But more than that, they have decided it makes sense to have people out across the land. They do not want everybody forced into the cities. And we have to make a decision in this country. Do we want everybody to go to the cities? Because if that is what we want, we are on schedule. We are right on track because that is what is going to happen. We are going to see the people from the farms move into the cities because you cannot make a living on the farm.

So the first part of the difference between these two plans is on the income side of the house. The Democrats have a plan of over $5 billion of assistance. The Republicans are offering $1.6 billion.

If you look at the specifics between the two, you again see that the Republican plan just does not measure up. The Democratic plan on wheat would provide 57 cents a bushel.

When prices are at the lowest they have ever been—prices in my State are down to $2.50 a bushel on wheat. That is the least they have ever been, at least in the 52 years we have looked at putting these records together—the lowest prices in 52 years. The Democrats have a rescue plan of 57 cents a bushel. The Republican plan would provide 13 cents a bushel on wheat. And 13 cents a bushel is not going to pay many bills, very frankly.

When I tell the farmers back home that the Republican plan would provide 13 cents a bushel, the reaction is a combination of mystification, anger, and disbelief. They cannot believe in this circumstance that the best we can do is 13 cents a bushel.

On barley, the Democratic plan is 23 cents; in the Republican plan it is 6 cents a bushel.

On corn, the Democratic plan is 28 cents a bushel; the Republican plan one-quarter of that, 7 cents a bushel.

And on soybeans, the Democratic plan is 28 cents a bushel; the Republican plan is 2 cents.

Madam President, that is the income side of this proposal to deal with the crisis.

On the indemnity relief plan, that part of the plan that is designed to deal with the natural disasters that are occurring around the country, the Democratic plan is $2.48 billion of money that would go out to farmers; the Republican plan, $2.43 billion. And you can see the differences in the two plans.

The Democratic plan has $935 million for multiyear loss indemnity; $960 million for the 1998 loss indemnity—that would go primarily to the South, the second part there, because those are folks that have just suffered losses in 1998. In our part of the country, we have multiple-year losses—3, 4, or 5 bad years in a row because of natural disasters.

The third element of the Democratic plan is for noninsurable, uninsured crops, $250 million. There is a fourth element, $50 million for flood compensation. These are for folks who do not qualify for anything. Their land is under water. And we have people in North Dakota, northeastern North Dakota whose land has been under water now for 5 years. They have no income—none. The Republican plan is silent with respect to those people. They get nothing. They have been getting nothing; they continue to get nothing. I guess there is at least a consistency to that—nothing; that is what they get.

Those people—I just talked to one fellow who has put in everything he has. He had an insurance settlement—put that in—and his lifetime savings. This fellow used to be a world champion bull rider. He put all his lifetime winnings in. Every single thing his family had he has put into the pot. He is a remarkable, remarkable man. Five years in a row he sees more and more of his land going under water, and his response is really remarkable. He is just hopeful that something good is going to happen. He is just happy to be alive. But he is really counting on us to do something. The Republican plan does nothing.

Emergency livestock assistance, there is $200 million in the Democratic plan. There is $31 million for farm operating loans. There is $40 million for an FSA increased workload; $10 million for U.S. Forest Service assistance; $10 million for tree assistance—for a total of $2.48 billion. You can see the comparable elements to the Republican plan, which is roughly equivalent.

Madam President, another way to look at this is to look at individual farmers. What happens in these different plans? So we took three examples from North Dakota and looked at individual producers with individual situations and compared what the two plans would provide the individual farmer.

Chart A relates to our first producer. We are not using names here because we thought it would be more appropriate to label them A, B and C. This chart represents a typical North Dakota producer who farms 500 acres of wheat, 300 acres of barley and is suffering only from low prices. He has not been affected by the bad weather. And we look at what he would receive under the Democratic plan, which is $12,630. In the Republican plan it is about one-quarter of that. This is a circumstance in which somebody has not been affected by bad weather, just the very low prices.

Producer B represents a circumstance that shows a typical North Dakota producer, what they can expect to receive from suffering not only low prices, but also has repeated years of crop loss due to natural disasters, such things as flooding or the crop disease scab. So this is producer B who is suffering from low prices and from natural disaster. And under the Democratic plan this farmer would get $22,130; under the Republican plan they get $12,686.

Producer C is somebody who has really got the triple whammy. This producer is not only affected by low prices, he has also had repeated years of disaster and has flooded land. Under the Democratic plan they would get $28,000 of assistance; under the Republican plan $12,686.

Madam President, these are specific examples of what people would experience under the two plans. I say to you that neither one of them are going to solve the problem. I mean, that is the truth of the matter. This problem in my State is so deep and so serious that neither of these plans is going to solve the problem. In fact, if we do not do a lot more next year, there are going to be thousands of farmers who never get into the fields because their bankers will not finance them.

If you are looking at what we are doing, we are shoring them up to try to get them to next year, trying to allow them to survive the winter. But the hard reality is—the harsh reality is if we do not do something dramatically more this year and next year, those farmers are not going to plant because if you look at what the Republican plan does and what the Democratic plan does, it provides money this year.

I guess we are all praying that prices increase. I hope that happens. I hope that happens. But with the collapse in Asia, I think, frankly—the collapse in Russia as well—it is probably unlikely that prices will increase substantially. And that means when the banker looks at the income statement for a farmer, under the Republican plan what they see is that we have moved forward the AMTA payments. We all agreed to do that. Republicans are providing 13 cents more a bushel this year in assistance, but there is nothing for next year. The AMTA payments that are supposed to be paid next year have been pulled into this year.

So when the banker looks at the income payments for the farmer for next year, all he looks at are the price projections for the commodities that are going to be produced on that farm. Bankers are telling me they are not going to be able to extend loans to farmers next year if either one of these packages passes because we are not doing anything about next year. The families are going to their bankers in February and March to get operating money for next year.

I had blown up a letter I got from a constituent back home that explains it very well. This is from Steve and Stephanie Johnson. Stephanie wrote the letter from Luverne, ND:

> I am writing in hopes that it will encourage you to quickly push forward the farm assistance program that is in the works.

She goes on to describe that they are farming near Luverne, ND, they have 90 head of cattle, 13 head of horses. They raise corn, wheat, barley, sunflowers, and canola. She works as an RN outside the home, 24 to 40 hours a week, which pays part of their health insurance and most of their bills. Her husband works usually 12 hours a day, 6 to 7 days a week, and he works 24 hours a day during calving time in February or March. He made $12,000 of farm income this year, of which $2,000 and an income tax return of $1,000 went to pay part of the 1997 operating loan balance. So that leaves her husband with $10,000 for the entire year of 1998. As she points out, that is $833 a month without benefits. That amounts to $2.30 an hour. That doesn't include the labor that she and her son have put into the farm either. She says:

> The really sad part of this is we didn't have to take operating loans in the 12 years my husband has been farming until 4 years ago.
>
> The cattle and the horses have helped us break even in the past, but in these last few years we can't even do that.

She says in capital letters:

> With skyrocketing production costs and plummeting prices it is obvious that you can't quite break even. Something needs to be done quickly.

Madam President, she goes on to say:

> We are in no way asking for handouts, only fair prices. We have to pay whatever price the retailers put on our products, but we have no way to set our prices on our products.

She concludes by saying:

> We are not sure if we will farm next year, my husband doesn't want to lose everything he has worked for in the past 12 years. Nor do I think either of us can take any more stress. We are losing numerous family farmers in our area, in the past few years, 4 of our

> neighbors quit or were forced to quit. Isn't it time to do something?

Madam President, it is time to do something and it is time to do something that is much more significant than what is in this conference report. The truth is, it is not going to solve this problem. It isn't even a Band-Aid on the problem. At least a Band-Aid covers a wound. I can say if this is the best we do, then we are consigning thousands of farmers—thousands of farmers—to the auction block, because that is exactly what is going to happen in our State.

Finally, to put this in perspective, this chart shows what we are spending to support our producers and what the Europeans are spending to support theirs. We are spending $5 billion a year; they are spending nearly $50 billion a year. If we add $7 billion to that total, we are still being outspent nearly 4-1. I submit that it is pretty hard to win a fight when the other side is outspending you 4-1, much less the 10-1 that is currently happening.

I hope before we are done with this legislative session that we will go back to the drawing boards and substantially strengthen the package that is before the Senate. It is absolutely critically important to the State I represent, and I think it is fair to say that there are many other States whose farm producers are in much the same shape as the people who are farming in North Dakota. Bedeviled by the triple whammy of bad prices, bad weather, and bad policy—not much we can do about the weather; perhaps not much we can do in the short run about prices; we can do something about the policy that is passed on the floor of the U.S. Senate.

I implore my colleagues to join with others of us who really want to make certain that farmers have a fighting chance, a chance to get through this winter, a chance to be out plowing those fields again next spring.

I thank my colleagues for their attention and their patience.

I yield the floor.

Mr. KOHL. Mr. President, I rise in opposition to the fiscal year 1999 Agricultural appropriations conference report. This bill would delay reform of the current milk pricing system and extend the life of the controversial Northeast Dairy Compact. Both policies would cost consumers and hurt dairy farmers in the Midwest.

Most of the debate on this bill has rightly been about how we can help farmers devastated by drought and low crop yields. But just as we must act to help them, we should not act to harm the dairy farmers of Wisconsin and other Midwestern states.

It is not as if there is support for the damaging dairy policies in this bill. Twenty-five Senators have signed a letter opposing extension of the current milk pricing system and the Northeast Interstate Dairy Compact. The Judiciary Committee has requested that no action be taken to renew the Compact without their review.

And it is by no means certain that the Compact could survive scrutiny. The higher prices ordered by the Compact are leading to higher consumer prices and a continued decline in fluid milk consumption. Worse yet, these higher prices are primarily benefiting large dairy farms. In Vermont the largest 7 percent of farms receive 30 percent of the Compact revenues.

As for extending the USDA's time to review the milk pricing system, that is unnecessary. By delaying reform, this legislation does exactly what the authors of the 1996 Farm Bill were trying to prevent. Congress deliberately gave the job of reform to the Secretary of Agriculture so it could be done in a more analytical and less political environment. Our actions today put the antiquated dairy pricing system back into the political arena that created it in the first place.

To many of you, this may seem to be an arcane debate with little real impact. But in Wisconsin, and through the Midwest region, the current inequitable pricing system is destroying family farms—not because they are uncompetitive, but because of a system that closes off regional markets and prices milk based on where it is made, not on its quality or its cost. Our actions today punish a traditional and successful industry. We are making the Midwest dairy farmers the victims of regional infighting and inside-the beltway politics. That is wrong. I urge my colleagues to oppose this legislation.

LONG PARK DAM

Mr. BENNETT. I would like to raise an issue addressed in the Senate report language regarding the Long Park Dam in Daggett County, Utah. Daggett County is the smallest county in Utah, with a population of just over 700 people. It is also the home of the Flaming Gorge Recreation Area, which is host to over 2 million visitors annually.

I appreciate the committee's efforts to provide some assistance in repairing the dam through the water and waste disposal loans and grants program under RCAP. The city of Manila already has acquired a loan for a new treatment plant for Long Park Dam water, which has now been put in jeopardy because of the structural problems in the Long Park Dam. The city has a very limited capacity to assume more debt to repair the dam.

Once the repairs on the dam are completed, the city would use as much as 50 percent of the water stored in Long Park Dam. Given the size of the communities involved and the limited ability to assume new debt, would it be appropriate to remind the Department of the special circumstances in Daggett County and encourage the Department to consider the community's current financial obligations when it reviews the grant application?

Mr. COCHRAN. The Senator from Utah is correct that here are some unique circumstances in this situation. I hope the Department will take into consideration the impacts of visitation on the local communities and the limited tax base in Daggett County, as well as the current financial obligations of the communities involved. The Department should be as flexible as possible when considering this application in order to provide a safe source of culinary water for the community as well as the visitors to the area.

Mr. BENNETT. I thank the Chairman for his comments.

Mr. ROBERTS. Madam President, I rise today to express my strong support of the conference report on H.R. 4101, which is being discussed on the floor and has been discussed on the floor by my colleagues from the northern plains.

I also rise today to express my serious concerns with President Clinton's threatened veto of this conference report, the agriculture appropriations bill—the bill that contains the spending for all of the essential programs that are of great benefit to farmers and ranchers. I want to pay, as my colleagues have, very deserved tribute to the distinguished Senator from Mississippi, Mr. COCHRAN, who down through the years has been a champion on behalf of America's agriculture producers and basically serves as an oversight commissioner in regard to the spending we desperately need for research and development for our farmers to be competitive. He has done another outstanding job under very, very difficult circumstances, because we are going through some tough times in farm country. So I thank the Senator.

Madam President, it is not my intent to get partisan in this debate. Goodness knows we have enough of that going around in this session. But I do think it is time for a little candor. In so doing, I noticed a report from World Perspectives, Inc., which is a publication that comes out every day that provides Members of Congress and subscribers very pertinent information regarding the global marketplace and worldwide agriculture. There is a young man that writes for them by the name of Gregg Doud. Last week, he pretty well summarized, I think, what this debate is all about. He said this:

> On the legislative calendar, Christmas doesn't always come on 25 December. When a sector of the U.S. economy is faltering or votes are up for grabs, it usually means that politicians will come bearing gifts sometime before the November election.

Now, that is a little harsh. I am not too sure I would buy all of that. He went on to say:

> This year's low commodity prices, world financial difficulties, and serious drought means that both U.S. political parties are

> currently in a bidding war over how much to spend in farm country.

Obviously, we are doing that because we think we have severe problems. Those are my words, not his.

> In their minds, the votes will eventually go to the highest bidder. As a result, considerations about an appropriate strategy for U.S. domestic farm policy could end up last on the list of a policymaker's priorities.

In other words, if we are going to provide emergency assistance to farmers and ranchers, that is one thing in the short term. But for goodness' sake, let's not turn the firehose on and let it get away and destroy a policy that makes sense over the long term.

Then Mr. Doud pointed out the history of these two proposals that had been discussed on the floor. He said, "The announcement by congressional Republicans of their package came only 2 days after Agriculture Secretary Glickman"—Mr. Glickman of Kansas, my former colleague, and my good friend—"announced that he was reversing his stance to be in favor of lifting the cap on the nonrecourse marketing loan rate"—that is the basis of the Democrat plan—and then stated, "This flip-flop was likely an effort to avoid the appearance of conflicting policy positions within the Democratic Party."

He continues, "Secretary Glickman's announcement was coordinated with an amendment offered by Senator TOM HARKIN"—my colleague and friend in Iowa who is the ranking member of the Senate Agriculture Committee and long a voice in regard to farm program policy advice and counsel to his Iowa constituents and the Nation as well. But, at any rate, that was ". . . to the Interior Department's appropriations bill."

By my count, I think we debated this—I don't know how many hours had been devoted on the other side, because in the northern plains the situation is much more severe. I don't know if the Senator from Mississippi has tallied up the hours. There must be 50, 75 or 100 hours on this side. We have spoken to the issue probably not as much as we should have. But this is an issue that has been debated. As a matter of fact, I think we have had five votes. I think this is No. 5 in regard to a vote that we are going to have on this issue. So we have done quite a bit of debating.

I will continue with what I think is a candid assessment, and this is in regard to the Democratic plan to raise the commodity marketing loan rate.

Mr. Doud points out, however: "It is not well suited to providing disaster relief. How did the Government make a larger loan deficiency payment to a farmer who hasn't raised a crop?"

That is a good question.

"In addition, this delivery mechanism does not reach livestock producers and other nonprogram commodity producers."

That certainly is a good quote.

Then he goes on to mention one thing, and this is sort of an aside. I am going to have to skip over here to a point that has been made by some of my good Democrat colleagues, more especially the distinguished Democratic leader, who, to be very candid, has never been too supportive of the current farm bill.

The Senator from North Dakota decried the fact that under the new farm bill, Freedom to Farm, in what he describes as the "Freedom to Fail" bill, "farmers were told to plant fence row to fence row."

As Mr. Doud pointed out, and others of us would like to point out: ". . . but WPI thought farmers were told to respond to market signals, rather than Federal programs."

Let me point out that in regard to wheat, the farmers made the decision. They made that decision. They responded to the market signals, and we haven't gone fence row to fence row. What happened was we had 11 percent fewer acres planted to wheat under the new farm bill than the old farm bill. That means this fence row to fence row business is not accurate.

What happened, of course, is the farmer put the seed in the ground, and it was better seed. And with better farming practices and precision agriculture, we knocked their socks off. We had great yields.

In the northern plains, they have all sorts of problems, wheat scab, weather, unfair trading practices, across the board, border contagion, you name it, they have had it. Quite frankly, a Federal farm program in regard to sugar makes the land prices a little high and raises their price and cost of production. It is high risk up there. Everybody knows that. But not any of these things have anything to do with the farm bill.

The extra production came that drove the market prices lower—from China, 200 million bushels more in regard to wheat production; the European Union was about 300 million bushels more. I don't know of any U.S. farm law that can restrict China, or the European Union, or, for that matter, Australia that has a record crop. It is not all in yet. We don't know yet. But the global supply situation has changed dramatically.

That has nothing to do with the current farm bill. It has everything to do with our export strategy in regard to being competitive and using all of the tools we would like to have in regard to the administration's conducting an aggressive export policy.

As a matter of fact, the president of the Wheat Growers said we have to quit taking a knife to a gun fight. We have to really get tough. And we haven't done that. That is one of the problems. So I guess that would be an accurate statement.

Let me get back to the article. This is by Mr. Doud, again:

> Is the term "crisis" an appropriate way to describe the situation in farm country today?

I will tell you one thing. If you are a farmer and you can't get a loan from your banker, and the price is about half of what it was several years ago, it sure is a crisis. It is 100 percent.

"At least one question needs to be answered before deciding how serious this situation really is."—I am back to Mr. Doud's comments—"Will prices stay at the current (a 10–20-year low) level into next crop year? If so, next year may bring reopened discussions, leave no stone unturned, on a major overhaul of U.S. farm policy."

I think that is appropriate.

And I will be right in line with the rest of the people who are privileged to represent agriculture States, if, in fact, that is the case.

We have the unfair trading practice. We can't get our exports cracking. We don't pass the trade legislation that we should pass that the President continues to sort of hunker down in the weeds in regard to fast track and other things.

Then he went on to say: "In a Congressional election year, the debate isn't about whether or not money should be allocated to farm country. It's about the delivery mechanism itself."

Then he lists some information that ". . . suggests that, even in Washington, DC, terms, the amount of Government expenditures in farm country this year is serious money."

"The potential direct U.S. Government outlays to U.S. producers are as follows:

No, it is not the $5.3 billion that showed up on the chart over there from my colleagues. But, in September 1998, this year, the second half of the transition payments will come to farmers.

Transition payments, called AMTA payments—that is the Agriculture Marketing Transition Assistance payments.

I see the distinguished Senator from Mississippi raising his head. The reason I wanted to point that out is that it has been ignored in the debate. Hardly any Member on the other side mentions that we even have transition payments. Everybody says, "The bridge is washed out. I can't swim. My farmers are on the other side." That is country western music. It has the wrong notes. We have the transition payments here. They ignore that.

"In September 1998, the second half of FY 1998 transition . . . payment"—by the way, that transition payment is the highest of any payment during the entire 6-year period of the farm bill. And I know it is the highest as of this year because I helped write the bill. I thought at the end of 2 years that we probably would be going through some kind of a price swing. And I thought that assessment should be the greatest in this particular year, and it is. How much? $5.7 billion is the total with the first half having already been paid in December of 1997, or January of 1998.

"In October 1998, $5.5 billion will be made available in FY 1999 transition . . . payments."

That is next year. Farmers probably wouldn't want to accept that. I wouldn't, if I can get by with my lender and I can tighten up, because of the world markets and the situation. I probably wouldn't want to take that. But it is available. And that is $5.5 billion.

"Emergency assistance programs that are currently being discussed . . ."

That is what this debate is all about here. That is in addition to those two transition payments that many of my colleagues are ignoring. That is going to be about $4.1 billion. You add that up.

Then our Senate Agriculture Committee chairman, the distinguished chairman of the Senate Agriculture Committee, DICK LUGAR, recently put the possible marketing year price tag for the loan deficiency payment.

I am not going to get into a description of that payment. As a matter of fact, I talked about all of these payments. People wonder. My goodness. How many payments are we making to farmers, and what kind and shape and form? But those will be about $2 or $3 billion. And then, finally, crop insurance for the entire marketing year is $2 billion.

According to Mr. Doud, that totals up to $16.4 billion. That is a lot of money. Yes, the farm crisis is very serious. I understand that. But $16.4 billion is quite an investment in regard to agriculture.

Let me see if I can find a closer here. In regard to Mr. Doud's article:

> Policymakers should not ignore the message this [debate] sends to trading partners and the WTO regarding U.S. domestic farm policy, particularly as it applies to the next round of trade negotiations. Once again, [we want to emphasize] that in an even-numbered election year, the debate isn't about whether or not money should be allocated to farm country. It is about the delivery mechanism and whether or not "Freedom to Farm" will be maintained. U.S. agricultural trading partners will be paying [very] close attention to see if "Freedom to Farm" survives.

Now, as the principal author of Freedom to Farm, I have an interest in this, but I said it didn't come down from the mountain on any tablet saying this was the only farm bill; if the farm bill didn't work, you ought to change it. And I think once this emergency assistance is provided, if we can see what happens in 1999—and I hope the global contagion gets better and I hope all the other factors improve—why, perhaps we won't have to do this. And if we can enact some of the promises we made in conjunction with Freedom to Farm, we shouldn't have to do it. But Congress has not done that and the administration has not done that.

I want to now return to the threat of a Presidential veto.

The President has sent a letter to Congress stating he will not support legislation that does not include agricultural relief provisions similar to the plan to uncap loan rates as proposed by Senators HARKIN, DASCHLE, WELLSTONE, KERREY, CONRAD, BAUCUS, and JOHNSON.

He, as a matter of fact, took time out in his Saturday radio address to talk about two things—well, three; one, we have a serious farm crisis. Right. Second, we need to uncap the loan rates. Wrong, because of what it will do that will be counterproductive to long-term policy to farmers and ranchers. Three, we ought to pass IMF. Yes. Yes, I am for that. And I am just as unhappy with Members of my own party in the other body who oppose that. I think we need IMF. So the President was right about two out of three.

Let me talk about the plan that is promoted by the northern plains' Senators—not trying to pick on them; they have a very legitimate point of view—that would uncap the marketing loan rates and provide approximately $1 billion in disaster assistance to the northern plains. But the other side of the story is that their proposal provides less than $500 million for the rest of the United States, from New Mexico to Maryland, which has experienced drought, flooding, or a combination of both.

I really find the President's arguments for his threatened veto rather frustrating and difficult because the administration really threatens to veto this package—I am quoting here.

> . . . if the bill presented to the President includes agriculture disaster provisions that provide inadequate indemnity assistance or are inconsistent with the Daschle-Harkin proposal.

It is obvious the President really believes we need to provide assistance to our producers. I believe that as well. Yet he threatens to veto a bill that provides $4.1 billion in assistance to our farmers and ranchers.

And as long as we are mentioning vetoes, he has also threatened to veto a House-passed tax bill that also provides very needed relief to farmers and ranchers.

As to the two vetoes, one on the emergency assistance and the tax bill, let me just list all of the provisions that have been passed by the House of Representatives in its tax bill: 100 percent deductibility of health insurance—every farm association I have ever been associated with has passed this in their resolution; permanent extension of income averaging for farmers—God bless CONRAD BURNS, the distinguished Senator from Montana, for putting it in originally with a tax bill; an immediate $25,000 expense deduction for small businesses; and an additional net operating loss carryback period.

These are steps that, when combined with the $4.1 billion in income assistance, would immediately put money in the pockets of farmers and ranchers and, most importantly, they are positive answers for the long term as opposed to the Democrat plan which I personally think would be very, very counterproductive.

On several occasions earlier this year Secretary of Agriculture Dan Glickman made the comment that trade is the "safety net" for America's farmers and ranchers, yet I am concerned that the Secretary and the administration refused to support fast-track legislation when it was considered in the House. I said they were AWOL during the debate. And they even asked, as I recall, some of my colleagues across the aisle in the other body to vote against the legislation. "Not this time," "not the proper time," that was the quote, to pass fast track. Meanwhile, our foreign markets for agriculture products have collapsed and we know that. And, Latin American countries are waiting for fast track to pass before entering into agricultural trade with the United States.

I went with Senate Majority Leader TRENT LOTT to Latin America. Every country we visited asked, "When are you going to pass fast track? The European Union is knocking on our door. And we need this particular provision."

I do not know; I would like to ask the President, if now is not the proper time to open up new markets for our producers, when will the proper time be?

I agree with him on IMF. I do not agree with the decision to hunker down in the weeds with regard to fast track. And I must say the failure to pass fast track holds the potential to become one of the most serious U.S. agriculture foreign policy blunders since the shattered glass embargo policy of the late 1970s and early 1980s. When we withdrew, it may have been a mistake. And when it went down to defeat, it was a terrible mistake.

Consequently, I should also add that I am not very happy with my Republican colleagues over in the House of Representatives who decided not to vote for fast track. That was a very bad mistake as well.

So the President apparently has refused to support these trade and tax and income assistance initiatives that I believe will help our farmers and ranchers in both the short and long term, but he continues to support a proposal that will provide virtually no assistance to producers who have suffered losses in 1998.

We can raise the loan rates as high as we want. As a matter of fact, in the six or seven farm bills I have been associated with, there was always the debate, do you use the loan rate as a market clearing device or income support? And several farm bills ago we agreed that when you raise the loan rate to the degree you really interfere with markets, that is not the proper way to do it. And we used to have deficiency payments to assist farmers during the tough times when their markets would decline due to unfair trading practices or some other reason. We changed those to transition payments.

What will raising a loan rate do for producers in Oklahoma, Texas, Louisiana and Maryland who have lost all or most of their crop to some kind of a weather situation? What about the farmer in Louisiana or Mississippi who lost most of his rice crop due to drought and had his cotton crop get hit with 16 inches of rain from a tropical storm earlier this year and then was hit by Hurricane Georges in late September? That was incredible. These producers are facing a serious situation. They will receive virtually no assistance from higher loan rates, and the Harkin-Daschle proposal provides less than $500 million for 1998 losses, but it contains almost $1 billion for multiple year losses in the northern plains. I am not trying to pick on them. But I think it is skewed just a bit. I don't question the problems suffered by producers in the northern plains in recent years, nor do I question that prices are low. We have heard time and time again about the painful crop losses experienced in the northern plains over the past years, but, "thank goodness, South Dakotans are expecting a good crop this year—that is a welcome change—after the blizzards and flooding of 1996 and 1997, scab disease, and unfair trading practices." That quote comes from a September 1998 edition of the National Farmer Union News. Thank goodness they do at least have a crop.

But let me get back to the plan that is within the Ag appropriation bill and why I think it is the proper course. The plan to be included will provide $4.1 billion to producers. Of this amount, $1.65 billion, 29 percent of the transition payments—the infamous transition payments that are ignored and forgotten or somehow have disappeared in the debate on the other side—will be provided to farmers as payments for lost export markets caused by world economic pneumonia, the global contagion, the Asian Flu. Not to mention U.S. sanction policies that shut out our producers, out of world markets, and the inadequate agricultural trade initiatives of this administration—compounded by some in this Congress.

Any farmer who received AMTA payments—the transition payments that do not exist, on the other side of the aisle—in 1998 will receive an additional 29 percent of this amount. Those receiving payments will include southern cotton, wheat, corn and rice farmers who had little or no crop to harvest. The Harkin-Daschle plan leaves them empty-handed. The plan in the agriculture appropriations bill includes $1.5 billion for losses and $675 million for multiple year losses.

The Daschle-Harkin plan provides approximately $1 billion for the northern plains, $500 million for the south. Again, I am not trying to criticize problems in the north. But the plan does not do much for any grower suffering losses in New Mexico, Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Kentucky, Florida, South Carolina, North Carolina, Virginia and Maryland—and the list goes on.

Senators from those States, wake up. Here is the real issue that is now being debated. The northern plains Senators, and now the President, have stated repeatedly that we have yanked the rug out from underneath the producer—no safety net.

"Tough luck," I think it was described by my good friend and colleague, the Senator from North Dakota. As they have said, there is no bridge, nothing. But they fail to mention that the Government has provided approximately $17.5 billion—$17.5 billion in transition payments since the inception of the new farm bill in 1996 through 1998. It is estimated the old bill, the old supply/demand bill, the old command and control bill where the USDA would tell the farmer what seed to put in the ground and maybe he would qualify for a subsidy—that bill would have provide only around $10 billion during this time. That is a difference of $7.5 billion. They are getting more money under the new bill, less money under the old bill, but the new bill is the problem? Hello.

It is estimated, as I said, the old bill would have provided only about $10 billion during this time. They forget to mention the estimated $4 billion the producers will receive in loan deficiency payments in 1998. And, what about the $5.5 billion in advance 1999 payments? Again, if I'm a farmer I'd be mighty careful with that. And if you add these together and include the additional $4.1 billion included in the agriculture appropriation bill as put on the floor by the distinguished Senator from Mississippi, total funding provided over the 3-year period is $31 billion. Mr. President $31 billion; that is nothing? That is tough luck? That is a bridge that has been washed out, $31 billion?

Still, the Senators on the other side of the aisle from the northern and great plains argue this is not enough. It may well not be, over the long term. I understand that. If things do not improve, with all the things that have gone wrong it may well not be. They say their producers have been forgotten. They even cited this on the floor in a Congressional Budget Office table. This is going to get a little tricky here. The table that is called the CBO study showing a side-by-side comparison of the two plans—we have all seen it in regard to this debate. In addition, I think the CBO plan was sent with a letter attached to numerous State Governors, certainly trying to gain support for their plan. But there was only one problem with these actions and this CBO study. It is my understanding, and I think I am right, it is not a CBO study. In fact, CBO was not even involved in running these numbers. Rather, they were put together by staff members of the appropriate Senators who have proposed the Democratic plan.

I don't want to play this business of, "How much is enough?" I have said before, the problem is very serious in the northern plains, and for that matter all over the country, where we have had these unprecedented problems in regards to farm country. But I thought perhaps we should do some "truth in spending" and take a look at the level of payments the States of North Dakota, South Dakota, Minnesota, Nebraska and Iowa have actually received under the 1996 farm bill. It may not be enough. But with all of this talk about, "no bridge, tough luck, you are just out of luck, we are not going to support you"—Here we go: North Dakota in 1996, North Dakota farmers and ranchers received $309.7 million; 1997 $245.1 million and 1998, $245.2 million. Total, $800 million. That is more than nothing.

The yearly State average in Government payments in 1991–1995—the old farm bill which has been defended saying this might be the foundation for the next farm bill, this one is not working—what would have that provided? That average, 1991–1995, $265.4 million.

In 1996 through 1998 the average was $266.6 million. In July, the House Agriculture Committee estimated North Dakota farmers will be eligible to receive $215.1 million in advanced 1999 payments. Again, I am not sure I would take that, but some may have to.

The 29 percent bonus payments for 1998 crops will equal approximately $71 million. Adding the 1998 payments to the 1998 bonus payments and the advanced 1999 payments together, North Dakota farmers could receive up to $531.3 million during the calendar year 1998, this year.

South Dakota, 1996, $161.8 million; 1997, $183.1; 1998, $161.3—total, $506.2 million.

The yearly State average in Government payments in 1991–1995 under the old farm bill, $149.7. The 1996 through 1998 average was 168.76 million—19 million more per year. In July the House Agriculture Committee estimated South Dakota farmers will be eligible to receive $160.7 million in advance 1999 payments. The 29 percent bonus payment for 1998 crops will equal approximately $46.7 million. When you add them all up, South Dakota farmers could receive $368.9 million during calendar year 1998.

I am going to skip Montana. Nothing personal, I just think we ought to shorten it up.

Minnesota, the Democratic Senator from Minnesota has been on the floor indicating that times are tough in Minnesota. They are. It is a crisis. He is entitled to say that. In 1996, $261.5 million; 1997, $383.8 million; 1998, $322.6 million; total, $968.1 million—almost $1 billion. That is not nothing? Is that a double negative?

The yearly State average in Government payments in 1991–1995 under the farm bill—you haven't heard one word on the other side about the failures of the old farm bill and people standing in line waiting on the USDA to issue all the paperwork so they could fill out the paperwork to plant less, not at least respond to market signals but so that they might get a subsidy. Not one word. That was $270.2 million.

In 1996 through 1998, the average was $322.7 million—over $50 million more. In July, the House Agriculture Committee estimated Minnesota farmers will be able to receive $336.8 million in advanced 1999 payments. The 29 percent bonus for 1998 crops will equal approximately $93.5 million. Add them all up, $753.08 million during calendar year 1998. That is a lot of money. It is, perhaps not enough for the dire situation they face and in absentia of other things that we should be doing. The question is not how much is enough, but the claim, again, by the other side, that we are not providing any assistance.

Nebraska: 1996, $303.2 million; 1997, $490.082 million; 1998, approximately $400 million. Total: $1.193 billion.

The yearly State average in government payments in 1991–1995 was $349.9 million. That was back under the old farm bill.

The 1996 through 1998 average was $397 million; $349 million to $397 million, about $50 million more. I am not going to go through the advanced payments and the 29-percent bonus. I will add them all.

Nebraska farmers, as well as being No. 2 in the Nation in football, could receive up to $830 million during the calendar year 1998.

Iowa—Senator HARKIN, my good friend on the Ag Committee who has a very honest and sincere difference of opinion about the direction of the farm policy program: 1996, $350.2 million; 1997, $680 million; 1998, $535 million. Total: $1.566 billion.

The yearly State average under the old farm program was about $449 million; under the new farm program, $522 million. Madam President, $522 million is more; $449 million is less.

OK. Advanced payments, the bonus payment, add them all up: Iowa farmers could get about $1.288 billion during calendar year 1998.

Madam President, I apologize to my colleagues for taking this much time and going over all the figures. The facts are clear. The rug has not been yanked out from producers in the northern plains. In fact, these States have fared quite well under the 1996 act's payments. When compared to the old farm bill—I realize we have extenuating and very dire circumstances now—the farmers who need assistance the worst—those without a crop—receive nothing—nothing—from higher loan rates. Yet, this is the situation many southern farmers will face under the proposal that is the alternative to the conference report.

I have made some remarks on the floor on several occasions against the loan rate proposal, uncapping loan rates. I don't disagree with my colleagues across the aisle that we need to provide assistance to farmers; that is a given. But history has shown us that their plan will not work, and I believe several myths should be addressed about their proposal.

Myth No. 1: Higher loan rates will put more money into the pockets of all producers and do not lead to excess stocks and lower prices in the long run. It is also argued that higher loan rates will not eventually lead us back to Government set-asides.

Contrary to these assertions, history has shown us that higher loan rates lead to excess stocks, greater production, a long-run depressing effect on price, and uncompetitiveness in the world market.

In addition, due to the difficulty in predicting budget outlays with marketing loans, it inevitably leads us back to command-and-control policies in an attempt to limit the budget exposure.

Again, some in the House and Senate do not feel we should spend $4.1 billion in emergency funding. How are we going to pay for $7 billion? And, more to the point, if you encourage more Government stocks and a tie-up of the transportation system and more production, you are going to extend that loan beyond the 15 months and you are going to get into more expenditures. We have been down that road before and farmers overwhelmingly tell me they do not want to retrace the journey. I think we should look forward and not backwards.

Myth No. 2: There is no safety net.

I have gone over the payment numbers. I have mentioned previously that there is a safety net. How can an extra $7.5 billion, at a minimum, over the last 3 years, compared to the old program, be hurting farmers and ranchers? I want a safety net that is a trampoline, not a hammock. If we go down this loan rate trail, it will be a hammock—we will sag in the middle.

On the other hand, if we can get our export policy straightened out, our trade policy straightened out, and our tax policy changes and regulatory reform, and get cracking, it may well be a trampoline with this assistance we are providing.

Myth No. 3: New trade markets will not help us get out of this problem.

There are, indeed, some in this body who argue that trade is not the answer to avoiding these problems in the future. How can you discount the importance of trade when we have to export a large proportion of our ag products? We must continue to work toward trade agreements and sanctions reforms that do not continue to shoot our producers in the foot and lock them out of world markets. And we must encourage producers to maintain the flexibility that allows them to plant according to the demands of the world market. Raising loan rates won't achieve these goals.

Several weeks ago, Senator CRAIG—the distinguished Senator from Idaho, who has been a very aggressive and constant champion of the American farmer and rancher and all the commodities and all the producers of those commodities in his great State of Idaho—and I sat down, along with others, in a small group, and we made a list of what we thought would be appropriate to address this farm crisis.

We decided on lost market payments and disaster payments. That is in this bill. We decided on crop insurance reform. Got some. Not enough. Need to make it better. First order of priority in the next session. Wish we could have done it this year.

We decided on tax relief. I have already mentioned that. It is in the House bill. The President says he is going to veto it. That will be the best long-term—perhaps not the best—one of the best long-term things we could do for farmers and ranchers in 1999, 2000, and the year beyond.

Trade expansion. I have gone over that. Folks, you have to sell it or you are going to smell it, and we are smelling it right now. We need fast track and normal trading status with China, we need IMF, and we need sanctions reform. As I said before, we have to quit taking a knife to a gunfight.

Full enrollment in the Conservation Reserve Program.

The agriculture appropriations bill contains $4.1 billion in payments and also protects the sanctity of crop insurance. The bill does not include the important reforms that are needed, but I am pleased the protections included in the bill, and we are going to work for that reform next year.

I mentioned tax relief, and Senator CRAIG, who is on the floor now, and I sent a letter to the Secretary requesting full enrollment in the CRP program. This is an administrative action. The Secretary doesn't need any congressional action. We don't need to debate this and delay it. He can undertake it right now. It will provide an important tool to address the problem of marginally productive land that repeatedly suffers from natural disasters or disease problems, land like the northern plains. One of the things he can do right away is enroll the CRP in that part of the country. He can do it with the stroke of a pen.

Madam President, it appears that we will not be able to achieve all of the goals that Senator CRAIG and others of us have proposed in this Congress. However, this agriculture appropriations bill, combined with the House tax bill and the trade tools the administration already has available, will provide an important step in addressing the economic problems throughout our rural areas. But the President must be willing to step up and work with us, if he is serious about helping our farmers and ranchers.

Webster's defines a "statesman" as one who exercises the political leadership at his disposal wisely and without narrow partisanship. I am hopeful that we will see the President and my colleagues across the aisle act as statesmen on this issue and that we will not prevent farmers and ranchers from receiving this much-needed assistance. This agriculture appropriations bill is too important—too important—for our producers. I urge the President to reconsider his veto threat on this bill.

I thank my colleagues for their patience, and I yield the floor.

Mr. COVERDELL. Mr. President, I rise today in strong support of the conference report to the FY 1999 Agriculture Appropriations bill. This legislation includes much needed economic assistance for Georgia farmers. The disaster and market loss assistance proposal, which totals over $4 billion, includes $1.5 billion for one time payment to person with a crop loss in 1998, $675 million for multiple year crop loss and crops impacted by disease, $175 million for livestock feed assistance, $1.65 billion for a one time payment to offset financial hardship caused by the loss of markets, and $10 million for tree farmers through the Forestry Incentive Program.

I would like to thank the Majority Leader, Senator COCHRAN, Senator LUGAR, Senator ROBERTS, and others involved in the crafting of this important legislation. For months I have been stressing the need for Congress to address the current financial crisis facing farmers in Georgia and across the nation. I am pleased that our collective efforts bring us here to discuss this legislation. This disaster package is one step in many that is needed to get these farmers back on their feet.

Under this proposal the Secretary of Agriculture is given broad authority to define and implement these provisions. I am hopeful that when deciding how to distribute these funds, the Secretary does not forget Georgia farmers. President Clinton and Secretary Glickman should not help farmers in one section of the country by neglecting farmers in the Southeast. Georgia farmers have suffered disasters 2 out of the last 5 years and should be eligible for assistance under the multi-year losses program. In addition, the Secretary should include all crops, insured and uninsured, when considering who should be eligible for assistance under this disaster and market assistance proposal. Georgia farmers who produce peaches, onions, blueberries, watermelons, pecans, and other speciality crops, have just as much right to be eligible for this disaster assistance as farmers who produce major program crops such as corn, wheat, and cotton. Those who bought crop insurance should not be unnecessarily penalized and left out of receiving any assistance under this legislation. The current crop insurance program does not work and needs to be completely overhauled by Congress. We need a crop insurance program which is affordable and factors in the cost of production.

Secretary Glickman needs to also look at ways to provide assistance for peanut producers, either through a market loss assistance payment or under one of the other disaster assistance programs. The cost of production for peanuts continues to remain high while income for farmers continues to fall. Disease, weather, government regulations, taxes, increased costs for equipment and supplies, reduction in yields, and other problems have all contributed to this situation.

I look forward to working with Secretary Glickman and the U.S. Department of Agriculture in making sure these funds are distributed in a fair and equitable manner.

Mr. FAIRCLOTH. Mr. President, I rise in strong support of the agriculture appropriations conference report.

This bill includes critical assistance for farmers. It helps all farmers, not just Midwestern grain farmers, and that is why I believe that this is the right bill.

I urge President Clinton to withdraw his veto threat and to support this critical disaster relief bill. It is outrageous that the President is playing politics with the fate of American farmers. I was astonished to see Jacob J. Lew, the Director of the Office of Management and Budget, write that the President's "senior advisers would recommend that he veto the bill" unless the House and Senate craft a bill for the Midwest rather than for the whole nation.

I find it incredible that the Clinton Administration can oppose a package that includes $4.3 billion for increased AMTA payments, weather-related crop damage relief, "multi-year" disasters, livestock assistance, and assistance for tree farmers. This is about farmers, not politics, and it is time for the White House to put policy first.

This is a good bill for North Carolina and for all farmers. I congratulate the Committee for a job well done.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Madam President, I rise to express in part my profound disappointment with the contents of the agricultural appropriations conference report, recognizing that there are many in this body—in particular, that there are numerous instances, thanks to the leadership of the Senator from Mississippi, and others—who have brought together a sense of bipartisanship on some key issues. And there are other issues and other needs that I believe this body needs to address outside of this agricultural appropriations bill, as my very good friend and colleague from Kansas has made reference to a string of extraneous other issues that are urgent.

On the issue of trade, I believe that there is fairly good agreement in this body relative to where we need to go next. There is support in this body for funding for the International Monetary Fund. That is perhaps the single thing we could do that would have the greatest immediate impact on stabilizing currencies and opening markets and stabilizing economies in Asia, and increasingly in Russia and Latin America. Unfortunately, that issue has been held up in the other body, not this one; but it is an issue that should be dealt with before we adjourn for the year.

My colleague raises the issue of fast track. On that issue I share his concern that we ought to have fast-track authority. This body does as well. The House does not. I think in all fairness, though, it ought to be kept in mind that if we were to pass fast track, that would have a consequence years down the road but not next month, not the next 6 months. It would simply put our trade representative back in at the negotiating table for trade negotiations. That would bear fruit probably years down the road from now, but it would not have an immediate consequence.

Certainly, in the case of relief of unilateral sanctions and the sanctions reform legislation that our colleague, the chairman of our Senate Ag Committee, Senator LUGAR, has championed, we ought to be moving forward with that. Unfortunately, we have not. But I think there is broad-based bipartisan consensus that we ought to do that. And certainly MFN, now having normal trade relations with China as well, is something that we should go forward with.

I think all these issues are concurred upon by this President and by the majority of both political parties in the Senate. Those are issues we should proceed with. We should not use them, however, as an excuse for a lack of action, for inaction on key disaster issues before us today.

On the tax agenda, as well, I think that there is broad-based support in both political parties for tax relief targeted to middle-class and working families, certainly for those in the agricultural sectors of our economy. But again in fairness, it ought to be kept in mind that the tax package that arrived in this body from the other body is funded 100 percent out of the Social Security trust fund surplus. That is unacceptable to a great many of us in this body. It is utterly unacceptable to the President of the United States who has expressed his veto intent if that were to reach his desk. I think there is a great likelihood it will reach his desk, but if he were to veto it, he would do the right thing.

And we talk about statesmanship, that is what we are talking about—doing the right thing, rejecting what seems on the surface to be popular, recognizing that in too many instances the underlying premise that allows that action to go forward is, in fact, simply wrong. Stealing money, raiding, plundering the Social Security trust fund is not acceptable for any of us. Regardless of how great the crisis might be that we have in agricultural today, how much we would like to have tax relief for every sector of our economy, that is not where we need to go.

To his great credit, Senator DASCHLE, with the help of numerous others, has put together a tax package which provides most of the same kinds of relief that my friend from Kansas was making reference to, but is funded exclusively out of efficiencies, out of savings, out of the closure of tax loopholes in the existing Tax Code and budget. So it is not a question of whether we can have tax relief or whether we cannot have tax relief; we can so long as it is carefully targeted, so long as it is focused on those areas where it is most in need, and so long as it is truly offset by savings, by efficiencies, by loophole closures—other places—and not premised on a raid on Social Security.

So, again, I think we ought to be able to find bipartisan agreement before we leave here on those issues as well.

I want to say that we did reach some concurrence on some important issues in this body. The pain and the hurt that is going on across much of rural America today is too great to allow for the kind of finger pointing and partisanship that too often characterizes the debate in this Congress, especially as we draw near an election as we reach the end of this Congress.

I am pleased that in this body we were able to find bipartisan agreement on my particular amendment that was incorporated in the Senate version of the agricultural appropriations bill on meat labeling. The Senator from Idaho was a champion on the meat labeling issue. And I was pleased that the chairman, the Senator from Mississippi, was supportive of our concern in the conference committee in that regard.

I am disappointed in what turned out to be a party-line vote from our colleagues in the House of Representatives that thwarted the will of the U.S. Senate in that regard—a measure which has the support of the National Cattlemen's Beef Association, the National Farmers Union, the American Farm Bureau Federation, and the American Sheep Industry Association.

The underlying bill, which had the sponsorship of eight Republican Senators and eight Democratic Senators, along with myself—this was a bipartisan effort to, for the first time, allow consumers to know the origin of their food products which they serve their families, much as they do virtually every other consumer item that they purchase. Yet even this commonsense measure was turned down in the conference committee, to my great disappointment. And I want to confirm that this issue simply will not go away. It will be revisited and revisited until it becomes law.

We also found bipartisan support on the Senate agricultural appropriations bill—again, with the support of the Senator from Idaho, the Senator from Mississippi, and a great many others—in a bipartisan fashion, to allow price transparency in the livestock industry to go forward, to put our individual livestock producers on the same footing as the packing industry to give them a better marketing opportunity. And yet even that which would have seemed, again, to be common sense we lost, unfortunately, on a partisan, party-line vote on the part of the House conferees, over the objections of the Senate.

I want to express my disappointment at the loss of both of those provisions which would not have meant night or day, would not have turned around overnight the price crisis that we have in the livestock industry, but we would have contributed, I think, in a very constructive fashion to lay the groundwork for a long-term recovery, and it would have been a constructive, positive step in the right direction. We reached some bipartisan agreement, I think, in this body early on, again, on the need for disaster relief.

I think we all recognized as time went on, as disasters struck the South and the West, other parts of the country, that the amount of money, the $500 million we had placed in the Senate agriculture appropriations bill simply was not going to be adequate from anyone's perspective, and that needed to be augmented in a significant way. I think the President is right that if we are going to realistically address the real pain all across rural America, that a final level of disaster relief approximating the funding in the President's recommendation rather than in the House proposal and imposed on the conference report on ag appropriations is more appropriate.

I think we all recognize that there needs to be some give-and-take, that the final version of whatever we do probably will not meet the 100 percent satisfaction of any of us here, should not be 100 percent what the Republican leadership in the House was offering, probably will not be completely what the President is offering; but we need to come together somewhere in the middle in a way which more effectively deals with the disaster that is national in scope and deals with it in a meaningful way, all within the context of, obviously, a balanced Federal budget.

I believe we can do that, but we need to take, I believe, some of the direction that is coming from the White House to moderate the provisions which have been imposed in the ag appropriations bill by our House colleagues.

This should not turn into a bidding war. It has been suggested that could occur. That would be wrong. That is not where we need to go. But we do need to step back, and with some careful deliberation and some care, evaluate the scope of the relief that needs to be made in order to have a meaningful consequence in the context of this national disaster.

One area where we were not able to reach bipartisan consensus in this body—and I certainly respect the views of those who differ with me and with many of my colleagues on this side of the aisle—is on the wisdom of utilizing a strategy which would take the cap off the existing marketing loan provisions in the freedom to market legislation.

Now, it is suggested by some that that is an attack on Freedom to Farm, that this is on the part of those who would go back to the old days of the previous farm bill. I think that simply is untrue. That is a straw man that is easily knocked down but one that does not characterize the goals and the perspective of those of us who believe that it makes a lot of sense to take the caps off the existing marketing loan. Keep in mind, the current bill has marketing loan provisions in it. It is not a turning inside out of that legislation.

The problem with the existing legislation, the existing farm bill, is that the loan rates established in that farm bill are unrealistically low. They are too low to be meaningful given the kind of crisis that we have today. And taking the caps off that loan rate and tying it to a 5-year Olympic average is a moderate but responsible step in the right direction. In fact, if we were to do that—and we are talking about doing this for 1 year only, so it would have no consequence whatever on planting decisions made by others because the crops have already been planted and are about to be harvested—it would have a 57-cent-per-bushel increase for wheat, 28 cents for corn, 28 cents for beans, if we were to follow the proposal in the President's recommendation.

That won't make anyone rich, that won't bring the price back to anywhere near where a lot of us think in an ideal world it ought to be, but it will stave off in so many ways the crisis that is upon us. It will give a decent return. It will treat renters more fairly than alternative proposals would. It will not turn the clock back. It will not abandon the existing farm bill. It will be done within the context of that farm bill and we will preserve the marketing flexibility that I think a great many of us value in that farm legislation.

I think there is room for bipartisan concurrence. This is not a matter of one political party rolling the other or stiffing the other or coming away 100 percent victorious. I think in good faith everybody in this body wants to do what reasonably can be done to create the framework whereby family producers can at least survive the current era and emerge from the other side with an opportunity for prosperity in the future.

If we do nothing and if we take steps that are simply wholly inadequate, we are going to see the loss of thousands upon thousands of agricultural producers both in the grain and livestock sectors of our economy. The FSA leadership in my State tells us that we could lose as many as a third of the farmers and ranchers in my home State of South Dakota. That is unacceptable. That has consequences not only for the lives of those families, many of whom have been on the land for 100 years or more, going back to homesteading days, but it has consequences up and down the main streets of every community as well—not just the small farm community but the larger communities—as well as the ripple effect that takes hold, affecting the medium and large communities. I think this has global consequences. We need to recognize that as we address the situation.

I think we ought to avoid the pride of authorship and the temptation to subscribe to partisan warfare and find the middle ground. It makes meaningful, constructive, positive relief a "doable" sort of thing. I am hopeful we can send this conference report back to committee, not to emerge with a radically different approach, but to emerge with something looking more like what the President has recommended, more like what many of us on this side of the aisle would like to see happen. The veto threat is there and people can argue whether it ought to be there or not. I believe that the President is correct. I believe that the President is doing the responsible thing and doing the statesmanlike thing under these dire circumstances.

In the end, it is going to require both sides coming together. I think that is what our constituents want to see. I think they want to see us during these closing days of this 105th Congress reach that consensus that would allow for some substantially higher level of disaster relief than is currently being posed, utilized in a way that more efficiently gets to the people who need it, which addresses the national nature of the disaster which we face, and which sets a framework for prosperity in future years rather than simply being a Band-Aid for now.

Again, it is my hope that the issue of labeling country of origin on meat products—a compromise version which the Senator from Idaho and I subscribe to and went to great lengths to propose—could be revisited. Secondly, it is my hope that price transparency in the livestock industry can be revisited before we leave at the end of this week.

Much remains to be done. There is too much to be done to fall victim to partisanship and to finger pointing. We need a greater level of statesmanship, a greater level of cooperation than, frankly, has been the case all these past months. We are dealing with the very lives and the very future of thousands of hard-working, honest people in rural America who want nothing more than an opportunity to survive the year and to live by the sweat of their brow and the hard work of their families in years to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Madam President, first of all, let me thank the Senator from South Dakota for those kind words. I enjoyed working with him on the meat labeling issue. While the legislation before the Senate advances it only slightly through a study as it relates to the country of origin, I do believe in this country the consumers have a right to know. I believe the consumers have a right to understand whether they are buying foreign or domestic beef. I think the livestock industry deserves, also, that opportunity.

I thank my colleague from South Dakota for his leadership in the area. We will continue to work on this. This is an issue that will not go away. I certainly understand the difficulties of those in the retail industry. We can work those differences out. The compromise the Senator from South Dakota spoke to, that he and I worked on, moved a lot in that direction. I am sorry that they finally, in the end, felt they had to gang up on us a bit during the conference, but we will be back and the issue will be resolved.

I must also tell you that I support a compromise in livestock reporting. I think there must be a transparency in that market for all the world to see. There isn't at this time. We are going to have to work to get to that. I am disappointed that the bill delays the implementation of a Federal milk marketing order reform that I supported.

Now, while I have expressed my disappointment, I will stop with that because those are the areas that I had some concern about. Let me discuss the positive things that are in this very important bill. First, I thank the chairman of the Agriculture Appropriations Subcommittee of the full Appropriations Committee, the Senator from Mississippi, Senator COCHRAN, for his leniency, his cooperation, his understanding, but most importantly, his dedication to the American farmer—whether in his State of Mississippi or whether in my State of Idaho—in ensuring that there is fair play in the balance of appropriating the Nation's resources, tax dollars, for the purpose of American agriculture.

I do believe that this agriculture appropriations bill contains important funding for America's farm families. I am proud of it. I will vote for it. I ask my colleagues on both sides of the aisle to do the same. It is an excellent effort on the part of the Senator from Mississippi.

Compromise is what we work at. I am disappointed that the President, at the last moment, would send a signal of veto. I am amazed that this is a President who didn't say agriculture twice in his first campaign, but promised to say it three times in his second campaign. He never came with an agriculture policy, and now, in the last minute, after they discovered there was a farm crisis 3 months ago, he wants to veto an effort that has been underway for months to try to not only be sensitive to the issues that are down on the farm at this moment, causing great consternation, but would do so by saying, "let's veto."

The reason he says "let's veto" is because it is a habitual kind of thing for the President to want to fall backward into old policy that didn't work, that bound America's agricultural producers into a lockstep Government program offering no flexibility to the marketplace, but more importantly, having to ask the producer to turn to Government every year to decide what they were going to produce and what they were going to get in return.

Now, that is not what the American farmer wanted, and even today, while those in production agriculture recognize the importance of some adjustment, some change in the current program, they are still saying leave the new farm bill program in place. Yet, this President is threatening a veto because we will not fall back to the policy of the old.

What does the bill do that we are talking about here on the floor? Let me tell you what it does and let me tell you what it does for my State of Idaho. I will use it as an example. It funds research at America's colleges and universities in agriculture, at a time when agriculture and yields were dropping nationwide because we weren't investing in the future of American agriculture.

Well, in my State of Idaho, the bill contains **$500,000** for peas and lentils research; **$500,000** for grass seed research;

$500,000 for barley research; $550,000 for research on canola, a new and important crop in our area of Idaho; $1.7 million for research in small fruits; and $1.2 million for research in potatoes and potato disease, the blight that devastated production in the Idaho potato crops last year. Those are all part of a new research initiative the Senator from Mississippi worked to assure that we would get funded so we can invest in the productive future of American agriculture. It funds food stamps and other nutrition programs.

Very little has been said about that today by those on the other side. Yet, that is critically important to America's poor and disadvantaged. It funds conservation and environmental programs, and some very good ones. It contains important biodiesel legislation, a new program for a very important part of a new and emerging market for production agriculture in the oilseed industry. It contains important sanction reform legislation and exempts agricultural products from sanctions on India and Pakistan.

Why, then, if all of these good things are in there, do we have a President that threatens a veto? I have to believe it is because they didn't come with a policy; they don't have one today, and they have this habitual problem of wanting to fall back into the past. Freedom to Farm is everything about the future and very little about the past. That is where we ought to be.

Now, there is a problem in weather-related disasters. There are certainly problems with world markets, as we increasingly tie production agriculture and its profitability to the world markets. Well over 40 percent of everything a farmer in America produces today has to sell in the world market, and we have to be sensitive to that. When those markets go south, prices go south. Does that mean the policy is bad, or does it mean we have a world economic problem? I think it is the latter. We recognize that and we have pumped billions of dollars into that. It won't go to the trader and it won't go to the exporter; it goes right to the bank account of the American farmer—$2.35 billion in disaster-related programs, weather-related programs.

We turn to the Secretary of Agriculture and say: You have the tools, you implement it. We even gave him money to hire more staff to do so—$1.65 billion in income assistance directly to the farmer. This assistance will help provide America's farmers with economic stability that they need to talk to their banker this fall and to talk to their banker next spring, to get a line of credit to put the seed in the ground. And the cycle goes on.

What does it mean in my State of Idaho? I will break it out for you. Today, the price of wheat at the Port of Lewiston, ID, is $2.75. So in the 1998 crop-year, if you add the transition payment of 65 cents, another transition of 45 cents, a loan deficiency payment of 55 cents, and the aid package I just talked about of $1.65 billion, that is 19 cents—that is $1.85 per bushel, Government assistance, to a $2.78 price at the Port of Lewiston today. That is $4.62 per bushel, and $4.62 is, under the current domestic and world market situation, a fair if not a good price in Idaho for wheat.

Idaho wheat hit the bottom in early September when the price hit $2.26 at the Port of Lewiston—although the price was lower further inland in my State, which is more dependent upon rail traffic. Today, wheat is sold at $2.78; that is up 50 cents from its low. The market has assessed the production, and it is making its adjustments. We are helping stabilize that. That is probably why the bill that I am talking about, the current legislation, is supported by the National Farm Bureau and a majority of Idaho's farmers. Is it enough? Well, it is enough to get by on, especially when Government should not be the sole provider of the well-being of production agriculture. But it should understand when there is a crisis and respond to the crisis. That is what we are doing. That response is $1.84 a bushel in assistance.

Now, some keep talking about the loan caps. We voted and voted, and we voted once again on that issue. A majority of Congress said leave the loan caps alone. I believe that the farmers don't want current policy changed. And while some would agree that the loan caps ought to be changed, when I talk to my farmers back home and we walk them through all that this appropriation bill offers, they say: That is fair, Senator. That is as much as we could expect you to do, and thank you for doing it.

We have worked hard on this bill. The Senator from Kansas explained the coalition that came together before the July 4 break. We met with all of the commodity groups and asked, "What do you need?" They said, "Don't change the policy, but we have to have some transitional assistance." Times are tough, and we understood that. Many of us went home in August and listened to our farmers and came back with the mind of putting a package like this together to offer assistance.

The President wasn't listening then and he wasn't focused then. Mr. President, why did you quit your travels and come back this week and say you are going to veto the bill? I don't understand that. I don't understand why you have not been focused on this; yet, all of a sudden, it is time to veto it. You said, "I support Senator HARKIN's programs"; yet, you offer a supplemental that is billions of dollars less. You have taken two positions on the issue and now you have a third. You say, "I will veto what you send me." I don't understand that. I don't think America's farmers understand that very well. Government isn't the end-all to production agriculture. It should be of assistance when assistance is needed. It should care, and it should be concerned, and that is what this bill is reflective of this evening. We should knock down the political barriers and boundaries to enhanced trade. What has this administration done this year? They have not sold or given away one kernel of wheat in the name of humanity. Yet, they have hundreds of millions of dollars to buy wheat in the world and move it into the world hunger areas. Mr. President, why are you not doing that? Why do you come home from your world travels and political travels and say it is time to veto this effort? I don't understand that, Mr. President. I don't understand it.

What we do understand, what Congress understands, and what this bill is reflective of is that you don't change policy; you work to adjust it. You make it fit the marketplace. When there is a national environmental or weather-directed disaster, when there is a downturn in world markets, you make adjustments, you care about production agriculture, and you darn well make sure the money gets home to the bank account of the farmer.

That is what this appropriations bill offers. That is why the House voted on it 333 to 53. That is a big bipartisan vote for the House. Somehow there has to be some good in this legislation, if it drew that kind of a vote in the House. I hope it draws a bipartisan vote here when we vote on it. It deserves it, because it is reflective of the concerns of the current agricultural situation in our country, and, most importantly, it is reflective of the concern of production agriculture when production agriculture says don't change the policy over some transition, make sure that you are sensitive to what we are concerned about.

But what is important to all of us is that we listen to production agriculture. And we know that there are times when a safety net is necessary. This year, as in past years, we have offered one of the largest safety nets in the history of our Government, and we will continue to do that. But let us not change the policy and drive our Government into the business of being the partner of production agriculture, drive it into the business of not ever determining the acreage that should be farmed, or the amount that should be farmed, but into the business of knocking down political barriers, into the business of working as a partner in selling in the world markets instead of simply sitting back with hands folded saying, "Oh, gee, we have an agriculture problem."

I think we ought to do something about it. We ought to control production. We ought to squeeze down on production in the rest of the nations of the world, save time to gear up and time to increase our acreage. If we are going to pull away, if the United States is going to pull away from its spot in the world market, we are going to fill it. That is what the policies of the past offered, and we had to fight for decades to gain them back.

I hope that in the end, when the rhetoric cools, when the President develops an understanding of production agriculture—and I give him 24 hours to do it—that he will sign the bill, offer up the kind of assistance that this bill recognizes is important for our producers, and get on with the business of being a cooperating partner with production agriculture, and not a barrier, or not a hindrance, or not a Johnny-come-lately.

Mr. President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

Mr. HARKIN. Thank you, Mr. President.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Yvonne Byrne and Maureen Knightly, members of my staff, be granted floor privileges during the debate of the agriculture appropriations conference report and the vote that is taking place at 5:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, first, I was listening to what the distinguished Senator from Idaho was saying. He raised one question. He asked the question, What do farmers want? That is a fair question. But there is an answer.

A poll was prepared by Rock Wood Research, a subsidiary of the Farm Journal, Inc.—we are all familiar with Farm Journal—for the Nebraska Wheat Growers Association, the American Corn Growers Association, and the Nebraska Farmers Union. It was a widely disseminated poll. It was done between September 4 and September 10 of this year. And 1,000 farmers, actual producers, were interviewed—500 corn growers and 500 wheat growers.

There were a number of questions. One of the questions asked was whether Congress should lift loan caps and raise loan rates 59 cents per bushel on wheat and 32 cents on corn, and 72.5 percent of the farmers polled said yes, they wanted the loan rates raised; only 19 percent said no.

So if you are asking the question about what farmers want, I have a scientific poll done of 1,000 farmers, a pretty good cross section, and 72.5 percent said they wanted the loan rates raised.

Another question: A farm program should retain planting flexibility, including farmer-owned and farmer-controlled grain reserves; 85.9 percent of the farmers interviewed said they would support that proposal. Only 9.9 percent opposed it.

Yet the Republicans in this body and in the House would never vote to give farmers a farmer-owned and farmer-controlled grain reserve. We have had that in the past. I, for one, happen to be in favor of reinstituting it. But, obviously, the party in power will not countenance that. So when you ask what farmers want, it is here in this poll; it is as plain as can be. If we were voting on what farmers wanted, we would have lifted the caps from the commodity marketing assistance loan rates and we would have a farmer-owned and farmer-controlled grain reserve.

So much for that question.

It has also been said that our marketing loan proposals are undermining Freedom to Farm. That is not so. What has undermined Freedom to Farm is external events, which is weak export demand from the Asian markets, along with the strong dollar, generally favorable weather and bumper crops in many areas. Those are the factors that have undermined the hoped-for success of Freedom to Farm.

Actually, the proposal that we have made would in some ways help Freedom to Farm. It is kind of odd that I find myself, who was opposed to Freedom to Farm because of its lack of income protection, saying that our proposal probably will help save it more than what is being done in this conference report. But, be that as it may, I still think that, looking at it both in the short and the long term, raising the caps on the marketing loans is the way to go.

One other point that I wanted to raise is that I really take issue with any suggestion that Secretary of Agriculture Glickman has flip-flopped on loan rates. I don't believe that assertion is supported by the facts. Secretary Glickman for some time has talked about the need to restore a farm income safety net. In fact, he said that when the President signed the 1996 farm bill into law. He was not saying that he opposed taking the loan rate caps off; he just said there needed to be a safety net. When a specific proposal to lift the caps on loan rates was made, he endorsed it, as did President Clinton. So I can't see that as any kind of a flip-flop.

A lot has been said here about generosity and how generous the Republican proposal in the conference report is for farmers, for disaster-related assistance. I divide the conference report in this regard into two areas. There is the part that goes for the natural disaster assistance and the part that goes for the income losses related to commodity prices.

On the disaster side, the proposal that we offered in conference would provide $2.486 billion in disaster assistance. The conference report has $2.350 billion. Actually, the proposal that we offered would have been more generous overall to farmers suffering from disasters than the conference report in front of us.

Mr. President, having said all of that, I must also say that there are many good features in this conference report. I commend the distinguished chairman and ranking member for their outstanding work under very difficult constraints to pull this conference report together. It has a number of provisions important not only to my State of Iowa but to the Nation that I am pleased to see included. So there are a lot of good things in the bill.

But there is one overriding shortcoming in the bill that will, of course, compel me to oppose the conference report. And that is what we have been speaking about most of the afternoon, those of us who have been on the floor; that is, what I feel to be the lack of adequate assistance to help our farmers—our farm families—deal with the worst economic devastation in over a decade. It is a matter that is simply too important to let go. I regret that I must urge my colleagues to vote against the adoption of the conference report.

Again, just to refresh my colleagues about the seriousness of the crisis facing American farm families and rural communities, in July, when this legislation was last on the Senate floor, 99 Senators voted in favor of a resolution recognizing the severity of the crisis that confronts us in agriculture and calling for immediate action. What was bad then has become even worse since.

Commodity prices have fallen even further. In the period of 11 weeks, corn and soybean prices at Central Illinois Terminal Elevators have declined 39 cents a bushel for corn and $1.49 a bushel for soybeans. At Iowa Interior Elevators, prices have fallen by similar amounts to about $1.53 a bushel for corn, and about $4.65 a bushel for soybeans. And on the livestock side, hog prices have continued at low levels, remaining at or below $30 a hundredweight in southern Iowa markets since early September. Country elevator prices are expected to fall even lower as the fall harvest gets fully in swing. Cattle prices remain low. Wheat prices have been depressed for a long time and are expected to continue so.

In addition to the low commodity prices, farmers in several regions of the country have suffered devastating losses from damaging weather, crop diseases, and other natural disasters. There has been severe drought in the South, Southwest, Southeast, and now followed by devastating hurricanes.

In the northern plains, several years of crop disease have put farmers on the ropes. As a result of all of these forces, farm income is falling drastically. It is estimated that this year net farm income will be down by more than $11 billion from last year.

That is over a 20-percent drop in farm income in 1 year. Again, this loss of income is having a horrendous effect on farm families and their communities. And there appears to be no relief in the market on the horizon.

We are all talking about the market. The theory of Freedom to Farm supposedly was that farmers can plant for the market. Well, there is no market to speak of now. We have too large a quantity of commodities for the market. We have a glut on the market, and our Asian markets and other markets are suffering. I don't know when they are going to come back. So if the response is that farmers can plant for the market, I assume the advice to farmers is not to plant because there is no market.

Well, how can that be when the farmer has his fixed costs. He has land. He has his equipment. He has all this money tied up. He has to plant. He has to plant his crops to try to make something. In fact, economically, that farmer will try to plant more. He will try to get more out of his fixed asset base to make up for his losses. He will try to get more production out of his fixed base to make up for lower prices. Therefore, we look again next year for another bumper crop coming on and continued low prices. The Asian economy is not expected to turn around quickly, the Russian economy is in the tank, and the relative strength of the U.S. dollar means that other exporting countries can offer more competitive prices than we can.

So we are now in what appears to be a prolonged period of low commodity prices. And unless we take some action, action that is truly effective, we are headed into another round of farm foreclosures and families forced out of business and off the land.

A recent Iowa State University study, for example, concluded that 2 to 3 straight years of low prices could push as many as a third of Iowa farmers into restructuring or liquidation with disastrous consequences for Iowa's economy.

I want also to underscore the broad ramifications of this farm crisis on the wider economy. Agriculture is the largest industry in my State of Iowa, as it is in a number of States. When agriculture is in a downturn in Iowa, the entire State economy feels it.

If we consider the drop in corn and soybean prices alone this year, leaving aside the precipitous drop in hog prices, Iowa's economy this year is going to take a hit of about $1.4 billion. Chopping that much out of Iowa's economy could cost upwards of 26,000 jobs, jobs that we can ill-afford to lose in my State.

Again, I want to make it clear exactly what part of the conference report I disagree with—the part dealing with loss of income caused by low commodity prices.

Again, I am not opposing that part of the conference report dealing with disaster assistance, although I did point out that what we had in our package was a little bit more generous to those farmers hard hit by the disasters than what is in this conference report.

We had worked, Senator DASCHLE and a number of my colleagues and I had worked on an emergency request sent up by the administration. We made some modifications and additions to the administration's request. We came up with what we considered to be a well-balanced bill. The emergency package that we put together would have provided about $130 million more in disaster-related assistance than the provisions now in the conference report.

The other essential part of the package, apart from the disaster assistance, is to restore some of the farm income safety net. If we consider those two aspects of the emergency package in tandem, then every State in the United States would have come out better under our proposal than under what is now in the conference report, and that includes the States hard hit by natural disasters.

Let me explain further why what is in this conference report is inadequate to deal with the problem of low commodity prices. The conference report includes $1.65 billion that would be added to the Agriculture Market Transition Act, otherwise known as AMTA, payments that farmers will receive for fiscal 1999. I understand that these payments would mean an addition of about 19 cents a bushel for wheat and about 11 cents a bushel for corn when considered on the basis of program payment yield.

Keep in mind there are no payments directed for soybeans or oilseeds in this conference report even though soybean prices have dropped dramatically.

Also, keep in mind that actual yields are greater than the program payment yields used for calculating the AMTA payments. So if we consider the actual production on farms, the conference report would provide about 13 cents a bushel for wheat and about 7 cents a bushel for corn. Again, no direct assistance for soybeans.

These levels of assistance are totally inadequate. In fact, a spokesman for one Member of this body said it better than I could. He said the proposal is a "slap in the face" to farmers. Well, it really is. I likened it to giving a person dying of thirst a thimbleful of water; it might relieve suffering momentarily but it really doesn't solve the problem of the person dying of thirst.

The proposal that Senator DASCHLE and I along with others put forward is different. This proposal, which has been talked about by others this afternoon, simply would lift the caps from the commodity marketing assistance loan rates. If that was done, our proposal would add about 57 cents a bushel in added income protection for wheat, compared to 13 cents in the conference report, 28 cents a bushel for corn compared to 7 cents a bushel for corn in the conference report, and about 28 cents a bushel for soybeans compared to zero for soybeans in the conference report. I might also point out it would provide higher loan rates for both cotton and rice.

Our proposal obviously was rejected in conference. That is very unfortunate because it goes much further than what is in the conference report toward addressing the devastating loss of farm income due to low commodity prices. Again, if we have low commodity prices caused by a glut, bumper crops, combined with the loss of foreign markets we are going to have to enact some reasonable income protection to help farmers make it through this economic disaster—a disaster not of their own making. I know there has been a lot of discussion about fast track as though that is the magical solution to everything that is wrong in the farm economy. If only we had fast track, it is suggested, everything would be beautiful. Let's be honest and let's be real about it. Fast track could help us 5 or 7 years from now, which is how long it took to get the Uruguay Round completed. But fast track doesn't help us now. Not in any way does it help the farm families who face foreclosure in the next few months. I say that as someone who has voted for fast track in the past, who voted for NAFTA and voted for the Uruguay Round agreement. I defy anyone to come to the floor and tell me how, if fast track were passed right now, it could possibly help farmers who are in dire straits this year and next year. So fast track may have some benefits down the pike, depending on what comes out of the negotiations, but none in the immediate future.

Again, I and others who have proposed lifting the caps on marketing loan rates have been accused of going beyond the scope of the farm bill, of reopening the farm bill. Well, the fact is marketing loan are in the farm bill. The bill set a formula for loan rates, but then put an arbitrary cap on the loan rates for budgetary reasons. Taking off the caps and letting the formula already in the bill work, as we are proposing, is not really reopening the farm bill. We are simply taking what is in the farm bill, a tool that is in there, and using the tool to enhance the farm income protections within the basic structure of the 1996 farm bill—simply by removing the caps. That change, combined with extending the loan period, will help farmers well into next year—and next year and the year after if the policy were adopted for the long term as I believe would be desirable. Added AMTA payments will go out this year, and that is it. A lot of the new

AMTA payments will go to farmers who will not be farming next year. A lot of that AMTA payment will go to farmers whose landlords will seize the opportunity to increase the rent and take it back in rent payments. So basically the AMTA payment is sort of a one-time payment to farmers, but it really is not going to solve the problem.

Again, I would like to illustrate the difference between the conference report and what the Democratic plan was. For a 650-acre corn and soybean farm in Iowa with 390 acres of corn base, 260 acres of soybeans, the conference report will provide a $4,230 payment to that farmer. The Democratic proposal, in removing the marketing loan caps, would provide increased income protection of $18,455 or a difference of $14,225 to the farmer with 390 acres of corn and 260 acres of soybeans in Iowa.

So again, that is a very substantial difference, and it is a difference that would carry through into next year because of the improved income safety net aspect of the marketing assistance loan. The small AMTA supplement is a short term one-time payment.

So again, I just ask my colleagues from the Corn Belt whether 7 cents a bushel paid out now, but soon gone, is anywhere near enough to address severe farm income problems. Is 13 cents a bushel enough even to begin to address the economic devastation in wheat country? And I ask my colleagues whether a proposal with no direct support for soybeans is adequate to address the steep decline in soybean prices.

So that is really the question today. The question is whether or not those very small cash payments are going to be adequate for the tremendous farm income problems that are out there. I do not believe so. I do not believe that will help nearly enough—

The PRESIDING OFFICER. If the Senator will withhold, the hour of 5:30 having arrived, the clerk is to report the motion to invoke cloture on the motion to proceed to H.R. 10.

Mr. HARKIN. Mr. President, I ask unanimous consent that I just be allowed 3 more minutes.

The PRESIDING OFFICER. Is there objection?

Mr. ROBB. Mr. President, reserving the right to object, I ask for 1 additional minute at the conclusion of the remarks of the Senator from Iowa before the rollcall vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HARKIN. Mr. President, again, this conference report needs to be rejected and sent back for further work to restore farm income protection by removing the marketing loan rate caps. There are also two other areas in which the conference report is not acceptable.

I would mention the labeling of beef and lamb for country of origin. The House Republicans rejected this idea. It is too bad, because under the WTO it is allowed, to have country of origin labeling. It is not just for our beef and lamb producers in this country. I believe our consumers have the right to know, when they buy a steak or chop or other cut of beef or lamb at the meat counter, what its country of origin is.

Second, we had mandatory price reporting in the Senate bill so livestock producers will have information to help them evaluate packer bids for fairness. The conference report converted that bill language into weak report language. We have had study after study after study on pricing practices in the livestock and meat business and the need for more openness and transparency. It is time we have real action, not another study on that.

For those reasons I believe the conference report ought to be rejected and sent back for further work. If it is not, then I am afraid we will have a one-time payment to farmers this fall and we will be back again here next year with fewer farmers and even more economic devastation in rural America.

Mr. President, I ask unanimous consent to have printed in the RECORD "Suggested Changes in Farm Policy for the 21st Century," submitted by Dr. Neil Harl of Iowa State University, and I yield the floor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUGGESTED CHANGES IN FARM POLICY FOR THE 21ST CENTURY

FINE TUNING "FREEDOM TO FARM"

(By Neil Harl)

Farmer-owned storage program for major commodities.

Long-term land idling (up to 20 years) in marginal areas (contracts terminate if prices rise above a specified level).

Standby authority to implement acreage set aside (if prices remain for a specified period below a designated level).

Adequate funding for FSA direct lending and loan guarantees for limited resource borrowers.

Continue LDP and marketing loans with slightly higher loan rate (not higher than cost of production on marginal lands).

The PRESIDING OFFICER. The Senator from Virginia, under a previous unanimous consent request, is recognized for 1 minute.

Mr. ROBB. Mr. President, I rise to express my surprise and dismay about what occurred in the conference committee on the agriculture appropriations bill.

During debate on this bill in July, Mr. President, the Senate accepted an amendment I offered to waive the statute of limitations for discrimination complaints filed by many small and minority farmers against the U.S. Department of Agriculture. This amendment addresses an urgent and shameful problem, Mr. President, and we worked with farmers, the White House, the USDA, the Department of Justice, and the Congressional Black Caucus to develop language that would protect the legal rights of farmers' and be implementable by USDA.

Mr. President, similar language was included in the House bill, but it was drafted more quickly and with less consensus. It was more narrowly defined and had less aggressive time limits for USDA to resolve discrimination complaints. And it cost $5 million less.

And even though Representative MAXINE WATERS, the chairman of the Congressional Black Caucus lobbied the conferees in support of the Senate version of this amendment, Mr. President, the Senate lost on almost all counts.

To give my colleagues some background, the investigative unit at USDA's Office of Civil Rights was abolished in 1983. Farmers whose complaints were pending at the time were led to believe their complaints were still being investigated, when they were not. Farmers who filed complaints after the abolition of the unit were also led to believe that their complaints would be processed and investigated, despite the fact that the USDA had no resources with which to conduct such investigations. The bottom line is that none of these complaints were ever considered—but none of the farmers were told that was the case.

When Secretary Glickman learned of this problem, Mr. President, he directed that the complaints be resolved quickly. In fact, I offered an amendment to last year's appropriations bill to fund the investigative unit.

But when USDA was finally prepared to enter into settlement agreements on some of these cases, Mr. President, the Department of Justice stepped in to claim that the statute of limitations for the complaints—despite USDA's deception in the matter—had expired. The amendment I offered to this year's appropriations bill eliminates this legal obstacle and allows farmers to pursue their claims of discrimination. It allows them to have their day in court, so to speak.

As we approached conference, however, I learned through staff that objections to accepting the Senate version of this amendment were raised based on cost. Our version was scored at $15 million, while the House version was scored at $10 million. Mr. President, there's no question the two amendments were slightly different. But the $15 million in the Senate amendment was to compensate Americans for discrimination perpetuated by their own government. It was a figure determined by CBO, conferring with USDA, about which of the pending complaints would have likely resulted in legitimate and provable cases of government discrimination. It is money that our government owes to farmers who have been treated in such an unjust and morally reprehensible manner.

Mr. President, during conference deliberations, I learned that the House conferees objected to the scope of the Senate amendment. As I've alluded to before, the House version addressed only discrimination complaints against the Farm Service Agency. My amendment addressed complaints filed against not only the Farm Service Agency, but also the Rural Housing Service. We know that discrimination has occurred in both agencies, and study after study has clearly illustrated this. Unless we address complaints against both agencies, we allow justice to continue to elude a number of minority farmers in America who deserve at long last to be treated fairly.

To my dismay, Mr. President, the conferees accepted the House version of the civil rights amendment, adding only a small portion of the Senate version.

The Senate version of the civil rights amendment allowed for the waiver of the statute of limitations for discrimination complaints made against both the Farm Service Agency and the Rural Housing Service. The House version only allowed the FSA claims.

While the conference language allows farmers to file suit in federal court if their claims for relief are denied by USDA, the Senate language specified that the federal court shall apply a de novo standard of review. This standard would have allowed a federal court to review USDA's findings and rationales with a fresh eye, so to speak. In other words, a court would not be required to give as much deference to USDA's decisions. This is obviously a protection that would have given aggrieved farmers a degree of legal protection that is imminently justified. Yet no such protection exists in the conference language.

To make matters worse, Mr. President, the one protective provision that I was told would be included in the conference language—the expedited review provision—was somehow omitted from the conference report. When the conferees reached a compromise on this amendment, it is my understanding that they specifically agreed to include a provision of my amendment which limited USDA to 180 days in which to investigate complaints, issue findings, and propose settlement awards, where applicable. This provision was supposed to be included, but it was not.

Mr. President, I am at a loss to explain why we can't do a better job of rectifying such a grevious history of overt, admitted discrimination for so little money. Our Minority farmers deserved better conference language from this Congress than they got. It just underscores the enormous obstacle we face in resolving this issue—and that is that too few members care enough about this problem to give it the attention and the priority it calls for.

Before I conclude, Mr. President, I'd like to share with my colleagues some updated news. Last week, the Office of Inspector General issued a report which lambasted the Office of Civil Rights' handling of the backlog of discrimination complaints. The report characterized the Office's case files as "too slovenly to ensure the availability of critical documents." It further berated the Office for its failure to implement the majority of recommendations made to the Department in a February 1997 report.

I am not sure why this Department has had so many problems, not only with eliminating unjust and inexcusable behavior, but also with efficiently resolving complaints of discrimination. These are symptoms of an overwhelming and inexcusable problem. As many of my colleagues know, this is a problem that I have been working to solve for almost two years, from the moment it was first brought to my attention by a group of minority farmers headed by a Virginian.

Mr. President, I have heard account after account of inexcusable behavior on the part of various officials at USDA, primarily those in positions of authority who process farmers' applications for loans. Some farmers have had trouble even getting loan applications, much less having their applications processed in a timely manner. Many farmers have cited stories in which their applications have been purposely processed later than those of non-minority farmers. The loan money then, in effect, was dispersed to non-minority farmers first. Then, when many minority farmers checked the status of their applications, the USDA officials responded by stating that there wasn't any money left. Another farmer told me that a USDA official was permitted to keep a noose in his office, despite repeated complaints about the message it sent to minority farmers wishing to do business in that office.

I know that Secretary Glickman is committed to stemming this pattern, but ultimately Congress is responsible for overseeing our government agencies. In the two years that I've been working on this issue, talking with farmers, meeting with the Secretary and the President, we, as a Congress, have not taken a sufficiently forceful approach to stem this shameful pattern of discrimination. In my view, that makes us part of the problem as well.

When the conferees chose not to accept the Senate language, they made a choice that sends a disquieting message to minority farmers across this country. The message they sent was that they were willing to do the bare minimum for minority farmers who have suffered discrimination at the hands of government officials. It is a message that we, the Congress, are not willing to get fully invested in eliminating discrimination within our own government.

The President has indicated that he will veto this bill, and I am hopeful that my colleagues will take another opportunity to look at the differences between the Senate language and the conference language. We will have another opportunity to correct a critical error in our priorities. The farmers deserve our best oversight efforts, and they deserve the strongest civil rights amendment that we can craft. I will continue to push all of our colleagues to do so. A lack of attention to this issue means not only failure on our part, but a perpetuation of a problem for which we should all be ashamed.

Thank you, Mr. President. I'd like to ask unanimous consent that this letter and executive summary from the Inspector General to the Secretary of Agriculture dated September 30, 1998 be included in the RECORD immediately following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF INSPECTOR GENERAL,
Washington, DC, September 30, 1998.

REPORT TO THE SECRETARY ON CIVIL RIGHTS ISSUES—PHASE V

From: Roger C. Viadero, Inspector General.
Subject: Evaluation of the Office of Civil Rights' Efforts to Reduce the Backlog of Program Complaints, Evaluation Report No. 60801–1–Hq.

In July 1998, your Assistant Secretary for Administration asked the Office of Inspector General to review the efforts by the Office of Civil Rights (CR) to reduce the backlog of program complaints in USDA. Attached is a copy of the results of this review. This represents our fifth evaluation of the Department's efforts to reduce the program complaints backlog and to improve the overall complaint processing system, including the investigative process.

We found that the Department, through CR, has not made significant progress in reducing the complaints backlog. Whereas the backlog stood at 1,088 complaints on November 1, 1997, it still remains at 616 complaints as of September 11, 1998.

The problems we noted before in the complaints resolution process also continue. CR's data base remains an unreliable repository of information, and its casefiles are too slovenly to ensure the availability of critical documents. A disaffected staff and a leadership vacuum have contributed to a system that cannot ensure complainants a timely hearing of their grievances.

Of considerable concern to us is CR's lack of progress in reforming its operations in accordance with our previous recommendations. Few corrective actions have been taken to increase the efficiency of the complaints resolution process. We also noted that CR staff members have not always been honest in portraying the actual level of their performance. Some of the information they gave us proved to be inaccurate. Some of the information they gave you on earlier occasions proved likewise to be inaccurate.

Because of continuing problems in the complaints resolution process, we are recommending that you convene a Complaints Resolution Task Force (independent of CR) to immediately assume control of the backlog and have full authority to resolve complaints, including entering into settlement agreements. We are also recommending that the civil rights function within the Department be elevated to the level of Assistant Secretary.

At your request, we will be continuing our work with CR, giving special emphasis to its management of settlement agreements.

EXECUTIVE SUMMARY

Purpose

The Assistant Secretary for Administration asked us to perform a followup review of the operations of USDA's Office of Civil Rights (CR), the office responsible for resolving complaints made against the Department for alleged civil rights violations in the administration of its programs. During four previous reviews of the Department's civil rights program complaints system, we determined that the system was not functioning properly and that the Department had amassed a growing backlog of complaints that required immediate attention. Although CR itself could not accurately determine how large the backlog was at the time of our first review, it later identified 1,088 outstanding unresolved complaints before November 1, 1997.

Results in brief

Our past reviews had questioned the productivity of CR; we had found a disaffected staff and a leadership vacuum. Little was being accomplished by USDA agencies to respond to citizen complaints of discrimination and little was done by CR to manage the resolution process. Some complaints in CR's backlog had languished for over 2 years. After our February 1997 report, CR made the resolution of its backlog its first priority.

Our current review disclosed that the backlog of complaints of civil rights violations, although reduced, still stands at 616 cases as of September 11, 1998. Of these 616 cases, 80 are under investigation, 310 are awaiting adjudication, 23 are undergoing a legal sufficiency review, and 103 are pending closure. The remaining 100 cases still await a preliminary analysis. (Because 164 complaints are involved in lawsuits against the Department, their cases cannot currently be processed. Of these 164 cases, 147 are included in the remaining backlog.)

The backlog is not being resolved at a faster rate because CR itself has not attained the efficiency it needs to systematically reduce the caseload. Few of the deficiencies we noted in our previous reviews have been corrected. The office is still in disarray, providing no decisive leadership and making attempt to correct the mistakes of the past. We noted with considerable concern that after 20 months, CR has made virtually no progress in implementing the corrective actions we thought essential to the viability of its operations. The following table summarizes the key areas for which our recommendations were made and in which the uncorrected deficiencies persist.

TABLE 1.—AREAS OF DEFICIENCY PREVIOUSLY NOTED BY OIG AND STILL UNCORRECTED—RECURRING OFFICE OF CIVIL RIGHTS ISSUES

Issue	OIG Evaluation Phases					
	Alert (02/25/97)	I (02/27/97)	II (09/29/97)	Memo (12/18/97)	IV (03/04/98)	V (09/30/98)
Review State foreclosure actions	X	X	X	X	X	X
Send letters of acknowledgment (Completed November 1997)	....	X	X			
Develop and maintain a data base	....	X	X	X	X	X
Evaluate each agency's civil rights staff	....	X	X	X	X	X
Clean casefiles	....	X	X	X	X	X
Clear backlog	....	X	X	X	X	X
Publish regulations	....	X	X	X	X	X
Reconcile casefiles with USDA agencies	....	X	X	X	X	X
Write plans for compliance reviews	....	X	X	X	X	X
Follow up on isolated instances of potential discrimination	....	....	....	X	X	X
Find lost casefiles	....	X	X	X	X	X
Use aging reports	....	X	X	X	X	X
Train investigators	....	....	X	X	X	X

X Condition originally noted and recommendation made. X Condition continues. X Corrective action taken but not adequately implemented. See exhibits B and C for the Secretary's memoranda regarding Phases I and II.

We estimate that if CR continues to operate under its current methods and at its current rate, the backlog of complaints existing on November 1, 1997, will not be completely resolved for at least another year.

Most conspicuous among the uncorrected problems is the continuing disorder within CR. The data base CR uses to report the status of cases is unreliable and full of errors, and the files it keeps to store needed documentation are slovenly and unmanaged. Forty complaint files could not be found, and another 130 complaints that were listed in USDA agency files were not recorded in CR's data base. Management controls were so poor that we could not render an opinion on the quality of CR's investigations and adjudications.

Of equal significance is the absence of written policy and procedures. It is incumbent upon CR to revise department policy to ensure it complies with civil rights laws and to establish the framework of its own activities. We believe standardized, written guidelines are essential to CR's operation, and it is a matter of concern to us that CR has, over the space of 20 months, produced nothing to lay the foundation for good management controls.

The absence of formal procedures and accurate records raises questions about due care within the complaints resolution process. We found critical quality control steps missing at every stage of the process. Staffmembers with little training and less experience were put to judging matters that carry serious legal and moral implications. Many of CR's adjudicators, who must determine whether discrimination occurred, were student interns. Legal staffmembers with the Office of the General Counsel (OGC), who review CR's decisions for legal sufficiency, have had to return over half of them because they were based on incomplete data or faulty analysis. We noted that a disproportionately large percent of the 616 cases of unresolved backlog had bottlenected in the adjudication unit.

Furthermore, CR may not understand the full scope of its authority. CR has concentrated its oversight on federally-conducted programs; it has largely ignored a host of federally-assisted programs (e.g., crop insurance, research grants) in which complaints of discrimination may have been made.

CR's unsuccessful efforts to resolve the backlog of civil rights complaints are in part the symptom of an insecurity that has affected office morale. The many reorganizations the complaints resolution staff has undergone, the high turnover the staff has experienced within the last several years, and the inadequate training afforded both managers and staffmembers, have left the staff unfocused and without clear direction. The staff we found at the civil rights offices was not a coherent team of dedicated professionals with a shared vision but a fragmented order of individual fiefdoms, each mindful only of its own borders and its own responsibilities. Low office morale has contributed to a lack of productivity. CR's data base shows that since January 1997, CR closed only 19 cases through adjudication, 8 of which were not even investigated by CR. Through this inefficiency, complainants are being denied a timely hearing of their civil rights complaints.

Also disturbing was the evasiveness we encountered at CR. We found discrepancies between what we were told by staffmembers and what we were subsequently able to verify. We found similar discrepancies in information CR communicated to the Secretary. These discrepancies, in the number of open and closed complaints, were repeated at congressional hearings and other public forums.

We concluded that in order to complete the backlog of cases expeditiously, the Secretary needs to transfer resolution of the backlog to a complaints resolution task force, composed of seasoned adjudicators and well qualified civil rights personnel from Federal agencies outside USDA. The task force should have full authority to review and resolve all complaints.

To increase CR's efficiency in the long term, the Secretary should create an Assistant Secretary of Civil Rights with subcabinet-level status. Concurrently, the CR Director should emphasize hiring managers who have a solid background in civil rights and a good knowledge of Department programs.

Once in operation, the task force would provide CR with the opportunity to focus on its own structure and implement the reforms it needs to function efficiently. We believe CR is capable of these reforms and that it is in the best position within the Department to act objectively in resolving civil rights complaints. Consequently it should retain Department authority to investigate future complaints. We believe that when CR has taken the corrective actions we previously recommended, as well as the steps outlined in this followup report, it will provide more efficient service.

Key recommendations

We recommend that the Secretary take the following actions to ensure that citizens who have complained of discrimination by USDA receive a timely hearing:

Immediately convene a complaints resolution task force, composed of well qualified civil rights personnel from other Federal agencies and senior USDA program personnel with decision-making authority. The task force, under the direction of an Executive Director who reports directly to the Secretary, should immediately assume control of the backlog and have full authority to review and resolve complaints.

The complaints resolution task force could also assist the CR Director in reviewing new complaints that have exceeded the 180-day resolution deadline set by the Civil Rights Implementation Team.

The OGC and the CR Director should be available to assist the task force in its efforts.

The task force should perform a case-by-case, document-by-document sweep of the casefiles to restore retrievability to the information contained in the files.

Elevate the Department's civil rights functions to the level of Assistant Secretary with full authority across agency lines.

Require CR to (a) issue needed operational policies and procedures within a 2-month timeframe, (b) resolve within 2 months all other recommendations that we made in our previous reports but that CR has failed to implement, (c) keep open all cases with settlement agreements so the agreements may be tracked, and (d) institute other operational improvements that will ensure the efficient operation of the civil rights functions within the Department and ensure due care in the resolution of all civil rights complaints as well as a timely hearing for all complainants.

Statistical data on complaints

According to CR's data base as of September 11, 1998, the Department's inventory of complaints totals 1,439 that are open and 582 that are closed. Of the total open and closed cases, 383 are part of 2 lawsuits brought against the Department; 77 from the *Brewington* lawsuit, and 256 from the *Pigford* lawsuit. These cases are identified separately because the court prohibited CR from processing the cases as long as they were under litigation.

CR categorizes complaints that have not yet been reviewed as "intend-to-file" cases. Normally these cases are considered "unperfected." However, if the complainant has indicated an intent to go forward with the complaint once Congress waives the 2-year statute of limitations, the case is identified separately.

The three tables on the next page identify the status of all cases in the inventory.

TABLE 2—STATUS OF CIVIL RIGHTS PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit			Pigford Lawsuit [1]			Brewington Lawsuit [2]			Total		
	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed	Intend	Open	Closed
Backlog		469	455		144	16		3	1		616	472
New		138	106		19	2		6	1		163	109
Unperfected	271		1	6			7			284		1
Statute of Limitations	248			69			59			376		
Totals	519	607	562	75	163	18	66	9	2	660	779	582

[1] Actual total number of complainants in the Pigford lawsuit as of 08/06/98 is 481. Not all complainants are captured in CR's data base.

[2] Actual total number of complainants in the Brewington lawsuit as of 08/06/98 is 132. Not all complainants are captured in CR's data base. CR is prohibited from processing cases under litigation and cannot yet process those cases which fall outside the statute of limitations.

TABLE 3—STATUS OF CIVIL RIGHTS BACKLOG PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	69	31		100
Under Investigation	75	5		80
Adjudication	214	93	3	310
At OGC	19	4		23
Pending Closure	92	11		103
Closed	455	16	1	472
Total	924	160	4	1,088

TABLE 4—STATUS OF CIVIL RIGHTS NEW PROGRAM COMPLAINTS AS OF SEPTEMBER 11, 1998

	Not in Lawsuit	Pigford Lawsuit	Brewington Lawsuit	Total
Pre-Investigation	126	17	6	149
Under Investigation	2			2
Adjudication	7	2		9
At OGC				0
Pending Closure	3			3
Closed	106	2	1	109
Total	244	21	7	272

Mr. BUMPERS. Mr. President, I ask unanimous consent I be permitted to proceed for 2 minutes prior to the cloture vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, when Senator COCHRAN and I reported the fiscal year 1999 appropriations bill for agriculture, rural development and related agencies to the Senate earlier this year, our recommendation included maintaining the studies and evaluations activities for USDA's food programs with the Food and Nutrition Service (FNS). This recommendation was consistent with the President's budget request.

The studies and evaluations activities are important for a number of reasons. These activities enable better program management of the several domestic feeding programs administered through USDA. We should remember that USDA's nutrition programs comprise the lions' share of the USDA budget and are often all that stands between many of our people and abject hunger. Because of the long-term health implications associated with a healthy, nutritious diet, it is absolutely vital that program administrators have access to relevant and updated information regarding nutrition and program delivery.

Mr. HARKINS. I agree with the Senator from Arkansas' explanation of the importance of these research functions at USDA. Although the Senate position going into conference was to fund the food program studies and evaluations through FNS, the House insisted on their provision which would place these functions with the Economic Research Service (ERS). We were able to reach an agreement with the House conferees, as included in this Conference Report, to transfer $2 million from the ERS back to the FNS for this purpose. It is our expectation that the ERS will continue its working relationship with the FNS in order for that agency to conduct the same type of studies and evaluations as in the current fiscal year.

Mr. BUMPERS. Mr. President, I would like to note the importance of coordinating the research agenda for the food program studies and evaluations between USDA's research and nutrition subcabinet officers. I cannot understate the importance of these two branches of USDA continuing to work together, as they have done this year, to ensure that FNS' research agenda meets the needs of program managers to have adequate information to guide their program decisions.

Mr. COCHRAN. Senator Bumpers is correct. I strongly urge the Under Secretary for Food, Nutrition, and Consumer Service and the Under Secretary for Research, Education and Economics to continue working together to establish a reasonable division of effort consistent with a sound research agenda.

NATIONAL SWINE CENTER

Mr. HARKIN. I would like to engage my colleague, Senator BUMPERS, the ranking member of the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies in a colloquy regarding the pending legislation. For clarification, I would like the Senator to provide further explanation of language included in the Statement of Managers accompanying the conference report to H.R. 4101.

It is my understanding that language under the heading of the Agricultural Research Service imposes a limitation on funding for the National Swine Research Center at Ames, Iowa, but is related to operational and maintenance costs for that facility beyond those normally associated with assignments of ARS personnel. This interpretation would not be inconsistent with the general provision of the conference report that prohibits the transfer of title of the Center to USDA.

Mr. BUMPERS. The Senator from Iowa is correct. While the conference report does not allow for the transfer of title of the facility to USDA, and the

Statement of Managers includes language limiting the use of funds for operational costs, that limitation does not apply to the allocation of funds pursuant to normal ARS scientist assignments. The Statement of Managers includes direction that an increase of $2 million for ARS research at Ames, Iowa, is included as reflected in the accompanying table. That table indicates an increase of $1 million for the National Animal Disease Center and an additional $1 million for Livestock Management. The latter amount is available for use at the National Swine Research Center consistent with normal ARS personnel funding allocations.

Mr. HARKIN. I thank the Senator for his further explanation.

Mr. BUMPERS. Mr. President, let me say, and I would be remiss if I did not say it at this point, I think, one of the things I will miss deeply when I leave the U.S. Senate will be the excellent relationship I have had with the chairman of this committee. He has been, probably, much more generous to me through the years that he was chairman than I was to him when I was chairman. But I want the whole Senate to know of my deep admiration for him. I want the whole country to know it. He is a consummate gentleman. He is a man of impeccable integrity. He is accommodating to a fault to his colleagues. And one of the things I will miss is his counsel, advice and common sense.

He is the personification of what public service should be. I have been most honored to serve with him and I will cherish his friendship always.

I yield the floor.

FINANCIAL SERVICES ACT OF 1998—MOTION TO PROCEED

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 5:30 having arrived, or 5:36, the clerk will report the motion to invoke cloture on the motion to proceed to H.R. 10.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the motion to proceed to Calendar No. 588, H.R. 10, the financial services bill.

Trent Lott, Alfonse D'Amato, Wayne Allard, Tim Hutchinson, Dan Coats, Rick Santorum, Robert F. Bennett, Jon Kyl, Gordon Smith, Craig Thomas, Pat Roberts, John Warner, John McCain, Frank Murkowski, Larry E. Craig, and William V. Roth, Jr.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate be brought to a close? The yeas and nays are required.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Pennsylvania (Mr. SANTORUM) are necessarily absent.

Mr. FORD. I announce that the Senator from California (Mrs. BOXER), the Senator from Illinois (Mr. DURBIN), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "aye."

The yeas and nays resulted—yeas 93, nays 0, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—93

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Breaux
Brownback
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cleland
Coats
Cochran
Collins
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Enzi
Faircloth
Feingold
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Helms
Hutchinson
Hutchison
Inhofe
Inouye
Jeffords
Johnson
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Landrieu
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wellstone
Wyden

NOT VOTING—7

Boxer
Durbin
Glenn
Hatch
Hollings
Moynihan
Santorum

The PRESIDING OFFICER. On this vote, the yeas are 93, the nays are 0. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I know that a number of my colleagues are on the floor who want to make statements. I see Senator DOMENICI is here, and he indicated to me that he wanted to speak for several minutes. I am wondering if my colleagues would agree to let Senator DOMENICI make his statement, and then I would like to address the vote that has just taken place. I am not going to spend too much time. If there is no objection, I will yield to Senator DOMENICI without losing my right to simply speak to this vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico is recognized.

KOSOVO

Mr. DOMENICI. Mr. President, I will take just a couple of minutes. I want to comment on the administration's discussions with us regarding Kosovo and just make one statement that I feel compelled to make on the Senate floor, which I have made to the administration and to a number of Senators.

First of all, from this Senator's standpoint, it will be extremely difficult to support any kind of military action in Kosovo unless the President of the United States requests of us significant increases to the defense budget to address the shortfalls in military readiness, personnel, and modernization recently acknowledged by the Joint Chiefs of Staff.

From my standpoint, we ought not be supporting additional military action and putting our men and our equipment in harm's way unless and until we have a game plan to put adequate resources into our Defense Department for the readiness shortfalls that already exist.

The crisis in military preparedness that has only belatedly been acknowledged by the President and his administration is very grave.

To support ongoing operations around the world, our men and women in uniform are deployed far away from their homes and their families for unprecedented lengths of time. Morale among many of our troops is suffering, and recruiting and retention statistics are dangerously low. Modernization of our force is seriously underfunded across the services. Training in many of the combatant commands must halt well before the end of the fiscal year due to funding and supply shortfalls. Nearly 12,000 military families are once again on food stamps. And failing to provide additional funding for potential costly military operations in Kosovo while United States forces are about to complete 3 years in Bosnia at a cost of nearly $10 billion will, in my opinion, severely and perhaps irreparably exacerbate the critical readiness crisis that exists.

In summary, if the President expects this Senator to support Kosovo action—and I am not sure the administration seeks a resolution—I have just stated succinctly what I believe is an absolute necessity on the part of the President and his administration; that is, tell us how you are going to make our military ready again before you send them into harm's way again, when we already know that we are short of much of the equipment and parts and our military is in many respects lacking and deficient in readiness.

I think it is a simple proposition. I think they have time to do it. I think it is serious. I think when many Senators find out about the readiness issues, they are going to be saying the same thing: Let's see how we are going to fix that before we engage in another battle.

I yield the floor. I thank the Senator.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

THE FINANCIAL SERVICES MODERNIZATION BILL—MOTION TO PROCEED

Mr. D'AMATO. Mr. President, first of all, let me commend my colleagues for the overwhelming vote on H.R. 10, the financial services modernization bill, which passed 93 to 0, in terms of moving forward. It was a motion to proceed to consider. I know it wasn't on the bill itself, and I know that there are some Members who do not agree and some who oppose very strongly various provisions of the bill. That is understandable, because it is a major piece of legislation.

I thank the majority and the minority leaders for their support and for their help in getting this bill to this point, facilitating it, and the members of the Banking Committee and the ranking member, Senator SARBANES of Maryland, who have worked in the most constructive of manners, putting the interests and needs of the financial services community of this great Nation of ours—the capital formation system that is so important—putting those interests and needs first.

I have to tell you that this is not a partisan matter, that the Senate has addressed this in the uniquely bipartisan way that reflects very, very credibly upon this institution, again, recognizing the fact that Members certainly cannot agree with all of the provisions that may be contained in this very comprehensive bill.

Mr. President, the need for legislation to modernize the financial services industry is obvious. The existing legal framework has been for some time fundamentally outdated, and this body itself has recognized the existing laws are part of the statutory framework built largely in the 1930s and they just do not fit the realities of today's financial marketplace.

Congress has been attempting to pass legislation to modernize this system for almost 25 years. The only barrier to success now is the Senate of the United States. We really are at a historic moment.

Let me cite the views of Paul Volcker, a former Chairman of the Federal Reserve, to place our deliberations in some kind of historical perspective. No one can say it is turf as it relates to Mr. Volcker and what his position may or a may not be. He says:

> Over the long years of debate, it typically has been the U.S. Senate that has been in the vanguard in seeking reform, and it was the House that could not reach satisfactory consensus. Now, after extended hearings and debate, with strong leadership support, a coherent and responsible bill has emerged from that body. This month the Senate has a unique opportunity to complete the process, ending years of frustration for the markets and for Congress alike. At issue is not just the matter of American banking legislation and certainly not a narrow political calculation of what parochial industry position is most completely satisfied. This is a time for the United States in much easier circumstances to demonstrate that we are capable of enacting ourselves the kind of reforms we press on others.

Mr. President, how cogent these words and these observations are. Indeed, Mr. Volcker wrote this article and submitted it, and it has been carried in a number of news media across the country some weeks before the full extent of what is taking place in the world banking community and the financial services industry has been understood, before it has become even more important and paramount that the kinds of reforms that are so necessary and that many other countries have been avoiding are reforms that we ourselves must and should undertake, instead of having a piecemeal approach in a haphazard way, of whether the regulator at the Fed or the Treasury in terms of the Comptroller undertaking changes leaves us in a situation where I can truthfully say we have abdicated our responsibility. I hope that we will not lose this opportunity to discharge our responsibilities in a manner that will reflect credibly on this body and the Congress of the United States and on each and every Member.

Mr. President, the fact is that this bill is a good bill. The fact is that we have been able to get together, for the first time, in an unprecedented fashion, a broad consensus for the need for financial modernization by the players themselves, by the people who are actually in this area. Virtually all of the financial services community has endorsed this legislation.

Indeed, let me just list a number of those groups. The American Community Bankers. How often have we heard it said, "Oh, the little bankers are opposed to this." Indeed, the American Community Bankers are in favor of this legislation. The American Bankers Association. Now we are talking about the larger banks. They have signed on. So from community bankers to large money center banks. The American Council of Life Insurance Companies. Imagine, when did we ever have the life insurance industry and the Congress working together with their banking contemporaries? There has been such fierce estrangement of the issues. The Financial Services Council, the Independent Bankers Association of America, the Independent Insurance Association. Now we are talking about those people who are out there selling and who heretofore have been adamantly opposed; we have them supporting this. The Investment Companies Institute, the securities industry, the BOND Market Association, the National Association of Multiple Insurance Companies, and most executives of major financial companies have been strongly supportive.

Mr. President, no less than former Chairman of the Federal Reserve Board Volcker—and I read his remarks—is totally supportive because it is long overdue. Our present Chairman, Alan Greenspan, one of the world's most respected bankers, says this is a good bill and is supportive. The Securities and Exchange Commission and their Chairman, Arthur Levitt, are supportive of this bill.

Yes, there is room for reasonable people to have differences over various aspects of this bill. I suggest to you that some of those differences can and should be debated, the time can be provided, and that we can vote on them, and let the will of the Congress decide and not let the clock of a late session be the enemy of progress. Let's not let the quest for perfection stop that which is an excellent bill. Let's not look for 100 percent when we can get 99 and be doing the business of the people.

I am not going to argue the merits of some of those positions that my friends have—friends on my side of the aisle. Indeed, when it comes to various issues, reasonable people can disagree, but the question is, are we going to undertake our responsibilities in a manner which befits the great office and the prestige of U.S. Senators or are we going to say, no, unless I get it my way 100 percent, dot the i, cross the t, we are going to kill that which would otherwise advance the interests of all of our people, all of our citizens?

I hope that we can move to a higher level. I am not prepared to, nor will I, debate the relative merits of the changes that some of my colleagues are suggesting are necessary to earn their support. Indeed, I am not going to defend those who may have used the present law in a manner never intended to gain their way, to gain financial advantage for themselves as opposed to their community. If and when that takes place, it is wrong. It should be stopped.

But I suggest that if we look at the totality of this bill, to say that, unless we can deal with this particular abuse, we are not going to have financial reform, would be a mistake. I am not going to defend those who have used the law inappropriately, those who in essence violate the spirit, yes, and I think the actual law that exists today.

Do I think that we could do better? Yes, if we had sufficient time. Do I think we could bring together and put together a coalition that could pass this bill if, indeed, we adopted some of the changes that my colleagues and friends might want to see? And I am talking specifically about the area of CRA, the Community Reinvestment Act. The answer is no; it would be the death of the bill.

Now, Mr. President, I could understand my colleagues'—and I do understand—strong revulsion for the manner in which CRA may have been used in particular cases that they are conversant with, familiar with, and that they have put forth to this body. I understand that. But I do have difficulty understanding how and why at this time, when we can achieve such great progress in dealing with 90-plus percent of the problems that exist today, where we can make the kinds of fundamental changes that almost everyone agrees are necessary so that we can meet our obligations here at home and in the world of finances, we would sacrifice that gain because we can't get perfection at this point in time.

Wouldn't it be better to improve the situation dramatically by passage of this bill notwithstanding that it may not deal with an area that is as contentious as CRA? I suggest to you that if we had a great and strong bill, a platform by which we could see that our financial services could operate without having to go to the regulator, to the nameless, faceless regulator day in and day out to get various exemptions that may favor one over another, that is not in the interest of this country.

The piecemeal legislation, day in and day out, how do we better ourselves by that? What kind of an example do we set for the rest of the world when we say we can't even agree on a fundamental operation? Because we want perfection? Because we want to cure that deficiency that is there, that some have been evil in using and may be, in quoting the words of some of my friends, using to extort? I do not condone that, but you are not going to cure it here. And what we will be doing is killing an opportunity to make substantial progress. That is what we are doing. And you have to weight that up. Are you going to achieve substantial progress? And if you can make that cure, I will be with you. But you can't. Understand it.

Now, if the managers of the bill said under no circumstances are we going to permit you to offer amendments, we want to go right to cloture to cut off your amendments and your right to offer amendments and your right to debate them and to let people hear what is taking place, then I could understand using every parliamentary procedure to stop this bill.

That is not the case. This Senator would be willing to say, and I know because I have discussed it with the ranking member, Senator SARBANES, we would offer any reasonable time for Members of this body to offer amendments dealing with the problems that may exist in CRA, dealing with possible solutions, and having votes, whether they are up or down, without amendments, to see if we can't get a consensus. I don't believe you can. And if you can't get your position today, at least to give the people of the United States an opportunity to have a banking bill which people understand clearly and not one that is manipulated day in and day out by the various needs and exigencies of the financial services community so that they have to come pleading: "Oh, well, will you let me sell insurance? Oh, well, will you let me do securities? Oh, well, can I do it in the bank or outside the bank? Oh, well, is this legal or is that legal?"

While one group is receiving permission to do something, others are left behind. That is not the way for this country to be operating. It is wrong, and it is, indeed, an abrogation of our responsibility—an abrogation.

I hope, even at this late hour, notwithstanding the deep feelings that my colleagues have, related to the abuses that have taken place, that they would say the greater picture is one of doing the most good for the most people. That is what we are talking about.

This is an opportunity to do the most good—not for one industry over another but for our great country, and to see to it that there is a law that everyone sees clearly, where we reduce the necessity of having major financial institutions and parts of our industry being placed at competitive disadvantages because one gets a certain permission and another is left behind and then quickly must move to deal with that. That is not what competition in America can and should be about.

I have heard my colleagues raise this argument. I have been critical, yes, of the regulators for what I thought was absolutely going beyond what Congress had ever given to them. But the courts have said, and I think they have done it on a practical basis, that if you, the Congress, do not stop them with legislation, or you do not pass legislation that sets the ground rules, why, it is obvious that is the manner in which the law should be administered.

I do not think that is responsible. I really do not believe our forefathers ever thought or intended for us to operate in this manner, under these conditions. I certainly think that, looking at the world economic situation today, this does not create stability, if we fail to complete this. I say "fail to complete" because there are those who can run the clock out, run it out on our American citizens, because that is who is going to be deprived. Yes, all of our citizens.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I will be brief. I simply want to, first of all, commend the distinguished chairman of the committee for the very effective work I think he has done in bringing this to this point. I think it is important to understand we have not reached the bill yet. We are now actually postcloture on the motion to proceed to the bill. I do not think it is clear at this point yet exactly how many of these procedural hoops we will have to go through in order to finally get to the substance of the bill and in order, in the end, to have a vote up or down on the bill. I hope the leadership could commit to staying with this process as long as is necessary in order to reach that point, because I think there is overwhelming support for this legislation in this body—overwhelming support.

I think the Financial Services Act of 1998, which has been brought out of the Senate Banking Committee, is a carefully balanced piece of legislation. It would finally respond to an issue we have been wrestling with for years and years. I say to the chairman of the committee, we have been dealing with this issue for a very, very long time, and finally we have brought it to the point where we have an opportunity, I think, to put into law important legislation for the operation of the financial services industry.

This legislation would permit banks to affiliate with securities firms and insurance companies within a financial holding company structure, regulated by the Federal Reserve. The Banking Committee held four hearings in preparation for marking up this legislation after it passed the House. It passed the House by just one vote. We are informed, and I believe reliably informed, that the vote in the House on this legislation as is now being presented to the Senate would produce a very substantial majority. In other words, well above, clearly well above the vote that it obtained in just managing to get through the House and coming over to the Senate. The changes we have made have generally been met with favor on the other side of the Capitol.

We heard from the administration, the financial regulators, the various industry groups, public interest and consumer groups, and in the end the bill was brought out of the Banking Committee on the 11th of September by a broad, bipartisan majority of 16 to 2. The legislation, as I indicated, is balanced. It would expand the range of permissible financial activities for commercial banks while preserving the safety and soundness of the financial system, providing adequate consumer protections, and expanding access to the financial system for all Americans.

This bill has received unprecedented support across the entire range of the financial services industry. Just last Wednesday, the American Bankers Association, the Independent Bankers Association, the American Council of Life Insurance, the Independent Insurance Agents of America, the American Insurance Association, the Securities Industry Association, the Investment Company Institute and the Financial Services Council sent a joint letter to the two leaders—to Senators LOTT and DASCHLE—saying:

> The Senate Banking Committee, through its actions on H.R. 10, the financial modernization bill, in its discussions with a wide

> variety of parties including both Members of Congress and representatives of the private sector, has now produced a carefully negotiated product.

They indicated their very strong support for the package which we are bringing to the Senate. Last Friday, the American Community Bankers, who represent the thrift industry, sent a letter to the two leaders expressing support of H.R. 10, and stating:

> ACB supports the bill as a generally constructive measure.

These letters obviously reflect a very broad consensus that has been put together around this bill. Obviously, it is my hope we will be able to move it through the Senate over the next few days and move it on towards enactment into law. It is interesting to note, since I have colleagues on the other side who are raising the CRA issue, that the industry groups affected by the CRA issue are in favor of this bill. The community groups, I have to tell you because I am very much aware of it, are opposed to this bill, because they think it is inadequate on CRA. You know, they are making that concern very clear.

So I say to my colleagues on the other side who come along and they say, "We are going to attack CRA," that the very people affected by it, the industry groups, say, "We can live with this." The community groups are very unhappy with it. So we have that situation here.

In addition, and I am going to talk later in more detail about the separation between banking and commerce, which I think is an important aspect of this bill and one that Paul Volcker wrote a very thoughtful op-ed piece about in the Washington Post, on September 10. Let me just quote that and then I will not develop that issue any further tonight:

> A convincing argument can be made for combinations of banking, securities and insurance companies—under appropriate regulatory and supervisory safeguards. What cannot be defended is reshaping the financial services industry by ad hoc regulatory decisions, manipulating or manufacturing loopholes in plain contravention of the intent of the unchanged law.
>
> The proposed legislation will maintain and strengthen elements of financial regulation and oversight essential to the overall stability of the system. Specifically, H.R. 10 would reinforce the long-standing policy of the United States against the combination of banking and "commerce," broadly defined.

As I indicated, I will come back to many other commentators who have stressed the importance of that aspect of this legislation, and I think one of its major accomplishments is to draw that line and draw a clear line and avoid this sort of fudging that has been taking place in this area.

On the safety and soundness, let me say I think the regulatory structure put in place by this legislation is important and would permit the formation of financial holding companies. These financial holding companies would be able to engage in any activity that is determined to be financial in nature or incidental to such financial activities.

Thus, the holding company could include a commercial bank, securities firm, mutual fund or insurance company. Each entity within the holding company would be regulated by its existing regulator. Thus, a commercial bank would be regulated by its bank regulator, whether that is the Comptroller of the Currency, the FDIC or the Federal Reserve. The securities firm and the mutual fund would be regulated by the SEC and by the appropriate State securities regulators, and the insurance company would be regulated by State insurance regulators, as is now the case. So you have functional regulation of each entity within the new financial holding company.

In addition, the Federal Reserve would serve as the so-called umbrella regulator of the financial holding company. The Federal Reserve would have authority to set capital at the holding company level. It would have authority to conduct examinations and request reports from subsidiaries of the financial holding company if it determines they are necessary to assess a material risk to the bank holding company for its subsidiaries.

I think this balance is an effective approach to protecting the safety and soundness of the financial system and most independent observers, with respect to safety and soundness questions, agree with that evaluation.

There are also important consumer protections contained in the legislation with respect to the sale of uninsured financial products, and I am sure we will have a chance to develop those in some detail.

Where we find ourselves procedurally is the next vote, obviously, will be on the actual motion to proceed to the bill. At that point, the bill would then be before us and open to amendment. I subscribe to the position put forward by the chairman of the committee that Members ought to have a chance to offer an amendment; we ought to have reasonable debate on them and then move to vote on them, one way or another, and work through the legislation in that fashion.

It has been a long road to reach this point. I think it is important to try now to conclude deliberations on this important legislation in an orderly and rational fashion, and I think the approach the chairman has outlined certainly accommodates that.

We hear stories or rumors that people are out to simply try to delay this as long as they can in order to, in effect, sink the legislation. I very much hope that doesn't happen. An awful lot of work has gone into bringing us to this point, as is reflected by the comments of the various parties who have been deeply interested and affected by this legislation. I, frankly, think the Congress now has an opportunity to finally come to grips with an issue—this issue is being dealt with on an ad hoc basis. No one thinks it should be done that way. No one. At least I don't think anyone. I don't want to speak for all of my colleagues, but that is true of all of the regulators, all of the commentators. They say the way to deal with this is to do it statutorily through enactment by the Congress. So we will just have to see as we move ahead whether we can come to closure on this important issue. I very much hope it will be possible to do so. Mr. President, I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. ENZI). The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by congratulating the chairman of our committee, Senator D'AMATO. I have had an opportunity to serve both in the House and in the Senate. I have worked with many great legislators in that process. But I have to say that the job Senator D'AMATO has done in putting this bill together, in bringing together people with very different starting points to a unity among the variety of interests that are concerned about this bill, represents one of the most outstanding and, I think, one of the most miraculous legislative achievements that I have seen in my service in the House and the Senate. I congratulate him. I congratulate Senator SARBANES, the ranking member, for his work.

Certainly our colleagues are right when they say that all the interests are for this bill, but I think it is fair to say that Senator SHELBY and I are not here today to represent any particular interest or even the collection of all interests. We are here today representing what we believe is a fundamental principle. Where I come from, when interest comes up against principle, then interest loses.

We have a fundamental issue before us. I believe that perhaps the greatest national scandal in America is not the scandal that is being covered every day at the White House. It is a scandal where a law is being used in such a way as to extract bribes and kickbacks and in such a way as to mandate the transfer of literally hundreds of millions of dollars and to misallocate billions and tens of billions of dollars of credit. I believe that this represents something that should be stopped.

Perhaps some word of explanation should be given. If the people who are being extorted, if the people who are being blackmailed are not objecting, why are we objecting? My response to this is to point out that when the mob was engaged in the protection racket, the little merchant who was afraid generally did not object. But we don't generally accept that in America anymore because there have been police officers and there have been prosecutors who did object on their behalf.

Senator SHELBY and I are here to object on behalf of bankers and small community banks that, in many cases, are afraid to object on their behalf.

I have related to the Senate on many occasions, and we are going to have an opportunity to debate this at length, the abuses under the Community Reinvestment Act, or CRA. I want to make a couple of points related to it.

No. 1, the so-called Community Reinvestment Act and the provisions contained in it was voted on only once in the Congress. It was voted on in 1977 in the Senate Banking Committee on a motion to strip the provision from a proposed housing bill, and that motion failed on a tie vote, 7 to 7, in 1977, which means for half of the Members to vote to strip the provision when the Republicans were in the minority, there had to be a bipartisan vote.

So far as I have been able to find, that is the only vote that ever occurred on this provision of law.

The logic of this provision, which came from the former chairman of the Banking Committee, Senator Proxmire, was to require banks to make loans in areas where they operated. The concern expressed at the time was that banks weren't serving their communities, and, therefore, the Government took upon itself to impose on the banks the necessity of lending in their local community.

I am not going to debate tonight the wisdom or lack of wisdom of that, but as I have pointed out on many occasions, what has happened is that CRA has taken on a meaning that has nothing to do with lending.

It has now become common practice in CRA for professional protest groups to protest a bank's "community service record" and, in turn, use the leverage of those protests to extract bribes, kickbacks, set-asides in purchases and quotas in hiring and promotion, none of which has anything to do with CRA and the lending practices of banks in the communities they serve.

All of this is made possible by the banking regulators in enforcing this law, who respond to the protests by holding up action which banks wish to undertake and often are under immense pressure to undertake once it has been announced. Professional groups here in Washington that you can hire will go to your community and protest against the bank, even dump garbage on the property, make all kinds of statements, claims and demands and, in turn, extract resources for themselves and for others. So strong is the growing resentment against this provision of the law, that when proponents of the provision sought to put it in the credit union bill, it was defeated on the floor of the Senate.

When consideration on this bill began in the Senate Banking Committee, Senator SHELBY and I, and others, offered an agreement which was—this is a very contentious issue, so let us call a truce on it an leave it alone for now. I want to repeal this provision of law. I want to end this scandal. I want to stop this extortion. Others want to expand it, expand this provision of law.

Knowing that we would never be able to compromise on this issue within the very limited time that we had to enact this important financial services legislation, I sought to come up with a solution. And the solution was to treat it as slavery was treated by Abraham Lincoln in his campaign in 1860. That was, where the evil existed, leave it alone, but do not expand it into new areas.

On that basis, if we had left CRA out of this bill, we could have moved together, we could be at this moment united for this bill, and this bill, in my opinion, would be on the way to becoming law. But that is not what has happened.

There has been great confusion about what is actually contained in the bill. So I want to take a few minutes and go over what is in current law and what this bill actually does.

In current law, there are really only two provisions related to CRA. First, bank regulators consider how a bank has been meeting the local credit needs only when a bank applies to open a new bank, a branch or engage in a merger. Second, bank regulators may deny applications for these activities based on the record of the bank in community lending. That is the current law.

Based on this, all over the country banks that have exemplary records in community lending and that have received the highest ratings on CRA are routinely shaken down every time they want to open a branch, every time they want to start a new bank, every time they want to engage in a merger. They end up having to make cash payments, kickbacks, establish quotas in hiring, and many other things, because the regulator simply holds up approval of the action, even though the bank may have a perfect record on CRA.

In fact, we discussed on the floor the record of Bank of America. It was brought up by proponents as an exemplary bank in CRA. I pointed out how professional protest groups had said they were going to shut down the bank in California when it sought to merge with NationsBank if it did not make more concessions to them.

Those are the abuses under the current law. But look what is added by this bill. When you listen to proponents of the bill, it is as if there are no CRA provisions of any significance in it. In fact, we just heard that the so-called community groups, whoever they are, that they did not get—what?—they did not get enough of what they wanted. I submit they never get enough of what they want nor will they ever get it until we redistribute wealth in America.

Here are the provisions that are added:

The first provision added, the third that would become a part of the law, is that officers and directors can be fined up to $1 million per day for CRA noncompliance—a totally new provision of law.

The new fourth provision that is proposed: Banks can be fined up to $1 million a day for CRA noncompliance.

The fifth provision: cease and desist authority for CRA noncompliance.

Sixth provision: the Federal Reserve may place any restrictions on any banking activity for CRA noncompliance.

Seventh provision: the Federal Reserve may place any restriction on any insurance activity for CRA noncompliance.

Eighth provision: the Federal Reserve may place any restrictions on securities activities for CRA noncompliance.

Ninth provision: the Federal Reserve may place any restriction on any other activity of the holding company for CRA noncompliance.

Tenth provision: Any violation by any one bank in the holding company triggers the penalties that I have listed above against the entire company.

The eleventh provision would place in law sanctions affecting insurance sales.

The twelfth provision: CRA is applied to uninsured, wholesale financial institutions.

If we have the abuse that we have under current law with two simple provisions that have no enforcement mechanism whatsoever against a bank, unless it is seeking to acquire a new bank, to merge, or to branch, can you imagine what will occur when the officers of a bank can be fined $1 million a day for noncompliance? Or can you imagine the perpetual shake down of a national, nationwide bank, with 1,000 branches, when the entire company receive those penalties if one branch is found to be or accused to be out of compliance? So this is a very, very big issue.

Here is where we are. We have rules in the Senate. And those rules were designed to protect the rights of the minority. And basically, my position, and Senator SHELBY's position, is that the expansion of CRA by these provisions will greatly increase the opportunity for extortion and kickbacks and the imposition of coercive agreements, such as those whereby companies in the past have agreed to give protest groups a percentage of their profits, have agreed to hire protesters as advisors on dealing with these provisions of law—things that turn your stomach and that in any other area would call for prosecutors and would send the police out to do something about it.

We are now condoning it by law with very weak enforcement provisions. If we have a $1 million-a-day fine, we are going to have an explosion of these kinds of activities.

I have talked to Federal Reserve Board Chairman Alan Greenspan and I have talked to the Secretary of the Treasury about this whole problem area. And I have proposed yet another compromise. The easiest thing to do would be to leave CRA out of the bill. But I have recognized that the President has said that he would not support leaving it out. We have colleagues who would not support leaving it out. So here is the compromise that Senator SHELBY and I want to propose as an alternative, as another option: Expand CRA to the new financial service holding companies so that the laws that apply now to other banking entities will apply in the same way to the new banking entities. But also add two provisions of law to check abuses.

First, we want a simple, well-defined antiextortion, antikickback provision that focuses CRA on lending and not on cash payments, or quotas, or set-asides, or giving protesters a percentage of your profits for a certain number of years.

Second, if a bank is in compliance with CRA in its last examination, then that compliance should mean something. It should remain in force until the next regularly scheduled exam. Then we could end the double-jeopardy situation where the officers and directors are in a position where they can be extorted—even if they have a perfect CRA record—the moment they apply to open a new bank, to merge, or to open a new branch, even though they have an exemplary CRA record.

If we could do these three changes—expand CRA to address the requests those who want to expand it, joined together with those two checks against abuse, one on bribery and extortion, and the other on eliminating double jeopardy—I believe we could have a bill.

Let me make this clear. Obviously, many people are for this bill. All the interests are for this bill. But there is a strong principle at stake here, and I am not for this bill. Senator SHELBY is not for this bill. We believe that using our rights under the rules of the Senate we can probably stop this bill. We will, if we can, stop this bill unless some accommodation is made on the effort to expand CRA. We will not let this bill go forward with these massive expansions in CRA power.

We are in a position where one side is not willing to let the bill go forward with these massive expansions in CRA; the other side says they will kill the bill if these expansive provisions are taken out. So that is where we are.

I want people to understand, if you are for this bill, don't waste your time calling Senator SHELBY and me. We will not be moved. If you are for this bill, call those who are for expansion of CRA and ask them what is wrong with a simple expansion of CRA and a simple amendment dealing with bribery and extortion and a simple provision establishing that if a bank is in compliance, it is in compliance.

I urge those that are for this bill to let their views be known on this issue. I understand some banks in this country are willing to go on paying these bribes and keep quiet about it because there are other provisions of the bill they want. This is a wrong that is bigger than dollars and cents, and it needs to be stopped. I remind my colleagues that the clock is running and will run out, and this bill will die unless an accommodation is made on this issue.

If you care about this bill, if you really believe that this bill is important—and I believe it is important, but I don't buy into the logic that we are not going to pass the bill early in the next session if we don't pass it here this week, but some people believe we won't—what I am saying is for those who want the bill now, there is one thing you have to do to get this bill. You will have to do something about the expansive CRA provisions.

Finally, let me say even if you fix CRA, the clock is running out, and if you are going to fix it, you better do it fast. That, I think, is the essence of our message.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SHELBY. Mr. President, I will take just a minute tonight. I associate myself with Senator GRAMM. We worked on this together in the Banking Committee and we will be working together on this for a long time. I will take a minute to inform the Senate of my objections to H.R. 10.

I believe that members of the Senate have not had the proper time to study and debate this matter. Most do not even know what is in this bill. This is a very complicated bill. There are a lot of good things in it, but there are some things that Senator GRAMM has raised and I will raise as the debate goes along that we need to debate and we need to take out of this bill. I believe Senators are just being told basically that this is a historical opportunity, you must pass H.R. 10.

Think about it tonight. We make history in this Chamber, the U.S. Senate, every day. If we pass H.R. 10 just because everyone on Wall Street tells us to pass H.R. 10, this will, indeed, be a historical moment. But I don't believe that is going to happen, not with a lot of the provisions that are now in the bill.

If H.R. 10 is so great, why is everyone reluctant to debate the bill? How come the members of the Senate Banking Committee were not permitted to read, study, or share the manager's amendment until the morning of the markup? Is that the way a Committee is supposed to function? What is hidden in this bill?

I'll tell you one thing that is in this bill—so well hidden, not one of the bank trade associations—not the American Bankers Association, the Independent Bankers Association of America, America's Community Bankers, the Bankers Roundtable or even the Consumer Bankers Association knew the implications of the CRA expansion in this bill until Senator GRAMM and I sent around a "Dear Colleague" about a week and a half ago. None of those associations realized that they were subjecting member bank officers and directors to million-dollar-a-day civil money penalties for CRA noncompliance.

Why didn't the associations realize this? These associations are caught up in the rush to judgment. They have not given proper consideration to this bill, and neither have we.

With less than a week to go in this Congress, H.R. 10 is being jammed through the Senate. The Senate is supposed to be the deliberative body.

There are many good things in H.R. 10, Mr. President, but there are also many bad things in H.R. 10. Currently, community groups and even labor unions use CRA to protest the merger of financial institutions. Most of the time, the merging institutions are forced to pay off the protest groups just in order to consummate the merger. Make no mistake about it, this is legalized extortion, one that the U.S. government is aiding and abetting.

The financial institutions who support this bill are used to paying off consumer groups. Nationsbank and BankAmerica have committed $350 billion to CRA in order to merge. Citibank and Travelers Group have committed over $100 billion to CRA in order to merge. These large institutions are used to paying a toll every time they want to do business.

That may be fine for Wall Street, but that is not fine for Main Street. Not every financial institution around the country has $350 billion to buy off consumer groups and labor unions.

Who do you think pays for this legalized extortion? I'll tell you who: all the paying customers in this country. Everybody is complaining about large institutions charging more and more fees at higher rates, ATM fees, late fees and the like. It takes a lot of fees to pay for a $350 billion CRA commitment.

Senator GRAMM and I have consistently stated our position since the Banking Committee first held a hearing on H.R. 10 several months ago. We will not seek to repeal, reduce or eliminate the CRA as it stands in its current form. However, we will not agree to expanding either the scope or the enforcement authority of CRA in H.R. 10.

Now, some have insisted on expanding both the scope and enforcement authority of CRA in H.R. 10. In this bill, some even delink CRA from deposit insurance and subject bank affiliated wholesale financial institutions woofies to CRA. The interesting thing about this is the woofies do not take deposits of less than $100,000 and are not insured by the Federal Government.

I guess, we could roll over like all the banks before us who have paid off the consumer groups. But, I for one, will not succumb to that kind of extortion, and I will fight this thing as long as it stays in the bill. Government mandated credit allocation is wrong. Legalized extortion is wrong.

Last week, Senator GRAMM said that this is a principled objection. It is. We will not be bought off by Wall Street. Wall Street does not have the best interest of Americans in mind in this bill. The only thing they understand is dollars and cents. The principle they understand is profit. The interest of Wall Street is not always the interest of Main Street.

Here is a message for Wall Street in terms I hope they can understand: If you really want to pass financial modernization, in order to consummate mergers and make money off of every American by offering a vast array of services, go to those that are insisting on expanding CRA and ask them to work with Senator GRAMM and myself in making H.R. 10 CRA neutral. Otherwise, I believe this bill will ultimately fail. There may be some late nights and strong words, but I, for one, am committed to ensuring this bill will not become law.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

UNANIMOUS CONSENT AGREEMENTS

Mr. HAGEL. Mr. President, on behalf of the leader, I ask unanimous consent that notwithstanding rule XXII, that the Senate proceed to vote on adoption on the motion to proceed at 10 o'clock a.m. on Wednesday. Before the Chair grants the consent, for the information of all Senators, immediately following the adoption of the motion to proceed to H.R. 10, the cloture vote with respect to S. 442 would occur under the provisions of rule XXII.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAGEL. Mr. President, on behalf of the leader, I further ask consent that it be in order for the majority leader, after notification of the Democratic leader, to move to proceed to any available appropriations bills, conference reports, or resume the Internet bill prior to the 10 a.m. Wednesday vote, notwithstanding the invoking of cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. HAGEL. For the information of all Senators, in light of this agreement, the leader expects the Senate to resume the agriculture appropriations conference report tomorrow morning. In addition, tomorrow afternoon, the leader expects the Senate to resume the Internet tax bill. Therefore, votes could occur with respect to that bill, as well. A cloture vote on the Internet tax bill will occur Wednesday at 10 a.m.

Assuming cloture is invoked, the Senate would then remain on the Internet tax bill until disposed of. Therefore, votes can be expected throughout the day and evening on Wednesday.

Having said all of that, there will be no further votes this evening, and Members can expect votes prior to noon tomorrow.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The motion to proceed on H.R. 10 is pending under cloture.

Mr. GRAMS. Mr. President, I ask unanimous consent that that be set aside and I be allowed to speak as in morning business for up to 40 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPROVING SOCIAL SECURITY

Mr. GRAMS. Mr. President, our Nation's Social Security system, forged in a much simpler time and patched and plugged over the years to keep it relevant, has been a godsend for millions of Americans over the program's 63-year history. It doesn't provide a life of luxury, but Social Security offers senior citizens a little bit of certainty during what is often a very tough time.

I have friends and family members who depend on that monthly check from Social Security, and I am grateful that it is there for them and would never do anything to take it away. But that is not to say we can't do something better, or we should not try to improve a system that will not be able to provide that certainty for retirees in the future.

As a product of the 1930s, it is clear that the Social Security system is a system that was best suited for yesterday, not tomorrow. Social Security's pay-as-you-go structure fails to meet the challenge of a sharp demographic change that is now underway in this country. With fewer and fewer workers supporting each retiree, the program is soon to go broke, or it will be too costly for our children and grandchildren to support, thus creating financial hardship for millions of baby boomers and leaving nothing for future generations. In the meantime, Social Security is shortchanging today's workers, denying them the opportunity to expand their personal wealth and control their own financial destinies.

The coming Social Security crisis is real, and it will shatter our economy and destroy the ability of our children to achieve the American dream. The question is, why? Because the only way to save the current system is to raise taxes by more than double, reduce benefits as much as one-third, while raising the age of eligibility to retire as high as 70 years old. These solutions are unacceptable for the workers of the future. If you offered this to somebody, why would they want to pay more, get less, and wait longer for retirement? To be honest with our families, we have no choice but to pursue real reform of Social Security. Mr. President, the sooner we act, the easier and less costly our choices will be and the more secure our children's future will be.

With a strong sense of responsibility, I rise today to introduce legislation that I believe will offer the best solution to avoiding the crisis ahead and preserving Social Security, while providing improved retirement security for every working American as we now approach the 21st century.

Mr. President, during the past six decades, whenever a Social Security crisis would arise, Washington's approach was to tinker with the system by either increasing the payroll tax or reducing benefits. When the tinkering was done, the politicians would slap themselves on the back and claim that Social Security will be solvent for another 50 to 75 years. That has happened more than 50 times—always at the expense of the American workers, who found themselves with higher taxes or lower benefits. But this is obviously the wrong approach. If it had worked before, we would not be where we are today.

Social Security, as you will remember, started off taking only one-half of 1 percent of your income. It is now at 13 percent. One-eighth of everything you make goes into a system that, right now, can't promise you that you are going to get the benefits that you expect.

Unlike any previous crisis, the magnitude of the current situation makes a traditional bailout impossible. Again, under an optimistic scenario, it would require a payroll tax increase of at least 50 percent or a one-third cut in benefits just to keep Social Security from bankruptcy. Under a more realistic "high-cost" projection, paying promised Social Security benefits would require the current 12.4 percent payroll tax to be more than doubled to

26 percent. If you include the additional tax to save Medicare, the total payroll tax would have to increase to an astonishing 46 percent, and even a tax hike that massive would be only a temporary fix. The total tax—income and payroll—could reach as high as nearly 80 percent for young Americans who enter the workforce today.

Payroll tax hikes at this rate will heavily burden working Americans who are already struggling to make ends meet. They will rob our children of their financial future, and demolish our economy.

Reducing benefits is not an acceptable solution. Low-income families are increasingly dependent on Social Security; in 1994, Social Security benefits accounted for 92% of the total income received by elderly Americans living alone, beneath the poverty line. A one-third benefit reduction will throw more elderly and disadvantaged Americans into poverty, and cast those already mired in poverty into further desperation. Again, those benefit cuts could be much deeper under more realistic scenarios.

We must abandon the traditional approach to fixing the Social Security system. We must expand our thinking—explore new opportunities to fundamentally change the way we think about Social Security—resolve the problems once and for all and offer the American people nothing less than peace of mind when they retire.

The best solution to avoiding the imminent crisis is to move from Social Security's pay-as-you-go system to a personalized retirement program that is fully funded and offers retirement security to every American. This is not a new idea. Sixty years ago, during debate in this chamber over creation of the Social Security system, Democratic Senator Bennett Clark proposed just such a plan. It passed the Congress overwhelmingly but was pulled out in conference with the promise it would be done the next year.

Again, back in the 1930's, Democratic Senator Bennett proposed a plan for personal accounts for retirement. It passed the Congress overwhelmingly but it was pulled out in conference again with the promise that it would be done the next year. That promise was never kept by the few who advocated a government-financed and run program. During each past crisis, similar proposals of personal retirement accounts have been discussed—yet never implemented.

Today, there are a number of plans that have been introduced by my colleagues from both aisles, favoring diverting anywhere from 1 to 4 percent of the Social Security payroll tax to set up a system of market-based personal retirement accounts. My colleagues are to be commended, Mr. President, and this is a move in the right direction.

However, if a market-based personal retirement system works so well, and is the right things to do as proven by countries like Britain, Chile, Australia and others, we should take full advantage of it by accelerating the wealth building for retirement security and expediting the transition from a PAYGO system to a fully funded system.

Mr. President, this is precisely the reason I am introducing my reform plan.

My legislation, the "Personal Security and Wealth in Retirement Act," is based on six fundamental principles, principles that must guide Congress in any effort we undertake to ensure retirement security. The primary principle is to protect current and future beneficiaries, including disadvantaged and disabled adults or children, who choose to stay within the traditional Social Security system. The government must guarantee their benefits. There should be no change that reduces their benefits, and no retirement age increase.

Let me say that again: a guarantee of no change in benefits or age of retirement for those who wish to stay within the traditional Social Security system. We must do no less.

I emphasize this principle not so much because we want to gain the support of seniors, nor to neutralize their opposition to Social Security reform, but because of the sacred covenant the federal government has entered into with the American people to provide their retirement benefits. It's our contractual duty to honor that commitment. It would be wrong to let current or future beneficiaries bear the burden of the government's failure to make the changes needed in a system that cannot handle the demographic changes that will begin to create huge cracks in our existing program.

The second principle my plan upholds is that Social Security reform must give the American people freedom of choice in pursuing retirement security. The purpose of Social Security is to provide a basic level of benefits for everyone in case of misfortune. And so if social insurance is a safety net to catch those who fall, it does not make sense to penalize those who are quite able to stand on their own two feet.

The third principle is to preserve a safety net for disadvantaged Americans, so no covered person is forced to live in poverty.

My fourth principle is that reform should make every American better off, and certainly no worse off, in their retirement than they are under the current system. It should enable workers to build personal retirement savings, improve the rate of return on their savings, increase capital ownership, and pass on their savings, as part of their estate, to their children.

The fifth principle is to replace the current pay-as-you-go financing scheme, in which today's workers support today's retirees, with a fully funded program.

In other words, one generation will pay for its own retirement and not rely on the second and third generation to pay for it. Social Security's pay-as-you-go feature is the program's fundamental flaw because it leaves the system vulnerable to changing demographics, thus creating enormous financial burdens for our children and grandchildren. Moving to a fully funded system will not only reduce inequality among generations, it will greatly increase our nation's savings and investment rates, and therefore prosperity.

The sixth principle is that any reform of the current system must not increase the tax burden of the American people. The taxpayers are already giving up an historic 40 percent in federal, state, and local taxes out of every paycheck they earn. Hiking taxes yet again in the name of fixing Social Security would be unfair and unjust to working Americans, and would only pave the way for additional, future tax increases.

Mr. President, with the above-mentioned principles as its foundation, the plan I bring before the Senate today is designed to achieve the goal of providing better and improved retirement benefits for all Americans. The proposal I will outline here is carefully designed to produce a highly appealing retirement option by maximizing the freedom and prosperity of working people. I have consulted seniors, farmers, small business owners, as well as large employers. I have made a number of revisions in accordance with their views.

Now, Mr. President, allow me to present the highlights of the plan and explain how it works.

The first component of the "Personal Security and Wealth in Retirement Act" upholds our primary principle by allowing people to remain in the current Social Security program if they so choose. In fact, my plan clearly stipulates that it is the right of workers to do so, and that they will be protected. The government will guarantee the promised benefits for those who elect to stay within the traditional system.

Many of the existing reform proposals include components to increase the retirement age to anywhere from 67 to 70, and/or mandate a reduction in promised benefits. The polls show that 75 percent of the American people oppose the age increase. That is hardly a surprise; the American people already work too hard. It is not fair to raise the retirement age and force them to extend their work careers. You cannot promise one thing and then do another.

Nor is it right to reduce their benefits. Such an irresponsible approach would serve only to throw more elderly Americans who increasingly depend on Social Security into poverty, and increase the hardship dramatically on those who are already suffering under poverty.

That is why my plan explicitly protects those who choose to stay within the current system against an age increase or benefit reduction of any kind—again, those who choose to stay within the current system are explicitly protected.

The key provision of my plan is to allow workers to set up a market-based, fully personalized retirement account, or PRA. Currently, workers and their employers pay a 12.4 percent FICA tax into the Old-Age/Survivor and Disability Insurance Trust Funds. Under my plan, we will allow workers to divert 10 percent out of their 12.4 percent FICA tax, within the covered earnings, into their PRAs and use the remaining 2.4 percent to finance transition costs. The responsibility for payment of taxes will be equally divided between employers and employees.

When the transition is complete, the 2.4 percent will be eliminated as tax relief, because under a market-based retirement system, a savings investment of 10 percent will itself provide a generous retirement.

In fact, with the 2.4 percent tax cut, workers would be paying 20 percent less into the fully funded system and they could still expect at least twice as much in benefits as they receive under Social Security. So our plan would actually cost less and it would provide more—much different from the current system.

Under this plan, workers would enjoy maximum freedom to control their funds and the resources for their own retirement security. Workers would have at least the freedom to design their own retirement plan, investing in stocks, equities, bonds, T-bills, or any combination of these or other approved financial instruments with approved investment firms and financial institutions. A worker could even have their funds placed in a traditional savings account, if they would choose.

There is no doubt that a market-based retirement system will generate much better returns than the traditional Social Security system we have today. Government data show that almost all workers in two-earner families receive real returns from their Social Security of approximately only 1 percent—a 1-percent or less return on their investments, with some actually receiving even negative returns. The return reaches 2 percent only for a family with two low-income working spouses. And these returns under Social Security will only diminish further in the future with benefit reductions and the raises in retirement age.

Compare that to the performance of the market where, over the 70-year period from 1926 to 1996, the average annual nominal return was 10.89 percent. And if you adjust that for inflation, that is still an average annual rate of return of 7.56 percent. So in over 70 years of the market there has been an average annual return of 7.56 percent. You couple that with Social Security now promising 1 percent or less in returns. It is much sounder, much better benefits for those under the new PRA system.

PRAs will put the power of compound interest to work in providing benefits for everyone, and under my plan the average annual benefits for two average-income, full-time working spouses could reach over $200,000. Compare that to $33,000 under today's Social Security. For one spouse earning an average income, the benefit could be $140,000. Meanwhile, you provide under Social Security only about $29,000. Low-income families also do better under my plan. The current Social Security program would provide $18,000 in annual benefits, but under this legislation their benefits could reach as high as $100,000.

Now, this isn't a fantasy; it can be achieved, and the proof can be found right here in America. Consider the employees of Galveston County, TX. They opted out of Social Security back in 1981 to set up a private retirement plan, an option on which the Federal Government long ago has shut the door. And here is what they have been able to achieve in Galveston County. Under Social Security, the death benefit is only $253, while under the Galveston plan the average death benefit is $75,000, and the maximum benefit can reach $150,000. What a difference—$253 under Social Security and up to $150,000 in Galveston County, TX.

The disability benefit from Social Security is $1,280 per month, but in Galveston County, TX, for its employees, disability benefits are $2,749—more than double the disability benefits for their employees in Galveston County, TX, than under Social Security.

The maximum Social Security retirement benefit is $1,280 per month, but in Galveston County the average monthly retirement benefit for its employees is $4,790 a month—four times, nearly four times greater under the personal retirement plan than under Social Security—$1,280 per month under Social Security, and Galveston County, with their personal retirement accounts, $4,790 a month.

To their great credit, some in Washington have recognized the power of the markets. Their solution, however, has been to suggest we let the Federal Government invest the Social Security trust funds for the American people, or at least allow the Federal Government to invest a portion of it.

While appreciating the distance that my colleagues have come in reaching this point, I strongly believe that Government investment of the Social Security funds is dangerous and that it could seriously disrupt a market that is performing so well. Even Federal Reserve Chairman Greenspan agrees that this is an unworkable idea, and in a recent hearing of the Senate Banking Committee he said:

> No, I think it's very dangerous. . . I don't know of any way that you can essentially insulate Government decision makers from having access to what will amount to very large investments in American private industry.

He also said:

> I know there are those who believe it can be insulated from the political process. They go a long way to try to do that. I have been around long enough to realize that that is just not credible and not possible. Somewhere along the line that breach will be broken.

That was Chairman Greenspan.

Studies reveal that the current Social Security system discriminates against divorced women. If a woman gets married, stays home to care for her children, and divorces in less than 10 years, she doesn't get any benefits from Social Security. As a result, women in general receive lower benefits than men do. Poverty rates are twice as high among elderly women as among elderly men—13.6 percent versus 6.2 percent. Imagine supporting a retirement system that puts many of our parents into poverty—not security but into poverty.

My plan recognizes the need to have some form of protection built into the system to protect nonworking spouses as well, usually women, and especially in the event of divorce, and we propose to allow couples to treat the worker's retirement account as community property so divorced women would be able to share in the retirement benefits. Research shows that a 10-percent savings contribution rate would benefit women more than a partly personalized two-tiered system. And that is true even for poor women who move in and out of the job market.

Critics of a personalized fully funded retirement system often cite Social Security's survivor and disability benefits as a key reason to defend the status quo, but, of course, they often omit the many restrictions that go along with these benefits as well. The fully funded retirement system I am outlining could provide better disability benefits than the current Social Security system offers, and again I will refer back to Galveston County, TX, as a great example. Under my plan, for example, when a worker dies, his family would inherit all of the funds accumulated in his PRA. The savings would not disappear into the black hole of the Social Security trust fund.

The system would also provide, in addition to the retirement savings, a survivors benefit package. So imagine, Mr. President, right now—and I use my father as an example. When he died at the age of 61, there were no benefits at all from Social Security. So for the whole time that he paid into the system, he got $253 as a death benefit. But under our plan, all the money that he had accumulated in his personal retirement account would become a part of his estate tax free and go to his heirs—not to the Government but to the family. His heirs would benefit from his investment into his retirement account. Also, the system, as I said, would also provide, in addition to the retirement savings, a survivors benefit package.

Let me share a personal note here to prove that point. Under my legislation, retirement dollars stay right where they belong, and that is with the family that faithfully collected them, not with the Government. The Social Security disability insurance trust fund is most imperiled. Currently, workers pay 1.7 percent of their FICA tax for disability insurance. But the DI trust fund will be exhausted in the year 2019. GAO believes the program now to be outdated and that it doesn't reflect today's realities. So my plan requires that fund that manages the PRAs to use part of their annual contribution or yield to buy both life and disability insurance, supplementing their accumulated funds to at least match the promised Social Security survivors and disability benefits.

By requiring retirement funds to purchase life and disability insurance for workers, all workers in each individual fund would be treated as a common pool for underwriting purposes and the insurance would be purchased as a group policy; not by individual workers, but by the investment firms or financial institutions, thus avoiding insurance policy underwriting discrimination while providing the largest amount of benefits at the lowest possible costs.

Mr. President, another special feature in this plan is to allow PRAs to be established early on in life, before a child is even out of diapers. The idea is that when a child is born and given a Social Security number, his or her parents, even grandparents, should be able to put money into that child's retirement account and to allow compound interest to work. Mr. President, $1,000 deposited for a newborn could grow to nearly $200,000 by the time that child retires. That would not be a bad start. So, if you put $1,000 into his account when the child is born, by the time he or she would retire, that would add an additional $200,000 to that account. Not a bad start, and again it shows the power of compound interest.

In fact, when Albert Einstein was once asked what is the most powerful force on Earth, he answered without delay; he said, "compound interest."

To supply maximum flexibility and allow workers to tailor their insurance and retirement package according to their needs and financial ability, the Personal Security and Wealth in Retirement Act allows workers to invest up to 20 percent of after-tax income to make additional voluntary contributions to their PRAs. So those who want to look ahead and even maybe plan for an early retirement, they can put even more money away, up to 20 percent of their income. That way, funds will be accumulated faster, making early retirement possible. And, since this would be an after-tax contribution within the current income limit, it would not provide a tax shelter for the rich. I do not know about you, but I am hard-pressed to think of a better way to encourage savings, to allow workers to better control their retirement finances.

One of the key components and most important parts of my plan is to ensure that a safety net will be there at all times for disadvantaged and unfortunate individuals. This can be done without any Government guarantees of investments or overly strict regulation of investment options. Under this legislation, a safety net would be set up and would be involved with a guaranteed minimum level: 150 percent of the poverty level. When a worker retires, if his or her PRA fails to provide the minimum retirement benefits, and for whatever reason, the Government then would make up the difference. It would fill the glass to the top. The same applies to survivor and disability benefits. If a worker dies or becomes disabled and his or her PRA doesn't accumulate sufficient funds in order to provide the minimum survivor and disability benefits, the Government would match those shortfalls.

The simple safety net is necessary, and the minimum benefit would guarantee that no one, no one in our society would be left impoverished in retirement while still allowing workers to enjoy the freedom and prosperity achievable under a marketed-based retirement system.

Some of my colleagues may be concerned about the Government financing this type of subsidy. Since the likely performance of the personalized retirement system would be far better than today's, Government spending for this minimum benefit is likely to be quite modest. In fact, the reform overall would probably allow us to reduce Government income assistance spending by far more than we would spend subsidizing the minimum benefit.

Let me say that again. If this would work out and allow the Government to help subsidize the minimum benefit, to make sure no one retires into poverty—in fact retirement benefits would be 150 percent of poverty—that would reduce Government income assistance spending by far more than we would spend to subsidize the minimum benefit. Because workers would retire with far higher benefits through the personalized retirement system, they would need less Government assistance than they need today. So, again, there would be savings in the system that would help to pay for this subsidy.

Unlike all other existing proposals, workers under my legislation could retire at any time. So, again, unlike all the other existing plans that are out there, workers under my proposal could retire any time they choose and withdraw funds from their PRAs as long as the minimum retirement benefit could be guaranteed by the account. So what we are doing is giving control of not only the fund, but also the future plans of the retired individual. When he wants to retire, rather than the Government saying you have to retire at 65, under my plan you could retire at 55 if you had the money set aside to meet those minimum benefits. Or if you wanted to continue working, you could stop paying into the account and you could work until you are 75 and invest in other avenues or other financial instruments.

Once workers reach the minimum retirement benefit level they can continue to contribute to the PRAs, but they would not be required to do so. They could then choose to retire, continue working and invest that portion of income in other accounts, or they could just plain choose to spend their money as they wanted to. The rationale for this is simple. When workers accumulate enough funds for their retirement, they are no longer in danger of becoming a burden on society and they should therefore be allowed to retire at any age they choose without the Government telling them when.

Why should the Government tell you when you can retire or penalize those who choose to continue working or retire even earlier? Over time, early retirements will surely reduce the ratio of workers per beneficiaries. But because this is a fully funded system, demographic changes will have no effect—they will have no effect—on the solvency of the system. A generation would pay for its own retirement. It will not be held hostage to the next generation. And the word "independence" fits right here.

Under this plan, workers could use the accumulated funds upon retirement to buy an annuity paying promised benefits for the rest of the worker's life. Annuities would be structured to provide benefits not just over the worker's life, but also over the life of their spouse. Unlike today, widows would not have to live in poverty. The benefits would not be reduced when one or the other would die. Or the workers could make regular, periodic withdrawals or a lump sum withdrawal of the money not needed to buy the annuity to provide the minimum benefits.

The bottom line is that these withdrawal options would allow workers to basically sit down, to design their own retirement income so they will not be forced to buy an annuity when the market is temporarily down upon their retirement. And what is more, all the withdrawals will be tax free and smart retirement planning will help maximize the benefits.

One of the major criticisms of a market-based personal retirement account system is that it inherently is volatile, and again subject to the whims of investors, exposing a worker's retirement income to unnecessary risks. My plan has specifically addressed this concern by requiring the approved investment firms and financial institutions that would be there to manage personal retirement accounts to have insurance against any investment loss. By approximating the role of the FDIC, we ensure that every PRA would generate a minimum rate of return of at least 2.5 percent to provide no less than the minimum retirement benefits.

Regardless of the ups and downs of the markets, workers would still do better under this system than under the current Social Security system. So even under the minimum benefit of 2.5 percent minimum, that is still better than the current system of Social Security today paying 1 percent or even less. This is another safety net built into the plan to give the American people peace of mind when it comes to their retirement investment. Further, to reduce risks to a worker's PRA, my legislation also requires that rules, regulations and restrictions similar to those governing IRA's would apply to personal retirement accounts as well. PRA's must be properly structured and they must follow strict, sensible guidelines set forth by the independent Federal board that will be set up to oversee the system.

To choose qualified investment firms and financial institutions that will be there to manage the PRAs, the oversight board would be responsible for examining the credibility and ability of the companies and approve them as PRA managers accordingly.

As workers choose the new worker retirement system, this legislation requires the Government to issue also what we call recognition bonds. That is, to help compensate them for past taxes that they have already paid into Social Security so that you would not lose any money that you have already paid into the existing Social Security system. The bonds would be credited with real interest for workers over the age of 50. The bonds for workers below 50 and above 30 would be credited with an inflation adjustment. So since younger workers would benefit most from the reform, workers under the age of 30 would not get recognition bonds.

Another important element of the plan is to ensure that a worker's PRA remains his or her private property, and also that the holder has the right, as I have said before, to pass it on. So it becomes part of the estate for their family or heirs, not for the Government. When he or she dies, the remaining funds would be transferred to any person or persons designated by the holder. Their heirs would not pay any estate tax on the inheritance as well.

So, Mr. President, a major legitimate concern about PRAs is the transition cost. Obviously, this is the most difficult part of every PRA plan. Every PRA plan has had to struggle with this. Social Security, however, has accumulated to date over $20 trillion in unfunded liabilities. So, in other words, we have made promises—Congress, the Government—has made promises to Americans saying we are going to pay X amount of benefits to retirees. If you put that into dollars—we have underfunded; we have made promises but with no money to back it up yet—$20 trillion in unfunded liabilities.

The transition from the current system to a personal and fully funded retirement system will also be costly. However, my point is we should not focus too much on this issue at the expense of resolving the coming Social Security crisis because if we do not make the tough choices, the trust fund is going to go broke.

So we have $20 trillion in unfunded liabilities. The estimates are, to transition to a personal retirement account system would take maybe about $13 trillion.

We believe it is going to be a less costly, more secure future and providing better benefits if we step up to the plate and make the decisions we need to make. No matter how much we pay for the transition, it is still much cheaper to finance the transition than it is to watch Social Security go broke, because once our plan is fully solvent, Social Security will still be facing some of the biggest problems or even greater problems in funding.

Having said that, Mr. President, we should also be sensible about the transition costs. We shouldn't increase the overall tax burden or incur huge debt to finance the transition. Again, we shouldn't be out there increasing the overall tax burden. We shouldn't be out there building a huge debt to finance this transition. And since the unfunded liability is enormous, we need to find some innovative ways to help pay for them, not through tax hikes, not to burden Americans with more taxes, but to find innovative ways to help make the transition.

As you know, when a family faces financial trouble, every member of the family pitches in. It first cuts its spending, it won't go to the movies, or it might not eat out as often as it has and will delay purchasing big household items. The Government needs to take the same type of approach. A family, when it is facing a financial crisis, needs to pitch in and make financial sacrifices to make it through. The Government has to do the same thing.

My plan proposes to help cut Government spending to help finance the transition. We require capping mandatory Government spending by allowing only new spending for new beneficiaries who meet the same criteria for benefits under the law. This would prohibit the expansion of these programs during the transition, but it would still cover those entitled to the current benefits.

In addition, we propose a 5-percent across-the-board budget cut for every Federal agency, plus a 15-percent reduction in Government overhead.

Mr. President, in the long run, my plan will balance itself because as workers opt for the personalized retirement system, they will receive fewer benefits from the old Social Security system as a result. Again, remember the statement made by the President and many others, and that statement is: Save Social Security first. That takes money, not just good intentions; not slogans, but actual action.

Since the plan is designed to spread its transition costs across generations, the system will start off relatively slowly. It will grow over time and, therefore, offer other financial mechanisms that will be needed, particularly during the start-off period.

One of these mechanisms is to ask workers who opt out of the Social Security system to continue to pay, as I said before, the 2.4 percent of their FICA tax to help with the transition. Right now, we pay 12.4 percent of income into Social Security. Under this plan, 2.4 percent would go to transition costs. The other 10 percent would go into the individual retirement fund.

The plan also proposes using the majority of the general revenue budget surplus, again with the notion, "Save Social Security first." If there is a surplus, the majority of our budget surplus should go to helping reduce the transition costs of Social Security.

To cover a portion of the transition deficit, we would sell the $700 billion in Government bonds that have accumulated in the Social Security trust fund. If we still fall short in financing the gap, my plan calls for issuing new Government bonds to the public in order to help raise money. This would be done over a period of time, and, again, this stretches the financing of the transition over generations, not one generation having to pay for the mistakes the system has made, but many generations will have to help cover the costs.

These bonds would not involve new Government debt. This is important—no new debt. We are not talking about issuing new bonds to create new debt but to, in other words, put into focus the $20 trillion in unfunded liability. What we are doing is saying we are now going to recognize that and put into place bonds that are going to help cover this. Again, this is not new debt but only explicit recognition of the implicit debt that the Government already owes through the unfunded liabilities of Social Security.

These are the promises that we have already made, and they need to be paid for. It is the cost of hanging on to this system too long, and it will cost even more if we wait.

Mr. President, the advocates of the status quo are using the recent stock market adjustment in an attempt to scare the American people away from a market-based retirement system. In my view, it is highly improper to use market cycles as the reason to deny exploring a viable solution to the coming Social Security crisis.

Historical data recognizes market cycles, and the long-term prospects for the stock market have always been bullish. William Shipman, one of the country's leading pension management experts, has studied the worst performances of the market. He finds that in the past 70 years—and this includes the period of the Great Depression—on only 10 occasions have stocks fallen by 18 percent in 1 quarter or 14 percent in 1 month or 8 percent in 1 day. Even if the market would drop 89 percent on the day that a worker entered retirement, that worker would still have more in their retirement account than they would have available under Social Security.

If you look at the numbers, Mr. President, again, even if the market would happen to drop 89 percent of its value in just 1 day, and it happened to be on the day the worker retired, the worker would still have more in their retirement account than they would have available under Social Security. That would be a worst-case scenario.

We know that better planning and looking ahead would mean the worker would lose very little, if any, no matter how the market cycle would go with good financial planning. So the scare tactics that many are using are just that, scare tactics in order to help support their current Social Security system. We need to give the American people the information they need so they can make a very educated choice. We don't need scare tactics from either side. We need just to lay out the information, show them the truth, and then allow Americans to help us make this change.

Let me repeat, even if the market dropped 89 percent on the day a worker entered retirement, that worker would still have more in their retirement account than they would have available under Social Security.

Mr. President, there are also many safeguards in this plan that a worker would not have to draw retirement money on that day, that there could be moneys taken out so he could wait a while or also do many things leading up to his retirement so he wouldn't have to worry what was going to happen on that last day. There are many choices and options to maximize retirement benefits, but many are going to use any fluctuations in the market to try to scare people. Again, we need to just give the American people the information they need to help them make the choice.

As you know, our entire economy is based on a capitalistic market. If the market drops at this rate, even Social Security won't be immune from any downturn. We will have to borrow against future workers to pay any benefits. A market-based retirement plan is a long-term investment, not short-term speculation, and that is a key distinction that I urge all my colleagues to acknowledge in considering this plan.

The market-based retirement plan is a long-term investment, not a short-term speculation. When you are in it for 40 years, you can ride out those cycles, but, again, over the last 70 years the market has paid 7.56 percent in interest, not the 1 percent or less than we now see in Social Security.

The entire debate over how to reform Social Security boils down to a few simple questions: Do you trust the Government to provide retirement security, or would you rather rely on yourself and would you rather have more control over your own resources? Do you want the Government to be your financial adviser? Is it necessarily true that what is good for Washington is good for you? I don't think so. To me and many Americans, the choice is very clear.

In conclusion, I turn to the words of President Franklin D. Roosevelt on June 8, 1934, and that is the day he proposed to Congress the establishment of the Federal Social Security system. He wrote this:

> This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Mr. President, 63 years later, after six decades of economic development and expansion that dwarf what the world had known in 1934, we began to stray from the values that helped found this great Nation. We have strayed from the words of President Franklin Roosevelt as he signed Social Security into law.

In 1998, Americans choose to turn, not to the Government to provide that "greater measure of welfare and happiness," but to the individual, to ourselves; not to look to Washington, but to look to our families. The Government cannot be there to provide the "greater measure of welfare and happiness."

Mr. President, the Personal Security and Wealth in Retirement Act acknowledges that to achieve the fullest measure of security and individual liberty, the individual must be free from the inherent constraints of Government. It restores those values from which we have drifted, and it offers every American the opportunity to achieve real personal wealth—not with the Government telling you what you are going to get in retirement, not with the Government telling you you have to retire, not with the Government telling you what benefits that you are going to get—but America will be offered the opportunity to achieve real personal wealth and the dignity and the freedom and the security that it affords in retirement.

Thank you very much, Mr. President.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Minnesota.

MORNING BUSINESS

Mr. GRAMS. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, October 2, 1998, the federal debt stood at $5,525,136,204,444.24 (Five trillion, five hundred twenty-five billion, one hundred thirty-six million, two hundred four thousand, four hundred forty-four dollars and twenty-four cents).

One year ago, October 2, 1997, the federal debt stood at $5,387,382,000,000 (Five trillion, three hundred eighty-seven billion, three hundred eighty-two million).

Twenty-five years ago, October 2, 1973, the federal debt stood at $461,744,000,000 (Four hundred sixty-one billion, seven hundred forty-four million) which reflects a debt increase of more than $5 trillion—$5,063,392,204,444.24 (Five trillion, sixty-three billion, three hundred ninety-two million, two hundred four thousand, four hundred forty-four dollars and twenty-four cents) during the past 25 years.

FOURTEEN LITTLE LEAGUERS—THE PRIDE OF ALL OF US

Mr. HELMS. Mr. President, when one pauses to ponder the implications of it all, 1998 has been a remarkable year in terms of there having been a sort of rebirth of (I still contend) America's great national pastime—baseball.

And as an old (very) former sports writer, I have never pretended that baseball has not always been my favorite sport. I like all of them, I hasten to say, but baseball is, to this good day, Number One with me.

So what, you may inquire, has made this year all that great? Let us begin by recounting the drama of Mark McGwire and Sammy Sosa, each of whom broke the 37-year-old home run record of Roger Maris—and then kept on breaking their own records.

I had meant, Mr. President, to pay my respects long ago to 14 very special youngsters from Greenville, North Carolina, who made hearts beat faster and faster as the team made their way to the national championship game of the Little League World Series.

Greenville is the hometown of a lot of good things and good people. East Carolina University is there, including its splendid medical school. It is a colorful city (56,000) which understands and practices the free enterprise system. And you better believe that everybody in the area around Greenville was proud of those 14 young Little Leaguers who made it to the championship game.

The young guys from Greenville lost that championship game to the team from Toms River, New Jersey, but they were winners big time just the same because they did win the consolation game with the excellent Canadian team. Look at it this way, Mr. President—the Little League team from Greenville ranks third in the world.

I have a hunch that they know that they are Number One in the hearts of all of us who watched them on television, night after night, cheering them on.

I should mention, by the way, that these comments were prompted by a fine young member of the Helms Senate Family, Josh Royster, who kept track of those fantastic youngsters from Greenville who made all of us proud.

Josh was impressed with the manner in which coaches and parents and countless other folks sacrificed to support their team. They traveled across the country for the better part of six weeks, rooting for the Greenville Fourteen. That's what morale and role modeling and love and good citizenship are all about. And then when the 14 young guys arrived home, Josh says that 2,000 people turned out to greet them and cheer them on.

A long time ago, when I was a lot younger than the Little Leaguers of 1998, Dad told me something that I have never forgotten: "Son," he said, "the Lord doesn't require you to win. He just expects you to try."

Those 14 young guys did try and I suspect they won a lot more than they now realize. For one thing, there's a Senator up here who's hoping that Greenville's Little Leaguers will be in the championship game again next season. I am not alone in my feeling that those youngsters will be glad they did.

THE HONORABLE THOMAS J. HARRELSON'S JULY 1, 1998, ADDRESS TO NEW CITIZENS

Mr. HELMS. Mr. President, during the past weekend in going through a file folder, I ran across a letter somehow placed there inadvertently this past July just before my surgery to replace my worn-out 1921-Model knees with new 1998-Models.

The letter was from a longtime friend, Jim Lofton, well-known in Congress for his years as a highly respected assistant to the distinguished then-Congressman, Jim Broyhill, of North Carolina. (Jim subsequently served North Carolina's Governor Jim Martin who also had been a Congressman from North Carolina).

Jim Lofton, now president of the North Carolina Association of Financial Institutions, had written to share the text of an address by another distinguished North Carolinian, Thomas J. Harrelson, who on July 1 had delivered an inspiring address to an audience of several hundred people, including 41 new U.S. citizens whose naturalization occurred at the ceremony in Southport at which Mr. Harrelson spoke. Mr. Lofton decided, quite correctly, that I might want to share Tommy Harrelson's remarks at Southport by inserting the text into the CONGRESSIONAL RECORD.

Mr. President, with gratitude to Mr. Lofton and Mr. Harrelson, I ask unanimous consent that the text of Mr. Harrelson's address be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

ADDRESS BY THE HONORABLE THOMAS J. HARRELSON

It is a great honor for me to participate in this ceremony and share this moment with you, your family, and friends.

We are gathered here in this patriotic time in a setting very appropriate to the occasion. This site on which we are standing, Fort Johnston, was built between 1748 and 1754 and was burned to the ground in 1776 by the Patriots who were tired of royal rule. It was rebuilt around 1812 and figured in other efforts to secure our freedom and independence. After all, the Cape Fear river was the super highway of the pre-colonial and colonial era, bringing some of the early European settlers to our shores.

One can imagine the native Americans, who must have come here often for the bounty of the river and the ocean, seeing the strange vessels and the pale skinned passengers in foreign dress. How exciting and fearsome it must have been to them and to the early settlers to come to terms with learning to live side by side without the benefit of a common language or an understanding of each other's cultures.

Yet these early settlers were just the first of the immigrants who made the United States the powerful yet diverse country that it is. Just as this river and others like it roll relentlessly to the ocean, so a reverse stream of immigrants moved up these same rivers and streams to populate the early eastern seaboard settlements, and finally to take the expansion to our Pacific coast, and even to Alaska and Hawaii.

In that early time in our history, water travel was the quickest, and in some cases, the only mode of transportation; the expansion of knowledge was just beginning to speed up, and communications depended almost entirely on the same mode of transportation. Now, people have exceptional mobility, the body of knowledge is doubling at an ever-increasingly rapid pace, and the internet, satellites and television make communication both instantaneous and very personal. But one thing has been constant over the years: every immigrant group has brought new vitality and vigor to our society.

We who are already citizens of the United States gather during this time to attest our loyalty and patriotism. It is also a time to reflect upon the suffering and sacrifice we have faced to get this far. How brave the people were in 1776 to rise up in defense of liberty and confront a powerful empire. Five of the signers of the Declaration of Independence were captured by the British and tortured as traitors. Nine fought in the War for Independence and died from their wounds or hardships they suffered. Two lost their sons in the Continental Army. Another had sons captured and at least a dozen of the fifty six had their homes pillaged and burned.

I am sure we have with us men and women who have served in our armed forces in defense of our liberty, or family members who have lost loved ones in this cause. I am also sure that some of those of you who will soon be our fellow citizens have stories of personal sacrifice and hardship to arrive at this point.

We later fought a civil war in which it was determined that we would remain one nation and that all people, regardless of race, would be free and have the rights and responsibilities of citizenship. Earlier this year, a local historian discovered that two of our black citizens had fought on the side of the Union. How brave they must have been to take that step!

There was bravery and courage on both sides of that sad conflict. We were a divided society back then and remained divided for generations, separated by fear and mistrust. It speaks volumes about the positive changes in our attitudes that the entire community of Southport joined recently to celebrate these two unsung heroes.

If we fought a civil war in which we determined that all who are Americans would be free, we have also fought a series of wars both hot and cold, to defend our own liberty and expand freedom to other peoples. We live in a marvelous age, having seen the collapse of Soviet communism and the freeing of millions of people from its cruel oppression. This happened because we and our allies remained firm and strong in our beliefs and stalwart in the defense of liberty. We as Americans have an awesome responsibility to the world. We have made great scarifies to ensure fairness and equality at home to extend democratic ideals and freedoms to others throughout the world.

The world will never be truly safe until all peoples have a sense of fellowship and common interests. As the civil rights leader, and U.S. Congressman, John Lewis, recently said, "to achieve the beloved community, we must teach not only tolerance, but acceptance and love. We must recognize the wonderful opportunity our nation's diversity presents. Every culture in our society offers its own contributions of art, industry and experience."

This sentiment needs to be embraced at home and in our dealings abroad. To be an American is to have responsibility to the world and to our neighbor at home.

We who are here together, the citizens and the citizens to be, have much in common. We are either the descendants of immigrants or immigrants ourselves. We or our ancestors came here to be free from hunger, free from fear, free from oppression, or free from slavery or servitude. When our framers of the

Declaration of Independence put those words on paper, they became part of our culture and were also written in our hearts and souls.

Our system of government is important, but what really is more important is the fact that liberty lies in the hearts of men and women. As the great jurist, Learned Hand said in a 4th of July speech toward the end of World War II, "When it dies there, no constitution, no law, no court can save it; no constitution, no law, no court can even do much to help it. While it lies there, it needs no constitution, no law, no court to save it. And what is this liberty which must lie in the hearts of men and women? It is not the ruthless, the unbridled will; it is not freedom to do as one likes. That is the denial of liberty and leads straight to its overthrow. A society in which men recognize no check upon their freedom soon becomes a society where freedom is the possession of only a savage few—as we have learned to our sorrow."

Mr. Justice Hank went on to describe his own faith in liberty. "The spirit of liberty is the spirit which is not too sure that it is right; the spirit of liberty is the spirit which seeks to understand the minds of other men and women: the spirit of liberty is the spirit which weighs their interests alongside its own without bias; the spirit of liberty remembers that not even a sparrow falls to earth unheeded; the spirit of liberty is the spirit of him who, near two thousand years ago, taught mankind a lesson that it has never learned, but has never quite forgotten—that there may be a kingdom where the least shall be heard and considered side by side with the greatest."

Before I close, let me take the opportunity of passing on some advice to our new citizens. In the past, the children of immigrants were often ashamed of their heritage and deliberately turned away from both their ancestral culture and language. I will agree that it is important to embrace and understand the culture of your new country and to be fluent in English. However, with the growing importance of international relations and the globalization of the economy, your children should be encouraged to appreciate your culture and learn your native tongue, and to use them as a springboard to understand other cultures and learn still other tongues.

It used to be that we were fairly isolated in the United States. That is no longer the case. Some counsel to our current citizens is in order too. We are seeing an increase in immigration from all over the world. I predict that, despite the fears of some, these new immigrants, much like all who came before them, will contribute to an ever improving quality of life in our country. And as United States citizens, new and old, we should never be satisfied until freedom—political, religious, and economic—is enjoyed by all the people of the world.

In a few moments, we will join together, new citizens and old, to recite our pledge of allegiance. In so doing, I hope you will recall with me the words of another famous American, who challenged our country to greatness and helped bring about freedom for the peoples of Eastern Europe, former President Ronald Reagan:

"The poet called Miss Liberty's torch, 'the lamp beside the golden door.' Well, that was the entrance to America, and it is. And now you know why we're here tonight. The glistening hope of that lamp is still ours. Every promise, every opportunity is still golden in this land. And through that golden door our children can walk into tomorrow with the knowledge that no one can be denied the promise that is America. Her heart is full; her torch is still golden, her future bright. She has arms big enough and strong enough to support, for the strength in her arms is the strength of her people. She will carry on unafraid, unashamed, and unsurpassed."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting two withdrawals and sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 3:07 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3616. An act to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strength for fiscal year for the Armed Forces, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. THURMOND).

MEASURE READ THE FIRST TIME

The following bill was read the first time:

An act to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products.

REPORTS OF COMMITTEES

The following reports of committee were submitted:

By Mr. STEVENS, from the Committee on Appropriations:

Special Report entitled "Further Revised Allocation to Subcommittees of Budget Totals for Fiscal Year 1999" (Rept. No. 105–365).

Mr. CHAFEE, from the Committee on Environment and Public Works, with an amendment:

H.R. 2863: A bill to amend the Migratory Bird Treaty Act to clarify restrictions under that Act on baiting, to facilitate acquisition of migratory bird habitat, and for other purposes (Rept. No. 105–366).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 2548. A bill to redesignate the Marsh-Billings National Historical Park in the State of Vermont as the "Marsh-Billings-Rockefeller National Historical Park"; to the Committee on Energy and Natural Resources.

By Mr. D'AMATO:

S. 2549. A bill to provide that no Federal income tax shall be imposed on amounts received by Holocaust victims; to the Committee on Finance.

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 2550. A bill for the relief of the State of Hawaii; to the Committee on Finance.

By Mr. D'AMATO:

S. 2551. A bill to amend title XVIII of the Social Security Act to permit the replacement of health insurance policies for certain disabled medicare beneficiaries notwithstanding that the replacement policies may duplicate medicare benefits; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LUGAR:

S. Res. 285. A resolution expressing the sense of the Senate that all necessary steps should be taken to ensure the elections to be held in Gabon in December of 1998 are free and fair; to the Committee on Foreign Relations.

By Mr. MACK:

S. Res. 286. A resolution expressing the Sense of the Senate that Mark McGwire and Sammy Sosa should be commended for their accomplishments; considered and agreed to.

By Mr. LOTT (for himself and Mr. DASCHLE):

S. Res. 287. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. D'AMATO:

S. 2549. A bill to provide that no Federal income tax shall be imposed on amounts received by Holocaust victims; to the Committee on Finance.

HOLOCAUST ASSETS TAX EXCLUSION ACT OF 1998

• Mr. D'AMATO. Mr. President, today I introduce the "Holocaust Assets Tax Exclusion Act of 1998." This act will make all income received by Holocaust survivors or their heirs from any settlement or adjudication in their favor, non-taxable. This legislation is now very much needed because survivors of the Holocaust who had assets withheld from them by Swiss banks or others have finally received justice in the form of a settlement between the banks and the survivors' attorneys in August 1998. The settlement was for $1.25 billion for survivors worldwide. We must remember, one-third of all Holocaust survivors live in the United States. This is why this legislation is so needed.

In addition to these recipients, survivors who are needy, will be receiving one-time payments from the Swiss Humanitarian Fund established by the Swiss government in 1997. In both cases, payments from the Swiss banks and other sources like this should be excluded from taxation because they are receiving back what was rightfully theirs to begin with. The sum total of payments coming to the needy Holocaust survivors in the United States from this fund will be $31.4 million. It would be a travesty if the IRS were to decide that these funds would be taxable.

Mr. President, it is necessary to understand that the survivors who sued the banks and settled in August 1998 did so because this was the only avenue left open to them to seek justice. Deprived of their assets, or those of their families for over 50 years, survivors fought unsuccessfully until now to receive what rightfully belonged to them.

With the average age of Holocaust survivors at 80, there is little time for debate over these payments which will ease life for the survivors in their final years. To tax them for the long overdue receipt of assets would be wrong. This is why I am offering this legislation. The survivors of man's greatest inhumanity to man deserve justice. After escaping death at the hands of the Nazis, they were again victimized by the Swiss bankers. Now that they have received some measure of justice, let us not take their assets from them again.

Mr. President, I urge my colleagues to support me in this legislation and urge its speedy passage.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2549

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NO TAX ON AMOUNTS RECEIVED BY HOLOCAUST VICTIMS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any amount received by an individual from any person as a result of a settlement or adjudication in the individual's favor arising out of any moral or legal injustice experienced by the individual as a Holocaust victim, including any amount received from the Swiss Humanitarian Fund established by the Government of Switzerland.

(b) EFFECTIVE DATE.—This section shall apply to amounts received in taxable years beginning before, on, or after the date of the enactment of this Act.●

By Mr. D'AMATO:

S. 2551. A bill to amend title XVIII of the Social Security Act to permit the replacement of health insurance policies for certain disabled medicare beneficiaries notwithstanding that the replacement policies may duplicate medicare benefits; to the Committee on Finance.

MEDICARE ANTI-DUPLICATION AMENDMENT

Mr. D'AMATO. Mr. President, I rise today to introduce S. 2551, the Medicare anti-duplication bill. This important reform legislation is a necessary step in improving the rights and choices that face New Yorkers. This amendment will in fact correct the language of title XVIII of the Social Security Act to correct an unintended consequence of the Federal Medicare anti-duplication law and permits disabled persons to take full advantage of the full range of choices in the health insurance market that are currently available for other New York State citizens. The very narrow legislative change I am proposing will allow several hundred chronically ill New York residents to choose from a variety of health care plans which offer identical health care coverage at lower prices.

In 1995, New York enacted a "Point of Service" law requiring all HMO's in the state to offer standardized health care benefits to any individual who purchases coverage directly from the plan. However, some individuals that the New York law was intended to help were unable to purchases this coverage.

The Federal Medicare anti-duplication statue prohibits insurers from selling coverage, other than Medicare supplement coverage, which duplicate benefits available under Medicare. In New York, individuals who were receiving Medicare benefits due to disabilities, were permitted to elect continued coverage of private insurance which were purchased prior to enrolling in Medicare. Prior to 1996 these individuals' choices were limited, and were essentially forced to continue their very expensive Commercial policies. After the "Point of Service" law was enacted, there were numerous policies available which provided identical benefits to the Empire policy, at more affordable prices.

Those disabled Medicare subscribers enrolled in the Empire policy, however, were prohibited from purchasing these other less expensive policies as a result of the Federal anti-duplication law because the time to elect to continue private coverage had expired. These Disabled individuals numbering between 400–500, were left with essentially one choice, continuing a very expensive commercial policy.

My anti-duplication amendment will ensure that the disabled New Yorker enrolled in medicare is available to afford a managed care product, and that these purchases will not be considered a "duplicate" of Medicare health benefits. My bill has been drafted specifically to help those several hundred chronically sick individuals in New York, who, prior to 1996, did not have the choice to select one of the many policies which were subsequently required by State Law.

ADDITIONAL COSPONSORS

S. 1286

At the request of Mr. JEFFORDS, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 1286, a bill to amend the Internal Revenue Code of 1986 to exclude from gross income certain amounts received as scholarships by an individual under the National Health Corps Scholarship Program.

S. 1529

At the request of Mr. KENNEDY, the names of the Senator from Nebraska (Mr. KERREY) and the Senator from West Virginia (Mr. ROCKEFELLER) were added as cosponsors of S. 1529, a bill to enhance Federal enforcement of hate crimes, and for other purposes.

S. 1720

At the request of Mr. LEAHY, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 1720, a bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes.

S. 1868

At the request of Mr. NICKLES, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 1868, a bill to express United States foreign policy with respect to, and to strengthen United States advocacy on behalf of, individuals persecuted for their faith worldwide; to authorize United States actions in response to religious persecution worldwide; to establish an Ambassador at Large on International Religious Freedom within the Department of State, a Commission on International Religious Persecution, and a Special Adviser on International Religious Freedom within the National Security Council; and for other purposes.

S. 2180

At the request of Mr. LOTT, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 2180, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability under that Act for certain recycling transactions.

S. 2196

At the request of Mr. GORTON, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 2196, a bill to amend the Public Health Service Act to provide for establishment at the National Heart, Lung, and Blood Institute of a program regarding lifesaving interventions for individuals who experience cardiac arrest, and for other purposes.

S. 2217

At the request of Mr. FRIST, the name of the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2233

At the request of Mr. CONRAD, the name of the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 2233, a bill to amend section 29 of the Internal Revenue Code of 1986 to extend the placed in service date for biomass and coal facilities.

S. 2364

At the request of Mr. CHAFEE, the names of the Senator from Ohio (Mr. DEWINE) and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2418

At the request of Mr. JEFFORDS, the names of the Senator from California (Mrs. BOXER), and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of S. 2418, a bill to establish rural opportunity communities, and for other purposes.

S. 2507

At the request of Mr. MCCAIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2507, a bill to stimulate increased domestic cruise ship opportunities for the American cruising public by temporarily reducing barriers for entry into the domestic cruise ship trade.

S. 2520

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of S. 2520, a bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees.

S. 2522

At the request of Mr. DEWINE, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 2522, a bill to support enhanced drug interdiction efforts in the major transit countries and support a comprehensive supply eradication and crop substitution program in source countries.

SENATE JOINT RESOLUTION 56

At the request of Mr. GRASSLEY, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Washington (Mr. GORTON), and the Senator from Florida (Mr. MACK) were added as cosponsors of Senate Joint Resolution 56, a joint resolution expressing the sense of Congress in support of the existing Federal legal process for determining the safety and efficacy of drugs, including marijuana and other Schedule I drugs, for medicinal use.

SENATE CONCURRENT RESOLUTION 121

At the request of Mr. SPECTER, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from North Dakota (Mr. DORGAN) were added as cosponsors of Senate Concurrent Resolution 121, a concurrent resolution expressing the sense of Congress that the President should take all necessary measures to respond to the increase in steel imports resulting from the financial crises in Asia, the independent States of the former Soviet Union, Russia, and other areas of the world, and for other purposes.

SENATE RESOLUTION 257

At the request of Mr. MURKOWSKI, the names of the Senator from New Mexico (Mr. DOMENICI) and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of Senate Resolution 257, a resolution expressing the sense of the Senate that October 15, 1998, should be designated as "National Inhalant Abuse Awareness Day."

SENATE RESOLUTION 260

At the request of Mr. GRAHAM, the names of the Senator from California (Mrs. FEINSTEIN), the Senator from Utah (Mr. HATCH), the Senator from Idaho (Mr. CRAIG), the Senator from Colorado (Mr. CAMPBELL), the Senator from Montana (Mr. BURNS), the Senator from New Mexico (Mr. DOMENICI), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Resolution 260, a resolution expressing the sense of the Senate that October 11, 1998, should be designated as "National Children's Day."

SENATE RESOLUTION 285—EXPRESSING THE SENSE OF THE SENATE THAT ALL NECESSARY STEPS SHOULD BE TAKEN TO ENSURE THE ELECTIONS TO BE HELD IN GABON ARE FREE AND FAIR

Mr. LUGAR submitted the following resolution; which was referred to the Committee on Foreign Relations.

S. RES. 285

Whereas Gabon is a heavily forested and oil-rich country on central Africa's west coast;

Whereas Gabon gained independence from France in 1960;

Whereas Gabon is scheduled to hold national elections in December 1998 for the purpose of electing a President;

Whereas the Government of Gabon has been subject to single-party rule for a significant period of its recent history and only 1 person has held the office of the President since 1967;

Whereas the Freedom House Survey of World Freedom, 1997–1998, determined that "Gabon's citizens have never been able to exercise their constitutional right to change their government democratically";

Whereas the International Foundation for Election Systems (IFES) and the National Democratic Institute (NDI) served as observers during the organization of the 1993 Presidential and legislative elections in Garbon and found widespread electoral irregularities;

Whereas the Government of Gabon is a signatory to the "Paris Accords" of 1994, approved by national referendum in July 1995, which were to have provided for a State of law guaranteeing basic individual freedoms and the organization of free and fair elections under a new independent national election commission;

Whereas the people of Gabon have demonstrated their support for the democratic process through the formation of numerous political parties since 1990 and their strong participation in prior elections; and

Whereas it is in the interest of the United States to promote political and economic freedom in Africa and throughout the world: Now, therefore, be it

Resolved, That the Senate—

(1) recognizes and commends those Gabonese who have demonstrated their love for free and fair elections;

(2) commends the Gabonese Government for inviting the International Foundation for Election Systems to perform a pre-election assessment study;

(3) calls on the Gabonese Government—

(A) to take measures to help ensure a credible election and to ensure that the election commission remains independent and impartial; and

(B) to invite the International Foundation for Election Systems, the National Democratic Institute, the International Republic Institute, and other appropriate international non-governmental organizations to aid the organization of, and supervise the December 1998 Presidential election in Gabon, in an effort to ensure that these elections in Gabon are free and fair;

(4) urges the Government of Gabon to take all necessary and lawful steps toward conducting free and fair elections;

(5) calls on the international community to join the United States in offering their assistance toward free and fair elections;

(6) urges the United States Government to provide support directly and through appropriate non-governmental organizations to aid the organization of free and fair elections in Gabon;

(7) calls on the United States Government to work with the international community in urging the Government of Gabon to create the conditions necessary to guarantee free and fair elections; and

(8) urges the United States Government and the international community to continue to encourage the Government of Gabon to ensure a lasting and committed transition to democracy.

• Mr. LUGAR. Mr. President, I submit a resolution calling for free and transparent presidential elections in the African country of Gabon. A similar measure was introduced in the House of Representatives, and I applaud the work of those Members of the House who are bringing attention to democratic development in this democracy.

This resolution expresses support for the promotion of transparent elections at a crucial time in Gabon's political development. Although ostensibly a democracy since 1961, Gabon has been ruled by the same individual—Omar Bongo—since 1967. In 1968, President Bongo declared Gabon a one-party state and has since then won four consecutive presidential elections.

A political easing in 1990 led to the strengthening of individual rights and the establishment of multi-party elections. However, there have been reports that disorganization and a lack of transparency marred President Bongo's most recent election in December 1993. According to the Freedom House Survey of the World Freedom, Bongo was declared the winner before many voters were counted and after a campaign that included extensive use of state resources and state media. Further, widespread irregularities were reported by the International Foundation for Election Systems (IFES) and the National Democratic Institute (NDI), which served as observers during the Gabonese presidential and legislative elections in 1993.

The electoral victory by President Bongo led to several months of civil unrest and violent repression. Some observers in Gabon believe more civil unrest will occur if the presidential elections this December are considered illegitimate. A free and fair electoral system would further democracy and stability in Gabon and set an example for other African nations.

Mr. President, this resolution calls on the Gabonese government to take measures to help ensure credible presidential elections. The measure calls on the government to invite IFES, the NDI, the International Republican Institute (IRI), the Center for Democracy or other appropriate non-governmental organizations to aid or observe the December 1998 Gabonese presidential elections.

The resolution also urges the United States and the international community to offer assistance for fair elections in Gabon and to encourage movement toward a stable democracy.

Gabon is at a turning point. It enjoys a per capita income of $4,700, a high literacy rate (69 percent), and a billion dollar oil industry. The United States Senate would be aiding Gabon in the establishment of a stronger democracy that can help bring stability to a volatile region of Africa.

I urge my colleagues to consider the benefits of free and fair elections in Gabon and to support this resolution.●

SENATE RESOLUTION 286—EXPRESSING THE SENSE OF THE SENATE THAT MARK McGWIRE AND SAMMY SOSA SHOULD BE COMMENDED FOR THEIR ACCOMPLISHMENTS

Mr. MACK submitted the following resolution; which was considered and agreed to.

S. RES. 286

Whereas the recent conclusion of the regular baseball season marked the end of an unprecedented home run race between the St. Louis Cardinals' Mark McGwire and the Chicago Cubs' Sammy Sosa;

Whereas both broke Roger Maris' home run record that many thought would stand untouched as indeed it has since Maris passed the "Babe" by one home run when he hit his 61st some 37 years ago;

Whereas "Mighty Mac" rounded out his record setting season by sending two more over the fence in the team's final game to finish the year with 70 home runs while "Slammin' Sammy" finished close behind with 66;

Whereas McGwire and Sosa brought to the game much more than a new record for the books, even though they are both great competitors, they showed the nation how competitors can show mutual respect and appreciation toward each other and to the game;

Whereas Mark McGwire is surely an ideal role model for tomorrow's baseball stars as evidenced by his quiet dignity, love of the game and respect for his competitors which was clearly demonstrated the night he broke the home run record—from his triumphant jog around the bases, to hugging his son at home plate, to saluting Sammy Sosa, and then finally spending a few moments in the stands with the family of Roger Maris;

Whereas Sammy Sosa who stayed on McGwire's heels throughout the home run chase is also a role model who, as a native from the Dominican Republic, rose from near poverty to be one of the greatest home run hitters in the history of the game, and is a hero in his home country where he continues to share his success by funding special programs for its underprivileged children;

Whereas the nation witnessed this year a flashback to an earlier time when the fans felt a connection to the players and the players gave their all for the fans;

Whereas baseball is a game of magic moments, like a perfect game or a triple play—or watching the ball fly over the fence for a home run, and, this year, McGwire and Sosa brought the nation plenty of those magic moments; and

Whereas through class and character Mark McGwire and Sammy Sosa are modern day heroes who brought out the best in baseball and reminded us all why baseball is the great American past time: Now, therefore, be it

Resolved, Mark McGwire and Sammy Sosa are to be commended for their record achievement, for reinvigorating the game of baseball, for their decency, and for giving our children sports heroes worthy of that status.

Mr. MACK. Mr. President, this morning I have sent a resolution to the desk commending Mark McGwire and Sammy Sosa for a remarkable baseball season. I suspect that many of our colleagues in the Senate, and the entire Nation, for that matter, were focused on that last couple of weeks, the contest between those two individuals.

I think, at least from my perspective as I watched events unfold, there were times people would come up to me and ask, Who do you want to win? My reaction was—like, I suspect, many others'—it would have been great if it was a tie.

The way the two individuals interacted with each other and their attitude about the game were just, I think, a remarkable statement.

SENATE RESOLUTION 287—TO AUTHORIZE REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. LOTT (for himself and Mr. DASCHLE) submitted the following resolution; which considered and agreed to:

S. RES. 287

Whereas, Senator Daniel K. Inouye has been named as a defendant in the case of *O'Leary* v. *Fujikawa, et al.*, Case No. 98–16439, now pending in the United States Court of Appeals for the Ninth Circuit;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.C.S. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator Daniel K. Inouye in the case of *O'Leary* v. *Fujikawa, et al.*

AMENDMENTS SUBMITTED

INTERNET TAX FREEDOM ACT

SHELBY AMENDMENTS NOS. 3685–3694

(Ordered to lie on the table.)

Mr. SHELBY submitted 10 amendments intended to be proposed by him to the bill (S. 442) to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes; as follows:

AMENDMENT NO. 3685

On page 14, line 8, strike "2 years" and insert "21 months".

AMENDMENT NO. 3686

On page 14, line 8, strike "2 years" and insert "24 months".

AMENDMENT NO. 3687

On page 14, line 8, strike "2 years" and insert "27 months".

AMENDMENT NO. 3688

On page 14, line 8, strike "2 years" and insert "30 months".

AMENDMENT NO. 3689

On page 14, line 8, strike "2 years" and insert "33 months".

AMENDMENT NO. 3690

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2005,".

AMENDMENT NO. 3691

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2006,".

AMENDMENT NO. 3692

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2007,".

AMENDMENT NO. 3693

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2008,".

AMENDMENT NO. 3694

On page 10, line 22, strike "January 1, 2004," and insert "January 1, 2009,".

COATS AMENDMENT NO. 3695

(Ordered to lie on the table.)

Mr. COATS submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

On page 17, between lines 15 and 16, insert the following:

(c) Exception to Moratorium.—

(1) In general.—Subsection (a) shall also not apply in the case of any person or entity who in interstate or foreign commerce is knowingly engaged in the business of selling or transferring, by means of the World Wide Web, material that is harmful to minors unless such person or entity requires the use of a verified credit card, debit account, adult access code, or adult personal identification number, or such other procedures as the Federal Communications Commission may prescribe, in order to restrict access to such material by persons under 17 years of age.

(2) Scope of exception.—For purposes of paragraph (1), a person shall not be considered to engaged in the business of selling or transferring material by means of the World Wide Web to the extent that the person is—

(A) a telecommunications carrier engaged in the provision of a telecommunications service;

(B) a person engaged in the business of providing an Internet access service;

(C) a person engaged in the business of providing an Internet information location tool; or

(D) similarly engaged in the transmission, storage, retrieval, hosting, formatting, or translation (or any combination thereof) of a communication made by another person, without selection or alteration of the communication.

(3) Definitions.—In this subsection:

(A) By means of the world wide web.—The term "by means of the World Wide Web" means by placement of material in a computer server-based file archive so that it is publicly accessible, over the Internet, using hypertext transfer protocol, file transfer protocol, or other similar protocols.

(B) Engaged in the business.—The term "engaged in the business" means that the person who sells or transfers or offers to sell or transfer, by means of the World Wide Web, material that is harmful to minors devotes time, attention, or labor to such activities, as a regular course of trade or business, with the objective of earning a profit, although it is not necessary that the person make a profit or that the selling or transferring or offering to sell or transfer such material be the person's sole or principal business or source of income.

(C) Internet.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(D) Internet access service.—The term "Internet access service" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(E) Internet information location tool.—The term "Internet information location tool" means a service that refers or links users to an online location on the World Wide Web. Such term includes directories, indices, references, pointers, and hypertext links.

(F) Material that is harmful to minors.—The term "material that is harmful to minors" means any communication, picture, image, graphic image file, article, recording, writing, or other matter of any kind that—

(i) taken as a whole and with respect to minors, appeals to a prurient interest in nudity, sex, or excretion;

(ii) depicts, describes, or represents, in a patently offensive way with respect to what is suitable for minors, an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual acts, or a lewd exhibition of the genitals; and

(iii) taken as a whole, lacks serious literary, artistic, political, or scientific value for minors.

(G) Sexual act; sexual contact.—The terms "sexual act" and "sexual contact" have the meanings given such terms in section 2246 of title 18, United States Code.

(H) Telecommunications carrier; telecommunications service.—The terms "telecommunications carrier" and "telecommunications service" have the meanings given such terms in section 3 of the Communications Act of 1934 (47 U.S.C. 153).

GRAMM AMENDMENTS NOS. 3696–3704

(Ordered to lie on the table.)

Mr. GRAMM submitted nine amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3696

Beginning on page 20, line 1, strike all and insert in lieu thereof the following:

Selected not later than 70 days after the date of the enactment of this Act.

(3) Vacancies.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) Acceptance of Gifts and Grants.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) Other Resources.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) Sunset.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) Rules of the Commission.—

(1) Quorum.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) Meetings.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) Opportunities to testify.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) Additional rules.—The Commission may adopt other rules as needed.

(g) Duties of the Commission.—

(1) In general.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) Issues to be studied.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an

agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person' means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an

operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) Actions by the Commission.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) Venue; Service of Process.—

(1) Venue.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) Service of process.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) In General.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) Provisions.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) Exercise of Certain Powers.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) Actions by the Commission.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) Effect on Other Laws.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) In General.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

Amendment No. 3697

Beginning on page 19, strike line 24 and all that follows and insert in lieu thereof the following:

than 90 days after the date of the enactment of this Act. The Chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) Vacancies.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) Acceptance of Gifts and Grants.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) Other Resources.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) Sunset.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) Rules of the Commission.—

(1) Quorum.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) Meetings.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) Opportunities to testify.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) Additional rules.—The Commission may adopt other rules as needed.

(g) Duties of the Commission.—

(1) In general.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) Issues to be studied.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5 United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3698

Beginning on page 19, strike line 7 and all that follows and insert in lieu thereof the following:

(C) Ten representatives of the electronic industry and consumer groups comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of tneir choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3699

Beginning on page 18, strike line 17 and all that follows and insert in lieu thereof the following:

(B) Ten representatives from State and local governments comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) Inconsistent State Law.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) Guidelines.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) Incentives.—

(1) Self-regulatory incentives.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) Deemed compliance.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) Expedited response to requests.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) Appeals.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) In General.—

(1) Civil actions.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) Notice.—

(A) In general.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) Exemption.—

(i) In general.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) Notification.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) Intervention.—

(1) In general.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) Effect of intervention.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) Amicus curiae.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) Construction. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) Actions by the Commission.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) Venue; Service of Process.—

(1) Venue.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) Service of process.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) In General.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) Provisions.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) Exercise of Certain Powers.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) Actions by the Commission.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) Effect on Other Laws.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) In General.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission

does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3700

Beginning on page 18, strike line 10 and all that follows and insert in lieu thereof the following:

(A) Five representatives from the Federal Government comprised of the Secretary of Defense, the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) State.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) Tax.—

(A) In general.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) Exception.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) Telecommunications services.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) Electronic Commerce.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) In General.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) Negotiating Objectives.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) Electronic Commerce.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which

it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under

this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) Actions by the Commission.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) Effect on Other Laws.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) In General.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

Amendment No. 3701

Beginning on page 18, strike line 7 and all that follows and insert in lieu thereof the following:

shall serve for twelve months. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) Appointments.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) Vacancies.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) Acceptance of Gifts and Grants.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) Other Resources.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) Sunset.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) Rules of the Commission.—

(1) Quorum.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) Meetings.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) Opportunities to testify.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) Additional rules.—The Commission may adopt other rules as needed.

(g) Duties of the Commission.—

(1) In general.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) Issues to be studied.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) Bit tax.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) Discriminatory tax.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.— It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the

Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the

Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3702

Beginning on page 18, strike line 1 and all that follows and insert in lieu thereof the following:

selected by the Speaker of the House of Representatives and the Majority Leader of the Senate; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) Bit tax.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) Discriminatory tax.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) Electronic commerce.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) Internet.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) Internet access.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) Multiple tax.—

(A) In general.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) Exception.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) Sales or use tax.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) State.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) Tax.—

(A) In general.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) Exception.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) Telecommunications services.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) Electronic Commerce.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) In General.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) Negotiating Objectives.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) Electronic Commerce.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44 United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3703

Beginning on page 17, strike line 23 and all that follows, and insert in lieu thereof the following:

(1) be composed of 24 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Ten representatives from State and local governments comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(C) Ten representatives of the electronic industry and consumer groups comprised of—

(i) three representatives appointed by the Majority Leader of the Senate;

(ii) two representatives appointed by the Minority Leader of the Senate;

(iii) three representatives appointed by the Speaker of the House of Representatives; and

(iv) two representatives appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in 0other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) Electronic Commerce.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) In General.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) Negotiating Objectives.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) Electronic Commerce.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) Executive agency.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) Electronic signature.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) Form, questionnaire, or survey.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) Child.—the term "child" means an individual under the age of 13.

(2) Operator.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) Commission.—The term "Commission" means the Federal Trade Commission.

(4) Disclosure.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3704

Beginning on page 17, strike line 19 and all that follows and insert in lieu thereof the following:

is established a commission (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which

it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under

this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) Actions by the Commission.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) Effect on Other Laws.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) In General.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

DORGAN AMENDMENTS NOS. 3705–3709

(Ordered to lie on the table.)

Mr. DORGAN submitted five amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3705

At the appropriate place, insert the following—

"Notwithstanding any other provision of law, nothing in this Act shall preempt any tax that was generally imposed and actually enforced prior to the date of enactment of this Act."

Amendment No. 3706

Beginning on page 16, strike line 22 through line 15 on page 17.

Amendment No. 3707

Between lines 15 and 16 on page 17, insert the following—

(c) Preservation of State and Local Taxing Authority.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede or authorize the modification, impairment or supercession of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(d) Liabilities and Pending Cases.—Nothing in this Act shall affect liabilities for taxes accrued and enforced prior to the date of enactment of this Act nor does this Act affect ongoing litigation relating to such assessments.

Amendment No. 3708

After the word "entity" on page 29, line 25, insert the following: "for the purpose of generating revenues for governmental purposes, and is not a fee imposed for a specific privilege, service, or benefit conferred".

Amendment No. 3709

Between lines 6 and 7 on page 25, add the following:

(3) Effect on the Communications Act of 1934.—Nothing in this section shall include an examination of any fees or charges imposed by the Federal Communications Commission related to—

(A) obligations under the Communications Act of 1934 (47 U.S.C.); or

(B) the implementation of the Telecommunications Act of 1996 or amendments made by such Act .

McCAIN (AMENDMENTS NOS. 3710–3719

(Ordered to lie on the table.)

Mr. McCAIN submitted 10 amendments to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3710

On page 28, line 6, strike "consumers."and insert "users.".

Amendment No. 3711

On page 26, beginning with line 3, strike through line 5 on page 27 and insert the following:

(2) Discriminatory tax.—The term "discriminatory tax" means—

(A) any tax imposed by a State or political subdivision thereof on electronic commerce that—

(i) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means;

(ii) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period;

(iii) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving similar property, goods, services, or information accomlished through other means;

(iv) imposes the obligation to collect or pay the tax on any provider of products or services made available and obtained digitally where the location, business, or residence address of the recipient is not provided as part of the transaction or otherwise is unknown to the provider; or

(v) establishes a classification of Internet access service providers or online service providers for purposes of establishing a higher tax rate to be imposed on such providers of similar information services delivered through other means; or

(B) any tax imposed by a State or political subdivision thereof, if

(i) the ability to access a site on a remote seller's out-of-State computer server is considered a factor in determining a remote seller's tax collection obligation; or

(ii) a provider of Internet access service or online services is deemed to be the agent of a remote seller for determining tax collection obligations as a result of—

(I) the display of a remote seller's information or content on the out-of-State computer server of a provider of Internet access service or online services; or

(II) the processing of orders through the out-of-State computer server of a provider of Internet access service or online services.

Amendment No. 3712

On page 27, strike lines 14 through 23, and insert the following:

(4) Internet.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

Amendment No. 3713

On page 22, line 25, strike "interstate" and insert "electronic".

Amendment No. 3714

On page 17, line 2, strike "2" and insert "5".

Amendment No. 3715

On page 17, line 2, strike "2" and insert "6".

Amendment No. 3716

On page 17, line 2, strike "2" and insert "4".

Amendment No. 3717

At the end of the bill, add the following:

SEC. . SEVERABILITY.

If any provision of this Act, or any amendment made by this Act, or the application of that provision to any person or circumstance, is held by a court of competent jurisdiction to violate any provision of the Constitution of the United States, then the other provisions of that section, and the application of that provision to other persons and circumstances, shall not be affected.

Amendment No. 3718

On page 29, beginning with line 20, strike through line 19 on page 30 and insert the following:

(8) Tax.—

(A) In general.—The term "tax" means—

(i) any charge imposed by any governmental entity for the purpose of generating revenues for governmental purposes, and is not a fee imposed for a specific privilege, service, or benefit conferred; or

(ii) the imposition on a seller of an obligation to collect and to remit to a governmental entity any sales or use tax imposed on a buyer by a governmental entity.

(B) EXCEPTION.—Such term does not include any franchise fee or similar fee imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 572, 573), or any other fee related to obligations or telecommunications carriers under the Communications Act of 1934 (47 U.S.C. 151 et seq.).

(9) TELECOMMUNICATIONS SERVICE.—The term "telecommunications service" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

(10) TAX ON INTERNET ACCESS.—The term "tax on Internet access" means a tax on Internet access, including the enforcement or application of any new or preexisting tax on the sale or use of Internet services.

AMENDMENT NO. 3719

On page 16, beginning with line 23, strike through line 15 on page 17, and insert the following:

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes during the period beginning on July 29, 1998, and ending 3 years after the date of the enactment of this Act:

(1) Taxes on Internet access, unless such tax was generally imposed and actually enforced prior to October 1, 1998; and

(2) Multiple or discriminatory taxes on electronic commerce.

(b) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(c) LIABILITIES AND PENDING CASES.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

McCAIN AMENDMENT NO. 3720

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

On page 16, beginning with line 23, strike through line 15 on page 17, and insert the following:

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes during the period beginning on July 29, 1998, and ending 3 years after the date of the enactment of this Act:

(1) Taxes on Internet access, unless such tax was generally imposed, assessed or actually enforced prior to October 1, 1998; and

(2) Multiple or discriminatory taxes on electronic commerce.

(b) PRESERVATION OF STATE AND LOCAL TAXING AUTHORITY.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(c) LIABILITIES AND PENDING CASES.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

McCAIN (AND WYDEN) AMENDMENT NO. 3721

(Ordered to lie on the table.)

Mr. McCAIN (for himself and Mr. WYDEN) submitted an amendment to be proposed by them to the bill, S. 442, supra; as follows:

On page 17, beginning with line 18, strike through line 21 on page 19 and insert the following:

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 19 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) 3 representatives from the Federal Government, comprised of the Secretary of Commerce, the Secretary of the Treasury, and the United States Trade Representative (or their respective delegates).

(B) 8 representatives from State and local governments (one such representative shall be from a State or local government that does not impose a sales tax).

(C) 8 representatives of the electronic commerce industry, telecommunications carriers, local retail businesses, and consumer groups, comprised of—

(i) 5 individuals appointed by the Majority Leader of the Senate;

(ii) 3 individuals appointed by the Minority Leader of the Senate;

(iii) 5 individuals appointed by the Speaker of the House of Representatives; and

(iv) 3 individuals appointed by the Minority Leader of the House of representatives.

McCAIN AMENDMENTS NOS. 3722–3723

(Ordered to lie on the table.)

Mr. McCAIN submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3722

On page 23, beginning with line 14, strike through line 2 on page 25 and insert the following:

"(D) an examination of model State legislation that—

"(i) would provide uniform definitions of categories of property, goods, service, or information subject to or exempt from sales and use taxes; and

"(ii) would ensure that Internet access services, online services, and communications and transactions using the Internet, Internet access servcie, or online services would be treated in a tax and technologically neutral manner relative to other forms of remote sales; and".

AMENDMENT NO. 3723

On page 25, between lines 6 and 7, insert the following:

(3) EFFECT ON THE COMMUNICATIONS ACT OF 1934.—Nothing in this section shall include an examination of any fees or charges imposed by the Federal Communications Commission or States related to—

(A) obligations under the Communications Act of 1934 (47 U.S.C. 151 et seq.); or

(B) the implementation of the Telecommunications Act of 1996 (or of amendments made by that Act.)

(h) NATIONAL COMMISSION ON UNIFORM STATE LEGISLATION.—The Commission shall, to the extent possible, ensure that its work does not undermine the efforts of the National Commission on Uniform State Legislation.

GRAMM AMENDMENT NO. 3724

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

Beginning on page 17, strike line 20 and all that follows and insert in lieu thereof the following:

Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104-104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104-106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(a) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION. For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date

that is 30 months after the date of enactment of this Act.

HUTCHINSON AMENDMENTS NOS. 3725–3726

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3725

On page 25, strike line 6 and insert the following:

communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all remote sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments.

Amendment No. 3726

On page 25, strike line 6 and insert the following:

communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all remote sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments, which examination may include a review of the efforts of State and local governments to collect sales and use taxes owned on in-State purchases from out-of-State sellers.

ENZI AMENDMENTS NOS. 3727–3728

(Ordered to lie on the table.)

Mr. ENZI submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3727

On page 25, beginning on line 10, strike "a report reflecting the results" and insert the following: "for its consideration a report reflecting the results, including such legislative recommendations as required to address the finings".

Amendment No. 3728

On page 17, line 16, before sec. 102, insert the following:

(c) Preservation of State and Local Taxing Authority.—Except as provided in this section, nothing in this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or superseding of, any State or local law pertaining to taxation that is otherwise permissible by or under the Constitution of the United States or other Federal law and in effect on the date of enactment of this Act.

(d) Liabilities and Pending Cases.—Nothing in this Act affects liability for taxes accrued and enforced before the date of enactment of this Act, nor does this Act affect ongoing litigation relating to such taxes.

GRAHAM AMENDMENTS NOS. 3729–3734

(Ordered to lie on the table.)

Mr. GRAHAM submitted six amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3729

On page 17, between lines 15 and 16, insert:

(c) Point of Order.—It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report if such bill, resolution, amendment, or conference report would extend the moratorium under subsection (a). This point of order may only be waived or suspended by a vote of three-fifths of the Members, duly chosen and sworn.

Amendment No. 3730

On page 18, lines 12 and 13, strike "the Secretary of State,".

Amendment No. 3731

On page 30, between lines 19 and 20, insert:

(10) Remote commerce.—The term "remote commerce" means the sale, lease, license, offer, or delivery of property, goods, services, or information by a seller in 1 State to a purchaser in another State.

Amendment No. 3732

On page 22, line 2, strike "interstate" and insert "intrastate, interstate".

Amendment No. 3733

On page 25, line 12, insert "Any recommendation agreed to by the Commission shall be tax and technologically neutral and apply to all forms of remote commerce." after "this title.".

Amendment No. 3734

Beginning on page 18, line 17, strike all through page 19, line 21, and insert:

(B) Eight representatives from State and local governments (1 of whom shall be from a State or local government that does not impose a sales tax) and 8 representatives of the electronic commerce industry, telecommunications carriers, local retail businesses, and consumer groups, comprised of—

(i) five representatives appointed by the Majority Leader of the Senate;

(ii) three representatives appointed by the Minority Leader of the Senate;

(iii) five representatives appointed by the Speaker of the House of Representatives; and

(iv) three representatives appointed by the Minority Leader of the House of Representatives.

BRYAN AMENDMENT NO. 3735

(Ordered to lie on the table.)

Mr. BRYAN submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

In section 208(2) of title II of the bill, as added by amendment, insert "filed" after "application" the first place it appears.

WYDEN AMENDMENTS NOS. 3736–3737

(Ordered to lie on the table.)

Mr. WYDEN submitted two amendments intended to be proposed by him to the bill, S. 442, supra; as follows:

Amendment No. 3736

On page 2, after line 25, insert the following:

(11) Tax that was Generally Imposed and Actually Enforced.—The term "tax that was generally imposed and actually enforced" means a tax—

(A) that was authorized by statute prior to October 1, 1998; and

(B) with respect to which the appropriate state administrative agency provided clear notice that the tax was being interpreted to apply to Internet access services and which provided the taxable entity with a reasonable opportunity to be aware that such tax would apply to them, such as a rule or a public proclamation by such State administrative agency or a public disclosure by such agency of the fact that the State in question had previously assessed such a tax or was applying its tax to charges for Internet access.

Amendment No. 3737

On page 3, after line 23, insert the following:

(2A) Tax that was Generally Imposed and Actually Enforced.—The term "tax that was generally imposed and actually enforced" means a tax—

(A) that was authorized by statute prior to October 1, 1998; and

(B) with respect to which the appropriate state administrative agency provided clear notice that the tax was being interpreted to apply to Internet access services and which provided the taxable entity with a reasonable opportunity to be aware that such tax would apply to them, such as a rule or a public proclamation by such State administrative agency or a public disclosure by such agency of the fact that the State in question had previously assessed such a tax or was applying its tax to charges for Internet access.

VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1998

SPECTER AMENDMENT NO. 3738

Mr. GRAMS (for Mr. Specter) proposed an amendment to the bill (S. 1021) to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes; as follows:

On page 31, between lines 3 and 4, insert the following:

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

On page 31, line 4, strike out "**SEC. 2.**" and insert in lieu thereof "**SEC. 3.**".

On page 36, line 14, strike out "**SEC. 3.**" and insert in lieu thereof "**SEC. 4.**".

On page 43, line 4, strike out "**SEC. 4.**" and insert in lieu thereof "**SEC. 5.**".

On page 43, line 17, strike out "**SEC. 5.**" and insert in lieu thereof "**SEC. 6.**".

On page 46, line 18, strike out "**SEC. 6.**" and insert in lieu thereof "**SEC. 7.**".

On page 46, strike out line 23 and all that follows through page 47, line 20, and insert in lieu thereof the following:

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

On page 48, strike out lines 15 through 17 and insert in lieu thereof the following:

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

On page 49, line 1, strike out "**SEC. 7.**" and insert in lieu thereof "**SEC. 8.**".

On page 49, line 5, strike out "6(a)(3)" and insert in lieu thereof "section 7(a)(3) of this Act".

BORDER SMOG REDUCTION ACT OF 1998

CHAFEE AMENDMENT NO. 3739

Mr. GRAMS (for Mr. CHAFEE) proposed an amendment to the bill (H.R. 8) to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicles emissions, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Border Smog Reduction Act of 1998".

SEC. 2. AMENDMENT OF CLEAN AIR ACT.

Section 183 of the Clean Air Act (42 U.S.C. 7511b) is amended by adding at the end the following:

"(h) VEHICLES ENTERING OZONE NONATTAINMENT AREAS.—

"(1) AUTHORITY REGARDING OZONE INSPECTION AND MAINTENANCE TESTING.—

"(A) IN GENERAL.—No noncommercial motor vehicle registered in a foreign country and operated by a United States citizen or by an alien who is a permanent resident of the United States, or who holds a visa for the purposes of employment or educational study in the United States, may enter a covered ozone nonattainment area from a foreign country bordering the United States and contiguous to the nonattainment area more than twice in a single calendar-month period, if State law has requirements for the inspection and maintenance of such vehicles under the applicable implementation plan in the nonattainment area.

"(B) APPLICABILITY.—Subparagraph (A) shall not apply if the operator presents documentation at the United States border entry point establishing that the vehicle has complied with such inspection and maintenance requirements as are in effect and are applicable to motor vehicles of the same type and model year.

"(2) SANCTIONS FOR VIOLATIONS.—The President may impose and collect from the operator of any motor vehicle who violates, or attempts to violate, paragraph (1) a civil penalty of not more than $200 for the second violation or attempted violation and $400 for the third and each subsequent violation or attempted violation.

"(3) STATE ELECTION.—The prohibition set forth in paragraph (1) shall not apply in any State that elects to be exempt from the prohibition. Such an election shall take effect upon the President's receipt of written notice from the Governor of the State notifying the President of such election.

"(4) ALTERNATIVE APPROACH.—The prohibition set forth in paragraph (1) shall not apply in a State, and the President may implement an alternative approach, if—

"(A) the Governor of the State submits to the President a written description of an alternative approach to facilitate the compliance, by some or all foreign-registered motor vehicles, with the motor vehicle inspection and maintenance requirements that are—

"(i) related to emissions of air pollutants;

"(ii) in effect under the applicable implementation plan in the covered ozone nonattainment area; and

"(iii) applicable to motor vehicles of the same types and model years as the foreign-registered motor vehicles; and

"(B) the President approves the alternative approach as facilitating compliance with the motor vehicle inspection and maintenance requirements referred to in subparagraph (A).

"(5) DEFINITION OF COVERED OZONE NONATTAINMENT AREA.—In this section, the term 'covered ozone nonattainment area' means a Serious Area, as classified under section 181 as of the date of enactment of this subsection.".

SEC. 3. GENERAL PROVISIONS.

(a) IN GENERAL.—The amendment made by section 2 takes effect 180 days after the date of enactment of this Act. Nothing in that amendment shall require action that is inconsistent with the obligations of the United States under any international agreement.

(b) INFORMATION.—As soon as practicable after the date of enactment of this Act, the appropriate agency of the United States shall distribute information to publicize the prohibition set forth in the amendment made by section 2.

SEC. 4. STUDY BY GENERAL ACCOUNTING OFFICE.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the impact of the amendment made by section 2.

(b) CONTENTS OF STUDY.—The study under subsection (a) shall compare—

(1) the potential impact of the amendment made by section 2 on air quality in ozone nonattainment areas affected by the amendment; with

(2) the impact on air quality in those areas caused by the increase in the number of vehicles engaged in commerce operating in the United States and registered in, or operated from, Mexico, as a result of the implementation of the North American Free Trade Agreement.

(c) REPORT.—Not later than July 1, 1999, the Comptroller General of the United States shall submit to the Committee on Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the findings of the study under subsection (a).

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, October 5, 1998, at 2 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO COMMANDER LILIA L. RAMIREZ, U.S. NAVY

• Mr. D'AMATO. Mr. President, I welcome this opportunity to pay tribute to Commander Lilia L. Ramirez, U.S. Navy, who is retiring after eighteen years of distinguished service to this nation. She stands out as a pioneer, a leader and an outstanding role model for young people in uniform.

Lilia's United States Navy career is testament to a true American success story. She was born in Bogota, Colombia, and emigrated to the U.S. when she was just five years old. Her parents, Alvaro and Ana Ramirez, were fleeing violence in the Colombian countryside in the early 1960's and sought a new life of security and promise for their children in America. Al and Ana settled in Bayshore, New York, and starting with little more than a confident spirit, went on to raise five extraordinary citizens through hard work, a determination to succeed, and a deep commitment to family.

Lilia is the eldest of the five children. She spoke only Spanish when she arrived in New York as a five-year-old. But Lilia excelled throughout her public education career, graduating with distinction from Brentwood High School and accepting an appointment to the U.S. Naval Academy as a member of the class of 1981, only the second class to have admitted women at Annapolis.

As a brand new Ensign, Lilia set sail for the Naval Communications Area Master Station Western Pacific in Guam, the first of three overseas assignments. While in Guam, Lilia deployed to the Indian Ocean aboard the submarine tender USS PROTEUS. One of just a handful of women aboard PROTEUS, she crossed the Equator with the ship and was proudly and courageously initiated as a Trusty

Shellback in that time-honored sea faring ceremony.

Assignments in Europe followed, first in England as a Navy-Air Force Liaison Officer at RAF Mildenhall, where one evening on liberty she and two other Annapolis classmates saved the life of an elderly Briton they had come upon who had collapsed from a heart attack. Next she served at the U.S. European Command in Stuttgart, Germany, as the Officer-in-Charge of the Navy-Marine Corps Element in the headquarters' manpower and personnel directorate. While in Stuttgart, Lilia provided crucial after-action reporting and personnel support in the wake of a terrorist murder of our Naval Attache in Greece and the U.S. Marine Barracks bombing in Beirut.

After five years overseas, Lilia returned to the Washington, DC area to serve in several assignments, including the Navy Telecommunications Center at Crystal City, at the time the Navy's largest message center; the Navy's Bureau of Personnel, where she was personally involved in assigning a record number of women officers to pursue advanced technical degrees at the Naval Postgraduate School; and the Joint Staff's Command, Control and Communications Systems Directorate. On the Joint Staff, she coordinated the installation of command and control systems in the field offices of Customs, DEA and the North American Air Defense Command as part of our national anti-drug policy.

In 1990 Lilia was assigned as Officer-in-Charge of the Personnel Support Detachment at Naval Air Station Whidbey Island, in the state of Washington. In this tour she was responsible for the pay, travel and career advancement matters of 8,000 service members and their families. Lilia returned to the Washington, DC area again in 1992 where she served as base commander of Naval Communications Unit Cheltenham, a 230-acre facility in rural Maryland. At Cheltenham she was responsible for 300 personnel, 19 tenant commands, and environmentally protected wetlands at her base, where she also played host to the local Boys Scouts Troop.

In 1994 Lilia began a tour in the Secretary of the Navy's Office of Legislative Affairs. Lilia was responsible for representing command, control, communications and tactical intelligence programs to the defense and intelligence committees of both the House and Senate. In addition to numerous informative visits to Naval communications and intelligence facilities throughout the U.S., Europe and Japan, Lilia also escorted congressional delegations to the refugee camps at Guantanamo Bay, Cuba, and to witness national elections in Nicaragua. In 1997 she was part of a team from the U.S. Naval Academy sent to Peru to advise the Peruvian Navy on integrating women into their naval academy.

Lilia was also a student at the Inter-American Defense College, where she again blazed a trail as the first U.S. Navy woman to attend that institution. She was an impressive ambassador of the U.S. Navy to her Latin American counterparts, where she was able to combine her native Spanish fluency and breadth of experience in national security affairs to forge lasting relationships with key civilian and military leaders of Latin America. She left them with enduring, positive impressions of women as military professionals.

Lilia's personal decorations include the Defense Meritorious Service Medal, the Meritorious Service Medal, the Joint Service Commendation Medal, and the Navy Commendation Medal (three awards).

The Nation owes a debt of gratitude to Lilia Ramirez, whose example will inspire women and Hispanics to seek public service and whose work will continue to have a lasting impact on our armed forces for years to come. While we will miss her distinguished career in uniform, we will no doubt continue to enjoy her commitment to community and nation. I wish to recognize her entire family, including father Alvaro, mother Ana (whom we lost just this year to cancer), brothers Michael and Henry, and sisters Angela and Ana Tulita, all great American success stories in their own right. Best wishes to Lilia, husband Randall Lovdahl (Commander, U.S. Navy), and children Bianca and Beau as they mark this special milestone.•

STRUCTURED SETTLEMENT PROTECTION ACT

• Mr. BAUCUS. Mr. President, I am pleased to join today with Senator CHAFEE and a bipartisan group of our colleagues from the Finance Committee including Ms. CAROL MOSLEY-BRAUN in introducing the Structured Settlement Protection Act.

Companion legislation has been introduced in the House (H.R. 4314) by Representatives CLAY SHAW and PETE STARK. The House legislation is cosponsored by a broad bipartisan group of Members of the House Ways and Means Committee.

The Treasury Department supports this bipartisan legislation.

I speak today as the original Senate sponsor of the structured settlement tax rules that Congress enacted in 1982. I rise because of my very grave concern that the recent emergence of structured settlement factoring transactions—in which factoring companies buy up the structured settlement payments from injured victims in return for a deeply-discounted lump sum—completely undermines what Congress intended when we enacted these structured settlement tax rules.

In introducing the original 1982 legislation, I pointed to the concern over the premature dissipation of lump sum recoveries by seriously-injured victims and their families:

> In the past, these awards have typically been paid by defendants to successful plaintiffs in the form of a single payment settlement. This approach has proven unsatisfactory, however, in many cases because it assumes that injured parties will wisely manage large sums of money so as to provide for their lifetime needs. In fact, many of these successful litigants, particularly minors, have dissipated their awards in a few years and are then without means of support.—CONGRESSIONAL RECORD (daily ed.) 12/10/81, at S15005.

I introduced the original legislation to encourage structured settlements because they provide a better approach, as I said at the time: "Periodic payment settlements, on the other hand, provide plaintiffs with a steady income over a long period of time and insulate them from pressures to squander their awards." (Id.)

Thus, our focus in enacting these tax rules in sections 104(a)(2) and 130 of the Internal Revenue Code was to encourage and govern the use of structured settlements in order to provide long-term financial security to seriously-injured victims and their families and to insulate them from pressures to squander their awards.

Over the almost two decades since we enacted these tax rules, structured settlements have proven to be a very effective means of providing long-term financial protection to persons with serious, long-term physical injuries through an assured stream of payments designed to meet the victim's ongoing expenses for medical care, living, and family support. Structured settlements are voluntary agreements reached between the parties that are negotiated by counsel and tailored to meet the specific medical and living needs of the victim and his or her family, often with the aid of economic experts. This process may be overseen by the court, particularly in minor's cases. Often, the structured settlement payment stream is for the rest of the victim's life to ensure that future medical expenses and the family's basic living needs will be met and that the victim will not outlive his or her compensation.

I now find that all of this careful planning and long-term financial security for the victim and his or her family can be unraveled in an instant by a factoring company offering quick cash at a steep discount. What happens next month or next year when the lump sum from the factoring company is gone, and the stream of payments for future financial support is no longer coming in? These structured settlement factoring transactions place the injured victim in the very predicament that the structured settlement was intended to avoid.

Court records show that across the country factoring companies are buying up future structured settlement payments from persons who are quadriplegic, paraplegic, have traumatic brain injuries or other grave injuries. That is why the National Spinal Cord Injury Association and the American Association of Persons With Disabilities (AAPD) actively support the legislation we are introducing today. The National Spinal Cord Injury Association stated in a recent letter to Chairman ROTH of the Finance Committee that the Spinal Cord Injury Association is "deeply concerned about the emergence of companies that purchase payments intended for disabled persons at drastic discount. This strikes at the heart of the security Congress intended when it created structured settlements."

As a long-time supporter of structured settlements and an architect of the Congressional policy embodied in the structured settlement tax rules, I cannot stand by as this structured settlement factoring problem continues to mushroom across the country, leaving injured victims without financial means for the future and forcing the injured victims onto the social safety net—precisely the result that we were seeking to avoid when we enacted the structured settlement tax rules.

Accordingly, I am pleased to join with Senator CHAFEE in introducing the Structured Settlement Protection Act. The legislation would impose a substantial penalty tax on a factoring company that purchases structured settlement payments from an injured victim. There is ample precedent throughout the Internal Revenue Code, such as the tax-exempt organization area, for the use of penalties to discourage transactions that undermine existing provisions of the Code. I would stress that this is a penalty, not a tax increase—the factoring company only pays the penalty if it undertakes the factoring transaction that Congress is seeking to discourage because the transaction thwarts a clear Congressional policy. Under the Act, the imposition of the penalty would be subject to an exception for court-approved hardship cases to protect the limited instances of true hardship of the victim.

I urge my colleagues that the time to act is now, to stem as quickly as possible these harsh consequences that structured settlement factoring transactions visit upon seriously-injured victims and their families.•

TRIBUTE IN HONOR OF NATIONAL 4–H WEEK

• Mr. GRAMS. Mr. President, I rise today as a former 4–Her to pay tribute to the participants and volunteers of 4–H, in honor of National 4–H Week, which takes place October 4–10.

Although it is not known exactly when or where the 4–H program began, Minnesota was one of its originators. The 4–H program, initially known as the Boys and Girls Clubs, was founded sometime around the turn of the Twentieth Century by representatives of a wide range of community interests; specifically, farm families, agricultural scientists, school teachers, administrators and concerned citizens. The instrumental founder of 4–H in Minnesota was Theodore A. "Dad" Erickson, a Douglas County School Superintendent.

During its formative years, a three-leaf clover was used as the symbol of the Boys and Girls Clubs representing three "H's": head, heart and hands. In 1924, Mr. O.H. Benson used the four-leaf clover symbol in Iowa; in his design the fourth leaf represents health. Today, 4–H emphasizes projects that improve the four "H's": head, heart, hands, and health.

4–H evolved from an organization which first focussed on advancing agricultural technology for young men and home economics skills for young women, into a program which helped develop self-confidence and a sense of community responsibility for all youth participants. Today, 4–Hers not only continue to be involved in vegetable gardening, bread baking and sewing, which have been around since the program's inception, but have branched out into new areas to keep in tune with today's ever-changing world, such as computer, bicycle and electrical projects. Ultimately, 4–H continues to expand upon its primary goal: the development of young people.

Nationwide, there are 6,009,997 members between the ages of five and twenty-one and 624,967 volunteers who participate in the 4–H program. As for Minnesota, 4–H is the largest youth organization in the state and consists of over 250,000 members and 14,000 volunteers. In addition, there are more than 4,000 4–H clubs in the state of Minnesota.

There are many activities that 4–Hers and their clubs undertake, such as cleaning up trash in their communities, helping in literacy projects, and delivering food to hospice patients. 4–Hers participate in local county and state fairs, showing off months of hard work by presenting vegetables they have grown in their gardens, various shop projects they have built or refurnished, and recipes they have perfected. They also show various animals ranging from domestic pets to livestock they have trained and groomed for competition. 4–Hers have the opportunity to attend various camps, state 4–H youth gatherings, national 4–H Congress, national 4–H Conference, and International 4–H youth exchange.

Mr. President, 4–H would not work without the commitment from America's youth and the dedication of the volunteers who continue to make 4–H an ever-expanding success on a local, state, national and global level. Again, as a former 4–H member, I believe 4–H provides our youth of today the skills necessary to survive in our evolving world. I commend all of those involved for their hard work, service, and their pledge to honor to follow the 4–H motto: "To make the best better!"•

ONE GUN A MONTH FORUM

• Mr. LAUTENBERG. Mr. President, on September 2, I convened a forum on gun trafficking. Across America, it is simply too easy for criminals, particularly gangs, to purchase and distribute large numbers of guns. And more guns in the wrong hands means more murder and mayhem on our streets.

Because we must move more aggressively to stop this deadly crime, I introduced S. 466, the Anti-Gun Trafficking Act. The testimony I heard at the forum has made me even more determined to pass this sensible legislation and help stop gun traffickers.

In order to share the insights of the witnesses at the forum with my colleagues and the public, I am submitting the testimony presented for inclusion in the CONGRESSIONAL RECORD. Last week, I submitted the testimony of Mayor Edward Rendell. Today, I am submitting the testimony of James and Sarah Brady. Through their tireless efforts with The Center to Prevent Handgun Violence and Handgun Control, they have helped reduce gun violence across our country and it was an honor to have them at the forum.

I am also submitting the testimony from several young people who were kind enough to testify at the forum. John Schuler, Kenisha Green and Quanita Favorite live in communities where gun violence is an everyday occurrence, and they have experienced the pain and misery that results. We must do more to help them and the other children who live in the crime-ridden neighborhoods of our nation.

Mr. President, I ask that the testimony of James Brady and Sarah Brady, along with excerpts from the testimony of John Schuler, Kenisha Green, and Quanita Favorite, be printed in the RECORD.

The material follows:

JOHN SCHULER—21 YEARS OLD—RESIDENT OF BENNING TERRACE IN SE WASHINGTON DC

I live in a neighborhood that guns are always going off. You hear them late at night or early in the morning hours. It sometimes feels like a war zone. The bad part about it is that you never feel safe. You always have this fear that it could be you that gets shot today. That's no way for children to grow up.

Nobody is willing to do anything about it. Guns are sold all the time and its like—you can get one anytime you want one. The people who sell em' don't even live in the neighborhood. It's like a business you know. All the time, somebody needs a pistol to protect themselves or because they got to get somebody before they get taken out themselves.

I've seen friends get shot or killed sometimes for no reason at all. Or because they were in the wrong place at the wrong time. You can get what ever you need, gloc, special or what ever, you can get it if you got the cash.

KENISHA GREEN—20 YEARS OLD—RESIDENT OF PARK MORTON, WASHINGTON, DC

I've got so much to say and it just doesn't seem to be enough time to explain how I feel. I've seen guns sold in and around my neighborhood, to my friends and to my enemies. The fact of the matter is that nobody wins. Every time a gun is sold or stolen and ends up on the streets, you can just scratch off somebody's baby being dead. We are killing each other at alarming rates and its like nobody cares because they say—"they're poor, or they're just dope dealers, or they're just not worth it." It's not fair. Other kids get to go to college and we get to go to funerals. These people who sell guns are the real predators. They feed off of our pain and make it seem like we be the animals. Any kind of weapon you want, if you got the cash its available.

QUANITA FAVORITE—18 YEARS OLD—RESIDENT KENNEDY STREET NW WASHINGTON, DC

Just like they sell crack in neighborhood guns are sold all the time in my community. Just last week outside my apartment I could hear a man and woman arguing in the alley. He pulled out a pistol and started firing at her. It's like Dodge City . . . everybody seems to be carrying. Not long ago my uncle was shot and killed on Capital Hill. I still have nightmares. Why are guns so easy to get in our neighborhood? Why do people sell guns like candy and make the victims the guilty parties. We are suffering in our neighborhood and nobody really cares.

I work for the Advocates for Youth here in Washington. My job is helping other young people understand the violence and that they can do something about it. Almost every person who we come in contact with, throughout the Nation's Capital has been touched by gun violence. Either a close loved one or a friend at school. When people can purchase guns from other states and easily bring them to sell on the streets of Washington, we've got a real problem.

I don't want to die or raise children in an environment where walking down my street could be a life or death situation. people have got to understand that we need drastic measures to curb the illegal sales and purchases of weapons or we all will become victims.

TESTIMONY OF SARAH BRADY, CHAIR, HANDGUN CONTROL, INC., SEPTEMBER 2, 1998

Good morning. I'm Sarah Brady, chair of Handgun Control, Inc. and the Center to Prevent Handgun Violence.

For too many years, the ladies and gentlemen of the United States Congress have heard strenuous objections from the NRA and its allies to reasonable gun control measures. The Brady Bill, the assault weapon ban, and the currently pending Childrens' Gun Violence Prevention Act of 1998 . . . all were characterized by the gun lobby as an assault of the rights of gunowners that would do nothing to stop the trafficking and use of firearms by criminals.

The gun lobby was and is wrong about those measures, but I'm particularly curious to hear what they have to say about the proposal we are discussing today that would limit handgun purchases to one a month. You see, the whole point of this proposal is to make it extremely difficult for straw purchasers to buy multiple firearms and resell them to the criminal market. As every major law enforcement group in the nation will tell you, these multiple sales are the easiest and most efficient way for legal guns to transform themselves into the tools of robbery, rape and homicide.

But you don't have to take my word for it. In 1993, the same year this federal legislation was first introduced by Senator Lautenberg, Virginia reacted to its reputation as the number one gun trafficking state in the northeast by passing its own one-handgun-a-month law. As our research demonstrated three years later, Virginia's law successfully disrupted the gun trafficking pattern from that state to the rest of the northeast. For crime guns purchased after implementation to the new law that were recovered in the Northeast, Virginina's share fell by 54%. Even more dramatically, the percentage of guns traced back to Virginia gun dealers fell by 61% for guns recovered in New York, 67% for guns recovered in Massachusetts, and 38% for guns recovered in New Jersey. Quite simply, the one-gun-a-month law curtailed Virginia's role as the arms supplier for the eastern seaboard.

Maryland's one-gun-a-month law took effect in October, 1996. Last year I joined Governor Glendenning in applauding the law's effects—in 1997, not one Maryland handgun bought in a multiple sale was traced from a crime in the District of Columbia. And, the state not only showed an overall drop in crime in 1997, but as of last November, Baltimore police recovered 623 handguns, as opposed to 934 in the year before the law went into effect.

But as effective as one-gun-a-month laws are at the state level, a national law would do so much more to curb interstate gun trafficking. The same tracing data that demonstrates that Maryland and Virginia are no longer the main suppliers for gun traffickers demonstrates that Georgia, Florida and other states with weak gun laws have to some degree taken over the business. If even one state allows straw purchasers to walk out of gun stores with ten semiautomatic pistols in a bag, we will all suffer when those guns make their way to the streets and alleys of neighboring communities. Just last spring, Philadelphia law enforcement officials cited the multiple sales of weapons to concealed-carry licensees as one of the most important sources of that city's continually high rate of gun violence.

We need to stop pretending, after all this time, that the gun problem and the crime problem exist independently of each other. New research by the Center to Prevent Handgun Violence demonstrates that the more guns sold per transaction, the more likely that those guns will be recovered in another state in connection with a criminal investigation. The Center studied data involving 1,173 guns that were traced by ATF as part of a criminal investigation and which were later discovered to have been purchased as part of a multiple sale transaction.

The Center's study showed a clear link between multiple sales and interstate gun running. Guns that were purchased as part of a sale involving 3 or more guns were trice as likely as other guns to be recovered in another state.

The research also showed that a gun purchased as part of a multiple sale is far more likely to be a junk gun, or Saturday Night Special. A gun that is purchased as part of a sale involving more than three guns is three times more likely to be a Saturday Night Special. It doesn't take much imagination to see what is happening here: interstate gun traffickers are acquiring Saturday night specials at the bulk rate in one state and selling them in another.

These conclusions bear out what our common sense tells us. Gun dealers know that the guy with the hundred dollar bills buying 10 Lorcins at a time is not giving them out as party favors to his buddies. Law enforcement knows that the drug dealer's girlfriend buying five Tec-9 assault pistols is not using them to decorate her living room. Prosecutors know that the straw purchaser with the technically clean record who is fronting for violent criminals is as dangerous as a drug-dealer—but much harder to catch and put away. Jim and I know that the Brady Law's background checks and waiting periods cannot prevent a buyer with a clear record from supplying half the gangsters in his neighborhood with guns at a hefty profit. And the public knows that criminals will still take the easiest route to a gun—and right now, that route is the illegal gun trafficker who buys 20, 30 or 40 guns a month.

Five years ago, during the debate over Virginia's proposed law, NRA Executive Director Wayne LaPierre acknowledged that "not many law-abiding Virginians purchase more than one gun a month." Well, of course they don't, Wayne. Given the high cost of a quality firearm, most people don't want or need to buy more than one gun a month—it's like buying four or five televisions or refrigerators in a month. Twelve guns a year is more than enough to give any law-abiding sportsman the arsenal of his dreams—and to prevent those with other objectives from getting the firepower they need to rob, to rape and to murder.

We have waited long enough for a sensible solution to this nation's crime and gun problem to be implemented. Let's start preventing some of the crimes we are spending hundreds of millions of dollars to punish. Let's make this Congress pass a real and common-sense achievement for our nation's well-being and public safety, and pass this long-overdue anti-gun trafficking measure.

Thank you.

TESTIMONY OF JAMES BRADY, SEPTEMBER 2, 1998

As a life-long Republican, I have always been a champion of small business. But there is one small businessman that should be put out of business and that's the professional gun trafficker. Professional gun traffickers, like other businessmen, have to make a living, and you don't make a living by selling just one handgun per month. If you are a professional gun trafficker, you have to buy and sell in volume.

Let me give you a few examples:

In December 1997, three police officers were shot with one of the many guns supplied by Michael Cartier, who pleaded guilty to firearms trafficking in a federal court on August 5, 1998. Cartier admitted that he bought 11 guns in one day in Alabama, to be sold in Rochester, New York. He also admitted that he dealt firearms in Western New York without a license between June 20, 1997 and February 14, 1998, and that he purchased 28 other firearms before February 14.

In March 1996, Bronx police officer Kevin Gillespie was fatally shot while attempting to intercept a carjacking. An investigation of four handguns found at the scene uncovered a nationwide gun trafficking ring reaching from Houston, Texas to Columbus, Ohio, to Rocky Mount, North Carolina. The New York Times reported that 14 high-powered handguns sold by the smugglers were purchased from one Ohio gun store during a three-month period. Many of those guns were recovered by police in drug dens and at other crime scenes.

In April of 1995, a notorious gang member attempted to murder a Los Angeles police detective. The handgun he used was traced to a gun-trafficking ring that had purchased at least 1,000 firearms in Phoenix and sold them to Los Angeles-area gangs.

By passing a law limiting handgun purchases to one handgun a month, you will be putting professional gun traffickers, like those I just mentioned, out of business. With all due respect to you, Senator Lautenberg, I think you should choose a different name for this legislation. I would suggest you call it, "The Gun Trafficker's Unemployment Act of 1998." Take it from me: this is one business we don't need.

Thank you for this opportunity to testify.•

REAUTHORIZATION OF THE OLDER AMERICAN'S ACT OF 1965

• Mr. ABRAHAM. Mr. President, I rise today in support of Senate Bill 2295. Senator JOHN MCCAIN introduced this bill to reauthorize the Older American's Act of 1965. This legislation will extend authorization for three years for America's senior citizen population.

Today's seniors face issues and problems that will eventually effect every American. I watched my parents confront life as seniors, and I too am concerned about my life after retirement. Taxes, health care, Social Security, Medicare, Medicaid, and quality of life issues are just a few of the areas in which our seniors face difficult challenges.

The number of people 65 years of age and older is expected to grow more than three times as fast as the total population through the next thirty years. I believe the Older Americans Act provides essential programs for this growing population. The Older Americans Act includes senior programs such as the senior nutrition program, senior employment services, and the foster grandparent program, among others. Area Agencies on Aging throughout Michigan and the nation conduct various social and health related programs for seniors through the Older American's Act. These programs, when run effectively and efficiently, are a great service to our elderly population.

The Older American's Act has been without reauthorization for too long. I supported this straight reauthorization to provide some stability to these important programs. I believe congress must take steps to ensure the health and well-being of the growing elderly population. For these reasons, I am proud to join my colleagues in cosponsoring this important legislation.•

THE DEATH OF MAYOR TOM BRADLEY

• Mrs. FEINSTEIN. Mr. President, I rise in memory of Mayor Tom Bradley, who is being laid to rest in Los Angeles today. I join with all Angelenos, and indeed all Californians, in mourning this kind, gentle, and wonderful man who led one of the world's great cities with such skill for so many years.

For nine years during my tenure as Mayor of San Francisco, I had the pleasure of working with Mayor Bradley on state and national issues and together we offered a loud drumbeat that the cities of our nation need attention. As cities go, so goes the nation, we often said. Through and through, I saw Tom Bradley as mayor who earned the respect of his peers while he demanded attention for his city.

First elected Mayor in 1973, Mayor Bradley paved the way for many other leaders on the local and national level. Although he made history as the first African-American mayor of a major city, Tom Bradley ran and won a campaign where he pledged to be a mayor who represented the entire city. He was true to his word, and for a record-setting five terms, he served all the millions of people who call Los Angeles home—from every racial, cultural, and religious group.

Born into a sharecropper's family, Tom Bradley was seven years old when he and his family headed to California to start a new life. When he arrived in Los Angeles in 1924, Tom Bradley remembered that "reaching California was like reaching the promised land."

A product of the Los Angeles public school system, his academic abilities enabled him to parlay his high school athletic prowess into a university education. Bradley received a scholarship to attend UCLA, where he soon distinguished himself as a track star.

Prompted by a desire to serve the city, Tom Bradley joined the Los Angeles Police Department in 1940. In May 1941, he married the former Ethel Arnold. They had two daughters, Lorraine and Phyllis.

As an early example of his enormous capacity for hard work that marked his years as mayor, Tom Bradley worked full-time as a police officer and went to law school at night. he graduated from Southwestern University in 1956 and passed the California Bar Exam.

After 21 years of service, he retired from the LAPD with the rank of Lieutenant in 1961 and began to practice law. Urged by community leaders, he decided in 1963 to run for a seat on the Los Angeles City Council. He became one of the first African-Americans ever to serve on the Council, and held his seat for 10 years before becoming the city's 37th Mayor in 1973. He ran for Governor of California twice, in 1982 and 1986, and nearly became the first African-American governor of the largest state in the Union. I think he would have made an outstanding governor.

Mayor Bradley once said, "My guiding philosophy as mayor has been and will continue to be, to paraphrase the Athenian Oath, to transmit this city * * * not as a lesser * * * but as a greater, better and more beautiful city than it was transmitted to me. This philosophy continues to be my inspiration."

Mayor Bradley did so much for the city he loved so well. He attracted businesses to the city and established policies that resulted in the dramatic resurgence of the downtown Los Angeles economic center. The impressive skyline that graces Los Angeles' downtown is the realization of his vision. He turned the city's Harbor and Airports into top-of-the-line businesses, expanding the number of people employed and the city's ability to compete in the world market. Today, when people fly into the Los Angeles airport from abroad, they land at the Tom Bradley International Terminal: a fitting tribute to the man who expanded the airport into the second-busiest in the country.

Mayor Bradley secured the 1984 Summer Olympic Games during a time when many predicted economic gloom. Instead, his signature approach of uniting the private and public sectors behind a common goal produced the most successful Olympic Games in modern history. The Games boosted economic activity in Southern California by $3.3 billion, created 68,000 jobs, and ended with a $215 million surplus. Just as important, the Games made all of us proud to be Americans. When we think of Carl Lewis winning his four gold medals, or Mary Lou Retton vaulting her way into the country's heart, we have Mayor Bradley to thank.

Mayor Bradley focused economic opportunities both on the inner city, with such community revitalization projects as the Baldwin Hills-Crenshaw and Vermont-Slauson shopping centers, and on the entire city, where he put forward affordable housing and fair planning policies.

Mayor Bradley also led a long and hard battle to bring rail transportation to the city of Los Angeles. There were many times it would have been easy to give up, to say the will simply was not there. Yet he was determined, came to the halls in Washington, D.C. often to appeal for funding, and never gave up. Today the Metro Blue Line carries passengers from Long Beach to downtown Los Angeles, and the Metro Red Line carries passengers from downtown to MacArthur Park. Construction is now underway to extend the Red Line to North Hollywood.

Finally, to reinforce his strong emphasis on education and to shield Los Angeles youth from drug peddlers and street gangs, Mayor Bradley initiated an ambitious plan, called L.A's BEST (Better Educated Students for Tomorrow), to provide computer training, tutorial assistance, and other enrichment activities to students in Los Angeles' low income neighborhoods. Under the program, parents are able to voluntarily keep their children at school from 2:30 p.m. to 6:00 p.m. each school day to learn and play. Today L.A.'s Best serves over 5,000 children each day, and has shown dramatic results in boosting students' academic achievement and self-esteem.

Mayor Tom Bradley shaped Los Angeles. He guided the City through enormous growth and change. His 20 years were marked by too many triumphs to count, and even in the bad times, during the devastating civil unrest that took place after the Rodney King verdict, his strong leadership and gentle demeanor brought Angelenos together to work for the common good. For many Angelenos, Mayor Bradley was a father figure: physically imposing at six-foot-four, and intellectually imposing as the sharp-minded, politically astute big city mayor, but always so warm and gentle that you instantly felt at ease when you talked with him. He was a great leader, but more than that, he was a great person. There are simply not enough people like him in politics.

Mr. President, I know that Tom Bradley will be remembered as one of the city's greatest and most beloved mayors. His loss is a blow to the City of Los Angeles. I know that I join all Angelenos today in sending my thoughts and prayers to his wife and daughters.•

SKIERNIEWICE, POLAND

• Mr. LEAHY. Mr. President, five years ago, Mr. Irving Gross of Londonderry, Vermont returned to his father's birthplace, Skierniewice, Poland for the first time. During his trip he visited the city's Jewish cemetery. Like many other Jewish cemeteries in Poland, Skierniewice's had been destroyed by the Nazis and ravaged by time. The grounds were unkempt and monuments and headstones were broken, overturned or missing completely.

Today, through the efforts of Mr. Gross, Mr. Tadeusz Zwierzchowski, a former member of the Polish underground and a Skierniewice resident, and local Skierniewice authorities, the cemetery has been rehabilitated. It now stands as a memorial to the Polish Jews who perished under Nazi persecution and serves as a powerful reminder to the residents of Skierniewice of the vibrant Jewish culture that once enriched their city and their lives.

Mr. President, I would like to recognize all those who participated in this important effort to commemorate the role of the Jewish people in Polish culture and their plight during the Holocaust. In bearing witness to the past, the residents of Skierniewice have made a valuable contribution to their city's future.•

ACTON INSTITUTE FOR THE STUDY OF RELIGION AND LIBERTY

• Mr. ABRAHAM. Mr. President, I rise today to recognize a very important organization the state of Michigan. The Acton Institute for the Study of Religion and Liberty is a unique resource dedicated to prosperity and progress and based in the virtues of religious liberty, economic freedom, and personal moral responsibility. The Acton Institute works hand in hand with church leadership, educational institutions, and individuals in business and the ministry, both in the United States and abroad, to promote an understanding of market principles and to encourage the economic freedom that creates opportunity for all.

This organization has assisted both elected officials and scholars alike with its well written policy papers and newsletters. My colleagues and I truly appreciate their insight and dedication to the free market. The Acton Institute will be celebrating their eighth anniversary today, October 5, 1998 with their Annual Dinner Gala in Grand Rapids. The Institute's Board of Directors and the Eighth Anniversary Host Committee has a wonderful evening planned. It will undoubtedly be a great success.

I extend my best wishes and congratulations to Father Robert A. Sirico, and everyone involved in making the organization a tremendous success. I wish the Acton Institute continued prosperity.•

TRIBUTE FOR NATIONAL FIRE PREVENTION WEEK

• Mr. GRAMS. Mr. President, I rise today to pay tribute to more than 25,000 Minnesota fire fighters in their dedicated efforts to reduce the dangers of fire and the impact it has upon our society. Fire fighters play an integral role in the communities of Minnesota each day, but their dedication will be highlighted October 4–10, as we recognize National Fire Prevention Week.

Fire Prevention Week is the result of efforts by the Fire Marshals Association of North America, under the nonprofit organization, the National Fire Protection Association (NFPA). The remembrance of the Great Chicago Fire of October 9, 1871 sparked the NFPA into action to increase public awareness of fire safety. It was not until 49 years later that President Woodrow Wilson issued an official proclamation declaring October 9 as National Fire Prevention Day. In 1922, President Warren Harding signed a proclamation pronouncing the Sunday—Saturday period in which October 9 falls a national observance.

Today, the goal of National Fire Prevention Week is to bring an awareness to the public to take an active role in fire prevention. Minnesota's dollar loss to fire last year totaled more than $141 million. Experts tell us a commitment to prevent fires before they occur is the only way to stop the significant loss of life and property from fire. For more than 70 years the NFPA has developed a theme motivating the public to actively participate in public education and fire prevention efforts. The theme for 1998 is "Fire Drills: The Great Escape."

Minnesota is working in conjunction with the NFPA and fire departments throughout the United States and Canada to implement the first-ever North American fire drill—"The Great Escape" on October 7. The Great Escape theme hopes to encourage citizens throughout North America to become actively involved in fire safety, specifically home escape planning and practice. Home fire escape planning and practice ensures that everyone in the household will know how to use what is often a small window of opportunity effectively and get out alive.

The 794 fire departments in Minnesota have been preparing for Fire Prevention Week by educating the public with guidelines and a map grid to help them design an escape plan. This awareness "Toolbox" has been distributed to schools and can be found at your local fire department. Their hope is to motivate people to think about fire safety in a positive, proactive way, and to start practicing their home escape plans regularly, at least twice a year.

School programs to teach children fire safety have always been an integral part of fire prevention. Minnesota will debut a Juvenile Firesetter Intervention Program this month. The program will provide training to identify, educate, bring to justice, and offer avenues for referral and restitution to the juvenile firesetters in Minnesota's communities. This will be supported through regional task forces across the state. In addition to these activities, the Minnesota State Fire Marshal Division, in conjunction with Tandy Corporation (Radio Shack), has developed a "Free Smoke Detector Program." To aid in the detection of fires, 5,000 smoke detectors have been donated for installation in homes of at-risk individuals.

Mr. President, our fire departments have shown the highest level of dedication and service to protecting our homes and places of work from fire. I truly appreciate their unabated commitment to the safety of our communities and am honored today to pay tribute to the men and women of fire prevention.•

INTERNET TAX FREEDOM ACT

• Mr. FAIRCLOTH. Mr. President, I rise today in support of the Internet Tax Freedom Act. In recent years, Internet use has exploded, creating unprecedented opportunities for individuals and businesses. We must not allow a complicated patchwork of taxes to impede future opportunities.

Growth of the Internet has presented individuals with quick access to unlimited information. With an estimated 100 million users connected by year's end, its popularity is unmistakable.

Logically, entrepreneurs are catering to this growth through online sales. We are now seeing the online sale of books, airline tickets, and computer software. New companies are being created and old companies are adapting to provide products and services via the Internet. Companies such as Amazon.com and Dell computers are leading the way. Of course, large numbers of small businesses are focusing on Internet sales as well. Electronic Commerce generated an estimated $8 billion last year and is projected to generate over $300 billion in 2002.

Mr. President, we must not underestimate the benefits of such growth. It leads to the creation of new businesses and jobs. And while companies that do this well will reap tremendous rewards, consumers will be the ultimate winners. They will benefit from the convenience and efficiency of electronic commerce. Furthermore, growth in Internet sales will lead to increased competition, bringing consumer choice and lower prices. I, therefore, believe it's vital that we protect this emerging industry.

By placing a two-year moratorium on Internet access tax and discriminatory taxes on electronic commerce, the Internet Tax Freedom Act is a strong step in the right direction. I understand that many businesses may not have the resources or may choose not to engage in Internet sales. This bill doesn't discriminate against these companies by creating a tax haven for their competitors. It applies only to those taxes which specifically target the Internet. It, in effect, prevents discrimination against companies engaged in Internet sales.

Mr. President, the Internet Tax Freedom Act is a bipartisan bill which will ensure the vitality of our nation's electronic commerce. Today, I offer my full support for this commonsense legislation.•

STUDENT LOAN FLEXIBILITY

• Mr. GREGG. Mr. President, if I could have the attention of the distinguished chairman of the Committee, Senator JEFFORDS, I would like to engage him in a brief discussion of a proposal that was raised during Senate consideration of the higher education reauthorization bill.

As the chairman will recall, the managers' amendment offered during Senate consideration included sense-of-the-Senate language regarding the need for greater flexibility in federal student loan programs. Specifically, there were some of us interested in increasing the annual limits on unsubsidized loans while maintaining the aggregate limits, so that students could take greater advantage of federal loans available at lower interest rates. Unfortunately, a substantive amendment to advance that proposal was scored by the Congressional Budget Office (CBO) as increasing mandatory spending, and adequate offsets could not be found.

My purpose in raising this matter again today is to elicit from the chairman an indication of his support for this loan flexibility proposal on a substantive policy basis, in the hope that, if we can ever find the additional resources necessary to cover its costs, we might enjoy the chairman's support in pressing for its enactment.

Mr. JEFFORDS. Mr. President, I agree with the Senator from New Hampshire that one of the main obstacles to the adoption of the loan flexibility proposal was the cost implications raised by CBO. In fact, budget considerations prevented us from making a number of beneficial changes in the Act which I know members would have liked to have provided. I am favorably disposed to the loan flexibility proposal on a substantive policy basis, and I am willing to continue to work with the Senator from New Hampshire and other interested parties to gain its enactment.

Mr. GREGG. Mr. President, I very much appreciate the chairman's comments and his support and look forward to our continued work together.•

300TH ANNIVERSARY OF THE CITY OF PENSACOLA, FL

• Mr. MACK. Mr. President, I rise today in honor of the 300th anniversary of the City of Pensacola, Florida. Although November 21, 1998 will mark the 300th anniversary of the continuous settlement of Pensacola, the origins of Pensacola are much older.

In 1559, Don Tristán de Luna y Arellano led the first authorized attempt to colonize what eventually became known as Pensacola. The first attempt at colonization failed, however, and the Spanish were forced to withdraw in 1561. The Spanish did not attempt to colonize the area again until 1698.

Since 1698, Pensacola has flown the Spanish flag, the French flag, the British flag, the Confederate flag, and the American flag over the City. Each flag left its mark upon the City and their historical presence is still evident today. Pensacola honors its heritage each year with the Fiesta of Five Flags celebration.

The presence of the United States Navy has also had an impact upon Pensacola. In the 1820s, a Navy Yard was established in Pensacola. The Navy Yard was closed in 1911, but in a few short years Pensacola was selected as the site of a "Naval flying school." Today, pilots still seek flight training at the Pensacola Naval Air Station which has been called the "Cradle of Naval Aviation."

Pensacola's deep and sheltered bay, sugar white beaches, friendly residents, and Southern hospitality continues to charm visitors today. Over the past three hundred years, the community has hosted such visitors as General Andrew Jackson and entertainer Bob Hope.

On November 21, 1998, Pensacola will celebrate its 300th anniversary at the site of the former Spanish settlement which today is part of the Pensacola Naval Air Station. This historic event will be commemorated with a celebration which will include a parade and fireworks.

As a United States Senator from the State of Florida, it gives me great pleasure to wish the City of Pensacola a happy 300th anniversary. I wish the City of Pensacola all the best for a fun-filled celebration.•

COSPONSORSHIP OF S. 2426, THE UNIFORMED SERVICES FILING FAIRNESS ACT OF 1998

• Mr. ABRAHAM. Mr. President, I rise today to voice my support for Senate Bill 2426, "The Uniformed Services Filing Fairness Act of 1998." I believe this legislation will work to give much assistance to our men and women abroad in uniform. As we continue to ask for increased responsibilities from our servicemembers, let us not punish these same stewards with unfair tax return deadlines. Due to the remote deployment of many in the uniformed service, these tax deadlines become nearly impossible to meet. In my view, this presents the Senate with an opportunity to provide a measure of relief to servicemembers already stretched to their limits by those repeated and remote deployments.

In my view, this needed legislation is both fair-minded and fiscally responsible. I urge my colleagues to join me in cosponsoring this bill.•

SUBMITTING CHANGES TO THE APPROPRIATIONS COMMITTEE ALLOCATION

• Mr. DOMENICI. Mr. President, section 314(b)(1) of the Congressional Budget Act, as amended, requires the Chairman of the Senate Budget Committee to adjust the appropriate budgetary aggregates and the allocation for the Appropriations Committee to reflect an amount provided and designated as an emergency requirement pursuant to 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act.

I hereby submit revisions to the 1999 Senate Appropriations Committee allocation, pursuant to section 302 of the Congressional Budget Act, in the following amounts:

	Budget authority	Outlays
Current Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	255,634,000,000	265,414,000,000
Violent Crime reduction fund	5,800,000,000	4,953,000,000
Highways		21,885,000,000
Mass transit		4,401,000,000
Mandatory	299,159,000,000	291,731,000,000
Total	832,163,000,000	855,019,000,000
Adjustments:		
Defense discretionary		
Nondefense discretionary	+4,258,000,000	+4,071,000,000
Violent Crime reduction fund		
Highways		
Mass transit		
Mandatory		
Total	+4,258,000,000	+4,071,000,000
Revised Allocation:		
Defense discretionary	271,570,000,000	266,635,000,000
Nondefense discretionary	259,892,000,000	269,485,000,000
Violent Crime reduction fund	5,800,000,000	4,953,000,000
Highways		21,885,000,000
Mass transit		4,401,000,000
Mandatory	299,159,000,000	291,731,000,000
Total	836,421,000,000	859,090,000,000•

FEDERAL EMPLOYEES LIFE INSURANCE IMPROVEMENT ACT

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 590, H.R. 2675.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2675) to require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees Life Insurance Improvement Act".

SEC. 2. STUDY AND REPORT ON CERTAIN LIFE INSURANCE OPTIONS OFFERED TO FEDERAL EMPLOYEES.

(a) In General.—Not later than July 31, 1998, the Office of Personnel Management shall conduct a study on life insurance options for Federal employees described under subsection (b) and submit a report to Congress.

(b) Study and Report.—The study and report referred to under subsection (a) shall—

(1) survey and ascertain the interest of Federal employees in an offering under chapter 87 of title 5, United States Code, of insurance coverage options relating to—

(A) group universal life insurance;

(B) group variable universal life insurance; and

(C) additional voluntary accidental death and dismemberment insurance; and

(2) include any comments, analysis, and recommendations of the Office of Personnel Management relating to such options.

SEC. 3. REPEAL OF MAXIMUM LIMITATION ON EMPLOYEE INSURANCE.

Chapter 87 of title 5, United States Code, is amended—

(1) in section 8701(c), in the first sentence, by striking the comma immediately following "$10,000" and all that follows and inserting a period; and

(2) in section 8714b(b), in the first sentence, by striking "except" and all that follows and inserting a period.

SEC. 4. FOSTER CHILD COVERAGE.

Section 8701(d)(1)(B) of title 5, United States Code, is amended by inserting "or foster child" after "stepchild" both places it appears.

SEC. 5. INCONTESTABILITY OF ERRONEOUS COVERAGE.

Section 8706 of title 5, United States Code, as amended by section 5(2), is further amended by adding at the end the following new subsection:

"(g) The insurance of an employee under a policy purchased under section 8709 shall not be invalidated based on a finding that the employee erroneously became insured, or erroneously continued insurance upon retirement or entitlement to compensation under subchapter I of chapter 81 of this title, if such finding occurs after the erroneous insurance and applicable withholdings have been in force for 2 years during the employee's lifetime.".

SEC. 6. DIRECT PAYMENT OF INSURANCE CONTRIBUTIONS.

Chapter 87 of title 5, United States Code, is amended—

(1) in section 8707—

(A) in subsection (a), by striking "(a) During" and inserting "(a) Subject to subsection (c)(2), during";

(B) in subsection (b), by striking "(b)(1) Whenever" and inserting "(b)(1) Subject to subsection (c)(2), whenever"; and

(C) in subsection (c), by inserting "(1)" immediately after "(c)" and by adding at the end the following new paragraph:

"(2) An employee who is subject to withholdings under this section and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system that administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this section.";

(2) in section 8714a(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue optional insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system which administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection.";

(3) in section 8714b(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue additional optional insurance if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system which administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection."; and

(4) in section 8714c(d), by adding at the end the following new paragraph:

"(3) Notwithstanding paragraph (1), an employee who is subject to withholdings under this subsection and whose pay, annuity, or compensation is insufficient to cover such withholdings may nevertheless continue optional life insurance on family members if the employee arranges to pay currently into the Employees' Life Insurance Fund, through the agency or retirement system that administers pay, annuity, or compensation, an amount equal to the withholdings that would otherwise be required under this subsection.".

SEC. 7. ADDITIONAL OPTIONAL LIFE INSURANCE CONTINUATION AND PORTABILITY.

(a) In General.—Section 8714b of title 5, United States Code, is amended—

(1) in subsection (c)—

(A) by striking the last 2 sentences of paragraph (2); and

(B) by adding at the end the following:

"(3) The amount of additional optional insurance continued under paragraph (2) shall be continued, with or without reduction, in accordance with the employee's written election at the time eligibility to continue insurance during retirement or receipt of compensation arises, as follows:

"(A) The employee may elect to have withholdings cease in accordance with subsection (d), in which case—

"(i) the amount of additional optional insurance continued under paragraph (2) shall be reduced each month by 2 percent effective at the beginning of the second calendar month after the date the employee becomes 65 years of age and is retired or is in receipt of compensation; and

"(ii) the reduction under clause (i) shall continue for 50 months at which time the insurance shall stop.

"(B) The employee may, instead of the option under subparagraph (A), elect to have the full cost of additional optional insurance continue to be withheld from such employee's annuity or compensation on and after the date such withholdings would otherwise cease pursuant to an election under subparagraph (A), in which case the amount of additional optional insurance continued under paragraph (2) shall not be reduced, subject to paragraph (4).

"(C) An employee who does not make any election under the preceding provisions of this paragraph shall be treated as if such employee had made an election under subparagraph (A).

"(4) If an employee makes an election under paragraph (3)(B), that individual may subsequently cancel such election, in which case additional optional insurance shall be determined as if the individual had originally made an election under paragraph (3)(A).

"(5)(A) An employee whose additional optional insurance under this section would otherwise stop in accordance with paragraph (1) and who is not eligible to continue insurance under paragraph (2) may elect, under conditions prescribed by the Office of Personnel Management, to continue all or a portion of so much of the additional optional insurance as has been in force for not less than—

"(i) the 5 years of service immediately preceding the date of the event which would cause insurance to stop under paragraph (1); or

"(ii) the full period or periods of service during which the insurance was available to the employee, if fewer than 5 years,

at group rates established for purposes of this section, in lieu of conversion to an individual policy. The amount of insurance continued under this paragraph shall be reduced by 50 percent effective at the beginning of the second calendar month after the date the employee or *former employee attains age 70 and shall stop at the beginning of the second calendar month after attainment of age 80, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office. Alternatively, insurance continued under this paragraph may be reduced or stopped at any time the employee or former employee elects.*

"(B) When an employee or former employee elects to continue additional optional insurance under this paragraph following separation from service or 12 months without pay, the insured individual shall submit timely payment of the full cost thereof, plus any amount the Office determines necessary to cover associated administrative expenses, in such manner as the Office shall prescribe by regulation.. Amounts required under this subparagraph shall be deposited, used, and invested as provided under section 8714 and shall be reported and accounted for together with amounts withheld under section 8714a(d).

"(C)(i) Subject to clause (ii), no election to continue additional optional insurance may be made under this paragraph 3 years after the effective date of this paragraph.

"(ii) On and after the date on which an election may not be made under clause (i), all additional optional insurance under this paragraph for former employees shall terminate, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office."; and

(2) in the second sentence of subsection (d)(1) by inserting "if insurance is continued as provided under subsection (c)(3)(A)," after "except that,".

(b) Report.—Not later than 3 years after the date of enactment of this Act, the Office of Personnel Management shall submit a report to Congress on additional optional insurance provided under section 8714b(c)(5) of title 5, United States Code (as added by subsection (a) of this section). Such report shall include recommendations on whether continuation for such additional optional insurance should terminate as provided under such section, be extended, or be made permanent.

(c) Technical Amendment.—The last sentence of section 8714b(d)(1) of title 5, United States Code, is amended by inserting "(and any amounts withheld as provided in subsection (c)(3)(B))" after "Amounts so withheld".

SEC. 8. IMPROVED OPTIONAL LIFE INSURANCE ON FAMILY MEMBERS.

(a) In General.—Section 8714c(b) of title 5, United States Code, is amended to read as follows:

"(b)(1) The optional life insurance on family members provided under this section shall be made available to each eligible employee who has elected coverage under this section, under conditions the Office shall prescribe, in multiples, at the employee's election, of 1, 2, 3, 4, or 5 times—

"(A) $5,000 for a spouse; and

"(B) $2,500 for each child described under section 8701(d).

"(2) An employee may reduce or stop coverage elected pursuant to this section at any time.".

(b) Technical and Conforming Amendments.—Section 8714c of title 5, United States Code, is amended—

(1) in subsection (c)(2), by striking "section 8714b(c)(2) of this title" and inserting "section 8714b(c) (2) through (4)"; and

(2) in subsection (d)(1), by inserting before the last sentence the following: "Notwithstanding the preceding sentence, the full cost shall be continued after the calendar month in which the former employee becomes 65 years of age if, and for so long as, an election under this section corresponding to that described in section 8714b(c)(3)(B) remains in effect with respect to such former employee.".

SEC. 9. OPEN SEASON.

Beginning not later than 180 days after the date of enactment of this Act, the Office of Personnel Management shall conduct an open enrollment opportunity for purposes of chapter 87 of title 5, United States Code, over a period of not less than 8 weeks. During this period, an employee (as defined under section 8701(a) of such title)—

(1) may, if the employee previously declined or voluntarily terminated any coverage under chapter 87 of such title, elect to begin, resume, or increase group life insurance (and acquire applicable accidental death and dismemberment insurance) under all sections of such chapter without submitting evidence of insurability; and

(2) may, if currently insured for optional life insurance on family members, elect an amount above the minimum insurance on a spouse.

SEC. 10. MERIT SYSTEM JUDICIAL REVIEW.

(a) In General.—Section 7703 of title 5, United States Code, is amended—

(1) in subsection (b)(1) by striking "within 30 days" and inserting "within 60 days"; and

(2) in subsection (d) in the first sentence, by inserting after "filing" the following: ", within 60 days after the date the Director received notice of the final order or decision of the Board,".

(b) Effective Date.—The amendments made by this section shall take effect on the date of enactment of this Act, and apply to any suit, action, or other administrative or judicial proceeding pending on such date or commenced on or after such date.

SEC. 11. EFFECTIVE DATES.

(a) In General.—Except as otherwise provided in this Act, the amendments made by this Act shall take effect on the date of enactment of this Act.

(b) Maximum Limitation on Employee Insurance.—Section 3 shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

(c) Erroneous Coverage.—Section 5 shall be effective in any case in which a finding of erroneous insurance coverage is made on or after the date of enactment of this Act.

(d) Direct Payment of Insurance Contributions.—Section 6 shall take effect on the first day of the first applicable pay period beginning on or after the date of enactment of this Act.

(e) Additional Optional Life Insurance.—

(1) In general.—Section 7 shall take effect on the first day of the first pay period that begins on or after the 180th day following the date of enactment of this Act, or on any earlier date that the Office of Personnel Management may prescribe that is at least 60 days after the date of enactment of this Act.

(2) Regulations.—The Office shall prescribe regulations under which an employee may elect to continue additional optional insurance that remains in force on such effective date without subsequent reduction and with the full cost withheld from annuity or compensation on and after such effective date if that employee—

(A) separated from service before such effective date due to retirement or entitlement to compensation under subchapter I of chapter 81 of title 5, United States Code; and

(B) continued additional optional insurance pursuant to section 8714b(c)(2) as in effect immediately before such effective date.

(f) Improved Optional Life Insurance on Family Members.—The amendments made by section 8 shall take effect on the first day of the first pay period which begins on or after the 180th day following the date of enactment of this Act or on any earlier date that the Office of Personnel Management may prescribe.

(g) Open Season.—Any election made by an employee under section 9, and applicable withholdings, shall be effective on the first day of the first applicable pay period that—

(1) begins on or after the date occurring 365 days after the first day of the election period authorized under section 9; and

(2) follows a pay period in which the employee was in a pay and duty status.

Amend the title so as to read:

An Act to provide for the Office of Personnel Management to conduct a study and submit a report to Congress on the provision of certain options for universal life insurance coverage and additional death and dismemberment insurance under chapter 87 of title 5, United States Code, to improve the administration of such chapter, and for other purposes.

Mr. GRAMS. I ask unanimous consent that the committee substitute be agreed, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, the amendment to the title and the title, as amended, be agreed to, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee substitute amendment was agreed to.

The bill (H.R. 2675), as amended, was considered read the third time, and passed.

The title was amended so as to read:

An Act to provide for the Office of Personnel Management to conduct a study and submit a report to Congress on the provision of certain options for universal life insurance coverage and additional death and dismemberment insurance under chapter 87 of title 5, United States Code, to improve the administration of such chapter, and for other purposes.

VETERANS EMPLOYMENT OPPORTUNITIES ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of calendar No. 592, S. 1021.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1021) to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Employment Opportunities Act of 1998".

SEC. 2. IMPROVED REDRESS FOR PREFERENCE ELIGIBLES.

(a) In General.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

"§3330a. Preference eligibles; administrative redress

"(a)(1) A preference eligible who alleges that an agency has violated such individual's rights under any statute or regulation relating to veterans' preference may file a complaint with the Secretary of Labor.

"(2)(A) A complaint under this subsection must be filed within 60 days after the date of the alleged violation.

"(B) Such complaint shall be in writing, be in such form as the Secretary may prescribe, specify the agency against which the complaint is filed, and contain a summary of the allegations that form the basis for the complaint.

"(3) The Secretary shall, upon request, provide technical assistance to a potential complainant with respect to a complaint under this subsection.

"(b)(1) The Secretary of Labor shall investigate each complaint under subsection (a).

"(2) In carrying out any investigation under this subsection, the Secretary's duly authorized representatives shall, at all reasonable times, have reasonable access to, for purposes of examination, and the right to copy and receive, any documents of any person or agency that the Secretary considers relevant to the investigation.

"(3) In carrying out any investigation under this subsection, the Secretary may require by subpoena the attendance and testimony of witnesses and the production of documents relating to any matter under investigation. In case of disobedience of the subpoena or contumacy and on request of the Secretary, the Attorney General may apply to any district court of the United States in whose jurisdiction such disobedience or contumacy occurs for an order enforcing the subpoena.

"(4) Upon application, the district courts of the United States shall have jurisdiction to issue writs commanding any person or agency to comply with the subpoena of the Secretary or to comply with any order of the Secretary made pursuant to a lawful investigation under this subsection and the district courts shall have jurisdiction to punish failure to obey a subpoena or other lawful order of the Secretary as a contempt of court.

"(c)(1)(A) If the Secretary of Labor determines as a result of an investigation under subsection (b) that the action alleged in a complaint under subsection (a) occurred, the Secretary shall attempt to resolve the complaint by making reasonable efforts to ensure that the agency specified in the complaint complies with applicable provisions of statute or regulation relating to veterans' preference.

"(B) The Secretary of Labor shall make determinations referred to in subparagraph (A) based on a preponderance of the evidence.

"(2) If the efforts of the Secretary under subsection (b) with respect to a complaint under subsection (a) do not result in the resolution of the complaint, the Secretary shall notify the person who submitted the complaint, in writing, of the results of the Secretary's investigation under subsection (b).

"(d)(1) If the Secretary of Labor is unable to resolve a complaint under subsection (a) within 60 days after the date on which it is filed, the complainant may elect to appeal the alleged violation to the Merit Systems Protection Board in accordance with such procedures as the Merit Systems Protection Board shall prescribe, except that in no event may any such appeal be brought—

"(A) before the 61st day after the date on which the complaint is filed; or

"(B) later than 15 days after the date on which the complainant receives written notification from the Secretary under subsection (c)(2).

"(2) An appeal under this subsection may not be brought unless—

"(A) the complainant first provides written notification to the Secretary of such complainant's intention to bring such appeal; and

"(B) appropriate evidence of compliance with subparagraph (A) is included (in such form and manner as the Merit Systems Protection Board may prescribe) with the notice of appeal under this subsection.

"(3) Upon receiving notification under paragraph (2)(A), the Secretary shall not continue to investigate or further attempt to resolve the complaint to which the notification relates.

"(e)(1) This section shall not be construed to prohibit a preference eligible from appealing directly to the Merit Systems Protection Board from any action which is appealable to the Board under any other law, rule, or regulation, in lieu of administrative redress under this section.

"(2) A preference eligible may not pursue redress for an alleged violation described in subsection (a) under this section at the same time the preference eligible pursues redress for such violation under any other law, rule, or regulation.

"§3330b. Preference eligibles; judicial redress

"(a) In lieu of continuing the administrative redress procedure provided under section 3330a(d), a preference eligible may elect, in accordance with this section, to terminate those administrative proceedings and file an action with the appropriate United States district court not later than 60 days after the date of the election.

"(b) An election under this section may not be made—

"(1) before the 121st day after the date on which the appeal is filed with the Merit Systems Protection Board under section 3330a(d); or

"(2) after the Merit Systems Protection Board has issued a judicially reviewable decision on the merits of the appeal.

"(c) An election under this section shall be made, in writing, in such form and manner as the Merit Systems Protection Board shall by regulation prescribe. The election shall be effective as of the date on which it is received, and the administrative proceeding to which it relates shall terminate immediately upon the receipt of such election.

"§3330c. Preference eligibles; remedy

"(a) If the Merit Systems Protection Board (in a proceeding under section 3330a) or a court (in a proceeding under section 3330b) determines that an agency has violated a right described in section 3330a, the Board or court (as the case may be) shall order the agency to comply with such provisions and award compensation for any loss of wages or benefits suffered by the individual by reason of the violation involved. If the Board or court determines that such violation was willful, it shall award an amount equal to backpay as liquidated damages.

"(b) A preference eligible who prevails in an action under section 3330a or 3330b shall be awarded reasonable attorney fees, expert witness fees, and other litigation expenses.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 5, United States Code, is amended by adding after the item relating to section 3330 the following:

"3330a. Preference eligibles; administrative redress.
"3330b. Preference eligibles; judicial redress.
"3330c. Preference eligibles; remedy.".

SEC. 3. EXTENSION OF VETERANS' PREFERENCE.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—Paragraph (3) of section 2108 of title 5, United States Code, is amended by striking "the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, or the General Accounting Office;" and inserting "or the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service;".

(b) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—

(1) IN GENERAL.—Chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"§115. Veterans' preference

"(a) Subject to subsection (b), appointments under sections 105, 106, and 107 shall be made in accordance with section 2108, and sections 3309 through 3312, of title 5.

"(b) Subsection (a) shall not apply to any appointment to a position the rate of basic pay for which is at least equal to the minimum rate established for positions in the Senior Executive Service under section 5382 of title 5 and the duties of which are comparable to those described in section 3132(a)(2) of such title or to any other position if, with respect to such position, the President makes certification—

"(1) that such position is—

"(A) a confidential or policy-making position; or

"(B) a position for which political affiliation or political philosophy is otherwise an important qualification; and

"(2) that any individual selected for such position is expected to vacate the position at or before the end of the President's term (or terms) of office.

Each individual appointed to a position described in the preceding sentence as to which the expectation described in paragraph (2) applies shall be notified as to such expectation, in writing, at the time of appointment to such position.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"115. Veterans' preference.".

(c) LEGISLATIVE BRANCH APPOINTMENTS.—

(1) DEFINITIONS.—For the purposes of this subsection, the terms "covered employee" and "Board" shall each have the meaning given such term by section 101 of the Congressional Accountability Act of 1995 (2 U.S.C. 1301).

(2) RIGHTS AND PROTECTIONS.—The rights and protections established under section 2108, sections 3309 through 3312, and subchapter I of chapter 35, of title 5, United States Code, shall apply to covered employees.

(3) REMEDIES.—

(A) IN GENERAL.—The remedy for a violation of paragraph (2) shall be such remedy as would be appropriate if awarded under applicable provisions of title 5, United States Code, in the case of a violation of the relevant corresponding provision (referred to in paragraph (2)) of such title.

(B) PROCEDURE.—The procedure for consideration of alleged violations of paragraph (2) shall be the same as apply under section 401 of the Congressional Accountability Act of 1995 (and the provisions of law referred to therein) in the case of an alleged violation of part A of title II of such Act.

(4) REGULATIONS TO IMPLEMENT SUBSECTION.—

(A) IN GENERAL.—The Board shall, pursuant to section 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1384), issue regulations to implement this subsection.

(B) AGENCY REGULATIONS.—The regulations issued under subparagraph (A) shall be the same as the most relevant substantive regulations (applicable with respect to the executive branch) promulgated to implement the statutory provisions referred to in paragraph (2) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation

of the rights and protections under this subsection.

(C) COORDINATION.—The regulations issued under subparagraph (A) shall be consistent with section 225 of the Congressional Accountability Act of 1995 (2 U.S.C. 1361).

(5) APPLICABILITY.—Notwithstanding any other provision of this subsection, the term "covered employee" shall not, for purposes of this subsection, include an employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress; or

(C) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(6) EFFECTIVE DATE.—Paragraphs (2) and (3) shall be effective as of the effective date of the regulations under paragraph (4).

(d) JUDICIAL BRANCH APPOINTMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Judicial Conference of the United States shall prescribe procedures to provide for—

(A) veterans' preference in the consideration of applicants for employment, and in the conduct of any reductions in force, within the judicial branch; and

(B) redress for alleged violations of any rights provided for under subparagraph (A).

(2) PROCEDURES.—Under the procedures, a preference eligible (as defined by section 2108 of title 5, United States Code) shall be afforded preferences in a manner and to the extent consistent with preferences afforded to preference eligibles in the executive branch.

(3) EXCLUSIONS.—Nothing in the procedures shall apply with respect to an applicant or employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is as a judicial officer;

(C) whose appointment is required by statute to be made by or with the approval of a court or judicial officer; or

(D) whose appointment is to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(4) DEFINITIONS.—For purposes of this subsection, the term "judicial officer" means a justice, judge, or magistrate judge listed in subparagraph (A), (B), (F), or (G) of section 376(a)(1) of title 28, United States Code.

(5) SUBMISSION TO CONGRESS; EFFECTIVE DATE.—

(A) SUBMISSION TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Judicial Conference of the United States shall submit a copy of the procedures prescribed under this subsection to the Committee on Government Reform and Oversight and the Committee on the Judiciary of the House of Representatives and the Committee on Governmental Affairs and the Committee on the Judiciary of the Senate.

(B) EFFECTIVE DATE.—The procedures prescribed under this subsection shall take effect 13 months after the date of enactment of this Act.

SEC. 4. VETERANS' PREFERENCE REQUIRED FOR REDUCTIONS IN FORCE IN THE FEDERAL AVIATION ADMINISTRATION.

Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) sections 3501–3504, as such sections relate to veterans' preference.".

SEC. 5. FAILURE TO COMPLY WITH VETERANS' PREFERENCE REQUIREMENTS TO BE TREATED AS A PROHIBITED PERSONNEL PRACTICE FOR CERTAIN PURPOSES.

(a) IN GENERAL.—Subsection (b) of section 2302 of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (10);

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

"(11)(A) knowingly take, recommend, or approve any personnel action if the taking of such action would violate a veterans' preference requirement; or

"(B) knowingly fail to take, recommend, or approve any personnel action if the failure to take such action would violate a veterans' preference requirement; or".

(b) DEFINITION; LIMITATION.—Section 2302 of title 5, United States Code, is amended by adding at the end the following:

"(e)(1) For the purpose of this section, the term 'veterans' preference requirement' means any of the following provisions of law:

"(A) Sections 2108, 3305(b), 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317(b), 3318, 3320, 3351, 3352, 3363, 3501, 3502(b), 3504, and 4303(e) and (with respect to a preference eligible referred to in section 7511(a)(1)(B)) subchapter II of chapter 75 and section 7701.

"(B) Sections 943(c)(2) and 1784(c) of title 10.

"(C) Section 1308(b) of the Alaska National Interest Lands Conservation Act.

"(D) Section 301(c) of the Foreign Service Act of 1980.

"(E) Sections 106(f), 7281(e), and 7802(5) of title 38.

"(F) Section 1005(a) of title 39.

"(G) Any other provision of law that the Director of the Office of Personnel Management designates in regulations as being a veterans' preference requirement for the purposes of this subsection.

"(H) Any regulation prescribed under subsection (b) or (c) of section 1302 and any other regulation that implements a provision of law referred to in any of the preceding subparagraphs.

"(2) Notwithstanding any other provision of this title, no authority to order corrective action shall be available in connection with a prohibited personnel practice described in subsection (b)(11). Nothing in this paragraph shall be considered to affect any authority under section 1215 (relating to disciplinary action).".

(c) REPEALS.—

(1) SECTION 1599C OF TITLE 10, UNITED STATES CODE.—

(A) REPEAL.—Section 1599c of title 10, United States Code, is repealed.

(B) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1599c.

(2) SECTION 2302(a)(1) OF TITLE 5, UNITED STATES CODE.—Subsection (a)(1) of section 2302 of title 5, United States Code, is amended to read as follows:

"(a)(1) For the purpose of this title, 'prohibited personnel practice' means any action described in subsection (b).".

(d) SAVINGS PROVISION.—This section shall be treated as if it had never been enacted for purposes of any personnel action (within the meaning of section 2302 of title 5, United States Code) preceding the date of enactment of this Act.

SEC. 6. EXPANSION AND IMPROVEMENT OF VETERANS' EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS.

(a) COVERED VETERANS.—Section 4212 of title 38, United States Code, is amended—

(1) in subsection (a), by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and covered veterans of the Persian Gulf War";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "special disabled veteran, veteran of the Vietnam era, or covered veteran of the Persian Gulf War";

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or covered veterans of the Persian Gulf War"; and

(4) by adding at the end the following:

"(e) For purposes of this section, the term 'covered veteran of the Persian Gulf War' means any veteran who served in the active military, naval, or air service in the Southwest Asia theater of operations during the period beginning on August 2, 1990, and ending on January 2, 1992.".

(b) PROHIBITION ON CONTRACTING WITH ENTITIES NOT MEETING REPORTING REQUIREMENTS.—(1) Subchapter III of chapter 13 of title 31, United States Code, is amended by adding at the end the following:

"§ 1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements

"(a)(1) Subject to paragraph (2), no agency may obligate or expend funds appropriated for the agency for a fiscal year to enter into a contract described in section 4212(a) of title 38 with a contractor from which a report was required under section 4212(d) of that title with respect to the preceding fiscal year if such contractor did not submit such report.

"(2) Paragraph (1) shall cease to apply with respect to a contractor otherwise covered by that paragraph on the date on which the contractor submits the report required by such section 4212(d) for the fiscal year concerned.

"(b) The Secretary of Labor shall take appropriate actions to notify agencies in a timely manner of the contractors covered by subsection (a).".

(2) The table of sections at the beginning of chapter 13 of such title is amended by adding at the end the following:

"1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements.".

SEC. 7. REQUIREMENT FOR ADDITIONAL INFORMATION IN ANNUAL REPORTS FROM FEDERAL CONTRACTORS ON VETERANS EMPLOYMENT.

Section 4212(d)(1) of title 38, United States Code, as amended by 6(a)(3), is further amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(C) the maximum number and the minimum number of employees of such contractor during the period covered by the report.".

AMENDMENT NO. 3738

(Purpose: To improve the bill.)

Mr. GRAMS. Mr. President, Senator SPECTER has an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS] for Mr. SPECTER, proposes an amendment numbered 3738.

Mr. GRAMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, between lines 3 and 4, insert the following:

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

On page 31, line 4, strike out "**SEC. 2.**" and insert in lieu thereof "**SEC. 3.**".

On page 36, line 14, strike out "**SEC. 3.**" and insert in lieu thereof "**SEC. 4.**".

On page 43, line 4, strike out "**SEC. 4.**" and insert in lieu thereof "**SEC. 5.**".

On page 43, line 17, strike out "**SEC. 5.**" and insert in lieu thereof "**SEC. 6.**".

On page 46, line 18, strike out "**SEC. 6.**" and insert in lieu thereof "**SEC. 7.**".

On page 46, strike out line 23 and all that follows through page 47, line 20, and insert in lieu thereof the following:

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

On page 48, strike out lines 15 through 17 and insert in lieu thereof the following:

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

On page 49, line 1, strike out "**SEC. 7.**" and insert in lieu thereof "**SEC. 8.**".

On page 49, line 5, strike out "6(a)(3)" and insert in lieu thereof "section 7(a)(3) of this Act".

Mr. GRAMS. Mr. President, I ask unanimous consent that the amendment be agreed to.

The amendment (No. 3738) was agreed to.

Mr. GRAMS. I ask unanimous consent that the committee amendment, as amended, be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment, as amended, was agreed to.

The bill (S. 1021), as amended, was considered read the third time and passed, as follows:

S. 1021

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans Employment Opportunities Act of 1998".

SEC. 2. ACCESS FOR VETERANS.

Section 3304 of title 5, United States Code, is amended by adding at the end the following:

"(f)(1) Preference eligibles or veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service may not be denied the opportunity to compete for vacant positions for which the agency making the announcement will accept applications from individuals outside its own workforce under merit promotion procedures.

"(2) This subsection shall not be construed to confer an entitlement to veterans' preference that is not otherwise required by law.

"(3) The area of consideration for all merit promotion announcements which include consideration of individuals of the Federal workforce shall indicate that preference eligibles and veterans who have been separated from the armed forces under honorable conditions after 3 years or more of active service are eligible to apply. The announcements shall be publicized in accordance with section 3327.

"(4) The Office of Personnel and Management shall establish an appointing authority to appoint such preference eligibles and veterans.".

SEC. 3. IMPROVED REDRESS FOR PREFERENCE ELIGIBLES.

(a) IN GENERAL.—Subchapter I of chapter 33 of title 5, United States Code, is amended by adding at the end the following:

"§ 3330a. Preference eligibles; administrative redress

"(a)(1) A preference eligible who alleges that an agency has violated such individual's rights under any statute or regulation relating to veterans' preference may file a complaint with the Secretary of Labor.

"(2)(A) A complaint under this subsection must be filed within 60 days after the date of the alleged violation.

"(B) Such complaint shall be in writing, be in such form as the Secretary may prescribe, specify the agency against which the complaint is filed, and contain a summary of the allegations that form the basis for the complaint.

"(3) The Secretary shall, upon request, provide technical assistance to a potential complainant with respect to a complaint under this subsection.

"(b)(1) The Secretary of Labor shall investigate each complaint under subsection (a).

"(2) In carrying out any investigation under this subsection, the Secretary's duly authorized representatives shall, at all reasonable times, have reasonable access to, for purposes of examination, and the right to copy and receive, any documents of any person or agency that the Secretary considers relevant to the investigation.

"(3) In carrying out any investigation under this subsection, the Secretary may require by subpoena the attendance and testimony of witnesses and the production of documents relating to any matter under investigation. In case of disobedience of the subpoena or contumacy and on request of the Secretary, the Attorney General may apply to any district court of the United States in whose jurisdiction such disobedience or contumacy occurs for an order enforcing the subpoena.

"(4) Upon application, the district courts of the United States shall have jurisdiction to issue writs commanding any person or agency to comply with the subpoena of the Secretary or to comply with any order of the Secretary made pursuant to a lawful investigation under this subsection and the district courts shall have jurisdiction to punish failure to obey a subpoena or other lawful order of the Secretary as a contempt of court.

"(c)(1)(A) If the Secretary of Labor determines as a result of an investigation under subsection (b) that the action alleged in a complaint under subsection (a) occurred, the Secretary shall attempt to resolve the complaint by making reasonable efforts to ensure that the agency specified in the complaint complies with applicable provisions of statute or regulation relating to veterans' preference.

"(B) The Secretary of Labor shall make determinations referred to in subparagraph (A) based on a preponderance of the evidence.

"(2) If the efforts of the Secretary under subsection (b) with respect to a complaint under subsection (a) do not result in the resolution of the complaint, the Secretary shall notify the person who submitted the complaint, in writing, of the results of the Secretary's investigation under subsection (b).

"(d)(1) If the Secretary of Labor is unable to resolve a complaint under subsection (a) within 60 days after the date on which it is filed, the complainant may elect to appeal the alleged violation to the Merit Systems Protection Board in accordance with such procedures as the Merit Systems Protection Board shall prescribe, except that in no event may any such appeal be brought—

"(A) before the 61st day after the date on which the complaint is filed; or

"(B) later than 15 days after the date on which the complainant receives written notification from the Secretary under subsection (c)(2).

"(2) An appeal under this subsection may not be brought unless—

"(A) the complainant first provides written notification to the Secretary of such complainant's intention to bring such appeal; and

"(B) appropriate evidence of compliance with subparagraph (A) is included (in such form and manner as the Merit Systems Protection Board may prescribe) with the notice of appeal under this subsection.

"(3) Upon receiving notification under paragraph (2)(A), the Secretary shall not continue to investigate or further attempt to resolve the complaint to which the notification relates.

"(e)(1) This section shall not be construed to prohibit a preference eligible from appealing directly to the Merit Systems Protection Board from any action which is appealable to the Board under any other law, rule, or regulation, in lieu of administrative redress under this section.

"(2) A preference eligible may not pursue redress for an alleged violation described in subsection (a) under this section at the same time the preference eligible pursues redress for such violation under any other law, rule, or regulation.

"§ 3330b. Preference eligibles; judicial redress

"(a) In lieu of continuing the administrative redress procedure provided under section 3330a(d), a preference eligible may elect, in accordance with this section, to terminate those administrative proceedings and file an action with the appropriate United States district court not later than 60 days after the date of the election.

"(b) An election under this section may not be made—

"(1) before the 121st day after the date on which the appeal is filed with the Merit Systems Protection Board under section 3330a(d); or

"(2) after the Merit Systems Protection Board has issued a judicially reviewable decision on the merits of the appeal.

"(c) An election under this section shall be made, in writing, in such form and manner as the Merit Systems Protection Board shall by regulation prescribe. The election shall be effective as of the date on which it is received, and the administrative proceeding to which it relates shall terminate immediately upon the receipt of such election.

"§ 3330c. Preference eligibles; remedy

"(a) If the Merit Systems Protection Board (in a proceeding under section 3330a) or a court (in a proceeding under section 3330b) determines that an agency has violated a right described in section 3330a, the Board or court (as the case may be) shall order the agency to comply with such provisions and award compensation for any loss of wages or benefits suffered by the individual by reason of the violation involved. If the Board or court determines that such violation was willful, it shall award an amount equal to backpay as liquidated damages.

"(b) A preference eligible who prevails in an action under section 3330a or 3330b shall be awarded reasonable attorney fees, expert witness fees, and other litigation expenses.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 5, United States Code, is amended by adding after the item relating to section 3330 the following:

"3330a. Preference eligibles; administrative redress.
"3330b. Preference eligibles; judicial redress.
"3330c. Preference eligibles; remedy.".

SEC. 4. EXTENSION OF VETERANS' PREFERENCE.

(a) AMENDMENT TO TITLE 5, UNITED STATES CODE.—Paragraph (3) of section 2108 of title 5, United States Code, is amended by striking "the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, or the General Accounting Office;" and inserting "or the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service;".

(b) AMENDMENTS TO TITLE 3, UNITED STATES CODE.—

(1) IN GENERAL.—Chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"§ 115. Veterans' preference

"(a) Subject to subsection (b), appointments under sections 105, 106, and 107 shall be made in accordance with section 2108, and sections 3309 through 3312, of title 5.

"(b) Subsection (a) shall not apply to any appointment to a position the rate of basic pay for which is at least equal to the minimum rate established for positions in the Senior Executive Service under section 5382 of title 5 and the duties of which are comparable to those described in section 3132(a)(2) of such title or to any other position if, with respect to such position, the President makes certification—

"(1) that such position is—

"(A) a confidential or policy-making position; or

"(B) a position for which political affiliation or political philosophy is otherwise an important qualification; and

"(2) that any individual selected for such position is expected to vacate the position at or before the end of the President's term (or terms) of office.

Each individual appointed to a position described in the preceding sentence as to which the expectation described in paragraph (2) applies shall be notified as to such expectation, in writing, at the time of appointment to such position.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 2 of title 3, United States Code, is amended by adding at the end the following:

"115. Veterans' preference.".

(c) LEGISLATIVE BRANCH APPOINTMENTS.—

(1) DEFINITIONS.—For the purposes of this subsection, the terms "covered employee" and "Board" shall each have the meaning given such term by section 101 of the Congressional Accountability Act of 1995 (2 U.S.C. 1301).

(2) RIGHTS AND PROTECTIONS.—The rights and protections established under section 2108, sections 3309 through 3312, and subchapter I of chapter 35, of title 5, United States Code, shall apply to covered employees.

(3) REMEDIES.—

(A) IN GENERAL.—The remedy for a violation of paragraph (2) shall be such remedy as would be appropriate if awarded under applicable provisions of title 5, United States Code, in the case of a violation of the relevant corresponding provision (referred to in paragraph (2)) of such title.

(B) PROCEDURE.—The procedure for consideration of alleged violations of paragraph (2) shall be the same as apply under section 401 of the Congressional Accountability Act of 1995 (and the provisions of law referred to therein) in the case of an alleged violation of part A of title II of such Act.

(4) REGULATIONS TO IMPLEMENT SUBSECTION.—

(A) IN GENERAL.—The Board shall, pursuant to section 304 of the Congressional Accountability Act of 1995 (2 U.S.C. 1384), issue regulations to implement this subsection.

(B) AGENCY REGULATIONS.—The regulations issued under subparagraph (A) shall be the same as the most relevant substantive regulations (applicable with respect to the executive branch) promulgated to implement the statutory provisions referred to in paragraph (2) except insofar as the Board may determine, for good cause shown and stated together with the regulation, that a modification of such regulations would be more effective for the implementation of the rights and protections under this subsection.

(C) COORDINATION.—The regulations issued under subparagraph (A) shall be consistent with section 225 of the Congressional Accountability Act of 1995 (2 U.S.C. 1361).

(5) APPLICABILITY.—Notwithstanding any other provision of this subsection, the term "covered employee" shall not, for purposes of this subsection, include an employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is made by a Member of Congress or by a committee or subcommittee of either House of Congress; or

(C) who is appointed to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(6) EFFECTIVE DATE.—Paragraphs (2) and (3) shall be effective as of the effective date of the regulations under paragraph (4).

(d) JUDICIAL BRANCH APPOINTMENTS.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the Judicial Conference of the United States shall prescribe procedures to provide for—

(A) veterans' preference in the consideration of applicants for employment, and in the conduct of any reductions in force, within the judicial branch; and

(B) redress for alleged violations of any rights provided for under subparagraph (A).

(2) PROCEDURES.—Under the procedures, a preference eligible (as defined by section 2108 of title 5, United States Code) shall be afforded preferences in a manner and to the extent consistent with preferences afforded to preference eligibles in the executive branch.

(3) EXCLUSIONS.—Nothing in the procedures shall apply with respect to an applicant or employee—

(A) whose appointment is made by the President with the advice and consent of the Senate;

(B) whose appointment is as a judicial officer;

(C) whose appointment is required by statute to be made by or with the approval of a court or judicial officer; or

(D) whose appointment is to a position, the duties of which are equivalent to those of a Senior Executive Service position (within the meaning of section 3132(a)(2) of title 5, United States Code).

(4) DEFINITIONS.—For purposes of this subsection, the term "judicial officer" means a justice, judge, or magistrate judge listed in subparagraph (A), (B), (F), or (G) of section 376(a)(1) of title 28, United States Code.

(5) SUBMISSION TO CONGRESS; EFFECTIVE DATE.—

(A) SUBMISSION TO CONGRESS.—Not later than 12 months after the date of enactment of this Act, the Judicial Conference of the United States shall submit a copy of the procedures prescribed under this subsection to the Committee on Government Reform and Oversight and the Committee on the Judiciary of the House of Representatives and the Committee on Governmental Affairs and the Committee on the Judiciary of the Senate.

(B) EFFECTIVE DATE.—The procedures prescribed under this subsection shall take effect 13 months after the date of enactment of this Act.

SEC. 5. VETERANS' PREFERENCE REQUIRED FOR REDUCTIONS IN FORCE IN THE FEDERAL AVIATION ADMINISTRATION.

Section 347(b) of the Department of Transportation and Related Agencies Appropriations Act, 1996 (109 Stat. 460) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) sections 3501–3504, as such sections relate to veterans' preference.".

SEC. 6. FAILURE TO COMPLY WITH VETERANS' PREFERENCE REQUIREMENTS TO BE TREATED AS A PROHIBITED PERSONNEL PRACTICE FOR CERTAIN PURPOSES.

(a) In General.—Subsection (b) of section 2302 of title 5, United States Code, is amended—

(1) by striking "or" at the end of paragraph (10);

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10) the following:

"(11)(A) knowingly take, recommend, or approve any personnel action if the taking of such action would violate a veterans' preference requirement; or

"(B) knowingly fail to take, recommend, or approve any personnel action if the failure to take such action would violate a veterans' preference requirement; or".

(b) Definition; Limitation.—Section 2302 of title 5, United States Code, is amended by adding at the end the following:

"(e)(1) For the purpose of this section, the term 'veterans' preference requirement' means any of the following provisions of law:

"(A) Sections 2108, 3305(b), 3309, 3310, 3311, 3312, 3313, 3314, 3315, 3316, 3317(b), 3318, 3320, 3351, 3352, 3363, 3501, 3502(b), 3504, and 4303(e) and (with respect to a preference eligible referred to in section 7511(a)(1)(B)) subchapter II of chapter 75 and section 7701.

"(B) Sections 943(c)(2) and 1784(c) of title 10.

"(C) Section 1308(b) of the Alaska National Interest Lands Conservation Act.

"(D) Section 301(c) of the Foreign Service Act of 1980.

"(E) Sections 106(f), 7281(e), and 7802(5) of title 38.

"(F) Section 1005(a) of title 39.

"(G) Any other provision of law that the Director of the Office of Personnel Management designates in regulations as being a veterans' preference requirement for the purposes of this subsection.

"(H) Any regulation prescribed under subsection (b) or (c) of section 1302 and any other regulation that implements a provision of law referred to in any of the preceding subparagraphs.

"(2) Notwithstanding any other provision of this title, no authority to order corrective action shall be available in connection with a prohibited personnel practice described in subsection (b)(11). Nothing in this paragraph shall be considered to affect any authority under section 1215 (relating to disciplinary action).".

(c) Repeals.—

(1) Section 1599c of title 10, United States Code.—

(A) Repeal.—Section 1599c of title 10, United States Code, is repealed.

(B) Clerical amendment.—The table of sections at the beginning of chapter 81 of such title is amended by striking out the item relating to section 1599c.

(2) Section 2302(a)(1) of title 5, United States code.—Subsection (a)(1) of section 2302 of title 5, United States Code, is amended to read as follows:

"(a)(1) For the purpose of this title, 'prohibited personnel practice' means any action described in subsection (b).".

(d) Savings Provision.—This section shall be treated as if it had never been enacted for purposes of any personnel action (within the meaning of section 2302 of title 5, United States Code) preceding the date of enactment of this Act.

SEC. 7. EXPANSION AND IMPROVEMENT OF VETERANS' EMPLOYMENT EMPHASIS UNDER FEDERAL CONTRACTS.

(a) Covered Veterans.—Section 4212 of title 38, United States Code, is amended—

(1) in subsection (a)—

(A) by striking out "$10,000" and inserting in lieu thereof "$25,000"; and

(B) by striking out "special disabled veterans and veterans of the Vietnam era" and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, and any other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized";

(2) in subsection (b), by striking out "special disabled veteran or veteran of the Vietnam era" and inserting in lieu thereof "veteran covered by the first sentence of subsection (a)"; and

(3) in subsection (d)(1), by striking out "veterans of the Vietnam era or special disabled veterans" both places it appears and inserting in lieu thereof "special disabled veterans, veterans of the Vietnam era, or other veterans who served on active duty during a war or in a campaign or expedition for which a campaign badge has been authorized".

(b) Prohibition on Contracting With Entities Not Meeting Reporting Requirements.—(1) Subchapter III of chapter 13 of title 31, United States Code, is amended by adding at the end the following:

"§ 1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements

"(a)(1) Subject to paragraph (2), no agency may obligate or expend funds appropriated for the agency for a fiscal year to enter into a contract described in section 4212(a) of title 38 with a contractor from which a report was required under section 4212(d) of that title with respect to the preceding fiscal year if such contractor did not submit such report.

"(2) Paragraph (1) shall cease to apply with respect to a contractor otherwise covered by that paragraph on the date on which the contractor submits the report required by such section 4212(d) for the fiscal year concerned.

"(b) The Secretary of Labor shall make available in a database a list of the contractors that have complied with the provisions of such section 4212(d).".

(2) The table of sections at the beginning of chapter 13 of such title is amended by adding at the end the following:

"1354. Limitation on use of appropriated funds for contracts with entities not meeting veterans' employment reporting requirements.".

SEC. 8. REQUIREMENT FOR ADDITIONAL INFORMATION IN ANNUAL REPORTS FROM FEDERAL CONTRACTORS ON VETERANS EMPLOYMENT.

Section 4212(d)(1) of title 38, United States Code, as amended by section 7(a)(3) of this Act, is further amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(C) the maximum number and the minimum number of employees of such contractor during the period covered by the report.".

CONVEYANCE OF TUNNISON LAB HAGERMAN FIELD STATION IN GOODING COUNTY, IDAHO

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 663, S. 2505.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2505) to direct the Secretary of the Interior to convey title to the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, to the University of Idaho.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works, with an amendment; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF TUNNISON LAB HAGERMAN FIELD STATION, HAGERMAN, IDAHO, TO THE UNIVERSITY OF IDAHO.

(a) In General.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall convey to the University of Idaho, without reimbursement, all right, title, and interest of the United States in and to the property described in subsection (b) for use by the University of Idaho for fish research.

(b) Description of Property.—

[(1) In general.—The property referred to in subsection (a) consists of approximately 4 acres of land housing the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, and all improvements and related personal property, excluding water rights vested in the United States.

[(2) Survey.—The exact acreage and legal description of the property described under paragraph (1), and a description of necessary access and utility easements and rights-of-way, shall be determined by a survey that is satisfactory to the Secretary.**]**

(1) In general.—The property referred to in subsection (a) consists of approximately 4 acres of land, the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, located thereon, and all improvements and related personal property, excluding water rights vested in the United States and necessary access and utility easements and rights-of-way.

(2) Survey.—The exact acreage and legal description of the property described under paragraph (1) shall be determined by a survey that is satisfactory to the Secretary.

(c) Reversionary Interest in the United States.—

(1) Requirement.—If any property conveyed to the University of Idaho under this section is used for any purpose other than the use authorized under subsection (a), all right, title, and interest in and to all property conveyed under this section shall revert to the United States.

(2) Condition of property on reversion.—In the case of a reversion of property under

paragraph (1), the University of Idaho shall ensure that all property reverting to the United States under this subsection is in substantially the same condition as, or in better condition than, on the date of conveyance under subsection (a).

(d) COMPLIANCE WITH OTHER LAWS.—In connection with property conveyed under this section, the University of Idaho shall—

(1) comply with the National Historic Preservation Act (16 U.S.C. 470 et seq.) for all ground disturbing activities, with special emphases on compliance with sections 106, 110, and 112 (16 U.S.C. 470f, 470h–2, 470h–4); and

(2) protect prehistoric and historic resources in accordance with the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.).

(e) LIABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), as a condition of the conveyance of property under this section, the University of Idaho shall hold the United States harmless, and shall indemnify the United States, for all claims, costs, damages, and judgments arising out of any act or omission relating to the property conveyed under this section.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to a claim, cost, damage, or judgment arising from an act of negligence committed by the United States, or by an employee, agent, or contractor of the United States, prior to the date of the conveyance under this section, for which the United States is found liable under chapter 171 of title 28, United States Code.

Mr. GRAMS. I ask unanimous consent that the committee amendment be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2505), as amended, was considered read the third time and passed.

BORDER SMOG REDUCTION ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 664, H.R. 8.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 8) to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicle emissions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3739

(Purpose: To make a manager's amendment.)

Mr. GRAMS. Mr. President, Senator CHAFEE has a manager's amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS] for Mr. CHAFEE, proposes an amendment numbered 3739.

Mr. GRAMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Border Smog Reduction Act of 1998".

SEC. 2. AMENDMENT OF CLEAN AIR ACT.

Section 183 of the Clean Air Act (42 U.S.C. 7511b) is amended by adding at the end the following:

"(h) VEHICLES ENTERING OZONE NONATTAINMENT AREAS.—

"(1) AUTHORITY REGARDING OZONE INSPECTION AND MAINTENANCE TESTING.—

"(A) IN GENERAL.—No noncommercial motor vehicle registered in a foreign country and operated by a United States citizen or by an alien who is a permanent resident of the United States, or who holds a visa for the purposes of employment or educational study in the United States, may enter a covered ozone nonattainment area from a foreign country bordering the United States and contiguous to the nonattainment area more than twice in a single calendar-month period, if State law has requirements for the inspection and maintenance of such vehicles under the applicable implementation plan in the nonattainment area.

"(B) APPLICABILITY.—Subparagraph (A) shall not apply if the operator presents documentation at the United States border entry point establishing that the vehicle has complied with such inspection and maintenance requirements as are in effect and are applicable to motor vehicles of the same type and model year.

"(2) SANCTIONS FOR VIOLATIONS.—The President may impose and collect from the operator of any motor vehicle who violates, or attempts to violate, paragraph (1) a civil penalty of not more than $200 for the second violation or attempted violation and $400 for the third and each subsequent violation or attempted violation.

"(3) STATE ELECTION.—The prohibition set forth in paragraph (1) shall not apply in any State that elects to be exempt from the prohibition. Such an election shall take effect upon the President's receipt of written notice from the Governor of the State notifying the President of such election.

"(4) ALTERNATIVE APPROACH.—The prohibition set forth in paragraph (1) shall not apply in a State, and the President may implement an alternative approach, if—

"(A) the Governor of the State submits to the President a written description of an alternative approach to facilitate the compliance, by some or all foreign-registered motor vehicles, with the motor vehicle inspection and maintenance requirements that are—

"(i) related to emissions of air pollutants;

"(ii) in effect under the applicable implementation plan in the covered ozone nonattainment area; and

"(iii) applicable to motor vehicles of the same types and model years as the foreign-registered motor vehicles; and

"(B) the President approves the alternative approach as facilitating compliance with the motor vehicle inspection and maintenance requirements referred to in subparagraph (A).

"(5) DEFINITION OF COVERED OZONE NONATTAINMENT AREA.—In this section, the term 'covered ozone nonattainment area' means a Serious Area, as classified under section 181 as of the date of enactment of this subsection.".

SEC. 3. GENERAL PROVISIONS.

(a) IN GENERAL.—The amendment made by section 2 takes effect 180 days after the date of enactment of this Act. Nothing in that amendment shall require action that is inconsistent with the obligations of the United States under any international agreement.

(b) INFORMATION.—As soon as practicable after the date of enactment of this Act, the appropriate agency of the United States shall distribute information to publicize the prohibition set forth in the amendment made by section 2.

SEC. 4. STUDY BY GENERAL ACCOUNTING OFFICE.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the impact of the amendment made by section 2.

(b) CONTENTS OF STUDY.—The study under subsection (a) shall compare—

(1) the potential impact of the amendment made by section 2 on air quality in ozone nonattainment areas affected by the amendment; with

(2) the impact on air quality in those areas caused by the increase in the number of vehicles engaged in commerce operating in the United States and registered in, or operated from, Mexico, as a result of the implementation of the North American Free Trade Agreement.

(c) REPORT.—Not later than July 1, 1999, the Comptroller General of the United States shall submit to the Committee on Commerce of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the findings of the study under subsection (a).

Mr. CHAFEE. Mr. President, I have sent to the desk a manager's amendment to H.R. 8, a bill that was reported out of the Environment and Public Works Committee on a voice vote. Mr. President, H.R. 8 was developed to address part of the air pollution in southern California that has proven difficult to control. The pollution source in question is emissions from cars and trucks crossing into the San Diego area from Mexico. Those of us who work on the problems of air pollution are well aware of the strict auto emissions standards California has put in place in an effort to meet national air quality standards. Many of the cars crossing the border from Mexico greatly exceed the standards that California cars are expected to meet.

California has an extremely difficult task in trying to improve its air quality. The State is working to reduce emissions from nearly every conceivable source. The excess emissions from cross-border traffic is estimated to be 13 percent of the excess pollution from cars and trucks in the San Diego area.

So, H.R. 8 was written to allow cars to be checked as they come across the border to ensure that those cars coming into the U.S. on a regular basis comply with State emission standards. California State law already requires this, but without a border check, the law has been impossible to enforce.

This matter has been widely recognized as one that H.R. 8 can be helpful in addressing, and as I have said, the bill was approved by a voice vote in the committee.

Today, I am submitting a manager's amendment to remedy some concerns raised by a few Senators about how the bill might apply to other states. The amendment will ensure that this bill is neutral with respect to all parts of the U.S. border with Mexico or Canada except the California-Mexico border, where the real problem is. Another change made by the amendment will focus the bill more narrowly on regular commuters as opposed to the occasional visitor on a shopping trip.

Mr. President, it is my understanding that this amendment has already been reviewed and approved by the minority. These changes also have been cleared by both the majority and minority on the House Commerce Committee, as well as by Congressman BILBRAY, the bill's sponsor.

I would urge my colleagues to adopt this amendment and pass H.R. 8.

Mr. GRAMS. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3739) was agreed to.

Mr. GRAMS. I ask unanimous consent that the bill, as amended, be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 8), as amended, was considered read the third time and passed.

RELIEF OF RICHARD M. BARLOW

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 585, Senate Resolution 256.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 256) to refer S. 2274 entitled "A bill for the relief of Richard M. Barlow of Santa Fe, New Mexico" to the chief judge of the United States Courts of Federal Claims for a report thereon.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 256) was agreed to.

The resolution reads as follows:

S. RES. 256

Resolved, That (a) S. 2274 entitled "A bill for the relief of Richard M. Barlow of Santa Fe, New Mexico" now pending in the Senate, together with all the accompanying papers, is referred to the chief judge of the United States Court of Federal Claims.

(b) The chief judge shall—

(1) proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code; and

(2) report back to the Senate, at the earliest practicable date, providing—

(A) such findings of fact and conclusions that are sufficient to inform the Congress of the nature, extent, and character of the claim for compensation referred to in such bill as a legal or equitable claim against the United States or a gratuity; and

(B) the amount, if any, legally or equitably due from the United States to Mr. Richard M. Barlow of Santa Fe, New Mexico.

COMMENDING MARK MCGWIRE AND SAMMY SOSA

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 286, submitted earlier by Senator MACK.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 286) expressing the sense of the Senate that Mark McGwire and Sammy Sosa should be commended for their accomplishments.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMS. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 286) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 286

Whereas the recent conclusion of the regular baseball season marked the end of an unprecedented home run race between the St. Louis Cardinals' Mark McGwire and the Chicago Cubs' Sammy Sosa;

Whereas both broke Roger Maris' home run record that many thought would stand untouched as indeed it has since Maris passed the "Babe" by one home run when he hit his 61st some 37 years ago;

Whereas "Mighty Mac" rounded out his record setting season by sending two more over the fence in the team's final game to finish the year with 70 homes runs while "Slammin' Sammy" finished close behind with 66;

Whereas McGwire and Sosa brought to the game much more than a new record for the books, even though they are both great competitors, they showed the nation how competitors can show mutual respect and appreciation toward each other and to the game;

Whereas Mark McGwire is surely an ideal role model for tomorrow's baseball stars as evidenced by his quiet dignity, love of the game and respect for his competitors which was clearly demonstrated the night he broke the home run record—from his triumphant jog around the bases, to hugging his son at home plate, to saluting Sammy Sosa, and then finally spending a few moments in the stands with the family of Roger Maris;

Whereas Sammy Sosa who stayed on McGwire's heels throughout the home run chase is also a role model who, as a native from the Dominican Republic, rose from near poverty to be one of the greatest home run hitters in the history of the game, and is a hero in his home country where he continues to share his success by funding special programs for its underprivileged children;

Whereas the nation witnessed this year a flashback to an earlier time when the fans felt a connection to the players and the players gave their all for the fans;

Whereas baseball is a game for magic moments, like a perfect game or a triple play—or watching the ball fly over the fence for a home run, and, this year, McGwire and Sosa brought the nation plenty of those magic moments; and

Whereas through class and character Mark McGwire and Sammy Sosa are modern day heroes who brought out the best in baseball and reminded us all why baseball is the great American past time: Now, therefore, be it

Resolved, Mark McGwire and Sammy Sosa are to be commended for their record achievement, for reinvigorating the game of baseball, for their decency, and for giving our children sports heroes worthy of that status.

AUTHORIZING REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. GRAMS. Mr. President, I now ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 287, submitted earlier by Senators LOTT and DASCHLE.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 287) to authorize representation by Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. LOTT. Mr. President, this resolution concerns a civil action commenced in United States District Court for the District of Hawaii in July 1998. The action sought to appeal a 1993 court order in another case. The complaint named Senator INOUYE as one of two defendants, apparently because of the plaintiff's dissatisfaction with Senator INOUYE's casework assistance regarding certain state law violations that Hawaii harbors officials charged against the plaintiff. Shortly after the complaint was filed, and before either Senator INOUYE or the other defendant had been served with the complaint, the district court dismissed the action sua sponte. The plaintiff has now appealed the dismissal to the Ninth Circuit.

This resolution would authorize the Senate Legal Counsel to represent Senator INOUYE in this matter to move the Ninth Circuit to affirm the judgment of the district court.

Mr. GRAMS. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 287) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 287

Whereas, Senator Daniel K. Inouye has been named as a defendant in the case of *O'Leary* v. *Fujikawa, et al.*, Case No. 98–16439, now pending in the United States Court of Appeals for the Ninth Circuit;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1), the Senate may direct its counsel to represent Members of the Senate in civil actions with respect to their official responsibilities: Now, therefore, be it *Resolved*, That the Senate Legal Counsel is authorized to represent Senator Daniel K. Inouye in the case of *O'Leary* v. *Fujikawa, et al.*

ASSISTIVE TECHNOLOGY ACT OF 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 577, S. 2432.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2432) to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Assistive Technology Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definitions and rule.

TITLE I—STATE GRANT PROGRAMS

Sec. 101. Continuity grants for States that received funding for a limited period for technology-related assistance.
Sec. 102. State challenge grants.
Sec. 103. Supplementary millennium grants to States for State and local capacity building.
Sec. 104. State grants for protection and advocacy related to assistive technology.
Sec. 105. Administrative provisions.
Sec. 106. Technical assistance program.
Sec. 107. Authorization of appropriations.

TITLE II—NATIONAL ACTIVITIES

Subtitle A—Rehabilitation Act of 1973

Sec. 201. Coordination of Federal research efforts.
Sec. 202. National Council on Disability.
Sec. 203. Architectural and Transportation Barriers Compliance Board.

Subtitle B—Other National Activities

Sec. 211. Small business incentives.
Sec. 212. Technology transfer and universal design.
Sec. 213. Universal design in products and the built environment.
Sec. 214. Outreach.
Sec. 215. Training pertaining to rehabilitation engineers and technicians.
Sec. 216. Assistive technology taxonomy.
Sec. 217. President's Committee on Employment of People With Disabilities.
Sec. 218. Authorization of appropriations.

TITLE III—ALTERNATIVE FINANCING MECHANISMS

Sec. 301. General authority.
Sec. 302. Amount of grants.
Sec. 303. Applications and procedures.
Sec. 304. Contracts with community-based organizations.
Sec. 305. Grant administration requirements.
Sec. 306. Information and technical assistance.
Sec. 307. Annual report.
Sec. 308. Authorization of appropriations.

TITLE IV—REPEAL AND CONFORMING AMENDMENTS

Sec. 401. Repeal.
Sec. 402. Conforming amendments.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds the following:

(1) Disability is a natural part of the human experience and in no way diminishes the right of individuals to—

(A) live independently;

(B) enjoy self-determination and make choices;

(C) benefit from an education;

(D) pursue meaningful careers; and

(E) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of society in the United States.

(2) Technology has become 1 of the primary engines for economic activity, education, and innovation in the Nation, and throughout the world. The commitment of the United States to the development and utilization of technology is 1 of the main factors underlying the strength and vibrancy of the economy of the United States.

(3) As technology has come to play an increasingly important role in the lives of all persons in the United States, in the conduct of business, in the functioning of government, in the fostering of communication, in the conduct of commerce, and in the provision of education, its impact upon the lives of the more than 50,000,000 individuals with disabilities in the United States has been comparable to its impact upon the remainder of the citizens of the United States. Any development in mainstream technology would have profound implications for individuals with disabilities in the United States.

(4) Substantial progress has been made in the development of assistive technology devices, including adaptations to existing devices that facilitate activities of daily living, that significantly benefit individuals with disabilities of all ages. Such devices and adaptations increase the involvement of such individuals in, and reduce expenditures associated with, programs and activities such as early intervention, education, rehabilitation and training, employment, residential living, independent living, and recreation programs and activities, and other aspects of daily living.

(5) All States have comprehensive statewide programs of technology-related assistance. Federal support for such programs should continue, strengthening the capacity of each State to assist individuals with disabilities of all ages with their assistive technology needs.

(6) Notwithstanding the efforts of such State programs, there is still a lack of—

(A) resources to pay for assistive technology devices and assistive technology services;

(B) trained personnel to assist individuals with disabilities to use such devices and services;

(C) information among targeted individuals about the availability and potential benefit of technology for individuals with disabilities;

(D) outreach to underrepresented populations and rural populations;

(E) systems that ensure timely acquisition and delivery of assistive technology devices and assistive technology services;

(F) coordination among State human services programs, and between such programs and private entities, particularly with respect to transitions between such programs and entities; and

(G) capacity in such programs to provide the necessary technology-related assistance.

(7) In the current technological environment, the line of demarcation between assistive technology and mainstream technology is becoming ever more difficult to draw.

(8) Many individuals with disabilities cannot access existing telecommunications and information technologies and are at risk of not being able to access developing technologies. The failure of Federal and State governments, hardware manufacturers, software designers, information systems managers, and telecommunications service providers to account for the specific needs of individuals with disabilities in the design, manufacture, and procurement of telecommunications and information technologies results in the exclusion of such individuals from the use of telecommunications and information technologies and results in unnecessary costs associated with the retrofitting of devices and product systems.

(9) There are insufficient incentives for Federal contractors and other manufacturers of technology to address the application of technology advances to meet the needs of individuals with disabilities of all ages for assistive technology devices and assistive technology services.

(10) The use of universal design principles reduces the need for many specific kinds of assistive technology devices and assistive technology services by building in accommodations for individuals with disabilities before rather than after production. The use of universal design principles also increases the likelihood that products (including services) will be compatible with existing assistive technologies. These principles

are increasingly important to enhance access to information technology, telecommunications, transportation, physical structures, and consumer products. There are insufficient incentives for commercial manufacturers to incorporate universal design principles into the design and manufacturing of technology products, including devices of daily living, that could expand their immediate use by individuals with disabilities of all ages.

(11) There are insufficient incentives for commercial pursuit of the application of technology devices to meet the needs of individuals with disabilities, because of the perception that such individuals constitute a limited market.

(12) At the Federal level, the Federal Laboratories, the National Aeronautics and Space Administration, and other similar entities do not recognize the value of, or commit resources on an ongoing basis to, technology transfer initiatives that would benefit, and especially increase the independence of, individuals with disabilities.

(13) At the Federal level, there is a lack of coordination among agencies that provide or pay for the provision of assistive technology devices and assistive technology services. In addition, the Federal Government does not provide adequate assistance and information with respect to the quality and use of assistive technology devices and assistive technology services to targeted individuals.

(14) There are changes in the delivery of assistive technology devices and assistive technology services, including—

(A) the impact of the increased prevalence of managed care entities as payors for assistive technology devices and assistive technology services;

(B) an increased focus on universal design;

(C) the increased importance of assistive technology in employment, as more individuals with disabilities move from public assistance to work through training and on-the-job accommodations;

(D) the role and impact that new technologies have on how individuals with disabilities will learn about, access, and participate in programs or services that will affect their lives; and

(E) the increased role that telecommunications play in education, employment, health care, and social activities.

(b) PURPOSES.—The purposes of this Act are—

(1) to provide financial assistance to States to undertake activities that assist each State in maintaining and strengthening a permanent comprehensive statewide program of technology-related assistance, for individuals with disabilities of all ages, that is designed to—

(A) increase the availability of, funding for, access to, and provision of, assistive technology devices and assistive technology services;

(B) increase the active involvement of individuals with disabilities and their family members, guardians, advocates, and authorized representatives, in the maintenance, improvement, and evaluation of such a program;

(C) increase the involvement of individuals with disabilities and, if appropriate, their family members, guardians, advocates, and authorized representatives, in decisions related to the provision of assistive technology devices and assistive technology services;

(D) increase the provision of outreach to underrepresented populations and rural populations, to enable the 2 populations to enjoy the benefits of activities carried out under this Act to the same extent as other populations;

(E) increase and promote coordination among State agencies, between State and local agencies, among local agencies, and between State and local agencies and private entities (such as managed care providers), that are involved or are eligible to be involved in carrying out activities under this Act;

(F)(i) increase the awareness of laws, regulations, policies, practices, procedures, and organizational structures, that facilitate the availability or provision of assistive technology devices and assistive technology services; and

(ii) facilitate the change of laws, regulations, policies, practices, procedures, and organizational structures, to obtain increased availability or provision of assistive technology devices and assistive technology services;

(G) increase the probability that individuals with disabilities of all ages will, to the extent appropriate, be able to secure and maintain possession of assistive technology devices as such individuals make the transition between services offered by human service agencies or between settings of daily living (for example, between home and work);

(H) enhance the skills and competencies of individuals involved in providing assistive technology devices and assistive technology services;

(I) increase awareness and knowledge of the benefits of assistive technology devices and assistive technology services among targeted individuals;

(J) increase the awareness of the needs of individuals with disabilities of all ages for assistive technology devices and for assistive technology services; and

(K) increase the capacity of public agencies and private entities to provide and pay for assistive technology devices and assistive technology services on a statewide basis for individuals with disabilities of all ages;

(2) to identify Federal policies that facilitate payment for assistive technology devices and assistive technology services, to identify those Federal policies that impede such payment, and to eliminate inappropriate barriers to such payment; and

(3) to enhance the ability of the Federal Government to—

(A) provide States with financial assistance that supports—

(i) information and public awareness programs relating to the provision of assistive technology devices and assistive technology services;

(ii) improved interagency and public-private coordination, especially through new and improved policies, that result in increased availability of assistive technology devices and assistive technology services; and

(iii) technical assistance and training in the provision or use of assistive technology devices and assistive technology services; and

(B) fund national, regional, State, and local targeted initiatives that promote understanding of and access to assistive technology devices and assistive technology services for targeted individuals.

SEC. 3. DEFINITIONS AND RULE.

(a) DEFINITIONS.—In this Act:

(1) ADVOCACY SERVICES.—The term "advocacy services", except as used as part of the term "protection and advocacy services", means services provided to assist individuals with disabilities and their family members, guardians, advocates, and authorized representatives in accessing assistive technology devices and assistive technology services.

(2) ASSISTIVE TECHNOLOGY.—The term "assistive technology" means technology designed to be utilized in an assistive technology device or assistive technology service.

(3) ASSISTIVE TECHNOLOGY DEVICE.—The term "assistive technology device" means any item, piece of equipment, or product system, whether acquired commercially, modified, or customized, that is used to increase, maintain, or improve functional capabilities of individuals with disabilities.

(4) ASSISTIVE TECHNOLOGY SERVICE.—The term "assistive technology service" means any service that directly assists an individual with a disability in the selection, acquisition, or use of an assistive technology device. Such term includes—

(A) the evaluation of the assistive technology needs of an individual with a disability, including a functional evaluation of the impact of the provision of appropriate assistive technology and appropriate services to the individual in the customary environment of the individual;

(B) services consisting of purchasing, leasing, or otherwise providing for the acquisition of assistive technology devices by individuals with disabilities;

(C) services consisting of selecting, designing, fitting, customizing, adapting, applying, maintaining, repairing, or replacing assistive technology devices;

(D) coordination and use of necessary therapies, interventions, or services with assistive technology devices, such as therapies, interventions, or services associated with education and rehabilitation plans and programs;

(E) training or technical assistance for an individual with disabilities, or, where appropriate, the family members, guardians, advocates, or authorized representatives of such an individual; and

(F) training or technical assistance for professionals (including individuals providing education and rehabilitation services), employers, or other individuals who provide services to, employ, or are otherwise substantially involved in the major life functions of individuals with disabilities.

(5) CAPACITY BUILDING AND ADVOCACY ACTIVITIES.—The term "capacity building and advocacy activities" means efforts that—

(A) result in laws, regulations, policies, practices, procedures, or organizational structures that promote consumer-responsive programs or entities; and

(B) facilitate and increase access to, provision of, and funding for, assistive technology devices and assistive technology services,

in order to empower individuals with disabilities to achieve greater independence, productivity, and integration and inclusion within the community and the workforce.

(6) COMPREHENSIVE STATEWIDE PROGRAM OF TECHNOLOGY-RELATED ASSISTANCE.—The term "comprehensive statewide program of technology-related assistance" means a consumer-responsive program of technology-related assistance for individuals with disabilities, implemented by a State, and equally available to all individuals with disabilities residing in the State, regardless of their type of disability, age, income level, or location of residence in the State, or the type of assistive technology device or assistive technology service required.

(7) CONSUMER-RESPONSIVE.—The term "consumer-responsive"—

(A) with regard to policies, means that the policies are consistent with the principles of—

(i) respect for individual dignity, personal responsibility, self-determination, and pursuit of meaningful careers, based on informed choice, of individuals with disabilities;

(ii) respect for the privacy, rights, and equal access (including the use of accessible formats) of such individuals;

(iii) inclusion, integration, and full participation of such individuals in society;

(iv) support for the involvement in decisions of a family member, a guardian, an advocate, or an authorized representative, if an individual with a disability requests, desires, or needs such involvement; and

(v) support for individual and systems advocacy and community involvement; and

(B) with respect to an entity, program, or activity, means that the entity, program, or activity—

(i) is easily accessible to, and usable by, individuals with disabilities and, when appropriate,

their family members, guardians, advocates, or authorized representatives;

(ii) responds to the needs of individuals with disabilities in a timely and appropriate manner; and

(iii) facilitates the full and meaningful participation of individuals with disabilities (including individuals from underrepresented populations and rural populations) and their family members, guardians, advocates, and authorized representatives, in—

(I) decisions relating to the provision of assistive technology devices and assistive technology services to such individuals; and

(II) decisions related to the maintenance, improvement, and evaluation of the comprehensive statewide program of technology-related assistance, including decisions that affect advocacy, capacity building, and capacity building and advocacy activities.

(8) DISABILITY.—The term "disability" means a condition of an individual that is considered to be a disability or handicap for the purposes of any Federal law other than this Act or for the purposes of the law of the State in which the individual resides.

(9) INDIVIDUAL WITH A DISABILITY; INDIVIDUALS WITH DISABILITIES.—

(A) INDIVIDUAL WITH A DISABILITY.—The term "individual with a disability" means any individual of any age, race, or ethnicity—

(i) who has a disability; and

(ii) who is or would be enabled by an assistive technology device or an assistive technology service to minimize deterioration in functioning, to maintain a level of functioning, or to achieve a greater level of functioning in any major life activity.

(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than 1 individual with a disability.

(10) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given such term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)), and includes a community college receiving funding under the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801 et seq.).

(11) PROTECTION AND ADVOCACY SERVICES.—The term "protection and advocacy services" means services that—

(A) are described in part C of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6041 et seq.), the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (42 U.S.C. 10801 et seq.), or section 509 of the Rehabilitation Act of 1973; and

(B) assist individuals with disabilities with respect to assistive technology devices and assistive technology services.

(12) SECRETARY.—The term "Secretary" means the Secretary of Education.

(13) STATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B) and section 302, the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(B) OUTLYING AREAS.—In sections 101(c), 102(c), 103(d), and 104(b):

(i) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(ii) STATE.—The term "State" does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(14) TARGETED INDIVIDUALS.—The term "targeted individuals" means—

(A) individuals with disabilities of all ages and their family members, guardians, advocates, and authorized representatives;

(B) individuals who work for public or private entities (including insurers or managed care providers), that have contact with individuals with disabilities;

(C) educators and related services personnel;

(D) technology experts (including engineers);

(E) health and allied health professionals;

(F) employers; and

(G) other appropriate individuals and entities.

(15) TECHNOLOGY-RELATED ASSISTANCE.—The term "technology-related assistance" means assistance provided through capacity building and advocacy activities that accomplish the purposes described in any of subparagraphs (A) through (K) of section 2(b)(1).

(16) UNDERREPRESENTED POPULATION.—The term "underrepresented population" means a population that is typically underrepresented in service provision, and includes populations such as persons who have low-incidence disabilities, persons who are minorities, poor persons, persons with limited-English proficiency, older individuals, or persons from rural areas.

(17) UNIVERSAL DESIGN.—The term "universal design" means a concept or philosophy for designing and delivering products and services that are usable by people with the widest possible range of functional capabilities, which include products and services that are directly usable (without requiring assistive technologies) and products and services that are made usable with assistive technologies.

(b) REFERENCES.—References in this Act to a provision of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 shall be considered to be references to such provision as in effect on the day before the date of enactment of this Act.

TITLE I—STATE GRANT PROGRAMS

SEC. 101. CONTINUITY GRANTS FOR STATES THAT RECEIVED FUNDING FOR A LIMITED PERIOD FOR TECHNOLOGY-RELATED ASSISTANCE.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall award grants, in accordance with this section, to eligible States to support capacity building and advocacy activities, designed to assist the States in maintaining permanent comprehensive statewide programs of technology-related assistance that accomplish the purposes described in section 2(b)(1).

(2) ELIGIBLE STATES.—To be eligible to receive a grant under this section a State shall be a State that received grants for less than 10 years under title I of the Technology-Related Assistance for Individuals With Disabilities Act of 1988.

(b) USE OF FUNDS.—

(1) IN GENERAL.—Any State that receives a grant under this section shall use the funds made available through the grant to carry out the activities described in paragraph (2) and may use the funds to carry out the activities described in paragraph (3).

(2) MANDATORY ACTIVITIES.—

(A) PUBLIC AWARENESS PROGRAM.—

(i) IN GENERAL.—The State shall support a public awareness program designed to provide information to targeted individuals relating to the availability and benefits of assistive technology devices and assistive technology services.

(ii) LINK.—Such a public awareness program shall have an electronic link to the National Public Internet Site authorized under section 106(c)(1).

(iii) CONTENTS.—The public awareness program may include—

(I) the development and dissemination of information relating to—

(aa) the nature of assistive technology devices and assistive technology services;

(bb) the appropriateness of, cost of, availability of, evaluation of, and access to, assistive technology devices and assistive technology services; and

(cc) the benefits of assistive technology devices and assistive technology services with respect to enhancing the capacity of individuals with disabilities of all ages to perform activities of daily living;

(II) the development of procedures for providing direct communication between providers of assistive technology and targeted individuals; and

(III) the development and dissemination, to targeted individuals, of information about State efforts related to assistive technology.

(B) INTERAGENCY COORDINATION.—

(i) IN GENERAL.—The State shall develop and promote the adoption of policies that improve access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State and that result in improved coordination among public and private entities that are responsible or have the authority to be responsible, for policies, procedures, or funding for, or the provision of assistive technology devices and assistive technology services to, such individuals.

(ii) APPOINTMENT TO CERTAIN INFORMATION TECHNOLOGY PANELS.—The State shall appoint the director of the lead agency described in subsection (d) or the designee of the director, to any committee, council, or similar organization created by the State to assist the State in the development of the information technology policy of the State.

(iii) COORDINATION ACTIVITIES.—The development and promotion described in clause (i) may include support for—

(I) policies that result in improved coordination, including coordination between public and private entities—

(aa) in the application of Federal and State policies;

(bb) in the use of resources and services relating to the provision of assistive technology devices and assistive technology services, including the use of interagency agreements; and

(cc) in the improvement of access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State;

(II) convening interagency work groups, involving public and private entities, to identify, create, or expand funding options, and coordinate access to funding, for assistive technology devices and assistive technology services for individuals with disabilities of all ages; or

(III) documenting and disseminating information about interagency activities that promote coordination, including coordination between public and private entities, with respect to assistive technology devices and assistive technology services.

(C) TECHNICAL ASSISTANCE AND TRAINING.—The State shall carry out directly, or provide support to public or private entities to carry out, technical assistance and training activities for targeted individuals, including—

(i) the development and implementation of laws, regulations, policies, practices, procedures, or organizational structures that promote access to assistive technology devices and assistive technology services for individuals with disabilities in education, health care, employment, and community living contexts, and in other contexts such as leisure activities and the use of telecommunications;

(ii)(I) the development of training materials and the conduct of training in the use of assistive technology devices and assistive technology services; and

(II) the provision of technical assistance, including technical assistance concerning how—

(aa) to consider the needs of an individual with a disability for assistive technology devices *and assistive technology services in developing any individualized plan or program authorized under Federal or State law;*

(bb) the rights of targeted individuals to assistive technology devices and assistive technology services are addressed under laws other than this Act, to promote fuller independence, productivity, and inclusion in and integration into society of such individuals; or

(cc) to increase consumer participation in the identification, planning, use, delivery, and evaluation of assistive technology devices and assistive technology services; and

(iii)(I) the enhancement of the assistive technology skills and competencies of—

(aa) individuals who work for public or private entities (including insurers and managed care providers), who have contact with individuals with disabilities;

(bb) educators and related services personnel;

(cc) technology experts (including engineers);

(dd) health and allied health professionals;

(ee) employers; and

(ff) other appropriate personnel; and

(II) taking action to facilitate the development of standards, or, when appropriate, the application of such standards, to ensure the availability of qualified personnel.

(D) Outreach.—The State shall provide support to statewide and community-based organizations that provide assistive technology devices and assistive technology services to individuals with disabilities or that assist individuals with disabilities in using assistive technology devices and assistive technology services, including a focus on organizations assisting individuals from underrepresented populations and rural populations. Such support may include outreach to consumer organizations and groups in the State to coordinate efforts (including self-help, support group activities, and peer mentoring) to assist individuals with disabilities of all ages and their family members, guardians, advocates, or authorized representatives, to obtain funding for, access to, and information on evaluation of assistive technology devices and assistive technology services.

(3) Discretionary activities.—

(A) Alternative State-financed systems.—The State may support activities to increase access to, and funding for, assistive technology devices and assistive technology services, including—

(i) the development of systems that provide assistive technology devices and assistive technology services to individuals with disabilities of all ages, and that pay for such devices and services, such as—

(I) the development of systems for the purchase, lease, other acquisition, or payment for the provision, of assistive technology devices and assistive technology services; or

(II) the establishment of alternative State or privately financed systems of subsidies for the provision of assistive technology devices and assistive technology services, such as—

(aa) a low-interest loan fund;

(bb) an interest buy-down program;

(cc) a revolving loan fund;

(dd) a loan guarantee or insurance program;

(ee) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(ff) another mechanism that meets the requirements of title III and is approved by the Secretary;

(ii) the short-term loan of assistive technology devices to individuals, employers, public agencies, or public accommodations seeking strategies to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); or

(iii) the maintenance of information about, and recycling centers for, the redistribution of assistive technology devices and equipment, which may include redistribution through device and equipment loans, rentals, or gifts.

(B) Demonstrations.—The State, in collaboration with other entities in established, recognized community settings (such as nonprofit organizations, libraries, schools, community-based employer organizations, churches, and entities operating senior citizen centers, shopping malls, and health clinics), may demonstrate assistive technology devices in settings where targeted individuals can see and try out assistive technology devices, and learn more about the devices from personnel who are familiar with such devices and their applications or can be referred to other entities who have information on the devices.

(C) Options for securing devices and services.—The State, through public agencies or nonprofit organizations, may support assistance to individuals with disabilities and their family members, guardians, advocates, and authorized representatives about options for securing assistive technology devices and assistive technology services that would meet individual needs for such assistive technology devices and assistive technology services. Such assistance shall not include direct payment for an assistive technology device.

(D) Technology-related information.—

(i) In general.—The State may operate and expand a system for public access to information concerning an activity carried out under another paragraph of this subsection, including information about assistive technology devices and assistive technology services, funding sources and costs of such devices and services, and individuals, organizations, and agencies capable of carrying out such an activity for individuals with disabilities. The system shall be part of, and complement the information that is available through a link to, the National Public Internet Site described in section 106(c)(1).

(ii) Access.—Access to the system may be provided through community-based locations, including public libraries, centers for independent living (as defined in section 702 of the Rehabilitation Act of 1973), locations of community rehabilitation programs (as defined in section 7 of such Act), schools, senior citizen centers, State vocational rehabilitation offices, other State workforce offices, and other locations frequented or used by the public.

(iii) Information collection and preparation.—In operating or expanding a system described in subparagraph (A), the State may—

(I) develop, compile, and categorize print, large print, braille, audio, and video materials, computer disks, compact discs (including compact discs formatted with read-only memory), information in alternative formats that can be used in telephone-based information systems, and materials using such other media as technological innovation may make appropriate;

(II) identify and classify funding sources for obtaining assistive technology devices and assistive technology services, and the conditions of and criteria for access to such sources, including any funding mechanisms or strategies developed by the State;

(III) identify support groups and systems designed to help individuals with disabilities make effective use of an activity carried out under another paragraph of this subsection, including groups that provide evaluations of assistive technology devices and assistive technology services; and

(IV) maintain a record of the extent to which citizens of the State use or make inquiries of the system established in clause (i), and of the nature of such inquiries.

(E) Interstate activities.—

(i) In general.—The State may enter into cooperative agreements with other States to expand the capacity of the States involved to assist individuals with disabilities of all ages to learn about, acquire, use, maintain, adapt, and upgrade assistive technology devices and assistive technology services that such individuals need at home, at school, at work, or in other environments that are part of daily living.

(ii) Electronic communication.—The State may operate or participate in an electronic information exchange through which the State may communicate with other States to gain technical assistance in a timely fashion and to avoid the duplication of efforts already undertaken in other States.

(F) Partnerships and cooperative initiatives.—The State may support partnerships and cooperative initiatives between the public sector and the private sector to promote greater participation by business and industry in—

(i) the development, demonstration, and dissemination of assistive technology devices; and

(ii) the ongoing provision of information about new products to assist individuals with disabilities.

(G) Expenses.—The State may pay for expenses, including travel expenses, and services, including services of qualified interpreters, readers, and personal care assistants, that may be necessary to ensure access to the comprehensive statewide program of technology-related assistance by individuals with disabilities who are determined by the State to be in financial need and not eligible for such payments or services through another public agency or private entity.

(H) Advocacy services.—The State may provide advocacy services.

(c) Amount of Financial Assistance.—

(1) Grants to outlying areas.—From the funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year for grants under this section, the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) Grants to States.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States in accordance with the requirements described in paragraph (3).

(3) Calculation of State grants.—

(A) Calculations for grants in the second or third year of a second extension grant.—For any fiscal year, the Secretary shall calculate the amount of a grant under paragraph (2) for each eligible State that would be in the second or third year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, if that Act had been reauthorized for that fiscal year, in accordance with section 103(c)(2) of such Act.

(B) Calculations for grants in the fourth or fifth year of a second extension grant.—

(i) Fourth year.—An eligible State that would have been in the fourth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 during a fiscal year, if that Act had been reauthorized for that fiscal year, shall receive under paragraph (2) a grant in an amount equal to 75 percent of the funding that the State received in the prior fiscal year under section 103 of that Act or under this section, as appropriate.

(ii) Fifth year.—An eligible State that would have been in the fifth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 during a fiscal year, if that Act had been reauthorized for that fiscal year, shall receive under paragraph (2) a grant in an amount equal to 66⅔ percent of the funding

that the State received in the prior fiscal year under section 103 of that Act or under this section, as appropriate.

(C) ADDITIONAL STATES.—

(i) IN GENERAL.—For purposes of this paragraph, the Secretary shall treat a State described in clause (ii)—

(I) for fiscal years 1999 through 2001, as if the State were a State described in subparagraph (A); and

(II) for fiscal year 2002 or 2003, as if the State were a State described in clause (i) or (ii), respectively, of subparagraph (B).

(ii) STATE.—A State referred to in clause (i) shall be a State that—

(I) in fiscal year 1998, was in the second year of an initial extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988; and

(II) meets such terms and conditions as the Secretary shall determine to be appropriate.

(d) LEAD AGENCY.—

(1) IDENTIFICATION.—

(A) IN GENERAL.—To be eligible to receive a grant under this section, a State shall designate a lead agency to carry out appropriate State functions under this section. The lead agency shall be the current agency (as of the date of submission of the application supplement described in subsection (e)) administering the grant awarded to the State for fiscal year 1998 under title I of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, except as provided in subparagraph (B).

(B) CHANGE IN AGENCY.—The Governor may change the lead agency if the Governor shows good cause to the Secretary why the designated lead agency should be changed, in the application supplement described in subsection (e), and obtains approval of the supplement.

(2) DUTIES OF THE LEAD AGENCY.—The duties of the lead agency shall include—

(A) submitting the application supplement described in subsection (e) on behalf of the State;

(B) administering and supervising the use of amounts made available under the grant received by the State under this section;

(C)(i) coordinating efforts related to, and supervising the preparation of, the application supplement described in subsection (e);

(ii) continuing the coordination of the maintenance and evaluation of the comprehensive statewide program of technology-related assistance among public agencies and between public agencies and private entities, including coordinating efforts related to entering into interagency agreements; and

(iii) continuing the coordination of efforts, especially efforts carried out with entities that provide protection and advocacy services described in section 104, related to the active, timely, and meaningful participation by individuals with disabilities and their family members, guardians, advocates, or authorized representatives, and other appropriate individuals, with respect to activities carried out under the grant; and

(D) the delegation, in whole or in part, of any responsibilities described in subparagraph (A), (B), or (C) to 1 or more appropriate offices, agencies, entities, or individuals.

(e) APPLICATION SUPPLEMENT.—

(1) SUBMISSION.—Any State that desires to receive a grant under this section shall submit to the Secretary an application supplement to the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, at such time, in such manner, and for such period as the Secretary may specify, that contains the following information:

(A) GOALS AND ACTIVITIES.—A description of—

(i) the goals the State has set, for addressing the assistive technology needs of individuals with disabilities in the State, including any related to—

(I) health care;

(II) education;

(III) employment, including goals involving the State vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973;

(IV) telecommunication and information technology; or

(V) community living, including participation in recreation; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsection (b).

(B) MEASURES OF GOAL ACHIEVEMENT.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) INVOLVEMENT OF INDIVIDUALS WITH DISABILITIES OF ALL AGES AND THEIR FAMILIES.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(D) REDESIGNATION OF THE LEAD AGENCY.—If the Governor elects to change the lead agency, the following information:

(i) With regard to the original lead agency, evidence of—

(I) lack of progress in employment of qualified staff;

(II) lack of consumer-responsive activities;

(III) lack of resource allocation for systems change and advocacy activities;

(IV) lack of progress in meeting the assurances in the application submitted by the State under section 102(e) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988; or

(V) inadequate fiscal management.

(ii) With regard to the new lead agency, a description of—

(I) the capacity of the new lead agency to administer and conduct activities described in subsection (b) and this paragraph; and

(II) the procedures that the State will implement to avoid the deficiencies, described in clause (i), of the original lead agency.

(iii) Information identifying which agency prepared the application supplement.

(2) INTERIM STATUS OF STATE OBLIGATIONS.—Except as provided in subsection (f)(2), when the Secretary notifies a State that the State shall submit the application supplement to the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, the Secretary shall specify in the notification the time period for which the application supplement shall apply, consistent with paragraph (4).

(3) CONTINUING OBLIGATIONS.—Each State that receives a grant under this section shall continue to abide by the assurances the State made in the application the State submitted under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 and continue to comply with reporting requirements under that Act.

(4) DURATION OF APPLICATION SUPPLEMENT.—

(A) DETERMINATION.—The Secretary shall determine and specify to the State the time period for which the application supplement shall apply, in accordance with subparagraph (B).

(B) LIMIT.—Such time period for any State shall not extend beyond the year that would have been the fifth year of a second extension grant made for that State under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, if the Act had been reauthorized through that year.

(f) OPTIONS RELATED TO FUNDING FOR FISCAL YEARS 1999 THROUGH 2004.—

(1) EXTENSIONS.—

(A) IN GENERAL.—In the case of a State that was in the fifth year of a second extension grant made under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 in fiscal year 1998, the Secretary may, in the discretion of the Secretary, award a 1-year extension of the grant received for fiscal year 1999 to such a State if the State submits an application supplement under subsection (e) and meets other related requirements for a State seeking a grant under this section.

(B) AMOUNT.—A State that receives a 1-year extension of a grant under subparagraph (A), shall receive through the grant, for fiscal year 1999, an amount equivalent to the amount the State received for fiscal year 1998 under section 103 of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, from funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for grants under this section.

(2) CHALLENGE GRANTS.—For fiscal year 2000, any State eligible to receive funds under this section may elect to meet the requirements of and receive funds under section 102 instead of meeting the requirements of and receiving funds under this section. No State may receive funds under this section and section 102 for a fiscal year.

SEC. 102. STATE CHALLENGE GRANTS.

(a) GRANTS TO STATES.—The Secretary shall award grants to States to assist the States in maintaining and improving comprehensive statewide programs of technology-related assistance for individuals with disabilities in accordance with the provisions of this section. The Secretary shall provide assistance through such a grant to a State for 5 years.

(b) USE OF FUNDS.—

(1) IN GENERAL.—A State that receives a grant under this section shall use the funds made available through the grant to accomplish the purposes described in section 2(b)(1) by carrying out activities described in this subsection, based on an assessment of the needs for assistive technology devices and assistive technology services of individuals with disabilities in the State, as reported by such individuals, and through other means. The State shall, in appropriate cases, promote, consider, take into account, and incorporate the principles of universal design.

(2) MANDATORY ACTIVITIES.—

(A) INTERAGENCY COORDINATION.—The State shall develop and promote the adoption of policies that improve access to assistive technology devices and assistive technology services for individuals with disabilities of all ages in the State and that result in improved coordination among public and private entities that affect the provision of assistive technology devices and assistive technology services for such individuals. The State shall appoint the director of the State Assistive Technology Office designated under subsection (d)(1)(A) or the designee of the director, to any committee, council, or similar organization created by the State to assist the State in the development of the information technology policy of the State.

(B) ASSISTIVE TECHNOLOGY INFORMATION SYSTEM.—The State shall provide for the continuation and enhancement of a statewide information and referral system for individuals with disabilities and providers of services for individuals with disabilities. The system shall include an accessible Internet site with linkages to other appropriate sites, such as the National Public Internet Site described in section 106(c)(1). The system shall provide for public access to information about assistive technology devices and

assistive technology services, including information on the evaluation of such devices and services and entities that provide such evaluations, and funding sources for and costs of obtaining such devices and services.

(C) PUBLIC AWARENESS PROGRAM.—The State shall support, in collaboration with targeted individuals, targeted public awareness campaigns designed to provide information to targeted individuals about the availability, through public and private sources, and benefits, of assistive technology devices and assistive technology services.

(D) CAPACITY BUILDING AND ADVOCACY ACTIVITIES; TECHNICAL ASSISTANCE AND TRAINING.—

(i) IN GENERAL.—The State shall support capacity building and advocacy activities that include—

(I) the development and implementation of laws, regulations, policies, practices, procedures, or organizational structures that promote access to assistive technology devices and assistive technology services for individuals with disabilities in education, health care, employment, and community living contexts, and in other contexts such as leisure activities and the use of telecommunications; and

(II) the training and preparation of personnel to design, build, provide instruction on the use of, repair, and recycle assistive technology devices and to provide assistive technology services.

(ii) TARGETED TECHNICAL ASSISTANCE AND TRAINING.—The State shall also support public or private entities to carry out targeted technical assistance and training activities.

(E) OUTREACH.—The State shall provide support to statewide and community-based organizations that provide assistive technology devices and assistive technology services to individuals with disabilities or that assist individuals with disabilities in using assistive technology devices and assistive technology services, including a focus on organizations assisting individuals from underrepresented populations and rural populations. Such support may include outreach to consumer organizations and groups in the State to coordinate efforts (including self-help, support group activities, and peer mentoring) to assist individuals with disabilities of all ages and their family members, guardians, advocates, or authorized representatives, to obtain funding for, access to, and information on evaluation of assistive technology devices and assistive technology services.

(3) DISCRETIONARY ACTIVITIES.—A State that receives a grant under this section may use the funds made available through the grant to carry out additional activities that were authorized under the Technology-Related Assistance for Individuals With Disabilities Act of 1988, or other activities identified by the Secretary or the State, to which the Secretary gives approval.

(c) AMOUNT OF FINANCIAL ASSISTANCE.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 107(a) and reserved under clause (i) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year for grants under this section, the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) GRANTS TO STATES.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States from allotments made in accordance with the requirements described in paragraph (3).

(3) ALLOTMENTS.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1)—

(A) the Secretary shall allot $500,000 to each State; and

(B) from the remainder of the funds—

(i) the Secretary shall allot to each State an amount that bears the same ratio to 80 percent of the remainder as the population of the State bears to the population of all States; and

(ii) the Secretary shall allot to each State with a population density that is not more than 10 percent greater than the population density of the United States (according to the most recently available census data) an equal share from 20 percent of the remainder.

(d) STATE TECHNOLOGY PLAN.—Any State that desires to receive a grant under this section shall submit to the Secretary a plan, at such time, in such manner, and for such period as the Secretary may specify, that contains the following information and assurances:

(1) DESIGNATION OF PUBLIC AGENCY AND STATE ASSISTIVE TECHNOLOGY OFFICE.—

(A) IN GENERAL.—Information identifying, and a description of, the public agency designated by the Governor to control and administer the funds made available through the grant awarded to the State under this section, and information identifying the entity designated by the Governor to be the State Assistive Technology Office (which shall carry out State activities under this section), if such entity is different than the designated public agency. In designating the entity to be the State Assistive Technology Office, the Governor may designate—

(i) a commission, council, or other official body appointed by the Governor;

(ii) a public-private partnership or consortium;

(iii) a public agency, including the immediate office of the Governor of the State, a State oversight office, a State agency, a public institution of higher education, a university-affiliated program, or another public entity;

(iv) a council established under Federal or State law; or

(v) another appropriate office, agency, entity, or individual.

(B) EXPERTISE, EXPERIENCE, AND ABILITY OF STATE ASSISTIVE TECHNOLOGY OFFICE.—A description demonstrating that the entity designated as the State Assistive Technology Office has the expertise, experience, and ability to—

(i) provide leadership in developing State policy related to assistive technology, including policy relating to the procurement of accessible electronic and information technology by State agencies and the incorporation of principles of universal design in the State infrastructure;

(ii) respond to assistive technology needs of individuals with disabilities with the full range of disabilities and of all ages;

(iii) promote availability throughout the State of assistive technology devices and assistive technology services;

(iv) promote and implement system improvement and policy advocacy activities pertaining to assistive technology devices and assistive technology services;

(v) work proactively and collaboratively with State agencies and private entities involved in funding and delivering assistive technology devices and assistive technology services;

(vi) provide technical assistance for capacity building and advocacy activities and training relating to assistive technology devices and assistive technology services, and enhancement of access to funding for assistive technology, across all State agencies;

(vii) promote and develop public-private partnerships related to assistive technology devices and assistive technology services;

(viii) exercise leadership in identifying and responding to the technology needs of individuals with disabilities and their family members, guardians, advocates, and authorized representatives; and

(ix) promote consumer confidence, responsiveness, and advocacy related to assistive technology devices and assistive technology services.

(2) INVOLVEMENT OF ENTITIES AND TARGETED INDIVIDUALS IN THE DEVELOPMENT OF THE PLAN AND IMPLEMENTATION OF THE ACTIVITIES.—

(A) ENTITIES.—A description of how various public and private entities were involved in the development of the plan and will be involved in the planned implementation of the activities to be carried out under the grant, including a description of the nature and extent of each type of involvement.

(B) TARGETED INDIVIDUALS.—A description of how targeted individuals, especially individuals with disabilities who use assistive technology, were involved in the development of the plan and will be involved in the planned implementation of the activities, including a description of the nature and extent of each type of involvement.

(3) ADVISORY GROUP.—A description of an advisory group of targeted individuals, a majority of whom are individuals with disabilities and parents of such individuals, who will assist the State Assistive Technology Office in identifying the unmet assistive technology needs of individuals with disabilities and assist the Office in deciding how the assistive technology needs of such individuals will be addressed by the State.

(4) NEEDS ASSESSMENT.—A description and the results of a needs assessment from which the goals described in paragraph (7) were derived.

(5) STATE RESOURCES.—A description of State resources and other resources that are available to commit to the maintenance of the comprehensive statewide program of technology-related assistance.

(6) ELECTRONIC AND INFORMATION TECHNOLOGY.—An assurance that the State, and any recipient of funds made available to the State under this section, not later than fiscal year 2001, will have procurement policies and procedures in effect that are consistent with the objectives, complaint procedures, and standards of section 508 of the Rehabilitation Act of 1973.

(7) GOALS AND ACTIVITIES.—

(A) IN GENERAL.—A description of—

(i) the goals the State has set, for addressing the assistive technology needs of individuals with disabilities in the State, including any goals related to—

(I) health care;

(II) education;

(III) employment, including goals involving the State vocational rehabilitation program carried out under title I of the Rehabilitation Act of 1973;

(IV) telecommunication and information technology; or

(V) community living, including participation in recreation; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsection (b).

(B) MEASURES OF GOAL ACHIEVEMENT.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) INVOLVEMENT OF INDIVIDUALS WITH DISABILITIES OF ALL AGES AND THEIR FAMILIES.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(8) ANNUAL ASSESSMENT.—An assurance that the State will conduct an annual assessment of the comprehensive statewide program of technology-related assistance, in order to determine—

(A) the extent to which the goals described in paragraph (7) have been achieved; and

(B) the areas of need that require attention in the next year.

(9) DATA COLLECTION.—A description of the data collection system used for compiling information on the program, which shall be consistent with any standardized data collection requirements specified by the Secretary.

(10) USE OF GRANT FUNDS.—An assurance that funds received through the grant will be expended in accordance with the provisions of this section and of the State technology plan.

(11) SUPPLEMENT OTHER FUNDS.—An assurance that funds received through the grant—

(A) will be used to supplement, and not supplant, funds available from other sources for technology-related assistance, including the provision of assistive technology devices and assistive technology services; and

(B) will not be used to pay a financial obligation for technology-related assistance (including the provision of assistive technology devices or assistive technology services) that would have been paid with amounts available from other sources if funds made available through the grant had not been available.

(12) CONTROL OF FUNDS AND PROPERTY.—An assurance that—

(A) the designated public agency shall control and administer funds made available through the grant;

(B) the designated public agency shall hold title to and administer property purchased with such funds; and

(C) an individual with a disability may control and use such property.

(13) REPORTS.—An assurance that the State will—

(A) prepare reports to the Secretary at such time, in such manner, and containing such information as the Secretary may require to carry out the functions of the Secretary under this section or section 105; and

(B) keep such records and allow access to such records as the Secretary may require to ensure the correctness and verification of information provided to the Secretary under this paragraph.

(14) COMMINGLING OF FUNDS.—

(A) IN GENERAL.—An assurance that funds received through the grant will not be commingled with State or other funds.

(B) CONSTRUCTION.—Subparagraph (A) shall not be construed to prevent, subject to such requirements as the Secretary may establish concerning documentation satisfactory to the Secretary, pooling of funds received through the grant with other public or private funds to achieve a goal specified in the grant application involved, as approved by the Secretary.

(15) FISCAL CONTROL AND ACCOUNTING PROCEDURES.—An assurance that the State will adopt such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds received through the grant.

(16) AVAILABILITY OF INFORMATION.—An assurance that the State will make available to individuals with disabilities and their family members, guardians, advocates, or authorized representatives information concerning technology-related assistance in a form that will allow such persons to effectively use such information.

(17) AUTHORITY TO USE FUNDS.—An assurance that the State Assistive Technology Office will have the authority to use funds made available through a grant awarded under this section.

(18) TRAINING ACTIVITIES.—An assurance that the State will develop and implement strategies for including personnel training regarding assistive technology within other federally funded and State funded training initiatives to enhance the assistive technology skills and competencies of personnel.

(19) LIMIT ON INDIRECT COSTS.—An assurance that the percentage of the funds made available under the grant that is used for indirect costs shall not exceed 10 percent.

(20) COORDINATION WITH STATE COUNCILS.—An assurance that the State Assistive Technology Office will coordinate the activities funded through the grant made under this section with the activities carried out by other councils within the State, including—

(A) any council or commission specified in the State plan provision provided by the State in accordance with section 101(a)(21) of the Rehabilitation Act of 1973;

(B) the Statewide Independent Living Council established under section 705 of the Rehabilitation Act of 1973;

(C) the advisory panel established under section 612(a)(21) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(21));

(D) the State Interagency Coordinating Council established under section 641 of the Individuals with Disabilities Education Act (20 U.S.C. 1441);

(E) the State Developmental Disabilities Council established under section 124 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6024);

(F) the State mental health planning council established under section 1914 of the Public Health Service Act (42 U.S.C. 300x–4); and

(G) any council established under section 204, 206(g)(2)(A), or 712(a)(3)(H) of the Older Americans Act of 1965 (42 U.S.C. 3015, 3017(g)(2)(A), or 3058g(a)(3)(H)).

(21) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the Secretary may reasonably require.

(e) PROGRESS REPORTS.—Each State that receives a grant under this section shall annually prepare and submit to the Secretary a report that documents progress in meeting the goals described in subsection (d)(7) and maintaining a comprehensive statewide program of technology-related assistance, including—

(1) the results of the annual assessment described in subsection (d)(8);

(2) to the extent not addressed through the measurement and assessment conducted under paragraph (7) or (8) of subsection (d), a description of the capacity building and advocacy activities carried out by the State, including a description of any written policies and procedures that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices and assistive technology services, particularly policies and procedures regarding access to, provision of, and funding for, such devices and services under education (including special education), vocational rehabilitation, and medical assistance programs;

(3) if not addressed under paragraph (1) or (2), a description of the degree of involvement of various State agencies and private entities, especially agencies and entities involved in providing health insurance and education, in the development, implementation, and evaluation of the program, including a description of any interagency agreements that the State has developed and implemented regarding access to, provision of, and funding for, assistive technology devices and assistive technology services, such as agreements that identify available resources for assistive technology devices and assistive technology services and the responsibility of each such agency or entity for paying for such devices and services; and

(4) any other information the Secretary may reasonably require.

SEC. 103. SUPPLEMENTARY MILLENNIUM GRANTS TO STATES FOR STATE AND LOCAL CAPACITY BUILDING.

(a) GRANTS TO STATES.—

(1) IN GENERAL.—The Secretary shall award supplementary grants, on a competitive basis—

(A) to States, to carry out 1 or more of the targeted activities described in subsection (b) to expand the capacity of the States to address the unmet assistive technology needs of individuals with disabilities; or

(B) to States, to provide funds to local entities on a competitive basis, through subgrants or any other mechanism, to enable each such local entity to carry out 1 of the targeted activities described in subsection (c) to expand the capacity of the local entities to address the unmet needs of individuals with disabilities for assistive technology and assistive technology services, especially the unmet needs of underrepresented populations.

(2) PERIOD.—The Secretary shall award the grants for periods of not more than 5 years.

(3) ELIGIBLE STATES.—To be eligible to receive a grant under this section, a State shall have received a grant under section 102.

(b) STATEWIDE CAPACITY BUILDING ACTIVITIES.—The State may use funds made available through a grant described in subsection (a)(1)(A) to carry out 1 or more of the following activities:

(1) Obtaining, under State law or through other equivalent means, the compliance of all public agencies in the State with section 508 of the Rehabilitation Act of 1973, which shall include establishing a mechanism for informing individuals with disabilities of their rights with regard to such section 508, addressing their complaints, and establishing a lead agency to monitor and enforce compliance with such section 508.

(2) Developing and implementing, documenting, and reviewing a plan for enhancing the participation of all individuals with disabilities in the State, in education, employment, transportation, and communication, and enhancing general access of the individuals, in ways that complement and exceed the requirements for public and private entities under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), through—

(A) incorporating concepts of universal design in physical structures, products, and services; or

(B) providing fiscal-related incentives to public and private telecommunication ventures.

(3) Developing and implementing activities for incorporating the principles of universal design in the construction and renovation of facilities, information technology and telecommunications, and other products and services such as transportation.

(4) Planning and adopting State personnel standards or professional certification procedures that apply to individuals who, or entities that, provide assistive technology services.

(5) Conducting evaluations of assistive technology devices and assistive technology services, including computer software, for the purpose of evaluating and documenting the effectiveness, benefits, and compatibility of the devices or services with other technologies, for individuals with disabilities.

(6) Engaging in another activity, pursuant to a priority mechanism announced by the Secretary, that will have a statewide impact and address the unmet assistive technology needs of individuals with disabilities.

(c) LOCAL CAPACITY BUILDING ACTIVITIES.—The State may use funds made available through a grant described in subsection (a)(1)(B) to provide funds to local entities that submit acceptable plans, to enable each such local entity to carry out 1 of the following activities:

(1) Developing and implementing micro-loan and alternative financing programs.

(2) Planning and carrying out equipment demonstrations in community settings frequented by the public.

(3) Developing and implementing an equipment loan program involving long-term and short-term loans.

(4) Developing and implementing an equipment recycling program.

(5) Developing and implementing outreach activities and training, especially empowerment training, for individuals with disabilities, teachers and parents of individuals with disabilities, and underserved populations.

(6) Carrying out other initiatives, including model innovative initiatives, that meet an unmet local need related to assistive technology.

(d) Amounts of Supplementary Grants.—

(1) Payments to states.—The Secretary shall make payments to States and to outlying areas that successfully compete for supplementary grants awarded under this section, in accordance with the requirements of this section.

(2) Obligation and expenditure.—A State that receives a grant under this section may obligate and expend the funds made available through the grant during the period of the grant.

(3) Matching requirement.—A State that receives a grant under this section in an amount that exceeds $250,000 shall make available non-Federal contributions in an amount not less than $1 for every $2 of the amount that exceeds $250,000.

(e) Applications.—Any State that desires to receive a grant under this section shall submit to the Secretary an application, at such time, and in such manner, as the Secretary may require, that contains the following information and assurances:

(1) Partners.—

(A) State assistive technology office.—An assurance that the State Assistive Technology Office designated under section 102(d)(1)(A) participated in the development of the application and will participate in the implementation of the activities to be carried out under the grant, even if the State Assistive Technology Office is not the grant applicant under this section.

(B) Partners.—A description of the partners of the State involved in carrying out statewide activities under the grant, including—

(i) the identity of each partner;

(ii) the role of each partner in the development of the application;

(iii) the capacity of each partner to contribute to the grant activities; and

(iv) the contribution of each partner to the grant activities.

(2) Targeted individuals.—A description of how targeted individuals, especially individuals with disabilities who use assistive technology, were involved in the development of the application and will be involved in the implementation of the activities to be carried out under the grant.

(3) Data.—Data that affected the selection of the activities to be carried out under the grant.

(4) Resources.—A description of State resources and other resources that have been committed to carry out the activities.

(5) Goals and activities.—

(A) In general.—A description of—

(i) the goals the State has set for the supplementary grant; and

(ii) the activities the State will undertake to achieve such goals, in accordance with the requirements of subsections (b) and (c).

(B) Measures of goal achievement.—A description of how the State will measure whether the goals set by the State have been achieved.

(C) Involvement of individuals with disabilities of all ages and their families.—A description of how individuals with disabilities of all ages and their families—

(i) were involved in selecting—

(I) the goals;

(II) the activities to be undertaken in achieving the goals; and

(III) the measures to be used in judging if the goals have been achieved; and

(ii) will be involved in measuring whether the goals have been achieved.

(6) Annual assessment.—An assurance that the State will conduct an annual assessment of the activities carried out under the grant, in order to determine—

(A) the extent to which the goals described in paragraph (5) have been achieved; and

(B) the areas of need that require attention in the next year.

(7) Use of funds.—An assurance that funds received through the grant will be expended in accordance with the provisions of this section and of the application.

(8) Supplement other funds.—An assurance that funds received through the grant will be used to supplement, and not supplant, funds available from other sources for any activity carried out under the grant.

(9) Reports.—An assurance that the State will, or will ensure that a recipient of assistance through the grant will—

(A) prepare reports to the Secretary at such time, in such manner, and containing such information as the Secretary may require to carry out the functions of the Secretary under this section or section 105; and

(B) keep such records and allow access to such records as the Secretary may require to ensure the correctness and verification of information provided to the Secretary under this paragraph.

(10) Commingling of funds.—

(A) In general.—An assurance that funds received through the grant will not be commingled with State or other funds.

(B) Construction.—Subparagraph (A) shall not be construed to prevent, subject to such requirements as the Secretary may establish concerning documentation satisfactory to the Secretary, pooling of funds received through the grant with other public or private funds to achieve a goal specified in the grant application involved, as approved by the Secretary.

(11) Fiscal control and accounting procedures.—An assurance that the State will adopt, and will ensure that a recipient of assistance through the grant will adopt, such fiscal control and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds received through the grant.

(12) Authority to use funds.—An assurance that, the partners described in paragraph (1)(B) will have the authority to use funds made available through a grant awarded under this section.

(13) Limit on indirect costs.—An assurance that the percentage of the funds made available under the grant that is used for indirect costs shall not exceed 10 percent.

(14) Other information and assurances.—Such other information and assurances as the Secretary may reasonably require.

(f) Submission.—

(1) Joint submission.—When a State submits the State technology plan for the State under section 102(d), the State may jointly submit an application described in subsection (e) for funding activities under this section.

(2) Separate information.—In making such a joint submission the State shall distinguish between activities to be carried out under a grant awarded under section 102 and activities to be carried out under a grant awarded under this section, and include a budget that separately reflects proposed expenditures for the 2 types of grant activities for each fiscal year involved.

(g) Progress Reports.—Each State that receives a grant under this section, and any other entity that receives assistance through a grant awarded under this section, shall annually prepare and submit to the Secretary a report that documents the progress of the State or entity in meeting the goals described in subsection (e)(5), and any other information the Secretary may reasonably require.

SEC. 104. STATE GRANTS FOR PROTECTION AND ADVOCACY RELATED TO ASSISTIVE TECHNOLOGY.

(a) Grants to States.—

(1) In general.—On the appropriation of funds under section 107, the Secretary shall make a grant to an entity in each State to support protection and advocacy services through the systems established to provide protection and advocacy services under the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.) for the purposes of assisting in the acquisition, utilization, or maintenance of assistive technology or assistive technology services for individuals with disabilities.

(2) Certain states.—Notwithstanding paragraph (1), for a State that, on the day before the date of enactment of this Act, was described in section 102(f)(1) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988, the Secretary shall make the grant to the lead agency designated under section 101(d) or the State Assistive Technology Office designated under section 102(d)(1)(A) in that State, whichever is appropriate. The lead agency or office shall determine how the funds made available under this section shall be divided among the entities that were providing protection and advocacy services in that State on that day, and distribute the funds to the entities. In distributing the funds, the lead agency or office shall not establish any further eligibility or procedural requirements for an entity in that State that supports protection and advocacy services through the systems established to provide protection and advocacy services under the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6000 et seq.). Such an entity shall comply with the same requirements (including reporting and enforcement requirements) as any other entity that receives funding under paragraph (1).

(3) Periods.—The Secretary shall provide assistance through such a grant to a State for 6 years.

(b) Amount of Financial Assistance.—

(1) Grants to outlying areas.—From the funds appropriated under section 107(a) and reserved under clause (ii) of subparagraph (A), (B), or (C) of section 107(b)(1) for any fiscal year, the Secretary shall make a grant in an amount of not more than $30,000 to each eligible system within an outlying area.

(2) Grants to states.—For any fiscal year, after reserving funds to make grants under paragraph (1), the Secretary shall make allotments from the remainder of the funds described in paragraph (1) in accordance with paragraph (3) to eligible systems within States to support protection and advocacy services as described in subsection (a). The Secretary shall make grants to the eligible systems from the allotments.

(3) Systems within states.—

(A) Population basis.—Except as provided in subparagraph (B), from such remainder for each fiscal year, the Secretary shall make an allotment to the eligible system within a State of an amount bearing the same ratio to such remainder as the population of the State bears to the population of all States.

(B) Minimums.—Subject to the availability of appropriations to carry out this section, the allotment to any system under subparagraph (A) shall be not less than $50,000, and the allotment to any system under this paragraph for any fiscal year that is less than $50,000 shall be increased to $50,000.

(4) Adjustment for inflation.—For any fiscal year, beginning in fiscal year 2000, in which the total amount appropriated and reserved as described in paragraph (1) exceeds the total amount so appropriated and reserved for the

preceding fiscal year, the Secretary shall increase each of the minimum allotments under paragraph (3)(B) by a percentage that shall not exceed the percentage increase in the total amount so appropriated and reserved between the preceding fiscal year and the fiscal year involved.

(5) PROPORTIONAL REDUCTION.—To provide minimum allotments to systems within States (as increased under paragraph (4)) under paragraph (3)(B), the Secretary shall proportionately reduce the allotments of the remaining systems within States under paragraph (3), with such adjustments as may be necessary to prevent the allotment of any such remaining system within a State from being reduced to less than the minimum allotment for a system within a State (as increased under paragraph (4)) under paragraph (3)(B).

(6) REALLOTMENT.—Whenever the Secretary determines that any amount of an allotment under paragraph (3) to a system within a State for any fiscal year will not be expended by such system in carrying out the provisions of this section, the Secretary shall make such amount available for carrying out the provisions of this section to 1 or more of the systems that the Secretary determines will be able to use additional amounts during such year for carrying out such provisions. Any amount made available to a system for any fiscal year pursuant to the preceding sentence shall, for the purposes of this section, be regarded as an increase in the allotment of the system (as determined under the preceding provisions of this section) for such year.

(c) REPORT TO SECRETARY.—An entity that receives a grant under this section shall annually prepare and submit to the Secretary a report that contains such information as the Secretary may require, including documentation of the progress of the entity in—

(1) conducting consumer-responsive activities, including activities that will lead to increased access, for individuals with disabilities, to funding for assistive technology devices and assistive technology services;

(2) engaging in informal advocacy to assist in securing assistive technology and assistive technology services for individuals with disabilities;

(3) engaging in formal representation for individuals with disabilities to secure systems change, and in advocacy activities to secure assistive technology and assistive technology services for individuals with disabilities;

(4) developing and implementing strategies to enhance the long-term abilities of individuals with disabilities and their family members, guardians, advocates, and authorized representatives to advocate the provision of assistive technology devices and assistive technology services to which the individuals with disabilities are entitled under law other than this Act; and

(5) coordinating activities with protection and advocacy services funded through sources other than this title, and coordinating activities with the capacity building and advocacy activities carried out by the lead agency or State Assistive Technology Office, as appropriate.

(d) REPORTS AND UPDATES TO STATE AGENCIES.—An entity that receives a grant under this section shall prepare and submit to the State Assistive Technology Office the report described in subsection (c) and quarterly updates concerning the activities described in subsection (c).

(e) COORDINATION.—On making a grant under this section to an entity in a State, the Secretary shall solicit and consider the opinions of the lead agency of the State designated under section 101(d), or the State Assistive Technology Office, whichever is appropriate, with respect to efforts at coordination, collaboration, and promoting outcomes between the lead agency or the State Assistive Technology Office, as appropriate, and the entity that receives the grant under this section.

SEC. 105. ADMINISTRATIVE PROVISIONS.

(a) REVIEW OF PARTICIPATING ENTITIES.—

(1) IN GENERAL.—The Secretary shall assess the extent to which entities that receive grants pursuant to this title are complying with the applicable requirements of this title and achieving the goals that are consistent with the requirements of the grant programs under which the entities applied for the grants.

(2) ONSITE VISITS OF STATES RECEIVING CERTAIN GRANTS.—

(A) IN GENERAL.—The Secretary shall conduct an onsite visit—

(i) for each State that receives a grant under section 101 and that would have been in the third or fourth year of a second extension grant under the Technology-Related Assistance for Individuals With Disabilities Act of 1988 if that Act had been reauthorized for that fiscal year, prior to the end of that year; and

(ii) for each State that receives a grant under section 102, prior to the end of the fourth year of that grant.

(B) UNNECESSARY VISITS.—The Secretary shall not be required to conduct a visit of a State described in clause (i) or (ii) of subparagraph (A) if the Secretary determines that the visit is not necessary to assess whether the State is making significant progress toward development and implementation of a comprehensive statewide program of technology-related assistance.

(3) ADVANCE PUBLIC NOTICE.—The Secretary shall provide advance public notice of an onsite visit conducted under paragraph (2) and solicit public comment through such notice from targeted individuals, regarding State goals and related activities to achieve such goals funded through a grant made under section 101 or 102, as appropriate.

(4) MINIMUM REQUIREMENTS.—At a minimum, the visit shall allow the Secretary to determine the extent to which the State is making progress in meeting State goals and maintaining a comprehensive statewide program of technology-related assistance consistent with the purposes described in section 2(b)(1).

(5) PROVISION OF INFORMATION.—To assist the Secretary in carrying out the responsibilities of the Secretary under this section, the Secretary may require States to provide relevant information.

(b) CORRECTIVE ACTION AND SANCTIONS.—

(1) CORRECTIVE ACTION.—If the Secretary determines that an entity fails to substantially comply with the requirements of this title with respect to a grant program, the Secretary shall assist the entity through a technical assistance center funded under section 106 or other means, within 90 days after such determination, to develop a corrective action plan.

(2) SANCTIONS.—An entity that fails to develop and comply with a corrective action plan as described in paragraph (1) during a fiscal year shall be subject to 1 of the following corrective actions selected by the Secretary:

(A) Partial or complete fund termination under the grant program.

(B) Ineligibility to participate in the grant program in the following year.

(C) Reduction in funding for the following year under the grant program.

(D) Required redesignation of the lead agency designated under section 101(d) or an entity responsible for administering the grant program.

(3) APPEALS PROCEDURES.—The Secretary shall establish appeals procedures for entities that are found to be in noncompliance with the requirements of this title.

(c) ANNUAL REPORT.—

(1) IN GENERAL.—Not later than December 31 of each year, the Secretary shall prepare, and submit to the President and to Congress, a report on the activities funded under this Act, to improve the access of individuals with disabilities to assistive technology devices and assistive technology services.

(2) CONTENTS.—Such report shall include information on—

(A) the demonstrated successes of the funded activities in improving interagency coordination relating to assistive technology, streamlining access to funding for assistive technology, and producing beneficial outcomes for users of assistive technology;

(B) the demonstration activities carried out through the funded activities to—

(i) promote access to such funding in public programs that were in existence on the date of the initiation of the demonstration activities; and

(ii) establish additional options for obtaining such funding;

(C) the education and training activities carried out through the funded activities to educate and train targeted individuals about assistive technology, including increasing awareness of funding through public programs for assistive technology;

(D) the research activities carried out through the funded activities to improve understanding of the costs and benefits of access to assistive technology for individuals with disabilities who represent a variety of ages and types of disabilities;

(E) the program outreach activities to rural and inner-city areas that are carried out through the funded activities;

(F) the activities carried out through the funded activities that are targeted to reach underrepresented populations and rural populations; and

(G) the consumer involvement activities carried out through the funded activities.

(3) AVAILABILITY OF ASSISTIVE TECHNOLOGY DEVICES AND ASSISTIVE TECHNOLOGY SERVICES.—As soon as practicable, the Secretary shall include in the annual report required by this subsection information on the availability of assistive technology devices and assistive technology services. If the Secretary develops an assistive technology taxonomy under section 216, after the date of the development the Secretary shall present such information in the report in a manner consistent with such taxonomy.

(d) EFFECT ON OTHER ASSISTANCE.—This title may not be construed as authorizing a Federal or a State agency to reduce medical or other assistance available, or to alter eligibility for a benefit or service, under any other Federal law.

SEC. 106. TECHNICAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—Through grants, contracts, or cooperative agreements, awarded on a competitive basis, the Secretary is authorized to fund a technical assistance program to provide technical assistance to entities, principally entities funded under any of sections 101 through 104.

(b) INPUT.—In designing the program to be funded under this section, and in deciding the differences in function between national and regionally based technical assistance efforts carried out through the program, the Secretary shall consider the input of the directors of comprehensive statewide programs of technology-related assistance and other individuals the Secretary determines to be appropriate, especially—

(1) individuals with disabilities who use assistive technology and understand the barriers to the acquisition of such technology and assistive technology services;

(2) family members, guardians, advocates, and authorized representatives of such individuals; and

(3) individuals employed by protection and advocacy systems funded under section 104.

(c) SCOPE OF TECHNICAL ASSISTANCE.—

(1) NATIONAL PUBLIC INTERNET SITE.—

(A) ESTABLISHMENT OF INTERNET SITE.—The Secretary shall fund the establishment and maintenance of a National Public Internet Site for the purposes of providing to individuals with disabilities and the general public technical assistance and information on increased access to assistive technology devices, assistive technology services, and other disability-related resources.

(B) ELIGIBLE ENTITY.—To be eligible to receive a grant or enter into a contract or cooperative agreement under subsection (a) to establish and maintain the Internet site, an entity shall be an institution of higher education that emphasizes research and engineering, has a multidisciplinary research center, and has demonstrated expertise in—

(i) working with assistive technology and intelligent agent interactive information dissemination systems;

(ii) managing libraries of assistive technology and disability-related resources;

(iii) delivering education, information, and referral services to individuals with disabilities, including technology-based curriculum development services for adults with low-level reading skills;

(iv) developing cooperative partnerships with the private sector, particularly with private sector computer software, hardware, and Internet services entities; and

(v) developing and designing advanced Internet sites.

(C) FEATURES OF INTERNET SITE.—The National Public Internet Site described in subparagraph (A) shall contain the following features:

(i) AVAILABILITY OF INFORMATION AT ANY TIME.—The site shall be designed so that any member of the public may obtain information posted on the site at any time.

(ii) INNOVATIVE AUTOMATED INTELLIGENT AGENT.—The site shall be constructed with an innovative automated intelligent agent that is a diagnostic tool for assisting users in problem definition and the selection of appropriate assistive technology devices and assistive technology services resources.

(iii) RESOURCES.—

(I) LIBRARY ON ASSISTIVE TECHNOLOGY.—The site shall include access to a comprehensive working library on assistive technology for all environments, including home, workplace, transportation, and other environments.

(II) RESOURCES FOR A NUMBER OF DISABILITIES.—The site shall include resources relating to the largest possible number of disabilities, including resources relating to low-level reading skills.

(iv) LINKS TO PRIVATE SECTOR RESOURCES AND INFORMATION.—To the extent feasible, the site shall be linked to relevant private sector resources and information, under agreements developed between the institution of higher education and cooperating private sector entities.

(D) MINIMUM LIBRARY COMPONENTS.—At a minimum, the Internet site shall maintain updated information on—

(i) how to plan, develop, implement, and evaluate activities to further extend comprehensive statewide programs of technology-related assistance, including the development and replication of effective approaches to—

(I) providing information and referral services;

(II) promoting interagency coordination of training and service delivery among public and private entities;

(III) conducting outreach to underrepresented populations and rural populations;

(IV) mounting successful public awareness activities;

(V) improving capacity building in service delivery;

(VI) training personnel from a variety of disciplines; and

(VII) improving evaluation strategies, research, and data collection;

(ii) effective approaches to the development of consumer-controlled systems that increase access to, funding for, and awareness of, assistive technology devices and assistive technology services;

(iii) successful approaches to increasing the availability of public and private funding for and access to the provision of assistive technology devices and assistive technology services by appropriate State agencies; and

(iv) demonstration sites where individuals may try out assistive technology.

(2) TECHNICAL ASSISTANCE EFFORTS.—In carrying out the technical assistance program, taking into account the input required under subsection (b), the Secretary shall ensure that entities—

(A) address State-specific information requests concerning assistive technology from other entities funded under this title and public entities not funded under this title, including—

(i) requests for state-of-the-art, or model, Federal, State, and local laws, regulations, policies, practices, procedures, and organizational structures, that facilitate, and overcome barriers to, funding for, and access to, assistive technology devices and assistive technology services;

(ii) requests for examples of policies, practices, procedures, regulations, administrative hearing decisions, or legal actions, that have enhanced or may enhance access to funding for assistive technology devices and assistive technology services for individuals with disabilities;

(iii) requests for information on effective approaches to Federal-State coordination of programs for individuals with disabilities, related to improving funding for or access to assistive technology devices and assistive technology services for individuals with disabilities of all ages;

(iv) requests for information on effective approaches to the development of consumer-controlled systems that increase access to, funding for, and awareness of, assistive technology devices and assistive technology services, including information on the identification and description of mechanisms and means that successfully support self-help and peer mentoring groups for individuals with disabilities;

(v) other requests for technical assistance from other entities funded under this title and public entities not funded under this title; and

(vi) other assignments specified by the Secretary, including assisting entities described in section 105(b) to develop corrective action plans; and

(B) assist targeted individuals by disseminating information about—

(i) Federal, State, and local laws, regulations, policies, practices, procedures, and organizational structures, that facilitate, and overcome barriers to, funding for, and access to, assistive technology devices and assistive technology services, to promote fuller independence, productivity, and inclusion in society for individuals with disabilities of all ages; and

(ii) technical assistance activities undertaken under subparagraph (A).

(d) ELIGIBLE ENTITIES.—To be eligible to compete for grants, contracts, and cooperative agreements under this section, entities shall have documented experience with and expertise in assistive technology service delivery or systems, interagency coordination, and capacity building and advocacy activities.

(e) APPLICATION.—To be eligible to receive a grant, contract, or cooperative agreement under this section, an entity shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

SEC. 107. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $36,000,000 for fiscal year 1999 and such sums as may be necessary for fiscal years 2000 through 2004.

(b) RESERVATIONS OF FUNDS.—

(1) IN GENERAL.—Except as provided in paragraphs (2) through (4)—

(A) if the amount appropriated under subsection (a) for a fiscal year is less than $33,000,000—

(i) 87.5 percent of the amount shall be reserved to fund grants under sections 101 and 102;

(ii) 7.9 percent shall be reserved to fund grants under section 104; and

(iii) 4.6 percent shall be reserved for activities funded under section 106;

(B) if the amount appropriated under subsection (a) for a fiscal year is not less than $33,000,000 and is less than $36,000,000—

(i) 85 percent of the amount shall be reserved to fund grants under sections 101 and 102;

(ii) 11 percent shall be reserved to fund grants under section 104; and

(iii) 4 percent shall be reserved for activities funded under section 106; and

(C) if the amount appropriated under subsection (a) for a fiscal year is not less than $36,000,000—

(i) 80 percent of the amount shall be reserved to fund grants under sections 101, 102, and (to the extent provided in paragraph (2)) 103;

(ii) 15 percent shall be reserved to fund grants under section 104; and

(iii) 5 percent shall be reserved for activities funded under section 106.

(2) CONDITION APPLICABLE TO SUPPLEMENTARY GRANTS.—Beginning in fiscal year 2000, if the amount appropriated under subsection (a) for a fiscal year is not less than $40,000,000, the Secretary may reserve not more than 5 percent of the amount to fund grants under section 103.

(3) RESERVATION FOR CONTINUATION OF TECHNICAL ASSISTANCE INITIATIVES.—For fiscal year 1999, the Secretary may use funds reserved under clause (iii) of subparagraph (A), (B), or (C) of paragraph (1) to continue funding technical assistance initiatives that were funded in fiscal year 1998 under the Technology-Related Assistance for Individuals With Disabilities Act of 1988.

(4) RESERVATION FOR ONSITE VISITS.—The Secretary may reserve, from the amount appropriated under subsection (a) for any fiscal year, such sums as the Secretary considers to be necessary for the purposes of conducting onsite visits as required by section 105(a)(2).

TITLE II—NATIONAL ACTIVITIES

Subtitle A—Rehabilitation Act of 1973

SEC. 201. COORDINATION OF FEDERAL RESEARCH EFFORTS.

Section 203 of the Rehabilitation Act of 1973 (as amended by section 405 of the Workforce Investment Act of 1988) is amended—

(1) in subsection (a)(1), by inserting after "programs," insert "including programs relating to assistive technology research and research that incorporates the principles of universal design,";

(2) in subsection (b)—

(A) by inserting "(1)" before "After receiving";

(B) by striking "from individuals with disabilities and the individuals' representatives" and inserting "from targeted individuals";

(C) by inserting after "research" the following: (including assistive technology research and research that incorporates the principles of universal design)"; and

(D) by adding at the end the following:

"(2) In carrying out its duties with respect to the conduct of Federal research (including assistive technology research and research that incorporates the principles of universal design) related to rehabilitation of individuals with disabilities, the Committee shall—

“(A) share information regarding the range of assistive technology research, and research that incorporates the principles of universal design, that is being carried out by members of the Committee and other Federal departments and organizations;

“(B) identify, and make efforts to address, gaps in assistive technology research and research that incorporates the principles of universal design that are not being adequately addressed;

“(C) identify, and establish, clear research priorities related to assistive technology research and research that incorporates the principles of universal design for the Federal Government;

“(D) promote interagency collaboration and joint research activities relating to assistive technology research and research that incorporates the principles of universal design at the Federal level, and reduce unnecessary duplication of effort regarding these types of research within the Federal Government; and

“(E) optimize the productivity of Committee members through resource sharing and other cost-saving activities, related to assistive technology research and research that incorporates the principles of universal design.”;

(3) by striking subsection (c) and inserting the following:

“(c) Not later than December 31 of each year, the Committee shall prepare and submit, to the President and to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report that—

“(1) describes the progress of the Committee in fulfilling the duties described in subsection (b);

“(2) makes such recommendations as the Committee determines to be appropriate with respect to coordination of policy and development of objectives and priorities for all Federal programs relating to the conduct of research (including assistive technology research and research that incorporates the principles of universal design) related to rehabilitation of individuals with disabilities; and

“(3) describes the activities that the Committee recommended to be funded through grants, contracts, cooperative agreements, and other mechanisms, for assistive technology research and development and research and development that incorporates the principles of universal design.”; and

(4) by adding at the end the following:

“(d)(1) In order to promote coordination and cooperation among Federal departments and agencies conducting assistive technology research programs, to reduce duplication of effort among the programs, and to increase the availability of assistive technology for individuals with disabilities, the Committee may recommend activities to be funded through grants, contracts or cooperative agreements, or other mechanisms—

“(A) in joint research projects for assistive technology research and research that incorporates the principles of universal design; and

“(B) in other programs designed to promote a cohesive, strategic Federal program of research described in subparagraph (A).

“(2) The projects and programs described in paragraph (1) shall be jointly administered by at least 2 agencies or departments with representatives on the Committee.

“(3) In recommending activities to be funded in the projects and programs, the Committee shall obtain input from targeted individuals, and other organizations and individuals the Committee determines to be appropriate, concerning the availability and potential of technology for individuals with disabilities.

“(e) In this section, the terms ‘assistive technology’, ‘targeted individuals’, and ‘universal design’ have the meanings given the terms in section 3 of the Assistive Technology Act of 1998.”.

SEC. 202. NATIONAL COUNCIL ON DISABILITY.

Section 401 of the Rehabilitation Act of 1973 (as amended by section 407 of the Workforce Investment Act of 1998) is amended by adding at the end the following:

“(c)(1) Not later than December 31, 1999, the Council shall prepare a report describing the barriers in Federal assistive technology policy to increasing the availability of and access to assistive technology devices and assistive technology services for individuals with disabilities.

“(2) In preparing the report, the Council shall obtain input from the National Institute on Disability and Rehabilitation Research and the Association of Tech Act Projects, and from targeted individuals, as defined in section 3 of the Assistive Technology Act of 1998.

“(3) The Council shall submit the report, along with such recommendations as the Council determines to be appropriate, to the Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives.”.

SEC. 203. ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD.

(a) IN GENERAL.—Section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792) is amended—

(1) by redesignating subsections (d) through (i) as subsections (e) through (j), respectively;

(2) by inserting after subsection (c) the following:

“(d) Beginning in fiscal year 2000, the Access Board, after consultation with the Secretary, representatives of such public and private entities as the Access Board determines to be appropriate (including the electronic and information technology industry), targeted individuals (as defined in section 3 of the Assistive Technology Act of 1998), and State information technology officers, shall provide training for Federal and State employees on any obligations related to section 508 of the Rehabilitation Act of 1973.”; and

(3) in the second sentence of paragraph (1) of subsection (e) (as redesignated in paragraph (1)), by striking “subsection (e)” and inserting “subsection (f)”.

(b) CONFORMING AMENDMENT.—Section 506(c) of the Rehabilitation Act of 1973 (29 U.S.C. 794(c)) is amended by striking “section 502(h)(1)” and inserting “section 502(i)(1)”.

Subtitle B—Other National Activities

SEC. 211. SMALL BUSINESS INCENTIVES.

(a) DEFINITION.—In this section, the term “small business” means a small-business concern, as described in section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

(b) CONTRACTS FOR DESIGN, DEVELOPMENT, AND MARKETING.—

(1) IN GENERAL.—The Secretary may enter into contracts with small businesses, to assist such businesses to design, develop, and market assistive technology devices or assistive technology services. In entering into the contracts, the Secretary may give preference to businesses owned or operated by individuals with disabilities.

(2) SMALL BUSINESS INNOVATIVE RESEARCH PROGRAM.—Contracts entered into pursuant to paragraph (1) shall be administered in accordance with the contract administration requirements applicable to the Department of Education under the Small Business Innovative Research Program, as described in section 9(g) of the Small Business Act (15 U.S.C. 638(g)). Contracts entered into pursuant to paragraph (1) shall not be included in the calculation of the required expenditures of the Department under section 9(f) of such Act (15 U.S.C. 638(f)).

(c) GRANTS FOR EVALUATION AND DISSEMINATION OF INFORMATION ON EFFECTS OF TECHNOLOGY TRANSFER.—The Secretary may make grants to small businesses to enable such businesses—

(1) to work with any entity funded by the Secretary to evaluate and disseminate information on the effects of technology transfer on the lives of individuals with disabilities;

(2) to benefit from the experience and expertise of such entities, in conducting such evaluation and dissemination; and

(3) to utilize any technology transfer and market research services such entities provide, to bring new assistive technology devices and assistive technology services into commerce.

SEC. 212. TECHNOLOGY TRANSFER AND UNIVERSAL DESIGN.

(a) IN GENERAL.—The Director of the National Institute on Disability and Rehabilitation Research may collaborate with the Federal Laboratory Consortium for Technology Transfer established under section 11(e) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)), to promote technology transfer that will further development of assistive technology and products that incorporate the principles of universal design.

(b) COLLABORATION.—In promoting the technology transfer, the Director and the Consortium described in subsection (a) may collaborate—

(1) to enable the National Institute on Disability and Rehabilitation Research to work more effectively with the Consortium, and to enable the Consortium to fulfill the responsibilities of the Consortium to assist Federal agencies with technology transfer under the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq);

(2) to increase the awareness of staff members of the Federal Laboratories regarding assistive technology issues and the principles of universal design;

(3) to compile a compendium of current and projected Federal Laboratory technologies and projects that have or will have an intended or recognized impact on the available range of assistive technology for individuals with disabilities, including technologies and projects that incorporate the principles of universal design, as appropriate;

(4) to develop strategies for applying developments in assistive technology and universal design to mainstream technology, to improve economies of scale and commercial incentives for assistive technology; and

(5) to cultivate developments in assistive technology and universal design through demonstration projects and evaluations, conducted with assistive technology professionals and potential users of assistive technology.

(c) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary may make grants to or enter into contracts or cooperative agreements with commercial, nonprofit, or other organizations, including institutions of higher education, to facilitate interaction with the Consortium to achieve the objectives of this section.

(d) RESPONSIBILITIES OF CONSORTIUM.—Section 11(e)(1) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)(1)) is amended—

(1) in subparagraph (I), by striking “; and” and inserting a semicolon;

(2) in subparagraph (J), by striking the period and inserting “; and”; and

(3) by adding at the end the following:

“(K) work with the Director of the National Institute on Disability and Rehabilitation Research to compile a compendium of current and projected Federal Laboratory technologies and projects that have or will have an intended or recognized impact on the available range of assistive technology for individuals with disabilities (as defined in section 3 of the Assistive Technology Act of 1998), including technologies

and projects that incorporate the principles of universal design (as defined in section 3 of such Act), as appropriate.".

SEC. 213. UNIVERSAL DESIGN IN PRODUCTS AND THE BUILT ENVIRONMENT.

The Secretary may make grants to commercial or other enterprises and institutions of higher education for the research and development of universal design concepts for products (including information technology) and the built environment. In making such grants, the Secretary shall give preference to enterprises and institutions that are owned or operated by individuals with disabilities. The Secretary shall define the term "built environment" for purposes of this section.

SEC. 214. OUTREACH.

(a) ASSISTIVE TECHNOLOGY IN RURAL OR IMPOVERISHED URBAN AREAS.—The Secretary may make grants, enter into cooperative agreements, or provide financial assistance through other mechanisms, for projects designed to increase the availability of assistive technology for rural and impoverished urban populations, by determining the unmet assistive technology needs of such populations, and designing and implementing programs to meet such needs.

(b) ASSISTIVE TECHNOLOGY FOR CHILDREN AND OLDER INDIVIDUALS.—The Secretary may make grants, enter into cooperative agreements, or provide financial assistance through other mechanisms, for projects designed to increase the availability of assistive technology for populations of children and older individuals, by determining the unmet assistive technology needs of such populations, and designing and implementing programs to meet such needs.

SEC. 215. TRAINING PERTAINING TO REHABILITATION ENGINEERS AND TECHNICIANS.

(a) GRANTS AND CONTRACTS.—The Secretary shall make grants, or enter into contracts with, public and private agencies and organizations, including institutions of higher education, to help prepare students, including students preparing to be rehabilitation technicians, and faculty working in the field of rehabilitation engineering, for careers related to the provision of assistive technology devices and assistive technology services.

(b) ACTIVITIES.—An agency or organization that receives a grant or contract under subsection (a) may use the funds made available through the grant or contract—

(1) to provide training programs for individuals employed or seeking employment in the field of rehabilitation engineering, including postsecondary education programs;

(2) to provide workshops, seminars, and conferences concerning rehabilitation engineering that relate to the use of assistive technology devices and assistive technology services to improve the lives of individuals with disabilities; and

(3) to design, develop, and disseminate curricular materials to be used in the training programs, workshops, seminars, and conferences described in paragraphs (1) and (2).

SEC. 216. ASSISTIVE TECHNOLOGY TAXONOMY.

(a) STUDY.—The Secretary may, directly or (if necessary) by entering into contracts or cooperative agreements with appropriate entities, conduct a study to determine the benefits of and obstacles to implementing throughout the Federal Government a single assistive technology taxonomy developed by the Secretary.

(b) REPORT.—Not later than December 31, 1999, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report that contains information detailing the benefits and obstacles described in subsection (a) and that contains such policy recommendations as the Secretary determines to be appropriate.

SEC. 217. PRESIDENT'S COMMITTEE ON EMPLOYMENT OF PEOPLE WITH DISABILITIES.

(a) PROGRAMS.—The President's Committee on Employment of People With Disabilities (referred to in this section as "the Committee") may design, develop, and implement programs to increase the voluntary participation of the private sector in making information technology accessible to individuals with disabilities, including increasing the involvement of individuals with disabilities in the design, development, and manufacturing of information technology.

(b) ACTIVITIES.—The Committee may carry out activities through the programs that may include—

(1) the development and coordination of a task force, which—

(A) shall develop and disseminate information on voluntary best practices for universal accessibility in information technology; and

(B) shall consist of members of the public and private sectors, including—

(i) representatives of organizations representing individuals with disabilities; and

(ii) individuals with disabilities; and

(2) the design, development, and implementation of outreach programs to promote the adoption of best practices referred to in paragraph (1)(B).

(c) COORDINATION.—The Committee shall coordinate the activities of the Committee under this section, as appropriate, with the activities of the National Institute on Disability and Rehabilitation Research and the activities of the Department of Labor.

(d) TECHNICAL ASSISTANCE.—The Committee may provide technical assistance concerning the programs carried out under this section and may reserve such portion of the funds appropriated to carry out this section as the Committee determines to be necessary to provide the technical assistance.

(e) DEFINITION.—In this section, the term "information technology" means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information, including a computer, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

SEC. 218. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title and the provisions described in subsection (b)(1), $15,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000 through 2004.

(b) RESERVATIONS.—Of the funds appropriated under subsection (a) for a fiscal year, the Secretary shall reserve not less than—

(1) 33 percent to carry out the provisions of section 203 of the Rehabilitation Act of 1973 that relate to research described in section 203(b)(2)(A) of such Act;

(2) 16 percent to carry out section 211;

(3) 4 percent to carry out section 212;

(4) 8 percent to carry out section 215; and

(5) 10 percent to carry out section 217.

(c) AVAILABILITY.—Amounts appropriated under subsection (a) for a fiscal year shall remain available for obligation for the following fiscal year.

TITLE III—ALTERNATIVE FINANCING MECHANISMS

SEC. 301. GENERAL AUTHORITY.

(a) IN GENERAL.—The Secretary shall award grants to States to pay for the Federal share of the cost of the establishment and administration of, or the expansion and administration of, an alternative financing program featuring 1 or more alternative financing mechanisms to allow individuals with disabilities and their family members, guardians, advocates, and authorized representatives to purchase assistive technology devices and assistive technology services (referred to individually in this title as an "alternative financing mechanism").

(b) MECHANISMS.—The alternative financing mechanisms may include—

(1) a low-interest loan fund;

(2) an interest buy-down program;

(3) a revolving loan fund;

(4) a loan guarantee or insurance program;

(5) a program operated by a partnership among private entities for the purchase, lease, or other acquisition of assistive technology devices or assistive technology services; or

(6) another mechanism that meets the requirements of this title and is approved by the Secretary.

(c) REQUIREMENTS.—

(1) PERIOD.—The Secretary may award grants under this title for periods of 1 year.

(2) LIMITATION.—No State may receive more than 1 grant under this title.

(d) FEDERAL SHARE.—The Federal share of the cost of the alternative financing program shall not be more than 50 percent.

(e) CONSTRUCTION.—Nothing in this section shall be construed as affecting the authority of a State to establish an alternative financing program under title I.

SEC. 302. AMOUNT OF GRANTS.

(a) IN GENERAL.—

(1) GRANTS TO OUTLYING AREAS.—From the funds appropriated under section 308 for any fiscal year that are not reserved under section 308(b), the Secretary shall make a grant in an amount of not more than $105,000 to each eligible outlying area.

(2) GRANTS TO STATES.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1), the Secretary shall make grants to States from allotments made in accordance with the requirements described in paragraph (3).

(3) ALLOTMENTS.—From the funds described in paragraph (1) that are not used to make grants under paragraph (1)—

(A) the Secretary shall allot $500,000 to each State; and

(B) from the remainder of the funds—

(i) the Secretary shall allot to each State an amount that bears the same ratio to 80 percent of the remainder as the population of the State bears to the population of all States; and

(ii) the Secretary shall allot to each State with a population density that is not more than 10 percent greater than the population density of the United States (according to the most recently available census data) an equal share from 20 percent of the remainder.

(b) INSUFFICIENT FUNDS.—If the funds appropriated under this title for a fiscal year are insufficient to fund the activities described in the acceptable applications submitted under this title for such year, a State whose application was approved for such year but that did not receive a grant under this title may update the application for the succeeding fiscal year. Priority shall be given in such succeeding fiscal year to such updated applications, if acceptable.

(c) DEFINITIONS.—In subsection (a):

(1) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(2) STATE.—The term "State" does not include the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 303. APPLICATIONS AND PROCEDURES.

(a) ELIGIBILITY.—States that receive or have received grants under section 101 or 102 and *comply with subsection (b) shall be eligible to compete for grants under this title.*

(b) APPLICATION.—To be eligible to compete for a grant under this title, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) an assurance that the State will provide the non-Federal share of the cost of the alternative financing program in cash, from State, local, or private sources;

(2) an assurance that the alternative financing program will continue on a permanent basis;

(3) an assurance that, and information describing the manner in which, the alternative financing program will expand and emphasize consumer choice and control;

(4) an assurance that the funds made available through the grant to support the alternative financing program will be used to supplement and not supplant other Federal, State, and local public funds expended to provide alternative financing mechanisms;

(5) an assurance that the State will ensure that—

(A) all funds that support the alternative financing program, including funds repaid during the life of the program, will be placed in a permanent separate account and identified and accounted for separately from any other fund;

(B) if the organization administering the program invests funds within this account, the organization will invest the funds in low-risk securities in which a regulated insurance company may invest under the law of the State; and

(C) the organization will administer the funds with the same judgment and care that a person of prudence, discretion, and intelligence would exercise in the management of the financial affairs of such person;

(6) an assurance that—

(A) funds comprised of the principal and interest from the account described in paragraph (5) will be available to support the alternative financing program; and

(B) any interest or investment income that accrues on or derives from such funds after such funds have been placed under the control of the organization administering the alternative financing program, but before such funds are distributed for purposes of supporting the program, will be the property of the organization administering the program; and

(7) an assurance that the percentage of the funds made available through the grant that is used for indirect costs shall not exceed 10 percent.

(c) LIMIT.—The interest and income described in subsection (b)(6)(B) shall not be taken into account by any officer or employee of the Federal Government for purposes of determining eligibility for any Federal program.

SEC. 304. CONTRACTS WITH COMMUNITY-BASED ORGANIZATIONS.

(a) IN GENERAL.—A State that receives a grant under this title shall enter into a contract with a community-based organization (including a group of such organizations) that has individuals with disabilities involved in organizational decisionmaking at all organizational levels, to administer the alternative financing program.

(b) PROVISIONS.—The contract shall—

(1) include a provision requiring that the program funds, including the Federal and non-Federal shares of the cost of the program, be administered in a manner consistent with the provisions of this title;

(2) include any provision the Secretary requires concerning oversight and evaluation necessary to protect Federal financial interests; and

(3) require the community-based organization to enter into a contract, to expand opportunities under this title and facilitate administration of the alternative financing program, with—

(A) commercial lending institutions or organizations; or

(B) State financing agencies.

SEC. 305. GRANT ADMINISTRATION REQUIREMENTS.

A State that receives a grant under this title and any community-based organization that enters into a contract with the State under this title, shall submit to the Secretary, pursuant to a schedule established by the Secretary (or if the Secretary does not establish a schedule, within 12 months after the date that the State receives the grant), each of the following policies or procedures for administration of the alternative financing program:

(1) A procedure to review and process in a timely manner requests for financial assistance for immediate and potential technology needs, including consideration of methods to reduce paperwork and duplication of effort, particularly relating to need, eligibility, and determination of the specific assistive technology device or service to be financed through the program.

(2) A policy and procedure to assure that access to the alternative financing program shall be given to consumers regardless of type of disability, age, income level, location of residence in the State, or type of assistive technology device or assistive technology service for which financing is requested through the program.

(3) A procedure to assure consumer-controlled oversight of the program.

SEC. 306. INFORMATION AND TECHNICAL ASSISTANCE.

(a) IN GENERAL.—The Secretary shall provide information and technical assistance to States under this title, which shall include—

(1) providing assistance in preparing applications for grants under this title;

(2) assisting grant recipients under this title to develop and implement alternative financing programs; and

(3) providing any other information and technical assistance the Secretary determines to be appropriate to assist States to achieve the objectives of this title.

(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall provide the information and technical assistance described in subsection (a) through grants, contracts, and cooperative agreements with public or private agencies and organizations, including institutions of higher education, with sufficient documented experience, expertise, and capacity to assist States in the development and implementation of the alternative financing programs carried out under this title.

SEC. 307. ANNUAL REPORT.

Not later than December 31 of each year, the Secretary shall submit a report to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate describing the progress of each alternative financing program funded under this title toward achieving the objectives of this title. The report shall include information on—

(1) the number of grant applications received and approved by the Secretary under this title, and the amount of each grant awarded under this title;

(2) the ratio of funds provided by each State for the alternative financing program of the State to funds provided by the Federal Government for the program;

(3) the type of alternative financing mechanisms used by each State and the community-based organization with which each State entered into a contract, under the program; and

(4) the amount of assistance given to consumers through the program (who shall be classified by age, type of disability, type of assistive technology device or assistive technology service financed through the program, geographic distribution within the State, gender, and whether the consumers are part of an underrepresented population or rural population).

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $25,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000 through 2004.

(b) RESERVATION.—Of the amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve 2 percent for the purpose of providing information and technical assistance to States under section 306.

(c) AVAILABILITY.—Amounts appropriated under subsection (a) for a fiscal year shall remain available for obligation for the following fiscal year.

TITLE IV—REPEAL AND CONFORMING AMENDMENTS

SEC. 401. REPEAL.

The Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.) is repealed.

SEC. 402. CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 6 of the Rehabilitation Act of 1973 (as amended by section 403 of the Workforce Investment Act of 1998) is amended—

(1) in paragraph (3), by striking "section 3(2) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(2))" and inserting "section 6 of the Assistive Technology Act of 1998"; and

(2) in paragraph (4), by striking "section 3(3) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2202(3))" and inserting "section 6 of the Assistive Technology Act of 1998".

(b) RESEARCH AND OTHER COVERED ACTIVITIES.—Section 204(b)(3) of the Rehabilitation Act of 1973 (as amended by section 405 of the Workforce Investment Act of 1998) is amended—

(1) in subparagraph (C)(i), by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998"; and

(2) in subparagraph (G)(i), by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998".

(c) PROTECTION AND ADVOCACY.—Section 509(a)(2) of the Rehabilitation Act of 1973 (as amended by section 408 of the Workforce Investment Act of 1998) is amended by striking "the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (42 U.S.C. 2201 et seq.)" and inserting "the Assistive Technology Act of 1998".

Mr. GRAMS. Mr. President, I ask unanimous consent that the committee substitute be agreed to, the bill be considered read the third time and passed, the motion to reconsider be laid upon the table, and that any statements related to the bill appear in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill (S. 2432), as amended, was read the third time and passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the executive calendar: No. 863, No. 864, all nominations placed on the Secretary's desk in the Coast Guard. I further ask consent that the nominations be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations, considered and confirmed en bloc, are as follows:

COAST GUARD

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral (lower half)

Capt. Robert C. Olsen, Jr., 4781
Capt. Robert D. Sirois, 8309
Capt. Patrick M. Stillman, 0193
Capt. Ronald F. Silva, 1219
Capt. David R. Nicholson, 0216

The following named officers for appointment in the United States Coast Guard to the grade indicated under title 14, U.S.C., section 271:

To be rear admiral

Rear Adm. (lh) Thomas J. Barrett, 7105
Rear Adm. (lh) James D. Hull, 9426
Rear Adm. (lh) George N. Naccara, 7780
Rear Adm. (lh) Terry M. Cross, 4308

IN THE COAST GUARD

Coast Guard nomination of Joseph E. Vorbach, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 3, 1998.

Coast Guard nominations beginning John H. Siemens, and ending David H. Illuminate, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 16, 1998.

Coast Guard nomination of Richelle L. Johnson, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 29, 1998.

Coast Guard nominations beginning Robert J. Fuller, and ending John B. Mcdermott, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of September 29, 1998.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MEASURE READ THE FIRST TIME—H.R. 4257

Mr. GRAMS. Mr. President, I understand that H.R. 4257 has arrived from the House, and I ask now for its first reading.

The PRESIDING OFFICER. The clerk will read the bill for the first time.

The legislative clerk read as follows:

A bill (H.R. 4257) to amend the Fair Labor Standards Act of 1938 to permit certain youth to perform certain work with wood products.

Mr. GRAMS. I now ask for its second reading and would object to my own request.

The PRESIDING OFFICER. Objection is heard.

ORDERS FOR TUESDAY, OCTOBER 6, 1998

Mr. GRAMS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. on Tuesday, October 6. I further ask that the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business until 10 a.m., with Senators permitted to speak therein for up to 5 minutes each, with the following exceptions: Senator DEWINE for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2:15 p.m. to allow the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I ask unanimous consent that at 11:30 a.m. on Tuesday the Senate resume consideration of the Agriculture Appropriations conference report, with the time between 11:30 a.m. and 12:30 p.m., and additionally the between 2:15 p.m. and 3:15 p.m., equally divided for debate only on the conference report; further, that at 3:15 p.m. the Senate proceed to vote on adoption of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAMS. Mr. President, I ask unanimous consent that following the vote on adoption of the Agriculture Conference report, the Senate resume consideration of S. 442, the Internet Tax Bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

The PRESIDING OFFICER. For the information of all Senators, on Tuesday, there will be a period of morning business until 10 a.m. Following morning business, the Senate may consider any cleared executive nominations or legislation regarding judicial anti-nepotism. At 11:30 a.m., the Senate will resume consideration of the Agriculture Appropriations conference report, with a vote occurring on adoption of that report at 3:15 p.m. Following that vote, the Senate will resume consideration of S. 442, the Internet Tax Bill. Amendments are expected to be offered and debated in relation to the Internet Tax, and therefore Members should expect rollcall votes into the evening during Tuesday's session.

Members are reminded that the cloture vote on the Internet Tax Bill will occur at 10 a.m. on Wednesday. Therefore, I ask unanimous consent that Members have until the vote occurs to file second-degree amendments to the Internet Tax Bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. GRAMS. Mr. President, if there is no further business to come before the Senate, I ask that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:19 p.m., recessed until Tuesday, October 6, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 5, 1998:

GENERAL ACCOUNTING OFFICE

DAVID M. WALKER, OF GEORGIA, TO BE COMPTROLLER GENERAL OF THE UNITED STATES FOR A TERM OF FIFTEEN YEARS, VICE CHARLES A. BOWSHER, TERM EXPIRED.

FEDERAL MARITIME COMMISSION

JOHN A. MORAN, OF VIRGINIA, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 2001, VICE MING HSU, TERM EXPIRED.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

ANDREA KIDD TAYLOR, OF MICHIGAN, TO BE A MEMBER OF THE CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD FOR A TERM OF FIVE YEARS. (NEW POSITION)

UNITED STATES POSTAL SERVICE

JOHN F. WALSH, OF CONNECTICUT, TO BE A GOVERNOR OF THE UNITED STATES POSTAL SERVICE FOR A TERM EXPIRING DECEMBER 8, 2006, VICE BERT H. MACKIE, TERM EXPIRED.

THE JUDICIARY

NORMAN A. MORDUE, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF NEW YORK VICE ROSEMARY S. POOLER, ELEVATED.

UNITED STATES INSTITUTE OF PEACE

STEPHEN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999, VICE MARY LOUISE SMITH, TERM EXPIRED.

STEPHEN HADLEY, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 2003. (REAPPOINTMENT)

ZALMAY KHALIZAD, OF MARYLAND, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE UNITED STATES INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 2001, VICE CHRISTOPHER H. PHILLIPS, RESIGNED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate October 5, 1998:

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

To be rear admiral (lower half)

CAPT. ROBERT C. OLSEN, JR., 4781.
CAPT. ROBERT D. SIROIS, 8309.
CAPT. PATRICK M. STILLMAN, 0193.
CAPT. RONALD F. SILVA, 1219.
CAPT. DAVID R. NICHOLSON, 0216.

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271

To be rear admiral

REAR ADM. (LH) THOMAS J. BARRETT, 7105.

REAR ADM. (LH) JAMES D. HULL, 9426.
REAR ADM. (LH) GEORGE N. NACCARA, 7780.
REAR ADM. (LH) TERRY M. CROSS, 4308.

COAST GUARD NOMINATION OF JOSEPH E. VORBACH, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 3, 1998.

COAST GUARD NOMINATIONS BEGINNING JOHN H. SIEMENS, AND ENDING DAVID M. ILLUMINATE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 16, 1998.

COAST GUARD NOMINATION OF RICHELLE L. JOHNSON, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 29, 1998.

COAST GUARD NOMINATIONS BEGINNING ROBERT J. FULLER, AND ENDING JOHN B. MCDERMOTT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON SEPTEMBER 29, 1998.

WITHDRAWALS

EXECUTIVE MESSAGES TRANSMITTED BY THE PRESIDENT TO THE SENATE ON OCTOBER 5, 1998, WITHDRAWING FROM FURTHER SENATE CONSIDERATION THE FOLLOWING NOMINATIONS:

DEPARTMENT OF TRANSPORTATION

GUS A. OWEN, OF CALIFORNIA, TO BE A MEMBER OF THE SURFACE TRANSPORTATION BOARD FOR A TERM EXPIRING DECEMBER 31, 2002 (REAPPOINTMENT), WHICH WAS SENT TO THE SENATE ON FEBRUARY 2, 1998.

DEPARTMENT OF STATE

MARI CARMEN APONTE, OF PUERTO RICO, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE DOMINICAN REPUBLIC, WHICH WAS SENT TO THE SENATE ON APRIL 28, 1998.

HOUSE OF REPRESENTATIVES—*Monday, October 5, 1998*

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. NETHERCUTT).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 5, 1998.

I hereby designate the Honorable GEORGE R. NETHERCUTT, Jr., to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 449. An act to provide for the orderly disposal of certain Federal lands in Clark County, Nevada, and to provide for the acquisition of environmentally sensitive lands in the State of Nevada.

H.R. 1481. An act to amend the Great Lakes Fish and Wildlife Restoration Act of 1990 to provide for implementation of recommendations of the United States Fish and Wildlife Service contained in the Great Lakes Fishery Resources Restoration Study.

H.R. 3381. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2186. An act to authorize the Secretary of the Interior to provide assistance to the National Historic Trails Interpretive Center in Casper, Wyoming.

H.R. 2886. An act to provide for a demonstration project in the Stanislaus National Forest, California, under which a private contractor will perform multiple resource management activities for that unit of the National Forest System.

H.R. 3796. An act to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 469. An act to designate a portion of the Sudbury, Assabet, and Concord Rivers as a component of the National Wild and Scenic Rivers System.

S. 852. An act to establish nationally uniform requirements regarding the titling and registration of salvage, nonrepairable, and rebuilt vehicles.

S. 890. An act to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes.

S. 1016. An act to authorize appropriations for the Coastal Heritage Trail Route in New Jersey, and for other purposes.

S. 1333. An act to amend the Land and Water Conservation Fund Act of 1965 to allow national park units that cannot charge an entrance or admission fee to retain other fees and charges.

S. 1398. An act to extend certain contracts between the Bureau of Reclamation and irrigation water contractors in Wyoming and Nebraska that receive water from Glendo Reservoir.

S. 1408. An act to establish the Lower East Side Tenement National Historic Site, and for other purposes.

S. 1665. An act to reauthorize the Delaware and Lehigh Navigation Canal National Heritage Corridor Act, and for other purposes.

S. 1718. An act to amend the Weir Farm National Historic Site Establishment Act of 1990 to authorize the acquisition of additional acreage for the historic site to permit the development of visitor and administrative facilities and to authorize the appropriation of additional amounts for the acquisition of real and personal property.

S. 1719. An act to direct the Secretary of Agriculture and the Secretary of the Interior to exchange land and other assets with Big Sky Lumber Co. and other entities.

S. 1990. An act to authorize expansion of Fort Davis National Historic Site in Fort Davis, Texas.

S. 2106. An act to expand the boundaries of Arches National Park, Utah, to include portions of certain drainages that are under the jurisdiction of the Bureau of Land Management, and to include a portion of Fish Seep Draw owned by the State of Utah, and for other purposes.

S. 2129. An act to eliminate restrictions of the acquisition of certain land contiguous to Hawaii Volcanoes National Park.

S. 2171. An act to extend the deadline under the Federal Power Act applicable to the construction of a hydroelectric project in the State of Arkansas.

S. 2232. An act to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes.

S. 2272. An act to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana.

S. 2351. An act to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System.

S. 2469. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

S. 2470. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System.

S. 2474. An act to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentlewoman from the District of Columbia (Ms. NORTON) for 5 minutes.

OVERTURN SUPREME COURT DECISION DENYING DAMAGES TO NINTH GRADER WHO WAS SEXUALLY ABUSED BY HER TEACHER

Ms. NORTON. Mr. Speaker, the Supreme Court begins its session today and has announced a set of cases it will decide, among them another troublesome sexual harassment case, this one called Davis versus Monroe County Board of Education. It involves student-on-student sexual harassment under Title IX. We have here a student who was making As and Bs but fell to failing grades, to writing suicide notes, a fifth grader, after 5 months of groping of her breasts and other parts of her body. There were constant complaints from her parents, there were vulgar comments and the rest, until finally the parents simply sued the school after the school ignored the complaints. We have a split in the circuits based on how we have written Title IX, two circuits saying damages are recoverable, two circuits are saying they are not. Well, Mr. Speaker, I hope there will be no split here in this body. If the Supreme Court rules that Title IX does not cover this kind of action, we must take action next term.

Why do I raise this now? Because the Court has already moved in an unacceptable direction on a not dissimilar case last term in the case of Gebser versus Largo Vista School District. There we had a ninth grader whose teacher sexually assaulted and harassed her, and yet the Supreme Court set a standard that makes it almost impossible for a parent and a child to recover against a school system. The

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

reason, the Court said, was that, quote, "the statutory text of Title IX does not shed light on Congress' intent with respect to the scope of available remedies." Understand that this was a child who beginning in the eighth grade had her teacher during Advanced Placement classtime initiate sexual relations with her and at other times and otherwise engage in sexual activity with this youngster.

This decision is a virtual summons to Congress. Justice Stevens thought that Title IX did cover damages. That was not the majority, however. Instead the Court set an absolutely absurd standard that the school had to have actual notice or a deliberate indifference by an official with authority to implement correction measures before damages could be obtained.

What we are left with now is an indefensible distinction in our law. If a principal sexually harasses a teacher, even though the superintendent knew nothing about it, damages are forthcoming under Title VII. We must make sure that teachers who are sexually harassed by other teachers or by their superiors do not have rights superior to when a teacher harasses a student or a student harasses another student. We must protect students at least as much as we protect teachers from sexual harassment. I am already writing a bill to remedy the finding that sexual harassment by a teacher on a student cannot yield damages.

Mr. Speaker, if the court fails again, this time in a case involving outrageous student on student sexual harassment, this House will have a second provision to correct next term.

VA PSYCHIATRIST LIES ABOUT SEXUAL MISCONDUCT AND IS CONVICTED AND SENTENCED

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Mr. Speaker, often times in life while you are looking at a problem, you find there is a parallel set of activities that are occurring at the same time while you are looking at your present problem. I have such a case this morning, I think, which is a good example.

Last April the U.S. Department of Justice charged a staff psychiatrist, a female at a VA Medical Center, with obstruction of justice. It seems that in 1992 a male patient sued the female psychiatrist at the VA alleging that the psychiatrist committed medical malpractice when she engaged in sexual relationships with him during an office visit in 1991.

Now, what happened is the psychiatrist requested that the United States Justice Department certify that under the Federal Tort Claims Act that the Justice Department would defend her and substitute itself as a defendant because the alleged misconduct occurred within the scope of her employment. She was a psychiatrist for the VA Medical Center, and she felt the suit should be covered under the Federal Torts Claim Act and that the Justice Department should defend her.

So in 1992, attorneys from the U.S. Attorney's Office interviewed her, talked to her about the case. She denied engaging in a sexual relationship with the patient. The U.S. Attorney, therefore, based upon her testimony, certified that she, the psychiatrist, for her conduct would be certified through the dates of the alleged office incident. So to the extent that the psychiatrist was, quote, certified she would not have been liable for any damages.

On July 13–14, 1995, Chief Magistrate Judge Mikel Williams conducted a hearing to determine the scope of the female psychiatrist's employment at the VA. During the hearing she testified falsely under oath about what had happened between the male patient and her during his visit on June 27, 1991. In so doing, she violated the obstruction of justice statute, Title 18, United States Code, Section 1503. She is scheduled to be sentenced this year before the Honorable Edward J. Lodge.

Okay, now we are here in 1998. As I mentioned Judge Mikel Williams conducted a hearing to determine the scope of the female psychiatrist's employment at the VA and what occurred at this hearing. But in so doing, it turns out she was not telling the truth, and she violated the obstruction of justice statute, which is Title 18, United States Code, Section 1503.

So here we are, Mr. Speaker. She testified falsely under oath about what happened during the patient's visit in 1991. So in so doing, she was charged with violating the Federal statute, and in effect she was lying about her misconduct and her sexual relationship with this patient who came in to see her. In this case, she lied about sex under oath and violated a Federal statute and was convicted and sentenced. I might add these activities occurred in a Federal building, on federal time, and while she was on a federal salary.

Today our Committee on the Judiciary is meeting to discuss something that parallels this case. They have a constitutional duty to the public to investigate and remedy breaches of public trust. Of course it will be painful, but they have a responsibility to ensure that future holders of the Presidency, whoever they might be, have to be accountable for their statements. To neglect to do so would be to debase our Constitution.

Let me conclude by referring to the former Representative Peter Rodino, Jr., who was Chairman of the House Committee on the Judiciary during the Watergate scandals. This is what he said.

> We cannot turn away out of partisanship or convenience from problems that now are our responsibility to consider.

So I bring to the attention of my colleagues a very similar case to what is being discussed today by the Judiciary Committee involving not telling the truth about a sexual affair and obstructing justice. I put that into the RECORD, Mr. Speaker, because I think it is helpful to know this information. It shows the U.S. Justice Department prosecuting a federal employee for lying under oath about sexual misconduct and obtaining a conviction. Isn't that what we are talking about today at the judiciary hearing. Often times there are past activities that can be used to judge the present activities.

AMERICA'S ROLE AS THE LEADER IN THE GLOBAL ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, at a time when the eyes of the capital and the news media are focused on the Judiciary deliberations and the scope and authority of impeachment inquiry, when others are struggling to deal with the slaughter in Kosovo, it is hard perhaps for us to give attention to the mounting global economic crisis and the role that United States leadership will play. Yet I sincerely believe that world peace, alleviating human suffering and poverty, and averting environmental disaster are all tied in the long run to the United States economic leadership far more than military might.

Ten days ago we suffered a setback on the floor of the House of Representatives with the rejection of the fast track authority, not just the rejection of that authority itself, but how and why it was done. I do believe that America's Presidents need the ability to negotiate some treaties that Congress votes on on an up-or-down basis. Every President since Richard Nixon has had that power. Recently the authority for the Clinton administration expired, and it has been unable to be renewed. Last year we were close to a vote, but because it was deemed that we were short of the votes and we could not afford a defeat, the matter was withdrawn.

This year with the world economy in turmoil, Asia in crisis and the United States stock market on a volatile roller coaster, a vote was scheduled and forced through without bipartisan leadership, without the discussion of the areas of concern, without administration backing. The result was to lose at least 20 Republicans from last year's tally, over a third of the Democrats, either changed their vote to no or present, and it froze a number of sympathetic lawmakers who had legitimate concerns into a no column without working either to accommodate or even to listen to their concerns. This will have consequences far beyond the fast track authority.

At a time when over half the world's people are under some threat of sanction from the United States, we do not know how to evaluate them, how to stop them. For example, with the Pakistan-India situation, United States sanctions simply penalized American farmers and we quickly backtracked. The United States has more difficulty with its China relationship than any other country in the world, and we have significant global environmental concerns to be worked out with the World Bank, with the IMF.

Mr. Speaker, these are not simple items, they are not items that we can ignore, and reckless partisan behavior, for example, as we had on fast track gets us nowhere. We need to start now to repair the damage in the remaining days of this session, and even more important, we need to be clear-eyed, cooperative and thoughtful in our approach to America's role as a leader in the global economy for the next Congress. The stakes are simply too high for us to be diverted by the media issue du jour or attempts to gain partisan advantage.

SURPLUS TAX REVENUE, A NEW CONCEPT IN WASHINGTON

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Illinois (Mr. WELLER) is recognized during morning hour debates for 5 minutes.

Mr. WELLER. Mr. Speaker, I appreciate very much the opportunity to spend a few minutes talking about not only a great opportunity, but a great step forward that was acted upon by this House in the last couple weeks.

One of the greatest commitments we made when we were elected in 1994 on this new majority was to do something that Washington had failed to do for 28 years, and that is to hold the President's feet to the fire and hold the congressional leadership's feet to the fire and balance the budget and live within our means for the first time in 28 years. We succeeded, and I am proud of that success, and this week, the first week of October, we are actually enjoying for the first time in 29 years surplus tax revenue, more money coming into the Federal Treasury than we are spending, a new concept here in Washington, but prior to 1969 it was standard operating procedure in Washington; that is, to live within your means. And I am proud that in the last 3½ years we brought fiscal sanity back to Washington.

Well, the Congressional Budget Office now projects that we have a projected surplus of extra tax revenue over the next 10 years of $1.6 trillion because of this fiscal responsibility. The question is what are we going to do with it? Some want to spend it, others want to give it back to the American people in helping save Social Security, and of course tax relief, and I stand on the side of those who want to give it back to the American people.

We have a plan that we adopted here in the House of Representatives and sent to the Senate about 2 weeks ago which takes the $1.6 trillion of extra tax revenue and sets it aside to save Social Security and get back to the American people tax relief.

☐ 1245

I am proud that the 90/10 plan sets aside 90 percent of surplus tax revenues over the next 10 years and we use it to save Social Security. Setting aside 90 percent is 1 trillion 400 billion dollars.

In January, I stood up in a bipartisan applause when the President said let us save and use the surplus for Social Security. At that time, that surplus was $600 billion. We have done better. We have set aside more than twice what the President had asked for by setting aside 1 trillion 400 billion dollars to save Social Security. What is left, we give back to you in tax relief.

I have often asked in this well a very simple fundamental question. Is it right, is it fair that, under our tax code, 28 million married working couples pay higher taxes under our tax code just because they are married? Is it right, is it fair that a married working couple with two incomes pays more in taxes than an identical couple with identical incomes living together outside of marriage? That is not right.

We answer that question in the 90/10 plan. In fact, the centerpiece of the 90/10 plan which saves Social Security is we eliminate the marriage tax penalty for the majority of those who suffer it. For 2 million married working couples, we eliminate the marriage penalty, and we provide over $240 dollars in extra take-home pay that these 28 million working couples will be able to keep back at home in places like Illinois, my home State. That $240 is a car payment in Joliet, Illinois. We eliminate the marriage penalty for the majority of those who suffer it. We also simplify our tax code by eliminating the marriage penalty for those who suffer it.

President Clinton, in his response to our effort to save Social Security and eliminate the marriage tax penalty, says, well, gee, you know, if you use some of the extra tax revenue and give it back to the American people in eliminating the marriage tax penalty, he calls it squandering that money.

It is very interesting. They always say in Washington you should not listen to what politicians say, you should watch what they do. Because in the 90/10 plan, our effort is to eliminate the marriage tax penalty and help family farmers and small business people, those who want to send their kids off to college, help build schools with school construction bond funds.

We provide about a $7 billion tax cut next year. President Clinton calls that squandering. Eliminate the marriage tax penalty; that is called squandering under President Clinton's definition. But at the same time, President Clinton calls for spending over $14 billion of the projected budget surplus of extra tax revenue on the State Department and defense spending and all these other new spending ideas that he does not feel should go through the regular budget process but he wants to use surplus tax revenue for. That just does not make sense.

If we want to eliminate the marriage tax penalty, that is squandering the surplus according to President Clinton. But if you want to spend the surplus, it is okay. That just does not make sense.

Mr. Speaker, this House, with bipartisan support, adopted the 90/10 plan, a plan which sets aside $1.4 trillion, which is 1 trillion 400 billion dollars, to save Social Security. We eliminate the marriage tax penalty.

We help family farmers. We help small business people. We help those who want to send their kids on to college. We help schools back in Illinois. Let us do the right thing. I hope the Senate will join us in bipartisan support to pass the 90/10 plan.

CONGRESS MAINTAINS POWER TO DECLARE WAR

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Colorado (Mr. SKAGGS) is recognized during morning hour debates for 5 minutes.

Mr. SKAGGS. Mr. Speaker, as the country and this body battles to find some clarity in the back and forth between the salacious and the fallacious, there are actually some significant and important things going on in Washington and in Congress.

One of those has to do with the fact that we may be on the verge of launching a NATO attack under United States leadership against the country of Yugoslavia because of the awful, awful conduct of the security forces of Yugoslavia under the direction of President Milosevic in going after innocent civilians in Kosovo.

One of the important aspects of this unfolding story and policy has to do with the question of whether, as the United States undertakes this effort, whether we do so in compliance with the requirements of our own Constitution.

Article I Section 8 of the Constitution provides very clearly that it is Congress that has the power to make war, whether it is a limited war or a more general war. The power to initiate offensive military action against another country with which we are at least nominally at peace is not a question that resides in the Executive Branch of government but here in the Legislative Branch.

Unfortunately, the history of the post World War II era in the United States is a history of the disuse and the disregard of this very important responsibility provided for in the Constitution and assigned to the Congress. Basically we have had a succession of Presidents who have asserted an ever broader definition of their exclusive authority to initiate military action.

We encounter now, in the face of the pending Kosovo matter the argument of, "Well, everyone else has done it, why can President Clinton not assert this very broad reach of presidential authority?"

The Secretary of State in testimony to Congress earlier this year basically said that it is the Administration's view that the President as commander in chief has the inherent power under the Constitution to take military action in defense of United States interests abroad as the President sees and defines them.

In the face of this post World War II history, we have a parallel and unfortunate history of congressional acquiescence. There are lots of reasons for that. Suffice it to say that, if it is in fact our responsibility that is at stake here, it is up to Congress to assert it and to protect it.

The situation in Kosovo presents a pretty stark set of facts to which this provision of our Constitution ought to apply. We recognize Yugoslavia as a sovereign independent nation. The United States recognizes Kosovo as an integral part of Yugoslavia. It does not recognize a right to an independent Kosovo. There has been no attack by Yugoslav forces against the United States or our allies. And yet, we nonetheless propose as U.S. policy with our NATO allies to initiate an attack against Yugoslavia.

Let me say it may very well be that the behavior of Yugoslav security forces and President Milosevic is an adequate cause for war. But, again, if there were ever a case in which the war power responsibility of the Congress is clear and ought to be invoked, it is under these facts and circumstances. It is not that Congress has "a" role, is supposed to be consulted or whatever: we have "the" role in making this decision.

Remember the inherent wisdom that the framers of the Constitution had in drafting this provision as they did. They realized it would be unwise to leave with any single individual, the President of the United States, the power to take the country into war. They realized it was essential to involve the people's Representatives in Congress in such a momentous decision and to have them examine thoroughly the implications and consequences of initiating warfare. They realized that it would be important for the American people, through their representatives, to be involved from the beginning in such an undertaking because it is the people's wealth and lives that will be put at stake in any military undertaking.

We have learned since then that our own military leadership recognizes the importance of Congress taking this step at the beginning, because it means that there will be a full debate and a full effort to make sure that there is national support for such a military undertaking.

So this is the right thing for us to do. It is the right way for us to do it. It would be wrong for Congress to stand by again and permit President Clinton to take the country into war without prior authorization.

CONGRESS MUST PROVIDE LEADERSHIP ON FOREIGN POLICY MATTERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from California (Mr. ROHRABACHER) is recognized during morning hour debates for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, as the Congress moves forward via the Committee on the Judiciary's impeachment hearings, it is useful to understand that this administration's shortcomings are not confined to extramarital affairs. Six years into this administration, our country is in jeopardy. With little awareness by the public, we are facing a multitude of critical national security threats and foreign policy debacles.

My fellow Americans, mistakes being made today imperil our children and future generations. The sad fact is that this administration has no credible foreign policy. Our weakness and vacillation emboldens tyrants throughout the world from China to Afghanistan to North Korea to Serbia to Cambodia to Iraq. It encourages these regimes to, not only brutalize their own people, but to create regional instability, to threaten Americans, and to threaten others as well with terrorism, and, for the first time, to develop and deploy technologies that directly threaten the continental United States.

How many Americans know that Communist North Korea is the largest recipient of U.S. foreign aid in Asia? In fact, Communist North Korea, this brutal regime that starves its own people to develop weapons of mass destruction, this Stalinist regime that threatens the stability of Asia is perhaps one of the top five recipients of foreign aid in the world.

How many Americans know this? How many Americans know that we have given into that regime into blackmail from that very same regime, and that is why they are receiving that foreign aid?

How many Americans know that, on the day that President Clinton visited Communist China, that that dictatorship tested a new rocket engine for a missile that can hit the United States? There was no response from President Clinton or his entourage, yet they knew that that engine was being tested.

This is the same brutal regime that represses religious believers and democratic reformers, the same regime that gets a preferential trade status enabling it to flood our markets to the tune of a $60 billion trade surplus a year, which they then use to build weapons that may someday attack Americans.

As I speak, the select committee of the gentleman from California (Mr. Cox) is finding more and more evidence that the Clinton administration has permitted the transfer of American technology to upgrade Communist Chinese missiles and other weapons systems.

How many Americans know that, due to this administration's determined opposition, that our country has no missile defense system to stop a missile whether it is from China or elsewhere from hitting the United States?

How many Americans know that the Taliban extremists in Afghanistan, who are like the Nazi's were to Jews, the Taliban are to women throughout the world, how many people know that this group, the Taliban, who are the largest exporters and suppliers of heroin in the world and have made their country into a safe haven for anti-American terrorists, that this bad bunch has had the tacit support of the Clinton administration?

How many Americans know that, due to the Clinton's administrations nonsensical military deployment and other policies, that our military is now at its lowest rate of readiness since before World War II?

All of this adds up to reckless incompetence or worse. The world economy is sinking. This administration has done everything in its power to tie our national well-being to the crooks and tyrants throughout the world who would drag us down all in the name of creating a global economy.

Going into the next Congress, we have got serious work to do. If the President and his staff are incapable of providing the leadership this country needs to keep us safe, to ensure our prosperity, then we must step forward, and Congress must stand up and take the leadership role.

RECESS

The SPEAKER pro tempore (Mr. NETHERCUTT). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 59 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore Mr. BARRETT of Nebraska) at 2 p.m.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

O gracious God, from the beginning You have known us and Your grace has been our constant blessing, and so we pray on this day that Your gifts will be upon us depending on our need and our concerns. If lives need healing or recovery, grant strength and hope; if lives need forgiveness, grant mercy and pardon; if lives need vision beyond self-centered designs, grant the freedom of truth and the openness that comes when we see others as created by Your eternal hand. So we thank You, O God, that we can all share in Your blessings and in the bounty of Your free gifts. Bless us this day and everyday, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Maryland Mr. CUMMINGS) come forward and lead the House in the Pledge of Allegiance.

Mr. CUMMINGS led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

IN MEMORY OF FORMER MEMBER D. FRENCH SLAUGHTER, JR.

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, it is with a great sadness I announce the death of French Slaughter, Junior, our former colleague from Culpeper, Virginia. French represented the Seventh District with honor and integrity. I am proud to be one of his successors as the Representative from the Seventh District of Virginia.

First and foremost, French was devoted to his constituents. French was a native of Culpeper and represented the Seventh District for 7 years in Congress. Prior to his service in Congress, French was devoted to his country and his constituents.

French served in the U.S. Army as an infantryman and earned the Purple Heart and Bronze Star during the Battle of the Bulge. After the war, he earned both a Bachelor's Degree and a law degree from the University of Virginia.

From 1958 to 1978 he served in the Virginia House of Delegates and championed legislation creating Virginia's community college system. He served on the Board of Visitors of the University of Virginia and Germanna College.

Elected to Congress in 1985, he constantly focused on constituent services. French was a great friend whom I could trust. I always knew I could rely on French for help during our service together in the House. French was and will always be a Virginia gentleman. My prayers are with his family.

French Slaughter was a legislator devoted to his constituents. No request from his constituents was too small. It in an era when C–SPAN first projected our speeches nationwide, French preferred to stay out of the limelight and focus on constituent service.

French heard the call of his nation during the perilous days of World War II. French was a student at Virginia Military Institute when he postponed his studies and joined the United States Army as an infantryman. While serving with the Army's 84th Division, French was wounded in action at the Battle of the Bulge in 1944. French was awarded the Purple Heart and Bronze Star for his actions that day.

After the war, French returned to school and earned a bachelor degree and a law degree from the University of Virginia. During the late 50's, French won a seat in the Virginia House of Delegates. During his 20 years of service, he often ran without opposition because of his faithfulness to constituent service. In 1966, he sponsored legislation to establish Virginia's Community College system. Upon his retirement from the House of Delegates, French was a member of the Board of Visitors of his alma mater from 1978 to 1982. French continued to find ways to stay active in the community because public service was his calling.

Like a true Virginian, French had a deep appreciation for the history of his native soil, and a love for passing on that heritage. He served as a loyal board member and attorney for The Memorial Foundation of the Germanna Colonies in Virginia, Inc., a foundation that continues to convey the heritage of the first European settlement on the Rapidan River by German Calvinists and Lutherans beginning in 1714. As a Germanna Colonies board member, he was instrumental in persuading the Foundation to donate 100 acres of the original 1714 settlement to the Commonwealth in order to build Germanna Community College. French also served on the Germanna College's board from 1978 to 1985. I am proud to say the main building at Germanna College is named in his honor.

French heard one more call to duty and served his constituents in Congress from 1985 to 1991. During his tenure in Congress, French served on the Judiciary, Small Business and Science Committees in Congress. Once again, French championed constituent service for the people of Manassas, Winchester, Charlottesville, Fredericksburg, and most importantly, Culpeper during his service in Congress. French focused his legislative efforts on interests of interest to the elderly, particularly health care. French favored a balanced budget amendment while opposing tax increases. French's conservative agenda for smaller government served the people of the Virginia Seventh District well during his seven years in Congress.

French was also very kind to keep me informed of the days events on the floor of the House of Representatives. French was a great friend with whom I could trust. He will be sorely missed by many. My prayers are with his family during this sad time.

French is survived by his son, D. French Slaughter, III of Charlottesville; a daughter, Kathleen Slaughter Smith of Gilbert, Arizona; nine grandchildren; a brother, Johnson Slaughter of Houston; and a niece, Connie Slaughter Koenig, also of Houston.

TAXPAYER FUNDS SHOULD NOT BE USED FOR INTERNATIONAL MONETARY FUND BAILOUTS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Russia got $20 billion, Asia got over $100 billion, and now International Monetary Fund wants a $30 billion bailout for Brazil. That is right, the same Brazil that illegally dumps millions of tons of steel in America, below the production cost, destroying American jobs and American families.

Unbelievable. Think about it. Bailout for Russia, they sell missiles to our enemy; bailout to Asia and Japan, they rip us off with illegal trade; bailout to Brazil, they destroy American jobs. What is next, a bailout for Saddam Hussein?

We are not playing monopoly down here. These are taxpayer dollars. Enough is enough. Last I heard it was Uncle Sam, not Uncle Sucker. I yield back the balance of the hard-working jobs that the steel industry is losing.

CONGRATULATIONS TO DAN AND PAIGE PITTS ON THEIR MARRIAGE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, this past weekend my son, Dan, was married to Paige Overton of Knoxville, Tennessee. So today I would like to talk to them.

Dan and Paige, what a magnificent wedding. We love you and are so happy for you. Never forget what the pastor shared; that according to the scriptures, the institution of marriage and family was God's idea. That is why it is so right and good.

When you think about family, they are the people that God brings into your life. You do not choose your brother or sister, your parents or children. God gives them to you.

So, Paige, we are so delighted to welcome you into our family. You are a very special young lady. Dan and Paige, you waited and prayed for each other, and God has given you the desires of your heart. His very best. Congratulations.

We love you, we are proud of you, we are grateful for you, and we wish you a lifetime of happiness together. And have a great honeymoon.

HOW AMERICANS HAVE BENEFITTED BY ELECTING REPUBLICANS TO CONGRESS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, after 40 years of Democratic leadership, which brought higher taxes, increased spending, and enormous budget deficits, my liberal colleagues are labeling us as a do-nothing Congress. So, Mr. Speaker, as the 105th Congress draws to a close, I am proud to submit a progress report on how this Republican-led Congress has benefitted America.

By electing Republicans, Americans have benefitted from their first tax cut in 16 years. And now, for a second consecutive year, we will again provide significant tax relief. By electing Republicans to control Congress, Americans benefitted not only from the first balanced budget in over a generation, but a budget surplus on top of that. And with this surplus Republicans are helping save Social Security. By electing Republicans, Americans have benefitted from a truly needed and meaningful Patient Protection Act, legislation that will ensure Americans have accountable, accessible and affordable health care for themselves and their families.

Is it any wonder that Americans continue to elect and reelect Republicans to lead this body into the next century? Republicans remain committed to a future that benefits the American people, a future that is pro-family, pro-business and pro-America; a commitment that this and future generations have a rendezvous with a brighter destiny.

COST OF PRESCRIPTION DRUGS AND THE PRESCRIPTION DRUG FAIRNESS ACT

(Mr. FORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD. Mr. Speaker, I rise today in support of the Prescription Drug Fairness Act. Anyone in America who has older relatives or friends who are living on a fixed income and taking prescription drugs understand firsthand the devastating impact that the high cost of medication can have on the health and well-being of seniors.

As we all know, with age comes a greater susceptibility to health problems. As such, it is no surprise that, on average, Americans over the age of 65 spend three times as much of their income, over 20 percent, on health care than Americans under the age of 65. Three-quarters of Americans 65 and older take prescription drugs. On average, Americans take 2.4 prescription drugs at any one time.

One would think that since older Americans make up such a large segment of the market for prescription drugs that they would pay reasonable prices for their medication. Unfortunately, that is not the case. Due to cost shifting and the limited power of seniors, they get the short end of the stick compared to HMOs and other most-favored customers when it comes to the cost of drugs, which is why I rise in support of the Prescription Drug Fairness Act.

Thanks to the leadership of the gentleman from Texas (Mr. JIM TURNER) and the gentleman from Maine (Mr. TOM ALLEN) we now have legislation which is designed to help level the playing field by; one, providing Medicare beneficiaries with a drug benefit card that will entitle the holder to purchase drugs at reduced prices from participating pharmacies; and, two, allowing pharmacies to purchase drugs at the same lower price as the Federal Government.

As a public policymaker at the Federal level, I believe Congress has a responsibility to help protect seniors from the unreasonably high cost of prescription drugs. The Prescription Drug Fairness Act is designed to accomplish just that. I hope every one of my colleagues signs on and supports this legislation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 5 p.m. today.

FEDERAL EMPLOYEES HEALTH CARE PROTECTION ACT OF 1997

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 1836) to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.

The Clerk read as follows:

Senate amendments:

Page 2, line 3, strike out "1997" and insert "1998".

Page 12, line 8, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 12, lines 13 and 14, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 12, line 18, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 13, line 13, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 13, line 19, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, lines 2 and 3, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, line 10, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 14, line 16, strike out "January 4, 1998" and insert "January 3, 1999 or such earlier date as established by the Office of Personnel management after consultation with the Federal Deposit Insurance Corporation or the Board of Governors of the Federal Reserve System, as appropriate".

Page 14, line 24, strike out "January 3, 1998" and insert "or before January 2, 1999".

Page 15, line 13 after "Office" insert "of Personnel Management".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 1836, as amended by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Indiana (Mr. BURTON), the chairman of the Committee on Government Reform and Oversight, for introducing this very important bill. I also want to thank the gentleman from Florida (Mr. MICA), chairman of the Subcommittee on Civil Service, for his assistance in bringing this bill to the floor today; as well as the committee's ranking minority member, the gentleman from California (Mr. WAXMAN); and the subcommittee's ranking minority member, the gentleman from Maryland (Mr. CUMMINGS), who is going to be handling this bill across the aisle, for their support.

FEHBP is an outstanding program, but even among the best programs, there is always room for improvement.

The FEHBP is critically important to my constituents, and it is the country's largest employer-based health insurance program, serving the health care needs of almost 10 million Federal employees, retirees and their families. It is critical we continue its success. This legislation will attack fraud and abuse in the FEHBP program.

Turning to section 5 of H.R. 1836, I want to make clear that my endorsement of the bill is based upon my understanding that nothing in the measure is designed to hinder the types of market forces which have made the FEHBP a cost effective health insurance model for other public agencies and private industry. This legislation is not intended to tilt the competitive playing field in the health insurance marketplace in one direction or another.

Section 5 suggests as its goal the disclosure of certain rate agreements which might yield savings to plans and ultimately to enrollees in the Federal Employees Health Benefits Program. I agree that the FEHBP plan should be held to no less a standard than private sector counterparts.

When H.R. 1836 was originally introduced, I opposed the draft of section 5. As originally drafted, section 5 would have cost the FEHBP savings and created an administrative burden that would have increased administrative costs. These increased costs to FEHBP would have been borne jointly by the Federal Government and Federal employees and retirees. I appreciate the willingness of the gentleman from Indiana (Mr. BURTON) to listen to the many stakeholders involved in the issue and consent to redrafting section 5, the new draft now part of this legislation.

While the intent of this legislation was in doubt after the report of the Committee on Government Reform and Oversight was altered prior to filing last year, I believe the Senate has clarified our intentions and join my colleagues in recognizing the Senate's report, especially the additional views filed by Subcommittee Chairman COCHRAN of the Senate Committee on Governmental Affairs, and Senators GLENN and LEVIN, as the proper memorialization of our congressional intent on section 5. We thank them.

Section 5 of H.R. 1836 will tell the Office of Personnel Management to encourage disclosure of certain arrangements in an effort to maintain the integrity of FEHBP. I support this effort. At the same time, I understand that section 5 would create no additional duties for the Office of Personnel Management or have a chilling effect on current negotiated arrangements which yield the program savings. I understand that this fact is reinforced by the Congressional Budget Office in estimating that the section would have no budgetary effect on the program.

□ 1415

I am including the Senate committee report's description at this point in the RECORD to clarify our mutual intent.

> Based upon concerns raised to the House Government Reform and Oversight Committee by the American Medical Association and the American Hospital Association that certain payers were taking advantage of discounts to which they were not entitled, the Office of Personnel Management Inspector General was requested to conduct a review "to determine whether silent PPOs were used by FEHBP carriers to capture discounts to which they were not entitled."

The additional views of Senators COCHRAN, GLENN and LEVIN in the RECORD further clarify our mutual intent:

> In brief the Office of Personnel Management Inspector General found no evidence that health care providers were being victimized by FEHBP carriers, nor any evidence of schemes allowing payers to capture discounts they are not contractually entitled to receive. Although we support inclusion in H.R. 1836 of section 5 bill language, we believe Congress should be careful to avoid interjecting the Federal Government into contractual issues between health care providers and health plans.
>
> A recent audit by the OPM IG defined "Silent" PPOs as a health care provider discount taken by an FEHBP carrier without a contract existing between the PPO and the health care provider. This is the type of unethical practice that the FEHBP carriers should avoid.
>
> Further, PPOs, both directed and nondirected, provide various incentives to health care providers which contract with PPOs for the benefit of FEHBP; i.e, to reduce health care costs. The FEHBP must continue to benefit from these relationships, recognizing that the PPOs must always have a contract with the health care provider.

During our committee deliberations, issues were raised with respect to activities of "silent PPOs" and the potential adverse impact their discounts could have on cost initiatives within the FEHBP.

PPOs play an important role in today's health care market. Both directed and nondirected PPOs provide legitimate and valuable benefits to health care providers, carriers, and patients. Nondirected discounts are currently saving the government and FEHBP enrollees millions of dollars a year through their legitimate utilization by a number of fee-for-service carriers. Examples of nondirected discounts are those given by participating providers in return for incentives other than steerage, such as prompt payment, prepayment, claim audit assistance and negotiated provider settlements.

Section 7 of H.R. 1836 resulted from an amendment I offered to the bill in subcommittee to increase the Physicians Comparability Allowance, a critically important tool to recruit and retain Federal physicians. Last fall, I commissioned a GAO study to review the PCA and its usefulness. The September 1997 GAO report confirms that the PCA is critical. Since I requested the GAO study, I have heard from hundreds of Federal physicians from across the country who stated very clearly that without the PCA, they would have chosen a different career.

This section would increase the PCA from $20,000 to $30,000. The Physicians Comparability Act has not been increased in 10 years. This increase, however, would not result in an increase in appropriations; it simply allows agencies to pay an additional PCA from their own budgets based on their recruitment and retention needs.

According to the Office of Personnel Management, the "PCA constitutes a declining percentage of income." I had also hoped to include a provision in legislation that I introduced, H.R. 2541, that would include a physician's PCA in his or her average pay for purposes of computing retirement.

I understood the cost concerns of the chairman, the gentleman from Florida (Mr. MICA), and I requested a CBO score. Now that we have received the CBO score demonstrating that this provision does not impose any significant cost on the Federal Government, I am hopeful that we can move this piece forward as well.

The over 2,700 Federal physicians eligible for the PCA are working on cures for AIDS, cancer, and heart disease; protecting the safety of food and drugs; providing medical care to Defense and State Department employees and dependents, airline pilots, astronauts, native Americans, and Federal prisons.

The Government cannot pay physicians on the same scale as physicians employed in hospitals, HMOs, and universities. Consequently, the PCA provides some compensation to offset this loss of income for Federal physicians to ensure that the Government can recruit and retain highly-trained and well-qualified physicians.

I urge my colleagues, Mr. Speaker, to join me in supporting this important measure.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1836, the Federal Employees Health Care Protection Act of 1998, is a good bill that has won strong bipartisan support. It has at its core a provision that would enable the Office of Personnel Management to effectively use administrative sanctions to protect our health care program from fraud and abuse perpetuated by unscrupulous health care providers.

By strengthening OPM's administrative powers and giving it the authority to impose monetary sanctions on health care providers who engage in professional and financial misconduct, OPM will be able to assure Federal employees that they are being provided with health care services free of mismanagement and abuse.

The enactment of this reform was requested by the Office of Personnel Management last year because they found imposing administrative sanctions under current law was time-consuming and expensive. The House passed H.R. 1836 last November, and the Senate passed a bill last week after making necessary technical changes to update the dates on which certain sections of the bill are to be implemented.

H.R. 1836, however, contains some additional provisions that will also improve the administration of the Federal Employees Health Benefit Program. I would like to highlight just a few of them.

The bill contains a provision to strengthen the current preemption statute in title 5 so as to ensure FEHBP's national plans can continue to provide uniform benefits and rates to enrollees regardless of where they live. Another provision would permit active and retired employees of the Federal Deposit Insurance Corporation and the Federal Reserve System to reenter FEHBP. This will save both agencies several millions of dollars in future premium cost.

This bill also requires OPM to encourage participating health plans that contract with third parties to obtain discounted rates from health care providers to seek assurances that a condition surrounding those discounts had been fully disclosed.

Finally, H.R. 1836 clarifies a provision of existing law concerning direct access and reimbursement to health care providers in the program.

Mr. Speaker, I believe that H.R. 1836 makes important and needed improvements in the Federal Employees Health Benefits Program. I urge all Members to give it their support.

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Virginia (Mr. DAVIS).

Mr. DAVIS of Virginia. Mr. Speaker, I thank my friend, the gentlewoman from Maryland (Mrs. MORELLA) for yielding.

Mr. Speaker, I appreciate her work on the bill and the work of the gentleman from Maryland (Mr. CUMMINGS) on this bill as it moves forward to what will hopefully be a successful passage today.

This bill, H.R. 1826, does amend the FEHBP to expand the power of the Office of Personnel Management to sanction fraudulent health care providers. The bill authorizes OPM to debar and fine fraudulent health providers that are participating in the FEHBP, and I think my colleagues have spoken about some of the specifics of this earlier.

One of the important things this does is it takes about 5,000 employees and annuitants from the Federal Deposit Insurance Corporation and the Federal Reserve Board who are currently ineligible for the FEHBP. Because of a change in their coverage, they can now be covered by the Federal Employees Health Benefit Plan.

This is very, very helpful to them. This in no way, shape or form reduces the rates that other Federal employees are paying for this. I think it is a very critical point that needs to be made, and it will give adequate protection and health care to people who are generally under the Federal envelope in these two areas.

I want to thank the gentlewoman from Maryland (Mrs. MORELLA) for her assistance in increasing from $20,000 to $30,000 the maximum amount that Federal agencies can pay for the physicians' comparability allowance. The comparability allowance was created in 1978 by the Physicians' Comparability Act to ease the burden of a critical shortage of doctors and vast salary differences between military doctors and other Federal doctors, as well as the overall differences between Federal and private sector doctors.

I think both of these provisions are well worth while, I think are going to be advantageous to all concerned, and I just want to congratulate my colleagues in bringing this to a vote today.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the gentlewoman from the District of Columbia (Ms. NORTON), a distinguished Member who has consistently fought hard for Federal employees and been at the forefront of just about every battle that I have seen with regard to this House and Federal employees.

Ms. NORTON. Mr. Speaker, I very much thank the gentleman from Maryland (Mr. CUMMINGS) for yielding and for his kind words, and I want to thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) for their leadership on this very important issue.

Mr. Speaker, I also want to congratulate the Office of Personnel Management for bringing this matter to the attention of the Congress so that we could take action that is corrective of this problem. Delay in correcting fraud and abuse at a time when premiums for Federal employees are on the rise should not be tolerated, and I am very appreciative that this bill has come to the floor before we adjourn.

By moving to allow the OPM to sanction providers who engage in misconduct, we are sending a strong message that being a provider of health care for Federal employees is not a right but a privilege. Those who abuse that privilege will lose that privilege or be sanctioned for their abuse of that privilege.

Over and over again, Mr. Speaker, the FEHBP is cited as a model for health care in the country, and in a number of important ways it has proved to be that over time. It will lose its place in that regard unless we are willing to step up and do what this bill does, and that essentially is to wipe away some of the causes of administrative delay which have been responsible for the fact that OPM has not been able to move promptly in some instances where misconduct was brought to its attention.

Mr. Speaker, may I also speak in favor of the increase in the physicians' comparability allowance. This is a period in which vast disparities are found in the location and the willingness of physicians to serve. When those disparities can be traced back to income, we must look closely at the effect. Here we are not talking about an increase in budget. We are talking about allowing an increase in comparability pay where that is necessary. This provision attends to a real shortage of physicians willing to serve as we need them.

For these two provisions and for the others in this bill, I am personally grateful to the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS), and I once again thank them for their very diligent and excellent work on this bill.

Mrs. MORELLA. Mr. Speaker, I have no further speakers on this side. Perhaps the gentleman from Maryland (Mr. CUMMINGS) has further speakers.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to add on to something that the distinguished lady from the District of Columbia (Ms. NORTON) was just speaking about. Back in 1998, the FEHBP amendment has not been an effective tool because it mandates exhaustive due process in every case, requiring a hearing on the record to be offered before any adverse determination takes effect.

□ 1430

This precludes OPM's use of less formal administrative procedures to deny health care providers access to the FEHB program, even where a court or State licensing authority previously has found a provider guilty of misconduct.

I just want to say that this law that we are passing today makes that process much more practical. I think it is good government. I take a moment to thank the other side, particularly my colleague from Maryland for all her work that she has done with regard to this legislation and other pieces of legislation which we will be considering today. It is truly a bipartisan effort and is about lifting up the people of our great Nation, those people day in and day out, hour after hour who work to make this Nation the best that it can be. Mr. Speaker, I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mrs. MORELLA. Mr. Speaker, I include for the RECORD a letter from Chairman MICA and myself to Chairman COCHRAN.

The text of the letter is as follows:

HOUSE OF REPRESENTATIVES
Washington, DC, July 29, 1998.

Senator THAD COCHRAN,
Chairman, Subcommittee on International Security, Proliferation and Federal Services, Washington, DC.

DEAR CHAIRMAN COCHRAN: In response to the Senate's anticipated action in favorably considering H.R. 1836, the Federal Employees Health Benefits Protection Act, and in anticipation of having the measure cleared for the President without need of a conference, we write to clarify the purpose of one element of the bill: Section 5 dealing with preferred provider organizations.

As your additional views accurately represent, recent audit activity by the OPM Inspector General in response to complaints from provider associations (AMA and AHA) found no evidence that health care providers were being victimized by FEHBP carriers, nor evidence of schemes allowing payers to capture discounts to which they were not contractually entitled.

Both directed and non-directed PPOs provide various incentives to health care providers which contract with PPOs for the benefit of FEHBP—reducing health care costs. The FEHBP must continue to benefit from these relationships, recognizing that the PPOs must always have a contract with the health care provider. Silent PPO activity, as described by the OPM Inspector General, represents the type of unethical practices that FEHBP carriers should avoid. Further, we understand that the IG found no evidence of "silent PPO" activity within the FEHBP.

We look forward to continuing our close work in sustaining the Federal Employees Health Benefits Program as a model for others to follow.

Sincerely,

JOHN MICA,
Chairman, Subcommittee on Civil Service.
CONNIE MORELLA.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume. I want to thank my colleagues for their support of this important legislation. I would pick up and echo the comments of my colleague from Maryland. Indeed this is a bipartisan piece of legislation that will help all Federal employees and help us to recruit and retain physicians and others into public service which is so very, very important.

I want to again reiterate my thanks to the gentleman from Indiana (Mr. BURTON), the gentleman from California (Mr. WAXMAN), the gentleman from Florida (Mr. MICA) chairman of the Subcommittee on Civil Service; and the gentleman from Maryland (Mr. CUMMINGS). He is right. We work in a very nonpartisan way on the Subcommittee on Civil Service. This legislation is evidence of that. I thank him also for his leadership. I ask my colleagues to support this legislation.

Mr. PAPPAS. Mr. Speaker, I rise in support of H.R. 1836, the "Federal Employees Health Care Protection Act."

While the legislation sets out laudable goals, I want to make clear that my endorsement of the bill is based upon my understanding that nothing in the measure is designed to hinder the types of market forces which have made the FEHBP a cost-effective health insurance model for the public agencies and private industry. This legislation is not intended to tilt the competitiveness in the health insurance marketplace in one direction or another.

One element of the legislation, Section 5, suggests as its goal the disclosure of certain rate agreements which might yield savings to plans and enrollees in the Federal Health benefits Program. I agree that FEHBP plans should be held to no lesser standard than their private sector counterparts and I agree with the clarification of Congressional intent in the drafting of Section 5 as set forth in the Senate Report's additional views filed by Senate Subcommittee chairman, Senator COCHRAN.

During our committee deliberations, issues were raised concerning the activities of "silent PPO's" and the potential of adverse impact their discounts could have on cost saving initiatives within the FEHBP. Some even speculated that a variety of unethical and perhaps fraudulent activities related to "silent PPOs" were rampant in the federal health program.

The Inspector General of the Office of Personnel Management dispelled these allegations in a report issued on February 26, 1998. The Inspector General audit found that the practices alleged are not currently prevalent in the FEHBP. The Inspector General further asserted that networks of non-directed PPOs operate within a contractually authorized environment.

PPO's play an important role in today's health care market. Both directed and non-directed PPO's provide legitimate and valuable benefits to health care providers.

I remain committed to improving the quality of health care offered to our federal employees as well as committed to ensuring a diverse and competitive environment for health plans and providers.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 1836.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES CHILD CARE AFFORDABILITY ACT

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4280) to provide for greater access to child care services for Federal employees, as amended.

The Clerk read as follows:

H.R. 4280

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHILD CARE SERVICES FOR FEDERAL EMPLOYEES.

(a) IN GENERAL.—An Executive agency which provides or proposes to provide child care services for Federal employees may use appropriated funds (otherwise available to such agency for salaries) to provide child care, in a Federal or leased facility, or through contract, for civilian employees of such agency.

(b) AFFORDABILITY.—Amounts so provided with respect to any such facility or contractor shall be applied to improve the affordability of child care for lower income Federal employees using or seeking to use the child care services offered by such facility or contractor.

(c) REGULATIONS.—The Office of Personnel Management shall, within 180 days after the date of enactment of this Act, issue regulations necessary to carry out this section.

(d) DEFINITION.—For purposes of this section, the term "Executive agency" has the meaning given such term by section 105 of title 5, United States Code, but does not include the General Accounting Office.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4280, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentleman from Indiana (Mr. BURTON) chairman of the Committee on Government Reform and Oversight; the gentleman from Florida (Mr. MICA) chairman of the Subcommittee on Civil Service; and I also want to thank the gentleman from California (Mr. WAXMAN) the ranking member; and the gentleman from Maryland (Mr. CUMMINGS) the ranking member of the subcommittee for their assistance in bringing this bill to the floor today.

I would particularly like to thank some staff who have been very instrumental in crafting it so we could finally get this bill before us, staff on both sides of the aisle. In my office Kathryn Pearson, Jeff Davis; also Gary Ewing, Jeff Shea, Siobhan McGill for all their help in bringing this bill to the floor, and the staff of the gentleman from Maryland (Mr. CUMMINGS) for the work they have done.

Mr. Speaker, I introduced this bill so that agencies may use their salary and expense accounts to help low-income Federal employees pay for child care. Balancing work and family has become increasingly difficult for families, and Federal employees are no exception.

My legislation will provide opportunities for Federal agencies to help provide quality child care for their employees' children.

I have worked with the Office of Personnel Management to develop this legislation. Several agencies, including the Social Security Administration, Department of Justice, and the Department of Defense have actually requested such authority from OPM. OPM cannot grant this authority. We must legislate this change.

This legislation does not require any additional appropriations. It would be up to the individual agencies to determine whether or not to use funds from their salary and expense accounts to help provide child care. Agencies, not employees, would make payments to child care providers to help lower-income Federal employees pay for their child care.

Such child care benefits are already being provided to military employees with a separate line item which is more than my legislation would provide. The Department of Defense, one of the agencies seeking such authority to help its employees with child care costs, has pointed out that they can provide child care benefits to their military employees but not the civil servants working side by side.

One of the greatest challenges families face, we know, is finding safe, affordable and high-quality day care. Having raised nine children and now watching them struggle with their own child care dilemmas, I am well acquainted with the problems associated with finding high-quality day care. America's lack of safe, affordable day care is not a new problem but its consequences are becoming far more dire, and it does require new, innovative solutions. In 1995, 62 percent of women with children younger than six and 77 percent of women with children between the ages of six and 17 were in the labor force.

Approximately one-quarter of all Federal workers have children under the age of six needing care at some time during the workday. During a recent hearing in the subcommittee of the gentleman from California (Mr. HORN), testimony revealed that some Federal child care facilities charge up to $10,000 or more per child per year. Many Federal employees simply cannot afford quality child care. By allowing agencies the flexibility to help their workers meet their child care needs, we will be encouraging family-friendly workplaces and higher productivity.

It is clear that we need more child care, we need affordable child care, and we need high quality child care. Unless child care becomes a priority in the private sector and in the public sector, families, including those of Federal employees, just are not going to find it.

Mr. Speaker, I hope that Congress will pursue a wide range of innovative solutions to address families' child care needs in the near future. As a Nation, we must and we can do better for our children. This legislation is an important first step. However, increasing the affordability and the quality of child care go hand in hand. That is why I am sorry that important provisions that were offered in a bill by the gentleman from New York (Mr. GILMAN) to improve the quality of Federal child care centers is not still a part of H.R. 4280. I am committed to continuing to work with the gentleman from New York to enact the provisions in his bill which will ensure that all child care centers housed in Federal buildings meet quality standards. These provisions require all Federal child care centers to follow and maintain State and local regulations for health, fire and safety. They would not lower Federal agency standards if they are greater than the local or State regulations. They would simply ensure that those that are substandard begin to comply.

I encourage my colleagues to join me in supporting this legislation to help Federal employees and agencies meet their child care needs.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I take this moment to congratulate the gentlewoman from Maryland (Mrs. MORELLA) for this outstanding piece of legislation. It is so very important.

Three thousand nine hundred ninety-four Federal workers currently enroll their children in the 109 child care centers established in Federal agencies across the country. The cost of child care is a particular burden for low-income families. For the poorest families, child care costs on the average represent more than one-quarter of family income.

I support this bipartisan bill because it will help make child care more affordable for many Federal workers and their families as well as provide their children with developmentally appropriate environments in which to spend their days as they grow up to be productive adults.

As parents move from welfare to work and attend job training and preparatory classes, child care becomes of great concern, as is the case in my district.

At the White House Conference on Child Care in October of 1997, President Clinton asked Secretary of the Treasury Robert Rubin to convene a group of business and labor leaders to look at child care problems facing working parents. The group found that when employers provide quality and affordable child care, employee morale improves, turnover and absenteeism is reduced and productivity is improved. So good child care pays for itself.

Perhaps more importantly, they found a growing body of research that substantiates the view that investments in the care of young children affects a child's physical and emotional development, and these investments can have positive returns for families and society. These benefits will last those children until the day they die.

The Federal Government has taken the first steps in making such an investment. All child care facilities designed and renovated after 1992 reflect state of the art child care designs and are built to promote child-oriented, developmentally appropriate, efficient and effective environments. As the Nation's largest employer, do we not have an obligation to ensure that these facilities are more financially accessible for Federal employees?

H.R. 4280 will do the following: Allow Federal agencies to use appropriated funds to pay a portion of the costs incurred by private operators of child care centers in Federal facilities; require that such payments improve the affordability of care for lower-income Federal employees; authorize alternative methods for providing child care in Federal facilities; and will require that agencies perform a background check and a criminal history of employees of day care centers located in Federal facilities.

During full committee consideration of H.R. 4280, two amendments were added to it. The first amendment offered by the gentleman from New York (Mr. GILMAN) would have required Federal child care centers, including the United States Congress, to follow and maintain State and local regulations for health, fire and safety. The gentleman from California (Mr. WAXMAN) offered a second degree amendment to the Gilman amendment providing that child care facilities be inspected for, and be free of, lead hazards. Though I supported both of these amendments, jurisdictional concerns have been raised by the Committee on House Oversight, and they have been removed to ensure passage of the bill. I hope at some point in the future, the Gilman and Waxman provisions will be enacted by this body.

This bill now before us is one of many steps that the Federal Government should take to provide accessible, high-quality child care to Federal workers. Carl Sandberg said it best when he said, "The birth of a child is God rendering his opinion that the world should go on." As a cosponsor of this legislation, I urge all of my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. DAVIS) who is a fierce fighter for Federal employees and cares very much about the quality of care for their children.

Mr. DAVIS of Virginia. Mr. Speaker, I thank the gentlewoman for yielding time. After that introduction, I ought to stop right there.

Mr. Speaker, this is a great bill because it offers flexibility as a part of the benefit package to the different agencies. They can take these dollars that are appropriated, there is no new money involved, and can best decide how they can use that in recruiting and in retaining good people. Child care is a major concern for families across this country. A lot of single parents who work for the Federal Government are going to find this immeasurably benefits their performance and ability to stay on working and do their job. I remember when our day care provider at one point in our lives decided she was retiring, that she could not make enough money, and the months of scramble trying to find somebody who could fill that niche. There is no more important decision for a single parent or parents to make than what they are going to do for their children while they are working.

This allows the Federal Government to come in and use existing dollars as a part of a benefit package for some of their lower-paid employees to allow the flexibility to try to meet those child care needs for them.

□ 1445

It is going to be up to the agencies as to how they best implement that, how they can innovate, but I think this is a very, very good idea. I know my mother brought up five children, and my father, who served two tours in the State prison system, was not around, and she would have to work taking care of other people's kids and work at night. But keeping that family together was the most important thing in her life, and it allowed her to go off and be productive and be successful in other things. This will allow that same standard to Federal employees.

We are finding the work force today across the world in an information age is the most important asset that any organization has. It is no longer the machinery or the equipment; it is the employees and their minds and what they bring to bear. This basically allows us to recruit and retrain the best and the brightest by allowing them flexibility to care for their day care needs, something that is very important, something at a governmental level we have been behind the private sector in recognizing how important this is to be able to recruit and retrain good people. And I am very confident that with the passage of this act, as we start meeting and talking to Federal agencies, as they start hearing from employees, both single parents and working parents about how important child care is, that this will allow the flexibility that our agencies need to meet the needs of employees that they are trying to recruit or retrain.

So I am very bullish on this bill. I want to thank everybody involved. Keeping families together is important, but keeping and recruiting and retraining and being able to retain quality employees is also important from a taxpayer perspective, and this legislation does this.

So, Mr. Speaker, I thank my colleague for having yielded to me, and I hope my other colleagues will support this legislation.

Mr. CUMMINGS. Mr. Speaker, I yield 4½ minutes to the gentlewoman from the District of Columbia (Ms. NORTON) who has constantly been at the forefront of making sure that our children are uplifted.

Ms. NORTON. Mr. Speaker, I thank the gentleman for his kindness and for yielding this time to me, and I would like to thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) both for working so closely together on what is clearly a ground-breaking piece of legislation, though it affects a smaller universe than our country needs.

One of the reasons I am thrilled with this bill is that the bipartisan Congressional Women's Caucus made child care one of its seven priorities this year, focused on seven priorities; six of them were actual bills; four of the seven, in fact, have been enacted, which is not a bad track record; and it has encouraged us as a caucus, now 21 years old, to focus on specific legislation of the kind that we think has a consensus in this body.

Now, of the three that did not get through, one was child care. All were fairly complicated. The ones that were fairly easy did get through. Child care was difficult this term, and we knew it. We could not get a consensus on one bill, but we got consensus on three principles:

One, that funding would go to lower-income families; two, that there would be tax relief for working families and for stay-at-home spouses; and three, that there would be quality child care. Any bill that incorporated those three principles would have our support.

As we know, we were unable to get a comprehensive child care bill through. That is why I am thrilled that at least that there will be a child care bill that passes the 105th Congress. The Federal Employee Child Care Affordable Act gives us something to show for child care in this session.

Now, my chief regret is that the Gilman and Waxman provision was not incorporated into this bill as it originally was because that would have meant that one of our three principles, quality, would have been memorialized in an important bill. This provision would have had Federal child care centers comply with Federal or State safety and health standards, whichever is higher, and all Federal centers would have to be free of lead paint. I believe, Mr. Speaker, I can say without fear of being contradicted that there is not a Member in this body who would disagree with the provisions of the Gilman and Waxman bill, but the fact is that a jurisdictional dispute has derailed it, and I was pleased to hear the gentlewoman saying she will follow up next session to make sure that this provision also is passed.

This in other ways is a model bill. This is a model bill in the flexibility it allows in meeting child care needs. I am inclined to say to the gentlewoman from Maryland that in a real sense it is making lemons out of lemonade because there is no extra money in this bill, it is a no-cost bill that leaves discretion to the agency to decide where to use its money, and when we have a lot of employees who look like they are not on time or they are not being productive for child care reasons, that may be the best use of discretionary funds. This will go to lower-income people who cannot afford the child care.

Mr. Speaker, I can say to my colleagues that when I was a young mother with two youngsters, I remember at one point having the need of both my mother-in-law and someone who helped me in the house. The mother-in-law went to pick up the child from nursery school, and the lady in the house stayed with the other child. I still have not figured out how low-income mothers do it, particularly single parents.

Mr. Speaker, with its Federal child care centers the Federal Government surely ought to be in the forefront of child care. With this bill, it moves in that direction, and this legislation is in the progressive tradition of the Federal Government staying ahead of other employers in important matters to its own employees.

Mrs. MORELLA. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. GILMAN), the Chairman of the Committee on International Relations, who has put so much time into child care and high-quality child care.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman from Maryland for yielding this time to me.

Mr. Speaker, I am pleased to rise today in support of H.R. 4280, the Federal Child Care Affordability Act, and I want to thank the gentlewoman from Maryland (Mrs. MORELLA) for her leadership and dedication to child care. This bill allows Federal agencies to help their employees with the ever-growing cost of child care in our Nation. Recent hearings have illustrated that some day care centers charge up to $10,000 or more for a single year of child care, and for some employees that is an outrageous charge, and they are forced to choose more affordable, but not necessarily quality care facilities.

Miss MORELLA's language will allow Federal agencies to use already appropriated funds, no additional costs, already appropriated funds to help these employees pay for child care, something that the Department of Defense already does for its employees, and these provisions are supported by both conservative and liberal groups alike in addition to GSA and the executive branch agencies and nationally recognized accreditation groups including the National Council on Private School Accreditation and the National Association for the Education of Young Children.

Mr. Speaker, our children are so important, and the care they receive during their first few years of development is essential to raising intelligent and productive members of our society, and I want to thank the gentleman from Maryland (Mr. CUMMINGS) and the gentlewoman from the District of Columbia (Ms. NORTON) for noting the need for our proposed amendment, an amendment that has been proposed by both the gentleman from California (Mr. WAXMAN) and myself which provides regulations for safety and for qualified personnel, which regrettably at the moment is being held up by a jurisdictional question and which hopefully can soon be resolved. I think that that is an essential part of all of this to make certain that whatever child care facilities we utilize, that they are going to be safe and that they are going to be staffed by qualified people.

Accordingly, I urge my colleagues to fully support the Morella measure, H.R. 4280.

Mr. CUMMINGS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Virginia (Mr. MORAN), someone who also has been at the forefront of making sure that Federal employees receive equity and parity and that our children be lifted up.

Mr. MORAN of Virginia. Mr. Speaker, I thank the very distinguished gentleman representing Baltimore for his leadership with regard to Federal employee issues, and particularly with regard to the children of Federal employees, and I thank the gentlewoman from Maryland (Mrs. MORELLA) for her initiative on this amendment.

Mr. Speaker, I rise in strong support of the Federal Employee Child Care Affordability Act to allow Federal agencies the discretion to use their salary and expense accounts to provide child care for their employees.

As my colleagues know, between 1975 and 1994, over a 20-year period, the number of women in the labor force with children under the age of 6 increased from 39 percent to 60 percent. Unbelievable, 60 percent of women in the labor force have children under the age of 6. More than half of children under 1 year of age and more than 12 million children under the age of 5 are regularly in the care of someone other than their parents.

A recent study suggests that one-quarter of all Federal employees need child care. That means we are talking about hundreds of thousands of parents and their children. Access to quality affordable child care has become a number one issue for many parents in the United States, particularly Federal employees. So, as a responsible employer, the Federal Government should be working to improve access to and affordability of child care for its employees.

In Congress we have been working to find ways to encourage private businesses to do just that. We are not doing a bad job. There are 1,400 private employer-provided child care centers throughout the United States. By comparison, the Department of Defense has 850 centers for its employees and another 230 more for civilian DOD employees. We can do much better by allowing all Federal agencies to provide child care assistance to all their employees.

In exchange for being a responsible employer, we also have the added bonus of increased productivity by decreasing missed work hours for child care crises, and the lure of quality affordable child care is a recruitment and retention tool to the most qualified applicants and employees of the Federal Government. DOD has been successful in providing sliding scale fee care on location to parent employees, but other Federal agencies have been strictly prohibited from funding such a program even by simply providing an onsite facility with electricity or furnishings.

The Morella amendment would not force agencies to provide care, but would allow agencies to use their funds at their own discretion to provide care or tuition assistance. Because the amendment does not require an additional appropriation, it does not impact the balanced budget, and, in addition, any profits to the facility will be used to make care more affordable for lower income employees.

Mr. Speaker, it is a well-thought-out amendment.

Over the past several years we have made tough choices along with great progress in achieving fiscal responsibility in the budget. Along with this responsibility we have asked the private sector to do their part in being responsible citizens, particularly as employers by providing benefits such as child care to their employees. It is time for the Federal Government to step up to our responsibility as employers by allowing Federal agencies the discretion to provide child care to their employees, and I urge my colleagues to take this responsibility seriously by supporting the Morella-Cummings-Moran amendment. It is the right thing to do.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, you can see the extent of the passion and the interest in such an important issue as child care for Federal employees.

Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. LEWIS).

Mr. LEWIS of California. Mr. Speaker, I wanted to mention to my colleague that she may be kind of interested to note that I had the privilege of being the author of the Child Development Act of 1972 in California. Congress has discovered child care 25 years later.

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that a letter sent from the gentleman from California (Mr. THOMAS) to the gentleman from Indiana (Mr. BURTON) be included in the record.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

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Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank my colleagues who have spoken today, my colleague, the gentleman from Maryland, who is handling this bill who is a cosponsor and a very strong advocate who has worked with us, and the gentleman from Florida (Mr. MICA), the chairman of the subcommittee. I wanted to thank the chairman of the full committee also and the ranking member of the full committee and also all of the members who have spoken here today and those who are submitting statements and are very supportive of this legislation.

Certainly the gentleman from New York (Mr. GILMAN) has demonstrated leadership consistently, and I know that his legislation with all of our help will ultimately become law. The gentleman from Virginia (Mr. DAVIS) has spoken, the gentlewoman from the District of Columbia (Ms. NORTON) and, indeed, the gentleman from Virginia (Mr. MORAN) and the gentleman from Maryland (Mr. CUMMINGS).

Mr. Speaker, I yield back the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, would like to thank the gentleman from Indiana (Mr. BURTON) and the gentleman from California (Mr. WAXMAN), the ranking member, and certainly the gentlewoman from Maryland (Mrs. MORELLA). I want to thank the gentleman from New York (Mr. GILMAN) and the gentlewoman from the District of Columbia (Ms. NORTON) and all of those who have taken part in this discussion today.

I think that when we just see the Members of Congress who have come here today to the floor to speak on this issue, it is clear that it is again a bipartisan effort, an effort to reach out and touch children, children who, in many instances, cannot fend for themselves and cannot speak for themselves, but yet and still they are our most important resource.

I think it is that spirit that brings this legislation to the floor of the House today. It is that spirit that has garnered a bipartisan effort, and it is that very spirit that should allow and make feel good every Member of Congress when they vote for it. I certainly urge all of us to do so.

Ms. JACKSON-LEE of Texas. Mr. Speaker, thank you for the opportunity to speak on this bill today. H.R. 4280 is an extremely important bill for our families and for our children. This bill will allow federal agencies to use their salary and expense accounts to help federal employees pay for child care.

This bill does not require any additional appropriations, it simply requires a commitment on our part, as responsible legislators who care about our future, to ensure that our federal government employees receive the same benefits, the same benefits, the same access to affordable child care that our military emplyees receive. Not only will this bill provide employers with the authority to help its employees with child care costs, it will also improve the quality of our federal child care centers by requiring that these centers follow and maintain state and local regulations for health, fire and safety.

We know that ¼ of all federal workers had children under age six requiring child care during their parents' work day. Some federal child care facilities charge up to $10,000 a year per child! We must vote to help many of our federal employees who are caught in a serious child care crunch!

All parents want to provide their children with the best quality care they can. I hope you will vote to allow federal agencies and federal employees to meet their child care needs.

Ms. LEE. Mr. Speaker, I rise to speak in support of H.R. 4280, the Federal Employee Child Care Affordability Act. I supported a version of this bill, the Morella amendment, on June 14, 1998, when it came up as an amendment of H.R. 4104, the Treasury-Postal Appropriations Act of 1999. The amendment was to permit federal agencies to use their salary and expense accounts to help federal employees pay for child care. I am pleased to support it again.

The lack of reliable child care was an issue before the passage of welfare-to-work reform. Now, it has become more urgent than ever. We are realizing the effects that we feared when welfare reform passed in August 1996. The welfare reform package drastically lacks the support systems necessary to help welfare recipients in transition. In California alone, for example, 200,000 children of working poor families are already on a waiting list for child care. In addition, the parents of nearly 950,000 children who currently receive Temporary Assistance to Needy Families (TANF) assistance will be expected to join the work force in the next few years. This means that nearly one million additional children may be without child care.

In addition to women going from welfare to work, the overall number of working women is increasing. By the year 2006, it is estimated that 61.4 percent of women will be at work. Between the 1986–96 period, slightly more men than women entered the labor force, 52 percent compared with 48 percent. Forty-six percent of all workers today are women, up from 44 percent in 1986. In the 1996–2006 period, women and men are expected to enter the labor force in equal numbers.

For anyone who has had to find child care or knows of someone who needs child care, the story is familiar: there is a severe shortage of reliable child care with necessary educational, physical, and nurturing standards at an affordable cost.

Though child care workers are among our poorest paid, Federal child care still may cost up to $10,000 a year. I put myself in the position of a young woman, head-of-household, whose median salary is $19,752 a year. I would have to pay half of my pre-tax salary for child care. How do my children and I survive?

H.R. 4280 is a real winner in that it provides part of the solution. H.R. 4280 addresses this continuing crisis in finding adequate child care by allowing federal agencies to use their salary and expense accounts to help low-income employees pay for child care. This bill has an extra bonus in that it will not need additional appropriations. I urge my colleagues to support this bill.

Ms. DEGETTE. Mr. Speaker, I thank my colleague from Maryland, Mr. CUMMINGS, and my friend from Maryland, CONNIE MORELLA, for moving this important legislation to the floor. I am pleased that we are considering this so quickly after it was struck down by a point of order in the House version of the Treasury-Postal appropriations bill.

H.R. 4280 is a simple piece of legislation that would permit the Office of Personnel Management to redraw its regulations so that all federal agencies can use existing funds to subsidize child care costs for federal employees. It's a shining example of the old saying, "a little goes a long way." Lower-income employees all around the country will be able to obtain the necessary assistance to seek out and pay for local child care programs.

H.R. 4280 does not legislate new federal child care programs or require additional appropriations.

At a time when child care costs often exceed $10,000 per child per year, and at a time when employers are fast becoming aware that good child care means higher productivity on the job, this bill is good government.

In my district, The Denver Federal Center is situated comfortably at the foot of the Rocky Mountains, about one-half hour away from downtown Denver, Colorado. Roughly 5,500 federal employees are employed at this facility, many of whom are raising small children. This bill would make a simple but profound change in the lives of these individuals—it would make quality child care for their children more affordable.

Today we should recognize the importance of quality child care to the positive development of our children and we should take this opportunity to make a straight-forward, administrative change to government practice. It's a small, but important change.

Mr. CUMMINGS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 4280, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 4194, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. LEWIS of California (during debate on H.R. 4280) submitted the following conference report and statement on the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–769)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) "making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, namely:

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $21,857,058,000, to remain available until expended: Provided, That not to exceed $24,534,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act *of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.*

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,175,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $46,450,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 1999, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: Provided further, That during 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: Provided further, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $159,121,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $206,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $55,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,401,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $400,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $515,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5), $17,306,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $778,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1999, and shall remain available until September 30, 2000: Provided further, That of the funds made available under this heading, not to exceed $27,420,000 may be transferred to and merged with the appropriation for "General operating expenses": Provided further, That of the funds made available under this heading, up to $10,000,000 shall be for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation.

In addition, in conformance with Public Law 105–33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2000, $316,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $6,000,000 is for the Musculoskeletal Disease Center, which amount shall remain available for obligation until expended.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology, $63,000,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8, which shall be transferred from the "General post fund": Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000.

In addition, for administrative expenses to carry out the direct loan programs, $54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, $855,661,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $92,006,000: Provided, That of the amount made available under this heading, not to exceed $90,000 may be transferred to and merged with the appropriation for "General operating expenses".

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $36,000,000: Provided, That of the amount made available under this heading, not to exceed $30,000 may be transferred to and merged with the appropriation for "General operating expenses".

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING TRANSFER OF FUNDS)

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $4,000,000 or more or where funds for a project were made available in a previous major project appropriation, $142,300,000, to remain available until expended: Provided, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 1999; and (2) by the awarding of a construction contract by September 30, 2000: Provided further, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only: Provided further, That not to exceed $125,000 may be transferred to the Pershing Hall Revolving Fund, codified at section 493(d) of title 36, United States Code: Provided further, That during fiscal year 1999, or in subsequent fiscal years, the "Construction, major projects" account shall be reimbursed, in the amount transferred, from other funds as they become part of the Pershing Hall Revolving Fund.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $4,000,000, $175,000,000 to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than $4,000,000: Provided, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care".

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $90,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $10,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1998.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1999 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1999, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1999, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 1999, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. In accordance with section 1557 of title 31, United States Code, the following obligated balances shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: (1) funds obligated by the Department of Veterans Affairs for lease numbers 084B–05–94, 084B–07–94, and 084B–027–94 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124) under the heading "Medical care"; and (2) funds obligated by the Department of Veterans Affairs for lease number 084B–002–96 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327) under the heading "Medical care".

SEC. 109. (a) The Department of Veterans Affairs medical center in Salisbury, North Carolina, is hereby designated as the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

SEC. 110. LAND CONVEYANCE, RIDGECREST CHILDREN'S CENTER, ALABAMA. (a) CONVEYANCE.—The Secretary of Veterans Affairs may convey, without consideration, to the Board of Trustees of the University of Alabama all right, title, and interest of the United States in and to the parcel of real property, including any improvements thereon, described in subsection (b).

(b) COVERED PARCEL.—The parcel of real property to be conveyed under subsection (a) is the following: A parcel of property lying in the northeast quarter of the southwest quarter, section 28, township 21 south, range 9 west, Tuscaloosa County, Alabama, lying along and adjacent to Ridgecrest (Brewer's Porch Children's Center being more particularly described as follows: As a point of commencement start at the southeast corner of the north half of the southwest quarter run in an easterly direction along an easterly projection of the north boundary of the southeast quarter of the southwest quarter for a distance of 888.52 feet to a point; thence with a deflection angle to the left of 134 degrees 41 minutes run in a northwesterly direction for a distance of 1164.38 feet to an iron pipe; thence with a deflection angle to the left of 75 degrees 03 minutes run in a southwesterly direction for a distance of 37.13 feet to the point of beginning of this parcel of property; thence continue in this same southwesterly direction along the projection of the chainlink fence for a distance of 169.68 feet to a point; thence with an interior angle to the left of 63 degrees 16 minutes run in a northerly direction for a distance of 233.70 feet to a point; thence with an interior angle to the left of 43 degrees 55 minutes run in a southeasterly direction for a distance of 218.48 feet to the point of beginning, said parcel having an interior angle of closure of 72 degrees 49 minutes, said parcel containing 0.40 acres more or less, said parcel of property is also subject to all rights-of-way, easements, and conveyances heretofore given for this parcel of property.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms *and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.*

Sec. 111. (a) The Department of Veterans Affairs medical center in Cleveland, Ohio, is hereby designated as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Public and Indian Housing

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $10,326,542,030, to remain available until expended: Provided, That of the total amount provided under this heading, $9,600,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for enhanced vouchers (including renewals) as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: Provided further, That in the case of enhanced vouchers provided under this heading, if the income of a family receiving assistance declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of mortgage prepayment: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1999: Provided further, That of the total amount provided under this heading, $433,542,030 shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available in the preceding proviso, $40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: Provided further, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: Provided further, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families: Provided further, That of the total amount provided under this heading, $10,000,000 shall be for Regional Opportunity Counseling: Provided further, That all balances, as of September 30, 1998, remaining in the "Prevention of Resident Displacement" account shall be transferred to and merged with the amounts provided for those purposes under this heading.

For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, $283,000,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: Provided, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two years, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the United States Housing Act of 1937: Provided further, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: Provided further, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: Provided further, That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph: Provided further, That of the amount made available under this paragraph, at least $4,000,000 each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County, California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County, Maryland; New York City, New York; and Anchorage, Alaska.

From the sources and in the order hereinafter specified, $1,650,000,000 is rescinded: Provided, That the first source shall be amounts that are available or may be recaptured from project-based contracts for section 8 assistance that expired or were terminated during fiscal year 1999 or any prior year: Provided further, That after all amounts that are available or may be recaptured from the first source have been exhausted, the second source shall be unobligated amounts from amendments to contracts for project-based section 8 assistance, other than contracts for projects developed under section 202 of the Housing Act of 1959, other than amounts described as the fourth source, in the fourth proviso in this paragraph, that are carried over into 1999: Provided further, That after all amounts that are available from the second source are exhausted, the third source shall be amounts recaptured from section 8 reserves in the section 8 moderate rehabilitation program: Provided further, That after all amounts that are available or may be recaptured from the third source have been exhausted, the fourth source shall be all unobligated amounts for project-based assistance that are earmarked under the third proviso under this heading in Public Law 105–65, 111 Stat. 1351 (approved October 27, 1997): Provided further, That any amounts that are available or recaptured in connection with the first or third provisos of this paragraph that are in the Annual Contributions for Assisted Housing account, and are required to be rescinded by this paragraph, shall be rescinded from the Annual Contributions for Assisted Housing account.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $3,000,000,000, to remain available until expended: Provided, That of the total amount, up to $100,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing programs and for lease adjustments to section 23 projects: Provided further, That of the amount available under this heading, up to $5,000,000 shall be for the Tenant Opportunity Program: Provided further, That all balances, as of September 30, 1998, of funds heretofore provided for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,818,000,000, to remain available until expended.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies and Indian tribes and their tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $310,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training), $10,000,000 shall be used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development, $10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and $20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), $625,000,000, to remain available until expended, of which the Secretary may use up to $15,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this heading or under prior appropriations Acts for use for the purposes under this heading shall be treated as assistance under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330), $620,000,000, to remain available until expended, of which $6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to $200,000 for related travel: Provided, That of the amount provided under this heading, $6,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: Provided, further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided, further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed $54,600,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees: Provided, That the funds made available in the first proviso in the preceding paragraph are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $6,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $68,881,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For an Office of Rural Housing and Economic Development to be established in the Department of Housing and Urban Development, $25,000,000, to remain available until expended: Provided, That of the amount under this heading, $4,000,000 shall be used to develop capacity at the State and local level for developing rural housing and for economic development, of which $1,000,000 shall be used to develop a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization and of which $3,000,000 shall be awarded by June 1, 1999 directly to local rural nonprofits, community development corporations and Indian tribes to support capacity building and technical assistance: Provided further, That of the amount under this heading, $21,000,000 shall be awarded by June 1, 1999 to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas, of which $5,000,000 shall be awarded as seed support for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development: Provided further, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act: Provided further, That all funds unobligated as of October 1, 1998 under the fifth paragraph of the Community Development Block Grants account in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998 (Public Law 105–65; October 27, 1997) shall be transferred to this account to be awarded to Indian tribes, State housing finance agencies, State community and/or economic development corporations for activities under this heading with any outstanding earmarks for a State to be awarded to that State's housing finance agency.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $215,000,000, to remain available until expended: Provided, That the Secretary may use up to 1 percent of the funds under this heading for technical assistance: Provided further, That within 30 days of the close of fiscal year 1999, the Secretary shall submit a report to the Congress summarizing all technical assistance provided during the fiscal year.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a community development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), $4,750,000,000, to remain available until September 30, 2001: Provided, That $67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, $3,000,000 shall be available as a grant to the Housing Assistance Council, $3,000,000 shall be available for the Organizing Committee for the 1999 Special Olympics Summer Games to be used in support of related activities in the Triangle Area of North Carolina, $1,800,000 shall be available as a grant to the National American Indian Housing Council, $50,000,000 shall be for grants pursuant to section 107 of the Act: Provided further, That all funding decisions under section 107 except as specified herein shall be subject to a reprogramming request unless otherwise specified in accordance with the terms and conditions specified in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194): Provided further, That $27,500,000 shall be for grants pursuant to the Self Help Housing Opportunity program, subject to authorization of which $7,500,000 shall be for capacity building efforts: Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.

Of the amount made available under this heading, $15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing," for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103–120), as in effect immediately before June 12, 1997, with not less than $5,000,000 of the funding to be used in rural areas, including tribal areas.

Of the amount made available under this heading, $12,000,000 is for the City of Oklahoma City, Oklahoma, for a revolving loan pool that shall be subject to the following requirements and conditions: (1) amounts in the pool shall be available only for the purposes of making loans to carry out economic development activities that primarily benefit the area in Oklahoma City bounded on the south by Robert S. Kerr Avenue, on the north by North 13th Street, on the east by Oklahoma Avenue, and on the west by Shartel Avenue, and covering costs involved in administering the loan pool; (2) amounts provided under this paragraph shall be available for use from the loan pool only to the extent that the amounts contributed to the loan pool (or committed to be contributed) from non-Federal sources equal or exceed two times the amounts provided under this paragraph; (3) any repayments of principal and interest from loans made by the pool shall be deposited in the pool and available for use for loans in accordance with this paragraph; (4) amounts in the pool may not be used to provide loans to any agency or entity of the Federal Government or any State government or unit of general local government; (5) amounts provided under this paragraph shall be available for use from the loan pool only if the City of Oklahoma City, Oklahoma agrees (to the satisfaction of the Secretary of Housing and Urban Development) to deposit in the pool (for use for loans in accordance with this paragraph) the net proceeds from any amounts that are repaid to the City under loans made by the City using amounts provided under this same heading under chapter III of title III of Public Law 104–19 (109 Stat. 253).

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $55,000,000 for a public and assisted housing self-sufficiency program, of which up to $5,000,000 may be used for the Moving to Work Demonstration, and at least $20,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including case management skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, such as transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

Of the amount made available under this heading, notwithstanding any other provision of law, $42,500,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That up to $2,500,000 may be used for capacity buildings efforts.

Of the amount made available under this heading, $225,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including $190,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act.

Of the amount made available under this heading, $25,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.

For the cost of guaranteed loans, $29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: Provided further, That in addition, for administrative expenses to carry out the guaranteed loan program, $1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

For any fiscal year, of the amounts made available as emergency funds under the heading "Community Development Block Grants Fund" and notwithstanding any other provision of law, not more than $250,000 may be used for the non-Federal cost-share of any project funded by the Secretary of the Army through the Corps of Engineers.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, $25,000,000, to remain available until expended: Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,600,000,000, to remain available until expended: Provided, That up to $7,000,000 of these funds shall be available for the development and operation of integrated community development management information systems: Provided further, That up to $17,500,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney

Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $975,000,000, to remain available until expended: Provided, That not less than 30 percent of these funds shall be used for permanent housing, and all funding for services must be matched by 25 percent in funding by each grantee: Provided further, That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in this or any previous appropriations Act that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed and award such amounts during this fiscal year: Provided further, That up to 1 percent of the funds appropriated under this heading may be used for technical assistance and tracking systems needed to carry out the directives provided in House Report 105–610.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, $854,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, $660,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1998, and any collections made during fiscal year 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000.

During fiscal year 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $100,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $81,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $18,100,000,000: Provided further, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $50,000,000; of which not to exceed $30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $211,455,000, of which $193,134,000, shall be transferred to the appropriation for departmental salaries and expenses; and of which $18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $150,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $9,383,000 shall be transferred to the appropriation for departmental salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $47,500,000, to remain available until September 30, 2000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $40,000,000, to remain available until September 30, 2000, of which $23,500,000 shall be to carry out activities pursuant to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, $80,000,000 to remain available until expended, of which $2,500,000 shall be for CLEARCorps and $10,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $985,826,000, of which $518,000,000 shall be provided from the various funds of the Federal Housing Administration, $9,383,000 shall be provided from funds of the Government National Mortgage Association, $1,000,000 shall be provided from the "Community Development Grants Program" account, $200,000 shall be provided by transfer from the "Title VI Indian Federal Guarantees Program" account, and $400,000 shall be provided by transfer from the "Indian Housing Loan Guarantee Fund Program" account: Provided, That the Department is prohibited from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $81,910,000, of which $22,343,000 shall be provided from the various funds of the Federal Housing Administration and $10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income

Housing" account: Provided, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $16,000,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: Provided, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than $0.

ADMINISTRATIVE PROVISIONS

PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES, AND FLEXIBILITY

SEC. 201. Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note), is amended to read as follows:

"(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999.".

GSE DEFAULT LOSS PROTECTION

SEC. 202. (a) Section 305(a)(2) of the Federal Home Loan Corporation Act is amended in the first sentence by—

(1) striking "or" at the end of clause (B);

(2) striking the period at the end of the first sentence and inserting in lieu thereof: "; or (D) the mortgage is subject to default loss protection that the Corporation determines is financially equal or superior, on an individual or pooled basis, to the protection provided by clause (C) of this sentence: Provided, That if the Director of the Office of Federal Housing Enterprise Oversight subsequently finds that such default loss protection determined by the Corporation does not provide such equal or superior protection, the Corporation shall provide such additional default loss protection for such mortgage, as approved by the Director of the Office of Federal Housing Enterprise Oversight, necessary to provide such equal or superior protection.";

(b) Section 1313(b) of the Federal Housing Enterprises Financial Housing Safety and Soundness Act of 1992 is amended by renumbering paragraphs "(9)", "(10)", and "(11)", as "(10)", "(11)", and "(12)", respectively, and inserting the following new paragraph "(9)":

"(9) default loss protection levels under section 305(a)(2)(D) of the Federal Home Loan Mortgage Corporation Act;".

FINANCING ADJUSTMENT FACTORS

SEC. 203. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

FAIR HOUSING AND FREE SPEECH

SEC. 204. None of the amounts made available under this Act may be used during fiscal year 1999 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY

SEC. 205. For fiscal years 1998, 1999, and all fiscal years thereafter, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

ENHANCED DISPOSITION AUTHORITY

SEC. 206. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking "fiscal years 1997 and 1998" and inserting "fiscal years 1997, 1998, and 1999".

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. 207. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

DRAWDOWN OF FUNDS

SEC. 208. Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(q)(1)) is amended by inserting after the first sentence the following sentence: "Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.".

ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE

SEC. 209. (a) Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended by inserting the following new sentence at the end: "Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family's monthly adjusted income or 10 percent of the family's monthly income.".

(b) This section shall take effect 60 days after the later of October 1, 1998 or the date of enactment of this Act.

RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM

SEC. 210. Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended—

(1) by inserting after the third sentence the following new sentence to read as follows: "Notwithstanding the preceding sentences, the Secretary may revise the performance funding system in a manner that takes into account equity among public housing agencies and that includes appropriate incentives for sound management."; and

(2) in the last sentence, by inserting after "vacant public housing units" the following: ", or any substantial change under the preceding sentence,".

FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. 211. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) in subsection (b)(5) by adding before the period at the end of the first sentence ", and not more than an additional 25,000 units during fiscal year 1999", and

(2) in the first sentence of subsection (c)(4) by striking "1996 and" and inserting "1996," and by inserting after "fiscal year 1997" the following: "and not more than an additional 25,000 units during fiscal year 1999".

CALCULATION OF DOWNPAYMENT

SEC. 212. Section 203(b)(10) of the National Housing Act is amended by—

(1) striking out "ALASKA AND HAWAII" and inserting in lieu thereof "CALCULATION OF DOWNPAYMENT"; and

(2) striking out in subparagraph (A) "originated in the State of Alaska or the State of Hawaii and endorsed for insurance in fiscal years 1997 and 1998," and inserting in lieu thereof "executed for insurance in fiscal years 1998, 1999, and 2000".

STATE CDBG IDIS FUNDING

SEC. 213. During fiscal year 1999, from amounts received by a State under section

106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or $50,000, for implementation of the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

NURSING HOME LEASE TERMS

SEC. 214. (a) TECHNICAL CORRECTION.—Section 216 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, is amended by striking out "fifty years from the date" and inserting in lieu thereof "fifty years to run from the date".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.

TECHNICAL FOR EMERGENCY CDBG PROGRAM

SEC. 215. For purposes of eligibility for funding under the heading "Community Development Block Grants" in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174; May 1, 1998) the term "States" shall be deemed to include "Indian tribes" as defined under section 102(a)(17) of the Housing and Community Development Act of 1974 and Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa: Provided, That amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION

SEC. 216. Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act, amounts made available to the City of Bismarck, North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal years 1998, 1999, 2000, 2001 or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 14371) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to one or more of those fiscal years.

CDBG AND HOME EXEMPTION

SEC. 217. The City of Oxnard, California may use amounts available to the City under title I of the Housing and Community Development Act of 1974 and under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act to reimburse the city for its cost in purchasing 19.89 acres of land, more or less, located at the northwest corner of Lombard Street and Camino del Sol in the city, on the north side of the 2100 block of Camino del Sol, for the purpose of providing affordable housing. The procedures set forth in sections 104(g)(2) and (3) of the Housing and Community Development Act of 1974 and sections 288(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act shall not apply to any release of funds for such reimbursement.

CDBG PUBLIC SERVICES CAP

SEC. 218. Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "1999".

CLARIFICATION OF OWNER'S RIGHT TO PREPAY

SEC. 219. (a) PREPAYMENT RIGHT.—Notwithstanding section 211 of the Housing and Community Development Act of 1987 or section 221 of the Housing and Community Development Act of 1987 (as in effect pursuant to section 604(c) of the Cranston-Gonzalez National Affordable Housing Act), subject to subsection (b), with respect to any project that is eligible low-income housing (as that term is defined in section 229 of the Housing and Community Development Act of 1987)—

(1) the owner of the project may prepay, and the mortgagee may accept prepayment of, the mortgage on the project, and

(2) the owner may request voluntary termination of a mortgage insurance contract with respect to such project and the contract may be terminated notwithstanding any requirements under sections 229 and 250 of the National Housing Act.

(b) CONDITIONS.—Any prepayment of a mortgage or termination of an insurance contract authorized under subsection (a) may be made—

(1) only to the extent that such prepayment or termination is consistent with the terms and conditions of the mortgage on or mortgage insurance contract for the project;

(2) only if owner of the project involved agrees not to increase the rent charges for any dwelling unit in the project during the 60-day period beginning upon such prepayment or termination; and

(3) only if the owner of the project provides notice of intent to prepay or terminate, in such form as the Secretary of Housing and Urban Development may prescribe, to each tenant of the housing, the Secretary, and the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located, not less than 150 days, but not more than 270 days, before such prepayment or termination, except that such requirement shall not apply to a prepayment or termination that—

(A) occurs during the 150-day period immediately following the date of enactment of this Act;

(B) is necessary to effect conversion to ownership by a priority purchaser (as defined in section 231(a) of the Low-Income Housing Preservation and Resident Ownership Act of 1990 (12 U.S.C. 4120(a)), or

(C) will otherwise ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed prepayment or termination.

PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT

SEC. 220. The Public and Assisted Housing Drug Elimination Act of 1990 is amended—

(1) in section 5123, by inserting "Indian tribes" before "and private";

(2) in section 5124(a)(7), by inserting ", an Indian tribe," before "or tribally designated";

(3) in section 5125, by inserting "an Indian tribe" before "a tribally designated"; and

(4) in section 5126, by adding at the end the following new paragraph:

"(6) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4(12) of the Native American Housing Assistance and Self Determination Act of 1996, 25 U.S.C. 4103(12).".

MULTIFAMILY HOUSING INSTITUTE

SEC. 221. Notwithstanding any other provision of law, the Secretary may, from time to time, as determined necessary to assist the Department in managing its multifamily assets including analyzing, tracking and evaluating its portfolio of FHA-insured and other mortgages and properties and assisting the Department in understanding and reducing the risk involved in its mortgage restructuring, insuring and guaranteeing activities, provide data to, and purchase data from, any nonprofit, industry supported, on-line provider of nationwide, multifamily housing loan and property data services.

MULTIFAMILY MORTGAGE AUCTIONS

SEC. 222. Section 221(g)(4)(C) of the National Housing Act is amended—

(1) in the first sentence of clause (viii), by striking "September 30, 1996" and inserting "December 31, 2002"; and

(2) by adding at the end the following:

"(ix) The authority of the Secretary to conduct multifamily auctions under this paragraph shall be effective for any fiscal year only to the extent and in such amounts as are approved in appropriations Acts for the costs of loan guarantees (as defined in section 502 of the Congressional Budget Act of 1974), including the cost of modifying loans.".

FUNDING CORRECTION

SEC. 223. Notwithstanding any other provision of law, of the $1,250,000 made available pursuant to Public Law 102–389 for economic revitalization and infrastructure repair in Montpelier, Vermont, $250,000 is available for the Central Vermont Revolving Loan Fund administered by the Central Vermont Community Action Council.

ANNUAL REPORT ON MANAGEMENT DEFICIENCIES

SEC. 224.(a) IN GENERAL.—Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by adding at the end the following:

"(x) MANAGEMENT DEFICIENCIES REPORT.—

"(1) IN GENERAL.—Not later than 60 days after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to Congress a report on the plan of the Secretary to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation (as defined by the Director of the Office of Management and Budget) identified in the most recent audited financial statement of the Federal Housing Administration submitted under section 3515 of title 31, United States Code.

"(2) CONTENTS OF ANNUAL REPORT.—Each report submitted under paragraph (1) shall include—

"(A) an estimate of the resources, including staff, information systems, and contract assistance, required to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1), and the costs associated with those resources;

"(B) an estimated timetable for addressing each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1); and

"(C) the progress of the Secretary in implementing the plan of the Secretary included in the report submitted under paragraph (1) for the preceding year, except that this subparagraph does not apply to the initial report submitted under paragraph (1).".

SEC. 225. (a) INFORMED CONSUMER CHOICE.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by adding at the end the following:

"In conjunction with any loan insured under this section, an original lender shall provide to each prospective borrower a disclosure notice that provides a one page analysis of mortgage products offered by that lender and for which the borrower would qualify. This notice shall include: (i) a generic analysis comparing the note rate (and associated interest payments), insurance premiums, and other costs and fees that would be due over the life of the loan for a loan *insured by the Secretary under this subsection with the note rates, insurance premiums (if applicable), and other costs and fees that would be expected to be due if the mortgagor obtained instead other mortgage products offered by the lender and for which the borrower would qualify with a similar loan-to-value ratio in connection with a conventional mortgage (as that term is used in section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) or section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)), as applicable), assuming prevailing interest rates; and (ii) a statement regarding when the mortgagor's requirement to pay the mortgage insurance premiums for a mortgage insured under this section would terminate or a statement that the requirement will terminate only if the mortgage is refinanced, paid off, or otherwise terminated.''.*

(b) REGULATION.—The Secretary of Housing and Urban Development shall develop the disclosure notice under subsection (a) within 150 days of enactment through notice and comment rulemaking.

SEC. 226. FUNDING OF CERTAIN PUBLIC HOUSING.—Notwithstanding any other provision of law, no funds in this or any other Act may hereafter be used by the Secretary of Housing and Urban Development to determine allocations or provide assistance for operating subsidies or modernization for certain State and city funded and locally developed public housing units, as defined for purposes of a statutory paragraph, notwithstanding the deeming by statute of such units to be public housing units developed under the United States Housing Act of 1937, unless such unit was so assisted before October 1, 1998.

SECTION 236 PROGRAM REFORM

SEC. 227. Section 236(g) of the National Housing Act, as amended by section 221(c) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended to read as follows:

''(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). Notwithstanding any other requirements of this subsection, an owner of a project with a mortgage insured under this section, or a project previously assisted under subsection (b) but without a mortgage insured under this section if the project mortgage was insured under section 207 of this Act before July 30, 1998 pursuant to section 223(f) of this Act and assisted under subsection (b), may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.''.

FHA MORTGAGE INSURANCE INCREASE

SEC. 228. (a) Subparagraph (A) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)) is amended by striking clause (ii) and all that follows through the end of the subparagraph and inserting the following:

''(ii) 87 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the dollar amount limitation in effect for any area under this subparagraph may not be less than 48 percent of the dollar limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; and''.

(b) The first sentence in the matter following section 203(b)(2)(B)(iii) of the National Housing Act (12 U.S.C. 1709(b)(2)(B)(iii) is amended to read as follows: ''For purposes of the preceding sentence, the term 'area' means a metropolitan statistical area as established by the Office of Management and Budget; and the median 1-family house price for an area shall be equal to the median 1-family house price of the county within the area that has the highest such median price.''.

HOPE VI GRANT FOR HOLLANDER RIDGE

SEC. 229. If the Secretary rescinds the grant award of $20,000,000 made to the Housing Authority of Baltimore City for development efforts at Hollander Ridge in Baltimore, Maryland, involving funds appropriated for fiscal year 1996 under the heading ''Public Housing Demolition, Site Revitalization, and Replacement Housing Grants'', all of the rescinded grant amount shall be recaptured by the Secretary and added to the amounts otherwise available under this heading. If, after the date of any such recapture, the Housing Authority of Baltimore City applies in response to a Notice of Funding Availability issued by the Secretary for a grant from funds available under this heading (not to exceed the amount recaptured) for development efforts at Hollander Ridge, then the Secretary shall grant priority status to such application and approve the grant award if the application meets the terms and criteria stated in the Notice of Funding Availability.

DEBT FORGIVENESS

SEC. 230. The Secretary of Housing and Urban Development shall cancel the indebtedness of the Town of Hobson City, Alabama, relating to a public facilities loan under title II of the Housing Amendments of 1955, issued July 1, 1969 (Project No. ALA–01–PFL0139). The Town of Hobson City hereby is relieved of all liability to the Federal Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.

CONSIDERATION OF HOMELESS GRANT APPLICATION

SEC. 231. The Secretary shall consider without prejudice the application submitted August 5, 1998 by the City of Wichita and Sedgwick County, Kansas for assistance under the Continuum of Care Homeless Assistance program pursuant to the Notice at 63 Federal Register 23988, 23999 (April 30, 1998) notwithstanding the August 4, 1998 due date for such application, notwithstanding any provision that may be to the contrary in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

CDBG SERVICE CAP FOR MIAMI

SEC. 232. Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by striking ''fiscal year 1994'' and all that follows through the end of the paragraph and inserting the following: ''each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph;''.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries, $26,431,000, to remain available until expended.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $6,500,000: Provided, That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES–3, $80,000,000, to remain available until September 30, 2000, of which $12,000,000 may be used for the cost of direct loans, and up to $1,000,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $32,000,000: Provided further, That not more than $25,000,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $47,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the ''Corporation'') in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the ''Act'') (42 U.S.C. 12501 et seq.), $425,500,000, to remain available until September 30, 2000: Provided, That not more than $28,500,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)) with not less than $3,000,000 targeted to administrative needs identified as urgent by the Corporation without regard to the provisions of section 501(a)(4)(B) of the Act: Provided further, That not more than $2,500 shall be for official reception and representation expenses: Provided further, That not more than $70,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under *subtitle D of title I of the Act (42 U.S.C. 12601 et seq.), of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service: Provided further, That not more than $227,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), of which not more than $40,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than $5,500,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That to the maximum extent feasible, funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation, replicability, and sustainability: Provided further, That not more than $18,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): Provided further, That not more than $43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): Provided further, That not more than $28,500,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): Provided further, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.*

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $3,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. 7251–7298, $10,195,000, of which $865,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,666,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $650,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,848,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000: Provided further, That none of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol: Provided further, That none of the funds made available in this Act may be used to implement or administer the interim guidance issued on February 5, 1998 by the Environmental Protection Agency relating to title VI of the Civil Rights Act of 1964 and designated as the "Interim Guidance for Investigating Title VI Administrative Complaints Challenging Permits" with respect to complaints filed under such title after the date of enactment of this Act and until guidance is finalized. Nothing in this proviso may be construed to restrict the Environmental Protection Agency from developing or issuing final guidance relating to title VI of the Civil Rights Act of 1964.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $31,154,000, to remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $56,948,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $1,500,000,000, consisting of $650,000,000 as appropriated under this heading in Public Law 105–65, notwithstanding the second proviso under this heading of said Act, and not to exceed $850,000,000 (of which $100,000,000 shall not become available until September 1, 1999), all of which is to remain available until expended, consisting of $1,175,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $325,000,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended by Public Law 101–508: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That $12,237,000 of the funds appropriated under this heading shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 2000: Provided further, That notwithstanding section 111(m) of CERCLA or any other provision of law, $76,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: Provided further, That $40,000,000 of the funds appropriated under this heading shall be transferred to the "Science and Technology" appropriation to remain available until September 30, 2000: Provided further, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1999: Provided further, That an additional amount, $650,000,000, shall become available for obligation on October 1, 1999, only upon enactment by August 1, 1999, of specific legislation which reauthorizes the Superfund program: Provided further, That if such reauthorization does not occur on or before August 1, 1999, such additional amount to be made available on October 1, 1999, is rescinded and the Congressional Budget Office is directed to make the appropriate scorekeeping adjustment no later than August 5, 1999.

Section 119(e)(2)(C) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C. 9619(e)(2)(C)) is amended by deleting ", and before January 1, 1996".

Section 119(g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C.

9619(g)(5)) is amended by deleting ", or after December 31, 1995".

LEAKING UNDERGROUND STORAGE TANK PROGRAM

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for the uses authorized under section 9004(f) of the Solid Waste Disposal Act, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $72,500,000, to remain available until expended: Provided, That hereafter, the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the same purposes as are set forth in section 9003(h)(7) of the Resource Conservation and Recovery Act.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $3,386,750,000, to remain available until expended, of which $1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and $775,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended except that, notwithstanding section 1452(n) of the Safe Drinking Water Act, as amended, none of the funds made available under this heading in this Act, or in previous appropriations acts, shall be reserved by the Administrator for health effects studies on drinking water contaminants, $50,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission, $30,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages, $301,750,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194); and $880,000,000 for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multimedia or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104–134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: Provided, That, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) and the accompanying joint explanatory statement of the committee of conference (H. Rept. No. 104–741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the state match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: Provided further, That, notwithstanding the matching requirement in Public Law 104–204 for funds appropriated under this heading for grants to the State of Texas for improving wastewater treatment for the Colonias, such funds that remain unobligated may also be used for improving water treatment for the Colonias, and shall be matched by State funds from State resources equal to 20 percent of such unobligated funds: Provided further, That, hereafter the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the development and implementation of programs to manage hazardous waste, and underground storage tanks: Provided further, That beginning in fiscal year 1999 and thereafter, pesticide program implementation grants under section 23(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, shall be available for pesticide program development and implementation, including enforcement and compliance activities: Provided further, That, notwithstanding section 603(d)(7) of the Federal Water Pollution Control Act, as amended, the limitation on the amounts in a State water pollution control revolving fund that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 1999 and prior years where such amounts represent costs of administering the fund, to the extent that such amounts are or were deemed reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration.

WORKING CAPITAL FUND

Under this heading in Public Law 104–204, after the phrase, "that such fund shall be paid in advance", insert "or reimbursed".

ADMINISTRATIVE PROVISION

Not later than March 31, 1999, the Administrator of the Environmental Protection Agency shall issue regulations amending 40 C.F.R. 112 to comply with the requirements of the Edible Oil Regulatory Reform Act (Public Law 104–55). Such regulations shall differentiate between and establish separate classes for animal fats and oils and greases, and fish and marine mammal oils (as described in that Act), and other oils and greases, and shall apply standards to such different classes of fats and oils based on differences in the physical, chemical, biological, and other properties, and in the environmental effects, of the classes. None of the funds made available by this Act or in subsequent Acts may be used by the Environmental Protection Agency to issue or to establish an interpretation or guidance relating to fats, oils, and greases (as described in Public Law 104–55) that does not comply with the requirements of the Edible Oil Regulatory Reform Act.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $5,026,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, $2,675,000: Provided, That, notwithstanding any other provision of law, no funds other than those appropriated under this heading, shall be used for or by the Council on Environmental Quality and Office of Environmental Quality: Provided further, That notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as Chairman and exercising all powers, functions, and duties of the Council.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $34,666,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $307,745,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended: Provided, That of the funds made available under this heading in this and prior Appropriations Acts which are eligible for grants to the State of California under section 404 of the Stafford Disaster Relief and Emergency Assistance Act, $5,000,000 shall be for a pilot project of seismic retrofit technology at California State University, San Bernardino, $5,000,000 shall be for seismic retrofit at the San Bernardino County Courthouse, and $30,000,000 shall be for a project at the Loma Linda University Medical Center hospital using laser technology demonstrating non-disruptive retrofitting.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,355,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $440,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 *for official reception and representation expenses, $171,138,000.*

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $5,400,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, $240,824,000: Provided, That for purposes of pre-disaster mitigation pursuant to 42 U.S.C. 5131 (b) and (c) and 42 U.S.C. 5196 (e) and (i), $25,000,000 of the funds made available under this heading shall be available until expended for project grants: Provided further, That the United States Fire Administration shall conduct a 12-month pilot project to promote the installation and maintenance of smoke detectors in the localities of highest risk for residential fires: Provided further, That the United States Fire Administration shall transmit the results of its pilot project to the Consumer Product Safety Commission and the Congress.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

There is hereby established in the Treasury a Radiological Emergency Preparedness Fund, which shall be available under the Atomic Energy Act of 1954, as amended, and Executive Order 12657, for offsite radiological emergency planning, preparedness, and response. Beginning in fiscal year 1999 and thereafter, the Director of the Federal Emergency Management Agency (FEMA) shall promulgate through rulemaking fees to be assessed and collected, applicable to persons subject to FEMA's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1999 shall not be less than 100 percent of the amounts anticipated by FEMA necessary for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the Fund as offsetting collections and will become available for authorized purposes on October 1, 1999, and remain available until expended.

For necessary expenses of the Fund for fiscal year 1999, $12,849,000, to remain available until expended.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended, $100,000,000: Provided, That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, as amended, not to exceed $22,685,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2000. In fiscal year 1999, no funds in excess of: (1) $47,000,000 for operating expenses; (2) $343,989,000 for agents' commissions and taxes; and (3) $60,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1999, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

Section 1309(a)(2) of the National Flood Insurance Act (42 U.S.C. 4016(a)(2)), as amended by Public Law 104–208, is further amended by striking "1998" and inserting "1999".

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

Section 1336 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4056), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,619,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1999 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,480,000,000, to remain available until September 30, 2000.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,653,900,000, to remain available until September 30, 2000: Provided, That none of the funds provided under this heading may be utilized to support the development or operations of the International Space Station: Provided further, That this limitation shall not preclude the use of funds provided under this heading for the conduct of science, aeronautics, space transportation and technology activities utilizing or enabled by the International Space Station.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles, $2,511,100,000, to remain available until September 30, 2000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $20,000,000.

ADMINISTRATIVE PROVISIONS

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in "Mission support" pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2001.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1999 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

NASA shall develop a revised appropriation structure for submission in the fiscal year 2000 budget request consisting of five appropriations accounts (International Space Station; Launch Vehicles and Payload Operations; Science, Aeronautics and Technology; Mission Support; and Office of Inspector General).

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1999, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 1999 shall not exceed $176,000: Provided further, That $2,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft, $2,770,000,000, of which not to exceed $257,460,000, shall remain available until expended for Polar research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 2000: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: Provided further, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That none of the funds appropriated or otherwise made available to the National Science Foundation in this or any prior Act may be obligated or expended by the National Science Foundation to enter into or extend a grant, contract, or cooperative agreement for the support of administering the domain name and numbering system of the Internet after September 30, 1998.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $90,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $662,000,000, to remain available until September 30, 2000: Provided, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That the Alliances for Minority Participation Program is renamed the Louis Stokes Alliances for Minority Participation Program.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; $144,000,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year 1999 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $5,200,000, to remain available until September 30, 2000.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $90,000,000: Provided, That $25,000,000 shall be for a pilot homeownership initiative, including an evaluation by an independent third party to determine its effectiveness.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; and not to exceed $1,000 for official reception and representation expenses, $24,176,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: Provided further, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made; or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between their domicile and their place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing herein affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indirect costs, except as published in Office of Management and Budget Circular A–21.

SEC. 417. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1999 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1999 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

SEC. 421. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. 422. Notwithstanding any other law, funds made available by this or any other Act or previous Acts for the United States/Mexico Foundation for Science may be used for the endowment of such Foundation.

SEC. 423. (a) Within 90 days of enactment of this Act, the Consumer Product Safety Commission shall make all necessary arrangements for the Committee on Toxicology of the National Academy of Sciences (NAS) to conduct an independent 12-month study of the potential toxicologic risks of all flame-retardant chemicals identified by the NAS and the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture.

(b) Upon completion of its report, the Academy shall send the report to the Commission, which shall provide it to the Congress.

(c) The Commission, before promulgating any notice of proposed rulemaking or final rulemaking setting flammability standards for residential upholstered furniture, shall consider fully the findings and conclusions of the Academy.

SEC. 424. None of the funds made available in this Act may be used for researching methods to reduce methane emissions from cows, sheep, or any other ruminant livestock.

SEC. 425. None of the funds made available in this Act may be used to carry out Executive Order No. 13083.

SEC. 426. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted for the appropriations.

SEC. 427. NATIONAL FALLEN FIREFIGHTERS FOUNDATION. (a) ESTABLISHMENT AND PURPOSES.—Section 202 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5201) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) primarily—

"(A) to encourage, accept, and administer private gifts of property for the benefit of the National Fallen Firefighters' Memorial and the annual memorial service associated with the memorial; and

"(B) to, in coordination with the Federal Government and fire services (as that term is defined in section 4 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203)), plan, direct, and manage the memorial service referred to in subparagraph (A) and related activities;";

(2) in paragraph (2), by inserting "and Federal" after "non-Federal";

(3) in paragraph (3)—

(A) by striking "State and local" and inserting "Federal, State, and local"; and

(B) by striking "and" at the end;

(4) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following:

"(5) to provide for a national program to assist families of fallen firefighters and fire departments in dealing with line-of-duty deaths of those firefighters; and

"(6) to promote national, State, and local initiatives to increase public awareness of fire and life safety.".

(b) BOARD OF DIRECTORS OF FOUNDATION.—Section 203(g)(1) of the National Fallen Firefighters Foundation Act (36 U.S.C. 5202(g)(1)) is amended by striking subparagraph (A) and inserting the following:

"(A) appointing officers or employees;".

(c) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 205 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5204) is amended to read as follows:

"SEC. 205. ADMINISTRATIVE SERVICES AND SUPPORT.

"(a) IN GENERAL.—During the 10-year period beginning on the date of enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999, the Administrator may—

"(1) provide personnel, facilities, and other required services for the operation of the Foundation; and

"(2) accept reimbursement for the assistance provided under paragraph (1).

"(b) REIMBURSEMENT.—Any amounts received under subsection (a)(2) as reimbursement for assistance shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing that assistance.

"(c) PROHIBITION.—Notwithstanding any other provision of law, no Federal personnel or stationery may be used to solicit funding for the Foundation.".

SEC. 428. INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE FOR CERTAIN HOUSING ASSISTANCE. Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by adding at the end the following:

"(f) INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE ON THE PREMISES.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8 that—

"(1) permanently prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person who has been convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law; and

"(2) immediately and permanently terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person who is convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law.".

SEC. 429. (a) Not later than 90 days after the date of enactment of this Act, the Consumer Product Safety Commission shall propose for comment a revocation of the amendments to the standards for the flammability of children's sleepwear sizes 0 through 6X (contained in regulations published at 16 CFR part 1615) and 7 through 14 (contained in regulations published at 16 CFR part 1616) issued by the Commission on September 9, 1996 (61 FR 47634), and any subsequent amendments thereto.

(b) The General Accounting Office shall undertake a review of children's burn incident data relating to burns from the ignition of children's sleepwear from small open flame sources for the period July 1, 1997 through January 1, 1999. Such review shall be completed by April 1, 1999 and shall be submitted to the Congress and to the Consumer Product Safety Commission.

(c) Not later than July 1, 1999, the Consumer Product Safety Commission shall promulgate a final rule revoking, maintaining or modifying the amendments issued by the Commission on September 9, 1996 (61 FR 47634) and any subsequent amendments thereto amending the Flammable Fabrics Act standards for the flammability of children's sleepwear, considering and substantively addressing the findings of the General Accounting Office and other information available to the Commission.

(d) None of the following shall apply with respect to the promulgation of the amendment prescribed by subsection (a):

(1) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

(2) The Flammable Fabrics Act (15 U.S.C. 1191 et seq.).

(3) Chapter 6 of title 5, United States Code.

(4) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) The Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121).

(6) Any other statute or Executive Order.

SEC. 430. COMPREHENSIVE ACCOUNTABILITY STUDY FOR FEDERALLY-FUNDED RESEARCH. (a) STUDY.—The Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, may enter into an agreement with the National Academy of Sciences for the Academy to conduct a comprehensive study to develop methods for evaluating federally-funded research and development programs. This study shall—

(1) recommend processes to determine an acceptable level of success for federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

(B) describing in the different sciences what measures and what criteria each community uses to evaluate the success or failure of a program, and on what time scales these measures are considered reliable—both for exploratory long-range work and for short-range goals; and

(C) recommending how these measures may be adapted for use by the Federal Government to evaluate federally-funded research and development programs;

(2) assess the extent to which agencies incorporate independent merit-based evaluation into the formulation of the strategic plans of funding agencies and if the quantity or quality of this type of input is unsatisfactory;

(3) recommend mechanisms for identifying federally-funded research and development programs which are unsuccessful or unproductive;

(4) evaluate the extent to which independent, merit-based evaluation of federally-funded research and development programs and projects achieves the goal of eliminating unsuccessful or unproductive programs and projects; and

(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

(B) administrative burdens on external participants in independent, merit-based evaluations;

(C) cost and schedule control for construction projects funded by the program;

(D) the ratio of overhead costs of the program relative to the amounts expended through the program for equipment and direct funding of research; and

(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(b) INDEPENDENT MERIT-BASED EVALUATION DEFINED.—The term "independent merit-based evaluation" means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(1) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(2) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.

SEC. 431. INSURANCE; INDEMNIFICATION; LIABILITY. (a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and

(ii) the United States Government for damage or loss to Government property resulting from such an activity.

(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator's determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.

(C) INCREASE IN DOLLAR AMOUNTS.—The Administrator may increase the dollar amounts set forth in section 70112(a)(3)(A) of title 49, United States Code, for the purpose of applying that section under this section to a developer after consultation with the Comptroller General and such experts and consultants as may be appropriate, and after publishing notice of the increase in the Federal Register not less than 180 days before the increase goes into effect. The Administrator shall make available for public inspection, not later than the date of publication of such notice, a complete record of any correspondence received by the Administration, and a transcript of any meetings in which the Administration participated, regarding the proposed increase.

(D) SAFETY REVIEW REQUIRED BEFORE ADMINISTRATOR PROVIDES INSURANCE.—The Administrator may not provide liability insurance or indemnification under subsection (a) unless the developer establishes to the satisfaction of the Administrator that appropriate safety procedures and practices are being followed in the development of the experimental aerospace vehicle.

(3) NO INDEMNIFICATION WITHOUT CROSS-WAIVER.—Notwithstanding subsection (a), the Administrator may not indemnify a developer of an experimental aerospace vehicle under this section unless there is an agreement between the Administration and the developer described in subsection (c).

(4) APPLICATION OF CERTAIN PROCEDURES.—If the Administrator requests additional appropriations to make payments under this section, like the payments that may be made under section 308(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b(b)), then the request for those appropriations shall be made in accordance with the procedures established by subsections (d) and (e) of section 70113 of title 49, United States Code.

(c) CROSS-WAIVERS.—

(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and related entities, may reciprocally waive claims with a developer and with the related entities of that developer under which each party to the waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(2) LIMITATIONS.—

(A) CLAIMS.—A reciprocal waiver under paragraph (1) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or that natural person's estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(B) LIABILITY FOR NEGLIGENCE.—A reciprocal waiver under paragraph (1) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or such a natural person's estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration or the developer for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(3) EFFECT ON PREVIOUS WAIVERS.—Subsection (c) applies to any waiver of claims entered into by the Administration without regard to whether it was entered into before, on, or after the date of enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term "Administration" means the National Aeronautics and Space Administration.

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the National Aeronautics and Space Administration.

(3) COMMON TERMS.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(4) DEVELOPER.—The term "developer" means a United States person (other than a natural person) who—

(A) is a party to an agreement that was in effect before the date of enactment of this Act with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(5) EXPERIMENTAL AEROSPACE VEHICLE.—The term "experimental aerospace vehicle" means an object intended to be flown in, or launched into, suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer that was in effect before the date of enactment of this Act.

(6) RELATED ENTITY.—The term "related entity" includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) SECTION 308 OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—This section does not apply to any object, transaction, or operation to which section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) applies.

(2) CHAPTER 701 OF TITLE 49, UNITED STATES CODE.—The Administrator may not provide indemnification to a developer under this section for launches subject to license under section 70117(g)(1) of title 49, United States Code.

(f) TERMINATION.—

(1) IN GENERAL.—The provisions of this section shall terminate on December 31, 2002, except that the Administrator may extend the termination date to a date not later than September 30, 2005, if the Administrator determines that such an extension is necessary to cover the operation of an experimental aerospace vehicle.

(2) EFFECT OF TERMINATION ON AGREEMENTS.—The termination of this section does not terminate or otherwise affect a cross-waiver agreement, insurance agreement, indemnification agreement, or any other agreement entered into under this section except as may be provided in that agreement.

SEC. 432. VIETNAM VETERANS ALLOTMENT. The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) is amended by adding at the end:

"OPEN SEASON FOR CERTAIN ALASKA NATIVE VETERANS FOR ALLOTMENTS

"SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to subsection (e), a person described in subsection (b) shall be eligible for an allotment of not more than two parcels of federal land totaling 160 acres or less under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

"(2) Allotments may be selected only from lands that were vacant, unappropriated, and unreserved on the date when the person eligible for the allotment first used and occupied those lands.

"(3) The Secretary may not convey allotments containing any of the following—

"(A) lands upon which a native or non-native campsite is located, except for a campsite used primarily by the person selecting the allotment;

"(B) lands selected by, but not conveyed to, the State of Alaska pursuant to the Alaska Statehood Act or any other provision of law;

"(C) lands selected by, but not conveyed to, a Village or Regional Corporation;

"(D) lands designated as wilderness by statute;

"(E) acquired lands;

"(F) lands containing a building, permanent structure, or other development owned or controlled by the United States, another unit of government, or a person other than the person selecting the allotment;

"(G) lands withdrawn or reserved for national defense purposes other than National Petroleum Reserve-Alaska;

"(H) National Forest Lands; and

"(I) lands selected or claimed, but not conveyed, under a public land law, including but not limited to the following:

"(1) Lands within a recorded mining claim.

"(2) Home sites.

"(3) Trade and Manufacturing sites.

"(4) Reindeer sites and Reindeer headquarters sites.

"(5) Cemetery sites.

"(4) A person who qualifies for an allotment on lands prohibited from conveyance by a provision of subsection (a)(3) may select an alternative allotment from the following lands located within the geographic boundaries of the same Regional Corporation as the excluded allotment—

"(A) lands withdrawn pursuant to section 11(a)(1) of this Act which were not selected, or were relinquished after selection;

"(B) lands contiguous to the outer boundary of lands withdrawn pursuant to section 11(a)(1)(C) of this Act, except lands excluded from selection by a provision of subsection (a)(3) and lands within a National Park; and

"(C) vacant, unappropriated and unreserved lands.

"(5) After consultation with a person entitled to an allotment within a Conservation System Unit, the Secretary may convey alternative lands of equal acreage, including lands within a Conservation System Unit, to that person if the Secretary determines that the allotment would be incompatible with a purpose for which the Conservation System Unit was established.

"(6) All conveyances under this section shall—

"(A) be subject to valid existing rights, including any right of the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement; and

"(B) reserve to the United States deposits of oil, gas and coal, together with the right to explore, mine, and remove these minerals, on lands which the Secretary determines to be prospectively valuable for development.

"(b) ELIGIBLE PERSON.—(1) A person is eligible to select an allotment under this section if that person—

"(A) would have been eligible for an allotment under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971; and

"(B) is a veteran who served during the period between January 1, 1969 and December 31, 1971 and—

"(i) served at least 6 months between January 1, 1969 and June 2, 1971; or

"(ii) enlisted or was drafted into military service after June 2, 1971 but before December 3, 1971.

"(2) The personal representative of the estate of a decedent who was eligible under subsection (b)(1) may, for the benefit of the heirs, select an allotment if, during the period specified in subsection (b)(1)(B), the decedent—

"(A) was killed in action;

"(B) was wounded in action and subsequently died as a direct consequence of that wound, as determined by the Department of Veterans Affairs; or

"(C) died while a prisoner of war.

"(3) No person who received an allotment or has a pending allotment under the Act of May 17, 1906 may receive an allotment under this section.

"(c) STUDY AND REPORT.—(1) The Secretary of the Interior shall conduct a study to identify and assess the circumstances of veterans of the Vietnam era who—

"(A) served during a period other than that specified in subsection (b)(1)(B);

"(B) were eligible for an allotment under the Act of May 17, 1906; and

"(C) did not apply for an allotment under that Act.

"(2) The Secretary shall, within one year of enactment of this section, issue a written report on the study, including findings and recommendations, to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

"(d) DEFINITIONS.—For the purposes of this section, the terms 'veteran' and 'Vietnam era' have the meanings given those terms by paragraphs (2) and (29), respectively, of section 101 of title 38, United States Code.

"(e) REGULATIONS.—No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.".

SEC. 433. The Administrator of the National Aeronautics and Space Administration shall develop and deliver to the House and Senate Committees on Appropriations, no later than 60 days after the date of enactment of this Act, a study of alternative approaches whereby NASA could contract with a Russian entity or entities for goods and services related to the International Space Station. The study shall evaluate, at a minimum, government-to-government, government-to-industry, and industry-to-industry arrangements. The study shall evaluate the pros and cons of each possible approach, addressing the following requirements: (1) ensure that NASA receives value for each dollar spent; (2) ensure that the funds provided can be audited; (3) define appropriate milestones; and, (4) adhere to all relevant technology transfer and export control laws.

SEC. 434. The National Aeronautics and Space Administration Lewis Research Center in Cleveland, Ohio, shall be redesignated as the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field". Any reference in a law, map, regulation, document, paper, or other record of the United States to the National Aeronautics and Space Administration Lewis Research Center in Ohio shall be deemed to be a reference to the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field".

SEC. 435. The proposed Amendments to Accounting for Property, Plant, and Equipment (February 1998) (Amending Statements of Federal Financial Accounting Standards Nos. 6 and 8, "Accounting for Property, Plant, and Equipment" and "Supplementary Stewardship Reporting") may be adopted without the prior notification and waiting period required by section 307 of the Chief Financial Officers Act of 1990 (Public Law 101–576).

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

SEC. 501. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Quality Housing and Work Responsibility Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

Sec. 501. Short title and table of contents.
Sec. 502. Findings and purposes.
Sec. 503. Effective date and regulations.

Subtitle A—General Provisions

Sec. 505. Declaration of policy and public housing agency organization.
Sec. 506. Definitions.
Sec. 507. Minimum rent.
Sec. 508. Determination of adjusted income and median income.
Sec. 509. Family self-sufficiency program.
Sec. 510. Prohibition on use of funds.
Sec. 511. Public housing agency plan.
Sec. 512. Community service and family self-sufficiency requirements.
Sec. 513. Income targeting.

Sec. 514. Repeal of Federal preferences.
Sec. 515. Joint ventures and consortia of public housing agencies; repeal of energy conservation provisions.
Sec. 516. Public housing agency mortgages and security interests.
Sec. 517. Mental health action plan.

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

Sec. 518. Contributions for lower income housing projects.
Sec. 519. Public housing capital and operating funds.
Sec. 520. Total development costs.
Sec. 521. Sanctions for improper use of amounts.
Sec. 522. Repeal of modernization fund.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

Sec. 523. Family choice of rental payment.
Sec. 524. Occupancy by police officers and over-income families.
Sec. 525. Site-based waiting lists.
Sec. 526. Pet ownership.

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

Sec. 529. Contract provisions.
Sec. 530. Housing quality requirements.
Sec. 531. Demolition and disposition of public housing.
Sec. 532. Resident councils and resident management corporations.
Sec. 533. Conversion of public housing to vouchers; repeal of family investment centers.
Sec. 534. Transfer of management of certain housing to independent manager at request of residents.
Sec. 535. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects.
Sec. 536. Homeownership.
Sec. 537. Required conversion of distressed public housing to tenant-based assistance.
Sec. 538. Linking services to public housing residents.
Sec. 539. Mixed-finance public housing.

Subtitle C—Section 8 Rental and Homeownership Assistance

Sec. 545. Merger of certificate and voucher programs.
Sec. 546. Public housing agencies.
Sec. 547. Administrative fees.
Sec. 548. Law enforcement and security personnel in assisted housing.
Sec. 549. Advance notice to tenants of expiration, termination, or owner nonrenewal of assistance contract.
Sec. 550. Technical and conforming amendments.
Sec. 551. Funding and allocation.
Sec. 552. Treatment of common areas.
Sec. 553. Portability.
Sec. 554. Leasing to voucher holders.
Sec. 555. Homeownership option.
Sec. 556. Renewals.
Sec. 557. Manufactured housing demonstration program.
Sec. 558. Authorizations of appropriations.
Sec. 559. Rulemaking and implementation.

Subtitle D—Home Rule Flexible Grant Demonstration

Sec. 561. Home rule flexible grant demonstration program.

Subtitle E—Accountability and Oversight of Public Housing Agencies

Sec. 563. Study of alternative methods for evaluating public housing agencies.
Sec. 564. Public housing management assessment program.
Sec. 565. Expansion of powers for dealing with public housing agencies in substantial default.
Sec. 566. Audits.
Sec. 567. Advisory council for housing authority of New Orleans.
Sec. 568. Treatment of troubled PHA's.

Subtitle F—Safety and Security in Public and Assisted Housing

Sec. 575. Provisions applicable only to public housing and section 8 assistance.
Sec. 576. Screening of applicants for federally assisted housing.
Sec. 577. Termination of tenancy and assistance for illegal drug users and alcohol abusers in federally assisted housing.
Sec. 578. Ineligibility of dangerous sex offenders for admission to public housing.
Sec. 579. Definitions.

Subtitle G—Repeals and Related Provisions

Sec. 581. Annual report.
Sec. 582. Repeals relating to public housing and section 8 programs.
Sec. 583. Public housing flexibility in CHAS.
Sec. 584. Use of American products.
Sec. 585. GAO study on housing assistance program costs.
Sec. 586. Amendments to Public and Assisted Housing Drug Elimination Act of 1990.
Sec. 587. Review of drug elimination program contracts.
Sec. 588. Prohibition on use of assistance for employment relocation activities.
Sec. 589. Treatment of occupancy standards.
Sec. 590. Income eligibility for HOME and CDBG programs.
Sec. 591. Report on single family and multifamily homes.
Sec. 592. Use of assisted housing by aliens.
Sec. 593. Protection of senior homeowners under reverse mortgage program.
Sec. 594. Housing counseling.
Sec. 595. Native American housing assistance.
Sec. 596. CDBG public services cap.
Sec. 597. Moderate rehabilitation program.
Sec. 598. National cities in schools program.
Sec. 599. Tenant participation in multifamily housing projects.
Sec. 599A. Clarification regarding recreational vehicles.
Sec. 599B. Determination of low-income eligibility for homeownership assistance.
Sec. 599C. Amendments to rural housing programs.
Sec. 599D. Reauthorization of national flood insurance program.
Sec. 599E. Assistance for self-help housing providers
Sec. 599F. Special mortgage insurance assistance.
Sec. 599G. Rehabilitation demonstration grant program.
Sec. 599H. Assistance for certain localities.

SEC. 502. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) the inventory of public housing units owned, assisted, or operated by public housing agencies, an asset in which the Federal Government has invested over $90,000,000,000, has traditionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations has aggravated the problem and has placed excessive administrative burdens on public housing agencies; and

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into programs for the operation and capital needs of public housing;

(B) streamlines program requirements;

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to public housing residents, localities, and the general public; and

(D) rewards employment and economic self-sufficiency of public housing residents.

(b) PURPOSES.—The purpose of this title is to promote homes that are affordable to low-income families in safe and healthy environments, and thereby contribute to the supply of affordable housing, by—

(1) deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers;

(2) providing for more flexible use of Federal assistance to public housing agencies, allowing the authorities to leverage and combine assistance amounts with amounts obtained from other sources;

(3) facilitating mixed income communities and decreasing concentrations of poverty in public housing;

(4) increasing accountability and rewarding effective management of public housing agencies;

(5) creating incentives and economic opportunities for residents of dwelling units assisted by public housing agencies to work, become self-sufficient, and transition out of public housing and federally assisted dwelling units;

(6) consolidating the voucher and certificate programs for rental assistance under section 8 of the United States Housing Act of 1937 into a single market-driven program that will assist in making tenant-based rental assistance under such section more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families; and

(7) remedying the problems of troubled public housing agencies and replacing or revitalizing severely distressed public housing projects.

SEC. 503. EFFECTIVE DATE AND REGULATIONS.

(a) IN GENERAL.—The amendments under this title are made on the date of the enactment of this Act, but this title shall take effect, and the amendments made by this title shall apply beginning upon, October 1, 1999, except—

(1) as otherwise specifically provided in this title; or

(2) as otherwise specifically provided in any amendment made by this title.

The Secretary may, by notice, implement any provision of this title or any amendment made by this title before such date, except to the extent that such provision or amendment specifically provides otherwise.

(b) SAVINGS PROVISION.—Notwithstanding any amendment under this title that is made (in accordance with subsection (a)) on the date of the enactment of this Act but applies beginning on October 1, 1999, the provisions of law amended by such amendment, as such provisions were in effect immediately before the making of such amendment, shall continue to apply during the period beginning on the date of the enactment of this Act and ending upon October 1, 1999, unless otherwise specifically provided by this title.

(c) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of the enactment of this Act, the Secretary shall submit to the

Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming legislative changes necessary to carry out this title and the amendments made by this title.

(d) List of Obsolete Documents.—Not later than October 1, 1999, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register a list of all rules, regulations, and orders (including all handbooks, notices, and related requirements) pertaining to public housing or section 8 tenant-based programs issued or promulgated under the United States Housing Act of 1937 before the date of the enactment of this Act that are or will be obsolete because of the enactment of this Act or are otherwise obsolete.

(e) Protection of Certain Regulations.—No provision of this title may be construed to repeal the regulations of the Secretary regarding tenant participation and tenant opportunities in public housing (24 C.F.R. 964).

(g) Effective Date.—This section shall take effect on the date of the enactment of this Act.

Subtitle A—General Provisions

SEC. 505. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

"SEC. 2. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

"(a) Declaration of Policy.—It is the policy of the United States—

"(1) to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

"(A) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families;

"(B) to assist States and political subdivisions of States to address the shortage of housing affordable to low-income families; and

"(C) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to public housing residents, localities, and the general public;

"(2) that the Federal Government cannot through its direct action alone provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;

"(3) that the Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly; and

"(4) that our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments, and by the independent and collective actions of private citizens, organizations, and the private sector.

"(b) Public Housing Agency Organization.—

"(1) Required membership.—Except as provided in paragraph (2), the membership of the board of directors or similar governing body of each public housing agency shall contain not less than 1 member—

"(A) who is directly assisted by the public housing agency; and

"(B) who may, if provided for in the public housing agency plan, be elected by the residents directly assisted by the public housing agency.

"(2) Exception.—Paragraph (1) shall not apply to any public housing agency—

"(A) that is located in a State that requires the members of the board of directors or similar governing body of a public housing agency to be salaried and to serve on a full-time basis; or

"(B) with less than 300 public housing units, if—

"(i) the agency has provided reasonable notice to the resident advisory board of the opportunity of not less than 1 resident described in paragraph (1) to serve on the board of directors or similar governing body of the public housing agency pursuant to such paragraph; and

"(ii) within a reasonable time after receipt by the resident advisory board established by the agency pursuant to section 5A(e) of notice under clause (i), the public housing agency has not been notified of the intention of any resident to participate on the board of directors.

"(3) Nondiscrimination.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a public housing project or status as assisted under section 8.".

SEC. 506. DEFINITIONS.

Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended as follows:

(1) Public housing.—In paragraph (1), by inserting after the second sentence the following new sentence: "The term 'public housing' includes dwelling units in a mixed finance project that are assisted by a public housing agency with capital or operating assistance.".

(2) Single persons.—In paragraph (3)—

(A) in subparagraph (A), by striking the third sentence; and

(B) in subparagraph (B), in the second sentence, by striking "regulations of the Secretary" and inserting "public housing agency plan".

(3) Person with disabilities.—In paragraph (3)(E), by adding after the period at the end the following new sentences: "Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for low-income housing under this title, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.".

(4) New terms.—Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended by adding at the end the following new paragraphs:

"(9) Drug-related criminal activity.—The term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

"(10) Mixed-finance project.—The term 'mixed-finance project' means a public housing project that meets the requirements of section 35.

"(11) Public housing agency plan.—The term 'public housing agency plan' means the plan of a public housing agency prepared in accordance with section 5A.

"(12) Capital fund.—The term 'Capital Fund' means the fund established under section 9(d).

"(13) Operating fund.—The term 'Operating Fund' means the fund established under section 9(e).".

SEC. 507. MINIMUM RENT.

(a) In General.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) is amended by adding at the end the following new paragraph:

"(3) Minimum rental amount.—

"(A) Requirement.—Notwithstanding paragraph (1) of this subsection, the method for rent determination elected pursuant to paragraph (2)(A) of this subsection by a family residing in public housing, section 8(o)(2) of this Act, or section 206(d) of the Housing and Urban-Rural Recovery Act of 1983 (including paragraph (5) of such section), the following entities shall require the following families to pay a minimum monthly rental amount (which amount shall include any amount allowed for utilities) of not more than $50 per month, as follows:

"(i) Each public housing agency shall require the payment of such minimum monthly rental amount, which amount shall be determined by the agency, by—

"(I) each family residing in a dwelling unit in public housing by the agency;

"(II) each family who is assisted under the certificate or moderate rehabilitation program under section 8; and

"(III) each family who is assisted under the voucher program under section 8, and the agency shall reduce the monthly assistance payment on behalf of such family as may be necessary to ensure payment of such minimum monthly rental amount.

"(ii) The Secretary shall require each family who is assisted under any other program for rental assistance under section 8 to pay such minimum monthly rental amount, which amount shall be determined by the Secretary.

"(B) Exception for hardship circumstances.—

"(i) In general.—Notwithstanding subparagraph (A), a public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) shall immediately grant an exemption from application of the minimum monthly rental under such subparagraph to any family unable to pay such amount because of financial hardship, which shall include situations in which (I) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; (II) the family would be evicted as a result of the imposition of the minimum rent requirement under subparagraph (A); (III) the income of the family has decreased because of changed circumstance, including loss of employment; (IV) a death in the family has occurred; and (V) other situations as may be determined by the agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)).

"(ii) Waiting period.—If a resident requests a hardship exemption under this subparagraph and the public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) reasonably determines the hardship to be of a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. A resident may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the agency (or the Secretary) shall retroactively exempt the resident from the applicability of the minimum rent requirement for such 90-day period.".

(b) Repeal of Duplicative Provisions.—Section 402 of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 40) is amended by striking subsection (a).

(c) Conforming Amendment.—The third sentence of section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(1)) is amended by inserting "and subject to the requirement under paragraph (3)" before the first comma.

(d) Effective Date.—The amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 508. DETERMINATION OF ADJUSTED INCOME AND MEDIAN INCOME.

(a) ADJUSTED INCOME.—Paragraph (5) of section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5) is amended to read as follows:

"(5) ADJUSTED INCOME.—The term 'adjusted income' means, with respect to a family, the amount (as determined by the public housing agency) of the income of the members of the family residing in a dwelling unit or the persons on a lease, after any income exclusions as follows:

"(A) MANDATORY EXCLUSIONS.—In determining adjusted income, a public housing agency shall exclude from the annual income of a family the following amounts:

"(i) ELDERLY AND DISABLED FAMILIES.—$400 for any elderly or disabled family.

"(ii) MEDICAL EXPENSES.—The amount by which 3 percent of the annual family income is exceeded by the sum of—

"(I) unreimbursed medical expenses of any elderly family or disabled family;

"(II) unreimbursed medical expenses of any family that is not covered under subclause (I), except that this subclause shall apply only to the extent approved in appropriation Acts; and

"(III) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed.

"(iii) CHILD CARE EXPENSES.—Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

"(iv) MINORS, STUDENTS, AND PERSONS WITH DISABILITIES.—$480 for each member of the family residing in the household (other than the head of the household or his or her spouse) who is less than 18 years of age or is attending school or vocational training on a full-time basis, or who is 18 years of age or older and is a person with disabilities.

"(v) CHILD SUPPORT PAYMENTS.—Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded under this clause may not exceed $480 for each child for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vi) SPOUSAL SUPPORT EXPENSES.—Any payment made by a member of the family for the support and maintenance of any spouse or former spouse who does not reside in the household, except that the amount excluded under this clause shall not exceed the lesser of (I) the amount that such family member has a legal obligation to pay, or (II) $550 for each individual for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vii) EARNED INCOME OF MINORS.—The amount of any earned income of a member of the family who is not—

"(I) 18 years of age or older; and

"(II) the head of the household (or the spouse of the head of the household).

"(B) PERMISSIVE EXCLUSIONS FOR PUBLIC HOUSING.—In determining adjusted income, a public housing agency may, in the discretion of the agency, establish exclusions from the annual income of a family residing in a public housing dwelling unit. Such exclusions may include the following amounts:

"(i) EXCESSIVE TRAVEL EXPENSES.—Excessive travel expenses in an amount not to exceed $25 per family per week, for employment- or education-related travel.

"(ii) EARNED INCOME.—An amount of any earned income of the family, established at the discretion of the public housing agency, which may be based on—

"(I) all earned income of the family,

"(II) the amount earned by particular members of the family;

"(III) the amount earned by families having certain characteristics; or

"(IV) the amount earned by families or members during certain periods or from certain sources.

"(iii) OTHERS.—Such other amounts for other purposes, as the public housing agency may establish.".

(b) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING RENT DETERMINATIONS.—

(1) IN GENERAL.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(A) by striking the undesignated paragraph that follows subsection (c)(3) (as added by section 515(b) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4199)); and

(B) by adding at the end the following new subsections:

"(d) DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under subsection (a) by a family described in paragraph (3) of this subsection may not be increased as a result of the increased income due to such employment during the 12-month period beginning on the date on which the employment is commenced.

"(2) PHASE-IN OF RENT INCREASES.—Upon the expiration of the 12-month period referred to in paragraph (1), the rent payable by a family described in paragraph (3) may be increased due to the continued employment of the family member described in paragraph (3)(B), except that during the 12-month period beginning upon such expiration the amount of the increase may not be greater than 50 percent of the amount of the total rent increase that would be applicable but for this paragraph.

"(3) ELIGIBLE FAMILIES.—A family described in this paragraph is a family—

"(A) that—

"(i) occupies a dwelling unit in a public housing project; or

"(ii) receives assistance under section 8; and

"(B)(i) whose income increases as a result of employment of a member of the family who was previously unemployed for 1 or more years;

"(ii) whose earned income increases during the participation of a family member in any family self-sufficiency or other job training program; or

"(iii) who is or was, within 6 months, assisted under any State program for temporary assistance for needy families funded under part A of title IV of the Social Security Act and whose earned income increases.

"(4) APPLICABILITY.—This subsection and subsection (e) shall apply beginning upon October 1, 1999, except that this subsection and subsection (e) shall apply with respect to any family described in paragraph 3(A)(ii) only to the extent provided in advance in appropriations Acts.

"(e) INDIVIDUAL SAVINGS ACCOUNTS.—

"(1) IN GENERAL.—In lieu of a disallowance of earned income under subsection (d), upon the request of a family that qualifies under subsection (d), a public housing agency may establish an individual savings account in accordance with this subsection for that family.

"(2) DEPOSITS TO ACCOUNT.—The public housing agency shall deposit in any savings account established under this subsection an amount equal to the total amount that otherwise would be applied to the family's rent payment under subsection (a) as a result of employment.

"(3) WITHDRAWAL FROM ACCOUNT.—Amounts deposited in a savings account established under this subsection may only be withdrawn by the family for the purpose of—

"(A) purchasing a home;

"(B) paying education costs of family members;

"(C) moving out of public or assisted housing; or

"(D) paying any other expense authorized by the public housing agency for the purpose of promoting the economic self-sufficiency of residents of public and assisted housing.".

(2) SAVINGS PROVISION.—Notwithstanding the amendment made by paragraph (1), the provisions of the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937, as such section was in effect immediately before the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act. Notwithstanding the amendment made by subsection (a) of this section, nor the applicability under section 402(f) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) of the amendments made by such section 402, nor any repeal of such section 402(f), the provisions of section 3(b)(5)(G) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)(G)), as such section was in effect immediately before the date of the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act.

(c) MEDIAN INCOME.—

(1) IN GENERAL.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—

(A) in the 4th sentence—

(i) by striking "County" and inserting "and Rockland Counties"; and

(ii) by inserting "each" before "such county";

(B) in the last sentence—

(i) by striking "County" the 1st place it appears and inserting "or Rockland Counties"; and

(ii) by striking "County" the 2d place it appears and inserting "and Rockland Counties"; and

(C) by adding at the end the following new sentences: "In determining areas that are designated as difficult development areas for purposes of the low-income housing tax credit, the Secretary shall include Westchester and Rockland Counties, New York, in the New York City metropolitan area.".

(2) APPLICABILITY.—The amendments made by this paragraph are made on, and shall apply beginning upon, the date of the enactment of this Act.

(d) AVAILABILITY OF INCOME MATCHING INFORMATION.—

(1) AVAILABILITY.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(f) AVAILABILITY OF INCOME MATCHING INFORMATION.—

"(1) DISCLOSURE TO PHA.—A public housing agency shall require any family described in paragraph (2) who receives information regarding income, earnings, wages, or unemployment compensation from the Department of Housing and Urban Development pursuant to income verification procedures of the Department to disclose such information, upon receipt of the information, to the public housing agency that owns or operates the public housing dwelling unit in which such family resides or that provides the housing assistance under this Act on behalf of such family, as applicable.

"(2) FAMILIES COVERED.—A family described in this paragraph is a family that resides in a dwelling unit—

"(A) that is a public housing dwelling unit; or

"(B) for which tenant-based assistance is provided under section 8.".

(2) PROTECTION OF APPLICANTS AND PARTICIPANTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking "and" at the end;

(ii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following new paragraph:

"(4) only in the case of an applicant or participant that is a member of a family described in section 3(f)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(f)(2)), sign an agreement under which the applicant or participant agrees to provide to the appropriate public housing agency the information required under section 3(f)(1) of such Act for the sole purpose of the public housing agency verifying income information pertinent to the applicant's or participant's eligibility or level of benefits, and comply with such agreement."; and

(B) in subsection (c)—

(i) in paragraph (2)(A), in the matter preceding clause (i)—

(I) by inserting before "or" the first place it appears the following: ", pursuant to section 3(d)(1) of the United States Housing Act of 1937 from the applicant or participant,"; and

(II) by inserting "or 3(d)(1)" after "such section 303(i)"; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by inserting ", section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act";

(II) in subparagraph (A), by inserting "or agreement, as applicable," after "consent";

(III) in subparagraph (B), by inserting "section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act,"; and

(IV) in subparagraph (B), by inserting "such section 3(d)(1)," after "such section 303(i)," each place it appears.

SEC. 509. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ", subject to the limitations in paragraph (4); and"; and

(iii) by adding at the end the following new subparagraph:

"(C) effective on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, to the extent an agency is not required to carry out a program pursuant to subparagraph (B) of this paragraph and paragraph (4), may carry out a local Family Self-Sufficiency program under this section.";

(B) in paragraph (3), by striking "Each" and inserting "Subject to paragraph (4), each";

(C) by redesignating paragraph (4) as paragraph (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) TERMINATION OF REQUIREMENT TO EXPAND PROGRAM.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency that receives incremental assistance under subsection (b) or (o) of section 8 or that makes available new public housing dwelling units shall not be required, after the enactment of the Quality Housing and Work Responsibility Act of 1998, to provide assistance under a local Family Self-Sufficiency program under this section to any families not required to be assisted under subparagraph (B) of this paragraph.

"(B) CONTINUATION OF EXISTING OBLIGATIONS.—

"(i) IN GENERAL.—Each public housing agency that, before the enactment of the Quality Housing and Work Responsibility Act of 1998, was required under this section to carry out a local Family Self-Sufficiency program shall continue to operate such local program for the number of families determined under paragraph (3), subject only to the availability under appropriations Acts of sufficient amounts for housing assistance.

"(ii) REDUCTION.—The number of families for which an agency is required under clause (i) to operate such local program shall be decreased by one for each family that, after enactment of the Quality Housing and Work Responsibility Act of 1998, fulfills its obligations under the contract of participation.";

(2) in subsection (d), by striking the second paragraph that is designated as paragraph (3) (relating to use of escrow savings accounts for section 8 homeownership; as added by section 185(b) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3747)); and

(3) in subsection (f)(1), by inserting "carrying out a local program under this section" after "Each public housing agency".

(b) APPLICABILITY.—The amendments made by this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 510. PROHIBITION ON USE OF FUNDS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c)) is amended by adding at the end the following new subsection:

"(l) PROHIBITION ON USE OF FUNDS.—None of the funds made available to the Department of Housing and Urban Development to carry out this Act, which are obligated to State or local governments, public housing agencies, housing finance agencies, or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.".

SEC. 511. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. PUBLIC HOUSING AGENCY PLANS.

"(a) 5-YEAR PLAN.—

"(1) IN GENERAL.—Subject to paragraph (2), not less than once every 5 fiscal years, each public housing agency shall submit to the Secretary a plan that includes, with respect to the 5 fiscal years immediately following the date on which the plan is submitted—

"(A) a statement of the mission of the public housing agency for serving the needs of low-income and very low-income families in the jurisdiction of the public housing agency during such fiscal years; and

"(B) a statement of the goals and objectives of the public housing agency that will enable the public housing agency to serve the needs identified pursuant to subparagraph (A) during those fiscal years.

"(2) INITIAL PLAN.—The initial 5-year plan submitted by a public housing agency under this subsection shall be submitted for the 5-year period beginning on October 1, 1999, or the first fiscal year thereafter for which the public housing agency initially receives assistance under this Act.

"(b) ANNUAL PLAN.—

"(1) IN GENERAL.—Effective beginning upon October 1, 1999, each public housing agency shall submit to the Secretary an annual public housing agency plan under this subsection for each fiscal year for which the public housing agency receives assistance under section 8(o) or 9.

"(2) UPDATES.—For each fiscal year after the initial submission of an annual plan under this subsection by a public housing agency, the public housing agency may comply with requirements for submission of a plan under this subsection by submitting an update of the plan for the fiscal year.

"(c) PROCEDURES.—

"(1) IN GENERAL.—The Secretary shall establish requirements and procedures for submission and review of plans, including requirements for timing and form of submission, and for the contents of such plans.

"(2) CONTENTS.—The procedures established under paragraph (1) shall provide that a public housing agency shall—

"(A) in developing the plan consult with the resident advisory board established under subsection (e); and

"(B) ensure that the plan under this section is consistent with the applicable comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act, and contains a certification by the appropriate State or local official that the plan meets the requirements of this paragraph and a description of the manner in which the applicable contents of the public housing agency plan are consistent with the comprehensive housing affordability strategy.

"(d) CONTENTS.—An annual public housing agency plan under subsection (b) for a public housing agency shall contain the following information relating to the upcoming fiscal year for which the assistance under this Act is to be made available:

"(1) NEEDS.—A statement of the housing needs of low-income and very low-income families residing in the jurisdiction served by the public housing agency, and of other low-income and very low-income families on the waiting list of the agency (including housing needs of elderly families and disabled families), and the means by which the public housing agency intends, to the maximum extent practicable, to address those needs.

"(2) FINANCIAL RESOURCES.—A statement of financial resources available to the agency and the planned uses of those resources.

"(3) ELIGIBILITY, SELECTION, AND ADMISSIONS POLICIES.—A statement of the policies governing eligibility, selection, admissions (including any preferences), assignment, and occupancy of families with respect to public housing dwelling units and housing assistance under section 8(o), including—

"(A) the procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include a system of site-based waiting lists under section 6(r); and

"(B) the admissions policy under section 16(a)(3)(B) for deconcentration of lower-income families.

"(4) RENT DETERMINATION.—A statement of the policies of the public housing agency governing rents charged for public housing dwelling units and rental contributions of families assisted under section 8(o).

"(5) OPERATION AND MANAGEMENT.—A statement of the rules, standards, and policies of the public housing agency governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including by cockroaches), and management of the public housing agency and programs of the public housing agency.

"(6) GRIEVANCE PROCEDURE.—A statement of the grievance procedures of the public housing agency.

"(7) CAPITAL IMPROVEMENTS.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects.

"(8) DEMOLITION AND DISPOSITION.—With respect to public housing projects owned by the public housing agency—

"(A) a description of any housing for which the PHA will apply for demolition or disposition under section 18; and

"(B) a timetable for the demolition or disposition.

"(9) DESIGNATION OF HOUSING FOR ELDERLY AND DISABLED FAMILIES.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a description of any projects (or portions thereof) that the public housing agency has designated or will apply for designation for occupancy by elderly and disabled families in accordance with section 7.

"(10) CONVERSION OF PUBLIC HOUSING.—With respect to public housing owned by a public housing agency—

"(A) a description of any building or buildings that the public housing agency is required to convert to tenant-based assistance under section 33 or that the public housing agency plans to voluntarily convert under section 22;

"(B) an analysis of the projects or buildings required to be converted under section 33; and

"(C) a statement of the amount of assistance received under this Act to be used for rental assistance or other housing assistance in connection with such conversion.

"(11) HOMEOWNERSHIP.—A description of any homeownership programs of the agency under section 8(y) or for which the public housing agency has applied or will apply for approval under section 32.

"(12) COMMUNITY SERVICE AND SELF-SUFFICIENCY.—A description of—

"(A) any programs relating to services and amenities provided or offered to assisted families;

"(B) any policies or programs of the public housing agency for the enhancement of the economic and social self-sufficiency of assisted families;

"(C) how the public housing agency will comply with the requirements of subsections (c) and (d) of section 12 (relating to community service and treatment of income changes resulting from welfare program requirements).

"(13) SAFETY AND CRIME PREVENTION.—A plan established by the public housing agency, which shall be subject to the following requirements:

"(A) SAFETY MEASURES.—The plan shall provide, on a project-by-project or jurisdiction-wide basis, for measures to ensure the safety of public housing residents.

"(B) ESTABLISHMENT.—The plan shall be established in consultation with the police officer or officers in command for the appropriate precinct or police department.

"(C) CONTENT.—The plan shall describe the need for measures to ensure the safety of public housing residents and for crime prevention measures, describe any such activities conducted or to be conducted by the agency, and provide for coordination between the agency and the appropriate police precincts for carrying out such measures and activities.

"(D) SECRETARIAL ACTION.—If the Secretary determines, at any time, that the security needs of a project are not being adequately addressed by the plan, or that the local police precinct is not complying with the plan, the Secretary may mediate between the public housing agency and the local precinct to resolve any issues of conflict.

"(14) PETS.—The requirements of the agency, pursuant to section 31, relating to pet ownership in public housing.

"(15) CIVIL RIGHTS CERTIFICATION.—A certification by the public housing agency that the public housing agency will carry out the public housing agency plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

"(16) ANNUAL AUDIT.—The results of the most recent fiscal year audit of the public housing agency under section 5(h)(2).

"(17) ASSET MANAGEMENT.—A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

"(18) OTHER.—Any other information required by law to be included in a public housing agency plan.

"(e) RESIDENT ADVISORY BOARD.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each public housing agency shall establish 1 or more resident advisory boards in accordance with this subsection, the membership of which shall adequately reflect and represent the residents assisted by the public housing agency.

"(2) FUNCTIONS.—Each resident advisory board established under this subsection by a public housing agency shall assist and make recommendations regarding the development of the public housing agency plan for the agency. The agency shall consider the recommendations of the resident advisory boards in preparing the final public housing agency plan, and shall include, in the public housing agency plan submitted to the Secretary under this section, a copy of the recommendations and a description of the manner in which the recommendations were addressed.

"(3) WAIVER.—The Secretary may waive the requirements of this subsection with respect to the establishment of resident advisory boards for a public housing agency if the agency demonstrates to the satisfaction of the Secretary that there exist resident councils or other resident organizations of the public housing agency that—

"(A) adequately represent the interests of the residents of the public housing agency; and

"(B) have the ability to perform the functions described in paragraph (2).

"(1) IN GENERAL.—In developing a public housing agency plan under this section, the board of directors or similar governing body of a public housing agency shall conduct a public hearing to discuss the public housing agency plan and to invite public comment regarding that plan. The hearing shall be conducted at a location that is convenient to residents.

"(2) AVAILABILITY OF INFORMATION AND NOTICE.—Not later than 45 days before the date of a hearing conducted under paragraph (1), the public housing agency shall—

"(A) make the proposed public housing agency plan and all information relevant to the hearing and proposed plan available for inspection by the public at the principal office of the public housing agency during normal business hours; and

"(B) publish a notice informing the public that—

"(i) that the information is available as required under subparagraph (A); and

"(ii) that a public hearing under paragraph (1) will be conducted.

"(3) ADOPTION OF PLAN.—A public housing agency may adopt a public housing agency plan and submit the plan to the Secretary in accordance with this section only after—

"(A) conducting a public hearing under paragraph (1);

"(B) considering all public comments received; and

"(C) making any appropriate changes in the public housing agency plan, in consultation with the resident advisory board.

"(4) ADVISORY BOARD CONSULTATION ENFORCEMENT.—Pursuant to a written request made by the resident advisory board for a public housing agency that documents a failure on the part of the agency to provide adequate notice and opportunity for comment under this subsection and a finding by the Secretary of good cause within the time period provided for in subsection (i)(4), the Secretary may require the public housing agency to adequately remedy such failure before final approval of the public housing agency plan under this section.

"(g) AMENDMENTS AND MODIFICATIONS TO PLANS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that a significant amendment or modification may not—

"(A) be adopted, other than at a duly called meeting of board of directors (or similar governing body) of the public housing agency that is open to the public; and

"(B) be implemented, until notification of the amendment or modification is provided to the Secretary and approved in accordance with subsection (i).

"(2) CONSISTENCY AND NOTICE.—Each significant amendment or modification to a public housing agency plan submitted to the Secretary under this section shall—

"(A) meet the requirements under subsection (c)(2) (relating to consultation with resident advisory board and consistency with comprehensive housing affordability strategies); and

"(B) be subject to the notice and public hearing requirements of subsection (f).

"(h) SUBMISSION OF PLANS.—

"(1) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or modification to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

"(2) ANNUAL SUBMISSION.—Not later than 75 days before the start of the fiscal year of the public housing agency, after submission of the initial plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or modifications to the public housing agency plan.

"(i) REVIEW AND DETERMINATION OF COMPLIANCE.—

"(1) REVIEW.—Subject to paragraph (2), after submission of the public housing agency plan or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make determinations under this paragraph, the Secretary shall review the public housing agency plan (including any amendments or modifications thereto) and determine whether the contents of the plan—

"(A) set forth the information required by this section and this Act to be contained in a public housing agency plan;

"(B) are consistent with information and data available to the Secretary, including the approved comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act for the jurisdiction in which the public housing agency is located; and

"(C) are not prohibited by or inconsistent with any provision of this title or other applicable law.

"(2) ELEMENTS EXEMPTED FROM REVIEW.—The Secretary may, by regulation, provide that one or more elements of a public housing agency plan shall be reviewed only if the element is challenged, except that the Secretary shall review the information submitted in each plan pursuant to paragraphs (3)(B), (8), and (15) of subsection (d).

"(3) DISAPPROVAL.—The Secretary may disapprove a public housing agency plan (or any amendment or modification thereto) only if Secretary determines that the contents of the plan (or amendment or modification) do not comply with the requirements under subparagraph (A) through (C) of paragraph (1).

"(4) DETERMINATION OF COMPLIANCE.—

"(A) IN GENERAL.—Except as provided in subsection (j)(2), not later than 75 days after the date on which a public housing agency plan is submitted in accordance with this section, the Secretary shall make the determination under paragraph (1) and provide written notice to the public housing agency if the plan has been disapproved. If the Secretary disapproves the plan, the notice shall state with specificity the reasons for the disapproval.

"(B) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—In the case of a plan disapproved, if the Secretary does not provide notice of disapproval under subparagraph (A) before the expiration of the period described in subparagraph (A), the Secretary shall be considered, for purposes of this Act, to have made a determination that the plan complies with the requirements under this section and the agency shall be considered to have been notified of compliance upon the expiration of such period. The preceding sentence shall not preclude judicial review regarding such compliance pursuant to chapter 7 of title 5, United States Code, or an action regarding such compliance under section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983).

"(5) PUBLIC AVAILABILITY.—A public housing agency shall make the approved plan of the agency available to the general public.

"(j) TROUBLED AND AT-RISK PHAS.—

"(1) IN GENERAL.—The Secretary may require, for each public housing agency that is at risk of being designated as troubled under section 6(j)(2) or is designated as troubled under section 6(j)(2), that the public housing agency plan for such agency include such additional information as the Secretary determines to be appropriate, in accordance with such standards as the Secretary may establish or in accordance with such determinations as the Secretary may make on an agency-by-agency basis.

"(2) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j)(2).

"(k) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

"(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies;

"(B) public housing agencies with less than 250 public housing units that have not been designated as troubled under section 6(j)(2); and

"(C) public housing agencies that only administer tenant-based assistance and that do not own or operate public housing.

"(l) COMPLIANCE WITH PLAN.—

"(1) IN GENERAL.—In providing assistance under this title, a public housing agency shall comply with the rules, standards, and policies established in the public housing agency plan of the public housing agency approved under this section.

"(2) INVESTIGATION AND ENFORCEMENT.—In carrying out this title, the Secretary shall—

"(A) provide an appropriate response to any complaint concerning noncompliance by a public housing agency with the applicable public housing agency plan; and

"(B) if the Secretary determines, based on a finding of the Secretary or other information available to the Secretary, that a public housing agency is not complying with the applicable public housing agency plan, take such actions as the Secretary determines to be appropriate to ensure such compliance.".

(b) IMPLEMENTATION.—

(1) INTERIM RULE.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section). The interim rule shall provide for a public comment period of not less than 60 days.

(2) FINAL REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(3) FACTORS FOR CONSIDERATION.—Before the publication of the final regulations under paragraph (2), in addition to public comments invited in connection with the publication of the interim rule, the Secretary shall—

(A) seek recommendations on the implementation of section 5A of the United States Housing Act of 1937 (as added by this subsection (a) of this section) from organizations representing—

(i) State or local public housing agencies;

(ii) residents, including resident management corporations; and

(iii) other appropriate parties; and

(B) convene not less than 2 public forums at which the persons or organizations making recommendations under subparagraph (A) may express views concerning the proposed disposition of the recommendations.

The Secretary shall publish in the final rule a summary of the recommendations made and public comments received and the Department of Housing and Urban Development's response to such recommendations and comments.

(c) AUDIT AND REVIEW; REPORT.—

(1) AUDIT AND REVIEW.—Not later than 1 year after the effective date of final regulations issued under subsection (b)(2), in order to determine the degree of compliance, by public housing agencies, with public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section), the Comptroller General of the United States shall conduct—

(A) a review of a representative sample of the public housing agency plans approved under such section 5A before such date; and

(B) an audit and review of the public housing agencies submitting such plans.

(2) REPORT.—Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section) the Comptroller General of the United States shall submit to the Congress a report, which shall include—

(A) a description of the results of each audit and review under paragraph (1); and

(B) any recommendations for increasing compliance by public housing agencies with their public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(d) CONTRACT PROVISIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting ", in a manner consistent with the public housing agency plan" before the period; and

(2) by striking the second sentence.

(e) APPLICABILITY.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 512. COMMUNITY SERVICE AND FAMILY SELF-SUFFICIENCY REQUIREMENTS.

(a) IN GENERAL.—Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended—

(1) in the section heading, by inserting "AND COMMUNITY SERVICE REQUIREMENT" after "LABOR STANDARDS"; and

(2) by adding at the end the following new subsections:

"(c) COMMUNITY SERVICE REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, each adult resident of a public housing project shall—

"(A) contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides; or

"(B) participate in an economic self-sufficiency program (as that term is defined in subsection (g)) for 8 hours per month.

"(2) EXEMPTIONS.—The Secretary shall provide an exemption from the applicability of paragraph (1) for any individual who—

"(A) is 62 years of age or older;

"(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

"(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997));

"(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program; or

"(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.

"(3) ANNUAL DETERMINATIONS.—

"(A) REQUIREMENT.—For each public housing resident subject to the requirement under paragraph (1), the public housing agency shall, 30 days before the expiration of each lease term of the resident under section 6(l)(1), review and determine the compliance of the resident with the requirement under paragraph (1) of this subsection.

"(B) DUE PROCESS.—Such determinations shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

"(C) NONCOMPLIANCE.—If an agency determines that a resident subject to the requirement under paragraph (1) has not complied with the requirement, the agency—

"(i) shall notify the resident—

"(I) of such noncompliance;

"(II) that the determination of noncompliance is subject to the administrative grievance procedure under subsection (k); and

"(III) that, unless the resident enters into an agreement under clause (ii) of this subparagraph, the resident's lease will not be renewed; and

"(ii) may not renew or extend the resident's lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless the agency enters into an agreement, before the expiration of the lease term, with the resident providing for the resident to cure any noncompliance with the requirement under paragraph (1), by participating in an economic self-sufficiency program for or contributing to community service as many additional hours as the resident needs to comply in the aggregate with such requirement over the 12-month term of the lease.

"(4) INELIGIBILITY FOR OCCUPANCY FOR NONCOMPLIANCE.—A public housing agency may not renew or extend any lease, or provide any new lease, for a dwelling unit in public housing for any household that includes an adult member who was subject to the requirement under paragraph (1) and failed to comply with the requirement.

"(5) INCLUSION IN PLAN.—Each public housing agency shall include in its public housing agency plan a detailed description of the manner in which the agency intends to implement and administer this subsection.

"(6) GEOGRAPHIC LOCATION.—The requirement under paragraph (1) may include community service or participation in an economic self-sufficiency program performed at a location not owned by the public housing agency.

"(7) PROHIBITION AGAINST REPLACEMENT OF EMPLOYEES.—In carrying out this subsection, a public housing agency may not—

"(A) substitute community service or participation in an economic self-sufficiency program, as described in paragraph (1), for work performed by a public housing employee; or

"(B) supplant a job at any location at which community work requirements are fulfilled.

"(8) THIRD-PARTY COORDINATING.—A public housing agency may administer the community service requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering volunteer-based community service programs within the service area of the public housing agency. The Secretary may establish qualifications for such organizations and contractors.

"(d) TREATMENT OF INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS.—

"(1) COVERED FAMILY.—For purposes of this subsection, the term 'covered family' means a family that (A) receives benefits for welfare or public assistance from a State or other public agency under a program for which the Federal, State, or local law relating to the program requires, as a condition of eligibility for assistance under the program, participation of a member of the family in an economic self-sufficiency program, and (B) resides in a public housing dwelling unit or is provided tenant-based assistance under section 8.

"(2) DECREASES IN INCOME FOR FAILURE TO COMPLY.—

"(A) IN GENERAL.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced under a Federal, State, or local law regarding such an assistance program because of any failure of any member of the family to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement, the amount required to be paid by the family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction).

"(B) NO REDUCTION BASED ON TIME LIMIT FOR ASSISTANCE.—For purposes of this paragraph, a reduction in benefits as a result of the expiration of a lifetime time limit for a family receiving welfare or public assistance benefits shall not be considered to be a failure to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement. This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) EFFECT OF FRAUD.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced because of an act of fraud by a member of the family under the law or program, the amount required to be paid by the covered family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction). This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(4) NOTICE.—Paragraphs (2) and (3) shall not apply to any covered family before the public housing agency providing assistance under this Act on behalf of the family obtains written notification from the relevant welfare or public assistance agency specifying that the family's benefits have been reduced because of noncompliance with economic self-sufficiency program or work activities requirements or fraud, and the level of such reduction.

"(5) OCCUPANCY RIGHTS.—This subsection may not be construed to authorize any public housing agency to establish any time limit on tenancy in a public housing dwelling unit or on receipt of tenant-based assistance under section 8.

"(6) REVIEW.—Any covered family residing in public housing that is affected by the operation of this subsection shall have the right to review the determination under this subsection through the administrative grievance procedure established pursuant to section 6(k) for the public housing agency.

"(7) COOPERATION AGREEMENTS FOR ECONOMIC SELF-SUFFICIENCY ACTIVITIES.—

"(A) REQUIREMENT.—A public housing agency providing public housing dwelling units or tenant-based assistance under section 8 for covered families shall make its best efforts to enter into such cooperation agreements, with State, local, and other agencies providing assistance to covered families under welfare or public assistance programs, as may be necessary, to provide for such agencies to transfer information to facilitate administration of subsection (c) and paragraphs (2), (3), and (4) of this subsection and other information regarding rents, income, and assistance that may assist a public housing agency or welfare or public assistance agency in carrying out its functions.

"(B) CONTENTS.—A public housing agency shall seek to include in a cooperation agreement under this paragraph requirements and provisions designed to target assistance under welfare and public assistance programs to families residing in public housing projects and families receiving tenant-based assistance under section 8, which may include providing for economic self-sufficiency services within such housing, providing for services designed to meet the unique employment-related needs of residents of such housing and recipients of such assistance, providing for placement of workfare positions on-site in such housing, and such other elements as may be appropriate.

"(C) CONFIDENTIALITY.—This paragraph may not be construed to authorize any release of information prohibited by, or in contravention of, any other provision of Federal, State, or local law.

"(e) LEASE PROVISIONS.—A public housing agency shall incorporate into leases under section 6(l) and into agreements for the provision of tenant-based assistance under section 8, provisions incorporating the conditions under subsection (d).

"(f) TREATMENT OF INCOME.—Notwithstanding any other provision of this section, in determining the income of a family who resides in public housing or receives tenant-based assistance under section 8, a public housing agency shall consider any decrease in the income of a family that results from the reduction of any welfare or public assistance benefits received by the family under any Federal, State, or local law regarding a program for such assistance if the family (or a member thereof, as applicable) has complied with the conditions for receiving such assistance and is unable to obtain employment notwithstanding such compliance.

"(g) DEFINITION.—For purposes of this section, the term 'economic self-sufficiency program' means any program designed to encourage, assist, train, or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, education, workfare, financial or household management, apprenticeship, or other activities as the Secretary may provide.".

(b) 1-YEAR LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(2) by redesignating paragraph (7) as paragraph (9); and

(3) by inserting before paragraph (2) the following new paragraph:

"(1) have a term of 12 months and shall be automatically renewed for all purposes except for noncompliance with the requirements under section 12(c) (relating to community service requirements); except that nothing in this title shall prevent a resident from seeking timely redress in court for failure to renew based on such noncompliance;".

SEC. 513. INCOME TARGETING.

(a) IN GENERAL.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by striking the section designation and all that follows through the end of subsection (d) and inserting the following:

"SEC. 16. (a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—

"(1) INCOME MIX WITHIN PROJECTS.—A public housing agency may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing projects, subject to the requirements of this section.

"(2) PHA INCOME MIX.—

"(A) TARGETING.—Except as provided in paragraph (4), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(3) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—

"(A) PROHIBITION.—A public housing agency may not, in complying with the requirements

under paragraph (2), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing projects or certain buildings within projects. The Secretary shall review the income and occupancy characteristics of the public housing projects and the buildings of such projects of such agencies to ensure compliance with the provisions of this paragraph and paragraph (2).

"(B) DECONCENTRATION.—

"(i) IN GENERAL.—A public housing agency shall submit with its annual public housing agency plan under section 5A an admissions policy designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. This clause may not be construed to impose or require any specific income or racial quotas for any project or projects.

"(ii) INCENTIVES.—In implementing the policy under clause (i), a public housing agency may offer incentives for eligible families having higher incomes to occupy dwelling unit in projects predominantly occupied by eligible families having lower incomes, and provide for occupancy of eligible families having lower incomes in projects predominantly occupied by eligible families having higher incomes.

"(iii) FAMILY CHOICE.—Incentives referred to in clause (ii) may be made available by a public housing agency only in a manner that allows for the eligible family to have the sole discretion in determining whether to accept the incentive and an agency may not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of a project described in clause (i)(II), Provided, That the skipping of a family on a waiting list to reach another family to implement the policy under clause (i) shall not be considered an adverse action. An agency implementing an admissions policy under this subparagraph shall implement the policy in a manner that does not prevent or interfere with the use of site-based waiting lists authorized under section 6(s).

"(4) FUNGIBILITY WITH TENANT-BASED ASSISTANCE.—

"(A) AUTHORITY.—Except as provided under subparagraph (D), the number of public housing dwelling units that a public housing agency shall otherwise make available in accordance with paragraph (2)(A) to comply with the percentage requirement under such paragraph for a fiscal year shall be reduced by the credit number for the agency under subparagraph (B).

"(B) CREDIT FOR EXCEEDING TENANT-BASED ASSISTANCE TARGETING REQUIREMENT.—Subject to subparagraph (C), the credit number under this subparagraph for a public housing agency for a fiscal year shall be the number by which—

"(i) the aggregate number of qualified families who, in such fiscal year, are initially provided tenant-based assistance under section 8 by the agency; exceeds

"(ii) the number of qualified families that is required for the agency to comply with the percentage requirement under subsection (b)(1) for such fiscal year.

"(C) LIMITATIONS ON CREDIT NUMBER.—The credit number under subparagraph (B) for a public housing agency for a fiscal year may not in any case exceed the lesser of—

"(i) the number of dwelling units that is equivalent to 10 percent of the aggregate number of families initially provided tenant-based assistance under section 8 by the agency in such fiscal year; or

"(ii) the number of public housing dwelling units of the agency that—

"(I) are in projects that are located in census tracts having a poverty rate of 30 percent or more; and

"(II) are made available for occupancy during such fiscal year and are actually filled only by families whose incomes at the time of commencement of such occupancy exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(D) FUNGIBILITY FLOOR.—Notwithstanding any authority under subparagraph (A), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 30 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(E) QUALIFIED FAMILY.—For purposes of this paragraph, the term 'qualified family' means a family having an income described in subsection (b)(1).

"(b) INCOME ELIGIBILITY FOR TENANT-BASED SECTION 8 ASSISTANCE.—

"(1) IN GENERAL.—Of the families initially provided tenant-based assistance under section 8 by a public housing agency in any fiscal year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

"(2) JURISDICTIONS SERVED BY MULTIPLE PHA'S.—In the case of any 2 or more public housing agencies that administer tenant-based assistance under section 8 with respect solely to identical geographical areas, such agencies shall be treated as a single public housing agency for purposes of paragraph (1).

"(c) INCOME ELIGIBILITY FOR PROJECT-BASED SECTION 8 ASSISTANCE.—

"(1) PRE-1981 ACT PROJECTS.—Not more than 25 percent of the dwelling units that were available for occupancy under section 8 housing assistance payments contracts under this Act before the effective date of the Housing and Community Development Amendments of 1981, and which will be leased on or after such effective date shall be available for leasing by low-income families other than very low-income families.

"(2) POST-1981 ACT PROJECTS.—Not more than 15 percent of the dwelling units which become available for occupancy under section 8 housing assistance payments contracts under this Act on or after the effective date of the Housing and Community Development Amendments of 1981 shall be available for leasing by low-income families other than very low-income families.

"(3) TARGETING.—For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent

"(4) PROHIBITION OF SKIPPING.—In developing admission procedures implementing paragraphs (1), (2), and (3), the Secretary shall prohibit project owners from selecting families for residence in an order different from the order on the waiting list for the purpose of selecting relatively higher income families for residence. Nothing in this paragraph or this subsection may be construed to prevent an owner of housing assisted under a contract for project-based assistance from establishing a preference for occupancy in such housing for families containing a member who is employed.

"(5) EXCEPTION.—The limitations established in paragraphs (1), (2), and (3) shall not apply to dwelling units made available under project-based contracts under section 8 for the purpose of preventing displacement, or ameliorating the effects of displacement.

"(6) DEFINITION.—For purposes of this subsection, the term 'project-based assistance' means assistance under any of the following programs:

"(A) The new construction or substantial rehabilitation program under section 8(b)(2) (as in effect before October 1, 1983).

"(B) The property disposition program under section 8(b) (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998).

"(C) The loan management set-aside program under subsections (b) and (v) of section 8.

"(D) The project-based certificate program under section 8(d)(2).

"(E) The moderate rehabilitation program under section 8(e)(2) (as in effect before October 1, 1991).

"(F) The low-income housing preservation program under Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before November 28, 1990).

"(G) Section 8 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998), following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act.

"(d) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding subsection (a)(2) or (b)(1), if approved by the Secretary, a public housing agency may for good cause establish and implement, in accordance with the public housing agency plan, an admission standard other than the standard under such subsection.".

(b) EFFECTIVE DATE.—This section shall take effect on, and the amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 514. REPEAL OF FEDERAL PREFERENCES.

(a) PUBLIC HOUSING.—

(1) IN GENERAL.—Subparagraph (A) of section 6(c)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437d)(c)(4)) is amended to read as follows:

"(A) making dwelling units in public housing available for occupancy, which shall provide that the public housing agency may establish a system for making dwelling units available that provides preference for such occupancy to families having certain characteristics; each system of preferences established pursuant to this subparagraph shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction;".

(2) CONFORMING AMENDMENTS.—

(A) PUBLIC HOUSING ASSISTANCE FOR FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking "Subject" and all that follows through ", in" and inserting "In".

(B) YOUTHBUILD PROGRAM.—Section 455(a)(2)(D)(iii) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899d(a)(2)(D)(iii) is amended striking "section 6(c)(4)(A)" and inserting "any system of preferences established under section 6(c)(1)".

(b) SECTION 8 EXISTING AND MODERATE REHABILITATION.—

(1) IN GENERAL.—Subparagraph (A) of section 8(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish local preferences, consistent with the public housing agency plan submitted under section 5A by the public housing agency;".

(2) CONFORMING AMENDMENTS.—

(A) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking "The requirement for giving preferences to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3)" and inserting "Any system for preferences established under section 8(d)(1)(A) or 8(o)(6)(A)".

(B) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "shall be given" and all that follows through the period at the end and inserting the following: "shall be given to disabled families according to any preferences established under any system established under section 8(d)(1)(A) by the public housing agency.".

(C) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(g)(2)) is amended by striking "the preferences for assistance under sections 6(c)(4)(A)(i), 8(d)(1)(A)(i), and 8(o)(3)(B)" and inserting "any system of preferences established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A)".

(D) OTHER REFERENCES.—Subparagraph (D) of section 402(d)(6) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437d note) is hereby repealed.

(c) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) PERMANENT REPEAL.—Subsection (c) of section 545 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is hereby repealed.

(2) PROHIBITION.—Notwithstanding any other provision of law (including subsection (f) of this section), section 402(d)(4)(B) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) shall apply to fiscal year 1999 and thereafter.

(d) RENT SUPPLEMENTS.—Subsection (k) of section 1010 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is hereby repealed.

(e) SENSE OF CONGRESS REGARDING PREFERENCE FOR ASSISTANCE FOR VICTIMS OF DOMESTIC VIOLENCE.—It is the sense of Congress that, each public housing agency involved in the selection of eligible families for assistance under the United States Housing Act of 1937 (including residency in public housing and tenant-based assistance under section 8 of such Act) should, consistent with the public housing agency plan of the agency, consider preferences for individuals who are victims of domestic violence.

(f) TERMINATION OF TEMPORARY PROVISIONS.—Section 402 of The Balanced Budget Downpayment Act, I, and the amendments made by such section shall cease to be effective on the date of the enactment of this Act. Notwithstanding the inclusion in this Act of any provision extending the effectiveness of such section or such amendments, such provision included in this Act shall not take effect.

(g) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 515. JOINT VENTURES AND CONSORTIA OF PUBLIC HOUSING AGENCIES; REPEAL OF ENERGY CONSERVATION PROVISIONS.

Section 13 of the United States Housing Act of 1937 (42 U.S.C. 1437k) is amended to read as follows:

"SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

"(a) CONSORTIA.—

"(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

"(2) EFFECT.—With respect to any consortium described in paragraph (1)—

"(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

"(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

"(3) RESTRICTIONS.—

"(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

"(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

"(b) JOINT VENTURES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with the public housing agency plan, may—

"(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of directors or similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

"(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit—

"(i) with respect to the administration of the programs of the public housing agency, including any program that is subject to this title; or

"(ii) for the purpose of providing or arranging for the provision of supportive or social services.

"(2) USE OF AND TREATMENT INCOME.—Any income generated under paragraph (1)—

"(A) shall be used for low-income housing or to benefit the residents assisted by the public housing agency; and

"(B) shall not result in any decrease in any amount provided to the public housing agency under this title, except as otherwise provided under the formulas established under section 9(d)(2) and 9(e)(2).

"(3) AUDITS.—The Comptroller General of the United States, the Secretary, or the Inspector General of the Department of Housing and Urban Development may conduct an audit of any activity undertaken under paragraph (1) at any time.".

SEC. 516. PUBLIC HOUSING AGENCY MORTGAGES AND SECURITY INTERESTS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

"SEC. 30. PUBLIC HOUSING MORTGAGES AND SECURITY INTERESTS.

"(a) GENERAL AUTHORIZATION.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

"(b) TERMS AND CONDITIONS.—In making any authorization under subsection (a), the Secretary may consider—

"(1) the ability of the public housing agency to use the proceeds of the mortgage or security interest for low-income housing uses;

"(2) the ability of the public housing agency to make payments on the mortgage or security interest; and

"(3) such other criteria as the Secretary may specify.

"(c) NO FEDERAL LIABILITY.—No action taken under this section shall result in any liability to the Federal Government.".

SEC. 517. MENTAL HEALTH ACTION PLAN.

The Secretary of Housing and Urban Development, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and appropriate State and local officials and representatives, shall—

(1) develop an action plan and list of recommendations for the improvement of means of providing severe mental illness treatment to families and individuals receiving housing assistance under the United States Housing Act of 1937, including public housing residents, residents of multifamily housing assisted with project-based assistance under section 8 of such Act, and recipients of tenant-based assistance under such section; and

(2) develop and disseminate a list of current practices among public housing agencies and owners of assisted housing that serve to benefit persons in need of mental health care.".

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

SEC. 518. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

(a) REPEALS.—

(1) IN GENERAL.—Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended—

(A) by striking subsections (h) through (k); and

(B) by redesignating subsection (l), as added by the preceding provisions of this Act, as subsection (i).

(2) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(A) in section 21(d) (42 U.S.C. 1437s(d)), by striking "section 5(h) or"; and

(C) in section 307 (42 U.S.C. 1437aaa-6), by striking "section 5(h) and".

(b) LOCAL NOTIFICATION.—Section 5(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c(e)(2)) is amended by inserting before the period at the end the following: "; the Secretary shall require that each such agreement shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts that are provided pursuant to any contract for contributions under this title available for use for the development of any housing or other property not previously used as public housing, the public housing agency shall (A) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the public housing for which such amounts are to be so used is located (or to be located) of such use, and (B) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the public housing to be so assisted (except to the extent otherwise prohibited by law)".

SEC. 519. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

"SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

"(a) MERGER INTO CAPITAL FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 14 of this Act before October 1, 1999, shall be merged into the Capital Fund established under subsection (d).

"(b) MERGER INTO OPERATING FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 9 of this Act before October 1, 1999, shall be merged into the Operating Fund established under subsection (e).

"(c) ALLOCATION AMOUNT.—

"(1) IN GENERAL.—For fiscal year 2000 and each fiscal year thereafter, the Secretary shall allocate amounts in the Capital Fund and Operating Funds for assistance for public housing agencies eligible for such assistance. The Secretary shall determine the amount of the allocation for each eligible agency, which shall be, for any fiscal year beginning after the effective date of the formulas described in subsections (d)(2) and (e)(2)—

"(A) for assistance from the Capital Fund, the amount determined for the agency under the formula under subsection (d)(2); and

"(B) for assistance from the Operating Fund, the amount determined for the agency under the formula under subsection (e)(2).

"(2) FUNDING.—There are authorized to be appropriated for assistance for public housing agencies under this section the following amounts:

"(A) CAPITAL FUND.—For allocations of assistance from the Capital Fund, $3,000,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(B) OPERATING FUND.—For allocations of assistance from the Operating Fund, $2,900,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000, 2001, 2002, and 2003.

"(d) CAPITAL FUND.—

"(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making assistance available to public housing agencies to carry out capital and management activities, including—

"(A) the development, financing, and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and the development of mixed-finance projects;

"(B) vacancy reduction;

"(C) addressing deferred maintenance needs and the replacement of obsolete utility systems and dwelling equipment;

"(D) planned code compliance;

"(E) management improvements;

"(F) demolition and replacement;

"(G) resident relocation;

"(H) capital expenditures to facilitate programs to improve the empowerment and economic self-sufficiency of public housing residents and to improve resident participation;

"(I) capital expenditures to improve the security and safety of residents; and

"(J) homeownership activities, including programs under section 32.

"(2) FORMULA.—The Secretary shall develop a formula for determining the amount of assistance provided to public housing agencies from the Capital Fund for a fiscal year, which shall include a mechanism to reward performance. The formula may take into account such factors as—

"(A) the number of public housing dwelling units owned, assisted, or operated by the public housing agency, the characteristics and locations of the projects, and the characteristics of the families served and to be served (including the incomes of the families);

"(B) the need of the public housing agency to carry out rehabilitation and modernization activities, replacement housing, and reconstruction, construction, and demolition activities related to public housing dwelling units owned, assisted, or operated by the public housing agency, including backlog and projected future needs of the agency;

"(C) the cost of constructing and rehabilitating property in the area;

"(D) the need of the public housing agency to carry out activities that provide a safe and secure environment in public housing units owned, assisted, or operated by the public housing agency;

"(E) any record by the public housing agency of exemplary performance in the operation of public housing, as indicated by the system of performance indicators established pursuant to section 6(j); and

"(F) any other factors that the Secretary determines to be appropriate.

"(3) CONDITIONS ON USE FOR DEVELOPMENT AND MODERNIZATION.—

"(A) DEVELOPMENT.—Except as otherwise provided in this Act, any public housing developed using amounts provided under this subsection, or under section 14 as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, shall be operated under the terms and conditions applicable to public housing during the 40-year period that begins on the date on which the project (or stage of the project) becomes available for occupancy.

"(B) MODERNIZATION.—Except as otherwise provided in this Act, any public housing or portion thereof that is modernized using amounts provided under this subsection or under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) shall be maintained and operated under the terms and conditions applicable to public housing during the 20-year period that begins on the latest date on which modernization is completed.

"(C) APPLICABILITY OF LATEST EXPIRATION DATE.—Public housing subject to this paragraph or to any other provision of law mandating the operation of the housing as public housing or under the terms and conditions applicable to public housing for a specified length of time, shall be maintained and operated as required until the latest such expiration date.

"(e) OPERATING FUND.—

"(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing, including—

"(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units (including amounts sufficient to pay for the reasonable costs of review by an independent auditor of the documentation or other information maintained pursuant to section 6(j)(6) by a public housing agency or resident management corporation to substantiate the performance of that agency or corporation);

"(B) activities to ensure a program of routine preventative maintenance;

"(C) anticrime and antidrug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements;

"(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities;

"(E) activities to provide for management and participation in the management and policy making of public housing by public housing residents;

"(F) the costs of insurance;

"(G) the energy costs associated with public housing units, with an emphasis on energy conservation;

"(H) the costs of administering a public housing work program under section 12, including the costs of any related insurance needs;

"(I) the costs of repaying, together with rent contributions, debt incurred to finance the rehabilitation and development of public housing units, which shall be subject to such reasonable requirements as the Secretary may establish; and

"(J) the costs associated with the operation and management of mixed finance projects, to the extent appropriate.

"(2) FORMULA.—

"(A) IN GENERAL.—The Secretary shall establish a formula for determining the amount of assistance provided to public housing agencies from the Operating Fund for a fiscal year. The formula may take into account—

"(i) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing projects and characteristics of the families served and to be served (including the incomes of the families), or the costs of providing comparable services as determined in accordance with criteria or a formula representing the operations of a prototype well-managed public housing project;

"(ii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency;

"(iii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency that are chronically vacant and the amount of assistance appropriate for those units;

"(iv) to the extent quantifiable, the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing residents;

"(v) the need of the public housing agency to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents;

"(vi) the amount of public housing rental income foregone by the public housing agency as a result of escrow savings accounts under section 23(d)(2) for families participating in a family self-sufficiency program of the agency under such section 23; and

"(vii) any other factors that the Secretary determines to be appropriate.

"(B) INCENTIVE TO INCREASE CERTAIN RENTAL INCOME.—The formula shall provide an incentive to encourage public housing agencies to facilitate increases in earned income by families in occupancy. Any such incentive shall provide that the agency shall benefit from increases in such rental income and that such amounts accruing to the agency pursuant to such benefit may be used only for low-income housing or to benefit the residents of the public housing agency.

"(C) TREATMENT OF SAVINGS.—The treatment of utility and waste management costs under the formula shall provide that a public housing agency shall receive the full financial benefit from any reduction in the cost of utilities or waste management resulting from any contract with a third party to undertake energy conservation improvements in one or more of its public housing projects.

"(3) CONDITION ON USE.—No portion of any public housing project operated using amounts provided under this subsection, or under this section as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided, except as otherwise provided in this Act.

"(f) NEGOTIATED RULEMAKING PROCEDURE.—The formulas under subsections (d)(2) and (e)(2) shall be developed according to procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code.

"(g) LIMITATIONS ON USE OF FUNDS.—

"(1) FLEXIBILITY FOR CAPITAL FUND AMOUNTS.—Of any amounts appropriated for fiscal year 2000 or any fiscal year thereafter that are allocated for fiscal year 2000 or any fiscal year thereafter from the Capital Fund for any public housing agency, the agency may use not more than 20 percent for activities that are eligible under subsection (e) for assistance with amounts from the Operating Fund, but only if the public housing agency plan for the agency provides for such use.

"(2) FULL FLEXIBILITY FOR SMALL PHA'S.—Of any amounts allocated for any fiscal year for any public housing agency that owns or operates less than 250 public housing dwelling units, is not designated pursuant to section 6(j)(2) as a troubled public housing agency, and (in the determination of the Secretary) is operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use any such amounts for any eligible activities under subsections (d)(1) and (e)(1), regardless of the fund from which the amounts were allocated and provided. This subsection shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) LIMITATION ON NEW CONSTRUCTION.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a public housing agency may not use any of the amounts allocated for the agency from the Capital Fund or Operating Fund for the purpose of constructing any public housing unit, if such construction would result in a net increase from the number of public housing units owned, assisted, or operated by the public housing agency on October 1, 1999, including any public housing units demolished as part of any revitalization effort.

"(B) EXCEPTION REGARDING USE OF ASSISTANCE.—A public housing agency may use amounts allocated for the agency from the Capital Fund or Operating Fund for the construction and operation of housing units that are available and affordable to low-income families in excess of the limitations on new construction set forth in subparagraph (A), but the formulas established under subsections (d)(2) and (e)(2) shall not provide additional funding for the specific purpose of allowing construction and operation of housing in excess of those limitations (except to the extent provided in subparagraph (C)).

"(C) EXCEPTION REGARDING FORMULAS.—Subject to reasonable limitations set by the Secretary, the formulas established under subsections (d)(2) and (e)(2) may provide additional funding for the operation and modernization costs (but not the initial development costs) of housing in excess of amounts otherwise permitted under this paragraph, and such amounts may be so used, if—

"(i) such units are part of a mixed-finance project or otherwise leverage significant additional private or public investment; and

"(ii) the estimated cost of the useful life of the project is less than the estimated cost of providing tenant-based assistance under section 8(o) for the same period of time.

"(h) TECHNICAL ASSISTANCE.—To the extent amounts are provided in advance in appropriations Acts, the Secretary may make grants or enter into contracts or cooperative agreements in accordance with this subsection for purposes of providing, either directly or indirectly—

"(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including assistance relating to monitoring and inspections;

"(2) training for public housing agency employees and residents;

"(3) data collection and analysis;

"(4) training, technical assistance, and education to public housing agencies that are—

"(A) at risk of being designated as troubled under section 6(j), to assist such agencies from being so designated; and

"(B) designated as troubled under section 6(j), to assist such agencies in achieving the removal of that designation;

"(5) contract expertise;

"(6) training and technical assistance to assist in the oversight and management of public housing or tenant-based assistance; and

"(7) clearinghouse services in furtherance of the goals and activities of this subsection.

As used in this subsection, the terms 'training' and 'technical assistance' shall include training or technical assistance and the cost of necessary travel for participants in such training or technical assistance, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees.

"(i) ELIGIBILITY OF UNITS ACQUIRED FROM PROCEEDS OF SALES UNDER DEMOLITION OR DISPOSITION PLAN.—If a public housing agency uses proceeds from the sale of units under a homeownership program in accordance with section 32 to acquire additional units to be sold to low-income families, the additional units shall be counted as public housing for purposes of determining the amount of the allocation to the agency under this section until sale by the agency, but in no case longer than 5 years.

"(j) PENALTY FOR SLOW EXPENDITURE OF CAPITAL FUNDS.—

"(1) OBLIGATION OF AMOUNTS.—Except as provided in paragraph (4) and subject to paragraph (2), a public housing agency shall obligate any assistance received under this section not later than 24 months after, as applicable—

"(A) the date on which the funds become available to the agency for obligation in the case of modernization; or

"(B) the date on which the agency accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction of units.

"(2) EXTENSION OF TIME PERIOD FOR OBLIGATION.—The Secretary—

"(A) may, extend the time period under paragraph (1) for a public housing agency, for such period as the Secretary determines to be necessary, if the Secretary determines that the failure of the agency to obligate assistance in a timely manner is attributable to—

"(i) litigation;

"(ii) obtaining approvals of the Federal Government or a State or local government;

"(iii) complying with environmental assessment and abatement requirements;

"(iv) relocating residents;

"(v) an event beyond the control of the public housing agency; or

"(vi) any other reason established by the Secretary by notice published in the Federal Register;

"(B) shall disregard the requirements of paragraph (1) with respect to any unobligated amounts made available to a public housing agency, to the extent that the total of such amounts does not exceed 10 percent of the original amount made available to the public housing agency; and

"(C) may, with the prior approval of the Secretary, extend the time period under paragraph (1), for an additional period not to exceed 12 months, based on—

"(i) the size of the public housing agency;

"(ii) the complexity of capital program of the public housing agency;

"(iii) any limitation on the ability of the public housing agency to obligate the amounts allocated for the agency from the Capital Fund in a timely manner as a result of State or local law; or

"(iv) such other factors as the Secretary determines to be relevant.

"(3) EFFECT OF FAILURE TO COMPLY.—

"(A) PROHIBITION OF NEW ASSISTANCE.—A public housing agency shall not be awarded assistance under this section for any month during any fiscal year in which the public housing agency has funds unobligated in violation of paragraph (1) or (2).

"(B) WITHHOLDING OF ASSISTANCE.—During any fiscal year described in subparagraph (A), the Secretary shall withhold all assistance that would otherwise be provided to the public housing agency. If the public housing agency cures its failure to comply during the year, it shall be provided with the share attributable to the months remaining in the year.

"(C) REDISTRIBUTION.—The total amount of any funds not provided public housing agencies by operation of this paragraph shall be allocated for agencies determined under section 6(j) to be high-performing.

"(4) EXCEPTION TO OBLIGATION REQUIREMENTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), if the Secretary has consented, before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, to an obligation period for any agency longer than provided under paragraph (1), a public housing agency that obligates its funds before the expiration of that period shall not be considered to be in violation of paragraph (1).

"(B) PRIOR FISCAL YEARS.—Notwithstanding subparagraph (A), any funds appropriated to a public housing agency for fiscal year 1997 or prior fiscal years shall be fully obligated by the public housing agency not later than September 30, 1999.

"(5) EXPENDITURE OF AMOUNTS.—

"(A) IN GENERAL.—A public housing agency shall spend any assistance received under this section not later than 4 years (plus the period of any extension approved by the Secretary under paragraph (2)) after the date on which funds become available to the agency for obligation.

"(B) ENFORCEMENT.—The Secretary shall enforce the requirement of subparagraph (A) through default remedies up to and including withdrawal of the funding.

"(6) RIGHT OF RECAPTURE.—Any obligation entered into by a public housing agency shall be subject to the right of the Secretary to recapture the obligated amounts for violation by the public housing agency of the requirements of this subsection.

"(k) EMERGENCY RESERVE AND USE OF AMOUNTS.—

"(1) SET-ASIDES.—In each fiscal year after fiscal year 1999, the Secretary shall set aside, for use in accordance with this subsection, not more than 2 percent of the total amount made available to carry out this section for such fiscal year. In addition to amounts set aside under the preceding sentence, in each fiscal year the Secretary may set from the total amount made available to carry out this section for such fiscal year not more than $20,000,000 for the Operation Safe Home program administered by the Office

of the Inspector General of the Department of Housing and Urban Development, for law enforcement efforts to combat violent crime on or near the premises of public and federally assisted housing.

"(2) USE OF FUNDS.—Amounts set aside under paragraph (1) shall be available to the Secretary for use for assistance, as provided in paragraph (3), in connection with—

"(A) emergencies and other disasters; and

"(C) housing needs resulting from any settlement of litigation; and

"(3) ELIGIBLE USES.—In carrying out this subsection, the Secretary may use amounts set aside under this subsection to provide—

"(A) assistance for any eligible use under the Operating Fund or the Capital Fund established by this section; or

"(B) tenant-based assistance in accordance with section 8.

"(4) LIMITATION.—With respect to any fiscal year, the Secretary may carry over not more than a total of $25,000,000 in unobligated amounts set aside under this subsection for use in connection with the activities described in paragraph (2) during the succeeding fiscal year.

"(5) PUBLICATION.—The Secretary shall publish the use of any amounts allocated under this subsection relating to emergencies (other than disasters and housing needs resulting from any settlement of litigation) in the Federal Register.

"(l) TREATMENT OF NONRENTAL INCOME.—A public housing agency that receives income from nonrental sources (as determined by the Secretary) may retain and use such amounts without any decrease in the amounts received under this section from the Capital or Operating Fund. Any such nonrental amounts retained shall be used only for low-income housing or to benefit the residents assisted by the public housing agency.

"(m) PROVISION OF ONLY CAPITAL OR OPERATING ASSISTANCE.—

"(1) AUTHORITY.—In appropriate circumstances, as determined by the Secretary, a public housing agency may commit capital assistance only, or operating assistance only, for public housing units, which assistance shall be subject to all of the requirements applicable to public housing except as otherwise provided in this subsection.

"(2) EXEMPTIONS.—In the case of any public housing unit assisted pursuant to the authority under paragraph (1), the Secretary may, by regulation, reduce the period under subsection (d)(3) or (e)(3), as applicable, during which such units must be operated under requirements applicable to public housing. In cases in which there is commitment of operating assistance but no commitment of capital assistance, the Secretary may make section 8 requirements applicable, as appropriate, by regulation.

"(n) TREATMENT OF PUBLIC HOUSING.—

"(1) CERTAIN STATE AND CITY FUNDED HOUSING.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section—

"(i) for purposes of determining the allocations from the Operating and Capital Funds pursuant to the formulas under subsections (d)(2) and (e)(2) and determining assistance pursuant to section 519(e) of the Quality Housing and Work Responsibility Act of 1998 and under section 9 or 14 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), for any period before the implementation of such formulas, the Secretary shall deem any covered locally developed public housing units as public housing units developed under this title and such units shall be eligible for such assistance; and

"(ii) assistance provided under this section, under such section 518(d)(3), or under such section 9 or 14 to any public housing agency may be used with respect to any covered locally developed public housing units.

"(B) COVERED UNITS.—For purposes of this paragraph, the term 'covered locally developed public housing units' means—

"(i) not more than 7,000 public housing units developed pursuant to laws of the State of New York and that received debt service and operating subsidies pursuant to such laws; and

"(ii) not more than 5,000 dwelling units developed pursuant to section 34 of chapter 121B of the General Laws of the State of Massachusetts.

"(2) REDUCTION OF ASTHMA INCIDENCE.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before amounts are made available from such Funds, use not more than exceeding $500,000 per year for the purpose of initiating, expanding or continuing a program for the reduction of the incidence of asthma among residents. The Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services to identify and consider sources of funding for the reduction of the incidence of asthma among recipients of assistance under this title.

"(3) SERVICES FOR ELDERLY RESIDENTS.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before the amounts are made available from such Funds, use not more than $600,000 per year for the purpose of developing a comprehensive plan to address the need for services for elderly residents. Such plan may be developed by a partnership created by such Housing Authority and may include the creation of a model project for assisted living at one or more developments. The model project may provide for contracting with private parties for the delivery of services.

"(4) EFFECTIVE DATE.—This subsection shall apply to fiscal year 1999 and each fiscal year thereafter.".

(b) ALLOCATION OF ASSISTANCE.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by striking subsection (p).

(c) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 303(b)(10) (42 U.S.C. 1437aaa-2(b)(10)), by striking "under section 9" the first place it appears and inserting "from the Operating Fund"; and

(2) in section 305(e) (42 U.S.C. 1437aaa-4(e)), by striking "Operating subsidies" and inserting "Amounts from an allocation from the Operating Fund".

(d) TRANSITIONAL CEILING RENTS.—Notwithstanding section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(1)), during the period ending upon the later of the implementation of the formulas established pursuant to subsections (d)(2) and (e)(2) of such Act (as amended by this section) and October 1, 1999, a public housing agency may take any of the following actions with respect to public housing:

(1) NEW PROVISIONS.—An agency may—

(A) adopt and apply ceiling rents that reflect the reasonable market value of the housing, but that are not less than—

(i) for housing other than housing predominantly for elderly or disabled families (or both), 75 percent of the monthly cost to operate the housing of the agency;

(ii) for housing predominantly for elderly or disabled families (or both), 100 percent of the monthly cost to operate the housing of the agency; and

(iii) the monthly cost to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).

(2) CEILING RENTS FROM BALANCED BUDGET ACT, I.—An agency may utilize the authority under section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)), as in effect immediately before the enactment of this Act, notwithstanding any amendment to such section made by this Act.

(3) TRANSITIONAL CEILING RENTS FOR BALANCED BUDGET ACT, I.—An agency may utilize the authority with respect to ceiling rents under section 402(b)(2) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note), notwithstanding any other provision of law (including the expiration of the applicability of such section or the repeal of such section).

(e) TRANSITIONAL PROVISION OF ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2), before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed immediately before the enactment of this Act (except that such sections shall be subject to any amendments to such sections that may be contained in title II of this Act).

(2) QUALIFICATIONS.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section)—

(A) if a public housing agency establishes a rental amount that is based on a ceiling rent established pursuant to subsection (d)(1) of this section, the Secretary shall take into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937;

(B) if a public housing agency establishes a rental amount that is based on an adjustment to income under section 3(b)(5)(G) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act), the Secretary shall not take into account any reduction of or any increase in the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937; and

(C) if a public housing agency establishes a rental amount other than as provided under subparagraph (A) or (B) that is less than the greatest of the amounts determined under subparagraphs (A), (B), and (C) of section 3(a)(1) of the United States Housing Act of 1937, the Secretary shall not take into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937.

(f) EFFECTIVE DATE OF OPERATING FORMULA.—Notwithstanding the effective date under section 503(a), the Secretary may extend the effective date of the formula under section 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section) for up to 6 months if such additional time is necessary to implement such formula.

(g) EFFECTIVE DATE.—Subsections (d), (e), and (f) shall take effect upon the date of the enactment of this Act.

SEC. 520. TOTAL DEVELOPMENT COSTS.

(a) DEFINITION.—Section 3(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)(1)) is amended by inserting before the period at the end of the second sentence the following: ', but does not include the costs costs associated with the demolition of or remediation of environmental hazards associated with public housing units that will not be replaced on the project site, or other extraordinary site costs as determined by the Secretary".

(b) DETERMINATION.—Section 6(b) of the United States Housing Act of 1937 (42 U.S.C. 1437d(b)) is amended by adding at the end the following new paragraphs:

"(3) In calculating the total development cost of a project under paragraph (2), the Secretary shall consider only capital assistance provided by the Secretary to a public housing agency that are authorized for use in connection with the development of public housing, and shall exclude all other amounts, including amounts provided under—

"(A) the HOME investment partnerships program authorized under title II of the Cranston-Gonzalez National Affordable Housing Act; or

"(B) the community development block grants program under title I of the Housing and Community Development Act of 1974.

"(4) The Secretary may restrict the amount of capital funds that a public housing agency may use to pay for housing construction costs. For purposes of this paragraph, housing construction costs include the actual hard costs for the construction of units, builders' overhead and profit, utilities from the street, and finish landscaping.".

SEC. 521. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) SANCTIONS FOR IMPROPER USE OF AMOUNTS.—

"(A) IN GENERAL.—In addition to any other actions authorized under this Act, if the Secretary finds that a public housing agency receiving assistance amounts under section 9 for public housing has failed to comply substantially with any provision of this Act relating to the public housing program, the Secretary may—

"(i) terminate assistance payments under this section 9 to the agency;

"(ii) withhold from the agency amounts from the total allocations for the agency pursuant to section 9;

"(iii) reduce the amount of future assistance payments under section 9 to the agency by an amount equal to the amount of such payments that were not expended in accordance with this Act;

"(iv) limit the availability of assistance amounts provided to the agency under section 9 to programs, projects, or activities not affected by such failure to comply;

"(v) withhold from the agency amounts allocated for the agency under section 8; or

"(vi) order other corrective action with respect to the agency.

"(B) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subparagraph (A) with respect to a public housing agency, the Secretary shall—

"(i) in the case of action under subparagraph (A)(i), resume payments of assistance amounts under section 9 to the agency in the full amount of the total allocations under section 9 for the agency at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to the public housing program;

"(ii) in the case of action under clause (ii) or (v) of subparagraph (A), make withheld amounts available as the Secretary considers appropriate to ensure that the agency complies with the provisions of this Act relating to such program;

"(iii) in the case of action under subparagraph (A)(iv), release such restrictions at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program; or

"(iv) in the case of action under subparagraph (vi), cease such action at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program.".

SEC. 522. REPEAL OF MODERNIZATION FUND.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) FUNDS FOR PUBLIC HOUSING DEVELOPMENT.—Section 5(c)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(5)) is amended by striking "for use under section 14 or" and inserting "for use under section 9 or".

(2) ALLOCATION OF ASSISTANCE.—Section 213(d)(1)(B)(ii) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(1)(B)(i)) is amended by striking "or 14".

(3) MOVING TO WORK DEMONSTRATION.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

"(j) CAPITAL AND OPERATING FUND ASSISTANCE.—With respect to any public housing agency participating in the demonstration under this section that receives assistance from the Capital or Operating Fund under section 9 of the United States Housing Act of 1937 (as amended by the Quality Housing and Work Responsibility Act of 1998), for purposes of this section—

"(1) any reference to assistance under section 9 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Operating Fund under section 9(e) of such Act (as so amended); and

"(2) any reference to assistance under section 14 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Capital Fund under section 9(d) of such Act (as so amended).".

(4) LEAD-BASED PAINT POISONING PREVENTION ACT.—Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822) is amended—

(A) in subsection (d)(1)—

(i) by striking "assisted under section 14" and inserting "assisted with capital assistance provided under section 9"; and

(ii) by striking "assistance under section 14" and inserting "capital assistance provided under section 9"; and

(B) in subsection (f), by striking "for comprehensive improvement assistance under section 14" and inserting "under the Capital Fund under section 9".

(5) HOME PROGRAM ASSISTANCE.—Section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(5)) is amended by striking "section 14" and inserting "section 9(d)(1)".

(c) SAVINGS PROVISIONS.—

(1) IN GENERAL.—Section 14 of the United States Housing Act of 1937 shall apply as provided in section 519(e) of this Act.

(2) EXPANSION OF USE OF MODERNIZATION FUNDING.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by section 519(a) of this Act) an agency may utilize any authority provided under or pursuant to section 14(q) of such Act (including the authority under section 201(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (Public Law 104–134; 110 Stat. 1321–277)), as such provisions (including such section 201(a)) may be amended thereafter, including any amendment made by title II of this Act), notwithstanding any other provision of law (including the repeal made under this section, the expiration of the applicability of such section 201, or any repeal of such section 201).

(3) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

SEC. 523. FAMILY CHOICE OF RENTAL PAYMENT.

Paragraph (2) of section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) RENTAL PAYMENTS FOR PUBLIC HOUSING FAMILIES.—

"(A) AUTHORITY FOR FAMILY TO SELECT.—

"(i) IN GENERAL.—A family residing in a public housing dwelling shall pay as monthly rent for the unit the amount determined under clause (i) or (ii) of subparagraph (B), subject to the requirement under paragraph (3) (relating to minimum rents). Each public housing agency shall provide for each family residing in a public housing dwelling unit owned, assisted, or operated by the agency to elect annually whether the rent paid by such family shall be determined under clause (i) or (ii) of subparagraph (B). A public housing agency may not at any time fail to provide both such rent options for any public housing dwelling unit owned, assisted, or operated by the agency.

"(ii) AUTHORITY TO RETAIN FLAT AND CEILING RENTS.—Notwithstanding clause (i) or any other provision of law, any public housing agency that is administering flat rents or ceiling rents pursuant to any authority referred to in section 519(d) of the Quality Housing and Work Responsibility Act of 1998 before the effective day of such Act may continue to charge rent in accordance with such rent provisions after such effective date, except that the agency shall provide for families residing in public housing dwelling units owned or operated by the agency to elect annually whether to pay rent under such provisions or in accordance with one of the rent options referred to in subparagraph (A).

"(B) ALLOWABLE RENT STRUCTURES.—

"(i) FLAT RENTS.—Except as otherwise provided under this clause, each public housing agency shall establish, for each dwelling unit in public housing owned or operated by the agency, a flat rental amount for the dwelling unit, which shall—

"(I) be based on the rental value of the unit, as determined by the public housing agency; and

"(II) be designed in accordance with subparagraph (D) so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

The rental amount for a dwelling unit shall be considered to comply with the requirements of this clause if such amount does not exceed the actual monthly costs to the public housing agency attributable to providing and operating the dwelling unit. The preceding sentence may not be construed to require establishment of rental amounts equal to or based on operating costs or to prevent public housing agencies from *developing flat rents required under this clause in any other manner that may comply with this clause.*

"(ii) INCOME-BASED RENTS.—

"(I) IN GENERAL.—The monthly rental amount determined under this clause for a family shall be an amount, determined by the public housing agency, that does not exceed the greatest of the amounts (rounded to the nearest dollar) determined under subparagraphs (A), (B), and (C) of paragraph (1). This clause may not be construed to require a public housing agency to charge a monthly rent in the maximum amount permitted under this clause.

"(II) DISCRETION.—Subject to the limitation on monthly rental amount under subclause (I), a public housing agency may, in its discretion, implement a rent structure under this clause requiring that a portion of the rent be deposited to an escrow or savings account, imposing ceiling rents, or adopting income exclusions (such as those set forth in section 3(b)(5)(B)), or may establish another reasonable rent structure or amount.

"(C) SWITCHING RENT DETERMINATION METHODS BECAUSE OF HARDSHIP CIRCUMSTANCES.—Notwithstanding subparagraph (A), in the case of a family that has elected to pay rent in the amount determined under subparagraph (B)(i), a public housing agency shall immediately provide for the family to pay rent in the amount determined under subparagraph (B)(ii) during the period for which such election was made upon a determination that the family is unable to pay the amount determined under subparagraph (B)(i) because of financial hardship, including—

"(i) situations in which the income of the family has decreased because of changed circumstances, loss of reduction of employment, death in the family, and reduction in or loss of income or other assistance;

"(ii) an increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; and

"(iii) such other situations as may be determined by the agency.

"(D) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The rental policy developed by each public housing agency shall encourage and reward employment and economic self-sufficiency.

"(E) INCOME REVIEWS.—Notwithstanding the second sentence of paragraph (1), in the case of families that are paying rent in the amount determined under subparagraph (B)(i), the agency shall review the income of such family not less than once every 3 years.".

SEC. 524. OCCUPANCY BY POLICE OFFICERS AND OVER-INCOME FAMILIES.

(a) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraphs:

"(4) OCCUPANCY BY POLICE OFFICERS.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan for the agency, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing dwelling unit. The number and location of units occupied by police officers under this paragraph and the terms and conditions of their tenancies shall be determined by the public housing agency.

"(B) INCREASED SECURITY.—A public housing agency may take the actions authorized in subparagraph (A) only for the purpose of increasing security for the residents of a public housing project.

"(C) DEFINITION.—In this paragraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State, or local government or by any agency thereof (including a public housing agency having an accredited police force).

"(5) OCCUPANCY BY OVER-INCOME FAMILIES IN CERTAIN PUBLIC HOUSING.—

"(A) AUTHORITY.—Notwithstanding any other provision of law, a public housing agency that owns or operates less than 250 units may, on a month-to-month basis, lease a dwelling unit in a public housing project to an over-income family in accordance with this paragraph, but only if there are no eligible families applying for housing assistance from the public housing agency for that month and the agency provides not less than 30-day public notice of the availability of such assistance.

"(B) TERMS AND CONDITIONS.—The number and location of dwelling units of a public housing agency occupied under this paragraph by over-income families, and the terms and conditions of those tenancies, shall be determined by the public housing agency, except that—

"(i) notwithstanding paragraph (2), rent for a unit shall be in an amount that is not less than the costs to operate the unit;

"(ii) if an eligible family applies for residence after an over-income family moves in to the last available unit, the over-income family shall vacate the unit in accordance with notice of termination of tenancy provided by the agency, which shall be provided not less than 30 days before such termination; and

"(iii) if a unit is vacant and there is no one on the waiting list, the public housing agency may allow an over-income family to gain immediate occupancy in the unit, while simultaneously providing reasonable public notice and outreach with regard to availability of the unit.

"(C) DEFINITION.—For purposes of this paragraph, the term 'over-income family' means an individual or family that is not a low-income family at the time of initial occupancy.".

(b) APPLICABILITY.—The amendment made by this paragraph is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 525. SITE-BASED WAITING LISTS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following new subsection:

"(s) SITE-BASED WAITING LISTS.—

"(1) AUTHORITY.—A public housing agency may establish procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include (notwithstanding any other law, regulation, handbook, or notice to the contrary) a system of site-based waiting lists under which applicants may apply directly at or otherwise designate the project or projects in which they seek to reside. All such procedures shall comply with all provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable civil rights laws.

"(2) NOTICE.—Any system described in paragraph (1) shall provide for the full disclosure by the public housing agency to each applicant of any option available to the applicant in the selection of the project in which to reside.".

SEC. 526. PET OWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 31. PET OWNERSHIP IN PUBLIC HOUSING.

"(a) OWNERSHIP CONDITIONS.—A resident of a dwelling unit in public housing (as such term is defined in subsection (c)) may own 1 or more common household pets or have 1 or more common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the public housing agency, if the resident maintains each pet responsibly and in accordance with applicable State and local public health, animal control, and animal anti-cruelty laws and regulations and with the policies established in the public housing agency plan for the agency.

"(b) REASONABLE REQUIREMENTS.—The reasonable requirements referred to in subsection (a) may include—

"(1) requiring payment of a nominal fee, a pet deposit, or both, by residents owning or having pets present, to cover the reasonable operating costs to the project relating to the presence of pets and to establish an escrow account for additional costs not otherwise covered, respectively;

"(2) limitations on the number of animals in a unit, based on unit size;

"(3) prohibitions on—

"(A) types of animals that are classified as dangerous; and

"(B) individual animals, based on certain factors, including the size and weight of the animal; and

"(4) restrictions or prohibitions based on size and type of building or project, or other relevant conditions.

"(c) PET OWNERSHIP IN PUBLIC HOUSING DESIGNATED FOR OCCUPANCY BY ELDERLY OR HANDICAPPED FAMILIES.—For purposes of this section, the term 'public housing' has the meaning given the term in section 3(b), except that such term does not include any public housing that is federally assisted rental housing for the elderly or handicapped, as such term is defined in section 227(d) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1(d)).

"(d) REGULATIONS.—This section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).".

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

SEC. 529. CONTRACT PROVISIONS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended—

(1) in subsection (c)(4)(E), by striking "except in the case of agencies not receiving operating assistance under section 9" and inserting "for each agency that receives assistance under this title"; and

(2) by striking subsection (e).

SEC. 530. HOUSING QUALITY REQUIREMENTS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by inserting after subsection (e) the following new subsection:

"(f) HOUSING QUALITY REQUIREMENTS.—

"(1) IN GENERAL.—Each contract for contributions for a public housing agency shall require that the agency maintain its public housing in a condition that complies with standards which meet or exceed the housing quality standards established under paragraph (2).

"(2) FEDERAL STANDARDS.—The Secretary shall establish housing quality standards under this paragraph that ensure that public housing dwelling units are safe and habitable. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent

practicable, be consistent with the standards established under section 8(o)(8)(B)(i). The Secretary may determine whether the laws, regulations, standards, or codes of any State or local jurisdiction meet or exceed these standards, for purposes of this subsection.

"(3) Annual inspections.—Each public housing agency that owns or operates public housing shall make an annual inspection of each public housing project to determine whether units in the project are maintained in accordance with the requirements under paragraph (1). The agency shall retain the results of such inspections and, upon the request of the Secretary, the Inspector General for the Department of Housing and Urban Development, or any auditor conducting an audit under section 5(h), shall make such results available.".

SEC. 531. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) In General.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

"SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

"(a) Applications for Demolition and Disposition.—Except as provided in subsection (b), upon receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity), the Secretary shall approve the application, if the public housing agency certifies—

"(1) in the case of—

"(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

"(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

"(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and

"(B) an application proposing the demolition of only a portion of a public housing project, that the demolition will help to ensure the viability of the remaining portion of the project;

"(2) in the case of an application proposing disposition by sale or other transfer of a public housing project or other real property subject to this title—

"(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

"(i) conditions in the area surrounding the public housing project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

"(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

"(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

"(i) in the best interests of the residents and the public housing agency;

"(ii) consistent with the goals of the public housing agency and the public housing agency plan; and

"(iii) otherwise consistent with this title; or

"(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

"(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

"(4) that the public housing agency—

"(A) will notify each family residing in a project subject to demolition or disposition 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be demolished or disposed of;

"(ii) the demolition of the building in which the family resides will not commence until each resident of the building is relocated; and

"(iii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) will provide for the payment of the actual and reasonable relocation expenses of each resident to be displaced;

"(C) will ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(D) will provide any necessary counseling for residents who are displaced; and

"(E) will not commence demolition or complete disposition until all residents residing in the building are relocated;

"(5) that the net proceeds of any disposition will be used—

"(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

"(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for—

"(i) the provision of low-income housing or to benefit the residents of the public housing agency; or

"(ii) leveraging amounts for securing commercial enterprises, on-site in public housing projects of the public housing agency, appropriate to serve the needs of the residents; and

"(6) that the public housing agency has complied with subsection (c).

"(b) Disapproval of Applications.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that—

"(1) any certification made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary or information or data requested by the Secretary; or

"(2) the application was not developed in consultation with—

"(A) residents who will be affected by the proposed demolition or disposition;

"(B) each resident advisory board and resident council, if any, of the project (or portion thereof) that will be affected by the proposed demolition or disposition; and

"(C) appropriate government officials.

"(c) Resident Opportunity To Purchase in Case of Proposed Disposition.—

"(1) In general.—In the case of a proposed disposition of a public housing project or portion of a project, the public housing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization acting on behalf of the residents, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

"(2) Timing.—

"(A) Expression of interest.—A resident organization, resident management corporation, or other resident-supported nonprofit entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

"(B) Opportunity to arrange purchase.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of that written notice (other than to the entity providing the notice), during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

"(d) Replacement Units.—Notwithstanding any other provision of law, replacement public housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement public housing units is significantly fewer than the number of units demolished.

"(e) Consolidation of Occupancy Within or Among Buildings.—Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing project, or among projects, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

"(f) De Minimis Exception to Demolition Requirements.—Notwithstanding any other provision of this section, in any 5-year period a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned by the public housing agency, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

"(g) Uniform Relocation and Real Property Acquisition Act.—The Uniform Relocation and Real Property Acquisition Policies Act of 1970 shall not apply to activities under this section.

"(h) Relocation and Replacement.—Of the amounts appropriated for tenant-based assistance under section 8 in any fiscal year, the Secretary may use such sums as are necessary for relocation and replacement housing for dwelling units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes).".

(b) Homeownership Replacement Plan.—

(1) In general.—Notwithstanding subsections (b) and (c) of section 1002 of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995 (Public Law 104–19; 109 Stat. 236), subsection (g) of section 304 of the United States Housing Act of 1937 (42 U.S.C. 1437aaa–3(g)) is repealed.

(2) Effective date.—The amendment made by paragraph (1) shall be effective with respect to any plan for the demolition, disposition, or

conversion to homeownership of public housing that is approved by the Secretary after September 30, 1995.

(c) TREATMENT OF FROST-LELAND PROVISIONS.—Notwithstanding any other provision of law, on and after the date of enactment of this Act, the public housing projects described in section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213), as in effect on April 25, 1996, shall be eligible for demolition under—

(1) section 9 of the United States Housing Act of 1937, as amended by this Act; and

(2) section 14 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 532. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT MANAGEMENT.—Section 20 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended—

(1) in subsection (b)(4), by inserting after "materials" the following: ", rent determination, community service requirements,";

(2) by striking subsection (c) and inserting the following new subsection:

"(c) ASSISTANCE AMOUNTS.—A contract under this section for management of a public housing project by a resident management corporation shall provide for—

"(1) the public housing agency to provide a portion of the assistance to agency from the Capital and Operating Funds to the resident management corporation in accordance with subsection (e) for purposes of operating the public housing project covered by the contract and performing such other eligible activities with respect to the project as may be provided under the contract;

"(2) the amount of income expected to be derived from the project itself (from sources such as rents and charges);

"(3) the amount of income to be provided to the project from the other sources of income of the public housing agency (such as interest income, administrative fees, and rents); and

"(4) any income generated by a resident management corporation of a public housing project that exceeds the income estimated under the contract shall be used for eligible activities under subsections (d)(1) and (e)(1) of section 9.";

(3) in subsection (d), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3);

(4) in subsection (e)—

(A) by redesignating paragraph (4) as paragraph (6);

(B) by striking the subsection designation and heading and all that follows through the end of paragraph (3) and inserting the following:

"(e) DIRECT PROVISION OF OPERATING AND CAPITAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall directly provide assistance from the Operating and Capital Funds to a resident management corporation managing a public housing development pursuant to a contract under this section, but only if—

"(A) the resident management corporation petitions the Secretary for the release of the funds;

"(B) the contract provides for the resident management corporation to assume the primary management responsibilities of the public housing agency; and

"(C) the Secretary determines that the corporation has the capability to effectively discharge such responsibilities.

"(2) USE OF ASSISTANCE.—Any assistance from the Operating and Capital Funds provided to a resident management corporation pursuant to this subsection shall be used for purposes of operating the public housing developments of the agency and performing such other eligible activities with respect to public housing as may be provided under the contract.

"(3) RESPONSIBILITY OF PUBLIC HOUSING AGENCY.—If the Secretary provides direct funding to a resident management corporation under this subsection, the public housing agency shall not be responsible for the actions of the resident management corporation.

"(4) CALCULATION OF OPERATING FUND ALLOCATION.—Notwithstanding any provision of section 9 or any regulation under such section, and subject to the exception provided in paragraph (3), the portion of the amount received by a public housing agency under section 9 that is due to an allocation from the Operating Fund and that is allocated to a public housing project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis.

"(5) CALCULATION OF TOTAL INCOME.—

"(A) Subject to subparagraph (B), the amount of funds provided by a public housing agency to a public housing project managed by a resident management corporation may not be reduced during the 3-year period beginning on the date of enactment of the Housing and Community Development Act of 1987 or on any later date on which a resident management corporation is first established for the project.

"(B) If the total income of a public housing agency (including any amounts from the Capital or Operating Funds provided to the public housing agency under section 9) is reduced or increased, the income provided by the public housing agency to a public housing project managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the public housing agency, except that any reduction in amounts from the Operating Fund that occurs as a result of fraud, waste, or mismanagement by the public housing agency shall not affect the funds provided to the resident management corporation."; and

(C) in paragraph (6)(A) (as so redesignated by subparagraph (A) of this paragraph), by striking "the operating subsidies provided to" and inserting "the allocations from the Operating Fund for"; and

(5) by striking subsections (f) and (g).

(b) PURCHASE BY RESIDENT MANAGEMENT CORPORATIONS.—Section 21 of the United States Housing Act of 1937 (42 U.S.C. 1437s) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A), by striking "comprehensive improvement assistance under section 14" and inserting "assistance from the Capital Fund";

(B) in paragraph (3)(A)(v), by striking "minimum safety and livability standards applicable under section 14" and inserting "housing quality standards applicable under section 6(f)";

(C) in paragraph (7)—

(i) by striking "ANNUAL CONTRIBUTIONS" and inserting "CAPITAL AND OPERATING ASSISTANCE";

(ii) in the first sentence, by striking "pay annual contributions" and inserting "provide assistance under section 9"; and

(iii) by striking the last sentence and inserting the following: "Such assistance may not exceed the allocation for the project under section 9."; and

(D) in paragraph (8), by striking "OPERATING SUBSIDIES.—Operating subsidies" and inserting "OPERATING FUND ALLOCATION.—Amounts from the Operating Fund";

(2) in subsection (b)(3)—

(A) by striking "a certificate under section 8(b)(1) or a housing voucher" and inserting "tenant-based assistance"; and

(B) by striking "fair market rent for such certificate" and inserting "payment standard for such assistance"; and

(3) in subsection (d), by inserting ", as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998," after "section 6(c)(4)(D)".

SEC. 533. CONVERSION OF PUBLIC HOUSING TO VOUCHERS; REPEAL OF FAMILY INVESTMENT CENTERS.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

"SEC. 22. AUTHORITY TO CONVERT PUBLIC HOUSING TO VOUCHERS.

"(a) AUTHORITY.—A public housing agency may convert any public housing project (or portion thereof) owned by the public housing agency to tenant-based assistance, but only in accordance with the requirements of this section.

"(b) CONVERSION ASSESSMENT.—

"(1) IN GENERAL.—To convert public housing under this section, a public housing agency shall conduct an assessment of the public housing that includes—

"(A) a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing tenant-based assistance under section 8 for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing project for the remaining useful life of the project;

"(B) an analysis of the market value of the public housing project both before and after rehabilitation, and before and after conversion;

"(C) an analysis of the rental market conditions with respect to the likely success of the use of tenant-based assistance under section 8 in that market for the specific residents of the public housing project, including an assessment of the availability of decent and safe dwellings renting at or below the payment standard established for tenant-based assistance under section 8 by the agency;

"(D) the impact of the conversion to tenant-based assistance under this section on the neighborhood in which the public housing project is located; and

"(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to tenant-based assistance.

"(2) TIMING.—Not later than 2 years after the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, each public housing agency shall conduct an assessment under paragraph (1) or (3) of the status of each public housing project owned by such agency and shall submit to the Secretary such assessment. A public housing agency may otherwise undertake an assessment under this subsection at any time and for any public housing project (or portion thereof) owned by the agency. A public housing agency may update a previously conducted assessment for a project (or portion thereof) for purposes of compliance with the one-year limitation under subsection (c).

"(3) STREAMLINED ASSESSMENT.—At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of paragraph (1) or (3) or otherwise require a streamlined assessment with respect to any public housing project or class of public housing projects.

"(c) CRITERIA FOR IMPLEMENTATION OF CONVERSION PLAN.—A public housing agency may *convert a public housing project (or portion thereof) owned by the agency to tenant-based assistance only pursuant to a conversion assessment under subsection (b) that one year and that demonstrates that the conversion—*

"(1) will not be more expensive than continuing to operate the public housing project (or portion thereof) as public housing;

"(2) will principally benefit the residents of the public housing project (or portion thereof) to be converted, the public housing agency, and the community; and

"(3) will not adversely affect the availability of affordable housing in such community.

"(d) Conversion Plan Requirement.—A public housing project may be converted under this section to tenant-based assistance only as provided in a conversion plan under this subsection, which has not been disapproved by the Secretary pursuant to subsection (e). Each conversion plan shall—

"(1) be developed by the public housing agency, in consultation with the appropriate public officials, with significant participation by the residents of the project (or portion thereof) to be converted;

"(2) be consistent with and part of the public housing agency plan;

"(3) describe the conversion and future use or disposition of the project (or portion thereof) and include an impact analysis on the affected community;

"(4) provide that the public housing agency shall—

"(A) notify each family residing in a public housing project (or portion) to be converted under the plan 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project (or portion) will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit; and

"(D) provide any actual and reasonable relocation expenses for families displaced by the conversion; and

"(5) provide that any proceeds to the agency from the conversion will be used subject to the limitations that are applicable under section 18(a)(5) to proceeds resulting from the disposition or demolition of public housing.

"(e) Review and Approval of Conversion Plans.—The Secretary shall disapprove a conversion plan only if—

"(1) the plan is plainly inconsistent with the conversion assessment for the agency developed under subsection (b);

"(2) there is reliable information and data available to the Secretary that contradicts that conversion assessment; or

"(3) the plan otherwise fails to meet the requirements of this section.

"(f) Tenant-Based Assistance.—To the extent approved by the Secretary, the funds used by the public housing agency to provide tenant-based assistance under section 8 shall be added to the annual contribution contract administered by the public housing agency.".

(b) Savings Provision.—The amendment made by subsection (a) shall not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937, as such section existed immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998.

SEC. 534. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

The United States Housing Act of 1937 is amended by striking section 25 (42 U.S.C. 1437w) and inserting the following new section:

"SEC. 25. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

"(a) Authority.—The Secretary may transfer the responsibility and authority for management of specified housing (as such term is defined in subsection (h)) from a public housing agency to an eligible management entity, in accordance with the requirements of this section, if—

"(1) a request for transfer of management of such housing is made and approved in accordance with subsection (b); and

"(2) the Secretary or the public housing agency, as appropriate pursuant to subsection (b), determines that—

"(A) due to the mismanagement of the agency, such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

"(B) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

"(C) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) and (B) can be remedied by an entity or entities, identified by the residents, that has or have a demonstrated capacity to manage, with reasonable expenses for modernization.

"(b) Request for Transfer.—The responsibility and authority for managing specified housing may be transferred only pursuant to a request made by a majority vote of the residents for the specified housing that—

"(1) in the case of specified housing that is owned by a public housing agency that is designated as a troubled agency under section 6(j)(2)—

"(A) is made to the public housing agency or the Secretary; and

"(B) is approved by the agency or the Secretary; or

"(2) in the case of specified housing that is owned by a public housing agency that is not designated as a troubled agency under section 6(j)(2)—

"(A) is made to and approved by the public housing agency; or

"(B) if a request is made to the agency pursuant to subparagraph (A) and is not approved, is subsequently made to and approved by the Secretary.

"(c) Capital and Operating Assistance.—Pursuant to a contract under subsection (d), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any assistance from the Capital and Operating Funds under section 9 for the agency, fair and reasonable amounts for the housing for eligible capital and operating activities under subsection (d)(1) and (e)(1) of section 9. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the aggregate amount of assistance from such Funds for the public housing agency transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the public housing agency, and the public housing agency plan of such agency.

"(d) Contract Between Secretary and Manager.—

"(1) Requirements.—Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

"(2) Terms.—A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this Act applicable to public housing projects.

"(e) Compliance With Public Housing Agency Plan.—A manager of specified housing under this section shall comply with the approved public housing agency plan applicable to the housing and shall submit such information to the public housing agency from which management was transferred as may be necessary for such agency to prepare and update its public housing agency plan.

"(f) Demolition and Disposition by Manager.—A manager under this section may demolish or dispose of specified housing only if, and in the manner, provided for in the public housing agency plan for the agency transferring management of the housing.

"(g) Limitation on PHA Liability.—A public housing agency that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

"(h) Definitions.—For purposes of this section, the following definitions shall apply:

"(1) Eligible management entity.—The term 'eligible management entity' means, with respect to any public housing project, any of the following entities:

"(A) Nonprofit organization.—A public or private nonprofit organization, which may—

"(i) include a resident management corporation; and

"(ii) not include the public housing agency that owns or operates the project.

"(B) For-profit entity.—A for-profit entity that has demonstrated experience in providing low-income housing.

"(C) State or local government.—A State or local government, including an agency or instrumentality thereof.

"(D) Public housing agency.—A public housing agency (other than the public housing agency that owns or operates the project).

The term does not include a resident council.

"(2) Manager.—The term 'manager' means any eligible management entity that has entered into a contract under this section with the Secretary for the management of specified housing.

"(3) Nonprofit.—The term 'nonprofit' means, with respect to an organization, association, corporation, or other entity, that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

"(4) Private nonprofit organization.—The term 'private nonprofit organization' means any

private organization (including a State or locally chartered organization) that—

"(A) is incorporated under State or local law;

"(B) is nonprofit in character;

"(C) complies with standards of financial accountability acceptable to the Secretary; and

"(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

"(5) PUBLIC NONPROFIT ORGANIZATION.—The term 'public nonprofit organization' means any public entity that is nonprofit in character.

"(6) SPECIFIED HOUSING.—The term 'specified housing' means a public housing project or projects, or a portion of a project or projects, for which the transfer of management is requested under this section. The term includes one or more contiguous buildings and an area of contiguous row houses, but in the case of a single building, the building shall be sufficiently separable from the remainder of the project of which it is part to make transfer of the management of the building feasible for purposes of this section.".

SEC. 535. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

(a) IN GENERAL.—Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended to read as follows:

"SEC. 24. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

"(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

"(1) improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

"(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing projects are located and contributing to the improvement of the surrounding neighborhood;

"(3) providing housing that will avoid or decrease the concentration of very low-income families; and

"(4) building sustainable communities.

"(b) GRANT AUTHORITY.—The Secretary may make grants as provided in this section to applicants whose applications for such grants are approved by the Secretary under this section.

"(c) CONTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will—

"(A) supplement the aggregate amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section; and

"(B) in addition to supplemental amounts provided in accordance with subparagraph (A), if the applicant uses more than 5 percent of the amount of assistance provided under this section for services under subsection (d)(1)(L), provide supplemental funds from sources other than this section in an amount equal to the amount so used in excess of 5 percent.

"(2) SUPPLEMENTAL FUNDS.—In calculating the amount of supplemental funds provided by a grantee for purposes of paragraph (1), the grantee may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided.

"(3) EXEMPTION.—If assistance provided under this title will be used only for providing tenant-based assistance under section 8 or demolition of public housing (without replacement), the Secretary may exempt the applicant from the requirements under paragraph (1)(A).

"(d) ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

"(A) architectural and engineering work;

"(B) redesign, rehabilitation, or reconfiguration of a severely distressed public housing project, including the site on which the project is located;

"(C) the demolition, sale, or lease of the site, in whole or in part;

"(D) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;

"(E) payment of reasonable legal fees;

"(F) providing reasonable moving expenses for residents displaced as a result of the revitalization of the project;

"(G) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

"(H) necessary management improvements;

"(I) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site;

"(J) replacement housing (including appropriate homeownership downpayment assistance for displaced residents or other appropriate replacement homeownership activities) and rental assistance under section 8;

"(K) transitional security activities; and

"(L) necessary supportive services, except that not more than 15 percent of the amount of any grant may be used for activities under this paragraph.

"(2) ENDOWMENT TRUST FOR SUPPORTIVE SERVICES.—In using grant amounts under this section made available in fiscal year 2000 or thereafter for supportive services under paragraph (1)(L), a public housing agency may deposit such amounts in an endowment trust to provide supportive services over such period of time as the agency determines. Such amounts shall be provided to the agency by the Secretary in a lump sum when requested by the agency, shall be invested in a wise and prudent manner, and shall be used (together with any interest thereon earned) only for eligible uses pursuant to paragraph (1)(L). A public housing agency may use amounts in an endowment trust under this paragraph in conjunction with other amounts donated or otherwise made available to the trust for similar purposes.

"(e) APPLICATION AND SELECTION.—

"(1) APPLICATION.—An application for a grant under this section shall demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives, and shall include such other information and be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

"(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this section and shall include such factors as—

"(A) the relationship of the grant to the public housing agency plan for the applicant and how the grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents;

"(B) the capability and record of the applicant public housing agency, or any alternative management entity for the agency, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

"(C) the extent to which the applicant could undertake such activities without a grant under this section;

"(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the project;

"(E) the need for affordable housing in the community;

"(F) the supply of other housing available and affordable to families receiving tenant-based assistance under section 8;

"(G) the amount of funds and other resources to be leveraged by the grant;

"(H) the extent of the need for, and the potential impact of, the revitalization program; and

"(I) such other factors as the Secretary considers appropriate.

"(3) APPLICABILITY OF SELECTION CRITERIA.—The Secretary may determine not to apply certain of the selection criteria established pursuant to paragraph (2) when awarding grants for demolition only, tenant-based assistance only, or other specific categories of revitalization activities. This section may not be construed to require any application for a grant under this section to include demolition of public housing or to preclude use of grant amounts for rehabilitation or rebuilding of any housing on an existing site.

"(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

"(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

"(2) may establish other cost limits on eligible activities under this section.

"(g) DISPOSITION AND REPLACEMENT.—Any severely distressed public housing disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing, shall be subject to the provisions of section 18. Severely distressed public housing demolished pursuant to a revitalization plan shall not be subject to the provisions of section 18.

"(h) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

"(i) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed within a reasonable timeframe, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

"(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) APPLICANT.—The term 'applicant' means—

"(A) any public housing agency that is not designated as troubled pursuant to section 6(j)(2);

"(B) any public housing agency for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3); and

(C) any public housing agency that is designated as troubled pursuant to section 6(j)(2) and that—

"(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

"(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

"(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

"(2) SEVERELY DISTRESSED PUBLIC HOUSING.—The term 'severely distressed public housing' means a public housing project (or building in a project)—

"(A) that—

"(i) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the project;

"(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

"(iii)(I) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or

"(II) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

"(iv) cannot be revitalized through assistance under other programs, such as the program for capital and operating assistance for public housing under this Act, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the effective date under under section 503(a) the Quality Housing and Work Responsibility Act of 1998), because of cost constraints and inadequacy of available amounts; and

"(v) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for purposes of this section; or

"(B) that was a project described in subparagraph (A) that has been legally vacated or demolished, but for which the Secretary has not yet provided replacement housing assistance (other than tenant-based assistance).

"(3) SUPPORTIVE SERVICES.—The term 'supportive services' includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved, including literacy training, job training, day care, transportation, and economic development activities.

"(k) GRANTEE REPORTING.—The Secretary shall require grantees of assistance under this section to report the sources and uses of all amounts expended for revitalization plans.

"(l) ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

"(1) the number, type, and cost of public housing units revitalized pursuant to this section;

"(2) the status of projects identified as severely distressed public housing;

"(3) the amount and type of financial assistance provided under and in conjunction with this section; and

"(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

"(m) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000, 2001, and 2002.

"(2) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use up to 2 percent for technical assistance or contract expertise. Such assistance or contract expertise may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

"(n) SUNSET.—No assistance may be provided under this section after September 30, 2002.".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 536. HOMEOWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 32. RESIDENT HOMEOWNERSHIP PROGRAMS.

"(a) IN GENERAL.—A public housing agency may carry out a homeownership program in accordance with this section and the public housing agency plan of the agency to make public housing dwelling units, public housing projects, and other housing projects available for purchase by low-income families for use only as principal residences for such families. An agency may transfer a unit pursuant to a homeownership program only if the program is authorized under this section and approved by the Secretary.

"(b) PARTICIPATING UNITS.—A program under this section may cover any existing public housing dwelling units or projects, and may include other dwelling units and housing owned, assisted, or operated, or otherwise acquired for use under such program, by the public housing agency.

"(c) ELIGIBLE PURCHASERS.—

"(1) LOW-INCOME REQUIREMENT.—Only low-income families assisted by a public housing agency, other low-income families, and entities formed to facilitate such sales by purchasing units for resale to low-income families shall be eligible to purchase housing under a homeownership program under this section.

"(2) OTHER REQUIREMENTS.—A public housing agency may establish other requirements or limitations for families to purchase housing under a homeownership program under this section, including requirements or limitations regarding employment or participation in employment counseling or training activities, criminal activity, participation in homeownership counseling programs, evidence of regular income, and other requirements. In the case of purchase by an entity for resale to low-income families, the entity shall sell the units to low-income families within 5 years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.

"(d) RIGHT OF FIRST REFUSAL.—In making any sale under this section, the public housing agency shall initially offer the public housing unit at issue to the resident or residents occupying that unit, if any, or to an organization serving as a conduit for sales to any such resident.

"(e) PROTECTION OF NONPURCHASING RESIDENTS.—If a public housing resident does not exercise the right of first refusal under subsection (d) with respect to the public housing unit in which the resident resides, the public housing agency—

"(1) shall notify the resident residing in the unit 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(A) the public housing unit will be sold;

"(B) the transfer of possession of the unit will occur until the resident is relocated; and

"(C) each resident displaced by such action will be offered comparable housing—

"(i) that meets housing quality standards;

"(ii) that is located in an area that is generally not less desirable than the location of the displaced resident's housing; and

"(iii) which may include—

"(I) tenant-based assistance, except that the requirement under this subclause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such resident into such housing;

"(II) project-based assistance; or

"(III) occupancy in a unit owned, operated, or assisted by the public housing agency at a rental rate paid by the resident that is comparable to the rental rate applicable to the unit from which the resident is vacated;

"(2) shall provide for the payment of the actual and reasonable relocation expenses of the resident to be displaced;

"(3) shall ensure that the displaced resident is offered comparable housing in accordance with the notice under paragraph (1);

"(4) shall provide any necessary counseling for the displaced resident; and

"(5) shall not transfer possession of the unit until the resident is relocated.

"(f) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program, or for acquisition of housing by the public housing agency for sale under the program, in any manner considered appropriate by the agency (including sale to a resident management corporation).

"(g) DOWNPAYMENT REQUIREMENT.—

"(1) IN GENERAL.—Each family purchasing housing under a homeownership program under this section shall be required to provide from its own resources a downpayment in connection with any loan for acquisition of the housing, in an amount determined by the public housing agency. Except as provided in paragraph (2), the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase.

"(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

"(h) OWNERSHIP INTERESTS.—A homeownership program under this section may provide for sale to the purchasing family of any ownership interest that the public housing agency considers appropriate under the program, including ownership in fee simple, a condominium interest, an interest in a limited dividend cooperative, a shared appreciation interest with a public housing agency providing financing.

"(i) RESALE.—

"(1) AUTHORITY AND LIMITATION.—A homeownership program under this section shall permit the resale of a dwelling unit purchased under the program by an eligible family, but shall provide such limitations on resale as the agency considers appropriate (whether the family purchases directly from the agency or from another entity) for the agency to recapture—

"(A) some or all of the economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by the eligible family; and

"(B) after the expiration of such 5-year period, only such amounts as are equivalent to the assistance provided under this section by the agency to the purchaser.

"(2) CONSIDERATIONS.—The limitations referred to in paragraph (1)(A) may provide for consideration of the aggregate amount of assistance provided under the program to the family, the contribution to equity provided by the purchasing eligible family, the period of time elapsed between purchase under the homeownership program and resale, the reason for resale, any improvements to the property made by the eligible family, any appreciation in the value of the property, and any other factors that the agency considers appropriate.

"(j) NET PROCEEDS.—The net proceeds of any sales under a homeownership program under this section remaining after payment of all costs of the sale shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan of the agency carrying out the program.

"(k) HOMEOWNERSHIP ASSISTANCE.—From amounts distributed to a public housing agency under the Capital Fund under section 9(d), or from other income earned by the public housing agency, the public housing agency may provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence, including a residence other than a residence located in a public housing project.

"(l) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 18 shall not apply to disposition of public housing dwelling units under a homeownership program under this section.".

SEC. 537. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 33. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

"(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify all public housing projects of the public housing agency that meet all of the following requirements:

"(1) The project is on the same or contiguous sites.

"(2) The project is determined by the public housing agency to be distressed, which determination shall be made in accordance with guidelines established by the Secretary, which guidelines shall take into account the criteria established in the Final Report of the National Commission on Severely Distressed Public Housing (August 1992).

"(3) The project—

"(A) is identified as distressed housing under paragraph (2) for which the public housing agency cannot assure the long-term viability as public housing through reasonable modernization expenses, density reduction, achievement of a broader range of family income, or other measures; or

"(B) has an estimated cost, during the remaining useful life of the project, of continued operation and modernization as public housing that exceeds the estimated cost, during the remaining useful life of the project, of providing tenant-based assistance under section 8 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development costs required for modernization).

"(b) CONSULTATION.—Each public housing agency shall consult with the appropriate public housing residents and the appropriate unit of general local government in identifying any public housing projects under subsection (a).

"(c) PLAN FOR REMOVAL OF UNITS FROM INVENTORIES OF PHA'S.—

"(1) DEVELOPMENT.—Each public housing agency shall develop and carry out a 5-year plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) from the inventory of the public housing agency and the annual contributions contract.

"(2) APPROVAL.—Each plan required under paragraph (1) shall—

"(A) be included as part of the public housing agency plan;

"(B) be certified by the relevant local official to be in accordance with the comprehensive housing affordability strategy under title I of the Housing and Community Development Act of 1992; and

"(C) include a description of any disposition and demolition plan for the public housing units.

"(3) EXTENSIONS.—The Secretary may extend the 5-year deadline described in paragraph (1) by not more than an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

"(4) REVIEW BY SECRETARY.—

"(A) FAILURE TO IDENTIFY PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has failed to identify 1 or more public housing projects that the Secretary determines should have been identified under subsection (a), the Secretary may designate the public housing projects to be removed from the inventory of the public housing agency pursuant to this section.

"(B) ERRONEOUS IDENTIFICATION OF PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has identified 1 or more public housing projects that should not have been identified pursuant to subsection (a), the Secretary shall—

"(i) require the public housing agency to revise the plan of the public housing agency under this subsection; and

"(ii) prohibit the removal of any such public housing project from the inventory of the public housing agency under this section.

"(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

"(1) IN GENERAL.—To the extent approved in advance in appropriations Acts, the Secretary shall make budget authority available to a public housing agency to provide assistance under this Act to families residing in any public housing project that, pursuant to this section, is removed from the inventory of the agency and the annual contributions contract of the agency.

"(2) CONVERSION REQUIREMENTS.—Each agency carrying out a plan under subsection (c) for removal of public housing dwelling units from the inventory of the agency shall—

"(A) notify each family residing in a public housing project to be converted under the plan 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards; and

"(II) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated.

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit;

"(D) ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(E) provide any actual and reasonable relocation expenses for families displaced by such action.

"(e) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a project or projects of a public housing agency meet or are likely to meet the criteria set forth in subsection (a), the Secretary may direct the agency to cease additional spending in connection with such project or projects until the Secretary determines or approves an appropriate course of action with respect to such project or projects under this section, except to the extent that failure to expend such amounts would endanger the health or safety of residents in the project or projects.

"(f) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a project or projects are identified pursuant to subsection (a), the Secretary may authorize or direct the transfer, to the tenant-based assistance program of such agency or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

"(1) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such project or projects pursuant to section 14 of the United States Housing Act of 1937 (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(2) in the case of an agency receiving public housing modernization assistance by formula pursuant to such section 14, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to such project or projects;

"(3) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of such project or projects pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998; and

"(4) in the case of an agency receiving assistance pursuant to the formulas under section 9, any amounts provided to the agency which are attributable pursuant to the formulas for allocating such assistance to such project or projects.

"(g) REMOVAL BY SECRETARY.—The Secretary shall take appropriate actions to ensure removal of any public housing project identified under subsection (a) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under subsection (c) with respect to that project, or fails to adequately implement such plan in accordance with the terms of the plan.

"(h) ADMINISTRATION.—

"(1) IN GENERAL.—The Secretary may require a public housing agency to provide to the Secretary or to public housing residents such information as the Secretary considers to be necessary for the administration of this section.

"(2) APPLICABILITY OF SECTION 18.—Section 18 shall not apply to the demolition of public housing projects removed from the inventory of the public housing agency under this section.".

(b) CONFORMING AMENDMENT.—Section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371 note) is repealed.

(c) TRANSITION.—

(1) USE OF AMOUNTS.—Any amounts made available to a public housing agency to carry out section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (enacted as section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–279)) may be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, to carry out section 33 of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) SAVINGS PROVISION.—Notwithstanding the amendments made by this section, section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371 note) and any regulations implementing such section, as in effect immediately before the enactment of this Act, shall continue to apply to public housing developments identified by the Secretary or a public housing agency for conversion pursuant to that section or for assessment of whether such conversion is required prior to enactment of this Act.

SEC. 538. LINKING SERVICES TO PUBLIC HOUSING RESIDENTS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 34. SERVICES FOR PUBLIC HOUSING RESIDENTS.

"(a) IN GENERAL.—To the extent that amounts are provided in advance in appropriations Acts, the Secretary may make grants to public housing agencies on behalf of public housing residents, or directly to resident management corporations, resident councils, or resident organizations (including nonprofit entities supported by residents), for the purposes of providing a program of supportive services and resident empowerment activities to provide supportive services to public housing residents or assist such residents in becoming economically self-sufficient.

"(b) ELIGIBLE ACTIVITIES.—Grantees under this section may use such amounts only for activities on or near the property of the public housing agency or public housing project that are designed to promote the self-sufficiency of public housing residents or provide supportive services for such residents, including activities relating to—

"(1) physical improvements to a public housing project in order to provide space for supportive services for residents;

"(2) the provision of service coordinators or a congregate housing services program for elderly individuals, elderly disabled individuals, nonelderly disabled individuals, or temporarily disabled individuals;

"(3) the provision of services related to work readiness, including education, job training and counseling, job search skills, business development training and planning, tutoring, mentoring, adult literacy, computer access, personal and family counseling, health screening, work readiness health services, transportation, and child care;

"(4) economic and job development, including employer linkages and job placement, and the start-up of resident microenterprises, community credit unions, and revolving loan funds, including the licensing, bonding, and insurance needed to operate such enterprises;

"(5) resident management activities and resident participation activities; and

"(6) other activities designed to improve the economic self-sufficiency of residents.

"(c) FUNDING DISTRIBUTION.—

"(1) IN GENERAL.—Except for amounts provided under subsection (d), the Secretary may distribute amounts made available under this section on the basis of a competition or a formula, as appropriate.

"(2) FACTORS FOR DISTRIBUTION.—Factors for distribution under paragraph (1) shall include—

"(A) the demonstrated capacity of the applicant to carry out a program of supportive services or resident empowerment activities;

"(B) the ability of the applicant to leverage additional resources for the provision of services; and

"(C) the extent to which the grant will result in a high quality program of supportive services or resident empowerment activities.

"(d) MATCHING REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant supplements amounts made available under this section with funds from sources other than this section in an amount equal to not less than 25 percent of the grant amount. Such supplemental amounts may include—

"(1) funds from other Federal sources;

"(2) funds from any State or local government sources;

"(3) funds from private contributions; and

"(4) the value of any in-kind services or administrative costs provided to the applicant.

"(e) FUNDING FOR RESIDENT ORGANIZATIONS.—To the extent that there are a sufficient number of qualified applications for assistance under this section, not less than 25 percent of any amounts appropriated to carry out this section shall be provided directly to resident councils, resident organizations, and resident management corporations. In any case in which a resident council, resident organization, or resident management corporation lacks adequate expertise, the Secretary may require the council, organization, or corporation to utilize other qualified organizations as contract administrators with respect to financial assistance provided under this section.".

(b) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the Secretary of Housing and Urban Development shall—

(1) conduct an evaluation and assessment of grants carried out by resident organizations, and particularly of the effect of the grants on living conditions in public housing; and

(2) submit to the Congress a report setting forth the findings of the Secretary as a result of the evaluation and assessment and including any recommendations the Secretary determines to be appropriate.

This subsection shall take effect on the date of the enactment of this Act.

SEC. 539. MIXED-FINANCE PUBLIC HOUSING.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 35. MIXED FINANCE PUBLIC HOUSING.

"(a) AUTHORITY.—A public housing agency may own, operate, assist, or otherwise participate in 1 or more mixed-finance projects in accordance with this section.

"(b) ASSISTANCE.—

"(1) FORMS.—A public housing agency may provide to a mixed-finance project assistance from the Operating Fund under section 9, assistance from the Capital Fund under such section, or both forms of assistance. A public housing agency may, in accordance with regulations established by the Secretary, provide capital assistance to a mixed-finance project in the form of a grant, loan, guarantee, or other form of investment in the project, which may involve drawdown of funds on a schedule commensurate with construction draws for deposit into an interest-bearing escrow account to serve as collateral or credit enhancement for bonds issued by a public agency, or for other forms of public or private borrowings, for the construction or rehabilitation of the development.

"(2) USE.—To the extent deemed appropriate by the Secretary, assistance used in connection with the costs associated with the operation and management of mixed-finance projects may be used for funding of an operating reserve to ensure affordability for low-income and very low-income families in lieu of the availability of operating funds for public housing units in a mixed-finance project.

"(c) COMPLIANCE WITH PUBLIC HOUSING REQUIREMENTS.—The units assisted with capital or operating assistance in a mixed-finance project shall be developed, operated, and maintained in accordance with the requirements of this Act relating to public housing during the period required by under this Act, unless otherwise specified in this section. For purposes of this Act, any reference to public housing owned or operated by a public housing agency shall include dwelling units in a mixed finance project that are assisted by the agency with capital or operating assistance.

"(d) MIXED-FINANCE PROJECTS.—

"(1) IN GENERAL.—For purposes of this section, the term 'mixed-finance project' means a project that meets the requirements of paragraph (2) and is financially assisted by private resources, which may include low-income housing tax credits, in addition to amounts provided under this Act.

"(2) TYPES OF PROJECTS.—The term includes a project that is developed—

"(A) by a public housing agency or by an entity affiliated with a public housing agency;

"(B) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, managing member, or otherwise participates in the activities of that entity;

"(C) by any entity that grants to the public housing agency the right of first refusal and first option to purchase, after the close of the compliance period, of the qualified low-income building in which the public housing units exist in accordance with section 42(i)(7) of the Internal Revenue Code of 1986; or

"(D) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

"(e) STRUCTURE OF PROJECTS.—Each mixed-finance project shall be developed—

"(1) in a manner that ensures that public housing units are made available in the project, by regulatory and operating agreement, master contract, individual lease, condominium or cooperative agreement, or equity interest;

"(2) in a manner that ensures that the number of public housing units bears approximately the same proportion to the total number of units in the mixed-finance project as the value of the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance, or as may otherwise be approved by the Secretary; and

"(3) in accordance with such other requirements as the Secretary may prescribe by regulation.

"(f) TAXATION.—

"(1) IN GENERAL.—A public housing agency may elect to exempt all public housing units in a mixed-finance project—

"(A) from the provisions of section 6(d), and instead subject such units to local real estate taxes; and

"(B) from the finding of need and cooperative agreement provisions under section 5(e)(1)(ii) and 5(e)(2), but only if the development of the units is not inconsistent with the jurisdiction's comprehensive housing affordability strategy.

"(2) LOW-INCOME HOUSING TAX CREDIT.—With respect to any unit in a mixed-finance project that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents may be set at levels not to exceed the amounts allowable under that section, provided that such levels for public housing residents do not exceed the amounts allowable under section 3.

"(g) USE OF SAVINGS.—Notwithstanding any other provision of this Act, to the extent deemed appropriate by the Secretary, to facilitate the establishment of socioeconomically mixed communities, a public housing agency that uses assistance from the Capital Fund for a mixed-finance project, to the extent that income from such a project reduces the amount of assistance used for operating or other costs relating to public housing, may use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed-finance project. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

"(h) EFFECT OF CERTAIN CONTRACT TERMS.—If an entity that owns or operates a mixed-finance project, that includes a significant number of units other than public housing units enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9 or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character of the units to the maximum extent practicable.".

(b) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to promote the development of mixed-finance projects, as that term is defined in section 3(b) of the United States Housing Act of 1937 (as amended by this Act).

Subtitle C—Section 8 Rental and Homeownership Assistance

SEC. 545. MERGER OF CERTIFICATE AND VOUCHER PROGRAMS.

(a) IN GENERAL.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

"(o) VOUCHER PROGRAM.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

"(B) ESTABLISHMENT OF PAYMENT STANDARD.—Except as provided under subparagraph (D), the payment standard for each size of dwelling unit in a market area shall not exceed 110 percent of the fair market rental established under subsection (c) for the same size of dwelling unit in the same market area and shall be not less than 90 percent of that fair market rental.

"(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority made available for assistance under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

"(D) APPROVAL.—The Secretary may require a public housing agency to submit the payment standard of the public housing agency to the Secretary for approval, if the payment standard is less than 90 percent of the fair market rental or exceeds 110 percent of the fair market rental.

"(E) REVIEW.—The Secretary—

"(i) shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent; and

"(ii) may require a public housing agency to modify the payment standard of the public housing agency based on the results of that review.

"(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—Subject to the requirement under section 3(a)(3) (relating to minimum rental amount), the monthly assistance payment for a family receiving assistance under this subsection shall be determined as follows:

"(A) TENANT-BASED ASSISTANCE; RENT NOT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) does not exceed the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the rent (including the amount allowed for tenant-paid utilities) exceeds the greatest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) TENANT-BASED ASSISTANCE; RENT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the applicable payment standard exceeds the greatest of amounts under clauses (i), (ii), and (iii) of subparagraph (A).

"(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

"(3) 40 PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this section with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

"(4) ELIGIBLE FAMILIES.—To be eligible to receive assistance under this subsection, a family shall, at the time a family initially receives assistance under this subsection, be a low-income family that is—

"(A) a very low-income family;

"(B) a family previously assisted under this title;

"(C) a low-income family that meets eligibility criteria specified by the public housing agency;

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

"(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

"(5) ANNUAL REVIEW OF FAMILY INCOME.—

"(A) IN GENERAL.—Reviews of family incomes for purposes of this section shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

"(B) PROCEDURES.—Each public housing agency administering assistance under this subsection shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving assistance from the agency is complete and accurate. Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

"(6) SELECTION OF FAMILIES AND DISAPPROVAL OF OWNERS.—

"(A) PREFERENCES.—

"(i) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making tenant-based assistance under this subsection available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics, which may include a preference for families residing in public housing who are victims of a crime of violence (as such term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) CONTENT.—Each system of preferences established pursuant to this subparagraph shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

"(B) SELECTION OF TENANTS.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit) shall provide that the screening and selection of families for those units shall be the function of the owner. In addition, the public housing agency may elect to screen applicants for the program in accordance with such requirements as the Secretary may establish.

"(C) PHA DISAPPROVAL OF OWNERS.—In addition to other grounds authorized by the Secretary, a public housing agency may elect not to enter into a housing assistance payments contract under this subsection with an owner who *refuses, or has a history of refusing, to take action to terminate tenancy for activity engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of any member of the household that—*

"(i) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the public housing agency, owner, or other manager of the housing;

"(ii) threatens the health or safety of, or right to peaceful enjoyment of the residences by, persons residing in the immediate vicinity of the premises; or

"(iii) is drug-related or violent criminal activity.

"(7) LEASES AND TENANCY.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit—

"(A) shall provide that the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant and if such shorter term is considered to be a prevailing local market practice;

"(B) shall provide that the dwelling unit owner shall offer leases to tenants assisted under this subsection that—

"(i) are in a standard form used in the locality by the dwelling unit owner; and

"(ii) contain terms and conditions that—

"(I) are consistent with State and local law; and

"(II) apply generally to tenants in the property who are not assisted under this section;

"(C) shall provide that during the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(D) shall provide that during the term of the lease, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, or any violent or drug-related criminal activity on or near such premises, engaged in by a tenant of any unit, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy;

"(E) shall provide that any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for that action, and any relief shall be consistent with applicable State and local law; and

"(F) may include any addenda required by the Secretary to set forth the provisions of this subsection.

"(8) INSPECTION OF UNITS BY PHA'S.—

"(A) IN GENERAL.—Except as provided in paragraph (11), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall inspect the unit before any assistance payment is made to determine whether the dwelling unit meets the housing quality standards under subparagraph (B).

"(B) HOUSING QUALITY STANDARDS.—The housing quality standards under this subparagraph are standards for safe and habitable housing established—

"(i) by the Secretary for purposes of this subsection; or

"(ii) by local housing codes or by codes adopted by public housing agencies that—

"(I) meet or exceed housing quality standards, except that the Secretary may waive the requirement under this subclause to significantly increase access to affordable housing and to expand housing opportunities for families assisted under this subsection, except where such waiver could adversely affect the health or safety of families assisted under this subsection; and

"(II) do not severely restrict housing choice

"(C) INSPECTION.—The determination required under subparagraph (A) shall be made by the public housing agency (or other entity, as provided in paragraph (11)) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit. Inspections of dwelling units under this subparagraph shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the public housing agency or, in the case of any public housing agency that provides assistance under this subsection on behalf of more than 1250 families, before the expiration of a reasonable period beginning upon such request. The performance of the agency in meeting the 15-day inspection deadline shall be taken into consideration in assessing the performance of the agency.

"(D) ANNUAL INSPECTIONS.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A). The agency (or other entity) shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h).

"(E) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this subsection.

"(9) VACATED UNITS.—If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payment contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

"(10) RENT.—

"(A) REASONABLENESS.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.

"(B) NEGOTIATIONS.—A public housing agency (or other entity, as provided in paragraph (11)) shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency (or such other entity) shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency (or other such entity) determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency (or other such entity) shall not make housing assistance payments to the owner under this subsection with respect to that unit.

"(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of that contract, the rent for that unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

"(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

"(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency, except that no penalty shall be imposed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

"(11) LEASING OF UNITS OWNED BY PHA.—If an eligible family assisted under this subsection leases a dwelling unit (other than a public housing dwelling unit) that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government or another entity approved by the Secretary, to make inspections required under paragraph (8) and rent determinations required under paragraph (10). The agency shall be responsible for any expenses of such inspections and determinations.

"(12) ASSISTANCE FOR RENTAL OF MANUFACTURED HOUSING.—

"(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as a principal place of residence. Such payments may be made only for the rental of the real property on which the manufactured home owned by any such family is located.

"(B) RENT CALCULATION.—

"(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

"(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

"(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment for a family assisted under this paragraph shall be determined in accordance with paragraph (2).

"(13) PHA PROJECT-BASED ASSISTANCE.—

"(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

"(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

"(ii) the public housing agency may approve a housing assistance payment contract for such existing structures for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

"(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency may enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner.

"(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

"(D) ADJUSTED RENTS.—With respect to rents adjusted under this paragraph—

"(i) the adjusted rent for any unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market; and

"(ii) the provisions of subsection (c)(2)(C) shall not apply.

"(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) shall not apply to tenant-based assistance under this subsection.

"(15) HOMEOWNERSHIP OPTION.—

"(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

"(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

"(16) RENTAL VOUCHERS FOR RELOCATION OF WITNESSES AND VICTIMS OF CRIME.—

"(A) WITNESSES.—Of amounts made available for assistance under this subsection in each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement or prosecution agencies.

"(B) VICTIMS OF CRIME.—

"(i) IN GENERAL.—Of amounts made available for assistance under this section in each fiscal year, the Secretary shall make available such sums as may be necessary for the relocation of families residing in public housing who are victims of a crime of violence (as that term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) NOTICE.—A public housing agency that receives amounts under this subparagraph shall establish procedures for providing notice of the availability of that assistance to families that may be eligible for that assistance.

"(17) DEED RESTRICTIONS.—Assistance under this subsection may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. This paragraph may not be construed to affect the provisions or applicability of the Fair Housing Act.".

(b) CONFORMING AMENDMENT.—Section 8(f)(6) of the United States Housing Act (42 U.S.C. 1437f(f)(6)) is amended by inserting "or (o)(13)" after "(d)(2)".

(c) APPLICABILITY.—Notwithstanding the amendment made by subsection (a) of this section, any amendments to section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) that are contained in title II of this Act shall apply with respect to the provision of assistance under such section during the period before implementation (pursuant to section 559 of this title) of such section 8(o) as amended by subsection (a) of this section.

SEC. 546. PUBLIC HOUSING AGENCIES.

Section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)) is amended to read as follows:

"(6) PUBLIC HOUSING AGENCY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of public housing.

"(B) SECTION 8 PROGRAM.—For purposes of the program for tenant-based assistance under section 8, such term includes—

"(i) a consortia of public housing agencies that the Secretary determines has the capacity and capability to administer a program for assistance under such section in an efficient manner;

"(ii) any other public or private nonprofit entity that, upon the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, was administering any program for tenant-based assistance under section 8 of this Act (as in effect before the effective date of such Act), pursuant to a contract with the Secretary or a public housing agency; and

"(iii) with respect to any area in which no public housing agency has been organized or where the Secretary determines that a public housing agency is unwilling or unable to implement a program for tenant-based assistance section 8, or is not performing effectively—

"(I) the Secretary or another public or private nonprofit entity that by contract agrees to receive assistance amounts under section 8 and enter into housing assistance payments contracts with owners and perform the other functions of public housing agency under section 8; or

"(II) notwithstanding any provision of State or local law, a public housing agency for another area that contracts with the Secretary to administer a program for housing assistance under section 8, without regard to any otherwise applicable limitations on its area of operation.".

SEC. 547. ADMINISTRATIVE FEES.

Subsection (q) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended to read as follows:

"(q) ADMINISTRATIVE FEES.—

"(1) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall establish fees for the costs of administering the tenant-based assistance, certificate, voucher, and moderate rehabilitation programs under this section.

"(B) FISCAL YEAR 1999.—

"(i) CALCULATION.—For fiscal year 1999, the fee for each month for which a dwelling unit is covered by an assistance contract shall be—

"(I) in the case of a public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

"(II) in the case of an agency that, on an annual basis, is administering a program for more than 600 dwelling units (aa) for the first 600 units, 7.65 percent of the base amount, and (bb) for any additional dwelling units under the program, 7.0 percent of the base amount.

"(ii) BASE AMOUNT.—For purposes of this subparagraph, the base amount shall be the higher of—

"(I) the fair market rental established under section 8(c) of this Act (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

"(II) the amount that is the lesser of (aa) such fair market rental for fiscal year 1994 or (bb) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

"(C) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for public housing agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

"(D) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

"(E) DECREASE.—The Secretary may decrease the fee for units owned by a public housing agency to reflect reasonable costs of administration.

"(2) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

"(A) the costs of preliminary expenses, in the amount of $500, for a public housing agency, except that such fee shall apply to an agency only in the first year that the agency administers a tenant-based assistance program under this section, and only if, immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, the agency was not administering a tenant-based assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), in connection with its initial increment of assistance received;

"(B) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

"(C) extraordinary costs approved by the Secretary.

"(3) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—In each fiscal year, if any public housing agency provides tenant-based assistance under this section on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

"(4) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 548. LAW ENFORCEMENT AND SECURITY PERSONNEL IN ASSISTED HOUSING.

Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) by transferring and inserting subsection (z) after subsection (y) (and before subsection (aa)); and

(2) by adding at the end the following new subsection:

"(cc) LAW ENFORCEMENT AND SECURITY PERSONNEL.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, in the case of assistance attached to a structure, for the purpose of increasing security for the residents of a project, an owner may admit, and assistance under this section may be provided to, police officers and other security personnel who are not otherwise eligible for assistance under the Act.

"(2) RENT REQUIREMENTS.—With respect to any assistance provided by an owner under this subsection, the Secretary may—

"(A) permit the owner to establish such rent requirements and other terms and conditions of occupancy that the Secretary considers to be appropriate; and

"(B) require the owner to submit an application for those rent requirements, which application shall include such information as the Secretary, in the discretion of the Secretary, determines to be necessary.

"(3) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 549. ADVANCE NOTICE TO TENANTS OF EXPIRATION, TERMINATION, OR OWNER NONRENEWAL OF ASSISTANCE CONTRACT.

(a) PERMANENT APPLICABILITY OF NOTICE AND ENDLESS LEASE PROVISIONS.—

(1) NOTICE.—Section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) is amended—

(A) by striking paragraphs (8) and (10); and

(B) in paragraph (9), by striking the first sentence and inserting the following new sentence: "Not less than one year before terminating any contract under which assistance payments are received under this section, other than a contract for tenant-based assistance under this section, an owner shall provide written notice to the Secretary and the tenants involved of the proposed termination, specifying the reasons for the termination with sufficient detail to enable the Secretary to evaluate whether the termination is lawful and whether there are additional actions that can be taken by the Secretary to avoid the termination.".

(2) ENDLESS LEASE.—Section 8(d)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)) is amended—

(A) in clause (ii) by striking "(ii)" and all that follows through "the owner" and inserting "(ii) during the term of the lease, the owner"; and

(B) in clause (iii), by striking "(iii)" and all that follows through "any criminal activity" the first place it appears and inserting "(iii) during the term of the lease, any criminal activity".

(3) PERMANENT EFFECTIVENESS OF AMENDMENTS.—The amendments under this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act, and shall apply thereafter, notwithstanding section 203 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note) or any other provision of law (including the expiration of the applicability of such section 203 or any repeal of such section 203).

(b) EXEMPTION OF TENANT-BASED ASSISTANCE FROM CONTRACT PROVISIONS.—Paragraph (9) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(9)), as amended by subsection (a)(1) of this section, is further amended—

(1) by striking "(9)" and inserting "(8)(A)"; and

(2) by striking the third sentence and all that follows and inserting the following:

"(B) In the case of owner who has requested that the Secretary renew the contract, the owner's notice under subparagraph (A) to the tenants shall include statements that—

"(i) the owner currently has a contract with the Department of Housing and Urban Development that pays the Government's share of the tenant's rent and the date on which the contract will expire;

"(ii) the owner intends to renew the contract for another year;

"(iii) renewal of the contract may depend upon the Congress making funds available for such renewal;

"(iv) the owner is required by law to notify tenants of the possibility that the contract may not be renewed if Congress does not provide funding for such renewals;

"(v) in the event of nonrenewal, the Department of Housing and Urban Development will provide tenant-based rental assistance to all eligible residents, enabling them to choose the place they wish to rent; and

"(vi) the notice itself does not indicate an intent to terminate the contract by either the owner or the Department of Housing and Urban Development, provided there is Congressional approval of funding availability.

"(C) Notwithstanding the preceding provisions of this paragraph, if the owner agrees to a 5-year contract renewal offered by the Secretary, payments under which shall be subject to the availability of appropriations for any year, the owner shall provide a written notice to the Secretary and the tenants not less than 180 days before the termination of such contract. In the event the owner does not provide the 180-day notice required in the immediately preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 180-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 180 days of advance notice under such terms and conditions as the Secretary may require.

"(D) Any notice under this paragraph shall also comply with any additional requirements established by the Secretary.

"(E) For purposes of this paragraph, the term 'termination' means the expiration of the assistance contract or an owner's refusal to renew the assistance contract, and such term shall include termination of the contract for business reasons.".

(c) MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT OF 1997.—Section 514(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting at the end the following new sentences: 'In addition, if after giving the notice required in the first sentence, an owner determines to terminate a contract, an owner shall provide an additional written notice with respect to the termination, in a form prescribed by the Secretary, not less than 120 days prior to the termination. In the event the owner does not provide the 120-day notice required in the preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 120-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 120 days of advance notice in accordance with section 524 of this Act.".

SEC. 550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the subsection heading, by striking "RENTAL CERTIFICATES AND"; and

(B) in the first undesignated paragraph—

(i) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking "(A)"; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking "or by a family that qualifies to receive" and all that follows through "1990";

(C) by striking paragraphs (5) and (7); and

(D) redesignating paragraph (6) as paragraph (5);

(4) in subsection (d)(2)—

(A) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph;

(B) in subparagraph (H), by striking "(H)" and all that follows through "owner" and inserting "(H) An owner"; and

(C) by striking subparagraphs (B) through (E) and redesignating subparagraphs (F) through (H) (as amended by subparagraph (B) of this paragraph) as subparagraphs (B) through (D), respectively;

(5) in subsection (f)(7)—

(A) by striking "(b) or"; and

(B) by inserting before the period the following: "and that provides for the eligible family to select suitable housing and to move to other suitable housing"; and

(6) by striking subsection (j);

(7) by striking subsection (n);

(8) in subsection (u)—

(A) in paragraph (2), by striking ", certificates"; and

(B) by striking "certificates or" each place that term appears; and

(9) in subsection (x)(2), by striking "housing certificate assistance" and inserting "tenant-based assistance".

(b) HOPWA GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking "certificates or vouchers" and inserting "assistance".

(c) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act" and inserting "tenant-based assistance under section 8 of the United States Housing Act of 1937".

(d) ASSISTANCE FOR DISPLACED RESIDENTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and 8(o)" and inserting "tenant-based assistance under section 8".

(e) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking "assistance payments as provided by section 8(o)" and inserting "tenant-based assistance as provided under section 8".

(f) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(g) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(m)(2)(A)) is amended by striking "section 8(b)(1)" and inserting "section 8".

SEC. 551. FUNDING AND ALLOCATION.

Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439) is amended—

(1) by striking subsection (c); and

(2) in subsection (d)—

(A) in paragraph (1)(A)—

(i) in clause (i), by adding at the end the following new sentence: "Amounts for tenant-based assistance under section 8(o) of the United States Housing Act of 1937 may not be provided to any public housing agency that has been disqualified from providing such assistance."; and

(ii) in clause (ii), by striking "8(b)(1)" each place it appears and inserting "8(o)";

(B) by striking paragraph (2); and

(C) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 552. TREATMENT OF COMMON AREAS.

Section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

"(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for project-based assistance under this section for a housing project and may not enter into a new or renewal contract for such assistance for a project unless the owner of the project provides consent, to such local law enforcement agencies as the Secretary determines appropriate, for law enforcement officers of such agencies to enter common areas of the project at any time and without advance notice upon a determination of probable cause by such officers that criminal activity is taking place in such areas.".

SEC. 553. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (2), by striking the last sentence;

(2) in paragraph (3))—

(A) by striking "(b) or"; and

(B) by adding at the end the following: "The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families that move into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary may reserve amounts available for assistance under subsection (o) to compensate those public housing agencies.";

(3) by striking "(r)" and all that follows through the end of paragraph (1) and inserting the following:

"(r) PORTABILITY.—(1) IN GENERAL.—(A) Any family receiving tenant-based assistance under subsection (o) may receive such assistance to rent an eligible dwelling unit if the dwelling unit to which the family moves is within any area in which a program is being administered under this section.

"(B)(i) Notwithstanding subparagraph (A) and subject to any exceptions established under clause (ii) of this subparagraph, a public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency.

"(ii) The Secretary may establish such exceptions to the authority of public housing agencies established under clause (i)."; and

(5) by adding at the end the following new paragraph:

"(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.".

SEC. 554. LEASING TO VOUCHER HOLDERS.

Notwithstanding section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 42 U.S.C. 1437f note)), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by striking subsection (t). This section shall apply beginning upon, and the amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 555. HOMEOWNERSHIP OPTION.

(a) IN GENERAL.—Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "A family receiving" and all that follows through "if the family" and inserting the following: "A public housing agency providing tenant-based assistance on behalf of an eligible family under this section may provide assistance for an eligible family that purchases a dwelling unit (including a unit under a lease-purchase agreement) that will be owned by 1 or more members of the family, and will be occupied by the family, if the family";

(B) in subparagraph (A), by inserting before the semicolon ", or owns or is acquiring shares in a cooperative"; and

(C) in subparagraph (B)—

(i) by striking "(i) participates" and all that follows through "(ii) demonstrates" and inserting "demonstrates"; and

(ii) by inserting ", except that the Secretary may provide for the consideration of public assistance in the case of an elderly family or a disabled family" after "other than public assistance";

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

"(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).";

(3) by striking paragraphs (3), (4), and (5) and inserting the following new paragraphs:

"(3) INSPECTIONS AND CONTRACT CONDITIONS.—

"(A) IN GENERAL.—Each contract for the purchase of a unit to be assisted under this section shall—

"(i) provide for pre-purchase inspection of the unit by an independent professional; and

"(ii) require that any cost of necessary repairs be paid by the seller.

"(B) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (o)(8)(A)(ii) for annual inspections shall not apply to units assisted under this section.

"(4) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

"(A) limit the term of assistance for a family assisted under this subsection; and

"(B) modify the requirements of this subsection as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements."; and

(4) by redesignating paragraphs (6), (7) (as previously amended by this Act), and (8) as paragraphs (5), (6), and (7), respectively.

(b) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—With the consent of the affected public housing agencies, the Secretary may carry out (or contract with 1 or more entities to carry out) a demonstration program under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) to expand homeownership opportunities for low-income families.

(2) REPORT.—The Secretary shall report annually to Congress on activities conducted under this subsection.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 556. RENEWALS.

(a) IN GENERAL.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(dd) TENANT-BASED CONTRACT RENEWALS.—Subject to amounts provided in appropriation Acts, starting in fiscal year 1999, the Secretary shall renew all expiring tenant-based annual contribution contracts under this section by applying an inflation factor based on local or regional factors to an allocation baseline. The allocation baseline shall be calculated by including, at a minimum, amounts sufficient to ensure continued assistance for the actual number of families assisted as of October 1, 1997, with appropriate upward adjustments for incremental assistance and additional families authorized subsequent to that date.".

(b) IMPLEMENTATION.—The Secretary of Housing and Urban Development shall implement the provision added by the amendment made by subsection (a) through notice, not later than December 31, 1998, and shall issue final regulations which shall be developed pursuant to the procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, not later than one year after the date of the enactment of this Act.

SEC. 557. MANUFACTURED HOUSING DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall carry out a program during fiscal years 1999, 2000, and 2001 to demonstrate the effectiveness of providing, directly to eligible families that own manufactured homes and rent real property on which their homes are located, tenant-based assistance for the rental of such property that would otherwise be provided directly to the owners of such real property under section 8(o)(12) of the United States Housing Act of 1937.

(b) REQUIREMENTS.—The demonstration program under this section shall be subject to the following requirements:

(1) SCOPE.—The Secretary of Housing and Urban Development shall carry out the demonstration program with respect to the Housing Authority of the County of San Diego, in California, and the Housing Authority of the City of San Diego, in California.

(2) ELIGIBLE FAMILIES.—Under the demonstration program, each public housing agency shall provide tenant-based assistance under section 8(o) of the United States Housing Act of 1937 on behalf of eligible families who rent real property on which their manufactured homes are located and which is owned by an owner who has refused to participate in the section 8 program.

(3) PARTICIPATION ARRANGEMENTS.—Each public housing agency participating in the demonstration program shall enter into arrangements with families assisted under the program providing for their participation in the program and may, to the extent authorized by the Secretary, continue to provide assistance in the same manner as under the demonstration program after its conclusion to such participating families.

(4) WAIVER OF OTHER REQUIREMENTS.—Under the demonstration program, the Secretary may waive, or specify alternative requirements for, requirements established by or under section 8 of the United States Housing Act of 1937 relating to the provision of assistance under subsection (j) or (o)(12) of such section.

(c) REPORT.—Not later than March 31, 2002, the Secretary shall submit a report to the Congress describing and evaluating the demonstration program under this section.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 558. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with tenant-based housing assistance under section 8 of the United States Housing Act of 1937—

(1) to provide amounts for incremental assistance under such section 8—

(A) for each of fiscal years 2000 and 2001, the amount necessary to assist 100,000 incremental dwelling units in each such fiscal year; and

(B) for each of fiscal years 1999, 2002, and 2003, such sums as may be necessary; and

(2) such sums as may be necessary for each of fiscal years 1999, 2000, 2001, 2002, and 2003, for—

(A) relocation and replacement housing for units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes);

(B) relocation of residents of properties that are owned by the Secretary and being disposed of or that are discontinuing section 8 project-based assistance;

(C) the conversion of section 23 projects to assistance under section 8;

(D) carrying out the family unification program;

(E) relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency;

(F) nonelderly disabled families affected by the designation of a public housing development under section 7 of the United States Housing Act of 1937, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992, or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families;

(G) housing vouchers for homeless individuals; and

(H) housing vouchers to compensate public housing agencies which issue vouchers to families that move into or out of the jurisdiction of the agency under portability procedures.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for tenant-based assistance under section 8 of the United States Housing Act of 1937, to be used in accordance with paragraph (2), $50,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to public housing agencies only for use to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under 7 of such Act or to the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992, and other nonelderly disabled families who have applied to the agency for assistance under such section 8).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to public housing agencies as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 559. RULEMAKING AND IMPLEMENTATION.

(a) INTERIM REGULATIONS.—The Secretary of Housing and Urban Development shall issue such interim regulations as may be necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937.

(b) FINAL REGULATIONS.—The Secretary shall issue final regulations necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937 not later then 1 year after the date of enactment of this Act.

(c) FACTORS FOR CONSIDERATION.—Before the publication of the final regulations under subsection (b), in addition to public comments invited in connection with the publication of the interim rule, the Secretary shall—

(1) seek recommendations on the implementation of sections 8(o)(6)(B), 8(o)(7)(B), and 8(o)(10)(D) of the United States Housing Act of 1937 and of renewals of expiring tenant-based assistance from organizations representing—

(A) State or local public housing agencies;

(B) owners and managers of tenant-based housing assisted under section 8 of the United States Housing Act of 1937;

(C) families receiving tenant-based assistance under section 8 of the United States Housing Act of 1937; and

(D) legal service organizations; and

(2) convene not less than 2 public forums at which the persons or organizations making recommendations under paragraph (1) may express views concerning the proposed disposition of the recommendations.

(d) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as in effect before the applicability of the amendments made by this subtitle, to the voucher program established by the amendments made by this subtitle.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this subtitle, as those provisions were in effect immediately before the date of the enactment of this Act (except that such provisions shall be subject to any amendments to such provisions that may be contained in title II of this Act), to assistance obligated by the Secretary before October 1, 1999, for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

Subtitle D—Home Rule Flexible Grant Demonstration

SEC. 561. HOME RULE FLEXIBLE GRANT DEMONSTRATION PROGRAM.

The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new title:

"TITLE IV—HOME RULE FLEXIBLE GRANT DEMONSTRATION

"SEC. 401. PURPOSE.

The purpose of this title is to demonstrate the effectiveness of authorizing local governments and municipalities, in coordination with the public housing agencies for such jurisdictions—

"(1) to receive and combine program allocations of covered housing assistance; and

"(2) to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the jurisdictions that—

"(A) provide incentives to low-income families with children whose head of the household is employed, seeking employment, or preparing for employment by participating in a job training or educational program, or any program that otherwise assists individuals in obtaining employment and attaining economic self-sufficiency;

"(B) reduce costs of Federal housing assistance and achieve greater cost-effectiveness in Federal housing assistance expenditures;

"(C) increase the stock of affordable housing and housing choices for low-income families;

"(D) increase homeownership among low-income families;

"(E) reduce geographic concentration of assisted families;

"(F) reduce homelessness through providing permanent housing solutions;

"(G) improve program management; and

"(H) achieve such other purposes with respect to low-income families, as determined by the participating local governments and municipalities in coordination with the public housing agencies;

"SEC. 402. FLEXIBLE GRANT PROGRAM.

"(a) AUTHORITY AND USE.—The Secretary shall carry out a demonstration program in accordance with the purposes under section 401 and the provisions of this title. A jurisdiction approved by the Secretary for participation in the program may receive and combine and enter into performance-based contracts for the use of amounts of covered housing assistance, in the manner determined appropriate by the participating jurisdiction, during the period of the jurisdiction's participation—

"(1) to provide housing assistance and services for low-income families in a manner that facilitates the transition of such families to work;

"(2) to reduce homelessness through providing permanent housing solutions;

"(3) to increase homeownership among low-income families; or

"(4) for other housing purposes for low-income families determined by the participating jurisdiction.

"(b) PERIOD OF PARTICIPATION.—A jurisdiction may participate in the demonstration program under this title for a period consisting of not less than 1 nor more than 5 fiscal years.

"(c) PARTICIPATING JURISDICTIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), during the 4-year period consisting of fiscal years 1999 through 2002, the Secretary may approve for participation in the program under

this title not more than an aggregate of 100 jurisdictions over the entire term of the demonstration program. A jurisdiction that was approved for participation in the demonstration program under this title in a fiscal year and that is continuing such participation in any subsequent fiscal year shall count as a single jurisdiction for purposes of the numerical limitation under this paragraph.

''(2) EXCLUSION OF HIGH PERFORMING AGENCIES.—Notwithstanding any other provision of this title other than paragraph (4) of this subsection, the Secretary may approve for participation in the demonstration program under this title only jurisdictions served by public housing agencies that—

''(A) are not designated as high-performing agencies, pursuant to their most recent scores under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval; and

''(B) have a most recent score under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval, that is among the lowest 40 percent of the scores of all agencies.

''(3) LIMITATION ON TROUBLED AND NON-TROUBLED PHAS.—Of the jurisdictions approved by the Secretary for participation in the demonstration program under this title—

''(A) not more than 55 may be jurisdictions served by a public housing agency that, at the time of approval, is designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies); and

''(B) not more than 45 may be jurisdictions served by a public housing agency that, at the time of approval, is not designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies).

''(4) EXCEPTION.—If the City of Indianapolis, Indiana submits an application for participation in the program under this title and, upon review of the application under section 406(b), the Secretary determines that such application is approvable under this title, the Secretary shall approve such application, notwithstanding the second sentence of section 406(b)(2). Such City shall count for purposes of the numerical limitations on jurisdictions under paragraphs (1) and (3) of section 402(c), but the provisions of section 402(c)(2) (relating to exclusion of high-performing agencies) shall not apply to such City.

"SEC. 403. PROGRAM ALLOCATION AND COVERED HOUSING ASSISTANCE.

''(a) PROGRAM ALLOCATION.—In each fiscal year, the amount made available to each participating jurisdiction under the demonstration program under this title shall be equal to the sum of the amounts of covered housing assistance that would otherwise be made available under the provisions of this Act to the public housing agency for the jurisdiction.

''(b) COVERED HOUSING ASSISTANCE.—For purposes of this title, the term 'covered housing assistance' means—

''(1) operating assistance under section 9 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

''(2) modernization assistance under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

''(3) assistance for the certificate and voucher programs under section 8 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

''(4) assistance from the Operating Fund under section 9(e);

''(5) assistance from the Capital Fund under section 9(d); and

''(6) tenant-based assistance under section 8 (as amended by the Quality Housing and Work Responsibility Act of 1998).

"SEC. 404. APPLICABILITY OF REQUIREMENTS UNDER PROGRAMS FOR COVERED HOUSING ASSISTANCE.

''(a) IN GENERAL.—In each fiscal year of the demonstration program under this title, amounts made available to a participating jurisdiction under the demonstration program shall be subject to the same terms and conditions as such amounts would be subject to if made available under the provisions of this Act pursuant to which covered housing assistance is otherwise made available under this Act to the public housing agency for the jurisdiction, except that—

''(1) the Secretary may waive any such term or condition identified by the jurisdiction to the extent that the Secretary determines such action to be appropriate to carry out the purposes of the demonstration program under this title; and

''(2) the participating jurisdiction may combine the amounts made available and use the amounts for any activity eligible under the programs under sections 8 and 9.

''(b) NUMBER OF FAMILIES ASSISTED.—In carrying out the demonstration program under this title, each participating jurisdiction shall assist substantially the same total number of eligible low-income families as would have otherwise been served by the public housing agency for the jurisdiction had the jurisdiction not participated in the demonstration program under this title.

''(c) PROTECTION OF RECIPIENTS.—This title may not be construed to authorize the termination of assistance to any recipient receiving assistance under this Act before the date of enactment of this title as a result of the implementation of the demonstration program under this title.

''(d) EFFECT ON ABILITY TO COMPETE FOR OTHER PROGRAMS.—This title may not be construed to affect the ability of any applying or participating jurisdiction (or a public housing agency for any such jurisdiction) to compete or otherwise apply for or receive assistance under any other housing assistance program administered by the Secretary.

"SEC. 405. PROGRAM REQUIREMENTS.

''(a) APPLICABILITY OF CERTAIN PROVISIONS.—Notwithstanding section 404(a)(1), the Secretary may not waive, with respect to any participating jurisdiction, any of the following provisions:

''(1) The first sentence of paragraph (1) of section 3(a) (relating to eligibility of low-income families).

''(2) Section 16 (relating to income eligibility and targeting of assistance).

''(3) Paragraph (2) of section 3(a) (relating to rental payments for public housing families).

''(4) Paragraphs (2) and (3) of section 8(o) (to the extent such paragraphs limit the amount of rent paid by families assisted with tenant-based assistance).

''(5) Section 18 (relating to demolition or disposition of public housing).

''(b) COMPLIANCE WITH ASSISTANCE PLAN.—A participating jurisdiction shall provide assistance using amounts received pursuant to this title in the manner set forth in the plan of the jurisdiction approved by the Secretary under section 406(a)(2).

"SEC. 406. APPLICATION.

''(a) IN GENERAL.—The Secretary shall provide for jurisdictions to submit applications for approval to participate in the demonstration program under this title. An application—

''(1) shall be submitted only after the jurisdiction provides for citizen participation through a public hearing and, if appropriate, other means;

''(2) shall include a plan for the provision of housing assistance with amounts received pursuant to this title that—

''(A) is developed by the jurisdiction;

''(B) takes into consideration comments from the public hearing, any other public comments on the proposed program, and comments from current and prospective residents who would be affected; and

''(C) identifies each term or condition for which the jurisdiction is requesting waiver under section 404 (a)(1);

''(3) shall describe how the plan for use of amounts will assist in meeting the purposes of, and be used in accordance with, sections 401 and 402(a), respectively;

''(4) shall propose standards for measuring performance in using assistance provided pursuant to this title based on the performance standards under subsection (b)(4);

''(5) shall propose the length of the period for participation of the jurisdiction is in the demonstration program under this title;

''(6) shall—

''(A) in the case of the application of any jurisdiction within whose boundaries are areas subject to any other unit of general local government, include the signed consent of the appropriate executive official of such unit to the application; and

''(B) in the case of the application of a consortia of units of general local government (as provided under section 409(1)(B)), include the signed consent of the appropriate executive officials of each unit included in the consortia;

''(7) shall include information sufficient, in the determination of the Secretary—

''(A) to demonstrate that the jurisdiction has or will have management and administrative capacity sufficient to carry out the plan under paragraph (2), including a demonstration that the applicant has a history of effectively administering amounts provided under other programs of the Department of Housing and Urban Development, such as the community development block grant program, the HOME investment partnerships program, and the programs for assistance for the homeless under the Stewart B. McKinney Homeless Assistance Act;

''(B) to demonstrate that carrying out the plan will not result in excessive duplication of administrative efforts and costs, particularly with respect to activities performed by public housing agencies operating within the boundaries of the jurisdiction;

''(C) to describe the function and activities to be carried out by such public housing agencies affected by the plan; and

''(D) to demonstrate that the amounts received by the jurisdiction will be maintained separate from other funds available to the jurisdiction and will be used only to carry out the plan;

''(8) shall include information describing how the jurisdiction will make decisions regarding asset management of housing for low-income families under programs for covered housing assistance or assisted with grant amounts under this title;

''(9) shall—

''(A) clearly identify any State or local laws that will affect implementation of the plan under paragraph (2) and any contractual rights and property interests that may be affected by the plan;

''(B) describe how the plan will be carried out with respect to such laws, rights, and interests; and

''(C) contain a legal memorandum sufficient to describe how the plan will comply with such laws and how the plan will be carried out without violating or impairing such rights and interests; and

"(10) shall identify procedures for how the jurisdiction shall return to providing covered assistance for the jurisdiction under the provisions of title I, in the case of determination under subsection (b)(4)(B).

A plan required under paragraph (2) to be included in the application may be contained in a memorandum of agreement or other document executed by a jurisdiction and public housing agency, if such document is submitted together with the application.

"(b) REVIEW, APPROVAL, AND PERFORMANCE STANDARDS.—

"(1) REVIEW.—The Secretary shall review each application for participation in the demonstration program under this title and shall determine and notify the jurisdiction submitting the application, not later than 90 days after its submission, of whether the application is approvable under this title. If the Secretary determines that the application of a jurisdiction is approvable under this title, the Secretary shall provide affected public housing agencies an opportunity to review and to provide written comments on the application for a period of not less than 30 days after notification under the preceding sentence. If the Secretary determines that an application is not approvable under this title, the Secretary shall notify the jurisdiction submitting the application of the reasons for such determination. Upon making a determination of whether an application is approvable or nonapprovable under this title, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.

"(2) APPROVAL.—The Secretary may approve jurisdictions for participation in the demonstration program under this title, but only from among applications that the Secretary has determined under paragraph are approvable under this title and only in accordance with section 402(c). The Secretary shall base the selection of jurisdictions to approve on the potential success, as evidenced by the application, in—

"(A) achieving the goals set forth in the performance standards under paragraph (4)(A); and

"(B) increasing housing choices for low-income families.

"(3) AGREEMENT.—The Secretary shall offer to enter into an agreement with each jurisdiction approved for participation in the program under this title providing for assistance pursuant to this title for a period in accordance with section 402(b) and incorporating a requirement that the jurisdiction achieve a particular level of performance in each of the areas for which performance standards are established under paragraph (4)(A) of this subsection. If the Secretary and the jurisdiction enter into an agreement, the Secretary shall provide any covered housing assistance for the jurisdiction in the manner authorized under this title. The Secretary may not provide covered housing assistance for a jurisdiction in the manner authorized under this title unless the Secretary and jurisdiction enter into an agreement under this paragraph.

"(4) PERFORMANCE STANDARDS.—

"(A) ESTABLISHMENT.—The Secretary and each participating jurisdiction may collectively establish standards for evaluating the performance of the participating jurisdiction in meeting the purposes under section 401 of this title, which may include standards for—

"(i) moving dependent low-income families to economic self-sufficiency;

"(ii) reducing the per-family cost of providing housing assistance;

"(iii) expanding the stock of affordable housing and housing choices for low-income families;

"(iv) improving program management;

"(v) increasing the number of homeownership opportunities for low-income families;

"(vi) reducing homelessness through providing permanent housing resources;

"(vii) reducing geographic concentration of assisted families; and

"(viii) any other performance goals that the Secretary and the participating jurisdiction may establish.

"(B) FAILURE TO COMPLY.—If, at any time during the participation of a jurisdiction in the program under this title, the Secretary determines that the jurisdiction is not sufficiently meeting, or making progress toward meeting, the levels of performance incorporated into the agreement of the jurisdiction pursuant to subparagraph (A), the Secretary shall terminate the participation of the jurisdiction in the program under this title and require the implementation of the procedures included in the application of the jurisdiction pursuant to subsection (a)(10).

"(5) TROUBLED AGENCIES.—The Secretary may establish requirements for the approval of applications under this section submitted by public housing agencies designated under section 6(j)(2) as troubled, which may include additional or different criteria determined by the Secretary to be more appropriate for such agencies.

"(c) STATUS OF PHAS.—This title may not be construed to require any change in the legal status of any public housing agency or in any legal relationship between a jurisdiction and a public housing agency as a condition of participation in the program under this title.

"(d) PHA PLANS.—In carrying out this title, the Secretary may provide for a streamlined public housing agency plan and planning process under section 5A for participating jurisdictions.

"SEC. 407. TRAINING.

"The Secretary, in consultation with representatives of public and assisted housing interests, may provide training and technical assistance relating to providing assistance under this title and may conduct detailed evaluations of up to 30 jurisdictions for the purpose of identifying replicable program models that are successful at carrying out the purposes of this title.

"SEC. 408. ACCOUNTABILITY.

"(a) MAINTENANCE OF RECORDS.—Each participating jurisdiction shall maintain such records as the Secretary may require to—

"(1) document the amounts received by the jurisdiction under this Act and the disposition of such amounts under the demonstration program under this title;

"(2) ensure compliance by the jurisdiction with this title; and

"(3) evaluate the performance of the jurisdiction under the demonstration program under this title.

"(b) REPORTS.—Each participating jurisdiction shall annually submit to the Secretary a report in a form and at a time specified by the Secretary, which shall include—

"(1) documentation of the use of amounts made available to the jurisdiction under this title;

"(2) any information as the Secretary may request to assist the Secretary in evaluating the demonstration program under this title; and

"(3) a description and analysis of the effect of assisted activities in addressing the objectives of the demonstration program under this title.

"(c) ACCESS TO DOCUMENTS BY SECRETARY AND COMPTROLLER GENERAL.—The Secretary and the Comptroller General of the United States, or any duly authorized representative of the Secretary or the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records maintained by a participating jurisdiction that relate to the demonstration program under this title.

"(d) PERFORMANCE REVIEW AND EVALUATION.—

"(1) PERFORMANCE REVIEW.—Based on the performance standards established under section 406(b)(4), the Secretary shall monitor the performance of participating jurisdictions in providing assistance under this title.

"(2) STATUS REPORT.—Not later than 60 days after the conclusion of the second year of the demonstration program under this title, the Secretary shall submit to Congress an interim report on the status of the demonstration program and the progress each participating jurisdiction in achieving the purposes of the demonstration program under section 401.

"SEC. 409. DEFINITIONS.

"For purposes of this title, the following definitions shall apply:

"(1) JURISDICTION.—The term 'jurisdiction' means—

"(A) a unit of general local government (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act) that has boundaries, for purposes of carrying out this title, that—

"(i) wholly contain the area within which a public housing agency is authorized to operate; and

"(ii) do not contain any areas contained within the boundaries of any other participating jurisdiction; and

"(B) a consortia of such units of general local government, organized for purposes of this title.

"(2) PARTICIPATING JURISDICTION.—The term 'participating jurisdiction' means, with respect to a period for which such an agreement is made, a jurisdiction that has entered into an agreement under section 406(b)(3) to receive assistance pursuant to this title for such fiscal year.

"SEC. 410. TERMINATION AND EVALUATION.

"(a) TERMINATION.—The demonstration program under this title shall terminate not less than 2 and not more than 5 years after the date on which the demonstration program is commenced.

"(b) EVALUATION.—Not later than 6 months after the termination of the demonstration program under this title, the Secretary shall submit to the Congress a final report, which shall include—

"(1) an evaluation the effectiveness of the activities carried out under the demonstration program; and

"(2) any findings and recommendations of the Secretary for any appropriate legislative action.

"SEC. 411. APPLICABILITY.

"This title shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.".

Subtitle E—Accountability and Oversight of Public Housing Agencies

SEC. 563. STUDY OF ALTERNATIVE METHODS FOR EVALUATING PUBLIC HOUSING AGENCIES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall provide under subsection (e) for a study to be conducted to determine the effectiveness of various alternative methods of evaluating the performance of public housing agencies and other providers of federally assisted housing.

(b) PURPOSES.—The purposes of the study under this section shall be—

(1) to identify and examine various methods of evaluating and improving the performance of public housing agencies in administering public housing and tenant-based rental assistance programs and of other providers of federally assisted housing, which are alternatives to oversight by the Department of Housing and Urban Development; and

(2) to identify specific monitoring and oversight activities currently conducted by the Department of Housing and Urban Development

and to evaluate whether such activities should be eliminated, expanded, modified, or transferred to other entities (including governmental and private entities) to increase accuracy and effectiveness and improve monitoring.

(c) EVALUATION OF VARIOUS PERFORMANCE EVALUATION SYSTEMS.—To carry out the purposes under subsection (b), the study under this section shall identify, and analyze the advantages and disadvantages of various methods of regulating and evaluating the performance of public housing agencies and other providers of federally assisted housing, including the following methods:

(1) CURRENT SYSTEM.—The system pursuant to the United States Housing Act of 1937, including the methods and requirements under such system for reporting, auditing, reviewing, sanctioning, and monitoring of such agencies and housing providers and the public housing management assessment program pursuant to section 6(j) of the United States Housing Act of 1937.

(2) ACCREDITATION MODELS.—Various models that are based upon accreditation of such agencies and housing providers, subject to the following requirements:

(A) The study shall identify and analyze various models used in other industries and professions for accreditation and determine the extent of their applicability to the programs for public housing and federally assisted housing.

(B) If any accreditation models are determined to be applicable to the public and federally assisted housing programs, the study shall identify appropriate goals, objectives, and procedures for an accreditation program for such agencies and housing providers.

(C) The study shall evaluate the feasibility and merit of establishing an independent accreditation and evaluation entity to assist, supplement, or replace the role of the Department of Housing and Urban Development in assessing and monitoring the performance of such agencies and housing providers.

(D) The study shall identify the necessary and appropriate roles and responsibilities of various entities that would be involved in an accreditation program, including the Department of Housing and Urban Development, the Inspector General of the Department, an accreditation entity, independent auditors and examiners, local entities, and public housing agencies.

(E) The study shall estimate the costs involved in developing and maintaining such an independent accreditation program.

(3) PERFORMANCE BASED MODELS.—Various performance-based models, including systems that establish performance goals or targets, assess the compliance with such goals or targets, and provide for incentives or sanctions based on performance relative to such goals or targets.

(4) LOCAL REVIEW AND MONITORING MODELS.—Various models providing for local, resident, and community review and monitoring of such agencies and housing providers, including systems for review and monitoring by local and State governmental bodies and agencies.

(5) PRIVATE MODELS.—Various models using private contractors for review and monitoring of such agencies and housing providers.

(6) OTHER MODELS.—Various models of any other systems that may be more effective and efficient in regulating and evaluating such agencies and housing providers.

(d) CONSULTATION.—The entity that, pursuant to subsection (e), carries out the study under this section shall, in carrying out the study, consult with individuals and organizations experienced in managing public housing, private real estate managers, representatives from State and local governments, residents of public housing, families and individuals receiving tenant-based assistance, the Secretary of Housing and Urban Development, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States.

(e) CONTRACT TO CONDUCT STUDY.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall enter into a contract, within 90 days of the enactment of this Act, with a public or nonprofit private entity to conduct the study under this section, using amounts made available pursuant to subsection (g).

(2) NATIONAL ACADEMY OF PUBLIC ADMINISTRATION.—The Secretary shall request the National Academy of Public Administration to enter into the contract under paragraph (1) to conduct the study under this section. If such Academy declines to conduct the study, the Secretary shall carry out such paragraph through other public or nonprofit private entities, selected through a competitive process.

(f) REPORT.—

(1) INTERIM REPORT.—The Secretary shall ensure that, not later than the expiration of the 6-month period beginning on the date of the execution of the contract under subsection (e)(1), the entity conducting the study under this section submits to the Congress an interim report describing the actions taken to carry out the study, the actions to be taken to complete the study, and any findings and recommendations available at the time.

(2) FINAL REPORT.—The Secretary shall ensure that—

(A) not later than the expiration of the 12-month period beginning on the date of the execution of the contract under subsection (e)(1), the study required under this section is completed and a report describing the findings and recommendations as a result of the study is submitted to the Congress; and

(B) before submitting the report under this paragraph to the Congress, the report is submitted to the Secretary, national organizations for public housing agencies, and other appropriate national organizations at such time to provide the Secretary and such agencies an opportunity to review the report and provide written comments on the report, which shall be included together with the report upon submission to the Congress under subparagraph (A).

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 564. PUBLIC HOUSING MANAGEMENT ASSESSMENT PROGRAM.

Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B) and inserting the following new subparagraph:

"(B) The amount and percentage of funds provided to the public housing agency from the Capital Fund under section 9(d) which remain unobligated by the public housing agency after 3 years.";

(B) in subparagraph (D), by striking "energy" and inserting "utility";

(C) by transferring and inserting subparagraph (E) after subparagraph (D);

(D) by redesignating subparagraph (H) as subparagraph (K); and

(E) by inserting after subparagraph (G) the following new subparagraphs:

"(H) The extent to which the public housing agency—

"(i) coordinates, promotes, or provides effective programs and activities to promote the economic self-sufficiency of public housing residents; and

"(ii) provides public housing residents with opportunities for involvement in the administration of the public housing.

"(I) The extent to which the public housing agency—

"(i) implements effective screening and eviction policies and other anticrime strategies; and

"(ii) coordinates with local government officials and residents in the project and implementation of such strategies.

"(J) The extent to which the public housing agency is providing acceptable basic housing conditions.";

(2) in paragraph (2)—

(A) in subparagraph (A)(i)—

(i) by inserting after the first sentence the following: "Such procedures shall provide that an agency that fails on a widespread basis to provide acceptable basic housing conditions for its residents shall be designated as a troubled public housing agency. The Secretary may use a simplified set of indicators for public housing agencies with less than 250 public housing units."; and

(ii) by striking "under section 14" and inserting "for assistance from the Capital Fund under section 9(d);

(B) in subparagraph (A)(iii), by striking "under section 14" and inserting"for assistance from the Capital Fund under section 9(d)";

(C) in subparagraph (B)(i)—

(i) by inserting "with more than 250 units" after "public housing agency"; and

(ii) by striking "review conducted under section 14(p)" and inserting "comparable and recent review"; and

(D) in the first sentence of subparagraph (C), by inserting "(if applicable)" after "subparagraph (B)";

(3) in paragraph (5)(F), as so redesignated by the preceding provisions of this Act, by striking "program under section 14" and all that follows and inserting "program for assistance from the Capital Fund under section 9(d) and specifies the amount of assistance the agency received under such program."; and

(4) by adding at the end the following new paragraphs:

"(6)(A) To the extent that the Secretary determines such action to be necessary in order to ensure the accuracy of any certification made under this section, the Secretary shall require an independent auditor to review documentation or other information maintained by a public housing agency pursuant to this section to substantiate each certification submitted by the agency or corporation relating to the performance of that agency or corporation.

"(B) The Secretary may withhold, from assistance otherwise payable to the agency or corporation under section 9, amounts sufficient to pay for the reasonable costs of any review under this paragraph.

"(7) The Secretary shall apply the provisions of this subsection to resident management corporations in the same manner as applied to public housing agencies.".

SEC. 565. EXPANSION OF POWERS FOR DEALING WITH PUBLIC HOUSING AGENCIES IN SUBSTANTIAL DEFAULT.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (i) and inserting the following new clause:

"(i) solicit competitive proposals from other public housing agencies and private housing management agents which (I) in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary, and (II) if appropriate, shall provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other programs of the agency;";

(B) in clause (iii), by striking "under section 14" and inserting "from the Capital Fund under section 9(d)"; and

(C) by striking clause (iv) and inserting the following new clauses:

"(iv) take possession of all or part of the public housing agency, including all or part of any project or program of the agency, including any project or program under any other provision of this title; and

"(v) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and families assisted under section 8 for managing all, or part, of the public housing administered by the agency or of the programs of the agency."; and

(2) by striking subparagraphs (B) through (D) and inserting the following new subparagraphs:

"(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

"(ii)(I) Upon the expiration of the 1-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), by at least 50 percent of the difference between the most recent performance measurement and the measurement necessary to remove that agency's designation as troubled.

"(II) Upon the expiration of the 2-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), such that the agency is no longer designated as troubled.

"(III) In the event that a public housing agency designated as troubled under this subsection fails to comply with the requirements set forth in subclause (I) or (II), the Secretary shall—

"(aa) in the case of a troubled public housing agency with 1,250 or more units, petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

"(bb) in the case of a troubled public housing agency with fewer than 1,250 units, either petition for the appointment of a receiver pursuant to subparagraph (A)(ii), or take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

This subparagraph shall not be construed to limit the courses of action available to the Secretary under subparagraph (A).

"(IV) During the period between the date on which a petition is filed under subclause (III)(aa) and the date on which a receiver assumes responsibility for the management of the public housing agency under such subclause, the Secretary may take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

"(C) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

"(i) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the receiver determines that reasonable efforts to renegotiate such contract have failed;

"(ii) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

"(iii) if determined to be appropriate by the Secretary, may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(iv) if determined to be appropriate by the Secretary, may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies; and

"(v) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default.

"(D)(i) If, pursuant to subparagraph (A)(iv), the Secretary takes possession of all or part of the public housing agency, including all or part of any project or program of the agency, the Secretary—

"(I) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the written determination of the Secretary (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the Secretary determines that reasonable efforts to renegotiate such contract have failed;

"(II) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

"(III) may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(IV) may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies;

"(V) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the Secretary's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default; and

"(VI) shall, without any action by a district court of the United States, have such additional authority as a district court of the United States would have the authority to confer upon a receiver to achieve the purposes of the receivership.

"(ii) If, pursuant to subparagraph (B)(ii)(III)(bb), the Secretary appoints an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency), the Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate and subject to clause (iii).

"(iii) An administrative receiver may not take an action described in subclause (III) or (IV) of clause (i) unless the Secretary first approves an application by the administrative receiver to authorize such action.

"(E) The Secretary may make available to receivers and other entities selected or appointed pursuant to this paragraph such assistance as the Secretary determines in the discretion of the Secretary is necessary and available to remedy the substantial deterioration of living conditions in individual public housing projects or other related emergencies that endanger the health, safety, and welfare of public housing residents or families assisted under section 8. A decision made by the Secretary under this paragraph shall not be subject to review in any court of the United States, or in any court of any State, territory, or possession of the United States.

"(F) In any proceeding under subparagraph (A)(ii), upon a determination that a substantial default has occurred and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of all or part of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, or any other person or appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(G) The appointment of a receiver pursuant to this paragraph may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the public housing agency is capable again of discharging its duties.

"(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including all or part of any project or program of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to be acting not in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to that liability occurred while the Secretary or receiver was in possession of all or part of the public housing agency (including all or part of any project or program of the agency), shall be the liability of the public housing agency.".

(b) APPLICABILITY.—The provisions of, and duties and authorities conferred or confirmed by, the amendments made by subsection (a) shall apply with respect to any action taken before, on, or after the effective date of this Act and shall apply to any receiver appointed for a public housing agency before the date of enactment of this Act.

(c) TECHNICAL CORRECTION REGARDING APPLICABILITY TO SECTION 8.—Section 8(h) of the United States Housing Act of 1937 is amended by inserting "(except as provided in section 6(j)(3))" after "section 6".

(d) IMPLEMENTATION.—The Secretary may administer the amendments made by subsection (a) as necessary to ensure the efficient and effective initial implementation of this section.

(e) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 566. AUDITS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended *by inserting after subsection (g) the following new subsection:*

"(h) AUDITS.—

"(1) BY SECRETARY AND COMPTROLLER GENERAL.—Each contract for contributions for any assistance under this Act to a public housing agency shall provide that the Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency that are pertinent to this Act and to its operations with respect to financial assistance under the this Act.

"(2) WITHHOLDING OF AMOUNTS FOR AUDITS UNDER SINGLE AUDIT ACT.—The Secretary may, in the sole discretion of the Secretary, arrange for and pay the costs of an audit required under chapter 75 of title 31, United States Code. In such circumstances, the Secretary may withhold, from assistance otherwise payable to the agency under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit, including, when appropriate, the reasonable costs of accounting services necessary to place the agency's books and records in auditable condition. As agreed to by the Secretary and the Inspector General, the Inspector General may arrange for an audit under this paragraph.".

SEC. 567. ADVISORY COUNCIL FOR HOUSING AUTHORITY OF NEW ORLEANS.

(a) ESTABLISHMENT.—The Secretary and the Housing Authority of New Orleans (in this section referred to as the "Housing Authority") shall, pursuant to the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, establish an advisory council for the Housing Authority of New Orleans (in this section referred to as the "advisory council") that complies with the requirements of this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory council shall be appointed by the Secretary, not later than 90 days after the date of the enactment of this Act, and shall be composed of the following members:

(A) The Inspector General of the Department of Housing and Urban Development (or the Inspector General's designee).

(B) Not more than 7 other members, who shall be selected for appointment based on their experience in successfully reforming troubled public housing agencies or in providing affordable housing in coordination with State and local governments, the private sector, affordable housing residents, or local nonprofit organizations.

(2) PROHIBITION ON ADDITIONAL PAY.—Members of the advisory council shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board using amounts made available for technical assistance under section 9(h) of the United States Housing Act of 1937 (as amended by this Act).

(c) FUNCTIONS.—The advisory council shall—

(1) establish standards and guidelines for assessing the performance of the Housing Authority in carrying out operational, asset management, and financial functions for purposes of the reports and finding under subsections (d) and (e), respectively;

(2) provide advice, expertise, and recommendations to the Housing Authority regarding the management, operation, repair, redevelopment, revitalization, demolition, and disposition of public housing projects of the Housing Authority;

(3) report to the Congress under subsection (d) regarding any progress of the Housing Authority in improving the performance of its functions; and

(4) make a final finding to the Congress under subsection (e) regarding the future of the Housing Authority.

(d) QUARTERLY REPORTS.—The advisory council shall report to the Congress and the Secretary not less than every 3 months regarding the performance of the Housing Authority and any progress of the authority in improving its performance and carrying out its functions.

(e) FINAL FINDING.—Upon the expiration of the 18-month period that begins upon the appointment under subsection (b)(1) of all members of the advisory council, the advisory council shall make and submit to the Congress and the Secretary a finding of whether the Housing Authority has substantially improved its performance, the performance of its functions, and the overall condition of the Authority such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority. In making the finding under this subsection, the advisory council shall consider whether the Housing Authority has made sufficient progress in the demolition and revitalization of the Desire Homes project, the revitalization of the St. Thomas Homes project, the appropriate allocation of operating subsidy amounts, and the appropriate expending of modernization amounts.

(f) RECEIVERSHIP.—If the advisory council finds under subsection (e) that the Housing Authority has not substantially improved its performance in a manner sufficient that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority, the Secretary shall (notwithstanding the conditions required under section 6(j)(3)(A) of the United States Housing Act of 1937 for action under such section) petition under clause (ii) of section 6(j)(3)(A) for the appointment of a receiver for the Housing Authority, which receivership shall be subject to the provisions of such section.

(g) REGULAR REMEDIES.—Nothing in this section, or in the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, may be construed to prevent the Secretary from taking any action with respect to the Housing Authority, in accordance with such section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)), as amended by this Act, that is authorized under section.

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 568. TREATMENT OF TROUBLED PHA'S.

Section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705) is amended by adding at the end the following new subsection:

"(g) TREATMENT OF TROUBLED PUBLIC HOUSING AGENCIES.—

"(1) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under this section unless such plan includes a description of the manner in which the State or unit will provide financial or other assistance to such troubled agency in improving its operations to remove such designation.

"(2) DEFINITION.—For purposes of this subsection, the term 'troubled public housing agency' means a public housing agency that, upon the effective date of the Quality Housing and Work Responsibility Act of 1998, is designated under section 6(j)(2) of the United States Housing Act of 1937 as a troubled public housing agency.".

Subtitle F—Safety and Security in Public and Assisted Housing

SEC. 575. PROVISIONS APPLICABLE ONLY TO PUBLIC HOUSING AND SECTION 8 ASSISTANCE.

(a) DRUG-RELATED AND CRIMINAL ACTIVITY UNDER PUBLIC HOUSING GRIEVANCE PROCEDURE.—Section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k)) is amended, in the matter following paragraph (6)—

(1) by inserting "violent or" before "drug-related"; and

(2) by inserting "or any activity resulting in a felony conviction," after "on or off such premises,".

(b) TERMINATION OF TENANCY IN PUBLIC HOUSING.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) in paragraph (4) (as so redesignated by the preceding provisions of this Act)—

(A) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) a reasonable period of time, but not to exceed 30 days—

"(i) if the health or safety of other tenants, public housing agency employees, or persons residing in the immediate vicinity of the premises is threatened; or

"(ii) in the event of any drug-related or violent criminal activity or any felony conviction;"; and

(B) in subparagraph (C), by inserting before the semicolon at the end the following: ", except that if a State or local law provides for a shorter period of time, such shorter period shall apply";

(2) in paragraph (7) (as so redesignated by the preceding provisions of this Act), by striking "and" at the end;

(4) by inserting after paragraph (7) (as so redesignated by the preceding provisions of this Act), the following new paragraph:

"(7) provide that any occupancy in violation of section 576(b) of the Quality Housing and Work Responsibility Act of 1998 (relating to ineligibility of illegal drug users and alcohol abusers) or the furnishing of any false or misleading information pursuant to section 577 of such Act (relating to termination of tenancy and assistance for illegal drug users and alcohol abusers) shall be cause for termination of tenancy;".

(c) AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.—Section 6(q) of the United States Housing Act of 1937 (42 U.S.C. 1437d(q)(1)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "subparagraph (B)" and inserting "subparagraph (C)"; and

(ii) by striking "public housing" and inserting "covered housing assistance";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) REQUESTS BY OWNERS OF PROJECT-BASED SECTION 8 HOUSING.—A public housing agency may make a request under subparagraph (A) for information regarding applicants for, or tenants of, housing that is provided project-based assistance under section 8 only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency obtain such information on behalf of the owner. Upon such a request by the owner, the agency shall make a request under subparagraph (A) for the information. The agency may not make such information available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.";

(2) in paragraph (3)—

(A) by striking "FEE" and inserting "FEES"; and

(B) by adding at the end the following new sentence: "In the case of a public housing agency obtaining information pursuant to paragraph (1)(B) for another owner of housing, the agency may pass such fee on to the owner initiating the request and may charge additional reasonable fees for making the request on behalf of the owner and taking other actions for owners under this subsection.";

(3) by striking paragraph (5) and inserting the following new paragraph:

"(8) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) ADULT.—The term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

"(B) COVERED HOUSING ASSISTANCE.—The term 'covered housing assistance' means—

"(i) a dwelling unit in public housing;

"(ii) a dwelling unit in housing that is provided project-based assistance under section 8, including new construction and substantial rehabilitation projects; and

"(iii) tenant-based assistance under section 8.

"(C) OWNER.—The term 'owner' means, with respect to covered housing assistance described in subparagraph (B)(ii), the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in the housing assisted."; and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) CONFIDENTIALITY.—A public housing agency receiving information under this subsection may use such information only for the purposes provided in this subsection and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the agency and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this subsection to a public housing agency is used, and confidentiality of such information is maintained, as required under this subsection. The Secretary shall establish standards for confidentiality of information obtained under this subsection by public housing agencies on behalf of owners.

"(6) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of, covered housing assistance pursuant to the authority under this subsection under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term 'person' as used in this paragraph include an officer, employee, or authorized representative of any public housing agency.

"(7) CIVIL ACTION.—Any applicant for, or tenant of, covered housing assistance affected by (A) a negligent or knowing disclosure of information referred to in this subsection about such person by an officer, employee, or authorized representative of any public housing agency, which disclosure is not authorized by this subsection, or (B) any other negligent or knowing action that is inconsistent with this subsection, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or tenant resides, in which such unauthorized action occurred, or in which the officer, employee, or representative alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.".

(d) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(t) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—A public housing agency may require, as a condition of providing admission to the public housing program or assisted housing program under the jurisdiction of the public housing agency, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain records described in subsection (q)(1) regarding such member of the household from the National Crime Information Center, police departments, and other law enforcement agencies.".

(e) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(u) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—

"(1) AUTHORITY.—Notwithstanding any other provision of law other than the Public Health Service Act (42 U.S.C. 201 et seq.), a public housing agency may require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the agency to receive information from a drug abuse treatment facility that is solely related to whether the applicant is currently engaging in the illegal use of a controlled substance.

"(2) CONFIDENTIALITY OF APPLICANT'S RECORDS.—

"(A) LIMITATION ON INFORMATION REQUESTED.—In a form of written consent, a public housing agency may request only whether the drug abuse treatment facility has reasonable cause to believe that the applicant is currently engaging in the illegal use of a controlled substance.

"(B) RECORDS MANAGEMENT.—Each public housing agency that receives information under this subsection from a drug abuse treatment facility shall establish and implement a system of records management that ensures that any information received by the public housing agency under this subsection—

"(i) is maintained confidentially in accordance with section 543 of the Public Health Service Act (12 U.S.C. 290dd–2);

"(ii) is not misused or improperly disseminated; and

"(iii) is destroyed, as applicable—

"(I) not later than 5 business days after the date on which the public housing agency gives final approval for an application for admission; or

"(II) if the public housing agency denies the application for admission, in a timely manner after the date on which the statute of limitations for the commencement of a civil action from the applicant based upon that denial of admission has expired.

"(C) EXPIRATION OF WRITTEN CONSENT.—In addition to the requirements of subparagraph (B), an applicant's signed written consent shall expire automatically after the public housing agency has made a final decision to either approve or deny the applicant's application for admittance to public housing.

"(3) PROHIBITION OF DISCRIMINATORY TREATMENT OF APPLICANTS.—

"(A) FORMS SIGNED.—A public housing agency may only require an applicant for admission to public housing to sign one or more forms of written consent under this subsection if the public housing agency requires all such applicants to sign the same form or forms of written consent.

"(B) CIRCUMSTANCES OF INQUIRY.—A public housing agency may only make an inquiry to a drug abuse treatment facility under this subsection if—

"(i) the public housing agency makes the same inquiry with respect to all applicants; or

"(ii) the public housing agency only makes the same inquiry with respect to each and every applicant with respect to whom—

"(I) the public housing agency receives information from the criminal record of the applicant that indicates evidence of a prior arrest or conviction; or

"(II) the public housing agency receives information from the records of prior tenancy of the applicant that demonstrates that the applicant—

"(aa) engaged in the destruction of property;

"(bb) engaged in violent activity against another person; or

"(cc) interfered with the right of peaceful enjoyment of the premises of another tenant.

"(4) FEE PERMITTED.—A drug abuse treatment facility may charge a public housing agency a reasonable fee for information provided under this subsection.

"(5) DISCLOSURE PERMITTED BY TREATMENT FACILITIES.—A drug abuse treatment facility shall not be liable for damages based on any information required to be disclosed pursuant to this subsection if such disclosure is consistent with section 543 of the Public Health Service Act (42 U.S.C. 290dd–2).

"(6) OPTION TO NOT REQUEST INFORMATION.—A public housing agency shall not be liable for damages based on its decision not to require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the public housing agency to receive information from a drug abuse treatment facility under this subsection.

"(7) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) DRUG ABUSE TREATMENT FACILITY.—The term 'drug abuse treatment facility' means an entity that—

"(i) is—

"(I) an identified unit within a general medical care facility; or

"(II) an entity other than a general medical care facility; and

"(ii) holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal use of a controlled substance.

"(B) CONTROLLED SUBSTANCE.—The term 'controlled substance' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"(C) CURRENTLY ENGAGING IN THE ILLEGAL USE OF A CONTROLLED SUBSTANCE.—The term 'currently engaging in the illegal use of a controlled substance' means the illegal use of a controlled substance that occurred recently enough to justify a reasonable belief that an applicant's illegal use of a controlled substance is current or that continuing illegal use of a controlled substance by the applicant is a real and ongoing problem.

"(8) EFFECTIVE DATE.—This subsection shall take effect upon enactment and without the necessity of guidance from, or any regulation issued by, the Secretary.".

SEC. 576. SCREENING OF APPLICANTS FOR FEDERALLY ASSISTED HOUSING.

(a) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG CRIMES.—Any tenant evicted from federally assisted housing by reason of drug-related criminal activity (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) shall not be eligible for federally assisted housing during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(A) who the public housing agency or owner determines is illegally using a controlled substance; or

(B) with respect to whom the public housing agency or owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1)(B), to deny admission to the program or federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—Except as provided in subsections (a) and (b) of this section and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing (as applicable) determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or public housing agency employees, the public housing agency or owner may—

(1) deny such applicant admission to the program or to federally assisted housing; and

(2) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

(d) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(1) in section 6—

(A) by striking subsection (r); and

(B) by redesignating subsections (s), (t), and (u) (as added by the preceding provisions of this Act) as subsections (r), (s), and (t), respectively; and

(2) in section 16 (42 U.S.C. 1437n), by striking subsection (e).

SEC. 577. TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS IN FEDERALLY ASSISTED HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing (as applicable), shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow the agency or owner (as applicable) to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is illegally using a controlled substance; or

(2) whose illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subsection (a)(2), to terminate tenancy or assistance to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(1) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(2) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(3) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

SEC. 578. INELIGIBILITY OF DANGEROUS SEX OFFENDERS FOR ADMISSION TO PUBLIC HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, an owner of federally assisted housing shall prohibit admission to such housing for any household that includes any individual who is subject to a lifetime registration requirement under a State sex offender registration program.

(b) OBTAINING INFORMATION.—As provided in regulations issued by the Secretary to carry out this section—

(1) a public housing agency shall carry out criminal history background checks on applicants for federally assisted housing and make further inquiry with State and local agencies as necessary to determine whether an applicant for federally assisted housing is subject to a lifetime registration requirement under a State sex offender registration program; and

(2) State and local agencies responsible for the collection or maintenance of criminal history record information or information on persons required to register as sex offenders shall comply with requests of public housing agencies for information pursuant to this section.

(c) REQUESTS BY OWNERS FOR PHA'S TO OBTAIN INFORMATION.—A public housing agency may take any action under subsection (b) regarding applicants for, or tenants of, federally assisted housing other than federally assisted housing described in subparagraph (A) or (B) of section 579(a)(2), but only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency take such action on behalf of the owner. Upon such a request by the owner, the agency shall take the action requested under subsection (b). The agency may not make any information obtained pursuant to the action under subsection (b) available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.

(d) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with respect to an applicant for federally assisted housing on the basis that an individual is subject to a lifetime registration requirement under a State sex offender registration program, the public housing agency obtaining the record shall provide the tenant or applicant with a copy of the registration information and an opportunity to dispute the accuracy and relevance of that information.

(e) FEE.—A public housing agency may be charged a reasonable fee for taking actions under subsection (b). In the case of a public housing agency taking actions on behalf of another owner of federally assisted housing pursuant to subsection (c), the agency may pass such fee on to the owner making the request and may charge an additional reasonable fee for making the request on behalf of the owner.

(f) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record or information regarding a lifetime registration requirement under a State sex offender registration program that is obtained under this section by the public housing agency is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed, once the purpose for which the record was requested has been accomplished.

SEC. 579. DEFINITIONS.

(a) DEFINITIONS.—For purposes of this subtitle, the following definitions shall apply:

(1) DRUG-RELATED CRIMINAL ACTIVITY.—The term "drug-related criminal activity" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(2) FEDERALLY ASSISTED HOUSING.—The term "federally assisted housing" means a dwelling unit—

(A) in public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a));

(B) assisted with tenant-based assistance under section 8 of the United States Housing Act of 1937;

(C) in housing that is provided project-based assistance under section 8 of the United States Housing Act of 1937, including new construction and substantial rehabilitation projects;

(D) in housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(E) in housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(F) in housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(G) in housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(H) in housing insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

(I) in housing assisted under section 514 or 515 of the Housing Act of 1949.

(3) OWNER.—The term "owner" means, with respect to federally assisted housing, the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in such housing.

Subtitle G—Repeals and Related Provisions

SEC. 581. ANNUAL REPORT.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Secretary shall submit a report to the Congress on—

(1) the impact of the amendments made by this Act on—

(A) the demographics of public housing residents and families receiving tenant-based assistance under the United States Housing Act of 1937; and

(B) the economic viability of public housing agencies; and

(2) the effectiveness of the rent policies established by this Act and the amendments made by this Act on the employment status and earned income of public housing residents.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 582. REPEALS RELATING TO PUBLIC HOUSING AND SECTION 8 PROGRAMS.

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a–1).

(2) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(3) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(4) MISCELLANEOUS PROVISIONS.—Subsections (b)(1) and (c) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(5) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(6) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(7) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(8) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(9) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(10) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(11) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(12) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712).

(13) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(14) MULTIFAMILY FINANCING.—The penultimate sentence of section 302(b)(2) of the National Housing Act (12 U.S.C. 1717(b)(2)) and the penultimate sentence of section 305(a)(2) of the Emergency Home Finance Act of 1970 (12 U.S.C. 1454(a)(2)).

(15) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(b) SAVINGS PROVISION.—Except to the extent otherwise provided in this Act, the repeals made by subsection (a) shall not affect any legally binding obligations entered into before the effective date under section 503(a) of this Act.

SEC. 583. PUBLIC HOUSING FLEXIBILITY IN CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by transferring and inserting the flush material that precedes the first paragraph that is designated as (17) (relating to abbreviated housing strategies and consisting of 2 sentences) to the end of the subsection (following the last numbered paragraph);

(2) by redesignating the second paragraph that is designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3830)) as paragraph (20);

(3) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3761)) as paragraph (19);

(4) in the second paragraph designated as paragraph (16) (as so designated by section 220(c)(1) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3762))—

(A) by striking "and" at the end; and

(B) by striking "(16)" and inserting "(18)";

(5) in paragraph (16) (as added by section 1014(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3908))—

(A) by striking the period at the end and inserting a semicolon; and

(B) by striking "(16)" and inserting "(17)";

(6) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(7) by inserting after paragraph (10) the following new paragraph:

"(11) describe the manner in which the plan of the jurisdiction will help address the needs of public housing;".

SEC. 584. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 585. GAO STUDY ON HOUSING ASSISTANCE PROGRAM COSTS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study that provides an objective and independent accounting and analysis of the full cost to the Federal Government, public housing agencies, State and local governments, and other entities, per assisted household, of the Federal assisted housing programs, taking into account the qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(b) CONTENTS.—The study under this section shall—

(1) analyze the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs, in accordance with generally accepted accounting principles, and shall conduct the analysis on a nationwide and regional basis and in a manner such that accurate per unit cost comparisons may be made between Federal assisted housing programs, including grants, direct subsidies, tax concessions, Federal mortgage insurance liability, periodic renovation and rehabilitation, and modernization costs, demolition costs, and other ancillary costs such as security; and

(2) measure and evaluate qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(c) PROHIBITION OF RECOMMENDATIONS.—In conducting the study under this section and reporting under subsection (e), the Comptroller General may not make any recommendations regarding Federal housing policy.

(d) FEDERAL ASSISTED HOUSING PROGRAMS.—For purposes of this section, the term "Federal assisted housing programs" means—

(1) the public housing program under the United States Housing Act of 1937, except that the study under this section shall differentiate between and compare the development and construction of new public housing and the assistance of existing public housing structures;

(2) the certificate program for rental assistance under section 8(b)(1) of the United States Housing Act of 1937;

(3) the voucher program for rental assistance under section 8(o) of the United States Housing Act of 1937;

(4) the programs for project-based assistance under section 8 of the United States Housing Act of 1937;

(5) the rental assistance payments program under section 521(a)(2)(A) of the Housing Act of 1949;

(6) the program for housing for the elderly under section 202 of the Housing Act of 1959;

(7) the program for housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(8) the program for financing housing by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(9) the program under section 236 of the National Housing Act;

(10) the program for construction or substantial rehabilitation under section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983; and

(11) any other program for housing assistance administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture, under which occupancy in the housing assisted or housing assistance provided is based on income, as the Comptroller General may determine.

(e) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a final report which shall contain the results of the study under this section, including the analysis and estimates required under subsection (b).

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 586. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE.—This section may be cited as the "Public and Assisted Housing Drug Elimination Program Amendments of 1998".

(b) FINDINGS.—Section 5122 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901) is amended—

(1) in paragraph (2), by inserting "or violent" after "drug-related";

(2) in paragraph (4)—

(A) by inserting "and violent" after "drug-related"; and

(B) by striking "and" at the end;

(3) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following new paragraphs:

"(6) the Federal Government should provide support for effective safety and security measures to combat drug-related and violent crime, primarily in and around public housing projects with severe crime problems;

"(7) closer cooperation should be encouraged between public and assisted housing managers, local law enforcement agencies, and residents in developing and implementing anti-crime programs; and

"(8) anti-crime strategies should be improved through the expansion of community-oriented policing initiatives.".

(c) AUTHORITY TO MAKE GRANTS.—Section 5123 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11902) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The";

(2) by striking "tribally designated housing entities" and inserting "recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(3) by inserting "and violent" after "drug-related"; and

(4) by adding at the end the following new subsection:

"(b) CONSORTIA.—Subject to terms and conditions established by the Secretary, public housing agencies may form consortia for purposes of applying for grants under this chapter.".

(d) ELIGIBLE ACTIVITIES.—Section 5124 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903) is amended—

(1) in subsection (a)—

(A) in paragraph (4)(A), by striking "drug-related crime on or about" and inserting "drug-related or violent crime in and around";

(B) in paragraph (6), by striking "and" at the end;

(C) in paragraph (7)—

(i) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(ii) by striking the period at the end and inserting "; and"; and

(8) by adding at the end the following new paragraph:

"(8) sports programs and sports activities that serve primarily youths from public or other federally assisted low-income housing projects and are operated in conjunction with, or in furtherance of, an organized program or plan designed to reduce or eliminate drugs and drug-related problems in and around such projects."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "drug-related crime in" and inserting "drug-related crime in and around"; and

(B) in paragraph (2), by striking "drug-related activity at" and inserting "drug-related or violent activity in or around".

(e) APPLICATIONS.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended—

(1) in subsection (a)—

(A) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(B) by striking "crime on the premises" and inserting "or violent crime in and around"; and

(C) by inserting before the period at the end the following: ", which plan shall be coordinated with and may be included in the public housing agency plan submitted to the Secretary pursuant to section 5A of the United States Housing Act of 1937";

(2) in subsection (b)—

(A) in the matter that precedes paragraph (1), by striking "Except as" and all that follows through "on—" and inserting the following: "The Secretary shall approve applications under subsection (b) that are not subject to a preference under subsection (b)(2)(A) on the basis of thresholds or criteria such as—"; and

(B) in paragraph (1), by striking "crime problem in" and inserting "or violent crime problem in and around";

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "subsection (b)" and inserting "subsection (c)"; and

(B) in paragraph (2), by inserting "or violent" after "drug-related" each place it appears;

(4) in subsection (d), by striking "subsection (b)" and inserting "subsection (c)";

(5) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(6) by inserting after subsection (a) the following new subsection:

"(b) 1-YEAR RENEWABLE GRANTS.—

"(1) IN GENERAL.—An eligible applicant that is a public housing agency may apply for a 1-year grant under this chapter that, subject to the availability of appropriated amounts, shall be renewed annually for a period of not more than 4 additional years, except that such renewal shall be contingent upon the Secretary finding, upon an annual or more frequent review, that the grantee agency is performing under the terms of the grant and applicable laws in a satisfactory manner and meets such other requirements as the Secretary may prescribe. The Secretary may adjust the amount of any grant received or renewed under this paragraph to take into account increases or decreases in amounts appropriated for these purposes or such other factors as the Secretary determines to be appropriate.

"(2) ELIGIBILITY AND PREFERENCE.—The Secretary may not provide assistance under this chapter to an applicant that is a public housing agency unless—

"(A) the agency will use the grants to continue or expand activities eligible for assistance under this chapter, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, in which case the Secretary shall provide preference to such applicant; except that preference under this subparagraph shall not preclude selection by the Secretary of other meritorious applications that address urgent or serious crime problems nor be construed to require continuation of activities determined by the Secretary to be unworthy of continuation; or

"(B) the agency is in the class established under paragraph (3).

"(3) PHA'S HAVING URGENT OR SERIOUS CRIME PROBLEMS.—The Secretary shall, by regulations issued after notice and opportunity for public comment, set forth criteria for establishing a class of public housing agencies that have urgent or serious crime problems. The Secretary may reserve a portion of the amount appropriated to carry out this chapter in each fiscal year only for grants for public housing agencies in such class, except that any amounts from such portion reserved that are not obligated to agencies in the class shall be made available only for agencies that are subject to a preference under paragraph (2)(A).

"(4) INAPPLICABILITY TO FEDERALLY ASSISTED LOW-INCOME HOUSING.—The provisions of this subsection shall not apply to federally assisted low-income housing.".

(f) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) RECIPIENT.—The term 'recipient', when used in reference to the Native American Housing Assistance and Self-Determination Act of 1996, has the meaning given such term in section 4 of such Act.".

(g) REPORTS, MONITORING, AND FUNDING.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking sections 5127, 5128, 5129, and 5130 and inserting the following new sections:

"SEC. 5127. REPORTS.

"(a) GRANTEE REPORTS.—The Secretary shall require grantees under this chapter to provide periodic reports that include the obligation and expenditure of grant funds, the progress made by the grantee in implementing the plan described in section 5125(a), and any change in the incidence of drug-related crime in projects assisted under this chapter.

"(b) HUD REPORTS.—The Secretary shall submit a report to the Congress not later than 18 months after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998 describing the system used to distribute funding to grantees under this section, which shall include descriptions of—

"(1) the methodology used to distribute amounts made available under this chapter among public housing agencies, including provisions used to provide for renewals of ongoing programs funded under this chapter; and

"(2) actions taken by the Secretary to ensure that amounts made available under this chapter are not used to fund baseline local government services, as described in section 5128(b).

"(c) NOTICE OF FUNDING AWARDS.—The Secretary shall cause to be published in the Federal Register notice of all grant awards made pursuant to this chapter, which shall identify the grantees and the amount of the grants. Such notice shall be published not less frequently than annually.

"SEC. 5128. MONITORING.

"(a) IN GENERAL.—The Secretary shall audit and monitor the programs funded under this chapter to ensure that assistance provided under this chapter is administered in accordance with the provisions of this chapter.

"(b) PROHIBITION OF FUNDING BASELINE SERVICES.—

"(1) IN GENERAL.—Amounts provided under this chapter may not be used to reimburse or support any local law enforcement agency or unit of general local government for the provision of services that are included in the baseline of services required to be provided by any such entity pursuant to a local cooperation agreement under section 5(e)(2) of the United States Housing Act of 1937 or any provision of an annual contributions contract for payments in lieu of taxation pursuant to section 6(d) of such Act.

"(2) DESCRIPTION.—Each public housing agency that receives grant amounts under this chapter shall describe, in the report under section 5127(a), such baseline of services for the unit of general local government in which the jurisdiction of the agency is located.

"(c) ENFORCEMENT.—The Secretary shall provide for the effective enforcement of this section, which may include the use of on-site monitoring, independent public audit requirements, certification by local law enforcement or local government officials regarding the performance of baseline services referred to in subsection (b), and entering into agreements with the Attorney General to achieve compliance, and verification of compliance, with the provisions of this chapter.

"SEC. 5129. AUTHORIZATION OF APPROPRIATIONS.

"(a) In General.—There are authorized to be appropriated to carry out this chapter $310,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(b) Set-Aside for Federally Assisted Low-Income Housing.—Of any amounts made available in any fiscal year to carry out this chapter not more than 6.25 percent shall be available for grants for federally assisted low-income housing.

"(c) Set-Aside for Technical Assistance and Program Oversight.—Of any amounts appropriated in any fiscal year to carry out this chapter, amounts shall be available to the extent provided in appropriations Acts to provide training, technical assistance, contract expertise, program oversight, program assessment, execution, and other assistance for or on behalf of public housing agencies, recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996, resident organizations, and officials and employees of the Department (including training and the cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees). Assistance and other activities carried out using amounts made available under this subsection may be provided directly or indirectly by grants, contracts, or cooperative agreements.".

SEC. 587. REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.

(a) Requirement.—The Secretary of Housing and Urban Development shall investigate all security contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(1) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(2) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(3) to determine how many such contracts were awarded under emergency contracting procedures; and

(4) to evaluate the effectiveness of the contracts.

(b) Report.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under subsection (a) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (1) state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (2) for each contract that the Secretary determines is in such compliance issue a certification of such compliance by the Secretary of Housing and Urban Development.

(c) Actions.—For each contract that is described in the report under subsection (b) as not made or not operating in full compliance with applicable laws and regulations, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(1) to bring such contract into compliance; or

(2) to terminate the contract.

(d) Effective Date.—This section shall take effect on the date of the enactment of this Act.

SEC. 588. PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

"(h) Prohibition on Use of Assistance for Employment Relocation Activities.—Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from 1 area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.".

SEC. 589. TREATMENT OF OCCUPANCY STANDARDS.

(a) Establishment of Policy.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall publish a notice in the Federal Register for effect that takes effect upon publication and provides that the specific and unmodified standards provided in the March 20, 1991, Memorandum from the General Counsel of the Department of Housing and Urban Development to all Regional Counsel shall be the policy of the Department of Housing and Urban Development with respect to complaints of discrimination under the Fair Housing Act (42 U.S.C. 3601 et seq.) on the basis of familial status which involve an occupancy standard established by a housing provider.

(b) Prohibition of National Standard.—The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

SEC. 590. INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS.

(a) In General.—The Secretary of Housing and Urban Development shall, for not less than 10 jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974, grant exceptions not later than 90 days after the date of the enactment of this Act for such jurisdictions that provide that—

(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act, the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974, the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

(b) Effective Date.—This section shall take effect on the date of the enactment of this Act.

SEC 591. REPORT ON SINGLE FAMILY AND MULTIFAMILY HOMES.

(a) In General.—Not later than 12 months after the date of the enactment of this Act, the Inspector General of the Department of Housing and Urban Development shall submit to the Congress a report, which shall include information relating to—

(1) with respect to 1- to 4-family dwellings owned by the Department of Housing and Urban Development, on a monthly average basis—

(A) the total number of units in those dwellings;

(B) the number and percentage of units in those dwellings that are unoccupied, and their average period of vacancy, and the number and percentage of units in those dwellings that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(2) with respect to multifamily housing projects (as that term is defined in section 203 of the Housing and Community Development Amendments of 1978) owned by the Department of Housing and Urban Development on a monthly average basis—

(A) the total number of units in those projects;

(B) the number and percentage of units in those projects that are unoccupied, and their average period of vacancy, and the number and percentage of units in those projects that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(3) the Department's plans and operations to address vacancies and substandard physical conditions described in paragraphs (1) and (2).

(b) Effective Date.—This section shall take effect on the date of the enactment of this Act.

SEC. 592. USE OF ASSISTED HOUSING BY ALIENS.

(a) In General.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) in subsection (b)(2), by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary";

(2) in subsection (c)(1)(B), by moving clauses (ii) and (iii) 2 ems to the left;

(3) in subsection (d)—

(A) in paragraph (1)(A)—

(i) by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary"; and

(ii) by striking "the Secretary" and inserting "the applicable Secretary";

(B) in paragraph (2), in the matter following subparagraph (B)—

(i) by inserting "applicable" before "Secretary"; and

(ii) by moving such matter (as so amended by clause (i)) 2 ems to the right;

(C) in paragraph (4)(B)(ii), by inserting "applicable" before "Secretary";

(D) in paragraph (5), by striking "the Secretary" and inserting "the applicable Secretary"; and

(E) in paragraph (6), by inserting "applicable" before "Secretary";

(4) in subsection (h) (as added by section 576 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208))—

(A) in paragraph (1)—

(i) by striking "Except in the case of an election under paragraph (2)(A), no" and inserting "No";

(ii) by striking "this section" and inserting "subsection (d)"; and

(iii) by inserting "applicable" before "Secretary"; and

(B) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) may, notwithstanding paragraph (1) of this subsection, elect not to affirmatively establish and verify eligibility before providing financial assistance"; and

(ii) in subparagraph (B), by striking "in complying with this section" and inserting "in carrying out subsection (d)"; and

(5) by redesignating subsection (h) (as amended by paragraph (4)) as subsection (i).

(b) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 593. PROTECTION OF SENIOR HOMEOWNERS UNDER REVERSE MORTGAGE PROGRAM.

(a) MORTGAGE INSURANCE AUTHORITY.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking the first 2 sentences and inserting the following new sentence: "The aggregate number of mortgages insured under this section may not exceed 150,000.".

(b) OTHER APPROACHES TO CONSUMER EDUCATION.—Section 255(f) of the National Housing Act (12 U.S.C. 1715z–20(f)) is amended by adding after paragraph (5) the following:

"The Secretary shall consult with consumer groups, industry representatives, representatives of counseling organizations, and other interested parties to identify alternative approaches to providing consumer information required by this subsection that may be feasible and desirable for home equity conversion mortgages insured under this section and other types of reverse mortgages. The Secretary may, in lieu of providing the consumer education required by this subsection, adopt alternative approaches to consumer education that may be developed as a result of such consultations, but only if the alternative approaches provide all of the information specified in this subsection.".

(c) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended by adding at the end the following new subsection:

"(l) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Of any amounts made available for any of fiscal years 2000 through 2003 for housing counseling under section 106 of the Housing and Urban Development Act of 1968, up to a total of $1,000,000 shall be available to the Secretary in each such fiscal year, in such amounts as the Secretary determines appropriate, for the following purposes in connection with home equity conversion mortgages insured under this section:

"(1) COUNSELING.—For housing counseling authorized by section 106 of the Housing and Urban Development Act of 1968.

"(2) CONSUMER EDUCATION.—For transfer to the departmental salaries and expenses account for consumer education and outreach activities.".

(d) CONFORMING AMENDMENTS.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in the section heading, by striking "DEMONSTRATION PROGRAM OF";

(2) in subsections (a) and (i)(1), by striking "demonstration" each place it appears;

(3) in subsection (a)—

(A) in paragraph (1), by inserting "and" after the semicolon at the end;

(B) in paragraph (2), by striking "; and" at the end and inserting a period; and

(C) by striking paragraph (3);

(4) by striking subsection (k) (relating to reports to Congress); and

(5) by redesignating subsection (l) (as added by subsection (c) of this section) as subsection (k).

(e) DISCLOSURE REQUIREMENTS AND PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—

(1) IN GENERAL.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) by redesignating subparagraph (C) as subparagraph (D); and

(iii) by inserting after subparagraph (B) the following:

"(C) has received full disclosure, as prescribed by the Secretary, of all costs charged to the mortgagor, including costs of estate planning, financial advice, and other services that are related to the mortgage but are not required to obtain the mortgage, which disclosure shall clearly state which charges are required to obtain the mortgage and which are not required to obtain the mortgage; and"

(B) in paragraph (9)(F), by striking "and";

(C) in paragraph (10), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services.".

(2) IMPLEMENTATION.—

(A) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by paragraph (1) in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under subparagraph (B) of this paragraph.

(B) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by paragraph (1). Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(3)(B) of such section).

(f) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 594. HOUSING COUNSELING.

(a) EXTENSION OF EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking "September 30, 1994" and inserting "September 30, 2000".

(b) NOTIFICATION OF DELINQUENCY ON VETERANS HOME LOANS.—

Subparagraph (C) of section 106(c)(5) of the Housing and Urban Development Act of 1968 is amended to read as follows:

"(C) NOTIFICATION.—Notification under subparagraph (A) shall not be required with respect to any loan for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).".

(c) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 595. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) SUBSIDY LAYERING CERTIFICATION.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is amended—

(1) by striking "certification by the Secretary" and inserting "certification by a recipient to the Secretary"; and

(2) by striking "any housing project" and inserting "the housing project involved".

(b) INCLUSION OF HOMEBUYER SELECTION POLICIES AND CRITERIA.—Section 207(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)) is amended—

(1) by striking "TENANT SELECTION.—" and inserting "TENANT AND HOMEBUYER SELECTION.—";

(2) in the matter preceding paragraph (1), by inserting "and homebuyer" after "tenant"; and

(3) in paragraph (3)(A), by inserting "and homebuyers" after "tenants".

(c) REPAYMENT OF GRANT AMOUNTS FOR VIOLATION OF AFFORDABLE HOUSING REQUIREMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4139) is amended by striking "section 205(2)" and inserting "section 205(a)(2)".

(d) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended by striking subsection (h).

(e) MISCELLANEOUS.—

(1) DEFINITION OF INDIAN AREAS.—Section 4(10) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(10)) is amended to read as follows:

"(10) INDIAN AREA.—The term 'Indian area' means the area within which an Indian tribe or a tribally designated housing entity, as authorized by 1 or more Indian tribes, provides assistance under this Act for affordable housing.".

(2) CROSS-REFERENCE.—Section 4(12)(C)(i)(II) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12)(C)(i)(II)) is amended by striking "section 107" and inserting "section 705".

(3) LOCAL COOPERATION AGREEMENTS.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended to read as follows:

"(c) LOCAL COOPERATION AGREEMENT.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for rental or lease-purchase homeownership units that are owned by the recipient for the tribe unless the governing body of the locality within which the property subject to the development activities to be assisted with the grant amounts is or will be situated has entered into an agreement with the recipient for the tribe providing for local cooperation required by the Secretary pursuant to this Act.".

(4) EXEMPTION FROM TAXATION.—Section 101(d) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(d)) is amended—

(A) by striking the subsection designation and subsection heading and all that follows through the end of paragraph (1) and inserting the following:

"(d) EXEMPTION FROM TAXATION.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for affordable housing activities under this Act for rental or lease-purchase dwelling units developed under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) or with amounts provided under this Act that are owned by the recipient for the tribe unless—

"(1) such dwelling units (which, in the case of units in a multi-unit project, shall be exclusive of any portions of the project not developed under the United States Housing Act of 1937 or with amounts provided under this Act) are exempt from all real and personal property taxes levied or imposed by any State, tribe, city, county, or other political subdivision; and"; and

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting "for the tribe" after "the recipient".

(5) SUBMISSION OF INDIAN HOUSING PLAN.—Section 102(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(a)) is amended—

(A) in paragraph (1), by inserting "(A)" after "(1)";

(B) in paragraph (1)(A), as so designated by subparagraph (A) of this paragraph, by adding "or" at the end;

(C) by striking "(2)" and inserting "(B)"; and

(D) by striking "(3)" and inserting "(2)".

(6) CLARIFICATION.—Section 103(c)(3) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4113(c)(3)) is amended by inserting "not" before "prohibited".

(7) APPLICABILITY OF PROVISIONS OF CIVIL RIGHTS.—Section 201(b)(5) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4131(b)(5)) is amended—

(A) by striking "Indian tribes" and inserting "federally recognized tribes and the tribally designated housing entities of those tribes"; and

(B) by striking "under this subsection" and inserting "under this Act".

(8) ELIGIBILITY.—Section 205(a)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4135(a)(1)) is amended—

(A) in subparagraph (A), by striking "and" at the end; and

(B) by striking subparagraph (B) and inserting the following:

"(B) in the case of a contract to purchase existing housing, is made available for purchase only by a family that is a low-income family at the time of purchase;

"(C) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, is made available for lease-purchase only by a family that is a low-income family at the time the agreement is entered into; and

"(D) in the case of a contract to purchase housing to be constructed, is made available for purchase only by a family that is a low-income family at the time the contract is entered into; and".

(9) TENANT SELECTION.—Section 207(b)(3)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)(3)(B)) is amended by striking "of any rejected applicant of the grounds for any rejection" and inserting "to any rejected applicant of that rejection and the grounds for that rejection".

(10) AVAILABILITY OF RECORDS.—Section 208 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4138) is amended—

(A) in subsection (a), by striking "paragraph (2)" and inserting "subsection (b)"; and

(B) in subsection (b), by striking "paragraph (1)" and inserting "subsection (a)".

(11) IHP REQUIREMENT.—Section 184(b)(2) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(b)(2)) is amended by striking "that is under the jurisdiction of an Indian tribe" and all that follows before the period at the end.

(12) AUTHORIZATION OF APPROPRIATIONS.—Section 184(i)(5)(C) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)(5)(C)) is amended by striking "note" and inserting "not".

(13) ENVIRONMENTAL REVIEW UNDER THE INDIAN HOUSING LOAN GUARANTEE PROGRAM.—Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a) is amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j) the following:

"(k) ENVIRONMENTAL REVIEW.—For purposes of environmental, review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and any other law that furthers the purposes of that Act, a loan guarantee under this section shall—

"(1) be treated as a grant under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

"(2) be subject to the regulations promulgated by the Secretary to carry out section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115).".

(14) PUBLIC AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Title IV of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161 et seq.) is amended by adding at the end the following:

"SEC. 408. PUBLIC AVAILABILITY OF INFORMATION.

"Each recipient shall make any housing plan, policy, or annual report prepared by the recipient available to the general public.".

(B) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents by inserting after the item relating to section 407 the following:

"Sec. 408. Public availability of information.".

(15) INELIGIBILITY OF INDIAN TRIBES.—Section 460 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899h–1) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

(16) TREATMENT OF PREVIOUS AMENDMENTS.—Section 402 of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) is amended by striking subsection (e).

(f) EFFECTIVE DATE.—The amendments made by this section are made and shall apply beginning upon the date of the enactment of this Act.

SEC. 596. CDBG PUBLIC SERVICES CAP.

(a) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "2000".

(b) EFFECTIVE DATE.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 597. MODERATE REHABILITATION PROGRAM.

(a) REPROGRAMMING.—Notwithstanding any other provision of law, but only to the extent specifically provided in advance in a subsequent appropriations Act, the Secretary of Housing and Urban Development shall reprogram funds under contracts NY36K113004 and NY36K113005 of the Department of Housing and Urban Development and shall allocate such funds to the City of New Rochelle, New York. Such allocation shall be consistent with the requirements of the HOME Investment Partnerships Act. This section shall take effect on the date of the enactment of this Act.

(b) EXCEPTION PROJECTS.—Section 524(a)(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by inserting "and subject to section 516 of this subtitle" after "Notwithstanding paragraph (1)"; and

(2) by striking "the base rent adjusted by an operating cost adjustment factor established by the Secretary" and inserting "the lesser of existing rents, adjusted by an operating cost adjustment factor established by the Secretary, fair market rents (less any amounts allowed for tenant-purchased utilities), or comparable market rents for the market area".

(c) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 598. NATIONAL CITIES IN SCHOOLS PROGRAM.

From amounts that are or have been recaptured in the Annual Contributions for Assisted Housing account, before any rescissions of such amounts, $5,000,000, shall be transferred to the National Cities in Schools Community Development Program account, to remain available until expended, that the Secretary of Housing and Urban Development shall make available to carry out the National Cities in Schools Community Development Program under section 930 of the Housing and Community Development Act of 1992 (Public Law 102–550, 106 Stat. 3672, 3887). This section shall take effect on the date of the enactment of this Act.

SEC. 599. TENANT PARTICIPATION IN MULTIFAMILY HOUSING PROJECTS.

(a) IN GENERAL.—The last sentence of subsection (a) of section 202 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1b(a)) is amended by inserting before the period at the end the following: ", or a project which receives project-based assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or enhanced vouchers under the Low-Income Housing Preservation and Resident Homeownership Act of 1990, the provisions of the Emergency Low Income Housing Preservation Act of 1987, or the Multifamily Assisted Housing Reform and Affordability Act of 1997".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599A. CLARIFICATION REGARDING RECREATIONAL VEHICLES.

(a) IN GENERAL.—Section 603(6) of the Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402(6)) is amended by inserting before the semicolon at the end the following: "; and except that such term shall not include any self-propelled recreational vehicle".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599B. DETERMINATION OF LOW-INCOME ELIGIBILITY FOR HOMEOWNERSHIP ASSISTANCE.

(a) INCOME TARGETING.—Section 214(2) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking "at the time of occupancy or at the time funds are invested, whichever is later".

(b) QUALIFICATION AS AFFORDABLE HOUSING.—Section 215(b)(2) of such Act is amended to read as follows:

"(2) is the principal residence of an owner whose family qualifies as a low-income family—

"(A) in the case of a contract to purchase existing housing, at the time of purchase;

"(B) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

"(C) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599C. AMENDMENTS TO RURAL HOUSING PROGRAMS.

(a) PERMANENT EXTENSION OF UNDERSERVED AREAS PROGRAM.—Section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended—

(1) in the first sentence, by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) in the second sentence, by striking "such fiscal year" and inserting "each fiscal year".

(b) PERMANENT EXTENSION OF SECTION 515 PROGRAM.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1998" and inserting "each fiscal year".

(c) LOAN GUARANTEE PROGRAM FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) by striking subsection (u) and inserting the following new subsection:

"(u) TAX-EXEMPT FINANCING.—The Secretary may not deny a guarantee under this section on the basis that the interest on the loan or on an obligation supporting the loan for which a guarantee is sought is exempt from inclusion in gross income for purposes of chapter I of the Internal Revenue Code of 1986.".

(d) FARM LABOR HOUSING ELIGIBILITY FOR LOW-INCOME HOUSING TAX CREDIT FINANCING.—The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by inserting ", or any nonprofit limited partnership in which the general partner is a nonprofit entity," after "private nonprofit organization".

(e) OPTIONAL CONVERSION OF RENTAL ASSISTANCE PAYMENTS TO OPERATING SUBSIDY FOR MIGRANT FARMWORKER PROJECTS.—

(1) IN GENERAL.—Section 521(a) of the Housing Act of 1949 (42 U.S.C. 1490(a)) is amended by adding at the end the following new paragraph:

"(5) OPERATING ASSISTANCE FOR MIGRANT FARMWORKER PROJECTS.—

"(A) AUTHORITY.—In the case of housing (and related facilities) for migrant farmworkers provided or assisted with a loan under section 514 or a grant under section 516, the Secretary may, at the request of the owner of the project, use amounts provided for rental assistance payments under paragraph (2) to provide assistance for the costs of operating the project. Any project assisted under this paragraph may not receive rental assistance under paragraph (2).

"(B) AMOUNT.—In any fiscal year, the assistance provided under this paragraph for any project shall not exceed an amount equal to 90 percent of the operating costs for the project for the year, as determined by the Secretary. The amount of assistance to be provided for a project under this paragraph shall be an amount that makes units in the project available to migrant farmworkers in the area of the project at rates not exceeding 30 percent of the monthly adjusted incomes of such farmworkers, based on the prevailing incomes of such farmworkers in the area.

"(C) SUBMISSION OF INFORMATION.—The owner of a project assisted under this paragraph shall be required to provide to the Secretary, at least annually, a budget of operating expenses and estimated rental income, which the Secretary may use to determine the amount of assistance for the project.

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) The term 'migrant farmworker' has the same meaning given such term in section 516(k)(7).

"(ii) The term 'operating cost' means expenses incurred in operating a project, including expenses for—

"(I) administration, maintenance, repair, and security of the project;

"(II) utilities, fuel, furnishings, and equipment for the project; and

"(III) maintaining adequate reserve funds for the project.".

(2) CONFORMING AMENDMENTS.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

(A) in section 502—

(i) in subsection (c)(1)(A)(i), by striking "or (a)(2)" and inserting ", (a)(2), or (5)";

(ii) in subsection (c)(4)(B)(ii), by inserting before the period at the end the following: ", or additional assistance or an increase in assistance provided under section 521(a)(5)";

(iii) in subsection (c)(4)(B)(iii), by "or 521(a)(5)" after "section 521(a)(2)";

(iv) in subsection (c)(4)(B)(v), by inserting before the period at the end the following: ", or current tenants of projects not assisted under section 521(a)(5)";

(v) in subsection (c)(5)(C)(iii)—

(I) by striking the second comma; and

(II) by inserting "or any assistance payments received under section 521(a)(5)," before "with respect"; and

(vi) in subsection (c)(5)(D), by inserting before the period at the end the following: "or, in the case of housing assisted under section 521(a)(5), does not exceed the rents established for the project under such section";

(B) in the second sentence of subparagraph (A) of section 509(f)(4), by striking "an amount of section 521 rental assistance" and inserting "from amounts available for assistance under paragraphs (2) and (5) of section 521(a), an amount";

(C) in section 513(c)(2)—

(i) in the matter preceding subparagraph (A), by inserting "or contracts for operating assistance under section 521(a)(5)" after "section 521(a)(2)(A)";

(ii) in subparagraph (A), by inserting "or operating assistance contracts" after "contracts";

(iii) in subparagraph (B), by striking "rental" each place it appears; and

(iv) in subparagraph (C), by inserting "or operating assistance contracts" after "contracts";

(D) in section 521(a)(2)(B)—

(i) by inserting "or paragraph (5)" after "this paragraph"; and

(ii) by striking "which shall" and all that follows through the period at the end and inserting the following: ". The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.";

(E) in section 521(c), by striking "subsection (a)(2)" and inserting "subsections (a)(2) and (a)(5)";

(F) in section 521(e), by inserting after "recipient" the following: "or any tenant in a project assisted under subsection (a)(5)"; and

(G) in section 530, by striking "rental assistance payments with respect to such project under section 521(a)(2)(A)" and inserting "assistance payments with respect to such project under section 521(a)(2)(A) or 521(a)(5)".

(f) RURAL HOUSING GUARANTEED LOANS.—Section 502(h)(6)(C) of the Housing Act of 1949 (42 U.S.C. 1472(h)(6)(C)) is amended by striking ", subject to the maximum dollar amount limitation of section 203(b)(2) of the National Housing Act" each place it appears.

(g) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599D. REAUTHORIZATION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXPIRATION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(b) EMERGENCY IMPLEMENTATION OF PROGRAM.—Section 1336(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4056(a)) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599E. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS

(a) NATIONAL COMPETITIVE GRANTS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (a), by striking "to—" and all that follows and inserting the following: "to national and regional organizations and consortia that have experience in providing or facilitating self-help housing homeownership opportunities.";

(2) in subsection (b)—

(A) in paragraph (4), by striking "Habitat for Humanity, its affiliates, and other"; and

(B) in paragraph (5), by striking "similar to the homeownership program carried out by Habitat for Humanity International,";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) NATIONAL COMPETITION.—The Secretary shall select organizations and consortia referred to in subsection (a) to receive grants through a national competitive process, which the Secretary shall establish.";

(4) in subsection (e), by striking paragraph (2) and inserting the following new paragraph:

"(2) ASSISTANCE TO AFFILIATES.—Any organization or consortia that receives a grant under this section may use amounts in the fund established for such organization or consortia pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization or consoria.";

(5) in subsection (f)—

(A) in the subsection heading, by striking "to Other Organizations"; and

(B) in the matter preceding paragraph (1), by striking "subsection (a)(2)" and inserting "subsection (a)";

(6) by striking subsection (g);

(7) in subsection (h)—

(A) by striking the first sentence; and

(B) in the second sentence, by striking "subsection (a)(2)" and inserting "subsection (a)";

(8) in subsection (i)(5), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the comma;

(9) in subsection (j), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the second comma;

(10) in subsection (k)(1), by striking "under subsection (a)(1) or (a)(2)";

(11) by redesignating subsection (p) as subsection (q);

(12) by inserting after subsection (o) the following new subsection:

"(p) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be

appropriated for fiscal years 1999 and 2000 such sums as may be necessary."; and

(13) in the section heading, by striking "**HABITAT FOR HUMANITY AND OTHER**".

(b) Savings Provisions.—Notwithstanding the amendments made by subsection (a), any grant under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) from amounts appropriated in fiscal year 1998 or any prior fiscal year shall be governed by the provisions of such section 11 as in effect immediately before the enactment of this Act, except that the amendments made by paragraphs (8) and (9) of subsection (a) of this section shall apply to such grants.

(c) Effective Date.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599F. SPECIAL MORTGAGE INSURANCE ASSISTANCE.

(a) In General.—Section 237 of the National Housing Act (12 U.S.C. 1715z-2) is amended—

(1) in subsection (b), by inserting "not more than 26 percent of the total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) of" before "any mortgage";

(2) in paragraph (c)(2) by striking "$18,000:" and all that follows through the end of the paragraph and inserting "$70,000;";

(3) in paragraph (c)(3)—

(A) by inserting ", prior to and during the 12 months immediately following the purchase of the property, from a community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994" after "budget, debt management, and related counseling"; and

(B) by striking "and" at the end;

(4) in paragraph (c)(4)—

(A) by striking "25" and inserting "36"; and

(B) by striking the period and inserting "; and";

(5) in subsection (c), by adding at the end the following new paragraphs:

"(5) require the mortgagor to be subject, if necessary, to a default mitigation effort undertaken by an intermediary community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994, that is acting as a sponsor and pass-through of insurance under section 203 and is approved by the Secretary;

"(6) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) that is not more than 90 percent of the value of the property for which the mortgage is provided; and

"(7) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) in which the mortgagor has equity (as defined by the Secretary) of not less than 10 percent and such equity shall be subordinate to the interest of the Secretary in the mortgaged property.";

(6) in subsection (d), by striking "and (2)" and inserting "(2) to families living in empowerment zones and enterprise communities (as those terms are defined in section 1393(b) of the Internal Revenue Code of 1986 (26 U.S.C. 1393(b)) who are eligible for homeownership assistance, and (3)";

(7) in subsection (e), by striking "public or private organizations" and inserting "community development financial institutions under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994";

(8) in subsection (f), by striking "all mortgages" and inserting "the portions of mortgages";

(9) by redesignating subsection (g) as subsection (j); and

(10) by inserting after subsection (f), the following new subsections:

"(g) Mortgages insured under this section shall be subject to an insurance premium fee of not more than 1.25 percent of the total mortgage principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve).

"(h) Before insuring a mortgage under this section, the Secretary shall enter into such contracts or other agreements as may be necessary to ensure that the mortgagee or other holder of the mortgage shall assume not less than 10 percent and not more than 50 percent of any loss on the insured mortgage, subject to any reasonable limit on the liability of the mortgagee or holder of the mortgage that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee or mortgage holder.

"(i) No guarantees may be issued under section 306(g) for the timely payment of interest or principal on securities backed, in whole or in part, by mortgages insured under this section.".

(b) Effective Date.—The amendments under by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599G. REHABILITATION DEMONSTRATION GRANT PROGRAM.

(a) In General.—The Secretary of Housing and Urban Development shall, to the extent amounts are provided in appropriation Acts to carry out this section, carry out a program to demonstrate the effectiveness of making grants for rehabilitation of single family housing located within 10 demonstration areas designated by the Secretary. Of the areas designated by the Secretary under this section—

(1) 6 shall be areas that have primarily urban characteristics;

(2) 3 shall be areas that are outside of a metropolitan statistical area; and

(3) 1 shall be an area that has primarily rural characteristics.

In selecting areas, the Secretary shall provide for national geographic and demographic diversity.

(b) Grantees.—Grants under the program under this section may be made only to agencies of State and local governments and non-profit organizations operating within the demonstration areas.

(c) Selection Criteria.—In selecting among applications for designation of demonstration areas and grants under this section, the Secretary shall consider—

(1) the extent of single family residences located in the proposed area that have rehabilitation needs;

(2) the ability and expertise of the applicant in carrying out the purposes of the demonstration program, including the availability of qualified housing counselors and contractors in the proposed area willing and able to participate in rehabilitation activities funded with grant amounts;

(3) the extent to which the designation of such area and the grant award would promote affordable housing opportunities;

(4) the extent to which selection of the proposed area would have a beneficial effect on the neighborhood or community in the area and on surrounding areas;

(5) the extent to which the applicant has demonstrated that grant amounts will be used to leverage additional public or private funds to carry out the purposes of the demonstration program;

(6) the extent to which lenders (including local lenders and lenders outside the proposed area) are willing and able to make loans for rehabilitation activities assisted with grant funds; and

(7) the extent to which the application provides for the involvement of local residents in the planning of rehabilitation activities in the demonstration area.

(d) Use of Grant Funds.—Funds from grants made under this section may be used by grantees—

(1) to subsidize interest on loans, over a period of not more than 5 years from the origination date of the loan, made after the date of the enactment of this Act for rehabilitation of any owner-occupied 1- to 4-family residence, including the payment of interest during any period in which a residence is uninhabitable because of rehabilitation activities;

(2) to facilitate loans for rehabilitation of 1- to 4-family properties previously subject to a mortgage insured under the National Housing Act that has been foreclosed or for which insurance benefits have been paid, including to establish revolving loan funds, loan loss reserves, and other financial structures; and

(3) to provide technical assistance in conjunction with the rehabilitation of owner-occupied 1- to 4-family residences, including counseling, selection contractors, monitoring of work, approval of contractor payments, and final inspection of work.

(e) Definition of Rehabilitation.—For purposes of this section, the term "rehabilitation" has the meaning given such term in section 203(k)(2)(B) of the National Housing Act (12 U.S.C. 1709(k)(2)(B)).

(f) Authorization of Appropriations.—There is authorized to be appropriated to the Secretary to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

(g) Effective Date.—This section shall take effect on the date of the enactment of this Act.

SEC. 599H. ASSISTANCE FOR CERTAIN LOCALITIES.

(a) Use of HOME Funds For Public Housing Modernization.—Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(5)), amounts made available to the City of Bismarck, North Dakota or the State of North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) for fiscal year 1998, 1999, 2000, 2001, or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to 1 or more of those fiscal years.

(b) Consultation With Affected Areas in Settlement of Litigation.—In negotiating any settlement of, or consent decree for, significant litigation regarding public housing or section 8 tenant-based assistance that involves the Secretary and any public housing agency or any unit of general local government, the Secretary shall seek the views of any units of general local government and public housing agencies having jurisdictions that are adjacent to the jurisdiction of the public housing agency involved, if the resolution of such litigation would involve the acquisition or development of public housing *dwelling units or the use of vouchers under section 8 of the United States Housing Act of 1937 in jurisdictions that are adjacent to the jurisdiction of the public housing agency involved in the litigation.*

(c) Treatment of PHA Repayment Agreement.—

(1) Limitation on secretary.—During the 2-year period beginning on the date of the enactment of this Act, if the Housing Authority of the City of Las Vegas, Nevada, is otherwise in compliance with the Repayment Lien Agreement and Repayment Plan approved by the Secretary on February 12, 1997, the Secretary of Housing and Urban Development shall not take any action that has the effect of reducing the inventory of senior citizen housing owned by such housing authority that does not receive assistance from the Department of Housing and Urban Development.

(2) Alternative Repayment Options.—During the period referred to in paragraph (1), the Secretary shall assist the housing authority referred to in such paragraph to identify alternative repayment options to the plan referred to in such paragraph and to execute an amended repayment plan that will not adversely affect the housing referred to in such paragraph.

(3) Rule of construction.—This subsection may not be construed to alter—

(A) any lien held by the Secretary pursuant to the agreement referred to in paragraph (1); or

(B) the obligation of the housing authority referred to in paragraph (1) to close all remaining items contained in the Inspector General audits numbered 89 SF 1004 (issued January 20, 1989), 93 SF 1801 (issued October 30, 1993), and 96 SF 1002 (issued February 23, 1996).

(d) Ceiling Rents For Certain Section 8 Properties.—Notwithstanding any other provision of law, within 30 days after the date of the enactment of this Act, the Secretary shall establish ceiling rents for the Marshall Field Garden Apartments Homes in Chicago, Illinois, at rent levels, in the determination of the Secretary made in consultation with the owner, that facilitate retaining or attracting working class families.

(e) Application for Moving to Work Demonstration Program.—Upon the submission of an application for participation in the moving to work demonstration program under section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f note) by the Charlotte Housing Authority of Charlotte, North Carolina, or the Housing Authority of the City of Pittsburgh, Pennsylvania, the Secretary of Housing and Urban Development shall—

(1) consider such application, notwithstanding—

(A) the limitation under subsection (b) of such section on the number of public housing agencies that may participate in such program; or

(B) any limitation regarding the date for the submission of applications for participation in such program; and

(2) approve or disapprove the application based on the criteria for selection for participation in such program, notwithstanding the limitations referred to in paragraph (1) of this subsection.

(f) Use of Project to Benefit Low-Income Persons.—The project funded by the Secretary of Housing and Urban Development under the supportive housing program of title IV of the Stewart B. McKinney Homeless Assistance Act through grant number FL 29T90-1285 (commonly known as Royal Pointe) shall be considered to have been approved pursuant to section 423(b)(3) of such Act as of December 31, 1995 for use for the direct benefit of low-income persons.

(g) Rural Housing Assistance.—The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before the period the following: ", and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000".

(h) Funding for Purchase and Conversion of Existing Assisted Housing.—Notwithstanding any other provision of law, and only to the extent specifically provided in a subsequent appropriations Act, from any amounts previously appropriated for Annual Contributions for Assisted Housing or for the Public Housing Capital Fund and not obligated by the Secretary, the Secretary may make available to the Lockport Housing Authority in Lockport, New York, such sums as may be necessary for use in accordance with section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) for the purchase and rehabilitation of a project that is assisted under section 8 of such Act and located on a site contiguous to the site of a public housing project administered by the agency.

(i) Rural and Tribal Assistance.—From the amounts that were made available to the Secretary under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, for grants for rural and tribal areas pursuant to the 5th undesignated paragraph of the heading "Community Planning and Development—Community Development Block Grant Programs" (Public Law 105–65; 111 Stat. 1357), the Secretary shall provide from any amounts remaining unobligated—

(1) $2,800,000 for seed money for a multi-State rural homeownership campaign administered by the Rural Opportunities Affordable Housing Finance Alliance; and

(2) $500,000 to the Rural Housing Institute of the Muscatine Center for Strategic Action.

Notwithstanding any other provision of this Act, this subsection shall take affect only to the extent specifically provided in a subsequent appropriations Act.

(j) Community Services Demonstration.—

(1) Authority.—The Secretary of Housing and Urban Development shall, to the extent amounts are appropriated to carry out this subsection, provide financial assistance to the Bethune-Cookman College in Volusia County, Florida (in this subsection referred to as the "College"), in accordance with the provisions of this subsection, for the College to establish and operate, as a national demonstration, the Bethune-Cookman Community Services Student Union Center.

(2) Use.—Any financial assistance provided to the College pursuant to this subsection shall be used by the College for the construction, maintenance, and endowment of the Bethune-Cookman Community Services Student Union Center through—

(A) the acquisition of necessary equipment, including utility vehicles; or

(B) the acquisition of necessary real property;

(3) Application.—The Secretary shall provide financial assistance under this subsection only pursuant to application by the College for such assistance at such time, in such manner, and providing such information as the Secretary of Housing and Urban Development may reasonably require.

(4) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary for assistance under this subsection. Any amounts appropriated pursuant to this subsection shall remain available until expended.

(k) Independence Square Foundation.—Notwithstanding any other provision of law, including 28 U.S.C. 516, the Secretary of Housing and Urban Development shall enforce the use agreement entered into between the Secretary and the Independence Square Foundation of Newport, Rhode Island: Provided further, That such enforcement shall include the option of instituting civil litigation to determine the current applicability of the aforementioned use agreement or petition for the issuance of an injunction to prevent the demolition of the property subject to the aforementioned use agreement.

*(l) Removal of HOPE VI Demolition Requirement.—The Secretary may approve otherwise qualified applications received in response to a notice published at 63 Federal Register 15489 (March 31, 1998) for grants from the $26,000,000 set-aside of amounts made available under the head '**REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)**' in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105–65, 111 Stat. 1354) without regard to whether such applications propose or plan demolition of obsolete public housing projects.*

(m) Effective Date.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

TITLE VI—FHA PROPERTY DISPOSITION REFORM

SEC. 601. SINGLE FAMILY CLAIMS REFORM AND SALE OF PROPERTY.

(a) Revision of Claims Procedures.—Section 204 of the National Housing Act (12 U.S.C. 1710) is amended by striking "Sec. 204." and all that follows through the end of subsection (a) and inserting the following:

"Sec. 204. (a) In General.—

"(1) Authorized claims procedures.—The Secretary may, in accordance with this subsection and terms and conditions prescribed by the Secretary, pay insurance benefits to a mortgagee for any mortgage insured under section 203 through any of the following methods:

"(A) Assignment of mortgage.—The Secretary may pay insurance benefits whenever a mortgage has been in a monetary default for not less than 3 full monthly installments or whenever the mortgagee is entitled to foreclosure for a nonmonetary default. Insurance benefits shall be paid pursuant to this subparagraph only upon the assignment, transfer, and delivery to the Secretary of—

"(i) all rights and interests arising under the mortgage;

"(ii) all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

"(iii) title evidence satisfactory to the Secretary; and

"(iv) such records relating to the mortgage transaction as the Secretary may require.

"(B) Conveyance of title to property.—The Secretary may pay insurance benefits if the mortgagee has acquired title to the mortgaged property through foreclosure or has otherwise acquired such property from the mortgagor after a default upon—

"(i) the prompt conveyance to the Secretary of title to the property which meets the standards of the Secretary in force at the time the mortgage was insured and which is evidenced in the manner provided by such standards; and

"(ii) the assignment to the Secretary of all claims of the mortgagee against the mortgagor or others, arising out of mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Secretary.

The Secretary may permit the mortgagee to tender to the Secretary a satisfactory conveyance of title and transfer of possession directly from the mortgagor or other appropriate grantor, and *may pay to the mortgagee the insurance benefits to which it would otherwise be entitled if such conveyance had been made to the mortgagee and from the mortgagee to the Secretary.*

"(C) Claim without conveyance of title.—The Secretary may pay insurance benefits upon sale of the mortgaged property at foreclosure where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and upon assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B).

"(D) Preforeclosure sale.—The Secretary may pay insurance benefits upon the sale of the mortgaged property by the mortgagor after default and the assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B), if—

"(i) the sale of the mortgaged property has been approved by the Secretary;

"(ii) the mortgagee receives an amount at least equal to the fair market value of the property (with appropriate adjustments), as determined by the Secretary; and

"(iii) the mortgagor has received an appropriate disclosure, as determined by the Secretary.

(2) Payment for loss mitigation.—The Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for all or part of any costs of the mortgagee for taking loss mitigation actions that provide an alternative to foreclosure of a mortgage that is in default (including but not limited to actions such as special forbearance, loan modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)). No actions taken under this paragraph, nor any failure to act under this paragraph, by the Secretary or by a mortgagee shall be subject to judicial review.

"(3) Determination of claims procedure.—The Secretary shall publish guidelines for determining which of the procedures for payment of insurance under paragraph (1) are available to a mortgagee when it claims insurance benefits. At least one of the procedures for payment of insurance benefits specified in paragraph (1)(A) or (1)(B) shall be available to a mortgagee with respect to a mortgage, but the same procedure shall not be required to be available for all of the mortgages held by a mortgagee.

"(4) Servicing of assigned mortgages.—If a mortgage is assigned to the Secretary under paragraph (1)(A), the Secretary may permit the assigning mortgagee or its servicer to continue to service the mortgage for reasonable compensation and on terms and conditions determined by the Secretary. Neither the Secretary nor any servicer of the mortgage shall be required to forbear from collection of amounts due under the mortgage or otherwise pursue loss mitigation measures.

"(5) Calculation of insurance benefits.—Insurance benefits shall be paid in accordance with section 520 and shall be equal to the original principal obligation of the mortgage (with such additions and deductions as the Secretary determines are appropriate) which was unpaid upon the date of—

"(A) assignment of the mortgage to the Secretary;

"(B) the institution of foreclosure proceedings;

"(C) the acquisition of the property after default other than by foreclosure; or

"(D) sale of the mortgaged property by the mortgagor.

"(6) Forbearance and recasting after default.—The mortgagee may, upon such terms and conditions as the Secretary may prescribe—

"(A) extend the time for the curing of the default and the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, to such time as the mortgagee determines is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Secretary may include in the amount of insurance benefits an amount equal to any unpaid mortgage interest; or

"(B) provide for a modification of the terms of the mortgage for the purpose of recasting, over the remaining term of the mortgage or over such longer period pursuant to guidelines as may be prescribed by the Secretary, the total unpaid amount then due, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered the 'original principal obligation of the mortgage' for purposes of paragraph (5).

"(7) Termination of premium obligation.—The obligation of the mortgagee to pay the premium charges for insurance shall cease upon fulfillment of the appropriate requirements under which the Secretary may pay insurance benefits, as described in paragraph (1). The Secretary may also terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application filed by the mortgagee for insurance benefits under paragraph (1), or in the event the contract of insurance is terminated pursuant to section 229.

"(8) Effect on payment of insurance benefits under section 230.—Nothing in this section shall limit the authority of the Secretary to pay insurance benefits under section 230.

"(9) Treatment of mortgage assignment program.—Notwithstanding any other provision of law, or the Amended Stipulation entered as a consent decree on November 8, 1979, in Ferrell v. Cuomo, No. 73 C 334 (N.D. Ill.), or any other order intended to require the Secretary to operate the program of mortgage assignment and forbearance that was operated by the Secretary pursuant to the Amended Stipulation and under the authority of section 230, prior to its amendment by section 407(b) of The Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 45), no mortgage assigned under this section may be included in any mortgage foreclosure avoidance program that is the same or substantially equivalent to such a program of mortgage assignment and forbearance.".

(b) Effective Date.—The Secretary shall publish a notice in the Federal Register stating the effective date of the terms and conditions prescribed by the Secretary under section 204(a)(1) of the National Housing Act, as amended by subsection (a) of this section. Subsections (a) and (k) of section 204 of the National Housing Act, as in effect immediately before such effective date, shall continue to apply to any mortgage insured under section 203 of the National Housing Act before such effective date, except that the Secretary may, at the request of the mortgagee, pay insurance benefits as provided in subparagraphs (A) and (D) of section 204(a)(1) of such Act to calculate insurance benefits in accordance with section 204(a)(5) of such Act.

(c) Repeal of Redundant Provision.—Subsection (k) of section 204 of the National Housing Act (12 U.S.C. 1710(k)) is hereby repealed.

(d) Authority To Sell.—Section 204(g) of the National Housing Act (12 U.S.C. 1710(g)) is amended by adding at the end the following new sentence: "The Secretary may sell real and personal property acquired by the Secretary pursuant to the provisions of this Act on such terms and conditions as the Secretary may prescribe.".

(e) Authority To Insure Mortgage.—Section 223(c) of the National Housing Act (12 U.S.C. 1715n(c)) is amended—

(1) by striking "him" each place it appears and inserting "the Secretary"; and

(2) by inserting before "of any property acquired", the following: ", including a sale through another entity acting under authority of the fourth sentence of section 204(g),".

(f) Loss Mitigation.—Section 230 of the National Housing Act is amended—

(1) by redesignating subsections (a) through (e) as (b) through (f); and

(2) by inserting a new subsection (a) as follows:

"(a) Upon default of any mortgage insured under this title, mortgagees shall engage in loss mitigation actions for the purpose of providing an alternative to foreclosure (including but not limited to actions such as special forbearance, loss modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)) as provided in regulations by the Secretary.".

(g) Penalty.—Section 536(a) of the National Housing Act is amended by inserting at the end of paragraph (2) the following:

"In the case of the mortgagee's failure to engage in loss mitigation activities, as provided in section 536(b)(1)(I), the penalty shall be in the amount of three times the amount of any insurance benefits claimed by the mortgagee with respect to any mortgage for which the mortgagee failed to engage in such loss mitigation actions.".

(h) Violation.—Section 536(b)(1) of the National Housing Act is amended by inserting after subparagraph (h) the following:

"(I) Failure to engage in loss mitigation actions as provided in section 230(a) of this Act.".

SEC. 602. DISPOSITION OF HUD-OWNED SINGLE FAMILY ASSETS IN REVITALIZATION AREAS.

Section 204 of the National Housing Act (12 U.S.C. 1710) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) Disposition of Assets in Revitalization Areas.—

"(1) In general.—The purpose of this subsection is to require the Secretary to carry out a program under which eligible assets (as such term is defined in paragraph (2)) shall be made available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities, of revitalization areas. Notwithstanding the authority under the last sentence of subsection (g), the Secretary shall dispose of all eligible assets under the program and shall establish the program in accordance with the requirements under this subsection.

"(2) Eligible assets.—For purposes of this subsection, the term 'eligible asset' means any of the following assets of the Secretary:

"(A) Properties.—Any property that—

"(i) is designed as a dwelling for occupancy by 1 to 4 families;

"(ii) is located in a revitalization area;

"(iii) was previously subject to a mortgage insured under the provisions of this Act; and

"(iv) is owned by the Secretary pursuant to the payment of insurance benefits under this Act.

"(B) Mortgages.—Any mortgage that—

"(i) is an interest in a property that meets the requirements of clauses (i) and (ii) of subparagraph (A);

"(ii) was previously insured under the provisions of this Act; and

"(iii) is held by the Secretary pursuant to the payment of insurance benefits under this Act.

For purposes of this subsection, an asset under this subparagraph shall be considered to be located in a revitalization area, or in the asset control area of a preferred purchaser, if the property described in clause (i) is located in such area.

"(C) FUTURE INTERESTS.—Any contingent future interest of the Secretary in an asset described in subparagraph (A) or (B).

"(3) REVITALIZATION AREAS.—The Secretary shall designate areas as revitalization areas for purposes of this subsection. Before designation of an area as a revitalization area, the Secretary shall consult with affected units of general local government and interested nonprofit organizations. The Secretary may designate as revitalization areas only areas that meet one of the following requirements:

"(A) VERY-LOW INCOME AREA.—The median household income for the area is less than 60 percent of the median household income for—

"(i) in the case of any area located within a metropolitan area, such metropolitan area; or

"(ii) in the case of any area not located within a metropolitan area, the State in which the area is located.

"(B) HIGH CONCENTRATION OF ELIGIBLE ASSETS.—A high rate of default or foreclosure for single family mortgages insured under the National Housing Act has resulted, or may result, in the area—

"(i) having a disproportionately high concentration of eligible assets, in comparison with the concentration of such assets in surrounding areas; or

"(ii) being detrimentally impacted by eligible assets in the vicinity of the area.

"(C) LOW HOME OWNERSHIP RATE.—The rate for home ownership of single family homes in the area is substantially below the rate for homeownership in the metropolitan area.

"(4) PREFERENCE FOR SALE TO PREFERRED PURCHASERS.—The Secretary shall provide a preference, among prospective purchasers of eligible assets, for sale of such assets to any purchaser who—

"(A) is—

"(i) the unit of general local government having jurisdiction with respect to the area in which are located the eligible assets to be sold; or

"(ii) a nonprofit organization;

"(B) in making a purchase under the program under this subsection—

"(i) establishes an asset control area, which shall be an area that consists of part or all of a revitalization area; and

"(ii) purchases all interests of the Secretary in all assets of the Secretary that, at any time during the period which shall be set forth in the sale agreement required under paragraph (7)—

"(I) are or become eligible assets; and

"(II) are located in the asset control area of the purchaser; and

"(C) has the capacity to carry out the purchase of eligible assets under the program under this subsection and under the provisions of this paragraph.

"(5) AGREEMENTS REQUIRED FOR PURCHASE.—

"(A) PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligible asset as provided in paragraph (4) to a preferred purchaser only pursuant to a binding agreement by the preferred purchaser that the eligible asset will be used in conjunction with a home ownership plan that provides as follows:

"(i) The plan has as its primary purpose the expansion of home ownership in, and the revitalization of, the asset control area, established pursuant to paragraph (4)(B)(i) by the purchaser, in which the eligible asset is located.

"(ii) Under the plan, the preferred purchaser has established, and agreed to meet, specific performance goals for increasing the rate of home ownership for eligible assets in the asset control area that are under the purchaser's control. The plan shall provide that the Secretary may waive or modify such goals or deadlines only upon a determination by the Secretary that a good faith effort has been made in complying with the goals through the homeownership plan and that exceptional neighborhood conditions prevented attainment of the goal.

"(iii) Under the plan, the preferred purchaser has established rehabilitation standards that meet or exceed the standards for housing quality established under subparagraph (B)(iii) by the Secretary, and has agreed that each asset property for an eligible asset purchased will be rehabilitated in accordance with such standards.

"(B) NON-PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligible asset to a purchaser who is not a preferred purchaser only pursuant to a binding agreement by the purchaser that complies with the following requirements:

"(i) The purchaser has agreed to meet specific performance goals established by the Secretary for home ownership of the asset properties for the eligible assets purchased by the purchaser, except that the Secretary may, by including a provision in the sale agreement required under paragraph (7), provide for a lower rate of home ownership in sales involving exceptional circumstances.

"(ii) The purchaser has agreed that each asset property for an eligible asset purchased will be rehabilitated to comply with minimum standards for housing quality established by the Secretary for purposes of the program under this subsection.

"(6) DISCOUNT FOR PREFERRED PURCHASERS.—

"(A) IN GENERAL.—For the purpose of providing a public purpose discount for the bulk sales of eligible assets made under the program under this subsection by preferred purchasers, each eligible asset sold through the program under this subsection to a preferred purchaser shall be sold at a price that is discounted from the value of the asset, as based on the appraised value of the asset property (as such term is defined in paragraph (8)).

"(B) APPRAISALS.—The Secretary shall require that each appraisal of an eligible asset under this paragraph is based upon—

"(i) the market value of the asset property in its 'as is' physical condition, which shall take into consideration age and condition of major mechanical and structural systems; and

"(ii) the value of the property appraised for home ownership.

"(C) DISCOUNT CLASSES.—The Secretary, in the sole discretion of the Secretary, shall establish the discount under this paragraph for an eligible asset, which shall be in one of the following amounts:

"(i) STANDARD DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, do not meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that—

"(I) is appropriate to provide reasonable resources for the improvement such assets; and

"(II) takes into consideration the financial safety and soundness of the Mutual Mortgage Insurance Fund.

"(ii) DEEP DISCOUNT.—In the case only of eligible assets described in clause (i) for which the Secretary determines a deep discount is appropriate, an amount that exceeds the amount of a standard discount under clause (i). In making a determination whether a deep discount is appropriate, the Secretary may consider the condition of the asset property, the extent of resources available to the preferred purchaser, the comprehensive revitalization plan undertaken by such purchaser, or any other circumstances the Secretary considers appropriate.

"(iii) MINIMAL DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, meet or substantially meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that is less than the amount of a standard discount under clause (i) of this subparagraph and is sufficient to provide assistance to the preferred purchaser in meeting costs associated with compliance with the program requirements under this subsection.

"(D) DETERMINATION OF DISCOUNT CLASS.—The Secretary shall, in the sole discretion of the Secretary, establish a method for determining which discount under clause (i) or (ii) subparagraph (C) shall be provided for an eligible asset that is described in such clause (i) and sold to a preferred purchaser. The method may result in the assignment of discounts on any basis consistent with subparagraph (C) that the Secretary considers appropriate to carry out the purposes of this subsection.

"(7) SALE AGREEMENT.—The Secretary may sell an eligible asset under this subsection only pursuant to a sale agreement entered into under this paragraph with the purchaser, which shall include the following provisions:

"(A) ASSETS.—The sale agreement shall identify the eligible assets to be purchased and the interests sold.

"(B) REVITALIZATION AREA AND ASSET CONTROL AREA.—The sale agreement shall identify—

"(i) the boundaries of the specific revitalization areas (or portions thereof) in which are located the eligible assets that are covered by the agreement; and

"(ii) in the case of a preferred purchaser, the asset control area established pursuant to paragraph (4)(B)(i) that is covered by the agreement.

"(C) FINANCING.—The sale agreement shall identify the sources of financing for the purchase of the eligible assets.

"(D) BINDING AGREEMENTS.—The sale agreement shall contain binding agreements by the purchaser sufficient to comply with—

"(i) in the case of a preferred purchaser, the requirements under paragraph (5)(A), which agreements shall provide that the eligible assets purchased will be used in conjunction with a home ownership plan meeting the requirements of such paragraph, and shall set forth the terms of the homeownership plan, including—

"(I) the goals of the plan for the eligible assets purchased and for the asset control area subject to the plan;

"(II) the revitalization areas (or portions thereof) in which the homeownership plan is operating or will operate;

"(III) the specific use or disposition of the eligible assets under the plan; and

"(IV) any activities to be conducted and services to be provided under the plan; or

"(ii) in the case of a purchaser who is not a preferred purchaser, the requirements under paragraph (5)(B).

"(E) PURCHASE PRICE AND DISCOUNT.—The sale agreement shall establish the purchase price of the eligible assets, which in the case of a preferred purchaser shall provide for a discount in accordance with paragraph (6).

"(F) HOUSING QUALITY.—The sale agreement shall provide for compliance of the eligible assets purchased with the rehabilitation standards established under paragraph (5)(A)(iii) or the minimum standards for housing quality established under paragraph (5)(B)(ii), as applicable, and shall specify such standards.

"(G) PERFORMANCE GOALS AND SANCTIONS.—The sale agreement shall set forth the specific performance goals applicable to the purchaser, in accordance with paragraph (5), shall set forth any sanctions for failure to meet such

goals and deadlines, and shall require the purchaser to certify compliance with such goals.

"(H) Period covered.—The sale agreement shall establish—

"(i) in the case of a preferred purchaser, the time period referred to in paragraph (4)(B)(ii); and

"(ii) in the case of a purchaser who is not a preferred purchaser, the time period for purchase of eligible assets that may be covered by the purchase.

"(I) Other terms.—The agreement shall contain such other terms and conditions as may be necessary to require that eligible assets purchased under the agreement are used in accordance with the program under this subsection.

"(8) Definitions.—For purposes of this subsection, the following definitions shall apply:

"(A) Asset control area.—The term 'asset control area' means the area established by a preferred purchaser pursuant to paragraph (4)(B)(i).

"(B) Asset property.—The term 'asset property' means—

"(i) with respect to an eligible asset that is a property, such property; and

"(ii) with respect to an eligible asset that is a mortgage, the property that is subject to the mortgage.

"(C) Eligible asset.—The term 'eligible asset' means an asset described in paragraph (2).

"(D) Nonprofit organization.—The term 'nonprofit organization' means a private organization that—

"(i) is organized under State or local laws;

"(ii) has no part of its net earnings inuring to the benefit of any member, shareholder, founder, contributor, or individual; and

"(iii) complies with standards of financial responsibility that the Secretary may require.

"(E) Preferred purchaser.—The term 'preferred purchaser' means a purchaser described in paragraph (4).

"(F) Unit of general local government.—The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

"(9) Secretary's discretion.—The Secretary shall have the authority to implement and administer the program under this subsection in such manner as the Secretary may determine. The Secretary may, in the sole discretion of the Secretary, enter into contracts to provide for the proper administration of the program with such public or nonprofit entities as the Secretary determines are qualified.

"(10) Regulations.—The Secretary shall issue regulations to implement the program under this subsection through rulemaking in accordance with the procedures established under section 553 of title 5, United States Code, regarding substantive rules. Such regulations shall take effect not later than the expiration of the 2-year period beginning on the date of the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.".

Titles I, II, III, IV, and VI of this Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999".

And the Senate agree to the same.

Jerry Lewis,
Tom DeLay,
James T. Walsh,
David L. Hobson,
Joe Knollenberg,
R. Frelinghuysen,
Mark W. Neumann,
Roger Wicker,
Bob Livingston,
Louis Stokes,
Alan B. Mollohan,
Marcy Kaptur,
Carrie P. Meek,
David E. Price,
Dave Obey,
Managers on the Part of the House.

Kit Bond,
Conrad Burns,
Ted Stevens,
Richard Shelby,
Ben Nighthorse Campbell,
Larry E. Craig,
Barbara A. Mikulski,
Patrick Leahy,
Frank R. Lautenberg,
Tom Harkin,
Robert C. Byrd,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

The language and allocations set forth in House Report 105-610 and Senate Report 105-216 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

Veterans Health Administration

MEDICAL CARE

Appropriates $17,306,000,000 for medical care, instead of $17,361,395,998 ($17,057,396,000 in the medical care account and an additional $303,999,998 in Sec. 427 of the General Provisions) as proposed by the House and $17,250,000,000 as proposed by the Senate.

The amount provided for medical care is an increase of $278,025,000 above the VA's budget request and reflects the high priority the conferees place on ensuring quality health care for veterans. The VA is to propose how it plans to spend these additional funds, including the increased number of veterans that will be able to receive health care, in the operating plan. That plan is to be submitted within 30 days of enactment of the appropriations bill.

Delays the availability of $778,000,000 of the medical care appropriation in the equipment and land and structures object classifications until August 1, 1999, instead of delaying the availability of $777,000,000—a net of $846,000,000 in the medical care account and a reduction in that amount of $69,000,000 as provided in Sec. 425 of the General Provisions—as proposed by the House and $687,000,000 as proposed by the Senate.

Deletes language proposed by the House and stricken by the Senate earmarking $6,000,000 of the medical care appropriation for the Musculoskeletal Disease Center. Funding for this activity is included in the medical and prosthetic research appropriation.

Restores language proposed by the House and stricken by the Senate transferring not to exceed $22,633,000 from the medical care appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA), amended to transfer not to exceed $27,420,000 ($25,690,000 for ORM and $1,730,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

Deletes language proposed by the Senate earmarking $14,000,000 for the homeless grant program and $6,000,000 for the homeless per diem program, and expanding authorized homeless assistance activities. In deleting the bill language, the conferees agree that not less than $20,000,000 of fiscal year 1999 medical care funds shall be made available for the homeless grant and homeless per diem programs.

Inserts language proposed by the Senate earmarking $10,000,000 of fiscal year 1999 medical care funds for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation, amended to earmark not to exceed $10,000,000.

The conferees have provided $3,000,000 for the Center of Excellence at the Truman Memorial VA Medical Center which would support such activities as clinical studies on hypertension, surfactants, and lupus erythematosus.

The conferees note concerns have been expressed that the use of local pay surveys may be of questionable validity in determining nurse pay rates, and urge the Department to address this matter expeditiously. The VA is to prepare a report on its plans to address this concern and submit it to the House and Senate authorization and appropriations committees by December 1, 1998.

The conferees are aware of a recently released General Accounting Office report titled "VA Health Care: More Veterans Are Being Served, but Better Oversight Is Needed." The VA is directed to take immediate steps to implement the report's recommendations. The VA is also directed to report to the Committees on Appropriations by February 1, 1999 on proposals to address the recommendations contained in the report.

MEDICAL AND PROSTHETIC RESEARCH

Appropriates $316,000,000 for medical and prosthetic research, instead of $320,000,000 ($310,000,000 in the medical and prosthetic research account and an additional $10,000,000 in Sec. 423 of the General Provisions) as proposed by the House and $310,000,000 as proposed by the Senate.

Inserts language earmarking $6,000,000 of the increase in the medical and prosthetic research appropriation for the Musculoskeletal Disease Center, instead of earmarking such funds in the medical care appropriation as proposed by the House. The Senate did not propose such an earmarking of funds.

Last year's conference agreement included $10,000,000 for research into Parkinson's Disease. The conferees agree that the VA is to utilize up to $10,000,000 of the recommended increase to expand research into Parkinson's Disease.

The fiscal year 1998 medical and prosthetic research appropriation included $12,500,000 for research relating to Persian Gulf War illnesses. The conferees expect the VA to maintain such research as a high priority in fiscal year 1999.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriates $63,000,000 for medical administration and miscellaneous operating expenses, instead of $60,000,000 as proposed by the House and the Senate.

The Under Secretary for Health has identified high priority areas that need to be strengthened for better results in the delivery of healthcare. To support these higher priority activities, VA has started a reduction-in-force in the Office of Facilities Management's (OFM) tactical support function. To provide time to explore other options for funding these services, the conferees have agreed to a one-time increase of $3,000,000 to support enhanced clinical, quality and performance management activities. The conferees note that Price Waterhouse recently completed, at the request of the Veterans Health Administration, an independent review of the Office of Facilities Management. That review recommended a number of changes to improve the management of VA facility infrastructure. The conferees expect that the Department will develop a plan for implementing Price Waterhouse's recommendations, wherever appropriate, and any decisions made pursuant to the future of OFM's tactical support functions are to be made consistent with that report. The VA is to prepare a report for the Committees on Appropriations, to be submitted concurrently with the fiscal year 2000 budget request, on its long-range plans for the Office of Facilities Management. The conferees do not expect that any reductions-in-force will be required in fiscal year 1999, unless the VA fails to submit an acceptable alternative proposal.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriates $855,661,000 for general operating expenses as proposed by the House, instead of $854,661,000 as proposed by the Senate.

The $6,000,000 increase above the budget request is for the activities associated with restructuring the Veterans Benefits Administration (VBA) so as to improve the timeliness and accuracy of processing the various types of claims. The average time it currently takes to process claims is not acceptable. The availability of the increase is subject to the submission of a detailed operating plan for VBA that closely follows the recommendations of the National Academy of Public Administration.

In the past, the VA has not had realistic plans to improve service delivery to veterans. The VBA should set realistic goals for timeliness and accuracy for each different type of claim and develop a multi-year plan for attaining these goals—commensurate with the level of resources requested and planned for the future. Goals and plans should be developed not only at the national level, but also for each regional office. Regional office directors should then be held accountable for achieving those individual goals. The performance among regional offices should also be compared. The conferees recognize that it will take time to improve the delivery of services to veterans, and need plans with annual goals to measure the progress realized each year. The VA is to prepare a detailed report for the Committees on Appropriations on these goals and plans. The report is to be submitted concurrently with the fiscal year 2000 budget request.

NATIONAL CEMETERY SYSTEM

Restores language proposed by the House and stricken by the Senate transferring not to exceed $86,000 from the national cemetery system appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication, amended to transfer not to exceed $90,000 ($84,000 for ORM and $6,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

OFFICE OF INSPECTOR GENERAL

Appropriates $36,000,000 for the Office of Inspector General as proposed by the Senate, instead of $32,702,000 as proposed by the House.

Inserts language transferring not to exceed $30,000 from the Office of Inspector General appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management ($28,000) and the Office of Employment Discrimination Complaint Adjudication ($2,000). Although the House and the Senate did not propose similar language, the VA planned to seek a small amount of reimbursement for the two new offices from this appropriation. Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

CONSTRUCTION, MAJOR PROJECTS

Appropriates $142,300,000 for construction, major projects as proposed by the Senate, instead of $143,000,000 as proposed by the House. The conference agreement includes the following changes from the budget estimate:

+$20,800,000 for ambulatory care improvements at the Louis Stokes Cleveland VA Medical Center.

+$25,200,000 for construction of an ambulatory care addition at the Tucson VA Medical Center.

+$7,500,000 for additional gravesite development at the Jefferson Barracks National Cemetery.

+$9,500,000 for nursing unit renovations at the Lebanon, Pennsylvania VA Medical Center.

−$17,700,000 from available unobligated balances in the working reserve.

Inserts language authorizing that not to exceed $125,000 of unobligated funds in the working reserve in the construction, major projects appropriation may be made available for necessary expenses of the redevelopment of the Pershing Hall building in Paris, France. The conferees expect that these funds, and funds previously made available, will be totally reimbursed in future years. Although not proposed by the House or the Senate, the VA has requested this language.

The conferees urge the Secretary to establish a new national cemetery in Eastern Kentucky. The VA is to utilize such sums as may be necessary to initiate the planning phase. Planning should include site selection, acquisition, and design. A report on the progress of the initial phase of this project should be submitted to the Committees on Appropriations by March 31, 1999.

A mental health enhancement project has been proposed by Veterans Integrated Service Network 17 for the Dallas VA Medical Center. The conferees urge the Administration to give consideration to including $24,200,000 for this project in its fiscal year 2000 budget request.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriates $90,000,000 for grants for construction of state extended care facilities as proposed by the Senate, instead of $101,000,000 ($80,000,000 in the grants for construction of state extended care facilities account and an additional $21,000,000 in Sec. 432 of the General Provisions) as proposed by the House.

ADMINISTRATIVE PROVISIONS

Restores language, section 109, proposed by the House and stricken by the Senate renaming the Salisbury VA Medical Center in North Carolina as the "W. G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center."

Deletes language proposed by the Senate authorizing the reimbursement of expenses for the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication from other VA appropriations beginning in fiscal year 1999. Funding for these two offices in fiscal year 1999 is provided by language transferring amounts in medical care ($27,420,000—$25,690,000 for ORM and $1,730,000 for OEDCA), national cemetery system ($90,000—$84,000 for ORM and $6,000 for OEDCA), and Office of Inspector General ($30,000—$28,000 for ORM and $2,000 for OEDCA) to the general operating expenses appropriation. In addition, $2,209,000 is assumed in the general operating expenses appropriation for these activities. The House proposed similar transfer language. The VA, on an informal basis, has recently indicated the need for a 43 percent increase ($9,812,000) above the funding level assumed in the fiscal year 1999 budget request for ORM. The conferees question the requirement for such a large increase and have provided a more realistic addition of 22 percent. All funds for these two offices should be requested in the general operating expenses appropriation in fiscal year 2000.

Inserts language, section 110, proposed by the Senate authorizing the Secretary of Veterans Affairs to convey land in Tuscaloosa County, Alabama, to the University of Alabama.

Inserts new language, section 111, renaming the Cleveland Department of Veterans Affairs Medical Center in Cleveland, Ohio, as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center." The conferees are taking this action in recognition of Congressman Stokes' long and distinguished service in support of veterans and veterans programs.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Inserts a modification to Senate report language requiring HUD to provide beginning March 1, 1999, an annual review of the HUD 2020 plan.

Deletes direction to HUD to provide a report regarding unexpended balances by January 15, 1999, as proposed by the House.

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

Appropriates $10,326,542,030 for the housing certificate fund, instead of $10,240,542,030 as proposed by the House and $10,013,542,030 as proposed by the Senate. The conference agreement includes:

—$9,600,000,000 for expiring section 8 contracts, as proposed by the House instead of $9,540,000,000 as proposed by the Senate;

—$0 for section 8 amendments, as proposed by the Senate instead of $97,000,000 as proposed by the House;

—$10,000,000 for regional opportunity counseling, as proposed by the House instead of $0 as proposed by the Senate; and,

—$283,000,000 for welfare-to-work section 8 rental assistance vouchers, instead of $100,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

The conferees agree to fund 50,000 housing vouchers to address concerns raised by the Administration that reforms included in the public housing legislation attached to this appropriation measure may unduly disadvantage very low-income families on waiting lists. Though this is not the intent of the reforms, there is no clear data on the potential extent of this problem and the conferees want to be sensitive to the inevitable fear of the unknown. Therefore, HUD is directed to design a protocol that tracks the impact of the various reform measures on very low-income families on waiting lists, to analyze the information and to report any findings and conclusions to the Senate and House Banking committees and the House and Senate VA, HUD and Independent Agencies subcommittees. HUD should brief the Committees and Subcommittees about the methodology they plan to utilize to meet this request by March 1, 1999.

Deletes language proposed by the House authorizing HUD to waive any administrative requirements or any provision of the United States Housing Act of 1937 with regard to welfare-to-work vouchers.

Inserts a modification to clarify that the welfare-to-work program is not intended to exclude families receiving time-limited tenant-based rental assistance under state or local initiatives.

Rescinds $1,650,000,000 from excess section 8 funds, specifically from section 8 amendments and from the section 8 moderate rehabilitation program, instead of $1,400,000,000 as proposed by the Senate.

Inserts language proposed by the House to expand tenant protection eligibility to families being relocated due to a HOPE VI revitalization plan.

Inserts a modification to report language proposed by the House directing rather than urging HUD to revise its Performance Plan to incorporate measurable goals and outcomes for the welfare-to-work program and to include those goals in HUD's 1999 Operating Plan.

Like the House and Senate bills, the conference agreement provides funding for so-called "enhanced" or "sticky" vouchers, to be provided to residents who lose the benefit of housing affordability restrictions when owners prepay federally assisted mortgages. Because questions have been raised as to whether these vouchers are renewable, the conferees would like to emphasize their intention that enhanced vouchers (funded under this or prior appropriations bills) are renewable from year to year under the same terms and conditions, and have included language clarifying this point. Because appropriations for renewal of section 8 certificates and vouchers are now provided on an annual basis, it is not possible for HUD or public housing authorities to enter into binding commitments to provide this assistance for terms longer than one year. However, the Appropriations Committees have made it a high priority to ensure that sufficient funding is provided each year to allow for renewal of all expiring section 8 assistance, including enhanced vouchers.

The conferees agree to include a technical amendment clarifying the terms of enhanced vouchers. Under this amendment, if the income of a family with such a voucher drops significantly (because of job loss, retirement or death of a family member, for example), the rental payment required of that family will be reduced, so that the percentage of income paid in rent by that family does not exceed the greater of (1) the percentage paid in rent before the mortgage prepayment that triggered the enhanced voucher, or (2) the normal section 8 payment standard of 30 percent. The conferees intend HUD to issue regulations or other appropriate guidance implementing this provision.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Deletes language proposed by the Senate requiring HUD to collect amounts recaptured from section 8 tenant-based assistance.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $3,000,000,000 for the public housing capital fund, as proposed by the House instead of $2,550,000,000 as proposed by the Senate.

Inserts language, as an administrative provision, prohibiting funds from being used to support any units not funded prior to October 1, 1998, except for those funded under the HOPE VI program. Appropriated amounts for the Capital Fund and the Operating Fund are predicated on the current number of public housing units. Adding thousands of units of formerly state or locally subsidized housing, as included in Title V, would cause a significant hardship to existing developments by decreasing available funds. This prohibition applies to both the Public Housing Capital and Operating Funds.

PUBLIC HOUSING OPERATING FUND

The conferees support the efforts of public housing authorities to use private funds to make capital improvements in order to lower energy costs and believe this program could lead to significant long-term savings for a small investment. To accomplish this, HUD should consider the savings that are recognized from existing energy performance contracts and encourage future contracts under the Performance Funding System and the incentives provided by section 118 of the Housing and Community Development Act of 1987. In addition, HUD should educate field office staff as to the usefulness of this program.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

Appropriates $310,000,000 for drug elimination grants, as proposed by the Senate instead of $290,000,000 as proposed by the House. Of the amount provided, $20,000,000 is for the New Approach Anti-Drug program, as proposed by the Senate.

The conferees are concerned with the overall implementation and effectiveness of the New Approach Anti-Drug program and, therefore, expect the Department to provide the committees with a report on both the implementation and effectiveness of the program by May 15, 1999.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING

(HOPE VI)

Appropriates $625,000,000 for the revitalization of severely distressed public housing program, an increase of $25,000,000 above the House and Senate recommendations. The conferees agree to increase the appropriation in recognition of the significant contributions the program makes to replacing nonviable public housing with affordable homes and apartment buildings that are safe, that fit into the neighborhood landscape, and that provide needed services for the families who live in them. The appropriation includes $15,000,000 for technical assistance, as proposed by the Senate instead of $10,000,000 as proposed by the House.

Inserts a restriction requiring that funds appropriated to this account are used for HOPE VI program activities, as proposed by the House.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $620,000,000 for Native American block grants, as proposed by the House instead of $600,000,000 as proposed by the Senate.

Limits the guarantee of the Title VI Indian federal guarantees program to $54,600,000, as proposed by the House instead of $217,000,000 as proposed by the Senate.

Transfers $200,000 to salaries and expenses for administrative costs associated with the Title VI guarantee program, as proposed by the House.

Directs HUD to provide annual, rather than semi-annual, reports to the Committees evaluating the Native American housing block grant program.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Transfers $400,000 to salaries and expenses for administrative costs associated with the Indian housing loan guarantee program, as proposed by the House.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriates $25,000,000 for rural housing and economic development, instead of $35,000,000 as proposed by the Senate. The conference agreement provides:

—$4,000,000 for capacity building at the state and local level, of which $1,000,000 is for development of a clearinghouse of ideas for innovative strategies for rural housing and economic development and $3,000,000 is for direct capacity building funding to local rural nonprofits, community development corporations and Indian tribes; and,

—$21,000,000 to fund Indian tribes, state housing finance agencies, state community and/or economic development agencies, local rural nonprofits and community development corporations for innovative housing and economic development activities in rural areas. Of this amount, $5,000,000 is for seed funding for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development.

The conferees urge HUD, in consultation with USDA, to award these funds not necessarily to the poorest of all communities, but to develop balanced guidelines that recognize need but also that recognize those grantees and projects that are innovative and forward-looking and that can be duplicated as a successful model to meet rural needs throughout the country.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriates $215,000,000 for housing opportunities for persons with AIDs, instead of $204,000,000 as proposed by the House and $225,000,000 as proposed by the Senate.

Deletes language proposed by the Senate requiring HUD to submit a report to Congress summarizing all technical assistance provided in this account. The conferees, however, direct HUD to provide this information to the VA, HUD and Independent Agencies Subcommittees.

The conferees agree to reiterate the request, proposed in both the House and Senate reports, for a reexamination of this program—particularly its formula for distributing funds.

Under current law, 90 percent of HOPWA funds are distributed on a formula basis. States and metropolitan areas qualify for funding when the cumulative number of AIDS cases in the locality exceeds 1,500. Three quarters of the formula funds are then distributed among all qualifying states and metropolitan areas based on proportionate shares of cumulative cases. The remaining one quarter is distributed to qualifying metropolitan areas with above-average current incidence of AIDS.

This approach of giving states and metro areas entitlement to a portion of formula funds when the cumulative number of AIDS cases (since the early 1980s) crosses a fixed numerical threshold leads to an increase in the number of qualifying jurisdictions each year. This requires available funds to be spread more thinly each year. The rising number of qualifying jurisdictions is a major reason why the Appropriations Committees have sought to provide annual increases for this program, but the conferees are not at all confident that budgetary conditions will allow future funding to keep pace with the annual increases in eligible jurisdictions.

In addition, as more metro areas cross the threshold and qualify, the rest of the state often loses all funding, as subtracting the metro area often brings the number of cases in the balance of the state below the threshold. The conferees have once again included temporary grandfathering language to preserve funding for another year for states caught in these circumstances, but believe a more permanent solution is needed.

The conferees appreciate the detailed report submitted by the Department in response to requests in last year's appropriations reports. However, that report recommended against a change in the formula, primarily because of the importance of maintaining stability in this program. The conferees recognize the virtue of stability, but point out that aspects of the present system are not particularly stable—in fact, the "bonus" portion of the formula (the portion that uses current incidences of AIDS cases relative to the current national average) produces wide annual swings in funding for some jurisdictions. More importantly, as noted above, the conferees are concerned that the present system cannot be sustained without annual appropriations increases larger than can be realistically expected.

For all these reasons, the conferees urge the authorizing committees, the Department, and the AIDS housing community to consider whether it is time to redesign the basic funding formulas for the HOPWA program—giving particular attention to means of basing eligibility and allocations on better measures of relative current need, and perhaps also considering whether a competitive element should be introduced so as to channel some extra funds to areas with particularly well developed and successful programs.

None of the above is intended to express doubt concerning the very real needs that the HOPWA program serves. Rather, the conferees are concerned that the current funding approach may be unsustainable and anxious that scarce funding be distributed so as to address the highest priority needs and reward the best performing programs.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $4,750,000, 000 for community development grants, as proposed by the Senate instead of $4,725,000,000 as proposed by the House. The conferees agree to the following earmarks:

—$50,000,000 for section 107 grants, as proposed by the House instead of $32,000,000 as proposed by the Senate. The conference agreement provides the following earmarks:

—$3,000,000 is for community development work study,

—$10,000,000 is for historically black colleges and universities with $1,000,000 for Dillard University in New Orleans, Louisiana,

—$7,500,000 is for the Community Outreach Partnerships program,

—$7,000,000 is for insular areas,

—$7,500,000 is for technical assistance,

—$8,500,000 is for management information systems, and

—$6,500,000 is for Hispanic Serving Institutions with $850,000 for the San Bernardino Community College District;

—$3,000,000 is for 1999 Special Olympics World Summer Games;

—$12,000,000 is for the City of Oklahoma City, Oklahoma, to deal with the costs of the Oklahoma City bombing;

—$15,000,000 is for Capacity Building for Community Development and Affordable Housing, authorized by section 4 of P.L. 103-120, as in effect before June 12, 1997. The conferees note that the capacity building program has been in place for several years, and believe that an assessment would be appropriate. Accordingly, the conferees request the Department to report to the authorizing and appropriations committees, no later than April 1, 1999, regarding its assessment of the effectiveness of this program and recommendations for the future. The report should address, among other matters, whether eligibility for grants should be expanded to other specified organizations or otherwise changed, or whether grants should be awarded through an open competition.

—$55,000,000 for supportive services, as proposed by the Senate instead of $50,000,000 as proposed by the House. Of that amount, $20,000,000 is earmarked for service coordinators and congregate services as proposed by the House instead of $10,000,000 as proposed by the Senate;

—$20,000,000 for grants to eligible grantees under section 11 of the Self-Help Housing Opportunity Program Extension Act of 1996, as proposed by the House, and $7,500,000 for Habitat for Humanity International for capacity building activities;

—$225,000,000 for economic development grants, instead of $50,000,000 as proposed by the House and $85,000,000 as proposed by the Senate. The conferees agree to the following targeted economic development grants:

—$500,000 for the Chabot Observatory and Science Center in the City of Oakland, California for a science education center;

—$500,000 to the City of Oceanside, California for activities associated with the City of Oceanside's Redevelopment Project;

—$600,000 to the Alameda County Housing Agency—the Housing and Community Development Department for the Alameda County Homeless Base Conversion in Oakland, California;

—$500,000 to Golden Gate University in San Francisco, California for the Golden Gate University Agricultural Business Resource Center project in Monterrey, California;

—$500,000 to the Inland Valley Development Agency for San Bernardino International Airport in San Bernardino, California for activities associated with the base conversion project;

—$500,000 to the City of Los Angeles, California for the activities associated with the economic redevelopment of the City of Los Angeles' Santa Barbara Plaza project;

—$600,000 to the University of San Diego in San Diego, California for the development of the University of San Diego Science and Education Research Center to provide education and training of low income students;

—$100,000 to CALSTART in the Los Angeles International Airport in Los Angeles, California for an electric vehicle rental demonstration;

—$1,000,000 to the Lake Champlain Science Center in Burlington, Vermont for development activities;

—$1,000,000 to the City of Barre, Vermont for downtown development;

—$300,000 to the Vermont Housing and Conservation Board for affordable housing activities in Bennington, Vermont;

—$200,000 to Burlington Community Land Trust for a multi-generational center in Burlington, Vermont;

—$250,000 to the Vermont Technical College, in Randolph, Vermont for the Vermont Technology Workforce Training Initiative;

—$250,000 to the Town of Wells River, Vermont for downtown redevelopment activities;

—$800,000 to the City of Dubuque, Iowa for work associated with the development of the Upper Mississippi River National Wildlife and Fish Refuge Interpretive Center in Dubuque, Iowa;

—$1,000,000 to the City of Sioux City, Iowa for the restoration of the Warrior Hotel in Sioux City, Iowa to be used for adult day care and other direct services;

—$700,000 to City of Cedar Rapids, Iowa for revitalization in the Cedar Rapids, Iowa Southside neighborhood development project;

—$500,000 to the City of Waterloo, Iowa for affordable housing development in Waterloo, Iowa

—$750,000 for the New Jersey Community Development Corporation to rehabilitate a site in Paterson, New Jersey to establish an employment opportunity center;

—$750,000 to Cumberland County, New Jersey for the City of Bridgeton, New Jersey redevelopment project;

—$500,000 to Covenant House for the construction of a residential and community service center in Newark, New Jersey;

—$500,000 to New Community Corporation to develop abandoned property in Newark, New Jersey;

—$500,000 for the Lower Essex Street Waterfront redevelopment project in Rahway, New Jersey;

—$3,000,000 for the construction of a Science/Computer teaching center at Wheeling Jesuit University in Wheeling, West Virginia;

—$2,000,000 to Hawaii Housing Authority for the work associated with the construction of the Community Resource Center at Kuhio Homes/Kuhio Park Terrace in Honolulu, Hawaii;

—$250,000 to the County of Hawaii for infrastructure development in Puna, Hawaii;

—$250,000 to the County of Maui, Hawaii for the acquisition of the Malama Family Recovery Center to provide counseling and support to at risk women of substance abuse;

—$500,000 to the City of Ozark, Arkansas for the development of its downtown area as a tourist destination;

—$500,000 to the Turtle Mountain Community College in North Dakota, for the Turtle Mountain Economic Development and Education Complex;

—$500,000 to the Rural Economic Area Partnership Investment Board in North Dakota for rural and economic development activities;

—$250,000 to the Atlantic Beach Community Development Corporation in Horry County, South Carolina for activities associated with economic development in Horry County, South Carolina;

—$250,000 to the School of Public Health at the University of South Carolina in Columbia, South Carolina to consolidate its programs in a new central location;

—$500,000 to Dillon County, South Carolina for the restoration of the Dillon County Library;

—$1,500,000 to the City of Milwaukee for the second phase of the riverwalk development in Milwaukee's Historic Third Ward;

—$1,000,000 to the City of Sioux Falls, South Dakota for the downtown restoration and redevelopment purposes;

—$400,000 to the Greater Huron Development Corporation for economic development efforts in the Huron, South Dakota community;

—$500,000 to the Northern Hills Community Development Corporation for economic development efforts in the Lead, South Dakota area;

—$350,000 to the City of Woonsocket, South Dakota for infrastructure improvements at the city's industrial park;

—$350,000 to the City of Mobridge, South Dakota for economic development expansion and development purposes;

—$200,000 to the Mitchell Economic Development Corporation to construct an access road and make improvements at the Railroad Industrial Park in Mitchell, South Dakota;

—$100,000 to the Sioux Falls Downtown Economic Development Incentive Fund for business development in the City of Sioux Falls, South Dakota;

—$200,000 to the City of Webster, South Dakota for infrastructure improvements to the community's industrial park;

—$200,000 to the City of Siseton, South Dakota for business development purposes;

—$500,000 the Boston Symphony Orchestra in Boston, Massachusetts for the restoration of the Boston Symphony Hall;

—$750,000 to the Antelope Valley Partnership for the redevelopment of Lincoln, Nebraska;

—$250,000 to the Inner City Education and Recreation Foundation in Chicago, Illinois to rehabilitate vacant inner city parcel;

—$650,000 to Bethel New Life in Chicago, Illinois for economic development efforts at the former St. Anne's hospital site in Chicago, Illinois;

—$500,000 to the Enterprise Foundation in Columbia, Maryland for multi-state welfare-to-work child care initiative;

—$250,000 for development efforts in the Scottsdale subdivision of Harvey, Louisiana;

—$500,000 to the East Baton Rouge Health Alliance in East Baton Rouge Parish, Louisiana for economic development, health promotion and disease prevention;

—$250,000 to the Wing Luke Museum in the international district of Seattle, Washington for rehabilitation and expansion of the Wing Luke Museum;

—$500,000 to the City of Seattle, Washington for the rehabilitation and new construction associated with the Noji Gardens Homesight project;

—$100,000 to the Mountain Association for Community Economic Development for economic development activities in Kentucky;

—$750,000 to the Boys and Girls Club of Las Vegas, Nevada for activities associated with the renovation and expansion of the existing education and recreation facility;

—$900,000 to the City of Tampa, Florida for the refurbishment of the West Tampa El Centro Espanol Building;

—$500,000 to the City of Portland, Oregon for Phase 2 of the Portland Central City Streetcar project to provide service to the emerging North Macadam district;

—$500,000 to the Navajo Nation in Shiprock, New Mexico for a multi-purpose center to be used as a safe haven for at-risk Indian juveniles;

—$250,000 to the Bayview Citizens for Social Justice in Norhthampton County, Virginia for economic development activities;

—$250,000 to the Museum for African Art in New York, New York;

—$1,500,000 to Prince George's County Maryland for work associated with the Manchester Square Redevelopment Project in Suitland, Maryland;

—$1,500,000 to Montgomery County, Maryland for economic development and revitalization in the southern Silver Spring business district;

—$1,500,000 to the Maryland Department of Housing and Community Development to establish a national Pediatric Functional Imaging Center, to serve as a job training site for individuals with neurological impairments, located in a federally designated empowerment zone;

—$100,000 to Payne Memorial Outreach, Inc. in Baltimore, Maryland for economic development efforts related to the 1701 Madison Avenue Redevelopment Project;

—$400,000 to Garret County, Maryland, for activities related to development activities associated with the Highview Apartments Redevelopment Project in Oakland, Maryland;

—$250,000 to the Baltimore City Unity Partnership, Inc. for economic development and community revitalization activities in Baltimore, Maryland;

—$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland;

—$300,000 to the Santa Fe, NM Neighborhood Housing Service to create the Self-Help Housing Loan Fund;

—$300,000 to the City of Kansas City, KS to demolish the Huron Building and the Security Bank Building;

—$1,600,000 to the St. Stephen Lifestyle Enrichment Center Campus for renovations in Louisville, KY;

—$750,000 to the City of Riverside, CA for the expansion of the Goeske Senior and Disabled Citizens Center;

—$100,000 to the City of Riverside, CA for Phase II of the Citrus Park.

—$150,000 to the County of Riverside, CA for the Riverside School of the Arts at Riverside Community College;

—$1,000,000 to the City of San Diego, CA for the San Diego Childrens Convalescent Hospital;

—$200,000 to Ascension Parish, LA for parks and recreation development;

—$100,000 to the City of Plaquemine, LA for the development of the City Activity Center;

—$50,000 to the City of Plaquemine, LA for the historic train depot;

—$250,000 to the Los Angeles County Development Commission, CA for the Growing Experience at the Carmelitos Center;

—$250,000 to the Los Angeles County Development Commission, CA for the Telemedicine project at the Carmelitos Center;

—$350,000 to Marshall County, AL for the Lewis Mountain drinking water infrastructure improvements;

—$1,000,000 to Etowah, AL for the Lake Gadsden infrastructure improvements;

—$500,000 to the Nevada Rural Health Centers, NV for the Nevada Mobile Mammography unit for a mammovan;

—$250,000 to Westhampton Beach, NY for the renovation and revitalization of the Westhampton Beach Performing Arts Center;

—$1,000,000 to Ball State University, IN for the Muncie-Delaware County Workforce Development Initiative;

—$1,000,000 to Indiana University in Bloomington, IN for the renovation of the Midwest Proton Radiation Institute;

—$450,000 to Rural Enterprises in the City of Durant, OK for the purpose of assisting businesses in economically distressed rural areas;

—$500,000 to the City of Topeka, KS for drinking water infrastructure;

—$250,000 to Pittsburg State University, KS for facilities improvements at the Kansas Technology Center;

—$500,000 to Riverton, UT for the restoration of the civic center;

—$650,000 to the City of Bernalillo, NM for the completion of the youth center;

—$500,000 to Rampo College of New Jersey, NJ for the construction of the Center for Performing and Visual Arts;

—$1,000,000 to CALSTART for creation and relocation of business incubator activities associated with the cities of Pasadena, CA and Camarillo, CA;

—$250,000 to Elizabethtown, KY for the revitalization of the State Theater;

—$250,000 to Liberal, KS for the revitalization effort of the Original Town of Liberal Revitalization Corporation;

—$100,000 to Gamaliel, KY for construction costs associated with the Gamaliel Fire House;

—$100,000 to Tompkinsville, KY for construction costs associated with the Community Development Training Center;

—$130,000 to Columbia, KY for construction of the Adair County Community Development Training Center to retrain displaced textile workers in the area;

—$100,000 to the City of Russellville, KY for water system infrastructure improvements;

—$20,000 to Central City, KY for the GISH Playground site improvements as well as the purchase of new equipment;

—$300,000 to the Ewing Naval Warfare Center Reuse Committee, NJ for economic redevelopment of the area;

—$50,000 to Somerset County Board of Social Services, NJ for AGAPE House Homeless Shelter;

—$500,000 to Cathedral City, CA for infrastructure improvement needs related to the bridge over crossing at Interstate 10 and Date Palm Drive;

—$500,000 to the University of New Hampshire, NH for library and laboratory enhancements as well as telecommunications access;

—$500,000 to the University of Montana, Missoula, MT for the planning, design and establishment of a Research Development Enterprise;

—$1,250,000 to City of Charlotte, NC for economic development in the Wilkinson Boulevard Corridor;

—$250,000 to the Arkansas Enterprise Group of Arkadelphia, AR to address child care issues in conjunction with welfare to work initiatives;

—$500,000 to County of Tulare, CA for the Tulare International Trade Center;

—$1,000,000 to the City of Youngstown, OH for the Southside Medical Center campus;

—$600,000 to the City of Kendleton, Fort Bend County, TX for upgrading the sewer and water system;

—$500,000 to the nonprofit 1490 Enterprises Community Center in Buffalo, NY for renovation of the community center;

—$100,000 to Wayne State University, MI for the renovation of Hilberry Theater;

—$1,000,000 to Wittenberg University, OH for Phase I of the science facility renovation project;

—$500,000 to County of Fresno, CA for Westcare's Fresno County Community Healthcare campus to provide low-income health care services;

—$1,000,000 to the Tampa Port Authority, FL for economic development and revitalization efforts;

—$1,500,000 to the County of Sacramento, CA for the Sacramento Urban League Workforce Development Center;

—$500,000 to Houghton College, NY for the costs associated with the development of an academic Fine Arts Center;

—$500,000 to the County of Fairfax, VA for revitalization efforts at Bailey's Crossroads and Annandale, VA;

—$200,000 to Abington Township, PA for the Abington Township library construction and renovation project;

—$530,000 to the Norristown Borough, PA for construction of a parking garage;

—$10,000 to the Wissahickon Public Library, Blue Bell, PA for technology infrastructure;

—$10,000 to the Conshohocken Public Library, Borough of Conshohoken, PA for technology infrastructure;

—$175,000 to Montgomery County, PA for the acquisition of a senior adult activity center;

—$25,000 to Conshohocken Borough, PA for the construction of a Veterans memorial;

—$50,000 to Montgomery County, PA for the Hatboro Borough library renovation and construction project;

—$250,000 to the City of Stockton, CA for the acquisition and rehabilitation of the Old Stockton Hotel;

—$250,000 to the Edison Welding Institute, Columbus, OH for a specialized job training program related to welfare to work initiatives in central Ohio;

—$350,000 to the City of Citrus Heights, CA for transitional cost of the City's recent incorporation;

—$125,000 to the City of Folsom, CA for the Brownfields Redevelopment project at Folsom City Landfill and Corporation Yard;

—$125,000 to Placer County, CA for the regional wastewater treatment facility;

—$250,000 to the City of Newhall, CA for the Newhall Metrolink Station;

—$250,000 to the City of Lancaster, CA for construction of the National Soccer Activity Center;

—$250,000 to the City of Lancaster, CA for costs associated with the 50th District Agricultural Association Fairgrounds relocation;

—$250,000 to Ventura County, CA for construction of Rail Tunnel 26;

—$750,000 to the City of Sardis, MS for a wastewater treatment facility;

—$250,000 to the Town Silver City, NM for wastewater treatment facility upgrades;

—$1,000,000 to Holmes County, OH for the Northeast Ohio Health Outreach Network;

—$1,000,000 to Newstead, NY for construction costs associated with a library;

—$350,000 to the City of Hammond, LA for historic Columbia Theater renovations;

—$750,000 to City Park in New Orleans, LA for infrastructure and renovation needs;

—$750,000 to the City of Covington, LA for the Community Workforce Development Center;

—$350,000 to Grace House in New Orleans, LA for facility improvements;

—$1,000,000 to the Audubon Institute Living Sciences Museum in New Orleans, LA;

—$300,000 to the University of New Orleans, LA for the Welfare Entrepreneurship program;

—$500,000 to the County of San Bernardino, CA for the Shack Attack program in the Morongo Basin and other desert areas in the County;

—$1,000,000 to the City of Redlands, CA for the redevelopment initiatives near the historic Fox Theater;

—$500,000 to the City of Redlands, CA for the reconstruction of the Alabama Street Bridge;

—$1,000,000 to the City of Highland, CA for construction of the Highland Community Center;

—$1,000,000 to the City of Loma Linda, CA for infrastructure improvements at Redlands Boulevard and California Streets;

—$300,000 to the Town of Apple Valley, CA for the Happy Trails Childrens Foundation for site improvements at Cooper Home;

—$250,000 to the County of San Bernardino, CA for a public park facility to serve the Children's Forest, Hoffman Elementary School, Rim of the World Recreation and Park District and local businesses;

—$500,000 to the Boys and Girls Club of Redlands for the development of a youth facility, Redlands, CA;

—$375,000 to Clearfield Borough, PA for the Dimeling Hotel renovation project for senior living apartments;

—$2,750,000 to the Olympic Regional Development Authority, NY for upgrades at Mt. Van Hoevenberg Sports Complex;

—$750,000 to St. Josephs Hospital Health Center for the Central New York Cardiac Care and Hemodialysis Enhancement Center in Syracuse, NY;

—$2,000,000 to the Childrens Center of Brooklyn, NY for the construction of a facility to house educational and therapeutic programs for disabled preschool children;

—$400,000 to the City of Syracuse, NY for the Museum of Science and Technology;

—$100,000 to the Sally Coyne Health Care Center for Independence in North Syracuse, NY;

—$200,000 to the Boys and Girls Club in Syracuse, NY for the renovation of existing facilities;

—$500,000 to Wyoming County, PA for the construction of a residential and treatment facility for autistic adults;

—$500,000 to City of Scranton, PA for the Goodwill Industries elderly housing project at the former North Scranton Intermediate School;

—$500,000 to the City of Scranton, PA to replace the treatment and residential facility in Scranton which serves and houses children in need of mental health, behavioral, and protective services;

—$500,000 to Lacawanna County, PA to improve the site tipple and yard in Lacawanna County Coal Mine;

—$500,000 to Morristown, NJ for economic redevelopment initiatives;

—$500,000 to Science Park in Newark, NJ for academic and infrastructure needs;

—$500,000 to the Stevens Institute of Technology Laboratory Business Innovation in Hoboken, NJ;

—$500,000 to the University of Oklahoma, OK for Phase I of planning for incubator operations at the Advanced Research Park;

—$500,000 to the City of San Juan Capastrano, CA for construction of a Boys and Girls Club of Capastrano Valley;

—$1,250,000 to the University of Connecticut, for the continued construction of the Agriculture Biotechnology Laboratory in Storrs, CT;

—$500,000 to Montgomery County, MD for the Easter Seals Break-Away Senior Day Care Center;

—$1,500,000 to the Detroit Rescue Mission Ministries for infrastructure repairs, Detroit, MI;

—$1,000,000 to the Mill Springs Battlefield Association for the construction of an interactive visitors center and museum at the Mill Springs Battlefield in Pulaski County, KY;

—$225,000 to the City of Logan, UT for the Logan City Trails/Transportation project;

—$75,000 to the City of Logan, UT for the Logan City Willow Park Zoo;

—$200,000 to the City of Layton, UT for the completion of the Kays Creek Corridor project in northeast Layton;

—$500,000 to the Haymarket Center's Community and Family Learning Center, Chicago, IL for the comprehensive substance abuse treatment center;

—$650,000 to the City of Jacksonville, FL for the Talleyrand Redevelopment Project;

—$100,000 to the City of Jacksonville Beach, FL for water and wastewater infrastructure improvements;

—$500,000 to the University of Cincinnati Medical Center, OH for an addition to and renovation of the Medical Sciences Building;

—$250,000 to the County of San Bernardino, CA for the Running Springs Downtown Revitalization Project;

—$750,000 to the non-profit Charter Schools Development Corporation for working capital and design of a credit enhancement program required to leverage private financing for charter school facilities using the District of Columbia as a model for a national approach;

—$500,000 to Pacific Union College, Angwin, CA for the Nappa Valley Resource Center development a welfare to technology job training program;

—$1,000,000 to the California State University, Long Beach, CA to implement an affordable, disaster resistant, energy efficient housing program in conjunction with the City of Omaha, NE;

—$275,000 to Warren County, VA for asbestos remediation and lead paint removal at the Avtex Superfund Site in Front Royal, VA.

—$2,500,000 for the University of Alaska Museum, Fairbanks, Alaska;

—$350,000 for the Noel Wien Memorial Library in Fairbanks, Alaska;

—$2,500,000 for the Alaska Vocational Technical Center in Seward, Alaska for a maritime vessel simulator;

—$500,000 for the Homer Dock in Homer, Alaska;

—$2,000,000 for the University of Missouri for the Center for Life Sciences;

—$700,000 for the Little Sisters of the Poor in Kansas City, Missouri for the renovation and reconstruction of affordable housing;

—$350,000 for the Guadalupe Center in Kansas City, Missouri;

—$4,000,000 for the City of St. Louis for the Washington Avenue Loft District

Streetscape Improvements, consistent with the 1998 Downtown Now! Plan;

—$1,500,000 for Provo, Utah the revitalization of the historic downtown business center;

—$500,000 for the Redevelopment Agency of Salt Lake City, Utah for the redevelopment of the Gateway District;

—$500,000 for SHARE House to build a new non-medical detoxification center in Missoula County, Montana;

—$750,000 for the Samuel U. Rodgers Community Health Center in Kansas City, Missouri, for community revitalization and capital improvement projects;

—$250,000 for the Family Health Center in Columbia, Missouri for the delivery of health care services for low-income patients;

—$250,000 for the Children's Center of Southwest Missouri for capital improvement projects;

—$2,500,000 for the City of Kansas City for the Liberty Memorial Monument for renovation;

—$1,000,000 for the City of Durango, Colorado to develop the Cultural Arts Complex of southwest Colorado;

—$1,000,000 for the City of Aurora for the redevelopment of the Fitzsimmons Army base;

—$1,000,000 for the Arapahoe House in Denver, Colorado for rehabilitation needs and services.

—$600,000 for Bethune-Cookman College Daytona Beach, Florida;

—$1,000,000 for the City of Brookhaven, Mississippi for renovating historic Whitworth College buildings in Brookhaven, Mississippi;

—$500,000 for the City of Jackson, Mississippi for creating a youth entrepreneurship program;

—$250,000 for renovation, accessibility and asbestos remediation for the Wellstone Neighborhood Center, Wellstone, Missouri;

—$900,000 to support homeless initiatives, with $300,000 for the Bond Center in Pine Lawn, Missouri, $300,000 for the Kitchens in Springfield, Missouri and $300,000 for Rose Brooks in Kansas City, Missouri;

—$500,000 for Nottoway County, Virginia for the revitalization of its governmental complex.

—$1,000,000 for Project Social Care in Brooklyn, New York;

—$1,000,000 for Touro Law Center in Long Island, New York for its relocation project;

—$2,000,000 for the Hispanic Cultural Center in Albuquerque, New Mexico;

—$600,000 for the Jardin de los Ninos homeless daycare center in Las Cruces, New Mexico;

—$2,000,000 for the North Carolina State Museum of Natural Resources for the construction and installation of interactive natural history exhibits;

—$300,000 for the City of Rockingham, North Carolina for a Neighborhood Level Park;

—$300,000 for Richmond County, North Carolina for a neighborhood park;

—$250,000 for the Beech Glenn Community of Madison County, North Carolina for a community library, daycare, adult education, recreational activities and facilities for youth leagues;

—$250,000 for Buncombe Technical Community College, North Carolina for a small business incubator;

—$250,000 for Blue Ridge Community College, North Carolina for the Blue Ridge Environmental Training Center;

—$250,000 for the Aycock Recreational Complex in Henderson, North Carolina;

—$250,000 for Edenton, North Carolina for waterfront renovation;

—$2,000,000 for the Pacific Science Center in Seattle, Washington;

—$500,000 for the renovation of the opera house at Enosburg, Falls, Vermont;

—$500,000 for Crawford County, Georgia for a community development center in Roberta, Georgia;

—$500,000 for a community development center/courthouse annex project in Crawford county, Georgia for use in facilitating increases in social service needs associated with significant population growth;

—$1,000,000 for the King Urban Life Center in Buffalo, New York for an early childhood school and community center;

—$1,400,000 for Columbia University for its Audubon III Project in New York City;

—$2,500,000 to the City of Kellogg, ID for the restoration of Milo Creek in Kellogg and Wardner, Idaho;

—$2,000,000 for Campbellsville University in Kentucky to implement a job training partnership;

—$2,000,000 for Jarrell, Texas for a public park and a storm shelter;

—$2,500,000 for a new science and mathematic facility at the University of Alabama in Tuscaloosa, Alabama;

—$500,000 for Calhoun County Community College Advance Manufacturing Center in Decatur, Alabama;

—$1,000,000 for the City of Huntsville for the development of the Center for Early Southern Life at Alabama Constitution Village;

—$2,000,000 for Pittsburgh, Pennsylvania to redevelopment the Sun Company/LTV Steel site in Hazelwood, PA;

—$250,000 for the development of a business development center and a job training center in the underserved communities of Central and South Philadelphia;

—$1,000,000 for Wilkes-Barre, PA for a downtown revitalization project;

—$1,200,000 for the development of the Riverbend Research and Training Park in Post Falls, Idaho;

—$600,000 for Marguerite's Place, a shelter for battered women, in Nashua, N.H.;

—$300,000 for Keystone Hall, a drug and rehabilitation Center in Nashua, N.H.;

—$100,000 for Southern New Hampshire Services for homeless outreach in Nashua, N.H.;

—$450,000 to the Great Lakes Science Center, in Cleveland, Ohio to further the creation, renovation and upgrade of the Great Ideas Community and Great Lakes Environment Exhibits;

—$500,000 to John Carroll University in Cleveland, Ohio for the Bohannon Science Center's advancement of the Center for Science Education, Teaching and Technology;

—$500,000 to the Cleveland Public Library in Cleveland, Ohio for the academic enrichment and workforce development project;

—$500,000 to the Amistad Development Corporation in Cleveland, Ohio for the Lee Harvard Shopping Center and District infrastructure enhancement and redevelopment investment initiative;

—$500,000 to the Jewish Community Center of Cleveland, Ohio for the restoration and upgrade of daycare facilities and enhancement of services and programs for children and seniors;

—$500,000 to the Murtis H. Taylor Multi-Service Center in Cleveland, Ohio for furthering a full range of community outreach and social services delivery and enhancement;

—$350,000 to the Cleveland Boys and Girls Club in Cleveland, Ohio for the enhancement of youth and community outreach, and human and economic capital development and investment;

—$800,000 to Cleveland Housing Network, Inc. in Cleveland, Ohio for furthering the lease purchase housing initiative on the east side of Cleveland;

—$1,000,000 to the Playhouse Square Foundation in Cleveland, Ohio for the four-theater complex Allen Theatre restoration project;

—$1,000,000 to the City of Parkersburg, West Virginia for economic development and downtown revitalization efforts;

—$250,000 to the Vandalia Heritage Foundation, a 501(c)(3) organization which promotes community and economic development in northern West Virginia;

—$200,000 to the Institute for Software Research in Fairmont, West Virginia to be used for capital equipment, operational expenses, and program development;

—$350,000 to the City of Fairmont, West Virginia to be distributed as follows: $250,000 for the Fairmont Community Development Partnership and $100,000 for the Friends of Highgate;

—$400,000 to the town of Thomas, West Virginia for downtown revitalization and historic preservation;

—$2,200,000 to the City of Toledo, Ohio to address improvements to central city neighborhoods, the historic main public library, and downtown area projects, and to leverage the potential of Toledo's not-for-profit community development corporations;

—$2,200,000 to the Alternatives Program of Dade County, Inc. for rehabilitation of distressed buildings in the Edison-Little River neighborhood in Miami, Florida;

—$650,000, to the City of Durham, North Carolina for economic and neighborhood revitalization efforts;

—$700,000 to the City of Mackinac Island, Michigan for renovation of the historic Mackinac County courthouse;

—$950,000, to the North West Concentrated Employment Program in Ashland, Wisconsin for education, training, counseling, emergency assistance, and related services for displaced workers and their families;

—$150,000 to the Saint Vincent Archabbey in Latrobe, Pennsylvania for restoration of the historic Saint Vincent Abbey grist mill;

—$240,000 to the Fort Ligonier Association for restoration of buildings at Fort Ligonier, Pennsylvania;

—$185,000 to the Salisbury-Elk Lick School District in Somerset County, Pennsylvania to construct a community center to house intergenerational technology and early childhood programs as well as a library;

—$150,000 to the Redevelopment Authority of Cambria County, Pennsylvania for a waterline extension;

—$75,000 to the City of Latrobe, Pennsylvania for demolition of buildings to open lots for new development;

—$200,000 to Fallingwater in Mill Run Pennsylvania, to construct a water treatment facility;

—$400,000 to the City of Tacoma, Washington to implement its downtown redevelopment plan;

—$300,000 to the City of Minneapolis, Minnesota for the restoration of Dania Hall;

—$300,000 to the City of Minneapolis, Minnesota for the Portland Place housing development initiative;

—$500,000 to the Los Angeles Brotherhood Crusade for the Brotherhood Business Development and Capital Fund;

—$700,000 to the City and County of San Francisco, California for community revitalization efforts in the Visitacion Valley neighborhood;

—$450,000 to the City of Lake Station, Indiana for rehabilitation of sewer lines;

—$400,000 to ADVANCE, of Whittier, California for community economic development activities, including technical assistance and outreach to small businesses in the Los Angeles County region;

—$450,000 to the Village of Port Chester, New York for downtown revitalization;

—$50,000 to the Mount Hope Housing Company of New York City for the renovation of various aspects of a multi-use community center;

—$300,000 to the New York City Department of Parks and Recreation for the rebuilding and restoration of Joyce Kilmer Park in the South Bronx;

—$400,000 to Arlington County, Virginia to assist the county in developing an innovative low income housing program to facilitate home ownership for families displaced through the redevelopment of the Arna Valley apartments;

—$50,000 to the McLean Revitalization Corporation in McLean, Virginia to implement the McLean revitalization plan developed by Fairfax County for the aging McLean business district;

—$400,000 for the North County Community Development Corporation in North Adams, Massachusetts for the construction of a small business incubator;

—$350,000 to the Arizona Science Center to provide science and technology education and training opportunities to low-income and minority students in downtown Phoenix;

—$250,000 to the National Children's Advocacy Center in Huntsville, Alabama for construction of a new facility;

—$100,000 to Alabama A&M University in Normal, Alabama for renovation of historic buildings on the university's campus;

—$50,000 to Princess Theater in Decatur, Alabama for renovation and operation of the current facility;

—$750,000 to the Oregon Garden Project to construct a wastewater treatment, education and training facility in Silverton, Oregon;

—$500,000 to the City of Buffalo, New York for improvements to LaSalle Park;

—$250,000 to the Town of Tonawanda, New York for demolition of abandoned grain elevators;

—$500,000 to Great Brook Valley Health Center, Inc. in Worcester, Massachusetts to support a capital expansion project to increase health services to the poor and indigent;

—$200,000 to Assumption College in Worcester, Massachusetts for construction of the Joseph P. Kennedy, Jr. Science and Technology Center;

—$100,000 to the Appalachian Health Services Cooperative in Hillsboro, Ohio for a rural Medicaid health cooperative among Highland District Hospital, Brown County General Hospital and Adams County Hospital;

—$400,000 to the Portsmouth Metropolitan Housing Authority in Portsmouth, Ohio for air conditioning of housing units;

—$400,000 to the Far From Home Foundation in Indianapolis, Indiana to provide substance abuse treatment and transitional housing for homeless veterans;

—$400,000 to the City of San Diego Redevelopment Agency for development of the retail portion of City Heights Urban Village in San Diego, California;

—$300,000 to the City of Bad Axe, Michigan for a water and sewer project;

—$100,000 to Harambee Institute in St. Louis, Missouri to continue expansion of facilities providing educational guidance and encouragement to children and adults interested in pursuing a career in the arts;

—$100,000 to the St. Louis Black Repertory Company, to further the expansion and renovation of a facility to provide cultural arts activities for the St. Louis metropolitan area;

—$150,000 to Better Family Life, Inc. in St. Louis, Missouri to assist with the construction of new facilities offering school-based programs and cultural programs;

—$100,000 to The Black World History Wax Museum in St. Louis, Missouri for structural renovation and improvements in the building's accessibility and safety;

—$50,000 to Grace Hill Neighborhood Services in St. Louis, Missouri to improve community services at a facility dedicated to strengthening low-income neighborhoods in North St. Louis;

—$300,000 to Williamsburg County, South Carolina for the Williamsburg County Industrial Park;

—$50,000 to the Westside Association for Community Action in Chicago, Illinois for its community development, job training, drug prevention and juvenile delinquency prevention programs;

—$50,000 to the Coalition for United Community Action in Chicago, Illinois for job training and development programs;

—$50,000 to the Chinese American Service League in Chicago, Illinois for community development, and social services programs;

—$50,000 for SANKOFA of Chicago, Illinois for housing counseling, rehabilitation, and tenant education programs;

—$350,000 to the City of Salinas, California for development of housing and daycare facilities for farmworker families;

—$400,000 to Memphis Incubator System, Inc. to establish a business incubator in Memphis, Tennessee;

—$500,000 to the Rural Development and Finance Corporation to seed a special opportunities fund, underwrite project technical assistance, and make capacity-building grants to rural community development corporations along the Texas/Mexico border;

—$200,000 to the Village of Dixmoor, Illinois for the purchase and renovation of a building for a community and senior center and for the acquisition of adjacent land for recreation park development and open space preservation;

—$200,000 to Metropolitan Family Services in Chicago, Illinois for the purpose of renovating and expanding the Calumet Center;

—$300,000 to Covenant House/Texas for their transitional housing program for runaway and homeless youth;

—$350,000 to the City of Dallas, Texas for redevelopment initiatives in the southern areas of the city;

—$400,000 to the Commonwealth of Massachusetts, of which $250,000 is for the Arlington-Boston Bike Path and $150,000 is for the Minuteman Commuter Bikeway;

—$400,000 to the Southside Institutions Neighborhood Alliance of Hartford, Connecticut for neighborhood revitalization efforts;

—$300,000 to the Cleveland Botanical Garden of Cleveland, Ohio for development of an environmental educational facility;

—$1,600,000 to Spelman College in Atlanta, Georgia for development of a science center;

—$300,000 to Schenectady Family Health Services in Schenectady, New York, for facilities expansion;

—$300,000 to the Rockaway Development and Revitalization Corporation in New York City, for rehabilitation of a building for use as a commercial incubator facility;

—$300,000 to the Northeast Ventures Corporation in Duluth, Minnesota for economic development projects in northeastern Minnesota;

—$400,000 to the Southern West Virginia Community and Technical College in Williamson, West Virginia for construction and furnishing of a library;

—$400,000 to the Apollo Theatre Foundation in New York City, for renovation and upgrades to the theatre;

—$200,000 to Project Restore of Los Angeles, California for the Los Angeles City Civic Center Trust, to revitalize and redevelop the Civic Center neighborhood;

—$150,000 to the Southeast Rio Vista Family YMCA, for development of a child care center in the City of Huntington Park, California;

—$50,000 to the City of Los Angeles for redevelopment of a former prison site;

—$100,000 to the City of Richmond, Virginia for an alternative school program in the East End community of Richmond;

—$50,000 to Best Friends, Inc. in Newport News, Virginia for its work with at-risk and economically disadvantaged adolescent girls;

—$100,000 to Hampton University in Virginia for a high-speed technology information network;

—$350,000 to the City of Petersburg, Virginia for the creation of the Appomattox Regional Governor's School for Technology and the Arts in Petersburg;

—$300,000 to the University of Rochester Medical Center in Rochester, New York for its Institute of Biomedical Sciences;

—$350,000 to the Delta Foundation in Greenville, Mississippi for its Urban Revolving Business Fund;

—$300,000 to the Brooklyn (New York) campus of Long Island University, to support the renovation of a community-based performing arts facility;

—$500,000 to the Black Women's Forum in Los Angeles, California for site acquisition and construction of a multi-purpose center;

—$350,000 to Marin County, California for development of a cultural and community center in the Marin City region of the county;

—$50,000 to the City of Rialto, CA for construction at the city's Teen Center.

—$42,500,000 for Youthbuild, instead of $35,000,000 as proposed by the House and $40,000,000 as proposed by the Senate. The conferees agree that not more than $2,500,000 of the funds shall be used for capacity building activities; and

—$25,000,000 for the Neighborhood Initiatives program, as proposed by the House.

Deletes a provision earmarking $20,000,000 for Brownfields, as proposed by the House. The conferees agree to provide $25,000,000 for Brownfields in a separate account as proposed by the Senate.

Deletes a provision providing $70,000,000 for lead-based paint hazard reduction program and prohibiting funds for the healthy homes initiative, as proposed by the Senate. The conferees agree to provide $80,000,000 for the lead-based paint hazard reduction program and the healthy homes initiative in a separate account, as proposed by the House.

Inserts language proposed by the Senate that no more than $250,000 of the funds made available for emergencies may be used for a non-federal cost-share of a project funded by the Corps of Engineers.

The conferees agree that HUD shall not require additional states to implement the Integrated Disbursement and Information System (IDIS) until problems associated with it are corrected. The problems include, but are not limited to, the lack of a fully functioning Electronic Data Interchange, full internet capacity, and complete reporting abilities. HUD shall report to Congress, no later than January 1, 1999, as to the specific corrective actions being taken to resolve existing system problems for current state users.

BROWNFIELDS REDEVELOPMENT

Appropriates $25,000,000 for brownfields redevelopment, as proposed by the Senate.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriates $1,600,000,000 for the HOME program, as proposed by the House instead of $1,550,000,000 as proposed by the Senate. An earmark of $17,500,000 is provided for housing counseling, instead of $10,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

The conference agreement directs rather than recommends that HUD develop a process for measuring the performance of housing counseling agencies as proposed by the House.

The conferees are aware that the McGuire House, an unoccupied low-income housing project in Prince George's County, Maryland, has been vacant for quite some time. The conferees, therefore, encourage HUD to work with the County to redevelop this property, thereby assisting in the economic development of the area.

HOMELESS ASSISTANCE GRANTS

Appropriates $975,000,000 for homeless assistance grants, as proposed by the House instead of $1,000,000,000 as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to review obligated amounts, and to deobligate those funds if appropriate, particularly if it seems likely a contract is unlikely to be performed. The conferees note that deobligating these funds should result in a funding level significantly above $1,000,000,000.

Inserts language requiring at least 30% of the appropriation be directed to permanent housing, as proposed by the Senate.

Inserts language requiring a 25% match by grantees for services, as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to use 1% of funds appropriated for technical assistance and for tracking systems needed to collect information on the unduplicated number of clients serviced and the disposition of the client exiting homeless programs.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriates $854,000,000 for housing for special populations, instead of $839,000,000 as proposed by the House and $870,000,000 as proposed by the Senate. For section 202 housing for the elderly, $660,000,000 is appropriated instead of $645,000,000 as proposed by the House and $676,000,000 as proposed by the Senate. The conferees reiterate Senate report language directing $1,000,000 of the funds to the Maryland Department of Housing and Community Development to build Caritas House and for expanding the St. Ann Adult Medical Day Care facility.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Limits obligations for direct loans to no more than $100,000,000 as proposed by the Senate instead of $50,000,000 as proposed by the House.

Deletes language proposed by the Senate providing $25,000,000 for enforcement of standards on FHA insured multifamily projects.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Limits obligations for the principal amount of direct loans to no more than $50,000,000, of which no more than $30,000,000 is for bridge financing, as proposed by the House, instead of limiting obligations for direct loans to no more than $120,000,000, of which no more than $100,000,000 was for bridge financing as proposed by the Senate.

Deletes report language proposed by the Senate directing HUD to refrain from conducting bulk mortgage sales of FHA-insured single family mortgages.

The conferees are concerned that HUD has invested considerable time and resources in developing a policy statement that clarifies its position on lender-paid mortgage broker fees and their legality under the Real Estate Settlement Procedures Act. Congress never intended payments by lenders to mortgage brokers for goods or facilities actually furnished or for services actually performed to be violations of subsections (a) or (b) (12 U.S.C. Sec. 2607) in its enactment of RESPA. Publishing a policy statement could provide invaluable guidance to consumers, brokers, and the courts. The conferees are concerned about the legal uncertainty that continues absent such a policy statement. The conferees direct HUD to clarify its position on lender payments to mortgage brokers within 90 days after the enactment of this appropriation Act. The conferees expect HUD to work with representatives of industry, Federal agencies, consumer groups, and other interested parties on this policy statement.

HUD is instituting a new, computerized, uniform physical inspection requirement for its FHA-insured and its subsidized multifamily housing. This new requirement is part of the Department's efforts to obtain an objective, comprehensive assessment of the condition of the overall HUD multifamily portfolio. The conferees understand that the housing industry generally supports these efforts, but the initial implementation of this new procedure will impose cost burdens on private companies with existing contracts with mortgage investors. For purposes of prudent and equitable implementation of the new system, the conferees believe HUD should contract for a portfolio-wide baseline review of its multifamily housing stock. The conferees expect HUD to use money in the General Insurance and Special Risk Fund or section 8 amounts or other funding, as appropriate and proportional, for the purpose of paying for all or part of the cost of implementing the new physical inspection standards.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriates $47,500,000 for research and technology, including $10,000,000 for PATH, as proposed by the House instead of $36,500,000 as proposed by the Senate.

Deletes language prohibiting funds from being used for demonstration programs unless they already exist or are authorized in this legislation, as proposed by the Senate. The conferees agree, however, that new demonstration programs not specifically authorized shall not receive funds from this account unless approved in the HUD Operating Plan or in a reprogramming request.

Inserts a modification directing, rather than urging, HUD to collaborate with the Swope Parkway Health Center in Kansas City, as proposed by the Senate.

Inserts direction to HUD requiring it to cooperate with other federal agencies and the housing industry, and to engage in PATH activities that will provide research, development, testing, and engineering protocols for building materials and methods, as described in the Industry Implementation Plan of the Residential National Construction Goals. The conferees direct HUD to furnish the VA, HUD and Independent Agencies subcommittees with an operating plan for PATH, including specific and measurable goals, no later than December 31, 1998, and a draft evaluation report describing progress made toward meeting those goals no later than April 30, 1999.

Inserts direction requesting from HUD a report due by June 30, 1999, on the impact on the welfare population residing in federally subsidized public housing located in those states that have declined federal Welfare-to-Work funds to determine if any positive or negative impact has occurred because of the state's decision to decline these federal funds.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriates $40,000,000 for fair housing activities, as proposed by the House instead of $35,000,000 as proposed by the Senate. The conferees agree to the distribution of funds in the House report.

Deletes language proposed by the Senate directing HUD to develop policy guidelines on aspects of Fair Housing by August 1, 1999.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriates $80,000,000 for lead hazard reduction, as proposed by the House instead of $70,000,000 as proposed by the Senate.

Provides that $70,000,000 of the total appropriation shall be for lead hazard reduction, including $2,500,000 for CLEARCorps, as proposed by the House, and $10,000,000 shall be for the Healthy Homes Initiative, instead of $20,000,000 as proposed by the House. The conferees agree to the set-asides and directives contained in the House report.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $985,826,000 for salaries and expenses as proposed by the House instead of $992,826,000 as proposed by the Senate.

Inserts language proposed by the Senate prohibiting HUD from employing more than 77 schedule C and 20 non-career SES employees.

The House report requested a report from HUD regarding its procedures for determining whether various functions should be contracted out or performed in-house. The conferees are appreciative of HUD's timely response to this request, but are somewhat alarmed by the content of that response.

HUD's response seems to be saying that its only real procedures for determining whether a function should be contracted out are those procedures required under OMB Circular A-76, but that the Department has not actually conducted an A-76 review in a number of years. The response explains why, in HUD's view, this lack of reviews does not violate Circular A-76. However, the Committee's concern was not so much whether HUD contracting out decisions violate the law, but rather whether these decisions make sense. In particular, the Committee was concerned that HUD's desire to meet stringent personnel reduction goals has led to contracting out of functions that could be performed more efficiently or less expensively in-house. The conferees reiterate these concerns, and urge the Department to reconsider whether it needs further controls and analytical procedures to make sure that contracting out is done only when it is cost effective to do so.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $81,910,000 for the Office of Inspector General, as proposed by the House instead of $66,850,000 as proposed by the Senate.

Inserts language clarifying the Inspector General's authority over personnel matters within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $16,000,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) as proposed by the Senate, instead of $16,551,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Inserts modification to language proposed by the Senate by eliminating additional public and assisted housing reform extenders.

Inserts language agreed to by the conferees clarifying Freddie Mac's ability to lower the costs of providing low downpayment loans by using lower cost methods of protecting against the risk of default with the approval of their safety and soundness regulator.

Deletes language proposed by the House providing for a lower rent subsidy based on the cost of an efficiency apartment instead of a one-bedroom. Inserts language proposed by the Senate to provide incentives for refinancing multifamily projects originally financed with FAF bonds.

Inserts language proposed by the Senate prohibiting prosecution of persons under the Fair Housing Act.

Deletes language proposed by the Senate requiring public notice and comment in rulemaking procedures.

Inserts modification to language proposed by the Senate to permanently make Brownfields an eligible activity under the CDBG program as proposed by the Senate.

Inserts language proposed by the Senate providing HUD with flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties.

Deletes language proposed by the Senate making technical corrections to the Housing For Persons With AIDS (HOPWA) program.

Deletes language proposed by the House to extend public housing reforms.

Deletes language proposed by the House to delay for three months the reissuance of section 8 vouchers and certificates.

Inserts language proposed by the House making changes to the HOPWA formula to correct anomalies that result in the loss of funds for a state when the incidence of AIDS in a large city within the state increases.

Inserts language proposed by the House allowing PHAs to draw down capital grants funds on construction-related schedules and deposit the funds in an escrow account to collateralize bonds for construction and rehabilitation.

Inserts language proposed by the House eliminating the shopping incentive in the section 8 program.

Inserts language proposed by the House allowing HUD, through negotiated rulemaking, to review the current performance funding system (PFS).

Inserts language proposed by the Senate extending HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1999.

Inserts modification to language proposed by the Senate extending the FHA single-family streamlined downpayment demonstration program to every state.

Inserts language proposed by the Senate providing funding for implementing IDIS.

Inserts language proposed by the Senate making technical corrections to nursing home lease terms.

Deletes language proposed by the Senate prohibiting the use of enterprise zones and empowerment communities as criteria in awarding program grants. The conferees have dropped the prohibition against HUD awarding additional grant points because a jurisdiction has been designated as an empowerment zone or enterprise community. Instead, HUD is directed to establish criteria for identifying high-performing empowerment zones and enterprise communities and to provide the committees with the criteria and a list of all high-performing empowerment zones and enterprise communities. HUD further is directed to provide bonus points, where appropriate, only to such high-performing areas for purposes of awarding grants.

Deletes language proposed by the Senate requiring HUD to notify the Committees on Appropriations of all grant awards at least 24 hours before public or private announcements. The conferees are concerned that HUD has not provided adequate notice of awards on a timely basis and expect HUD to make timely notice of awards to all members, regardless of party affiliation.

Inserts language proposed by the Senate enabling Native Americans to have access to the use of emergency CDBG funds.

Deletes language proposed by the Senate requiring HUD to make all recaptured funds subject to a reprogramming request.

Deletes language proposed by the Senate prohibiting HUD from providing tuition payments under the community builders program. The conferees believe that education and educational opportunities are an important component of federal employment, but remain concerned over some costs that may be considered excessive. The conferees direct HUD, as part of its operating plan, to provide a review of all education programs and activities (including the Community Builders program) available to HUD employees, as well as a breakdown of all costs associated with these programs and activities. All proposed programs and activities shall be subject to approval as part of the operating plan approval process.

Inserts language proposed by the Senate to provide funding flexibility to a project in Bismarck, North Dakota.

Inserts language proposed by the House extending for one year a provision that waives the 15% public service cap for the City and County of Los Angeles. The conferees note their concern, however, about continuing this extension beyond this fiscal year. Therefore, HUD is directed to provide a report to the Subcommittees on VA, HUD and Independent Agencies on what the City and County do with these additional funds. In the report, the City and County should explain the nexus between the public services cap and the riots for which the cap was waived.

Deletes language proposed by the Senate making technical changes to portfolio re-engineering legislation.

Inserts a modification to language proposed by the Senate requiring five months notice to residents and local governments of an owner's intent to prepay the mortgage note in preservation-eligible projects. The conferees direct HUD to provide guidance regarding the notice requirement so that it includes an explanation of alternative housing assistance, such as enhanced housing vouchers, that will be made available to residents in buildings where affordability restrictions are removed.

Inserts language proposed by the Senate clarifying that Indian Housing Authorities or tribally designated housing entities are eligible to receive Drug Elimination Grants.

Inserts language proposed by the Senate authorizing HUD to provide information and to buy information on the multifamily FHA-insured program.

Inserts language proposed by the Senate allowing HUD to auction HUD-held and HUD-owned multifamily mortgages until December 31, 2002.

Inserts language proposed by the Senate redirecting $250,000 to the Central Vermont Revolving Loan Fund.

Inserts modification to language proposed by the Senate requiring HUD to provide an annual report to Congress on management deficiencies found in the FHA audited financial statement by eliminating language that conditions implementation of the FHA loan limits on receipt of this report.

Deletes language proposed by the Senate requiring owners of preservation-eligible properties to file a one-year notice of prepayment.

Inserts modification to language proposed by the Senate requiring disclosure to consumers about the costs of FHA-insured mortgages as compared to conventionally insured mortgages and by changing the effective date of the disclosure.

Inserts modification to language proposed by the Senate by making excess rent rules applicable to certain section 236 projects.

Inserts modification to language increasing the FHA single family loan limits, as proposed by the Senate, allowing uniformity within metropolitan statistical areas.

Inserts language which would recapture 1996 HOPE VI grant funds awarded to the Housing Authority of Baltimore City (HABC) for development efforts at the Hollander Ridge housing development. The funds are to be recaptured if HUD decides to rescind the grant award. The bill also includes language which directs HUD to award the recaptured funds to HABC if HABC applies for a future HOPE VI grant for Hollander Ridge and the application meets the criteria of the applicable NOFA.

Inserts language agreed to by the conferees canceling any liability to the Federal Government for outstanding principal balance of the public facilities loan for the Town of Hobson City, Alabama.

Inserts language agreed to by the conferees providing a one day grace period for the City of Wichita and Sedgwick County, Kansas, for submission of Continuum of Care Homeless Assistance program.

Inserts new language increasing the community development block grants public service cap for the City of Miami. The City of Miami shall provide an annual report to HUD and the Committees on Appropriations on the use of these public service funds. The Department shall provide the Committees on Appropriations with a report on the lessons learned by the City's use of these funds.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriates $26,431,000 for salaries and expenses as proposed by the House instead of

$26,931,000 as proposed by the Senate. The amount provided represents an increase of $2,500,000 above the budget request, which the conferees expect will be used by the Commission to continue reducing the backlog of maintenance requirements.

Language proposed by the Senate with respect to the Liberty Memorial Monument has not been retained.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriates $6,500,000 for salaries and expenses as proposed by the House and the Senate. Language contained in both the House and Senate bills which would limit the Board to three career Senior Executive Service positions has been retained.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriates $80,000,000 for the Community Development Financial Institutions Fund, as proposed by the House, instead of $55,000,000 as proposed by the Senate. The conferees encourage the CDFI to give full and equal consideration to credit unions and specialized community development credit unions as eligible entities for grants, loans, and technical assistance. By their very existence, credit unions are grassroots community development institutions, and the CDFI should encourage and assist credit unions in taking a lead in their communities.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriates $47,000,000 for the Consumer Product Safety Commission, salaries and expenses, instead of $46,000,000 as proposed by the House and $46,500,000 as proposed by the Senate. The conferees agree to delete a general provision which was included in the House bill which appropriated an additional $5,000,000 for this account.

The conferees have included language in the bill which requires the Commission to contract with the National Academy of Sciences' Committee on Toxicology to study the potential toxicologic risks of all flame-retardant chemicals identified by the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture. The NAS study shall assess toxicologic hazards to human health, including carcinogenicity, mutangenicity, neurotoxicity, and other chronic and acute effects to consumers exposed to fabrics intended to be used in residential upholstered furniture which would be chemically treated to meet the Commission's proposed flame resistance standards. The study shall also assess potential human exposures to such flame-retardant chemicals in residential upholstered furniture, and research needed to fill important data gaps related to toxicologic risks of flame-retardant chemicals. The NAS shall complete the report within 12 months of finalizing arrangements with the Commission, and shall submit the final report to the Congress. The Commission, before promulgating any notice of proposed rulemaking or final rule setting flammability standards for residential upholstered furniture, shall consider fully the findings of the NAS. The conferees have provided $500,000 for the NAS study.

In addition, the conferees direct that the General Accounting Office conduct a review of the process the Commission has conducted regarding a possible rulemaking establishing a standard for upholstered furniture flammability, including consideration of the potential toxicity of the chemicals which would be used as flame retardants, cost-benefit analysis, and consideration of the percentage of residential fire deaths stemming from small open flames relative to other sources. As part of this study, the conferees request the GAO to review the major causes of household fires, including fires caused by cigarette smoking and small open flames. The Commission is to consider the GAO findings and recommendations prior to promulgating a final rule on upholstered furniture flammability. This issue is addressed in Section 423.

The conferees direct the General Accounting Office to study and report on the effect of the child sleepwear standard currently in effect as a result of changes adopted by the Consumer Product Safety Commission in January, 1997. The GAO is to review children's burn incident data for the 18-month period of July 1997 through January 1999 and compare this data to child burn incident data from the prior four years. GAO shall also assess the information and education campaign which has been undertaken by the Commission and the apparel and retail industry since the new standards took effect in January 1997, to determine whether it effectively maximized children's safety. The Commission shall consider and substantively address the findings of the GAO and additional information collected through the National Electronic Information Surveillance System on burn data as it considers revisions to the children's sleepwear standards. This issue is addressed in section 429.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Appropriates $425,500,000 for national and community service programs operating expenses as proposed by the Senate. The House proposed termination of the Corporation for National and Community Service from funds appropriated in fiscal year 1998.

Limits funds for administrative expenses to not more than $28,500,000, instead of $27,000,000 as proposed by the Senate. The conferees agree that additional funds are needed to achieve better financial management, and have provided $1,500,000 above the fiscal year 1998 level with the expectation that the Corporation will find $1,500,000 from existing lower priority administrative expenses activities and redirect those funds to urgent program administration needs such as financial management, data base and related financial systems development, and Year 2000 computer problems. The conferees note that approximately the same level of funding is provided for administrative expenses of the Corporation in the Labor-Health and Human Services-Education appropriations bill, making a total of approximately $57,000,000 available for program administration. To ensure the availability of additional funds for these urgent program administration needs, the conference agreement also includes bill language earmarking not to exceed $3,000,000 of administrative expenses funding for this purpose. In addition, the conferees understand that the majority of the $3,000,000 appropriated in fiscal year 1996 for reforms of the financial management system will be spent in fiscal years 1999 and 2000. The $3,000,000 appropriated in this bill, together with $3,000,000 appropriated in fiscal year 1996, will provide significant funding to improve financial management and other urgent program administration activities.

The conferees intend that the Corporation will submit to the House and Senate Committees on Appropriations within 60 days of the enactment of this Act a detailed plan for the expenditure of the $3,000,000 in funds reserved to meet urgent program administration needs. Further, the Corporation will provide regular updates to the House and Senate Committees on Appropriations every 60 days on the use of these funds in accordance with that plan. The conferees also intend that the Office of Inspector General will, within 30 calendar days after the submission of each such report, including the plan for the expenditure of the $3,000,000 for urgent needs, independently review and comment upon each report submitted by the Corporation.

Limits funds for quality and innovation activities to not more than $28,500,000, instead of $30,000,000 as proposed by the Senate.

Limits funds as proposed by the Senate to not more than: $2,500 for official reception and representation expenses; $70,000,000 for education awards, of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service; $227,000,000 for AmeriCorps grants, of which not to exceed $40,000,000 may be for national direct programs; $5,500,000 for the Points of Light Foundation; $18,000,000 for the civilian community corps; $43,000,000 for school-based and community-based service-learning programs; and $5,000,000 for audits and other evaluations.

Inserts language proposed by the Senate which prohibits using any funds for national service programs run by Federal agencies; provides that, to the maximum extent feasible, funds for the AmeriCorps program will be provided consistent with the recommendation of peer review panels; and provides that, to the maximum extent practicable, the level of matching funds shall be increased, education only awards shall be expanded, and the cost per participant shall be reduced.

The House proposed that the Corporation be terminated and did not include any of the foregoing limitations or provisions proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $3,000,000 for the Office of Inspector General as proposed by the Senate. The House proposed the orderly termination of the Office of Inspector General from previously appropriated funds.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriates $10,195,000 for salaries and expenses as proposed by the House, instead of $10,000,000 as proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

Appropriates $650,000,000 for science and technology instead of $656,505,000 as provided by the House and $643,460,000 as provided by the Senate.

The conferees have agreed to the following increases to the budget request:

1. $1,250,000 for continuation of the California Regional PM 10 and 2.5 air quality study.

2. $2,500,000 for EPSCoR.

3. $400,000 for continuation of the study of livestock and agricultural pollution abatement at Tarleton State University.

4. $3,000,000 for the Water Environment Research Foundation.

5. $2,700,000 for continued research on urban waste management at the University of New Orleans.

6. $800,000 to establish an environmental molecular toxicology program at the University of Montana.

7. $2,000,000 for the Mickey Leland National Urban Air Toxics Research Center.

8. $4,000,000 for the American Water Works Association Research Foundation, including $1,000,000 for continued research on arsenic.

9. $2,000,000 for the National Decentralized Water Resource Capacity Development Project, in coordination with EPA, for continued training and research and development program.

10. $1,500,000 for the Integrated Petroleum Environmental Consortium project.

11. $800,000 for the National Center for Atlantic and Caribbean Reef Research at the Rosenstiel School of Marine and Atmospheric Science.

12. $1,900,000 for continued Salton Sea research, at the University of Redlands.

13. $1,800,000 for continued research on treatment technologies relating to perchlorate managed by AWWARF on behalf of the East Valley Water District, California.

14. $2,000,000 for the Lovelace National Environmental Respiratory Center.

15. $4,000,000 to CE-CERT at the University of California/Riverside for the development of a next generation environmental chamber to enable advanced research into atmospheric processes under low NO_x conditions ($3,000,000) and for the development of test track research facilities ($1,000,000).

16. $800,000 to the University of New Hampshire to develop, test, and evaluate innovative technologies for enhanced bioremediation of organically contaminated bedrock aquifers.

17. $2,500,000 for the Gulf Coast Hazardous Substance Research Center.

18. $1,000,000 for the development, design, and implementation of a research effort on tributyltin based ship bottom paints at Old Dominion University.

19. $1,750,000 for the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases.

20. $800,000 for the university portion of the Southern Oxidants Study.

21. $1,250,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.

22. $1,000,000 for the Texas Regional Institute for Environmental Studies to test new cost-effective environmental restoration technologies.

23. $1,000,000 for the Institute for Environmental and Industrial Science at Southwest Texas State University.

24. $6,000,000 for the Mine Waste Technology Program and the Heavy Metal Water Program at the National Environmental Waste Technology, Testing, and Evaluation Center.

25. $1,000,000 for the Alabama Center for Estuarine Studies.

26. $2,000,000 for the Center for Environmental Research, Education and Training at the University of Maryland-Baltimore County, for research on watershed science, ecological and environmental impacts of urban and suburban development, fate and transport of contaminants from urban and rural land use, and analysis of large spatial data sets.

27. $500,000 for the Brazos River Authority for poultry pollution abatement research in the Brazos Navasota watershed.

The conferees have agreed to the following reductions from the budget request:

1. $19,955,000 from the climate change research program.

2. $6,358,000 from the global change research program.

3. $4,000,200 from the Advanced Measurement Initiative.

4. $8,372,000 from the Project EMPACT.

5. $11,654,800 as a general reduction.

Within the funds provided for science and technology, the conferees direct that $2,000,000 be used to continue the initiative to transfer technology developed in Federal laboratories to meet the environmental needs of small companies in the Great Lakes region. This initiative should be accomplished through a NASA sponsored Midwest regional technology transfer center working in collaboration with an HBCU from the region.

For fiscal year 1999, the conferees have provided $46,700,000 for continued research on particulate matter (PM), an increase of $18,000,000 above the budget request. The conferees note that the actual obligation of 1998 funds has, for many reasons, not proceeded at the pace originally expected. Nevertheless, the Agency has established July, 2002 as the date for completion of the next NAAQS review, and it is thus imperative that research be well underway and where possible, providing important data for the review and decision-making process. The conferees strongly commend the Agency for its fine efforts to date in working with the National Academy of Sciences (NAS) and others on this important research matter, and expect that the research funds provided for fiscal year 1999 will be obligated as quickly as possible. In this regard, the Agency is instructed not to await approval of the annual operating plan prior to obligation of these funds.

As previously noted, the Agency has established July, 2002 as the date for completion of the next NAAQS review. Because of the time necessary to conduct additional PM research, the conferees are concerned that the schedule established by EPA may not allow for adequate consideration of research that will result from the enhanced fiscal years 1998 and 1999 appropriations. The conferees strongly urge EPA to amend its PM NAAQS review schedule by reducing the Agency's drafting time and internal review time to provide as much time as possible for the consideration of new research.

Finally, with respect to the speciation component of the Agency's PM monitoring plan, the conferees request that the NAS assist EPA's Clean Air Science Advisory Committee (CASAC) by providing recommendations regarding the number and location of monitors and specific objectives and operating conditions for the various types of speciation monitors in EPA's plan. Also, NAS should evaluate the adequacy of the speciation component of the monitoring plan to characterize those constituents of PM that are biologically active. The NAS is expected to facilitate a thorough peer review of the speciation component of EPA's monitoring plan by CASAC.

EPA's recently published Contaminated Sediment Management Strategy states that EPA will not proceed with clean-up of a contaminated sediment site if the short-term and long-term impacts of dredging are determined to cause more environmental harm than leaving the contaminants in place. The conferees believe, however, that EPA is proceeding with some orders to dredge even though the evaluations called for in EPA's own policies have not been undertaken. Further, a National Academy of Sciences evaluation of dredging technology required by the House Appropriations Committee in fiscal year 1998, is not yet available. The conferees expect EPA will implement its Contaminated Sediment Management Strategy by evaluating the short-term and long-term impacts of the proposed clean-up in relation to the reduction of risks to human health and the environment and other benefits.

It is vital that EPA and the Congress have the benefit of the NAS study on remediation technologies for contaminated sediments, including dredging, to assess the ability of various methods to attain the environmental objectives of the remediation, and the potential of these methods to cause greater harm to the environment or other problems. The conferees urge EPA to await the completion of the NAS study before spending any Superfund money on dredging, initiating any new dredging action, or issuing any more dredging orders. Exceptions to this should be considered where EPA has found on the record that the contaminated sediment poses a significant threat to the public health to which an urgent or time critical response is necessary, remedial and/or removal alternatives to dredging have been fully evaluated, an appropriate site for disposal of the contaminated material has been selected, and the potential impacts of dredging, associated disposal, and alternatives have been explained to the affected community. The Agency should take all reasonable steps to assure the expeditious completion of the NAS study.

The conferees understand that portions of EPA's 1994 draft dioxin reassessment have been widely criticized within the scientific community and by EPA's own Science Advisory Board (SAB). The SAB's report, "A Second Look at Dioxins" (November 1995) noted numerous weaknesses with the risk characterization and dose-response chapters of the reassessment. In particular, the SAB criticized EPA's conclusion that dioxins have the potential to produce a broad spectrum of effects in humans at or near current background levels. The SAB directed EPA to ensure that its conclusions were based on a more complete consideration of available scientific studies.

The conferees understand that EPA is preparing to release a revised reassessment for public review, followed by a second SAB review. The final dioxin reassessment, particularly the risk characterization chapter, will provide the basis for future federal policies and regulations relating to dioxin and other chemicals. The conferees believe it is essential that EPA fully address concerns raised by the SAB and recommend that the Agency reconvene a SAB panel which would include those members of the original Panel whose expertise is germane to the redrafted portions of the reassessment.

There are several aspects of tropospheric ozone formation that would benefit from targeted research and investigation, including NOx-limited conditions (as can be the case in rural areas and urban areas with cleaner air), multi-day stagnation events, and the changes in levels of ozone and particulate matter caused by emissions of ozone precursors in ambient air. Therefore, the conferees are providing $3,000,000 for the development of an environmental chamber to enable scientific research into the atmospheric processes involved in the formation of ozone and particulate matter. More precise tools are required to improve understanding and modeling of the potential of volatile organic compounds (VOCs) to affect ozone formation in the ambient air, including the process that forms pollutants in rural and cleaner urban environments, as recommended by the

1991 National Academy of Sciences/National Research Council's "Rethinking the Ozone Problem in Urban and Regional Air Pollution." The new large chamber will provide information that EPA and state regulators can use to develop more cost-effective strategies for controlling pollution. In particular, this chamber will allow more accurate measurements of positive and negative reactivity of VOC emissions from architectural coatings.

Not later than 45 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency (EPA) shall enter into an agreement with the National Academy of Sciences (NAS) to conduct a comprehensive study of the effects of copper in drinking water on human health. Once completed, the Administrator of the EPA shall review the NAS study, and report to the Congress on what plans the agency has to review the copper action level pursuant to section 1412(b)(9) of the Safe Drinking Water Act.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriates $1,848,000,000 for environmental programs and management instead of $1,856,000,000 as proposed by the House and $1,840,500,000 as proposed by the Senate. The conferees have included bill language providing a limitation on the use of funds to implement or administer the interim guidance relating to title VI of the Civil Rights Act of 1964, with certain exceptions, as proposed by the House. The conferees note that this provision does not provide the Agency statutory authority to implement its Environmental Justice Guidance. Rather, it simply clarifies the applicability of the Interim Guidance with respect to certain pending cases as an administrative convenience for the Agency. With respect to any cases that may be pending before EPA and that are not or will not be covered by the Interim Guidance, the conferees urge EPA to resolve such cases as expeditiously as possible and without undue delay.

It is the conferees' understanding that the currently filed South Bronx complaint is covered by the Interim Guidance and should be dealt with expeditiously.

The conferees have also adopted new language prohibiting the use of funds to take certain actions for the purpose of implementing or preparing to implement the Kyoto Protocol, instead of language proposed by the House. The conferees note that this restriction on the use of funds shall not apply to the conduct of education activities and seminars by the Agency.

The conferees note that several programs funded through this Act conduct science and technology research that are associated partly with global climate change. To the extent that the conferees have funded this work, they have done so based on each program's individual merits of contributing to issues associated with domestic energy production, national energy security, energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. The bill language is intended to prohibit funds provided in this bill from being used to implement actions called for solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel Resolution which passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regards to the Kyoto Protocol, and the conferees are committed to ensuring that the Administration not implement the Kyoto Protocol without Congressional consent. The conferees recognize, however, that there are also long-standing energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The conferees do not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The conferees expect these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

The conferees have agreed to the following increases to the budget request:

1. $2,500,000 for the Michigan Biotechnology Institute for continued development of viable cleanup technologies.

2. $1,300,000 for the Lake Wallenpaupack, Pennsylvania environmental restoration project.

3. $130,000 for the Saint Vincent watershed environmental restoration project.

4. $500,000 for continued activities of the Small Business Pollution Prevention Center at the University of Northern Iowa.

5. $1,300,000 for the Great Lakes National Program Office.

6. $750,000 for the painting and coating compliance project at the University of Northern Iowa.

7. $550,000 for continuation of the Idaho Water Initiative.

8. $1,700,000 for the Sacramento Regional County Sanitation District to continue the cost-shared Sacramento River Toxic Pollution Control Project. This appropriation and previously appropriated funds shall be administered by the Sacramento Regional County Sanitation District in accordance with the workplans submitted by the District.

9. $1,300,000 for continuation of a water reuse demonstration project in Yucca Valley ($500,000) and the continuation of a water distribution system study in Twenty-nine Palms ($800,000), California.

10. $600,000 for ongoing activities at the Canaan Valley Institute.

11. $3,000,000 for the Southwest Center for Environmental Research and Policy (SCERP).

12. $2,600,000 for the National Institute for Environmental Renewal to establish a regional environmental data center, and to develop an integrated, automated water quality monitoring and information system for watersheds impacting the Chesapeake Bay.

13. $500,000 for continuation of the Small Water Systems Institute at Montana State University.

14. $11,362,000 for rural water technical assistance activities and groundwater protection for a total program level of $13,050,000. The distribution of funds is as follows: $8,000,000 for the National Rural Water Association; $2,100,000 for the Rural Community Assistance Program; $400,000 for the Groundwater Protection Council; $1,550,000 for Small Flows Clearinghouse; and $1,000,000 for the National Environmental Training Center.

15. $900,000 for implementation of the National Biosolids Partnership Program.

16. $3,000,000 for continuation of the New York and New Jersey dredge decontamination project.

17. $900,000 for continued work on the water quality management plans for the Onondaga and Cayuga County, New York watersheds.

18. $400,000 for continued work on the Cortland County, New York aquifer protection plan, $150,000 of which is for planning and implementation of the Upper Susquehanna watershed.

19. $900,000 for continued work on the Soil Aquifer Treatment Demonstration Project.

20. $400,000 for operation of the Long Island Sound Office.

21. $900,000 for the Southern Appalachian Mountain Institute.

22. $900,000 for continued operations of the California Urban Environmental Research and Education Center.

23. $1,300,000 for a one-year demonstration of Project SEARCH (Special Environmental Assistance for Regulations of Communities and Habitat) in Idaho.

24. $2,200,000 for the National Center for Excellence for Environmental Management at the University of Findlay.

25. $400,000 to analyze the environmental and public health impacts of waste transfer stations in Hunts Point, South Bronx, New York, with inclusion of the community in the design and implementation of the study.

26. $100,000 to the Miami-Dade County Department of Environmental Resources management to expand the existing education program.

27. $200,000 for the Snohomish River Basin Work Group to perform a comprehensive watershed analysis, including a quantitative water quality study of the Snohomish River. Special attention in the study should be given to the lower reaches of the river.

28. $2,200,000 for the Federal Energy Technology Center and EPA Region III to conduct a comprehensive acid mine drainage cleanup program.

29. $400,000 to initiate a surface water improvement demonstration project in Mecklenberg, North Carolina.

30. $125,000 to the University of Louisville for the establishment of a regional environmental finance center at the Kentucky Institute for the Environment and Sustainable Development.

31. $200,000 to Ventura County, California for development of the Calleguas Creek watershed management plan.

32. $2,600,000 to Lycoming County, Pennsylvania to assist in the development of a comprehensive CSO plan.

33. $2,200,000 to the Lake Pontchartrain Basin Foundation circuit rider water quality initiative in Fluker Chapel and Mandeville, Louisiana.

34. $3,100,000 for the Environmental Technology Commercialization Center (ETC2) in Cleveland, Ohio.

35. $2,000,000 to support efforts to address the causes, mechanisms, and health and environmental effects of Pfiesteria.

36. $500,000 for treatment of uranium contamination of well heads within the Morongo Valley Community Service District, California.

37. $3,000,000 for the New River, California environmental restoration project by the Imperial Irrigation District.

38. $8,500,000 to the Salton Sea Authority for extensive planning, development, and permitting requirements.

39. $650,000 for water restoration activities at the City of Stockton, California.

40. $650,000 for watershed management initiatives at Santa Ana River, Riverside County, California.

41. $320,000 for the St. Mary's River, Maryland watershed management and monitoring program.

42. $1,500,000 for training grants under 104(g) of the Clean Water Act.

43. $500,000 for the Small Public Water System Technology Center at Western Kentucky University.

44. $500,000 for the Small Public Water System Technology Center at the University of Missouri-Columbia.

45. $500,000 for the Small Public Water System Technology Center at the University of New Hampshire.

46. $3,000,000 to continue the demonstration project involving leaking fuel tanks in rural Alaska villages.

47. $1,000,000 for water quality monitoring in the Tennessee River basin through the Alabama Department of Environmental Management.

48. $1,250,000 to continue the onsite wastewater treatment demonstration program through the Small Flows Clearinghouse.

49. $2,000,000 for the New York City watershed protection program.

50. $500,000 for EPA's Office of Sustainable Ecosystems and Communities and the Hawaii Department of Health to conduct demonstration projects to aid communities on the islands of Maui and Molokai to meet successfully the water quality permitting requirements for rehabilitating native Hawaiian fish ponds.

51. $2,500,000 for the King County, Washington molten carbonate fuel cell demonstration project.

52. $800,000 for the National Center for Vehicle Emissions Control and Safety for onboard diagnostic research.

53. $5,000,000 under section 104(b) of the Clean Water Act for America's Clean Water Foundation for implementation of on-farm environmental assessments for hog production operations, with the goal of improving surface and groundwater quality.

54. $500,000 for the Coordinated Tribal Water Quality Program through the Northwest Indian Fisheries Commission.

55. $500,000 for the Ala Wai Canal watershed improvement project.

56. $500,000 for a study of dioxin in the Ohio River basin.

57. $100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.

58. $1,000,000 for the Lake Champlain management plan.

59. $1,500,000 for the National Alternative Fuels Vehicle Training Program.

60. $250,000 for a pilot program to evaluate the most cost-effective technologies for treating non-point sources of phosphorus in the Lake Sammamish, Washington watershed.

61. $250,000 to work with farmers and the Natural Resources Conservation Service in Vermont to adopt best management practices to reduce phosphorus runoff into Lake Memphremagog.

62. $750,000 for the Chesapeake Bay Small Watershed Grants Program.

63. $1,000,000 to strengthen the State Small Business Ombudsman and Technical Assistance programs as authorized by section 507 of the Clean Air Act.

64. $500,000 for the Office of Regulatory Management and Information (ORMI) to involve small local governments in the regulatory process as envisioned by the Regulatory Flexibility Act (RFA) and the Small Business Regulatory Enforcement Fairness Act (SBREFA). ORMI serves as the coordinating body for EPA's SBREFA compliance. SBREFA and RFA require EPA to notify small entities—small businesses and small local governments—and actively involve them in the rulemaking process, including participation on SBREFA panels.

65. $200,000 for the Hawaii Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources to develop agriculturally based remediation technologies.

66. $100,000 for the City of Philadelphia to study the impact on the Delaware River watershed of vacant and abandoned land in Philadelphia, determine the environmental and economic benefits of remediation, and implement mitigation measures.

67. $2,000,000 for the Food and Agricultural Policy Research Institute's Missouri watershed initiative project to link economic and environmental data with ambient water quality.

68. $1,000,000 for the Animal Waste Management Consortium through the University of Missouri, working with Iowa State, North Carolina State, Michigan State, Oklahoma State, and Purdue Universities to supplement ongoing research, demonstration, and outreach projects associated with animal waste management.

69. $500,000 for the Environmentors projects involving the matching of young people with environmental science professionals to work on environmentally oriented research projects.

70. $1,000,000 for the City of West Palm Beach, Florida for its wetlands-based potable water reuse program including stormwater and wastewater recycling.

71. $300,000 for the Dry Creek Channel project in Sandy, Utah, to design and implement a non-point source project in conjunction with the ongoing Jordan River nonpoint source project, including the creation of wetlands to control urban stormwater runoff.

72. $2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on non-point source pollution.

73. $300,000 for the Northeast States for coordinated air use management.

74. $1,000,000 for the Columbia Basin groundwater management assessment.

75. $500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.

76. $2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects. To make lead dust testing more available and affordable, the conferees urge EPA to develop a relevant one-day sampling technician training course and to encourage recognition of this discipline.

77. $1,000,000 for an expansion of EPA's efforts related to the government purchase and use of environmentally preferable products under Executive Order 12873, including life cycle analysis.

78. $200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.

79. $2,000,000 for the State of Missouri Department of Natural Resources for a clandestine methamphetamine lab cleanup project.

80. $200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.

81. $500,000 for the CCAR-Greenlink Compliance Assistance Center.

82. $500,000 for the City of Gainesville to address stormwater discharges from the Sweetwater Basin into Paines Prairie and the Florida Aquifer.

83. $400,000 for the Small Water Systems Technology Assistance Center at the University of Alaska in Sitka.

84. $500,000 for the Treasure Valley Hydrologic project.

85. $150,000 to sample and conduct hydrologic investigations of occurrence, distribution, and characteristics of radium in groundwater in the Magothy and Patapsco Aquifers in Anne Arundel, Baltimore and Harford Counties, Maryland.

86. $225,000 to enable the EPA and the Maryland Bureau of Mines to map and conduct a geologic/hydrologic investigation of the Kempton Abandoned Mine Complex in West Virginia and Maryland.

87. $225,000 to support a cooperative research and demonstration project with the State of Maryland to determine the feasibility of using poultry litter as a fuel to generate electric power.

88. $400,000 for Iberville Parish, Louisiana, to complete cleanup of Water District #3.

The conferees have agreed to the following reductions from the budget request:

1. $1,598,000 from the Urban Livability Program.

2. $1,000,000 from the OSWER Chemical Action Prevention program.

3. $1,000,000 from GLOBE.

4. $9,638,000 from the Montreal Protocol Multilateral Fund.

5. $86,002,000 from Climate Change Technology Initiative.

6. $10,331,000 from Office of Enforcement programs.

7. $11,500,000 from Project EMPACT.

8. $126,218,000 as a general reduction. In determining the base from which to apply the general reduction specified for this account, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA–HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

9. $5,000,000 from sustainable development challenge grants.

The National Estuary Program has been fully funded at the budget request level, and the conferees direct that not more than $4,300,000 of this amount is available for EPA's intramural costs of the program. Similarly the conferees note that the National Environmental Education and Training Foundation has been funded at the statutory level.

The conferees note the success of the cooperative lead-based paint real estate notification program, and have been informed that additional resources for this program are no longer necessary.

Within the amounts provided for the Clean Water Action Plan, $3,500,000 is intended to support groundwater and source water protection efforts in priority watersheds that primarily encompass small communities and/or rural areas. These resources should support source water assessment and protection activities at the local level, integration of groundwater concerns into watershed assessment and restoration plans, implementation of wellhead protection programs locally, and/or field technicians supporting communities considering new groundwater/source water ordinances targeted at high risk watersheds. The primary intent of this language is to assist small communities in meeting Federal drinking water standards and to assist those communities in contributing to the achievement of state water quality standards. These funds are to be distributed through a competitive solicitation and EPA is to report to the Committees on Appropriations within 60 days of enactment of this Act on its plans for such solicitation.

The conferees are concerned regarding the progress that has been made by the Agency in dealing with the matter of potential security risks associated with EPA's proposal to make available via the Internet or other means risk management plan (RMP) data submitted to the Agency pursuant to Clean Air Act section 112(r). The conferees strongly urge that EPA continue to work on this issue in close consultation with the Federal Bureau of Investigation and other security experts so that EPA may implement distribution of the RMP data in a manner that strikes the appropriate balance between methods of public dissemination and legitimate national security and anti-terrorist concerns. To that end, the conferees direct the Federal Bureau of Investigation to submit to Congress no later than December 1, 1998 a written report containing the Bureau's recommendations for the appropriate methods of public dissemination of RMP data submitted to the EPA pursuant to Clean Air Act section 112(r) and further direct the Agency to provide to the Congress monthly updates as to its progress in working with the FBI and other Federal agencies to develop appropriate RMP protocol guidelines. In this regard, the conferees expect the Agency to include a final proposal, including the use of such appropriate protocols, as part of the fiscal year 1999 operation plan.

The conferees are concerned that EPA is not providing for adequate public participation in the proposed regional haze rule-making. The conferees note that the EPA has noticed a supplemental, but strictly limited, comment period on "information related" to the proposed rule, i.e. the proposal submitted by the Western Governors and the recently enacted Inhofe Amendment to TEA-21. The conferees are concerned, however, that the notice precludes adequate discussion of the full WGA proposal and fails to provide adequate notice of how EPA proposes to integrate the Inhofe Amendment into the previously proposed rule. In addition to the procedural flaws, the conferees are concerned about the lack of consideration of issues that were inadequately addressed in the proposed rule, such as smoke from fires on public lands, road dust, and emissions from foreign sources, and other significant issues raised by the States. EPA is therefore strongly encouraged to re-propose the regional haze rule in its entirety for public comment so that the public can understand how EPA proposes to integrate these important issues into the rule. Finally, the conferees note with approval the House committee report language providing resources for the formation of additional visibility transport commissions to define reasonable progress for improving visibility in their respective Class I areas.

The conferees urge EPA to (1) develop, after a period of public comment, a guidance document to facilitate the conduct of water quality and designated use reviews for CSO-receiving waters; (2) provide technical and financial assistance to states and EPA regions to conduct these reviews; and (3) submit a report to the relevant authorizing and appropriations committees of the House and Senate by December 1, 1999 on the progress of meeting the requirements set forth above.

Of the funds provided for the Chesapeake Bay Program, the conferees direct that $200,000 shall be made available for the Alliance for the Chesapeake Bay to conduct a comprehensive evaluation of the Program, including a review of the institutional framework, progress in meeting watershed restoration commitments, and emerging issues which may affect present and future estuary conditions. The conferees expect the report to include options and recommendations for improving the Chesapeake Bay Program and be used as the basis for the development of a comprehensive plan to guide the restoration effort as it continues beyond the year 2000. The report and plan shall be completed for review and adoption by the Executive Council no later than the end of calendar year 2000.

Additionally, the conferees encourage the Agency to study the feasibility of real time automated water quality monitoring within the watershed of the Chesapeake Bay at its tributaries.

The conferees are concerned that the EPA has acted unilaterally to contract with a private entity for a study of the Salton Sea, and that this study will address matters related to the allocation of Colorado River waters, which is the exclusive responsibility of the Secretary of the Interior. The Administrator is directed to consult with the Salton Sea Authority and the Secretary of the Interior before initiating any action related to the Salton Sea, and the Administrator is prohibited from using any funds to support any work or work product related to the allocation of water from the Colorado River.

The conferees commend the work done by the Safety, Health and Environmental Management Division in the Office of Administration for their work to develop peer-reviewed tools and products for use by EPA and other Federal agencies to improve their compliance with environmental and occupational health and safety requirements. Particular note is taken of the thorough and effective use of peer review. The Agency is urged to assess the feasibility of making these important compliance tools available to state and local governments.

The conferees recognize the Agency's efforts in issuing a rule regarding the safe handling of halons. This rule, if properly enforced, should assure continued significant environmental benefits while placing only minimal burdens on industry. The conferees are concerned that the rule as written does not provide adequate guidance to the fire protection industry and others who handle halons as to what operating policies should be followed to comply with the rule.

The conferees strongly encourage the EPA to achieve compliance with this rule by requiring that no persons or entities may dispose of halon-containing equipment except by sending it for halon recycling to a manufacturer, fire equipment dealer, or recycler operating in accordance with ASTM, NFPA, and/or ISO industry standards (as referenced in the preamble of rule 63 Fed. Reg. 11084, March 5, 1998) and that no persons or entities shall dispose of halon or import halon which is recovered but not reclaimed except by sending it for halon recycling to a recycler operating in accordance with the ASTM, NFPA, and/or ISO industry standard. Imported reclaimed halon must meet industry standards.

EPA recently issued two reports to Congress addressing mercury emissions, including the "Mercury Study Report to Congress," issued in December, 1997, and the "Study of Hazardous Air Pollutant (HAP) Emissions from Electric Utility Steam Generating Units-Final Report to Congress," issued in February, 1998. In April, 1998, EPA entered into a settlement agreement whereby the Agency intends to make a regulatory determination by November 15, 1998 regarding the potential need for controls on utility mercury emissions. Research needs in this regard include unresolved issues about mercury speciation and the transport, fate, and effects of mercury. Moreover, currently there are no commercially available, cost-effective technologies to significantly control mercury emissions from utilities.

In order to help fill research gaps, EPA is participating in funding: (1) the joint Federal-State Lake Superior Study on mercury transport; and (2) the government-wide National Health and Nutrition Examination Survey on fish consumption and mercury ingestion. In addition to these studies, EPA is directed to enter into a contract, within 60 days of the enactment of this Act, with the National Academy of Sciences (NAS) to perform a comprehensive review of mercury health research and prepare recommendations on the appropriate level for a mercury exposure reference dose. The conferees intend that the NAS complete the study and recommendations within 18 months of entering into this contract, complete all work within a budget of $1,000,000 of available EPA funds. It is the conferees intent that there be no further extension of time for completion of the NAS study beyond 18 months from the date of the EPA contract. Finally, it is also the conferees intent that EPA not issue any regulatory determination for mercury emissions from utilities until EPA reviews the results of the NAS study.

OFFICE OF INSPECTOR GENERAL

Appropriates $31,154,000 for Office of Inspector General, the same as proposed by the House and the Senate.

BUILDINGS AND FACILITIES

Appropriates $56,948,000 for buildings and facilities instead of $60,948,000 as proposed by the House and $52,948,000 as proposed by the Senate. The conferees have provided $36,000,000 for continued construction of the new consolidated research facility at Research Triangle Park, North Carolina. With this year's funding, the conferees note that some $236,000,000 of the $272,700,000 authorized for this project has been appropriated.

HAZARDOUS SUBSTANCE SUPERFUND

Appropriates $1,500,000,000 for hazardous substance superfund as proposed by both the House and the Senate. The conferees have included bill language making available for obligation on October 1, 1999 an additional $650,000,000 for Superfund response actions, only if specific reauthorization of the Superfund occurs on or before August 1, 1999. The language requires the Congressional Budget Office to make appropriate scorekeeping adjustments if such reauthorization does not occur.

The conferees have also included bill language which deletes the sunset provisions contained in sections 119 (e)(2)(C) and 119 (g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The deletion of these two provisions will make it possible for Superfund cleanup contractors to obtain more easily surety bonds for new contracts.

The conferees have agreed to the following fiscal year 1999 program levels:

$1,000,000,000 for Superfund response/ cleanup actions, including the budget request for Brownfields.

$155,000,000 for enforcement activities.

$130,000,000 for management and support, including $12,237,000 for the Office of Inspector General.

$40,000,000 for research and development activities, to be transferred to the Science and Technology account.

$60,000,000 for the National Institute of Environmental Health Sciences, including $23,000,000 for worker training and $37,000,000 for research activities.

$76,000,000 for the Agency for Toxic Substances and Disease Registry. Included within this level of funding is $2,000,000 for new children's health and medical monitoring activities, subject to a detailed spending plan to be submitted as part of the fiscal year 1999 operating plan. Also included within the funds provided herein is $4,000,000 for minority health professions, $2,500,000 for continuation of a health effects study on the consumption of Great Lakes fish, and $2,000,000 for continued work on the Toms River, New Jersey cancer evaluation and research project.

$39,000,000 for interagency activities, including $29,000,000 for activities of the Department of Justice, $650,000 for OSHA, $1,100,000 for FEMA, $2,450,000 for NOAA, $4,800,000 for the Coast Guard, and $1,000,000 for the Department of the Interior.

While the conferees have again this year provided the full budget request of $91,000,000 for the Brownfields program, there nevertheless remains concern that this growing program, though very important and worthy, is draining scarce resources from the equally important and worthy Superfund response program. In the short-term, the conferees strongly urge the Agency to fully review this program and make program reductions wherever feasible which do not adversely impact the integrity of the program. For the long-term, the conferees request the Agency to review other possible means of funding this program and report back to the Committees on Appropriations by April 1, 1999 on the results of this review.

The conferees remain concerned that EPA has begun cleanup activities at the Agriculture Street, New Orleans landfill Superfund site without including the option of using buyout authority. The conferees expect the Agency to continue to explore aggressively this option with local authorities, as well as other Federal agencies for a possible solution. The Agency is directed to report back to the Committees on Appropriations by January 15, 1999 on actions to address this problem.

The conferees expect EPA to finalize the guidance document governing disbursements of funds to parties performing response actions at a site where a special account has been established. The conferees further direct that special account funds be appropriately disbursed to the parties consenting to undertake response actions at the facility to reimburse such response efforts. The conferees recognize that the Agency is entitled to a reasonable retention of special account funds for past and future response costs of the United States and any affected State.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

Appropriates $72,500,000 for leaking underground storage tank program instead of $70,000,000 as provided by the House and $75,000,000 as provided by the Senate. Bill language has been included which expands the use of LUST funds pursuant to new authorization under section 9004 (f) of the Solid Waste Disposal Act.

Again this year, the conferees direct that no less than 85 percent of the appropriated level be provided to the states and tribal governments.

OIL SPILL RESPONSE

Appropriates $15,000,000 for oil spill response, the same as proposed by the House and the Senate.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriates $3,386,750,000 for state and tribal assistance grants instead of $3,233,132,000 as proposed by the House and $3,255,000,000 as proposed by the Senate.

Bill language provides the following program levels:

$1,350,000,000 for Clean Water State Revolving Fund capitalization grants.

$775,000,000 for Safe Drinking Water State Revolving Fund capitalization grants.

$880,000,000 for state and tribal program/categorical grants, including $200,000,000 for section 319 non-point source pollution grants, $115,529,300 for section 106 water quality grants, and an increase above the budget request of $5,343,000 for section 103/105 air quality grants. The conferees note that the Clean Water Action Plan has been fully funded at the budget request level.

$50,000,000 for high priority U.S./ Mexico border projects. Within this amount, the conferees have provided $1,000,000 for the U.S./Mexico Foundation for Science. The amount provided for fiscal year 1999 represents a decrease of $25,000,000 below the fiscal year 1998 level. The conferees have agreed to this reduction in view of the fact that the recipients of border funds-principally the International Boundary and Water Commission, the North American Development Bank, and the Border Environment Cooperation Commission-have been slow to make project commitments. Of the $375,000,000 appropriated to date for this program, EPA anticipates it will have $124,000,000 that has not been committed to a particular project by the end of the fiscal year.

$30,000,000 for grants to address drinking water and wastewater infrastructure needs of Alaska rural and native villages.

$301,750,000 for special needs drinking water, wastewater and groundwater infrastructure grants.

The conferees have included bill language which reaffirms that funds appropriated this year, and in previous years, for grants for Drinking Water State Revolving Funds and other water infrastructure grant programs under section 1452 of the Safe Drinking Water Act are not to be reserved by the Administrator for conducting drinking water health effect studies. As in previous years, funding for health effects studies is provided under the Science and Technology account.

Bill language has also been included which for fiscal year 1999 and prior years permits states to include as principal amounts considered to be the cost of administering State Revolving Fund loans to eligible borrowers.

The conferees note that the categorical grant activity contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State, local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands State program development; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRFs and the special water and wastewater treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes. The performance partnership/categorical grants are exempt from the Congressional reprogramming limitation.

The conferees agree that the special needs funds are provided as follows:

1. $30,000,000 for Boston Harbor wastewater needs.
2. $2,610,000 for continued wastewater needs in Bristol County, Massachusetts.
3. $6,525,000 for New Orleans wastewater needs.
4. $11,310,000 to implement combined sewer overflow improvements in Richmond ($5,655,000) and Lynchburg, ($5,655,000), Virginia.
5. $8,700,000 for continuation of the Rouge River National Wet Weather Demonstration project.
6. $3,045,000 for wastewater, sewer overflow, and water system needs of the Westfall Municipal Sewage Authority ($1,740,000), and Jefferson Township, Lackawanna County ($1,305,000), Pennsylvania .
7. $1,000,000 for the Olivenhain, California water infrastructure project.
8. $870,000 for the combined sewer overflow project for Sacramento, California.
9. $8,700,000 for water system improvements at Lake Hopatcong, New Jersey.
10. $13,050,000 for continued planning and implementation of a storm water abatement system in the Doan Brook Watershed Area, Ohio.
11. $7,395,000 for wastewater infrastructure needs for Jefferson Parish ($2,350,000); Baton Rouge ($2,000,000); and Grand Isle ($3,045,000), Louisiana.
12. $8,700,000 for alternative water source development for the Southwest Florida, St. John's River, Northwest Florida, and South Florida Water Management Districts.
13. $1,800,000 for wastewater infrastructure improvements for the City of Port Huron, Michigan.
14. $2,175,000 for the Grand Rapids, Michigan combined sewer overflow project.
15. $2,828,000 for water system and wastewater infrastructure requirements for the Somerset Township Municipal Authority ($1,088,000) and for the Johnstown-Cambria County Airport ($1,740,000), Pennsylvania.
16. $1,305,000 for ongoing work at the Geysers Recharge Project in Northern California.
17. $8,700,000 for continued clean water improvements of Onondaga Lake.
18. $7,047,000 for wastewater and water system improvement needs for the Centerville/Cumberland Valley Township ($261,000); the Houtzdale Borough Municipal Authority ($174,000); the Northern Blair Regional Sewer Authority ($696,000); the Richfield Borough Joint Municipal Authority ($348,000); Chambersburgh Borough ($2,175,000); the Letterkenny Reuse Authority ($522,000); the Lewistown Municipal Water Authority ($696,000); and the Hollidaysburg Borough ($2,175,000), Pennsylvania.
19. $8,700,000 for water supply and wastewater needs for the City of Paintsville ($1,900,000); Pike County, Mountain Water District ($2,200,000); the City of Fleming

Neon ($1,500,000); the City of Salyersville ($500,000); Wolfe County ($1,700,000); and the City of Booneville ($900,000), Kentucky.

20. $2,610,000 for wastewater infrastructure improvements at Artesia, New Mexico.

21. $4,000,000 for the St. Louis Metropolitan Sewer District Meramac River enhancement and wetlands protection project.

22. $5,350,000 for wastewater and sewer infrastructure needs for DeSoto County ($2,675,000) and the City of Jackson ($2,675,000), Mississippi.

23. $1,740,000 for wastewater facilities and improvements in Essex County, Massachsetts.

24. $3,000,000 for the Milwaukee Metropolitan Sewerage District interceptor system.

25. $1,305,000 for the Miami-Dade County sanitary sewer overflow demonstration project.

26. $2,610,000 for wastewater improvements at Florida City, Florida.

27. $2,450,000 for the basin stormwater retention and reuse project at Big Haynes Creek, Georgia.

28. $5,655,000 for the tunnel and reservoir project (TARP) of the Metropolitan Water Reclamation District in Chicago, Illinois.

29. $5,000,000 for sewer and stormwater infrastructure needs at Bozeman, Montana.

30. $4,900,000 for the Mille Lacs regional wastewater treatment facility, Minnesota.

31. $1,555,000 for wastewater, sewer, and water infrastructure needs in Lovelock ($1,305,000) and Moapa Valley Water District ($250,000), Nevada.

32. $3,750,000 for combined sewer overflow requirements of the Passaic Valley Sewerage Commission, New Jersey.

33. $12,500,000 for water, wastewater, and system infrastructure development and improvements for the Yucaipa Valley Water District ($4,500,000); the Lower Owens River Project in Inyo County ($3,000,000); the City of Barstow ($3,000,000); and the San Timoteo Creek environmental restoration project in Loma Linda ($2,000,000), California.

34. $1,740,000 for water reuse system improvements for Riverton, Utah.

35. $2,500,000 for water supply needs for Brownsville, Texas.

36. $1,741,000 for drinking water infrastructure needs for White Oak, Wolfe Branch Utility District ($653,000), and for Frankfort, Potter Chapel, and the Island Ford area, Sunbright Utility District ($1,088,000), Tennessee.

37. $4,350,000 for sewage treatment facilities to reduce nitrogen flowing into the Susquehanna River and ultimately into the Chesapeake Bay.

38. $283,000 for the reservoir restoration project in Albemarle City, North Carolina.

39. $1,305,000 for the water runoff and sewer treatment program of the San Diego Coastal Low Flow Storm Diversion Project.

40. $1,435,000 for wastewater infrastructure improvements for Springettsbury Township/City of York ($1,000,000) and Delta Borough ($435,000), Pennsylvania.

41. $2,133,000 for wastewater infrastructure improvements for the City of San Diego, California.

42. $3,000,000 for water supply needs of the Lake Marion Regional Water Agency, South Carolina.

43. $500,000 for a groundwater replenishment system for Orange County, California.

44. $1,305,000 for the Connecticut River, Massachusetts and Connecticut combined sewer overflow project.

45. $653,000 for the interceptor collection project at Avondale, Arizona.

46. $870,000 for the MERTS wastewater treatment facility at South Tongue Point, Oregon.

47. $1,000,000 for the Sonoma County Water Agency, Russian River Restoration project.

48. $2,500,000 for completion of the export pipeline replacement to protect Lake Tahoe.

49. $2,200,000 for the Charleston Water Conservancy District, Utah to meet sewer infrastructure needs associated with the 2002 Winter Olympic games.

50. $1,000,000 for the Ogden City, Utah water and sewer system.

51. $1,600,000 for the town of Mountain Village and Telluride, Colorado for a shared sewer system upgrade.

52. $2,500,000 for the City of Winterset, Iowa for sewer system improvements.

53. $7,000,000 for the Village of Hempstead, New York for water system improvements.

54. $500,000 for the City of Hartford, South Dakota for the upgrade of its wastewater treatment plant.

55. $2,000,000 for the City of Berlin, New Hampshire for water infrastructure improvements.

56. $5,000,000 for the City of Cumberland, Maryland to separate and relocate the city's combined sewer and stormwater system.

57. $4,750,000 for improvements to the St. Maries, Idaho drinking water system.

58. $1,200,000 for the village of Jemez Springs, New Mexico to improve its wastewater treatment system.

59. $3,500,000 for the City of Springfield, Vermont to upgrade its wastewater system.

60. $4,900,000 for the City of Grand Forks, North Dakota water treatment plant relocation project.

61. $5,600,000 for the Eastern Band of Cherokee Indians, North Carolina, Big Cove Community wastewater collection project.

62. $8,000,000 for Jackson County, Mississippi for remaining construction of pipeline and water treatment improvements.

63. $2,000,000 for Anderson County, Kentucky to renovate the Alton Water District's sewer system.

64. $1,550,000 for the City of Kinston, North Carolina wastewater treatment improvements.

65. $350,000 for the Green River Water District, Hart County, Kentucky, for water system improvements.

66. $1,200,000 for the Matanuska-Susitna Borough, Alaska water and sewer improvements.

67. $1,700,000 for the City of Anchorage for water system improvements involving the town of Girdwood, Alaska.

68. $1,000,000 for the City of Fairbanks, Alaska for water system improvements.

69. $1,000,000 for the Middleburg/Franklin Township, Pennsylvania wastewater improvement project.

70. $2,250,000 for the City of Sparks, Nevada to construct a water treatment facility including nitrogen removal.

71. $3,000,000 for Geneva County, Alabama drinking water system improvements.

72. $1,000,000 for the Goodwater Utilities Board, Alabama to connect the town of Goodwater with Alexander City.

73. $4,000,000 for the Kansas City Blue River wastewater treatment plant improvements.

74. $1,000,000 for Somerset County, Maryland wastewater treatment improvements in support of biological nutrient removal.

75. $2,500,000 for the three rivers wet weather demonstration project, Allegheny County, Pennsylvania, to eliminate separate sewer flows.

76. $1,000,000 to support Springfield, Missouri efforts for phosphorus removal at the Southwest Wastewater Treatment Plant.

77. $10,000,000 for a National Community Decentralized Wastewater Demonstration Project. The conferees expect this project will help "jump start" the process of technology transfer of various decentralized wastewater treatment options. Three geographically and geologically diverse sites have been determined for this project, and include Warren, Vermont ($1,500,000), Block Island/Green Hill Pond, Rhode Island ($3,000,000), and LaPine, Deschutes County, Oregon ($5,500,000). Each of these communities has already expended considerable resources in the development of these projects, and it is the conferees intention that such previous expenditures be counted toward a local cost share for these projects only of 25 percent.

78. $1,000,000 for the City of Arnold, Pennsylvania for sewer system infrastructure improvements.

79. $250,000 for the City of McCall, Idaho for water infrastructure improvements, including filtration needs.

80. $1,000,000 for wastewater treatment system improvements in the Lake Tomahawk Sanitary District, Wisconsin.

WORKING CAPITAL FUND

The conferees have included bill language which makes technical changes to the Agency's Working Capital Fund.

ADMINISTRATIVE PROVISION

The conferees have included new language, in lieu of language proposed by the Senate, which limits the use of appropriated funds to issue or to establish an interpretation or guidance relating to fats, oils, and greases which does not recognize and provide for the differences of environmental effects and physical, chemical, biological, and other characteristics of edible and non-edible fats, oils, and greases as defined in the Edible Oil Regulatory Reform Act, Public Law 104-55. The language further requires the Administrator to issue regulations amending 40 C.F.R. 112 to comply with the requirements of Public Law 104-55 not later than March 31, 1999.

The conferees have not included bill language proposed by the Senate regarding a limitation on the use of funds to enable the export of government-owned ships for dismantling.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The conferees are in receipt of a report on Nuclear Magnetic Resonance (NMR) technology which focuses on new research opportunities. The report was developed by a committee of renowned NMR spectroscopists, assembled at the suggestion of the National Science Foundation. This recently released report calls for interagency collaboration to expand utilization of NMR. The conferees encourage the Science Advisor to review this report and, if appropriate, assist in developing an interagency solution for this important opportunity.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriates $2,675,000 for the Council on Environmental Quality and Office of Environmental Quality as proposed by the House instead of $2,575,000 as proposed by the Senate. The conferees direct that no less than $100,000 of the appropriated amount be used by CEQ for work on the NEPA Reinvention project. The conferees expect that, among other Reinvention activities, CEQ will use these funds to support efforts to establish a memorandum of understanding between the Federal Energy Regulatory Commission and other appropriate Federal departments and agencies to expedite review of natural gas pipeline projects.

Again this year, bill language has been included which stipulates that for fiscal year 1999 there will be just one member of the Council on Environmental Quality and that individual will serve as chairman. Language is also included again this year which prohibits CEQ from using funds other than those appropriated directly to CEQ under this heading. The conferees expect CEQ to implement this provision in a manner consistent with its implementation during fiscal year 1998.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

Appropriates $307,745,000 for disaster relief as proposed by the House instead of $846,000,000 as proposed by the Senate.

The conferees have agreed to include language in the bill making available $40,000,000 from section 404 hazard mitigation grant funding available to the State of California for pilot projects to demonstrate seismic retrofit technology. Of this amount, FEMA is directed to use $5,000,000 in fiscal year 1999 to conduct a pilot project of seismic retrofit technology on an existing welded steel frame building at California State University, San Bernardino. FEMA is directed to report to the Committees on Appropriations of the House and Senate, on or before March 31, 1999, and again on or before June 30, 1999, regarding progress made toward completion of this retrofit and development of an essential data base. The conferees recommend that FEMA establish a steering committee to receive input from industry associations and the technical community regarding the appropriate use of updated building codes and industry standards in performing this type of retrofit.

SALARIES AND EXPENSES

Appropriates $171,138,000 for salaries and expenses as proposed by the House instead of $170,000,000 as proposed by the Senate.

While the conferees are unable to provide additional funds for salaries and expenses above the original budget request, the conferees strongly support adequate funding for consequence management planning activities associated with preparing for a terrorist incident involving chemical and/or biological weapons, and urge FEMA to make necessary resources available for such activities.

The conferees direct FEMA to provide $400,000 and necessary workyears, in addition to funds requested in the budget, to administer the dam safety program as authorized by section 12(e) of the National Dam Safety Program Act.

The conferees understand that there may be a need for a new headquarters facility for FEMA which meets its special needs. The Agency should review this matter and, if appropriate, develop a workable plan to address this requirement.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,400,000 for the Office of Inspector General as proposed by the Senate instead of $4,930,000 as proposed by the House.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriates $240,824,000 for emergency management planning and assistance instead of $231,674,000 as proposed by the House and $239,000,000 as proposed by the Senate.

The conferees agree to provide $25,000,000 for the Project Impact program; $11,000,000 to address the requirements outlined in the July 9, 1998 budget amendment for anti-terrorism; $3,500,000 for an emergency operations center in Monroe County, Pennsylvania; $1,000,000 for a pilot program to demonstrate two-foot contour mapping by the Louisiana Oil Spill Coordinator's Office; $1,600,000 for development of an emergency communications system for Pointe Coupe Parish, Louisiana; and $400,000 for a University of Missouri-Columbia Fire and Rescue Training Institute pilot program for hazards materials response training.

The conferees have included language in the bill which modifies the House language with regard to a smoke detector pilot project. The conferees agree that $750,000 is to be provided to the U.S. Fire Administration to conduct a nation-wide pilot project to distribute smoke detectors in the 20 statistical areas at highest risk for residential fires. The program should also include an educational component designed to encourage the proper installation and maintenance of smoke detectors. The conferees note that previous smoke detector distribution and education programs have been successful by enlisting the support and cooperation of various state and local departments or organizations, and the Fire Administrator is encouraged to pursue such cooperation. The U.S. Fire Administration shall transmit the results of its pilot project to the Congress and the Consumer Product Safety Commission upon completion of the project.

In addition, the conferees agree to provide a total of $3,500,000 for the Dam Safety Program which is $2,000,000 above the budget request; and an increase of $5,500,000 for State and Local Assistance grants. The conferees expect state and local authorities to plan for a 50–50 cost share starting with fiscal year 2000. Finally, the conferees have included $824,000 for MERS equipment and direct FEMA to provide a report to the Committees on Appropriations which outlines the total requirements for the MERS program.

NATIONAL FLOOD INSURANCE FUND

The conferees have included bill language which authorizes the National Flood Insurance Program for fiscal year 1999. Without this authorization, new flood insurance policies could not be written throughout the fiscal year.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriates $2,619,000 for the Consumer Information Center as proposed by the House instead of $2,419,000 as proposed by the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriates a total of $13,665,000,000 for National Aeronautics and Space Administration instead of $13,328,200,000 as proposed by the House and $13,615,000,000 as proposed by the Senate.

The conferees have included bill language in section 434 renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn. The conferees are taking this action in recognition of Senator Glenn's significant contributions and achievements in the field of space exploration and research.

The conferees agree to retain the current NASA account structure for fiscal year 1999, but have included provisions which will restrict the use of non-space station funds for space station related activities. The conferees direct NASA to provide as part of its fiscal year 2000 budget submission a separate account for the international space station. The conferees have taken this action because of concern that the current account structure may facilitate the easy movement of funding from other human space flight activities into the space station program without timely or adequate notification to the Congress.

The conferees agree to remove language included in the House bill which prohibits the use of fiscal year 1999 funds for initiation of the Triana mission to be positioned at the Earth-Sun LaGrange-1 point. The conferees understand that NASA has selected a peer reviewed mission concept with enhanced science, which may also incorporate commercial involvement. The conferees understand that the enhanced mission estimate is $75,000,000, with a Shuttle launch by December 2000, and expect that NASA will outline a funding plan for initiation of Triana in the operating plan.

The conferees agree to include a general provision which provides indemnification and cross-waivers of liability with regard to the X–33 and X–34 programs. The language included in the conference agreement is the Senate bill language with some technical changes.

Of the amounts approved in the following appropriations accounts, NASA must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committees on Appropriations. Further, no changes may be made to any account or program element if it is construed to be policy or a change in policy. Any activity or program cited in this report shall be construed as the position of the conferees and should not be subject to reductions or reprogramming without prior approval of the Committees on Appropriations of the House and Senate. Finally, it is the intent of the conferees that all carryover funds in the various appropriations accounts be subject to the normal reprogramming requirements outlined above.

In determining the base from which to apply the general reductions for NASA, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA-HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

HUMAN SPACE FLIGHT

Appropriates $5,480,000,000 for human space flight. The House had proposed $5,309,000,000 in this account. The Senate had proposed two new accounts, International Space Station and Launch Vehicles and Payload Operations, with a total of $5,541,000,000. Within the amount provided, the appropriation for space shuttle is $3,028,000,000, the appropriation for payload and utilization is $182,000,000, and the appropriation for space station development related activities is $2,270,000,000.

The amount provided for space shuttle operations is $31,000,000 below the budget request. These funds have been transferred to the mission support account to cover emergent requirements in the areas of personnel compensation and travel. In addition, the conferees direct NASA to provide $3,000,000 for the U.S. Space and Rocket Center in Huntsville, Alabama.

The amount provided for the international space station program is $2,270,000,000, the same as the budget request. The first two elements of the station are essentially ready for launch in November and December of 1998. The critical third element, the Russian-provided service module, still requires some assembly and has been scheduled for launch in April of 1999. Currently the launch date of the service module is in a state of flux and further delay will most likely occur. The conferees are very concerned about the status of the space station development schedule and in particular the impact of the economic and political situation in Russia. Because of this concern, the conferees will not endorse fiscal year 1999 transfer payments to the Russian Government at this time. The conferees have included a general provision which directs NASA to explore avenues other than government to government transfer payments to ensure adequate funding finds its way to the enterprises which are providing services and equipment for the space station program. The conferees will not approve any movement of funds to compensate for Russian nonperformance until a report is provided to the Committees on Appropriations of the House and Senate detailing the reasons for accepting or rejecting alternative financial arrangements, including government to government transfers, U.S. government to foreign contractor arrangements, and U.S. contractor to foreign contractor arrangements. The conferees expect to receive the report within 60 days of enactment of this Act.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Appropriates $5,653,900,000 for science, aeronautics and technology. The House had proposed $5,541,600,000 in this account. The Senate had proposed two new accounts, science and technology, and aeronautics, space transportation, and technology, with a total of $5,562,400,000. The amount provided is $196,500,000 above the budget request for science, aeronautics and technology. The amount provided consists of:

$2,119,200,000 for space science, an increase of $60,800,000 to the budget request.

$263,500,000 for life and microgravity sciences, an increase of $21,500,000 to the budget request.

$1,413,800,000 for earth sciences, an increase of $41,800,000 to the budget request.

$1,338,900,000 for aeronautics and space transportation, an increase of $33,900,000 to the budget request.

$380,000,000 for mission support, no change from the budget request.

$138,500,000 for academic programs, an increase of $38,500,000 to the budget request.

Specific program adjustments are outlined below.

SPACE SCIENCE

The conferees agree to the following changes to the budget request:

1. A general reduction of $21,200,000.
2. An increase of $20,000,000 for the Mars 2001 program.
3. An increase of $10,500,000 for Cross Enterprise Advance Technology Development.
4. An increase of $12,000,000 for Next Generation Space Telescope.
5. An increase of $11,000,000 for Sun-Earth connecting advanced technology development to provide full funding for Solar-B, continue microsatellite technology, and support launch of solar stereo by 2002.
6. An increase of $1,000,000 for an astronomical satellite telescope operated at Western Kentucky University.
7. An increase of $10,000,000 for Space Solar Power.
8. An increase of $1,000,000 for the Near Earth Asteroid Tracking program.
9. An increase of $2,000,000 for a Science Center at Glendale Community College.
10. An increase of $2,500,000 for the Bishop Museum/Mauna Kea Astronomy Education Center.
11. An increase of $2,000,000 for the Chabot Observatory and Science Center, Oakland, CA.
12. An increase of $2,000,000 for a center on life in extreme thermal environments at Montana State University in Bozeman.
13. An increase of $2,000,000 for Montana State University in Bozeman to carry out research into advanced hardware and software technologies for development of advanced optoelectronic materials.
14. An increase of $2,000,000 for an atmospheric research small expendable deployed phase-B study.
15. An increase of $4,000,000 for the University of Alabama in Huntsville on behalf of the Center for Space Science and Technology Alliance to establish the National Center for Space Science and Technology adjacent to existing optics and material university research laboratories in Huntsville, Alabama.

LIFE AND MICROGRAVITY SCIENCES

The conferees agree to the following changes to the budget request:

1. An increase of $15,000,000 for a shuttle mission which accommodates research payloads. The conferees, remain concerned about the lack of shuttle-based science missions in fiscal year 1999. Additional research missions during space station assembly are critical for providing scientists the opportunity to develop research capabilities needed for optimal utilization of the International Space Station. Therefore, the conferees have provided $15,000,000 for such a mission. NASA is directed to submit, as part of its operating plan, a schedule for accomplishing this mission in fiscal year 1999.
2. An increase of $6,500,000 for space radiation research.

EARTH SCIENCES

The conferees agree to the following changes to the budget request.

1. A general reduction of $11,200,000.
2. An increase of $25,000,000 to support EOS AM–1 launch requirement, including interoperability of the EOS ground systems.
3. An increase of $10,000,000 for a remote sensing project at Mississippi State University.
4. An increase of $3,500,000 for the NASA International Earth Observing System Natural Resource Training Center at the University of Montana, Missoula.
5. An increase of $2,000,000 for Environmental Computer Center at Oregon State University.
6. An increase of $2,000,000 for an institute for research in commercial remote sensing applications at the University of Missouri-Columbia.
7. An increase of $1,000,000 for the Pipelines project at Iowa State University/Southern University-Baton Rouge.
8. An increase of $1,000,000 for the consortium for the application of space data to education (CASDE).
9. An increase of $5,500,000 for biodiversity-related science programs at the American Museum of Natural History.
10. An increase of $3,000,000 for the Regional Application Center in Cayuga County, New York.

AERONAUTICS AND SPACE TRANSPORTATION

The conferees agree to the following changes to the budget request.

1. A general reduction of $13,850,000.
2. An increase of $6,000,000 for studies of liquid flyback booster systems.
3. An increase of $4,000,000 for studies of a fifth stage solid rocket booster system.
4. An increase of $20,000,000 for NASA participation in the Air Force Military Space Plane project.
5. An increase of $6,000,000 for hybrid propulsion testing.
6. An increase of $5,000,000 for the six NASA Regional Technology Transfer Centers for programs to link women and minority owned businesses and businesses from distressed communities.
7. An increase of $2,000,000 for the Midwest Technology Transfer Center for the Garrett Morgan initiative throughout Ohio and the Great Lakes region.
8. An increase of $1,500,000 for MSE-Technology Applications, Western Environmental Technology Office.
9. An increase of $3,000,000 for a small business incubator program for two new incubators, at least one of which is to be located in Florida.
10. An increase of $250,000 for the Institute for Software Research (ISR) in Fairmont, West Virginia which will support a collaborative research effort between ISR and NASA Dryden to ensure cost effectiveness and safety for NASA programs through basic research.

MISSION COMMUNICATIONS

The conferees have provided $380,000,000 for Mission Communications, the same as the budget request and the Senate level and a reduction of $5,000,000 from the House proposed funding level.

ACADEMIC PROGRAMS

The conferees have agreed to the following changes to the budget request.

1. An increase of $5,600,000 for the National Space Grant College and Fellowship Program.
2. An increase of $5,400,000 for the NASA EPSCoR program. The increase results in a total funding level of $9,600,000 in fiscal year 1999. The conferees expect the program to be operated out of NASA headquarters and to permit each awardee to pursue research in any or all of the four NASA strategic enterprises. Finally, the conferees expect NASA to report to the Committees on Appropriations by March 1, 1999 on how it intends to aggressively expand future appropriations for this program so as to help diversify the university base which NASA research activities support.
3. An increase of $3,500,000 for academic and infrastructure needs at the University of Redlands.
4. An increase of $1,000,000 for a residential aerospace education center at NASA Glenn Research Center.
5. An increase of $2,000,000 for a center for advanced information technology at the University of Maryland, College Park.
6. An increase of $11,600,000 for Historically Black Colleges and Universities. Of this amount, $10,000,000 is to be applied to the SEMMA program as specified in House Report 105-610, and $1,600,000 is for a grant to Morgan State University for capital renovations and environmental remediation at the University's multipurpose facility to facilitate its effective use for the conduct of math and science education workshops to at-risk student in middle and high school.
7. An increase of $9,400,000 for the Partnership Awards program.

MISSION SUPPORT

Appropriates $2,511,100,000 for mission support instead of $2,458,600,000 as proposed by the House and $2,491,600,000 as proposed by the Senate. The amount provided includes $2,000,000 for settlement of claims associated with the Integrated Test Facility at the Dryden Flight Research Center, and $1,500,000 for completion of facilities at the Stennis Space Center. The amount provided also includes an increase of $31,000,000, derived from the human space flight account, to cover emergent requirements related to lower than anticipated personnel retirements/buyouts, increased costs associated with retirement system changes, government-wide pay rate changes, and higher requirements for travel funding. The conferees hereby increase NASA's travel limitation by $1,400,000.

The conferees continue to believe that the Administrator should work closely with the City of Downey, California regarding the disposition and excessing of Parcels 1 and 2 of the NASA Industrial Plant, Downey, to the City. It is the agreement of the conferees that this property be conveyed to the City for economic/industrial development in an expeditious manner. The conferees direct the Administrator to submit a report by February 1, 1999, outlining a plan for transfer of Parcels 1 and 2 to the City of Downey. The report should identify any potential obstacles to timely transfer, including environmental considerations, proposals for overcoming those obstacles, and a timetable by which orderly transfer could be effected.

The conferees continue to prohibit the use of funds appropriated or otherwise made available to the National Aeronautics and Space Administration by this Act, or any other Act enacted before the date of enactment of this Act, by the Administrator of NASA to relocate aircraft of the National Aeronautics and Space Administration based east of the Mississippi River to the Dryden Flight Research Center in California.

OFFICE OF INSPECTOR GENERAL

Appropriates $20,000,000 for the Office of Inspector General as proposed by the Senate, instead of $19,000,000 as proposed by the House.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

Appropriates $2,000,000 for the National Credit Union Administration for the Community Development Revolving Loan Program for credit unions as authorized by Public Law 103-325, as proposed by the House instead of $1,000,000 as proposed by the Senate.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Appropriates $2,770,000,000 for research and related activities instead of $2,815,000,000 as proposed by the House and $2,725,000,000 as proposed by the Senate. Bill language is included which provides a limitation of $257,460,000 for Polar research and operations support. The conferees have also included bill language which prohibits the expenditure of funds after September 30, 1998 for activities associated with the administration of the Internet.

Specific bill language which provided $50,000,000 for a comprehensive research initiative on plant genomes for economically significant crops as proposed by the Senate has not been included, however, the conferees have included $50,000,000 for such an initiative within the overall research program funded through this account. This amount represents an increase of $10,000,000 above the budget request.

The conferees note that the amount provided the research and related activities account represents an increase of nearly $225,000,000, or eight percent, over the comparable fiscal year 1998 level. The Foundation is expected to spread this increase across all research directorates in a proportional manner consistent with the budget proposal. Within this framework, the Foundation is expected to make every effort to maximize resources for the Ocean, Earth and Atmospheric Sciences programs. The conferees also note that the GLOBE program has been provided up to $2,000,000.

For the U.S. Arctic Research Program, the conferees have provided up to $22,000,000, an increase of up to $12,500,000 above the budget request. These additional funds are intended to support ongoing and planned high priority research in the Arctic region, including appropriate logistic needs. Prior to the obligation of these additional resources, the conferees expect the Foundation to provide a detailed spending plan on the use of these funds. Such plan should be submitted as part of the fiscal year 1999 operating plan.

The conferees have not included provisions as contained in the Senate report which created three new research centers for applied molecular biology and which provided funds to establish three new centers under the KDI program. The conferees believe that support for doctoral I and doctoral II institutions (as classified by the Carnegie Foundation) is critical if the nation is to fully develop its human resources with respect to science and engineering research. The conferees recognize that NSF support for these institutions currently exceeds $150,000,000 or about eight percent of the total NSF research budget. Nevertheless, the conferees expect the NSF to take all appropriate steps to enhance the resources available for doctoral I and II institutions, including taking steps to ensure that all directorates below the NSF-wide average increase grants for these institutions to achieve no less than this eight percent level. Moreover, the conferees direct the Foundation to review the need for the establishment of new centers to meet the purposes as proposed by the Senate, and review the desirability and feasibility of establishing a new and separate pool of resources to benefit doctoral I and II institutions. The conferees expect these reviews to be completed and submitted to the Committees on Appropriations no later than April 1, 1999.

The conferees believe that the "Grand Challenges" identified in the National Research Council's recent report, "Opportunities in Ocean Science," contains valuable perspectives on the benefit derived by broad coordinated research investigations. The NSF director shall communicate the findings of the report, and counsel with The National Ocean Leadership Council and the Office of Management and Budget, to define ocean science initiatives that will help realize the economic and environmental benefits described in the report.

Within amounts provided in this account, $1,500,000 is for continued operation of the RaDiUs database program. The conferees note that this database may represent a useful tool in the analysis of all research and development expenditures throughout the Federal government, and request the Foundation to report by May 1, 1999 on its assessment of the value and usefulness of this program. The amount provided is in addition to other amounts provided to the Foundation for CTI services.

MAJOR RESEARCH EQUIPMENT

Appropriates $90,000,000 for major research equipment as proposed by the House instead of $94,000,000 as proposed by the Senate. Included within this amount is $9,000,000 for the Millimeter Array, $22,000,000 for the Large Hadron Collider, $20,000,000 for Polar support aircraft upgrades, and $39,000,000 for continued maintenance and construction of new facilities in Antarctica.

EDUCATION AND HUMAN RESOURCES

Appropriates $662,000,000 for education and human resources instead of $642,500,000 as proposed by the House and $683,000,000 as proposed by the Senate.

The conferees have included bill language renaming the Alliances for Minority Participation (AMP) Program after retiring Congressman Louis Stokes. The purpose of the AMP Program is to build partnerships among different kinds of institutions of higher education for the express purpose of attracting and retaining minority students in academic programs that lead to degrees in science and engineering. Congressman Stokes has been equally committed to building partnerships and alliances throughout his distinguished career. It is therefore fitting that this program which embodies these important principles be redesignated the Louis Stokes Alliances for Minority Participation Program.

Within the amount provided, $46,000,000 is for the Informal Education Program, and an increase of $10,000,000 above the budget request is provided for the EPSCoR program.

The conferees have provided $13,500,000 through the education and human resources account for education reform initiatives targeted to underrepresented populations served through the nation's historically black colleges and universities (HBCUs). Of these amounts, $7,500,000 shall be allocated for graduate level activities, and $6,000,000 for undergraduate activities under the UPUR program established in House Report 105–297. The undergraduate funds are to be augmented with an additional $2,000,000 from the research and related activities account for a total UPUR program level for fiscal year 1999 of $8,000,000.

For fiscal year 1998, $6,000,000 was provided for this program by the NSF instead of $12,000,000 as intended by the conferees. As a result, fewer institutions were given the opportunity to compete for available resources. It is the intent of the conferees that all eligible institutions, including those which were granted awards in fiscal year 1998, be given equal opportunity to compete for funds provided for fiscal year 1999. It is also the intent of the conferees that awards be of sufficient size so as to meet the needs of the competing institutions. However, it is not the intent of the conferees that NSF establish either a minimum or a maximum award size in the determination of grant recipients. Rather, each application should be judged on its merits without regard to its proposed cost. Finally, the Foundation is urged to indicate in its fiscal year 2000 budget submission how it intends to sustain the UPUR initiative at appropriate funding levels.

SALARIES AND EXPENSES

Appropriates $144,000,000 for salaries and expenses as proposed by the House instead of $136,950,000 as proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,200,000 for the Office of Inspector General as proposed by the House and the Senate.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriates $90,000,000 for the Neighborhood Reinvestment Corporation as proposed by the House instead of $60,000,000 as proposed by the Senate. Language is included which provides $25,000,000 for a pilot homeownership initiative, as proposed by the House.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriates $24,176,000 for salaries and expenses as proposed by the House, instead of $24,940,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Restores language proposed by the House and stricken by the Senate permitting EPA, NSF, and NASA funds to be used for an endowment for the United States/Mexico Foundation for Science, amended to make technical modifications to the language.

Retains language proposed by the Senate limiting the use of funds appropriated to the Department of the Housing and Urban Development.

Deletes language proposed by the House and stricken by the Senate establishing new loan limits for Federal Housing Administration mortgages, providing additional appropriations of $10,000,000 for VA's medical and prosthetic research account and $70,000,000 for the National Science Foundation's research and related activities account, and defining the term "area." The Senate proposed language establishing new loan limits for Federal Housing Administration mortgages under HUD's administrative provisions. New FHA loan limits and revised definitions are addressed under HUD's administrative provisions section, and the appropriations for the VA and NSF accounts are addressed under those appropriating paragraphs.

Inserts and modifies language proposed by the House, directing the Consumer Product Safety Commission to contract with the National Academy of Sciences for a study of flame retardant chemicals under consideration for use in upholstered furniture. The study is to be completed prior to promulgation of a notice of proposed rulemaking or final rulemaking.

Deletes language proposed by the House and stricken by the Senate reducing the amount of medical care funds with delayed availability. The total amount of funds with delayed availability is addressed under the medical care account.

Deletes language proposed by the House and stricken by the Senate regarding child sleepwear flammability standards, and inserts new language directing the Consumer Product Safety Commission to address sleepwear standards.

Deletes language proposed by the House and stricken by the Senate reducing funds for non-overhead administrative expenses of the Federal Housing Administration by a total of $303,999,998 and increasing funds for VA's medical care account by the same amount. All funds for these activities are addressed under the FHA and VA's medical care accounts.

Deletes language proposed by the House and stricken by the Senate prohibiting the use of FEMA funds to permit the use of seismic hazard mitigation program funds to relocate a hospital.

Restores language proposed by the House and stricken by the Senate prohibiting the use of funds in this Act for research on reducing methane emissions from livestock.

Restores language proposed by the House and stricken by the Senate prohibiting funds in this Act from being used to carry out Executive Order 13083 concerning federalism.

Deletes language proposed by the House and stricken by the Senate reducing funds for HUD's housing opportunities for persons with AIDS (HOPWA) account by $21,000,000 and increasing funds for VA's grants for construction of state extended care facilities account by the same amount. Funding for these activities is addressed under HUD's HOPWA and VA's grants for construction of state extended care facilities accounts.

Deletes language proposed by the House and stricken by the Senate restricting the use of funds in this Act for implementation of section 12B.2(b) of the Administrative Code of San Francisco.

Deletes language proposed by the Senate placing certain conditions on entities that receive grants providing emergency shelter for homeless individuals.

Inserts language proposed by the Senate modifying the National Fallen Firefighters Foundation Act to eliminate the cap on staffing, amended to make technical changes.

Inserts language proposed by the Senate prohibiting individuals convicted of methamphetamine manufacture from receiving public housing assistance.

Deletes language proposed by the Senate regarding maximum travel distance for veterans to health care facilities.

Deletes language proposed by the Senate regarding detailed justifications for salary and expenses activities of the agencies in the bill. While the committee of conference has deleted the bill language, it remains concerned with the lack of detail contained in the budget justifications submitted by some of the agencies in the bill. As such, all of the departments and agencies are directed to provide detailed justifications for all salary and expenses activities, including personnel compensation and benefits, consulting costs, professional services or technical service contracts regardless of the dollar amount, contracting out costs, travel and other standard object classifications for all headquarters offices, regional offices, or field installations and laboratories, including the number of full-time equivalents per office, and the personnel compensation, benefits and travel cost for each Secretary, Assistant Secretary, Administrator, or other major operating office.

Inserts language proposed by the Senate allowing the Office of Science and Technology Policy to contract with the National Academy of Sciences for a study to develop methods for evaluating federally funded research and development programs.

Inserts language proposed by the Senate which provides indemnification and cross-waivers of liability with regard to the X-33 and X-34 flight test programs.

Inserts language proposed by the Senate providing land allotments to Alaska native Vietnam-era veterans, amended to reduce the eligibility period to three years, decrease the amount of lands subject to allotment, and provide the Secretary of the Interior with discretion regarding which lands are subject to allotment, among other changes.

Inserts new language directing the National Aeronautics and Space Administration to report on alternative methods of contracting with Russian entities.

Inserts new language renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn.

Inserts new language waiving the statutory waiting period prior to adoption of new accounting standards for NASA.

TITLE VI—SINGLE FAMILY PROPERTY DISPOSITION

Inserts language providing HUD with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or homes under FHA single family programs. Specifically, the provision:

(1) reorganizes the current section 204(a) of the National Housing Act and eliminates obsolete or redundant provisions;

(2) provides a new claims payment procedure that permits HUD to pay a claim upon assignment of the mortgage rather than upon conveyance of the property;

(3) authorizes HUD to take assignment of the notes and transfer them to private parties for servicing, foreclosure avoidance, foreclosure, property management, and asset disposition; and,

(4) provides HUD with authority, similar to the FHA multifamily disposition program, that allows FHA to be an equity participant in private entities.

Additionally, the provision allows a structured financing for asset disposition in which FHA retains an equity interest, thereby increasing the value of the asset over simple asset sales. It eliminates the precise statutory formula for determining insurance benefits due a mortgagee by allowing HUD to adjust the additions and deductions prospectively through administrative action, to reflect new information, changing conditions, and state law requirements.

The conferees wish to impress upon HUD the importance of an aggressive and effective loss mitigation program. Such a program could keep families in their homes longer and would, most certainly, decrease losses to the FHA insurance fund. Currently, HUD's mortgage servicers have no affirmative duty to undertake loss mitigation activities. Therefore, the conference agreement has included language requiring loss mitigation activities upon default of a mortgage. Failure by a mortgagee to engage in loss mitigation activities could result in a penalty of three times the amount of any insurance benefits claimed by the mortgagee. The conferees urge HUD, in conjunction with the lending community, to develop a comprehensive loss mitigation program and to propose to the Congress any statutory changes necessary to implement such a program.

Finally, the provision substitutes a requirement of disclosure of information regarding pre-foreclosure sales for the counseling currently required before use of pre-foreclosure sales and eliminates a requirement excluding the use of loss mitigation tools by enabling mortgagees to make better use of recasting and forbearance as part of loss mitigation. Inserts language requiring HUD to treat certain FHA single family assets in certain distressed neighborhoods differently than those in non-revitalization areas in order to make the areas sustainable and to diminish the number of properties sold to speculators. The provision is designed to stabilize the neighborhood by encouraging homeownership of good, decent, and structurally sound homes, and replaces the current "right of first refusal" and discount system.

HUD is required, in conjunction with local stakeholders, to establish revitalization areas. These areas are determined on the basis of whether they have a high proportion of low income households, a high number of troubled assets, or a low rate of homeownership.

Additionally, the legislation provides for the establishment of smaller asset control areas within the larger revitalization areas. In those targeted areas, HUD and local partners shall implement an agreement to increase the level of repair and the level of owner occupant purchasers in those specially targeted areas. To encourage these agreements, HUD is authorized to offer pricing discounts that are based on an appropriate appraisal. HUD is obligated to offer, and the local partners are obligated to take, all FHA single family assets that are or that become available in these areas.

Once the revitalization and asset control areas are determined, assets offered for sale must be repaired so purchasers are not saddled with high repair costs. The conferees believe that adequate rehabilitation and renovations must be made to these homes to make them attractive to buyers as well as to increase the stability of the neighborhood. Therefore, rehabilitation standards should include whether the homes are in good, safe and habitable condition, whether major systems are dependable and in good repair, and whether the properties are marketable to owner occupants given the standards and preferences of the local community. Though preferred purchasers may incorporate higher rehabilitation standards, non-preferred purchasers must meet at least minimum property standards, as determined by HUD.

The conferees believe that increasing homeownership in these areas is particularly important if they are to become sustainable. Therefore, assets (within the control of the purchasers) in these areas must be sold to owner occupants in a proportion that matches, if not exceeds, the proportion of owner occupants in the metropolitan area. Though HUD is given the authority, in certain circumstances, to waive this provision, any deviations are expected to be rare and merit consultation with local units of government and other involved parties. The conferees do not intend for HUD to waive the homeownership requirement for solely economic consideration. Downward deviations should be only for the purpose of strengthening the revitalization of the areas in which they may occur.

The conferees direct HUD to report to Congress annually on the number and characteristics of areas designated, or rejected, as revitalization and asset control areas. The report should include the number of eligible assets within each area and the basis for any rejection of designation.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$88,392,163,000
Budget estimates of new (obligational) authority, fiscal year 1999	93,688,871,105
House bill, fiscal year 1999	94,375,545,030
Senate bill, fiscal year 1999	93,331,942,030
Conference agreement, fiscal year 1999	93,390,780,030
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+4,998,617,030
Budget estimates of new (obligational) authority, fiscal year 1999	−298,091,075
House bill, fiscal year 1999	−984,765,000
Senate bill, fiscal year 1999	+58,838.000

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
R. FRELINGHUYSEN,
MARK W. NEUMANN,
ROGER WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,
Managers on the Part of the House.

KIT BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE CAMPBELL,
LARRY E. CRAIG,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
ROBERT C. BYRD,
Managers on the Part of the Senate.

ADDITIONAL LEAVE TIME FOR FEDERAL EMPLOYEES WHO SERVE AS ORGAN DONORS

Mrs. MORELLA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2943) to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

The Clerk read as follows:

H.R. 2943

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. INCREASED LEAVE TIME TO SERVE AS AN ORGAN DONOR.

(a) IN GENERAL.—Subsection (b) of the first section 6327 of title 5, United States Code (relating to absence in connection with serving as a bone-marrow or organ donor) is amended to read as follows:

"(b) An employee may, in any calendar year, use—

"(1) not to exceed 7 days of leave under this section to serve as a bone-marrow donor; and

"(2) not to exceed 30 days of leave under this section to serve as an organ donor.".

(b) TECHNICAL AMENDMENTS.—(1) The second section 6327 of title 5, United States Code (relating to absence in connection with funerals of fellow Federal law enforcement officers) is redesignated as section 6328.

(2) The table of sections at the beginning of chapter 63 of title 5, United States Code, is amended by adding after the item relating to section 6327 the following:

"6328. Absence in connection with funerals of fellow Federal law enforcement officers.".

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Maryland (Mr. CUMMINGS) each will control 20 minutes.

The Chair recognizes the gentlewoman from Maryland (Mrs. MORELLA).

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 2943.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Maryland (Mr. CUMMINGS), the ranking member on the Subcommittee on Civil Service, for introducing this very important bill.

I also want to include my thanks to the gentleman from Florida (Mr. MICA), chairman of the Subcommittee on Civil Service. I also want to thank the gentleman from Indiana (Mr. BURTON), chairman of the Committee on Government Reform and Oversight and the gentleman from California (Mr. WAXMAN), the ranking member, for helping us bring this bill to the floor today. It is a very important piece of legislation, and I am proud to be a cosponsor of it with the gentleman from Maryland (Mr. CUMMINGS) as lead sponsor.

Mr. Speaker, thousands of Americans die every year and thousands more suffer unnecessarily because of the current shortage of transplantable organs and tissues. Kidneys are the most needed organs for transplantation, accounting for 69 percent of all organ waiting list registrations.

While the 7 days Federal law currently allows for recovery from bone marrow donation is adequate, recovery periods for kidney donations run much longer. We must avoid situations where our leave policies deter people from donating organs.

Through this legislation, the Federal Government will become a leader in encouraging individuals to perform the valuable public service of donating organs. Specifically, this legislation will enable those Federal employees who want to donate an organ to do so with the assurance that the Federal Government will give them an adequate amount of time to recuperate from the important life saving procedure they voluntarily undergo.

This legislation serves as a guide for other employees throughout our country to provide similar benefits to those individuals who undertake this important public service.

I want to encourage my colleagues to join me in wholeheartedly and enthusiastically supporting this legislation to help Federal employees and agencies meet this important health care need.

Mr. Speaker, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I first want to take a moment to thank the gentleman from Indiana (Mr. BURTON), the chairman of the committee, the gentleman from California (Mr. WAXMAN), our ranking member, and particularly the gentleman from Florida (Mr. MICA) who is our ranking subcommittee chairman for the cooperation they gave me in making sure that this bill came to the floor today. I really thank them.

I also thank our entire subcommittee which worked very cooperatively in a bipartisan spirit to make this bill happen.

Mr. Speaker, in the last 20 years, important medical breakthroughs such as tissue typing and new drug therapy have allowed for a larger number of successful organ transplants and a longer survival rate for transplant recipients. Certain organs such as single kidney, a lobe of a lung, a segment of the liver, or a portion of the pancreas can be transplanted from living donors, making it possible for them to save lives of family members, coworkers, and friends, and thus bring life to life.

I introduced H.R. 2943 because it supports Federal employees who make the life saving decision to become living organ or bone marrow donors by granting them additional time to recover from making a donation.

This bill also has the support of the American Society of Transplant Physicians, the largest professional transplant organization in the United States. In a letter expressing their support for the bill, the ASTP stated, and I quote, "A lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift of life."

Currently, Federal employees make use of up to 7 days of leave in each calendar year to serve as an organ or bone marrow donor. Yet, experience has shown that an organ transplant operation and postoperative recovery for living donors may take as long as 6 to 8 weeks.

In order to address this disparity, I worked with the Office of Personnel Management and the Department of Health and Human Services in drafting this legislation to increase the amount of leave that may be used for organ donation to 30 days. The amount of leave that may be used for bone marrow donation will remain at 7 days because that is generally adequate for bone marrow donations.

Under this legislation, donors will not have to be concerned with using their personal sick or annual leave for these vital medical procedures because the leave granted is an addition to what they routinely earn.

Since the first kidney transplant in 1954, hundreds of patients have received successful transplants from living donors. Yet, each day, while 55 people receive an organ transplant, another 10 people on the waiting list die because not enough organs are available.

A new name is added to a waiting list every 18 minutes in the United States. Last year, only 15,000 people donated, leaving 35,000 people desperately in need. Currently, over 58,000 are waiting for a life saving organ transplant.

One lung can help another person breathe. One kidney can free someone from dialysis. A portion of a liver could save the life of a patient dying from disease. One's bone marrow could help repair another person's damaged joints. Every year, Federal employees donate one of these organs to save a life.

This legislation will give Federal employees who may consider becoming organ donors the assurance that they will be granted an adequate amount of time to recuperate from the life saving process they voluntarily undertake. It will also serve as a guide and encouragement to other employers, public and private, to provide a similar benefit to their employees.

Ultimately, this bill will benefit the 58,000 people who are on the organ transplant waiting list. As I said earlier, this is a piece of legislation which will bring life to life. I urge all Members to give it their support.

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I have no other requests for time, and I continue to reserve the balance of my time.

Mr. CUMMINGS. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from the District of Columbia (Ms. NORTON).

Ms. NORTON. Mr. Speaker, I very much thank the gentleman for yielding to me.

Mr. Speaker, I rise in strong support of the bill of the gentleman from Maryland (Mr. CUMMINGS), and I rise also to thank the gentleman for this innovative and important piece of legislation and to compliment him and the gentlewoman from Maryland on the third bill of this particular session of the House. It shows a very productive commitment to Federal employees.

We are now awash in life saving techniques, but we have not learned how to get maximum use out of them or to assure equality in their distribution. The bone marrow provision that allows 7 days' leave appears to be appropriate; but when it comes to an organ transplant, we are dealing with an operation that itself is a high risk operation.

If we really want to encourage people to donate organs such as kidneys, where the need is greatest, we are going to have to move to provide a greater incentive. One thing we ought to do is to assure persons generous enough to offer an organ that there would be the minimum risk to the person who has stepped forward.

If that person is a Federal employee, the last thing we would want the employee to think is that I do not have very much time that I should take, so I better rush back. The 30-day incentive is important to finally getting people to understand that offering these organs is a very important act of generosity.

In today's paper, it may have been yesterday's paper, is a story of a husband and a wife. The husband is donating the kidney to the wife, or vice versa. I forget which. It does not really matter. What does matter is that the odds are tremendously against, I think it is 1 in 25,000, that a husband and a wife would be married, these people are not kin, and would match in a vital organ.

The spouse that was receiving the organ did not want the other spouse to give the organ, and the reason simply is that there is a risk in undergoing a major operation to give a healthy organ to someone who has an unhealthy organ.

Anything we can do to encourage what is already a process underused is something we ought to move forward to do. It is astonishing how few organs are available given the number of organs that should be available.

The incentive that the bill of the gentleman from Maryland (Mr. CUMMINGS) offers today is akin to the leadership the Federal Government has always taken with respect to blood donations. Blood donations are allowed on the premises. We allow the Red Cross to set up on our premises. We allow employees to go down on government time because we recognize how important it is to donate blood.

Today we have moved from blood to other vital life giving substances and organs, sharing not only blood, but we now can share vital organs. This is a very small loss in productivity or time to the government. Particularly what it offers is life and hope.

☐ 1515

This is a model that I expect certainly large employers around the country to follow.

Mr. Speaker, I thank the gentleman for the important breakthrough that the Cummings bill provides.

Mr. CUMMINGS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just today there was an article in the Washington Post about a woman named Nancy Nearing who, along with her husband, Steve, made a very critical decision, and that was to donate an organ to her boss, whose name is Art Helms. This took place back on September 10. I am very pleased to say that Ms. Nearing and Mr. Helms are doing fine.

These were two people that were contractors for the Federal Trade Commission. This is the kind of legislation that, if it were effective for contractors and these types of Federal agents, would truly benefit them.

I think that as we move forward with this legislation, as I know that the Members of the House will agree with me, it is so wonderful to know that out of the 3,665 living organ transplants taking place per year, there were only 153 who were not family members, and Mrs. Nearing and Mr. Helms participated as one of the 153.

So we say to them as a Congress as we discuss this legislation, we thank them for that spirit, and just as they had the spirit, as Mrs. Nearing and her husband Steve had that wonderful spirit to give life to life, that hopefully this legislation will cause others to look at the situation with regard to organ transplantation and do similar acts of courage.

Finally, I would like to take a moment to again thank the gentlewoman from Maryland (Mrs. MORELLA) and the gentleman from Florida (Mr. MICA), and all of those who have taken part in making sure that this legislation came to the floor.

I would also like to take a moment to thank former staffer John Alexander who worked very hard on this legislation; Ms. Tania Shand of my staff, and Kymberly Graves and Kimberly Miller, all working hard to try to make a difference in people's lives. I do believe, Mr. Speaker, that this legislation will touch the lives of many and make their lives better.

As I have often said, we only have one life to live. This is no dress rehearsal and this so happens to be that life.

Mr. Speaker, at this time I include for the RECORD a letter from John F. Neylan, President of the American Society of Transplant Physicians.

AMERICAN SOCIETY OF
TRANSPLANT PHYSICIANS,
Thorofare, NJ, October 1, 1998.

Hon. ELIJAH E. CUMMINGS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE CUMMINGS: The American Society of Transplant Physicians (ASTP) commends you for your continuing efforts to improve our nation's system for organ donation and transplantation. The ASTP is the largest professional transplant organization in the United States and represents over 1,200 physicians, surgeons and scientists. During the last few years, the Society has greatly appreciated the opportunity to work with you and your staff in addressing many important organ transplantation issues.

The ASTP applauds your most recent efforts to improve organ donation by introducing legislation, H.R. 2943, to increase the amount of leave time available to Federal employees serving as organ donors. In the past, a lack of leave time has served as a significant impediment and disincentive for individuals willing to share the gift-of-life. The provision in your legislation allowing for 30 days of paid leave following an organ donation is a very positive first-step in addressing this issue. We look forward to working with you in the 106th Congress to further expand upon this initial policy to provide appropriate leave times for living donors.

As we have discussed in the past, the problems that our nation faces in the allocation of organs and tissues for transplantation, a precious and scarce resource, are complex, and continue to evolve from both a medical and policy perspective. However, the real answer to dealing with the dilemma of allocating and distributing an inadequate supply of organs is through efforts such as yours to increase donation.

On behalf of the thousands of U.S. patients currently awaiting organ transplants, we commend you for your leadership in this area. In addition, we look forward to continuing to work with you in the future to improve the field of transplantation medicine.

Sincerely,

JOHN F. NEYLAN,
President.

Mr. Speaker, I urge all of the Members of the House to vote in favor of this legislation, and I yield back the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman for his eloquent statement, but even more than that, for introducing the bill which I am proud to support and cosponsor.

There is just no doubt that we hope that this bill will encourage Federal employees to recognize the importance of organ donation and will indeed give, as has been mentioned, a gift of life to the recipients. I urge strong passage by our colleagues of this bill.

Mr. STARK. Mr. Speaker, I am proud to join with my colleagues today in support of organ donations. As we all know, organs are a gift of life for too many people.

This bill today will give federal employees the extra time they need to be organ donors. It is an excellent idea and one that I hope we all will pass and support.

I would like to take a minute to discuss a bill that I have introduced to help increase the number of available organs for transplants. H.R. 1605, the Gift of Life Congressional Medal Act will provide recognition for those families who have chosen to make the ultimate gift.

The enactment of this legislation, which doesn't cost taxpayers a penny, will not only honor the individual organ donor and their loved ones, but will also heighten the awareness of the organ shortage—ultimately resulting in more organ donation.

There is a major under-supply of available and suitable organ donors.

Currently, there are 50,000 individuals waiting for an organ transplant in the United States. The number of people on the list has more than doubled since 1990 and a new name is added to the national patient waiting list approximately every 18 minutes. Despite the numerous problems that organ donation programs have faced and conquered over the years, a major problem still exists.

The demand for organs will continue to grow with the improvement of medical technologies. Without expanded efforts to increase the supply of organ donations, the supply of suitable organs will continue to lag behind the need.

For the many would-be organ recipients, the consequence of shortage is death. It is clear that expanded efforts are necessary in order to increase the number of organ donors.

According to some researchers, it may be possible to increase by 80 percent the number of organ donations in the United States through incentive programs and public education. A Congressional medal recognizing donors and their families can play a very important and effective role in our efforts to encourage such donation.

Our proposed Gift of Life Medal Program will be administered by the regional organ procurement organizations (OPOs) and managed by the entity administering the Organ Procurement and Transplantation Network. Once the decision to donate an organ has been made, the donor or the family member of the donor will be asked by the regional OPO whether participation in the Gift of Life Medal Program is desired.

The OPO will give each donor or family member the option of receiving a Gift of Life Medal, recognizing that some may not want to participate. If requested, a public presentation will be made to honor the donor. A presentation by a local official, community leader or Member of Congress would be a tremendous opportunity to increase the awareness concerning the desperate need for organ donation.

Every action has been taken to insure that the issuance of the Gift of Life Medals results in no net cost to the government. In addition, I am proud to report that the legislation has the strong support of the United Network for Organ Sharing (UNOS) and the Coalition on Donation.

Any one of us, or any member of our families, could need a life saving transplant tomorrow. We would then be placed on a waiting list to await our turn—or our death.

So, I ask that our colleagues help bring an end to waiting lists and recognize the enormous faith and courage displayed by organ donors and their families. Please join me as a cosponsor of The Gift of Life Congressional Medal Act. These donors offer others a second chance by providing the most precious gift imaginable—the gift of life.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland (Mrs. MORELLA) that the House suspend the rules and pass the bill, H.R. 2943.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

CONVEYANCE OF FEDERAL LAND IN NEW CASTLE, NEW HAMPSHIRE

Mr. HORN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4614) to provide for the conveyance of Federal land in New Castle, New Hampshire, to the town of New Castle, New Hampshire, and to require the release of certain restrictions with respect to land in such town, as amended.

The Clerk read as follows:

H.R. 4614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LAND CONVEYANCE, FEDERAL LAND, NEW CASTLE, NEW HAMPSHIRE.

(a) CONVEYANCE REQUIRED.—Notwithstanding any provision of law (including the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.)), the Administrator of General Services shall convey, by quitclaim deed and without consideration, to the town of New Castle, New Hampshire (in this section referred to as the "Town"), the interest of the United States in a parcel of real property consisting of approximately 2 acres located in New Castle, New Hampshire, and currently administered by the Secretary of Transportation and leased to the Town under United States Coast Guard license number DTCGZ51283-97-RP-011L.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined as set forth in the United States Coast Guard license described in such subsection.

(c) TERMS AND CONDITIONS.—The Administrator may require such terms and conditions, including the reservation of easements and other rights, in connection with the conveyance under subsection (a) as the Administrator, after consultation with the Commandant of the United States Coast Guard, considers appropriate to protect the interests of the United States.

(d) REPLACEMENT OF LAND.—Notwithstanding any provision of the Land and Water Conservation Fund Act of 1965 (Public Law 88–578; 16 U.S.C. 460*l*–4–460*l*–11) or any other law, the real property conveyed under subsection (a) may be used to replace Land and Water Conservation Fund-assisted land in New Castle, New Hampshire, under project number 33-00077. The real property conveyed under subsection (a) shall be of reasonably equivalent recreational usefulness and location. Such replacement shall occur not later than one year after the date of the enactment of this Act.

Amend the title so as to read: "To provide for the conveyance of Federal land in New Castle, New Hampshire, to the town of New Castle, New Hampshire, and to provide that such land be used to replace certain land for use as a cemetery.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire (Mr. SUNUNU) be permitted to control the time on this side of the aisle.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SUNUNU. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, under New Hampshire State law, cities and towns are required to provide for public cemeteries within their own local boundaries. Since 1994, the town of New Castle, New Hampshire, has been working to acquire just 2 acres of surplus Federal property through the Federal Property and Administrative Services Act to meet this important public need. New Castle, however, is an island, a small community, a little bit more than 1 square mile, and there exists very limited land available for this purpose of cemetery expansion. Moreover, the town's present cemetery is filled to capacity, and the need for additional space has become urgent.

New Castle has identified a 2-acre parcel of land that would be appropriate and enable the town to meet the State's requirement. Although the town owns the identified parcel, it is presently dedicated to recreational use under a National Park Service land and water conservation program. In order to use this parcel for cemetery use, the town must replace it with 2 additional acres that would then be dedicated to recreational use.

The town had hoped to fulfill the Park Service replacement requirement with a 2-acre parcel that it currently leases from the United States Coast Guard right there on New Castle. However, after a 7-month delay, the town was finally informed by the Park Service that it would have to take ownership of that parcel it currently leases. In light of this, the town has been pursuing ownership of the land under the no-cost public benefit provisions of the Federal Property and Administrative Services Act.

The Coast Guard has stated in a letter to me their intention to declare this property that is currently under lease to the town as excess. That land would then be presented to the GSA, the General Services Administration, for disposal. Furthermore, the Park Service has indicated in a letter to the State of New Hampshire, that has been working with the town on this important issue, that it "has no objection" to the town's replacement approach for converting land under this program for cemetery use. Given the urgency of this particular situation, I think it appropriate that we consider a legislative approach through which this transfer could be expedited.

Therefore, in the interest of meeting this very real public need in as timely a fashion as possible, I have introduced this legislation, H.R. 4614, which directs the Administrator of General Services to convey to the town of New Castle the 2-acre parcel of land that it currently leases from the Coast Guard once the Coast Guard declares that property as excess. I am entering into the RECORD several letters of correspondence, including those mentioned above, as well as letters from the town of New Castle, the State Department of Resources and Economic Development, and the Commandant of the United States Coast Guard declaring his intention to excess the property. These letters clearly describe the urgent request by the town, the intent of the Coast Guard to excess the property, and the willingness of the Park Service to accept the town's proposal.

Even after the passage of this legislation, implementation will require the continued cooperation of three major Federal agencies: the GSA, the Park Service, and the Coast Guard. Their cooperation is going to be required, working with the State and the town of New Castle, to make sure that this moves forward in as timely a manner as possible. They each have responsibilities in order to ensure a smooth transition of these properties. I would encourage each of these agencies to act quickly to accomplish the needed tasks. I am very pleased that the officials from the GSA and the Park Service have already taken the time to visit the properties.

In summary, this legislation will help the State of New Hampshire and the town of New Castle deal with an urgent public need. The 2-acre property is already leased by the town at no cost, and they also already pay to maintain the property for recreational use. The bill will simply transfer ownership of this parcel so that the town may have the peace of mind knowing that their citizens can be buried with dignity.

Mr. Speaker, I urge passage of this bill, and I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. WAXMAN), the distinguished ranking member of our committee.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in opposition to this bill. It is special legislation; as such, it treats Federal land as a new kind of "pork" for Congress to distribute. The administration opposes this bill because it would give away Federal land that is not excess to the government. This is a dangerous precedent to set, especially immediately before midterm elections.

I am also concerned that the majority chose to bypass the full House Committee on Government Reform and Oversight. This bill has never been the subject of a hearing. We thought this bill would be brought to the committee. We are disappointed that the committee has been sidestepped and that our concerns cannot be addressed by the full committee.

The minority first learned of this bill less than 2 weeks ago. It was considered by the Subcommittee on Government Management, Information and Technology in markup just last Monday. I urged the subcommittee to hold a hearing on the bill and, at the very least, seek the administration's position on the bill. We now have the administration's position, and they are opposed to it. I have the statement of administrative position here, and I would like to quote from it:

> The administration opposes House passage of H.R. 4614 which would convey Federal land to the town of New Castle, New Hampshire. H.R. 4614 would convey Federal land, which has not been declared excess, in a manner inconsistent with the process established under the Federal Property and Administrative Services Act of 1949 for the fair and efficient utilization and disposal of excess and surplus Federal property.

The procedure by which the city could have pursued the matter, they did not require an act of Congress, they could have asked for an administrative procedure. Instead, they have come to the Congress and asked for this special legislation. I think it is a type of "pork" for the Congress of the United States to bypass the ordinary procedures for deciding how to deal with land. It creates a bad precedent. It has been assembled hastily, it has not been considered by the full committee, and finally and significantly, there are administrative alternatives for the town that better address its needs.

Mr. Speaker, for that reason, I urge my colleagues to oppose this legislation.

Mr. SUNUNU. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I thank the gentleman for yielding me this time, since I earlier yielded all of the time to author of the bill, the gentleman from New Hampshire (Mr. SUNUNU).

The gentleman from California who has just spoken knows that after questions were raised in subcommittee we had a full airing with members of the various agencies in the Federal Government, and I do not know where this administration thing was squeezed out of somebody downtown, but we had the concurrence, I believe, of the agencies involved, and I must say I find it rather strange to call land for a cemetery pork. I did not know we called dead bodies pork, and that rather offends me, frankly.

Mr. SUNUNU. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to further address some of the concerns that were raised by the minority. As the Chairman has pointed out, we had an informative hearing on the bill. While it was not a previously scheduled hearing specifically for this legislation, it allowed an opportunity to address many of the minority's concerns.

Subsequent to that we had a meeting with officials of the GSA, of the Park Service, and even of the Coast Guard with both majority and minority staff to address their concerns.

☐ 1530

In fact, in particular they raised the concern that we be careful about the precedent, and the majority is very mindful of that. There was a request that we get notification of the town, that indeed they intended to use this transfer process specifically to enable them to expand their cemetery, which is obviously an enormous public need, certainly not a case for pork.

In order to address those concerns, the town put together a letter from the town officials the, chairman of the Board of Selectmen, that they went even through the trouble to have notarized for minority staff. I ask that that be included in the RECORD.

Mr. Speaker, I will quote it,

We wish to make it clear at this time that the converted Land and Water Conservation Fund land, once approved for conversion, will not be used for any special purpose. It is the town's intention to develop the land as need arises for cemetery use only.

Not only have they provided this notarized letter in response to the concerns of the minority, previously, in 1995, the town passed a warrant in town meeting to ensure, to see if the town will vote to authorize the selectmen to negotiate with the appropriate State and Federal officials to use the site of Great Island Common for cemetery purposes.

Obviously, it is the full intention of the town to meet what is not just a serious but an urgent public need. To label it as anything else I think is somewhat disingenuous. There is no question that the Park Service could grant a temporary waiver so that the town could go forward, but the town would still have to replace the land and in that case a transfer would be necessary. This legislation would be extremely helpful in moving that process forward.

Not only is there a great deal of uncertainty about how long any administrative process would take; history shows that in order to get a clear response from the Park Service that they would have to take ownership of the land, the town had to wait a full 7 months.

Mr. Speaker, we could wait for a great deal of time for the administrative process to take its course. But the fact of the matter is I think the vast majority of Americans would agree that for the sake of a transfer of 2 acres that the town is currently leasing anyway, it would certainly give the citizens of the town peace of mind that they deserve. That they do not need to bury their dead at sea, that they do not need to inappropriately bury people in the aisles of cemeteries that they have existing, which sounds somewhat unusual, but it is in fact alternatives that have already been considered.

Mr. Speaker, I submit the following letters for the RECORD:

DEPARTMENT OF THE INTERIOR,
NATIONAL PARK SERVICE,
Philadelphia, PA, January 23, 1996.

JOSEPH F. QUINN, *Director,*
Officer of Recreation Services, Dept. of Resources & Economic Development, Division of Parks & Recreation, Concord, NH.

DEAR JOE: This is in response to your request for NPS consideration of concepts for conversions at three Land and Water Conservation Fund assisted sites. These sites are:

33-00260—26 acres of the 6f protected Gorham Common.

33-00139—1.42 acres of 6f protected land in Conway, NH.

33-00077—2 acres of the 6f protected Grat Island Common.

We have reviewed the preliminary information submitted by your office regarding these proposed conversions and have no objection at this time to the approach you suggest for projects 260 and 77. As you know, final NPS approval of a conversion request can only be given after review and approval of a formal conversion package which includes full documentation. If you decide to proceed with conversion for projects 260 and 77 full documentation must be submitted at that time.

In reviewing the conversion concept for project 33-00139 we find that the parcel now being considered as substitution land is not large enough to formulate an acceptable replacement for the land to be converted. We encourage the Town of Conway to look for an alternative site which will avoid loss of 6f protected land.

If you need any additional information on any of these proposals please contact me.

Sincerely,

CYNTHIA WILKERSON.

THE STATE OF NEW HAMPSHIRE
TOWN OF NEW CASTLE
TOWN WARRANT FOR 1995

Rockingham, SS—New Castle

To the Inhabitants of the Town of New Castle, In the County of Rockingham and the State of New Hampshire, qualified to vote in town affairs:

You are hereby notified to meet at the New Castle Recreation Center, Great Island Common in said New Castle, on Tuesday, the ninth of May, 1995 at ten o'clock in the forenoon, to act upon Article I through VIII.

The second session of the Annual Town Meeting will commence at 2 o'clock in the afternoon to act upon the following subjects: Article IX through XVII.

Article I: To choose all necessary Town Officers for the following year. The polls for the election of Town Officers and Ballot Articles will open at ten o'clock in the forenoon and shall not be closed before seven o'clock in the afternoon.

Article XII: To see if the Town will vote to authorize the Selectmen to negotiate with the appropriate State and Federal Officials for the purpose of granting permission for the Town to establish a municipal cemetery on the northern side of Great Island Common in a presently wooded area unused for recreational purposes. Said cemetery to be laid out in an area not to exceed 250′ (two hundred, fifty feet) by 400′ (four hundred feet) and to conform with all applicable state laws and any requirements established by local, state, and federal authority.

TOWN OF NEW CASTLE, NEW HAMPSHIRE
ANNUAL TOWN MEETING HELD AT GREAT ISLAND COMMON—MAY 14, 1996

Articles 1 through 15 were voted by ballot with the results indicated. The polls were opened by Moderator Wayne Semprini at 10 AM and closed at 7 PM.

Article 1: Balloting for town officers produced the following results:

Town Clerk (one year): Henry F. Bedford, 174 votes.

Selectman (three years): Clinton H. Springer, 118 votes.

Treasurer (one year): Wm. B. Marshall, III, 168 votes.

Tax Collector (one year): Pamela P. Cullen, 175 votes.

Moderator (two years): Wayne Semprini, 174 votes.

Trustee of Trust Funds (three yrs): Russell N. Cox, 173 votes.

Library Trustee (three years): Pamela F. Stearns, 169 votes.

Cemetery Trustee (three years): William E. Lanham, 175 votes.

Budget Committee (three years): Robert W. Beechar, 158 votes.

Fire Ward (three years): Andrew Schulte, 8 write-in votes.

Supervisor Checklist (six years): Marcia L. Whitehouse, 177 votes.

ARTICLE 12: Zoning Amendment #11 as specified in the warrant was ADOPTED by a ballot vote of 165 YES to 16 NO.

I attest this to be a true copy.

PAMELA P. CULLEN.
Sept. 28, 1998, Justice of the Peace.

TOWN OF NEW CASTLE,
OFFICE OF THE SELECTMEN,
New Castle, NH, September 28, 1998.

Hon. STEPHEN HORN,
Chairman, Subcommittee on Government Management, Information, and Technology, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: In behalf of the town in general and the Board of Selectmen in particular, I wish to thank you and the Subcommittee for your willingness to assist us in resolving what has become a pressing public need in our town. New Castle is in critical need of cemetery space and has been attempting to acquire additional land to meet this need since 1995.

As you know, the Town of New Castle is a small island community of approximately 512 acres. Under New Hampshire State law, communities are required to provide for public cemeteries within their own limits. However, our present 2.4 acre cemetery is filled to capacity, and the need for additional space has become urgent. Having no other suitable land available to us for this purpose, we are seeking to convert the use of approximately 2 acres of undeveloped land on Great Island Common that is currently dedicated to recreational use under the Land and Water Conservation Fund Act (LWCF). This parcel would be replaced with 2 acres of additional land which the Town will acquire from the United States Coast Guard.

We wish to make it clear at this time that the converted LWCF land, once approved for conversion, will not be used for any commercial purpose. It is the Town's intention to develop the land as need arises for cemetery use only. This is the only purpose for which the LWCF land in question would be converted, and it would remain as cemetery space in perpetuity. Enclosed is a copy of the 1995 Town Warrant Article approved by the voters of New Castle that supports establishing a cemetery on Great Island Common property.

Once again, thank you for your assistance in this most important matter.

Very truly yours,

CLINTON H. SPRINGER,
Chairman, Board of Selectmen.

Witness this Monday, Sept. 28, 1998.

PAME LA P. CULLEN,
Justice of the Peace.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) for yielding me this time.

Mr. Speaker, I want to correct the RECORD. This bill was introduced a matter of weeks ago. There was no hearing on this legislation. The gentleman from New Hampshire said there was a hearing. There was no hearing on this legislation. There was a discussion among Members where I suggested to the chairman of the subcommittee that we have a hearing.

The next week, there was several administrative agencies brought before the committee. The Coast Guard was not there. It was represented that the Coast Guard was there; they were not there. The Park Service was there. The GSA was there, but it was my understanding they said they could not endorse the bill. They wanted to do some further checking on the matter.

The Democrats who were present allowed the bill to get out of the subcommittee with the idea that it was going to come to the full committee and then we would know whether there was a problem or not.

Now, no one dredged out anything from the administration. They have come forward with their determination that the existing law allows a streamlined administrative procedure to deal with this very issue. It does not require an act of Congress, and they do not want to set a precedent where congressmen can just drop bills in, distribute property, and never have an opportunity for a hearing where concerned citizens might express their point of view.

I have no disagreement or any knowledge about whether this land ought to be handled the way the gentleman from New Hampshire would like to handle it. But it is not, it seems to me, up to the Members of the House to decide this question when there is an administrative process to make that determination.

I do think it is troubling that Members of Congress, without hearings, should come up with bills to settle these matters. A Member could go home and say, "Look what I have done. I have got you this piece of land." Is that any different than, "Look, I have got this government money to distribute for the interest of my constituents"? It seems to me the kind of thing that Members of Congress take credit for all the time, but it ought not to be handled in this slipshod manner.

Any chairman of a subcommittee who cared about the substance would give a full opportunity for everyone to get input into it and know what we are doing before legislation moves forward. Any chairman of a subcommittee who wanted to give people a full opportunity to participate in the legislative process ought to have at least held up and let the full committee consider the legislation.

I think that it is not illegitimate for the administration to give their views on this, whether Members agree with their views or not. I agree that they are expressing the fact that this would be a dangerous precedent, and for this reason I strongly urge Members to oppose the bill.

Mr. SUNUNU. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am disappointed that the ranking member of the full committee does not feel that the Members meeting where we discussed this legislation and other legislation, the staff meeting where these issues were addressed, were not sufficient to deal with the issues raised in the depth that he would like to have dealt with, and I understand that concern. We are all busy. We all have schedules to keep, and we do not always have the time that we would like to to delve into matters of detail.

The gentleman mentions the concern of the administration's position. And as I stated earlier, certainly from the perspective of the town and the State having received a letter from the Park Service stating that there was no objection to the proposal, I think there was some natural assumption that the administration would be somewhat supportive or at least accommodating of moving forward with a solution that meets such an urgent public need with all good speed.

The fact of the matter is that the town has tried to work through formal channels to the best extent that they can, providing a proposal to the State Department of Resources and Economic Development, that was then passed on through to the Park Service, corresponding with them over a period of years.

As I mentioned, it took 7 months just for the Park Service to respond to the town that the lease that they currently have on the property would not be sufficient and that they had to take ownership.

The Ranking Member suggests that this is just shocking that Congress would actually try to work, or any Member of Congress would actually try to work to actively help a town or a State that it is representing deal with some of the Federal bureaucracy that we face every day here in Washington. That we might try to facilitate public benefit transfer that is actually quite common.

Just a month ago in the committee, we supported legislation that happened to grant land to a town in the State of California, approximately 200 acres. Certainly, the ranking member would point out, and correctly so, that because of the size and scope of that transfer, 200 acres, we had a hearing on that transfer. I think that was appropriate. And if we had ample time in this session of Congress, we might be able to schedule a more formal hearing.

But the fact is, there is a need that the town of New Castle has to bury its dead. We are talking about 2 acres of land. Not 200 acres of land, but 2 acres of land that the town is currently leasing and the town would take ownership of that land so that they can bury their dead with dignity. That may be a problem to some on the committee or the subcommittee. But the fact of the matter is, this bill was originally voiced through the subcommittee because, I believe, of the effort of the majority and minority on the committee to work together on issues like this to form some bipartisan consensus.

The gentleman from California (Mr. HORN) the subcommittee chairman, has been good enough to schedule many bills of the minority in the past and to deal with them as expeditiously as he deals with bills that majority members might submit, and I think his fairness is to be commended in this case.

Mr. Speaker, I think we should be able to come to some bipartisan agreement that this bill makes sense. It is fair. It serves a public need, not a special interest need. I urge support for H.R. 4614, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I would like to repeat that this bill has not been considered by the full Committee on Government Reform and Oversight. It has not been fully vetted through the committee. And when we had our discussion in subcommittee, it was our understanding that the full committee would address this legislation. So, there is a question here of the adequacy of the process.

And while I think all of us in this Congress would admire the spirited defense which the gentleman from New Hampshire (Mr. SUNUNU) gives to the needs of his constituents, we at the same time have to be bound by a process in order to make government work for all the people.

I would agree that the gentleman presents a case that there is a critical need for cemetery space. But there is an administrative process through the Department of Interior that works faster and better than this bill, I would submit. And the town, it is my understanding, is pursuing this approach and the Department of the Interior is working with the town and the State to help.

Mr. Speaker, I think we do have to be concerned that we have not had a full airing here, not withstanding the good intentions of the gentleman from California (Mr. WAXMAN), our ranking member who I have the greatest respect for, and of the gentleman from New Hampshire. Because at the time of the meeting, it is my understanding that the National Park Service had not seen the property, that GSA had and continues to express concerns.

We had a half-hour meeting with the administration officers where they explained the administration process, where they gave the gentleman from New Hampshire and our staff technical advice on language. But I believe they specifically refused to give an administration opinion at that time.

It is my understanding further that the property is not surplus, that the National Park Service still has concerns with the Coast Guard property and with respect to its size, in that it is small, it has easements, and of course that the emergency situation can be addressed administratively. Current law would appear to provide a better solution.

The town and the State of New Hampshire are aware of an administrative remedy that will provide for the immediate conversion of the park land for use as a cemetery. The town, as I mentioned earlier, is actively pursuing this avenue. At least I believe it is.

Mr. SUNUNU. Mr. Speaker, will the gentleman yield?

Mr. KUCINICH. I yield to the gentleman from New Hampshire.

Mr. SUNUNU. Mr. Speaker, it is true, however, that even if the Park Service was to grant such a waiver, they would still have to replace the land with a transfer under the Land and Water Conservation requirements.

Mr. KUCINICH. Mr. Speaker, reclaiming my time, it is my understanding that the town does not have to replace the land; that the State does, under an agreement with the Department of the Interior.

Mr. SUNUNU. Mr. Speaker, if the gentleman would continue to yield, the town is actually under contract from the State. They have full legal requirement for the replacement.

Mr. KUCINICH. Mr. Speaker, is the gentleman then saying that the town does have to replace the land, or does not?

Mr. SUNUNU. Mr. Speaker, that is correct.

Mr. KUCINICH. It does or does not?

Mr. SUNUNU. It is my understanding that they have contracted with the State, are under contractual obligation with the State to meet the requirements of the LWCF to replace the land.

Mr. KUCINICH. Mr. Speaker, again reclaiming my time, we may have a disagreement in our perception on that. It is my understanding that the town does not have to replace the land; that the State of New Hampshire does, and this is under agreement with the Department of the Interior. I would be happy to continue the colloquy with my friend from New Hampshire if he has better information.

Mr. Speaker, I would also like to say that the bill as drafted may have serious weaknesses, which is another question which relates to process. Early reports from the Department of the Interior indicates that the land to be conveyed is probably not adequate to serve as replacement property for park land. And we know that the Coast Guard wants to retain easements across the property.

There is a great concern on our side of the aisle about the Federal property disposal process and that it not be subverted. That is the reason why the administration opposes this bill. I would be happy to yield to the gentleman from New Hampshire (Mr. SUNUNU) to hear a response.

Mr. SUNUNU. Mr. Speaker, if the gentleman would continue to yield, I would enter in a copy of the agreement that the town has with the State, and also the language of the regulations which says: The terms "State" as used herein means the State which is party to this agreement and the political subdivision or public agency to which the funds are to be transferred pursuant to the agreement.

So, I believe the town also has a contractual obligation to meet the requirements of the LWCF.

Mr. KUCINICH. Mr. Speaker, again reclaiming my time, we may have some ambiguity here, because the State is under a legal obligation with the Department of Interior. The town may also be included, but the State is the one who is ultimately responsible. And the National Park Service indicated to us that the State was on the hook.

Mr. Speaker, this colloquy in itself proves the need for further hearings on this.

Mr. Speaker, I yield to the gentleman from California (Mr. WAXMAN).

□ 1545

Mr. WAXMAN. Mr. Speaker, the gentleman is absolutely correct. This is the type of thing that should have been hashed out in a hearing, and if not in a hearing, a markup. But what happened with this legislation is that there was never a hearing. The meeting with some of these agencies was with the staff and not the Members. There was, we thought, an understanding that the subcommittee would report the bill out and we would have a chance to get full recommendations from these agencies before the bill went to the full committee, and then there was no full committee hearing.

The bill is suddenly on the House floor. I guess there might have been some anticipation that there was going to be opposition. But whether that was the case or not, this is just not the way the legislative process should be conducted. If we allow a bill out of subcommittee on the understanding, as I hear it from the subcommittee chairman, that we would go to the full committee, and we would have a chance to look at our concerns and be able to raise them in the full committee, it just seems to me incumbent on all of us, in terms of comity and working with each other, not to run them to the floor, passing up the full committee, passing up all hearings, and then telling everybody this is a bill that is only a couple of acres.

Mr. KUCINICH. Mr. Speaker, the gentleman from California (Mr. WAXMAN) is correct, the staff meeting was at 1 o'clock on Monday, the [illegible] of September. That was 2 hours before the subcommittee markup, and the subcommittee markup was at 3 o'clock that same day. I think that serves to illustrate the concerns that the gentleman from California (Mr. WAXMAN) continues to express.

Mr. Speaker, I reserve the balance of my time.

Mr. SUNUNU. Mr. Speaker, I yield myself such time as I may consume.

I think that far from indicating any weakness in the legislation, the colloquy we just had and the remarks made is nothing more than a spirited defense of the kind of bureaucracy that gives Washington a bad name.

I think there is no question that granting the land to the town would meet the contractual obligation under the Land and Water Conservation Fund requirements. Granting the land to the State would probably also achieve the same ends but, in all likelihood, the State would continue to give full responsibility to the town itself to continue to maintain, to continue to use for recreational purposes.

What we are quibbling about here is the kind of regulatory red tape that the vast majority of Americans find repulsive about Washington. What we are trying to do here is to look at a process that exists, the public benefit transfer, which is actually fairly clear language for Washington, and to use a piece of legislation to make sure that we move these two acres of land to the ownership of the town to meet its needs for a public cemetery as quickly as is expeditious.

But, at the same time, we are not going to leave the GSA or the Park Service out of the process. They are not cut out of the process. And as has been described, they have actually visited the site. They are going to be involved in the ultimate administrative transfer of the land.

I think it is appropriate that we, as public servants, as elected officials, do what we can to give a community in this kind of a situation, with these kinds of problems, the benefit of moving forward with a process that they do not find frustrating and that they do not find fraught with red tape. And I think some of the description of the legalities and the technicalities are only evidence that the people's worst fears about bureaucracy and the defenders of bureaucracy in this institution are well-founded.

We are talking about two acres. In the dear colleague letter that was sent around by the ranking member, the gentleman from California, and the gentleman from Ohio, they raise the grave concern that it might not be quite enough land because there may be a slight difference in the two-acre parcel on the common and the roughly two-acre parcel that the town is currently leasing. Well, the grave concern consists of a difference of perhaps a tenth of an acre, or two-tenths of an acre, the kind of difference that will only be determined with a fair and appropriate survey of the exact acreage of the land. Once again, the kind of minutia, the bureaucracy, the red tape that I think the vast majority of Americans find objectionable.

I think there is no question that the GSA, as is called for in the legislation, will protect the interests of the United States. We have language in the legislation to protect the interests of the Coast Guard as well. We certainly want to make sure they have the right-of-way they need; that they can use the roadway that cuts through the property to get to anything that they might need. And those interests are protected in the legislation because it makes good sense to do so, but also because the interests of the town, the interests of the Coast Guard, and the interests of the country are all one in the same.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. May I inquire of the Speaker how much time remains for each side?

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The gentleman from New Hampshire (Mr. SUNUNU) has 5½ minutes remaining; the gentleman from Ohio (Mr. KUCINICH) has 7 minutes remaining.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

With respect to those who are concerned about bureaucracies, and I certainly am, I would submit there is an easy administrative procedure already in the law and that we are creating a bureaucracy through all of the machinations involved in this bill. This bill creates the problems in terms of creating the circumstance for a property transfer, problems that we have been all trying to fix. And that such property transfer, which this legislation would effect, sets and creates a bad precedent.

I would like to further state that I do not believe that what we are submitting here is so much an attempt to sanctify the bureaucratic process as to insist on the preeminence of the legislative process; that, in fact, as Members of Congress, we are entitled to request full hearing on any legislation that comes before a committee. And while we engaged, I thought, in a constructive discussion in subcommittee, we were given assurances that we would have a full discussion in the full committee. Such a discussion has not occurred.

I do not think that any Member of Congress would attempt to diminish the importance of a hearing on any piece of legislation, because that, in fact, my colleagues, is the purpose for our being in the Congress of the United States; to be able to assess information that is brought before us, to be able to make as judicious a decision as we can about a legislative matter, and to be able to vote, if we may, on any legislation in front of a committee. To jump over the committee process, I believe, does not serve the process of the Congress well and does not properly show respect for the legislative process, as much as I am sure my colleagues do respect the legislative process.

It is, indeed, a work of mercy to bury the dead. It is a work of mercy which I think we all recognize and we all respect. But I would submit that we cannot bury our legislative responsibilities and we cannot bury administrative process in our desire to bury the dead. This legislation must submit, as all other legislation in the Congress of the United States must submit, to some kind of a review process in the committee. And the fact that we are bypassing that really does not give us adequate opportunity, I believe, to be able to respect the real needs of the people of New Hampshire in regards to this.

I do not think that anyone would disagree with the merits of the case which the gentleman from New Hampshire would present on behalf of his constituents, but we have strong disagreement as to how to advance that, and how do we advance it by vitiating the legislative process itself.

Mr. Speaker, I reserve the balance of my time.

Mr. SUNUNU. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, just to get a few things clarified, we are not shy about holding hearings in this committee and subcommittee. We have had over 80 subcommittee hearings in this Congress, as my colleague, the gentleman from Ohio, knows.

When we had this markup last week, it was strictly understood that it was a voice vote. Nobody asked for a rollcall on this. And we did that as a courtesy to the minority, I believe, on a couple of bills. Then, when it was not scheduled by the full committee, that was a decision at that level, not our level; that it looks like this will go through, why do we not get it on the consent calendar since the full committee cannot meet until Thursday and the last day of the Congress is presumably Friday. And the decision was, "Well, it seems to have been worked out, the gentleman from New Hampshire (Mr. SUNUNU) has met with the various agencies, so let us just put it on the calendar here."

Now, of course, I am afraid we have a little bit of the politics of the full committee rather than the politics of the subcommittee, which I would think the gentleman from Ohio would admit is one of the most bipartisan subcommittees in this Congress. And I would hope we would support this measure.

Mr. KUCINICH. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, our objection to this legislation has nothing to do with the politics of the full committee, the subcommittee, or the Democratic versus Republican parties. Our concern is that a bill went out of subcommittee with our understanding that between the time it went out of subcommittee and it was taken up in full committee we would find out more about it from the administrative agencies that were never brought in to testify before a hearing of the subcommittee. And it was with that understanding that the Democratic Members of the subcommittee did not ask for a rollcall vote but let it go on a voice vote.

Mr. SUNUNU. Mr. Speaker, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from New Hampshire.

Mr. SUNUNU. Mr. Speaker, the gentleman from Ohio has stated that he does not have any questions about the merit of the bill. Now the gentleman from California is stating we do not have enough information. If the gentleman from California could clarify which position prevails.

Mr. WAXMAN. Reclaiming my time, Mr. Speaker, I object to this bill on process because, it seems to me, that because of the expedience of time running out, we did not get the process. Because of the gentleman's concern about the time running out and the full committee not meeting, the bill was brought to the floor without meeting the commitment that we thought we had that we would have a full committee markup on the legislation. And not just to have a markup, but because in the meantime we would hear from the administration.

Now, the administration has told us that on the substance this is not a good idea. It is a very dangerous precedent. And, besides, I am also informed, and I never wanted to become an expert in this area, but there is this administrative procedure where the people in New Hampshire could have gone and said that there are two parcels of land and they want both parcels for the cemetery. They could have gotten agreement through the administrative procedure to do that and then, at some later date, they would have to come up with another parcel to make up for the one parcel that was dedicated for park land that is now going to be used for cemetery land.

If this bill were to pass, I fear that what the gentleman has done has created more bureaucratic confusion than what would happen if the people of New Hampshire went right through the established immediate procedures in the law, because they would have to go through a process that would take more time and would be more cumbersome.

Mr. KUCINICH. Mr. Speaker, I reserve the balance of my time.

Mr. SUNUNU. Mr. Speaker, I yield myself 1 minute.

With all due respect to the gentleman from California, Mr. Speaker, that did not make much sense to me at all. While it is true that the Park Service could grant a waiver such that the town could begin work on the cemetery today, the requirement to replace that land remains. There would be still a full requirement to transfer ownership of two acres of land to the town.

The town has worked over the last 2 years to identify a parcel of land appropriate for such transfer. They happen to be leasing two acres of land from the Coast Guard as we speak that is a very appropriate parcel for them to take ownership of. They wanted to work through the status quo and say, because we lease the land, because we maintain the land, because it is used for parks and recreation, would that fit our obligation under Land and Water Conservation Fund. And the government's response, after 7 months, was: "No, you have to take ownership of the land."

In and of itself, I think that represents the concerns of the town for the delays that might be inherent in the process. And anything we can do to move it along is appropriate for the town.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

First of all, I want to again point out that the town has had a cemetery problem for 2 years. The State has 1 year to identify a suitable replacement, and there are concerns that the Coast Guard property may not work.

Now, I say that all in the context of I wish that we had had some hearings at a full committee level and, therefore, we could have brought all these points into a debate. And the bill was only introduced 2 weeks ago.

Mr. Speaker, I am going to be calling for a recorded vote, but before I get to that, I am going to yield the remainder of my time to the gentleman from New Hampshire so that he can state his concerns for his constituents in New Hampshire. And I want the people in New Hampshire to know that we are also concerned about their problems, but we do have a legislative process that we have to regard here.

Mr. Speaker, I yield the balance of my time to the gentleman from New Hampshire (Mr. SUNUNU).

□ 1600

Mr. SUNUNU. Mr. Speaker, my concern is not just for my constituents or just for the State. The fact of the matter is, I am concerned that we have a Federal Government that is responsive, that fulfills its duties and its obligations to reach out to those cities or towns or States that might be in need where there is an appropriate Federal role. And in this particular case, I think there is clearly a Federal role.

We have land in the town that is encumbered by Federal regulation. We have a town that has been looking to find an appropriate solution to their public need for cemetery space. They currently lease 2 acres. They would like to take ownership of those 2 acres.

We have a process called the public benefit transfer that has been used many times before. And, in fact, we have used legislation to move that process forward in an expedited way before and move that legislation through this legislative body on numerous occasions. And I think that is an appropriate way to address the concerns of the town and the concerns of the State so that they might bury their dead in dignity.

As I described, the legislation here protects the interest of the Coast Guard, it protects the interest of the Park Service, it calls on the town to make sure that it meets all the requirements that the GSA might put on the land when it is transferred. The Park Service has previously written a letter to the State that states, "We have reviewed the preliminary information submitted by your office regarding these proposed conversions and have no objection."

Now, that is not the be all and end all from the administration, but it is a clear example or clear point that the issues were raised by the town and the State as early as 1995; that they have tried to make sure that everyone has had the information that they need throughout the entire process.

I think what we have here is an opportunity to do the right thing for the town, to transfer 2 acres, not 200 acres as the legislation that the committee dealt with for California was done just a month ago, but just 2 acres so that the people in the town of New Castle can have peace of mind.

We have moved this legislation through the subcommittee. We have tried to address the concerns of the minority. We have had the opportunity to meet with minority and majority staff and other representatives from the administration.

I am disappointed that the administration sent over a fax today, October 5, saying that they have decided to oppose the bill. They could not send that a week ago apparently. They could not send it 2 weeks ago. They could not send it 2 years ago when the Park Service was saying that they have no objection. I am disappointed that we have received such a late response at such a late date, but I think in some ways that just points to the need for this body to do whatever it can to move the legislation forward on behalf of the people of the State of New Hampshire.

Mr. KUCINICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and pass the bill, H.R. 4614, as amended.

The question was taken.

Mr. KUCINICH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

TRAVEL AND TRANSPORTATION REFORM ACT OF 1997

Mr. HORN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 930) to require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

The Clerk read as follows:

Senate amendments:

Page 2, line 5, strike out "1997" and insert "1998".

Page 3, after line 4 insert:

(b) Agency Exemption.—The head of a Federal agency or the designee of such head may exempt any payment, person, type or class of payments, or type or class of agency personnel from subsection (a) if the agency head or the designee determines the exemption to be necessary in the interest of the agency. Not later than 30 days after granting such an exemption, the head of such agency or the designee shall notify the Administrator of General Services in writing of such exemption stating the reasons for the exemption.

Page 3, line 5, strike out "(b)" and insert "(c)".

Page 3, line 22, strike out "(c)" and insert "(d)".

Page 5, line 9, strike out "(d)" and insert "(e)".

Page 5, line 20, strike out "(c)" and insert "(d)".

Page 6, line 2, strike out "(c)" and insert "(d)".

Page 6, line 11, strike out "(e)" and insert "(f)".

Page 7, after line 5 insert:

(g) Reimbursement of Travel Expenses.—In accordance with regulations prescribed by the Administrator of General Services, the head of an agency shall ensure that the agency reimburses an employee who submits a proper voucher for allowable travel expenses in accordance with applicable travel regulations within 30 days after submission of the voucher. If an agency fails to reimburse an employee who has submitted a proper voucher within 30 days after submission of the voucher, the agency shall pay the employee a late payment fee as prescribed by the Administrator.

Page 14, line 11, strike out "1997" and insert "1998".

Page 15, line 23, strike out "1997" and insert "1998".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. HORN) and the gentleman from Ohio (Mr. KUCINICH) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 930, the Travel and Transportation Reform Act, was passed by this House in April of 1997. According to the Congressional Budget Office, this legislation will save approximately $100 million in discretionary savings over 5 years by making agency travel and transportation systems more efficient.

One important change made by the bill deals with the taxes that are levied by State and local governments on Federal travelers. Such taxes can amount to hundreds of dollars per trip. Unofficial OMB estimates are that travelers pay perhaps $350 million in taxes.

Agencies should consider using centrally billed credit card accounts and other automated reservation billing and paying systems to avoid such charges. The solution would be best for both the employees and the Federal Government.

The Senate made a few changes in H.R. 930. The first change authorized additional exemptions from the requirement that agency personnel use the credit card when traveling on official government business. The other change authorized agencies to pay the interest charge to employees when the agency is late in reimbursing the travel expenses incurred by a particular employee. I think many of us have had that experience.

These changes are not controversial. I urge their support by my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 930, as amended.

I would like to thank the gentleman from California (Mr. HORN) for working closely with the minority in drafting this bill and bringing it to this point. The other body has made some minor but common-sense changes to the House-passed legislation, and I support its current form and urge passage of the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HORN. Mr. Speaker, I thank the gentleman from Ohio (Mr. KUCINICH) for his helpfulness on this matter, and I yield back the balance of my time.

Mr. KUCINICH. Mr. Speaker, I thank the gentleman from California (Mr. HORN) for the chance to work with him, and I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 930.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

FEDERAL ACTIVITIES INVENTORY REFORM ACT OF 1998

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 314) to provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.

The Clerk read as follows:

S. 314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Activities Inventory Reform Act of 1998".

SEC. 2. ANNUAL LISTS OF GOVERNMENT ACTIVITIES NOT INHERENTLY GOVERNMENTAL IN NATURE.

(a) Lists Required.—Not later than the end of the third quarter of each fiscal year, the head of each executive agency shall submit to the Director of the Office of Management and Budget a list of activities performed by Federal Government sources for the executive agency that, in the judgment of the head of the executive agency, are not inherently governmental functions. The entry for an activity on the list shall include the following:

(1) The fiscal year for which the activity first appeared on a list prepared under this section.

(2) The number of full-time employees (or its equivalent) that are necessary for the performance of the activity by a Federal Government source.

(3) The name of a Federal Government employee responsible for the activity from whom additional information about the activity may be obtained.

(b) OMB Review and Consultation.—The Director of the Office of Management and Budget shall review the executive agency's list for a fiscal year and consult with the head of the executive agency regarding the content of the final list for that fiscal year.

(c) Public Availability of Lists.—

(1) Publication.—Upon the completion of the review and consultation regarding a list of an executive agency—

(A) the head of the executive agency shall promptly transmit a copy of the list to Congress and make the list available to the public; and

(B) the Director of the Office of Management and Budget shall promptly publish in the Federal Register a notice that the list is available to the public.

(2) Changes.—If the list changes after the publication of the notice as a result of the resolution of a challenge under section 3, the head of the executive agency shall promptly—

(A) make each such change available to the public and transmit a copy of the change to Congress; and

(B) publish in the Federal Register a notice that the change is available to the public.

(d) Competition Required.—Within a reasonable time after the date on which a notice of the public availability of a list is published under subsection (c), the head of the executive agency concerned shall review the activities on the list. Each time that the head of the executive agency considers contracting with a private sector source for the performance of such an activity, the head of the executive agency shall use a competitive process to select the source (except as may otherwise be provided in a law other than this Act, an Executive order, regulations, or any Executive branch circular setting forth requirements or guidance that is issued by competent executive authority). The Director of the Office of Management and Budget shall issue guidance for the administration of this subsection.

(e) Realistic and Fair Cost Comparisons.—For the purpose of determining whether to contract with a source in the private sector for the performance of an executive agency activity on the list on the basis of a comparison of the costs of procuring services from such a source with the costs of performing that activity by the executive agency, the head of the executive agency shall ensure that all costs (including the costs of quality assurance, technical monitoring of the performance of such function, liability insurance, employee retirement and disability benefits, and all other overhead costs) are considered and that the costs considered are realistic and fair.

SEC. 3. CHALLENGES TO THE LIST.

(a) Challenge Authorized.—An interested party may submit to an executive agency a challenge of an omission of a particular activity from, or an inclusion of a particular activity on, a list for which a notice of public availability has been published under section 2.

(b) Interested Party Defined.—For the purposes of this section, the term "interested party", with respect to an activity referred to in subsection (a), means the following:

(1) A private sector source that—

(A) is an actual or prospective offeror for any contract, or other form of agreement, to perform the activity; and

(B) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private sector source.

(2) A representative of any business or professional association that includes within its membership private sector sources referred to in paragraph (1).

(3) An officer or employee of an organization within an executive agency that is an actual or prospective offeror to perform the activity.

(4) The head of any labor organization referred to in section 7103(a)(4) of title 5, United States Code, that includes within its membership officers or employees of an organization referred to in paragraph (3).

(c) Time for Submission.—A challenge to a list shall be submitted to the executive agency concerned within 30 days after the publication of the notice of the public availability of the list under section 2.

(d) Initial Decision.—Within 28 days after an executive agency receives a challenge, an official designated by the head of the executive agency shall—

(1) decide the challenge; and

(2) transmit to the party submitting the challenge a written notification of the decision together with a discussion of the rationale for the decision and an explanation of the party's right to appeal under subsection (e).

(e) Appeal.—

(1) Authorization of Appeal.—An interested party may appeal an adverse decision of the official to the head of the executive agency within 10 days after receiving a notification of the decision under subsection (d).

(2) Decision on Appeal.—Within 10 days after the head of an executive agency receives an appeal of a decision under paragraph (1), the head of the executive agency shall decide the appeal and transmit to the party submitting the appeal a written notification of the decision together with a discussion of the rationale for the decision.

SEC. 4. APPLICABILITY.

(a) Executive Agencies Covered.—Except as provided in subsection (b), this Act applies to the following executive agencies:

(1) Executive Department.—An executive department named in section 101 of title 5, United States Code.

(2) Military Department.—A military department named in section 102 of title 5, United States Code.

(3) Independent Establishment.—An independent establishment, as defined in section 104 of title 5, United States Code.

(b) Exceptions.—This Act does not apply to or with respect to the following:

(1) General Accounting Office.—The General Accounting Office.

(2) Government Corporation.—A Government corporation or a Government controlled corporation, as those terms are defined in section 103 of title 5, United States Code.

(3) Nonappropriated Funds Instrumentality.—A part of a department or agency if all of the employees of that part of the department or agency are employees referred to in section 2105(c) of title 5, United States Code.

(4) Certain Depot-Level Maintenance and Repair.—Depot-level maintenance and repair of the Department of Defense (as defined in section 2460 of title 10, United States Code).

SEC. 5. DEFINITIONS.

In this Act:

(1) Federal Government Source.—The term "Federal Government source", with respect to performance of an activity, means any organization within an executive agency that uses Federal Government employees to perform the activity.

(2) Inherently Governmental Function.—

(A) Definition.—The term "inherently governmental function" means a function that is so intimately related to the public interest as to require performance by Federal Government employees.

(B) Functions Included.—The term includes activities that require either the exercise of discretion in applying Federal Government authority or the making of value judgments in making decisions for the Federal Government, including judgments relating to monetary transactions and entitlements. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States so as—

(i) to bind the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;

(ii) to determine, protect, and advance United States economic, political, territorial, property, or other interests by military or diplomatic action, civil or criminal judicial proceedings, contract management, or otherwise;

(iii) to significantly affect the life, liberty, or property of private persons;

(iv) to commission, appoint, direct, or control officers or employees of the United States; or

(v) to exert ultimate control over the acquisition, use, or disposition of the property, real or personal, tangible or intangible, of the United States, including the collection, control, or disbursement of appropriated and other Federal funds.

(C) Functions Excluded.—The term does not normally include—

(i) gathering information for or providing advice, opinions, recommendations, or ideas to Federal Government officials; or

(ii) any function that is primarily ministerial and internal in nature (such as building security, mail operations, operation of cafeterias, housekeeping, facilities operations and maintenance, warehouse operations, motor vehicle fleet management operations, or other routine electrical or mechanical services).

SEC. 6. EFFECTIVE DATE.

This Act shall take effect on October 1, 1998.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. Sessions) and the gentleman from Ohio (Mr. Kucinich) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. Sessions).

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation will require agencies to identify their commercial activities and to review those activities. Current policy in these areas state, number one, that agencies ought to rely on private sources for commercial activities and on government sources for inherently governmental activities; number two, that agencies should not initiate new commercial activities if they can get a contractor to perform that activity; and number three, that agencies will subject their in-house commercial activities to competition.

The government should not be in the business of competition with private business. In the private sector, specialization in competition has reduced costs and improved performance and consumer choice. The most competitive sectors of the economy are also the most innovative. We need to bring home value to taxpayers. This legislation is a tool to do a favor for every U.S. taxpayer.

Mr. Speaker, I yield whatever time he may consume to the gentleman from Virginia (Mr. Bateman), for a colloquy.

Mr. BATEMAN. Mr. Speaker, I thank the very able gentleman from Texas (Mr. Sessions) for yielding time for this colloquy.

Mr. Speaker, although the Committee on National Security did not have the opportunity to formally review S. 314, it is my understanding that the bill in its final form attempts to address the committee's concerns in two areas. First, section 4(b)(4) of the bill would exclude all depot level repair and maintenance activities as defined in section 2460 of Title X, United States Code from the requirements of this legislation.

Secondly, the bill would not change or supersede existing statutory requirements regarding competitive procedures used by the Department of Defense, as provided by section 2461 of Title X, United States Code.

Mr. SESSIONS. Mr. Speaker, will the gentleman yield?

Mr. BATEMAN. I am happy to yield to the gentleman from Texas.

Mr. SESSIONS. Mr. Speaker, I would like to state to the honorable gentleman from Virginia, the subcommittee chairman, that he is correct, this is exactly as the language is and as stated. The Committee on Government Reform and Oversight is well aware of the extensive work by the Committee on National Security over the years in addressing the contracting out process within the Department of Defense.

I agree with the assertion of the gentleman from Virginia (Mr. BATEMAN) that this bill specifically excludes the Department of Defense's depot maintenance function from the new procedures established by the bill and does nothing to alter or supersede existing statutory requirements with regard to the contracting out of the Department of Defense commercial or industrial activities.

Mr. BATEMAN. Mr. Speaker, I thank my friend, the gentleman from Texas (Mr. SESSIONS), and also the gentleman from Ohio (Mr. KUCINICH).

Mr. SESSIONS. Mr. Speaker, I thank the gentleman from Virginia (Mr. BATEMAN) also.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to say that I have worked with the minority on this legislation, and I want to state very clearly that the gentleman from Ohio (Mr. KUCINICH) and I have not only worked on this, but have a good working relationship.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the bill. I think that this is the time for some plain speaking. Everyone should be aware that S. 314, the Federal Activities Inventory Reform Act of 1998, is the first step down the road towards privatizing much of the Federal Government.

The goals of the sponsor of this bill are plain from the legislative history. S. 314, as originally introduced in both the House and the Senate, would have required the Federal Government to privatize all the activities it performed which could be done by the private sector. I believe it was a recipe for the wholesale dismantling of much of the Federal Government as it now exists.

The bill before us, much to the credit of the gentleman from Texas (Mr. SESSIONS), has been moderated from its inception, but the goals remain the same. The means are incremental, but the ends are unchanged. The purpose of the bill is to force the Federal Government to identify likely targets for privatization or contracting out. The Federal contractors would like the government to help them identify new business opportunities.

This legislation raises fundamental issues which have a profound and lasting impact on the structure of the Federal Government, on Federal employees, and on the American public. Unfortunately, the bill assumes that the debate on the proper role of government has already been settled. Its aim is to drive more and more of the services, the Federal Government provides to taxpayers, into the private sector by contracting out.

Supporters of this bill say that government should not be in competition with business. Well, that certainly sounds right in a free enterprise economy, but the fact of the matter is, from the beginning of this Nation, our Founders recognized an appropriate role for government. Our Founders thought that government would be here to form a more perfect union, to establish justice, to ensure domestic tranquility, to provide for the common defense, to promote the general welfare and to secure the blessings of liberty to ourselves and our posterity.

Based on those principles, we established and ordained a Constitution, Mr. Speaker. Based on those principles, the Government of the United States today provides for Social Security for tens of millions of Americans; for health care in the form of Medicare and Medicaid, a whole range of programs, for tens of millions of Americans; for education for our young people; and, yes, for the defense of our Nation.

There is a proper role for government in our society, and we have to be aware that in describing the role of government we are speaking of the commonwealth of this Nation; not only at a national level, but at a State and local level as well.

People across this country understand that government does play a vital role. In an area that I am personally familiar with, that of municipal electric systems, there are over 2,000 municipally-owned electric systems in the United States of America; part of a long legacy of public power.

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We have public parks, we have public recreation centers, we have public sewer systems. We have all these things which belong to the people because they have paid for it with their money.

There is a proper role for the government in society. This is something that always comes up in the debate over privatization. The roles of the Federal Government and the private sector are distinct. The role of the government is to provide a service. The taxpayers of our Nation pay a lot of money to make sure they get those services. They also rightly expect that the people providing those services be held accountable to them through our system of democratically elected representatives.

That is another point about privatization. Who is accountable when we privatize government services? In a system where government provides the services, elected representatives must be accountable. But in a privatized system, accountability is obscured.

The words of James Madison inscribed on the Library of Congress are instructive: "The safety and happiness of society are the objects at which all political institutions aim and to which all such institutions must be sacrificed."

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN) who is the sponsor of this bill.

Mr. DUNCAN. Mr. Speaker, I rise in strong support of S. 314. I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time. This legislation is now called the Federal Activities Inventory Reform Act. It is, I think, a bipartisan and I believe a very noncontroversial bill. In fact, the administration issued a statement on Friday saying, quote, this bill is consistent with administration efforts to reform Federal procurement and ensure that the taxpayers receive the best value.

This bill was introduced by my good friend Senator THOMAS in the Senate, and I introduced the companion, H.R. 716, which was cosponsored by 69 Members of this body. The legislation passed in the Senate unanimously. It passed by unanimous consent. I want to thank the gentleman from Texas (Mr. SESSIONS) for his very hard work on this legislation and the positive contributions he has made and also the contributions by the gentleman from California (Mr. HORN), the chairman.

S. 314 is supported, Mr. Speaker, by the Administration and by over 100 organizations, including the U.S. Chamber of Commerce, the National Federation of Independent Business, the Small Business Legislative Council and many, many others. This legislation will help eliminate some government competition with small businesses.

When the last White House Conference on Small Businesses met, it listed government competition as one of its very top concerns. S. 314 will address this problem. It requires that each Federal agency annually compile a list of commercial activities currently being performed by Federal employees and to submit this list to the Office of Management and Budget. It then gives Federal agencies the authority to contract out to private sector sources the commercial activities which are currently performed by Federal employees. This bill would not require the Federal Government to contract out everything. Let me repeat that, Mr. Speaker. It would not require or force the Federal Government to contract everything out, or anything, really. Only when the private sector can show it can provide a good or service more cost effectively and efficiently would a function be contracted out. This will ensure that the taxpayers receive the very best service from their government at the lowest possible cost.

For many years the Federal Government has been providing commercial goods and services which are available in the private sector. This is not a new problem. In fact, since the Eisenhower administration in 1955, it has been U.S. policy that "the Federal Government will not start or carry on any commercial activity to provide a service or product for its own use if such product or service can be procured from private enterprise through ordinary business channels."

I think every administration since the Eisenhower administration has agreed with or issued statements similar to that issued in 1955 by the Eisenhower administration. Yet every day in almost every congressional district, big government agencies are competing with small businesses. It is difficult enough for small businesses to survive against ordinary competition. But when they have to take on the Federal Government, too, it is simply too much.

In 1987, the Congressional Budget Office estimated that 1.4 million Federal employees were engaged in so-called commercial activities. The Heritage Foundation has estimated that if we contracted out these commercial activities to private industry, we could save taxpayers at least $9 billion a year. I have seen other estimates that this legislation could result in saving as much as $40 billion a year.

This bill will require that Federal agencies get out of private industry and stick to performing those functions that only government can do well. At the same time it will allow our great private enterprise system to do those things it does best, providing commercial goods and services in a competitive environment.

S. 314 is a very modest proposal. It does not require the government to contract everything out. I realize that the government performs a number of functions that only the government should do. In fact, this legislation specifically exempts those functions which are inherently governmental in nature. If the government can do something cheaper and better than the private sector, then it will be allowed to continue to do it under this legislation.

This is a small step, Mr. Speaker, in the overall big picture. However, this legislation will be a significant step in helping our small businesses to survive.

Before I conclude, I would like to once again thank Senator CRAIG THOMAS, the gentleman from California (Mr. HORN) and the gentleman from Texas (Mr. SESSIONS). I want them to know that I appreciate their efforts on this legislation. I urge support for this noncontroversial legislation which will help shrink the size of the Federal Government, encourage growth in the private sector and save taxpayers potentially billions of dollars.

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from California (Mr. HORN), the chairman of the subcommittee.

Mr. HORN. Mr. Speaker, I thank the gentleman from Texas, the vice chairman of the subcommittee, for yielding time. He has done an outstanding job just as the gentleman from Tennessee (Mr. DUNCAN) who is chairman of the House's Subcommittee on Aviation. This would not have happened without them and the fine staffs that support all of us.

Mr. Speaker, I am pleased that the House is poised to pass S. 314, the Federal Activities Inventory Reform, or FAIR Act. This legislation has become a consensus compromise bill. It is an important step in the process of ensuring that the component agencies of the Federal Government deliver performance to the taxpayers they serve. This legislation combined with the Government Performance and Results Act, the Chief Financial Officers Act and other procurement and fiscal management reforms will result in an improved Federal Government.

Mr. Speaker, it is high time we passed this legislation. It is long overdue. We can do a lot for our constituents and a real favor for them in the pocketbook by voting for S. 314.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume. As someone who stands about 5′6½″, I am not here to talk about being in defense of anything big, and particularly big government. As someone who has worked in local government, I can understand the difficulties which people can have in dealing with big bureaucracies and things like that.

I was struck by my good colleague the gentleman from Tennessee's remarks about the small business being attacked by big government. Back in Cleveland, Ohio, where I am from, the neighborhoods where I live, I do not think small business has been under attack by big government as much as they have been under attack by big business.

For example, to my good colleague, look at what is happening across this country with the old mom-and-pop drug stores. Do you know of any that exist in the country anymore in the face of the Rite-Aids and the CVS and all the other drug store chains that just come into neighborhoods and destroy them? Government never does anything like that. But big business does.

Look at the supermarkets. Remember the little mom-and-pop stores that you had in your neighborhood where you could go buy your milk and bread and whatever you needed for your family? Find those in America anymore. They have not been wiped out by government. They have been wiped out by the big supermarket chains.

Look at the gas stations. Remember the independent gas station owners? Find one today, anywhere. They were not wiped out by government. They were wiped out by big oil companies. Go to the five-and-dime, wiped out by the Wal-Marts of the world.

We have to stand here to debate a bill, but I also think that it is important to put it in its proper context. The difficulties that small businesses have today in this country are of concern to all of us. They have a problem with high utility rates, they have problems with taxes which we try to address, they certainly have some problems with regulations which we have talked about. But I do not think their problem is that they are under attack by the combined efforts of government to provide service for the people.

Now, the private sector has goals and the public sector has goals and sometimes their aims are mutually exclusive. The private sector is there to make a profit. I think that is all well and good, because, let us face it, money makes the world go around. People in business want to make money. That is what America is all about. That is what capitalism is all about. We have been doing that in this country for many years and everybody ought to have a chance to take part of that American dream of being able to make something of themselves, make a good living, support their family, have the good things in life. But the goal of the private sector is to make a profit. It is not to transmit democratic values. We cannot go to the private sector and ask them to do what we want them to do because it is private business. That is what we are told. It is none of our business. It is private business. We respect that. That is the system. But government has a legitimate role in providing service. Government has to make sure that the safety and happiness of the society are considered. That does not have to be the aims of the private sector. Business generally operates on one motive, the profit motive. There may be a little role in some places for the private sector in participation with the government.

I remember back in Cleveland years ago we did not have enough snowplows to deal with a snowstorm. We could not wait to order the plows in order to serve the people. We had to contract it out. We contracted the snowplowing out so we could get the snow off the ground. That is common sense. That is an area where the private sector was able to help. There are areas where the private sector can help. But we must remember that the private sector is motivated by very different goals.

This bill seems to proceed from a number of assumptions that must be challenged. First of all, it proceeds from the assumption that the Federal workforce is too large. Yet the current administration has made great strides in making the Federal Government more efficient through the longest running reform effort in American history. These policies have already saved American taxpayers over $130 billion. The size of the Federal workforce has been reduced through attrition and buyouts by over 320,000 employees. We now have the smallest Federal workforce since John F. Kennedy was President. As a percentage of the total workforce, the Federal Government is the smallest, Mr. Speaker, since 1931.

Another false assumption this bill makes is that the Federal Government is not contracting out enough. Let us look at this. The fact is we spend more on the contracting of services, close to $120 billion in fiscal year 1997, than we spend on pay and retirement for the entire civilian workforce. In fact, some of the more recently created Federal agencies like the Department of Energy, the National Aeronautics and Space Administration and the EPA have relied from the start on contracting out services rather than performing them directly.

☐ 1630

Those two are subjects for debate, but it is a fact that it is happening. A 1994 OMB report found contracting out for services to be the fastest growing area of federal procurement.

Now on one hand I do not agree with the administration's approach in contracting out. I have a difference of opinion on that. I believe there is a role for government in the society. On the other hand, we cannot say that contracting out does not exist because this administration has been a strong supporter of contracting out, and so, therefore, one has to wonder why we need a bill that lays the groundwork for contracting out even more.

Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have great respect for the gentleman from Ohio and his arguments. I think that they have been brought forth not only in the discussions that we have had in subcommittee, but also in private, about not only the nature of is S. 314, but also the spirit of bipartisanship that we have worked out, and I would like to advise the gentleman from Ohio (Mr. KUCINICH) at this time that I do not have any further speakers.

Mr. Speaker, I reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to also echo the comments of the gentleman from Texas (Mr. SESSIONS), because it has been very gratifying to have a chance to work with him on this. We do have a difference of opinion, but I have a great deal of respect for his political acumen and his dedication to people, and I want to thank him for the chance to work with him.

Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise with some concerns about this measure, S. 314. I was not aware that it was scheduled for the suspension calendar. I am a little surprised to see it here because it takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter, but it is not like the national government does not contract anything out in terms of enlisting the talents of the private sector and the free market in our economy to serve the functions and provide the services that the national government holds itself out to provide. In fact, we do $110 billion worth of contracting out annually.

As I see it, there are some concerns here, and one has to do with this would have an impact upon the OMB circular A–76 policy, the cost comparison study system. Currently Federal employees regularly lose the competitions conducted under this OMB circular 76. Only a few years ago Federal employees lost almost 70 percent of all those contracts. The various provisions that are inherent in A–76 which provides the ability to appeal and to challenge these types of contracting out are impacted by this measure regard the list anticipated by this measure.

Private competition of work and government tasks which are inherently governmental represent a serious problem. This measure would allow contractors to protest agency decisions through this listing process. In addition the bill would allow contractors and employee groups to challenge agency listing in Federal courts so we could end up with a lot of court challenges that are not meaningful.

The whole concept to require public private competitions under a policy with so called cost comparison studies regardless of how well Federal employees are actually performing these jobs is flawed.

The savings generated from such a disruptive system of competitions would surely be short lived and could very well disappear. Contracted out work is unlikely to ever be brought back "in House" because of the expense of recapitalizing in house capacity and re-assembling and retraining necessary staff.

This concept fails in a number of ways. I understand the administration favors this, but I am underwhelmed by that. Most administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities or party, it is a matter of sound practices.

Federal employees have already made significant positive efforts. They have experienced severe cut backs of employees and cooperated in much of the downsizing and many of the other activities that have gone on. As my colleague from Ohio pointed out, we have 320,000 fewer employees today than when President Clinton and AL GORE, our vice president, took office. I think that speaks to the fact that we have been making these decisions, and that these changes have been done in a cooperative way. I do not think that this legislation frankly at this time however reconfigured is needed.

Mr. Speaker, I rise with some concerns about this measure, S. 314. I am surprised to see this bill on the suspension calendar because it challenges and takes on a profound policy. I know my colleague from Tennessee and others have been working on this matter for some time. During this period, the bill's language has been streamlined down several times. However, it is not like the national government does not contract anything out in terms of soliciting the talents of the private sector and the free market in our economy that serve the functions and provide the services that the national government holds itself to provide. In fact, we contract out $110 billion annually. Federal employees across my state of Minnesota and our nation have already participated and contributed greatly in conjunction with the Vice President's reinventing government program. I am concerned that this bill further jeopardizes the role of federal employees in competing for jobs. We should provide adequate resources and tools necessary our valued federal employees.

This bill simply requires federal agencies produce each year a list of all activities which are not inherently governmental, but which are performed by federal employees. The lists are to be submitted to the Office of Management and Budget (OMB), which would make the list publicly available. Furthermore, the bill requires agencies to review the activities on the list and whenever the agency head considers using a private sector company to perform an activity on the list, a competitive process must be used to select the firm to perform the activity.

I understand the Administration favors this bill. Most Administrations want all the flexibility in all the funds they can get. I think those of us in Congress have learned through experience that this is not a matter of personalities or party, it is a matter of sound practices of having and rewarding. Federal employees are already subjected to severe cuts and have cooperated in much of the downsizing and many of the other activities that have taken place. We have 320,000 fewer federal employees today than when President Clinton and Vice President GORE took office. I think that speaks the fact that they have been making these tries, and that has been done in a cooperative vantage. I do not think that this legislation frankly at this time is needed.

Mr. KUCINICH. Mr. Speaker, I reserve the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would once again state that what we are attempting to do here is to completely discuss S. 314. I have been engaged in, involved in a lot of discussions with the gentleman from Ohio and would like to state that some of the things which I have just heard from the gentleman from Minnesota (Mr. VENTO) I do not believe are actually included in the actual bill that would be presented today for agreement.

Mr. Speaker, at this time I very respectfully reserve the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this homily that we would make to privatization today deserves some closer inspection because the Federal Government is already spending vast amounts of money on service contracts. Unfortunately in many cases that money is not being well spent. According to both the Office of Management and Budget and the General Accounting Office contract administration is one of the highest risk activities which the government engages in.

Examples abound. Senate hearings uncovered 27 billion a year in Medicare fraud. In 1995 25 billion in payments to defense contractors could not be matched to invoices, and in many cases the Department of Defense relies on contractors themselves to identify overpayments. At one Department of Energy site a contractor poured toxic waste on radioactive wastes into the ground and stored more in leaky drums. Whether from outright theft, charges of unallowable costs, lack of top level management, attention to contract management or ineffective contract administration and auditing, the Federal Government is losing billions of dollars a year, and it seems to me that this bill puts the cart before the horse. If we are truly interested in more cost-effective management, we should drastically improve contract management before moving to contract out billions more in services. Yet unfortunately the legislation does not speak to this.

The legislation before us also seems to have a one-sided approach which favors contractors at the expense of Federal employees and the American public. Although it requires agencies to conduct inventories of services performed by Federal employees, no such inventory is required of work by contractors.

The intent of this bill is to identify activities which might be privatized, yet we have no idea how much of the Federal government's activities are already being performed by the private sector or how big the contractor work force is. Such an inventory would also be useful in helping agencies control waste, fraud and abuse.

Now, finally, Mr. Speaker, the bill will inevitably and inappropriately politicize the outsourcing process.

At the conclusion of a constitutional convention Benjamin Franklin was asked, "What have you?"

And he answered:

"A republic, if you can keep it."

And I say outsourcing and privatization is a piecemeal dismantling of our republic.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am grateful for the opportunity of this vote being scheduled today. I want to also openly thank my colleague, the gentleman from Ohio (Mr. KUCINICH) who most ably has not only represented a perspective of not only a perspective that he has but that many Americans have. I have great respect for that. Now more than ever there are dialogs and discussions that ensue all across our country, ones that Mr. KUCINICH and I and others in our subcommittee and all over Congress that we talk about. I believe today that we have a bill that is a strong balance, a balanced one that has not only been negotiated, but one that has been very carefully moved through, and I want to thank my colleague as well as the gentleman from Tennessee (Mr. DUNCAN) for their support in what we are doing today.

Mr. Speaker, I urge my colleagues to support S. 314.

Mr. HEFLEY. Mr. Speaker, as Chairman of the Subcommittee on Military Installation and Facilities for the National Security Committee, I would like to thank Chairman HORN and Mr. SESSIONS for their hard work and persistence on S. 314, the "Federal Activities Inventory Reform Act of 1998" or the "FAIR Act". It is legislation of the utmost importance to the taxpayers and commercial contractors of America.

I am very pleased that this Congress has passed legislation in which the Congress clearly states its policy toward commercial activities to augment the current and extensive OMB Circular A–76, already in place. This legislative initiative is an important step toward the promotion of public-private competition that will ultimately result in enhanced quality and performance, reductions in costs, and increased choices in the government contracting arena.

The FAIR Act rightfully and deliberately provides for the protection of those activities that are inherently governmental and that should be precluded from being contracted out at anytime or under any circumstances. However, it appears to me and other Members that this legislation's intent also is to promote competition to ensure that the American taxpayers get the biggest "bang for their buck". Where the private sector can show that they can do it better, quicker, and cheaper, the government must step aside.

Myself, Chairman HORN, Mr. SESSIONS, and other Members have heard from concerned American businesses who relay example after example of Federal agencies aggressively and proactively attempting to infringe upon their established market base when the agencies are not capable of performing the same commercial activities better, quicker, and cheaper.

One example of such unfair encroachment against the private sector by a Federal agency is occurring within the Department of Defense's (DoD) Defense Logistics Agency (DLA), specifically in its Defense Automated Printing Services (DAPS). It has come to my and other Members' attention that DAPS is embarking on a high-technology military specification collection and subscription service which is in direct competition with services currently offered by private, tax-paying businesses. These businesses have invested decades of capital in this highly technical area. They have a proven track record worldwide of successfully developing, updating, servicing, and marketing these subscription based military product offerings to their customers.

It is unclear to me why DAPS, an in-house government service should be attempting to replace services currently and successfully provided by the private sector. And in addition, targeting these businesses' markets with the very same tax dollars paid in by these businesses.

In this vein, I would like to document for the record what I believe is the intent of S. 314:

(1) To halt these unfair practices by the Federal agencies in the instances when they do not have the competitive edge over their commercial contractors and are not inherently governmental in nature.

(2) To prohibit funds appropriated to the Defense Logistics Agency or Defense Automated Printing Services to offer or sell technical document subscriptions delivered via online means such as internet delivery or provided on CD-Rom in Portable Document Form and including free Adobe software with a value added index/search engine (a/k/a the ASSIST database), such activities being flagrant examples of government aggressively competing with established private sector businesses currently in this market?

I would also like to document for the record my hope that since the House did not adopt the original version of this legislation, which provided even tougher safeguards against unfair government practices toward the commercial sector, that Chairman HORN and his Subcommittee revisit this issue next year, hold hearings on this subject, and pursue passage of legislation that furthers these goals.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time.

Mr. KUCINICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the Senate bill, S. 314.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. BILBRAY. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, October 5, 1998, to file a conference report on the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nevada?

There was no objection.

TIM LEE CARTER POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3864) to designate the post office located at 203 West Paige Street, in Tompkinsville, Kentucky, and the "Tim Lee Carter Post Office Building."

The Clerk read as follows:

H.R. 3864

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The post office located at 203 West Paige Street, in Tompkinsville, Kentucky, shall be known and designated as the "Tim Lee Carter Post Office Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the post office referred to in section 1 shall be deemed to be a reference to the "Tim Lee Carter Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this matter.

The SPEAKER pro tempore. Is there objection to the request from the gentleman from Texas?

There was no objection.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3864 was introduced on May 13, 1998, by the distinguished Member from Kentucky (Mr. WHITFIELD) and cosponsored by the entire House delegation from the State of Kentucky pursuant to the policy of the Committee on Government Reform and Oversight. The bill designates the post office located at 203 West Paige Street in Tompkinsville, Kentucky, as the Tim Lee Carter post office building.

Mr. Speaker, Mr. Tim Lee Carter was a true Kentuckian. He was born in Tompkinsville, Monroe County, in 1910 and attended public school there and graduated from Western Kentucky State College. He later earned his medical degree from the University of Tennessee but returned to Monroe County to practice medicine from 1940 to 1964. Dr. Carter volunteered for military service and was a combat medic for 3½ years during World War II, serving as a captain in the 38th infantry division. Dr. Carter was elected to serve his community as a Republican Member in the 89th Congress and to the seven succeeding terms from 1965 to 1981. He was not a candidate for the 98th Congress, and after his retirement from public service he went back home in Kentucky and resumed the practice of medicine.

Representative Carter was the first Republican Member of Congress to seek withdrawal of our troops from Vietnam, but he never wavered in his support for American troops. He was well known in Kentucky for his efforts to improve one of our Nation's poorest districts, working tirelessly for better schools, water systems, libraries, airports, roads and recreation. He was the only practicing physician in Congress during much of his time here in Washington.

□ 1645

Much of his work during this time was on legislation affecting health care and hospitals. He considered his major legislative achievement the law that provided for preventative medical care for poor children. He was one of the earliest advocates of national insurance for catastrophic illnesses.

Representative Tim Lee Carter died in Kentucky in 1987 and is interred in Tompkinsville.

Mr. Speaker, it is appropriate that the post office building in Tompkinsville be named for our former colleague, the Honorable Tim Lee Carter.

I urge all of our colleagues to support this legislation that honors a gentleman who clearly had the vision to follow his conscience and serve all people without regard for their station in life.

Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, I yield myself as much time as I may consume.

As the ranking Democrat on the Subcommittee on the Postal Service, I am pleased to join my colleague the gentleman from Texas (Mr. SESSIONS) in bringing to the House floor, not only this piece of legislation, but two additional ones naming post offices after three distinguished and deserving individuals. But obviously it is a great pleasure that two of these will be named after colleagues who served with us here in the House.

As for our former colleague from Kentucky who has passed on, he represents one of a number of physicians who served here in the House, some who we get to serve with today, like the gentleman from Oklahoma (Mr. COBURN) and the gentlewoman from the Virgin Islands (Ms. CHRISTIAN-GREEN) and the gentleman from Iowa (Mr. GANSKE) and others.

His service, however, went far beyond the House. As has been indicated, he has had a decidedly extraordinary career as a public servant and has done a great deal. So it is with great pleasure that I join in the comments that have been made.

Mr. DUNCAN. Mr. Speaker, in January of 1965, my father was sworn into Congress. My brother and I and my mother's father, Jacob Swisher, got to stand on the Floor alongside him because there was so much room on the Republican side.

The 1964 elections had seen big Republican losses, and the Democrats ended up with a 295 to 140 majority in the House.

Among the very small band of freshmen Republicans elected to the 89th Congress were my father, John Duncan, and the man who was soon to become his best friend in the House, Dr. Tim Lee Carter.

Dr. Carter represented a Kentucky District that joined in part the Tennessee District represented by my father.

Early in their service, they went on a trip with Congressman Bill Stanton of Ohio to Vietnam, other parts of Southeast Asia, and India. They went at their own expense.

The were men from the same region, who represented similar kinds of people—people who were patriotic, particularly in times of war, but who did not believe in wasteful big government and who basically wanted the government to leave them alone.

Both my father and Dr. Carter attended the University of Tennessee, although not together. Dr. Carter graduated from the UT Medical School in Memphis, while my father was a lawyer who did his undergraduate work at UT in Knoxville.

I remember that Dr. Carter was very typical of most family doctors of that era—kind, helpful, dignified. But, he also was a no-nonsense man who received nationwide publicity at the 1972 Republican National Convention in Miami when he punched out a radical young hippie who was very arrogantly harassing Dr. Carter and the people with him.

He was a man who served this Nation with great honor and integrity. I am very pleased that we are going to name this Post Office building after Dr. Tim Lee Carter. He was a great American, and this is a very well-deserved tribute.

Mr. FATTAH. Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I have no more speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 3864.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

THOMAS P. FOGLIETTA POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4000) to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the "Thomas P. Foglietta Post Office Building," as amended.

The Clerk read as follows:

H.R. 4000

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THOMAS M. FOGLIETTA POST OFFICE BUILDING.

(a) DESIGNATION.—The United States Postal Service building located at 400 Edgmont Avenue, in Chester, Pennsylvania, shall be known and designated as the "Thomas M. Foglietta Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Thomas M. Foglietta Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4000.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4000 was introduced by the gentleman from Pennsylvania (Mr. FATTAH), our distinguished colleague and a gentleman who sits on this subcommittee with me. The legislation was introduced on June 5, 1998 and is cosponsored by the entire House delegation from the State of Pennsylvania pursuant to the policy of the Committee on Government Reform and Oversight.

H.R. 4000 designates the building of the United States Postal Service located at 400 Edgmont Avenue, Chester, Pennsylvania as the "Thomas P. Foglietta Post Office Building."

Mr. Foglietta started his career as a public servant by serving in the Philadelphia city council. He represented Pennsylvania's First Congressional District for almost 9 terms when he was appointed to be the current Ambassador to Italy, which occurred earlier this year.

While in Congress, Mr. Foglietta served on the House Committee on Foreign Affairs, the House Subcommittee on Transportation of the Committee on Appropriations, and the Subcommittee on Military Construction. Mr. Foglietta is presently this Nation's Ambassador to Italy.

Mr. Speaker, this bill was amended by the Committee on Government Reform and Oversight to correct the middle initial of Mr. Foglietta's name from P. to M., which is a technical but important amendment.

Mr. Speaker, I urge all Members to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I also would seek to rise in support of H.R. 4000. Let me thank my colleague for his kind remarks.

This House knows all too well of the service of Congressman Tom Foglietta from the city of Philadelphia. In the First Congressional District, he served here for a great many years. I first knew him, however, as a city council person, in fact, a Republican member of the city council of Philadelphia for some 20 years prior to his election to the House first as an independent and then as a Member of the Democratic party.

He has had a wide and varied career, but, nonetheless, he is someone who served the city of Philadelphia and our suburbs, including the city of Chester, with distinction.

He was confirmed unanimously by the United States Senate to go forward and represent our country as our Ambassador to Italy. He is someone who rightfully and richly deserves this honor.

I thank the gentleman from Texas for outlining in more detail his resume and bio.

Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT) to allow him to make a comment on this bill.

Mr. TRAFICANT. Mr. Speaker, from what I understand, I think the gentleman who yielded me the time is the successor to our individual here today, the Ambassador to Italy.

I just wanted to say that this has been a very unusual Member, a good friend, absolutely deserving of this tribute. But the fact was, as had been stated, he was elected as an independent and then joined the Democratic caucus, but served for years in Philadelphia as a Republican.

Mr. Foglietta, Ambassador Foglietta is known as a friend to all the people. I guess that anybody going into that post office now can pay their own little bit of tribute when they send off one of those little pieces of mail, one of those stamps.

So I want to congratulate the committee for bestowing this tribute. It is worthy. It is deserving. I hope our Ambassador continues his fine service and has a good, long life.

Mr. FATTAH. Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, once again, I think we have heard kind remarks about one of our former colleagues. We not only wish him the best for his continued success but also that of our country in regard to his service to our country.

I am just going to add, and it will probably be in what the gentleman from Pennsylvania submits, but I believe that the First District of Pennsylvania was well represented. It is the city about brotherly love. They will be honored with a post office in his honor.

Mr. BORSKI. Mr. Speaker, I rise today to pay tribute to my great friend, Tom Foglietta, and to support H.R. 4000, which designates the Thomas P. Foglietta Post Office Building. Thomas Foglietta is our current Ambassador to Italy and former Member of Congress. He is an individual who has worked hard to serve his country, and I can think of nobody more deserving of this honor.

Tom Foglietta has a long history of public service that dates far back before his first day in the U.S. Congress. At the age of 26, Tom became the youngest individual in the history of the City of Philadelphia to be elected to the City Council. I might add, reluctantly, that he was elected as a Republican. During his 20 years in that institution, Tom served his constituents well as the Minority Leader.

In 1975, Tom was the Republican candidate for Mayor of Philadelphia against Frank Rizzo, who was then a Democrat. Although unsuccessful in his bid, Tom gained the valuable political experience he would need to pull off a stunning upset victory five years later.

In 1980, Tom Foglietta undertook his first run for Congress, as an independent against a well-established Democratic incumbent. Against all odds, Tom won, and managed to stave off fierce challenges in 1982, 1984, and 1986. Tom's election was an inspiration to me, when I won my first election to Congress in 1982 as a long-shot against an incumbent Republican.

Since his first day in Congress, Tom Foglietta has worked tirelessly for all of his diverse constituency, and has fought for the survival of the city he holds so dearly in his heart. At a time when our nation's cities needed a stronger voice in Congress, Tom founded and cochaired the Congressional Urban Caucus. And as a senior member of the Appropriations Committee, Tom fought hard to secure much-needed federal resources for Philadelphia's transportation system, including SEPTA, the Philadelphia International Airport, and the Ports of Philadelphia.

Tom Foglietta has also worked tirelessly to keep important federal facilities and jobs in Philadelphia. Few Congressmen have fought as hard to prevent an important military base from closing as Tom did with the Philadelphia Naval Shipyard. After the closure decision, Tom did not give up on the Shipyard and its people, working hard to bring private-sector investment and jobs to the facility.

Tom's public service extends far beyond the city limits of Philadelphia and the shores of our country. In 1991, he was appointed to the House Foreign Affairs Committee, and its Subcommittee on Asia and Arms Control. He quickly developed a grasp of important foreign policy issues, and became a passionate supporter of human rights for people across the globe. In 1985, he even escorted South Korean leader Kim Dae Jung to his country amidst reports that Mr. Kim faced arrest or assassination. What perhaps moved me the most was Tom's response to the earthquake in Italy. Immediately after the devastating quake, Tom flew to his ancestral birthplace to help those left homeless and distraught by the disaster.

Mr. Speaker, I can think of no better way to honor Tom's 40 years of public service and devotion to the people of Philadelphia than to have a public building in that city bear his name. I join my colleagues as we honor a man who has served our country with great distinction and character.

Ms. DELAURO. Mr. Speaker, I rise in support of H.R. 4000, a bill to designate the U.S. Post Office in Chester, Pennsylvania as the "Thomas P. Foglietta Post Office Building."

Tom Foglietta's years of government service at the local and national levels, his foreign policy expertise, and his 1997 appointment to U.S. Ambassador to Italy, make him thoroughly deserving of this post office name designation.

After two decades on the Philadelphia City Council—starting as the Council's youngest member at age 25, Tom Foglietta continued to serve Pennsylvania and the nation during 16 years in Congress. As a local legislator and later founder of the Congressional Urban Caucus, Tom comprehends the range of challenges our nation faces. He has applied his understanding of the cities both here at home and abroad. And he has proven that he can ably represent America's rich diversity overseas.

Tom Foglietta's congressional work on foreign affairs and defense issues has allowed him to ably serve our nation's interests with an important ally—Italy. His distinguished career allowed him both to represent our country's interests and to preserve and strengthen the vital relationship between the United States and Italy.

I'm proud to support this naming bill, and I'm proud to call Tom Foglietta my friend.

Mr. SESSIONS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 4000, as amended.

(The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the 'Thomas M. Foglietta Post Office Building'.".

A motion to reconsider was laid on the table.

ROXANNE H. JONES POST OFFICE BUILDING

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4001) to designate the United States Postal Service building located at 2601 North 16th Street, Philadelphia, Pennsylvania, as the "Roxanne H. Jones Post Office Building."

The Clerk read as follows:

H.R. 4001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ROXANNE H. JONES POST OFFICE BUILDING.

(a) DESIGNATION.—The United States Postal Service building located at 2601 North 16th Street, in Philadelphia, Pennsylvania, shall be known and designated as the "Roxanne H. Jones Post Office Building".

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "Roxanne H. Jones Post Office Building".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Pennsylvania (Mr. FATTAH) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill, H.R. 4001.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SESSIONS Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4001 was introduced by the gentleman from Pennsylvania (Mr. FATTAH), also one of my colleagues on the subcommittee. The legislation was introduced on June 5, 1998 and is cosponsored by the entire House delegation from the State of Pennsylvania pursuant to the policy of the Committee on Government Reform and Oversight.

H.R. 4001 designates the building of the United States Postal Service located at 2601 North 16th Street in Philadelphia as the Roxanne H. Jones Post Office Building.

In 1984, Roxanne H. Jones became the first African American elected to the Pennsylvania State Senate. She was reelected for two additional terms before her untimely death in 1997.

Ms. Jones was involved in numerous community and professional organizations. She helped the founding of the Philadelphia Citizens in Action, participated in the National Welfare Rights Organization, and worked diligently on the Philadelphia Commission on Human Relations.

As a former welfare recipient, Ms. Jones was committed to improving the conditions of people who were on welfare. While in the Pennsylvania State Senate, she was instrumental in passing legislation to help break the cycle of welfare dependency. She supported legislation expanding affordable housing and obtaining State funding for drug treatment centers for mothers and their children who were addicted to drugs.

Mr. Speaker, I urge our colleagues to support H.R. 4001, naming a post office in honor of Ms. Roxanne H. Jones who performed selflessly for the people of her State and community.

Mr. Speaker, I reserve the balance of my time.

Mr. FATTAH. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, let me thank the gentleman and, through him, the majority for allowing this and these other bills that we have handled to come to the floor under this expedited procedure.

The late Senator Roxanne Jones is someone who I served with in the State Senate of Pennsylvania. Before that, as I worked as a member of the State House, I had an opportunity to visit the upper chamber from time to time to seek her guidance and wisdom as I sought to move legislation through that chamber. She is someone who, however, I knew well before that.

She led many a demonstration, protest, meeting, conference on issues related to the plight of those more disadvantaged, perhaps, than some others in our city of Philadelphia, which has been referred to as the city of brotherly love, but Roxanne also suggested that it was also the city of sisterly affection, if you will.

She was both brilliant and beautiful and brave. I saw her lead demonstrations and sleep-ins in the rotunda of the capitol fighting on behalf of issues that many other legislators from time to time wanted to ignore.

She helped successfully pass legislation years ago that moved people from welfare to work through a provision of job training and day care and transportation subsidies that saw in Pennsylvania, under both Republican and Democratic governors, our welfare rolls go down by some 300,000 through the provision of helping people off of the welfare roles, which is something that was before its time as it became an issue of national occurrence.

Her efforts in terms of drug treatment were not just to secure treatment for young women who were drug addicted, but to make sure that they did not have to make the unfortunate choice of separating themselves from their children. She fought for successfully the first drug treatment facilities in our State so that women could come and also bring their children along so that they could be there and close by.

She was someone who worked hard up until her untimely death. Her chief of staff, Michael Joynes, and others served the city of Philadelphia and their constituents well, people who continue to remember her.

□ 1700

She was also a parent of children and as a mother saw to it that her own children were well taken care of. Yes, she was a national leader on issues of aid to the poor and a state Senator. She also was someone who placed her faith in God, worked very hard, and rose above the ordinary and achieved the extraordinary.

Mr. Speaker, I thank my colleagues for allowing this great honor to be bestowed upon her, but in truth, she bestowed upon us a great honor.

Mr. Speaker, I yield back the balance of my time.

Mr. SESSIONS. Mr. Speaker, I thank my colleague from Pennsylvania for his grace and charm in enunciating the love of Philadelphia and Pennsylvania for both of these people.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). The question is on the motion offered by the gentleman from Pennsylvania (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 4001.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

INDIAN FEDERAL RECOGNITION ADMINISTRATIVE PROCEDURES ACT OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1154) to provide for administrative procedures to extend Federal recognition to certain Indian groups, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Federal Recognition Administrative Procedures Act of 1998".

SEC. 2. PURPOSES.

The purposes of this Act are—

(1) to establish an administrative procedure to extend Federal recognition to certain Indian groups;

(2) to extend to Indian groups which are determined to be Indian tribes the protection, services, and benefits available from the Federal Government pursuant to the Federal trust responsibility;

(3) to extend to Indian groups which are determined to be Indian tribes the immunities and privileges available to other acknowledged Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship with the United States;

(4) to ensure that when the Federal Government extends acknowledgment to an Indian tribe, it does so with a consistent legal, factual, and historical basis;

(5) to establish a commission which will act in a supporting role to petitioning groups applying for recognition;

(6) to provide clear and consistent standards of administrative review of documented petitions for acknowledgment;

(7) to clarify evidentiary standards and expedite the administrative review process by providing adequate resources to process petitions; and

(8) to remove the acknowledgment process from the Bureau of Indian Affairs and invest it in the Commission on Indian Recognition.

SEC. 3. DEFINITIONS.

For purposes of this Act:

(1) ACKNOWLEDGMENT; ACKNOWLEDGED.—The term "acknowledgment" or "acknowledged" means a determination by the Commission on Indian Recognition that an Indian group constitutes an Indian tribe with a government-to-government relationship with the United States, and whose members are recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(2) BUREAU.—The term "Bureau" means the Bureau of Indian Affairs.

(3) COMMISSION.—The term "Commission" means the Commission on Indian Recognition established pursuant to section 4.

(4) COMMUNITY.—The term "community" means any group of people which, in the context of the history, geography, culture, and social organization of the group, sustains consistent interactions and significant social relationships within its membership and whose members are differentiated from and identified as distinct from nonmembers.

(5) CONTINUOUSLY; CONTINUOUS.—The term "continuously" or "continuous" means extending from the given date to the present substantially without interruption; proof of any matter required shall be deemed without substantial interruption if such proof is available at least for every fifth year.

(6) DEPARTMENT.—The term "Department" means the Department of the Interior.

(7) DOCUMENTED PETITION.—The term "documented petition" means the detailed, factual exposition and arguments, including all documentary evidence, necessary to demonstrate that arguments specifically address the mandatory criteria established in section 5.

(8) HISTORICAL; HISTORICALLY.—The term "historical" or "historically" means dating from first sustained contact with non-Indians.

(9) INDIAN GROUP; GROUP.—The term "Indian group" or "group" means any Indian or Alaska Native tribe, band, pueblo, village or community within the United States that the Secretary does not acknowledge to be an Indian tribe.

(10) INDIAN TRIBE; TRIBE.—The term "Indian tribe" or "tribe" means any Indian or Alaska Native tribe, band, pueblo, village or community within the United States included on the Secretary's annual list of acknowledged tribes.

(11) INDIGENOUS.—The term "indigenous" means native to the United States in that at least part of the petitioner's traditional territory extended into what is now within the boundaries of the United States.

(12) LETTER OF INTENT.—The term "letter of intent" means an undocumented letter or resolution which is dated and signed by the governing body of an Indian group and submitted to the Commission indicating the group's intent to submit a petition for acknowledgment as an Indian tribe.

(13) MEMBER OF AN INDIAN GROUP.—The term "member of an Indian group" means an individual who is recognized by an Indian group as meeting its membership criteria.

(14) MEMBER OF AN INDIAN TRIBE.—The term "member of an Indian tribe" means an individual who—

(A) meets the membership requirements of the tribe as set forth in its governing document;

(B) in the absence of a governing document which sets out these requirements, has been recognized as a member collectively by those persons comprising the tribal governing body and has consistently maintained tribal relations with the tribe; or

(C) is listed on the tribal membership rolls as a member, if such rolls are kept.

(15) PETITION.—The term "petition" means a petition for acknowledgment submitted or transferred to the Commission pursuant to section 5.

(16) PETITIONER.—The term "petitioner" means any group which has submitted a petition or letter of intent to the Commission requesting acknowledgment as an Indian tribe or has a petition or letter of intent transferred to the Commission under section 5(a).

(17) PREVIOUS FEDERAL ACKNOWLEDGMENT.—The term "previous Federal acknowledgment" means any action by the Federal Government the character of which is clearly premised on identification of a tribal political entity and clearly indicates the recognition of a government-to-government relationship between that entity and the Federal Government.

(18) RESTORATION.—The term "restoration" means the reextension of acknowledgment to any previously acknowledged tribe which may have had its acknowledged status abrogated or diminished by reason of congressional legislation expressly terminating that status.

(19) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(20) TREATY.—The term "treaty" means any treaty—

(A) negotiated and ratified by the United States on or before March 3, 1871, with, or on behalf of, any Indian group or Indian tribe;

(B) made by any government with, or on behalf of, any Indian group or Indian tribe, from which Federal Government subsequently acquired territory by purchase, conquest, annexation, or cession; or

(C) negotiated by the United States with, or on behalf of, any Indian group, whether or not the treaty was subsequently ratified.

(21) TRIBAL ROLL.—The term "tribal roll" means a list exclusively of those individuals who have been determined by the tribe to meet the tribe's membership requirements as set forth in its governing document or, in the absence of a governing document setting forth those requirements, have been recognized as members by the tribe's governing body. In either case, those individuals on a tribal roll must have affirmatively demonstrated consent to being listed as members.

(22) UNITED STATES.—The term "United States" means the 48 contiguous States Alaska,

and Hawaii; and does not include territories or possessions.

SEC. 4. COMMISSION ON INDIAN RECOGNITION.

(a) ESTABLISHMENT.—There is established within the Department of the Interior the Commission on Indian Recognition. The Commission shall report directly to the Assistant Secretary of Indian Affairs.

(b) MEMBERSHIP.—

(1) IN GENERAL.—(A) The Commission shall consist of 3 members appointed by the Secretary.

(B) In making appointments to the Commission, the Secretary shall give careful consideration to—

(i) recommendations received from Indian tribes;

(ii) recommendations from Indian groups and professional organizations; and

(iii) individuals who have a background in Indian law or policy, anthropology, or history.

(2) AFFILIATIONS.—

(A) No more than 2 members of the Commission may be members of the same political party.

(B) No more than 1 member of the Commission may be an employee of the Department of the Interior.

(3) TERMS.—(A) Each member of the Commission shall be appointed for a term of 4 years, except as provided in subparagraph (B).

(B) As designated by the Secretary at the time of appointment, of the members first appointed—

(i) 1 shall be appointed for a term of 2 years;

(ii) 1 shall be appointed for a term of 3 years; and

(iii) 1 shall be appointed for a term of 4 years.

(4) VACANCY.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that member's term until a successor has taken office.

(5) COMPENSATION.—(A) Each member of the Commission not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code, for each day, including traveltime, such member is engaged in the actual performance of duties authorized by the Commission.

(B) Except as provided in subparagraph (C), a member of the Commission who is otherwise an officer or employee of the United States Government shall serve on the Commission without additional compensation, but such service shall be without interruption or loss of civil service status or privilege.

(C) All members of the Commission shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Commission while away from home or their regular place of business, in accordance with subchapter I of chapter 57 of title 5, United States Code.

(6) CHAIRPERSON.—At the time appointments are made under paragraph (1), the Secretary shall designate 1 of such appointees as Chairperson of the Commission.

(c) MEETINGS AND PROCEDURES.—

(1) INITIAL MEETING.—The Commission shall hold its first meeting no later than 30 days after the date on which all initial members of the Commission have been appointed.

(2) QUORUM.—2 members of the Commission shall constitute a quorum for the transaction of business.

(3) RULES.—The Commission may adopt such rules (consistent with the provisions of this Act) as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(4) PRINCIPAL OFFICE.—The principal office of the Commission shall be in the District of Columbia.

(d) DUTIES.—The Commission shall carry out the duties assigned to the Commission by this Act, and shall meet the requirements imposed on the Commission by this Act.

(e) POWERS AND AUTHORITIES.—

(1) CHAIRMAN.—Subject to such rules and regulations as may be adopted by the Commission, the Chairman of the Commission is authorized to—

(A) appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director of the Commission and of such other personnel as the Chairman deems advisable to assist in the performance of the duties of the Commission, at a rate not to exceed a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of title 5, United States Code; and

(B) procure, as authorized by section 3109(b) of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch, but at rates not to exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(2) COMMISSION.—The Commission may—

(A) hold such hearings and sit and act at such times;

(B) take such testimony;

(C) have such printing and binding done;

(D) enter into such contracts and other arrangements, subject to the availability of funds;

(E) make such expenditures;

(F) secure directly from any officer, department, agency, establishment, or instrumentality of the Federal Government such information as the Commission may require for the purpose of this Act, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman of the Commission;

(G) use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States; and

(H) take such other actions as the Commission may deem advisable to carry out its duties.

(3) MEMBERS.—Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(f) ASSISTANCE FROM OTHER FEDERAL AGENCIES.—Upon the request of the Chairman of the Commission, the head of any Federal department, agency, or instrumentality is authorized to make any of the facilities and services of such department, agency, or instrumentality available to the Commission and detail any of the personnel of such department, agency, or instrumentality to the Commission, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this section.

(g) TERMINATION OF COMMISSION.—The Commission shall terminate 12 years after the date of the enactment of this Act.

(h) FEDERAL ADVISORY COMMITTEE ACT.—The provisions of the Federal Advisory Committee Act shall not apply to the Commission.

SEC. 5. PETITIONS FOR RECOGNITION AND LETTERS OF INTENT.

(a) IN GENERAL.—

(1) SUBMISSION.—Any Indian group may submit to the Commission a petition requesting that the Commission recognize that the Indian group is an Indian tribe.

(2) HEARING.—Indian groups that have been denied or refused recognition as an Indian tribe under regulations prescribed by the Secretary shall be entitled to an adjudicatory hearing, under section 9 of this Act, before the Commission. For purposes of the adjudicatory hearing, the Assistant Secretary's final determination shall be considered a preliminary determination under section 8(b)(1)(B) of this Act.

(3) GROUPS AND ENTITIES EXCLUDED.—The provisions of this Act do not apply to the following groups or entities, which shall not be eligible for recognition under this Act—

(A) Indian tribes, organized bands, pueblos, communities, and Alaska Native entities which are recognized by the Secretary as of the date of enactment of this Act as eligible to receive services from the Bureau;

(B) splinter groups, political factions, communities, or groups of any character which separate from the main body of an Indian tribe that, at the time of such separation, was recognized as being an Indian tribe by the Secretary, unless it can be clearly established that the group, faction, or community has functioned throughout history until the date of such petition as an autonomous Indian group; and

(C) any Indian group whose relationship with the Federal Government was expressly terminated by an Act of Congress.

(4) TRANSFER OF PETITIONS.—(A) No later than 30 days after the date on which all of the initial members of the Commission have been appointed, the Secretary shall transfer to the Commission all petitions pending before the Department. The Secretary shall also transfer all letters of intent previously received by the Department that request the Secretary, or the Federal Government, to recognize or acknowledge an Indian group as an Indian tribe.

(B) On the date of such transfer, the Secretary and the Department shall cease to have any authority to recognize or acknowledge, on behalf of the Federal Government, any Indian group as an Indian tribe.

(C) Petitions and letters of intent transferred to the Commission under subparagraph (A) of this paragraph shall, for purposes of this Act, be considered as having been submitted to the Commission in the same order as they were submitted to the Department.

(b) PETITION FORM AND CONTENT.—Except as otherwise provided in this section, any petition submitted under subsection (a) by an Indian group shall be in any readable form that clearly indicates that the petition is requesting the Commission to recognize the petitioning Indian group as an Indian tribe. Each petition shall contain specific evidence establishing the following mandatory criteria:

(1) The petitioner has been identified as an American Indian entity on a substantially continuous basis since 1934.

(A) Evidence to be relied upon in determining a group's Indian identity may include 1 or a combination of the following, as well as other evidence of identification by other than the petitioner itself or its members. Proof of any 1 of the following for a given time is conclusive evidence of Indian identity for that time.

(i) Identification as an Indian entity by Federal authorities.

(ii) Relationships with State governments based on identification of the group as Indian.

(iii) Dealings with a county, parish, or other local government in a relationship based on the group's Indian identity.

(iv) Identification as an Indian entity by anthropologists, historians, or other scholars.

(v) Identification as an Indian entity in newspapers and books.

(vi) Identification as an Indian entity in relationships with Indian tribes or with national, regional, or State Indian organizations.

(B) A petitioner may establish that, for any given period of time for which evidence of identification as Indian is lacking, such absence of evidence corresponds in time with official acts of the Federal or relevant State government which prohibited or penalized the expression of Indian identity. For such periods of time, the absence of evidence identifying the petitioner as an Indian entity shall not be the basis for declining to acknowledge the petitioner.

(2) A predominant portion of the petitioning groups comprises a distinct community and has existed as a community on a substantially continuous basis since 1934.

(A) The criterion that the petitioner meets the definition of community set forth in section 3 may be demonstrated by 1 or more of the following:

(i) Significant rates of marriage within the group or, as may be culturally required, patterned out-marriages with other Indian populations.

(ii) Significant social relationships connecting individual members.

(iii) Significant rates of informal social interaction which exist broadly among the members of a group.

(iv) A significant degree of shared or cooperative labor or other economic activity among the membership.

(v) Evidence of strong patterns of discrimination or other social distinctions by nonmembers.

(vi) Shared sacred or secular ritual activity encompassing most of the group.

(vii) Cultural patterns shared among a significant portion of the group that are different from those of the non-Indian populations with whom it interacts. These patterns must function as more than a symbolic identification of the group as Indian. They may include, but are not limited to, language, kinship organization, or religious beliefs and practices.

(viii) The persistence of a named, collective Indian identity continuously over a period of more than 50 years, notwithstanding changes in name.

(ix) A demonstration of political influence under the criterion in paragraph (3)(B) shall be conclusive evidence for demonstrating community for that period of time.

(x) Other evidence as considered appropriate by the Secretary.

(B) A petitioner shall be considered to have provided sufficient evidence of community at a given point in time if evidence is provided to demonstrate any 1 of the following:

(i) More than 50 percent of the members reside in a geographical area or areas no more than 50 miles from a historic land base(s) or site(s) of the petitioner.

(ii) At least 50 percent of the marriages in the group are between members of the group.

(iii) At least 50 percent of the group members maintain distinct cultural patterns such as, but not limited to, language, kinship organization, or religious beliefs and practices.

(iv) There are distinct social institutions encompassing more than 50 percent of the members, such as kinship organizations, formal or informal economic cooperation, or religious organizations.

(v) The group has met the criterion in paragraph (3) using evidence described in paragraph (3)(B).

(3) The petitioner has maintained political influence or authority over its members as an autonomous entity from 1934 until the present.

(A) This criterion may be demonstrated by 1 or more of the evidence listed below or by other evidence of political influence or authority:

(i) The group is able to mobilize significant numbers of members and significant resources from its members for group purposes.

(ii) Most of the membership considers issues acted upon or actions taken by group leaders or governing bodies to be of importance.

(iii) There is widespread knowledge, communication, and involvement in political processes by most of the group's members.

(iv) There are internal conflicts which show controversy over valued group goals, properties, policies, processes, or decisions.

(B) A petitioning group shall be considered to have provided sufficient evidence to demonstrate the exercise of political influence or authority at a given point in time by demonstrating any 1 of the following:

(i) A continuous line of group leaders, acknowledged and accepted as such by State or local governments or nonmembers in general, with a description of the means of selection.

(ii) Group leaders or other mechanisms exist or existed which allocate group resources such as land, residence rights, and the like on a consistent basis.

(iii) Group leaders or other mechanisms exist or existed which settle disputes between members or subgroups by some means.

(iv) Group leaders or other mechanisms exist or existed which exert strong influence on the behavior of individual members, such as the establishment or maintenance of norms and the enforcement of sanctions to influence behavior.

(v) Group leaders or other mechanisms exist or existed which organize or influence economic subsistence activities among the members, including shared or cooperative labor.

(C) A group that has met the requirements in paragraph (3) at a given point in time shall be considered to have provided sufficient evidence to meet this criterion at that point in time.

(4) A copy of the group's present governing document, including its membership criteria. In the absence of a written document, the petitioner must provide a statement describing in full its membership criteria.

(5) The petitioner's membership consists of individuals who descend from a historical Indian tribe or from historical Indian tribes which combined and functioned as a single autonomous political entity.

(A) A petitioner shall be presumed to descend from a historical Indian tribe or combined tribes upon proof by the petitioner that its member descend from an Indian entity in existence in 1934. This presumption may be rebutted by affirmative evidence offered by any interested party that the Indian entity in existence in 1934 does not descend from a historical Indian tribe or combined tribes.

(B) The following evidence shall be deemed by the Commission to prove descent from a historical Indian entity for the time for which such evidence is available:

(i) Rolls prepared by the Secretary on a descendancy basis for purposes of distributing claims money, providing allotments, or other purposes.

(ii) State, Federal, or other official records or evidence identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(iii) Church, school, and other similar enrollment records identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(iv) Affidavits of recognition by tribal elders, leaders, or the tribal governing body identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(v) Reports, research, or other like statements based upon firsthand experience of historians, anthropologists, and genealogists with established expertise on the petitioner or Indian entities in general identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(C) A petitioner may also demonstrate this criterion by other records of evidence identifying present members or ancestors of present members as being descendants of a historical tribe or combined tribes.

(D) The petitioner must provide an official membership list, separately certified by the group's governing body of all known current members of the group. This list must include each member's full name (including maiden name), date of birth, and current residential address. The petitioner must also provide a copy of each available former list of members based on the group's own defined criteria, as well as a statement describing the circumstances surrounding the preparation of the current list and, insofar as possible, the circumstances surrounding the preparation of former lists.

(6) The membership of the petitioning group is composed principally of persons who are not members of any acknowledged North American Indian tribe. However, under certain conditions a petitioning group may be acknowledged even if its membership is composed principally of persons whose names have appeared on rolls of, or who have been otherwise associated with, an acknowledged Indian tribe. The conditions are that the group must establish that it has functioned since 1934 until the present as a separate and autonomous Indian tribal entity, that its members do not maintain a bilateral political relationship with the acknowledged tribe, and that its members have provided written confirmation of their membership in the petitioning group.

(c) PREVIOUS ACKNOWLEDGMENT.—

(1) IN GENERAL.—Evidence which demonstrates previous Federal acknowledgment includes, but is not limited to—

(A) evidence that the group has had or is the successor in interest to a tribe that has had treaty relations with the United States;

(B) evidence that the group has been or is the successor in interest to a tribe that has been denominated a tribe by Act of Congress or Executive order;

(C) evidence that the group has been or is the successor in interest to a tribe that has been treated by the Federal Government as having collective rights in tribal lands or funds.

(2) PRESUMPTION OF CONTINUOUSNESS.—A petitioner that can demonstrate previous Federal acknowledgment by a preponderance of the evidence shall be required to demonstrate the existence of current political authority as defined by subsection (b)(3), with a time depth limited to 10 years preceding the date of the petition. Upon such demonstration, a presumption of continuous existence since previous Federal acknowledgment shall arise. Unless such presumption is rebutted by evidence offered by an interested party proving by a preponderance of the evidence that the previously recognized group has abandoned tribal relations, such group shall be recognized.

(d) RECOGNITION OF GROUPS MEETING CRITERIA.—The Commission shall recognize as an Indian tribe a petitioning group that demonstrates the criteria set out in this section by a preponderance of the evidence. Such recognized tribes shall be entitled to the same privileges, immunities, rights, and benefits of other federally recognized tribes. Neither shall the Department of the Interior nor any other Federal agency purport to diminish, condition, or revoke the privileges, immunities, rights, and benefits of Indian tribes recognized by any means before the effective date of this Act or under the provisions of this Act.

SEC. 6. NOTICE OF RECEIPT OF PETITION AND LETTERS OF INTENT.

(a) PETITIONER.—Not later than 30 days after a petition is submitted or transferred to the Commission under section 5(a), the Commission shall send an acknowledgement of receipt in writing to the petitioner and shall have published in the Federal Register a notice of such receipt, including the name, location, and mailing address of the petitioner and such other information that will identify the entity who submitted the petition and the date the petition was received by the Commission. The notice shall also indicate where a copy of the petition may be examined.

(b) LETTERS OF INTENT.—As to letters of intent, publish in the Federal Register a notice of such receipt, including the name, location, and mailing address of petitioner. A petitioner who has submitted a letter of intent or had a letter of intent transferred to the Commission under section 5(a) shall not be required to submit a documented petition within any time period.

(c) OTHERS.—The Commission shall also notify, in writing, the Governor and attorney general of, and each recognized Indian tribe within, any State in which a petitioner resides.

(d) PUBLICATION; OPPORTUNITY FOR SUPPORTING OR OPPOSING SUBMISSIONS.—The Commission shall publish the notice of receipt of the petition in a major newspaper of general circulation in the town or city nearest the location of the petitioner. The notice shall include, in addition to the information described in subsection (a), notice of opportunity for other parties to submit factual or legal arguments in support of or in opposition to, the petition. Such submissions shall be provided to the petitioner upon receipt by the Commission. The petitioner shall be provided an opportunity to respond to such submissions prior to a determination on the petition by the Commission.

SEC. 7. PROCESSING THE PETITION.

(a) REVIEW.—

(1) IN GENERAL.—Upon receipt of a documented petition, the Commission shall conduct a review to determine whether the petitioner is entitled to be recognized as an Indian tribe.

(2) CONSIDERATION.—The review conducted under paragraph (1) shall include consideration of the petition, supporting evidence, and the factual statements contained in the petition.

(3) RESEARCH.—The Commission may also initiate other research for any purpose relative to analyzing the petition and obtaining additional information about the petitioner's status and may consider any evidence which may be submitted by other parties.

(4) ACCESS TO OTHER FEDERAL RESOURCES.—Upon request by the petitioner, the Library of Congress and the National Archives shall each allow access to the petitioner to its resources, records, and documents, for the purpose of conducting research and preparing evidence concerning the status of the petitioner.

(b) CONSIDERATION.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, petitions shall be considered on a first come, first served basis, determined by the date of the original filing of the petition with the Commission, or the Department if the petition is transferred to the Commission pursuant to section 5(a). The Commission shall establish a priority register including those petitions pending before the Department on the date of enactment of this Act.

(2) PRIORITY.—Petitions that are submitted to the Commission by Indian groups that meet 1 or more of the requirements set forth in section 5(c) shall receive priority consideration over petitions submitted by any other Indian group.

SEC. 8. PRELIMINARY HEARING.

(a) IN GENERAL.—Not later than 60 days after the receipt of a petition by the Commission, the Commission shall set a date for a preliminary hearing. At the preliminary hearing, the petitioner and any other concerned party may provide evidence concerning the status of the petitioner.

(b) DETERMINATION.—

(1) IN GENERAL.—Within 30 days after the conclusion of the preliminary hearing under subsection (a), the Commission shall make a determination either—

(A) to extend acknowledgement to the petitioner; or

(B) that the petitioner proceed to an adjudicatory hearing.

(2) PUBLISHED IN FEDERAL REGISTER.—The Commission shall publish the determination in the Federal Register.

(c) INFORMATION TO BE PROVIDED PREPARATORY TO AN ADJUDICATORY HEARING.—

(1) IN GENERAL.—If the Commission determines under subsection (b) that the petitioner proceed to an adjudicatory hearing, the Commission shall—

(A) immediately make available to the petitioner all records relied upon by the Commission and its staff in making the preliminary determination to assist the petitioner in preparing for the adjudicatory hearing, and shall also include such guidance as the Commission considers necessary or appropriate to assist the petitioner in preparing for the hearing including references to prior decisions of the Commission or to recognition decisions made under regulations prescribed by the Secretary that will provide direction in preparing for the adjudicatory hearing; and if prior recognition decisions are referred to, the Commission will make all records relating to such decisions available to the petitioner in a timely manner; and

(B) within 30 days after the conclusion of the preliminary hearing under subsection (a), notify the petitioner in writing, which notice shall include a list of any deficiencies or omissions on which the Commission relied in making its determination.

(2) LIST OF DEFICIENCIES.—The list of deficiencies and omissions provided under paragraph (1)(B) shall be the subject of the adjudicatory hearing. The Commission may not add to this list once it is issued.

SEC. 9. ADJUDICATORY HEARING.

(a) IN GENERAL.—Not later than 180 days after the conclusion of the preliminary hearing, the Commission shall afford the petitioner described in section 8(b)(1)(B) an adjudicatory hearing. The hearing shall be on the list of deficiencies and omissions provided under section 8(c)(1)(B) and shall be conducted on the record pursuant to sections 554, 556, and 557 of title 5, United States Code.

(b) TESTIMONY FROM STAFF OF COMMISSION.—The Commission shall require testimony from its acknowledgement and research staff that worked on the preliminary determination and that are assisting the Commission in the final determination under subsection (d) and may require the testimony of other witnesses. Any such testimony shall be subject to cross-examination by the petitioner.

(c) EVIDENCE BY PETITIONER.—The petitioner may provide such evidence as the petitioner deems appropriate.

(d) DECISION BY COMMISSION.—Within 60 days after the end of the hearing held under subsection (a), the Commission shall—

(1) make a determination as to the extension or denial of acknowledgment to the petitioner;

(2) publish its determination under paragraph (1) in the Federal Register; and

(3) deliver a copy of the determination to the petitioner, and to every other interested party.

SEC. 10. APPEALS.

(a) IN GENERAL.—Within 60 days after the date the Commission's decision is published under section 9(d), the petitioner may appeal the determination to the United States District Court for the District of Columbia.

(b) ATTORNEY FEES.—If the petitioner prevails in the appeal described in subsection (a), it shall be eligible for an award of reasonable attorney fees and costs under the provisions of section 504 of title 5, United States Code, or section 2412 of title 28 of such Code, as the case may be.

SEC. 11. IMPLEMENTATION OF DECISIONS.

(a) ELIGIBILITY FOR SERVICES AND BENEFITS.—

(1) IN GENERAL.—Subject to paragraph (2), upon recognition by the Commission that the petitioner is an Indian tribe, the Indian tribe shall be eligible for the services and benefits from the Federal Government that are available to other federally recognized Indian tribes by virtue of their status as Indian tribes with a government-to-government relationship with the United States, as well as having the responsibilities and obligations of such Indian tribes. Such recognition shall subject the Indian tribes to the same authority of Congress and the United States to which other federally recognized tribes are subject.

(2) AVAILABILITY.—Recognition of the Indian tribe under this Act does not create an immediate entitlement to existing programs of the Bureau. Such programs shall become available upon appropriation of funds by law. Requests for appropriations shall follow a determination under subsection (b) of the needs of the newly-recognized Indian tribe.

(b) NEEDS DETERMINATION.—Within 6 months after an Indian tribe is recognized under this Act, the appropriate area offices of the Bureau and the Indian Health Service shall consult and develop in cooperation with the Indian tribe, and forward to the respective Secretary, a determination of the needs of the Indian tribe and a recommended budget required to serve the newly recognized Indian tribe. The recommended budget shall be considered along with recommendations by the appropriate Secretary in the budget-request process.

SEC. 12. ANNUAL REPORT CONCERNING COMMISSION'S ACTIVITIES.

(a) LIST OF RECOGNIZED TRIBES.—Not later than 90 days after the date of the enactment of this Act, and annually on or before every January 30 thereafter, the Commission shall publish in the Federal Register a list of all Indian tribes which are recognized by the Federal Government and receiving services from the Bureau of Indian Affairs.

(b) ANNUAL REPORT.—Beginning 1 year after the date of the enactment of this Act, and annually thereafter, the Commission shall submit a report to the Committee on Resources of the House of Representatives and to the Committee on Indian Affairs of the Senate a report on its activities, which shall include at a minimum the following:

(1) The number of petitions pending at the beginning of the year and the names of the petitioners.

(2) The number of petitions received during the year and the names of the petitioners.

(3) The number of petitions the Commission approved for acknowledgment and the names of the acknowledged petitioners.

(4) The number of petitions the Commission denied for acknowledgment and the names of the petitioners.

(5) The status of all pending petitions and the names of the petitioners.

SEC. 13. ACTIONS BY PETITIONERS FOR ENFORCEMENT.

Any petitioner may bring an action in the district court of the United States for the district in which the petitioner resides, or the United States District Court for the District of Columbia, to enforce the provisions of this Act, including any time limitations within which actions *are required to be taken, or decisions made, under this Act and the district court shall issue such orders (including writs of mandamus) as may be necessary to enforce the provisions of this Act.*

SEC. 14. REGULATIONS.

The Commission is authorized to prescribe such regulations as may be necessary to carry out the provisions and purposes of this Act. All such regulations must be published in accordance with the provisions of title 5, United States Code.

SEC. 15. GUIDELINES AND ADVICE.

(a) GUIDELINES.—Not later than 180 days after petitions and letters of intent have been transferred to the Commission by the Secretary under section 5(a)(4)(A), the Commission shall make available suggested guidelines for the format of petitions, including general suggestions and guidelines on where and how to research required information, but such examples shall not preclude the use of any other format.

(b) RESEARCH ADVICE.—The Commission, upon request, is authorized to provide suggestions and advise to any petitioner for his research into the petitioner's historical background and Indian identity. The Commission shall not be responsible for the actual research on behalf of the petitioner.

SEC. 16. ASSISTANCE TO PETITIONERS.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary of Health and Human Services may award grants to Indian groups seeking Federal recognition to enable the Indian groups to—

(A) conduct the research necessary to substantiate petitions under this Act; and

(B) prepare documentation necessary for the submission of a petition under this Act.

(2) OTHER GRANTS.—The grants made under this subsection shall be in addition to any other grants the Secretary of Health and Human Services is authorized to provide under any other provision of law.

(b) COMPETITIVE AWARD.—Grants provided under subsection (a) shall be awarded competitively based on objective criteria prescribed in regulations promulgated by the Secretary of Health and Human Services.

SEC. 17. SEVERABILITY.

If any provision of this Act or the application thereof to any petitioner is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act shall be severable.

SEC. 18. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—There are authorized to be appropriated for the Commission for the purpose of carrying out the provisions of this Act (other than section 16), $1,500,000 for fiscal year 1998 and $1,500,000 for each of the 12 succeeding fiscal years.

(b) SECRETARY OF HHS.—There are authorized to be appropriated for the Administration for Native Americans of the Department of Health and Human Services for the purpose of carrying out the provisions of section 16, $3,000,000 for each fiscal year.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1154, the proposed Indian Federal Recognition Administrative Procedures Act of 1998, is a bill intended to speed up the Federal recognition process and to update the existing procedures for extending Federal recognition to Indian tribes.

Mr. Speaker, H.R. 1154 would revamp the Federal recognition process for Indian groups by eliminating bias and conflict of interest and by establishing an independent, 3-member commission to review tribal recognition petitions.

Among other things, H.R. 1154 would require a petitioning tribe to prove: 1, that it and its members have been identified as Indians since 1934; 2, that it has exercised political leadership over its members since 1934; 3, that it has a membership roll; and 4, that it now exists as a community.

Mr. Speaker, this is an extremely important bill to the many Indian bands around this Nation who have a legitimate right to Federal recognition, but who have been denied that right because of a slow, cumbersome, and enormously expensive process. If there ever was a better example of justice being denied through justice delayed, I am not aware of it.

Mr. Speaker, one tribe seeking recognition discovered recently, after 8 years of waiting, I say again, 8 years of waiting, that the bureaucrats down at the Interior Department have done absolutely nothing on the tribe's application for recognition because the Department bureaucrats had "misplaced" the tribe's paperwork. It took 8 years to find that out. I do not know what else is not getting done down at that Department, but I do know that the time has come to straighten out this mess.

Mr. Speaker, this is a good bill. I urge the passage of the legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I thank the gentleman from Alaska (Mr. YOUNG) for his eloquent statement pertaining to his support of this bill. The gentleman suggested 8 years, but in fact, they have been waiting for 100 years to seek recognition.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Speaker, I thought this bill was coming up at a different time, and we checked the cloakroom, and they said there were other bills coming up before.

Mr. Speaker, my colleague, the gentleman from Connecticut (Mr. SHAYS) asked me to speak on this bill and also to ask for a recorded vote. I am concerned that it was taken out of order in a way that I think was fundamentally unfair, because we checked with the House.

The gentleman from Connecticut (Mr. SHAYS) and the gentleman from Arizona (Mr. SHADEGG) and I are concerned about this bill and the implications that it may have allowing gambling, particularly Indian gambling, to spread around the country. Gambling is spreading throughout the United States at an unbelievable rate, and one way it is spreading is through the speed at which Native American casinos are opening up. These casinos just keep opening up, one after another.

Now, today, we are here talking about a bill that would make it easier for tribal recognition. Once the tribes get recognized, we see what happens. It does not take long for Indian gaming to be established, and I think we need to give pause and give a lot more attention to this issue.

H.R. 1154, the Indian Federal Recognition Administrative Procedures Act, established a 3-member commission on Indian recognition, but those 3 commissioners were chosen by the Secretary of the Interior, and that would be without the advice and the consent of the Senate. There would be some real problems. For one, it could politicize the recognition process. Native American groups and the gambling interests could put the pressure on the administration, any administration to appoint the commissioners they want.

As gambling is spreading and is bringing about the destruction upon lives and communities, it is bringing with it increased crime, destruction, the breakup of families, corruption and bankruptcies, so much so that we had to appropriate money for more bankruptcy judges, especially in areas with gambling, and increases in the breakdown of the American family.

Mr. Speaker, on behalf of the gentleman from Arizona (Mr. SHADEGG) and the gentleman from Connecticut (Mr. SHAYS), I will call for a rollcall vote. But I think this is such an important issue, that I would urge my colleagues not to rush through and allow a bill to pass like this without full and adequate debate.

Mr. Speaker, my colleague Representative CHRISTOPHER SHAYS asked me to speak on this bill, and he also asked me to ask for a recorded vote, so I want to alert my colleagues that I will be calling for a recorded vote.

Mr. SHAYS and Representative JOHN SHADEGG and I are all concerned about this bill and its implications. We believe that this is something we ought to be debating fully, not rushing through.

I have a number of concerns with this bill. Gambling is spreading throughout the United States at an unbelievable rate, and one of the ways it is spreading is through the speed at which Native American casinos are opening up. And these casinos just keep opening up, one after another. And now we are here today talking about a bill that could make it even easier for tribal recognition. Once the tribes get recognized, we've seen what happens. It doesn't take long for Indian gambling to be established. I think we need to pause and give a lot more attention to this matter.

H.R. 1154, the Indian Federal Recognition Administrative Procedures Act, establishes a three-member Commission on Indian Recognition. But those three commissioners are chosen by the Secretary of the Interior, and that would be without the advice and consent of the U.S. Senate. There could be some real problems with that. For one, it could politicize the recognition process. Native American groups and the gambling interests could put the pressure on the Administration to appoint the commissioners they want.

As gambling is spreading, it is bringing destruction upon individual lives and communities. It is bringing with it increases in crime and the need for more law enforcement spending, increases in corruption, increases in bankruptcies, so much so that we have had to appropriate money for more bankruptcy judges—especially in areas with gambling, increases in family breakdown and the need for more social services. Gambling is bringing with it addiction, not only impacting adults, but even young people, to the extent that the young people are becoming addicted to gambling at more than twice the rate of that of adults.

Mr. Speaker, this issue has far-reaching consequences and there's just too much at stake here for us to be considering this bill under suspension. We need to thoroughly debate this issue and consider all the critical implications, especially with regard to Indian gambling. This issue needs thoughtful consideration, not 40 minutes of debate with no amendments. I would urge defeat of this legislation.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

With all due respect for my good friend from Virginia, this is about recognition of American Indians who were here long before we were. We have seen delays, and yes, there may have been some that maybe have been misused, but that does not excuse the inactivity of an agency that had the responsibility. All this bill does is try to expedite the process so that delays do not occur.

Let us not kid ourselves. There are those in this body that do not like American Indians. There are those in this body, in fact, that look upon them as the less of all minorities and have no recognition nor standing in our society. Their lands were stolen, their lands were taken, their lands were sold, and as long as they are down in the dumps, then that is where a lot of people want them to be.

I think it is very unfortunate, very unfortunate that the gambling issue has been brought into this arena at this time. That is another act, an act that was passed by this Congress overwhelmingly. An act that has been used, yes, adequately in many areas, and in fact, honorably in a lot of areas. If there has been some wrong or injustice that occurred, then that is the responsibility of law, the responsibility of enforcement officers, the responsibility, yes, of this Congress, if it is necessary. But to say that this is an attempt to take and legalize and further spread gambling is incorrect.

I am proud of my relationship and my work with American Indians. I think they should and have been recognized, but not nearly enough, for it is time for this body to understand we owe them, and we shall pay them, and we shall recognize them.

Mr. KILDEE. Mr. Speaker, I am pleased to be a cosponsor of this important legislation.

Since 1992, the Indian Health Service has transferred more than $400 million to 211 tribes in Alaska and 38 tribes in the lower 48 States under the self-governance demonstration project.

The transfer of programming and budgeting authority to tribal governments has proven to be successful.

Tribes have made significant progress in meeting the needs of their people and promoting the growth of their communities. It is our responsibility to support the tribes' efforts improving their health care systems.

The demonstration project has allowed tribes to expand the range of health care services to their membership. I strongly urge each of my colleagues to support this bill.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today in support of H.R. 1154, a bill I introduced to provide improved administrative procedures for the Federal recognition to certain Indian groups.

Mr. Speaker, I have been working on this issue now for over six years. In 1994, the House passed similar legislation but that effort died in the Senate. Today, we are taking a major step to help address the historical wrongs that the two hundred unrecognized tribes in this nation have faced. The bill streamlines the existing procedures for extending federal recognition to Indian tribes, removes the tremendous bureaucratic maze and subjective standards the Bureau of Indian Affairs has placed against recognizing Indian tribes, but also will provide due process, equity and fairness to the whole problem of Indian recognition.

Mr. Speaker, a broad coalition of unrecognized Indian tribes has advocated reform for years for several reasons. First, the BIA's budget limitations over the years have, in fact, created a certain bias against recognizing new Indian tribes. Second, the process has always been too expensive, costing some tribes well over $500,000, and most of these tribes just do not have this kind of money to spend. I need not remind my colleagues of the fact that Native American Indians today have the worst statistics in the nation when it comes to education, economic activity and social development. Indeed, Mr. Speaker, the recognition process for the First Americans has been an embarrassment to our government and certainly to the people of America. If only the American people can ever feel and realize the pain and suffering that the Native Americans have long endured, there would probably be another American revolution.

Mr. Speaker, the process to provide federal recognition to Native American tribes simply takes too long. The Bureau of Indian Affairs has been completing an average of 1.3 petitions per year. At this rate, it will take over 100 years to resolve questions on all tribes which have expressed an intent to the recognized.

Mr. Speaker, the current process does not provide petitioners with due process—for example, the opportunity to cross examine witnesses and on-the-record hearings. The same experts who conduct research on a petitioner's case are also the "judge and jury" in the process.

In 1996, in the case of *Greene* v. *Babbitt*, 943 F. Supp. 1278 (W.Dist. Wash), the federal court found that the current procedures for recognition were "marred by both lengthy delays and a pattern of serious procedural due process violations. The decision to recognize the Samish took over twenty-five years, and the Department has twice disregarded the procedures mandated by the APA, the Constitution, and this Court," (p. 1288). Among other statements contained in Judge Thomas Zilly's opinion were: "The Samish people's quest for federal recognition as an Indian tribe has a protracted and tortuous history . . . made more difficult by excessive delays and governmental misconduct." (p. 1281) And again at pp. 1288–1289, "Under these limited circumstances, where the agency has repeatedly demonstrated a complete lack of regard for the substantive and procedural rights of the petitioning party, and the agency's decision maker has failed to maintain her role as an impartial and disinterested adjudicator . . ." Sadly, the Samish's administrative and legal conflict—much of which was at public expense—could have been avoided were it not for a clerical error of the Bureau of Indian Affairs which 28 years ago, inadvertently left the Samish Tribes's name off the list of recognized tribes in Washington.

With a record like this, it is little wonder that many tribes have lost faith in the Government's recent recognition procedures. Even President Clinton recognizes the problem. In a 1996 letter to the Chinook Tribe of Washington, the President wrote, "I agree that the current federal acknowledgment process must be improved." He said that some progress has been made, "but much more must be done."

To those who say we should retain the current criteria, and not permit tribes which have been rejected under the current administrative procedure to apply for reconsideration, I say read the Greene case. It is rare that a court is so critical of an executive agency, but in this case there clearly is a problem. H.R. 1154 addresses the problem directly.

Mr. Speaker, H.R. 1154 will eliminate the above concerns by establishing an independent three member commission which will work within the Department of the Interior to review petitions for recognition. This legislation will provide tribes with the opportunity for public, trial-type hearings and sets strict time limits for action on pending petitions. In addition, the bill streamlines and makes more objective the federal recognition criteria by aligning them with the legal standards in place prior to 1978, as laid out by the father of Indian Law, Felix S. Cohen in 1942.

Some have expressed concern that this bill will open the door for more tribes to conduct gambling operations on new reservations. While I cannot say that no new gambling operations will result from this bill, I do believe that this bill will have only a minimal impact in this area. I would like to remind my colleagues that: unlike state-sponsored gaming operations, Indian gaming is highly regulated by the Indian Gaming Regulatory Act; before gaming can be conducted, the tribes must reach an agreement with the state in which the gaming would be conducted; under IGRA (the Indian Gaming and Regulatory Act) gaming can only be conducted on land held in trust by the federal government; and any gaming profits can only be used for tribal development, such as water and sewer systems, schools, and housing.

The point I want to make is even if an Indian group wanted to obtain recognition to start a gambling operation, they couldn't do it just for that purpose. Ninety percent of the substance of the current criteria are unchanged in the bill before us today. For a group to obtain federal recognition, it would still have to prove his origins, cultural heritage, existence of governmental structure, and everything else currently required.

Should that burden be overcome, a tribe would need a reservation or land held in trust by the federal government. This bill makes no effort to provide land to any group being recognized.

If the land issue is overcome, under the Indian Gaming Regulatory Act, a tribe cannot conduct gaming operations unless it has an agreement to do so with the state government. A prior Congress put this into the law in an effort to balance the rights of the states to control gambling activity within its borders, and the rights of sovereign tribal nations to conduct activities on their land. The difficulty in obtaining gaming compacts with states has been making the national news for months because of the almost absolute veto power the states have under current law. The U.S. Supreme Court affirmed this reading of the law in *Seminole Tribe of Florida* versus *Florida*, 517 U.S. 44 (1996).

I want to emphasize this point—this is not a gambling bill, this is a bill to create a fair, objective process by which Indian groups can be evaluated for possible federal recognition.

Mr. Speaker, this bill is not perfect in every form, but it is the result of many hours of consultations with all parties concerned. I have sought to work with the tribes and with the Administration to come up with sound, careful changes that recognize the historical struggles the unrecognized tribes have gone through, yet at the same time recognizes the hard work the Bureau of Indian Affairs has done lately in making positive changes through regulations to address these problems. We have reached agreement on almost every major issue, and these changes have been incorporated into the bill being considered today. The bill has the support of the National Coalition of Indian Sovereignty (263 member groups), and Mr. Bud Shapard, a former BIA official who wrote the problematic regulations.

I requested a hearing on this bill but this is not an issue that generated enough Member interest to warrant a hearing. We have, however, in the past held oversight hearings on this issue, and legislative hearings on similar legislation in prior congresses.

Mr. Speaker, I do want to express my sincere thanks and appreciation to Mr. Kevin Gover, Assistant Secretary for Indian Affairs; Mr. Derril Jordan, Associate Solicitor for the Division of Indian Affairs, and members of their staffs for working closely with our committee staffs on both sides.

Mr. Speaker, I also want to thank the gentleman from Alaska, Mr. DON YOUNG, the Chairman of the Committee on Resources, and the Senior Democratic Member of the full committee, the gentleman from California, Mr. MILLER, for their support of this bill. And I want to thank Mr. Lloyd Jones, Chief of Staff of the Resources Committee; Mr. Tim Glidden, the majority counsel; Mr. Chris Stearns, minority counsel; my Legislative Director, Mr. Martin Yerick, and my good friend and attorney for the Lumbee Nation, Ms. Arlinda Locklear for her perseverance and tremendous patience in working with all the parties involved in the development of this legislation.

Mr. Speaker, I respectfully urge my colleagues to support and vote for this bill now under consideration.

Mr. MILLER of California. Mr. Speaker, I am glad to strongly support this major piece of legislation that has been nearly six years in the making. I wish to compliment Congressman FALEOMAVAEGA for all of the hard work and energy he has spent on this bill in the last four years. I know that he has personally met with a number of Indian tribes seeking recognition and was involved with the important White House meeting with a broad coalition of non-recognized tribes in January of 1995. His staff, in particular, Marty Yerick, has worked countless hours along with my committee staff to get this bill to a point where it now enjoys tribal and Administration support. I would also like to compliment the attorneys who have helped with this process, including Arlinda Locklear, and many of the staff at the Native American Rights Fund.

As you know, the past two Congresses have not been a hotbed of legislative activity that could be said to actually benefit Native Americans. Just about anyone can who has been watching Congress lately can see that Indian tribes, the leadership of the Resources Committee, and the Administration have been spending a lot of energy fighting measures that would erode tribal sovereignty. Compared with the 103rd Congress, and Congresses before that, there has been a dearth of pro-Indian legislation. In fact, I am hard-pressed to name more than one major piece of Indian legislation signed into law these last two Congresses. But, fortunately, this is different. This is a major piece of legislation that will have resounding impact across the country. This is legislation that is historic and long overdue. We have a chance, as a Congress to finally make some positive strides in terms of our relationship with the Native American tribes of this country and I hope that we take full advantage of the few chances that we get whenever they come our way.

As previously described, this bill revamps the federal recognition process for Indian tribes that is now handled by the Bureau of Indian Affairs in the Department of the Interior. We are making this change for five significant reasons. First, the BIA is inherently biased against adding new tribes to its existing budget. Second, the process is too expensive—costs per tribe range from $300,000 to $500,000. Third, the process is too lengthy—the BIA completes an average of 1.3 petitions a year, meaning it will take more than a century to finish pending applications. Fourth, the process does not provide petitioners with due process (i.e. cross examination and an on-the-record hearing. Fifth, the same experts who conduct research on a petitioner's case are also the judge and jury in the process. In a recent case, a federal court found that the BIA's procedures were "marred by both lengthy delays and a pattern of serious procedural due process violations."

H.R. 1154 would eliminate bias and conflict of interest by establishing an independent three member commission outside of the BIA to review tribal recognition petitions. H.R. 1154 also provides tribes with the opportunity for formal, on-the-record hearings. Records relied upon by the Commission will be made available in a timely manner to petitioners. In addition, H.R. 1154 affirms the precedential value of prior BIA recognition decisions and makes the records of those decisions readily available to petitioners. The bill also sets strict timelines for action on pending petitions.

In addition, H.R. 1154 streamlines and objectifies the recognition criteria by aligning them with the legal standards in place prior to 1978 laid out by Assistant Solicitor Felix S. Cohen in the 1942 Handbook of Federal Indian Law. H.R. 1154 would require a petitioning tribe to prove: (1) that it and its members have been identified as Indians since 1934; (2) that it has exercised political leadership over its members since 1934; (3) that it has a membership roll; and (4) that it exists as a community by showing at least one of the four following requirements: (a) distinct social boundaries; (b) exercise of communal rights with respect to resources or subsistence activities; (c) retention of a native language or other customs; or (d) that it is state-recognized tribe.

The Administration had informally indicated certain objections to the criteria of H.R. 1154 as introduced. Principally, the Administration viewed H.R. 1154 as a dramatic departure from the criteria in the acknowledgment regulations which, if enacted, would disservice the goal of consistency in policy in this area. Thus, Congressman FALEOMAVAEGA invited representatives of the Department of the Interior to discuss how the goal of reform could be accomplished without a complete break from the regulations. As a result of this discussion, two sets of changes were made to the H.R. 1154 criteria at mark up.

The first set of changes relate to the structure of the criteria. The acknowledgment regulations contain seven mandatory criteria, while H.R. 1154 contained fewer mandatory criteria and allowed petitioners options for proof as to some criteria. In the interest of maintaining consistency, the substitute bill adopts the structure of the regulations—it requires that tribes prove the same mandatory criteria that the present acknowledgment regulations require. However, the substitute bill uses 1934 as the starting point in time for the mandatory criteria just as did the original bill.

The second set of changes relate to the terms of the mandatory criteria. Since the goals of reform are to shorten the review process, make the process more open, and make the outcome of the process more predictable, it was necessary to tighten the criteria themselves and eliminate the need for subjective determinations. To that end, the criteria are redefined as follows in the substitute bill:

1. Indian identity—defined substantially the same as in the acknowledgment regulations, with the exception that absence of evidence of Indian identity resulting from official acts or policy of the Federal or relevant state government shall not be the basis for declining acknowledgment.

2. A distinct community—defined substantially the same as in the acknowledgment regulations. This criterion did not appear in H.R. 1154 as introduced, but was added in the substitute so that the criteria track those of the acknowledgment regulations. Experience with this criterion under the regulations, though, shows that it requires subjective determinations by staff, with results that appear inconsistent from one petitioner to the next. The substitute bill deals with this problem by adding quantifiable indicia that shall be deemed conclusive proof of community, such as measurable geographic proximity and in-marriage rates. In addition, community can be demonstrated in the substitute bill by certain forms of proof of political influence, just as under the acknowledgment regulations. As a result, in some cases criteria 2 and 3 will merge into one.

3. Political influence—defined substantially the same as in the acknowledgment regulations. As with community, though, this criterion requires subjective determinations by staff. Again, the substitute bill deals with this problem by adding objective indicia that shall be deemed conclusive proof of community, such as a continuous line of leaders recognized by a state government.

4. A copy of the group's governing document—defined substantially the same as in the acknowledgement regulations.

5. Descent from historic tribe(s)—defined substantially the same as in the acknowledgment regulations. This criterion has been troublesome in application since it essentially requires a petitioner to demonstrate tribal existence from the time of first sustained white contact, even though the other criteria expressly require proof of each since 1900 only. The substitute bill deals with this problem by establishing a presumption of continuous existence that arises from proof of descent from an Indian entity since 1934. In addition, the substitute bill lists types of evidence that are acceptable for proof of descent, evidence that includes first hand professional research or reports about the group in addition to genealogical records.

6. Petitioner's members are not members of other tribes—defined substantially the same as in the acknowledgment regulations.

7. Proof that the tribe has not been terminated by Congress—appears as the seventh mandatory criterion in the acknowledgment regulations. This requirement does not appear as a mandatory criterion in the substitute bill. However, section 5(a)(3) of the substitute bill expressly excludes terminated tribes from the act.

The net affect of changes made to the criteria in the substitute bill are twofold. First, it utilizes the basic framework of the acknowledgment regulations by requiring that petitioners demonstrate the same mandatory criteria. This provides for some consistency in policy with the last twenty years' administration under the acknowledgment regulations. Second, it limits the time period for which petitioners must demonstrate the criteria and minimizes the need for subjective evaluation of data by staff. This provides for a speedier process and one that produces consistent results from one petitioner to the other. Finally, the substitute includes new provisions that more accurately reflect the historic experience of non-federally recognized tribes and insure that tribes will not pay the cost for federal and state efforts to suppress or outlaw tribalism at various times in history.

Mr. Speaker, I am proud and actually, somewhat relieved that we have finally gotten back to the point we were two Congresses ago, passing recognition legislation out of the House. I hope that the Senate will take prompt action on this bill and send this to the President this year. I believe that this is a historic opportunity to right some of the wrongs visited upon the nearly two-hundred tribes that still seek recognition. By making the process by which the Executive Branch acknowledges their existence fairer and clearer, we will ensure that this country resumes the government-to-government relationship and trust responsibility owed many of these tribes.

Mr. MCINTYRE. I rise today in strong support of HR 1154—the Indian Federal Recognition Administrative Procedures Act of 1997. I would like to thank Congressman ENI FALEOMAVAEGA for his hard work and support of this measure, as well as the Chairman of the Resources Committee, Congressman DON YOUNG. Both of these men have been very helpful and encouraging to me as I have sought in moving this important piece of legislation.

Mr. Speaker, I have the privilege of representing in Congress approximately 40,000 Native Americans known as the Lumbees—the largest tribe east of the Mississippi River! The Lumbee people are important to the success of everyday life in my home country of North Carolina—Robeson County. Their contributions to our society are numerous and endless—from medicine and law to business and banking, from the farms and factories to the schools and the churches, from the government, military, and community service to entertainment and athletic accomplishments, the Lumbees have made tremendous contributions to our county, state, and nation. For 100 years, these Native Americans have sought recognition. However , the Lumbee Tribe is the largest non-federally recognized tribe in the nation. Throughout the 20th Century, the tribe has renewed its appeal for federal recognition. Twice, the U.S. House of Representatives has passed a free standing bill for Lumbee recognition only to have it die in the Senate. This is about fundamental fairness; it is about stopping discrimination. It's time for discrimination to end and recognition to begin!

Mr. Speaker, shortly after my taking office in January, 1997, I met with local Native American leaders in my district, and we concluded that the congressional and federal procedures currently in place have not been working, and a new approach is needed to give the Lumbee people their much deserved Federal recognition. And this would help not only the Lumbee, but potentially other tribes as well. That approach is HR 1154.

Mr. Speaker, HR 1154 streamlines and takes the politics out of the federal recognition process. By establishing an independent commission with strict time lines to evaluate and approve Native American applications, all non-federally recognized tribes will have a fair shot at receiving federal recognition.

Mr. Speaker, again let me thank Congressman FALEOMAVAEGA and Chairman YOUNG for their effort on this bill. I look forward to working with them and our colleagues in the Senate to enact this important piece of legislation without further delay.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1154, as amended.

Mr. WOLF. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GUAM ORGANIC ACT AMENDMENTS OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2370) to amend the Organic Act of Guam for the purposes of clarifying the local judicial structure and the office of Attorney General, as amended.

The Clerk read as follows:

H.R. 2370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Guam Organic Act Amendments of 1998".

SEC. 2. ATTORNEY GENERAL OF GUAM.

Section 29 of the Organic Act of Guam (48 U.S.C. 1421g) is amended by adding at the end the following new subsection:

"(d)(1) The Attorney General of Guam shall be the Chief Legal Officer of the Government of Guam. At such time as the Office of the Attorney General of Guam shall next become vacant, the Attorney General of Guam shall be appointed by the Governor of Guam with the advice and consent of the legislature, and shall serve at the pleasure of the Governor of Guam.

"(2) Instead of an appointed Attorney General, the legislature may, by law, provide for the election of the Attorney General of Guam by the qualified voters of Guam in general elections after 1998 in which the Governor of Guam is elected. The term of an elected Attorney General shall be 4 years. The Attorney General may be removed by the people of Guam according to the procedures specified in section 9–A of this Act or may be removed for cause in accordance with procedures established by the legislature in law. A vacancy in the office of an elected Attorney General shall be filled—

"(A) by appointment by the Governor of Guam if such vacancy occurs less than 6 months before a general election for the Office of Attorney General of Guam; or

"(B) by a special election held no sooner than 3 months after such vacancy occurs and no later than 6 months before a general election for Attorney General of Guam, and by appointment by

the Governor of Guam pending a special election under this subparagraph.''.

SEC. 3. LEGISLATIVE QUORUM.

Section 12 of the Organic Act of Guam (48 U.S.C. 1423b) is amended by striking ''eleven'' and inserting ''a simple majority''.

SEC. 4. CLARIFICATION OF LEGISLATIVE POWER.

The first sentence of section 11 of the Organic Act of Guam (48 U.S.C. 1423a) is amended—

(1) by inserting ''rightful'' before ''subjects''; and

(2) by striking ''legislation of local application'' and inserting ''legislation''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from Guam (Mr. UNDERWOOD) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to support H.R. 2370.

I want to compliment the gentleman from Guam (Mr. UNDERWOOD). This bill is the amendment to the Organic Act of 1998, which authorizes increased self-government for the U.S. citizens of the American territory of Guam. These changes have been the subject of hearings conducted by the Committee on Resources.

A consensus of support of the proposed changes to Guam's Organic Act emerged from testimony by various people from Guam. Furthermore, the Guam legislature petitioned Congress for the changes now before the House. One provision would amend Guam's Organic Act to allow local law to provide for the election rather than the appointment of Guam's Attorney General. Another provision permits the quorum size requirement of the legislature be changed from the specific number of 11 out of 21 to a simple majority.

While the proposed changes to the Guam local government are justified and appropriate, these kinds of changes can and should be done by Guam by the development and adoption of a local constitution. Congress authorized a formulation of a local constitutional government by Guam in Public Laws 94–584 and 96–597 in 1976 and 1980 respectively.

The U.S. citizens of Guam can absolutely be certain that with the adoption of a local constitution, they will retain an inherent right to seek substantial changes in their political status.

However, until Guam enacts a local Constitution, any changes to the basic laws governing Guam can only be done by Congress. Thus, the need for this House to provide authority for specific amendments to the Guam Organic Act to enhance the government of Guam. This is a good piece of legislation. I urge the passage of the legislation.

When Congress acted years ago to permit Guam to change the size of its legislature, the quorum requirement was inadvertently not changed as well. That oversight is corrected with the necessary conforming amendment in the bill. These changes including the technical clarification of local legislative power all received bipartisan support in the congressional hearings.

Before H.R. 2370 was approved by the Committee on Resources, the committee of jurisdiction, the legislation contained a section regarding "Judicial Authority; Supreme Court of Guam." That proposed provision would have overridden the local Guam Public Law 24–139, enacted February 22, 1998. Guam's local law is clear decisive legislation, reflecting the desire of Guam's legislators for a specific type of administrative organization for the Judicial Branch of Guam which they believed would be best for the Guam community. While there were individuals who supported the judicial change proposed in H.R. 2370, which was also suggested to be consistent with results of an unscientific survey of public opinion regarding the judiciary on Guam, such a fundamental change to Guam's local self-governance should be done with the support of the Government of Guam; or, in a locally developed Constitution, not by a unilateral change in the Federal statute.

Congress has considered changes affecting local self-government in the territories primarily based on a consensus by the people and their leaders. That consensus has been usually reflected in resolutions by the local legislature. During the past couple of years, the Government of Guam has informed Congress a number of times of requested changes to the Guam Organic Act or federal law. The provisions in H.R. 2370 as approved and reported by the Committee on Resources for full consideration by the full House have the general support of the leaders of Guam.

Rather than continuing to petition Congress to make changes to the Organic Act regarding functions and powers of the executive, legislative, and judicial branches of the Government of Guam, a constitution can be adopted to address those areas. Furthermore, any future changes to the local constitutional government would be through the local amendment process for the constitution, as exists today for Puerto Rico and the Northern Mariana Islands. The federal courts and if necessary, the Congress remain the safeguards to insure that the local constitutional government as amended is consistent with the federal Constitution and the intent of Congress.

The Guam Legislature passed Resolution No. 85 on September 15, 1997, asking the U.S. 105th Congress to amend the federal law authorizing constitutional government for Guam. Congress is asked to explicitly state that the adoption of a constitution would not preclude or prejudice the right of self-determination by the people of Guam.

Indeed, Congressional assurance is important so that the people of Guam know that the adoption of a constitution by Guam as authorized in federal law would not preclude their further right to self-determination. Guam would in fact enjoy a major degree of increased local self-government with constitutional government, which could be as the "Commonwealth of Guam" if that is what the people of Guam choose to call their finally-implemented constitution. The U.S. citizens of Guam can be absolutely certain that with the adoption of a local constitution they will retain an inherent right to seek a subsequent change in their political status.

The right of continued self-determination after the adoption of a constitution in a U.S. territory is validated by the fact that the adoption of a local constitution in 1952 by the U.S. citizens of Puerto Rico, as similarly preauthorized by Congress, has not precluded or prejudiced the people's further right of self-determination. Also relevant to Guam is the adoption by the Puerto Rico Constitutional Convention of Resolution 22 which called the new constitutional government structure, the "Commonwealth of Puerto Rico". Now, over four decades later, Puerto Rico's territorial legislature has asked the 105th Congress to define a process for further self-determination. Both the U.S. House and the Senate have passed measures this year explicitly supporting Puerto Rico's right to self-determination and a change of the Commonwealth of Puerto Rico to full self-government status when desired by a majority of the people of Puerto Rico. Clearly the adoption of a local constitution has not precluded the further exercise by the people of Puerto Rico of the right of self-determination and the adoption of a Guam constitution would not limit a future change in Guam's status.

Out of respect to the Guam Legislature who petitioned the 105th Congress for clarification on this matter on behalf of the people of Guam, the entire text of Guam Resolution No. 85 follows. However, until Guam enacts a local constitution, any change to the basic laws governing Guam can only be done by Congress, and thus the need for this House to provide authority for specific amendments to the Guam Organic Act to enhance self-government for Guam.

GUAM LEGISLATURE RESOLUTION NO. 85:

Relative to requesting the 105th Congress to amend the Organic Act by adding a new Section 6, to confirm that the adoption of a Constitution establishing local government shall not preclude or prejudice the further exercise in the future by the people of Guam of the right of self-determination regarding the ultimate political status of Guam.

Be It Resolved by the Legislature of the Territory of Guam:

Whereas, in 1976 the United States Congress enabled the people of Guam, pursuant to P.L. No. 95–584, to organize a government under a constitution of our own adoption, which upon approval by Congress and the people of Guam, would provide for local government over the internal affairs of our Island; and

Whereas, when the current government of Guam structure for territorial government was established under the 1950 Organic Act, it was welcomed by the people of Guam as progress toward greater local government, but it was instituted without the consent of the people of Guam through a democratic act of self-determination or participation in the Federal lawmaking process on the basis of equal citizenship or equal representation; and

Whereas, the 1977 Constitution of Guam, drafted pursuant to Federal and local statutes, was approved by Congress but was not approved by the people of Guam in the 1979 referendum; and

Whereas, the process of establishment of internal local government under a local constitution was suspended after linkage was created between the draft constitution and the political status process; and

Whereas, in light of representation and speculations inconsistent with the foregoing from 1979 to the present, it is essential for Congress to confirm its original and continued intention and expectation that authorization and approval of local constitutional government in Guam would not preclude or be prejudicial to the exercise of the right to self-determination, as part of the process through which ultimate political status of the territory of Guam is to be determined: Now therefore, be it

Resolved, by the Guam Legislature, on behalf of the people of Guam, request the One Hundred and Fifth Congress of the United States to amend Public Law No. 94-585, Oct. 21, 1976, 90 Stat. 2899, as amended by Public Law No. 96-597, Title V, Sec. 501, Dec. 24, 1980, 94 Stat. 3479, by adding a new Section 6 to read as follows:

"Section 6. Establishment of local constitutional local government pursuant to this Act shall not preclude or prejudice the further exercise in the future by the people of Guam or the Virgin Islands of the right of self-determination regarding the ultimate political status of either territory; and be it further

Resolved, that the Speaker certifies to, and the Legislative Secretary attests, the adoption hereof and that copies thereafter be transmitted to the President of the United States of America; to the President Pro Tempore, United States Senate; to the Majority Leader, United States Senate; to the Minority Leader, United States Senate; to the Chairman of the Committee on Energy and Natural Resources, United States Senate; to the Speaker, U.S. House of Representatives; to the Majority Leader, U.S. House of Representatives; to the Minority Leader, U.S. House of Representatives; to the Chairman of the Committee on Resources, U.S. House of Representatives; to the Resident Commissioner of Puerto Rico, U.S. House of Representatives; to the Virgin Islands Delegate to Washington, U.S. House of Representatives; to the Guam Delegate to Washington, U.S. House of Representatives; to the President of the Mayor's Council; and to the Honorable Carl T.C. Gutierrez, Governor of Guam.

Duly and Regularly Adopted on the 25th Day of September, 1997.

ANTHONY C. BLAZ.
JOANIE M.S. BROWN.

Mr. Speaker, I reserve the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the chairman of the Committee on Resources, the gentleman from Alaska (Mr. YOUNG) for allowing me the opportunity to move this legislation to the floor. I want to thank him for allowing the people of Guam to clarify and make amendments to the Organic Act of Guam, the governing document signed in the 1950s, which acts as a framework for Guam's system of local government. This is not the first time that Guam's Organic Act has been amended to reflect the needs of the island, nor will it be the last.

Mr. Speaker, H.R. 2370, the Guam Organic Act Amendments, is important and timely legislation for Guam. In a 1994 referendum, the voters decided to reduce the size of Guam's legislature from a 21 member body to 15 members. This law takes effect this year in Guam's general election. Since Guam's Organic Act stipulates that a quorum of the Guam legislature shall consist of 11 members, it is impossible that the function of the new 15-member body will go on unimpeded. Clarifying the Organic Act to read that a quorum shall consist of a simple majority will prevent any confusion.

Another provision of this legislation will clarify and bring equity to the powers of the Guam legislature. It has been said that compared to the other territories, Guam's lawmaking body has even less authority than other territories. This is because in defining the powers of the legislature in Guam's Organic Act, authority was extended over subjects of legislation. Congress amended the Virgin Islands Organic Act to read that they have control over rightful subjects of legislation. H.R. 2370 will give Guam parity with the Virgin Islands and provide a greater measure of self government.

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Lastly, H.R. 2370 allows Guam to establish an elected Attorney General. This provision was included in the legislation in response to a survey polling what changes should be made to Guam's Organic Act. For this particular issue, the majority of respondents agreed that the Guam Legislature should have the authority to decide whether an elected Attorney General would better serve our island or remain with the status quo of an appointment by the Governor.

Mr. Speaker, amending Guam's Organic Act is work that is taken very seriously on our island. It is not something that we do without a great deal of thought; we do it always as a deliberate measure to enact a greater measure of self-government on our island. When I proposed this legislation, it was because my constituents indicated that our local government needed to function a little better while we work to solve our final political status.

Unfortunately, one provision of the original legislation which would clarify and make certain the independence of the judicial branch of Guam's government was not included. This issue is still very much with us, and I am hopeful that once the path is made clearer, that the Congress would consider amending Guam's Organic Act to ensure that a coequal branch of the judiciary exists on Guam.

Mr. Speaker, I thank the gentleman from Alaska (Mr. YOUNG) and the gentleman from California (Mr. MILLER) for bringing H.R. 2370 to the floor today. I would also like to acknowledge Chairman YOUNG's strong support as well as his candor as it relates to the removal of some of the original provisions of H.R. 2370. I would also like to thank all the staff that helped bring this about.

Mr. Speaker, H.R. 2370 is good legislation which provides Guam with a greater measure of self-government, and I hope that my colleagues pass H.R. 2370.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again, I want to compliment the gentleman from Guam (Mr. UNDERWOOD) in working with him on this issue, and we will continue to revisit this issue as time goes by. We hope someday that we would like to see the commonwealth, or whatever Guam wants to be, become what they want to be. And with the people in Guam and the efforts they have had in the past and the future, I am sure that will occur.

Mr. Speaker, I have no further requests for speakers, and I yield back the balance of my time.

Mr. UNDERWOOD. Mr. Speaker, I yield 3 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, I would like to offer my commendation to the gentleman from Alaska (Mr. YOUNG), the chairman of the Committee on Resources, for his support and bipartisanship in supporting this legislation.

Mr. Speaker, I rise in support of this bill to give the local government of Guam certain additional authority to amend its laws. The Organic Act of Guam was enacted in 1950, and it is on this law that the current executive, legislative, and judicial branches of the territorial government are based.

Although Guam has the authority to adopt a Constitution, it has not done so, and as a result no changes to the current structure of its government can be made without the approval of Congress. The bill before us today authorizes the local legislature to provide for an elected Attorney General, changes the requirement for a quorum in the legislature from 11 legislators to a simple majority, and extends Guam's legislative authority to include all those normally considered to be within the jurisdiction of a governing authority.

Mr. Speaker, coming from another of the insular areas, I understand the difficulty of getting Congress to address technical corrections of this nature. While the law proposed to be changed in this bill will have no impact on the vast majority of citizens of our Nation, it will have a definite impact on the residents of Guam by making their government more responsive to the people being governed.

This legislation is consistent with the efforts of this body to give more authority to local governments and certainly has my strongest support. I urge my colleagues to support this legislation.

Ms. CHRISTIAN-GREEN. I thank my colleague for yielding to me.

I rise today in strong support of H.R. 2370, the Guam Organic Act Amendments of 1998 and to congratulate and commend my friend and colleague, the Gentleman from Guam, BOB UNDERWOOD for his hard work and determination in getting this bill to the floor of the House today.

I want to take this opportunity to thank my colleague from Guam for all the help he has given me as a new member and fellow Insular Area Delegate to Congress, over these past two years. I have enjoyed very much serving with BOB UNDERWOOD, who has always been available to me for advice and counsel on many of the issues which are unique to our Congressional districts.

The people of Guam are truly well served by having Congressman UNDERWOOD as their representative in Congress.

My colleagues, H.R. 2370 would amend the Organic Act of Guam to authorize the Government of Guam to establish an Office of the Attorney General of Guam and for such Attorney General to be elected by the qualified voters of Guam after 1998. The Guam Attorney General is currently appointed by the Governor, however, controversies have arisen in the past because of the appointment nature of this position.

There have been questions of political interference with investigations, inefficiency of case work and, in one case, the dismissal of the Attorney General without cause. It is clear, from a recently conducted survey of the people of Guam, that they overwhelming support the election of their Attorney General.

Similar to a bill which I have introduced and which is awaiting scheduling on the Floor, H.R. 2370 would also, clarify that the composition of a quorum of the Legislature of Guam would be a simple majority rather than a specified number as required by current law.

Finally, H.R. 2370 would amend the language in the Guam Organic Act to provide for the clarification of the legislative powers of the Guam Legislature. This would provide Guam with a greater measure of self-government equal to, ironically my own district, the U.S. Virgin Islands.

My colleagues it is important that we pass H.R. 2370 immediately and for the Senate to do the same, because it is needed to address the problem of what constitutes a quorum of the Legislature of Guam. The people of Guam have reduced the size of their local Legislature from 21 to 15 but current federal law still mandates a quorum of 11 members.

I commend my colleague from Guam for his hard work in seeking to address this problem in advance of the 1998 Legislative elections. I urge my colleagues to vote.

Mr. UNDERWOOD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2370, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to amend the Organic Act of Guam to clarify local executive and legislative provisions in such Act, and for other purposes.".

A motion to reconsider was laid on the table.

TRIBAL SELF-GOVERNANCE AMENDMENTS OF 1998

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1833) to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tribal Self-Governance Amendments of 1998".

SEC. 2. FINDINGS.

Congress finds that—

(1) the tribal right of self-government flows from the inherent sovereignty of Indian tribes and nations;

(2) the United States recognizes a special government-to-government relationship with Indian tribes, including the right of the Indian tribes to self-governance, as reflected in the Constitution, treaties, Federal statutes, and the course of dealings of the United States with Indian tribes;

(3) although progress has been made, the Federal bureaucracy, with its centralized rules and regulations, has eroded tribal self-governance and dominates tribal affairs;

(4) the Tribal Self-Governance Demonstration Project, established under title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) was designed to improve and perpetuate the government-to-government relationship between Indian tribes and the United States and to strengthen tribal control over Federal funding and program management;

(5) although the Federal Government has made considerable strides in improving Indian health care, it has failed to fully meet its trust responsibilities and to satisfy its obligations to the Indian tribes under treaties and other laws; and

(6) Congress has reviewed the results of the Tribal Self-Governance Demonstration Project and finds that transferring full control and funding to tribal governments, upon tribal request, over decision making for Federal programs, services, functions, and activities (or portions thereof)—

(A) is an appropriate and effective means of implementing the Federal policy of government-to-government relations with Indian tribes; and

(B) strengthens the Federal policy of Indian self-determination.

SEC. 3. DECLARATION OF POLICY.

It is the policy of Congress to—

(1) permanently establish and implement tribal self-governance within the Department of Health and Human Services;

(2) call for full cooperation from the Department of Health and Human Services and its constituent agencies in the implementation of tribal self-governance—

(A) to enable the United States to maintain and improve its unique and continuing relationship with, and responsibility to, Indian tribes;

(B) to permit each Indian tribe to choose the extent of its participation in self-governance in accordance with the provisions of the Indian Self-Determination and Education Assistance Act relating to the provision of Federal services to Indian tribes;

(C) to ensure the continuation of the trust responsibility of the United States to Indian tribes and Indian individuals;

(D) to affirm and enable the United States to fulfill its obligations to the Indian tribes under treaties and other laws;

(E) to strengthen the government-to-government relationship between the United States and Indian tribes through direct and meaningful consultation with all tribes;

(F) to permit an orderly transition from Federal domination of programs and services to provide Indian tribes with meaningful authority, control, funding, and discretion to plan, conduct, redesign, and administer programs, services, functions, and activities (or portions thereof) that meet the needs of the individual tribal communities;

(G) to provide for a measurable parallel reduction in the Federal bureaucracy as programs, services, functions, and activities (or portions thereof) are assumed by Indian tribes;

(H) to encourage the Secretary to identify all programs, services, functions, and activities (or portions thereof) of the Department of Health and Human Services that may be managed by an Indian tribe under this Act and to assist Indian tribes in assuming responsibility for such programs, services, functions, and activities (or portions thereof); and

(I) to provide Indian tribes with the earliest opportunity to administer programs, services, functions, and activities (or portions thereof) from throughout the Department of Health and Human Services.

SEC. 4. TRIBAL SELF-GOVERNANCE.

The Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) is amended by adding at the end the following new titles:

"TITLE V—TRIBAL SELF-GOVERNANCE

"SEC. 501. ESTABLISHMENT.

"The Secretary of Health and Human Services shall establish and carry out a program within the Indian Health Service of the Department of Health and Human Services to be known as the 'Tribal Self-Governance Program' in accordance with this title.

"SEC. 502. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this title—

"(1) the term 'construction project' means an organized noncontinuous undertaking to complete a specific set of predetermined objectives for the planning, environmental determination, design, construction, repair, improvement, or expansion of buildings or facilities, as described in a construction project agreement. The term 'construction project' does not mean construction program administration and activities described in paragraphs (1) through (3) of section 4(m), which may otherwise be included in a funding agreement under this title;

"(2) the term 'construction project agreement' means a negotiated agreement between the Secretary and an Indian tribe which at a minimum—

"(A) establishes project phase start and completion dates;

"(B) defines a specific scope of work and standards by which it will be accomplished;

"(C) identifies the responsibilities of the Indian tribe and the Secretary;

"(D) addresses environmental considerations;

"(E) identifies the owner and operations/maintenance entity of the proposed work;

"(F) provides a budget;

"(G) provides a payment process; and

"(H) establishes the duration of the agreement based on the time necessary to complete the specified scope of work, which may be 1 or more years;

"(3) the term 'inherent Federal functions' means those Federal functions which cannot legally be delegated to Indian tribes;

"(4) the term 'inter-tribal consortium' means a coalition of two or more separate Indian tribes that join together for the purpose of participating in self-governance, including, but not limited to, a tribal organization;

"(5) the term 'gross mismanagement' means a significant, clear, and convincing violation of compact, funding agreement, or regulatory, or statutory requirements applicable to Federal funds transferred to a tribe by a compact or funding agreement that results in a significant reduction of funds available for the programs, services, functions, or activities (or portions thereof) assumed by an Indian tribe;

"(6) the term 'tribal shares' means an Indian tribe's portion of all funds and resources that support secretarial programs, services, functions, and activities (or portions thereof) that are not required by the Secretary for performance of inherent Federal functions;

"(7) the term 'Secretary' means the Secretary of Health and Human Services; and

"(8) the term 'self-governance' means the program established pursuant to section 501.

"(b) INDIAN TRIBE.—Where an Indian tribe has authorized another Indian tribe, an inter-tribal consortium, or a tribal organization to plan for or carry out programs, services, functions, or activities (or portions thereof) on its behalf under this title, the authorized Indian tribe, inter-tribal consortium, or tribal organization shall have the rights and responsibilities of the authorizing Indian tribe (except as otherwise provided in the authorizing resolution or in this title). In such event, the term 'Indian tribe' as used in this title shall include such other authorized Indian tribe, inter-tribal consortium, or tribal organization.

"SEC. 503. SELECTION OF PARTICIPATING INDIAN TRIBES.

"(a) CONTINUING PARTICIPATION.—Each Indian tribe that is participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title may elect to participate in self-governance under this title under existing authority as reflected in tribal resolutions.

"(b) ADDITIONAL PARTICIPANTS.—

"(1) In addition to those Indian tribes participating in self-governance under subsection (a), each year an additional 50 Indian tribes that meet the eligibility criteria specified in subsection (c) shall be entitled to participate in self-governance.

"(2)(A) An Indian tribe that has withdrawn from participation in an inter-tribal consortium or tribal organization, in whole or in part, shall be entitled to participate in self-governance provided the Indian tribe meets the eligibility criteria specified in subsection (c).

"(B) If an Indian tribe has withdrawn from participation in an inter-tribal consortium or tribal organization, it shall be entitled to its tribal share of funds supporting those programs, services, functions, and activities (or portions thereof) that it will be carrying out under its compact and funding agreement.

"(C) In no event shall the withdrawal of an Indian tribe from an inter-tribal consortium or tribal organization affect the eligibility of the inter-tribal consortium or tribal organization to participate in self-governance.

"(c) APPLICANT POOL.—The qualified applicant pool for self-governance shall consist of each Indian tribe that—

"(1) successfully completes the planning phase described in subsection (d);

"(2) has requested participation in self-governance by resolution or other official action by the governing body (or bodies) of the Indian tribe or tribes to be served; and

"(3) has demonstrated, for the previous 3 fiscal years, financial stability and financial management capability.

Evidence that during such years the Indian tribe had no uncorrected significant and material audit exceptions in the required annual audit of the Indian tribe's self-determination contracts or self-governance funding agreements shall be conclusive evidence of the required stability and capability for the purposes of this subsection.

"(d) PLANNING PHASE.—Each Indian tribe seeking participation in self-governance shall complete a planning phase. The planning phase shall be conducted to the satisfaction of the Indian tribe and shall include—

"(1) legal and budgetary research; and

"(2) internal tribal government planning and organizational preparation relating to the administration of health care programs.

"(e) GRANTS.—Subject to the availability of appropriations, any Indian tribe meeting the requirements of paragraphs (2) and (3) of subsection (c) shall be eligible for grants—

"(1) to plan for participation in self-governance; and

"(2) to negotiate the terms of participation by the Indian tribe or tribal organization in self-governance, as set forth in a compact and a funding agreement.

"(f) RECEIPT OF GRANT NOT REQUIRED.—Receipt of a grant under subsection (e) shall not be a requirement of participation in self-governance.

"SEC. 504. COMPACTS.

"(a) COMPACT REQUIRED.—The Secretary shall negotiate and enter into a written compact with each Indian tribe participating in self-governance in a manner consistent with the Federal Government's trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

"(b) CONTENTS.—Each compact required under subsection (a) shall set forth the general terms of the government-to-government relationship between the Indian tribe and the Secretary, including such terms as the parties intend shall control year after year. Such compacts may only be amended by mutual agreement of the parties.

"(c) EXISTING COMPACTS.—An Indian tribe participating in the Tribal Self-Governance Demonstration Project under title III on the date of enactment of this title shall have the option at any time thereafter to—

"(1) retain its Tribal Self-Governance Demonstration Project compact (in whole or in part) to the extent the provisions of such compact are not directly contrary to any express provision of this title, or

"(2) negotiate in lieu thereof (in whole or in part) a new compact in conformity with this title.

"(d) TERM AND EFFECTIVE DATE.—The effective date of a compact shall be the date of the approval and execution by the Indian tribe or another date agreed upon by the parties, and shall remain in effect for so long as permitted by Federal law or until terminated by mutual written agreement, retrocession, or reassumption.

"SEC. 505. FUNDING AGREEMENTS.

"(a) FUNDING AGREEMENT REQUIRED.—The Secretary shall negotiate and enter into a written funding agreement with each Indian tribe participating in self-governance in a manner consistent with the Federal Government's trust responsibility, treaty obligations, and the government-to-government relationship between Indian tribes and the United States.

"(b) CONTENTS.—Each funding agreement required under subsection (a) shall, as determined by the Indian tribe, authorize the Indian tribe to plan, conduct, consolidate, administer, and receive full tribal share funding, including tribal shares of Indian Health Service competitive grants (excluding congressionally earmarked competitive grants), for all programs, services, functions, and activities (or portions thereof), that are carried out for the benefit of Indians because of their status as Indians without regard to the agency or office of the Indian Health Service within which the program, service, function, or activity (or portion thereof) is performed. Such programs, services, functions, or activities (or portions thereof) include all programs, services, functions, activities (or portions thereof) where Indian tribes or Indians are primary or significant beneficiaries, administered by the Department of Health and Human Services through the Indian Health Service and grants (which may be added to a funding agreement after award of such grants) and all local, field, service unit, area, regional, and central headquarters or national office functions administered under the authority of—

"(1) the Act of November 2, 1921 (25 U.S.C. 13);

"(2) the Act of April 16, 1934 (25 U.S.C. 452 et seq.);

"(3) the Act of August 5, 1954 (68 Stat. 674);

"(4) the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.); or

"(5) the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2401 et seq.).

"(c) INCLUSION IN COMPACT OR FUNDING AGREEMENT.—Indian tribes or Indians need not be identified in the authorizing statute for a program or element of a program to be eligible for inclusion in a compact or funding agreement under this title.

"(d) FUNDING AGREEMENT TERMS.—Each funding agreement shall set forth terms that generally identify the programs, services, functions, and activities (or portions thereof) to be performed or administered, the general budget category assigned, the funds to be provided, including those to be provided on a recurring basis, the time and method of transfer of the funds, the responsibilities of the Secretary, and any other provisions to which the Indian tribe and the Secretary agree.

"(e) SUBSEQUENT FUNDING AGREEMENTS.—Absent notification from an Indian tribe that is withdrawing or retroceding the operation of one or more programs, services, functions, or activities (or portions thereof) identified in a funding agreement, or unless otherwise agreed to by the parties, each funding agreement shall remain in full force and effect until a subsequent funding agreement is executed, and the terms of the subsequent funding agreement shall be retroactive to the end of the term of the preceding funding agreement.

"(f) Existing Funding Agreements.—Each Indian tribe participating in the Tribal Self-Governance Demonstration Project established under title III on the date of enactment of this title shall have the option at any time thereafter to—

"(1) retain its Tribal Self-Governance Demonstration Project funding agreement (in whole or in part) to the extent the provisions of such funding agreement are not directly contrary to any express provision of this title; or

"(2) adopt in lieu thereof (in whole or in part) a new funding agreement in conformity with this title.

"(g) Stable Base Funding.—At the option of an Indian tribe, a funding agreement may provide for a stable base budget specifying the recurring funds (including, for purposes of this provision, funds available under section 106(a) of the Act) to be transferred to such Indian tribe, for such period as may be specified in the funding agreement, subject to annual adjustment only to reflect changes in congressional appropriations by sub-sub activity excluding earmarks.

"SEC. 506. GENERAL PROVISIONS.

"(a) Applicability.—The provisions of this section shall apply to compacts and funding agreements negotiated under this title and an Indian tribe may, at its option, include provisions that reflect such requirements in a compact or funding agreement.

"(b) Conflicts of Interest.—Indian tribes participating in self-governance under this title shall ensure that internal measures are in place to address conflicts of interest in the administration of self-governance programs, services, functions, or activities (or portions thereof).

"(c) Audits.—

"(1) Single agency audit act.—The provisions of chapter 75 of title 31, United States Code, requiring a single agency audit report shall apply to funding agreements under this title.

"(2) Cost principles.—An Indian tribe shall apply cost principles under the applicable Office of Management and Budget Circular, except as modified by section 106 or other provisions of law, or by any exemptions to applicable Office of Management and Budget Circulars subsequently granted by Office of Management and Budget. No other audit or accounting standards shall be required by the Secretary. Any claim by the Federal Government against the Indian tribe relating to funds received under a funding agreement based on any audit under this subsection shall be subject to the provisions of section 106(f).

"(d) Records.—

"(1) In general.—Unless an Indian tribe specifies otherwise in the compact or funding agreement, records of the Indian tribe shall not be considered Federal records for purposes of chapter 5 of title 5, United States Code.

"(2) Recordkeeping system.—The Indian tribe shall maintain a recordkeeping system, and, after 30 days advance notice, provide the Secretary with reasonable access to such records to enable the Department of Health and Human Services to meet its minimum legal recordkeeping system requirements under sections 3101 through 3106 of title 44, United States Code.

"(e) Redesign and Consolidation.—An Indian tribe may redesign or consolidate programs, services, functions, and activities (or portions thereof) included in a funding agreement under section 505 and reallocate or redirect funds for such programs, services, functions, and activities (or portions thereof) in any manner which the Indian tribe deems to be in the best interest of the health and welfare of the Indian community being served, only if the redesign or consolidation does not have the effect of denying eligibility for services to population groups otherwise eligible to be served under Federal law.

"(f) Retrocession.—An Indian tribe may retrocede, fully or partially, to the Secretary programs, services, functions, or activities (or portions thereof) included in the compact or funding agreement. Unless the Indian tribe rescinds the request for retrocession, such retrocession will become effective within the time frame specified by the parties in the compact or funding agreement. In the absence of such a specification, such retrocession shall become effective on—

"(1) the earlier of—

"(A) one year from the date of submission of such request; or

"(B) the date on which the funding agreement expires; or

"(2) such date as may be mutually agreed by the Secretary and the Indian tribe.

"(g) Withdrawal.—

"(1) Process.—An Indian tribe may fully or partially withdraw from a participating inter-tribal consortium or tribal organization its share of any program, function, service, or activity (or portions thereof) included in a compact or funding agreement. Such withdrawal shall become effective within the time frame specified in the resolution which authorizes transfer to the participating tribal organization or inter-tribal consortium. In the absence of a specific time frame set forth in the resolution, such withdrawal shall become effective on—

"(A) the earlier of—

"(i) one year from the date of submission of such request; or

"(ii) the date on which the funding agreement expires; or

"(B) such date as may be mutually agreed upon by the Secretary, the withdrawing Indian tribe, and the participating tribal organization or inter-tribal consortium that has signed the compact or funding agreement on behalf of the withdrawing Indian tribe, inter-tribal consortium, or tribal organization.

"(2) Distribution of funds.—When an Indian tribe or tribal organization eligible to enter into a self-determination contract under title I or a compact or funding agreement under this title fully or partially withdraws from a participating inter-tribal consortium or tribal organization, the withdrawing Indian tribe or tribal organization shall be entitled to its tribal share of funds supporting those programs, services, functions, or activities (or portions thereof) which it will be carrying out under its own self-determination contract or compact and funding agreement (calculated on the same basis as the funds were initially allocated in the funding agreement of the inter-tribal consortium or tribal organization), and such funds shall be transferred from the funding agreement of the inter-tribal consortium or tribal organization, provided that the provisions of sections 102 and 105(i), as appropriate, shall apply to such withdrawing Indian tribe.

"(3) Regaining mature contract status.—If an Indian tribe elects to operate all or some programs, services, functions, or activities (or portions thereof) carried out under a compact or funding agreement under this title through a self-determination contract under title I, at the option of the Indian tribe, the resulting self-determination contract shall be a mature self-determination contract.

"(h) Nonduplication.—For the period for which, and to the extent to which, funding is provided under this title or under the compact or funding agreement, the Indian tribe shall not be entitled to contract with the Secretary for such funds under section 102, except that such Indian tribe shall be eligible for new programs on the same basis as other Indian tribes.

"SEC. 507. PROVISIONS RELATING TO THE SECRETARY.

"(a) Mandatory Provisions.—

"(1) Health status reports.—Compacts or funding agreements negotiated between the Secretary and an Indian tribe shall include a provision that requires the Indian tribe to report on health status and service delivery—

"(A) to the extent such data is not otherwise available to the Secretary and specific funds for this purpose are provided by the Secretary under the funding agreement; and

"(B) if such reporting shall impose minimal burdens on the participating Indian tribe and such requirements are promulgated under section 517.

"(2) Reassumption—(A) Compacts and funding agreements negotiated between the Secretary and an Indian tribe shall include a provision authorizing the Secretary to reassume operation of a program, service, function, or activity (or portions thereof) and associated funding if there is a specific finding relative to that program, service, function, or activity (or portion thereof) of—

"(i) imminent endangerment of the public health caused by an act or omission of the Indian tribe, and the imminent endangerment arises out of a failure to carry out the compact or funding agreement; or

"(ii) gross mismanagement with respect to funds transferred to a tribe by a compact or funding agreement, as determined by the Secretary in consultation with the Inspector General, as appropriate.

"(B) The Secretary shall not reassume operation of a program, service, function, or activity (or portions thereof) unless (i) the Secretary has first provided written notice and a hearing on the record to the Indian tribe; and (ii) the Indian tribe has not taken corrective action to remedy the imminent endangerment to public health or gross mismanagement.

"(C) Notwithstanding subparagraph (B), the Secretary may, upon written notification to the tribe, immediately reassume operation of a program, service, function, or activity (or portion thereof) and associated funding if (i) the Secretary makes a finding of imminent substantial and irreparable endangerment of the public health caused by an act or omission of the Indian tribe; and (ii) the endangerment arises out of a failure to carry out the compact or funding agreement. If the Secretary reassumes operation of a program, service, function, or activity (or portion thereof) under this subparagraph, the Secretary shall provide the tribe with a hearing on the record not later than 10 days after such reassumption.

"(D) In any hearing or appeal involving a decision to reassume operation of a program, service, function, or activity (or portion thereof), the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence the validity of the grounds for the reassumption.

"(b) Final Offer.—In the event the Secretary and a participating Indian tribe are unable to agree, in whole or in part, on the terms of a compact or funding agreement (including funding levels), the Indian tribe may submit a final offer to the Secretary. Not more than 45 days after such submission, or within a longer time agreed upon by the Indian tribe, the Secretary shall review and make a determination with respect to such offer. In the absence of a timely rejection of the offer, in whole or in part, made in compliance with subsection (c), the offer shall be deemed agreed to by the Secretary.

"(c) REJECTION OF FINAL OFFERS.—If the Secretary rejects an offer made under subsection (b) (or one or more provisions or funding levels in such offer), the Secretary shall provide—

"(1) a timely written notification to the Indian tribe that contains a specific finding that clearly demonstrates, or that is supported by a controlling legal authority, that—

"(A) the amount of funds proposed in the final offer exceeds the applicable funding level to which the Indian tribe is entitled under this title;

"(B) the program, function, service, or activity (or portion thereof) that is the subject of the final offer is an inherent Federal function that cannot legally be delegated to an Indian tribe;

"(C) the Indian tribe cannot carry out the program, function, service, or activity (or portion thereof) in a manner that would not result in significant danger or risk to the public health; or

"(D) the tribe is not eligible to participate in self-governance under section 503;

"(2) technical assistance to overcome the objections stated in the notification required by paragraph (1);

"(3) the Indian tribe with a hearing on the record with the right to engage in full discovery relevant to any issue raised in the matter and the opportunity for appeal on the objections raised, provided that the Indian tribe may, in lieu of filing such appeal, directly proceed to initiate an action in a Federal district court pursuant to section 110(a); and

"(4) the Indian tribe with the option of entering into the severable portions of a final proposed compact or funding agreement, or provision thereof, (including lesser funding amount, if any), that the Secretary did not reject, subject to any additional alterations necessary to conform the compact or funding agreement to the severed provisions. If an Indian tribe exercises the option specified herein, it shall retain the right to appeal the Secretary's rejection under this section, and paragraphs (1), (2), and (3) shall only apply to that portion of the proposed final compact, funding agreement or provision thereof that was rejected by the Secretary.

"(d) BURDEN OF PROOF.—With respect to any hearing or appeal or civil action conducted pursuant to this section, the Secretary shall have the burden of demonstrating by clear and convincing evidence the validity of the grounds for rejecting the offer (or a provision thereof) made under subsection (b).

"(e) GOOD FAITH.—In the negotiation of compacts and funding agreements the Secretary shall at all times negotiate in good faith to maximize implementation of the self-governance policy. The Secretary shall carry out this title in a manner that maximizes the policy of tribal self-governance, consistent with section 3.

"(f) SAVINGS.—To the extent that programs, functions, services, or activities (or portions thereof) carried out by Indian tribes under this title reduce the administrative or other responsibilities of the Secretary with respect to the operation of Indian programs and result in savings that have not otherwise been included in the amount of tribal shares and other funds determined under section 508(c), the Secretary shall make such savings available to the Indian tribes, inter-tribal consortia, or tribal organizations for the provision of additional services to program beneficiaries in a manner equitable to directly served, contracted, and compacted programs.

"(g) TRUST RESPONSIBILITY.—The Secretary is prohibited from waiving, modifying, or diminishing in any way the trust responsibility of the United States with respect to Indian tribes and individual Indians that exists under treaties, Executive orders, other laws, or court decisions.

"(h) DECISIONMAKER.—A decision that constitutes final agency action and relates to an appeal within the Department of Health and Human Services conducted under subsection (c) shall be made either—

"(1) by an official of the Department who holds a position at a higher organizational level within the Department than the level of the departmental agency in which the decision that is the subject of the appeal was made; or

"(2) by an administrative judge.

"SEC. 508. TRANSFER OF FUNDS.

"(a) IN GENERAL.—Pursuant to the terms of any compact or funding agreement entered into under this title, the Secretary shall transfer to the Indian tribe all funds provided for in the funding agreement, pursuant to subsection (c), and provide funding for periods covered by joint resolution adopted by Congress making continuing appropriations, to the extent permitted by such resolutions. In any instance where a funding agreement requires an annual transfer of funding to be made at the beginning of a fiscal year, or requires semiannual or other periodic transfers of funding to be made commencing at the beginning of a fiscal year, the first such transfer shall be made not later than 10 days after the apportionment of such funds by the Office of Management and Budget to the Department, unless the funding agreement provides otherwise.

"(b) MULTIYEAR FUNDING.—The Secretary is hereby authorized to employ, upon tribal request, multiyear funding agreements, and references in this title to funding agreements shall include such multiyear agreements.

"(c) AMOUNT OF FUNDING.—The Secretary shall provide funds under a funding agreement under this title in an amount equal to the amount that the Indian tribe would have been entitled to receive under self-determination contracts under this Act, including amounts for direct program costs specified under section 106(a)(1) and amounts for contract support costs specified under sections 106(a)(2), (a)(3), (a)(5), and (a)(6), including any funds that are specifically or functionally related to the provision by the Secretary of services and benefits to the Indian tribe or its members, all without regard to the organizational level within the Department where such functions are carried out.

"(d) PROHIBITIONS.—The Secretary is expressly prohibited from—

"(1) failing or refusing to transfer to an Indian tribe its full share of any central, headquarters, regional, area, or service unit office or other funds due under this Act, except as required by Federal law;

"(2) withholding portions of such funds for transfer over a period of years; and

"(3) reducing the amount of funds required herein—

"(A) to make funding available for self-governance monitoring or administration by the Secretary;

"(B) in subsequent years, except pursuant to—

"(i) a reduction in appropriations from the previous fiscal year for the program or function to be included in a compact or funding agreement;

"(ii) a congressional directive in legislation or accompanying report;

"(iii) a tribal authorization;

"(iv) a change in the amount of pass-through funds subject to the terms of the funding agreement; or

"(v) completion of a project, activity, or program for which such funds were provided;

"(C) to pay for Federal functions, including Federal pay costs, Federal employee retirement benefits, automated data processing, technical assistance, and monitoring of activities under this Act; or

"(D) to pay for costs of Federal personnel displaced by self-determination contracts under this Act or self-governance;

except that such funds may be increased by the Secretary if necessary to carry out this Act or as provided in section 105(c)(2).

"(e) OTHER RESOURCES.—In the event an Indian tribe elects to carry out a compact or funding agreement with the use of Federal personnel, Federal supplies (including supplies available from Federal warehouse facilities), Federal supply sources (including lodging, airline transportation, and other means of transportation including the use of interagency motor pool vehicles) or other Federal resources (including supplies, services, and resources available to the Secretary under any procurement contracts in which the Department is eligible to participate), the Secretary is authorized to transfer such personnel, supplies, or resources to the Indian tribe.

"(f) REIMBURSEMENT TO INDIAN HEALTH SERVICE.—With respect to functions transferred by the Indian Health Service to an Indian tribe, the Indian Health Service is authorized to provide goods and services to the Indian tribe, on a reimbursable basis, including payment in advance with subsequent adjustment, and the reimbursements received therefrom, along with the funds received from the Indian tribe pursuant to this title, may be credited to the same or subsequent appropriation account which provided the funding, such amounts to remain available until expended.

"(g) PROMPT PAYMENT ACT.—Chapter 39 of title 31, United States Code, shall apply to the transfer of funds due under a compact or funding agreement authorized under this title.

"(h) INTEREST OR OTHER INCOME ON TRANSFERS.—An Indian tribe is entitled to retain interest earned on any funds paid under a compact or funding agreement to carry out governmental or health purposes and such interest shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the interest is earned or in any subsequent fiscal year. Funds transferred under this Act shall be managed using the prudent investment standard.

"(i) CARRYOVER OF FUNDS.—All funds paid to an Indian tribe in accordance with a compact or funding agreement shall remain available until expended. In the event that an Indian tribe elects to carry over funding from one year to the next, such carryover shall not diminish the amount of funds the Indian tribe is authorized to receive under its funding agreement in that or any subsequent fiscal year.

“(j) PROGRAM INCOME.—All medicare, medicaid, or other program income earned by an Indian tribe shall be treated as supplemental funding to that negotiated in the funding agreement and the Indian tribe may retain all such income and expend such funds in the current year or in future years except to the extent that the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.) provides otherwise for medicare and medicaid receipts, and such funds shall not result in any offset or reduction in the amount of funds the Indian tribe is authorized to receive under its funding agreement in the year the program income is received or for any subsequent fiscal year.

“(k) LIMITATION OF COSTS.—An Indian tribe shall not be obligated to continue performance that requires an expenditure of funds in excess of the amount of funds transferred under a compact or funding agreement. If at any time the Indian tribe has reason to believe that the total amount provided for a specific activity in the compact or funding agreement is insufficient the Indian tribe shall provide reasonable notice of such insufficiency to the Secretary. If the Secretary does not increase the amount of funds transferred under the funding agreement, the Indian tribe may suspend performance of the activity until such time as additional funds are transferred.

“SEC. 509. CONSTRUCTION PROJECTS.

“(a) IN GENERAL.—Indian tribes participating in tribal self-governance may carry out construction projects under this title if they elect to assume all Federal responsibilities under the National Environmental Policy Act of 1969, the Historic Preservation Act , and related provisions of law that would apply if the Secretary were to undertake a construction project, by adopting a resolution (1) designating a certifying officer to represent the Indian tribe and to assume the status of a responsible Federal official under such laws, and (2) accepting the jurisdiction of the Federal court for the purpose of enforcement of the responsibilities of the responsible Federal official under such environmental laws.

“(b) NEGOTIATIONS.—Construction project proposals shall be negotiated pursuant to the statutory process in section 105(m) and resulting construction project agreements shall be incorporated into funding agreements as addenda.

“(c) CODES AND STANDARDS.—The Indian tribe and the Secretary shall agree upon and specify appropriate buildings codes and architectural/engineering standards (including health and safety) which shall be in conformity with nationally recognized standards for comparable projects.

“(d) RESPONSIBILITY FOR COMPLETION.—The Indian tribe shall assume responsibility for the successful completion of the construction project in accordance with the negotiated construction project agreement.

“(e) FUNDING.—Funding for construction projects carried out under this title shall be included in funding agreements as annual advance payments, with semiannual payments at the option of the Indian tribe. Annual advance and semiannual payment amounts shall be determined based on mutually agreeable project schedules reflecting work to be accomplished within the advance payment period, work accomplished and funds expended in previous payment periods, and the total prior payments. The Secretary shall include associated project contingency funds with each advance payment installment. The Indian tribe shall be responsible for the management of the contingency funds included in funding agreements.

“(f) APPROVAL.—The Secretary shall have at least one opportunity to approve project planning and design documents prepared by the Indian tribe in advance of construction of the facilities specified in the scope of work for each negotiated construction project agreement or amendment thereof which results in a significant change in the original scope of work. The Indian tribe shall provide the Secretary with project progress and financial reports not less than semiannually. The Secretary may conduct on-site project oversight visits semiannually or on an alternate schedule agreed to by the Secretary and the Indian tribe.

“(g) WAGES.—All laborers and mechanics employed by contractors and subcontractors in the construction, alteration, or repair, including painting or decorating of building or other facilities in connection with construction projects undertaken by self-governance Indian tribes under this Act, shall be paid wages at not less than those prevailing wages on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act of March 3, 1931 (46 Stat. 1494). With respect to construction, alteration, or repair work to which the Act of March 3, 1921, is applicable under the terms of this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14, of 1950, and section 2 of the Act of June 13, 1934 (48 Stat. 948).

“(h) APPLICATION OF OTHER LAWS.—Unless otherwise agreed to by the Indian tribe, no provision of the Office of Federal Procurement Policy Act, the Federal Acquisition Regulations issued pursuant thereto, or any other law or regulation pertaining to Federal procurement (including Executive orders) shall apply to any construction project conducted under this title.

“SEC. 510. FEDERAL PROCUREMENT LAWS AND REGULATIONS.

“Notwithstanding any other provision of law, unless expressly agreed to by the participating Indian tribe, the compacts and funding agreements entered into under this title shall not be subject to Federal contracting or cooperative agreement laws and regulations (including Executive orders and the Secretary's regulations), except to the extent that such laws expressly apply to Indian tribes.

“SEC. 511. CIVIL ACTIONS.

“(a) CONTRACT DEFINED.—For the purposes of section 110, the term ‘contract’ shall include compacts and funding agreements entered into under this title.

“(b) APPLICABILITY OF CERTAIN LAWS.—Section 2103 of the Revised Statutes of the United States Code (25 U.S.C. 81) and section 16 of the Act of June 18, 1934 (25 U.S.C. 476), shall not apply to attorney and other professional contracts entered into by Indian tribes participating in self-governance under this title.

“(c) REFERENCES.—All references in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) to section 1 of the Act of June 26, 1936 (25 U.S.C. 81) are hereby deemed to include section 1 of the Act of July 3, 1952 (25 U.S.C. 82a).

“SEC. 512. FACILITATION.

“(a) SECRETARIAL INTERPRETATION.—Except as otherwise provided by law, the Secretary shall interpret all Federal laws, Executive orders and regulations in a manner that will facilitate—

“(1) the inclusion of programs, services, functions, and activities (or portions thereof) and funds associated therewith, in the agreements entered into under this section;

“(2) the implementation of compacts and funding agreements entered into under this title; and

“(3) the achievement of tribal health goals and objectives.

“(b) REGULATION WAIVER.—

“(1) An Indian tribe may submit a written request to waive application of a regulation promulgated under this Act for a compact or funding agreement entered into with the Indian Health Service under this title, to the Secretary identifying the applicable Federal regulation sought to be waived and the basis for the request.

“(2) Not later than 90 days after receipt by the Secretary of a written request by an Indian tribe to waive application of a regulation for a compact or funding agreement entered into under this title, the Secretary shall either approve or deny the requested waiver in writing. A denial may be made only upon a specific finding by the Secretary that identified language in the regulation may not be waived because such waiver is prohibited by Federal law. A failure to approve or deny a waiver request not later than 90 days after receipt shall be deemed an approval of such request. The Secretary's decision shall be final for the Department.

“(c) ACCESS TO FEDERAL PROPERTY.—In connection with any compact or funding agreement executed pursuant to this title or an agreement negotiated under the Tribal Self-Governance Demonstration Project established under title III, as in effect before the enactment of the Tribal Self-Governance Amendments of 1998, upon the request of an Indian tribe, the Secretary—

“(1) shall permit an Indian tribe to use existing school buildings, hospitals, and other facilities and all equipment therein or appertaining thereto and other personal property owned by the Government within the Secretary's jurisdiction under such terms and conditions as may be agreed upon by the Secretary and the tribe for their use and maintenance;

“(2) may donate to an Indian tribe title to any personal or real property found to be excess to the needs of any agency of the Department, or the General Services Administration, except that—

“(A) subject to the provisions of subparagraph (B), title to property and equipment furnished by the Federal Government for use in the performance of the compact or funding agreement or purchased with funds under any compact or funding agreement shall, unless otherwise requested by the Indian tribe, vest in the appropriate Indian tribe;

“(B) if property described in subparagraph (A) has a value in excess of $5,000 at the time of retrocession, withdrawal, or reassumption, at the option of the Secretary upon the retrocession, withdrawal, or reassumption, title to such property and equipment shall revert to the Department of Health and Human Services; and

“(C) all property referred to in subparagraph (A) shall remain eligible for replacement, maintenance, and improvement on the same basis as if title to such property were vested in the United States; and

“(3) shall acquire excess or surplus Government personal or real property for donation to an Indian tribe if the Secretary determines the property is appropriate for use by the Indian tribe for any purpose for which a compact or funding agreement is authorized under this title.

“(d) MATCHING OR COST-PARTICIPATION REQUIREMENT.—All funds provided under compacts, funding agreements, or grants made pursuant to this Act, shall be treated as non-

Federal funds for purposes of meeting matching or cost participation requirements under any other Federal or non-Federal program.

"(e) STATE FACILITATION.—States are hereby authorized and encouraged to enact legislation, and to enter into agreements with Indian tribes to facilitate and supplement the initiatives, programs, and policies authorized by this title and other Federal laws benefiting Indians and Indian tribes.

"(f) RULES OF CONSTRUCTION.—Each provision of this title and each provision of a compact or funding agreement shall be liberally construed for the benefit of the Indian tribe participating in self-governance and any ambiguity shall be resolved in favor of the Indian tribe.

"SEC. 513. BUDGET REQUEST.

"(a) IN GENERAL.—The President shall identify in the annual budget request submitted to the Congress under section 1105 of title 31, United States Code, all funds necessary to fully fund all funding agreements authorized under this title, including funds specifically identified to fund tribal base budgets. All funds so appropriated shall be apportioned to the Indian Health Service. Such funds shall be provided to the Office of Tribal Self-Governance which shall be responsible for distribution of all funds provided under section 505. Nothing in this provision shall be construed to authorize the Indian Health Service to reduce the amount of funds that a self-governance tribe is otherwise entitled to receive under its funding agreement or other applicable law, whether or not such funds are made available to the Office of Tribal Self-Governance under this section.

"(b) PRESENT FUNDING; SHORTFALLS.—In such budget request, the President shall identify the level of need presently funded and any shortfall in funding (including direct program and contract support costs) for each Indian tribe, either directly by the Secretary, under self-determination contracts, or under compacts and funding agreements authorized under this title.

"SEC. 514. REPORTS.

"(a) ANNUAL REPORT.—Not later than January 1 of each year after the date of the enactment of this title, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate a written report regarding the administration of this title. Such report shall include a detailed analysis of the level of need being presently funded or unfunded for each Indian tribe, either directly by the Secretary, under self-determination contracts under title I, or under compacts and funding agreements authorized under this Act. In compiling reports pursuant to this section, the Secretary may not impose any reporting requirements on participating Indian tribes or tribal organizations, not otherwise provided in this Act.

"(b) CONTENTS.—The report shall be compiled from information contained in funding agreements, annual audit reports, and Secretarial data regarding the disposition of Federal funds and shall—

"(1) identify the relative costs and benefits of self-governance;

"(2) identify, with particularity, all funds that are specifically or functionally related to the provision by the Secretary of services and benefits to self-governance Indian tribes and their members;

"(3) identify the funds transferred to each self-governance Indian tribe and the corresponding reduction in the Federal bureaucracy;

"(4) identify the funding formula for individual tribal shares of all headquarters funds, together with the comments of affected Indian tribes or tribal organizations, developed under subsection (c);

"(5) identify amounts expended in the preceding fiscal year to carry out inherent Federal functions, including an identification of those functions by type and location;

"(6) contain a description of the method or methods (or any revisions thereof) used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements;

"(7) prior to being submitted to Congress, be distributed to the Indian tribes for comment, such comment period to be for no less than 30 days; and

"(8) include the separate views and comments of the Indian tribes or tribal organizations.

"(c) REPORT ON FUND DISTRIBUTION METHOD.—Not later than 180 days after the date of enactment of this title, the Secretary shall, after consultation with Indian tribes, submit a written report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate which describes the method or methods used to determine the individual tribal share of funds controlled by all components of the Indian Health Service (including funds assessed by any other Federal agency) for inclusion in self-governance compacts or funding agreements.

"SEC. 515. DISCLAIMERS.

"(a) NO FUNDING REDUCTION.—Nothing in this title shall be construed to limit or reduce in any way the funding for any program, project, or activity serving an Indian tribe under this or other applicable Federal law. Any Indian tribe that alleges that a compact or funding agreement is in violation of this section may apply the provisions of section 110.

"(b) FEDERAL TRUST AND TREATY RESPONSIBILITIES.—Nothing in this Act shall be construed to diminish in any way the trust responsibility of the United States to Indian tribes and individual Indians that exists under treaties, Executive orders, or other laws and court decisions.

"(c) TRIBAL EMPLOYMENT.—For purposes of section 2(2) of the Act of July 5, 1935 (49 Stat. 450, chapter 372) (commonly known as the National Labor Relations Act), an Indian tribe carrying out a self-determination contract, compact, annual funding agreement, grant, or cooperative agreement under this Act shall not be considered an employer.

"(d) OBLIGATIONS OF THE UNITED STATES.—The Indian Health Service under this Act shall neither bill nor charge those Indians who may have the economic means to pay for services, nor require any Indian tribe to do so.

"SEC. 516. APPLICATION OF OTHER SECTIONS OF THE ACT.

"(a) MANDATORY APPLICATION.—All provisions of sections 5(b), 6, 7, 102(c) and (d), 104, 105(k) and (l), 106(a) through (k), and 111 of this Act and section 314 of Public Law 101-512 (coverage under the Federal Tort Claims Act), to the extent not in conflict with this title, shall apply to compacts and funding agreements authorized by this title.

"(b) DISCRETIONARY APPLICATION.—At the request of a participating Indian tribe, any other provision of title I, to the extent such provision is not in conflict with this title, shall be made a part of a funding agreement or compact entered into under this title. The Secretary is obligated to include such provision at the option of the participating Indian tribe or tribes. If such provision is incorporated it shall have the same force and effect as if it were set out in full in this title. In the event an Indian tribe requests such incorporation at the negotiation stage of a compact or funding agreement, such incorporation shall be deemed effective immediately and shall control the negotiation and resulting compact and funding agreement.

"SEC. 517. REGULATIONS.

"(a) IN GENERAL.—

"(1) Not later than 90 days after the date of enactment of this title, the Secretary shall initiate procedures under subchapter III of chapter 5 of title 5, United States Code, to negotiate and promulgate such regulations as are necessary to carry out this title.

"(2) Proposed regulations to implement this title shall be published in the Federal Register by the Secretary no later than 1 year after the date of enactment of this title.

"(3) The authority to promulgate regulations under this title shall expire 21 months after the date of enactment of this title.

"(b) COMMITTEE.—A negotiated rulemaking committee established pursuant to section 565 of title 5, United States Code, to carry out this section shall have as its members only Federal and tribal government representatives, a majority of whom shall be nominated by and be representatives of Indian tribes with funding agreements under this Act, and the Committee shall confer with, and accommodate participation by, representatives of Indian tribes, inter-tribal consortia, tribal organizations, and individual tribal members.

"(c) ADAPTATION OF PROCEDURES.—The Secretary shall adapt the negotiated rulemaking procedures to the unique context of self-governance and the government-to-government relationship between the United States and Indian tribes.

"(d) EFFECT.—The lack of promulgated regulations shall not limit the effect of this title.

"(e) EFFECT OF CIRCULARS, POLICIES, MANUALS, GUIDANCES, AND RULES.—Unless expressly agreed to by the participating Indian tribe in the compact or funding agreement, the participating Indian tribe shall not be subject to any agency circular, policy, manual, guidance, or rule adopted by the Indian Health Service and the eligibility provisions of section 105(g).

"SEC. 518. APPEALS.

"In any appeal (including civil actions) involving decisions made by the Secretary under this title, the Secretary shall have the burden of proof of demonstrating by clear and convincing evidence—

"(1) the validity of the grounds for the decision made; and

"(2) the decision is fully consistent with provisions and policies of this title.

"SEC. 519. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out this title.

"TITLE VI—TRIBAL SELF-GOVERNANCE—DEPARTMENT OF HEALTH AND HUMAN SERVICES

"SEC. 601. DEMONSTRATION PROJECT FEASIBILITY.

"(a) STUDY.—The Secretary shall conduct a study to determine the feasibility a Tribal Self-Governance Demonstration Project for appropriate programs, services, functions, and activities (or portions thereof) of the agency.

"(b) CONSIDERATIONS.—When conducting the study, the Secretary shall consider—

"(1) the probable effects on specific programs and program beneficiaries of such a demonstration project;

"(2) statutory, regulatory, or other impediments to implementation of such a demonstration project;

"(3) strategies for implementing such a demonstration project;

"(4) probable costs or savings associated with such a demonstration project;

"(5) methods to assure quality and accountability in such a demonstration project; and

"(6) such other issues that may be determined by the Secretary or developed through consultation pursuant to section 602.

"(c) REPORT.—Not later than 18 months after the enactment of this title, the Secretary shall submit a report to the Committee on Resources of the House of Representatives and the Committee on Indian Affairs of the Senate. The report shall contain—

"(1) the results of the study;

"(2) a list of programs, services, functions, and activities (or portions thereof) within the agency which it would be feasible to include in a Tribal Self-Governance Demonstration Project;

"(3) a list of programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) which could be included in a Tribal Self-Governance Demonstration Project without amending statutes, or waiving regulations that the Secretary may not waive;

"(4) a list of legislative actions required in order to include those programs, services, functions, and activities (or portions thereof) included in the list provided pursuant to paragraph (2) but not included in the list provided pursuant to paragraph (3) in a Tribal Self-Governance Demonstration Project; and

"(5) any separate views of tribes and other entities consulted pursuant to section 602 related to the information provided pursuant to paragraph (1) through (4).

"SEC. 602. CONSULTATION.

"(a) STUDY PROTOCOL.—

"(1) CONSULTATION WITH INDIAN TRIBES.—The Secretary shall consult with Indian tribes to determine a protocol for consultation under subsection (b) prior to consultation under such subsection with the other entities described in such subsection. The protocol shall require, at a minimum, that—

"(A) the government-to-government relationship with Indian tribes forms the basis for the consultation process;

"(B) the Indian tribes and the Secretary jointly conduct the consultations required by this section; and

"(C) the consultation process allow for separate and direct recommendations from the Indian tribes and other entities described in subsection (b).

"(2) OPPORTUNITY FOR PUBLIC COMMENT.—In determining the protocol described in paragraph (1),the Secretary shall publish the proposed protocol and allow a period of not less than 30 days for comment by entities described in subsection (b) and other interested individuals, and shall take comments received into account in determining the final protocol.

"(b) CONDUCTING STUDY.—In conducting the study under this title, the Secretary shall consult with Indian tribes,States, counties, municipalities, program beneficiaries, and interested public interest groups, and may consult with other entities as appropriate.

"SEC. 603. DEFINITIONS.

"(a) IN GENERAL.—For purposes of this title, the Secretary may use definitions provided in title V.

"(b) AGENCY.—For purposes of this title, the term 'agency' shall mean any agency or other organizational unit of the Department of Health and Human Services, other than the Indian Health Service.

"SEC. 604. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for fiscal years 1999 and 2000 such sums as may be necessary to carry out this title. Such sums shall remain available until expended.".

SEC. 5. AMENDMENTS CLARIFYING CIVIL PROCEEDINGS.

(a) BURDEN OF PROOF IN DISTRICT COURT ACTIONS.—Section 102(e)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f(e)(1)) is amended by inserting after "subsection (b)(3)" the following: "or any civil action conducted pursuant to section 110(a)".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to any proceedings commenced after October 25, 1994.

SEC. 6. SPEEDY ACQUISITION OF GOODS, SERVICES, OR SUPPLIES.

Section 105(k) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j(k)) is amended—

(1) by striking "deemed an executive agency" and inserting "deemed an executive agency and part of the Indian Health Service"; and

(2) by adding at the end thereof the following: "At the request of an Indian tribe, the Secretary shall enter into an agreement for the acquisition, on behalf of the Indian tribe, of any goods, services, or supplies available to the Secretary from the General Services Administration or other Federal agencies that are not directly available to the Indian tribe under this section or any other Federal law, including acquisitions from prime vendors. All such acquisitions shall be undertaken through the most efficient and speedy means practicable, including electronic ordering arrangements.

SEC. 7. PATIENT RECORDS.

Section 105 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450j) is amended by adding at the end the following new subsection:

"(o) At the option of an Indian tribe or tribal organization, Indian patient records may be deemed to be Federal records under the Federal Records Act of 1950 for the limited purposes of making such records eligible for storage by Federal Records Centers to the same extent and in the same manner as other Department of Health and Human Services patient records.".

SEC. 8. REPEAL.

Title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) is hereby repealed.

SEC. 9. SAVINGS PROVISION.

Funds appropriated for title III of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f note) shall be available for use under title V of such Act.

SEC. 10. EFFECTIVE DATE.

Except as otherwise provided, the provisions of this Act shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1833, the proposed Tribal Self-Governance Amendments Act of 1998, would make permanent the Indian Health Service Self-Governance demonstration program.

Thereby, Indian and Alaska Native tribes would be able to contract for the operation, control, and redesign of various IHS activities on a permanent basis.

Pursuant to H.R. 1833, tribes which have already contracted for IHS activities would continue under the provisions of their demonstration compacts, while an additional 50 tribes would be selected each year to enter into compacts.

H.R. 1833 also allows for the tribal contracting of programs outside the IHS, but within the Department of Health and Human Services on a demonstration-project basis.

Mr. Speaker, H.R. 1833 is a major piece of Native American legislation which we have been working on for months and months. This bill lays out 55 pages of findings, Secretarial obligations, Secretarial prohibitions, rulemaking requirements, reporting requirements, and tribal obligations.

The gentleman from California (Mr. MILLER), and his staff, and the gentleman from Michigan (Mr. KILDEE), and his staff, along with my staff, have worked extensively on this legislation. I commend them and their staffs for their perseverance through the scores of meetings which were needed to craft this bill.

This is a landmark piece of legislation in the field of self-governance. Mr. Speaker, I am honored to have had a part in its movement through Congress. I support H.R. 1833 and ask my colleagues to vote for this legislation and urge the passage by my colleagues.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again commend the gentleman from Alaska (Chairman YOUNG) for his management of this important legislation.

Mr. Speaker, I fully support this bill, the Tribal Self-Governance Amendments of 1998, which I believe will mark yet another milestone in the history of Indian self-determination.

This major legislation is the product of more than 2 years of hard work and consultation with Indian tribes and the administration. We have worked diligently with the tribes and the Department of Health and Human Services to make this bill as fair as possible.

I would like to extend my appreciation to the tribal leaders, their representatives, and the Department staff who have made passage of this bill possible.

Mr. Speaker, it is important to note that subsequent to the full committee markup that occurred in the spring, the tribes and the Department were able to work out additional differences. Thus, there have been several changes that I want to highlight.

We were able to come to agreement on issues regarding reassumption, regulation waiver, trial de novo, rejection of final order, and the creation of a new title VI to carry out the non-Indian Health Service demonstration project study.

Mr. Speaker, let me briefly explain what this bill does. The bill, the Tribal Self-Governance Amendments Act of 1998, would create two new titles in the 1975 Indian Self-Determination and Education Assistance Act. The 1975 act allows Indian tribes to contract for or take over the administration and operation of certain Federal programs which provide service to Indian tribes.

Subsequent amendments to the 1975 Act created title III of the act, which provided for a self-governance demonstration project that allows for large-scale tribal self-governance compacts and funding agreements on a demonstration basis.

Mr. Speaker, this bill is important especially for the Indian communities, but more importantly, the responsibility the Congress should take to provide for the needs of the Indian nations.

I also want to, again, commend my good friend, the gentleman from Alaska (Mr. YOUNG) for his work on solving the problem that we have had over the years in giving proper recognition to Indian tribes. I want to make a note of this to my colleagues. There is nowhere in the current bill that provides better streamlining of the Indian community if they were to apply to the Federal Government that gaming of any form is ever at all involved. I want to reassure my colleagues that that is the basis of that bill that has taken this Member over 6 years to help develop with the administration, with the staffs, with the majority party Members as well as the members of the committee on this side of the aisle.

So, again, I plead with my colleagues, that bill to better streamline the recognition of Indian tribes, given the fact that California was not even a member of this Nation until 72 years. Seventy-two years when America was founded, and California was not even a State.

And where is fairness, Mr. Speaker, if I were to elaborate a little further on this issue? But the fact that this bill should be approved, again I want to commend the gentleman from Alaska. Give tribute and credence to the fact that the recognition process has failed miserably, and we should vote in support of H.R. 1154.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1833, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CALIFORNIA INDIAN LAND TRANSFER ACT

Mr. YOUNG of Alaska. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2742) to provide for the transfer of public lands to certain California Indian Tribes, as amended.

The Clerk read as follows:

H.R. 2742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "California Indian Land Transfer Act".

SEC. 2. LANDS HELD IN TRUST FOR VARIOUS TRIBES OF CALIFORNIA INDIANS.

(a) IN GENERAL.—Subject to valid existing rights, all right, title, and interest of the United States in and to the lands, including improvements and appurtenances, described in a paragraph of subsection (b) in connection with the respective tribe, band, or group of Indians named in such paragraph are hereby declared to be held in trust by the United States for the benefit of such tribe, band, or group. Real property taken into trust pursuant to this subsection shall not be considered to have been taken into trust for gaming (as that term is used in the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.)).

(b) LANDS DESCRIBED.—The lands described in this subsection, comprising approximately 3525.8 acres, and the respective tribe, band, or group, are as follows:

(1) PIT RIVER TRIBE.—Lands to be held in trust for the Pit River Tribe are comprised of approximately 561.69 acres described as follows:

Mount Diablo Base and Meridian

Township 42 North, Range 13 East

Section 3:
S½ NW¼, NW¼ NW¼, 120 acres.

Township 43 North, Range 13 East

Section 1:
N½ NE¼, 80 acres,
Section 22:
SE¼ SE¼, 40 acres,
Section 25:
SE¼ NW¼, 40 acres,
Section 26:
SW¼ SE¼, 40 acres,
Section 27:
SE¼ NW¼, 40 acres,
Section 28:
NE¼ SW¼, 40 acres,
Section 32:
SE¼ SE¼, 40 acres,
Section 34:
SE¼ NW¼, 40 acres,

Township 44 North, Range 14 East,

Section 31:
S½ SW¼, 80 acres.

(2) FORT INDEPENDENCE COMMUNITY OF PAIUTE INDIANS.—Lands to be held in trust for the Fort Independence Community of Paiute Indians are comprised of approximately 200.06 acres described as follows:

Mount Diablo Base and Meridian

Township 13 South, Range 34 East

Section 1:
W½ of Lot 5 in the NE¼, Lot 3, E½ of Lot 4, and E½ of Lot 5 in the NW¼.

(3) BARONA GROUP OF CAPITAN GRANDE BAND OF MISSION INDIANS.—Lands to be held in trust for the Barona Group of Capitan Grande Band of Mission Indians are comprised of approximately 5.03 acres described as follows:

San Bernardino Base and Meridian

Township 14 South, Range 2 East

Section 7, Lot 15.

(4) CUYAPAIPE BAND OF MISSION INDIANS.—Lands to be held in trust for the Cuyapaipe Band of Mission Indians are comprised of approximately 1,360 acres described as follows:

San Bernardino Base and Meridian

Township 15 South, Range 6 East

Section 21:
All of this section.
Section 31:
NE¼, N½SE¼, SE¼SE¼.
Section 32:
W½SW¼, NE¼SW¼, NW¼SE¼.
Section 33:
SE¼, SW¼SW¼, E½SW¼.

(5) MANZANITA BAND OF MISSION INDIANS.—Lands to be held in trust for the Manzanita Band of Mission Indians are comprised of approximately 1,000.78 acres described as follows:

San Bernardino Base and Meridian

Township 16 South, Range 6 East

Section 21:
Lots 1, 2, 3, and 4, S½.
Section 25:
Lots 2 and 5.
Section 28:
Lots, 1, 2, 3, and 4, N½SE¼.

(6) MORONGO BAND OF MISSION INDIANS.—Lands to be held in trust for the Morongo Band of Mission Indians are comprised of approximately 40 acres described as follows:

San Bernardino Base and Meridian

Township 3 South, Range 2 East

Section 20:
NW¼ of NE¼.

(7) PALA BAND OF MISSION INDIANS.—Lands to be held in trust for the Pala Band of Mission Indians are comprised of approximately 59.20 acres described as follows:

San Bernardino Base and Meridian

Township 9 South, Range 2 West

Section 13, Lot 1, and Section 14, Lots 1, 2, 3.

(8) FORT BIDWELL COMMUNITY OF PAIUTE INDIANS.—Lands to be held in trust for the Fort Bidwell Community of Paiute Indians are comprised of approximately 299.04 described as follows:

Mount Diablo Base and Meridian

Township 46 North, Range 16 East

Section 8:
SW¼SW¼.
Section 19:
Lots 5, 6, 7.
S½NE¼, SE¼NW¼, NE¼SE¼.
Section 20:
Lot 1.

SEC. 3. MISCELLANEOUS PROVISIONS.

(a) PROCEEDS FROM RENTS AND ROYALTIES TRANSFERRED TO INDIANS.—Amounts which accrue to the United States after the date of the enactment of this Act from sales, bonuses, royalties, and rentals relating to any land described in section 2 shall be available for use or obligation, in such manner and for such purposes as the Secretary may approve, by the tribe, band, or group of Indians for whose benefit such land is taken into trust.

(b) NOTICE OF CANCELLATION OF GRAZING PREFERENCES.—Grazing preferences on lands described in section 2 shall terminate 2 years after the date of the enactment of this Act.

(c) LAWS GOVERNING LANDS TO BE HELD IN TRUST.—Any lands which are to be held in trust for the benefit of any tribe, band, or group of Indians pursuant to this Act shall be added to the existing reservation of the tribe, band, or group, and the official boundaries of the reservation shall be modified accordingly. These lands shall be subject to the laws of the United States relating to Indian land in the same manner and to the same extent as other lands held in trust for such tribe, band, or group on the day before the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Alaska (Mr. YOUNG) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2742, the proposed California Indian Land Transfer Act, would transfer eight parcels of excess Bureau of Land Management land to eight Indian tribes in the State of California. I recommend the adoption of H.R. 2742.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support passage of H.R. 2742, which will transfer some 3,500 acres of excess Bureau of Land Management lands located throughout California to eight Indian tribes in the State.

The bill was introduced pursuant to administration requests and as a result of negotiations between the Interior Department, the local municipalities, and the eight Indian tribes that began in 1994. All affected land is adjacent to existing Indian reservations.

The bill was amended in committee pursuant to the request of the gentleman from California (Mr. DOOLITTLE) to remove lands that would have been transferred to the Bridgeport and the Benton Paiute tribes.

Mr. Speaker, I want to point out that the reason that we are enacting this legislation is to allow Indian tribes to develop their own economies. For too long we have neglected the tribes' economic needs, and certainly the creation of a strong land base is part of that equation.

Keep in mind that the history of California Indian dealings is one of the most shameful in this country's past. Approximately 250,000 Native American Indians currently reside in the State of California, Mr. Speaker, more Indians in the State of California than anywhere else in this country, yet they are the most neglected.

The United States broke 18 treaties that promised the tribes 18.5 million acres. California tribes lost more than 70 million acres of land overall and now live on a collective 400,000 acres of land. Thus, I am glad that we are doing what is right in returning a small portion of what we once took from the first Americans.

Again, I commend the gentleman from Alaska for his management of this legislation, and I urge my colleagues to support this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 2742, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Alaska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1154, H.R. 2370, H.R. 1833, and H.R. 2742, the bills just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

ESTABLISHING TOLL-FREE NUMBER IN DEPARTMENT OF COMMERCE TO ASSIST CONSUMERS IN DETERMINING IF PRODUCTS ARE AMERICAN-MADE

Mr. BLILEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 563) to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made, as amended.

The Clerk read as follows:

H.R. 563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF TOLL FREE NUMBER PILOT PROGRAM.

(a) ESTABLISHMENT.—If the Secretary of Commerce determines, on the basis of comments submitted in rulemaking under section 2, that—

(1) interest among manufacturers is sufficient to warrant the establishment of a 3-year toll free number pilot program, and

(2) manufacturers will provide fees under section 2(c) so that the program will operate without cost to the Federal Government,

the Secretary shall establish such program solely to help inform consumers whether a product is "Made in America". The Secretary shall publish the toll-free number by notice in the Federal Register.

(b) CONTRACT.—The Secretary of Commerce shall enter into a contract for—

(1) the establishment and operation of the toll free number pilot program provided for in subsection (a), and

(2) the registration of products pursuant to regulations issued under section 2,

which shall be funded entirely from fees collected under section 2(c).

(c) USE.—The toll free number shall be used solely to inform consumers as to whether products are registered under section 2 as "Made in America". Consumers shall also be informed that registration of a product does not mean—

(1) that the product is endorsed or approved by the Government,

(2) that the Secretary has conducted any investigation to confirm that the product is a product which meets the definition of "Made in America" in section 4 of this Act, or

(3) that the product contains 100 percent United States content.

SEC. 2. REGISTRATION.

(a) PROPOSED REGULATION.—The Secretary of Commerce shall propose a regulation—

(1) to establish a procedure under which the manufacturer of a product may voluntarily register such product as complying with the definition of "Made in America" in section 4 of this Act and have such product included in the information available through the toll free number established under section 1(a);

(2) to establish, assess, and collect a fee to cover all the costs (including start-up costs) of registering products and including registered products in information provided under the toll-free number;

(3) for the establishment under section 1(a) of the toll-free number pilot program; and

(4) to solicit views from the private sector concerning the level of interest of manufacturers in registering products under the terms and conditions of paragraph (1).

(b) PROMULGATION.—If the Secretary determines based on the comments on the regulation proposed under subsection (a) that the toll-free number pilot program and the registration of products is warranted, the Secretary shall promulgate such regulation.

(c) REGISTRATION FEE.—

(1) IN GENERAL.—Manufacturers of products included in information provided under section 1 shall be subject to a fee imposed by the Secretary of Commerce to pay the cost of registering products and including them in information provided under subsection (a).

(2) AMOUNT.—The amount of fees imposed under paragraph (1) shall—

(A) in the case of a manufacturer, not be greater than the cost of registering the manufacturer's product and providing product information directly attributable to such manufacturer, and

(B) in the case of the total amount of fees, not be greater than the total amount appropriated to the Secretary of Commerce for salaries and expenses directly attributable to registration of manufacturers and having products included in the information provided under section 1(a).

(3) CREDITING AND AVAILABILITY OF FEES.—

(A) IN GENERAL.—Fees collected for a fiscal year pursuant to paragraph (1) shall be credited to the appropriation account for salaries and expenses of the Secretary of Commerce and shall be available in accordance with appropriation Acts until expended without fiscal year limitation.

(B) COLLECTIONS AND APPROPRIATION ACTS.—The fees imposed under paragraph (1)—

(i) shall be collected in each fiscal year in an amount equal to the amount specified in appropriation Acts for such fiscal year, and

(ii) shall only be collected and available for the costs described in paragraph (2).

SEC. 3. PENALTY.

Any manufacturer of a product who knowingly registers a product under section 2 which is not "Made in America"—

(1) shall be subject to a civil penalty of not more than $7500 which the Secretary of Commerce may assess and collect, and

(2) shall not offer such product for purchase by the Federal Government.

SEC. 4. DEFINITION.

For purposes of this Act:

(1) The term "Made in America" has the meaning given unqualified "Made in U.S.A." or "Made in America" claims for purposes of laws administered by the Federal Trade Commission.

(2) The term "product" means a product with a retail value of at least $250.

SEC. 5. RULE OF CONSTRUCTION.

Nothing in this Act or in any regulation promulgated under section 2 shall be construed to alter, amend, modify, or otherwise affect in any way, the Federal Trade Commission Act or the opinions, decisions, rules, or any guidance issued by the Federal Trade Commission regarding the use of unqualified "Made in U.S.A." or "Made in America" claims in labels on products introduced, delivered for introduction, sold, advertised, or offered for sale in commerce.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. BLILEY) and the gentleman from Ohio (Mr. BROWN) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. BLILEY).

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material in the RECORD on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

□ 1730

Mr. BLILEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I am pleased today to be able to rise in support of H.R. 563, a bill which would create a toll-free number in the Department of Commerce to assist consumers in determining if products are American made. The bill's sponsor, the gentleman from Ohio (Mr. TRAFICANT), should be commended for his commitment to American products and the American worker, and this bill is a fitting tribute to that commitment.

The legislation is designed to assist consumers when they are thinking about purchasing a major appliance or other product. For instance, a family looking for a new refrigerator could call the number to find out which brands and models of refrigerators are manufactured in the United States. Consumers have consistently demonstrated their desire to purchase products made in America. And I believe that if this information is provided, they will use this as another major factor in their purchasing decisions.

An important feature of the legislation is that the creation of the service is conditional both on market demand and the presence of private sector funding. This toll-free number will only be implemented if there is sufficient interest on the part of manufacturers in listing their products and funding the cost of the program through annual fees. Thus, there is no cost to the taxpayer for implementing this program to promote American-made products.

This legislation, as reported by the Committee on Commerce, creates a much-needed consumer service. I urge all of my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

I would like to say how pleased I am, Mr. Speaker, that this legislation gives the House an opportunity once again to confirm its support for the Federal Trade Commission's standard for making a claim that a product is made in the USA. Under this legislation, only those products that meet the FTC's standard are eligible for inclusion on the toll-free registry of products that are made in America.

The FTC's standard for making an unqualified "Made in USA" claim requires that "all" or "virtually all" of a product's components be made in the United States and that "all" or "virtually all" of the labor be American labor. This has been the FTC's standard for more than 50 years. And after a 2-year review, the FTC concluded last year that its standards should not be changed.

For the past several decades, consumers in the United States have relied on the "Made in USA" label to mean exactly what it says. American consumers want to buy genuine American products made by American workers. The "Made in USA" standard educates consumers, ensures truth-in-labeling, promotes U.S. companies, and preserves and creates American jobs.

Last year, Mr. Speaker, the FTC proposed weakening the standard to allow products to be labeled "Made in USA" when as little as 75 percent of their content and labor originated in the United States. If these proposed regulations had been adopted, the FTC's mandate to fight deceptive practices would instead be used to sanction deception.

People all over the country petitioned this Congress and the FTC opposing this new standard. In my district, 9,000 people, by mail, by phone, by petition, said "no" to this proposed change. I commend the FTC for its wisdom, ultimately, in returning to the time honored "Made in USA" standard. Any weakening of the Commission's standard would only mislead consumers and expose them to the kind of deceptive practices the FTC is supposed to prohibit.

The Commission has recognized what many American consumers have known for a long time: Where a product is made is an important factor in making purchasing decisions. And consumers want the ability to support American workers and to invest in the Nation's economic growth through those purchasing decisions. I am happy to support legislation that will help consumers buy products that are "all" or "virtually all" made in this country.

Mr. Speaker, I would note that except for certain technical and conforming changes, this legislation is the same as legislation that has passed the House in each of the last 2 Congresses. Unfortunately, the other body has never taken action on it and the bill has not been enacted. I sincerely hope that will not be the situation this year and that this bill can be enacted into law.

Mr. Speaker, I urge my colleagues to support this important legislation. I thank the gentleman from Virginia (Mr. BLILEY) for his good work.

Mr. Speaker, I yield 5 minutes to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to start out by thanking the gentleman from Virginia (Mr. BLILEY), one of the strong Members of this House, for taking into consideration this legislation. I want to thank the gentleman from New York (Mr. TOM MANTON), and the ranking member, the gentleman from Michigan (Mr. DINGELL), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Ohio (Mr. OXLEY), and the gentleman from Pennsylvania (Mr. PHIL ENGLISH), a friend of mine, who worked very hard to bring this to the floor.

I have worked hard to pass this legislation. The Congress might look at a few facts: We have a $60 billion trade deficit with Japan, and an approaching $50 billion trade deficit with China. Everybody talks about buy American. But the truth of the matter is, what is an American made product today? Where is that car really made? Is it made in Detroit? Is it made in Ohio? Is it made in Mexico? Is it made in Canada? Is it made in China? Is it made in Korea?

My legislation simply says if it costs more than $250, and all or virtually all of its components are made in America, a company could register it by paying a small fee to put it on this toll-free hot line. So if a family out in Chicago is going to buy a washer and dryer, they can call this number and say, I want to buy a washer and dryer, what washers and dryers are made in

America? It does not cost the taxpayers anything. And I believe the consuming public of America will buy American if their level of conscious understanding of where these products are made are made available to them.

But I wanted to bring something up to the attention of the Congress today, especially to the chairman. I am holding up here a little ad that was sent to me by George Booth of Big Sandy, Texas. It is an ad, I believe in Consumer Reports, for Tisonic quality car radio cassette players. And down in the right-hand corner of this ad there is a very small American flag. But we have to look close, because the colors are reversed. It is, in fact, blue stars on a white map. And if we look at it, we would swear it says made in the USA, until we get the magnifying glass. And listen to what it says. It says, made for the USA. And then in even smaller print below it, it says made in China. Now we have a new label, if we are quick enough, I guess, to investigate these labels: Made "for" USA; Made "in" China.

Look, I think this is straightforward legislation. It makes sense. And the American people who, I believe, will want to buy American-made products will use the service. More importantly, I think the industries and the companies that produce these products will begin to take pride in being able to say that, "We pay taxes in America. We hire Americans who pay taxes to keep our government afloat. This product is the one that we make, and, by God, it is good and we take pride in advertising it on our toll-free number."

So I want to thank the gentleman from Virginia (Mr. BLILEY). I know the mindset of many in the other body. They think "Made in China" perhaps is good for consumption patterns around the world. I do not know what their thinking is. I think we have to work hard, and I appreciate the gentleman giving it a chance here, and I am hoping we get some help in the other body.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BLILEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Virginia (Mr. BLILEY) that the House suspend the rules and pass the bill, H.R. 563, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MONEY LAUNDERING DETERRENCE ACT OF 1998

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4005) to amend title 31 of the United States Code to improve methods for preventing financial crimes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4005

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Money Laundering Deterrence Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Amendments relating to reporting of suspicious activities.
Sec. 4. Expansion of scope of summons power.
Sec. 5. Penalties for violations of geographic targeting orders and certain recordkeeping requirements.
Sec. 6. Repeal of certain reporting requirements.
Sec. 7. Limited exemption from Paperwork Reduction Act.
Sec. 8. Promulgation of "know your customer" regulations.
Sec. 9. Report on private banking activities.
Sec. 10. Availability of certain account information.
Sec. 11. Sense of the Congress.
Sec. 12. Designation of foreign high intensity money laundering areas.
Sec. 13. Doubling of criminal penalties for violations of laws aimed at preventing money laundering in foreign high intensity money laundering areas.
Sec. 14. Laundering money through a foreign bank.
Sec. 15. Criminal forfeiture for money laundering conspiracies.
Sec. 16. Charging money laundering as a course of conduct.
Sec. 17. Venue in money laundering cases.
Sec. 18. Technical amendment to restore wiretap authority for certain money laundering offenses.
Sec. 19. Knowledge that the property is the proceeds of a felony.
Sec. 20. Coverage of foreign bank branches in the territories.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds as follows:

(1) The dollar amount involved in international money laundering likely exceeds $500,000,000,000 annually.

(2) Organized crime groups are continually devising new methods to launder the proceeds of illegal activities in an effort to subvert the transaction reporting requirements of subchapter II of chapter 53 of title 31, United States Code, and chapter 2 of Public Law 91–508.

(3) A number of methods to launder the proceeds of criminal activity were identified and described in congressional hearings, including the use of financial service providers which are not depository institutions, such as money transmitters and check cashing services, the purchase and resale of durable goods, and the exchange of foreign currency in the so-called "black market".

(4) Recent successes in combating domestic money laundering have involved the application of the heretofore seldom-used authority granted to the Secretary of the Treasury and the cooperative efforts of Federal, State, and local law enforcement agencies.

(5) Such successes have been exemplified by the implementation of the geographic targeting order in New York City and through the work of the El Dorado task force, a group comprised of agents of Department of the Treasury law enforcement agencies, New York State troopers, and New York City police officers.

(6) Money laundering by international criminal enterprises challenges the legitimate authority of national governments, corrupts government institutions, endangers the financial and economic stability of nations, and routinely violates legal norms, property rights, and human rights. In some countries, such as Columbia, Mexico, and Russia, the wealth and power of organized criminal enterprises rivals their own government's.

(7) The structure of international criminal enterprises engaged in money laundering is complex, diverse, and fragmented. Organized criminal enterprises such as the Colombian and Mexican cartels, the Russian "mafiya", Sicilian crime families, and Chinese gangs are highly resistant to conventional law enforcement techniques. Their financial management and organizational infrastructure are highly sophisticated and difficult to track because of the globalization of the financial service industry.

(b) PURPOSES.—The purposes of this Act are as follows:

(1) To amend subchapter II of chapter 53 of title 31, United States Code, to provide the law enforcement community with the necessary legal authority to combat money laundering.

(2) To expedite the issuance by the Secretary of the Treasury of regulations designed to deter money laundering activities at certain types of financial institutions.

SEC. 3. AMENDMENTS RELATING TO REPORTING OF SUSPICIOUS ACTIVITIES.

(a) AMENDMENT RELATING TO CIVIL LIABILITY IMMUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title 31, United States Code, is amended to read as follows:

"(3) LIABILITY FOR DISCLOSURES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law—

"(i) any financial institution that—

"(I) makes a disclosure of any possible violation of law or regulation to an appropriate government agency; or

"(II) makes a disclosure pursuant to this subsection or any other authority;

"(ii) any director, officer, employee, or agent of such institution who makes, or requires another to make any such disclosure; and

"(iii) any independent public accountant who audits any such financial institution and makes a disclosure described in clause (i),

shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to notify the person who is the subject of such disclosure or any other person identified in the disclosure.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to a disclosure or communication required under Federal securities law, other than provisions of law that specifically refer to the Currency and Foreign Transactions Reporting Act of 1970.

"(C) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as creating—

"(i) any inference that the term 'person', as used in such subparagraph, may be construed more broadly than its ordinary usage so to include any government or agency of government; or

"(ii) any immunity against, or otherwise affecting, any civil or criminal action brought by any government or agency of government to enforce any constitution, law, or regulation of such government or agency.".

(b) PROHIBITION ON NOTIFICATION OF DISCLOSURES.—Section 5318(g)(2) of title 31, United States Code, is amended to read as follows:

"(2) NOTIFICATION PROHIBITED.—

"(A) IN GENERAL.—If a financial institution, any director, officer, employee, or agent of any financial institution, or any independent public accountant who audits any financial institution, voluntarily or pursuant to this section or any other authority, reports a suspicious transaction to an appropriate government agency—

"(i) the financial institution, director, officer, employee, agent, or accountant may not notify any person involved in the transaction that the transaction has been reported and may not disclose any information included in the report to any such person; and

"(ii) any other person, including any officer or employee of any government, who has any knowledge that such report was made may not disclose to any person involved in the transaction that the transaction has been reported or any information included in the report.

"(B) COORDINATION WITH PARAGRAPH (5).—Subparagraph (A) shall not be construed as prohibiting any financial institution, or any director, officer, employee, or agent of such institution, from including, in a written employment reference that is provided in accordance with paragraph (5) in response to a request from another financial institution, information that was included in a report to which subparagraph (A) applies, but such written employment reference may not disclose that such information was also included in any such report or that such report was made.".

(c) AUTHORIZATION TO INCLUDE SUSPICIONS OF ILLEGAL ACTIVITY IN EMPLOYMENT REFERENCES.—Section 5318(g) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(5) EMPLOYMENT REFERENCES MAY INCLUDE SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIVITY.—

"(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraph (B) of this paragraph and paragraph (2)(C), any financial institution, and any director, officer, employee, or agent of such institution, may disclose, in any written employment reference relating to a current or former institution-affiliated party of such institution which is provided to another financial institution in response to a request from such other institution, information concerning the possible involvement of such institution-affiliated party in any suspicious transaction relevant to a possible violation of law or regulation.

"(B) LIMIT ON LIABILITY FOR DISCLOSURES.—A financial institution, and any director, officer, employee, or agent of such institution, shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for any disclosure under subparagraph (A), to the extent—

"(i) the disclosure does not contain information which the institution, director, officer, employee, agent, or accountant knows to be false; and

"(ii) the institution, director, officer, employee, agent, or accountant has not acted with malice or with reckless disregard for the truth in making the disclosure.

"(C) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this paragraph, the term 'institution-affiliated party' has the meaning given to such term in section 3(u) of the Federal Deposit Insurance Act, except such section 3(u) shall be applied by substituting 'financial institution' for 'insured depository institution'.".

(d) AMENDMENTS RELATING TO AVAILABILITY OF SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGENCIES.—Section 5319 of title 31, United States Code, is amended—

(1) in the 1st sentence, by striking "5314, or 5316" and inserting "5313A, 5314, 5316, or 5318(g)";

(2) in the last sentence, by inserting "under section 5313, 5313A, 5314, 5316, or 5318(g)" after "records of reports"; and

(3) by adding the following new sentence after the last sentence: "The Secretary of the Treasury may permit the dissemination of information in any such reports to any self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act of 1934), if the Securities and Exchange Commission determines that such dissemination is necessary or appropriate to permit such organization to perform its function under the Securities Exchange Act of 1934 and regulations prescribed under such Act.".

SEC. 4. EXPANSION OF SCOPE OF SUMMONS POWER.

Section 5318(b)(1) of title 31, United States Code, is amended by inserting "examinations to determine compliance with the requirements of this subchapter, section 21 of the Federal Deposit Insurance Act, and chapter 2 of Public Law 91–508 and regulations prescribed pursuant to such provisions, investigations relating to reports filed by financial institutions or other persons pursuant to any such provision or regulation, and" after "in connection with".

SEC. 5. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TARGETING ORDERS AND CERTAIN RECORDKEEPING REQUIREMENTS.

(a) CIVIL PENALTY FOR VIOLATION OF TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5321(a)(1) of title 31, United States Code, is amended—

(1) by inserting "or order issued" after "regulation prescribed" the 1st place it appears; and

(2) by inserting ", or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "is liable".

(b) CRIMINAL PENALTIES FOR VIOLATION OF TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5322 of title 31, United States Code, is amended—

(1) in each of subsections (a) and (b), by inserting "or order issued" after "regulation prescribed" the 1st place it appears;

(2) in subsection (a), by inserting ", or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "shall"; and

(3) in subsection (b), by inserting "or willfully violating a regulation prescribed under section 21 of the Federal Deposit Insurance Act or under section 123 of Public Law 91–508," before "while violating".

(c) STRUCTURING TRANSACTIONS TO EVADE TARGETING ORDER OR CERTAIN RECORDKEEPING REQUIREMENTS.—Section 5324(a) of title 31, United States Code, is amended—

(1) in the portion of such section which precedes paragraph (1), by inserting ", the reporting requirements imposed by any order issued under section 5326, or the recordkeeping requirements imposed by any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508" after "regulation prescribed under any such section"; and

(2) in paragraphs (1) and (2), by inserting ", to file a report required by any order issued under section 5326, or to maintain a record required pursuant to any regulation prescribed under section 21 of the Federal Deposit Insurance Act or section 123 of Public Law 91–508" after "regulation prescribed under any such section" where such term appears in each such paragraph.

(d) INCREASE IN CIVIL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 21(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1829b(j)(1)) is amended by striking "$10,000" and inserting "the greater of the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred or $25,000".

(2) PUBLIC LAW 91–508.—Section 125(a) of Public Law 91–508 (12 U.S.C. 1955(a)) is amended by striking "$10,000" and inserting "the greater of the amount (not to exceed $100,000) involved in the transaction (if any) with respect to which the violation occurred or $25,000".

(e) CRIMINAL PENALTIES FOR VIOLATION OF CERTAIN RECORDKEEPING REQUIREMENTS.—

(1) SECTION 126.—Section 126 of Public Law 91–508 (12 U.S.C. 1956) is amended to read as follows:

"§ 126. Criminal penalty

"A person willfully violating this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or such section, shall be fined not more than $250,000, or imprisoned for not more than five years, or both.".

(2) SECTION 127.—Section 127 of Public Law 91–508 (12 U.S.C. 1957) is amended to read as follows:

"§ 127. Additional criminal penalty in certain cases

"A person willfully violating this chapter, section 21 of the Federal Deposit Insurance Act, or a regulation prescribed under this chapter or such section, while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period, shall be fined not more than $500,000, imprisoned for not more than 10 years, or both.".

SEC. 6. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

Section 407(d) of the Money Laundering Suppression Act of 1994 (31 U.S.C. 5311 note) is amended by striking "subsection (c)" and inserting "subsection (c)(2)".

SEC. 7. LIMITED EXEMPTION FROM PAPERWORK REDUCTION ACT.

Section 3518(c)(1) of title 44, United States Code, is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) pursuant to regulations prescribed or orders issued by the Secretary of the Treasury under section 5318(h) or 5326 of title 31;".

SEC. 8. PROMULGATION OF "KNOW YOUR CUSTOMER" REGULATIONS.

(a) IN GENERAL.—Within 120 days after the date of the enactment of this Act, the Secretary of the Treasury shall promulgate "Know Your Customer" regulations for financial institutions.

(b) RULE OF CONSTRUCTION.—This section shall not be construed as precluding any supervisory agency for any financial institution from requiring the financial institution to submit any information or report to the agency or another agency pursuant to any other applicable provision of law.

(c) DEFINITION OF FINANCIAL INSTITUTION.—For purposes of subsection (a), the term "financial institution" shall not include any broker, dealer, investment company, or investment adviser as such terms are defined in the Securities Exchange Act of 1934.

SEC. 9. REPORT ON PRIVATE BANKING ACTIVITIES.

(a) IN GENERAL.—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with Federal banking agencies, shall submit to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report on—

(1) the nature and extent of private banking activities in the United States;

(2) regulatory efforts to monitor such activities and ensure that such activities are conducted in compliance with the Bank Secrecy Act; and

(3) policies and procedures of depository institutions that are designed to ensure that such activities are conducted in compliance with the Bank Secrecy Act.

(b) PRIVATE BANKING ACTIVITIES.—In subsection (a), the term "private banking activities", with respect to an institution, includes, among other things, personalized services such as money management, financial advice, and investment services that are provided to clients with high net worth and that are not provided generally to all clients of the institution.

SEC. 10. AVAILABILITY OF CERTAIN ACCOUNT INFORMATION.

Section 5318(h) of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) AVAILABILITY OF CERTAIN ACCOUNT INFORMATION.—The Secretary of the Treasury shall prescribe regulations under this subsection which require financial institutions to maintain all accounts in such a way as to ensure that the name of an account holder and the number of the account are associated with all account activity of the account holder, and to ensure that all such information is available for purposes of account supervision and law enforcement.".

SEC. 11. SENSE OF THE CONGRESS.

It is the sense of the Congress that the Secretary of the Treasury should make available to all Federal, State, and local law enforcement agencies and financial regulatory agencies the full contents of the data base of reports that have been filed pursuant to subchapter II of chapter 53 of title 31, United States Code.

SEC. 12. DESIGNATION OF FOREIGN HIGH INTENSITY MONEY LAUNDERING AREAS.

(a) IN GENERAL.—Subchapter II of chapter 53 of title 31, United States Code, is amended by inserting after section 5326 the following new section:

"§ 5327. Designation of foreign high intensity money laundering areas

"(a) CRITERIA.—The Secretary of the Treasury, in consultation with appropriate Federal law enforcement agencies, shall develop criteria by which to identify areas outside the United States in which money laundering activities are concentrated.

"(b) DESIGNATION.—The Secretary of the Treasury shall designate as a foreign high intensity money laundering area any foreign country in which there is an area which is identified, using the criteria developed under subsection (a), as an area in which money laundering activities are concentrated.

"(c) NOTICE.—On the designation under subsection (b) of a country as a foreign high intensity money laundering area, the Secretary of the Treasury shall provide written notice to each insured depository institution (as defined in section 3(c)(2) of the Federal Deposit Insurance Act) and each depository institution holding company (as defined in section 3(w)(1) of such Act) that has control over an insured depository institution of the identity of the foreign country and include with the notice a written warning that there is a concentration of money laundering activities in the foreign country.".

(b) CLERICAL AMENDMENT.—The table of sections for such chapter is amended by inserting after the item relating to section 5326 the following new item:

"5327. Designation of foreign high intensity money laundering areas.".

SEC. 13. DOUBLING OF CRIMINAL PENALTIES FOR VIOLATIONS OF LAWS AIMED AT PREVENTING MONEY LAUNDERING IN FOREIGN HIGH INTENSITY MONEY LAUNDERING AREAS.

Section 5322 of title 31, United States Code, is amended by adding at the end the following new subsection:

"(d) The court may double the sentence of fine or imprisonment, or both, that would otherwise be imposed on a person for a violation described in subsection (a) or (b) if person commits the violation with respect to a transaction involving a person in, a relationship maintained for a person in, or a transport of a monetary instrument involving a foreign country, knowing that the foreign country is designated under section 5327(b) as a foreign high intensity money laundering area.".

SEC. 14. LAUNDERING MONEY THROUGH A FOREIGN BANK.

Section 1956(c)(6) of title 18, United States Code, is amended to read as follows:

"(6) the term 'financial institution' includes any financial institution described in section 5312(a)(2) of title 31, United States Code, or the regulations promulgated thereunder, as well as any foreign bank, as defined in paragraph (7) of section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101(7)).".

SEC. 15. CRIMINAL FORFEITURE FOR MONEY LAUNDERING CONSPIRACIES.

Section 982(a)(1) of title 18, United States Code, is amended by inserting ", or a conspiracy to commit any such offense" after "of this title".

SEC. 16. CHARGING MONEY LAUNDERING AS A COURSE OF CONDUCT.

Section 1956(h) of title 18, United States Code, is amended—

(1) by inserting "(1)" before "Any person"; and

(2) by adding at the end the following:

"(2) Any person who commits multiple violations of this section or section 1957 that are part of the same scheme or continuing course of conduct may be charged, at the election of the Government, in a single count in an indictment or information.".

SEC. 17. VENUE IN MONEY LAUNDERING CASES.

Section 1956 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(i) VENUE.—(1) Except as provided in paragraph (2), a prosecution for an offense under this section or section 1957 may be brought in—

"(A) any district in which the financial or monetary transaction is conducted, or

"(B) any district where a prosecution for the underlying specified unlawful activity could be brought, if the defendant participated in the transfer of the proceeds of the specified unlawful activity from that district to the district where the financial or monetary transaction is conducted.

"(2) A prosecution for an attempt or conspiracy offense under this section or section 1957 may be brought in the district where venue would lie for the completed offense under paragraph (1), or in any other district where an act in furtherance of the attempt or conspiracy took place.".

SEC. 18. TECHNICAL AMENDMENT TO RESTORE WIRETAP AUTHORITY FOR CERTAIN MONEY LAUNDERING OFFENSES.

Section 2516(1)(g) of title 18, United States Code, is amended by striking "a violation of section 5322 of title 31, United States Code (dealing with the reporting of currency transactions)" and inserting "a violation of section 5322 or 5324 of title 31, United States Code (dealing with the reporting and illegal structuring of currency transactions)".

SEC. 19. KNOWLEDGE THAT THE PROPERTY IS THE PROCEEDS OF A FELONY.

Section 1956(c)(1) of title 18, United States Code, is amended by inserting ", and regardless of whether or not the person knew that the activity constituted a felony" before the semicolon at the end.

SEC. 20. COVERAGE OF FOREIGN BANK BRANCHES IN THE TERRITORIES.

Section 20(9) of title 18, United States Code, is amended by inserting ", except that, for purposes of the application of that definition, the term 'State' as used in such Act includes a commonwealth, territory, or possession of the United States" after "Banking Act of 1978".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentleman from Minnesota (Mr. VENTO) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on H.R. 4005, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

The Money Laundering Deterrence Act of 1998 is intended to strengthen the hand of Federal law enforcement in detecting and prosecuting financial crimes, and to encourage greater reporting of suspicious monetary transactions by financial institutions and their agents.

It is estimated that upwards of $500 billion in laundered funds, a large portion of it derived from narcotics trafficking, is cycled through the United States financial system on an annual basis. Any meaningful strategy for combating the international drug trade and other global criminal enterprises must include strong legal mechanisms for detecting the flows of their illicit proceeds. Left unchecked, money laundering has a devastating effect on the integrity of financial institutions and, because it is the lifeblood of drug traffickers, on the social fabric as well.

Beginning with the passage of the Bank Secrecy Act of 1970, the Committee on Banking and Financial Services has been at the forefront of legislative efforts to erect a system of financial reporting and recordkeeping designed to give law enforcement authorities sufficient tools to detect and prosecute money laundering offenses. The various reporting requirements imposed by the Bank Secrecy Act and subsequent legislation promote the disclosure of information relating to suspicious financial transactions by financial institutions and other commercial enterprises, and the subsequent dissemination of that information among Federal, State and local law enforcement authorities.

In crafting these bills, Congress has sought to advance a number of policy objectives, including facilitating the law enforcement community's access to accurate and complete information regarding possible money laundering, and encouraging safe and sound practices at Federal insured depository institutions, while, at the same time, protecting the free flow of legitimate commerce and the privacy interests of legitimate bank customers.

H.R. 4005, as amended by the committee in its June 11 markup to the legislation, contains a series of amendments to the Bank Secrecy Act and other provisions of the United States Code related to money laundering offenses.

First, it extends safe harbor protections to independent public accountants who submit reports of suspicious financial activity to the Federal Government.

Second, it provides financial institutions with immunity from civil liability when making employment references that may include suspicions of an employee's involvement in illegal activity, unless such suspicions are known to be false or the institution has acted with malice or reckless disregard for the truth.

Third, it makes reports of suspicious financial activity filed with the Federal Government available to self-regulatory organizations as defined by the Securities and Exchange Act of 1934, such as the National Association of Securities Dealers.

Fourth, it requires the Secretary of the Treasury to promulgate "Know Your Customer" regulations within 120 days of enactment of the legislation; submit a comprehensive report to Congress on so-called private banking activities, those personalized services that financial institutions provide to clients with high net worth, often involving complex transactions conducted offshore; prescribe regulations requiring financial institutions to maintain all accounts in such a way as to ensure that the name of an account holder, and the number of his or her account are associated with all activity in the account; and develop criteria to identify areas outside the United States where money laundering is concentrated.

H.R. 4005 is a product of broad bipartisan consensus within the committee, which approved it by voice vote, and reflects serious thoughtful input from both the Republican and Democratic members of the committee. I would like to accord special recognition in this regard to the gentlewoman from New Jersey (Mrs. ROUKEMA) and the gentleman from Alabama (Mr. BACHUS), who chairs the Subcommittee on General Oversight and Investigations of the Committee on Banking and Financial Services. Under his leadership, and her leadership, the subcommittees have held a series of hearings highlighting aspects of the money laundering problem and the Federal Government's efforts to address it. Several of the provisions in this bill are there simply because of the oversight that was conducted.

Before concluding my remarks, Mr. Speaker, let me also recognize the constructive role played by the ranking member, the gentleman from New York (Mr. LAFALCE), and the gentleman from Minnesota (Mr. VENTO), in shepherding this legislation through committee and on to the floor. I look forward to a successful completion of this task at this time.

Mr. Speaker, I submit for the RECORD correspondence, and attachments thereto, regarding H.R. 4005.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
Washington, DC, September 28, 1998.

Hon. JIM LEACH,
Chairman, House Committee on Banking and Financial Services, Washington, DC.

DEAR JIM: I respectfully request that section 9 of H.R. 4005 be removed before the bill is brought to the floor on the suspension calendar. The section, entitled "Fungible Property in Bank Accounts" modifies section 984 of title 18 of the United States Code and makes a substantive change to federal civil asset forfeiture law as it relates to the forfeiture of fungible property in the form of cash or funds deposited in a financial institution. As the House Leadership wants to delay consideration of reforms to our federal civil asset forfeiture laws until the 106th Congress, it would be more appropriate for this provision to be considered at that time.

Sincerely,

HENRY J. HYDE,
Chairman.

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES,
Washington, DC, October 1, 1998.

Hon. HENRY J. HYDE,
Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN HYDE: Thank you for your letter of September 28, 1998, notifying me of your objection to H.R. 4005's provision relating to civil asset forfeiture. In deference to your concerns—and to the House leadership's view that further consideration of civil asset forfeiture reforms should await the next Congress—this provision will be removed from the bill reported by the Banking Committee on July 8, 1998. In making the accommodation, it is my hope that the legislation can be brought to the House floor expeditiously for consideration under suspension of the rules.

On a related issue, I am writing to apprise you of a legislative proposal that the Banking Committee has received from the Department of Justice that touches on matters of shared jurisdiction between our respective committees. As you know, on June 22, 1998, the United States Supreme Court held that the government's seizure of some $357,000 in cash from an individual attempting to carry the funds out of the country without filing the currency reporting form required by the Bank Secrecy Act violated the Eighth Amendment ban on "excessive fines." *See United States* v. *Bajakajian*, 118 S. Ct. 2028 (1998). In an effort to mitigate what it sees as the *Bajakajian* decision's detrimental consequences for narcotics and money laundering enforcement, the Department of Justice has proposed amending Title 31 to make the act of bulk cash smuggling a criminal offense, and to authorize seizure of the smuggled currency in accordance with the civil and criminal forfeiture provisions found in Title 18. A summary of the proposal submitted by the Justice Department is enclosed for your review.

I have informed Justice Department officials that I am willing to entertain any credible proposal for aiding law enforcement in detecting and prosecuting drug-related money laundering, and therefore intend to keep an open mind on the merits of their suggested legislation responding to *Bajakaijian*. I also made clear to the Department, however, that the specific measure it has advanced is one that would require favorable consideration not only by our Committee, but also by the Committee on the Judiciary, since the substantive Title 31 offense created by the proposed legislation is one that falls squarely within Banking Committee jurisdiction and the sanctions involving civil and criminal forfeiture are obviously within the purview of the Judiciary Committee. (Indeed, while it is typically the case that the definition of a criminal offense is more fundamental to a statute than the penalties imposed for committing that offense, here, it seems to me, the reverse may be true.)

I am aware that you have been a leading critic of the way that the civil forfeiture laws are currently being applied. Accordingly, I have informed the Department that while I am open to their suggestions, I am unprepared to go forward with consideration of their proposal in this Congress unless you are supportive. In this regard, please let me know if there are any elements of the administration's approach that you think would be advisable at this time.

Thank you for your consideration of these matters.

Sincerely,

JAMES A. LEACH,
Chairman.

ANALYSIS OF BULK CASH SMUGGLING STATUTE AND RELATED AMENDMENTS

As recent Congressional hearings and investigative reports in the press have revealed, currency smuggling is an extremely serious law enforcement problem. Hundreds of millions of dollars in U.S. currency—representing the proceeds of drug trafficking and other criminal offenses, as well as income not reported for income tax purposes—is annually transported out of the United States to foreign countries in shipments of bulk cash. Smugglers use all available means to transport the currency out of the country, from false bottoms in personal luggage, to secret compartments in automobiles, to concealment in durable goods exported for sale abroad.

Presently, the only law enforcement weapon against such smuggling is Section 5316 of Title 31, United States Code, which makes it an offense to transport more than $10,000 in currency or monetary instruments into, or out of, the United States without filing a report with the United States Customs Service. The effectiveness of §5316 as a law enforcement tool has been diminished, however, by a recent Supreme Court decision. In *United States* v. *Bajakajian*, 118 S. Ct. 2028 (1988), the Supreme Court held that §5316 constitutes a mere reporting violation, which is not a serious offense to purposes of the Excessive Fines Clause of the Eighth Amendment. Accordingly, confiscation of the full amount of the smuggled currency is unconstitutional, even if the smuggler took elaborate steps to conceal the currency and otherwise obstruct justice.

Confiscation of the smuggled currency is, of course, the most effective weapon that can be employed against these smugglers. Accordingly, in response to the *Bajakajian* decision, the Department of Justice proposed making the act of bulk cash smuggling itself a criminal offense, and to authorize the imposition of the full range of civil and criminal sanctions when the offense is discovered. Because the act of concealing currency for the purpose of smuggling it out of the United States is inherently more serious than simply failing to file a Customs report, strong and meaningful sanctions, such as confiscation of the smuggled currency, are likely to withstand Eighth Amendment challenges to the new statute.

Sections 1 and 2 of the bill set forth the new bulk cash smuggling offense as well as a set of findings explaining why the smuggling of bulk cash is a serious law enforcement problem. The new offense, which would be codified at 31 U.S.C. §5331, would make it an offense for anyone to knowingly conceal more than $10,000 in currency or other monetary instruments on his person or in any conveyance, article of luggage, merchandise or other container, and to transport or attempt to transport that currency across the border with the intent to avoid the reporting requirements in Section 5316. In other words, the offense has three elements: (1) concealment; (2) transportation (or attempted transportation); and 3) specific intent to evade filing a complete and accurate report with the Customs Service.

The statute is intended to apply to persons who commit any of a wide variety of smuggling offenses involving bulk cash—from the money brokers for the drug cartels who stuff $20 bills into trucks bound for Mexico or appliances being exported to Colombia, to couriers who attempt to cross the border with currency concealed in their luggage. It would also apply to efforts to move money into or out of the United States at places other than ports of entry where CMIR reports are customarily filed. In other words, unlike the CMIR statute, which only applies once the duty to file the Customs report has been triggered, Section 5331 would apply to a person who had not yet reached the border, or was traveling at a place other than a port of entry, but was traveling (or intending to travel) toward the border with the intent to cross it, and had already concealed the money with the intent to evade the reporting requirement.

The penalty section provides for incarceration of up to 5 years. In addition, and in lieu of any criminal fine, the penalty section authorizes the confiscation of the smuggled money in accordance with the usual procedures for criminal and civil forfeiture. (The civil forfeiture provisions are essential to permit confiscation of discovered currency in cases where the smuggler is not found, is a fugitive, or is not the legal owner of the money; the innocent owner provisions of 18 U.S.C. §981(a)(2) would, however, protect innocent owners of smuggled money.) Confiscation of smuggled goods has been regarded as the appropriate penalty for smuggling offenses since the first Customs laws were enacted in the 18th Century. To address concerns that such confiscation is a blunt instrument that should be mitigated in some circumstances to avoid a hardship, the bill explicitly authorizes courts to mitigate forfeitures of currency involved in currency reporting offenses to avoid Eighth Amendment violations by considering a range of aggravating and mitigating circumstances. Those circumstances include the value of the currency or other monetary instruments involved in the offense; efforts by the person committing the offense to structure currency transactions, conceal property or otherwise obstruct justice; and whether the offense is part of a pattern of repeated violations.

It must be stressed, however, that bulk cash smuggling is an inherently more serious offense than simply failing to file a Customs report. Because the constitutionality of a forfeiture is dependent on the "gravity of the offense" under *Bajakajian*, it is anticipated that the full forfeiture of smuggled money will withstand constitutional scrutiny in most cases. For the confiscation to be reduced at all, the smuggler will have to show that the money was derived from a legitimate source and not intended to be used for any unlawful purpose. Even then, the court's duty will be to reduce the amount of confiscation to the maximum that would be permitted in accordance with the Eighth Amendment and the aggravating and mitigating factors set forth in the statute.

Section 3 of the bill makes conforming amendments to the existing criminal and civil forfeiture provisions for the reporting and structuring violations in Title 31. Its purpose is simply to put all of these provisions in one place (e.g., by moving some of the existing forfeiture provisions for currency reporting violations from title 18 to title 31 and combining them with the provisions that are already codified at 31 U.S.C. §5317(c)), and to set forth rules for mitigating the forfeitures to avoid constitutional violations in accordance with *Bajakajian*. This is necessary to address the concern expressed by the Court in *Bajakajian* that Congress had not made it clear that trial courts are authorized to reduce forfeitures down to the maximum level permissible to avoid violating the Excessive Fines Clause when a statute, on its face, appears to authorize only the full amount of structured of unreported currency.

Again, this does not imply that such forfeitures must be reduced in all cases. In structuring cases, for example, a pattern of repeated conduct over a period of time would likely support the confiscation of the full amount of structured currency irrespective of whether the defendant met his burden of showing that the property was derived from a legitimate source and was not intended to be used for any unlawful purpose.

Mr. Speaker, I reserve the balance of my time.

□ 1745

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this measure, H.R. 4005, the Money Laundering Deterrence Act of 1998, authored by the gentleman from Iowa (Mr. LEACH), the distinguished chairman of the Committee on Banking and Financial Services.

This legislation significantly improves the ability of our Nation's law enforcement authorities to curtail money laundering and prosecute criminals involved in these illegal activities.

The Committee on Banking and Financial Services has had a successful and long bipartisan history of bringing anti-money laundering legislation to the floor of this House of Representatives and, following its completion, enactment into law.

We have traditionally reported bills making it more difficult for drug pushers and other criminals to deposit their profits in the legitimate banking system and have cleared the path and policies so that prosecutors can effectively charge and put these criminals in jail. This measure continues that effort because it clarifies and perfects existing law and regulations that have already been proven effective in the effort to curtail money laundering.

I believe it is important to focus the attention of the House on the series of amendments adopted in committee. These are amendments offered by our colleague the gentlewoman from California (Ms. WATERS), who is without peer in her efforts to get to the heart of serious drug problems in her Los Angeles congressional district.

The Waters amendments target the sensitive and secret world of the private banking community. The Waters amendments were designed to make certain that the comfort and courtesies afforded the wealthy in the banking board rooms are subject to the same reporting requirements enforced in the lobbies of our financial institutions.

With the passage of the Waters amendments, the committee will have some of the information it will need to ensure that laws of our Nation are fully enforced, even in the rarified world of private banking.

An important part of this bill reported by the Committee on Banking and Financial Services has been deleted in deference to the jurisdiction of the Committee on Ways and Means.

To complement the reporting requirements imposed on the financial industry, the Ways and Means Committee amended the tax code to require that all businesses and professional corporations file a report with the IRS whenever they accept $10,000 or more in cash as payment for goods and services provided. In hearings before our Committee, we received testimony which indicated that the protections appropriately provided to information gathered under the tax code were otherwise impeding the ability of the law enforcement community to access and use this information. The provisions of H.R. 4005, as reported by the Committee, transferred the reporting requirement from the tax code to the *Bank Secrecy Act*, the statute under which the financial institutions reports are presently collected and made available to legitimate law enforcement authorities. That provision has now been dropped. Although I accept and understand the need for the Ways and Means Committee to be able to review amendments to the tax code, the American public should not be asked to accept inefficiencies in our crime fighting policies because of the Congress' rules of jurisdiction.

Mr. Speaker, I sincerely hope that the Committee on Ways and Means will soon conduct a full review of the referenced 8300 reporting requirements so that appropriate changes can be made as soon as possible to maximize the use of these valued reports.

Finally, Mr. Speaker, I want to again compliment the gentleman from Iowa (Mr. LEACH) for his leadership in bringing this bill not only through the committee, but to the full House in a timely manner and basis. This bill is an important step in providing the law enforcement community the tools they need to keep money laundering under control.

I again urge adoption of this bill and support for it.

Mr. Speaker, I submit for the RECORD the thoughtful statements supporting the bill from the gentleman from New York (Mr. LAFALCE), the ranking Democrat Member.

Mr. LAFALCE: Mr. Speaker, I rise to support H.R. 4005, The Money Laundering Deterrence Act of 1998.

I wish to join the Ranking Member of the Financial Institutions Subcommittee, Congressman BRUCE VENTO, in complimenting the distinguished Chairman of the Banking Committee, Congressman JIM LEACH, for bringing this bill to the floor in a timely manner. As was noted by previous speakers, this legislation significantly improves the ability of our nation's law enforcement authorities to bring money launderers to justice.

H.R. 4005 continues the Banking Committee's long and bipartisan tradition of reporting important anti-money laundering legislation to the House of Representatives. Today's bill continues this effort in that it further improves existing law and encourages greater reporting of suspicious financial activity by financial institutions and their agents.

I am pleased to report that some of the most important provisions of this bill were introduced as amendments authored by the distinguished Congresswoman from California, MAXINE WATERS. Congresswoman WATERS' tremendous energy and dedication to the concerns of Congressional District have led her to be one of the Congress' most vigilant crusaders against those who would use the traditional banking system to launder illegal proceeds, particularly those profits realized from the sale of illegal drugs in her South Central Los Angeles District. The Waters' amendments were designed to make certain that wealthy individuals cannot use their influence to cause banks to "look the other way" when it comes to those laws the banks normally implement vigorously. With the passage of the Waters amendments, the Committee will have begun the effort of investigating private banking practices, particularly as they relate to serving wealthy individuals who insist on secrecy in their financial dealings.

Finally, Mr. Speaker, I again compliment Chairman LEACH for his leadership in bringing this bill not only to the Committee but to the full House on a timely basis. The bill is another important step in providing the law enforcement community the tools they need to keep money laundering under control.

I urge the adoption of this bill.

Mr. VENTO. Mr. Speaker, I reserve the balance of my time.

Mr. LEACH. Mr. Speaker, I yield 3 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA), who has been so instrumental in bringing this bill forward.

Mrs. ROUKEMA. Mr. Speaker, I especially rise to thank the chairman for his leadership here, and certainly for those on the other side of the aisle who have been working so hard on this legislation, both pieces of legislation I should say. And I do want to say that the good news has been that the U.S. is making significant strides in limiting money laundering through our financial institutions. That we know.

But the bad news, as we learned, is that organized crime is turning to other U.S. businesses for their money laundering as well as financial institutions in other countries. And I believe these two pieces of legislation are making a significant step in the direction of helping the law enforcement community with stronger statutes on money laundering so that we can coordinate with the help law enforcement needs.

I certainly want to thank the chairman again for his leadership here. I also want to say that I believe that we can go farther, and of course I am assuming and doing everything I can do to hope that the other body will act promptly on this legislation and not let it falter here in the waning days of this Congress.

But I would also say that there is more to be done in the next Congress. And I have introduced just on Friday of this past week the Bulk Cash Smuggling Act of 1998. We will go into more on that at another time. But it will be complementary to what we are doing here. It deals with currency or monetary instruments in excess of $10,000 that is transported either in or out of the United States and civil forfeiture questions with regard to those monies. We will talk about that at another time. It should complement what we are doing.

But we are taking a giant stride in the right direction here to get at the criminal elements that are making a sham out of our financial institutions.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Just in closing from my side, I would say that this half trillion dollars of illegal money that is washing through our society through our banks needs to be regulated, needs to be addressed. We need to provide the law enforcement and Treasury and other specific officials with the authority so that they can, in fact, trace this and, in fact, effectively fight the type of creative crime that is going on in our society, especially with electronic banking and other regulations.

At the same time we are very concerned about privacy, very concerned about due process. I think this bill does strike the proper balance in terms of those issues and puts in the hands of law enforcement officials at the national and State level a consistent policy with regards to this that can and will continue to need our diligence and attention to prove if it is going to ultimately be effective in dealing with the growing problem of money laundering for these diverse problems, whether it is for crime, whether it is for drugs, whether it is for other types of gambling and other types of illegal activities.

As most I think can see, the tools need to be there in the hands of the prosecutors and in the hands of the law enforcement officials to, in fact, enforce our laws at the State and at the national level.

Ms. WATERS. Mr. Speaker, I rise in strong support of H.R. 4005, the Money Laundering Deterrence Act of 1998. I would like to thank Chairman LEACH, Ranking Member LAFALCE and Representatives ROUKEMA and VENTO for their efforts to bring this bill to the floor.

This tough bi-partisan bill reflects a new willingness by Congress to get tough on drug money laundering. The illegal drug trade is one of the world's largest industries, with annual revenues of more than $500 billion a year worldwide, eclipsing even the revenues generated from the production of oil and gas. But the illegal drug trade would come to a screeching halt tomorrow without the ability to launder drug profits through financial insitutions globally. By making our money laundering laws tougher and closing up the loopholes this legislation is an important step in putting an end to the ability of the cartels use to profit from their terrible trade.

Now the need for tougher money laundering is clearer than ever. We only need to look at the massive money laundering, murder and drug trafficking case involving Raul Salinas de Gotari, former Mexican cabinet minister and brother of Mexican President Carlos Salinas de Gotari. This case highlights allegations of the use of Citibank/Citicorp's private bank system by Salinas and other drug traffickers in laundering at least $130 million dollars in drug proceeds.

Citibank's private banker, Amy Elliot was central to the allegations. Ms. Elliot set up an elaborate and secretive system for Salinas to get his money that was banked in Mexico out of the country, and into offshore and Swiss bank accounts. Ms. Elliott used Citibank's concentration accounts to transfer hundreds of millions of Salinas' proceeds. The concentration accounts acted to effectively cut off the paper trail of Salinas' money, making it next to impossible for law enforcement agencies to track the drug money. With Ms. Elliot's skillful assistance, the former President's borther is suspected of laundering hundreds of millionas of dollars in drug proceeds.

Two weeks ago, the New York Times and the Wall Street Journal reported that the Swiss Attorney General's office has completed a 369 page report on this case that asserts among other damaging allegations that "[w]hen Carlos Salinas de Gotari became President of Mexico in 1988, Raul Salinas de Gortari assumed control over practically all drug shipments through Mexico. Through his influence and bribes paid with drug money, officials of the army and the police supported and protected the flourishing drug business."

This is simply one of many cases that point to the need for comprehensive money laundering legislation. The Money Laundering Deterrence Act of 1998 is a very good first step.

I offered a number of amendments to the bill in Committee to focus attention on the "private banking" system and the dangers of its abuse by major money launderers, drug cartels and organized crime syndicates.

I also amended the bill by calling for tougher enforcement of our nation's money laundering laws and closer scrutiny of our domestic financial institutions. These amendments added important weapons in the battle against major money laundering operations.

My amendments strengthen H.R. 4005 by:

Requiring the Secretary of the Treasury to submit to the House and Senate Banking Committees a report on the "private banking" system;

Prohibiting banks from maintaining accounts that prevent the name and account number of a customer from being associated with the account activity of an account holder. This would outlaw certain concentration accounts in use by banks, if they can be used to effectively hide the identity of the account holder;

Requiring the Secretary of the Treasury to issue "Know Your Customer" regulations within 120 days from the date of enactment of the Act; and

Identifying areas outside the United States where money laundering is concentrated and increasing penalties for violations of United States money laundering laws associated with activities in these identified countries.

I am pleased we are moving forward in the pursuit of the money laundering kingpins who are at the center of the half a trillion dollar annual drug trade and I ask my colleagues to support this important legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I have no further requests for times, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 4005, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend titles 18 and 31, United States Code, to improve methods for preventing money laundering and other financial crimes, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4005, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MONEY LAUNDERING AND FINANCIAL CRIMES STRATEGY ACT OF 1998

Mr. LEACH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1756) to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Money Laundering and Financial Crimes Strategy Act of 1998".

SEC. 2. MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.

(a) IN GENERAL.—Chapter 53 of title 31, United States Code is amended by adding at the end the following new subchapter:

"SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

"§ 5340. Definitions

"For purposes of this subchapter, the following definitions shall apply:

"(1) DEPARTMENT OF THE TREASURY LAW ENFORCEMENT ORGANIZATIONS.—The term 'Department of the Treasury law enforcement organizations' has the meaning given to such term in section 9703(p)(1).

"(2) MONEY LAUNDERING AND RELATED FINANCIAL CRIME.—The term 'money laundering and related financial crime' means an offense under subchapter II of this chapter, chapter II of title I of Public Law 91–508 (12 U.S.C. 1951, et seq.; commonly referred to as the 'Bank Secrecy Act'), or section 1956, 1957, or 1960 of title 18 or any related Federal, State, or local criminal offense.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(4) ATTORNEY GENERAL.—The term 'Attorney General' means the Attorney General of the United States.

"PART 1—NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY

"§ 5341. National money laundering and related financial crimes strategy

"(a) DEVELOPMENT AND TRANSMITTAL TO CONGRESS.—

"(1) DEVELOPMENT.—The President, acting through the Secretary and in consultation with the Attorney General, shall develop a national strategy for combating money laundering and related financial crimes.

"(2) TRANSMITTAL TO CONGRESS.—By February 1 of 1999, 2000, 2001, 2002, and 2003, the President shall submit a national strategy developed in accordance with paragraph (1) to the Congress.

"(3) SEPARATE PRESENTATION OF CLASSIFIED MATERIAL.—Any part of the strategy that involves information which is properly classified under criteria established by Executive Order shall be submitted to the Congress separately in classified form.

"(b) DEVELOPMENT OF STRATEGY.—The national strategy for combating money laundering and related financial crimes shall address any area the President, acting through the Secretary and in consultation with the Attorney General, considers appropriate, including the following:

"(1) GOALS, OBJECTIVES, AND PRIORITIES.—Comprehensive, research-based goals, objectives, and priorities for reducing money laundering and related financial crime in the United States.

"(2) PREVENTION.—Coordination of regulatory and other efforts to prevent the exploitation of financial systems in the United States for money laundering and related financial crimes, including a requirement that the Secretary shall—

"(A) regularly review enforcement efforts under this subchapter and other provisions of law and, when appropriate, modify existing regulations or prescribe new regulations for purposes of preventing such criminal activity; and

"(B) coordinate prevention efforts and other enforcement action with the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, the Federal Trade Commission, other Federal banking agencies, the National Credit Union Administration Board, and such other Federal agencies as the Secretary, in consultation with the Attorney General, determines to be appropriate.

"(3) DETECTION AND PROSECUTION INITIATIVES.—A description of operational initiatives to improve detection and prosecution of money laundering and related financial crimes and the seizure and forfeiture of proceeds and instrumentalities derived from such crimes.

"(4) ENHANCEMENT OF THE ROLE OF THE PRIVATE FINANCIAL SECTOR IN PREVENTION.—The enhancement of partnerships between the private financial sector and law enforcement agencies with regard to the prevention and detection of money laundering and related financial crimes, including providing incentives to strengthen internal controls and to adopt on an industrywide basis more effective policies.

"(5) ENHANCEMENT OF INTERGOVERNMENTAL COOPERATION.—The enhancement of—

"(A) cooperative efforts between the Federal Government and State and local officials, including State and local prosecutors and other law enforcement officials; and

"(B) cooperative efforts among the several States and between State and local officials, including State and local prosecutors and other law enforcement officials,

for financial crimes control which could be utilized or should be encouraged.

"(6) PROJECT AND BUDGET PRIORITIES.—A 3-year projection for program and budget priorities and achievable projects for reductions in financial crimes.

"(7) ASSESSMENT OF FUNDING.—A complete assessment of how the proposed budget is intended to implement the strategy and whether the funding levels contained in the proposed budget are sufficient to implement the strategy.

"(8) DESIGNATED AREAS.—A description of geographical areas designated as 'high-risk money laundering and related financial crime areas' in accordance with, but not limited to, section 5342.

"(9) PERSONS CONSULTED.—Persons or officers consulted by the Secretary pursuant to subsection (d).

"(10) DATA REGARDING TRENDS IN MONEY LAUNDERING AND RELATED FINANCIAL CRIMES.—The need for additional information necessary for the purpose of developing and analyzing data in order to ascertain financial crime trends.

"(11) IMPROVED COMMUNICATIONS SYSTEMS.—A plan for enhancing the compatibility of automated information and facilitating access of the Federal Government and State and local governments to timely, accurate, and complete information.

"(c) EFFECTIVENESS REPORT.—At the time each national strategy for combating financial crimes is transmitted by the President to the Congress (other than the 1st transmission of any such strategy) pursuant to subsection (a), the Secretary shall submit a report containing an evaluation of the effectiveness of policies to combat money laundering and related financial crimes.

"(d) CONSULTATIONS.—In addition to the consultations required under this section with the Attorney General, in developing the national strategy for combating money laundering and related financial crimes, the Secretary shall consult with—

"(1) the Board of Governors of the Federal Reserve System and other Federal banking agencies and the National Credit Union Administration Board;

"(2) State and local officials, including State and local prosecutors;

"(3) the Securities and Exchange Commission;

"(4) the Commodities and Futures Trading Commission;

"(5) the Director of the Office of National Drug Control Policy, with respect to money laundering and related financial crimes involving the proceeds of drug trafficking;

"(6) the Chief of the United States Postal Inspection Service;

"(7) to the extent appropriate, State and local officials responsible for financial institution and financial market regulation;

"(8) any other State or local government authority, to the extent appropriate;

"(9) any other Federal Government authority or instrumentality, to the extent appropriate; and

"(10) representatives of the private financial services sector, to the extent appropriate.

"§ 5342. High-risk money laundering and related financial crime areas

"(a) FINDINGS AND PURPOSE.—

"(1) FINDINGS.—The Congress finds the following:

"(A) Money laundering and related financial crimes frequently appear to be concentrated in particular geographic areas, financial systems, industry sectors, or financial institutions.

"(B) While the Secretary has the responsibility to act with regard to Federal offenses which are being committed in a particular locality or are directed at a single institution, because modern financial systems and institutions are interconnected to a degree which was not possible until recently, money laundering and other related financial crimes are likely to have local, State, national, and international effects wherever they are committed.

"(2) PURPOSE AND OBJECTIVE.—It is the purpose of this section to provide a mechanism for designating any area where money laundering or a related financial crime appears to be occurring at a higher than average rate such that—

"(A) a comprehensive approach to the problem of such crime in such area can be developed, in cooperation with State and local law enforcement agencies, which utilizes the authority of the Secretary to prevent such activity; or

"(B) such area can be targeted for law enforcement action.

"(b) ELEMENT OF NATIONAL STRATEGY.—The designation of certain areas as areas in which money laundering and related financial crimes are extensive or present a substantial risk shall be an element of the national strategy developed pursuant to section 5341(b).

"(c) DESIGNATION OF AREAS.—

"(1) DESIGNATION BY SECRETARY.—The Secretary, after taking into consideration the factors specified in subsection (d), shall designate any geographical area, industry, sector, or institution in the United States in which money laundering and related financial crimes are extensive or present a substantial risk as a 'high-risk money laundering and related financial crimes area'.

"(2) CASE-BY-CASE DETERMINATION IN CONSULTATION WITH THE ATTORNEY GENERAL.—In addition to the factors specified in subsection (d), any designation of any area under paragraph (1) shall be made on the basis of a determination by the Secretary, in consultation with the Attorney General, that the particular area, industry, sector, or institution is being victimized by, or is particularly vulnerable to, money laundering and related financial crimes.

"(3) SPECIFIC INITIATIVES.—Any head of a department, bureau, or law enforcement agency, including any State or local prosecutor, involved in the detection, prevention, and suppression of money laundering and related financial crimes and any State or local official or prosecutor may submit—

"(A) a written request for the designation of any area as a high-risk money laundering and related financial crimes area; or

"(B) a written request for funding under section 5351 for a specific prevention or enforcement initiative, or to determine the extent of financial criminal activity, in an area.

"(d) FACTORS.—In considering the designation of any area as a high-risk money laundering and related financial crimes area, the Secretary shall, to the extent appropriate and in consultation with the Attorney General, take into account the following factors:

"(1) The population of the area.

"(2) The number of bank and nonbank financial institution transactions which originate in such area or involve institutions located in such area.

"(3) The number of stock or commodities transactions which originate in such area or involve institutions located in such area.

"(4) Whether the area is a key transportation hub with any international ports or airports or an extensive highway system.

"(5) Whether the area is an international center for banking or commerce.

"(6) The extent to which financial crimes and financial crime-related activities in such area are having a harmful impact in other areas of the country.

"(7) The number or nature of requests for information or analytical assistance which—

"(A) are made to the analytical component of the Department of the Treasury; and

"(B) originate from law enforcement or regulatory authorities located in such area or involve institutions or businesses located in such area or residents of such area.

"(8) The volume or nature of suspicious activity reports originating in the area.

"(9) The volume or nature of currency transaction reports or reports of cross-border movements of currency or monetary instruments originating in, or transported through, the area.

"(10) Whether, and how often, the area has been the subject of a geographical targeting order.

"(11) Observed changes in trends and patterns of money laundering activity.

"(12) Unusual patterns, anomalies, growth, or other changes in the volume or nature of core economic statistics or indicators.

"(13) Statistics or indicators of unusual or unexplained volumes of cash transactions.

"(14) Unusual patterns, anomalies, or changes in the volume or nature of transactions conducted through financial institutions operating within or outside the United States.

"(15) The extent to which State and local governments and State and local law enforcement agencies have committed resources to respond to the financial crime problem in the area and the degree to which the commitment of such resources reflects a determination by such government and agencies to address the problem aggressively.

"(16) The extent to which a significant increase in the allocation of Federal resources to combat financial crimes in such area is necessary to provide an adequate State and local response to financial crimes and financial crime-related activities in such area.

"PART 2—FINANCIAL CRIME-FREE COMMUNITIES SUPPORT PROGRAM

"§ 5351. Establishment of financial crime-free communities support program

"(a) ESTABLISHMENT.—The Secretary of the Treasury, in consultation with the Attorney General, shall establish a program to support local law enforcement efforts in the development and implementation of a program for the detection, prevention, and suppression of money laundering and related financial crimes.

"(b) PROGRAM.—In carrying out the program, the Secretary of the Treasury, in consultation with the Attorney General, shall—

"(1) make and track grants to grant recipients;

"(2) provide for technical assistance and training, data collection, and dissemination of information on state-of-the-art practices that the Secretary determines to be effective in detecting, preventing, and suppressing money laundering and related financial crimes; and

"(3) provide for the general administration of the program.

"(c) ADMINISTRATION.—The Secretary shall appoint an administrator to carry out the program.

"(d) CONTRACTING.—The Secretary may employ any necessary staff and may enter into contracts or agreements with Federal and State law enforcement agencies to delegate authority for the execution of grants and for such other activities necessary to carry out this chapter.

"§ 5352. Program authorization

"(a) GRANT ELIGIBILITY.—To be eligible to receive an initial grant or a renewal grant under this part, a State or local law enforcement agency or prosecutor shall meet each of the following criteria:

"(1) APPLICATION.—The State or local law enforcement agency or prosecutor shall submit an application to the Secretary in accordance with section 5353(a)(2).

"(2) ACCOUNTABILITY.—The State or local law enforcement agency or prosecutor shall—

"(A) establish a system to measure and report outcomes—

"(i) consistent with common indicators and evaluation protocols established by the Secretary, in consultation with the Attorney General; and

"(ii) approved by the Secretary;

"(B) conduct biennial surveys (or incorporate local surveys in existence at the time of the evaluation) to measure the progress and effectiveness of the coalition; and

"(C) provide assurances that the entity conducting an evaluation under this paragraph, or from which the applicant receives information, has experience in gathering data related to money laundering and related financial crimes.

"(b) GRANT AMOUNTS.—

"(1) GRANTS.—

"(A) IN GENERAL.—Subject to subparagraph (D), for a fiscal year, the Secretary of the Treasury, in consultation with the Attorney General, may grant to an eligible applicant under this section for that fiscal year, an amount determined by the Secretary of the Treasury, in consultation with the Attorney General, to be appropriate.

"(B) SUSPENSION OF GRANTS.—If such grant recipient fails to continue to meet the criteria specified in subsection (a), the Secretary may suspend the grant, after providing written notice to the grant recipient and an opportunity to appeal.

"(C) RENEWAL GRANTS.—Subject to subparagraph (D), the Secretary may award a renewal grant to a grant recipient under this subparagraph for each fiscal year following the fiscal year for which an initial grant is awarded.

"(D) LIMITATION.—The amount of a grant award under this paragraph may not exceed $750,000 for a fiscal year.

"(2) GRANT AWARDS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may, with respect to a community, make a grant to 1 eligible applicant that represents that community.

"(B) EXCEPTION.—The Secretary may make a grant to more than 1 eligible applicant that represent a community if—

"(i) the eligible coalitions demonstrate that the coalitions are collaborating with one another; and

"(ii) each of the coalitions has independently met the requirements set forth in subsection (a).

"(c) CONDITION RELATING TO PROCEEDS OF ASSET FORFEITURES.—

"(1) IN GENERAL.—No grant may be made or renewed under this part to any State or local law enforcement agency or prosecutor unless the agency or prosecutor agrees to donate to the Secretary of the Treasury for the program established under this part any amount received by such agency or prosecutor (after the grant is made) pursuant to any criminal or civil forfeiture under chapter 46 of title 18, United States Code, or any similar provision of State law.

"(2) SCOPE OF APPLICATION.—Paragraph (1) shall not apply to any amount received by a State or local law enforcement agency or prosecutor pursuant to any criminal or civil forfeiture referred to in such paragraph in excess of the aggregate amount of grants received by such agency or prosecutor under this part.

"(d) ROLLING GRANT APPLICATION PERIODS.—In establishing the program under this part, the Secretary shall take such action as may be necessary to ensure, to the extent practicable, that—

"(1) applications for grants under this part may be filed at any time during a fiscal year; and

"(2) some portion of the funds appropriated under this part for any such fiscal year will remain available for grant applications filed later in the fiscal year.

"§ 5353. Information collection and dissemination with respect to grant recipients

"(a) APPLICANT AND GRANTEE INFORMATION.—

"(1) APPLICATION PROCESS.—The Secretary shall issue requests for proposal, as necessary, regarding, with respect to the grants awarded under section 5352, the application process, grant renewal, and suspension or withholding of renewal grants. Each application under this paragraph shall be in writing and shall be subject to review by the Secretary.

"(2) REPORTING.—The Secretary shall, to the maximum extent practicable and in a manner consistent with applicable law, minimize reporting requirements by a grant recipient and expedite any application for a renewal grant made under this part.

"(b) ACTIVITIES OF SECRETARY.—The Secretary may—

"(1) evaluate the utility of specific initiatives relating to the purposes of the program;

"(2) conduct an evaluation of the program; and

"(3) disseminate information described in this subsection to—

"(A) eligible State local law enforcement agencies or prosecutors; and

"(B) the general public.

"§ 5354. Grants for fighting money laundering and related financial crimes

"(a) IN GENERAL.—After the end of the 1-year period beginning on the date the 1st national strategy for combating money laundering and related financial crimes is submitted to the Congress in accordance with section 5341, and subject to subsection (b), the Secretary may review, select, and award grants for State or local law enforcement agencies and prosecutors to provide funding necessary to investigate and prosecute money laundering and related financial crimes in high-risk money laundering and related financial crime areas.

"(b) SPECIAL PREFERENCE.—Special preference shall be given to applications submitted to the Secretary which demonstrate collaborative efforts of 2 or more State and local law enforcement agencies or prosecutors who have a history of Federal, State, and local cooperative law enforcement and prosecutorial efforts in responding to such criminal activity.

"§ 5355. Authorization of appropriations

"There are authorized to be appropriated the following amounts for the following fiscal years to carry out the purposes of this subchapter:

"For fiscal year:	The amount authorized is:
1999	$5,000,000.
2000	$7,500,000.
2001	$10,000,000.
2002	$12,500,000.
2003	$15,000,000.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 53 of title 31, United States Code, is amended by adding at the end the following item:

"SUBCHAPTER III—MONEY LAUNDERING AND RELATED FINANCIAL CRIMES

"5340. Definitions.

"PART 1—NATIONAL MONEY LAUNDERING AND RELATED FINANCIAL CRIMES STRATEGY

"5341. National money laundering and related financial crimes strategy.

"5342. High-risk money laundering and related financial crime areas.

"PART 2—FINANCIAL CRIME-FREE COMMUNITIES SUPPORT PROGRAM

"5351. Establishment of financial crime-free communities support program.

"5352. Program authorization.

"5353. Information collection and dissemination with respect to grant recipients.

"5354. Grants for fighting money laundering and related financial crimes.

"5355. Authorization of appropriations.".

(c) REPORT AND RECOMMENDATIONS.—Before the end of the 5-year period beginning on the date the 1st national strategy for combating money laundering and related financial crimes is submitted to the Congress pursuant to section 5341(a)(1) of title 31, United States Code (as added by section 2(a) of this Act), the Secretary of the Treasury, in consultation with the Attorney General, shall submit a report to the Committee on Banking and Financial Services and the Committee on the Judiciary of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs and the Committee on the Judiciary of the Senate on the effectiveness of and the need for the designation of areas, under section 5342 of title 31, United States Code (as added by such section 2(a)), as high-risk money laundering and related financial crime areas, together with recommendations for such legislation as the Secretary and the Attorney General may determine to be appropriate to carry out the purposes of such section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Iowa (Mr. LEACH) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1756, the Money Laundering and Financial Crimes

Strategy Act of 1998, directs the Secretary of the Treasury to create a national strategy for combatting money laundering and other financial crimes by coordinating Federal, State and local efforts and resources.

The legislation provides for the designation of high-risk money laundering areas for the purpose of providing these localities with increased Federal assistance and access to information related to money laundering and other financial crimes.

The bill also provides a mechanism to fund money laundering investigations conducted by State and local law enforcement agencies.

Efforts by law enforcement officials to combat money laundering, the process by which criminal elements seek to legitimize the proceeds of their illegal activities, have taken on particular urgency as operations of large-scale criminal organizations in the United States and abroad have grown increasingly sophisticated.

Money laundering and related financial crimes are often inextricably tied to the illegal drug trade that has ravaged so many communities in rural as well as urban sectors of America. State and local law enforcement officials and prosecutors, particularly in less urbanized areas, often find themselves overwhelmed by the sheer size and scope of the criminal enterprises arrayed against them and encounter particular difficulty in following the complex money trails by which these organizations conceal and launder their ill-gotten gains.

Recent law enforcement initiatives have demonstrated that working partnerships among Federal, State and local agencies can yield impressive results in the fight against drug-related money laundering. Perhaps the best example of the benefits of a coordinated law enforcement response to money laundering can be found in the Treasury Department's successful use of a geographic targeting order, or GTO, in 1996 and 1997 to combat money laundering in a segment of the money transmitter industry in the New York City metropolitan area.

H.R. 1756 is designed to apply the lessons of the New York GTO to other communities in other parts of the country by calling for the formulation of a national strategy for combatting money laundering and related financial crimes that emphasizes the importance of coordination and information sharing among Federal, State and local authorities and by singling out localities in which money laundering is particularly widespread for increased Federal law enforcement support and financial assistance.

The bill directs the Secretary of the Treasury, in consultation with the Attorney General, to assist such localities by providing grants, technical assistance and training in information on best practices to support their efforts to detect and prevent money laundering and related financial crimes.

In closing, Mr. Speaker, let me say that H.R. 1756 is another example of the spirit of bipartisanship and comity that I believe characterized the work of the Committee on Banking, Housing and Urban Affairs in this particular area. Introduced by the gentlewoman from New York (Ms. VELÁZQUEZ) and approved by the committee by a voice vote, the legislation commands broad bipartisan support.

Companion legislation introduced by the Senator from Iowa, Mr. GRASSLEY, is now pending in the other body.

In addition to congratulating the gentlewoman from New York (Ms. VELÁZQUEZ) in developing and championing this legislation, I would like to commend the ranking minority Member, the gentleman from New York (Mr. LAFALCE), and the gentleman from Minnesota (Mr. VENTO) for their invaluable assistance in moving this important bill through our committee.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to begin by thanking the chairman, the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE) for their help in passing this important legislation. I would also like to thank Queens District Attorney Richard Brown who was helpful in crafting this bill.

The Money Laundering and Financial Crimes Strategy Act is the result of many long years of hard work, and Congress' consideration to date marks an important step in the war against crime.

As we heard earlier, there have been many successful efforts to combat money laundering. What many of those stories overlooked is that this criminal activity has been a plague in communities, like the one that I represent, for years. There are many great local law enforcement officials who have been working hard and who have been successful at stopping these criminals.

To many, money laundering seems like something from a spy novel. To the families and the communities that I represent, these criminal enterprises are a reality. The fact remains that these criminals are attracted to low-income and immigrant communities. That is how I became involved.

About 4 years ago, I began working with the Queens District Attorney's Office and residents of Jackson Heights in Queens to address the growing problem of money laundering in that area.

There is a section of the Roosevelt Avenue in Jackson Heights that law enforcement officials call Ground Zero. That neighborhood is home to many hard-working, low-income families. The tragedy is that it is also home to hundreds of money wire services that transfers up to $1.3 billion in illegal drug proceeds to South America.

While legitimate companies struggle to provide valuable services to the families in those neighborhoods, neighborhoods that do not have access to banks or other financial institutions, criminals set up shop in businesses ranging from beeper outlets to travel agencies to convenience stores. Instead of helping to create jobs, economic development and a better way of life for my constituents, they bring fear, violence and drugs. For that reason, the DA's office approached me for help.

Working with them, I conceived the Money Laundering and Financial Crimes Strategy Act. That was 3 years ago. The main goal of my legislation is to provide local law enforcement and prosecutors the hand they need to combat these criminal syndicates.

For a moment, just consider the sheer size and changing nature of money laundering enterprises. Then consider the burden on local law enforcement officials. They need our help.

Some local police departments and prosecutors are expected to battle crime networks with budgets bigger than some States. They must fight crime syndicates that can relocate anywhere at any time. For that reason, it is time that Washington reach out and become a real partner in this war. My legislation directs the Department of the Treasury, in consultation with the Attorney General, to develop a national strategy to combat money laundering and related financial crimes.

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The strategy would include goals for reducing money laundering as well as coordinated regulatory efforts to prevent exploitation of the financial sector in the United States. Other elements are operational initiatives to improve the detection of money laundering, and intergovernmental initiatives and actions to fight these crimes.

The key component of this legislation is the designation of areas as high risk money laundering areas. Any area designated a high risk area would be eligible for increased Federal law enforcement assistance and access to information sharing. These localities would also be eligible for Federal financial crimes grants.

The Money Laundering and Financial Crimes Strategy Act would bring everyone combating these financial crimes to the table for consultation. It would also coordinate and strengthen relationships formed with those fighting on the front lines. Most importantly, greater attention would be paid to areas at high risk of money laundering activity. Participation by local law enforcement and even the private sector in those areas would be fostered.

If localities are going to keep winning, we must give them the best tools.

Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield myself such time as I may consume. In conclusion, let me just state that this is a very subtle bill that would not be before the House if it were not for the commitment as well as the persistence of the gentlewoman from New York (Ms. VELÁZQUEZ). Her hard work and thoughtfulness in my judgment deserve very serious commendation in this body.

Mr. LAFALCE. I rise to urge the adoption of H.R. 1756, the Money Laundering and Financial Crimes Strategy Act of 1998, legislation sponsored by NYDIA VELÁZQUEZ, a distinguished and hard-working Member of the Banking Committee.

Mr. Speaker, in separate legislation considered today in the House, Members were asked to support amendments to the Bank Secrecy Act, thereby authorizating additional steps to combat money laundering activities. As a result of that bill and a host of other amendments to the Bank Secrecy Act enacted in recent years, H.R. 1756 is logical and much needed because it requires the Secretary of the Treasury to develop and implement a national strategy for combating money laundering and related financial crimes. Further, to the extent funds can be appropriated in the future, H.R. 1756 establishes a federal funding program to support efforts by state and local law enforcement authorities to investigate and prosecute money laundering practices.

The adoption of the bill is necessary because I am pleased to report to the House that we have reached the point where we need a comprehensive strategy specifically focusing on the federal government's money laundering initiatives. We have on the books significant reporting requirements and numerous deterrence programs. We have seen anti-money laundering statutes used as the basis for the successful prosecution of criminal and, most recently, we have witnessed the use of stings and other investigative tactics designed solely to strike at the criminal's ability to legitimize illegal profits by washing them through the financial system.

Because of our success, we must now develop a national strategy to ensure that the high demand for the limited resources available to combat money laundering are properly targeted to those activities that return the best results. H.R. 1756 accomplishes this purposes and deserves the full support of the House of Representatives.

I would be remiss if I did not comment on the role the sponsor of the bill has played in the effort to combat financial crime. Congresswoman NYDIA VELÁZQUEZ did not sit by when money wire transfer businesses in her New York Congressional District were identified as suspected money laundering entities, transferring huge amounts of cash into the financial system without filing the required reports or taking the appropriate actions required by the "know your customer" standards. Congresswoman VELÁZQUEZ personally participated in the law enforcement effort to shut down the unlawful operations and today's bill is but another example of ongoing efforts to protect the residents of her Congressional community.

I also commend Chairman LEACH for scheduling the legislation for the consideration of the Banking Committee and for working with me to bring this important legislation to the floor of the House today.

I strongly urge the adoption of this much needed legislation.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from Iowa (Mr. LEACH) that the House suspend the rules and pass the bill, H.R. 1756, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LEACH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1756, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

DEPARTMENT OF STATE SPECIAL AGENTS RETIREMENT ACT OF 1998

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 633) to amend the Foreign Service Act of 1980 to provide that the annuities of certain special agents and security personnel of the Department of State be computed in the same way as applies generally with respect to Federal law enforcement officers, and for other purposes, as amended.

The Clerk read as follows:

H.R. 633

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of State Special Agents Retirement Act of 1998".

SEC. 2. AMENDMENTS RELATING TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) DEFINITION OF A SPECIAL AGENT.—

(1) IN GENERAL.—Section 804 of the Foreign Service Act of 1980 (22 U.S.C. 4044) is amended—

(A) by striking "and" at the end of paragraph (13);

(B) by striking the period at the end of paragraph (14) and inserting "; and"; and

(C) by adding at the end the following:

"(15) 'special agent' means an employee of the Department of State with a primary skill code of 2501—

"(A) the duties of whose position—

"(i) are primarily—

"(I) the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, or

"(II) the protection of persons pursuant to section 2709(a)(3) of title 22, United States Code, against threats to personal safety; and

"(ii) are sufficiently rigorous that employment opportunities should be limited to young and physically vigorous individuals, as determined by the Secretary of State pursuant to section 4823 of title 22, United States Code;

"(B) performing duties described in subparagraph (A) before, on, or after the date of the enactment of this paragraph; or

"(C) transferred directly to a position which is supervisory or administrative in nature after performing duties described in subparagraph (A) for at least 3 years.".

(2) CONFORMING AMENDMENT.—Section 852 of such Act (22 U.S.C. 4071a) is amended—

(A) by striking "and" at the end of paragraph (7);

(B) by striking the period at the end of paragraph (8) and inserting "; and"; and

(C) by adding at the end the following:

"(9) the term 'special agent' has the same meaning given in section 804(15).".

(b) CONTRIBUTIONS.—

(1) IN GENERAL.—Section 805(a) of such Act (22 U.S.C. 4045(a)) is amended by adding at the end the following:

"(3) For service as a special agent, paragraph (1) shall be applied by substituting for '7 percent' the percentage that applies to law enforcement officers under section 8334(a)(1) of title 5, United States Code.".

(2) CONFORMING AMENDMENT.—Section 805(a)(1) (22 U.S.C. 4045(a)(1)) of such Act is amended by striking "Except as provided in subsection (h)," and inserting "Except as otherwise provided in this section,".

(c) SPECIAL CONTRIBUTION FOR PRIOR NONDEPOSIT SERVICE.—Section 805(d) of such Act (22 U.S.C. 4045(d)) is amended by adding at the end the following:

"(6) Subject to paragraph (4) and subsection (h), for purposes of applying this subsection with respect to prior service as a special agent, the percentages of basic pay set forth in section 8334(c) of title 5, United States Code, with respect to a law enforcement officer, shall apply instead of the percentages set forth in paragraph (1).".

(d) COMPUTATION OF ANNUITIES.—

(1) IN GENERAL.—Section 806(a) of such Act (22 U.S.C. 4046(a)) is amended—

(A) by redesignating paragraph (6) as paragraph (7); and

(B) by inserting after paragraph (5) the following:

"(6)(A) The annuity of a special agent under this subchapter shall be computed under paragraph (1) except that, in the case of a special agent described in subparagraph (B), paragraph (1) shall be applied by substituting for '2 percent'—

"(i) the percentage under subparagraph (A) of section 8339(d)(1) of title 5, United States Code, for so much of the participant's total service as is specified thereunder; and

"(ii) the percentage under subparagraph (B) of section 8339(d)(1) of title 5, United States Code, for so much of the participant's total service as is specified thereunder.

"(B) A special agent described in this subparagraph is any such agent or former agent who—

"(i)(I) retires voluntarily or involuntarily under section 607, 608, 611, 811, 812, or 813, under conditions authorizing an immediate annuity, other than for cause on charges of misconduct or delinquency, or retires for disability under section 808; and

"(II) at the time of retirement—

"(aa) if voluntary, is at least 50 years of age and has completed at least 20 years of service as a special agent; or

"(bb) if involuntary or disability, has completed at least 20 years of service as a special agent; or

"(ii) dies in Service after completing at least 20 years of service as a special agent, when an annuity is payable under section 809.

"(C) For purposes of subparagraph (B), included with the years of service performed by an individual as a special agent shall be any service performed by such individual as a law enforcement officer (within the meaning of section 8331(20) or section 8401(17) of title 5, United States Code), or a member of the Capitol Police.".

(2) SPECIAL RULE FOR SPECIAL AGENTS WITH PRIOR SERVICE UNDER THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM OR THE CIVIL SERVICE RETIREMENT SYSTEM.—Section 806(a) of such Act (22 U.S.C. 4046(a)), as amended by paragraph (1), is further amended—

(A) by redesignating paragraph (7) (as so redesignated by paragraph (1)) as paragraph (8); and

(B) by inserting after paragraph (6) (as added by paragraph (1)) the following:

"(7) In the case of a special agent who becomes or became subject to subchapter II—

"(A) for purposes of paragraph (6)(B), any service performed by the individual as a special agent (whether under this subchapter or under subchapter II), as a law enforcement officer (within the meaning of section 8331(20) or section 8401(17) of title 5, United States Code), or as a member of the Capitol Police shall be creditable; and

"(B) if the individual satisfies paragraph 6(B), the portion of such individual's annuity which is attributable to service under the Foreign Service Retirement and Disability System or the Civil Service Retirement System shall be computed in conformance with paragraph (6).".

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Paragraph (8) of section 806(a) of such Act (22 U.S.C. 4046(a)), as so redesignated by paragraph (2)(A), is amended by striking "and (4)" and inserting "(4), and (6)".

(B) Paragraphs (1) and (3) of section 855(b) of such Act (22 U.S.C. 4071d(b)) are each amended by inserting "611," after "608,".

SEC. 3. MANDATORY SEPARATION OF SPECIAL AGENTS.

The first sentence of section 812(a)(2) of the Foreign Service Act of 1980 (22 U.S.C. 4052(a)(2)) is amended to read as follows: "Notwithstanding paragraph (1)—

"(A) an individual described in section 4(a)(2) of the Department of State Special Agents Retirement Act of 1998 who is otherwise eligible for immediate retirement under this chapter, or

"(B) a Foreign Service criminal investigator/inspector of the Office of Inspector General of the Agency for International Development who would have been eligible for retirement pursuant to either section 8336(c) or 8412(d) of title 5, United States Code, as applicable, had the employee remained in civil service,

shall be separated from the Service on the last day of the month in which such individual under subparagraph (A) or such Foreign Service criminal investigator/inspector under subparagraph (B) attains 57 years of age or completes 20 years of service if then over that age.".

SEC. 4. EFFECTIVE DATE; APPLICABILITY.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall apply with respect to—

(A) any individual first appointed on or after that date as a special agent who will have any portion of such individual's annuity computed in conformance with section 806(a)(6) of the Foreign Service Act; and

(B) any individual making an election under subsection (b), subject to the provisions of such subsection.

(b) ELECTION FOR CURRENT PARTICIPANTS.—

(1) ELIGIBILITY.—An election under this subsection may be made by any currently employed participant under chapter 8 of the Foreign Service Act of 1980 who is serving or has served as a special agent, or by a survivor of a special agent who was eligible to make an election under this section.

(2) EFFECT OF AN ELECTION.—

(A) IN GENERAL.—If an individual makes an election under this subsection, the amendments made by this Act shall become applicable with respect to such individual, subject to subparagraph (B).

(B) TREATMENT OF PRIOR SERVICE.—

(i) SPECIAL CONTRIBUTION.—An individual may, after making the election under this subsection, make a special contribution up to the full amount of the difference between the contributions actually deducted from pay for prior service and the deductions that would have been required if the amendments made by this Act had then been in effect. Any special contributions under this clause shall be computed under regulations based on section 805(d) of the Foreign Service Act of 1980 (as amended by section 2), including provisions relating to the computation of interest.

(ii) ACTUARIAL REDUCTION.—

(I) RULE IF THE SPECIAL CONTRIBUTION IS PAID.—If the full amount of the special contribution under clause (i) is paid, no reduction under this clause shall apply.

(II) RULE IF LESS THAN THE ENTIRE AMOUNT IS PAID.—If no special contribution under clause (i) is paid, or if less than the entire amount of such special contribution is paid, the recomputed annuity shall be reduced by an amount sufficient to make up the actuarial present value of the shortfall.

(c) REGULATIONS AND NOTICE.—Not later than 6 months after the date of the enactment of this Act, the Secretary of State—

(1) shall promulgate such regulations as may be necessary to carry out this Act; and

(2) shall take measures reasonably designed to provide notice to participants as to any rights they might have under this Act.

(d) ELECTION DEADLINE.—An election under subsection (b) must be made not later than 90 days after the date on which the relevant notice under subsection (c)(2) is provided.

(e) DEFINITION.—For purposes of this section, the term "special agent" has the meaning given such term under section 804(15) of the Foreign Service Act of 1980 (22 U.S.C. 4044(15)), as amended by section 2(a).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from Indiana (Mr. HAMILTON) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 633 amends the Foreign Service Act to provide that the annuities of diplomatic security special agents of the Department of State who are participating in the Foreign Service retirement and disability system be computed in the same way as applies generally to Federal law enforcement officers participating in the Civil Service Retirement System. Mr. Speaker, we all know of the good work around the world by the special agents of the Diplomatic Security Service.

In general, Federal law enforcement officers who contribute an additional ½ percent of their basic salary to their retirement fund are eligible to receive a multiplier of 2½ percent per year for up to 20 years, instead of 2 percent per year. This amounts to a 25 percent increase in their annuity computation for their first 20 years as law enforcement agents, in comparison to other "Old System" employees.

This bill ensures that our DS special agents would also receive this benefit which, as I mentioned, is available to their Civil Service law enforcement colleagues throughout the Federal Government. The legislation affects a relatively small number of people, around 200 DS agents in the State Department, and will resolve equity and morale concerns in the Bureau of Diplomatic Security.

The bill also provides that just as old system civil service law enforcement officers are subject to mandatory retirement, the old system foreign service law enforcement officers who are the beneficiaries of this bill will also be subject to mandatory retirement.

Mr. Speaker, this bill is the fruit of a great deal of work and diligence by the gentleman from Virginia (Mr. DAVIS). It passed by a bipartisan voice vote in our committee. Accordingly, I support the measure.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume. I rise in support of H.R. 633. I commend the gentleman from Virginia (Mr. DAVIS) and the gentleman from Virginia (Mr. MORAN) for their leadership in introducing the bill. I appreciate very much the gentleman from New York making sure it is on the schedule today.

The bill provides equity for a small group of State Department diplomatic security agents. Today most law enforcement agents in the Federal Government who were hired before 1984 will receive a 7.5 percent annuity when they retire. The State Department diplomatic security agents hired prior to 1984, however, will receive 7 percent. There are fewer than 200 such officers at the Department of State.

This bill would allow those diplomatic security officers hired prior to 1984 whose primary duties are investigation, apprehension or detention of criminal suspects and who are in rigorous physical shape to receive the higher annuity upon retirement, after paying an increased contribution into the retirement system.

This is a bipartisan bill. It is supported by the Administration. It brings deserved equity for the Diplomatic Security Service. Diplomatic security agents protect U.S. personnel. They ensure the security of vital U.S. information and buildings at home and abroad. Foreign service diplomatic security officers deserve to be treated similarly to their civil service colleagues throughout the Federal Government.

The cost of H.R. 633 has been estimated by the Office of Management and Budget to be $2.5 million over fiscal years 1999 through the year 2003. It is not a costly new program since it will apply to a narrow category of officers. I urge my colleagues to support this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. DAVIS), the sponsor of the measure.

Mr. DAVIS of Virginia. I thank the gentleman for yielding me this time.

Mr. Speaker, it is my privilege for the House today to consider H.R. 633, as amended, a bill I introduced to bring equity to agents of the Diplomatic Security Service. With the hard work and dedication of the gentleman from New York (Mr. GILMAN), chairman of the Committee on International Relations and his staff members Hillel Weinberg and Kristen Gilley, the House is prepared today to pass this important legislation.

Specifically, H.R. 633 would amend the Foreign Service Act of 1980 to provide that the annuities of DS special agents of the Department of State, who are participating in the Foreign Service Retirement and Disability System, be computed in the same way as applies generally to Federal law enforcement officers. In general, law enforcement officers must contribute an additional one-half percent of their basic salary to their retirement fund and, in return, are eligible to receive a one-half percent per year served, up to 20 years, or a 10 percent increase in their annuity.

As Members know, despite performing traditional law enforcement activities and being placed in high-risk situations on behalf of the United States at home and abroad, many DS special agents are currently treated differently than all other law enforcement agents in regards to their retirement annuity calculations. The security functions that DS special agents carry out every day include protecting U.S. personnel and the security of vital U.S. information and installations both domestically and internationally. Their duties are critical to the viability of overseas operations of the United States and to the protection of thousands of U.S. citizens around the world.

Special agents of the Bureau of Diplomatic Security are charged with the security of American diplomatic personnel overseas. These agents also protect Members of Congress and their staffs while on official business overseas. We have seen time and time again the threats that DS special agents face protecting America's interests. In the past few years alone, DS special agents have been placed in harm's way while serving in Bosnia, Burundi, Liberia and Haiti.

H.R. 633 is supported by the U.S. Department of State, the Office of Personnel Management, the American Foreign Service Association, the Diplomatic Security Special Agents Association, the Federal Law Enforcement Officers Association, and the Fraternal Order of Police.

I would also like to thank again the gentleman from New York (Mr. GILMAN), the gentleman from Florida (Mr. MICA), the gentleman from Virginia (Mr. MORAN), the Department of State, and my constituent Jim Prietch for their leadership in making this legislation possible.

Mr. LANTOS. Mr. Speaker, as an enthusiastic Cosponsor of H.R. 633, I rise in strong support of this legislation and urge my colleagues to support its passage.

The adoption of H.R. 633 is a simple matter of equity. It provides that a small number of diplomatic security agents at the Department of State will receive the same rate of annuity when they retire as other federal law enforcement officials now receive. The cost of the program is minimal and will be absorbed in the budget of the Department of State, but the fundamental issues is one of fairness.

It is important, Mr. Speaker, to keep in mind that Diplomatic Security special agents are fully trained law enforcement officers with critical law enforcement responsibilities established in law. These agents have principal responsibilities for investigation, apprehension and detention of criminal suspects. They protect U.S. government personnel while traveling abroad, they protect our diplomatic facilities in foreign countries, they protect the integrity of foreign policy information, and they provide an important protective function in the United States for visiting foreign government leaders and our own diplomats.

Mr. Speaker, I commend our distinguished colleagues, Mr. DAVIS and Mr. MORAN of Virginia, for introducing this important piece of legislation, and I urge my colleagues to support its adoption.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 633, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

IRAQ LIBERATION ACT OF 1998

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4655) to establish a program to support a transition to democracy in Iraq, as amended.

The Clerk read as follows:

H.R. 4655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Iraq Liberation Act of 1998".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) On September 22, 1980, Iraq invaded Iran, starting an eight year war in which Iraq employed chemical weapons against Iranian troops and ballistic missiles against Iranian cities.

(2) In February 1988, Iraq forcibly relocated Kurdish civilians from their home villages in the Anfal campaign, killing an estimated 50,000 to 180,000 Kurds.

(3) On March 16, 1988, Iraq used chemical weapons against Iraqi Kurdish civilian opponents in the town of Halabja, killing an estimated 5,000 Kurds and causing numerous birth defects that affect the town today.

(4) On August 2, 1990, Iraq invaded and began a seven month occupation of Kuwait, killing and committing numerous abuses against Kuwaiti civilians, and setting Kuwait's oil wells ablaze upon retreat.

(5) Hostilities in Operation Desert Storm ended on February 28, 1991, and Iraq subsequently accepted the ceasefire conditions specified in United Nations Security Council Resolution 687 (April 3, 1991) requiring Iraq, among other things, to disclose fully and permit the dismantlement of its weapons of mass destruction programs and submit to long-term monitoring and verification of such dismantlement.

(6) In April 1993, Iraq orchestrated a failed plot to assassinate former President George Bush during his April 14–16, 1993, visit to Kuwait.

(7) In October 1994, Iraq moved 80,000 troops to areas near the border with Kuwait, posing an imminent threat of a renewed invasion of or attack against Kuwait.

(8) On August 31, 1996, Iraq suppressed many of its opponents by helping one Kurdish faction capture Irbil, the seat of the Kurdish regional government.

(9) Since March 1996, Iraq has systematically sought to deny weapons inspectors from the United Nations Special Commission on Iraq (UNSCOM) access to key facilities and documents, has on several occasions endangered the safe operation of UNSCOM helicopters transporting UNSCOM personnel in

Iraq, and has persisted in a pattern of deception and concealment regarding the history of its weapons of mass destruction programs.

(10) On August 5, 1998, Iraq ceased all cooperation with UNSCOM, and subsequently threatened to end long-term monitoring activities by the International Atomic Energy Agency and UNSCOM.

(11) On August 14, 1998, President Clinton signed Public Law 105-235, which declared that "the Government of Iraq is in material and unacceptable breach of its international obligations" and urged the President "to take appropriate action, in accordance with the Constitution and relevant laws of the United States, to bring Iraq into compliance with its international obligations.".

(12) On May 1, 1998, President Clinton signed Public Law 105-174, which made $5,000,000 available for assistance to the Iraqi democratic opposition for such activities as organization, training, communication and dissemination of information, developing and implementing agreements among opposition groups, compiling information to support the indictment of Iraqi officials for war crimes, and for related purposes.

SEC. 3. SENSE OF CONGRESS REGARDING UNITED STATES POLICY TOWARD IRAQ.

It should be the policy of the United States to support efforts to remove the regime headed by Saddam Hussein from power in Iraq and to promote the emergence of a democratic government to replace that regime.

SEC. 4. ASSISTANCE TO SUPPORT A TRANSITION TO DEMOCRACY IN IRAQ.

(a) Authority To Provide Assistance.—The President may provide to the Iraqi democratic opposition organizations designated in accordance with section 5 the following assistance:

(1) Broadcasting assistance.—(A) Grant assistance to such organizations for radio and television broadcasting by such organizations to Iraq.

(B) There is authorized to be appropriated to the United States Information Agency $2,000,000 for fiscal year 1999 to carry out this paragraph.

(2) Military assistance.—(A) The President is authorized to direct the drawdown of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training for such organizations.

(B) The aggregate value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of assistance provided under this paragraph may not exceed $97,000,000.

(b) Humanitarian Assistance.—The Congress urges the President to use existing authorities under the Foreign Assistance Act of 1961 to provide humanitarian assistance to individuals living in areas of Iraq controlled by organizations designated in accordance with section 5, with emphasis on addressing the needs of individuals who have fled to such areas from areas under the control of the Saddam Hussein regime.

(c) Restriction on Assistance.—No assistance under this section shall be provided to any group within an organization designated in accordance with section 5 which group is, at the time the assistance is to be provided, engaged in military cooperation with the Saddam Hussein regime.

(d) Notification Requirement.—The President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 at least 15 days in advance of each obligation of assistance under this section in accordance with the procedures applicable to reprogramming notifications under such section 634A.

(e) Reimbursement Relating to Military Assistance.—

(1) In general.—Defense articles, defense services, and military education and training provided under subsection (a)(2) shall be made available without reimbursement to the Department of Defense except to the extent that funds are appropriated pursuant to paragraph (2).

(2) Authorization of appropriations.—There are authorized to be appropriated to the President for each of the fiscal years 1998 and 1999 such sums as may be necessary to reimburse the applicable appropriation, fund, or account for the value (as defined in section 644(m) of the Foreign Assistance Act of 1961) of defense articles, defense services, or military education and training provided under subsection (a)(2).

(f) Availability of Funds.—(1) Amounts authorized to be appropriated under this section are authorized to remain available until expended.

(2) Amounts authorized to be appropriated under this section are in addition to amounts otherwise available for the purposes described in this section.

(g) Authority To Provide Assistance.—Activities under this section (including activities of the nature described in subsection (b)) may be undertaken notwithstanding any other provision of law.

SEC. 5. DESIGNATION OF IRAQI DEMOCRATIC OPPOSITION ORGANIZATION.

(a) Initial Designation.—Not later than 90 days after the date of enactment of this Act, the President shall designate one or more Iraqi democratic opposition organizations that the President determines satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(b) Designation of Additional Organizations.—At any time subsequent to the initial designation pursuant to subsection (a), the President may designate one or more additional Iraqi democratic opposition organizations that the President determines satisfy the criteria set forth in subsection (c) as eligible to receive assistance under section 4.

(c) Criteria for Designation.—In designating an organization pursuant to this section, the President shall consider only organizations that—

(1) include a broad spectrum of Iraqi individuals, groups, or both, opposed to the Saddam Hussein regime; and

(2) are committed to democratic values, to respect for human rights, to peaceful relations with Iraq's neighbors, to maintaining Iraq's territorial integrity, and to fostering cooperation among democratic opponents of the Saddam Hussein regime.

(d) Notification Requirement.—At least 15 days in advance of designating an Iraqi democratic opposition organization pursuant to this section, the President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 of his proposed designation in accordance with the procedures applicable to reprogramming notifications under such section 634A.

SEC. 6. WAR CRIMES TRIBUNAL FOR IRAQ.

Consistent with section 301 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (Public Law 102-138), House Concurrent Resolution 137, 105th Congress (approved by the House of Representatives on November 13, 1997), and Senate Concurrent Resolution 78, 105th Congress (approved by the Senate on March 13, 1998), the Congress urges the President to call upon the United Nations to establish an international criminal tribunal for the purpose of indicting, prosecuting, and imprisoning Saddam Hussein and other Iraqi officials who are responsible for crimes against humanity, genocide, and other criminal violations of international law.

SEC. 7. ASSISTANCE FOR IRAQ UPON REPLACEMENT OF SADDAM HUSSEIN REGIME.

It is the sense of Congress that once the Saddam Hussein regime is removed from power in Iraq, the United States should support Iraq's transition to democracy by providing immediate and substantial humanitarian assistance to the Iraqi people, by providing democracy transition assistance to Iraqi parties and movements with democratic goals, and by convening Iraq's foreign creditors to develop a multilateral response to Iraq's foreign debt incurred by Saddam Hussein's regime.

SEC. 8. RULE OF CONSTRUCTION.

Nothing in this Act shall be construed to authorize or otherwise speak to the use of United States Armed Forces (except as provided in section 4(a)(2)) in carrying out this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. Gilman) and the gentleman from Indiana (Mr. Hamilton) each will control 20 minutes.

Mr. PAUL. Mr. Speaker, I would like to inquire whether or not either gentleman is opposed to the bill.

The SPEAKER pro tempore. Is the gentleman from Indiana opposed to the bill?

Mr. HAMILTON. I support the bill, Mr. Speaker.

Mr. PAUL. Mr. Speaker, I request the time in opposition.

The SPEAKER pro tempore. Under the rule, the gentleman from Texas (Mr. Paul) will control 20 minutes in opposition and the gentleman from New York (Mr. Gilman) will control 20 minutes in support of the bill.

The Chair recognizes the gentleman from New York (Mr. Gilman).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I introduced H.R. 4655, the Iraq Liberation Act of 1998, in late September in order to give our President additional tools with which to confront the continuing threat to international peace and security posed by Saddam Hussein.

For almost 8 years, since the end of Operation Desert Storm, we have waited for Saddam Hussein's regime to live up to its international obligations. After dozens of U.N. Security Council resolutions and compromise after compromise, we have too little to show.

The dilemma of current U.S. policy is dramatically illustrated by the events we have witnessed this past year. In January and February, our Nation was on the verge of launching massive military strikes against Iraq in order to compel Saddam to afford U.N. weapons inspectors access to certain sites that he had declared off-limits. Our Nation stood down after U.N. Secretary-General Kofi Anan brokered a deal in which Saddam promised to behave better in the future. But, our leaders said, if Saddam violates his agreement with Kofi Anan, we will retaliate swiftly and massively.

After spending over $1 billion to build up U.S. forces in the Persian Gulf earlier this year, those additional forces were slowly drawn down and brought home. And then, of course, Saddam reneged on his commitments once again.

Today is the 61st day without U.N. weapons inspections in Iraq. The situation as regards weapons inspections is far worse today than it was back in January and February when our Nation was threatening military action.

One of the reasons our Nation did not undertake military action in February, and one of the reasons our leaders are not today delivering on their threats of swift and massive retaliation, is that the kind of military action they have in mind just might not work. Certainly we can inflict massive damage on Saddam with air strikes. But what if he simply absorbs the damage and continues to defy the U.N.?

As things stand today, we would have only three alternatives in such a situation. First, we could forge ahead with our air strikes, bouncing the rubble in Baghdad, but increasingly making it appear to the world that we are the aggressor, not Saddam. Second, we could mount a second invasion of Iraq by U.S. ground forces. Or, third, we could admit failure and give up.

Of course, none of these alternatives have been considered acceptable. And so today we find our Nation paralyzed by indecision. Saddam has never before been in such clear violation of his international obligations. Our government has never before been so obviously unwilling to do anything about it.

The purpose of the Iraq Liberation Act is to try to break this logjam. It creates a fourth alternative, an alternative that meets both our short-term and our longer-term requirements with regard to Iraq. In the short term, we need to be able to bring more effective pressure to bear on Saddam in order to force him to comply with his international obligations. In the longer term, we need to remove his regime from power.

□ 1815

Let there be no mistake about it. Saddam is the problem, and there will be no permanent solution as long as his regime remains. The Iraq Liberation Act gives the President tools that he should find useful in designing a comprehensive strategy to deal with Saddam both in the short term and over the longer term. The legislation does not require the President to equip a rebel army in Iraq, but it gives him all the authority he needs to do so. If he uses that authority, it will cost money, perhaps as much as $99 million that the bill authorizes, perhaps ultimately more, but whatever the cost, it will be far less than the $1.4 billion supplemental appropriation we provided this year alone for unbudgeted U.S. military operations against Saddam Hussein.

Since this bill was introduced, Mr. Speaker, we have been working with the administration to try to refine it in order to make it most useful to the President. At their suggestion we have incorporated a number of changes at our committee markup last week to improve the legislation, and as a result of our work with the administration I have been informed the administration does not oppose enactment of the bill.

With regard to one technical matter, I note that the criterion in Section 5 (c)(1) for designation of Iraqi opposition organizations is intended to ensure that only broad based organizations are designated. They may be broad based by having a broad spectrum of groups cooperating within one organization. In the case of organizations composed primarily of one ethnic sector such organizations may also be designated if they include a broad spectrum of individuals within the sector. In any event, I would expect the designation issue to be the subject of dialogue and accommodation between the Executive Branch and Congress as required by the notification provision contained in section 5(d).

Mr. Speaker, this bill will give our government additional tools with which to confront the threat to international peace and security posed by Saddam Hussein, and for this reason I believe it deserves the support of our Members. Accordingly, I urge our colleagues to vote in favor of H.R. 4655.

Mr. Speaker, I reserve the balance of my time.

Mr. PAUL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, understand this legislation came before the committee on Friday, one legislative day prior to today. There has been no committee report filed, and it was brought up under suspension. And I believe this legislation is very serious legislation. It is not a casual piece of legislation condemning a leader in another country that is doing less than honorable things.

I see this piece of legislation as essentially being a declaration of virtual war. It is giving the President tremendous powers to pursue war efforts against a sovereign Nation. It should not be done casually. I think it is another example of a flawed foreign policy that we have followed for a good many decades.

For instance, at the beginning of this legislation it is cited as one of the reasons why we must do something. It says on September 22, 1980, Iraq invaded Iran starting an 8-year war in which Iraq employed chemical weapons against Iranian troops, very serious problems. We should condemn that. But the whole problem is we were Iraq's ally at that time, giving him military assistance, giving him funds and giving him technology for chemical weapons.

So here we are now deciding that we have to virtually declare war against this individual. It is not like he is the only hoodlum out there. I could give my colleagues a list of 15 or 20. I do not like the leadership of China. Why do we not do something about China? I do not like the leadership of Sudan. But all of a sudden we have to decide what we are going to give this President to pursue getting rid of Saddam Hussein.

Just a few months ago, or last November, we passed a resolution, and the resolution was H.R. 137. It sounded very general and very benign, and it talked about the atrocities caused by Saddam Hussein, and we asked to condemn and also to set up a U.N. commission to study this and give the U.N. authority to pursue arrests and convict and try Saddam Hussein. So this is not something we are doing for the interests of the United States. We are doing this under the interests of the United Nations, but we are the spokesperson for them.

Not too long ago, a few years back, in 1980s, in our efforts to bring peace and democracy to the world we assisted the freedom fighters of Afghanistan, and in our infinite wisdom we gave money, technology and training to Bin Laden, and now, this very year, we have declared that Bin Laden was responsible for the bombing in Africa. So what is our response, because we allow our President to pursue war too easily? What was the President's response? Some even say that it might have been for other reasons than for national security reasons. So he goes off and bombs Afghanistan, and he goes off and bombs Sudan, and now the record shows that very likely the pharmaceutical plant in Sudan was precisely that, a pharmaceutical plant.

So I say we should stop and think for a minute before we pursue and give the President more authority to follow a policy that to me is quite dangerous. This to me is equivalent to declaring war and allowing the President to pursue this.

Another complaint listed on this legislation: in February 1988 Iraq forcibly relocated Kurdish civilians from their homes. Terrible thing to do, and they probably did; there is no doubt about it. But what did we do after the Persian Gulf war? We encouraged the

Kurdish people to stand up and fight against Saddam Hussein, and they did, and we forgot about them, and they were killed by the tens of thousands. There is no reason for them to trust us. There is no reason for the Sudanese people to believe and trust in us, in what we do when we rain bombs on their country and they have done nothing to the United States. The people of Iraq certainly have not done anything to the United States, and we certainly can find leaders around the world that have not done equally bad things. I think we should stop and think about this.

Just today it was announced that the Turks are lined up on the Syrian border. What for? To go in there and kill the Kurds because they do not like the Kurds. I think that is terrible. But what are we doing about it? Who are the Turks? They are our allies, they are our friends. They get military assistance. The American people are paying the Turks to keep their military up. So we are responsible for that.

This policy makes no sense. Some day we have to think about the security of United States. We spend this money. We spent nearly $100 million bombing nobody and everybody for who knows what reason last week. At the same time our military forces are under trained and lack equipment, and we are wasting money all around the world trying to get more people, see how many people we can get to hate us. Some day we have to stop and say why are we pursuing this. Why do we not have a policy that says that we should, as a Congress, defend the United States, protect us, have a strong military, but not to police the world in this endless adventure of trying to be everything to everybody. We have been on both sides of every conflict since World War II. Even not too long ago they were talking about bombing in Kosovo. As a matter of fact, that is still a serious discussion. But a few months ago they said, well, we are not quite sure who the good guys are, maybe we ought to bomb both sides. It makes no sense. Why do we not become friends to both sides?

There are people around the world that we deal with that are equally repulsive to Saddam Hussein, and I believe very sincerely that the founders of this country were on the right track when they said stay out of entangling alliances. And we should trade with people; we would get along with them better. We have pursued this type of policy in Cuba for 40 years, and it has served Castro well. Why do we not go down and get rid of Castro? Where do we get this authority to kill a dictator? We do not have that authority, and to do it under one day of hearings, mark it up, bring it up the next day under suspension; I do not understand why anybody could vote for this just on the nature of it.

We should not be doing this. We should stop and think about it and try to figure out a much better way.

I, for instance, am on a bill to trade with Cuba. Oh, how horrible, we should not trade with Cuba, they are a bunch of Commies down there. But we should be selling them rice and we should be selling them our crops. We should not be bombing these people.

As my colleagues know, at the end of this bill I think we get a hint as to why we do not go to Rwanda for humanitarian reasons. Now there is some atrocities. Why do we not clean that mess up? Because I believe very sincerely that there is another element tied into this, and I think it has something to do with money, and I think it has something to do with oil. The oil interests need the oil in Iraq, and he does not, Saddam Hussein does not, comply with the people of the west. So he has to go.

But also at the end of this legislation it tells us something about what might be going on. It is they are asking to set up and check into the funds that Saddam Hussein owes to the west. Who is owed? They do not owe me any money. But I will bet my colleagues there is a lot of banks in New York who are owed a lot of money, and this is one of the goals, to set up and make sure Saddam Hussein pays his bills.

All I do is ask my colleagues to think about it, urge them to go slowly. Nothing is so pressing that we should give the President this much authority to go to war.

Under the appropriations it is endless, it is open, endless, and here we are concerned about saving Social Security. Any amount of money spent on this bill comes out of Social Security. Yes, there was yelling and screaming about a tax cut. Oh, it is coming out of Social Security. Well, this money is not appropriated, and it is such sums as necessary for military and economic benefits. After we get rid of one thug, we are going to have it in. I hope we make a better choice than we did with Bin Laden. I mean he was our close ally.

Please think twice, slow up, vote against this bill. We do not need this.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield 8 minutes to the gentleman from Indiana (Mr. HAMILTON), and I ask unanimous consent that he be permitted to control this time.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HAMILTON. Mr. Speaker, I thank the gentleman for this generous grant of time, and I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill, but I do have some concerns about it. The bill appears to be simple. It authorizes U.S. assistance for Iraqi opposition to Saddam Hussein. There are very good intentions behind it. Almost all of us oppose Saddam Hussein, and we would like to see him out of power. We all want to support a viable Iraqi opposition.

Having said that, the bill does have some serious implications for United States efforts to retain the sanctions on Iraq and maintain strong international support for our policies toward Iraq.

My understanding is that U.S. policy toward Iraq since the Gulf War has been a policy of containment. We have pursued that policy now for over 2 administrations. That policy has been reasonably successful at a price that we are willing to pay. We have protected fundamental American national interests in the region, stability, the free flow of oil, the security of friends and allies. We have specifically rejected an invasion of Iraq to overthrow Saddam Hussein. Such an invasion would take several hundred thousand troops. There is no guarantee that we would get Saddam Hussein or that his successor would be any better.

□ 1830

Having rejected an invasion of Iraq, but still seeking to get rid of Saddam, we now come to this bill. The policy message that Congress sends with this bill is different than the stated policy of the United States.

This bill states that it should be the policy of the United States to seek to remove the regime headed by Saddam Hussein. What is striking about the bill is the United States, the most powerful nation in the world, would depend on third parties, not even third countries, to carry out its policy objectives.

Let me state several concerns about the bill even though I support the bill. First no one should underestimate the difficulties of uniting the Iraqi opposition. It includes some 70 groups and at least three or four major groups.

We have tried over many years to unite the Iraqi opposition, and it has not happened. There is, however, modest reason for encouragement. The two main Kurdish groups have a fragile agreement with each other, but they don't want to work with Ahmed Chalabi.

We have aided some of these opposition leaders since the early 1970s. We have worked hard since 1991 to bring them together. Success has been limited. Any program for unifying the opposition and turning it into a viable alternative through the current Iraqi regime is a long-term proposition.

Second, I am concerned about creating false expectations. Iraqi opposition leaders may misinterpret this bill as an open-ended U.S. commitment to their cause.

When the Kurdish leaders were in town last week, they talked about security assurances from the United

States. It is apparent from their comments that they expect very substantial support from the United States, including air power.

We have to spell out very carefully and in writing what the United States is prepared and not prepared to do. On at least three occasions, Iraqi opposition leaders felt that the United States broke its commitments, and we should not contribute to false expectations again.

Third, there is a wide gap here between means and objectives in this bill. When we declare that our policy is to remove Saddam Hussein from power, we raise the objectives of our policy very high. Yet we provide modest means to achieve what has proven to be a very difficult objective. When you have a gap between goals and means, that often leads to trouble in the conduct of American foreign policy.

Fourth, I wonder whether the bill is at all workable, whether it is possible for the administration to implement a program of military assistance. For example, can we identify any country that is prepared to accept military equipment in the presence of armed Iraqi opposition groups on its territory? I am not able to do that as of now.

Finally, the bill could harm the ability of the United States to keep U.N. sanctions in place against Iraq. If it becomes the public policy of the United States to remove Saddam Hussein, as this bill seeks to do, then there will be less unity in confronting Baghdad, more criticism of the United States, and probably more difficulty in getting support for sanctions and for U.N. weapons inspections among Arab States and among Security Council members.

Under present circumstances, it is hard to name one Arab country or one Security Council member that would support a U.S. program to remove Saddam Hussein from power.

I understand that some Members question how well the sanctions are working, but we should not throw out one of the key elements of our strategy.

No Member should think that by supporting this bill, we are strengthening sanctions against Iraq. We risk the opposite.

To conclude, this is a very serious piece of legislation the committee has produced. I will not oppose the bill, because I, like most of us, feel the opposition should be supported, and Iraq and the world would be better off without Saddam Hussein.

But we should have a clear idea of what we are doing. We are making a down payment on support for the opposition. We should have no illusions about the bill.

Uniting the opposition will take a long time. The bill could create false expectations. There is a wide gap between means and objectives in this bill. There is plenty of doubt whether the bill is workable. The bill does risk the weakening of sanctions against Iraq.

Let us be very clear about what the bill does and does not do. The bill states the sense of Congress. It does not change U.S. policy. The bill does not compel the provision of military assistance to Iraqi opposition groups. The bill leaves the administration flexibility in carrying out U.S. policy toward Iraqi opposition groups. I understand that the administration does not oppose the bill.

So despite some of my concerns, I support the bill. As the legislative process moves along, I hope improvements can be made in the bill.

Mr. PAUL. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Texas (Mr. PAUL) has 10 minutes remaining. The gentleman from New York (Mr. GILMAN) has 6½ minutes remaining. The gentleman from Indiana (Mr. HAMILTON) has 2 minutes remaining.

Mr. PAUL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Indiana makes some very good points indicating that he is not convinced that this is workable. So back to the practicality of the bill. Even though one might argue there is a lot of good intentions here, even a Member that is supporting the bill is very uncertain whether it is workable.

In some ways, even if it is workable, it is going to be working against us and working against the United States and working against the taxpayers of this country.

But I would also like to challenge the statement that this does not change policy, because on section 3, it says it should be the policy of the United States to seek to remove the regime headed by Saddam Hussein from power in Iraq and promote the emergence of a democratic government to replace that regime.

That sounds pretty clear to me. As a matter of fact, I think it sounds so clear that it contradicts U.S. law. How do you remove somebody without killing them? Is it just because we do not use our own CIA to bump them off that we are not morally and legally responsible? We will be.

So we are talking about killing Saddam Hussein, a ruthless dictator. But how many ruthless dictators do we have? We have plenty. So how many more should we go after?

So the real question is, why at this particular time, why would we give our President more authority to wage war? He has way too much authority already if the President can drop bombs when he pleases. This of course has occurred not only in this administration but in the administrations of the 1980s as well where bombs were dropped to make some points. But generally speaking, the points are not well made. They usually come back to haunt us.

This is more or less what has happened. This is part of a policy that we have been following for quite a few decades. Yet, the problems continue to emerge.

We can hardly be sympathetic to the Kurds who are being punished by the Iraqis at the same time we are paying the Turks to do the same thing to the Kurds. So there is something awful inconsistent about this.

There is nothing wrong with a policy of trying to maintain friendship with people, trying to trade with people and influence them that way rather than saying, if you do not do exactly as we tell you, we are going to bomb you.

This is a policy we have been following for way too long. It costs a lot of money. It costs a lot of respect for law because, technically, it is not legal. Waging war should only occur when the Congress and the people decide this. But to casually give more and more authority to the President to do this and encourage him to bump off dictators is a dangerous precedent to set.

I think there is no doubt in my mind what is best for the United States. We should not pass this resolution. If there need to be more efforts made, do it some other way. But, obviously, this is not a good way to do it. It is sacrificing the principle of law. It is sacrificing the Constitution. It is sacrificing the practicalities of even the people who are supporting it are not quite sure it is going to work.

So I would say give serious consideration to not supporting this bill. We need a "no" vote on this.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from California (Mr. ROHRABACHER) a member of our committee.

Mr. ROHRABACHER. Mr. Speaker, I rise in strong support of H.R. 4655, and I would like to applaud the gentleman from New York (Mr. GILMAN), chairman of the committee, and the gentleman from California (Mr. COX) for what I consider to be a well thought out, both philosophically and practically, plan that will get our country out of a situation in which we are now in jeopardy unless we do something.

The only thing coming back to haunt us now is that, when the Gulf War was going on, we did not dispatch Saddam Hussein from this planet. We did not finish the job. We should not have gotten involved in that war unless we intended to finish it. Unfortunately, we did not do so, and now we will live with that decision not to finish that job.

There is a symmetry to the affairs of State. There can be no peace without freedom, and there can be no prosperity without peace. Our failure in the

Gulf War was in not supporting those who oppose Saddam Hussein's tyranny and not to finish the job on Saddam Hussein himself back when we had the power to determine the course of events in the Persian Gulf.

Our willingness not to finish the job, our unwillingness, I should say, to finish the job and to stand for our ideals, which are to support those elements in their area who believed in freedom or at least some degree of freedom and were not aggressing upon their neighbors, were opposed to aggression, that is the decision that haunts us today.

Saddam Hussein now has a blood feud with us, and he will murder if we give him the opportunity to do so with weapons of mass destruction. He will murder millions of Americans. So like it or not, America's safety is now tied to events in Iraq and in the Persian Gulf. We cannot turn our backs on that region, or we will risk the death of millions of Americans, not to speak of just those people in the Persian Gulf itself.

But it is not too late to get ourselves out of this dilemma by supporting the people in the region and in Iraq itself who oppose Saddam Hussein's aggression and his dictatorship.

This resolution is exactly the right formula, and we should have used it long ago. If we would have used it while we were there in the Gulf during the Gulf War, we would not have the problems and the threat to our well-being that we face today.

Support democracy. Oppose tyranny. Oppose aggression and repression. That is what America's policy should be based on. We should strengthen the victims so they can defend themselves. These things are totally consistent with America's philosophy, and it is a pragmatic approach as well.

Furthermore, this resolution calls to hold Saddam Hussein himself accountable. The man is a murderer. The man has murdered large numbers of his own people. The man has invaded his neighbors. It is the dictatorship in Iraq, not the people of Iraq, who are the enemies of the United States and threaten our well-being.

That is what this resolution is all about. It is not a declaration of war. It is a declaration that we are on the side of the Iraqi people and the other people of that region who believe in freedom to some degree, whatever degree that is, more than what they have today, and oppose aggression.

Let us stand up and stand by our ideals, because we did not do that before, and we left the practical planners to say do not eliminate Saddam Hussein, and now we face this threat.

Our support for the Mujahedin collapsed the Soviet Union. Yes, there was a price to pay, because after the Soviet Union collapsed, we walked away, and we did not support those elements in the Mujahedin who were somewhat in favor of the freedom and western values.

With those people who oppose this effort of pro democracy foreign policy, a pro freedom foreign policy rather than isolation foreign policy, they would have had us stay out of that war in Afghanistan. They would never have had us confronting Soviet aggression in different parts of the world.

Would the world be a better place today? No. But our problem, again, was not in supporting the Mujahedin, not supporting those people who oppose Soviet tyranny, but our failure was not supporting those people who believed in democracy and following through with them to see that the pro freedom elements were supported.

That is what this resolution is all about, making sure that we support those people in that region, in the Gulf region, and in Iraq itself who are our natural allies. Let us hold Saddam Hussein accountable rather than putting ourselves in a place where we let the situation go to such a degree that we end up having to kill hundreds of thousands of people in the regions, Iraqis who are not even our enemies.

So let us support those people in Iraq who are our friends and in the region who are our friends, and let us push for democracy.

Even in Kuwait today, we can be proud that there has been some democratic reform as compared to what the system was before when we were there. So I stand in support of this resolution.

Mr. PAUL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California makes a very good point, that sometimes we get involved in these battles and we never fight to complete victory. He argues the case for pursuing it and always winning and take out the dictator that we are opposing.

□ 1845

There is some merit to that argument, but there is also a very good reason why that does not happen and will not happen. It is because when we fight a war for non-national security reasons, when it is limited to protecting oil or some other interest, then there is a limitation, there is no wanting to expand it.

When we fight a war for national security reasons, we declare the war, the people join, they are willing to support it financially, they volunteer to go into the military, and they fight to win. But we have not done that since World War II, precisely because we have this namby-pamby foreign policy of being everything to everybody and we do not even defend our national security adequately enough.

The gentleman from California makes a good point also. He is concerned that somebody like Saddam Hussein may attack us with weapons of mass destruction. He is precisely right. I am concerned about that too. But I would say that our exposure is about 100 times greater because of our policy. Why is it that the terrorists want to go after Americans? Because we are always dropping bombs on people and telling people what to do; because we are the policemen. We pretend to be the arbitrator of every argument in the world, even those that have existed for 1,000 years. It is a failed, flawed policy.

So I would say I have exactly the same concerns, but I think the policy that we follow has generated this problem, and it will continue.

Mr. Speaker, let me just close by talking a little bit about this authorization. It says, there are to be authorized appropriations, such sums as may be necessary to reimburse the applicable appropriation funds. This is what the money is to go for: Defense articles, defense services, military education, and training. Sounds like getting ready for the Bay of Pigs. That is exactly what we did. And then we backed off, we were not doing it for the right reason, and of course we have solidified for 40 years the dictatorship in Cuba.

So do my colleagues think our policy over the last 10 years has actually helped to weaken Saddam Hussein? Every time he comes out of it stronger. And then those who say, "Well, we should march in," we should all question. Those of us here in the Congress who are so anxious to take out this dictator, they should be willing to march themselves, or send their children and send their grandchildren. Is it worth that? No, no, we would not want to do that, we have to keep our troops safe, safe from harm, but we will just pay somebody to do it. We will pay somebody to do it and we will make wild promises. Promise the Kurds something. They will take care of Saddam Hussein. And sure enough, the promises never come through.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. PAUL. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, the gentleman does not think it is proper for us to offer those people who are struggling for freedoms in Iraq against their dictatorship a helping hand?

Mr. PAUL. Mr. Speaker, reclaiming my time, I think it would be absolutely proper to do that, as long as it came out of the gentleman's wallet and we did not extract it from somebody in this country, a taxpayer at the point of a gun and say, look, bin Laden is a great guy. I want more of your money.

That is what we did in the 1980s. That is what the Congress did. They went to the taxpayers, they put a gun to their head, and said, you pay up, because we think bin Laden is a freedom fighter.

Mr. ROHRABACHER. Well, if the gentleman will further yield, it was just not handled correctly.

Mr. PAUL. Mr. Speaker, again reclaiming my time, the policy is flawed. The policy is flawed.

I think the conclusions we have today are logical. I do not think they lack logic. I think that if one decides that we are fighting for our national security reasons, we never stop short of victory. So this would go along with the gentleman's argument that we stopped too soon in Iraq. But we were not there for national security reasons. They were not about to invade us, and they are not about to invade us. The only way we should fear an invasion by these hoodlums is if we incite them to terrorism.

We should consider this a very serious piece of legislation. This is a vote for virtual war and giving more power to the President. It has an open-ended appropriation, and if we spend one nickel on it, we are going to take it out of Social Security, the way the budget works around here.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. HAMILTON).

Mr. HAMILTON. Mr. Speaker, I have 2 minutes remaining under my time as yielded by the chairman.

Let me just make this observation, if I may. I think the gentleman from Texas questioned my statement a moment ago in which I said that the bill states the sense of Congress, it does not change U.S. policy. I believe my statement is correct for a couple of reasons. The language in the bill is only sense of Congress language. It does not say what the policy is; it says what the policy should be.

More importantly, perhaps, is that we in this body cannot set policy without the approval of the executive branch. The President is the chief foreign policymaker, of course, and it is my understanding that the policy of the United States Government is and will remain, after passage of this resolution, a policy of containment.

Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

In closing this debate I want to respond to a few of the points that have been made by other speakers. First, the bill does not make an open-ended financial commitment. It does not authorize an unlimited expenditure of funds; it authorizes such sums as may be necessary, subject to a cap of $97 million.

On the contrary, the purpose of the bill is to save money. We had to pass a $1.4 billion supplemental appropriation earlier this year to pay for U.S. military deployments to confront Saddam Hussein. We are going to have to spend that kind of money over and over again, unless we try something new, because today Saddam is far from complying with his international commitments than he was 9 months ago.

Second, this bill does not force the President to do anything that he might deem unwise. Rather, it gives him additional options for defending our national interests in the Persian Gulf region. Accordingly, I urge support for this measure and I urge my colleagues to vote "yes" on H.R. 4655.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MILLER of Florida). The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 4655, as amended.

The question was taken.

Mr. PAUL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question on the following motions to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 4614 de novo; H.R. 1154, by the yeas and nays; and H.R. 4655, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

CONVEYANCE OF FEDERAL LAND IN NEW CASTLE, NEW HAMPSHIRE

The SPEAKER pro tempore. The pending business is the question de novo of suspending the rules and passing the bill, H.R. 4614, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HORN), that the House suspend the rules and pass the bill, H.R. 4614, as amended.

The question was taken.

Mr. HASTINGS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 230, nays 168, not voting 36, as follows:

[Roll No. 480]

YEAS—230

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
Delahunt
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (TX)
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kaptur
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manton
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Moran (KS)
Morella
Myrick
Nadler
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riley
Rogan
Rohrabacher
Roukema
Royce
Ryun
Sabo
Salmon
Saxton
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NAYS—168

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
DeLauro
Deutsch

Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Furse
Gejdenson
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Miller (CA)
Mink
Mollohan
Moran (VA)
Murtha
Oberstar
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Rush
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Skaggs
Skelton
Slaughter
Smith, Adam
Stabenow
Stark
Strickland
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOT VOTING—36

Becerra
Bishop
Boehlert
Calvert
Dixon
Frost
Granger
Greenwood
Hansen
Harman
Hinojosa
Kennelly
McDade
McGovern
Millender-McDonald
Moakley
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Scarborough
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

☐ 1915

Ms. BROWN of Florida and Mr. BOSWELL and Mr. MCNULTY changed their vote from "yea" to "nay."

Messrs. BURTON of Indiana, LAZIO of New York, SNYDER, CHRISTENSEN, CARDIN, and ADERHOLT changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on each additional motion to suspend the rules in which the Chair has postponed further proceedings.

INDIAN FEDERAL RECOGNITION ADMINISTRATIVE PROCEDURES ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1154, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alaska (Mr. YOUNG) that the House suspend the rules and pass the bill, H.R. 1154, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 190, nays 208, not voting 36, as follows:

[Roll No. 481]

YEAS—190

Abercrombie
Ackerman
Allen
Armey
Baldacci
Barcia
Barrett (WI)
Berman
Berry
Bilirakis
Blumenauer
Bonilla
Bonior
Bono
Borski
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Cannon
Capps
Carson
Clay
Clayton
Clement
Clyburn
Combest
Condit
Conyers
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dicks
Doggett
Dooley
Dreier
Edwards
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Ford
Frank (MA)
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Gilchrest
Gilman
Gonzalez
Goodling
Gordon
Green
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hastings (FL)
Hayworth
Hefner
Hilliard
Hinchey
Hooley
Houghton
Hoyer
Hulshof
Hunter
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
Kleczka
Knollenberg
Lampson
Lantos
Lee
Levin
Lewis (CA)
Lewis (GA)
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Matsui
McCarthy (MO)
McCollum
McDermott
McHale
McIntyre
McNulty
Meehan
Meeks (NY)
Miller (CA)
Minge
Mink
Mollohan
Moran (VA)
Nadler
Oberstar
Obey
Olver
Ortiz
Packard
Pallone
Parker
Pascrell
Pastor
Payne
Peterson (MN)
Pickering
Pombo
Price (NC)
Quinn
Radanovich
Rahall
Rangel
Redmond
Reyes
Rivers
Rodriguez
Rogan
Rohrabacher
Rothman
Rush
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Schaffer, Bob
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Smith, Adam
Stabenow
Stark
Stenholm
Strickland
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Velázquez
Vento
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Weldon (PA)
Wexler
Wise
Woolsey
Wynn
Young (AK)

NAYS—208

Aderholt
Andrews
Archer
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Blagojevich
Bliley
Blunt
Boehner
Boswell
Boucher
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLauro
DeLay
Diaz-Balart
Dickey
Dingell
Doolittle
Doyle
Duncan
Dunn
Ehlers
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Ganske
Gibbons
Gillmor
Goode
Goodlatte
Goss
Graham
Hall (OH)
Hastert
Hastings (WA)
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Jones
Kanjorski
Kasich
Kelly
King (NY)
Kingston
Klink
Klug
Kolbe
Kucinich
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
McCarthy (NY)
McCrery
McHugh
McInnis
McIntosh
McKeon
McKinney
Meek (FL)
Menendez
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Nussle
Oxley
Pappas
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickett
Pitts
Pomeroy
Porter
Portman
Ramstad
Regula
Riley
Roemer
Roukema
Royce
Ryun
Saxton
Scarborough
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Turner
Upton
Visclosky
Wamp
Watkins
Watts (OK)
Weller
Weygand
White
Whitfield
Wicker
Wilson
Wolf

NOT VOTING—36

Becerra
Bishop
Boehlert
Calvert
Dixon
Frost
Granger
Greenwood
Hansen
Harman
Hinojosa
Kennelly
McDade
McGovern
Millender-McDonald
Moakley
Murtha
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

☐ 1923

Mr. BENTSEN and Mr. BAKER changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

IRAQ LIBERATION ACT OF 1998

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4655, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and pass the bill, H.R. 4655, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 360, nays 38, not voting 36, as follows:

[Roll No. 482]

YEAS—360

Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Christensen
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
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Dreier
Duncan
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Goodlatte
Goodling
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Goss
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Green
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John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
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Kelly
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Kildee
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Kim
Kind (WI)
King (NY)
Kingston
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Klink
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Linder
Lipinski
Livingston
LoBiondo
Lofgren
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Pappas
Parker
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Pitts
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
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Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rodriguez
Roemer
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Skeen
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Snowbarger
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Stump
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Tanner
Tauscher
Taylor (MS)
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Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
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Hilliard
Hostettler
Jackson (IL)
Jefferson
LaHood
Lee
Lewis (GA)
McKinney
Miller (CA)
Mink
Paul
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Hinojosa
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Moakley
Murtha
Neal
Norwood
Owens
Pelosi
Poshard
Pryce (OH)
Riggs
Rogers
Ros-Lehtinen
Roybal-Allard
Sanford
Schaefer, Dan
Shuster
Spratt
Stokes
Stupak
Tauzin
Yates
Young (FL)

☐ 1932

The Clerk announced the following pair:

On this vote:

Mr. Calvert and Mr. McDade for, with Mr. Yates against.

Ms. BROWN of Florida changed her vote from "nay" to "yea."

Mr. MILLER of California changed his vote from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BISHOP. Mr. Speaker, I was unavoidably detained in Georgia today (October 5) due to a failure of aircraft equipment. This caused me to miss Roll Numbers 480, 481 and 482. Had I been present, I would have voted "no" on HR 4614, "yes" on HR 1154 and "yes" on HR 4655.

RECOMMITTAL OF CONFERENCE REPORT TO H.R. 4104, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1999, TO COMMITTEE OF CONFERENCE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that the conference report to accompany the bill (H.R. 4104) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1999, and for other purposes, be recommitted to the Committee of Conference.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that any further roll call vote on suspensions will be postponed until tomorrow.

COMMERCIAL SPACE ACT OF 1998

Mr. ROHRABACHER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 572) providing for the consideration of the bill H.R. 1702 and the Senate amendment thereto.

The Clerk read as follows:

H. RES. 572

Resolved, That, upon the adoption of this resolution, the House shall be considered to have taken from the Speaker's table the bill H.R. 1702 together with the Senate amendment thereto, and to have concurred in the Senate amendment with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Commercial Space Act of 1998".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

Sec. 101. Commercialization of Space Station.
Sec. 102. Commercial space launch amendments.
Sec. 103. Launch voucher demonstration program.
Sec. 104. Promotion of United States Global Positioning System standards.
Sec. 105. Acquisition of space science data.
Sec. 106. Administration of Commercial Space Centers.
Sec. 107. Sources of Earth science data.

TITLE II—FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES

Sec. 201. Requirement to procure commercial space transportation services.
Sec. 202. Acquisition of commercial space transportation services.
Sec. 203. Launch Services Purchase Act of 1990 amendments.
Sec. 204. Shuttle privatization.
Sec. 205. Use of excess intercontinental ballistic missiles.
Sec. 206. National launch capability study.

SEC. 2. DEFINITIONS.

For purposes of this Act—

(1) the term "Administrator" means the Administrator of the National Aeronautics and Space Administration;

(2) the term "commercial provider" means any person providing space transportation services or other space-related activities, primary control of which is held by persons other than Federal, State, local, and foreign governments;

(3) the term "payload" means anything that a person undertakes to transport to, from, or within outer space, or in suborbital trajectory, by means of a space transportation vehicle, but does not include the space transportation vehicle itself except for its components which are specifically designed or adapted for that payload;

(4) the term "space-related activities" includes research and development, manufacturing, processing, service, and other associated and support activities;

(5) the term "space transportation services" means the preparation of a space transportation vehicle and its payloads for transportation to, from, or within outer space, or in suborbital trajectory, and the conduct of transporting a payload to, from, or within outer space, or in suborbital trajectory;

(6) the term "space transportation vehicle" means any vehicle constructed for the purpose of operating in, or transporting a payload to, from, or within, outer space, or in suborbital trajectory, and includes any component of such vehicle not specifically designed or adapted for a payload;

(7) the term "State" means each of the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any other commonwealth, territory, or possession of the United States; and

(8) the term "United States commercial provider" means a commercial provider, organized under the laws of the United States or of a State, which is—

(A) more than 50 percent owned by United States nationals; or

(B) a subsidiary of a foreign company and the Secretary of Transportation finds that—

(i) such subsidiary has in the past evidenced a substantial commitment to the United States market through—

(I) investments in the United States in long-term research, development, and manufacturing (including the manufacture of major components and subassemblies); and

(II) significant contributions to employment in the United States; and

(ii) the country or countries in which such foreign company is incorporated or organized, and, if appropriate, in which it principally conducts its business, affords reciprocal treatment to companies described in subparagraph (A) comparable to that afforded to such foreign company's subsidiary in the United States, as evidenced by—

(I) providing comparable opportunities for companies described in subparagraph (A) to participate in Government sponsored research and development similar to that authorized under this Act;

(II) providing no barriers, to companies described in subparagraph (A) with respect to local investment opportunities, that are not provided to foreign companies in the United States; and

(III) providing adequate and effective protection for the intellectual property rights of companies described in subparagraph (A).

TITLE I—PROMOTION OF COMMERCIAL SPACE OPPORTUNITIES

SEC. 101. COMMERCIALIZATION OF SPACE STATION.

(a) POLICY.—The Congress declares that a priority goal of constructing the International Space Station is the economic development of Earth orbital space. The Congress further declares that free and competitive markets create the most efficient conditions for promoting economic development, and should therefore govern the economic development of Earth orbital space. The Congress further declares that the use of free market principles in operating, servicing, allocating the use of, and adding capabilities to the Space Station, and the resulting fullest possible engagement of commercial providers and participation of commercial users, will reduce Space Station operational costs for all partners and the Federal Government's share of the United States burden to fund operations.

(b) REPORTS.—(1) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 90 days after the date of the enactment of this Act, a study that identifies and examines—

(A) the opportunities for commercial providers to play a role in International Space Station activities, including operation, use, servicing, and augmentation;

(B) the potential cost savings to be derived from commercial providers playing a role in each of these activities;

(C) which of the opportunities described in subparagraph (A) the Administrator plans to make available to commercial providers in fiscal years 1999 and 2000;

(D) the specific policies and initiatives the Administrator is advancing to encourage and facilitate these commercial opportunities; and

(E) the revenues and cost reimbursements to the Federal Government from commercial users of the Space Station.

(2) The Administrator shall deliver to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, within 180 days after the date of the enactment of this Act, an independently-conducted market study that examines and evaluates potential industry interest in providing commercial goods and services for the operation, servicing, and augmentation of the International Space Station, and in the commercial use of the International Space Station. This study shall also include updates to the cost savings and revenue estimates made in the study described in paragraph (1) based on the external market assessment.

(3) The Administrator shall deliver to the Congress, no later than the submission of the President's annual budget request for fiscal year 2000, a report detailing how many proposals (whether solicited or not) the National Aeronautics and Space Administration received during calendar years 1997 and 1998 regarding commercial operation, servicing, utilization, or augmentation of the International Space Station, broken down by each of these four categories, and specifying how many agreements the National Aeronautics and Space Administration has entered into in response to these proposals, also broken down by these four categories.

(4) Each of the studies and reports required by paragraphs (1), (2), and (3) shall include consideration of the potential role of State governments as brokers in promoting commercial participation in the International Space Station program.

SEC. 102. COMMERCIAL SPACE LAUNCH AMENDMENTS.

(a) AMENDMENTS.—Chapter 701 of title 49, United States Code, is amended—

(1) in the table of sections—

(A) by amending the item relating to section 70104 to read as follows:

"70104. Restrictions on launches, operations, and reentries.";

(B) by amending the item relating to section 70108 to read as follows:

"70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries.";

(C) by amending the item relating to section 70109 to read as follows:

"70109. Preemption of scheduled launches or reentries.";

and

(D) by adding at the end the following new items:

"70120. Regulations.
"70121. Report to Congress.".

(2) in section 70101—

(A) by inserting "microgravity research," after "information services," in subsection (a)(3);

(B) by inserting ", reentry," after "launching" both places it appears in subsection (a)(4);

(C) by inserting ", reentry vehicles," after "launch vehicles" in subsection (a)(5);

(D) by inserting "and reentry services" after "launch services" in subsection (a)(6);

(E) by inserting ", reentries," after "launches" both places it appears in subsection (a)(7);

(F) by inserting ", reentry sites," after "launch sites" in subsection (a)(8);

(G) by inserting "and reentry services" after "launch services" in subsection (a)(8);

(H) by inserting "reentry sites," after "launch sites," in subsection (a)(9);

(I) by inserting "and reentry site" after "launch site" in subsection (a)(9);

(J) by inserting ", reentry vehicles," after "launch vehicles" in subsection (b)(2);

(K) by striking "launch" in subsection (b)(2)(A);

(L) by inserting "and reentry" after "conduct of commercial launch" in subsection (b)(3);

(M) by striking "launch" after "and transfer commercial" in subsection (b)(3); and

(N) by inserting "and development of reentry sites," after "launch-site support facilities," in subsection (b)(4);

(3) in section 70102—

(A) in paragraph (3)—

(i) by striking "and any payload" and inserting in lieu thereof "or reentry vehicle and any payload from Earth";

(ii) by striking the period at the end of subparagraph (C) and inserting in lieu thereof a comma; and

(iii) by adding after subparagraph (C) the following:

"including activities involved in the preparation of a launch vehicle or payload for launch, when those activities take place at a launch site in the United States.";

(B) by inserting "or reentry vehicle" after "means of a launch vehicle" in paragraph (8);

(C) by redesignating paragraphs (10), (11), and (12) as paragraphs (14), (15), and (16), respectively;

(D) by inserting after paragraph (9) the following new paragraphs:

"(10) 'reenter' and 'reentry' mean to return or attempt to return, purposefully, a reentry vehicle and its payload, if any, from Earth orbit or from outer space to Earth.

"(11) 'reentry services' means—

"(A) activities involved in the preparation of a reentry vehicle and its payload, if any, for reentry; and

"(B) the conduct of a reentry.

"(12) 'reentry site' means the location on Earth to which a reentry vehicle is intended to return (as defined in a license the Secretary issues or transfers under this chapter).

"(13) 'reentry vehicle' means a vehicle designed to return from Earth orbit or outer space to Earth, or a reusable launch vehicle designed to return from Earth orbit or outer space to Earth, substantially intact."; and

(E) by inserting "or reentry services" after "launch services" each place it appears in paragraph (15), as so redesignated by subparagraph (C) of this paragraph;

(4) in section 70103(b)—

(A) by inserting "AND REENTRIES" after "LAUNCHES" in the subsection heading;

(B) by inserting "and reentries" after "commercial space launches" in paragraph (1); and

(C) by inserting "and reentry" after "space launch" in paragraph (2);

(5) in section 70104—

(A) by amending the section designation and heading to read as follows:

"§ 70104. Restrictions on launches, operations, and reentries";

(B) by inserting "or reentry site, or to reenter a reentry vehicle," after "operate a launch site" each place it appears in subsection (a);

(C) by inserting "or reentry" after "launch or operation" in subsection (a)(3) and (4);

(D) in subsection (b)—

(i) by striking "launch license" and inserting in lieu thereof "license";

(ii) by inserting "or reenter" after "may launch"; and

(iii) by inserting "or reentering" after "related to launching"; and

(E) in subsection (c)—

(i) by amending the subsection heading to read as follows: "PREVENTING LAUNCHES AND REENTRIES.—";

(ii) by inserting "or reentry" after "prevent the launch"; and

(iii) by inserting "or reentry" after "decides the launch";

(6) in section 70105—

(A) by inserting "(1)" before "A person may apply" in subsection (a);

(B) by striking "receiving an application" both places it appears in subsection (a) and inserting in lieu thereof "accepting an application in accordance with criteria established pursuant to subsection (b)(2)(D)";

(C) by adding at the end of subsection (a) the following: "The Secretary shall transmit to the Committee on Science of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate a written notice not later than 30 days after any occurrence when a license is not issued within the deadline established by this subsection.

"(2) In carrying out paragraph (1), the Secretary may establish procedures for safety approvals of launch vehicles, reentry vehicles, safety systems, processes, services, or personnel that may be used in conducting licensed commercial space launch or reentry activities.";

(D) by inserting "or a reentry site, or the reentry of a reentry vehicle," after "operation of a launch site" in subsection (b)(1);

(E) by striking "or operation" and inserting in lieu thereof ", operation, or reentry" in subsection (b)(2)(A);

(F) by striking "and" at the end of subsection (b)(2)(B);

(G) by striking the period at the end of subsection (b)(2)(C) and inserting in lieu thereof "; and";

(H) by adding at the end of subsection (b)(2) the following new subparagraph:

"(D) regulations establishing criteria for accepting or rejecting an application for a license under this chapter within 60 days after receipt of such application."; and

(I) by inserting ", including the requirement to obtain a license," after "waive a requirement" in subsection (b)(3);

(7) in section 70106(a)—

(A) by inserting "or reentry site" after "observer at a launch site";

(B) by inserting "or reentry vehicle" after "assemble a launch vehicle"; and

(C) by inserting "or reentry vehicle" after "with a launch vehicle";

(8) in section 70108—

(A) by amending the section designation and heading to read as follows:

"§ 70108. Prohibition, suspension, and end of launches, operation of launch sites and reentry sites, and reentries";

and

(B) in subsection (a)—

(i) by inserting "or reentry site, or reentry of a reentry vehicle," after "operation of a launch site"; and

(ii) by inserting "or reentry" after "launch or operation";

(9) in section 70109—

(A) by amending the section designation and heading to read as follows:

"§ 70109. Preemption of scheduled launches or reentries";

(B) in subsection (a)—

(i) by inserting "or reentry" after "ensure that a launch";

(ii) by inserting ", reentry site," after "United States Government launch site";

(iii) by inserting "or reentry date commitment" after "launch date commitment";

(iv) by inserting "or reentry" after "obtained for a launch";

(v) by inserting ", reentry site," after "access to a launch site";

(vi) by inserting ", or services related to a reentry," after "amount for launch services"; and

(vii) by inserting "or reentry" after "the scheduled launch"; and

(C) in subsection (c), by inserting "or reentry" after "prompt launching";

(10) in section 70110—

(A) by inserting "or reentry" after "prevent the launch" in subsection (a)(2); and

(B) by inserting "or reentry site, or reentry of a reentry vehicle," after "operation of a launch site" in subsection (a)(3)(B);

(11) in section 70111—

(A) by inserting "or reentry" after "launch" in subsection (a)(1)(A);

(B) by inserting "and reentry services" after "launch services" in subsection (a)(1)(B);

(C) by inserting "or reentry services" after "or launch services" in subsection (a)(2);

(D) by striking "source." in subsection (a)(2) and inserting "source, whether such source is located on or off a Federal range.";

(E) by inserting "or reentry" after "commercial launch" both places it appears in subsection (b)(1);

(F) by inserting "or reentry services" after "launch services" in subsection (b)(2)(C);

(G) by inserting after subsection (b)(2) the following new paragraph:

"(3) The Secretary shall ensure the establishment of uniform guidelines for, and consistent implementation of, this section by all Federal agencies.";

(H) by striking "or its payload for launch" in subsection (d) and inserting in lieu thereof "or reentry vehicle, or the payload of either, for launch or reentry"; and

(I) by inserting ", reentry vehicle," after "manufacturer of the launch vehicle" in subsection (d);

(12) in section 70112—

(A) in subsection (a)(1), by inserting "launch or reentry" after "(1) When a";

(B) by inserting "or reentry" after "one launch" in subsection (a)(3);

(C) by inserting "or reentry services" after "launch services" in subsection (a)(4);

(D) in subsection (b)(1), by inserting "launch or reentry" after "(1) A";

(E) by inserting "or reentry services" after "launch services" each place it appears in subsection (b);

(F) by inserting "applicable" after "carried out under the" in paragraphs (1) and (2) of subsection (b);

(G) by inserting "OR REENTRIES" after "LAUNCHES" in the heading for subsection (e);

(H) by inserting "or reentry site or a reentry" after "launch site" in subsection (e); and

(I) in subsection (f), by inserting "launch or reentry" after "carried out under a";

(13) in section 70113(a)(1) and (d)(1) and (2), by inserting "or reentry" after "one launch" each place it appears;

(14) in section 70115(b)(1)(D)(i)—

(A) by inserting "reentry site," after "launch site,"; and

(B) by inserting "or reentry vehicle" after "launch vehicle" both places it appears;

(15) in section 70117—

(A) by inserting "or reentry site, or to reenter a reentry vehicle" after "operate a launch site" in subsection (a);

(B) by inserting "or reentry" after "approval of a space launch" in subsection (d);

(C) by amending subsection (f) to read as follows:

"(f) LAUNCH NOT AN EXPORT; REENTRY NOT AN IMPORT.—A launch vehicle, reentry vehicle, or payload that is launched or reentered is not, because of the launch or reentry, an export or import, respectively, for purposes of a law controlling exports or imports, except that payloads launched pursuant to foreign trade zone procedures as provided for under the Foreign Trade Zones Act (19 U.S.C. 81a–81u) shall be considered exports with regard to customs entry."; and

(D) in subsection (g)—

(i) by striking "operation of a launch vehicle or launch site," in paragraph (1) and inserting in lieu thereof "reentry, operation of a launch vehicle or reentry vehicle, operation of a launch site or reentry site,"; and

(ii) by inserting "reentry," after "launch," in paragraph (2); and

(16) by adding at the end the following new sections:

"§ 70120. Regulations

"(a) IN GENERAL.—The Secretary of Transportation, within 9 months after the date of the enactment of this section, shall issue regulations to carry out this chapter that include—

"(1) guidelines for industry and State governments to obtain sufficient insurance coverage for potential damages to third parties;

"(2) procedures for requesting and obtaining licenses to launch a commercial launch vehicle;

"(3) procedures for requesting and obtaining operator licenses for launch;

"(4) procedures for requesting and obtaining launch site operator licenses; and

"(5) procedures for the application of government indemnification.

"(b) REENTRY.—The Secretary of Transportation, within 6 months after the date of the enactment of this section, shall issue a notice of proposed rulemaking to carry out this chapter that includes—

"(1) procedures for requesting and obtaining licenses to reenter a reentry vehicle;

"(2) procedures for requesting and obtaining operator licenses for reentry; and

"(3) procedures for requesting and obtaining reentry site operator licenses.

"§ 70121. Report to Congress

"The Secretary of Transportation shall submit to Congress an annual report to accompany the President's budget request that—

"(1) describes all activities undertaken under this chapter, including a description of the process for the application for and approval of licenses under this chapter and recommendations for legislation that may further commercial launches and reentries; and

"(2) reviews the performance of the regulatory activities and the effectiveness of the Office of Commercial Space Transportation.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 70119 of title 49, United States Code, is amended to read as follows:

"§ 70119. Authorization of appropriations

"There are authorized to be appropriated to the Secretary of Transportation for the activities of the Office of the Associate Administrator for Commercial Space Transportation—

"(1) $6,275,000 for the fiscal year ending September 30, 1999; and

"(2) $6,600,000 for the fiscal year ending September 30, 2000.".

(c) EFFECTIVE DATE.—The amendments made by subsection (a)(6)(B) shall take effect upon the effective date of final regulations issued pursuant to section 70105(b)(2)(D) of title 49, United States Code, as added by subsection (a)(6)(H).

SEC. 103. LAUNCH VOUCHER DEMONSTRATION PROGRAM.

Section 504 of the National Aeronautics and Space Administration Authorization Act, Fiscal Year 1993 (15 U.S.C. 5803) is amended—

(1) in subsection (a)—

(A) by striking "the Office of Commercial Programs within"; and

(B) by striking "Such program shall not be effective after September 30, 1995.";

(2) by striking subsection (c); and

(3) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

SEC. 104. PROMOTION OF UNITED STATES GLOBAL POSITIONING SYSTEM STANDARDS.

(a) FINDING.—The Congress finds that the Global Positioning System, including satellites, signal equipment, ground stations, data links, and associated command and control facilities, has become an essential element in civil, scientific, and military space development because of the emergence of a United States commercial industry which provides Global Positioning System equipment and related services.

(b) INTERNATIONAL COOPERATION.—In order to support and sustain the Global Positioning System in a manner that will most effectively contribute to the national security, public safety, scientific, and economic interests of the United States, the Congress encourages the President to—

(1) ensure the operation of the Global Positioning System on a continuous worldwide basis free of direct user fees;

(2) enter into international agreements that promote cooperation with foreign governments and international organizations to—

(A) establish the Global Positioning System and its augmentations as an acceptable international standard; and

(B) eliminate any foreign barriers to applications of the Global Positioning System worldwide; and

(3) provide clear direction and adequate resources to the Assistant Secretary of Commerce for Communications and Information so that on an international basis the Assistant Secretary can—

(A) achieve and sustain efficient management of the electromagnetic spectrum used by the Global Positioning System; and

(B) protect that spectrum from disruption and interference.

SEC. 105. ACQUISITION OF SPACE SCIENCE DATA.

(a) ACQUISITION FROM COMMERCIAL PROVIDERS.—The Administrator shall, to the extent possible and while satisfying the scientific or educational requirements of the National Aeronautics and Space Administration, and where appropriate, of other Federal agencies and scientific researchers, acquire, where cost effective, space science data from a commercial provider.

(b) TREATMENT OF SPACE SCIENCE DATA AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions of space science data by the Administrator shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, space science data shall be considered to be a commercial item. Nothing in this subsection shall be construed to preclude the United States from acquiring, through contracts with commercial providers, sufficient rights in data to meet the needs of the scientific and educational community or the needs of other government activities.

(c) DEFINITION.—For purposes of this section, the term "space science data" includes scientific data concerning—

(1) the elemental and mineralogical resources of the moon, asteroids, planets and their moons, and comets;

(2) microgravity acceleration; and

(3) solar storm monitoring.

(d) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) LIMITATION.—This section does not authorize the National Aeronautics and Space Administration to provide financial assistance for the development of commercial systems for the collection of space science data.

SEC. 106. ADMINISTRATION OF COMMERCIAL SPACE CENTERS.

The Administrator shall administer the Commercial Space Center program in a coordinated manner from National Aeronautics and Space Administration headquarters in Washington, DC.

SEC. 107. SOURCES OF EARTH SCIENCE DATA.

(a) ACQUISITION.—The Administrator shall, to the extent possible and while satisfying the scientific or educational requirements of the National Aeronautics and Space Administration, and where appropriate, of other Federal agencies and scientific researchers, acquire, where cost-effective, space-based and airborne Earth remote sensing data, services, distribution, and applications from a commercial provider.

(b) TREATMENT AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions by the Administrator of the data, services, distribution, and applications referred to in subsection (a) shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, such data, services, distribution, and applications shall be considered to be a commercial item. Nothing in this subsection shall be construed to preclude the United States from acquiring, through contracts with commercial providers, sufficient rights in data to meet the needs of the scientific and educational community or the needs of other government activities.

(c) STUDY.—(1) The Administrator shall conduct a study to determine the extent to which the baseline scientific requirements of Earth Science can be met by commercial providers, and how the National Aeronautics and Space Administration will meet such requirements which cannot be met by commercial providers.

(2) The study conducted under this subsection shall—

(A) make recommendations to promote the availability of information from the National Aeronautics and Space Administration to commercial providers to enable commercial providers to better meet the baseline scientific requirements of Earth Science;

(B) make recommendations to promote the dissemination to commercial providers of information on advanced technology research and development performed by or for the National Aeronautics and Space Administration; and

(C) identify policy, regulatory, and legislative barriers to the implementation of the recommendations made under this subsection.

(3) The results of the study conducted under this subsection shall be transmitted to the Congress within 6 months after the date of the enactment of this Act.

(d) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

(e) ADMINISTRATION AND EXECUTION.—This section shall be carried out as part of the Commercial Remote Sensing Program at the Stennis Space Center.

(f) REMOTE SENSING.—

(1) APPLICATION CONTENTS.—Section 201(b) of the Land Remote Sensing Policy Act of 1992 (15 U.S.C. 5621(b)) is amended—

(A) by inserting "(1)" after "NATIONAL SECURITY.—"; and

(B) by adding at the end the following new paragraph:

"(2) The Secretary, within 6 months after the date of the enactment of the Commercial Space Act of 1998, shall publish in the Federal Register a complete and specific list of all information required to comprise a complete application for a license under this title. An application shall be considered complete when the applicant has provided all information required by the list most recently published in the Federal Register before the date the application was first submitted. Unless the Secretary has, within 30 days after receipt of an application, notified the applicant of information necessary to complete an application, the Secretary may not deny the application on the basis of the absence of any such information.".

(2) NOTIFICATION OF AGREEMENTS.—Section 202(b)(6) of the Land Remote Sensing Policy Act of 1992 (15 U.S.C. 5622(b)(6)) is amended by inserting "significant or substantial" after "Secretary of any".

TITLE II—FEDERAL ACQUISITION OF SPACE TRANSPORTATION SERVICES

SEC. 201. REQUIREMENT TO PROCURE COMMERCIAL SPACE TRANSPORTATION SERVICES.

(a) IN GENERAL.—Except as otherwise provided in this section, the Federal Government shall acquire space transportation services from United States commercial providers whenever such services are required in the course of its activities. To the maximum extent practicable, the Federal Government shall plan missions to accommodate the space transportation services capabilities of United States commercial providers.

(b) EXCEPTIONS.—The Federal Government shall not be required to acquire space transportation services under subsection (a) if, on a case-by-case basis, the Administrator or, in the case of a national security issue, the Secretary of the Air Force, determines that—

(1) a payload requires the unique capabilities of the Space Shuttle;

(2) cost effective space transportation services that meet specific mission requirements would not be reasonably available from United States commercial providers when required;

(3) the use of space transportation services from United States commercial providers poses an unacceptable risk of loss of a unique scientific opportunity;

(4) the use of space transportation services from United States commercial providers is inconsistent with national security objectives;

(5) the use of space transportation services from United States commercial providers is inconsistent with international agreements for international collaborative efforts relating to science and technology;

(6) it is more cost effective to transport a payload in conjunction with a test or demonstration of a space transportation vehicle owned by the Federal Government; or

(7) a payload can make use of the available cargo space on a Space Shuttle mission as a secondary payload, and such payload is consistent with the requirements of research, development, demonstration, scientific, commercial, and educational programs authorized by the Administrator.

Nothing in this section shall prevent the Administrator from planning or negotiating agreements with foreign entities for the launch of Federal Government payloads for international collaborative efforts relating to science and technology.

(c) DELAYED EFFECT.—Subsection (a) shall not apply to space transportation services and space transportation vehicles acquired or owned by the Federal Government before the date of the enactment of this Act, or with respect to which a contract for such acquisition or ownership has been entered into before such date.

(d) HISTORICAL PURPOSES.—This section shall not be construed to prohibit the Federal Government from acquiring, owning, or maintaining space transportation vehicles solely for historical display purposes.

SEC. 202. ACQUISITION OF COMMERCIAL SPACE TRANSPORTATION SERVICES.

(a) TREATMENT OF COMMERCIAL SPACE TRANSPORTATION SERVICES AS COMMERCIAL ITEM UNDER ACQUISITION LAWS.—Acquisitions of space transportation services by the Federal Government shall be carried out in accordance with applicable acquisition laws and regulations (including chapters 137 and 140 of title 10, United States Code). For purposes of such law and regulations, space transportation services shall be considered to be a commercial item.

(b) SAFETY STANDARDS.—Nothing in this section shall be construed to prohibit the Federal Government from requiring compliance with applicable safety standards.

SEC. 203. LAUNCH SERVICES PURCHASE ACT OF 1990 AMENDMENTS.

The Launch Services Purchase Act of 1990 (42 U.S.C. 2465b et seq.) is amended—

(1) by striking section 202;

(2) in section 203—

(A) by striking paragraphs (1) and (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively;

(3) by striking sections 204 and 205; and

(4) in section 206—

(A) by striking "(a) COMMERCIAL PAYLOADS ON THE SPACE SHUTTLE.—"; and

(B) by striking subsection (b).

SEC. 204. SHUTTLE PRIVATIZATION.

(a) POLICY AND PREPARATION.—The Administrator shall prepare for an orderly transition from the Federal operation, or Federal management of contracted operation, of space transportation systems to the Federal purchase of commercial space transportation services for all nonemergency space transportation requirements for transportation to and from Earth orbit, including human, cargo, and mixed payloads. In those preparations, the Administrator shall take into account the need for short-term economies, as well as the goal of restoring the National Aeronautics and Space Administration's research focus and its mandate to promote the fullest possible commercial use of space. As part of those preparations, the Administrator shall plan for the potential privatization of the Space Shuttle program. Such plan shall keep safety and cost effectiveness as high priorities. Nothing in this section shall prohibit the National Aeronautics and Space Administration from studying, designing, developing, or funding upgrades or modifications essential to the safe and economical operation of the Space Shuttle fleet.

(b) FEASIBILITY STUDY.—The Administrator shall conduct a study of the feasibility of implementing the recommendation of the Independent Shuttle Management Review Team that the National Aeronautics and Space Administration transition toward the privatization of the Space Shuttle. The study shall identify, discuss, and, where possible, present options for resolving, the major policy and legal issues that must be addressed before the Space Shuttle is privatized, including—

(1) whether the Federal Government or the Space Shuttle contractor should own the Space Shuttle orbiters and ground facilities;

(2) whether the Federal Government should indemnify the contractor for any third party liability arising from Space Shuttle operations, and, if so, under what terms and conditions;

(3) whether payloads other than National Aeronautics and Space Administration payloads should be allowed to be launched on the Space Shuttle, how missions will be prioritized, and who will decide which mission flies and when;

(4) whether commercial payloads should be allowed to be launched on the Space Shuttle and whether any classes of payloads should be made ineligible for launch consideration;

(5) whether National Aeronautics and Space Administration and other Federal Government payloads should have priority over non-Federal payloads in the Space Shuttle launch assignments, and what policies should be developed to prioritize among payloads generally;

(6) whether the public interest requires that certain Space Shuttle functions continue to be performed by the Federal Government; and

(7) how much cost savings, if any, will be generated by privatization of the Space Shuttle.

(c) REPORT TO CONGRESS.—Within 60 days after the date of the enactment of this Act, the National Aeronautics and Space Administration shall complete the study required under subsection (b) and shall submit a report on the study to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

SEC. 205. USE OF EXCESS INTERCONTINENTAL BALLISTIC MISSILES.

(a) IN GENERAL.—The Federal Government shall not—

(1) convert any missile described in subsection (c) to a space transportation vehicle configuration; or

(2) transfer ownership of any such missile to another person, except as provided in subsection (b).

(b) AUTHORIZED FEDERAL USES.—(1) A missile described in subsection (c) may be converted for use as a space transportation vehicle by the Federal Government if, except as provided in paragraph (2) and at least 30 days before such conversion, the agency seeking to use the missile as a space transportation vehicle transmits to the Committee on National Security and the Committee on Science of the House of Representatives, and to the Committee on Armed Services and the Committee on Commerce, Science, and Transportation of the Senate, a certification that the use of such missile—

(A) would result in cost savings to the Federal Government when compared to the cost of acquiring space transportation services from United States commercial providers;

(B) meets all mission requirements of the agency, including performance, schedule, and risk requirements;

(C) is consistent with international obligations of the United States; and

(D) is approved by the Secretary of Defense or his designee.

(2) The requirement under paragraph (1) that the certification described in that paragraph must be transmitted at least 30 days before conversion of the missile shall not apply if the Secretary of Defense determines that compliance with that requirement would be inconsistent with meeting immediate national security requirements.

(c) MISSILES REFERRED TO.—The missiles referred to in this section are missiles owned by the United States that—

(1) were formerly used by the Department of Defense for national defense purposes as intercontinental ballistic missiles; and

(2) have been declared excess to United States national defense needs and are in compliance with international obligations of the United States.

SEC. 206. NATIONAL LAUNCH CAPABILITY STUDY.

(a) FINDINGS.—Congress finds that a robust satellite and launch industry in the United States serves the interest of the United States by—

(1) contributing to the economy of the United States;

(2) strengthening employment, technological, and scientific interests of the United States; and

(3) serving the foreign policy and national security interests of the United States.

(b) DEFINITIONS.—In this section:

(1) SECRETARY.—The term "Secretary" means the Secretary of Defense.

(2) TOTAL POTENTIAL NATIONAL MISSION MODEL.—The term "total potential national mission model" means a model that—

(A) is determined by the Secretary, in consultation with the Administrator, to assess the total potential space missions to be conducted in the United States during a specified period of time; and

(B) includes all launches in the United States (including launches conducted on or off a Federal range).

(c) REPORT.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary shall, in consultation with the Administrator and appropriate representatives of the satellite and launch industry and the governments of States and political subdivisions thereof—

(A) prepare a report that meets the requirements of this subsection; and

(B) submit that report to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Science of the House of Representatives.

(2) REQUIREMENTS FOR REPORT.—The report prepared under this subsection shall—

(A) identify the total potential national mission model for the period beginning on the date of the report and ending on December 31, 2007;

(B) identify the resources that are necessary or available to carry out the total potential national mission model described in subparagraph (A), including—

(i) launch property and services of the Department of Defense, the National Aeronautics and Space Administration, and non-Federal facilities; and

(ii) the ability to support commercial launch-on-demand on short notification, taking into account Federal requirements, at launch sites or test ranges in the United States;

(C) identify each deficiency in the resources referred to in subparagraph (B); and

(D) with respect to the deficiencies identified under subparagraph (C), include estimates of the level of funding necessary to address those deficiencies for the period described in subparagraph (A).

(d) RECOMMENDATIONS.—Based on the reports under subsection (c), the Secretary, after consultation with the Secretary of Transportation, the Secretary of Commerce, and representatives from interested private sector entities, States, and local governments, shall—

(1) identify opportunities for investment by non-Federal entities (including States and political subdivisions thereof and private sector entities) to assist the Federal Government in providing launch capabilities for the commercial space industry in the United States;

(2) identify 1 or more methods by which, if sufficient resources referred to in subsection (c)(2)(D) are not available to the Department of Defense and the National Aeronautics and Space Administration, the control of the launch property and launch services of the Department of Defense and the National Aeronautics and Space Administration may be transferred from the Department of Defense and the National Aeronautics and Space Administration to—

(A) 1 or more other Federal agencies;

(B) 1 or more States (or subdivisions thereof);

(C) 1 or more private sector entities; or

(D) any combination of the entities described in subparagraphs (A) through (C); and

(3) identify the technical, structural, and legal impediments associated with making launch sites or test ranges in the United States viable and competitive.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROHRABACHER) and the gentleman from Tennessee (Mr. GORDON) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution takes from the Speaker's desk H.R. 1702 as reported back by the Senate and passed with an amendment.

The Commercial Space Act of 1998 is a small legislative step that will enable giant leaps for America's commercial space industry. It is the culmination of 3 years of extensive bipartisan consultation and cooperation within the Committee on Science, with the Senate Committee on Commerce, Science and Transportation, and with the administration as well.

I support the product of this effort and wish to thank the Members on both sides of the aisle and in the other body for their help in making this possible.

H.R. 1702 passed the House last year. The Senate passed an amended H.R. 1702 this July. The House and Senate have negotiated the compromise bill that is before us today. I urge my colleagues to support this commercial space bill so we can send it to the Senate and then to the President for his immediate signature.

The compromise bill promotes the continued growth of the United States commercial space industry. It requires an independent market study of and a NASA report on progress in commercializing the international space station. It authorizes the Department of Transportation to license the reentry of space transportation vehicles.

It makes permanent a launch voucher demonstration program so that scientists can buy their own launch services instead of being told when and how their experiments can fly into space. It encourages the President to ensure that the United States global positioning system becomes the world standard so that foreign systems will not interfere with the GPS satellite signals.

It encourages NASA to buy commercial data for both space science and earth science researchers. It directs NASA to manage its commercial space centers out of NASA headquarters in Washington, D.C.

It includes provisions which clarify the regulation of U.S. commercial remote sensing companies. It requires the Federal Government to purchase space transportation services instead of building and operating its own vehicles. It requires NASA to plan for the potential privatization of the space shuttle. It allows the use of access ICBMs as low-cost space transportation vehicles, and it requires that the Department of Defense study our national launch demand and infrastructure capability through the year 2007.

At the same time, I am sad to report that one of the most important portions of H.R. 1702, which dealt with commercial remote sensing, had to be abandoned in order to secure the passage of this legislation in the Senate, but some of our government's Cold War bureaucrats seem to want to have the same power that they had and are unwilling to see that change take place for now, but we will fight that battle on another day.

I can honestly say that we tried very hard to meet the administration halfway, and after holding two subcommittee hearings on the topic, the committee made several changes to the bill in order to accommodate the administration requests, both in committee markup and later on the House floor. The State Department kept pushing for even more authority than they have now, so rather than give them that authority and make life even harder for our remote sensing industry, we decided simply to strike title II from the bill, and say, we will come back and talk about that issue on another day.

Today, however, we should celebrate a legislative glass that is more than half full. The chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), and ranking member, the gentleman from California (Mr. BROWN) have offered us a great deal of leadership in this area. I salute both of them. I especially salute the ranking member, the gentleman from California (Mr. BROWN), who is with us on the floor at this time. He and the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), have shown in the Committee on Science that we certainly have as bipartisan a committee as anyone on the floor, and the gentleman from Tennessee (Mr. GORDON), the ranking member on the subcommittee, has been working with me in that spirit.

I am very proud to have worked with my friends on the other side of the aisle to come up with this piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. GORDON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1702, the Commercial Space Act of 1998. This act represents another in a long series of bipartisan efforts to promote the development of a healthy and expanding U.S. commercial space sector.

I will not attempt to discuss every provision in H.R. 1702, but I would like to highlight a number of important aspects of the bill.

First, H.R. 1702 contains a series of amendments to existing law that should help the U.S. commercial launch industry to move to a new generation of low-cost launch vehicles. The amendments authorize the U.S. Department of Transportation to license reusable launch vehicles, vehicles that can take off, fly into space and return to earth to be used again.

A number of U.S. companies, both large and small, have such new vehicles under development. However, they need to have a predictable licensing and regulatory environment. H.R. 1702 will help establish that environment.

Second, H.R. 1702 makes a strong statement of support for the global positioning system and encourages the administration to ensure the operation of the global positioning system on a continuous worldwide basis, free of direct user fees. GPS has provided the foundation for the growth of entirely new businesses, and we need to assure that it and its augmentations continue to play that role.

Third, H.R. 1702 contains other provisions to promote governmental purchases of commercial data and launch services when appropriate. These provisions can help to promote the further development of the commercial space sector in the years ahead.

Mr. Speaker, this final version of H.R. 1702 is the result of constructive discussions and compromises between the House, the Senate and the administration. I want to express my appreciation for the positive roles played by the chairman, the gentleman from Wisconsin (Mr. SENSENBRENNER), the ranking member, the gentleman from California (Mr. BROWN), the subcommittee chairman, the gentleman from California (Mr. ROHRABACHER) and their staffs.

H.R. 1702 is a bill that will foster economic growth, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we have with us today in the hall the former chairman, now ranking member, the gentleman from California (Mr. BROWN), who I mentioned, but we also have the former chairman of the Committee on Science, Mr. Walker, who spent considerable time and effort on this piece of legislation, and I would like to applaud Mr. Walker's efforts over the years. He has spent many, many years on space commercialization projects, and this piece of legislation reflects that hard work and dedication on his part.

Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Mr. WELDON), who has worked long and hard on this piece of legislation.

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Mr. WELDON of Florida. Mr. Speaker, I thank the chairman of the subcommittee for yielding time, and I rise in support of this legislation. I encourage all of my colleagues on both sides of the aisle to support and vote for this very important legislation.

I represent the east central coast of Florida, the area that includes Cape Canaveral and Kennedy Space Center. Years ago, most of the launches were for the government. But today the majority of launches from Cape Canaveral are for commercial satellites. These are telecommunications satellites that carry TV signals or telephone conversations as well as remote sensing satellites that can help American farmers better manage their crops and be more efficient and more productive. That is what this legislation is all about, being more efficient and more productive, the use of space for the betterment of mankind, helping to create better jobs, using our tax dollars more efficiently.

This legislation will make it easier for everyone, from satellite or launch vehicle manufacturers to remote sensing and telecommunications service providers to better be able to do business in the 21st century. It will better enable American companies to compete in an increasingly competitive international marketplace. The space industry is an example of another industry that the United States essentially created, but like many industries that the United States has created, it is at risk of going overseas and no longer being in the United States. Therefore, this legislation is badly needed.

In particular, I would like to mention the section of the bill that deals with the feature regarding the licensing of commercial space vehicles that reenter the atmosphere. Today the only space vehicle that regularly reenters the atmosphere is our Nation's space shuttle. But it is used for government missions and not for launching commercial satellites. There are several new launch vehicles in the developmental stage today, including the Lockheed Martin Venture Star that will launch commercial satellites and then return to earth, be refueled, refurbished and then launched again in a similar fashion to the way the space shuttle is handled. This legislation will better enable the government to license and regulate those types of launch vehicles.

Again, I rise in strong support. I commend the chairman of the subcommittee and ranking member, as well as the chairman and ranking member of the full committee for their work that they have done in support of this legislation.

Mr. GORDON. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. BROWN), one of the most knowledgeable Members of this body on our space program.

Mr. BROWN of California. I thank the ranking member for yielding me this time. I could abuse it since he put no limit on it, but I promise my colleagues I will not do that.

Mr. Speaker, I should point out that approximately 41 years ago we entered into a new age, the space age, with the launch of Sputnik which scared the daylights out of a lot of people around the world, including here in the United States, and stimulated our own efforts to move into the new space age. That age has proceeded more rapidly than many of us had ever assumed that it might and less rapidly than some had hoped. It is 41 years old approximately.

It is notable that today commercial space revenues have exceeded the amount of money which the governments of the world spend on space. This is a rather remarkable feature in itself, but I think we are just looking at the beginning of a vast increase in commercial space activities. Of course that is what this bill is intended to address.

It is not a revolutionary bill. I sometimes criticize legislation for not going as far as it should. I personally would like to have seen this bill go much further into new areas of space commercialization, new legislative structures and so forth. I recognize, however, the tremendous amount of work which has gone into bringing us this piece of legislation, and I am not going to be critical of the fact that the bill does not reach as far as I would like.

What I expect to see happening in the very near future was indicated I think rather well by the gentleman from Florida (Mr. WELDON) when he pointed to the vast expansion of reusable launch vehicles which are in the offing. One of those systems is being developed in my own district in California. Most of these systems are tied to the increasing number of communications satellites which are being launched around the globe. We will see a proliferation of new systems with hundreds, possibly thousands of satellites, all of which will have to be launched into low earth orbit and then replaced at fairly frequent intervals. So we can be absolutely certain that we are going to see a very large demand for economical, reusable launch vehicle systems. This may be the driving factor in the development of a much more robust commercial space business than we have today.

There are also many other very attractive commercial opportunities in space which we will not dwell on this evening, but I see the potential for each of these other kinds of activities reaching similar possibilities to what we see in satellite communication systems.

I strongly support this bill. I commend the various people who worked so hard on it. I hope that we will be able to come back at a future time with a more comprehensive bill which will strengthen the position of the private sector in the development of commercial space business and will allow us to move even further into this great new space age that we are in.

Mr. Speaker, I would like to speak in favor of H.R. 1702, the Commercial Space Act of 1998. While H.R. 1702 is a relatively modest bill, it will, I believe, provide an important stimulus to the continued growth of the U.S. commercial space sector.

It was 41 years ago Sunday that the space age dawned with the launch of Sputnik. America and the rest of the world have come a long way in space since then. One of the most important developments has been the growth of a robust commercial space sector in the United States. Worldwide, commercial space revenues—driven in large part by the explosive growth of satellite communicaitons—exceeded governmental space expenditures for the first time last year. I expect that this trend will continue.

H.R. 1702 will help to promote the commercial space sector in a number of ways. I would like to focus on one of those, namely the licensing provisions for reusable launch vehicles (RLVs) and reentry vehicles. These RLVs offer the promise of significant reductions in the cost of launching payloads into space. A number of companies, including the entrepreneurial Kelly Space and Technology, Inc., are working hard to turn the promise of low cost access to space into reality.

H.R. 1702 will help provide a predictable licensing and regulatory environment that is necessary if this new industry is to flourish.

H.R. 1702 contains a number of other notable provisions, including ones related to the global positioning system, commercial launch services and commercial "data buys".

In addition, I am pleased that this final version of H.R. 1702 restores the ability of the U.S. government to continue to carry out international collaborations in science and technology with other nations—collaborations that have delivered great benefits to the United States.

Mr. Speaker, I believe that H.R. 1702 represents a constructive step forward by Congress in the promotion of a vibrant commercial space sector. I wish to express my appreciation to Science Committee Chairman SENSENBRENNER, as well as to Chairman ROHRABACHER and Mr. GORDON, the chair and ranking member of the Space Subcommittee for all of their efforts on this bill.

I urge my colleagues to pass H.R. 1702.

Mr. ROHRABACHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. BRADY) for a colloquy about an important provision of this bill.

Mr. BRADY of Texas. Mr. Speaker, I first want to thank the chairman for his leadership as chair of the Subcommittee on Space and Aeronautics and that of the ranking minority member for the leadership on this important issue.

Mr. Speaker, when this bill was marked up in the subcommittee, we added a section which required that NASA administer the Commercial Space Center program from NASA headquarters. These centers are the primary mechanism by which NASA works to spark new commercial research and investment in space development, particularly regarding commercial research on and use of the International Space Station. Because these centers are so important, the committee wanted to make sure that they were administered and funded in a fair and consistent way by NASA headquarters.

Mr. ROHRABACHER. Mr. Speaker, will the gentleman yield?

Mr. BRADY of Texas. I yield to the gentleman from California.

Mr. ROHRABACHER. Mr. Speaker, the gentleman is entirely correct. The committee was concerned that when NASA abolished its Office of Space Access and Technology, some of these Commercial Space Centers got lost in the shuffle. Some of them were placed under the management of and funded through NASA's Office of Life and Microgravity Sciences and Applications, while others were turned over to various NASA field centers but without any money to fund them. While the Congress has no desire to tell NASA which Commercial Space Centers to fund, we do want to make sure that centers are not being harmed or even killed off because of hidden ad hoc decisions on management and funding. Section 106 of the Commercial Space Act requires that NASA headquarters administer, including providing visible and specified funding for, the Commercial Space Centers program.

Mr. BRADY of Texas. As the chairman of the subcommittee may know, the National Academy of Public Administration recently issued a study on the Commercial Space Center program which states that the role NASA headquarters should play in the Commercial Space Center program includes "guidance, oversight, funding, and the clarification of expectations and specification of accountability."

Mr. ROHRABACHER. The gentleman raises an excellent point. The report he refers to confirms the need to apply fair and consistent standards in managing and funding important activities like the Commercial Space Center program, which is precisely the intent of section 106 of this bill. I promise the gentleman from Texas that we will continue to work with him and many other Members of the House to ensure that NASA headquarters develops and implements an effective system of administering this program, including providing appropriate funds for those centers which are performing well on the taxpayers' behalf.

Mr. GORDON. Mr. Speaker, I have no more speakers. I simply close by saying this is a good bill, it deserves the strong support of this House, and I yield back the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume. This bill moves forward with very few ruffles and flourishes. Yet we should not miss the significance of what it represents and of what is happening here today.

Last week on October 1, the Subcommittee on Space and Aeronautics held a hearing on the occasion of NASA's 40th anniversary. It seems almost like yesterday as Chairman BROWN noted when Sputnik went up, but it also seems like generations ago when we saw NASA in its heyday in the early 1960s launching Americans into space. But for the most part, the early part of NASA's history, at least the first two decades, and there has been an evolution since, for the most part, space was a government endeavor. During that early time, much of the impetus during the space race was brought on by a spirit of cooperation, if not a spirit of survival during the Cold War. Our race into space during the Cold War was looked at as something having to do with our national survival. Much of the spending that took place in terms of defense spending was justified and has brought us to this point today. In fact, over the years our space program has benefited greatly, our commercial space program and our civilian space program through NASA has benefited greatly from technological spinoffs from our own defense spending. However, we are now, and this is perhaps what this bill signifies, at a turning point. The Cold War is over. A whole new approach to space is being taken by the United States of America. No longer is space going to be the purview and the arena of government. Instead we are going to through this legislation unleash our greatest asset, and that is the creativity and the entrepreneurial genius and the profit motive of America's private sector. In fact, we can no longer afford a space program that is basically a government program, or a defense-related program. We have to bring in private capital. We have to bring in the private sector. We have to bring in competition and the profit motive to make sure our space program, America's space effort, is done effectively and that we dream big dreams. Unlike in some programs that are controlled by the bureaucracy, those programs quite often are only interested in trying to get enough money for next year's funding level. What is happening with this commercial bill is a good first step. As I mentioned, Chairman Walker and Chairman BROWN, who have spent such a considerable amount of time, oversaw this legislation and have brought us to this turning point.

I would like to share just a few thoughts and perhaps our ranking member the gentleman from Tennessee (Mr. GORDON) would like to join me as well, just a few thoughts that emerged from our hearing last week when we were celebrating the 40th anniversary of NASA. We had some people who were talking about what the next 40 years of America's space program will be like. It is going to be much different than the first 40 years. In fact, I would expect that some of the investments in the private sector will have spinoffs that will help us in the defense arena. In fact, where before it was defense spending that the spinoffs helped us in the commercial and civilian area, it is going to go just the opposite in the years ahead. In order to spur growth and commercial activity in space, we will be working on another commercial space bill next year, starting next session, and I am sure we will have the same cooperation that we have had this year with both sides of the aisle.

There are many ideas that are exciting people about what we can do in space. The 40th anniversary is marking a turning point but it is marking, you might say we have reached a stage from which then we will proceed into outer space, and in the exploration and the utilization of space for the benefit of mankind.

The Speaker has mentioned to me his support for these type of approaches. I have spoken to the Speaker about a concept that is close to my heart of trying to declare space a tax-free zone and is something Mr. Walker talked about several years ago. I call it the zero-gravity, zero-tax approach. If we can ensure that people who are investing in space projects, new creative approaches and new projects, not things that have been done in the past but things that, for example, we are having trouble now with the Space Station, it is a big challenge to come up with some of the funds for Space Station.

□ 2000

But if we enrich or enliven the private sector, and we give encouragement and incentive to people in the private sector and Wall Street to invest, perhaps there can be some economic activities on the space station with zero gravity and zero taxes to be paid that will bring money out of the private sector.

We can also look, for example, to the solution of some of the problems that have seemed intractable in our past.

Mr. Speaker, I am very excited about the possibility of using space as a vehicle to transport energy to different parts of the world. We have being studied now in the NASA budget with the support of the ranking member and our friends on the other side of the aisle, NASA is studying the idea of technology that might permit oil rich and gas rich Azerbaijan or Turkmenistan or countries in central Asia for example, Kazakhstan, to be able to use their natural gas to produce electricity there and shoot the electricity into a satellite system; we call it space grid; which could then transmit that electricity anywhere in the planet, and with a zero-gravity zero-tax approach, we might be able to build a space grid without the use of any taxpayers' dollars.

We might be able to establish a moon base in the next 10 years perhaps just from the external tanks of the shuttle, that we might be able to get there at very little money. We could have 20 or 30 of these external tanks that are pressurized tanks that future generations of American could put to use as a space colony on the moon.

Asteroids. There has been a lot of movies about asteroids lately that talk about the fear of asteroids hitting the earth, but asteroids also present to us a great opportunity. Asteroids are made out of materials that can be very valuable on the earth, and also asteroids can be turned into a space station that already exists and just is there to be exploited by mankind.

We are also developing now new propulsion systems, and up until now only rockets have been used to take mankind into space. In the future that will be different. In fact, the rockets that we use, we are developing new reusable rockets that will dramatically bring down the cost of getting into space via rockets, but at the same time we are developing new propulsion systems. For example, there is one that is based on a laser beam that will use the energy of the laser beam to transport an object, a satellite, into space so it does not have to carry its own fuel.

When these type of technologies are fully developed and we bring the full strength of the private sector, we will realize a new world, and we will realize a new opportunity on this world, and it is a very exciting time to be the chairman of this committee and to be a member of this committee, and again it represents, this dream represents, the best of bipartisanship in the House of Representatives.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I strongly favor this measure because it seeks to bolster our Nation's space industry's capabilities. By expanding our utilization of our commercial space industry, we foster a strong alliance between government and private-sector entities, an alliance that will propel America's space program into the next millennium.

This bill bolsters our Nation's space industry by establishing a regulatory infrastructure for the licensing of private reusable launch vehicles. Moreover, this piece of legislation alters the role of the National Aeronautics and Space Administration (NASA) to promote private-sector involvement and competition in the development of industrial space products.

By authorizing the Transportation Department's Office of Commercial Space Transportation to issue licenses to private companies for launching re-usable space vehicles, this measure allows commercial entities to launch vehicles into space and pilot them back to earth. Currently, private companies are not permitted to pilot their vehicles back to earth after a launch.

Providing this authorization will foster the development of a strong, private-sector space transportation industry in our country. It is my hope that this sector of the space industry will result in cost-effective transport services to NASA and commercial companies.

This measure also requires NASA to begin purchasing space transportation services from the private sector when such services are available. This portion of the bill has been carefully crafted to permit NASA autonomy when necessary. For instance, projects that require the unique capabilities of the space shuttle and sensitive national security projects would be excepted from the bill's requirement regarding NASA's utilization of private sector providers. More importantly, the use of commercial services would not be required for missions beyond Earth orbit, missions such as flights to the Moon, Mars, or beyond.

I also support this measure's advocacy of the U.S. Global Positioning System (GPS). This piece of legislation encourages the President to ensure the continued operation of the U.S. GPS navigation satellites on a world-wide basis. By promoting the U.S. GPS through international agreements, we can encourage our global partners to accept this extraordinary system as the international standard.

Finally, I believe that this measure's requirement that NASA plan for the potential privatization of the space shuttle is appropriate. The continued deployment of shuttle missions is imperative, and it is possible that private-sector corporations could provide more cost-efficient launches. By merging commercial and government resources, we could ensure that the space shuttle will remain a viable fixture in space exploration for many years to come.

This measure appeals to all involved, and I am certain that cooperation between American Government and commercial entities will pave the way to the exploration of unimaginable frontiers.

Mr. ROHRABACHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROHRABACHER) that the House suspend the rules and agree to the resolution, H. Res. 572.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROHRABACHER. Mr. Speaker, I ask unanimous consent that all the Members have 5 legislative days to revise and extend their remarks on House Resolution 572, the resolution just agreed to.

The SPEAKER pro tempore (Mr. SHIMKUS). Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4570, OMNIBUS NATIONAL PARKS AND PUBLIC LANDS ACT OF 1998

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–776) on the resolution (H. Res. 573) providing for consideration of the bill (H.R. 4570) to provide for certain boundary adjustments and conveyances involving public lands, to establish and improve the management of certain heritage areas, historic areas, National Parks, wild and scenic rivers, and national trails, to protect communities by reducing hazardous fuels levels on public lands, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 4194, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–777) on the resolution (H. Res. 574) waiving points of order against the conference report to accompany the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING A REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–778) on the resolution (H. Res. 575) waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 4259, HASKELL INDIAN NATIONS UNIVERSITY AND SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE ADMINISTRATIVE SYSTEMS ACT OF 1998

Mr. McINNIS, from the Committee on Rules, submitted a privileged report (Rept. No. 105–779) on the resolution (H. Res. 576) providing for consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes, which was referred to the House Calendar and ordered to be printed.

EXPORT APPLE ACT

Mr. EWING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4148) to amend the Export Apple and Pear Act to limit the applicability of the Act to apples.

The Clerk read as follows:

H.R. 4148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SCOPE OF EXPORT APPLE AND PEAR ACT.

(a) SHORT TITLE.—The Act of June 10, 1933 (7 U.S.C. 581 et seq.; commonly known as the Export Apple and Pear Act), is amended by adding at the end the following new section:

"SEC. 11. This Act may be cited as the 'Export Apple Act'.".

(b) DEFINITION OF APPLES.—Section 9 of such Act (7 U.S.C. 589) is amended by striking paragraph (4) and inserting the following new paragraph:

"(4) The term 'apples' means fresh whole apples, whether or not the apples have been in storage.".

(c) ELIMINATION OF REFERENCES TO PEARS.—Such Act is further amended—

(1) by striking "and/or pears" each place it appears in the first section and sections 5 and 6; and

(2) by striking "or pears" each place it appears in the first section and sections 2, 3, and 4.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. EWING) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. EWING).

Mr. EWING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4148, a bill that amends the Export Apple and Pear Act to exclude pears from this act. This is being done because farmers producing pears for export advise us that this action will benefit the industry's effort to increase exports of pears.

Additionally, the U.S. Department of Agriculture advised the Committee on Agriculture that mandatory Federal quality standards are no longer needed to assure the high quality of exported pears. USDA believes that the U.S. pear industry needs greater flexibility than the act currently allows in order to respond to international markets. This bill will help the pear industry achieve increased exports and essential goals for all farmers in the U.S.

Mr. Speaker, this 65 year old law was originally intended to protect the reputation of U.S. apples and pears in foreign markets by requiring inspection and certification prior to export. Now, however, pear exporters find that the act is more of a hinderance than an asset for their exports. They wish to be able to export to all the markets willing to purchase U.S. pears. H.R. 4148 will allow U.S. farmers to increase pear exports.

Mr. Speaker, USDA supports enactment of H.R. 4148 and advises the committee that enactment of H.R. 4148 would not result in increased outlays. CBO estimates that there are no costs to H.R. 4148.

I urge my colleagues to support H.R. 4148.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4148 which updates the Apple and Pear Export Act. For many years, as the gentleman from Illinois (Mr. EWING) has explained, the act has served the very beneficial use for the two industries, but tonight the pear industry asked to be relieved from coming under that bill. The effect is to eliminate an outdated requirement for a law that worked well for many years but is now hindering further development for markets for U.S. pears.

The pear industry now believes that market opportunities will be enhanced by greater flexibility. For example, last year the sale of 200,000 cartons of pears to Russia was made possible by a January 1997 amendment to the act that allowed for the shipment of a more competitive grade of pears to that country. This bill gives greater control to the pear industry just as the Russian government has begun to privatize its economy.

Our farmers are increasingly dependent on foreign markets. It is, therefore, essential that the regulations they operate under are designed to help them compete in these markets.

Mr. Speaker, I urge my colleagues to support this regulatory improvement which will provide our pear producers with much greater flexibility.

Mr. SMITH of Oregon. Mr. Speaker, I rise in support of H.R. 4148, a bill to amend the Export Apple and Pear Act. The Export Apple and Pear Act, enacted on June 10, 1933, requires that apples and pears meet certain standards prior to export in order to ensure only high quality U.S. fruit moves in foreign commerce.

Pears exported from the United States are grown almost exclusively in Oregon, California and Washington and the pear organizations in these states support this bill. U.S. pear producers and shippers recommended that pears should be dropped from the Act so that they can increase the volume of pear exports.

H.R. 4148 eliminates pears from the Act, thereby allowing U.S. exporters greater flexibility in the changing international marketplace and the opportunity to increase exports. The U.S. Department of Agriculture (USDA) believes that mandatory federal quality standards for pears are no longer needed to assure the high quality of exported pears.

USDA supports enactment of H.R. 4148 and advises the Committee that enactment of H.R. 4148 would not result in increased outlays.

CBO estimates there is no cost to H.R. 4148.

I urge my colleagues to support H.R. 4148.

Mr. STENHOLM. Mr. Speaker, I yield back the balance of my time.

Mr. EWING. Mr. Speaker, I, too, yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. EWING) that the House suspend the rules and pass the bill, H.R. 4148.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EWING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on H.R. 4148, the bill just adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SELECTIVE AGRICULTURAL EMBARGOES ACT OF 1998

Mr. EWING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4647) to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity and for other purposes.

The Clerk read as follows:

H.R. 4647

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Selective Agricultural Embargoes Act of 1998".

SEC. 2. REPORTING ON SELECTIVE EMBARGOES.

The Agricultural Trade Act of 1978 (7 U.S.C. 5711 et seq.) is amended by adding at the end of title VI:

"SEC. 604. REPORTING ON SELECTIVE EMBARGOES.

"(a) REPORT.—If the President takes any action, pursuant to statutory authority, to embargo the export under an export sales contract (as defined in subsection (e)) of an agricultural commodity to a country that is not part of an embargo on all exports to the country, not later than 5 days after imposing the embargo, the President shall submit a report to Congress that sets forth in detail the reasons for the embargo and specifies the proposed period during which the embargo will be effective.

"(b) APPROVAL OF EMBARGO.—If a joint resolution approving the embargo becomes law during the 100-day period beginning on the date of receipt of the report provided for in subsection (a), the embargo shall terminate on the earlier of—

"(1) a date determined by the President; or

"(2) the date that is 1 year after the date of enactment of the joint resolution approving the embargo.

"(c) DISAPPROVAL OF EMBARGO.—If a joint resolution disapproving the embargo becomes law during the 100-day period referred to in subsection (b), the embargo shall terminate on the expiration of the 100-day period.

"(d) EXCEPTION.—Notwithstanding any other provision of this section, an embargo may take effect and continue in effect during any period in which the United States is in a state of war declared by Congress or national emergency, requiring such action, declared by the President.

"(e) DEFINITIONS.—As used in this section—

"(1) the term 'agricultural commodity' includes plant nutrient materials;

"(2) the term 'under an export sales contract' means under an export sales contract entered into before the President has transmitted to Congress notice of the proposed embargo; and

"(3) the term 'embargo' includes any prohibition or curtailment.".

SEC. 3. ADDITION OF PLANT NUTRIENT MATERIALS TO PROTECTION OF CONTRACT SANCTITY.

Section 602(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5712(c)) is amended by inserting "(including plant nutrient materials)" after "agricultural commodity" each place it appears.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. EWING) and the gentleman from Texas (Mr. STENHOLM) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. EWING).

Mr. EWING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, American agriculture plays a key role in the U.S. trade economy. The contributions of agricultural exports to the U.S. economy are impressive such as near record farm exports of just over $57 billion in 1997 and a positive trade balance of $21 billion among the largest of any economic sector.

Additionally the U.S. agricultural economy is more than twice as reliant on exports as the overall economy. This reliance makes agricultural specific embargoes especially painful for American farmers and ranchers.

I believe H.R. 4647 provides a vital and necessary foreign policy check and balance system. My legislation would require congressional review and approval of both houses of Congress if the President imposed an agricultural specific embargo on a foreign country. H.R. 4647 would require the President to submit a report to Congress detailing reasons for the embargo and a proposed termination date. Congress then has 100 days to approve or disapprove the embargo. If Congress approves the resolution, the embargo will terminate on the date determined by the President or 1 year after enactment, whichever occurs earliest. If a disapproving resolution is enacted, the embargo will terminate at the end of a hundred day period.

This legislation would not impact embargoes currently in place nor would it impede the President's authority to impose cross sector embargoes. Additionally, this legislation would not take effect during times of war. This legislation was the official policy of the United States when the Export Administration Amendments Act was adopted in 1985. Unfortunately that act expired in 1994 when Congress failed to reauthorize it. It is important to note that the failure to reauthorize was not a result of any opposition to the agricultural embargo language. Congress just failed to act.

Mr. Speaker, according to the United States Department of Agriculture, the Soviet grain embargo cost the United States about $2.3 billion in lost U.S. farm exports and U.S. Government compensation to American farmers.

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The Soviet grain embargo is still very fresh in the minds of grain farmers throughout America. In the midst of an already poor overall economy, the imposition of the Soviet grain embargo triggered the worst agricultural economic turndown in America since the Great Depression.

As if we had not learned our lesson from the Soviet grain embargo, there are unilateral sanctions in effect today that have damaged our image as a reliable supplier of agricultural products. The problem with agricultural-specific embargoes is that our farmers and ranchers end up losing a share of the global marketplace while the embargoes often fail to achieve their purpose.

With the enactment of the Freedom to Farm Act, our farmers are dependent more and more on foreign markets for an increasingly significant portion of their income. In our global marketplace, the importance of being a reliable supplier of food and fiber cannot be overstated. Therefore, Congress should have input when the President decides to use American agriculture as a foreign policy tool. My legislation does not eliminate the President's ability to impose sanctions, it just includes Congress in the debate.

As many of my colleagues are aware, U.S. farmers and ranchers are increasingly dependent on the marketplace for a greater share of their incomes. To quote former President Ronald Reagan, "The freer the flow of world trade, the stronger the tides of human progress and peace among nations."

In echoing these sentiments, I believe we owe it to our farmers and ranchers to make sure that they do not bear a disproportionate share of the burden of U.S. foreign policy decisions.

Mr. Speaker, I ask that the rest of my colleagues join to help the American farmer and rancher by voting "yes" on H.R. 4647 today.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the Selective Agricultural Embargoes Act, which I am proud to cosponsor.

When Congress passed Freedom to Farm 2½ years ago, Congress promised to open foreign markets to U.S. Agricultural products. So far, we have failed to pass Fast-Track authority or provide funding for the International Monetary Fund.

This bill, however, recognizes that sanctions, imposed as a part of a coordinated effort with our allies, may be an effective tool of foreign policy. The focus of this legislation, however, is to provide for greater scrutiny of the ineffective unilateral embargoes we place on our trading partners at the expense of our farmers and ranchers.

In the words of U.S. Trade Representative Charlene Barshefsky, unilateral sanctions send the message, "Stop that, or I'll shoot myself."

By providing for congressional review of unilateral agricultural sanctions, this bill will require us to put a little more thought into our actions, to think before we concede our agricultural markets to our competitors.

The bill will also help to maintain our reputation as a reliable supplier of food, which is essential to building long-term market share. It is time to find a more effective way to implement our foreign policy goals and to recognize that unilateral sanctions do not work.

Let us pass this bill and give our farmers and ranchers a fighting chance. It is a very good first step towards comprehensive reform.

Mr. Speaker, I reserve the balance of my time.

Mr. EWING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Nebraska (Mr. BARRETT).

Mr. BARRETT of Nebraska. Mr. Speaker, I thank the chairman for yielding to me, and I congratulate him on his introduction of H.R. 4647.

Mr. Speaker, I certainly rise in support of the bill. As a matter of fact, an editorial in today's Journal of Commerce describes which national farm organizations support and which oppose trade. The analysis: most farmers support international trade.

If you had asked me this question 6 months ago, I would have readily agreed. But due to the problems in the agricultural economy and resulting mood in the countryside, I am not so sure today. American farmers in rural communities are hurting, and trade is blamed for many of these problems.

Farmers know that trade is the way to better prices and higher incomes. Many believe that trade has been a disaster for agriculture. While I disagree, I can certainly understand this feeling. Unfortunately, our government is a large part of the problem.

Agriculture has been used as a weapon to achieve questionable foreign policy far too often. It has not received the attention it deserves by this administration. In fact, it has been badly misused, often for political purposes. No wonder there is such disconnect with the government's role in trade in rural America. The government's actions or inactions, as the case may be, affect farmers' and ranchers' perceptions of their future.

I support H.R. 4647 because it will require the House and the Senate to approve an agriculture-specific embargo imposed by the President. We used to do this, and I am glad to see that we are on the way to doing that again. Congress must have a chance to analyze any proposed agriculture embargo in order to mitigate any unintentional consequences that do hurt farmers and ranchers.

In closing, Mr. Speaker, let me express my appreciation to the gentleman from Oregon (Mr. SMITH), the Committee on Agriculture chairman, for his leadership on trade. He has made a difference, and he will be missed.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. BOSWELL).

Mr. BOSWELL. Mr. Speaker, I thank the gentleman from Texas (Mr. STENHOLM) and the gentleman from Illinois (Mr. EWING). It is good to be on the floor with them on this very, very important matter.

I appreciate the efforts that they have made, and we can come and talk about something that has a great impact on all of us, the whole country, as well as the producers and farmers and ranchers.

I used to, as a youngster, go work for a neighbor, one of my first jobs. He had an old horse that he called Jack. He would just about do anything that you asked him to do.

I went over early one morning, though; and as he was kind of getting the harness on old Jack, why Jack pawed and bit at him. He just reached around behind the fence and picked up about a 4-foot two-by-four, and he swatted him pretty good. And he turned to me; and, as a youngster, I was kind of dismayed. He said, "Well, you've got to get his attention." He said, "He will be okay for the rest of the day." So it worked out pretty good.

Well, I think that we have been swacked pretty good, too, as we have had some of these trade sanctions. It has hurt us a lot. I trust that it has got us our attention.

I agree with the things that both of the previous speakers have said. This is, not only important to the world economy that we live in, but to our country as a whole. The agriculture community can ill-afford these kind of things.

Then when we have had the opportunity to travel some around this world and have seen some of the places where people go without food and fiber, it is a very serious situation.

The combines are running in Iowa right now and other parts across the country. Because their prices are so low, the lack of market, so low, there is going to be a lot of grain piled out on the ground. It is going to rot. Much of it will not be used where it could have been used for people that could use it for their very livelihood.

So I am very supportive of H.R. 4647. I think it is a step in the right direction that, if something like this is going to be thought of in a unilateral sense, that they would come back and talk to us, the Members of the Congress, that we could discuss this and look it over and be sure that we are doing the right thing.

So I support this, and I appreciate the opportunity to speak, Mr. Speaker.

Mr. EWING. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. MORAN).

Mr. MORAN of Kansas. Mr. Speaker, I rise tonight also to support legislation that is vital to the U.S. agricultural interests, to the farmers and ranchers of Kansas and across the country. The Selective Agricultural Embargo Act is an important first step in our commitment to reign in embargoes and open markets for U.S. agricultural products.

Just last Friday, this Congress took a step to address the short-term needs of farmers by passing a disaster relief bill. Now it is time for Congress to help solve the long-term needs of producers by removing sanctions and opening agricultural markets.

The Soviet grain embargo cost United States farmers $2.3 billion. The damage from that embargo left a lasting imprint upon agriculture and scarred our industry in a way that few would have imagined. However, it appears that we have not yet learned our lesson.

Wheat imports to North Korea, to Cuba, to Iran, and to Iraq have all doubled since 1995, just a few years ago, since then they have doubled, and now account for over 10 million tons of wheat. However, these growing markets are off limits to U.S. producers but not to Canadian and Australian farmers.

In today's global economy, unilateral sanctions unfairly penalize U.S. producers, reward our competitors, and have little impact on changing behavior on targeted countries. The American farmer is tired of paying the price for this failed U.S. policy.

Mr. Speaker, I urge passage of this important measure.

Mr. STENHOLM. Mr. Speaker, I yield such time as he may consume to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding, and I want to begin by commending the gentleman from Illinois (Mr. EWING), the subcommittee chairman, for sponsoring this legislation, H.R. 4647, the Selective Agricultural Embargoes Act of 1998.

We have, from time to time, embarked on a horridly foolish embargo strategy. The unilateral embargo has absolutely had the effect of the hurt America first strategy.

I remember vividly the reaction in our part of the country to the ill-advised Soviet grain embargo of 1980. Farmer after farmer could watch their year's profits go down the drain as, as a Nation, we embarked on a policy that did nothing to discourage the Soviet Union, the object of that embargo, but did everything to give great encouragement to our trade competitors who rushed in with their own grain, easily filling the market while we bore 100 percent of the cost of that venture.

Let us learn from this mistake, because an embargo of that nature does not just cost us in terms of this year's lost markets, it makes us unreliable as a trading partner, so that next year we do not get the sale and the year after that we do not get the sale.

We need to establish structurally everything we can to have confidence in our ongoing presence as a trading partner. That is why I think this bill is so well put together. It does not unilaterally say no, no, never, never, because we cannot possibly foresee the future, but it does bring Congress fully into the mix.

After 100 days, the evaluation period provided in this legislation, we can be darn sure that, if an embargo continued, it was only because there was a very strong, very deep national consensus that this is the direction that we ought to go.

I think that this legislation gets the balance just right and hopefully is going to put an end to the hurt America first strategy of prior agriculture embargoes.

I want to end with a word of caution, because this legislation itself is not in any way a comprehensive response to the deep crisis we have today in the farm country. We need to do our part to replenish the International Monetary Fund.

Our trading partners across the country, our grain customers are in deep financial trouble. We need to do our part in this international effort to shore up the stability of the financial markets across the world.

Secondly, even today, we have States imposing rigorous grain inspections against Canadian grain imports. Underscoring that it is not just free trade, it is fair trade that we have to focus on, and the subsidized grain imports into our country are not fair trade, and we have a right to fair trade with respect to those imports.

Finally, we will continue in this town in the next few days to evaluate whether the package of agriculture relief appropriated by the House last Friday is adequate.

I adamantly maintain that we have not done enough to help farmers through this period of prices tanking because, after all, prior farm bills provided a measure of protection when prices collapsed.

We are now in a farm bill environment that does not provide the protection, and we are going to lose farmers if we do not make a very significant response, one more significant than the one that this Congress has moved forward.

In the end, though, I commend the chairman for his legislation and also would like to reiterate the comments of another subcommittee chairman regarding the leadership the gentleman from Oregon (Chairman SMITH) has brought to the Committee on Agriculture. I have respected him about as much as any legislator I have had the opportunity to work with. His departure is going to leave a big old hole in the Committee on Agriculture. He has done a wonderful job as the chairman in this session.

Mr. EWING. Mr. Speaker, I yield such time as he may consume to the outstanding gentleman from Nebraska (Mr. BEREUTER), an expert on world trade matters.

Mr. BEREUTER. Mr. Speaker, I rise in strong support of the Selective Agriculture Embargoes Act, H.R. 4647. I would also like to commend the distinguished gentleman from Illinois (Mr. EWING) for his initiative and his persistence in bringing this important legislation to the floor prior to our adjournment. I also thank him for his kind words.

Last Friday, the New York Times ran an article on the massive grain surplus building in the Pacific Northwest.

□ 2030

Though the article focused on the damaging impact of the Asian financial crisis on U.S. grain exports, the article also said, "What is also clear is that many farmers are increasingly angry over the trade embargoes that the United States has imposed on many nations around the world."

Would my colleagues believe it? We have imposed trade sanctions on 35 countries in the last 5 years, and we have trade sanctions standing on 75 or 80 countries now under existing law.

One farmer and State representative from Washington State was quoted as saying, "If we take their money and they take our grain, I don't think there is going to be anyone hurt."

Mr. Speaker, that farmer correctly understands that unilateral embargoes of U.S. food exports do not hurt or effect any real change on the targeted country. All U.S. farmers have a right to be angry that they are being used by both the executive and legislative branches to carry out symbolic acts so foreign policymakers can appear to be doing something about our toughest foreign policy problems.

There are three types of embargoes: Short supply embargoes, foreign policy embargoes, and national security embargoes, and all, unfortunately, end up hurting the people who should be least hurt by the intent of the authors.

Those farmers, I think, have a legitimate right to be angry, because when Congress and the President point the sanctions gun at a foreign country, that gun, more often than not, gets pointed at the guy on the tractor who is simply trying to provide for his family.

Hopefully, certain Members of Congress and the President relearned this lesson again this summer when American farmers lost, or nearly lost, at least, a $300,000 metric ton wheat sale to Pakistan because of our unilateral nonproliferation sanctions on that country. Sensing our serious mistake, those of us concerned in Congress rushed to reverse that sanction just hours before the bids for the wheat sale were made. Had we not acted, I am sure that Australian, French or Canadian wheat farmers would gladly become Pakistan's new primary supply of wheat.

Mr. Speaker, this legislation is very important in that it takes the first step towards rationalizing our sanctions policy by requiring the President to report to Congress on any selective embargo on agriculture commodities. It provides a termination date for any embargo, and it provides greater assurances for contract sanctity. In addition, the bill requires Congress to approve the embargo for it to extend beyond 100 days.

It is important to state what this legislation does not do. First, it does not alter any current sanctions because it only affects embargoes that apply selectively to agriculture products like President Carter's ill-fated and totally ineffective grain embargo on the Soviet Union in 1980, or President Ford's unilateral, farmer-damaging, short-supply soybean embargo. Additionally, this legislation does nothing to restrict the President's ability to impose cross-sector embargoes or embargoes that apply to agriculture as well as other U.S. export goods.

Mr. Speaker, the Selective Agriculture Embargoes Act is straightforward, common-sense legislation that aims at ensuring that our future sanctions do not unnecessarily hurt our farmers and our agricultural sector, while having no impact on the targeted country. This Member, therefore, urges his colleagues to vote for H.R. 4647.

I thank my colleague from Illinois for his outstanding work on this. I would say to my colleague from North Dakota who addressed the House just a minute ago, I happen to agree with him on his view on the adequacy, or I should say the inadequacy, of the assistance rendered to farmers. I believe that the transition payments, even though they were up perhaps 29 percent, should be higher, because no one could really have anticipated the Asian financial crisis or the fact that the U.S. dollar was very much stronger suddenly than our major competitors. It is for that reason that I voted for his motion to recommit on the Agriculture Appropriation Conference Report.

Mr. Speaker, I urge support of the resolution.

Mr. STENHOLM. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for yielding me this time.

I also want to join my colleagues in supporting H.R. 4647, the Selective Agriculture Embargoes Act. It is a reasonable act. It is a balanced approach. It is much needed. However, it is not all we need. It is, indeed, the first step and has gone a long way to make sure that agriculture will not be singularly selected as to be the area, the sector, that will be suffering.

Obviously, our farmers now depend more than ever before on the global market, and we need to make sure that the global market has a sense of stability. This also recognizes that we have a corresponding responsibility in adding to that stability. This allows us to be stable providers of food, and it also allows us not to be the victim of unilateral sanctions.

I commend the gentleman from Illinois (Mr. EWING) for the legislation, and I am delighted to join him as a cosponsor of this legislation, and I urge my colleagues to support it.

Mr. EWING. Mr. Speaker, I have no further requests for time.

Mr. STENHOLM. Mr. Speaker, I have no further speakers on this side. I commend the gentleman from Illinois (Mr. EWING) for his initiative in bringing this legislation to us tonight, and I encourage all of our colleagues to vote for it.

Mr. Speaker, I yield back the balance of my time.

Mr. EWING. Mr. Speaker, I yield myself such time as I may consume.

I want to close by thanking the gentleman from Texas and the gentlewoman from North Carolina and the gentleman from North Dakota and the Members on this side of the aisle that have come down here and talked about something that I think really is a hot button among farmers and ranchers across this country, and that is when their government unilaterally says, we are not going to allow you to deal with another country because we believe we can make a point by not allowing you to trade with them agriculturally. They are very much concerned about it. They want to see legislation like H.R. 4647 on the books to protect them from that kind of unilateral action.

So tonight I am pleased to be here with this bill, pleased to have the support of my colleagues in a bipartisan effort to address this problem.

Mr. SMITH of Oregon. Mr. Speaker, I rise in support of H.R. 4647, the Selective Agricultural Embargoes Act, introduced by Mr. Ewing, the Chairman of the Subcommittee on Risk Management and Specialty Corps.

The Selective Agricultural Embargoes Act of 1998 requires the President to report to Congress on any selective embargo on agricultural commodities and specifies the period during which the embargo will be in effect.

For American farmers and ranchers, trade is an essential part of their livelihood. Currently exports account for 30% of U.S. farm cash receipts and nearly 40% of all agricultural production is exported. U.S. farmers and ranchers produce much more than is consumed in the United States, therefore exports are vital to the prosperity and success of U.S. farmers and ranchers.

In order to continue to meet the worldwide demand for U.S. agricultural products, farmers and ranchers must continually assess the world market to determine where those markets are for specific agricultural products. It has become increasingly difficult to make this assessment because farmers and ranchers are denied access to certain world markets due to economic sanctions and embargoes, among other reasons.

For U.S. agriculture, embargoes or sanctions, whether imposed by the Administration or by law, often have unintended consequences that can fail unfairly on U.S. farmers and ranchers. U.S. agriculture remembers the 1980 Soviet grain embargo. The one lasting impression left of that embargo is that the U.S. could not be considered to be a reliable supplier of wheat. The past 18 years have been spent attempting to reverse that opinion.

Therefore because of the importance of assuring the reliability of the U.S. as a supplier of food and agricultural products, we must address the effects of embargoes on U.S. agriculture.

The Ewing bill amends the Agricultural Trade Act of 1978 to require that if the President acts to implement an embargo of any agricultural commodity to any country, the President must submit a report to Congress, within 5 days of imposing the embargo, that describes the reasons for the embargo and the period of time the embargo will be in effect. This requirement is applicable when there is an embargo of agriculture commodities to a country and that embargo does not include all exports to that country.

The bill also provides that if within 100 days of receiving the President's report, a joint resolution is enacted that approves the embargo, the embargo will end on the date determined by the President or 1 year after the date of enactment of the joint resolution, whichever is earlier. If a joint resolution disapproving the embargo is enacted during that 100-day period, the embargo will terminate at the end of that 100-day period.

The bill includes an exception providing that an embargo may take effect during any period in which there is a state of war declared by Congress or a national emergency declared by the President.

The bill also clarifies that "plant nutrient materials" are to be included in the category of agricultural commodities in the section of the Agricultural Trade Act of 1978 regarding contract sanctity. Therefore the protection afforded agricultural commodities in regard to suspension of trade and contract sanctity will be applied to plant nutrient materials.

Plant nutrient materials under export sales contracts will be protected from suspension of trade, as long as the contract is entered into before the suspension of trade is announced and the contract terms require delivery within 270 days after suspension of trade is imposed.

Mr. Speaker, I request unanimous consent that correspondence between Mr. Gilman, the Chairman of the Committee on International Relations, and I be included in the RECORD at this point.

I urge my colleagues to support H.R. 4647.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC, September 28, 1998.

Hon. ROBERT F. SMITH,
Chairman, Committee on Agriculture,
Washington, DC.

DEAR CHAIRMAN SMITH: I understand that the Committee on Agriculture is requesting that the House leadership permit the consideration of H.R. 4647 on the suspension calendar. This bill is identical to H.R. 3654 as introduced, with the exception of a technical change.

My understanding is that because of our Committee's jurisdiction over exports and national security issues under Rule X of the Rules of the House of Representatives, our Committee would be entitled to a sequential referral of this bill were it reported in the form introduced.

As I have discussed with Mr. Ewing, the sponsor of the bill, because of the need for prompt disposition of this matter, we have no objection to the consideration of this bill as introduced as a suspension item.

While not objecting to the consideration of the bill on the suspension calendar, however, I would like to state that we do not waive our jurisdiction over this bill or its subject matter. I would request that, in light of our support for early action on the bill on the suspension calendar, (a) you undertake to support the naming of members of the Committee on International Relations as conferees on this bill, should a conference occur, and (b) you consult with me on any further action on the bill or on any counterpart from the Senate.

I also request that you include this correspondence and your response to it in the Record when the bill is considered.

With best wishes,
Sincerely,
BENJAMIN A. GILMAN,
Chairman.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, DC, September 28, 1998.
Hon. BEN GILMAN,
Chairman, House Committee on International Relations, Washington, DC.

DEAR CHAIRMAN GILMAN: Thank you for your correspondence on H.R. 4647.

We appreciate the position of your Committee that you will not object to the early consideration of the bill, as introduced, on the suspension calendar.

In light of your Committee's jurisdictional claim, should a conference be agreed to on the bill, I would support the naming of conferees from the Committee on International Relations, and I will certainly consult with you on any Senate amendment to the bill or further action on it or a counterpart from the Senate. Thank you again for your cooperation in this matter, and please feel free to contact me if you have any questions.

Sincerely,
ROBERT F. "BOB" SMITH,
Chairman, House Committee on Agriculture.

Mr. EWING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. EWING) that the House suspend the rules and pass the bill, H.R. 4647.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EWING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 4647, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

REMOVAL OF CONFEREES AND APPOINTMENT OF CONFEREES ON S. 2073, JUVENILE CRIME CONTROL AND DELINQUENCY ACT OF 1998

The SPEAKER pro tempore. Without objection, and pursuant to clause 6(f), rule X, the chair removes the gentleman from Delaware (Mr. CASTLE) and the gentleman from Indiana (Mr. SOUDER) as conferees on the Senate bill (S. 2073) to authorize appropriations for the National Center for Missing and Exploited Children, and appoints the gentleman from California (Mr. RIGGS), and the gentleman from Pennsylvania (Mr. GREENWOOD) to fill the vacancies.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. SHIMKUS). Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

A TRIBUTE TO SANTA MARIA'S PEACE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Mr. Speaker, as this session of Congress races to a close, we often lose sight of some of the wonderful things happening at home in our communities, and this is especially true when Washington, D.C. is consumed by political battles. That is why I rise today to commend the remarkable city of Santa Maria, California, which I am very proud to represent, in the 22nd district for its second annual Peace Week.

Mr. Speaker, earlier this year I stood on the House floor to congratulate Santa Maria on being named one of 10 All-American Cities. This high honor was justly granted to a city that has distinguished itself by its diversity and the fact that all the residents of Santa Maria work together to find innovative ways to solve their problems.

One glowing example of this community cohesiveness is Peace Week; Peace Week, which begins today. The goal of Peace Week is to stress nonviolence and conflict mediation. Each day brings a focus on a new topic and allows community members of all ages and cultures to discover ways they can make a difference in their own lives and in the lives of their neighbors.

Examples of innovative Peace Week activities include a candlelight march, nonviolence education, and a lecture by a nationally acclaimed advocate, Father Gregory Boyle. Another highlight of Peace Week is a project entitled, "Let's Piece it Together," which features a peace quilt constructed by schoolchildren and senior citizens.

Mr. Speaker, Peace Week is the product of an entire city and its enlightened leadership. I want to pay special tribute to my friend, Sister Janet Corcoran of Marian Medical Center Mission Services, for her remarkable dedication and tireless work on behalf of her community and the precious cause of peace. She is a role model for me and a role model for us all.

THE SURVIVAL OF THE SMALL FARMER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, why is it that we refuse to help small farmers and ranchers to succeed, yet we refuse to let big business fail? Why is that small farmers and ranchers get little help, while big business gets much help? Small farmers and ranchers are struggling to survive in America, and because they are struggling to survive, quality and affordable food and fiber for all of us is at risk.

They are not struggling to survive for the want of effort. No, Mr. Speaker. Small producers are struggling to survive because of the pressures they are experiencing from a constant barrage of hurricanes, unexpected flooding, unprecedented drought and economic downturns, exacerbated by failing foreign markets.

Much of the problem, too, however, springs from the onerous provisions of the 1996 farm bill that bans family farmers and ranchers from receiving a loan from the United States Department of Agriculture if a previous loan has been written down. These provisions are causing many farmers and ranchers to go out of business.

Last week, as a part of a conference agreement for the fiscal year 1999 agriculture appropriation bill, we provided some limited relief.

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While this response to the provision of the 1996 farm bill is appreciated, it is a feeble response, particularly when compared to the response to the near collapse of the Long-Term Capital Management Hedge Fund.

This hedge fund is unregulated and its activities are not disclosed and virtually unknown, yet its creditors, the New York banks, and the Federal Reserve bailed it out. The bailout was $3.5 billion, almost as much as the $4 billion in emergency assistance we provided farmers and ranchers.

Worse, this bailout occurred with little scrutiny, little requirements and conditions imposed against the fund. In fact, the Financial Markets Reassurance Act of 1998 was also included as a part of the conference report. The act prohibits the relevant regulatory agency, the Commodity Futures Trading Commission, from proposing or adopting any new regulations until March of 1999, on certain transactions of the over-the-counter derivative market. The hedge fund bailed out by the banks and the Federal Reserve is heavily invested in that market.

When Congress learned of the problems with this hedge fund, a flurry of activity ensued, including emergency hearings. Yet efforts by the Commodity Futures Trading Commission to regulate this hedge fund was met with intense opposition and resistance.

Notwithstanding the impact that fund can have on America's economy and the stability of financial markets around the world, the response to help the fund was quick and massive.

Mr. Speaker, I must ask, why not the same or even a similar response for the small farmers and ranchers? Persons who have declared bankruptcy are now treated better than our small farmers and ranchers. Those persons can still get a loan, even after they have defaulted on a previous loan.

By law, this Nation routinely forgives debts for foreign countries, and after forgiving those debts, we allow those foreign countries to create more debt. Credit card account defaults are record high, yet new credit cards are issued to those persons who do not want them. We give just about everyone a chance and a second chance, yet we have been slow in doing the same thing for our small farmers and ranchers.

And socially disadvantaged farmers, including minority farmers, are even at a greater risk. Farmers have been most important to this Nation's past and farmers are vital to this Nation's future, especially the small family farmers and ranchers.

In 1862, when USDA was created, 90 percent of the population farmed for a living. Today, American producers represent less than 3 percent of the population.

Mr. Speaker, the least we can do is to treat the problem of small farmers and ranchers with the same kind of urgency we gave to the hedge fund last week.

By 1992, there were only 1.1 million small farms left in the United States, a 45% decline from 1959!

North Carolina had only a little over 39,000 farms left in 1992, a 23% decline.

In 1920, there were over 6 million farms in the United States and close to a sixth—926,000 were operated by African-Americans.

In 1992, the landscape was very, very different.

Only 1% of the farms in the United States are operated by African-Americans. One percent—18,816, is a paltry sum when African-Americans comprise 13% of the total American population.

In my home state of North Carolina, there has been a 65% decline in minority farmers, just over the last 15 years, from 6,996 farms in 1978 to 2,498 farms in 1992.

Again, much of the blame for this decline can be attributed to the credit crunch.

The dwindling number of farmers and ranchers feed and help clothe us, and they do so at prices that are unmatched around the world.

AMERICA SHOULD NOT RUSH TO WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, The New Yorker Magazine has just reported that the White House planned bombing raids on Afghanistan and the Sudan without involving four Members of the Joint Chiefs of Staff. Even worse, since these were supposedly terrorist targets, FBI Director Louis Freeh was also left out.

Worse than that, The New Yorker said that the White House told Joint Chiefs Chairman Hugh Shelton about the raids, but specifically told him not to brief the other four chiefs of the military and not to consult with the Defense Intelligence Agency.

Perhaps worst of all, Attorney General Janet Reno was ignored when she questioned whether our intelligence was good enough to support these raids, according to this Associated Press report.

I did hear a Paul Harvey newscast a couple of days after these raids saying that our intelligence was bad and that we had bombed, among other things, a medicine factory. I know if another nation bombed a medicine factory here, we would be extremely angry, and rightly so.

I do not understand why our intelligence is continually so weak, when we spend so many billions of dollars more than any other nation each and every year on this.

I am sad to say that I, along with almost every Member of Congress, supported these raids when they first occurred. I, along with almost all of my colleagues, said that we have to take the strongest possible reasonable action against terrorists who are killing innocent people. I did say at the time that I was assuming that our intelligence was good, because I just found it impossible to believe that we would rush to war without being very, very certain that we were targeting the actual terrorists.

I know that there were many people who felt that these bombing raids were done to try to draw attention from the President's troubles. However, I did not believe then that anyone would do anything so horrible, and this article is still no proof that that occurred. But the article does indicate a rush to judgment, an eagerness to go to war that should never happen in this country, a Nation that has already prided itself on its efforts to promote peace and freedom around the world.

We should involve ourselves in war and/or take warlike actions only as a very last resort, and only if there is simply no other reasonable choice. We should conduct bombing raids on others only with extreme reluctance and only when forced to do so.

The article in the New Yorker Magazine raises the most serious questions possible about these raids, and if this article is false or inaccurate, then the administration should immediately refute it. We have involved ourselves in recent years in civil wars in Haiti, Rwanda, Somalia, Bosnia, and now I suppose Kosovo, and we have spent many, many millions of taxpayers dollars in the process.

As I have mentioned before, according to The Washington Post, we had our troops in Haiti picking up garbage and settling domestic disputes. I heard another Member say on this floor that we had our troops in Bosnia, among other things, giving rabies shots to dogs.

The great majority of Americans believe that the Haitians should pick up their own garbage and the Bosnians should give their own rabies shots.

President Kennedy said in 1961 that we have to realize that with just 6 percent of the world's population, we cannot right every wrong and there cannot be an American solution to every world problem. Today we are less than 5 percent of the world's population.

We should be very careful about rushing to war in Kosovo. Jonathan Clarke, a former member of the British Diplomatic Service, now with the Cato Institute, wrote in last Friday's Los Angeles Times, "Some of Milosevic's democratic opponents . . . visited Washington last month to warn that bombing would play into Milosevic's hands and undermine their efforts. They made little progress. The 'CNN factor' is too strong, they were told on Capitol Hill.

"This gives the game away. NATO's plans are directed less at resolving the Kosovo crisis than at making the about-to-be expanded alliance look relevant. As Defense Secretary William Cohen said . . . 'NATO's credibility is on the line.' In effect," Mr. Clarke continued, "we are witnessing a NATO job search and the results are entirely counterproductive. NATO's potential involvement has radicalized all sides in Kosovo . . . In Belgrade, bombing will strengthen the hard men around Milosevic and sound the death knell of the brave Serbs who dare to oppose him."

Mr. Speaker, we should never rush into war, nor should we turn our soldiers into international social workers. We need a strong military for national defense and only for national defense.

Mr. Speaker, I submit the Los Angeles Times article for inclusion in the RECORD:

[From the Los Angeles Times, Oct. 2, 1998]

MILITARY INTERVENTION WOULD MAKE IT WORSE

(By Jonathan Clarke)

In July 1913, the chancellor of the Austro-Hungarian Empire received a written warning from his foreign minister not to try to solve the Serbian question by "force of arms." He ignored the advice. A year later, Austria declared war against Serbia. Four years after that, its empire went out of business.

Today, NATO, another multiethnic, multilanguage organization with an identity crisis, is riding a wave of popular revulsion over new atrocities toward military intervention in Kosovo. "Preparations are in full swing," announced a NATO spokesman, making the proposed hostilities sound like a homecoming dance, blissfully oblivious to history's warnings. This is typical of the modern style of diplomacy. Former Sen. Bob Dole, a tireless advocate of American military involvement in the region, dismisses history because it makes things "complicated."

This approach—willful ignorance of local conditions abetted by a canonical belief in the victory-delivering capability of military might—was favored by the top brass in Vietnam. It produced disaster there. Whether NATO can make it work better in Kosovo remains to be seen.

Kosovo is fearsomely complicated. This is not merely an excuse offered by opponents of military intervention, but a statement of the obvious fact that rational analysis should precede major decisions. Unless Western policy can resolve the Balkans' inherent complications, intervention risks making matters much worse, especially for the Kosovo Albanian refugees.

Some of the contradictions seem almost technical. For example, bombing is likely to fuel the fires of Kosovo's independence, a goal that the U.S. does not support. Further, NATO intervention in Kosovo directly contradicts the premise of multiethnic principles of the Dayton accords, which veto special treatment on ethnic grounds.

A much more serious objection, however, is that bombing directly serves Slobodan Milosevic, whom Congress earlier this year called "Europe's longest serving communist dictator." What country, when under attack from outside, does not rally to its leader? Look at Saddam Hussein. For Milosevic, the bombs cannot fall too soon. Likewise, he hopes Western sanctions will continue indefinitely. By turning daily life into a struggle for survival, they sap the energies of decent-minded people who might oppose him.

Some of Milosevic's democratic opponents, Bishop Artemije Radosavljevic of Kosovo and former Belgrade Mayor Nebojsa Covic, visited Washington last month to warn that bombing would mine their efforts. They made little progress. The "CNN factor" is too strong, they were told on Capitol Hill.

This gives the game away. NATO's plans are directed less at resolving the Kosovo crisis than at making the about-to-be-expanded alliance look relevant. As Defense Secretary William Cohen said at the Sept. 25 NATO conclave, "NATO's credibility is on the line." In effect, we are witnessing a NATO job search. And the results are entirely counterproductive. NATO's potential involvement has radicalized all sides in Kosovo, as was vividly illustrated by last week's attempted assassination of Sabri Hamiti, a pro-negotiation moderate close to the Kosovo Albanian leadership. In Belgrade, bombing will strengthen the hard men around Milosevic and sound the death knell of the brave Serbs who dare to oppose him.

Earlier this month, NATO leaders counseled Iran against intervention in Afghanistan. NATO is administering similarly cautious advice in other conflicts such as Nagorno-Karabakh and Congo. What is so different about the Balkans? Is it to do with the relative value placed on European as opposed to Asian and African lives?

This is not a prescription for inaction. Following the NATO meeting, Cohen went onto the inaugural session of the Southeast European Defense Ministerial. Taking place in the less glamorous but arguably more purposeful surroundings of Skopje, this grouping includes key countries with a real stake in the Balkans, including Italy, Greece, Albania and Turkey. They should be given the lead in delivering immediate humanitarian aid and undertaking the painstaking, low-profile mediation that might achieve a lasting settlement. This would also free NATO to concentrate on its prime mission of strategic defense. This is where NATO's credibility resides, not in TV-driven adventurism.

PORKY CHEDWICK: "DADDIO OF THE RADDIO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KLINK) is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, we deal in particular in these days on the floor of the House with such weighty matters and such serious issues as warfare and impeachment, health care reform, Social Security, budgets. I rise tonight for a little lighter of an item. I think sometimes we have to talk about these lighter things to give ourselves a perspective on the serious matters that we occasionally talk about.

Mr. Speaker, I stand tonight to really pay tribute to a friend of mine who has been in radio in the Pittsburgh area for the last 50 years. Fifty years in a career that sometimes only lasts a few weeks or months, those who may have been in the radio business.

If one goes to Pittsburgh, PA and talks about "The Boss Man," "Your Platter-Pushing Papa," "Your Daddio of the Raddio," everybody knows who they are talking about. It is Porky Chedwick, or as he called himself, "Pork the Tork," the "Boss Hoss with the Hot Sauce."

Mr. Speaker, he developed all of these lines of patter back starting in 1948 when really no one in the country was doing anything really strong entertainment wise in radio.

Porky is a white disk jockey. And I mention that because he played what then was known as "race music," the old R&B music, the sweet doo-wop sounds. And for those young people, Mr. Speaker, who may be in the House or watching at home and say what is doo-wop, it is that street corner harmony where you snap your fingers and it sounds so wonderful.

He would play that music that oftentimes was covered by white performers like Pat Boone, but he played it back before people had heard of people like Little Richard and Fats Domino and Bo Diddley. And a lot of those performers pay tribute to Porky Chedwick for giving them their first air play, because back then it was very difficult for black performers to get a wide audience anywhere in the country. There were certainly not many mainline radio stations that would play music by black performers.

Lou Christie, who also comes from the Pittsburgh area said being cool growing up, and Lou Christie had a lot of big records, he said being cool as he grew up meant listening to Porky Chedwick. He says he is still in awe of him, and he still reverts to being a 15-year-old child when he is around him. He will never know how important Porky was to his career. He was the first disk jockey in the country to play "The Gypsy Cried."

Jimmy Beaumont, who has been with the Skyliners around for 40 years playing in the Pittsburgh area and all around the world, Jimmy said he has known Porky for 40 of the 50 years, and he says that growing up hearing that stuff, that is when Jimmy Beaumont of the Skyliners decided he wanted to become a singer and sing that same doo-wop and that same sound that he heard Porky playing on the radio all the time.

There actually is a group in the Pittsburgh area known as P.O.R.C. It is an acronym for Pittsburgh Old Records Club, and one of the members of the club, Jim Sanders, said, "When I was a kid, when you would listen to Porky, you knew you were cool." It goes back to Porky being the very first white disk jockey to program the music. It was a revelation to white teenagers to hear some of this great music.

Porky started out in 1948 on a little radio station, doing a 5-minute sports program, called WHOD in Homestead, Pennsylvania. And he would go back and he says he played the "dusty disks." They were really dusty, 78 RPM records. And because nobody was playing them, the record store owners would give them to him. He knew they were talented musicians and he put them on the air and teenagers all over the Pittsburgh area wanted to hear more and more of them.

In fact the story is told of when Porky did a live show at the Stanley Theater. An hour before he went on the air, 500 people crowded around the Stanley Theater. Before the show was over, 10,000 people were crowded around the Stanley Theater. Downtown Pittsburgh came to a screeching halt. Kids were stuck on buses in the logjam created by Porky Chedwick. They got off the buses, crossed the bridges on foot to get to the Stanley Theater to see Porky Chedwick.

As a disk jockey, he saw the highest recognition of his career before the Beatles. In 1963, the Beatles came to America. A lot of performing artists saw their careers go downhill and a lot of disk jockeys that had that signature type of music similarly saw music change a great deal. But still, many of the great disk jockeys in America today credit Porky Chedwick with beginning it all.

As Porky said, "I had more lines than Bell Telephone. I was the original rapper." And he probably was.

Mr. Speaker, I say to Porky, "We are honored for you and your 50 great years in radio. We are honored that you are in the disk jockey portion of the Rock and Roll Hall of Fame, and we hope you are still playing that music for 50 more years. God bless you."

□ 2100

THE DEATH OF FORMER CONGRESSMAN D. FRENCH SLAUGHTER, JR.

The SPEAKER pro tempore (Mr. SHIMKUS). Under a previous order of the House, the gentleman from Virginia (Mr. BATEMAN) is recognized for 5 minutes.

Mr. BATEMAN. Mr. Speaker, it was with great sadness that I learned of the death of a former House colleague, D. French Slaughter, Jr., who represented Virginia's Seventh Congressional District from 1985 until his retirement due to illness in 1991. He died on Friday, October 2.

French Slaughter was a very able public servant whose friendship I highly valued. During much of the time I served in the Senate of Virginia, French Slaughter served in the Virginia House of Delegates. Among his proudest accomplishments was introducing the legislation in 1966 that established Virginia's strong system of community colleges.

As a Member of the House of Representatives, French and I often worked together on projects and I am proud to say that today I represent several localities that were formerly a part of the old Seventh District served by French Slaughter.

French Slaughter attended public schools in Culpeper, VA, and attended Virginia Military Institute from 1942–43, until he left to serve with the 84th Infantry Division in World War II. He was seriously wounded during the Battle of the Bulge and earned the Bronze Star and Purple Heart.

In post-war years, French Slaughter received a bachelor's degree and law degree from the University of Virginia. He later served on the university's Board of Visitors and as its Rector.

French Slaughter was elected to the Virginia House of Delegates in 1958 and remained a member for the next 20 years. When Kenneth Robinson of Winchester retired from the House of Representatives, French Slaughter succeeded him. His legislative achievements include expanding the boundaries of the four major Civil War battlefield sites in the Fredericksburg, VA region.

French Slaughter was a quiet, reserved man of high intelligence. He had a dry wit and low-key charm that made him a favorite with his colleagues on both sides of the aisle in the state legislature and in Congress. It was my great pleasure to have worked with him in both Richmond and Washington, and to have had him as a friend. During his 73 years, French Slaughter served his State and Nation with distinction and courage. He will long be remembered.

French Slaughter is survived by a son, a daughter, nine grandchildren and a brother. He will be laid to rest alongside his late wife, Kathleen Rowe Slaughter, on Tuesday, October 6 at the Mitchells Presbyterian Church in Mitchells, VA.

BUDGET POLICY IN THE CONGRESS AND AMERICA'S FARM ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, this evening, I rise to address two subjects which I think are of great importance to our Nation and deserve emphasis here on the floor of the House.

The first is the question of our budget policy in Congress and in the United States. The new Federal fiscal year started October 1, 1998. We are 5 days into the new fiscal year. Unfortunately, Mr. Speaker, we do not have a budget resolution in place for this fiscal year to provide guidance to Congress. Unfortunately, the deadline for adopting a concurrent budget resolution was April 15, 1998, almost 6 months ago.

Unfortunately, we have had a failure of leadership in Congress when it comes to budget policy. We essentially have punted. We are talking about the budget being balanced. I submit that is because we do not understand the budget laws that we have adopted in this body. The budget is not balanced. We are still depending on at least $30 billion in the Social Security Trust Fund to offset other Federal spending. We are depending on the Social Security Trust Fund to establish a fiction that we have balanced the budget. We are talking about tax cuts, but we do not have a budget resolution.

This is the first time in the 24 years that we have had budget legislation on the books that establishes a budgeting procedure and calls for a budget resolution to provide guidance to us as a Congress that we have failed in this respect. Mr. Speaker, I submit that this is a grievous mistake in this body, to simply ignore the budget process that we have developed and assume that the American people will overlook it. We have a responsibility to ourselves, to the people of this Nation and to the Federal agencies to establish budget policy as we move ahead into this fiscal year.

The second subject I would like to briefly address is the state of the American farm economy. Last week I had the opportunity to travel back to my district, rural Minnesota. I went to the Cargill Elevator at Litchfield, Minnesota, and visited with farmers as they hauled in soybeans and corn. I asked them about their yields, what the current prices mean with respect to their ability to operate next year; what they think we ought to do.

There were two comments that I heard that were repeated. One was: Where is the marketing loan program that we have talked about and we have pleaded for? Uncap the loan rates. The second was: What has happened to the crop insurance program? We have had a disastrous loss on our farms, but we are finding there are no benefits.

Mr. Speaker, I submit that one of the tragedies of the 1996 farm bill is that we did not use these tools that farmers can access to manage their risk as a cornerstone for Federal farm policy. Instead, they were placed in the second rank of importance. Instead, we had automatic cash payments that we provided that would go out to farmers year by year, whether it was a good year or a bad year, whether they had good crops or poor crops. Now, we are paying the price.

I would like to emphasize that the President is currently working with the Senate in hopes that we can restore these programs to the important function that they could play. I call upon my colleagues to join with me in emphasizing that these tools that farmers in this great Nation can use to manage their risk and to stabilize prices ought to be available to them.

We ought to be investing our budget resources for agriculture in tools such as this. We ought to revisit the 1996 farm bill and be willing to ask where can improvements be made, make those improvements, and enable agriculture to move ahead proudly in 1999 with the prospect that agriculture can again be successful in America.

HMO REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I just want to mention at the outset that I intend to yield a significant portion of my time later to the gentleman from Missouri (Mr. SKELTON).

Mr. Speaker, tonight I want to talk about the Republicans and their successful effort to block managed care reform in this Congress. And I stress block managed care reform. Congress is now just a few days away from adjourning for the year, and managed care reform, or HMO reform, is essentially dead. And the reason is because the Senate, at this point, has simply refused to take up any HMO or managed care reform bill.

To date, the House Republicans have dutifully carried the water, in my opinion, for the insurance industry. They did pass in the House of Representatives a bill which they labeled managed care reform, but it is a counterfeit bill, a reform bill that is worse than the current law. Of course, not to be out done, the Senate Republicans have rewarded the industry's loyalty to the Republican Party by doing nothing at all. Absolutely nothing. They simply refuse to take up the issue of managed care reform, and they are hopeful that the issue will simply die and everyone will forget about it.

Well, I do not think people are going to forget about it. The Republicans are, in effect, touting their indifference to HMO reform in the public's face. I have to say when I go around in my district at town meetings or forums, or I just talk to people on the street, as we tend to do quite a bit; and now, of course, we are going to be running for election, all of us in the next few weeks, and so we see a lot of people, a lot more people maybe than we even would normally, and I say to my colleagues that the public, not only in my district but throughout the country, is clamoring for HMO reform.

I do not really have to go too far. Today's New York Times. On the front page there was a story that said, "Reality of the HMO System Doesn't Live Up to the Dream." It talks about places around the country where people had high expectations of HMOs and have been basically disappointed because of not only the quality of care that they have lost but also the fact that, in many cases, they have not even been able to get care that their physicians or their health care professional considered necessary.

I am not going to read this whole article, but I just thought it was very interesting because it starts out by talking about Kansas City, Missouri, and how at the start of the 1990s, when employers' health insurance costs were going up, that the giant Sprint Corporation shifted its employees to HMOs in order to try to save money. And they saved a lot of money.

And there is no reason why a corporation that is providing health care benefits for employees should not try to save money. I am not taking away from the fact that HMOs and managed care organizations often save a lot of money. But it is often at the cost of quality and even access to care.

Just as an example, it says in here that Sprint's costs stabilized, and today the comprehensive health program stands as a model of what Congress and industry envisioned 4 years ago when they rejected President Clinton's health plan and left the health care system to the tides of the marketplace.

So Sprint is happy with the fact that they have stabilized their costs. However, it says, and I am reading now from the New York Times story today, along the hallways at Sprint in Kansas City, the great expectations for managed care have dimmed. In a score of interviews with workers and managers, no one recounted the kind of HMO horror stories that make headlines, an example, the wrong leg amputated or a child denied a transplant, but, instead, they said they had found managed care to be exasperating, callous and sometimes just senseless.

I have been on the floor of the House many times talking about some of the horror stories. But what the article is pointing out tonight is that regardless of some of the horror stories, the day-to-day activity of having to deal with HMOs, without the kind of patient protections that I think this Congress needs to put into place, are very difficult.

It mentions in the article Kevin Leroy, a Sprint sales compensation manager, who says his HMO, Cigna, saved his 10-year-old daughter's life with months of hospitalization to help her conquer a mysterious immune system disorder, but it also required him to interrupt 3 days of work to get a third doctor's opinion before authorizing hernia surgery for him.

What we are finding here is that even though in this case the HMO actually eventually authorized the particular procedure here that this individual needed, or that this individual needed for his 10-year-old daughter, he had to go through all kinds of hoops in order to get the procedure approved.

This is another example. The toddler son of Elsa Wong, a project manager, suffered an ear infection for a year before her HMO primary care physician sent him to a specialist. When Phyllis Van Kamp, a secretary, had the fever and deep cough of bronchitis, a clinician told her over the phone to try aspirin for a few days.

So what we are finding is that it is very difficult for people, on a regular basis, who have HMOs or managed care, to oftentimes get the care they need. They have to go through a lot of hoops. Sometimes the care is denied; sometimes it is postponed. In any case, they worry, because the system is not working the way it should be.

And what the Democrats have been saying in the House of Representatives is that if we just put into law a few common sense protections for patients, nothing major, nothing dramatic, just a few common sense protections for patients, then we could make all the difference in the world in terms of HMOs and managed care organizations. Because right now they operate under so few rules and so few requirements and so few protections for individuals; whether they want to have access to a specialist, whether they want to be able to go to an emergency room and not have to fear that it will not be covered, whether or not they want to appeal the denial of a decision and have a very difficult time having a hearing or an opportunity even to be heard, whether or not they want to know what their policy contains and what is covered, and they do not have proper disclosure.

These are the kind of common sense things that need to be corrected, and that is what the Democrats have been saying for the last year or 2 when we put together our Patient's Bill of Rights and demanded that it be considered here in the House of Representatives. Unfortunately, what the House did was to stall and to stall.

The Republicans essentially were not in favor of any kind of HMO reform. And, finally, when their backs were to the wall this summer, and they figured they had to do something, what they did was a bill that is basically a sham and actually takes us backward. And even that bill, the Senate, the other body, does not want to take it up and wants to let die before this session ends within the next few days.

Well, I just wanted to mention again, with regard to The New York Times, in a New York Times poll that was conducted in July, 85 percent of respondents said that the health care system needs fundamental change, barely below the 90 percent who said the same thing in a Times-CBS news poll in 1994, before President Clinton's health care plan died.

This is all in this article that I was quoting from in The New York Times. The article says also, today's article on the front page, says that when asked about health maintenance organizations, 58 percent of respondents said the HMOs had impeded doctors' ability to control treatment, compared with 17 percent who said that they had improved it. And, basically, the article also makes reference to a 1995 Harris poll that found more people saying managed care would improve quality of care rather than harm it. If we compare that 3 years ago to the Times poll now, there was a sharp reversal; 50 percent saying care would be harmed and only 32 percent saying it would be improved. Again, from today's New York Times.

I think the lesson we are seeing is that there was a great expectation that managed care was not only going to save money but even improve the quality of care, or at least not make the quality of care worse, or access to care worse. And now, not only has the public found that, from their own example, that that is not true, but the polling that has been done and mentioned in this New York Times article today shows rather dramatically most people overwhelmingly feel there are problems with HMOs that need to be corrected.

Almost 6 out of every 10 Americans are saying HMOs are impeding doctors' ability to treat patients, and the Republicans are simply going to let the clock run out on this issue. Basically, what the Republicans are saying to the American people is that they will have to wait until next year for the issue to be looked at again when the new Congress convenes in January. Sorry, they are telling parents of sick children who are trying to get their child to the appropriate specialist, they will have to wait until next year before Congress takes up the issue. Everyone, in fact, who was hoping Congress would pass legislation to improve managed care is out of luck for the indefinite future.

□ 2115

Now, I believe, Mr. Speaker, very strongly, and I know this sounds partisan, but I cannot help it because the Republicans are in control, they are in the majority, the adjournment of Congress without a managed care reform bill is without question, I think, the target that the gentleman from Georgia (Mr. GINGRICH) and the Republican leadership have been aiming for all year. What little they have done on managed care has all been part of a smokescreen that the GOP has set up to create the illusion of serious interest in managed care reform.

Consider now if we could, if I could just take a little time, Mr. Speaker, I would like to consider the GOP health task force original proposal to the gentleman from Georgia (Mr. GINGRICH). I am actually the cochair, along with some of my Democratic colleagues, of our Democratic Health Care Task Force and we came up with the Patients' Bill of Rights as our Democratic proposal.

Well, on the Republican side, there were some Republican Members who were very interested in managed care reform and wanted to come up with a decent bill that they figured would address some of the concerns that the public had to try to correct HMOs. But, if we remember, when that Republican Health Care Task Force came up with their original proposal just a few months ago, the gentleman from Georgia (Mr. GINGRICH) scoffed at what his own colleagues had come up with, and he basically berated them for bringing him a patient protection bill that had too many protections on it, and he sent them back to the drawing board because he and the insurance industry did not like what they saw. They saw a proposal that was very much like our Patient Bills of Rights.

So those Republicans, those colleagues on the other side of the aisle who wanted to do real patient protection, were basically told by the House Republican leadership, no, we do not want that. Go back to the drawing board and come back with something else.

Well, they went back to the drawing board this summer. They came back with something else. But what they came back with, which this time was acceptable to the gentleman from Georgia (Mr. GINGRICH) and the Republican leadership, was a bill loaded with provisions that were purposefully included to draw the President's veto. These are the so-called poison pill measures.

The House Republican leadership did not want a bill that could actually pass. They wanted a bill that was so loaded down with these extraneous provisions unrelated to HMO and managed care reform that they could be sure that the President would veto it. It turns out he did not even have the opportunity because they never sent it to him. But that was the idea. And these poison pills included expansion of the medical savings account, medical malpractice reform, and the subversion of State consumer protection laws through the expansion of health pools.

Now, some of these things some people might even like, but the problem is that they did not belong in this managed care reform. In order to ensure that this bill would not be exposed for the sham that it is, the Republican leadership bypassed the committee process and brought it straight to the House floor only a week after it was introduced by the task force. And aside from the poison pills which I just mentioned, the Republican leadership's bill included a host of so-called protections that are totally worthless.

I just want to give some examples. Then I will yield to my colleague the gentleman from Texas (Mr. GREEN), who is very much involved in putting together this Patient Bill of Rights as part of our Democratic task force. But let me just give my colleagues some examples of why the Republican proposal that passed here was a sham.

For example, the issue of medical necessity, which is really the chief catalyst of the managed care debate reform, in other words, who is going to decide what is medically necessary and needs to be covered by insurance company, is basically the key to what kind of care they are going to have.

Well, again, in today's New York Times article it notes that nearly 6 in 10 Americans believe managed care interferes with doctors' abilities to treat patients. The Republican solution for this problem was to lock the status quo in place. In the bill that House Republicans have already approved, your HMO is allowed to define what "medical necessity" means. And this means that if the Republican bill were signed into law, which they are not going to allow it to be, they are not even going to move on it, but if it were signed into law and they had a dispute with their HMO, if their HMO says the treatment they need is not medically necessary, they do not get it.

That is exactly what the problem is. In other words, the solution the Republicans are proposing is to codify the source of the problem into law. What the Democrats do in our Patients Bill of Rights is to define "medical necessity" based on generally accepted principles of professional medical practice. So, essentially, doctors are deciding what is medically necessary.

The Republicans use the same kinds of tricks really for everything in their bill. Emergency room care is another example. While they could go to any emergency room under the Republican bill, there is no guarantee that their insurance company would pay for it. So it does not really help to have health insurance if they are not going to pay for it.

Severe pain, for example, under the GOP bill is a standard a reasonable person could use to determine whether or not he or she could get him or herself to the emergency room. In other words, if they feel like they are having pain, the normal person would say, okay, that is a reasonable basis for them to go to the emergency room. But under the Republican bill, that is not a basis for saying that they are entitled to go to the emergency room. If the HMO decides that they do not want to define "severe pain" and say that is not a reason to go to the emergency room, then they do not cover it. They go to the emergency room, but they do not get the proper care.

Under the Democratic bill, patients would have the guarantee that if they had severe pain, that would be a reason to go to the emergency room and have it covered.

I do not want to keep going on because I see that my colleague is here, and he has been extremely helpful to us in the Democratic Caucus and to the Committee on Commerce in this effort. And if I could mention to my colleague that one of the things I mentioned here tonight is how this Republican proposal did not even go to committee. So we never even had the opportunity in the Committee on Commerce, which has jurisdiction over health care issues, to even consider this matter before it came to the floor.

Mr. Speaker, I yield to the gentleman from Texas (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I would like to thank my colleague for yielding.

Taking up that, we both serve on the Committee on Commerce, and I serve on the Subcommittee on Health and Environment, and I would look forward to being able to work on a bill bipartisanly for a real Patients' Bills of Rights. But my colleague is right, the bill did not come to our committee. It was drafted in a task force. And we drafted ours in a task force, too. But we do not have the ability to bring bills out to the floor as the minority party here, and so that is the problem.

I want to make a few points about the Republican bill would do to State-passed patient protections and share with my colleagues concerns that have been raised by officials in my own home State. And, again, we discussed this before, that States all over the country have passed patient protection bills to deal with insurance policies that are licensed in that individual State.

We have to pass a national bill because so many of our companies come under ERISA, the Federal law, and so they do not fall under State regulation. So we have really two regulations of health insurance depending on how the policy is drafted. It could be under the State of New Jersey or the State of Texas, or it could fall under ERISA on the Federal level.

Very simply, the bill that we passed here on the floor, and I say "we" because we are collectively here, but my colleague and I voted against it and spoke against it, the Republican so-called Patient Protection Act should really be called the Patient Protection Elimination Act.

Texas State Comptroller John Sharp recently urged not only myself, but also Members of Congress from Texas to urge Congress to support the States and respect the work that they have done and not undermine them. Like so many States across the country, Texas has responded to the needs of its citizens and passed real managed care reform and true patient protections.

Unfortunately, the bill that the Republicans recently rushed through the House without committee hearings would preempt these laws and re-expose the very citizens to these laws that were passed to protect them. In other words, it not only does not help us, it actually goes against the reforms that were passed in individual States because it would re-expose us to problems in unregulated hazard health care that the States have been taken care of.

This simply is not right, and each State has a need specific to that State. And while it is sometimes necessary to pass a uniform national law like we have to, we should not overrule what a local State is doing, particularly when they are dealing with their constituents.

So often we hear from our colleagues on the Republican side that government closest to the people works most effectively and listens better. Well, I generally agree with that. Having served 20 years in the legislature, it was actually driven home to me every day. And in this case, I think it is true. The States ought to be able to deal with the insurance policies that are licensed in their State, and we should not, by the bill that we pass, overrule what the State legislatures have done. Doing so strips critical patient protections from the few people who actually have them now by the States passing them.

And let us be clear about the Republican Patient Protection Act. It eliminates patients' protections. I know it does in my home State. And while they may try to tell my colleagues that they have included similar provisions in the bill, I have read the fine print when we had that day-long debate and it became mixed up in all those well-intentioned protections or loopholes that we could literally drive a truck through.

Another letter that my office recently received from State representative John Smithy and Mr. David Sibley, two Republican committee chairmen in the Texas Legislature, who were the sponsors of our Patient Protection Act that passed in the State legislature. As chairman of the committees of jurisdiction over insurance and managed care in Texas that recently passed legitimate patient protections, they have an understanding of these issues.

While many Republicans here in Washington keep saying real reform is too expensive and would be too big a burden on insurance companies, it is important to note that the similar protections and provisions that were passed in Texas raised premiums only 34 cents per month, 34 cents per member per month. That is right. All those extravagant claims about increased costs are simply not true.

We do not have to rely on partisan estimates or even the nonpartisan Congressional Budget Office. Just look at the demonstration project already underway in Texas where recent laws passed that allow patients to sue their HMO. If that HMO makes a decision on the health care, that puts the responsibility with the person who makes it. They have access to binding and independent review. They can communicate freely with their provider without fear of retaliation against their doctor. In other words, they eliminated the gag rule. And they can utilize emergency room services if they experience symptoms that a prudent lay person would consider an emergency, including extreme pain.

And I have used this example before, and all of us particularly at our age smile about it, but how do I know at 10 or 11 o'clock at night when I am having chest pains that it may not be the pizza that I had at 6 o'clock, it may actually be a heart attack. And if we are having extreme pain and discomfort, then that should be part of it, because, again, we are lay people. We are not practitioners of medicine.

And what does that cost in Texas? Thirty-four cents. In fact, it is ironic that that is less than a cup of coffee here in the Capitol. I do not drink coffee, but that is what my staff tells me.

What worries me is it may be too late this year, and I hope not. But this body should make a commitment to real managed care reform in the next Congress and make it one of the top priorities and not put it at the end of the session, but put it at the beginning of the session. And, hopefully, when our constituents go vote on November 3, they will remember who had the actual real Patient Protection Act, and it was Members of Congress who worked and tried to learn from what is going on in our local States and said, okay, let us provide that on a national basis so everybody, no matter if you have a State-licensed insurance plan or policy or one who comes under Federal law, they will still have the basic protections that they should have to protect them through their managed care, their HMO provider.

I want to thank my colleague for, one, requesting this time tonight, because outside of education, there is no other issue that my constituents call about than health care. Managed care, Medicare, which also we have had some problems with some of the proposals under managed care that would be another special order some night that we may want to talk about under Medicare. But this is so important.

I guess the frustration is that senior citizens under Medicare will have these protections because the President signed an Executive Order that covers both Medicare, retired military, and also government managed care plans that cover Federal employees, but the average citizen out there will not have it. And we need to provide for those citizens the same protections and the same insurance that my colleague and I have.

I have heard that from my colleagues on the other side of the aisle, and what is good for the goose is good for the gander, and I think that is what important about it.

Again, I thank my colleague for allowing us to have this special order and taking his time tonight.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I want to thank the gentleman from Texas (Mr. GREEN) not only because he has been so far out really bringing up this issue on a regular basis and making sure that it is addressed and then spending the time on our health care task force, but also because he brought out tonight that the cost of implementing these protections in his home State of Texas was so minimal.

I remember New Jersey has patient protections that are basically similar to Texas from what I have seen, and I remember at the time when they were trying to pass it in New Jersey. And we are getting the same thing here in Washington. The whole drumbeat against it is it is going to cost so much money, and it is going to increase the price of insurance, and the managed care organizations say that our whole purpose was to bring down costs, now we are going to bring them up again. And I think the gentleman said it was 34 cents, which is basically a few pennies for these protections.

Really, again, what we want to emphasize, and that is why I think it is important that my colleague brought up the minimal cost factor, is that these are just common-sense proposals and what they really amount to in most cases is just prevention.

My colleague mentioned the gag rule, how under current law if the HMO decides that they do not want the physicians that are part of their network to tell patients about procedures that are not covered by the HMO, they essentially put in place a gag rule so that their own doctor, in this great democracy that we have, cannot tell them about the type of services that are available because the insurance company will not cover them.

□ 2130

That is a terrible thing to me, because I think most people when they go to a doctor, they think the doctor is going to educate them and tell them what kind of care they need. That is common sense. Yet they cannot. The doctors in many cases cannot. They are under this so-called gag rule. I think most people are shocked to find out that that is the case and that their doctor actually cannot tell them the truth essentially. That is really what we are all about. We are just trying to put in place what as you mentioned and I mentioned are just commonsense proposals.

Before we conclude tonight, I just wanted to reiterate again so that everyone understands that you and I realize that this is not going to happen because the Republican leadership in the Senate will not even bring it up. But the fact of the matter is that we have a week left. You and I know that when the Republicans decided to bring up their bad bill in August, it only took them a day to do it. They did it in one day. They basically noticed it, they had the debate and they passed what was a very bad bill. So there is no question that if the Senate wanted to take it up, even with a week left, they could do it.

Mr. GREEN. And the Senate could take up the bill number that we passed over there and put real reforms in that bill. What we did is wrong because it is a step backwards. But the Senate could change it and pass real patient protections and send it back to us and hopefully we would just concur in the Senate amendments to the bill and it would make it stronger, include an antigag rule, emergency room care and an outside appeals process.

Mr. PALLONE. The bottom line is that we know that the Republican leadership is not going to do that. They not only do not want to bring up the bad bill, they do not want to bring up anything at all because they do not want to address it. So effectively the issue is dead for now.

But I am worried about the individuals who are negatively impacted in the time before we get a chance to bring this up again. I know that it will come up again because the public as you said is just totally in favor of the kind of patient protections that we have put in our Democratic proposal. I may be unfair also in saying that it is just a Democratic proposal because the patients' bill of rights has Republican support as well but the Republican leadership refuses to bring it up.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Members are reminded to refrain from characterizing Senate action or inaction.

INTERNATIONAL ENGAGEMENT—WHY WE NEED TO STAY THE COURSE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri (Mr. SKELTON) is recognized for the balance of the minority leader's time, approximately 30 minutes.

Mr. SKELTON. Mr. Speaker, it has been almost 10 years since the fall of 1988 when the Communist government of Poland agreed, under great popular pressure, to permit free elections, elections which ultimately led to the "velvet revolution" throughout eastern Europe. It has been 9 years since the historic fall of 1989, when the border between Hungary and western Europe opened and thousands of east Europeans first swept aside the Iron Curtain and then brought it crashing down. It has been 8 years since the two Germanys agreed to reunification and 7 years since the Soviet Union disintegrated.

For the United States, the events of a decade ago were the beginning of the end of a long struggle, a struggle that was characterized by terrible sacrifices in Korea and Vietnam; by periods of great national confidence and occasional episodes of uncertainty; by debates in the halls of Congress that were sometimes historic and solemn and sometimes partisan and shrill; and above all by a widely shared sense of national purpose that endured despite occasionally bitter internal divisions.

The constancy with which the United States carried out its global responsibilities over the long course of the Cold War is great testimony to the character of the American people and to the quality of the leaders who guided the Nation through those often trying times. In spite of the costs, in the face of great uncertainties and despite grave distractions, our Nation showed the ability to persevere. In doing so, we answered the great question about America that Winston Churchill once famously posed. "Will you stay the course?" he asked? "Will you stay the course?" The answer is, we did.

Today we need to raise a similar question once again, but this time for ourselves and in a somewhat different form. Churchill's question "Will you stay the course?" implied that there might some day be an end to the struggle, as there was to the Cold War, though no one foresaw when and how it would come. Today the key question is perhaps more challenging because it is more open-ended. It is, "Will we stay engaged?"

The term "engagement" has not yet captured as broad a range of support among political leaders and the public as those who coined it, early in the Clinton administration, evidently hoped it would. But neither did the notion of containment capture broad support until several years after it was articulated during the Truman administration. Some political leaders who later championed containment as the linchpin of our security initially criticized the notion as too passive and even timid.

Engagement, while not yet widely embraced as a characterization of our basic global posture, seems to me to express quite well what we need to be about in the post-Cold War era, that we need to be engaged in the world, and that we need to be engaged with other nations in building and maintaining a stable international security system.

Engagement will not be easy to sustain. It has become clear in recent years it will be as challenging to the United States to fully remain engaged in the post-Cold War era as it was to stay the course during the Cold War. We now know much more about the shape of the post-Cold War era than we did 8 or 4 or even 2 years ago. We know that we have not reached the end of history. We know that we face challenges to our security that in some ways are more daunting than those we faced during the Cold War. We know that it will often be difficult to reach domestic agreement on foreign affairs because legitimate, deeply held values will often be hard to reconcile. We know that we will have to risk grave dangers and pay a price to carry out our responsibilities, and because of the costs, it will sometimes be tempting to think that we would be more secure if we were more insulated from turmoil abroad. We know that we will have to struggle mightily not to allow domestic travails to divert us from the tasks that we must consistently pursue. We also know that our political system, which encourages open debate and which constantly challenges leaders to rise to the demands of the times, gives us the opportunity, if we are thoughtful and serious about our responsibilities, to see where our interests lie and to pursue our values effectively.

Mr. Speaker, today I want to say a few things about engagement in the world, why it may sometimes be difficult to sustain, why it is nonetheless necessary, and, finally, how it has succeeded in bolstering our security.

First, why engagement may be difficult to sustain. Just in the past few months, we have had a series of object lessons in the difficulties of international engagement. Last month our embassies in Nairobi and Dar es Salaam were attacked by terrorists who have vowed to wage war against the United States as long as we are engaged in the Middle East. As President

Clinton aptly put it, "America is and will remain a target of terrorists precisely because we are leaders; because we act to advance peace, democracy and basic human values, because we're the most open society on earth; and because, as we have shown yet again, we take an uncompromising stand against terrorism."

Mr. Speaker, both the President and the Secretary of State warned that the terrorist attacks in Africa and the U.S. retaliation will not be the end of our struggle. In an age of chemical, biological and nuclear weapons of mass destruction, the United States faces particularly grave dangers in its conflict with these forces. So engagement is difficult, first of all, because it entails costs and carries risks. To quail in the face of these risks would be far more damaging to our security than to confront them. But we should not underestimate the dangers we face.

Engagement is also difficult because it requires us to make policy choices in which values we hold dear are troubling to reconcile. The recent debates in this Chamber over policy toward China illustrate this point forcefully. Many of my colleagues were critical of President Clinton's decision to go to China in the first place, and especially critical of the fact that the President would set foot in Tiananmen Square. All of us find China's human rights abuses, forced abortions, forced sterilization, religious and political repression and exploitation of prison labor to be abhorrent. For my part, I believe that U.S. security interests are well-served when we stand up for human rights. Tyranny has crumbled all over the globe in large part because of our active commitment to human rights and because we hold out an example of freedom that millions all over the world hope to emulate. Those who have criticized U.S. policy toward China do so out of deeply held convictions that are entirely legitimate.

It is also true that we cannot sustain a policy of isolating China, and that such a policy would be self-defeating. As former Senator Sam Nunn pointed out in a speech last November, the United States and China have far more interests in common than not. The U.S. presence in Asia bolsters stability that is in China's interest. The U.S. defense of Middle East oil protects China's largest source of energy. We need China to play a constructive role in preventing war in Korea. We need China to be more cooperative in halting weapons proliferation. Both we and China will benefit if we can cooperate in building a framework for stability in former Soviet central Asia. As China develops, the entire world has an interest in encouraging China to pursue energy systems that are environmentally sound and to prevent the spread of communicable diseases.

Constructive engagement with China, therefore, is essential, but it also challenges us to remain true to our fundamental beliefs in human rights. We need to emphasize our common interests with China, but because of our commitment to human freedom, we should not sell short the leverage we may have in encouraging greater liberty inside China. So engagement is difficult because we cannot easily reconcile our deeply held convictions about what is right and necessary in relations with other nations.

Other recent events show that engagement with long-standing allies may also be turbulent at times. Many if not most of our allies have not, for example, wholeheartedly supported our efforts to enforce sanctions on nations that we believe guilty of sponsoring international terrorism or that we see as threats to the peace. The Clinton administration's decision to pursue a new tack in policy toward Iraq reflects in part the fact that some of our allies apparently do not place as high a priority as we do on halting weapons proliferation. In effect, we could not count on them to back us up in carrying out the U.N. enforcement regime as vigorously as we had been doing and as forcefully as many Members of Congress, including myself, would like.

This is especially frustrating, because our allies rely much more on oil from the Persian Gulf than we do. For that matter, they have suffered from terrorism over the years more than we have. So here is a case in which we are doing the heavy lifting, and in the process deepening the enmity of anti-Western elements throughout the region, without being able to rely on the wholehearted support of allies who ultimately benefit most from our stabilizing efforts in the region.

Engagement is difficult, therefore, because leadership itself is difficult, because allies do not always meet our expectations, because burdens are not fairly shared, because other nations seek to enjoy the fruits of our labor while shirking the cost, because foreign leaders do not always see things through the same lens as we do and sometimes may not have as much backbone as we would like. It is tempting in such cases to conclude that we should do less and let the consequences unfold as they will. But that would ultimately, Mr. Speaker, be self-defeating.

The related difficulty of engagement is what might be called the paradox of burdensharing. In some cases our leadership role may require that we commit our resources, including our military forces, even in cases where our allies have more at stake than we do, because others cannot act decisively without us.

The obvious example is Bosnia, in which our allies had forces on the ground for some years, but without being able to forge a peace agreement until we committed our own ground troops.

A forceful, coordinated, diplomatic effort, backed up by military power, required our involvement. Here is the paradox: We generally think that burden sharing, that is getting the allies to do more, will reduce the weight we must bear. In fact, getting the allies to do more often requires that we do more as well. Engagement is difficult, therefore, because it means that we will sometimes become embroiled in undertakings overseas that, on the face of it, cost us more than our immediate interests appear to justify.

The reason we must be engaged is that our overarching interest in building effective security cooperation with our allies requires us to do one thing, and that is exercise leadership.

Engagement is also difficult for domestic political reasons. To be blunt, neither the President nor the Members of Congress get elected by promising to devote a great deal of time and attention to foreign affairs. Moreover, it is easy for those out of power to criticize allies, deplore China and Russia, deprecate the United Nations, condemn actions for being too costly, and denounce inaction for being too timid. Meanwhile those in positions of responsibility must make compromises, choose between alternatives that are often bad and less bad, take risks to get things done, and bear the criticism when initiatives fail.

The world cannot be molded to our liking. It is politically difficult to persist, nonetheless, in the essential task of trying to shape it.

Finally, engagement is difficult because it is financially expensive. In recent years it has been difficult to find the resources to meet obvious needs in defense and foreign affairs because of pressures to reduce the budget deficit. Now that the deficit has been brought under control, a part of the discussion of budget priorities ought to be how to restore a reasonable level of investment in meeting our international security requirements.

Mr. Speaker, despite these difficulties, there is no alternative to continued, active U.S. engagement in the world. To me, the fundamental reason for engagement in the world is moral. I say this with a full appreciation of the fact that the very idea of laying out a moral basis for U.S. foreign policy makes some thoughtful people cringe. It will strike some here at home as a call for a degree of international activism that we cannot sustain, and it will strike many abroad as just another example of American arrogance.

In fact, U.S. foreign policy must always have a moral basis to it, or it cannot be sustained. We persevered in the Cold War precisely because we felt it our responsibility as a nation to defend against tyranny. In the name of that moral mission, and it was a moral mission, we may sometimes have asked too much of ourselves, and particularly of our young sons and daughters in the military, but it was nonetheless a goal worthy of our people.

Now we have a very different moral responsibility before us, which may be somewhat more difficult to express, but which I think is equally important. Our responsibility now is to use our unchallenged position of global leadership in a fashion that will make the universal hope for peace, prosperity and freedom as much as possible into the norm of international behavior.

Let me be clear about one thing, the world will never be completely at peace, but it is possible that the coming century will be at least spared the global horrors that scourged the first half of the 20th century, perhaps the bloodiest period in human history.

Today, the United States is the bulwark of a relatively secure international order in which small conflicts, though endemic and inevitable, will not decisively erode global stability.

As such, our global engagement is also a means of preventing the growth of new powers that could, in time, constitute a threat to peace and evolve into the enemy that we do not now foresee.

If the United States were not to try, at least, to use our current position of strength to help construct an era of relative peace and stability, it would be a moral failure of historic magnitude. More than that, to fail to exercise our strength in a fashion that builds global cooperation would also, in the long run, leave us weaker and more vulnerable to dangers from abroad.

Indeed, perhaps the most striking feature of the U.S. position in the world right now is that it is an extraordinarily complex mixture both of strength and vulnerability.

We are strong, obviously, because no single nation remotely matches our military power and economic vitality.

We are strong, more importantly, because in almost all parts of the globe, other nations recognize that our leadership is essential to build and maintain a stable, peaceful and regional security environment.

We are vulnerable, similarly, in some profoundly important ways. We live in a truly global society in which our prosperity and our security are affected by events in every part of the world, however seemingly remote. Our security depends on cooperation from other nations, including long-standing allies, long-time neutrals, and especially former enemies, in coping with global challenges ranging from weapons proliferation, to terrorism, to narcotics and international crime, to rogue states that threaten international order, to environmental degradation.

We are vulnerable, paradoxically, because our leadership, which is our greatest strength, makes us a target for those who want to destroy regional order.

The need for engagement follows both from our strength and from our vulnerability.

We need to be engaged because only the United States can provide the leadership necessary to respond to global and regional challenges to stability and only the United States can foster the growth of regional security structures that will prevent future challenges from arising.

We need to be engaged because our continued presence gives other nations confidence in our power and in our reliability and makes us the ally of choice if and when conflicts arise.

We need to be engaged because only by actively shaping effective regional security systems can we create an environment in which nations that might otherwise challenge stability will instead perceive the community of interests with the United States and with our regional allies.

We need to be engaged because only by recognizing and responding to the security concerns of other nations can we expect them to support our security interests and concerns.

We need to be engaged because cooperation of other nations is essential to deter and defeat enemies who want to undermine global order.

Mr. Speaker, since the end of the Cold War, we have learned many things. We have learned that the end of the Cold War did not mark the end of history. The fundamentally ideological struggle between Soviet-style communism and Western-style capitalism may have been resolved but the battle for human freedom continues against a host of other challenges.

We have learned that we face quite different and much more varied threats than those we first imagined. In the wake of the Persian Gulf War, Iraq and Korea were regarded as the major, archetypal threats to regional and world security. Though they remain threats, the gravest danger they pose now appears to be through development of weapons of mass destruction, and a host of other, equally serious threats that have become apparent.

Sophisticated terrorists with global capabilities directly threaten the U.S. homeland. Bitter ethnic conflicts have led to horrible bloodshed and may yet threaten regional stability in strategically important parts of the world. India and Pakistan have stepped onto the threshold of a nuclear arms race. Just over two years ago, China was trying to intimidate Taiwan with a show of military strength. Ballistic missile proliferation has accelerated. Stable economies in the East have crashed. The Russian economy has collapsed.

In view of these largely unpredictable international developments, it is striking to me that debates we have had in the Congress about security issues in recent months do not seem to have evolved very much from the debates we had 4 or 5 years ago. We still seem to be mired in disputes over issues that we should have resolved long ago. Some traditional champions of a strong national defense still complain that the demands of engagement appear to divert attention away from our real national security interests. Engagement seems too multilateralist. It embroils us in regional conflicts that seem remote. It appears to put too much emphasis on peacekeeping or humanitarian missions that are costly and that are not obviously directly related to our vital security interests.

It appears to emphasize arms control measures that impose constraints on our own defenses, while being difficult to enforce on others. Engagement requires building constructive relationships with former enemies, when no one can quite be sure that we are thereby strengthening a future regional or even global competitor.

For others, who believe the world ought to be more peaceful and less militarized in the post-Cold War era, engagement has seemed to require too much U.S. military involvement in distant parts of the globe. It appears to justify military and other ties with regimes that are distasteful or worse. It seems to emphasize security matters at the expense of other interests, such as human rights, fair trade practices or environmental protection. It appears to some even to be a questionable rationale for continued high military spending in a world with no direct, obvious threats.

Some of these concerns are entirely legitimate, I believe; some less so. Certainly they reflect some aspects of engagement that are difficult for many to embrace. But those who see themselves as proponents of a strong national defense and as advocates of assertive American power, should, I think, reconsider their position in view of the compelling evidence that engagement is essential to our military security.

Similarly, those who see themselves as advocates of "soft power," of preventing conflicts from arising by promoting multilateral cooperation, should understand that military engagement abroad is essential to build and enforce a more peaceful, cooperative world in which our other interests and values can flourish.

Mr. Speaker, now that we are almost a decade into the post-Cold War era, we should try to draw some lessons from our experience. We should all try to review the events of recent years and reconsider our expectations about the nature of the world order, or disorder, it appears, that would arise. We should also then try to think through what we believe is needed to carry out our responsibilities as a nation.

The fact that we have been engaged in many smaller scale military operations in recent years should lead us to rethink our attitudes toward such missions. As I just noted, some proponents of a strong defense have tended to regard certain missions at least as a diversion of resources away from our real national security needs. There has been, in some quarters, a tendency to denigrate peacekeeping or humanitarian missions, in particular, as somehow unworthy of our efforts. As one writer generally opposed to such operations put it a couple of years ago, superpowers do not do windows.

In this quite widely shared view, the overriding responsibility of U.S. military forces is to prepare for major conflicts, other, lesser demands to divert our efforts away from this task and should be avoided. One conclusion is that the United States should seek to establish a division of responsibility with the allies, in which they engage in smaller-scale stability operations, while the United States remains the bulwark of global defense against larger threats.

A variation on this theme is that the United States needs to focus much more on defense of the homeland in the face of new challenges to security.

Though there is something of value to these views, and there is, I also think that they have become increasingly untenable over the past few years. The valuable points are two. First, it is in fact the case that smaller-scale operations demand more resources than military planners had assumed. The answer is not to forswear such operations, which I don't believe we can do, but rather to acknowledge the resource demands and meet those requirements.

Second, it is important to be selective in making commitments and in using the military. Above all, we need to ensure a balance between the interests we have at stake and the commitments we are making.

The problem with this criticism of smaller-scale operations is that our security increasingly depends on maintaining stability in key regions of the globe. The United States cannot, for good or ill, leave to others the responsibility to enforce stability. For one thing, as Bosnia shows, even our major allies cannot act effectively without our leadership. Moreover, we have a direct interest in maintaining stability even in distant parts of the globe because major regional threats to our security are likely to grow out of smaller regional conflicts if we do not prevent them from getting out of control.

For that matter, if we expect to gain access to distant regions in the event of a major regional threat, then we have to be engaged with allies in the region in responding to lesser threats to their security.

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We could not have expected Saudi Arabia and other Persian Gulf states to rely on the United States to respond to Iraq's aggression in 1990 if we had not maintained close security ties with those nations for many, many years.

Finally, in this era of global trade and communications, direct threats to the U.S. homeland will arise out of local conflicts that we might, in an earlier age, have dismissed as remote battles between exotic and unfamiliar peoples. Today, neither distance nor indifference can insulate us from such conflicts. Only our engagement in ream natural stability abroad can limit the threats we face.

For those who still believe that the United States should further reduce its military capabilities, who think that military threats in the post-Cold War era are less demanding than the two major theater wars that we originally prepared for, and who believe that nonmilitary instruments of influence should be emphasized. I agree with that part of it. We should devote more resources to the nonmilitary aspects of engagement abroad. For the rest, all I can say is where have you been for the last 5 years?

What we have discovered is that effective international engagement requires much more active and extensive U.S. military involvement abroad than many expected. In the wake of the Cold War, we decided to maintain a permanent military presence of about 100,000 troops both in Europe and in Asia.

These deployments, in retrospect, hardly appear excessive. On the contrary, our forces in Europe, if anything, have been badly overworked. They have been involved in countless joint exercises with old and new allies and with former enemies that have been critically important in building a new, cooperative security order in Europe.

They have been deployed repeatedly to hot spots throughout Europe and Africa. They have provided the bulk of U.S. forces in Bosnia, which has strained our resources in the region to the limit.

In Asia, our continued strong presence has proven critically important. We have continued to deter conflict in Korea. In the spring of 1996, U.S. naval forces responded forcefully to Chinese threats against Taiwan. China's response was not to escalate the confrontation, but soberly and realistically, to seek a more cooperative relationship with United States, entirely, because of our demonstrated strength and resolve.

Last year, the United States and Japan announced a new cooperative security agreement that reflects Japan's confidence that the U.S. commitment, and that will be a pillar of regional security in the future.

While we anticipated keeping these forces in Europe in Asia, engagement has required much more. It has also entailed a constant, rotational presence in the Persian Gulf, a commitment which we now should recognize is on par with the commitments we have maintained in Europe and the Far East. It has involved military intervention in Haiti, an ongoing peacekeeping operation in Bosnia, and literally dozens of smaller-scale military operations, ranging from the humanitarian mission in Rwanda, to several noncombatant situation missions, to our recent strikes against terrorists in Afghanistan and Sudan.

In Congress, we have debated these various commitments of military operations extensively. Some, perhaps most of us, have favored some activities and opposed others. But whatever position we take on particular instances of military involvement abroad, we should by now all be clear about one thing: as long as we are actively engaged abroad, the pace of military operations is likely to be much more demanding than any of us had imagined a few years ago.

This, in turn, should lead us to reconsider the military posture that we adopted in the wake of the Cold War. To its credit, the Defense Department began to do that last year in the Quadrennial Defense Review or QDR.

The QDR articulated a much broader statement of strategy than the earlier Bottom-Up Review of 1993 had been expressed, a vision that aptly reflected our subsequent experience in the post-Cold War era. The QDR had one failing, however. It did not adequately reassess projected resource requirements in view of the more demanding strategy that laid it out.

Now, it appears, the leadership of the Defense Department has reconsidered budget needs, and I am confident that the President and the Congress will give full consideration to the requirements that have been identified.

Mr. Speaker, the final point I want to make—and perhaps the most important thing we need to keep in mind—is that the U.S. policy of engagement, as practiced by Administrations of both parties since the end of the Cold War, has been a success. Yes, we have suffered some failures. No, we have not accomplished everything we might have hoped. Yes, we have made some mistakes. But failures, shortcomings, and mistakes are inevitable in international affairs—there has never been a government in history that has not run into such difficulties. The key tests are, first, whether we, as a country, have learned from our mistakes and, second, whether we remain resolved to persist despite the difficulties.

The successes of engagement are many, though we don't often focus on them. Cooperation with Russia and constructive engagement with China may or may not succeed in the long run in avoiding a return to global competition in the future. For the present, Russia is struggling through an economic and political crisis that, unfortunately, we can do little to mitigate and that might, in the fairly near future, lead to some dangerous developments. Even so, in the years since the collapse of the Soviet Union, our policy has helped to prevent the widespread proliferation of Soviet nuclear weapons and other arms to rogue nations and terrorists. Russia has also cooperated with us, with some ups and downs, on regional security issues in Bosnia and the Persian Gulf. It is, in any case, far better to have Russia as a cooperative partner than the Soviet Union as a bitter enemy.

Engagement with China has had its ups and downs, the nadir coming with the confrontation over Taiwan in 1996. Since then, however, China has endeavored, as we have, to improve relations. Time will tell how cooperative china will be in the future in preventing weapons proliferation and in continuing to keep North Korea in check. Engagement with China on security matters clearly holds out the best hope of building a long-term relationship that emphasizes shared interests, even as we still assert our concerns about human rights, more open trade, and peaceful resolution of disputes.

We have not succeeded in halting the spread of weapons of mass destruction and other military technology—but it would be unrealistic to expect a halt to proliferation. We have slowed down proliferation, and we may be able to constrain it further in the future. Iraq is still in a position to pursue dangerous weapons technologies rapidly in the future unless allies join with us in enforcing U.N. resolutions vigorously. This is a battle we will likely have to fight for a long time. Iran is also making advances. Our sanctions on Iran have not, however, been wholly fruitless—the current government of Iran appears to be aware of the economic and other sacrifices the country has suffered because of the effectiveness of U.S.-sponsored sanctions. India and Pakistan have tested nuclear weapons—but both have felt under enough international pressure as a result of their policies that they are now talking, at least, about joining international non-proliferation agreements, including the Comprehensive Test Ban. So even though we may focus on breakdowns of multilateral constraints on technology transfers, the policy has still forced proliferators to pay a price.

Our efforts to build effective structures of regional security have made real progress, though much remains to be done. In Europe, NATO has enlarged to include new members, and across much of the continent, military forces are engaged in extensive military-to-military contacts that bolster mutual confidence and security. Instability in the Balkans remains threatening, but allies are working together to address it. In Asia, the U.S.-Japan security relationship has grown stronger, China appears increasingly interested in security cooperation rather than confrontation, and most of the smaller nations in the region, while shaken by economic crises, see the United States as the ally of choice. In Latin America, though several nations are under assault from narco-terrorism, democracy remains ascendant, and U.S. military-to-military contacts have played an overwhelmingly positive role. In Africa, the United States has supported the first small steps toward development of regional security structures, though tragic conflicts continue. The Middle East and the Persian Gulf remain dangerously unstable, and only our presence can deter conflict.

Engagement, in sum, is as centrally important to our security—and to the prospects for peace in the world—as containment was during the Cold War. Perhaps above all, the key issue is whether we will persist despite the fact that the struggle to maintain relative international peace will never be concluded. This is not a struggle we can see through to the end—it is, nonetheless, an effort that we as a nation must continue to make.

ISSUES FACING THE WEST

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, last week, I spoke about character and so on. Tonight's speech I think will be a little less exciting. I do not intend to address the issues that are going down at the White House. I do not intend to address some of the comments I heard earlier on HMOs, although I think certainly that would be fertile ground for debate.

What I am going to address is the West. For some of my colleagues today, it may be a little boring; but for those of my colleagues who look at the heritage of this country and understand the geography of this country and the people of this country, I think they will find some of the comments I am about to make of some interest.

I was inspired to do this speech in the last couple of weeks. About 2 or 3 weeks ago, I went to the club called the Knife and Fork in Grand Junction, Colorado, run by a fellow named Reeford Theibold. My wife Lori is on that board. What they do is there is a group of people in Grand Junction, Colorado; and once a month or once every 6 weeks, they have a speaker that comes in and speaks to the audience.

The speaker this time was a fellow named Dennis Weaver, a name that all of my colleagues know. Dennis Weaver, of course, is a movie star. We have all seen him on our TV. He has dedicated this portion of his life to different aspects of the environment. He lives in Ridgway, Colorado. I am going to tell my colleagues a little bit about the district that I represent, but Ridgway, Colorado is contained within that district.

The other person that I talked to was a fellow by the name of Phil Burgess. Most of my colleagues do not know who Mr. Burgess is, but I can tell them that he is kind of a think-tank kind of fellow. He is out in the West. He also has a place out here near the Chesapeake Bay.

I had an opportunity the other day to spend several hours with him, and we talked about the West and the country and how the West was settled and how it has evolved throughout this time and the evolvement that we now face in the future.

Mr. Burgess has a think-tank operation, I think it is the largest think-tank probably out of Washington, D.C. It is called the center, appropriately named, the Center for the New West. I thought I would go through a few of his ideas as we evolve or go through this speech.

The other thing that inspired me is I got up Saturday morning to run, got up about 6:30 or so, I guess, got ready to run at 7:00, and I turned on the TV, and there was James Arness. Remember James Arness, Gunsmoke, great guy. It is on every Saturday morning about 7 o'clock in the morning. Unfortunately, the show had started, and I did not get the name of the show, but I think it was How The West Was Won or something, but I turned it on Saturday morning. You watch that and you get a real feeling, a good feeling about what the West was like, the beautiful ranges and the mountains.

So with a combination of those three things, I thought it would be important to come down today, talk about a few issues that face the West.

We have things like transportation problems out there, obviously. I want to talk a little about the water issue we have out there. The West is very unique in its water issues. I will talk a little bit about multiple use of Federal lands.

But I thought I would begin first of all by describing the Third Congressional District. That is the district that I am privileged to represent back here in the United States Congress.

The Third Congressional District is one of the largest congressional districts in the United States. Most of my colleagues here today have been in the Third Congressional District of the State of Colorado. It is well known. Why? Here is the State of Colorado over here to my left. The Third District, roughly the eastern border goes north to south and like this. This is Denver, Colorado right here. So it goes about this size, goes all along the border with New Mexico, comes back up along the Utah border and the Wyoming border.

This district contains more ski areas than any other district in the country. This district is the highest in altitude of any other district in the country. So many of my colleagues have probably skied or certainly have heard of areas like Aspen, Colorado, Durango, Colorado, Steamboat, Glenwood Springs, Breckenridge, any number of these areas.

Many of my colleagues have hunted out in this country. We have the largest herds of elk in North America. Our ranges, we have 54 mountain peaks, 54 mountain peaks over 14,000 feet. Pikes Peak, just outside of the District, Pikes Peak out in this area, Pikes Peak goes just around this area.

This district has lots of Federal ownership. In fact, there are 22 million acres, 22 million acres contained just in that area that is owned by the Federal Government.

The Third Congressional District geographically is larger than the State of Florida. It has got a lot of other unique aspects about it. We have lots of wealth contained within that district. For example, Beaver Creek, Vale, Telluride, Aspen, Steamboat, Durango, lots of wealth, a lot of second homes.

But also in this district out in the southern end of the district where I have got the pointer down in this area, we have the poorest area of the State of Colorado down in San Luis and Costilla and Canal and some areas like that.

We also have huge agricultural interests, some of the largest, I think the largest potato warehouse in the world is in this part of the district. Up here, we have large orchards, and of course we have lots of cattle ranching in this area. Up in this area, we have sheep ranching.

As I mentioned earlier, recreation, hunting areas like that all are in that economy out there for the Third Congressional District.

Let me talk a little about one of the things that is unique to the western part of the country. Here in the eastern part of the country, when you deal with water, primarily your problem with water is how to get rid of it. You have too much water. You get floods and things like that.

Out in the West, it is an arid region. I saw with interest the other day the hurricane that came in on the Louisiana and Florida coast and the amount of rain it dropped there. It dropped more rain in those poor areas, poor meaning I feel sorry for the amount of rain that they got, but it dropped more rain in those areas than our State in Colorado and a lot of the Rocky Mountains get in an entire year.

We have very unique parts, geographical areas, in parts of this district. We have Wolf Creek Pass down in the southwestern part of the State that gets 540 or 580 inches of snow a year, and, yet, 20 miles away gets about 18 inches of snow. Dramatic comparisons.

By the way, the winter snows have moved in. Our first snow of the year, it actually snows year-round on the mountain tops, but the first fall snow that came into the valleys occurred over the weekend.

One of the crucial areas, as I mentioned to my colleagues, is water. There is kind of a saying out in the west. In fact, it was quoted this week in the Denver Post. The Denver Post is a newspaper out of Denver, Colorado, also the Rocky Mountain News out of there, both of them cover water on a regular basis. But some of the best readings I have seen out of newspaper coverage, frankly, the Daily Sentinel in Grand Junction, Colorado, a reporter named Heather McGregor did some extensive coverage of water.

But this last week, going back to the Denver Post article, there was a quote in there, and of course it is by the poet Tom Ferrell. And it says "Here is a land where life is written in water. It is said that, out here in the West, water runs thicker than blood."

Why? Well, because we are an arid region. In fact, when the explorers first went out to the West in the early days, they discovered a desert. In fact, we can look at the history books back then and some of the quotations in the reports by the explorers and what they wrote in their notes and their daily notes, they talked about the plains, about the lack of vegetation.

When we go into Colorado, we can see what we have been able to do with water, what we have been able to do with irrigation, what we have been able to do over the years, over the decades, over the century by being able to divert that water.

Let me give my colleagues a few statistics on water. This applies wherever you are in the country. I think these are kind of fun things to look at because most people do not realize just how critical water is to sustain the kind of life that we have.

A cow, for example, 12 gallons of water a day just for the milk producing Jersey cow. Up to 23 gallons of day for a holstein producing a large quantity of milk. An acre of corn gives off 4,000, 1 acre of corn, 4,000 gallons a day in evaporation. About 4,000 gallons of water are needed to grow every bushel of corn. Every bushel of corn requires 4,000 gallons. And 11,000 gallons to grow 1 bushel of wheat, and 135,000 gallons of water to grow 1 ton of alfalfa.

It takes about 1,000 gallons of water to grow the wheat to make a 2-pound loaf of bread and about 120 gallons of water to produce one egg. Can you imagine tomorrow morning when you have breakfast, one egg, throughout the whole system, to come to that one egg, it took about 120 gallons of water.

□ 2215

About 1,400 gallons of water used to produce a meal of a quarter pound hamburger, an order of fries and a soft drink. So the quarter pounder, your fries and a soft drink, 1,400 gallons of water from the inception to your dinner plate of that food. Mr. Speaker, 48,000 gallons of water are needed to produce the typical American Thanksgiving dinner; 48,000 gallons of water. About 1,800 gallons of water to produce cotton in a pair of jeans and 400 gallons of water to produce the cotton that we use in a shirt.

Where do we get all of this water? Where does it come from? Water has a very unique characteristic. It is one of the natural resources we have that can be used and used and used again. It recycles and it recycles.

For example, where I live in Colorado, I live at the base of the mountains, the water at the top of the mountains where we have the water from the snowfall and the spring runoff, up in this area of the State of Colorado, a gallon of water there really means about 6 gallons of water by the time it comes down here to the border, because that water is reused and reused and reused. It is a very valuable resource.

Well, in Colorado, we do not have, as I mentioned earlier, mentioned several times, in fact, we do not have heavy rainfall. We are very dependent upon the snows that we get in the winter. As I mentioned, we just had our first snow in the valleys this weekend. As that snow accumulates during the winter, we have to have the capability to store that water once the snowmelt comes down the hillsides. That period of time, called the spring runoff, lasts for about 60 to 90 days. We do not have much rain in the summer, so we need to be able to store during that 60 to 90-day period of time in order for us to get through the rest of the year. That is why storage is so critical in the west. Because again, we are in the arid area.

Now, Colorado is called the Mother of States for rivers. If we take a look at the Colorado River, which services about 18 States and the country of Mexico and we compare it to the Mississippi; I remember the first time I ever saw the Mississippi, I thought I was standing on the edge of an ocean when I was a small person. We have big, big rivers back here in the east. But the Colorado River, while probably in most parts of the Colorado River, one could not put a barge in that river, the kind of barge that one runs in the Mississippi River. So it is small by these standards, but it is huge, it is huge for the needs that it serves out there, I think probably 25 to 50 million people, maybe more, out there in the west out of the Colorado River.

Well, there are a number of rivers, because of the height, remember that I said that the district was the highest district in the country, because of the snowmelt we have, the heavy snows and then subsequently the snowmelt, and the runoff from that, Colorado is the mother of a number major rivers, major by standards of who they serve and the areas where they go into where it is the only source of water. It is also, as we have all heard, we have heard of Lake Powell and Lake Mead. In fact, in this last year, the National Sierra Club named us their number one priority to drain Powell. It is ludicrous. That kind of statement, by the way, shows a lack of knowledge of geographical, scientific, and historical needs of the west.

But going back to the water issue, Colorado is also the only State in the Union where we have no water that comes into our State for our use. We have no free running water that comes in through our borders that we can utilize within the State. In fact, the green barely comes in right here and goes right back out. Other than that, we have no other water on any of those borders. Our water flows out of the State of Colorado.

That is why the water law in Colorado and the water law in general in the west is different than the water law in the east. That is why the Congress and the American Federal Government early on realized that water should not be controlled at the Federal level, that water should be controlled at the State level. Out in Colorado, for example, my colleagues will remember I mentioned that we serve several States and the country of Mexico, that is all agreed to, or the agreements are through what we call compacts.

For example, the Colorado River compact that involves the Upper Basin States and the Lower Basin States, and it divides the quantity of water. For example, under the Colorado River Compact, Colorado puts about 70 percent of the water into the Colorado River, and we take out about 25 percent of the 70 percent, so as my colleagues can see, we put a lot more water into that river than we take out of it. That came about through the evolution of river water compacts, and that is more or less how we resolve our waters differences, our water needs between the States.

Now, another interesting thing about water, as my colleagues know, water is not always necessarily where the population is. We see it in the west. Colorado has large quantities of water, but be have very, very dry States like the State of Nevada, the State of Arizona. The State of California is not necessarily dry, but it has huge populations. So there is an effort always to move water to population.

In the early days we did that without any concern to the environment. Around the turn of the century, we just assumed; first of all, we did not have the scientific knowledge, our forefathers did not have the scientific knowledge to really know with the movement of water what kind of impacts it would create and what kind of mitigation was necessary for these impacts. We did not have that kind of knowledge. So water moved freely, much more freely than it does today.

But even within our own bounds of Colorado, again using my pointer here, 80 percent of the water in Colorado is located in this area of the State. Mr. Speaker, 80 percent of the population is located in this part of the State. So even within the borders of the State of Colorado, we have very significant differences in where the water should be utilized. Down here in the valley we have large aquifers. Up here it is the spring runoff and the water storage. The purist water is up here in this district. We know the water is obviously the purist at the top of the mountain. By the time the water comes down the mountain and goes through the farm fields and municipal use and so forth, it picks up salinity and solution, and it is not as pure. That is why we are concerned when people say they want to divert water from this area of the map into the large cities. They are diverting one gallon of pure water in this direction, and remember that that gallon interprets it, by the time it gets down here to the border, it converts to 6 gallons of water because we use it and use it and use it. However, it is not as pure down here as it was up at the top of the mountain. So water over a period of time was a critical part of the evolution of the west.

Another key issue in the west that is very important are the Federal lands. Obviously, here we have a map of the United States. The map is titled, Government Lands. One can see that in the eastern part of the country, say from the Midwest, really, here is Kansas and go up into the Dakotas, Texas and over here, we do not really have a lot of government owned land. Most of the land here in the east is privately owned, and as we know, private landownership is a basic and fundamental foundation for our country.

Here in the west we have huge amounts of land, and take a look at Alaska. I think Alaska, I am not exactly sure of this number, but I think Alaska is 99 percent or 98 percent owned by the government. Out here in my district, for example, as I mentioned earlier, that is my district in Colorado, the district that I serve, there is 22 million acres of Federal land.

Well, what happened is in the early days of the settlement of this country, they said, as Horace Greeley says, and I have some great thoughts from Horace Greeley. He said, "Go west, young man, and grow up with the country." The best business Horace Greeley said you can go into, you will find on your father's farm or in his workshop. "If you have no family or friends to aid you and no prospect open to you there, turn your face to the great west and there build up a home and a fortune."

Well, in the early days when they were trying to settle the country and actually occupy all of the different areas that we had, they did what they call homesteading or land grants. They would go out there, and one would go into Missouri or Kansas, terrific States, very rich in their soil, and with 160 acres or 320 acres or 640 acres, that is enough to sustain a family off a farming operation. But what Washington, D.C. determined and the Congress determined way back when was that when one got into the mountains, it was a little different.

First of all, one had adjustments for the altitude. Then one had to deal with adjustments of the winter; very, very tough winters, very short growing seasons. Very difficult in Missouri or Kansas where I am sure that one can have several cows per acre. In the mountains, it is just the reverse. You have to have a lot of acres for one cow. And our forefathers were wise enough to say that we need agriculture, we need ranching. It is fundamentally important to put that into those mountains, to sustain the people that we want to go throughout this country, the citizens of this country.

But it appeared impractical at the time, and I think it was probably a wise decision, but it appeared impractical at the time to go to a family and say, if you go out and homestead in the Rocky Mountains, we will give you 160 acres, because one cannot live off 160 acres from an agricultural point of view back in those times. So they could not just give it away through a land grant. Instead, what they decided to do was to adopt the concept of what is called multiple use.

Now, multiple use does not mean a lot to us here in the east, but in the west it is a way of life. What does multiple use mean? Just what it says. On the Federal lands, these lands, as designated and as determined by the Congress and by the people of this country, these lands owned by the Federal Government, one would not go into private ownership, but while not in private ownership, would be intended for many, many uses. In fact, when I grew up, the sign on all of the Federal lands as one entered the Federal lands, for example, the White River National Forest in Glenwood Springs, Colorado, when one enters into that area, it says, "welcome to the land of many uses."

Now, as of late, many of us feel under an assault in the mountains and out in the west as if people want to come out to the government lands and take the "land of many uses" sign off and put up a sign that says, "no trespassing." But multiple use out there, and I will give several examples of multiple use. When we stop some people and we ask them what is multiple use, many uses of the Federal lands mean, and we will hear, frankly because of the propaganda put out by some of the national, more radical environmental groups, we will hear, well, it just means ranching and those ranchers are abusing the country, and I dare have anyone put one of those people in front of me, because I would love to have a debate with them, because the love of that country is by the people who have worked it with their bear hands.

My family, for example, my inlaws have the same ranch in the family since 1892, 1892 for that multiple use. But ranching is not the only aspect. The ski areas which many of us have enjoyed throughout our years, the ski areas are not the only use, it is another use. Mining and farming, those are uses, yes, although as we will see from Mr. Burgess's remarks, our economy has changed, it has become much less dependent on mining and so on, but there are many other uses that we have to have off these Federal lands to sustain our lifestyle, to sustain life. Maybe I went too broad to say lifestyle.

For example, all of our highways, all of our highways that cross or traverse the third congressional district in Colorado are on government lands or go across government lands at some point. All of our water is either stored upon, runs across, or originates on Federal lands. Our radio towers, our power lines. I mean we can take a look at many aspects of our life and it is very, very dependent on that concept of multiple use.

By the way, I am speaking more specifically this evening about Colorado, but we can hear with some eloquence from the chairman of the Committee on Natural Resources, the gentleman from Alaska (Mr. YOUNG), he can tell us about the multiple use and the importance of it for all of their interests up here in Alaska, or we can hear from the gentleman from Nevada, or the gentleman from Utah (Mr. HANSEN) with the parks and so on and so forth.

Other multiple uses that we think are just very, very important for these mountains are the uses that we enjoy in our national monuments and in our national parks. If I could think of one thing that our generation enjoys as a whole generation besides food and besides some of the other vital elements, it is the relaxation of the Federal parks and the monuments and the things that the west offers to all of us.

Well, that is kind of the west as we know it. Now, in the west we have seen a fairly dramatic change. First of all, mining. Mining in this country for a multiple of reasons has gone downhill. We do not see near the mines that we used to see. Let me tell my colleagues, mining is a very easy item of the economy to attack.

□ 2230

Frankly, in the late 1800s and the 1900s, and the 19th and 20th century when mining was done, they did not pay a lot of attention or have the scientific knowledge to protect the environment, to mitigate the impact that the mining was creating on the environment, so it got a very black eye. But everything in this room, this desk, the wood, that came through logging. The metal on these chairs came through mining of one purpose or another. It is very important. It is a basic industry for this country's economy.

But in the West we have seen a depletion of the mining. Some of it has to do with the economy and some with land use regulations. But it has brought about, regardless of what has caused that, we have seen a diversification in our economy out there in the West. And that diversification is being driven primarily I think by recreation.

But because we have recreation coming in, one does not have to spend very long in my district, the district that I represent there in Colorado, one does not have to spend a lot of time there to say this would be a great place for a family vacation. It is absolutely beautiful. We have four distinct seasons and I could go on and on. Some would think I work for the Chamber of Commerce out there promoting this area. But it is a unique area and it does have a lot to offer.

But there are other things that are important to consider. One of them is that this area will only be an area that people want to explore and come out to, or an area of the kind of values that it should represent, if we protect the heritage that it came from. What some people refer to as the Old West.

Many have been down to Durango, Colorado, and ridden on the narrow-gauge train. The Durango-Silverton narrow-gauge steam train. I suggest folks try it. It brings back a lot of good feelings about the West. These kind of things should be allowed to be preserved into our future, so that we have a clear understanding of our past.

Phil Burgess talks about the New West, and I thought I would go through a couple of things, four forces that he says shape America and create a new West. He says first of all, migration. The West is the Nation's most rapidly growing region. Which is also greatly increasing its political power in America's democracy.

Urbanization. This is hard to believe, but contrary to popular belief, the West is the Nation's most urbanized region as a higher percentage of westerners live in urban areas. How does that happen? Out here we have vast amounts of land, but most of the people live in the cities. In Colorado, we have four or five major cities. By our definition in Colorado, Denver would be considered a major city. But we have many other cities that we call cities.

Take a look at Alaska. Huge, millions and millions and millions, they probably have 600 million acres of land. 600 million acres of land would be my guess up here in Alaska. They have Anchorage, we could go through and see all the different, probably name on both hands the communities of 20- or 30- or 40,000 population. We could see where the urbanization statement comes in.

The other area, the other force, the third thing as far as shaping America and creating a New West, that is called diversification. The economics based on commodities are increasingly diversified as manufacturing, business service, high-tech, and other sectors grow.

Globalization. The West is a major beneficiary and provides the strongest political support to the Nation's growing trade with overseas markets. And that is going to be put to a test with the worldwide economy that we are facing today. Keep an eye on that economy. If we do not, we are being ignorant of what could be a real challenge to us within the very short future, and that is the worldwide economy; what is happening with trade throughout the world and with the American dollar, not just as it affects the American West but as it affects all of America.

Finally, we have what we call corporate refugees. A word that Phil creates: Gentrification. Corporate refugees and urban refugees and others seeking a new life in the Nation's mild and wild. And he quotes that from Rand-McNally, who called it "mild and wild" areas, and are moving in droves to smaller cities and towns in the rural areas that dot the West's urban areas.

We have seen a lot of migration in the West because we have been able to bring in fax lines. We have enhanced our ability to communicate. Now one can live in the Rocky Mountains and communicate with an office in New York City and be in instant contact with the stock market or other areas of business while enjoying the life of the West. That has brought a lot of that migration.

He says in his notes, and I think Phil's points are well taken, that take a look at what is happening in the West. Utah, for example, the 2002 Olympics. And if you have not made your reservations, you ought to make your reservations and go see that beautiful State.

Nevada, America's fastest growing State. The fastest growing county in the United States is Douglas County, a portion of which is in the 3rd Congressional District in Colorado. Colorado has become the home, and it was interesting to see how many people are from Colorado in the Forbes 400 list which I read just last week. Corporations like Qwest; TCI; John Malone, people like that; the Magnus family; Jones Intercable; Daniels Communications, Bill Daniels; these are all pioneers for industry. Echostar, Microsoft, there are a number of others that have come to Colorado. The West is changing.

It is not all cowboys. It is not all ranches or mining anymore. But as this West changes, as we begin to evolve into that, we have to preserve what made our State great and what made Colorado great were our cattle and our mining and the boom and bust. The Unsinkable Molly Brown. Leadville, Colorado. The Ice Castle built down there. We could go on and on and on.

Mr. Speaker, if we lose sight of our very basics which made the State of Colorado and the West what the West is and the West that we dreamed about, if we lose sight of that, then we will in the future dilute a very important part of our history for future generations. It is not right.

We need to make a very focused effort as we move into the New West, as we move into what Mr. Burgess talks about here, we have got to make a very conscientious effort to educate our young people about the needs. Why water? Why we have to store water. If we listen to some of the national radical, in my opinion, environmental groups, we should never store water. Tear down the dams. They have only the most remote understanding of water in Colorado and water in the West.

We will hear people say, well, we should lock off all of these areas and put them in wilderness. What does that mean? It is a very nice buzz word. Let us talk about wilderness. It is important enough as we evolve into the New West that we talk about what wilderness really means.

On our Federal lands that is owned by all of us and, frankly, every one of us has a fiduciary duty to manage those Federal lands and that fiduciary duty especially falls on us elected to represent the people to manage these lands owned by the Federal Government, whether up here in the East or over here in the West or in Alaska.

Congress through the years and through the century has provided a number of different management tools to manage lands owned by the government. Owned by us. Those management tools, for example, we have a particular tool on how we manage Yellowstone Park. We have a particular tool on how we manage Colorado National Monument in Grand Junction, Colorado. We have a particular management tool on how we manage the Sand Dunes down in Alamosa, Colorado. We have a particular management tool on how we manage the Mall outside the fine Capitol here. A management process for how we manage this building itself.

It is all property, and we have a huge amount of management tools available to us. But because of changing times and changing uses, because of changing needs and geographical changes, and because of disasters like forest fires and floods and things like that, we have to have flexibility in the management tools that we use for the Federal lands or for the Federal property or the government property.

We have one tool out there that has almost zero flexibility and it is the only tool out there that for all practical and political purposes, once an area receives this designation, it will never again leave that designation. That designation is called wilderness.

Now, I am a proponent of the right area in the right time being put into wilderness areas. In fact, I am sponsoring with a Democrat, the gentleman from Colorado (Mr. SKAGGS) who ably represents the community of Boulder, Colorado, a wilderness bill. But the area which we are putting into wilderness called the Spanish Peaks is an area that fits that description.

We have to be very cautious about using that designation of wilderness, because it locks us in forever under that particular use. And in essence what wilderness means is that man can only be a visitor. Man cannot stay in that area. Man can come in, but he must go. And it restricts how he can come in.

In a lot of wilderness areas, we may not enter by motorized vehicle, which means that a lot of our senior citizens will never be able to enter those areas. It has severe restrictions on walking. When I grew up, we cut across the neighbor's lawn and hiked up the mountain. A lot of that freedom is taken away. In certain areas, we need to restrict that kind of freedom because the resource is so fragile. The resource is so precious that this is the only management tool that really makes sense.

Now, we have a lot of other resources out there, Federal resources, Federal properties where it is also very important, very valuable Federal property. Very fragile in its own way, but it can be managed as a national monument or maybe as a national park or maybe in an area run by the BLM for grazing or maybe in an area for flood control or maybe in an area for water storage. Water storage, by the way, is not just for water usage. Water storage also helps us on flood control, much as we have here in the East.

So, when we talk about the different multiple uses and the wilderness tool, it is a concept that we have to keep in mind as we talk about the Old West.

As we talk about when we come into the New West, one of the things that Mr. Burgess talked to me about that I thought was fascinating was the politics that is now coming out of the West. Let me go through a couple of things here that he says.

Growth, he says, will lead to expanded political influence. The West is become the next political power. The same way the South rose in political prominence from a political point of view. The President, the Vice President, the Majority Leader in the Senate and the Speaker of the House are all southern, an indication of the rise of the South politically in the last several years.

The trend, however, is shifting to the West as witnessed by the chairman of the Republican National Committee, Jim Nicholson and the chairman of the Democratic National Committee, Roy Romer, both from the State of Colorado.

The next census in the year 2000 should result in several House seats being shifted from other places in the country to the West.

In the 1900 presidential election, the West accounted for 8 percent of all electoral votes. In 1900, during the presidential election, we had 8 percent of the electoral votes come out of the West. In 1952, 52 years later, it about doubled to 15 percent. Fifteen percent of those electoral votes. In 1996, in a much shorter period of time, the West rose to 22 percent of all electoral votes. Take a look at the California primary. An example of just how important the West has become.

There are other areas that we have to consider when we talk about the New West and moving into these areas. Again, it is a special area to live. And if you have not been out to the West, and I did not know how beautiful the East was until I had an opportunity to come out here and go up north and see the mighty rivers that they have up here and go to Gettysburg and see the rolling hillsides and down to Lynchburg, Virginia, or Smith Mountain Lake. There is a lot of beauty.

But for those out here who have not been to the West, come out and see how special it is. Come out and begin to understand our concern for multiple use. You will understand why we are so guarded about our water. As I said, water runs thicker than blood out in the West. You will begin to understand why things like transportation have become a real challenge for us.

One do not have to have skied very long in Colorado to know that I–70 is a major transportation problem for us. That is east to west. North to south on the I–25 corridor, another big problem for us. Or Aspen, Colorado, from Glenwood Springs, Colorado, on Highway 82, a big problem. Or Grand Junction to Delta on Highway 50. Big problem. Or go from Ouray, Colorado, to Durango on Highway 50 where the side of the road continually falls off four football fields straight down because of the challenge of maintaining at that altitude those kinds of roads.

These are all kinds of things that we need to educate our friends and family in the East about the challenges that we have in the New West. But the most fundamental thing we can do, the most fundamental thing that all of us can do is that as it has the evolution in politics, as it has evolution in urbanization, as it has evolution from migration, is not to forget the days reflected by James Arness in those movies of "How the West Was Won." Not to forget the commitments that we have made to the people in the West, like the Native Americans.

□ 2245

Down here, in this part of the district, I am very proud to tell my colleagues that we have the Mountain Utes and the Southern Utes. That is exactly the area where this Congress, and many Congresses before us, and many presidents before this President, after we took the water from the Native Americans, we promised to give it back to them. We promised to build them water storage. And we have told them, trust us, we will deliver.

And we have continued, year after year after year, as the new west begins to come in, as some of the more radical environmental groups begin to have more and more influence in this area of the country, we, on a consistent basis, break our commitments to the Native Americans in building their water projects down there.

This is hard to conceptualize. None of us in this room have to do this. I would venture to say not one of us, not one of my colleagues in the United States Congress, in fact, I doubt very many people we would run into still have to carry their water to their house.

Do my colleagues know of the lands and the waters we took away from the Native Americans? Then we gave them the land and water back. Then we discovered there was gold, so we took some of the land back. Then we discovered how valuable the water was, so we took the water. Even though we did not take the water by treaty, we use the water.

There are Native Americans down there on those reservations that still have to haul water to their houses because we have not carried through on our commitment on projects. The Animas-LaPlata specifically. This speech tonight is not about the Animas-LaPlata, but it is a reflection of some of the conflicts the new west brings when we begin to evolve the old west. The west that Horace Greeley spoke about: "Go west, young man. Go west."

In conclusion this evening, I want to say to my colleagues that I realize this speech does not excite, like talking about some of the problems down the street; or we could talk about the budget or the appropriations process; or we could talk about the attack on Sudan. I would love to debate with my colleague on the HMO and some of those other issues that are pretty important. But when all of those issues, when all of those clouds clear out and the sun comes up, we can still see the fundamental issue of how the west, that key special part of this country, why it needs attention; and why speeches like this, even though they may be somewhat boring, it cannot get much more boring than to talk about water, unless of course it does not come out of the faucet when we need it, but why comments and attention needs to be paid to the west.

The west needs special attention because it is a very unique part of our country. It is a part of our country that will become even more unique in its political power, in its urbanization, in its migration and, in its special way, when my colleagues and their families have an opportunity to go out and enjoy the west.

CONFERENCE REPORT ON H.R. 3694

Mr. GOSS submitted the following conference report and statement on the bill (H.R. 3694), to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes:

CONFERENCE REPORT (H. REPT. 105-780)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3694), to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Intelligence Authorization Act for Fiscal Year 1999".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follow:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Community Management Account.
Sec. 105. Authorization of emergency supplemental appropriations for fiscal year 1998.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. One-year extension of application of sanctions laws to intelligence activities.
Sec. 304. Sense of Congress on intelligence community contracting.
Sec. 305. Modification of national security education program.
Sec. 306. Requirement to direct competitive analysis of analytical products having National importance.
Sec. 307. Annual reports to Congress.
Sec. 308. Quadrennial intelligence review.
Sec. 309. Designation of headquarters compound of Central Intelligence Agency as the George Bush Center for Intelligence.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Enhanced protective authority for CIA personnel and family members.
Sec. 402. Authority for retroactive payment of specified special pay allowance.
Sec. 403. Technical amendments.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Extension of authority to engage in commercial activities as security for intelligence collection activities.

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

Sec. 601. Pen registers and trap and trace devices in foreign intelligence and international terrorism investigations.
Sec. 602. Access to certain business records for foreign intelligence and international terrorism investigations.
Sec. 603. Conforming and clerical amendments.
Sec. 604. Wire and electronic communications interception requirements.
Sec. 605. Authority of Attorney General to accept voluntary services.

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

Sec. 701. Short title; findings.
Sec. 702. Protection of intelligence community employees who report urgent concerns to congress.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.

(2) The Department of Defense.

(3) The Defense Intelligence Agency.

(4) The National Security Agency.

(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.

(6) The Department of State.

(7) The Department of the Treasury.

(8) The Department of Energy.

(9) The Federal Bureau of Investigation.

(10) The National Reconnaissance Office.

(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1999, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the conference report on the bill H.R. 3694 of the 105th Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the Executive Branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1999 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall promptly notify the Permanent Select Committee

on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate upon an exercise of the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1999 the sum of $129,123,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee and the Advanced Technology Group shall remain available until September 30, 2000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence are authorized 283 full-time personnel as of September 30, 1999. Personnel serving in such elements may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 1999 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a). Such additional amounts shall remain available until September 30, 2000.

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 1999, there is authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947 (50 U.S.C. 404h), during fiscal year 1999, any officer or employee of the United States or member of the Armed Forces who is detailed to the staff of an element within the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee, or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the amount of $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2000, and funds provided for procurement purposes shall remain available until September 30, 2001.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

(f) TRANSFER AUTHORITY FOR FUNDS FOR SECURITY REQUIREMENTS AT OVERSEAS LOCATIONS.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the Director of Central Intelligence may transfer funds to departments or other agencies for the sole purpose of supporting certain intelligence community security requirements at overseas locations, as specified by the Director.

(2) LIMITATION.—Amounts made available for departments or agencies under paragraph (1) shall be—

(A) transferred to the specific appropriation;

(B) allocated to the specific account in the specific amount, as determined by the Director;

(C) merged with funds in such account that are available for architectural and engineering support expenses at overseas locations; and

(D) available only for the same purposes, and subject to the same terms and conditions, as the funds described in subparagraph (C).

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1998.

(a) AUTHORIZATION.—Amounts authorized to be appropriated for fiscal year 1998 under section 101 of the Intelligence Authorization Act for Fiscal Year 1998 (Public Law 105–107) for the conduct of the intelligence activities of elements of the United States Government listed in such section are hereby increased, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased by the following:

(1) An emergency supplemental appropriation in title I of the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174).

(2) An emergency supplemental appropriation in a supplemental appropriations Act for fiscal year 1998 that is enacted after September 28, 1998, for such amounts as are designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)).

(b) RATIFICATION.—For purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414), any obligation or expenditure of those amounts deemed to have been specifically authorized by Congress in the Act referred to in subsection (a)(1) and in the supplemental appropriations Act referred to in subsection (a)(2) is hereby ratified and confirmed.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1999 the sum of $201,500,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. ONE-YEAR EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out "January 6, 1999" and inserting in lieu thereof "January 6, 2000".

SEC. 304. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 305. MODIFICATION OF NATIONAL SECURITY EDUCATION PROGRAM.

(a) ASSISTANCE FOR COUNTERPROLIFERATION STUDIES.—The David L. Boren National Security Education Act of 1991 (50 U.S.C. 1901 et seq.) is amended as follows:

(1) Section 801 (50 U.S.C. 1901) is amended by inserting "counterproliferation studies," after "area studies," in subsections (b)(7) and (c)(2).

(2) Section 802 (50 U.S.C. 1902) is amended—

(A) in subsection (a), by inserting "counterproliferation studies," after "area studies," in paragraphs (1)(B)(i), (1)(C), and (4); and

(B) in subsection (b)(2), by inserting "counterproliferation study," after "area study," in subparagraphs (A)(ii) and (B)(ii).

(3) Section 803 (50 U.S.C. 1903) is amended by striking out "and area" in subsections (b)(8) and (d)(4) and inserting in lieu thereof "area, and counterproliferation".

(4) Section 806(b)(1) (50 U.S.C. 1906(b)(1)) is amended by striking out "and area" and inserting in lieu thereof "area, and counterproliferation".

(b) REVISION OF MEMBERSHIP OF NATIONAL SECURITY EDUCATION BOARD.—Section 803(b)(6) of such Act (50 U.S.C. 1903(b)(6)) is amended to read as follows:

"(6) The Secretary of Energy.".

SEC. 306. REQUIREMENT TO DIRECT COMPETITIVE ANALYSIS OF ANALYTICAL PRODUCTS HAVING NATIONAL IMPORTANCE.

Section 102(g)(2) of the National Security Act of 1947 (50 U.S.C. 403(g)(2)) is amended—

(1) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(2) by inserting after subparagraph (C) the following new subparagraph (D):

"(D) direct competitive analysis of analytical products having National importance;".

SEC. 307. ANNUAL REPORTS TO CONGRESS.

(a) ADDITIONAL ANNUAL REPORTS FROM THE DIRECTOR OF CENTRAL INTELLIGENCE.—Title I of the National Security Act of 1947 (50 U.S.C. 401 et seq.) is amended by adding at the end the following new section:

"ADDITIONAL ANNUAL REPORTS FROM THE DIRECTOR OF CENTRAL INTELLIGENCE

"SEC. 114. (a) REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH FEDERAL LAW ENFORCEMENT AGENCIES.—(1) Not later than December 31 of each year, the Director of Central Intelligence shall submit to the congressional intelligence committees and the congressional leadership a report describing the nature and extent of cooperation and assistance provided by the intelligence community to Federal law enforcement agencies with respect to efforts to stop the illegal importation into the United States of controlled substances (as that term is defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) that are included in schedule I or II under part B of such Act.

"(2) Each such report shall include a discussion of the following:

"(A) Illegal importation of such controlled substances through transit zones such as the

Caribbean Sea and across the southwest and northern borders of the United States.

"(B) Methodologies used for such illegal importation.

"(C) Additional routes used for such illegal importation.

"(D) Quantities of such controlled substances transported through each route.

"(3) Each such report may be prepared in classified form, unclassified form, or unclassified form with a classified annex.

"(b) Annual Report on the Safety and Security of Russian Nuclear Facilities and Nuclear Military Forces.—(1) The Director of Central Intelligence shall, on an annual basis, submit to the congressional intelligence committees and the congressional leadership an intelligence report assessing the safety and security of the nuclear facilities and nuclear military forces in Russia.

"(2) Each such report shall include a discussion of the following:

"(A) The ability of the Government of Russia to maintain its nuclear military forces.

"(B) The security arrangements at civilian and military nuclear facilities in Russia.

"(C) The reliability of controls and safety systems at civilian nuclear facilities in Russia.

"(D) The reliability of command and control systems and procedures of the nuclear military forces in Russia.

"(3) Each such report shall be submitted in unclassified form, but may contain a classified annex.

"(c) Definitions.—In this section:

"(1) The term 'congressional intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.

"(2) The term 'congressional leadership' means the Speaker and the minority leader of the House of Representatives and the majority leader and the minority leader of the Senate.".

(b) Clerical Amendment.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 113 the following new item:

"Sec. 114. Additional annual reports from the Director of Central Intelligence.".

(c) Date for First Report on Cooperation With Civilian Law Enforcement Agencies.—The first report under section 114(a) of the National Security Act of 1947, as added by subsection (a), shall be submitted not later than December 31, 1999.

SEC. 308. QUADRENNIAL INTELLIGENCE REVIEW.

(a) Sense of Congress.—It is the sense of Congress—

(1) that the Director of Central Intelligence and the Secretary of Defense should jointly complete, in 1999 and every four years thereafter, a comprehensive review of United States intelligence programs and activities, with each such review—

(A) to include assessments of intelligence policy, resources, manpower, organization, and related matters; and

(B) to encompass the programs and activities funded under the National Foreign Intelligence Program (NFIP), the Joint Military Intelligence Program (JMIP), and the Tactical Intelligence and Related Activities (TIARA) accounts;

(2) that the results of each review should be shared with the appropriate committees of Congress and the congressional leadership; and

(3) that the Director, in conjunction with the Secretary, should establish a nonpartisan, independent panel (with members chosen in consultation with the appropriate committees of Congress and the congressional leadership from individuals in the private sector) in order to—

(A) assess each review under paragraph (1);

(B) conduct an assessment of alternative intelligence structures to meet the anticipated intelligence requirements for the national security and foreign policy of the United States through the year 2010; and

(C) make recommendations to the Director and the Secretary regarding the optimal intelligence structure for the United States in light of the assessment under subparagraph (B).

(b) Report.—(1) Not later than December 1, 1998, the Director of Central Intelligence and the Secretary of Defense shall jointly submit to the committees specified in paragraph (2) the views of the Director and the Secretary regarding—

(A) the potential value of conducting quadrennial intelligence reviews as described in subsection (a)(1); and

(B) the potential value of assessments of such reviews as described in subsection (a)(3)(A).

(2) The committees referred to in paragraph (1) are the following:

(A) The Select Committee on Intelligence, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

(B) The Permanent Select Committee on Intelligence, the Committee on National Security, and the Committee on Appropriations of the House of Representatives.

SEC. 309. DESIGNATION OF HEADQUARTERS COMPOUND OF CENTRAL INTELLIGENCE AGENCY AS THE GEORGE BUSH CENTER FOR INTELLIGENCE.

(a) Designation.—The headquarters compound of the Central Intelligence Agency located in Langley, Virginia, shall be known and designated as the "George Bush Center for Intelligence".

(b) References.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the headquarters compound referred to in subsection (a) shall be deemed to be a reference to the "George Bush Center for Intelligence".

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ENHANCED PROTECTIVE AUTHORITY FOR CIA PERSONNEL AND FAMILY MEMBERS.

Section 5(a)(4) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(4)) is amended by striking out "and the protection of Agency personnel and of defectors, their families," and inserting in lieu thereof "and the protection of current and former Agency personnel and their immediate families, defectors and their immediate families,".

SEC. 402. AUTHORITY FOR RETROACTIVE PAYMENT OF SPECIFIED SPECIAL PAY ALLOWANCE.

(a) Authorization.—The Director of Central Intelligence may make payments with respect to the period beginning on January 30, 1998, and ending on April 7, 1998, of the special pay allowance described in the Central Intelligence Agency notice dated April 7, 1998 (notwithstanding the otherwise applicable effective date for such payments of April 7, 1998).

(b) Funds Available.—Payments authorized by subsection (a) may be made from amounts appropriated for the Central Intelligence Agency for fiscal year 1998 or for fiscal year 1999.

SEC. 403. TECHNICAL AMENDMENTS.

(a) Central Intelligence Agency Act of 1949.—The Central Intelligence Agency Act of 1949 is amended as follows:

(1) Section 5(a)(1) (50 U.S.C. 403f(a)(1)) is amended—

(A) by striking out "subparagraphs (B) and (C) of section 102(a)(2)" and inserting in lieu thereof "paragraphs (2) and (3) of section 102(a)";

(B) by striking out "(c)(5)" and inserting in lieu thereof "(c)(6)";

(C) by inserting "(3)," after "403(a)(2),";

(D) by inserting "(c)(6), (d)" after "403–3"; and

(E) by inserting "(a), (g)" after "403–4".

(2) Section 6 (50 U.S.C. 403g) is amended by striking out "(c)(5)" each place it appears and inserting in lieu thereof "(c)(6)".

(b) Central Intelligence Agency Retirement Act.—Section 201(c) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2011(c)) is amended by striking out "section 103(c)(5) of the National Security Act of 1947 (50 U.S.C. 403–3(c)(5))" and inserting in lieu thereof "paragraph (6) of section 103(c) of the National Security Act of 1947 (50 U.S.C. 403–3(c))".

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking out "December 31, 1998" and inserting in lieu thereof "December 31, 2000".

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. PEN REGISTERS AND TRAP AND TRACE DEVICES IN FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.) is amended—

(1) by redesignating title IV as title VI and section 401 as section 601, respectively; and

(2) by inserting after title III the following new title:

"TITLE IV—PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE PURPOSES

"DEFINITIONS

"Sec. 401. As used in this title:

"(1) The terms 'foreign power', 'agent of a foreign power', 'international terrorism', 'foreign intelligence information', 'Attorney General', 'United States person', 'United States', 'person', and 'State' shall have the same meanings as in section 101 of this Act.

"(2) The terms 'pen register' and 'trap and trace device' have the meanings given such terms in section 3127 of title 18, United States Code.

"(3) The term 'aggrieved person' means any person—

"(A) whose telephone line was subject to the installation or use of a pen register or trap and trace device authorized by this title; or

"(B) whose communication instrument or device was subject to the use of a pen register or trap and trace device authorized by this title to capture incoming electronic or other communications impulses.

"PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

"Sec. 402. (a)(1) Notwithstanding any other provision of law, the Attorney General or a designated attorney for the Government may make an application for an order or an extension of an order authorizing or approving the installation and use of a pen register or trap and trace device for any investigation to gather foreign intelligence information or information concerning international terrorism which is being conducted by the Federal Bureau of Investigation under such guidelines as the Attorney General approves pursuant to Executive Order No. 12333, or a successor order.

"(2) The authority under paragraph (1) is in addition to the authority under title I of this Act to conduct the electronic surveillance referred to in that paragraph.

"(b) Each application under this section shall be in writing under oath or affirmation to—

"(1) a judge of the court established by section 103(a) of this Act; or

"(2) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications for and grant orders approving the installation and use of a pen register or trap or trace device on behalf of a judge of that court.

"(c) Each application under this section shall require the approval of the Attorney General, or a designated attorney for the Government, and shall include—

"(1) the identity of the Federal officer seeking to use the pen register or trap and trace device covered by the application;

"(2) a certification by the applicant that the information likely to be obtained is relevant to an ongoing foreign intelligence or international terrorism investigation being conducted by the Federal Bureau of Investigation under guidelines approved by the Attorney General; and

"(3) information which demonstrates that there is reason to believe that the telephone line to which the pen register or trap and trace device is to be attached, or the communication instrument or device to be covered by the pen register or trap and trace device, has been or is about to be used in communication with—

"(A) an individual who is engaging or has engaged in international terrorism or clandestine intelligence activities that involve or may involve a violation of the criminal laws of the United States; or

"(B) a foreign power or agent of a foreign power under circumstances giving reason to believe that the communication concerns or concerned international terrorism or clandestine intelligence activities that involve or may involve a violation of the criminal laws of the United States.

"(d)(1) Upon an application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the installation and use of a pen register or trap and trace device if the judge finds that the application satisfies the requirements of this section.

"(2) An order issued under this section—

"(A) shall specify—

"(i) the identity, if known, of the person who is the subject of the foreign intelligence or international terrorism investigation;

"(ii) in the case of an application for the installation and use of a pen register or trap and trace device with respect to a telephone line—

"(I) the identity, if known, of the person to whom is leased or in whose name the telephone line is listed; and

"(II) the number and, if known, physical location of the telephone line; and

"(iii) in the case of an application for the use of a pen register or trap and trace device with respect to a communication instrument or device not covered by clause (ii)—

"(I) the identity, if known, of the person who owns or leases the instrument or device or in whose name the instrument or device is listed; and

"(II) the number of the instrument or device; and

"(B) shall direct that—

"(i) upon request of the applicant, the provider of a wire or electronic communication service, landlord, custodian, or other person shall furnish any information, facilities, or technical assistance necessary to accomplish the installation and operation of the pen register or trap and trace device in such a manner as will protect its secrecy and produce a minimum amount of interference with the services that such provider, landlord, custodian, or other person is providing the person concerned;

"(ii) such provider, landlord, custodian, or other person—

"(I) shall not disclose the existence of the investigation or of the pen register or trap and trace device to any person unless or until ordered by the court; and

"(II) shall maintain, under security procedures approved by the Attorney General and the Director of Central Intelligence pursuant to section 105(b)(2)(C) of this Act, any records concerning the pen register or trap and trace device or the aid furnished; and

"(iii) the applicant shall compensate such provider, landlord, custodian, or other person for reasonable expenses incurred by such provider, landlord, custodian, or other person in providing such information, facilities, or technical assistance.

"(e) An order issued under this section shall authorize the installation and use of a pen register or trap and trace device for a period not to exceed 90 days. Extensions of such an order may be granted, but only upon an application for an order under this section and upon the judicial finding required by subsection (d). The period of extension shall be for a period not to exceed 90 days.

"(f) No cause of action shall lie in any court against any provider of a wire or electronic communication service, landlord, custodian, or other person (including any officer, employee, agent, or other specified person thereof) that furnishes any information, facilities, or technical assistance under subsection (d) in accordance with the terms of a court under this section.

"(g) Unless otherwise ordered by the judge, the results of a pen register or trap and trace device shall be furnished at reasonable intervals during regular business hours for the duration of the order to the authorized Government official or officials.

"AUTHORIZATION DURING EMERGENCIES

"SEC. 403. (a) Notwithstanding any other provision of this title, when the Attorney General makes a determination described in subsection (b), the Attorney General may authorize the installation and use of a pen register or trap and trace device on an emergency basis to gather foreign intelligence information or information concerning international terrorism if—

"(1) a judge referred to in section 402(b) of this Act is informed by the Attorney General or his designee at the time of such authorization that the decision has been made to install and use the pen register or trap and trace device, as the case may be, on an emergency basis; and

"(2) an application in accordance with section 402 of this Act is made to such judge as soon as practicable, but not more than 48 hours, after the Attorney General authorizes the installation and use of the pen register or trap and trace device, as the case may be, under this section.

"(b) A determination under this subsection is a reasonable determination by the Attorney General that—

"(1) an emergency requires the installation and use of a pen register or trap and trace device to obtain foreign intelligence information or information concerning international terrorism before an order authorizing the installation and use of the pen register or trap and trace device, as the case may be, can with due diligence be obtained under section 402 of this Act; and

"(2) the factual basis for issuance of an order under such section 402 to approve the installation and use of the pen register or trap and trace device, as the case may be, exists.

"(c)(1) In the absence of an order applied for under subsection (a)(2) approving the installation and use of a pen register or trap and trace device authorized under this section, the installation and use of the pen register or trap and trace device, as the case may be, shall terminate at the earlier of—

"(A) when the information sought is obtained;

"(B) when the application for the order is denied under section 402 of this Act; or

"(C) 48 hours after the time of the authorization by the Attorney General.

"(2) In the event that an application for an order applied for under subsection (a)(2) is denied, or in any other case where the installation and use of a pen register or trap and trace device under this section is terminated and no order under section 402 of this Act is issued approving the installation and use of the pen register or trap and trace device, as the case may be, no information obtained or evidence derived from the use of the pen register or trap and trace device, as the case may be, shall be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in or before any court, grand jury, department, office, agency, regulatory body, legislative committee, or other authority of the United States, a State, or political subdivision thereof, and no information concerning any United States person acquired from the use of the pen register or trap and trace device, as the case may be, shall subsequently be used or disclosed in any other manner by Federal officers or employees without the consent of such person, except with the approval of the Attorney General if the information indicates a threat of death or serious bodily harm to any person.

"AUTHORIZATION DURING TIME OF WAR

"SEC. 404. Notwithstanding any other provision of law, the President, through the Attorney General, may authorize the use of a pen register or trap and trace device without a court order under this title to acquire foreign intelligence information for a period not to exceed 15 calendar days following a declaration of war by Congress.

"USE OF INFORMATION

"SEC. 405. (a)(1) Information acquired from the use of a pen register or trap and trace device installed pursuant to this title concerning any United States person may be used and disclosed by Federal officers and employees without the consent of the United States person only in accordance with the provisions of this section.

"(2) No information acquired from a pen register or trap and trace device installed and used pursuant to this title may be used or disclosed by Federal officers or employees except for lawful purposes.

"(b) No information acquired pursuant to this title shall be disclosed for law enforcement purposes unless such disclosure is accompanied by a statement that such information, or any information derived therefrom, may only be used in a criminal proceeding with the advance authorization of the Attorney General.

"(c) Whenever the United States intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States against an aggrieved person any information obtained or derived from the use of a pen register or trap and trace device pursuant to this title, the United States shall, before the trial, hearing, or the other proceeding or at a reasonable time before an effort to so disclose or so use that information or submit it in evidence, notify the aggrieved person and the court or other authority in which the information is to be disclosed or used that the United States intends to so disclose or so use such information.

"(d) Whenever any State or political subdivision thereof intends to enter into evidence or otherwise use or disclose in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the State or political subdivision thereof against an aggrieved person any information obtained or derived from the use of a pen register or trap and trace device pursuant to this title, the State or political subdivision thereof shall notify the aggrieved person, the court or

other authority in which the information is to be disclosed or used, and the Attorney General that the State or political subdivision thereof intends to so disclose or so use such information.

"(e)(1) Any aggrieved person against whom evidence obtained or derived from the use of a pen register or trap and trace device is to be, or has been, introduced or otherwise used or disclosed in any trial, hearing, or other proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, or a State or political subdivision thereof, may move to suppress the evidence obtained or derived from the use of the pen register or trap and trace device, as the case may be, on the grounds that—

"(A) the information was unlawfully acquired; or

"(B) the use of the pen register or trap and trace device, as the case may be, was not made in conformity with an order of authorization or approval under this title.

"(2) A motion under paragraph (1) shall be made before the trial, hearing, or other proceeding unless there was no opportunity to make such a motion or the aggrieved person concerned was not aware of the grounds of the motion.

"(f)(1) Whenever a court or other authority is notified pursuant to subsection (c) or (d), whenever a motion is made pursuant to subsection (e), or whenever any motion or request is made by an aggrieved person pursuant to any other statute or rule of the United States or any State before any court or other authority of the United States or any State to discover or obtain applications or orders or other materials relating to the use of a pen register or trap and trace device authorized by this title or to discover, obtain, or suppress evidence or information obtained or derived from the use of a pen register or trap and trace device authorized by this title, the United States district court or, where the motion is made before another authority, the United States district court in the same district as the authority shall, notwithstanding any other provision of law and if the Attorney General files an affidavit under oath that disclosure or any adversary hearing would harm the national security of the United States, review in camera and ex parte the application, order, and such other materials relating to the use of the pen register or trap and trace device, as the case may be, as may be necessary to determine whether the use of the pen register or trap and trace device, as the case may be, was lawfully authorized and conducted.

"(2) In making a determination under paragraph (1), the court may disclose to the aggrieved person, under appropriate security procedures and protective orders, portions of the application, order, or other materials relating to the use of the pen register or trap and trace device, as the case may be, or may require the Attorney General to provide to the aggrieved person a summary of such materials, only where such disclosure is necessary to make an accurate determination of the legality of the use of the pen register or trap and trace device, as the case may be.

"(g)(1) If the United States district court determines pursuant to subsection (f) that the use of a pen register or trap and trace device was not lawfully authorized or conducted, the court may, in accordance with the requirements of law, suppress the evidence which was unlawfully obtained or derived from the use of the pen register or trap and trace device, as the case may be, or otherwise grant the motion of the aggrieved person.

"(2) If the court determines that the use of the pen register or trap and trace device, as the case may be, was lawfully authorized or conducted, it may deny the motion of the aggrieved person except to the extent that due process requires discovery or disclosure.

"(h) Orders granting motions or requests under subsection (g), decisions under this section that the use of a pen register or trap and trace device was not lawfully authorized or conducted, and orders of the United States district court requiring review or granting disclosure of applications, orders, or other materials relating to the installation and use of a pen register or trap and trace device shall be final orders and binding upon all courts of the United States and the several States except a United States Court of Appeals or the Supreme Court.

"CONGRESSIONAL OVERSIGHT

"SEC. 406. (a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all uses of pen registers and trap and trace devices pursuant to this title.

"(b) On a semiannual basis, the Attorney General shall also provide to the committees referred to in subsection (a) and to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding six-month period—

"(1) the total number of applications made for orders approving the use of pen registers or trap and trace devices under this title; and

"(2) the total number of such orders either granted, modified, or denied.".

SEC. 602. ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS.

The Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801 et seq.), as amended by section 601 of this Act, is further amended by inserting after title IV, as added by such section 601, the following new title:

"TITLE V—ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE PURPOSES

"DEFINITIONS

"SEC. 501. As used in this title:

"(1) The terms 'foreign power', 'agent of a foreign power', 'foreign intelligence information', 'international terrorism', and 'Attorney General' shall have the same meanings as in section 101 of this Act.

"(2) The term 'common carrier' means any person or entity transporting people or property by land, rail, water, or air for compensation.

"(3) The term 'physical storage facility' means any business or entity that provides space for the storage of goods or materials, or services related to the storage of goods or materials, to the public or any segment thereof.

"(4) The term 'public accommodation facility' means any inn, hotel, motel, or other establishment that provides lodging to transient guests.

"(5) The term 'vehicle rental facility' means any person or entity that provides vehicles for rent, lease, loan, or other similar use to the public or any segment thereof.

"ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

"SEC. 502. (a) The Director of the Federal Bureau of Investigation or a designee of the Director (whose rank shall be no lower than Assistant Special Agent in Charge) may make an application for an order authorizing a common carrier, public accommodation facility, physical storage facility, or vehicle rental facility to release records in its possession for an investigation to gather foreign intelligence information or an investigation concerning international terrorism which investigation is being conducted by the Federal Bureau of Investigation under such guidelines as the Attorney General approves pursuant to Executive Order No. 12333, or a successor order.

"(b) Each application under this section—

"(1) shall be made to—

"(A) a judge of the court established by section 103(a) of this Act; or

"(B) a United States Magistrate Judge under chapter 43 of title 28, United States Code, who is publicly designated by the Chief Justice of the United States to have the power to hear applications and grant orders for the release of records under this section on behalf of a judge of that court; and

"(2) shall specify that—

"(A) the records concerned are sought for an investigation described in subsection (a); and

"(B) there are specific and articulable facts giving reason to believe that the person to whom the records pertain is a foreign power or an agent of a foreign power.

"(c)(1) Upon application made pursuant to this section, the judge shall enter an ex parte order as requested, or as modified, approving the release of records if the judge finds that the application satisfies the requirements of this section.

"(2) An order under this subsection shall not disclose that it is issued for purposes of an investigation described in subsection (a).

"(d)(1) Any common carrier, public accommodation facility, physical storage facility, or vehicle rental facility shall comply with an order under subsection (c).

"(2) No common carrier, public accommodation facility, physical storage facility, or vehicle rental facility, or officer, employee, or agent thereof, shall disclose to any person (other than those officers, agents, or employees of such common carrier, public accommodation facility, physical storage facility, or vehicle rental facility necessary to fulfill the requirement to disclose information to the Federal Bureau of Investigation under this section) that the Federal Bureau of Investigation has sought or obtained records pursuant to an order under this section.

"CONGRESSIONAL OVERSIGHT

"SEC. 503. (a) On a semiannual basis, the Attorney General shall fully inform the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate concerning all requests for records under this title.

"(b) On a semiannual basis, the Attorney General shall provide to the Committees on the Judiciary of the House of Representatives and the Senate a report setting forth with respect to the preceding six-month period—

"(1) the total number of applications made for orders approving requests for records under this title; and

"(2) the total number of such orders either granted, modified, or denied.".

SEC. 603. CONFORMING AND CLERICAL AMENDMENTS.

(a) CONFORMING AMENDMENT.—Section 601 of the Foreign Intelligence Surveillance Act of 1978, as redesignated by section 601(1) of this Act, is amended by striking out "other than title III" and inserting in lieu thereof "other than titles III, IV, and V".

(b) CLERICAL AMENDMENT.—The table of contents at the beginning of the Foreign Intelligence Surveillance Act of 1978 is amended by striking out the items relating to title IV and section 401 and inserting in lieu thereof the following:

"TITLE IV—PEN REGISTERS AND TRAP AND TRACE DEVICES FOR FOREIGN INTELLIGENCE PURPOSES

"401. Definitions.

"402. Pen registers and trap and trace devices for foreign intelligence and international terrorism investigations.

"403. Authorization during emergencies.

"404. Authorization during time of war.
"405. Use of information.
"406. Congressional oversight.

"TITLE V—ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE PURPOSES

"501. Definitions.
"502. Access to certain business records for foreign intelligence and international terrorism investigations.
"503. Congressional oversight.

"TITLE VI—EFFECTIVE DATE

"601. Effective date.".

SEC. 604. WIRE AND ELECTRONIC COMMUNICATIONS INTERCEPTION REQUIREMENTS.

(a) IN GENERAL.—Section 2518(11)(b) of title 18, United States Code, is amended—

(1) in clause (ii), by striking "of a purpose" and all that follows through the end of such clause and inserting "that there is probable cause to believe that the person's actions could have the effect of thwarting interception from a specified facility;";

(2) in clause (iii), by striking "such purpose" and all that follows through the end of such clause and inserting "such showing has been adequately made; and"; and

(3) by adding at the end the following clause:

"(iv) the order authorizing or approving the interception is limited to interception only for such time as it is reasonable to presume that the person identified in the application is or was reasonably proximate to the instrument through which such communication will be or was transmitted.".

(b) CONFORMING AMENDMENTS.—Section 2518(12) of title 18, United States Code, is amended—

(1) by inserting "(a)" after "by reason of subsection (11)";

(2) by striking "the facilities from which, or"; and

(3) by striking the comma following "where".

SEC. 605. AUTHORITY OF ATTORNEY GENERAL TO ACCEPT VOLUNTARY SERVICES.

Section 524(d)(1) of title 28, United States Code, is amended by inserting "or services" after "property".

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

SEC. 701. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This title may be cited as the "Intelligence Community Whistleblower Protection Act of 1998".

(b) FINDINGS.—The Congress finds that—

(1) national security is a shared responsibility, requiring joint efforts and mutual respect by Congress and the President;

(2) the principles of comity between the Branches of Government apply to the handling of national security information;

(3) Congress, as a co-equal Branch of Government, is empowered by the Constitution to serve as a check on the Executive Branch; in that capacity, it has a "need to know" of allegations of wrongdoing within the Executive Branch, including allegations of wrongdoing in the Intelligence Community;

(4) no basis in law exists for requiring prior authorization of disclosures to the intelligence committees of Congress by employees of the Executive Branch of classified information about wrongdoing within the Intelligence Community;

(5) the risk of reprisal perceived by employees and contractors of the Intelligence Community for reporting serious or flagrant problems to Congress may have impaired the flow of information needed by the intelligence committees to carry out oversight responsibilities; and

(6) to encourage such reporting, an additional procedure should be established that provides a means for such employees and contractors to report to Congress while safeguarding the classified information involved in such reporting.

SEC. 702. PROTECTION OF INTELLIGENCE COMMUNITY EMPLOYEES WHO REPORT URGENT CONCERNS TO CONGRESS.

(a) INSPECTOR GENERAL OF THE CENTRAL INTELLIGENCE AGENCY.—

(1) IN GENERAL.—Subsection (d) of section 17 of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403q) is amended by adding at the end the following new paragraph:

"(5)(A) An employee of the Agency, or of a contractor to the Agency, who intends to report to Congress a complaint or information with respect to an urgent concern may report such complaint or information to the Inspector General.

"(B) Not later than the end of the 14-calendar day period beginning on the date of receipt from an employee of a complaint or information under subparagraph (A), the Inspector General shall determine whether the complaint or information appears credible. If the Inspector General determines that the complaint or information appears credible, the Inspector General shall, before the end of such period, transmit the complaint or information to the Director.

"(C) Upon receipt of a transmittal from the Inspector General under subparagraph (B), the Director shall, within 7 calendar days of such receipt, forward such transmittal to the intelligence committees, together with any comments the Director considers appropriate.

"(D)(i) If the Inspector General does not transmit, or does not transmit in an accurate form, the complaint or information described in subparagraph (B), the employee (subject to clause (ii)) may submit the complaint or information to Congress by contacting either or both of the intelligence committees directly.

"(ii) The employee may contact the intelligence committees directly as described in clause (i) only if the employee—

"(I) before making such a contact, furnishes to the Director, through the Inspector General, a statement of the employee's complaint or information and notice of the employee's intent to contact the intelligence committees directly; and

"(II) obtains and follows from the Director, through the Inspector General, direction on how to contact the intelligence committees in accordance with appropriate security practices.

"(iii) A member or employee of one of the intelligence committees who receives a complaint or information under clause (i) does so in that member or employee's official capacity as a member or employee of that committee.

"(E) The Inspector General shall notify an employee who reports a complaint or information to the Inspector General under this paragraph of each action taken under this paragraph with respect to the complaint or information. Such notice shall be provided not later than 3 days after any such action is taken.

"(F) An action taken by the Director or the Inspector General under this paragraph shall not be subject to judicial review.

"(G) In this paragraph:

"(i) The term 'urgent concern' means any of the following:

"(I) A serious or flagrant problem, abuse, violation of law or executive order, or deficiency relating to the funding, administration, or operations of an intelligence activity involving classified information, but does not include differences of opinions concerning public policy matters.

"(II) A false statement to Congress, or a willful withholding from Congress, on an issue of material fact relating to the funding, administration, or operation of an intelligence activity.

"(III) An action, including a personnel action described in section 2302(a)(2)(A) of title 5, United States Code, constituting reprisal or threat of reprisal prohibited under subsection (e)(3)(B) in response to an employee's reporting an urgent concern in accordance with this paragraph.

"(ii) The term 'intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.".

(2) CLERICAL AMENDMENT.—The heading to subsection (d) of such section is amended by inserting "; REPORTS TO CONGRESS ON URGENT CONCERNS" before the period.

(b) ADDITIONAL PROVISIONS WITH RESPECT TO INSPECTORS GENERAL OF THE INTELLIGENCE COMMUNITY.—

(1) IN GENERAL.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended by redesignating section 8H as section 8I and by inserting after section 8G the following new section:

"SEC. 8H. (a)(1)(A) An employee of the Defense Intelligence Agency, the National Imagery and Mapping Agency, the National Reconnaissance Office, or the National Security Agency, or of a contractor of any of those Agencies, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the Inspector General of the Department of Defense (or designee).

"(B) An employee of the Federal Bureau of Investigation, or of a contractor of the Bureau, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the Inspector General of the Department of Justice (or designee).

"(C) Any other employee of, or contractor to, an executive agency, or element or unit thereof, determined by the President under section 2302(a)(2)(C)(ii) of title 5, United States Code, to have as its principal function the conduct of foreign intelligence or counterintelligence activities, who intends to report to Congress a complaint or information with respect to an urgent concern may report the complaint or information to the appropriate Inspector General (or designee) under this Act or section 17 of the Central Intelligence Agency Act of 1949.

"(2) If a designee of an Inspector General under this section receives a complaint or information of an employee with respect to an urgent concern, that designee shall report the complaint or information to the Inspector General within 7 calendar days of receipt.

"(b) Not later than the end of the 14-calendar day period beginning on the date of receipt of an employee complaint or information under subsection (a), the Inspector General shall determine whether the complaint or information appears credible. If the Inspector General determines that the complaint or information appears credible, the Inspector General shall, before the end of such period, transmit the complaint or information to the head of the establishment.

"(c) Upon receipt of a transmittal from the Inspector General under subsection (b), the head of the establishment shall, within 7 calendar days of such receipt, forward such transmittal to the intelligence committees, together with any comments the head of the establishment considers appropriate.

"(d)(1) If the Inspector General does not transmit, or does not transmit in an accurate form, the complaint or information described in subsection (b), the employee (subject to paragraph (2)) may submit the complaint or information to Congress by contacting either or both of the intelligence committees directly.

"(2) The employee may contact the intelligence committees directly as described in paragraph (1) only if the employee—

"(A) before making such a contact, furnishes to the head of the establishment, through the

Inspector General, a statement of the employee's complaint or information and notice of the employee's intent to contact the intelligence committees directly; and

"(B) obtains and follows from the head of the establishment, through the Inspector General, direction on how to contact the intelligence committees in accordance with appropriate security practices.

"(3) A member or employee of one of the intelligence committees who receives a complaint or information under paragraph (1) does so in that member or employee's official capacity as a member or employee of that committee.

"(e) The Inspector General shall notify an employee who reports a complaint or information under this section of each action taken under this section with respect to the complaint or information. Such notice shall be provided not later than 3 days after any such action is taken.

"(f) An action taken by the head of an establishment or an Inspector General under this section shall not be subject to judicial review.

"(g) In this section:

"(1) The term 'urgent concern' means any of the following:

"(A) A serious or flagrant problem, abuse, violation of law or Executive order, or deficiency relating to the funding, administration, or operations of an intelligence activity involving classified information, but does not include differences of opinions concerning public policy matters.

"(B) A false statement to Congress, or a willful withholding from Congress, on an issue of material fact relating to the funding, administration, or operation of an intelligence activity.

"(C) An action, including a personnel action described in section 2302(a)(2)(A) of title 5, United States Code, constituting reprisal or threat of reprisal prohibited under section 7(c) in response to an employee's reporting an urgent concern in accordance with this section.

"(2) The term 'intelligence committees' means the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate.".

(2) CONFORMING AMENDMENT.—Section 8I of such Act (as redesignated by paragraph (1)) is amended by striking out "or 8E" and inserting in lieu thereof "8E, or 8H".

And the Senate agree to the same.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

Porter Goss,
Bill Young,
Jerry Lewis,
Bud Shuster,
Bill McCollum,
Michael N. Castle,
Sherwood Boehlert,
Charles F. Bass,
Jim Gibbons,
Norman D. Dicks,
Julian C. Dixon,
David E. Skaggs,
Nancy Pelosi,
Jane Harman,
Ike Skelton,
Sanford D. Bishop, Jr.,

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

Floyd Spence,
Bob Stump,
Loretta Sánchez,

Managers on the Part of the House.

Richard Shelby,
John H. Chafee,
Dick Lugar,
Mike DeWine,
Jon Kyl,
Jim Inhofe,
Orrin G. Hatch,
Pat Roberts,
Wayne Allard,
Dan Coats,
Bob Kerrey,
John Glenn,
Richard H. Bryan,
Bob Graham,
John F. Kerry,
Max Baucus,
Chuck Robb,
Frank R. Lautenberg,
Carl Levin,

From the Committee on Armed Services,

Strom Thurmond,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and the intelligence-related activities of the United States government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

The managers agree that the congressionally directed actions described in the House bill, the Senate amendment, the respective committee reports, or classified annexes should be undertaken to the extent that such congressionally directed actions are not amended, altered, or otherwise specifically addressed in either this Joint Explanatory Statement or in the classified annex to the conference report on the bill H.R. 3694.

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION FOR APPROPRIATIONS

Section 101 of the conference report lists the departments, agencies, and other elements of the United States government for whose intelligence and intelligence-related activities the Act authorizes appropriations for fiscal year 1999. Section 101 is identical to section 101 of the House bill and section 101 of the Senate amendment.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS

Section 102 of the conference report makes clear that the details of the amounts authorized to be appropriated for intelligence and intelligence-related activities and applicable personnel ceilings covered under this title for fiscal year 1999 are contained in a classified Schedule of Authorizations. The classified Schedule of Authorizations is incorporated into the Act by this section. The classified annex provides the details of the Schedule, including a cost cap to the five year and ten year costs of the Future Imagery Architecture. Section 102 is identical to section 102 of the House bill and section 102 of the Senate amendment.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS

Section 103 of the conference report authorizes the Director of Central Intelligence, with the approval of the Director of the Office of Management and Budget, in fiscal year 1999 to authorize employment of civilian personnel in excess of the personnel ceilings applicable to the components of the Intelligence Community under section 102 by an amount not to exceed two percent of the total of the ceilings applicable under section 102. The Director of Central Intelligence may exercise this authority only if necessary to the performance of important intelligence functions. Any exercise of this authority must be reported to the intelligence committees of the Congress.

The managers emphasize that the authority conferred by section 103 is not intended to permit the wholesale raising of personnel strength in any intelligence component. Rather, the section provides the Director of Central Intelligence with flexibility to adjust personnel levels temporarily for contingencies and for overages caused by an imbalance between hiring of new employees and attrition of current employees. The managers do not expect the Director of Central Intelligence to allow heads of intelligence components to plan to exceed levels set in the Schedule of Authorizations except for the satisfaction of clearly identified hiring needs which are consistent with the authorization of personnel strengths in this bill. In no case is this authority to be used to provide for positions denied by this bill. Section 103 is identical to section 103 of the House bill and section 103 of the Senate amendment.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT

Section 104 of the conference report authorizes appropriations for the Community Management Account (CMA) of the Director of Central Intelligence (DCI) and sets the personnel end-strength for the Intelligence Community management staff for fiscal year 1999.

Subsection (a) authorizes appropriations of $129,123,000 for fiscal year 1999 for the activities of the CMA of the DCI. This amount includes funds identified for the Advanced Research and Development Committee and the Advanced Technology Group, which shall remain available until September 30, 2000. Beginning in fiscal year 1999, the Environmental Intelligence and Applications Program will be funded through the DCI's Environmental Center, rather than through this account.

Subsection (b) authorizes 283 full-time personnel for the Community Management Staff for fiscal year 1999 and provides that such personnel may be permanent employees of the Staff or detailed from various elements of the United States government.

Subsection (c) authorizes additional appropriations and personnel for the CMA as specified in the classified Schedule of Authorizations and permits these additional amounts to remain available through September 30, 2000.

Subsection (d) requires, except as provided in Section 113 of the National Security Act of 1947, or for temporary situations of less than one year, that personnel from another element of the United States government be detailed to an element of the CMA on a reimbursable basis.

Subsection (e) authorizes $27,000,000 of the amount authorized in subsection (a) to be made available for the National Drug Intelligence Center (NDIC). Subsection (e) is identical to subsection (e) of the House bill and subsection (e) of the Senate amendment. The Senate, in its report on this provision, would have fenced the entire $27,000,000 until the Office of National Drug Control Policy (ONDCP) issued its overdue report on the National Counter-Narcotics Architecture Review, which was directed by Congress to be completed by April 1, 1998. The House had no such fence. While the managers continue to require the prompt production of this report, they do not wish to impede any part of the government's counter-narcotics efforts. Consequently, the Senate recedes.

The failure of the Director of the ONDCP to comply with a congressional requirement for this report is of concern.

The managers strongly believe that the NDIC should be the facility that brings together all law enforcement and intelligence information for integrated, all-source, cross-case analysis. The continued isolation of domestic and foreign aspects of the drug trafficking organizations for separate analysis by different intelligence centers ignores the transnational character of the drug trafficking threat to national security. The Architecture Review should analyze the ability and capacity of NDIC to serve as the focal point for integrated analysis of foreign and domestic law enforcement information combined with foreign intelligence information.

Subsection (f) authorizes the DCI to transfer funds to be appropriated to the CMA for fiscal year 1999 to the Department of State for specific purposes to be identified by the Director. The House bill contained a similar provision. The Senate amendment contained no such provision. The Senate agrees with the House position.

The managers identified a shortfall in certain Intelligence Community security arrangements at certain overseas locations. The State Department has been aware of these shortcomings for some time, but claims it lacks resources to fund improvements. Thus, in order to alleviate the Intelligence Community security concerns at those locations, the transfer authority is provided.

This section allows the DCI to transfer funds from the CMA only for the specific purposes, and in the specific amounts, listed in the Classified Annex to this Joint Explanatory Statement. Clearly, however, the managers do not intend this section to create any new budget authority. Rather, it is intended that the funds to be transferred will derive from those funds to be appropriated to the CMA for fiscal year 1999.

The managers only agreed to this grant of authority with the firm expectation that this will be a one-time action only. This authority will expire at the end of fiscal year 1999. This transfer authority is only being authorized to insure that the State Department will immediately, in fiscal year 1999, begin architectural and engineering security support at various overseas locations. Without this immediate transfer authority, the Intelligence Community would be required to rely on practices that are flawed, as well as being extremely costly.

The managers acknowledge that the Intelligence Community has worked hard over the past two years with the State Department, the Defense Department, and the Office of Management and Budget to provide a permanent solution to the situation at issue. The Intelligence Community, in response to the seriousness of the hostile intelligence threat directed at United States interests, agreed to a one-time special cost-sharing arrangement in fiscal year 1999 to alleviate any continued concern.

SEC. 105. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR INTELLIGENCE AND INTELLIGENCE-RELATED ACTIVITIES

Section 105 specifically authorizes, for purposes of section 504 of the National Security Act of 1947, those intelligence and intelligence-related activities that were deemed to have been authorized, pursuant to that section, through the 1998 Supplemental Appropriations and Rescisions Act (P.L. 105-174) and any supplemental appropriations that are expected to contain emergency appropriations for fiscal year 1998. Neither the House bill, nor the Senate amendment, contained these provisions. The managers agreed to include this provision based on the requirements of section 504 of the National Security Act of 1947.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Section 201 is identical to section 201 of the Senate amendment and section 201 of the House bill.

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW

Section 301 is identical to section 301 of the Senate amendment and section 301 of the House bill.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES

Section 302 is identical to section 302 of the Senate amendment and section 302 of the House bill.

SEC. 303. ONE-YEAR EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES

Section 303 of the conference report extends until January 6, 2000 the authority granted by section 303 of the Intelligence Authorization Act for Fiscal Year 1996 for the President to stay the imposition of an economic, cultural, diplomatic, or other sanction or related action when the President determines and reports to Congress that to proceed without delay would seriously risk the compromise of an intelligence source or method, or an ongoing criminal investigation. Section 303 is identical to section 303 of the House bill and section 303 of the Senate amendment.

SEC. 304. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING

Section 304 expresses the sense of the Congress that the Director of Central Intelligence should continue to direct elements of the Intelligence Community to award contracts in a manner that would maximize the procurement of products produced in the United States, when such action is compatible with the national security interests of the United States, consistent with operational and security concerns, and fiscally sound. A provision similar to section 304 has been included in previous intelligence authorization acts. The Senate bill had no similar provision. The Senate agrees with the House position.

SEC. 305. MODIFICATION OF NATIONAL SECURITY EDUCATION PROGRAM

A provision similar to section 305 was included in the Senate amendment. The House bill contained no such provision. The House agrees to the Senate provision.

SEC. 306. REQUIREMENT TO DIRECT COMPETITIVE ANALYSIS OF ANALYTICAL PRODUCTS HAVING NATIONAL IMPORTANCE

Section 306 amends section 102(g)(2) of the National Security Act of 1947 (50 U.S.C. §403(g)(2)) to add an additional duty for the Assistant Director of Central Intelligence for Analysis and Production (ADCI/AP), namely to direct competitive analysis of analytical products having national importance. The Senate amendment contained a provision identical to section 306. The House bill had no similar provision. The House recedes to the Senate provision.

Since the end of the Cold War and in response to budget pressures, the Intelligence Community has experienced a significant decrease in personnel. While this has had the positive effect of increasing efficiency in some areas, in other areas shortfalls are beginning to appear. Such a shortfall is in the use of competitive analysis.

During the Cold War competitive analysis played a crucial role in assuring that intelligence analysts did not become accustomed to accepting the same assumptions. Instead, analysts from different agencies and outside experts would routinely challenge each other's analysis. This decreased the opportunity for some elements within the community to become victims of their own prejudices and biases. Analysts were forced to defend their assumptions, logic, and analytical judgments against competing analysis from other agencies. Personnel reductions, however, made this routine competitive analysis a luxury that no longer was affordable in the downsizing of the early to mid-1990's.

Independent reports by retired Admiral David Jeremiah and the former Secretary of Defense Donald Rumsfeld led to the conclusion that the absence of competitive analysis contributed to an incomplete explanation of the activities of several foreign powers. This resulted in conclusions not helpful in the policy-making process. In an era of declining resources, it is more important than ever that issues of great significance be subjected to independent analysis both from within and without the Intelligence Community.

The managers believe it is important for the Director of Central Intelligence to institutionalize formally the practice of competitive analysis and direct that the responsibility be assigned to the ADCI/AP.

The managers further direct the ADCI/AP to report to the intelligence committees by March 15, 1999, his plan for fulfilling the responsibility now assigned to him under section 403 of the National Security Act of 1947 as part of this legislation.

SEC. 307. ANNUAL REPORTS TO CONGRESS

Section 307 requires the Director of Central Intelligence to report to the Congress of the United States on an annual basis on two significant issues faced by this country. The first report should address the nature and extent of cooperation between the Intelligence Community and federal law enforcement agencies in combating drug trafficking.

The second report should address the safety and security of Russian nuclear facilities and nuclear military forces.

The House bill contained a provision similar to section 307(a). The Senate amendment had no such provision. The Senate agrees to the House position, with respect to the drug trafficking report. The Senate amendment contained a provision similar to section 307(b), which the House bill did not contain. The House agrees to the Senate position regarding the report on Russian nuclear facilities and nuclear military forces.

SEC. 308. QUADRENNIAL INTELLIGENCE REVIEW

Section 308 is similar to a "Sense of Congress" provision contained within the Senate amendment. The House bill contained no such provision. The House recedes to the Senate provision, as modified.

SEC. 309. DESIGNATION OF HEADQUARTERS COMPOUND OF CENTRAL INTELLIGENCE AGENCY AS THE GEORGE BUSH CENTER FOR INTELLIGENCE

The Senate amendment contained a provision to designate the headquarters building of the Central Intelligence Agency (CIA) in Langley, Virginia, as the "George Herbert Walker Bush Center for Central Intelligence." The House bill contained no similar provision. The House did, however, pass by voice vote on August 3, 1998, a bill (H.R. 3821) to designate the CIA headquarters compound as the "George H.W. Bush Center for Central Intelligence." The managers agreed to the Senate provision with modifications.

Section 309 will designate the CIA headquarters compound at Langley, Virginia as the "George Bush Center for Intelligence."

Former President George Bush has dedicated much of his life to public service. During World War II, he flew for the Navy in the Pacific Theater. In 1967, George Bush was elected to the House of Representatives. He later served as Ambassador to the United Nations. Following that assignment, George Bush was appointed Chief of the U.S. Liaison Office to the People's Republic of China.

In January 1976, George Bush was appointed Director of Central Intelligence (DCI) by then-President Gerald Ford. He held this position through the end of the Ford Administration. Although his tenure as DCI was relatively short, it came at a time when the U.S. Intelligence Community was undergoing increasing public scrutiny and some criticism.

As DCI, George Bush brought innovation to the CIA, and dramatically improved the morale within the Agency. George Bush demonstrated leadership and integrity at a time when both were desperately needed to help restore confidence in the CIA and the other intelligence elements that make up the Intelligence Community.

Currently, the headquarters compound does not have a formal designation. The managers agreed that this designation would be a fitting tribute to the only DCI to become President of the United States. It is appropriate to memorialize George Bush's integrity, work ethic, and dedication to public service in this manner.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ENHANCED PROTECTIVE AUTHORITY FOR CIA PERSONNEL AND FAMILY MEMBERS

Section 401 is identical to a provision contained in the House bill. The Senate amendment did not include such a provision. The Senate agrees to the House position.

SEC. 402. AUTHORITY FOR RETROACTIVE PAYMENT OF SPECIFIED SPECIAL PAY ALLOWANCE

Neither the House bill, nor the Senate amendment contained a provision similar to section 402. The managers agree, however, to include this provision to enable the Director of Central Intelligence to provide retroactively a special pay allowance to certain Intelligence Community officers, who, because of a bureaucratic error, did not receive a special pay allowance at the time they were otherwise eligible to receive it. It was through no fault of their own that this special pay allowance was not administered at the time it was due and owing, but rather simply caused by a bureaucratic miscue.

SEC. 403. TECHNICAL AMENDMENTS

Both the House bill and the Senate amendment contained a similar provision. The Senate recedes to the House position, with technical modifications.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES

Both the House bill and the Senate amendment contained similar provisions. The House recedes to the Senate provision.

TITLE VI—FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

SEC. 601. PEN REGISTERS AND TRAP AND TRACE DEVICES IN FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 602. ACCESS TO CERTAIN BUSINESS RECORDS FOR FOREIGN INTELLIGENCE AND INTERNATIONAL TERRORISM INVESTIGATIONS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 603. CONFORMING AND CLERICAL AMENDMENTS

The Senate amendment contained a similar provision. The House bill did not. The House recedes to the Senate position.

SEC. 604. WIRE AND ELECTRONIC COMMUNICATIONS INTERCEPTION REQUIREMENTS

This provision amends section 2518 of title 18, United States Code, to allow federal judges to issue an order on the conversations of a specific person, rather than on the conversations that occur on a specific telephone. This provision is identical to H.R. 3753, with a technical correction, which was introduced in the House by Mr. McCollum, Mr. Hyde, Mr. Conyers, and Mr. Schumer.

Under current law, judges issue wiretap orders authorizing law enforcement officials to place a wiretap on a specific telephone number. Criminals, including terrorists and spies, know this and often try to avoid wiretaps by using pay telephones on the street at random, or by using stolen or cloned cell telephones. As law enforcement officials cannot know the numbers of these telephones in advance, they are unable to obtain a wiretap order on these numbers from a judge in time to intercept the conversation, and the criminal is able to evade interception of his communication.

This provision addresses this problem by authorizing judges to issue an order authorizing the interception of all communications made by a particular person, regardless of what telephone he may use. The provision does not change the existing law that requires law enforcement officials to show that there is probable cause to believe that the suspect has committed, or may commit, a crime. With this amendment, law enforcement officials will be required to show that there is probable cause to believe that the actions of the suspect could have the effect of thwarting a wiretap on a specific telephone were the court to order the more typical method of wiretap, which targets a specific telephone number.

With this provision, law enforcement officials will be able to follow a criminal suspect and ask the telephone company to activate a wiretap on those telephones that the suspect is shown to be using, or to have used. To do this, law enforcement and telephone company officials would have to make prior arrangements so that the location of the particular telephone used by the suspect could be relayed to the telephone company where employees would stand ready to ascertain the telephone number being used (by cross-reference from the telephone company's own records) and activate a wiretap on it. In the case of cell telephones, law enforcement officials would use existing scanner technology to intercept the telephone number of the phone a suspect is about to use (before or during a call) and then relay that number to telephone company employees, who would then immediately activate a wiretap on that number.

In order to ensure that only the conversation of the suspect (and with whomever he speaks) is intercepted, the bill does not allow law enforcement officials to activate ongoing wiretaps on all telephones they believe the suspect might use. Significantly, law enforcement officials may only activate a wiretap on a particular telephone and then only when it is reasonable to presume that the suspect is "reasonably proximate" to that phone. Thus, law enforcement officials will have to use undercover agents or informants who can actually see the suspect move toward a particular telephone, or enter a room where there is only one or a limited number of telephones, before they can activate a wiretap.

Neither the House bill, nor the Senate amendment contained this provision. The managers agreed, however, to include this language as part of the conference report.

SEC. 605. AUTHORITY OF ATTORNEY GENERAL TO ACCEPT VOLUNTARY SERVICES

Section 605 will allow the Attorney General to accept voluntary services in furtherance of her law enforcement and national security missions. This provision will assist the Attorney General to find technological solutions to the ever-increasing threat of encryption to those missions. The mangers agreed to include this language to support the Department of Justice's and Federal Bureau of Investigation's future efforts to address the technological advances that law enforcement will face in future criminal and counter-intelligence investigations and prosecutions. Neither the House bill, nor the Senate amendment contained this or any other similar provision.

TITLE VII—WHISTLEBLOWER PROTECTION FOR INTELLIGENCE COMMUNITY EMPLOYEES REPORTING URGENT CONCERNS TO CONGRESS

The Senate amendment, S. 2052, contained a provision at title V that would have directed the President to inform all employees of the executive branch, and employees of contractors carrying out duties under classified contracts, that the disclosure of classified information reasonably believed by the person to be evidence of a violation of law, regulation, or rule; false statement to Congress; gross mismanagement, waste of funds, abuse of authority; or a substantial and specific danger to public safety, is not prohibited by law, executive order, regulation, or otherwise contrary to public policy. The Senate provision would have allowed disclosure of such information to any Member or staff member of a committee of Congress having primary oversight responsibility for the department, agency, or element of the Federal Government to which such information relates. The House bill contained no similar title or provision. The House Permanent Select Committee on Intelligence, however, did report the "Intelligence Community Whistleblower Protection Act of 1998" to the House on July 23, 1998. (H.R. Rep. No. 105–747, part 1).

The managers agree to adopt a modified version of H.R. 3829. This title establishes an additional process to accommodate the disclosure of classified information of interest to Congress. The managers further agree that H.R. 3829 is not the exclusive process by which an Intelligence Community employee may make a report to Congress. The managers agree that the modified language furthers the goal of, and builds on, the Senate language contained in S. 1668 and S. 2052, which was adopted by the Senate on three occasions. The managers would also highlight the fact that Senate action on this issue was central to the development of this provision. The managers incorporate by reference the Senate reports on S. 1668 and S. 2052 (S. Rep. Nos. 105–165 and 105–185, respectively) to provide additional legislative history and the need for congressional action on this issue. The two Senate reports on this issue examine the significant constitutional implications of this legislation. *See* S. Rep. Nos. 105–165 and 105–185. In addition, the managers incorporate by reference the House report on H.R. 3829 (H.R. Rep. No. 105–747, part 1) and adopt that report as the legislative history for title VII of the conference report.[1]

As an additional matter, and separate from the terms and process established by H.R. 3829, the managers agree that an Intelligence Community employee should not be subject to reprisals or threat of reprisals for making a report to appropriate Members or staff of the intelligence committees about wrongdoing within the Intelligence Community.

One important modification to H.R. 3829 that exists in the provision adopted by the managers pertains to the responsibilities of intelligence committee Members and staff receiving complaints or information through the process outlined in this title. The provision makes it plain that an intelligence committee Member or staff employee receiving such complaints or information must abide by the rules of the intelligence committees.

PROVISIONS NOT INCLUDED IN THE CONFERENCE REPORT

AUTHORITY FOR CENTRAL INTELLIGENCE AGENCY INSPECTOR GENERAL TO REVIEW LEGISLATION

The Senate amendment contained a provision that would have authorized the Inspector General (IG) of the Central Intelligence Agency (CIA) to review existing and proposed legislation affecting CIA and to make recommendations to Congress in its semi-annual reports or otherwise. The House bill contained no such provision. The managers, upon further consideration of the issue, believed that this responsibility is already set forth in similar form in the reporting requirements of the CIA's IG in paragraph (1)(F) of section 17(d) of the CIA Act of 1949 (50 U.S.C. §403q(D)).

The managers have agreed to defer on this legislative proposal to allow the newly installed CIA IG to determine whether the current statutory authorities are sufficient to permit his independent review of proposed and current legislation.

Thus, the Senate recedes to the House position.

EXTENTION OF THE CIA VOLUNTARY SEPARATION PAY ACT

The Senate amendment contained a provision extending, until September 30, 2001, the authority of the Director of Central Intelligence (DCI) to offer early out incentives to its employees. The House bill contained no such provision. The Senate recedes to the House position.

The fact that the current authority does not expire until the end of fiscal year 1999 combined with the considerable concerns by another committee of the House with shared jurisdiction over civil service pay and pension issues, led the managers to omit this provision from the conference report. It is anticipated that the issue of extending this authority of the DCI could be addressed in separate legislation in the 106th Congress.

From the Permanent Select Committee on Intelligence, for consideration of the House bill and the Senate amendment, and modifications committed to conference:

PORTER GOSS,
BILL YOUNG,
JERRY LEWIS,
BUD SHUSTER,
BILL MCCOLLUM,
MICHAEL N. CASTLE,
SHERWOOD BOEHLERT,
CHARLES F. BASS,
JIM GIBBONS,
NORMAN D. DICKS,
JULIAN C. DIXON,
DAVID E. SKAGGS,
NANCY PELOSI,
JANE HARMAN,
IKE SKELTON,
SANFORD D. BISHOP, Jr.,

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference;

FLOYD SPENCE,
BOB STUMP,
LORETTA SÁNCHEZ,
Managers on the Part of the House.

RICHARD SHELBY,
JOHN H. CHAFEE,
DICK LUGAR,
MIKE DEWINE,
JON KYL,
JIM INHOFE,
ORRIN G. HATCH,
PAT ROBERTS,
WAYNE ALLARD,
DAN COATS,
BOB KERREY,
JOHN GLENN,
RICHARD H. BRYAN,
BOB GRAHAM,
JOHN F. KERRY,
MAX BAUCUS,
CHUCK ROBB,
FRANK R. LAUTENBERG,
CARL LEVIN,

From the Committee on Armed Services:

STROM THURMOND,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BECERRA (at the request of Mr. GEPHARDT), for today, on account of official business.

Ms. HARMAN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. MCGOVERN (at the request of Mr. GEPHARDT), for today, on account of official business.

Mr. YATES (at the request of Mr. GEPHARDT), after 6:30 p.m. Tonight, on account of family illness.

Ms. MILLENDER-MCDONALD (at the request of Mr. GEPHARDT, for today, on account of official business.

Mr. Riggs (at the request of Mr. ARMEY), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

The following Members (at the request of Mrs. CLAYTON) to revise and extend their hsi and include extraneous material:

Mr. SKAGGS, for 5 minutes, today.
Ms. CAPPS, for 5 minutes, today.
Ms. CLAYTON, for 5 minutes, today.
Mr. KLINK, for 5 minutes, today.

The following Members (at the request of Mr. BEREUTER) to revise and extend their remarks and include extraneous material:

Mr. RIGGS, for 5 minutes, October 7.
Mr. CASTLE, for 5 minutes, today.
Mr. WELLER, for 5 minutes, today.
Mr. BATEMAN, for 5 minutes, today.
Mr. DUNCAN, for 5 minutes, today.
Mr. DIAZ-BALART, for 5 minutes, October 6.
Mr. HUNTER, for 5 minutes today.

The following Member (at his own request) to revise and extend his remarks and include extraneous material:

Mr. MINGE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Mrs. CLAYTON) and to include extraneous material:

Mr. KIND.
Mr. KENNEDY of Rhode Island.
Mrs. CAPPS.
Ms. NORTON.
Mr. REYES.
Ms. SLAUGHTER.
Mr. LANTOS.
Ms. DEGETTE.
Mr. NEAL of Massachusetts.
Mr. RANGEL.
Mr. KANJORSKI.
Mrs. MEEK of Florida.
Mr. ORTIZ.
Mr. ACKERMAN.
Mr. STARK.

The following Members (at the request of Mr. BEREUTER) and to include extraneous material:

Mr. BILIRAKIS.
Mr. TAYLOR of North Carolina.

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[1] Though incorporating House Report Number 105–747, part 1, by reference, the managers make the following two corrections. First, in the second paragraph under the heading, "H.R. 3829 as Amended," at page 14 of the House Report, the managers would modify the sentence that provides: "Administration witnesses described such a provision as a constitutional and administrative imperative."; to read as follows: "Administration witnesses strongly supported such a provision based upon constitutional and policy considerations." Further, in the first sentence of the first paragraph under the heading, "The Need for Comity," on page 16 of the House Report, the managers would modify the term "constitutional prerogative" to "presidential prerogative."

Ms. ROS-LEHTINEN.
Mr. CUNNINGHAM.
Mr. GOSS.
Mr. DAVIS of Virginia.
Mr. BILBRAY.
Mr. LARGENT.
Mr. PICKERING.
Mr. GILMAN.

The following Members (at the request of Mr. MCINNIS) and to include extraneous material:

Mr. HAMILTON.
Mr. LAMPSON.
Mr. SNOWBARGER.
Mr. KLINK.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 890. An act to dispose of certain Federal properties located in Dutch John, Utah, to assist the local government in the interim delivery of basic services to the Dutch John community, and for other purposes; to the Committee on Resources.

S. 1016. An act to authorize appropriations for the Coastal Heritage Trail Route in New Jersey, and for other purposes; to the Committee on Resources.

S. 1333. An act to amend the Land and Water Conservation Fund Act of 1965 to allow national park units that cannot charge an entrance or admission fee to retain other fees and charges; to the Committee on Resources.

S. 1398. An act to extend certain contracts between the Bureau of Reclamation and irrigation water contractors in Wyoming and Nebraska that receive water from Glendo Reservoir; to the Committee on Resources.

S. 1408. An act to establish the Lower East Side Tenement National Historic Site, and for other purposes; to the Committee on Resources.

S. 1665. An act to reauthorize the Delaware and Lehigh Navigation Canal National Heritage Corridor Act, and for other purposes; to the Committee on Resources.

S. 1718. An act to amend the Weir Farm National Historic Site Establishment Act of 1990 to authorize the acquisition of additional acreage for the historic site to permit the development of visitor and administrative facilities and to authorize the appropriation of additional amounts for the acquisition of real and personal property; to the Committee on Resources.

S. 2129. An act to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park; to the Committee on Resources.

S. 2232. An act to establish the Little Rock Central High School National Historic Site in the State of Arkansas, and for other purposes; to the Committee on Resources.

S. 2272. An act to amend the boundaries of Grant-Kohrs Ranch National Historic Site in the State of Montana; to the Committee on Resources.

S. 2351. An act to direct the Secretary of the Interior to make corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2469. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2470. An act to direct the Secretary of the Interior to make technical corrections to a map relating to the Coastal Barrier Resources System; to the Committee on Resources.

S. 2474. An act to direct the Secretary of the Interior to make corrections to certain maps relating to the Coastal Barrier Resources System; to the Committee on Resources.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 3616. An act to authorize appropriations for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On October 2, 1998:

H.R. 6. To extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

ADJOURNMENT

Mr. MCINNIS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, October 6, 1998, at 9 a.m. for morning hour debates.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the second quarter of 1998 by Committees of the House of Representatives, as well as for miscellaneous groups in connection with official foreign travel during the calendar year 1998 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE OVERSIGHT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
FOR HOUSE COMMITTEES Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1, AND JUNE 30, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Jerrold Nadler	5/23	5/26	Israel		1,260.00		(3)				1,260.00
Laura Baxter	6/11	6/13	Canada		468.00		263.25				731.25
Stephanie Peters	6/11	6/13	Canada		468.00		263.25				731.25
Martina Hone	6/11	6/13	Canada		468.00		263.25				731.25
Committee total					2,664.00		789.75				3,453.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

HENRY J. HYDE, Chairman, Aug. 6, 1998.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO O.S.C.E. PARLIAMENTARY ASSEMBLY MEETING IN COPENHAGEN, DENMARK, EXPENDED BETWEEN JULY 6 AND JULY 11, 1998

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Henry Hyde	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Pat Danner	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Abba Eshoo	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Alcee Hastings	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Maurice Hinchey	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Steny Hoyer	7/6	7/11	Denmark		2,824.14	(3)					2,824.14
Hon. Michael Oxley	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Lucille Roybal-Allard	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Martin Sabo	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Matt Salmon	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Bernard Sanders	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. Louise Slaughter	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Hon. David Skaggs	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Mark Gage	7/6	7/10	Denmark		1,020.00	(3)					1,020.00
Robert Jones	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Clifford Kupchan	7/6	7/10	Denmark		1,020.00	(3)					1,020.00
Ronald McNamara	7/6	7/11	Denmark		1,258.88	(3)					1,275.00
Marilyn Owen	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Erika Schlager	7/6	7/12	Denmark		1,530.00	(3)					1,530.00
Fred Turner	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Judy Wolverton	7/6	7/11	Denmark		1,275.00	(3)					1,275.00
Total					28,053.02						28,053.02

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

HENRY J. HYDE, Aug. 10, 1998.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

11443. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Alder Bark; Exemption from the Requirement of a Tolerance [OPP-300728; FRL-6032-2] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11444. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pyridaben; Pesticide Tolerances for Emergency Exemptions [OPP-300725; FRL-6031-5] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11445. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebuconazole; Extension of Tolerances for Emergency Exemptions [OPP-300729; FRL-6034-7] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11446. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Maleic Hydrazide; Extension of Tolerances for Emergency Exemptions [OPP-300730; FRL-6034-8] (RIN: 2070-AB78) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

11447. A letter from the the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals; (H. Doc. No. 105—319); to the Committee on Appropriations and ordered to be printed.

11448. A communication from the President of the United States, transmitting notification that appropriations of $7,681,000 has been made available for the Department of the Treasury from the Treasury Counter-Terrorism Fund, pursuant to Public Law 104—208; (H. Doc. No. 105—320); to the Committee on Appropriations and ordered to be printed.

11449. A letter from the Assistant Secretary of the Navy for Installations and Environment, Department of the Navy, transmitting notification of the Department's decision to study certain functions performed by military and civilian personnel in the Department of the Navy (DON) for possible performance by private contractors, pursuant to 10 U.S.C. 2304 nt.; to the Committee on National Security.

11450. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Section 8 Rental Voucher and Certificate Programs and Establishment Section 8 Management Assessment Program (SEMAP) [Docket No. FR-3986-F-02] (RIN: 2577-AB60) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

11451. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—List of Nonconforming Vehicles Decided to be Eligible for Importation [Docket No. NHTSA-98-4449] (RIN: 2127-AH28) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11452. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Odometer Disclosure Requirements; Exemptions [NHTSA-98-4438] (RIN: 2127-AG83) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11453. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA-34-3-9819a; FRL-6170-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11454. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—New Source Performance Standards (NSPS)—Applicability of Standards of Performance for Coal Preparation Plants to Coal Unloading Operations [FRL-6168-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11455. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Protection of Stratospheric Ozone: Reconsideration of Petition Criteria and Incorporation of Montreal Protocol Decisions [FRL-6171-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11456. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Maine; Source Surveillance Regulation [ME014-6994c; A-1-FRL-6172-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11457. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval And Promulgation Of Implementation Plans Georgia: Approval of Revisions to the Georgia State Implementation Plan [GA-34-3-9819a; FRL-6170-8] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11458. A letter from the Director, Office of Regulatory Management and Information, Evironmental Protection Agency, transmitting the Agency's final rule—Finding of Significant Contribution and Rulemaking for Cerain States in the Ozone Transport Assessment Group Region for Purposes of Reducing Regional Transport of Ozone [FRL-6171-2] (RIN: 2060-AH10) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11459. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the

Administration's final rule—Amended Economic Impact Analysis of Final Rule Requiring Use of Labeling on Natural Rubber Containing Devices [Docket No. 96N-0119] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11460. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Listing of Color Additives Exempt from Certification; Canthaxanthin; Confirmation of Effective Date; Correction [Docket No. 93C-0248] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11461. A letter from the Director, Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Assessment and Recommendations for Fissile-Material Packaging Exemptions and General Licenses Within 10 CFR Part 71—received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

11462. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to Australia [Transmittal No. DTC 113-98], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

11463. A communication from the President of the United States, transmitting a report on the situation in Monrovia, Liberia and the increased security at the U.S. Embassy there; (H. Doc. No. 105—318); to the Committee on International Relations and ordered to be printed.

11464. A letter from the Assistant Secretary, Bureau of Export Administration, Department of Commerce, transmitting the Department's final rule—Encryption Items [Docket No. 980911233-8233-01] (RIN: 0694-AB80) received September 26, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

11465. A letter from the Interim District of Columbia Auditor, Office of the District of Columbia Auditor, transmitting a copy of a report entitled, "Certification of the Fiscal Year 1998 General Fund Revenue Estimate in Support of the Issuance of District of Columbia General Obligation Bonds (Series 1998A) and General Obligation Refunding Bonds (Series 1998B) in the Aggregate Principal Amount of $657,770,000.," pursuant to D.C. Code section 47-117(d); to the Committee on Government Reform and Oversight.

11466. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Exchanges: General Procedures; State Exchanges; National Park Exchanges; Wildlife Refuge Exchanges; Miscellaneous Exchanges [WO-420-1050-00-24 1A] (RIN: 1004-AC58) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11467. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Atlantic Tuna Fisheries; Atlantic Bluefin Tuna General Category [I.D. 091198A] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11468. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pollock in Statistical Area 610 in the Gulf of Alaska [Docket No. 971208297-8054-02; I.D. 092398D] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

11469. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29343; Amdt. No. 1891] (RIN: 2120-AA65) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11470. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 737-100, -200, -300, -400, and -500 Series Airplanes [Docket No. 98-NM-254-AD; Amendment 39-10751; AD 98-19-09] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11471. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Transportation Equity Act For The 21st Century; Implementation For Participation In The Value Pricing Pilot Program [FHWA Docket FHWA-98-4300] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11472. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Occupant Protection Incentive Grants [Docket No. NHTSA-98-4496] (RIN: 2127-AH40) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11473. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulated Navigation Area; Strait of Juan de Fuca and Adjacent Coastal Waters of Washington; Makah Whale Hunting [CGD 13-98-023] (RIN: 2115-AE84) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11474. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations; Columbus Day Regatta Sailboat Race, Miami, Florida [CGD07 98-059] (RIN: 2115-AE46) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11475. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety zone; Gulf of Alaska; southeast of Narrow Cape, Kodiak Island, Alaska [COTP Western Alaska 98-003] (RIN: 2115-AA97) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11476. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Lifesaving Equipment [CGD 84-069] (RIN: 2115-AB72) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11477. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Security for Passenger Vessels and Passenger Terminals [CGD 91-012] (RIN: 2115-AD75) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11478. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Standards; Rain and Hail Ingestion Standards; Correction [Docket No. 28652; Amendment Nos. 23-53, 25-95, and 33-19] (RIN: 2120-AF75) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11479. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce Limited, Aero Division-Bristol/S.N.E.C.M A. Olympus 593 Series Turbojet Engines [Docket No. 98-ANE-07-AD; Amendment 39-10753; AD 98-19-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11480. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Twin Commander Aircraft Corporation Models 500, 500-A, 500-B, 500-S, 500-U, 520, 560, 560-A, 560-E, 560-F, 680, 680-E, 680FL(P), 680T, 680V, 680W, 681, 685, 690, 690A, 690B, 690C, 690D, 695, 695A, 695B, and 720 Airplanes [Docket No. 97-CE-57-AD; Amendment 39-10801; AD 98-20-34] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11481. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Maule Aerospace Technology Corp. M-4, M-5, M-6, M-7, MX-7, and MXT-7 Series Airplanes and Models MT-7-235 and M-8-235 Airplanes; Correction [Docket No. 98-CE-01-AD; Amendment 39-10669; AD 98-15-18] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11482. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Israel Aircraft Industries (IAI), Ltd., Model 1121, 1121A, 1121B, 1123, 1124, and 1124A Series Airplanes [Docket No. 98-NM-108-AD; Amendment 39-10802; AD 98-20-35] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11483. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Raytheon Aircraft Company 200 Series Airplanes [Docket No. 98-CE-17-AD; Amendment 39-10806; AD 98-20-38] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11484. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Trenton, MO [Airspace Docket No. 98-ACE-38] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11485. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wellington, KS [Airspace Docket No. 98-ACE-42] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11486. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Ulysses, KS [Airspace

Docket No. 98-ACE-41] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11487. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Pittsburg, KS [Airspace Docket No. 98-ACE-40] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11488. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Great Bend, KS [Airspace Docket No. 98-ACE-39] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11489. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; West Plains, MO [Airspace Docket No. 98-ACE-37] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11490. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Wichita Mid-Continent Airport, KS [Airspace Docket No. 98-ACE-36] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11491. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Villa Rica, GA [Airspace Docket No. 98-ASO-9] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11492. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29344; Amdt. No. 1892] (RIN: 2120-AA65) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11493. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Transportation for Individuals with Disabilities [Docket OST-98-3648] (RIN: 2105-AC00) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11494. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Americans with Disabilities Act Accessibility Guidelines for Transportation Vehicles; Over-the-Road Buses (RIN: 2105-AC00) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11495. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A300-600 Series Airplanes [Docket No. 98-NM-82-AD; Amendment 39-10793; AD 98-20-27] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11496. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Schweizer Aircraft Corporation and Hughes Helicopters, Inc. Model 269A, 269A-1, 269B, 269C, 269D, and TH-55A Helicopters [Docket No. 96-SW-10-AD; Amendment 39-10727; AD 98-18-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11497. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320-111, -211, and -231 Series Airplanes [Docket No. 97-NM-159-AD; Amendment 39-10749; AD 98-19-07] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11498. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC-8-100 and -300 Series Airplanes [Docket No. 94-NM-89-AD; Amendment 39-10785; AD 98-20-19] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11499. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fairchild Aircraft, Inc. SA226 and SA227 Series Airplanes [Docket No. 98-CE-84-AD; Amendment 39-10794; AD 98-19-15] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11500. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; SAFT America Inc. Part Number (P/N) 021929-000 (McDonnell Douglas P/N 43BO34LB02) and P/N 021904-000 (McDonnell Douglas P/N 43BO34LB03) Nickel Cadmium Batteries [Docket No. 97-CE-116-AD; Amendment 39-10784; AD 98-20-17] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11501. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Industrie Model A320 Series Airplanes [Docket No. 97-NM-42-AD; Amendment 39-10796; AD 98-20-29] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11502. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes [Docket No. 98-NM-77-AD; Amendment 39-10798; AD 98-20-31] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11503. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Saab Model SAAB SF340A and SAAB 340B Series Airplanes [Docket No. 98-NM-100-AD; Amendment 39-10778; AD 98-20-11] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11504. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Carrizo Springs, Glass Ranch Airport, TX [Airspace Docket No. 98-ASW-44] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11505. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Cessna Aircraft Company Model T210R Airplanes [Docket No. 98-CE-19-AD; Amendment 39-10800; AD 98-20-33] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11506. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pilatus Aircraft Ltd. Models PC-12 and PC-12/45 Airplanes [Docket No. 97-CE-53-AD; Amendment 39-10795; AD 98-20-28] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11507. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes Equipped with a Bulk Cargo Door [Docket No. 97-NM-192-AD; Amendment 39-10797; AD 98-20-30] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11508. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Short Brothers Model SD3-60 SHERPA Series Airplanes [Docket No. 98-NM-138-AD; Amendment 39-10799; AD 98-20-32] (RIN: 2120-AA64) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11509. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establish Class E Airspace; Davenport, IA [Airspace Docket No. 98-ACE-21] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

11510. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Medical Savings Accounts [Announcement 98-88] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11511. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update [Notice 98-48] received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11512. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Continuity of Interest [TD 8783] (RIN: 1545-AW45) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

11513. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Removal Of Brazil From The List Of Nations Entitled To Reciprocal Exemption From The Payment Of Special Tonnage Taxes (T.D. 98-79) received October 1, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LEWIS of California: Committee of Conference. Conference report on H.R. 4194.

A bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–769). Ordered to be printed.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1467. A bill to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest; with an amendment (Rept. 105–770). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3878. A bill to subject certain reserved mineral interests of the operation of the Mineral Leasing Act, and for other purposes (Rept. 105–771). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 3511. A bill to amend title XI of the Social Security Act to authorize the Secretary of Health and Human Services to provide additional exceptions to the imposition of civil money penalties in cases of payments to beneficiaries; with an amendment (Rept. 105–772 Pt. 1). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 4567. A bill to amend title XVIII of the Social Security Act to make revisions in the per beneficiary and per visit payment limits on payment for health services under the Medicare Program; with an amendment (Rept. 105–773 Pt. 1). Ordered to be printed.

Mr. ARCHER: Committee on Ways and Means. H.R. 4377. A bill to amend title XVIII of the Social Security Act to expand the membership of the Medicare Payment Advisory Commission to 17 (Rept. 105–774 Pt. 1). Ordered to be printed.

Mr. BLILEY: Committee on Commerce. H.R. 3783. A bill to amend section 223 of the Communications Act of 1934 to require persons who are engaged in the business of selling or transferring, by means of the World Wide Web, material that is harmful to minors to restrict access to such material by minors, and for other purposes; with an amendment (Rept. 105–775). Referred to the Committee of the Whole House on the State of the Union.

Mr. McINNIS: Committee on Rules. House Resolution 573. Resolution providing for consideration of the bill (H.R. 4570) to provide for certain boundary adjustments and conveyances involving public lands, to establish and improve the management of certain heritage areas, historic areas, National Parks, wild and scenic rivers, and national trials, to protect communities by reducing hazardous fuels levels on public lands, and for other purposes (Rept. 105–776). Referred to the House Calendar.

Mr. DREIER: Committee on Rules. House Resolution 574. Resolution waiving points of order against the conference report to accompany the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes (Rept. 105–777). Referred to the House Calendar.

Mrs. MYRICK: Committee on Rules. House Resolution 575. Resolution waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 105–778). Referred to the House Calendar.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 576. Resolution providing consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes (Rept. 105–779). Referred to the House Calendar.

Mr. GOSS: Committee on Conference. Conference report on H.R. 3694. A bill to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. 105–780). Ordered to be printed.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3511. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

H.R. 4377. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

H.R. 4567. Referral to the Committee on Commerce extended for a period ending not later than October 9, 1998.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. MURTHA:

H.R. 4696. A bill to amend title 10, United States Code, to repeal the so-called "Redux" retired pay computation formula applicable to persons entering military service on or after August 1, 1986; to the Committee on National Security.

By Mr. SMITH of Michigan (for himself, Mr. BARCIA of Michigan, and Mr. NADLER):

H.R. 4697. A bill to temporarily reenact chapter 12 of title 11 of the United States Code; to the Committee on the Judiciary.

By Mr. ANDREWS:

H.R. 4698. A bill to amend the Immigration and Nationality Act to provide for the deportation of aliens who associate with known terrorists; to the Committee on the Judiciary.

By Mrs. BONO:

H.R. 4699. A bill to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians; to the Committee on Resources.

By Mr. ENGLISH of Pennsylvania:

H.R. 4700. A bill to amend the Internal Revenue Code of 1986 to restructure and replace the income tax system of the United States to meet national priorities, and for other purposes; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 4701. A bill to amend the Internal Revenue Code of 1986 to provide that an individual who leaves employment because of sexual harassment will, for purposes of determining such individual's eligibility for unemployment compensation, be treated as having left such employment for good cause; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 4702. A bill to amend the Internal Revenue Code of 1986 to provide that an individual who leaves employment because of loss of child care will, for purposes of determining such individual's eligibility for unemployment compensation, be treated as having left such employment for good cause; to the Committee on Ways and Means.

By Mr. NEAL of Massachusetts (for himself and Mr. DELAHUNT):

H.R. 4703. A bill to amend the Internal Revenue Code of 1986 to modify the tax on commercial aviation to and from airports located on sparsely populated islands; to the Committee on Ways and Means.

By Mr. NETHERCUTT:

H.R. 4704. A bill to require the General Accounting Office to prepare a report assessing the impact and effectiveness of economic sanctions imposed by the United States, to prohibit the imposition of unilateral sanctions on exports of food, other agricultural products, medicines, or medical supplies or equipment, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SENSENBRENNER:

H. Res. 572. A resolution providing for the consideration of the bill H.R. 1702 and the Senate amendment thereto; considered and agreed to.

By Mr. THOMAS:

H. Res. 577. A resolution permitting official photographs of the House of Representatives to be taken while the House is in actual session; to the Committee on House Oversight.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 51: Mr. LEWIS of California.

H.R. 383: Mr. SHAW.

H.R. 538: Mr. LUTHER.

H.R. 836: Mrs. CAPPS, Ms. DELAURO, Mr. GEJDENSON, Mr. KANJORSKI, Mr. POMEROY, Mr. SOUDER, and Mr. ENGLISH of Pennsylvania.

H.R. 1531: Mr. UNDERWOOD.

H.R. 2549: Mr. EVANS.

H.R. 2708: Mr. SALMON.

H.R. 2721: Mr. MICA.

H.R. 3177: Mr. KING of New York.

H.R. 3270: Mr. DREIER.

H.R. 3320: Mr. MALONEY of Connecticut.

H.R. 3794: Mrs. KENNELLY of Connecticut, Mr. MOAKLEY, Mr. MCHUGH, Mr. HILLIARD, Mr. FILNER, and Mr. JEFFERSON.

H.R. 3837: Mrs. MORELLA and Mr. FILNER.

H.R. 3879: Mr. ADERHOLT and Mr. EHRLICH.

H.R. 3918: Mr. MCNULTY.

H.R. 3956: Mr. CUMMINGS, Mr. SISISKY, and Mr. CLYBURN.

H.R. 4070: Mr. BROWN of California.

H.R. 4127: Mr. BARRETT of Nebraska.

H.R. 4228: Mr. BURTON of Indiana.

H.R. 4277: Mr. PALLONE.

H.R. 4281: Mrs. LINDA SMITH of Washington.

H.R. 4299: Mr. KILDEE.

H.R. 4404: Mr. JOHNSON of Wisconsin and Mr. TIAHRT.

H.R. 4407: Mr. RAMSTAD and Mr. CARDIN.

H.R. 4450: Mr. WAXMAN.

H.R. 4467: Mr. KLECZKA, Mr. MCNULTY, Mrs. CAPPS, Ms. CHRISTIAN-GREEN, Mr. KENNEDY of Rhode Island, Mr. LEWIS of Georgia, Mr. WAXMAN, Mr. MEEHAN, Mr. HINCHEY, Ms.

Furse, Mr. Gutierrez, Ms. DeGette, Mr. DeFazio, Ms. Norton, Mr. Frost, Mr. Olver, Mr. Pallone, Mrs. Lowey, Mr. Allen, and Mr. Tierney.

H.R. 4492: Mr. Radanovich and Mr. Adam Smith of Washington.

H.R. 4531: Mr. Rush and Ms. Furse.

H.R. 4552: Mr. LaFalce, Mr. Deutsch, Mr. Hilliard, Mr. Hinchey, and Ms. McCarthy of Missouri.

H.R. 4563: Mr. Bentsen, Mr. Foley, Mr. Bonior, Mr. Watts of Oklahoma, Mr. Kolbe, Mrs. McCarthy of New York, and Ms. Jackson-Lee of Texas.

H.R. 4567: Mr. Bishop, Mr. Weldon of Florida, Mr. Boehlert, and Mr. King of New York.

H.R. 4597: Mr. Weygand.

H.R. 4627: Mr. Filner, Mr. Kennedy of Rhode Island, and Mr. Ford.

H.R. 4666: Mr. Allen.

H.R. 4669: Mr. Kennedy of Rhode Island and Mr. Underwood.

H.R. 4683: Ms. DeGette, Mr. Forbes, and Mr. Deal of Georgia.

H.R. 4692: Ms. Brown of Florida, Mr. Filner, and Mr. Hilliard.

H. Con. Res. 283: Mr. Salmon and Ms. Slaughter.

H. Con. Res. 290: Mr. LaFalce, Mr. Quinn, and Mr. Parker.

H. Con. Res. 328: Mr. Norwood and Mr. Minge.

H. Res. 479: Mr. Blumenauer.

H. Res. 519: Mr. Weller and Mr. McNulty.

H. Res. 557: Mr. Hoyer, Mr. Hyde, Mr. Gejdenson, and Ms. Slaughter.

H. Res. 565: Ms. Harman, Mr. Jefferson, Ms. Danner, Ms. Sánchez, and Mr. Peterson of Pennsylvania.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4274

OFFERED BY: MR. ACKERMAN

Amendment No. 28: Page 53, after line 8, insert the following section:

Sec. 221. Of the amounts made available in this title for the account for the Office of the Director of the Centers for Disease Control and Prevention, the account for the Office of the Director of the National Institutes of Health, and the account for general departmental management (Office of the Secretary of Health and Human Services), $6,000,000 (derived equally from such accounts) is transferred and made available to the Secretary of Health and Human Services for making grants under section 2625(c) of the Public Health Service Act.

H.R. 4274

OFFERED BY: MR. COBURN

Amendment No. 29: At the end of the bill, insert after the last section (preceding the short title) the following:

TITLE VIII—ADDITIONAL GENERAL PROVISIONS

Sec. 801. None of the funds made available in this Act may be used by the Centers for Disease Control and Prevention, or any other part of the Public Health Service, to conduct or support any program in which blood samples are collected from individuals and tested for the human immunodeficiency virus in circumstances in which the samples do not indicate the identity of the individuals from whom the samples were taken.

H.R. 4274

OFFERED BY: MR. HAYWORTH

Amendment No. 30: Page 56, line 5, after the first dollar amount, insert the following: "(increased by $7,000,000)".

Page 59, line 20, after the dollar amount, insert the following: "(decreased by $7,000,000)".

H.R. 4274

OFFERED BY: MR. SANDERS

Amendment No. 31: Page 29, line 8, strike "transfer." and insert "transfer: *Provided further*, That the Director shall evaluate the effectiveness of child sexual abuse prevention efforts by the program known as 'Stop It Now!', at its current and proposed sites.".

H.R. 4274

OFFERED BY: MR. STEARNS

Amendment No. 32: Page 53, after line 8, insert the following section:

Sec. 221. Section 421 of the Public Health Service Act (42 U.S.C. 285b–3) is amended by adding at the end the following subsection:

"(c) Programs under subsection (a)(1)(E) (relating to emergency medical services and preventive, diagnostic, therapeutic, and rehabilitative approaches) shall include programs for the following:

"(1) The development and dissemination, in coordination with the emergency services guidelines promulgated under section 402(a) of title 23, United States Code, by the Associate Administrator for Traffic Safety Programs, Department of Transportation, of a core content for a model State training program applicable to cardiac arrest for inclusion in appropriate current emergency medical services educational curricula and training programs that address lifesaving interventions, including cardiopulmonary resuscitation and defibrillation. In developing the core content for such program, the Director of the Institute may rely upon the content of similar curricula and training programs developed by national nonprofit entities. The core content of such program—

"(A) may be used by health care professionals, allied health personnel, emergency medical services personnel, public safety personnel, and any other persons who are likely to arrive immediately at the scene of a sudden cardiac arrest (in this subsection referred to as 'cardiac arrest care providers') to provide lifesaving interventions, including cardiopulmonary resuscitation and defibrillation;

"(B) shall include age-specific criteria for the use of particular techniques, which shall include infants and children; and

"(C) shall be reevaluated as additional interventions are shown to be effective.

"(2) The operation of a limited demonstration project to provide training in such core content for cardiac arrest care providers to validate the effectiveness of the training program.

"(3) The definition and identification of cardiac arrest care providers, by personal relationship, exposure to arrest or trauma, occupation (including health professionals), or otherwise, who could provide benefit to victims of out-of-hospital arrest by comprehension of such core content.

"(4) The establishment of criteria for completion and comprehension of such core content, including consideration of inclusion in health and safety educational curricula.

"(5) The identification of equipment and supplies that should be accessible to cardiac arrest care providers to permit lifesaving interventions by preplacement of such equipment in appropriate locations insofar as such activities are consistent with the development of the core content and utilize information derived from such studies by the National Institutes of Health on investigation in cardiac resuscitation.

"(6) The development in accordance with this paragraph of model State legislation (or Federal legislation applicable to Federal territories, facilities, and employees). In developing the model legislation, the Director of the Institute shall cooperate with the Attorney General, and may consult with nonprofit private organizations that are involved in the drafting of model State legislation. The model legislation should take into consideration the following:

"(A) The purpose of the model legislation shall be to ensure—

"(i) access to emergency medical services through consideration of a requirement for public placement of lifesaving equipment; and

"(ii) good samaritan immunity for cardiac arrest care providers; those involved with the instruction of the training programs; and owners and managers of property where equipment is placed.

"(B) In the development of the model legislation, there shall be consideration of requirements for training in the core content and use of lifesaving equipment for State licensure or credentialing of health professionals or other occupations or employment of other individuals who may be defined as cardiac arrest care providers under paragraph (3).

"(7) The coordination of a national database for reporting and collecting information relating to the incidence of cardiac arrest, the circumstances surrounding such arrests, the rate of survival, the effect of age, and whether interventions, including cardiac arrest care provider interventions, or other aspects of the chain of survival, improve the rate of survival. The development of such database shall be coordinated with other existing databases on emergency care that have been developed under the authority of the National Highway Traffic Safety Administration and the Centers for Disease Control and Prevention.".

H.R. 4570

OFFERED BY: MR. HANSEN

Amendment No. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Omnibus National Parks and Public Lands Act of 1998".

(b) Table of Contents.—The table of contents of this Act is as follows:

TITLE I—BOUNDARY ADJUSTMENTS AND RELATED CONVEYANCES

Sec. 101. Fort Davis Historic Site, Fort Davis, Texas.
Sec. 102. Abraham Lincoln Birthplace National Historic Site, Kentucky.
Sec. 103. Grand Staircase-Escalante National Monument, Utah.
Sec. 104. George Washington Birthplace National Monument, Virginia.
Sec. 105. Wasatch-Cache National Forest and Mount Naomi Wilderness, Utah.
Sec. 106. Bandelier National Monument, New Mexico.

TITLE II—OTHER LAND CONVEYANCES AND MANAGEMENT

Subtitle A—Southern Nevada Public Land Management

Sec. 201. Conveyance to Clark County Department of Aviation.

Subtitle B—Conveyance of Canyon Ferry Reservoir Properties

Sec. 221. Findings.
Sec. 222. Purpose.
Sec. 223. Definitions.
Sec. 224. Sale of Properties.
Sec. 225. Management of Bureau of Reclamation recreation area.
Sec. 226. Use of proceeds.
Sec. 227. Montana Fish and Wildlife Conservation Trust.
Sec. 228. Canyon Ferry-Broadwater County Trust.
Sec. 229. Canyon Ferry Cabin Site Transfer Trust.

Subtitle C—Conveyance of National Forest Lands for Public School Purposes

Sec. 231. Authorization of use of National Forest lands for public school purposes.

Subtitle D—Other Conveyances

Sec. 241. Land exchange, El Portal Administrative Site, California.
Sec. 242. Authorization to use land in Merced County, California, for elementary school.
Sec. 243. Issuance of quitclaim deed, Steffens family property, Big Horn County, Wyoming.
Sec. 244. Issuance of quitclaim deed, Lowe family property, Big Horn County, Wyoming.
Sec. 245. Utah schools and lands exchange.
Sec. 246. Land exchange, Routt National Forest, Colorado.
Sec. 247. Hart Mountain jurisdictional transfers, Oregon.
Sec. 248. Sale, lease, or exchange of Idaho school land.
Sec. 249. Transfer of jurisdiction of certain property in San Joaquin County, California, to Bureau of Land Management.
Sec. 250. Conveyance, Camp Owen and related parcels, Kern County, California.
Sec. 251. Treatment of certain land acquired by exchange, Red Cliffs Desert Reserve, Utah.
Sec. 252. Land conveyance, Yavapai County, Arizona.
Sec. 253. Conveyance, Old Coyote Administrative Site, Rio Arriba County, New Mexico.
Sec. 254. Acquisition of real property interests for addition to Chickamauga-Chattanooga National Military Park.
Sec. 255. Land transfers involving Rogue River National Forest and other public lands in Oregon.
Sec. 256. Protection of Oregon and California Railroad grant lands.

TITLE III—HERITAGE AREAS

Subtitle A—Delaware and Lehigh National Heritage Corridor of Pennsylvania

Sec. 301. Change in name of Heritage Corridor.
Sec. 302. Purpose.
Sec. 303. Corridor Commission.
Sec. 304. Powers of Corridor Commission.
Sec. 305. Duties of Corridor Commission.
Sec. 306. Termination of Corridor Commission.
Sec. 307. Duties of other Federal entities.
Sec. 308. Authorization of appropriations.
Sec. 309. Local authority and private property.
Sec. 310. Duties of the Secretary.

Subtitle B—Automobile National Heritage Area of Michigan

Sec. 311. Findings and purposes.
Sec. 312. Definitions.
Sec. 313. Automobile National Heritage Area.
Sec. 314. Designation of partnership as management entity.
Sec. 315. Management duties of the Automobile National Heritage Area Partnership.
Sec. 316. Duties and authorities of Federal agencies.
Sec. 317. Lack of effect on land use regulation and private property.
Sec. 318. Sunset.
Sec. 319. Authorization of appropriations.

Subtitle C—Lackawanna Heritage Valley American Heritage Area of Pennsylvania

Sec. 321. Findings and purpose.
Sec. 322. Lackawanna Heritage Valley American Heritage Area.
Sec. 323. Compact.
Sec. 324. Authorities and duties of management entity.
Sec. 325. Duties and authorities of Federal agencies.
Sec. 326. Sunset.
Sec. 327. Authorization of appropriations.

Subtitle D—Miscellaneous Provisions

Sec. 331. Blackstone River Valley National Heritage Corridor, Massachusetts and Rhode Island.
Sec. 332. Illinois and Michigan Canal National Heritage Corridor, Illinois.

TITLE IV—HISTORIC AREAS

Sec. 401. Battle of Midway National Memorial study.
Sec. 402. Historic lighthouse preservation.
Sec. 403. Thomas Cole National Historic Site, New York.
Sec. 404. Addition of the Paoli Battlefield to the Valley Forge National Historical Park.
Sec. 405. Casa Malpais National Historic Landmark, Arizona.
Sec. 406. Lower East Side Tenement National Historic Site, New York.
Sec. 407. Gateway Visitor Center authorization, Independence National Historical Park.
Sec. 408. Tuskegee Airmen National Historic Site, Alabama.
Sec. 409. Little Rock Central High School National Historic Site, Arkansas.
Sec. 410. Weir Farm National Historic Site, Connecticut.
Sec. 411. Kate Mullany National Historic Site, New York.
Sec. 412. Route 66 National Historic Highway.
Sec. 413. Valley Forge Museum of the American Revolution at Valley Forge National Historical Park, Pennsylvania.

TITLE V—SAN RAFAEL SWELL

Sec. 501. Short title.
Sec. 502. Definitions.

Subtitle A—San Rafael Swell National Heritage Area

Sec. 511. Short title; findings; purposes.
Sec. 512. Designation.
Sec. 513. Definitions.
Sec. 514. Grants, technical assistance, and other duties and authorities of Federal agencies.
Sec. 515. Compact and heritage plan.
Sec. 516. Heritage Council.
Sec. 517. Lack of effect on land use regulation.
Sec. 518. Authorization of appropriations.

Subtitle B—San Rafael Swell National Conservation Area

Sec. 521. Definition of plan.
Sec. 522. Establishment of national conservation area.
Sec. 523. Management.
Sec. 524. Additions.
Sec. 525. Advisory Council.
Sec. 526. Relationship to other laws and administrative provisions.
Sec. 527. Communications equipment.

Subtitle C—Wilderness Areas Within Conservation Area

Sec. 531. Designation of wilderness.
Sec. 532. Administration of wilderness areas.
Sec. 533. Livestock.
Sec. 534. Wilderness release.

Subtitle D—Other Special Management Areas Within Conservation Area

Sec. 541. San Rafael Swell Desert Bighorn Sheep Management Area.
Sec. 542. Semi-primitive nonmotorized use areas.
Sec. 543. Scenic visual area of critical environmental concern.

Subtitle E—General Management Provisions

Sec. 551. Livestock grazing.
Sec. 552. Cultural and paleontological resources.
Sec. 553. Land exchanges relating to school and institutional trust lands.
Sec. 554. Water rights.
Sec. 555. Miscellaneous.

TITLE VI—NATIONAL PARKS

Sec. 601. Provision for roads in Pictured Rocks National Lakeshore.
Sec. 602. Expansion of Arches National Park, Utah.
Sec. 603. Cumberland Island National Seashore, Georgia.
Sec. 604. Studies of potential National Park System units in Hawaii.
Sec. 605. Santa Cruz Island, additional rights of use and occupancy.
Sec. 606. Acquisition of Warren Property for Morristown National Historical Park.
Sec. 607. Amendment of Land and Water Conservation Fund Act of 1965 regarding treatment of receipts at certain parks.
Sec. 608. Chattahoochee River National Recreation Area.
Sec. 609. Protection of lodges in Grand Canyon National Park.

TITLE VII—REAUTHORIZATIONS

Sec. 701. Reauthorization of National Historic Preservation Act.
Sec. 702. Reauthorization of Delaware Water Gap National Recreation Area Citizen Advisory Commission.
Sec. 703. Coastal Heritage Trail Route in New Jersey.
Sec. 704. Extension of authorization for Upper Delaware Citizens Advisory Council.

TITLE VIII—RIVERS AND TRAILS

Sec. 801. National discovery trails.
Sec. 802. Sudbury, Assabet, and Concord Wild and Scenic Rivers.
Sec. 803. Assistance to the National Historic Trails Interpretive Center.

TITLE IX—HAZARDOUS FUELS REDUCTION

Sec. 901. Short title.
Sec. 902. Findings and purpose.
Sec. 903. Definitions.

Subtitle A—Management of Wildland/Urban Interface Areas

Sec. 911. Identification of wildland/urban interface areas.
Sec. 912. Contracting to reduce hazardous fuels and undertake forest management projects in wildland/urban interface areas.

Sec. 913. Monitoring requirements.
Sec. 914. Reporting requirements.
Sec. 915. Special funds.
Sec. 916. Termination of authority.

Subtitle B—Miscellaneous Provisions

Sec. 921. Regulations.
Sec. 922. Authorization of appropriations.

TITLE X—MISCELLANEOUS PROVISIONS

Sec. 1001. Authority to establish Mahatma Gandhi memorial.
Sec. 1002. Establishment of the National Cave and Karst Research Institute in New Mexico.
Sec. 1003. Guadalupe-Hidalgo Treaty land claims.
Sec. 1004. Otay Mountain Wilderness.
Sec. 1005. Acquisition and management of Wilcox Ranch, Utah, for wildlife habitat.
Sec. 1006. Acquisition of mineral and geothermal interests within Mount St. Helens National Volcanic Monument.
Sec. 1007. Operation and Maintenance of Certain Water Impoundment Structures in the Emigrant Wilderness, Stanislaus National Forest, California.
Sec. 1008. East Texas blowdown-NEPA parity.
Sec. 1009. Exemption for certain right-of-way holders from strict liability for recovery of fire suppression costs.
Sec. 1010. Study of improved outdoor recreational access for persons with disabilities.
Sec. 1011. Communication site.
Sec. 1012. Amendment of the Outer Continental Shelf Lands Act.
Sec. 1013. Leasing of certain reserved mineral interests.
Sec. 1014. Oil and gas wells in Wayne National Forest, Ohio.
Sec. 1015. Memorial to Mr. Benjamin Banneker in the District of Columbia.
Sec. 1016. Protection of sanctity of contracts and leases of surface patent holders with respect to coalbed methane gas.

TITLE XI—AMENDMENTS AND TECHNICAL CORRECTIONS TO 1996 OMNIBUS PARKS ACT

Sec. 1100. Reference to Omnibus Parks and Public Lands Management Act of 1996.

Subtitle A—Technical Corrections to the Omnibus Parks Act

Sec. 1101. Presidio of San Francisco.
Sec. 1102. Colonial National Historical Park.
Sec. 1103. Merced Irrigation District.
Sec. 1104. Big Thicket National Preserve.
Sec. 1105. Kenai Natives Association land exchange.
Sec. 1106. Lamprey Wild and Scenic River.
Sec. 1107. Vancouver National Historic Reserve.
Sec. 1108. Memorial to Martin Luther King, Jr.
Sec. 1109. Advisory Council on Historic Preservation.
Sec. 1110. Great Falls Historic District, New Jersey.
Sec. 1111. New Bedford Whaling National Historical Park.
Sec. 1112. Nicodemus National Historic Site.
Sec. 1113. Unalaska.
Sec. 1114. Revolutionary War and War of 1812 historic preservation study.
Sec. 1115. Shenandoah Valley battlefields.
Sec. 1116. Washita Battlefield.
Sec. 1117. Ski area permit rental charge.
Sec. 1118. Glacier Bay National Park.
Sec. 1119. Robert J. Lagomarsino Visitor Center.
Sec. 1120. National Park Service administrative reform.
Sec. 1121. Blackstone River Valley National Heritage Corridor.
Sec. 1122. Tallgrass Prairie National Preserve.
Sec. 1123. Recreation lakes.
Sec. 1124. Fossil forest protection.
Sec. 1125. Opal Creek Wilderness and Scenic Recreation Area.
Sec. 1126. Boston Harbor Islands National Recreation Area.
Sec. 1127. Natchez National Historical Park.
Sec. 1128. Regulation of fishing in certain waters of Alaska.
Sec. 1129. National Coal Heritage Area.
Sec. 1130. Tennessee Civil War Heritage Area.
Sec. 1131. Augusta Canal National Heritage Area.
Sec. 1132. Essex National Heritage Area.
Sec. 1133. Ohio & Erie Canal National Heritage Corridor.
Sec. 1134. Hudson River Valley National Heritage Area.

Subtitle B—Other Amendments to Omnibus Parks Act

Sec. 1151. Black Revolutionary War Patriots Memorial extension.
Sec. 1152. Land acquisition, Boston Harbor Islands National Recreation Area.

TITLE XII—DUTCH JOHN FEDERAL PROPERTY DISPOSITION AND ASSISTANCE

Sec. 1201. Short title.
Sec. 1202. Findings and purposes.
Sec. 1203. Definitions.
Sec. 1204. Disposition of certain lands and properties.
Sec. 1205. Revocation of withdrawals.
Sec. 1206. Transfers of jurisdiction.
Sec. 1207. Surveys.
Sec. 1208. Planning.
Sec. 1209. Appraisals.
Sec. 1210. Disposal of properties.
Sec. 1211. Valid existing rights.
Sec. 1212. Cultural resources.
Sec. 1213. Transition of services to local government control.
Sec. 1214. Authorization of appropriations.

TITLE XIII—RECLAMATION PROJECT CONVEYANCES AND MISCELLANEOUS PROVISIONS

Subtitle A—Sly Park Dam and Reservoir, California

Sec. 1311. Short title.
Sec. 1312. Definitions.
Sec. 1313. Conveyance of project.
Sec. 1314. Relationship to existing operations.
Sec. 1315. Relationship to certain contract obligations.
Sec. 1316. Relationship to other laws.
Sec. 1317. Liability.

Subtitle B—Minidoka Project, Idaho

Sec. 1321. Short title
Sec. 1322. Definitions.
Sec. 1323. Conveyance.
Sec. 1324. Relationship to existing operations.
Sec. 1325. Relationship to certain contract obligations.
Sec. 1326. Liability.

Subtitle C—Carlsbad Irrigation Project, New Mexico

Sec. 1331. Short title.
Sec. 1332. Definitions.
Sec. 1333. Conveyance of project.
Sec. 1334. Relationship to existing operations.
Sec. 1335. Relationship to certain contract obligations.
Sec. 1336. Lease management and past revenues collected from the acquired lands.
Sec. 1337. Water conservation practices.
Sec. 1338. Liability.
Sec. 1339. Future reclamation benefits.

Subtitle D—Palmetto Bend Project, Texas

Sec. 1341. Short title.
Sec. 1342. Definitions.
Sec. 1343. Conveyance of project.
Sec. 1344. Relationship to existing operations.
Sec. 1345. Relationship to certain contract obligations.
Sec. 1346. Relationship to other laws.
Sec. 1347. Liability.

Subtitle E—Wellton-Mohawk Division, Gila Project, Arizona

Sec. 1351. Short title.
Sec. 1352. Definitions.
Sec. 1353. Conveyance of project.
Sec. 1354. Relationship to existing operations.
Sec. 1355. Liability.
Sec. 1356. Lands transfer.
Sec. 1357. Water and power contracts.

Subtitle F—Canadian River Project, Texas

Sec. 1361. Short title.
Sec. 1362. Definitions.
Sec. 1363. Prepayment and conveyance of project.
Sec. 1364. Relationship to existing operations.
Sec. 1365. Relationship to certain contract obligations.
Sec. 1366. Relationship to other laws.
Sec. 1367. Liability.

Subtitle G—Clear Creek Distribution System, California

Sec. 1371. Short title.
Sec. 1372. Definitions.
Sec. 1373. Conveyance of project.
Sec. 1374. Relationship to existing operations.
Sec. 1375. Relationship to certain contract obligations.
Sec. 1376. Liability.

Subtitle H—Pine River Project, Colorado

Sec. 1381. Short title.
Sec. 1382. Definitions.
Sec. 1383. Conveyance of project.
Sec. 1384. Relationship to existing operations.
Sec. 1385. Relationship to other laws.
Sec. 1386. Liability.

Subtitle I—Technical Corrections and Miscellaneous Provisions

Sec. 1391. Technical corrections.
Sec. 1392. Authorization to construct temperature control devices.
Sec. 1393. Colusa Basin watershed integrated resources management.
Sec. 1394. Limitation on statutory construction.

TITLE XIV—PROVISIONS SPECIFIC TO ALASKA

Sec. 1401. Automatic land bank protection.
Sec. 1402. Development by third-party trespassers.
Sec. 1403. Retained mineral estate.
Sec. 1404. Amendment to Public Law 102-415.
Sec. 1405. Clarification on treatment of bonds from a Native Corporation.
Sec. 1406. Mining claims.
Sec. 1407. Sale, disposition, or other use of common varieties of sand, gravel, stone, pumice, peat, clay, or cinder resources.

Sec. 1408. Alaska Native allotment applications.
Sec. 1409. Visitor services.
Sec. 1410. Local hire report.
Sec. 1411. Shareholder benefits.
Sec. 1412. Shareholder homesite program.
Sec. 1413. Moratorium on Federal management.
Sec. 1414. Easement for Chugach Alaska Corporation.
Sec. 1415. Calista Native Corporation land exchange.

TITLE XV—OTHER PROVISIONS

Sec. 1501. Adams National Historical Park.
Sec. 1502. Acquisition of lands for Frederick Law Olmstead National Historic Site.
Sec. 1503. Designation of Dante Fascell Visitor Center at Biscayne National Park.
Sec. 1504. Designation of California Coastal Rocks and Islands Wilderness Area to be administered by Bureau of Land Management.
Sec. 1505. Spanish Peaks Wilderness.
Sec. 1506. Rosie the Riveter National Park Service affiliated site.

TITLE I—BOUNDARY ADJUSTMENTS AND RELATED CONVEYANCES

SEC. 101. FORT DAVIS HISTORIC SITE, FORT DAVIS, TEXAS.

The Act entitled "An Act Authorizing the establishment of a national historic site at Fort Davis, Jeff Davis County, Texas", approved September 8, 1961 (75 Stat. 488; 16 U.S.C. 461 note), is amended in the first section by striking "not to exceed four hundred and sixty acres" and inserting "not to exceed 476 acres".

SEC. 102. ABRAHAM LINCOLN BIRTHPLACE NATIONAL HISTORIC SITE, KENTUCKY.

(a) IN GENERAL.—Upon acquisition of the land known as Knob Creek Farm pursuant to subsection (b), the boundary of the Abraham Lincoln Birthplace National Historic Site, established by the Act of July 17, 1916 (39 Stat. 385, chapter 247; 16 U.S.C. 211 et seq.), is revised to include such land. Lands acquired pursuant to this section shall be administered by the Secretary of the Interior as part of the historic site.

(b) ACQUISITION OF KNOB CREEK FARM.—The Secretary of the Interior may acquire, by donation only, the approximately 228 acres of land known as Knob Creek Farm in Larue County, Kentucky, as generally depicted on a map entitled "Knob Creek Farm Unit, Abraham Lincoln National Historic Site", numbered 338/80,077, and dated October 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(c) STUDY AND REPORT.—The Secretary of the Interior shall study the Knob Creek Farm in Larue County, Kentucky, and not later than 1 year after the date of enactment of this Act, submit a report to the Congress containing the results of the study. The purpose of the study shall be to:

(1) Identify significant resources associated with the Knob Creek Farm and the early boyhood of Abraham Lincoln.

(2) Evaluate the threats to the long-term protection of the Knob Creek Farm's cultural, recreational, and natural resources.

(3) Examine the incorporation of the Knob Creek Farm into the operations of the Abraham Lincoln Birthplace National Historic Site and establish a strategic management plan for implementing such incorporation. In developing the plan, the Secretary shall—

(A) determine infrastructure requirements and property improvements needed at Knob Creek Farm to meet National Park Service standards;

(B) identify current and potential uses of Knob Creek Farm for recreational, interpretive, and educational opportunities; and

(C) project costs and potential revenues associated with acquisition, development, and operation of Knob Creek Farm.

(d) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out subsection (c).

SEC. 103. GRAND STAIRCASE-ESCALANTE NATIONAL MONUMENT, UTAH.

(a) EXCLUSION OF CERTAIN LANDS.—The boundaries of the Grand Staircase-Escalante National Monument in the State of Utah are hereby modified to exclude the following lands:

(1) The parcel known as Henrieville Town, Utah, as generally depicted on the map entitled "Henrieville Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(2) The parcel known as Cannonville Town, Utah, as generally depicted on the map entitled "Cannonville Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(3) The parcel known as Tropic Town, Utah, as generally depicted on the map entitled "Tropic Town Parcel", dated July 21, 1998.

(4) The parcel known as Boulder Town, Utah, as generally depicted on the map entitled "Boulder Town Exclusion, Garfield County, Utah", dated March 25, 1998.

(b) INCLUSION OF CERTAIN ADDITIONAL LANDS.—The boundaries of the Grand Staircase-Escalante National Monument are hereby modified to include the parcel known as East Clark Bench, as generally depicted on the map entitled "East Clark Bench Inclusion, Kane County, Utah", dated March 25, 1998.

(c) MAPS.—The maps referred to in subsections (a) and (b) shall be on file and available for public inspection in the office of the Grand Staircase-Escalante National Monument in the State of Utah and in the office of the Director of the Bureau of Land Management.

(d) LAND CONVEYANCE, TROPIC TOWN, UTAH.—The Secretary of the Interior shall convey to Garfield County School District, Utah, all right, title, and interest of the United States in and to the lands shown on the map entitled "Tropic Town Parcel" and dated July 21, 1998, in accordance with section 1 of the Act of June 14, 1926 (43 U.S.C. 869; commonly known as the Recreation and Public Purposes Act), for use as the location for a school and for other education purposes.

(e) LAND CONVEYANCE, KODACHROME BASIN STATE PARK, UTAH.—The Secretary shall transfer to the State of Utah all right, title, and interest of the United States in and to the lands shown on the map entitled "Kodachrome Basin Conveyance No. 1 and No. 2" and dated July 21, 1998, in accordance with section 1 of the Act of June 14, 1926 (43 U.S.C. 869; commonly known as the Recreation and Public Purposes Act), for inclusion of the lands in Kodachrome Basin State Park.

(f) UTILITY CORRIDOR DESIGNATION, U.S. ROUTE 89, KANE COUNTY, UTAH.—There is hereby designated a utility corridor with regard to U.S. Route 89, in Kane County, Utah. The utility corridor shall run from the boundary of Glen Canyon Recreation Area easterly to Mount Carmel Jct. and shall consist of the following:

(1) Bureau of Land Management lands located on the north side of U.S. Route 89 within 240 feet of the center line of the highway.

(2) Bureau of Land Management lands located on the south side of U.S. Route 89 within 500 feet of the center line of the highway.

SEC. 104. GEORGE WASHINGTON BIRTHPLACE NATIONAL MONUMENT, VIRGINIA.

(a) ADDITION.—The boundaries of the George Washington Birthplace National Monument are modified to include the property generally known as George Washington's Boyhood Home, Ferry Farm, located in Stafford County, Virginia, across the Rappahannock River from Fredericksburg, Virginia, comprising approximately 85 acres. The boundary modification is generally depicted on the map entitled "George Washington Birthplace National Monument Boundary Map", numbered 322/80,020 and dated April 1998. The Secretary of the Interior shall keep the map on file and available for public inspection in appropriate offices of the National Park Service.

(b) ACQUISITION OF EASEMENT.—After enactment of this section, the Secretary of the Interior may acquire no more than a less than fee interest in the property described in subsection (a) to ensure the preservation of the important cultural and natural resources associated with Ferry Farm.

(c) RESOURCE STUDY.—Not later than 18 months after the date on which funds are made available to carry out this section, the Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a resource study of the property described in subsection (a). The study shall—

(1) identify the full range of resources and historic themes associated with Ferry Farm, including those associated with George Washington's tenure at the property described in subsection (a) and those associated with the Civil War period;

(2) identify alternatives for further National Park Service involvement at the property described in subsection (a) beyond those that may be provided for in the acquisition authorized under subsection (b); and

(3) include cost estimates for any necessary acquisition, development, interpretation, operation, and maintenance associated with the alternatives identified.

(d) AGREEMENTS.—Upon completion of the resource study under subsection (c), the Secretary of the Interior may enter into agreements with the owner of the property described in subsection (a) or other entities for the purpose of providing programs, services, facilities, or technical assistance that further the preservation and public use of the property.

SEC. 105. WASATCH-CACHE NATIONAL FOREST AND MOUNT NAOMI WILDERNESS, UTAH.

(a) BOUNDARY ADJUSTMENT.—To correct a faulty land survey, the boundaries of the Wasatch–Cache National Forest in the State of Utah and the boundaries of the Mount Naomi Wilderness, which is located within the Wasatch–Cache National Forest and was established as a component of the National Wilderness Preservation System in section 102(a)(1) of the Utah Wilderness Act of 1984 (Public Law 98–428; 98 Stat. 1657), are hereby modified to exclude the parcel of land known as the D. Hyde property, which encompasses an area of cultivation and private use, as generally depicted on the map entitled "D. Hyde Property Section 7 Township 12 North Range 2 East SLB & M", dated July 23, 1998.

(b) LAND CONVEYANCE.—The Secretary of Agriculture shall convey to Darrell Edward Hyde of Cache County, Utah, all right, title, and interest of the United States in and to the parcel of land identified in subsection (a). As part of the conveyance, the Secretary shall release, on behalf of the United States, any claims of the United States against Darrell Edward Hyde for trespass or unauthorized use of the parcel before its conveyance.

(c) WILDERNESS ADDITION.—To prevent any net loss of wilderness within the State of Utah, the boundaries of the Mount Naomi Wilderness are hereby modified to include a parcel of land comprising approximately 7.25 acres, identified as the "Mount Naomi Wilderness Boundary Realignment Consideration" on the map entitled "Mount Naomi Wilderness Addition", dated September 25, 1998.

SEC. 106. BANDELIER NATIONAL MONUMENT, NEW MEXICO.

(a) FINDINGS.—Congress finds the following:

(1) Bandelier National Monument (in this section referred to as the "Monument") was established by Presidential proclamation on February 11, 1916, to preserve the archaeological resources of a "vanished people, with as much land as may be necessary for the proper protection thereof. . ." (Presidential Proclamation No. 1322; 39 Stat. 1764).

(2) At various times since the establishment of the Monument, the Congress and the President have adjusted the boundaries and purpose of the Monument to further preservation of archaeological and natural resources within the Monument:

(A) On February 25, 1932, the Otowi Section of the Santa Fe National Forest (some 4,699 acres of land) was transferred to the Monument from the Santa Fe National Forest (Presidential Proclamation No. 1991; 47 Stat. 2503).

(B) On December 9, 1959, 3,600 acres of Frijoles Mesa were transferred to the National Park Service from the Atomic Energy Commission, and such lands were subsequently added to the Monument on January 9, 1961, because of "pueblo-type archeological ruins germane to those in the monument area" (Presidential Proclamation No. 3388; 75 Stat. 1014).

(C) On May 27, 1963, Upper Canyon, consisting of 2,882 acres of land previously administered by the Atomic Energy Commission, was added to the Monument to preserve the lands "unusual scenic character together with geologic and topographic features, the preservation of which would implement the purposes of such monument (Presidential Proclamation No. 3539; 77 Stat. 1006).

(D) In 1976, concerned about upstream land management activities that could result in flooding and erosion in the Monument, Congress enacted Public Law 94–578 (90 Stat. 2732, 2736) to include the headwaters of the Rito de los Frijoles and the Cañada de Cochiti Grant (a total of 7,310 acres) within the boundaries of the Monument.

(E) In 1976, Congress enacted Public Law 94–567 (90 Stat. 2692), which created the Bandelier Wilderness, a 23,267 acres area that covers over 70 percent of the Monument.

(3) The Monument still has potential threats from flooding, erosion, and water quality deterioration because of the mixed ownership of the upper watersheds, along its western border, particularly in Alamo Canyon.

(b) PURPOSE.—The purpose of this section is to modify the boundaries of the Monument to allow for acquisition and enhanced protection of the lands within the Monument's upper watershed.

(c) BOUNDARY MODIFICATION.—Effective on the date of enactment of this Act, the boundaries of the Monument are hereby modified to include approximately 935 acres of land, comprised of the Elk Meadows subdivision, the Gardner parcel, the Clark parcel, and the Baca Land & Cattle Co. lands within the Upper Alamo watershed, as depicted on the National Park Service map entitled "Proposed Boundary Expansion Map Bandelier National Monument" dated July 1997. Such map shall be on file and available for public inspection in the offices of the Director of the National Park Service, Department of the Interior.

(d) ACQUISITION AUTHORITY—

(1) ACQUISITION METHODS.—Subject to paragraphs (2), (3), and (4), the Secretary of the Interior may acquire lands and interests therein within the boundaries of the area added to the Monument by this section by donation, purchase with donated or appropriated funds, transfer with another Federal agency, or exchange.

(2) CONSENT OF OWNER REQUIRED.—Lands or interests therein may be acquired under paragraph (1) only with the consent of the owner of the lands.

(3) STATE AND LOCAL LANDS.—Lands or interests therein owned by the State of New Mexico, or a political subdivision thereof, may be acquired under paragraph (1) only by donation or exchange.

(4) ACQUISITION OF LESS THAN FEE INTERESTS IN LAND.—The Secretary may acquire less than fee interests in land only if the Secretary determines that such less than fee acquisition will adequately protect the Monument from flooding, erosion, and degradation of its drainage waters.

(e) ADMINISTRATION.—The Secretary of the Interior, acting through the Director of the National Park Service, shall manage the Monument, including lands added to the Monument by this section, in accordance with this section, the provisions of law generally applicable to units of National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and such specific laws as heretofore have been enacted regarding the Monument.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

TITLE II—OTHER LAND CONVEYANCES AND MANAGEMENT

Subtitle A—Southern Nevada Public Land Management

SEC. 201. CONVEYANCE TO CLARK COUNTY DEPARTMENT OF AVIATION.

(a) CONVEYANCE REQUIRED.—Notwithstanding the land use planning requirements contained in sections 202 and 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1711 and 1712), but subject to subsection (b) of this section, the Secretary of the Interior shall convey to the Department of Aviation of Clark County, Nevada (in this section referred to as the "Aviation Department"), all right, title, and interest of the United States in and to the public lands identified for disposition on the map entitled "Ivanpah Valley Airport Selections, #1" and dated September 30, 1998, for the purpose of developing an airport facility and related infrastructure. Such map shall be on file and available for public inspection in the offices of the Director and the Las Vegas District of the Bureau of Land Management.

(b) AIRSPACE STUDY AND MITIGATION OF ADVERSE EFFECTS.—The conveyance identified in subsection (a) shall not occur unless each of the following occur:

(1) The Aviation Department conducts an airspace assessment to identify any adverse effect on access to the Las Vegas Basin under visual flight rules that would result from the construction and operation of a commercial or primary airport, or both, on the land to be conveyed.

(2) The Federal Aviation Administration certifies to the Secretary that the Aviation Department's assessment is thorough and that alternatives have been developed to address each adverse effect identified in the assessment, including alternatives that ensure access to the Las Vegas Basin under visual flight rules at a level that is equal to or better than existing access.

(3) The Aviation Department enters into an agreement with the Secretary to retain ownership of nearby Jean Airport and to maintain and develop Jean Airport as a general aviation airport.

(c) PHASED CONVEYANCES.—The Secretary shall convey the lands identified in subsection (a) in smaller parcels over a period of up to 20 years, as may be required to carry out the phased construction and development of the airport facility and infrastructure on the lands to be conveyed. As consideration for the conveyance of each parcel, the Aviation Department shall pay to the United States an amount equal to the fair market value of the parcel.

(d) DETERMINATIONS OF FAIR MARKET VALUE.—During the 3-year period beginning on the date of the enactment of this Act, the fair market value of a parcel to be conveyed under subsection (a) shall be based on an appraisal of the fair market value as of a date not later than 6 months after the date of the enactment of this Act. The fair market value of each parcel conveyed after the end of such period shall be based on a subsequent appraisal. An appraisal conducted after such period shall consider the parcel in its unimproved state and shall not reflect any enhancement in value to the parcel based upon the existence or planned construction of infrastructure on or near the parcel.

(e) REVERSIONARY INTEREST.—During the 5-year period beginning 20 years after the date on which the Secretary conveys the first parcel under subsection (a), if the Secretary determines that the Aviation Department is not developing or progressing toward the development of the conveyed lands as an airport facility, the Secretary may exercise a right to reenter the conveyed lands. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing. If the Secretary exercises a right to reenter the conveyed lands under this subsection, the Secretary shall reimburse the Aviation Department for all payments made to the United States under subsection (c).

(f) WITHDRAWAL.—The public lands referred to in subsection (a) are hereby withdrawn from mineral entry under the Act of May 10, 1872 (30 U.S.C. 22 et seq.; popularly known as the Mining Law of 1872), and the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(g) MOJAVE NATIONAL PRESERVE OVERFLIGHTS.—The Secretary of Transportation shall consult with the Secretary in the preparation of an airspace management plan for the Ivanpah Airport which avoids, to the maximum extent practicable, overflights of the Mojave National Preserve in California consistent with Federal Aviation Administration recommendations for safety.

Subtitle B—Conveyance of Canyon Ferry Reservoir Properties

SEC. 221. FINDINGS.

The Congress finds that the conveyance of the Properties described in section 224(b) to the Lessees of those Properties for fair market value would have the beneficial results of—

(1) reducing Pick-Sloan project debt for the Canyon Ferry Reservoir;

(2) providing a permanent source of funding to acquire and improve public access, to conserve fish and wildlife, and to enhance public hunting, fishing, and recreational opportunities in the State of Montana;

(3) eliminating Federal payments in lieu of taxes and associated management expenditures in connection with the Federal Government's ownership of the Properties while increasing local tax revenues from the new owners of the Properties; and

(4) eliminating expensive and contentious disputes between the Secretary of the Interior and Lessees while ensuring that the Federal Government receives full and fair value for the conveyance of the Properties.

SEC. 222. PURPOSE.

The purpose of this subtitle is to establish terms and conditions under which the Secretary of the Interior shall convey, for fair market value, certain Properties around Canyon Ferry Reservoir in the State of Montana, to the Lessees of the Properties.

SEC. 223. DEFINITIONS.

In this subtitle:

(1) CABIN TRUST.—The terms "Cabin Trust" and "Canyon Ferry Cabin Site Transfer Trust" mean the Canyon Ferry Cabin Site Transfer Trust established pursuant to section 229.

(2) CFRA.—The term "CFRA" means the Canyon Ferry Recreation Association, Incorporated, a Montana corporation.

(3) COMMISSIONERS.—The term "Commissioners" means the Board of Commissioners for Broadwater County, Montana.

(4) COUNTY TRUST.—The terms "County Trust" and "Canyon Ferry-Broadwater County Trust" mean the Canyon Ferry-Broadwater County Trust established pursuant to section 228.

(5) LESSEE.—The term "Lessee" means the leaseholder (or permit holder) of any one of the cabin sites described in section 224(b) on the date of the enactment of this subtitle and the heirs, executors, and assigns of the leaseholder's (or permit holder's) interest in that cabin site.

(6) PROPERTY.—The term "Property" means any one of the cabin sites described in section 224(b).

(7) PROPERTIES.—The term "Properties" means all 265 of the cabin sites (and related parcels) described in section 224(b).

(8) PURCHASER.—The term "Purchaser" means a person or entity, excluding CFRA or a Lessee, that purchases the Properties under section 224.

(9) RESERVOIR.—The terms "Reservoir" and "Canyon Ferry Reservoir" mean the Canyon Ferry Reservoir in the State of Montana.

(10) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(11) STATE TRUST.—The terms "State Trust" and "Montana Fish and Wildlife Conservation Trust" mean the Montana Fish and Wildlife Conservation Trust established pursuant to section 227.

SEC. 224. SALE OF PROPERTIES.

(a) SALE REQUIRED.—Subject to subsection (c) and section 228(a), and notwithstanding any other provision of law, the Secretary shall sell at fair market value—

(1) all right, title, and interest of the United States in and to all (but not fewer than all) of the Properties, subject to valid existing rights; and

(2) perpetual easements for—

(A) vehicular access to each Property;

(B) access to and the use of one dock per Property; and

(C) access to and the use of all boathouses, ramps, retaining walls, and other improvements for which access is provided in the Property leases as of the date of the enactment of this subtitle.

(b) DESCRIPTION OF PROPERTIES.—

(1) IN GENERAL.—The Properties to be conveyed are—

(A) the 265 cabin sites of the Bureau of Reclamation located along the northern end of the Reservoir in portions of sections 2, 11, 12, 13, 15, 22, 23, and 26, Township 10 North, Range 1 West; and

(B) any small parcels contiguous to the Property (not including shoreline or land needed to provide public access to the shoreline of the Reservoir) that the Secretary determines should be conveyed in order to eliminate inholdings and facilitate administration of surrounding land remaining in Federal ownership.

(2) ACREAGE; LEGAL DESCRIPTION.—The acreage and legal description of each Property and of each parcel determined by the Secretary under paragraph (1)(B) shall be determined by agreement between the Secretary and CFRA.

(c) PURCHASE PROCESS.—

(1) IN GENERAL.—The Secretary shall—

(A) solicit sealed bids for the Properties;

(B) subject to paragraph (2), sell the Properties to the bidder that submits the highest bid above the minimum bid determined under paragraph (2); and

(C) only accept bids that provide for the purchase of all of the Properties in one bundle.

(2) MINIMUM BID.—Before accepting bids, the Secretary, in consultation with CFRA, shall establish a minimum bid based on an appraisal of the fair market value of the Properties, exclusive of the value of private improvements made by leaseholders of the Properties before the date of the conveyance. The appraisal shall be conducted in conformance with the Uniform Standards of Professional Appraisal Practice.

(3) RIGHT OF FIRST REFUSAL.—If the highest bidder is a person other than CFRA, CFRA shall have the right to match the highest bid and purchase the Properties at a price equal to the amount of that other person's bid.

(d) TERMS OF CONVEYANCE FOR PURCHASER OTHER THAN CFRA.—

(1) APPLICATION OF SUBSECTION.—This subsection applies in the event that the highest bidder for the Properties is other than CFRA, and CFRA does not match the highest bid as authorized in subsection (c)(3).

(2) PAYMENT AND CONVEYANCE.—The Secretary shall convey the Properties to the Purchaser upon the payment by the Purchaser of the bid amount. The Secretary shall use the proceeds as provided in section 225.

(3) PURCHASER TO EXTEND OPTION TO PURCHASE OR TO CONTINUE LEASING.—

(A) PURCHASE OPTION.—The Purchaser shall give each Lessee of a Property conveyed under this section an option to purchase the Property at fair market value as determined under subsection (c)(2).

(B) RIGHT TO CONTINUE LEASE.—A Lessee that is unable or unwilling to purchase a Property shall be provided the opportunity to continue to lease the Property for fair market value rent under the same terms and conditions as apply under the existing lease for the Property, including the right to renew the term of the existing lease for two consecutive five-year terms.

(C) COMPENSATION FOR IMPROVEMENTS.—If a Lessee declines to purchase a Property, the Purchaser shall compensate the Lessee for the fair market value, as determined pursuant to customary appraisal procedures, of all improvements made to the Property. The Lessee may sell the improvements to the Purchaser at any time, but the sale shall be completed by the final termination of the lease, after all renewals as provided in subparagraph (B).

(4) PROPERTY DESCRIPTIONS AND HISTORICAL USE.—The Purchaser shall honor the existing descriptions of the Properties and historical use restrictions for the Properties.

(e) TERMS OF CONVEYANCE FOR CFRA.—

(1) APPLICATION OF SUBSECTION.—This subsection applies in the event that CFRA is the highest bidder or matches the highest bid as authorized in subsection (c)(3).

(2) TIME FOR CONVEYANCE.—The Secretary shall close on a Property within 45 days after receipt of the purchase request from the Lessee of the Property or CFRA.

(3) TIME FOR PAYMENT.—At the closing for a Property to be purchased by the Lessee or CFRA, the Lessee or CFRA shall deliver to the Secretary payment for the Property. The Secretary shall use the proceeds as provided in section 226.

(4) PURCHASE AMOUNT.—The Secretary and CFRA shall determine the purchase amount of each Property based on the appraisal conducted pursuant to subsection (c)(2), the amount bid pursuant to subsection (c)(1), and the proportionate share of administrative costs pursuant to subsection (g). The total purchase amount for all Properties shall equal the total bid amount plus administrative costs pursuant to subsection (g).

(5) TIME FOR PURCHASE.—CFRA and the Lessees shall complete purchase of at least 75 percent of the Properties not later than August 1 of the year that is at least 12 months after title to the first Property is transferred by the Secretary to a Lessee.

(6) EFFECT OF FAILURE TO COMPLETE PURCHASE.—On the August 1 determined under paragraph (5), the Secretary shall convey, without consideration, to the Canyon Ferry Cabin Site Transfer Trust the fee title to any Property not purchased by CFRA or a Lessee before that date.

(7) COSTS.—The Lessee shall reimburse CFRA for a proportionate share of the costs to CFRA of completing the transactions, including any interest charges.

(f) CONTINUED PUBLIC ACCESS TO RESERVOIR.—The Secretary, the Purchaser, CFRA, and subsequent owners of each Property shall ensure that existing public access to and along the shoreline of the Reservoir is not obstructed.

(g) ADMINISTRATIVE COSTS.—Any reasonable administrative cost incurred by the Secretary incident to the conveyance under subsection (a) shall be reimbursed by the Purchaser or CFRA, as the case may be.

(h) TIMING.—The Secretary shall make every effort to complete the conveyance under subsection (a) not later than one year after the date on which the conditions specified in section 228(a) are satisfied.

(i) CLOSING.—

(1) IN GENERAL.—The Secretary shall complete no real estate closings under this section until the Secretary is prepared to close on every individual Property. Real estate closings to complete the conveyance under subsection (a) may be staggered to facilitate the conveyance as agreed to by the Secretary and the Purchaser or CFRA, as the case may be.

(2) CONVEYANCE TO LESSEE.—If a Lessee elects to purchase a Property from the Purchaser or CFRA, the Secretary, upon request

by the Lessee, shall have the conveyance documents prepared in the Lessee's name or names in order to minimize the time and documents required to complete the closing for the Property.

SEC. 225. MANAGEMENT OF BUREAU OF RECLAMATION RECREATION AREA.

(a) Contract for Campground Management.—Not later than six months after the date of the enactment of this subtitle, the Secretary shall—

(1) offer to enter into a contract with the Board of Commissioners for Broadwater County, Montana, under which the Commissioners would undertake the management of the Bureau of Reclamation recreation area known as Silos recreation area;

(2) enter into such a contract if mutually agreed upon by the Secretary and the Commissioners; and

(3) grant necessary easements to Broadwater County, Montana, for access roads within and adjacent to the Silos recreation area.

(b) Concession Income.—Any income generated by any concessions which may be granted by the Commissioners at the Silos recreation area shall be deposited in the Canyon Ferry-Broadwater County Trust established pursuant to section 228 and may be disbursed by the manager of the County Trust as part of the income of the County Trust.

SEC. 226. USE OF PROCEEDS.

Proceeds received by the United States from the conveyances under this subtitle shall be used as follows:

(1) 10 percent of the proceeds shall be applied by the Secretary of the Treasury to reduce the outstanding debt for the Pick-Sloan project at Canyon Ferry Reservoir.

(2) 90 percent of the proceeds shall be deposited into the State Trust.

SEC. 227. MONTANA FISH AND WILDLIFE CONSERVATION TRUST.

(a) Establishment of State Trust.—

(1) Establishment.—The Secretary shall establish a nonprofit charitable permanent perpetual public trust in Montana to be known as the "Montana Fish and Wildlife Conservation Trust", to provide a permanent source of funding to acquire publicly accessible land and interests in land, including easements and conservation easements, in Montana from willing sellers at fair market value to—

(A) restore and conserve fisheries habitat, including riparian habitat;

(B) restore and conserve wildlife habitat;

(C) enhance public hunting, fishing, and recreational opportunities; and

(D) improve public access to public lands.

(2) Consultation.—The Secretary shall establish the State Trust in consultation with the Montana congressional delegation and the Governor of the State of Montana.

(b) State Trust manager.—The State Trust shall be managed by a manager who shall be responsible for—

(1) investing the corpus of the State Trust; and

(2) disbursing funds from the State Trust at the request of the Joint State-Federal Agency Board established under subsection (c) upon receipt of a request for disbursement that complies with the requirements of such subsection.

(c) Joint State-Federal Agency Board.—

(1) Establishment.—An advisory board for the State Trust shall be established by the State Trust and shall be known as the "Joint State-Federal Agency Board". The Joint State-Federal Agency Board shall consist of the following persons:

(A) A Forest Service employee working in Montana designated by the Forest Service.

(B) A Bureau of Land Management employee working in Montana designated by the Bureau of Land Management.

(C) A Bureau of Reclamation employee working in Montana designated by the Bureau of Reclamation.

(D) A Fish and Wildlife Service employee working in Montana designated by the United States Fish and Wildlife Service.

(E) A Fish, Wildlife, and Parks employee designated by the Montana Department of Fish, Wildlife, and Parks.

(2) Submission of disbursement request.—A request for disbursement from the State Trust may be submitted to the manager of the State Trust if the request satisfies a purpose of the State Trust specified in subsection (a) and is agreed to by a majority of the members of the Joint State-Federal Agency Board.

(3) Consultation and consideration.—Before submitting a request for disbursement to the manager of the State Trust, the Joint State-Federal Agency Board shall consult with the Citizen Advisory Board established under subsection (d) regarding the merits of the request and after consideration of the plan for the State Trust prepared under subsection (e). The Joint State-Federal Agency Board shall also notify members of the public, including local governments, of proposed requests for disbursement and shall provide an opportunity for public comment. The Joint State-Federal Agency Board shall consider any comments or recommendations for requests submitted by members of the public or the Citizen Advisory Board.

(d) Citizen Advisory Board.—The Joint State-Federal Agency Board shall appoint, from nominations submitted by the Secretary, a Citizen Advisory Board consisting of four members, including one representative with a demonstrated commitment to improving public access to public lands and to fish and wildlife conservation from each of the following:

(1) A Montana organization representing agricultural landowners.

(2) A Montana organization representing hunters.

(3) A Montana organization representing fishermen.

(4) A Montana nonprofit land trust or environmental organization.

(e) State Trust Plan.—The Citizen Advisory Board, in consultation with the Joint State-Federal Agency Board and the Montana Association of Counties, shall prepare (and periodically update) a plan for the management and use of the State Trust. The plan shall include recommendations regarding appropriate requests for disbursement from the State Trust. The plan shall be designed to maximize effectiveness of State Trust expenditures considering public needs and requests, availability of property, alternative sources of funding, and availability of matching funds.

(f) Treatment of Principal and Earnings.—

(1) Principal.—The principal amount of the State Trust shall be inviolate.

(2) Earnings.—Earnings on amounts in the State Trust shall be used to carry out subsection (a) and to administer the State Trust and Citizen Advisory Board.

(g) Local Purposes.—No more than 50 percent of the income from the State Trust in any given year shall be utilized outside the watershed of the Missouri River in Montana, from Holter Dam upstream to the confluence of the Jefferson, Gallatin, and Madison Rivers.

(h) Management of Acquisitions.—Land and interests in land acquired under this section shall be managed for the purposes specified in subsection (a).

SEC. 228. CANYON FERRY-BROADWATER COUNTY TRUST.

(a) Trust Required as Condition on Conveyances.—The Secretary may not sell the Properties under section 224 unless and until—

(1) the Board of Commissioners for Broadwater County, Montana, establishes a nonprofit charitable permanent perpetual public trust, to be known as the "Canyon Ferry-Broadwater County Trust"; and

(2) at least $3,000,000, or some lesser amount as offset by in-kind contributions made before full funding of the County Trust, is deposited as the initial corpus of the County Trust.

(b) Reduction for In-Kind Contributions.—The amount required to be deposited in the County Trust under subsection (a)(2) may be reduced to reflect in-kind contributions made in Broadwater County and related to the improvement of access to those portions of the Reservoir lying within Broadwater County or for the creation and improvement of new and existing recreational areas within Broadwater County. In kind contributions, including the value of such contributions, the nature and type of contribution, and the entity providing the contribution, must be approved in advance by the commissioners, but in kind contributions may not include any contribution made by Broadwater County.

(c) County Trust Management.—The County Trust shall be managed by a nonprofit foundation or other independent trustee to be selected by the Commissioners. The selected person or entity shall be referred to as the "trust manager".

(d) Use.—

(1) In general.—The trust manager shall invest the corpus of the County Trust and shall disburse funds from the County Trust only as provided in this subsection.

(2) Silo recreation area.—A sum not to exceed $500,000 may be expended from the corpus of the County Trust to pay for the planning and construction of a harbor at the Silos recreation area.

(3) Other uses.—The balance of the principal of the County Trust shall be inviolate. Income derived from the County Trust may be expended for the improvement of access to those portions of Canyon Ferry Reservoir lying within Broadwater County, Montana, and for the creation and improvement of new and existing recreational areas within Broadwater County.

(4) Limitation.—All interest earned on the principal of the County Trust shall be reinvested and considered part of the corpus of the County Trust until the sum of $3,000,000, or such lesser amount as offset by in-kind contributions (as defined under subsection (b)), is deposited as the initial corpus of the County Trust.

(5) Disbursement.—The trust manager shall either approve or reject any request for disbursement, but shall not make any expenditure except on the recommendation of the advisory committee established under subsection (e).

(e) Advisory Committee.—

(1) Appointment.—The Commissioners shall appoint an advisory committee consisting of not less than three nor more than five persons.

(2) Duties.—The advisory committee shall meet on a regular basis to establish priorities and prepare requests for the disbursement of funds from the County Trust, except

that the advisory committee shall recommend only such expenditures as are approved by the Commissioners.

(f) NO OFFSET.—Neither the corpus of the County Trust nor its interest shall be used to reduce or replace the regular operating expenses of the Secretary at the Reservoir, unless such use is authorized by the Commissioners.

SEC. 229. CANYON FERRY CABIN SITE TRANSFER TRUST.

(a) ESTABLISHMENT.—The Secretary shall establish a trust in Montana, to be known as the "Canyon Ferry Cabin Site Transfer Trust".

(b) PURPOSES.—The purposes of the Canyon Ferry Cabin Site Transfer Trust are as follows:

(1) To receive each unsold Property transferred by the Secretary under section 224(e)(6).

(2) To provide all appropriate real estate management services, including collecting rents, paying taxes, enforcing lease terms and selling Property.

(3) To pay to the State Trust any income generated from the Cabin Trust after the payment of management fees, costs, and expenses.

(c) TRUST TERM.—

(1) ESTABLISHMENT.—The Cabin Trust shall be established on August 1 of the year that is at least 12 months after title to the first Property is transferred by the Secretary to a Lessee.

(2) TERMINATION.—The Cabin Trust shall terminate after the completion of the last sale of a Property under its management.

(d) ADMINISTRATION.—The Cabin Trust shall be managed by a trust manager who shall administer it consistent with the purposes of this section.

(e) CONTINUATION OF LEASES.—

(1) IN GENERAL.—The Cabin Trust shall allow a Lessee that is unable or unwilling to purchase a Property to continue to lease the Property pursuant to the terms and conditions of the lease in effect for the Property on the date of the enactment of this subtitle.

(2) RENTAL PAYMENTS.—All rents received during the continuation of a lease under paragraph (1) shall be paid to the Cabin Trust.

(3) LIMITATION ON RIGHT TO TRANSFER LEASE.—Subject to valid existing rights, a Lessee may not sell or otherwise assign or transfer the leasehold without purchasing the Property from the Cabin Trust and conveying the fee interest in the Property. In the event of a sale by a Lessee to a third party, it shall be permissible for a simultaneous closing to be conducted wherein the Lessee conveys its interest in the leasehold improvements to the third party and the Cabin Trust conveys the fee title to the third party.

(f) CONVEYANCE BY CABIN TRUST.—All conveyances of a Property and any related parcels described in section 224(b)(1)(B) by the Cabin Trust shall be at fair market value as determined by a new appraisal, but in no event may the Cabin Trust convey any Property to a Lessee for an amount less than the value established for the Property by the appraisal conducted pursuant to section 224(c)(2).

(g) SALE PROCEEDS.—All proceeds from the sale of a Property received by the Cabin Trust shall be distributed by the trust manager as follows:

(1) 10 percent of the proceeds shall be paid to the Secretary of the Treasury to be applied to the reduction of the outstanding debt for the Pick-Sloan project at Canyon Ferry Reservoir.

(2) 90 percent of the proceeds shall be paid to the Montana Fish and Wildlife Conservation Trust.

(h) COSTS.—The Lessee, or a third party acquiring a Property with the cooperation of the Lessee, shall reimburse the Cabin Trust for a proportionate share of the costs to the Cabin Trust of completing the transactions contemplated by this section. In addition, the Lessee, or a third party acquiring a Property with the cooperation of the Lessee, shall reimburse the Cabin Trust for costs, including costs of the new appraisal, associated with conveying the Property from the Cabin Trust to the Lessee or a third party.

Subtitle C—Conveyance of National Forest Lands for Public School Purposes

SEC. 231. AUTHORIZATION OF USE OF NATIONAL FOREST LANDS FOR PUBLIC SCHOOL PURPOSES.

(a) TRANSFERS.—The Secretary of Agriculture may, upon a finding that the transfer of certain National Forest lands for local public school purposes would serve the public interest, authorize the transfer of up to 40 acres of National Forest lands to a local governmental entity for public school purposes. The Secretary may make available only those National Forest lands that have been identified for disposal or exchange or are not otherwise needed for National Forest purposes. The Secretary shall make such transfers using the least amount of land required for the efficient operation of the project involved.

(b) COSTS.—Such transfers may be made at discounted or no-cost. The Secretary shall provide for a no-cost transfer to a local governmental entity for public school purposes if the Secretary determines that the charges for such lands would impose an undue hardship on the local governmental entity.

(c) CONDITIONS.—Such transfers shall be conditioned on the requirement that the lands so transferred will be used solely for public school purposes.

(d) DEADLINE FOR CONSIDERATION OF APPLICATION FOR USE FOR SCHOOL.—If the Secretary receives an application from a duly qualified applicant that is a local education agency seeking a conveyance of land under this section for use for an elementary or secondary school, including a public charter school, the Secretary shall—

(1) before the end of the 10-day period beginning on the date of that receipt, provide notice of that receipt to the applicant; and

(2) before the end of the 90-day period beginning on the date of that receipt—

(A) determine whether or not to convey land pursuant to the application, and notify the applicant of that determination; or

(B) report to the Congress and the applicant the reasons that determination has not been made.

Subtitle D—Other Conveyances

SEC. 241. LAND EXCHANGE, EL PORTAL ADMINISTRATIVE SITE, CALIFORNIA.

(a) AUTHORIZATION OF EXCHANGE.—If the non-Federal lands described in subsection (b) are conveyed to the United States in accordance with this section, the Secretary of the Interior shall convey to the party conveying the non-Federal lands all right, title, and interest of the United States in and to a parcel of land consisting of approximately 8 acres administered by the Department of Interior as part of the El Portal Administrative Site in the State of California, as generally depicted on the map entitled "El Portal Administrative Site Land Exchange", dated June 1998.

(b) RECEIPT OF NON-FEDERAL LANDS.—The parcel of non-Federal lands referred to in subsection (a) consists of approximately 8 acres, known as the Yosemite View parcel, which is located adjacent to the El Portal Administrative Site, as generally depicted on the map referred to in subsection (a). Title to the non-Federal lands must be acceptable to the Secretary of the Interior, and the conveyance shall be subject to such valid existing rights of record as may be acceptable to the Secretary. The parcel shall conform with the title approval standards applicable to Federal land acquisitions.

(c) EQUALIZATION OF VALUES.—If the value of the Federal land and non-Federal lands to be exchanged under this section are not equal in value, the difference in value shall be equalized through a cash payment or the provision of goods or services as agreed upon by the Secretary and the party conveying the non-Federal lands.

(d) APPLICABILITY OF OTHER LAWS.—Except as otherwise provided in this section, the Secretary of the Interior shall process the land exchange authorized by this section in the manner provided in part 2200 of title 43, Code of Federal Regulations, as in effect on the date of the enactment of this subtitle.

(e) BOUNDARY ADJUSTMENT.—Upon completion of the land exchange, the Secretary shall adjust the boundaries of the El Portal Administrative Site as necessary to reflect the exchange. Lands acquired by the Secretary under this section shall be administered as part of the El Portal Administrative Site.

(f) MAP.—The map referred to in subsection (a) shall be on file and available for inspection in appropriate offices of the Department of the Interior.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Interior may require such additional terms and conditions in connection with the land exchange under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 242. AUTHORIZATION TO USE LAND IN MERCED COUNTY, CALIFORNIA, FOR ELEMENTARY SCHOOL.

(a) REMOVAL OF RESTRICTIONS.—Notwithstanding the restrictions otherwise applicable under the terms of conveyance by the United States of any of the land described in subsection (b) to Merced County, California, or under any agreement concerning any part of such land between such county and the Secretary of the Interior or any other officer or agent of the United States, the land described in subsection (b) may be used for the purpose specified in subsection (c).

(b) LAND AFFECTED.—The land referred to in subsection (a) is the north 25 acres of the 40 acres located in the northwest quarter of the southwest quarter of section 20, township 7 south, range 13 east, Mount Diablo base line and Meridian in Merced County, California, conveyed to such county by deed recorded in volume 1941 at page 441 of the official records in Merced County, California.

(c) AUTHORIZED USES.—Merced County, California, may authorize the use of the land described in subsection (b) for an elementary school serving children without regard to their race, creed, color, national origin, physical or mental disability, or sex, operated by a nonsectarian organization on a nonprofit basis and in compliance with all applicable requirements of the laws of the United States and the State of California. If Merced County permits such lands to be used for such purposes, the county shall include information concerning such use in the periodic reports to the Secretary of the Interior required under the terms of the conveyance of such lands to the county by the United States. Any violation of the provisions of this subsection shall be deemed to be a breach of the conditions and covenants under which such lands were conveyed to Merced County by the United States, and shall have the same effect as provided by deed whereby the United States conveyed the lands to the county. Except as specified in this subsection, nothing in this section shall increase or diminish the authority or responsibility of the county with respect to the land.

SEC. 243. ISSUANCE OF QUITCLAIM DEED, STEFFENS FAMILY PROPERTY, BIG HORN COUNTY, WYOMING.

(a) ISSUANCE.—Subject to valid existing rights and subsection (d), the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to Marie Wambeke of Big Horn County, Wyoming, the personal representative of the estate of Fred Steffens, to the land described in subsection (b).

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 80-parcel known as "Farm Unit C" in the E½NW¼ of Section 27, Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.

(c) REVOCATION OF WITHDRAWAL.—The Bureau of Reclamation withdrawal for the Shoshone Reclamation Project under Secretarial Order dated October 21, 1913, is hereby revoked with respect to the land described in subsection (b).

(d) RESERVATION OF MINERAL INTERESTS.—All minerals underlying the land described in subsection (b) are hereby reserved to the United States.

SEC. 244. ISSUANCE OF QUITCLAIM DEED, LOWE FAMILY PROPERTY, BIG HORN COUNTY, WYOMING.

(a) ISSUANCE.—Subject to valid existing rights and subsection (c), the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to John R. and Margaret J. Lowe of Big Horn County, Wyoming, to the land described in subsection (b).

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 40-acre parcel located in the SW¼SE¼ of Section 11, Township 51 North, Range 96 West, 6th Principal Meridian, Wyoming.

(c) RESERVATION OF MINERAL INTERESTS.—All minerals underlying the land described in subsection (b) are hereby reserved to the United States.

SEC. 245. UTAH SCHOOLS AND LANDS EXCHANGE.

(a) FINDINGS.—The Congress finds the following:

(1) The State of Utah owns approximately 176,600 acres of land, as well as approximately 24,165 acres of mineral interests, administered by the Utah School and Institutional Trust Lands Administration, within the exterior boundaries of the Grand Staircase-Escalante National Monument, established by Presidential proclamation on September 18, 1996, pursuant to section 2 of the Antiquities Act of 1906 (16 U.S.C. 431). The State of Utah also owns approximately 200,000 acres of land, and 76,000 acres of mineral interests, administered by the Utah School and Institutional Trust Lands Administration, within the exterior boundaries of several units of the National Park System and the National Forest System, and within certain Indian reservations in Utah. These lands were granted by Congress to the State of Utah pursuant to the Utah Enabling Act, chap. 138, 28 Stat. 107 (1894), to be held in trust for the benefit of the State's public school system and other public institutions.

(2) Many of the State school trust lands within the monument may contain significant economic quantities of mineral resources, including coal, oil, and gas, tar sands, coalbed methane, titanium, uranium, and other energy and metalliferous minerals. Certain State school trust lands within the Monument, like the Federal lands comprising the Monument, have substantial noneconomic scientific, historic, cultural, scenic, recreational, and natural resources, including ancient Native American archaeological sites and rare plant and animal communities.

(3) Development of surface and mineral resources on State school trust lands within the monument could be incompatible with the preservation of these scientific and historic resources for which the monument was established. Federal acquisition of State school trust lands within the monument would eliminate this potential incompatibility, and would enhance management of the Grand Staircase-Escalante National Monument.

(4) The United States owns lands and interest in lands outside of the monument that can be transferred to the State of Utah in exchange for the monument inholdings without jeopardizing Federal management objectives or needs.

(5) In 1993, Congress passed and the President signed Public Law 103-93, which contained a process for exchanging State of Utah school trust inholdings in the National Park System, the National Forest System, and certain Indian reservations in Utah. Among other things, it identified various Federal lands and interests in land that were available to exchange for these State inholdings.

(6) Although Public Law 103-93 offered the hope of a prompt, orderly exchange of State inholdings for Federal lands elsewhere, implementation of the legislation has been very slow. Completion of this process is realistically estimated to be many years away, at great expense to both the State and the United States in the form of expert witnesses, lawyers, appraisers, and other litigation costs.

(7) The State also owns approximately 2,560 acres of land in or near the Alton coal field which has been declared an area unsuitable for coal mining under the terms of the Surface Mining Control and Reclamation Act. This land is also administered by the Utah School and Institutional Trust Lands Administration, but its use is limited given this declaration.

(8) The large presence of State school trust land inholdings in the monument, national parks, national forests, and Indian reservations make land and resource management in these areas difficult, costly, and controversial for both the State of Utah and the United States.

(9) It is in the public interest to reach agreement on exchange of inholdings, on terms fair to both the State and the United States. Agreement saves much time and delay in meeting the expectations of the State school and institutional trusts, in simplifying management of Federal and Indian lands and resources, and in avoiding expensive, protracted litigation under Public Law 103-93.

(10) The State of Utah and the United States have reached an agreement under which the State would exchange of all its State school trust lands within the monument, and specified inholdings in national parks, forests, and Indian reservations that are subject to Public Law 103-93, for various Federal lands and interests in lands located outside the monument, including Federal lands and interests identified as available for exchange in Public Law 103-93 and additional Federal lands and interests in lands.

(11) The State school trust lands to be conveyed to the Federal Government include properties within units of the National Park System, the National Forest System, and the Grand Staircase-Escalante National Monument. The Federal assets made available for exchange with the State were selected with a great sensitivity to environmental concerns and a belief and expectation by both parties that Federal assets to be conveyed to the State would be unlikely to trigger significant environmental controversy.

(12) The parties agreed at the outset of negotiations to avoid identifying Federal assets for conveyance to the State where any of the following was known to exist or likely to be an issue as a result of foreseeable future uses of the land: significant wildlife resources, endangered species habitat, significant archaeological resources, areas of critical environmental concern, coal resources requiring surface mining to extract the mineral deposits, wilderness study areas, significant recreational areas, or any other lands known to raise significant environmental concerns of any kind.

(13) The parties further agreed that the use of any mineral interests obtained by the State of Utah where the Federal Government retains surface and other interest, will not conflict with established Federal land and environmental management objectives, and shall be fully subject to all environmental regulations applicable to development of non-Federal mineral interest on Federal lands.

(14) Because the inholdings to be acquired by the Federal Government include properties within the boundaries of some of the most renowned conservation land units in the United States, and because a mission of the Utah School and Institutional Trust Lands Administration is to produce economic benefits for Utah's public schools and other beneficiary institutions, the exchange of lands called for in this agreement will resolve many longstanding environmental conflicts and further the interest of the State trust lands, the school children of Utah, and these conservation resources.

(15) Under this Agreement taken as a whole, the State interests to be conveyed to the United States by the State of Utah, and the Federal interests and payments to be conveyed to the State of Utah by the United States, are approximately equal in value.

(16) The purpose of this section is to enact into law and direct prompt implementation of this historic agreement.

(b) RATIFICATION OF AGREED EXCHANGE BETWEEN THE STATE OF UTAH AND THE DEPARTMENT OF THE INTERIOR.—

(1) AGREEMENT.—The State of Utah and the Department of the Interior have agreed to exchange certain Federal lands, Federal mineral interests, and payment of money for lands and mineral interests managed by the Utah School and Institutional Trust Lands Administration, lands and mineral interests of approximately equal value inheld within the Grand Staircase-Escalante National Monument the Goshute and Navajo Indian Reservations, units of the National Park System, the National Forest System, and the Alton coal fields.

(2) RATIFICATION.—All terms, conditions, procedures, covenants, reservations, and other provisions set forth in the document entitled "Agreement to Exchange Utah School Trust Lands Between the State of

Utah and the United States of America" (in this section referred to as the "Agreement") are hereby incorporated in this section, are ratified and confirmed, and set forth the obligations and commitments of the United States, the State of Utah, and Utah School and Institutional Trust Lands Administration, as a matter of Federal law.

(c) LEGAL DESCRIPTIONS.—

(1) IN GENERAL.—The maps and legal descriptions referred to in the Agreement depict the lands subject to the conveyances.

(2) PUBLIC AVAILABILITY.—The maps and descriptions referred to in the Agreement shall be on file and available for public inspection in the offices of the Secretary of the Interior and the Utah State Director of the Bureau of Land Management.

(3) CONFLICT.—In case of conflict between the maps and the legal descriptions, the legal descriptions shall control.

(d) COSTS.—The United States and the State of Utah shall each bear its own respective costs incurred in the implementation of this section.

(e) REPEAL OF PUBLIC LAW 103-93 AND PUBLIC LAW 104-211.—The provisions of Public Law 103-93 (107 Stat. 995), other than section 7(b)(1), section 7(b)(3), and section 10(b) thereof, are hereby repealed. Public Law 104-211 (110 Stat. 3013) is hereby repealed.

(f) CASH PAYMENT PREVIOUSLY AUTHORIZED.—As previously authorized and made available by section 7(b)(1) and (b)(3) of Public Law 103-93, upon completion of all conveyances described in the Agreement, the United States shall pay $50,000,000 to the State of Utah from funds not otherwise appropriated from the Treasury.

(g) SCHEDULE FOR CONVEYANCES.—All conveyances under sections 2 and 3 of the Agreement shall be completed within 70 days after the enactment of this Act.

SEC. 246. LAND EXCHANGE, ROUTT NATIONAL FOREST, COLORADO.

(a) AUTHORIZATION OF EXCHANGE.—If the non-Federal lands described in subsection (b) are conveyed to the United States in accordance with this section, the Secretary of Agriculture shall convey to the party conveying the non-Federal lands all right, title, and interest of the United States in and to a parcel of land consisting of approximately 84 acres within the Routt National Forest in the State of Colorado, as generally depicted on the map entitled "Miles Land Exchange", Routt National Forest, dated May 1996.

(b) RECEIPT OF NON-FEDERAL LANDS.—The parcel of non-Federal lands referred to in subsection (a) consists of approximately 84 acres, known as the Miles parcel, located adjacent to the Routt National Forest, as generally depicted on the map entitled "Miles Land Exchange", Routt National Forest, dated May 1996. Title to the non-Federal lands must be acceptable to the Secretary of Agriculture, and the conveyance shall be subject to such valid existing rights of record as may be acceptable to the Secretary of Agriculture. The parcel shall conform with the title approval standards applicable to Federal land acquisitions.

(c) APPROXIMATELY EQUAL IN VALUE.—The values of both the Federal and non-Federal lands to be exchanged under this section are deemed to be approximately equal in value, and no additional valuation determinations are required.

(d) APPLICABILITY OF OTHER LAWS.—Except as otherwise provided in this section, the Secretary of Agriculture shall process the land exchange authorized by this section in the manner provided in subpart A of part 254 of title 36, Code of Federal Regulations.

(e) MAPS.—The maps referred to in subsections (a) and (b) shall be on file and available for inspection in the office of the Forest Supervisor, Routt National Forest, and in the office of the Chief of the Forest Service.

(f) BOUNDARY ADJUSTMENT.—Upon approval and acceptance of title by the Secretary of Agriculture, the non-Federal lands conveyed to the United States under this section shall become part of the Routt National Forest, and the boundaries of the Routt National Forest shall be adjusted to reflect the land exchange. Upon receipt of the non-Federal lands, the Secretary of Agriculture shall manage the lands in accordance with the laws and regulations pertaining to the National Forest System. For purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of the Routt National Forest, as adjusted by this section, shall be considered to be the boundaries of the National Forest as of January 1, 1965.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of Agriculture may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 247. HART MOUNTAIN JURISDICTIONAL TRANSFERS, OREGON.

(a) TRANSFER FROM THE BUREAU OF LAND MANAGEMENT TO THE UNITED STATES FISH AND WILDLIFE SERVICE.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the United States Fish and Wildlife Service on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 12,100 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the Bureau of Land Management to the United States Fish and Wildlife Service.

(2) INCLUSION IN REFUGE.—The parcels of land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge.

(3) WITHDRAWAL.—Subject to valid existing rights, the parcels of land described in paragraph (1)—

(A) are withdrawn from—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws; and

(B) shall be treated as parcels of land subject to the provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew parcels of land for the Hart Mountain National Antelope Refuge.

(4) MANAGEMENT.—The land described in paragraph (1) shall be included in the Hart Mountain National Antelope Refuge and managed in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.), and other applicable law and with management plans and agreements between the Bureau of Land Management and the United States Fish and Wildlife Service for the Hart Mountain Refuge.

(b) CONTINUED MANAGEMENT OF GUANO CREEK WILDERNESS STUDY AREA BY THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—The parcels of land identified for cooperative management on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 10,900 acres of land in Lake County, Oregon, located south of the Hart Mountain National Antelope Refuge, shall be retained under the jurisdiction of the Bureau of Land Management.

(2) MANAGEMENT.—The parcels of land described in paragraph (1) that are within the Guano Creek Wilderness Study Area Act shall be managed so as not to impair the suitability of the area for designation as wilderness, in accordance with current and future management plans and agreements (including the agreement known as the "Shirk Ranch Agreement", dated September 30, 1997), until such date as Congress enacts a law directing otherwise.

(c) TRANSFER FROM THE UNITED STATES FISH AND WILDLIFE SERVICE TO THE BUREAU OF LAND MANAGEMENT.—

(1) IN GENERAL.—Administrative jurisdiction over the parcels of land identified for transfer to the Bureau of Land Management on the map entitled "Hart Mountain Jurisdictional Transfer", dated February 26, 1998, comprising approximately 7,700 acres of land in Lake County, Oregon, located adjacent to or within the Hart Mountain National Antelope Refuge, is transferred from the United States Fish and Wildlife Service to the Bureau of Land Management.

(2) REMOVAL FROM REFUGE.—The parcels of land described in paragraph (1) are removed from the Hart Mountain National Antelope Refuge, and the boundary of the refuge is modified to reflect that removal.

(3) REVOCATION OF WITHDRAWAL.—The provisions of Executive Order No. 7523 of December 21, 1936, as amended by Executive Order No. 7895 of May 23, 1938, and Presidential Proclamation No. 2416 of July 25, 1940, that withdrew the parcels of land for the refuge, shall be of no effect with respect to the parcels of land described in paragraph (1).

(4) STATUS.—The parcels of land described in paragraph (1)—

(A) are designated as public land; and

(B) shall be open to—

(i) surface entry under the public land laws;

(ii) leasing under the mineral leasing laws and the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.); and

(iii) location and entry under the mining laws.

(5) MANAGEMENT.—The land described in paragraph (1) shall be managed in accordance with the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.) and other applicable law, and the agreement known as the "Shirk Ranch Agreement", dated September 30, 1997.

(d) MAP.—A copy of the map described in subsections (a), (b), and (c) and such additional legal descriptions as are applicable shall be kept on file and available for public inspection in the Office of the Regional Director of Region 1 of the United States Fish and Wildlife Service, the local District Office of the Bureau of Land Management, the Committee on Energy and Natural Resources of the Senate, and the Committee on Resources of the House of Representatives.

(e) CORRECTION OF REFERENCE TO WILDLIFE REFUGE.—Section 28 of the Act of August 13, 1954 (68 Stat. 718, chapter 732; 72 Stat. 818; 25 U.S.C. 564w-1), is amended in subsections (f) and (g) by striking "Klamath Forest National Wildlife Refuge" each place it appears and inserting "Klamath Marsh National Wildlife Refuge".

SEC. 248. SALE, LEASE, OR EXCHANGE OF IDAHO SCHOOL LAND.

The Act of July 3, 1890 (commonly known as the "Idaho Admission Act") (26 Stat. 215, chapter 656), is amended by striking section 5 and inserting the following:

"SEC. 5. SALE, LEASE, OR EXCHANGE OF SCHOOL LAND.

"(a) SALE.—

"(1) IN GENERAL.—Except as provided in subsection (c), all land granted under this Act for educational purposes shall be sold only at public sale.

"(2) USE OF PROCEEDS.—

"(A) IN GENERAL.—Proceeds of the sale of school land—

"(i) except as provided in clause (ii), shall be deposited in the public school permanent endowment fund and expended only for the support of public schools; and

"(ii)(I) may be deposited in a land bank fund to be used to acquire, in accordance with State law, other land in the State for the benefit of the beneficiaries of the public school permanent endowment fund; or

"(II) if the proceeds are not used to acquire other land in the State within a period specified by State law, shall be transferred to the public school permanent endowment fund.

"(B) EARNINGS RESERVE FUND.—Earnings on amounts in the public school permanent endowment fund shall be deposited in an earnings reserve fund to be used for the support of public schools of the State in accordance with State law.

"(b) LEASE.—Land granted under this Act for educational purposes may be leased in accordance with State law.

"(c) EXCHANGE.—

"(1) IN GENERAL.—Land granted for educational purposes under this Act may be exchanged for other public or private land.

"(2) VALUATION.—The values of exchanged lands shall be approximately equal, or, if the values are not approximately equal, the values shall be equalized by the payment of funds by the appropriate party.

"(3) EXCHANGES WITH THE UNITED STATES.—

"(A) IN GENERAL.—A land exchange with the United States shall be limited to Federal land within the State that is subject to exchange under the law governing the administration of the Federal land.

"(B) PREVIOUS EXCHANGES.—All land exchanges made with the United States before the date of enactment of this paragraph are approved.

"(d) RESERVATION FOR SCHOOL PURPOSES.—Land granted for educational purposes, whether surveyed or unsurveyed, shall not be subject to preemption, homestead entry, or any other form of entry under the land laws of the United States, but shall be reserved for school purposes only.".

SEC. 249. TRANSFER OF JURISDICTION OF CERTAIN PROPERTY IN SAN JOAQUIN COUNTY, CALIFORNIA, TO BUREAU OF LAND MANAGEMENT.

(a) TRANSFER.—The property described in subsection (b) is hereby transferred by operation of law upon the enactment of this Act from the administrative jurisdiction of the Federal Bureau of Prisons, United States Department of Justice, to the Bureau of Land Management, United States Department of the Interior. The Attorney General of the United States and the Secretary of the Interior shall take such actions as may be necessary to carry out such transfer.

(b) PROPERTY DESCRIPTION.—The property referred to in subsection (a) is a portion of a 200-acre property located in the San Joaquin Valley, approximately 55 miles east of San Francisco, 2 miles to the west of the City of Tracy, California, municipal limits, approximately 1.25 miles west of Interstate 5 (I-5) and ½ mile southeast of the I-580/I-205 split as indicated by Exhibit I-3, formerly a Federal Aviation Administration (FAA) antenna field, known as the "Tracy Site".

SEC. 250. CONVEYANCE, CAMP OWEN AND RELATED PARCELS, KERN COUNTY, CALIFORNIA.

(a) CONVEYANCE REQUIRED.—The Secretary of Agriculture shall convey, without consideration, to Kern County, California, all right, title, and interest of the United States in and to three parcels of land under the jurisdiction of the Forest Service in Kern County, as follows

(1) Approximately 104 acres known as Camp Owen.

(2) Approximately 4 acres known as Wofford Heights Park.

(3) Approximately 3.4 acres known as the French Gulch maintenance yard.

(b) CONDITION ON CONVEYANCE.—The lands conveyed under this section shall be subject to valid existing rights of record.

(c) TIME FOR CONVEYANCE.—The Secretary shall complete the conveyance under this section within three months after the date of the enactment of this Act.

(d) LEGAL DESCRIPTIONS.—The exact acreage and legal description of the lands to be conveyed under this section shall be determined by a survey satisfactory to the Secretary.

SEC. 251. TREATMENT OF CERTAIN LAND ACQUIRED BY EXCHANGE, RED CLIFFS DESERT RESERVE, UTAH.

(a) LIMITATION ON LIABILITY.—In support of the habitat conservation plan of Washington County, Utah, for the protection of the desert tortoise and surrounding habitat, the transfer of the land described in subsection (b) from the city of St. George, Utah, to the United States shall convey no liability on the United States that did not already exist with the United States on the date of the transfer of the land.

(b) DESCRIPTION OF LAND.—The land referred to in subsection (a) is a parcel of approximately 15 acres of land located within the Red Cliffs Desert Reserve in Washington County, Utah, that was formerly used as a landfill by the city of St. George.

SEC. 252. LAND CONVEYANCE, YAVAPAI COUNTY, ARIZONA.

(a) CONVEYANCE REQUIRED.—Notwithstanding any other provision of law, the Secretary of the Interior shall convey, without consideration and for educational related purposes, to Embry-Riddle Aeronautical University, Florida, a nonprofit corporation authorized to do business in the State of Arizona, all right, title, and interest of the United States, if any, to a parcel of real property consisting of approximately 16 acres in Yavapai County, Arizona, which is more fully described as the parcel lying east of the east right-of-way boundary of the Willow Creek Road in the southwest one-quarter of the southwest one-quarter (SW¼SW¼) of section 2, township 14 north, range 2 west, Gila and Salt River meridian.

(b) TERMS OF CONVEYANCE.—Subject to the limitation that the land to be conveyed is to be used only for educational related purposes, the conveyance under subsection (a) is to be made without any other conditions, limitations, reservations, restrictions, or terms by the United States.

SEC. 253. CONVEYANCE, OLD COYOTE ADMINISTRATIVE SITE, RIO ARRIBA COUNTY, NEW MEXICO.

(a) CONVEYANCE OF PROPERTY.—Not later than one year after the date of enactment of this Act, the Secretary of the Interior (referred to in this section as the "Secretary") shall convey to the County of Rio Arriba, New Mexico (referred to in this section as the "County"), subject to the terms and conditions stated in subsection (b), all right, title, and interest of the United States in and to the land (including all improvements on the land) known as the "Old Coyote Administrative Site" located approximately ½ mile east of the Village of Coyote, New Mexico, on State Road 96, comprising one tract of 130.27 acres (as described in Public Land Order 3730), and one tract of 276.76 acres (as described in Executive Order 4599).

(b) TERMS AND CONDITIONS.—

(1) Consideration for the conveyance described in subsection (a) shall be—

(A) an amount that is consistent with the special pricing program for Governmental entities under the Recreation and Public Purposes Act; and

(B) an agreement between the Secretary and the County indemnifying the Government of the United States from all liability of the Government that arises from the property.

(2) The lands conveyed by this Act shall be used for public purposes. If such lands cease to be used for public purposes, at the option of the United States, such lands will revert to the United States.

(c) LAND WITHDRAWALS.—Land withdrawals under Public Land Order 3730 and Executive Order 4599 as extended in the Federal Register on May 25, 1989 (54 F.R. 22629), shall be revoked simultaneous with the conveyance of the property under subsection (a).

SEC. 254. ACQUISITION OF REAL PROPERTY INTERESTS FOR ADDITION TO CHICKAMAUGA-CHATTANOOGA NATIONAL MILITARY PARK.

The Secretary of the Interior may acquire private lands, easements, and buildings within the areas authorized for acquisition for Chickamauga-Chattanooga National Military Park, by donation, purchase with donated or appropriated funds, or by exchange. Lands acquired by the Secretary pursuant to this section shall be administered by the Secretary as part of the park.

SEC. 255. LAND TRANSFERS INVOLVING ROGUE RIVER NATIONAL FOREST AND OTHER PUBLIC LANDS IN OREGON.

(a) TRANSFER FROM PUBLIC DOMAIN TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The public domain lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 2,058 acres within the external boundaries of Rogue River National Forest in the State of Oregon are hereby added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of the Interior to the Secretary of Agriculture. Subject to valid existing rights, the Secretary of Agriculture shall manage such lands as part of Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the Weeks Law), and under the laws, rules, and regulations applicable to the National Forest System.

(b) TRANSFER FROM NATIONAL FOREST TO PUBLIC DOMAIN.—

(1) LAND TRANSFER.—The Federal lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 1,632 acres within the external boundaries of Rogue River National Forest, are hereby transferred to unreserved public domain status, and their status as part of Rogue River National Forest and the National Forest System is hereby revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of Agriculture to the Secretary of the Interior. Subject to valid existing rights, the Secretary of the Interior shall administer such lands under the laws, rules, and regulations applicable to unreserved public domain lands.

(c) RESTORATION OF STATUS OF CERTAIN NATIONAL FOREST LANDS AS REVESTED RAILROAD GRANT LANDS.—

(1) RESTORATION OF EARLIER STATUS.—The Federal lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 4,298 acres within the external boundaries of Rogue River National Forest, are hereby restored to the status of revested Oregon and California Railroad grant lands, and their status as part of Rogue River National Forest and the National Forest System is hereby revoked.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of Agriculture to the Secretary of the Interior. Subject to valid existing rights, the Secretary of the Interior shall administer such lands under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.), and other laws, rules, and regulations applicable to revested Oregon and California Railroad grant lands under the administrative jurisdiction of the Secretary of the Interior.

(d) ADDITION OF CERTAIN REVESTED RAILROAD GRANT LANDS TO NATIONAL FOREST.—

(1) LAND TRANSFER.—The revested Oregon and California Railroad grant lands depicted on the map entitled "BLM/Rogue River N.F. Administrative Jurisdiction Transfer" and dated April 28, 1998, consisting of approximately 960 acres within the external boundaries of Rogue River National Forest, are hereby added to and made a part of Rogue River National Forest.

(2) ADMINISTRATIVE JURISDICTION.—Administrative jurisdiction over the lands described in paragraph (1) is hereby transferred from the Secretary of the Interior to the Secretary of Agriculture. Subject to valid existing rights, the Secretary of Agriculture shall manage such lands as part of the Rogue River National Forest in accordance with the Act of March 1, 1911 (commonly known as the Weeks Law), and under the laws, rules, and regulations applicable to the National Forest System.

(3) DISTRIBUTION OF RECEIPTS.—Notwithstanding the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 and section 13 of the Act of March 1, 1911 (16 U.S.C. 500), revenues derived from the lands described in paragraph (1) shall be distributed in accordance with the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(e) BOUNDARY ADJUSTMENT.—The boundaries of Rogue River National Forest are hereby adjusted to encompass the lands transferred to the administrative jurisdiction of the Secretary of Agriculture under this section and to exclude private property interests adjacent to the exterior boundaries of Rogue River National Forest, as depicted on the map entitled "Rogue River National Forest Boundary Adjustment" and dated April 28, 1998.

(f) MAPS.—Within 60 days after the date of the enactment of this Act, the maps referred to in this section shall be available for public inspection in the office of the Chief of the Forest Service.

(g) MISCELLANEOUS REQUIREMENTS.—As soon as practicable after the date of the enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall revise the public land records relating to the lands transferred under this section to reflect the administrative, boundary, and other changes made by this section. The Secretaries shall publish in the Federal Register appropriate notice to the public of the changes in administrative jurisdiction made by this section with regard to lands described in this section.

SEC. 256. PROTECTION OF OREGON AND CALIFORNIA RAILROAD GRANT LANDS.

(a) DEFINITIONS.—For purposes of this section:

(1) O&C LANDS.—The term "O&C lands" means the lands that—

(A) revested in the United States under the Act of June 9, 1916 (Chapter 137; 39 Stat. 218), commonly known as Oregon and California Railroad grant lands; and

(B) are managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(2) CBWR LANDS.—The term "CBWR lands" means the lands that—

(A) were reconveyed to the United States under the Act of February 26, 1919 (Chapter 47; 40 Stat. 1179), commonly known as Coos Bay Wagon Road grant lands; and

(B) are managed by the Secretary of the Interior through the Bureau of Land Management under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(3) PUBLIC DOMAIN LANDS.—The term "public domain lands" has the meaning given the term "public lands" in the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), except that the term does not include O&C lands and CBWR lands.

(4) O&C GEOGRAPHIC AREA.—The term "O&C geographic area" means all lands in the State of Oregon located within the boundaries of the Bureau of Land Management's Medford District, Roseburg District, Eugene District, Salem District, Coos Bay District, and Klamath Resource Area of the Lakeview District, as those districts and that resource area were constituted on January 1, 1998.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(b) POLICY OF NO NET LOSS OF O&C LANDS.—In carrying out sales, purchases, and exchanges of lands located in the O&C geographic area, the Secretary shall seek to ensure that such sales, purchases, and exchanges do not decrease the number of acres of O&C lands.

(c) DETERMINATION OF WHETHER LOSS OCCURRED.—Not later than April 1 of each fiscal year, the Secretary shall determine whether there has been a net reduction in the number of acres of O&C lands during the preceding fiscal year as a result of the disposal of lands by the United States under any provision of law.

(d) ACTIONS IN EVENT OF A LOSS OF O&C LANDS.—

(1) DESIGNATION OF REPLACEMENT LANDS.—If the Secretary determines under subsection (c) for a fiscal year that a reduction in the number of acres of O&C lands occurred, the Secretary shall designate a number of acres of forested public domain lands within the O&C geographic area, equal to the number of acres of that reduction, for treatment as O&C lands under subsection (e). The Secretary shall make the designation under this paragraph within 90 days after the date on which the Secretary made the determination under subsection (c).

(2) LANDS DESIGNATED.—The Secretary shall designate under paragraph (1) forested public domain lands that are stocked with timber in volumes per acre that are not less than the average volumes per acre found on the O&C lands that were disposed of during the fiscal year involved. Public domain lands designated under paragraph (1) shall be selected from public domain lands within similar land allocations, under the resource management plans then in effect, as the O&C lands that were disposed of.

(e) TREATMENT OF DESIGNATED LANDS.—Public domain lands designated by the Secretary under subsection (d) shall for all purposes have the same status, be administered, and be otherwise treated as lands that were revested in the United States pursuant to the Act of June 9, 1916 (chapter 137; 39 Stat. 218), and managed by the Secretary under the Act of August 28, 1937 (43 U.S.C. 1181a et seq.).

(f) CONGRESSIONAL NOTIFICATION.—Not later than September 30 of each fiscal year in which public domain lands are designated under subsection (d), the Secretary shall submit to Congress a report describing each designation of lands under such subsection in that fiscal year.

TITLE III—HERITAGE AREAS

Subtitle A—Delaware and Lehigh National Heritage Corridor of Pennsylvania

SEC. 301. CHANGE IN NAME OF HERITAGE CORRIDOR.

The Delaware and Lehigh Navigation Canal National Heritage Corridor Act of 1988 (Public Law 100-692; 102 Stat. 4552; 16 U.S.C. 461 note) is amended by striking "Delaware and Lehigh Navigation Canal National Heritage Corridor" each place it appears (except section 4(a)) and inserting "Delaware and Lehigh National Heritage Corridor".

SEC. 302. PURPOSE.

Section 3(b) of such Act (102 Stat. 4552) is amended as follows:

(1) By inserting after "subdivisions" the following: "in enhancing economic development within the context of preservation and".

(2) By striking "and surrounding the Delaware and Lehigh Navigation Canal in the Commonwealth" and inserting "the Corridor".

SEC. 303. CORRIDOR COMMISSION.

(a) MEMBERSHIP.—Section 5(b) of such Act (102 Stat. 4553) is amended as follows:

(1) In the matter preceding paragraph (1), by striking "appointed not later than 6 months after the date of enactment of this Act".

(2) By striking paragraph (2) and inserting the following:

"(2) 3 individuals appointed by the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent the Pennsylvania Department of Conservation and Natural Resources;

"(B) 1 shall represent the Pennsylvania Department of Community and Economic Development; and

"(C) 1 shall represent the Pennsylvania Historical and Museum Commission.".

(3) In paragraph (3), by striking "the Secretary, after receiving recommendations from the Governor, of whom" and all that follows through "Delaware Canal region" and inserting the following: "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 1 shall represent a city, 1 shall represent a borough, and 1 shall represent a township; and

"(B) 1 shall represent each of the 5 counties of Luzerne, Carbon, Lehigh, Northampton, and Bucks in Pennsylvania".

(4) In paragraph (4)—

(A) By striking "8 individuals" and inserting "9 individuals".

(B) By striking "the Secretary, after receiving recommendations from the Governor, who shall have" and all that follows through "Canal region. A vacancy" and inserting the following: "the Secretary upon consideration of individuals recommended by the governor, of whom—

"(A) 3 shall represent the northern region of the Corridor;

"(B) 3 shall represent the middle region of the Corridor; and

"(C) 3 shall represent the southern region of the Corridor.

A vacancy".

(b) TERMS.—Section 5 of such Act (102 Stat. 4553) is amended by striking subsection (c) and inserting the following:

"(c) TERMS.—The following provisions shall apply to a member of the Commission appointed under paragraph (3) or (4) of subsection (b):

"(1) LENGTH OF TERM.—The member shall be appointed for a term of 3 years.

"(2) CARRYOVER.—The member shall serve until a successor is appointed by the Secretary.

"(3) REPLACEMENT.—If the member resigns or is unable to serve due to incapacity or death, the Secretary shall appoint, not later than 60 days after receiving a nomination of the appointment from the Governor, a new member to serve for the remainder of the term.

"(4) TERM LIMITS.—A member may serve for not more than 6 years."

SEC. 304. POWERS OF CORRIDOR COMMISSION.

(a) CONVEYANCE OF REAL ESTATE.—Section 7(g)(3) of such Act (102 Stat. 4555) is amended in the first sentence by inserting "or nonprofit organization" after "appropriate public agency".

(b) COOPERATIVE AGREEMENTS.—Section 7(h) of such Act (102 Stat. 4555) is amended as follows:

(1) In the first sentence, by inserting "any non-profit organization," after "subdivision of the Commonwealth,".

(2) In the second sentence, by inserting "such nonprofit organization," after "such political subdivision,".

SEC. 305. DUTIES OF CORRIDOR COMMISSION.

Section 8(b) of such Act (102 Stat. 4556) is amended in the matter preceding paragraph (1) by inserting ", cultural, natural, recreational, and scenic" after "interpret the historic".

SEC. 306. TERMINATION OF CORRIDOR COMMISSION.

Section 9(a) of such Act (102 Stat. 4556) is amended by striking "5 years after the date of enactment of this Act" and inserting "5 years after the date of enactment of the Omnibus National Parks and Public Lands Act of 1998".

SEC. 307. DUTIES OF OTHER FEDERAL ENTITIES.

Section 11 of such Act (102 Stat. 4557) is amended in the matter preceding paragraph (1) by striking "the flow of the Canal or the natural" and inserting "directly affecting the purposes of the Corridor".

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—Section 12(a) of such Act (102 Stat. 4558) is amended by striking "$350,000" and inserting "$1,000,000".

(b) MANAGEMENT ACTION PLAN.—Section 12 of such Act (102 Stat. 4558) is amended by adding at the end the following:

"(c) MANAGEMENT ACTION PLAN.—

"(1) IN GENERAL.—To implement the management action plan created by the Commission, there is authorized to be appropriated $1,000,000 for each of fiscal years 2000 through 2007.

"(2) LIMITATION ON EXPENDITURES.—Amounts made available under paragraph (1) shall not exceed 50 percent of the costs of implementing the management action plan.".

SEC. 309. LOCAL AUTHORITY AND PRIVATE PROPERTY.

Such Act is further amended—

(1) by redesignating section 13 (102 Stat. 4558) as section 14; and

(2) by inserting after section 12 the following:

"SEC. 13. LOCAL AUTHORITY AND PRIVATE PROPERTY.

"The Commission shall not interfere with—

"(1) the private property rights of any person; or

"(2) any local zoning ordinance or land use plan of the Commonwealth of Pennsylvania or any political subdivision of Pennsylvania.".

SEC. 310. DUTIES OF THE SECRETARY.

Section 10 of such Act (102 Stat. 4557) is amended by striking subsection (d) and inserting the following:

"(d) TECHNICAL ASSISTANCE AND GRANTS.—The Secretary, upon request of the Commission, is authorized to provide grants and technical assistance to the Commission or units of government, nonprofit organizations, and other persons, for development and implementation of the Plan.".

Subtitle B—Automobile National Heritage Area of Michigan

SEC. 311. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the industrial, cultural, and natural heritage legacies of Michigan's automobile industry are nationally significant;

(2) in the areas of Michigan including and in proximity to Detroit, Dearborn, Pontiac, Flint, and Lansing, the design and manufacture of the automobile helped establish and expand the United States industrial power;

(3) the industrial strength of automobile manufacturing was vital to defending freedom and democracy in 2 world wars and played a defining role in American victories;

(4) the economic strength of our Nation is connected integrally to the vitality of the automobile industry, which employs millions of workers and upon which 1 out of 7 United States jobs depends;

(5) the industrial and cultural heritage of the automobile industry in Michigan includes the social history and living cultural traditions of several generations;

(6) the United Auto Workers and other unions played a significant role in the history and progress of the labor movement and the automobile industry;

(7) the Department of the Interior is responsible for protecting and interpreting the Nation's cultural and historic resources, and there are significant examples of these resources within Michigan to merit the involvement of the Federal Government to develop programs and projects in cooperation with the Automobile National Heritage Area Partnership, Incorporated, the State of Michigan, and other local and governmental bodies, to adequately conserve, protect, and interpret this heritage for the educational and recreational benefit of this and future generations of Americans;

(8) the Automobile National Heritage Area Partnership, Incorporated would be an appropriate entity to oversee the development of the Automobile National Heritage Area; and

(9) 2 local studies, "A Shared Vision for Metropolitan Detroit" and "The Machine That Changed the World", and a National Park Service study, "Labor History Theme Study: Phase III; Suitability-Feasibility", demonstrated that sufficient historical resources exist to establish the Automobile National Heritage Area.

(b) PURPOSE.—The purpose of this subtitle is to establish the Automobile National Heritage Area to—

(1) foster a close working relationship with all levels of government, the private sector, and the local communities in Michigan and empower communities in Michigan to conserve their automotive heritage while strengthening future economic opportunities; and

(2) conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the Automobile National Heritage Area.

SEC. 312. DEFINITIONS.

For purposes of this subtitle:

(1) BOARD.—The term "Board" means the Board of Directors of the Partnership.

(2) HERITAGE AREA.—The term "Heritage Area" means the Automobile National Heritage Area established by section 313.

(3) PARTNERSHIP.—The term "Partnership" means the Automobile National Heritage Area Partnership, Incorporated (a nonprofit corporation established under the laws of the State of Michigan).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 313. AUTOMOBILE NATIONAL HERITAGE AREA.

(a) ESTABLISHMENT.—There is established in the State of Michigan the Automobile National Heritage Area.

(b) BOUNDARIES.—

(1) IN GENERAL.—Subject to paragraph (2), the boundaries of the Heritage Area shall include lands in Michigan that are related to the following corridors:

(A) The Rouge River Corridor.

(B) The Detroit River Corridor.

(C) The Woodward Avenue Corridor.

(D) The Lansing Corridor.

(E) The Flint Corridor.

(F) The Sauk Trail/Chicago Road Corridor.

(2) SPECIFIC BOUNDARIES.—The specific boundaries of the Heritage Area shall be those specified in the management plan approved under section 315.

(3) MAP.—The Secretary shall prepare a map of the Heritage Area which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(4) CONSENT OF LOCAL GOVERNMENTS.—(A) The Partnership shall provide to the government of each city, village, and township that has jurisdiction over property proposed to be included in the Heritage Area written notice of that proposal.

(B) Property may not be included in the Heritage Area if—

(i) the Partnership fails to give notice of the inclusion in accordance with subparagraph (A);

(ii) any local government to which the notice is required to be provided objects to the inclusion, in writing to the Partnership, by not later than the end of the period provided pursuant to clause (iii); or

(iii) fails to provide a period of at least 60 days for objection under clause (ii).

(c) ADMINISTRATION.—The Heritage Area shall be administered in accordance with this subtitle.

(d) ADDITIONS AND DELETIONS OF LANDS.—The Secretary may add or remove lands to or from the Heritage Area in response to a request from the Partnership.

SEC. 314. DESIGNATION OF PARTNERSHIP AS MANAGEMENT ENTITY.

(a) IN GENERAL.—The Partnership shall be the management entity for the Heritage Area.

(b) FEDERAL FUNDING.—

(1) AUTHORIZATION TO RECEIVE FUNDS.—The Partnership may receive amounts appropriated to carry out this subtitle.

(2) DISQUALIFICATION.—If a management plan for the Heritage Area is not submitted to the Secretary as required under section 315 within the time specified in that section, the Partnership shall cease to be authorized to receive Federal funding under this subtitle until such a plan is submitted to the Secretary.

(c) AUTHORITIES OF PARTNERSHIP.—The Partnership may, for purposes of preparing and implementing the management plan for the Heritage Area, use Federal funds made available under this subtitle—

(1) to make grants to the State of Michigan, its political subdivisions, nonprofit organizations, and other persons;

(2) to enter into cooperative agreements with or provide technical assistance to the State of Michigan, its political subdivisions, nonprofit organizations, and other organizations;

(3) to hire and compensate staff;

(4) to obtain money from any source under any program or law requiring the recipient of such money to make a contribution in order to receive such money; and

(5) to contract for goods and services.

(d) PROHIBITION OF ACQUISITION OF REAL PROPERTY.—The Partnership may not use Federal funds received under this subtitle to acquire real property or any interest in real property.

SEC. 315. MANAGEMENT DUTIES OF THE AUTOMOBILE NATIONAL HERITAGE AREA PARTNERSHIP.

(a) HERITAGE AREA MANAGEMENT PLAN.—

(1) SUBMISSION FOR REVIEW BY SECRETARY.—The Board of Directors of the Partnership shall, within 3 years after the date of enactment of this subtitle, develop and submit for review to the Secretary a management plan for the Heritage Area.

(2) PLAN REQUIREMENTS, GENERALLY.—A management plan submitted under this section shall—

(A) present comprehensive recommendations for the conservation, funding, management, and development of the Heritage Area;

(B) be prepared with public participation;

(C) take into consideration existing Federal, State, county, and local plans and involve residents, public agencies, and private organizations in the Heritage Area;

(D) include a description of actions that units of government and private organizations are recommended to take to protect the resources of the Heritage Area; and

(E) specify existing and potential sources of Federal and non-Federal funding for the conservation, management, and development of the Heritage Area.

(3) ADDITIONAL PLAN REQUIREMENTS.—The management plan also shall include the following, as appropriate:

(A) An inventory of resources contained in the Heritage Area, including a list of property in the Heritage Area that should be conserved, restored, managed, developed, or maintained because of the natural, cultural, or historic significance of the property as it relates to the themes of the Heritage Area. The inventory may not include any property that is privately owned unless the owner of the property consents in writing to that inclusion.

(B) A recommendation of policies for resource management that consider and detail the application of appropriate land and water management techniques, including (but not limited to) the development of intergovernmental cooperative agreements to manage the historical, cultural, and natural resources and recreational opportunities of the Heritage Area in a manner consistent with the support of appropriate and compatible economic viability.

(C) A program for implementation of the management plan, including plans for restoration and construction and a description of any commitments that have been made by persons interested in management of the Heritage Area.

(D) An analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this subtitle.

(E) An interpretive plan for the Heritage Area.

(4) APPROVAL AND DISAPPROVAL OF THE MANAGEMENT PLAN.—

(A) IN GENERAL.—Not later than 180 days after submission of the Heritage Area management plan by the Board, the Secretary shall approve or disapprove the plan. If the Secretary has taken no action after 180 days, the plan shall be considered approved.

(B) DISAPPROVAL AND REVISIONS.—If the Secretary disapproves the management plan, the Secretary shall advise the Board, in writing, of the reasons for the disapproval and shall make recommendations for revision of the plan. The Secretary shall approve or disapprove proposed revisions to the plan not later than 60 days after receipt of such revisions from the Board. If the Secretary has taken no action for 60 days after receipt, the plan and revisions shall be considered approved.

(b) PRIORITIES.—The Partnership shall give priority to the implementation of actions, goals, and policies set forth in the management plan for the Heritage Area, including—

(1) assisting units of government, regional planning organizations, and nonprofit organizations—

(A) in conserving the natural and cultural resources in the Heritage Area;

(B) in establishing and maintaining interpretive exhibits in the Heritage Area;

(C) in developing recreational opportunities in the Heritage Area;

(D) in increasing public awareness of and appreciation for the natural, historical, and cultural resources of the Heritage Area;

(E) in the restoration of historic buildings that are located within the boundaries of the Heritage Area and related to the theme of the Heritage Area; and

(F) in ensuring that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are put in place throughout the Heritage Area; and

(2) consistent with the goals of the management plan, encouraging economic viability in the affected communities by appropriate means.

(c) CONSIDERATION OF INTERESTS OF LOCAL GROUPS.—The Partnership shall, in preparing and implementing the management plan for the Heritage Area, consider the interest of diverse units of government, businesses, private property owners, and nonprofit groups within the Heritage Area.

(d) PUBLIC MEETINGS.—The Partnership shall conduct public meetings at least annually regarding the implementation of the Heritage Area management plan.

(e) ANNUAL REPORTS.—The Partnership shall, for any fiscal year in which it receives Federal funds under this subtitle or in which a loan made by the Partnership with Federal funds under section 314(c)(1) is outstanding, submit an annual report to the Secretary setting forth its accomplishments, its expenses and income, and the entities to which it made any loans and grants during the year for which the report is made.

(f) COOPERATION WITH AUDITS.—The Partnership shall, for any fiscal year in which it receives Federal funds under this subtitle or in which a loan made by the Partnership with Federal funds under section 314(c)(1) is outstanding, make available for audit by the Congress, the Secretary, and appropriate units of government all records and other information pertaining to the expenditure of such funds and any matching funds, and require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for such audit all records and other information pertaining to the expenditure of such funds.

(g) DELEGATION.—The Partnership may delegate the responsibilities and actions under this section for each corridor identified in section 313(b)(1). All delegated actions are subject to review and approval by the Partnership.

SEC. 316. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) TECHNICAL ASSISTANCE AND GRANTS.—

(1) IN GENERAL.—The Secretary may provide technical assistance and, subject to the availability of appropriations, grants to units of government, nonprofit organizations, and other persons upon request of the Partnership, and to the Partnership, regarding the management plan and its implementation.

(2) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance or grants under this section, require any recipient of such technical assistance or a grant to enact or modify land use restrictions.

(3) DETERMINATIONS REGARDING ASSISTANCE.—The Secretary shall decide if a unit of government, nonprofit organization, or other person shall be awarded technical assistance or grants and the amount of that assistance. Such decisions shall be based on the relative degree to which the assistance effectively fulfills the objectives contained in the Heritage Area management plan and achieves the purposes of this subtitle. Such decisions shall give consideration to projects which provide a greater leverage of Federal funds.

(b) PROVISION OF INFORMATION.—In cooperation with other Federal agencies, the Secretary shall provide the general public with information regarding the location and character of the Heritage Area.

(c) OTHER ASSISTANCE.—The Secretary may enter into cooperative agreements with public and private organizations for the purposes of implementing this subsection.

(d) DUTIES OF OTHER FEDERAL AGENCIES.—Any Federal entity conducting any activity directly affecting the Heritage Area shall consider the potential effect of the activity on the Heritage Area management plan and shall consult with the Partnership with respect to the activity to minimize the adverse effects of the activity on the Heritage Area.

SEC. 317. LACK OF EFFECT ON LAND USE REGULATION AND PRIVATE PROPERTY.

(a) LACK OF EFFECT ON AUTHORITY OF LOCAL GOVERNMENT.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish any authority of Federal, State, or local governments to regulate any use of land under any other law or regulation.

(b) LACK OF ZONING OR LAND USE POWERS.—Nothing in this subtitle shall be construed to grant powers of zoning or land use control to the Partnership.

(c) LOCAL AUTHORITY AND PRIVATE PROPERTY NOT AFFECTED.—Nothing in this subtitle shall be construed to affect or to authorize the Partnership to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local zoning ordinance or land use plan of the State of Michigan or a political subdivision thereof.

SEC. 318. SUNSET.

The Secretary may not make any grant or provide any assistance under this subtitle after September 30, 2014.

SEC. 319. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated under this subtitle not more than $1,000,000 for any fiscal year. Not more than a total of $10,000,000 may be appropriated for the Heritage Area under this subtitle.

(b) 50 PERCENT MATCH.—Federal funding provided under this subtitle, after the designation of the Heritage Area, may not exceed 50 percent of the total cost of any activity carried out with any financial assistance or grant provided under this subtitle.

Subtitle C—Lackawanna Heritage Valley American Heritage Area of Pennsylvania

SEC. 321. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) The industrial and cultural heritage of northeastern Pennsylvania inclusive of Lackawanna, Luzerne, Wayne, and Susquehanna counties, related directly to anthracite and anthracite-related industries, is nationally significant, as documented in the United States Department of the Interior-National Parks Service, National Register of Historic Places, Multiple Property Documentation submittal of the Pennsylvania Historic and Museum Commission (1996).

(2) These industries include anthracite mining, ironmaking, textiles, and rail transportation.

(3) The industrial and cultural heritage of the anthracite and related industries in this region includes the social history and living cultural traditions of the people of the region.

(4) The labor movement of the region played a significant role in the development of the Nation including the formation of many key unions such as the United Mine Workers of America, and crucial struggles to improve wages and working conditions, such as the 1900 and 1902 anthracite strikes.

(5) The Department of the Interior is responsible for protecting the Nation's cultural and historic resources, and there are significant examples of these resources within this 4-county region to merit the involvement of the Federal Government to develop programs and projects, in cooperation with the Lackawanna Heritage Valley Authority, the Commonwealth of Pennsylvania, and other local and governmental bodies, to adequately conserve, protect, and interpret this heritage for future generations, while providing opportunities for education and revitalization.

(6) The Lackawanna Heritage Valley Authority would be an appropriate management entity for a Heritage Area established in the region.

(b) PURPOSE.—The objectives of the Lackawanna Heritage Valley American Heritage Area are as follows:

(1) To foster a close working relationship with all levels of government, the private sector, and the local communities in the anthracite coal region of northeastern Pennsylvania and empower the communities to conserve their heritage while continuing to pursue economic opportunities.

(2) To conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the 4-county region of northeastern Pennsylvania.

SEC. 322. LACKAWANNA HERITAGE VALLEY AMERICAN HERITAGE AREA.

(a) ESTABLISHMENT.—There is hereby established the Lackawanna Heritage Valley American Heritage Area (in this subtitle referred to as the "Heritage Area").

(b) BOUNDARIES.—The Heritage Area shall be comprised of all or parts of the counties of Lackawanna, Luzerne, Wayne, and Susquehanna in Pennsylvania, determined pursuant to the compact under section 323.

(c) MANAGEMENT ENTITY.—The management entity for the Heritage Area shall be the Lackawanna Heritage Valley Authority.

SEC. 323. COMPACT.

To carry out the purposes of this subtitle, the Secretary of the Interior (in this subtitle referred to as the "Secretary") shall enter into a compact with the management entity. The compact shall include information relating to the objectives and management of the area, including each of the following:

(1) A delineation of the boundaries of the Heritage Area.

(2) A discussion of the goals and objectives of the Heritage Area, including an explanation of the proposed approach to conservation and interpretation and a general outline of the protection measures committed to by the partners.

SEC. 324. AUTHORITIES AND DUTIES OF MANAGEMENT ENTITY.

(a) AUTHORITIES OF THE MANAGEMENT ENTITY.—The management entity may, for purposes of preparing and implementing the management plan developed under subsection (b), use funds made available through this subtitle for the following:

(1) To make loans and grants to, and enter into cooperative agreements with States and their political subdivisions, private organizations, or any person.

(2) To hire and compensate staff.

(b) MANAGEMENT PLAN.—The management entity shall develop a management plan for the Heritage Area that presents comprehensive recommendations for the Heritage Area's conservation, funding, management, and development. Such plan shall take into consideration existing State, county, and local plans and involve residents, public agencies, and private organizations working in the Heritage Area. It shall include actions to be undertaken by units of government and private organizations to protect the resources of the Heritage Area. It shall specify the existing and potential sources of funding to protect, manage, and develop the Heritage Area. Such plan shall include, as appropriate, the following:

(1) An inventory of the resources contained in the Heritage Area, including a list of any property in the Heritage Area that is related to the themes of the Heritage Area and that should be preserved, restored, managed, developed, or maintained because of its natural, cultural, historic, recreational, or scenic significance.

(2) A recommendation of policies for resource management which considers and details application of appropriate land and water management techniques, including, but not limited to, the development of intergovernmental cooperative agreements to protect the Heritage Area's historical, cultural, recreational, and natural resources in a manner consistent with supporting appropriate and compatible economic viability.

(3) A program for implementation of the management plan by the management entity, including plans for restoration and construction, and specific commitments of the identified partners for the first 5 years of operation.

(4) An analysis of ways in which local, State, and Federal programs may best be coordinated to promote the purposes of this subtitle.

(5) An interpretation plan for the Heritage Area.

The management entity shall submit the management plan to the Secretary for approval within 3 years after the date of enactment of this subtitle. If a management plan is not submitted to the Secretary as required within the specified time, the Heritage Area shall no longer qualify for Federal funding.

(c) DUTIES OF MANAGEMENT ENTITY.—The management entity shall—

(1) give priority to implementing actions set forth in the compact and management plan, including steps to assist units of government, regional planning organizations, and nonprofit organizations in preserving the Heritage Area;

(2) assist units of government, regional planning organizations, and nonprofit organizations in establishing and maintaining interpretive exhibits in the Heritage Area; assist units of government, regional planning organizations, and nonprofit organizations in developing recreational resources in the Heritage Area;

(3) assist units of government, regional planning organizations, and nonprofit organizations in increasing public awareness of and appreciation for the natural, historical, and architectural resources and sites in the Heritage Area; assist units of government, regional planning organizations and nonprofit organizations in the restoration of any historic building relating to the themes of the Heritage Area;

(4) encourage by appropriate means economic viability in the Heritage Area consistent with the goals of the plan; encourage local governments to adopt land use policies consistent with the management of the Heritage Area and the goals of the plan;

(5) assist units of government, regional planning organizations, and nonprofit organizations to ensure that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are put in place throughout the Heritage Area;

(6) consider the interests of diverse governmental, business, and nonprofit groups within the Heritage Area;

(7) conduct public meetings at least quarterly regarding the implementation of the management plan;

(8) submit substantial changes (including any increase of more than 20 percent in the cost estimates for implementation) to the management plan to the Secretary for the Secretary's approval; for any year in which Federal funds have been received under this subtitle, submit an annual report to the Secretary setting forth its accomplishments, its expenses and income, and the entity to which any loans and grants were made during the year for which the report is made; and

(9) for any year in which Federal funds have been received under this subtitle, make available for audit all records pertaining to

the expenditure of such funds and any matching funds, and require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for audit all records pertaining to the expenditure of such funds.

(d) PROHIBITION ON THE ACQUISITION OF REAL PROPERTY.—The management entity may not use Federal funds received under this subtitle to acquire real property or an interest in real property. Nothing in this subtitle shall preclude any management entity from using Federal funds from other sources for their permitted purposes.

SEC. 325. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may, upon request of the management entity, provide technical and financial assistance to the management entity to develop and implement the management plan. In assisting the management entity, the Secretary shall give priority to actions that in general assist in—

(A) conserving the significant natural, historic, and cultural resources which support its themes; and

(B) providing educational, interpretive, and recreational opportunities consistent with its resources and associated values.

(2) SPENDING FOR NON-FEDERALLY OWNED PROPERTY.—The Secretary may spend Federal funds directly on non-federally owned property to further the purposes of this subtitle, especially in assisting units of government in appropriate treatment of districts, sites, buildings, structures, and objects listed or eligible for listing on the National Register of Historic Places. The Historic American Building Survey/Historic American Engineering Record shall conduct those studies necessary to document the industrial, engineering, building, and architectural history of the region.

(b) APPROVAL AND DISAPPROVAL OF COMPACTS AND MANAGEMENT PLANS.—The Secretary, in consultation with the Governor of Pennsylvania, shall approve or disapprove a compact or management plan submitted under this subtitle not later than 90 days after receiving such compact or management plan.

(c) ACTION FOLLOWING DISAPPROVAL.—If the Secretary disapproves a submitted compact or management plan, the Secretary shall advise the management entity in writing of the reasons therefore and shall make recommendations for revisions in the compact or plan. The Secretary shall approve or disapprove a proposed revision within 90 days after the date it is submitted.

(d) APPROVING AMENDMENTS.—The Secretary shall review substantial amendments to the management plan for the Heritage Area. Funds appropriated pursuant to this subtitle may not be expended to implement the changes made by such amendments until the Secretary approves the amendments.

SEC. 326. SUNSET.

The Secretary may not make any grant or provide any assistance under this subtitle after September 30, 2012.

SEC. 327. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated under this subtitle not more than $1,000,000 for any fiscal year. Not more than a total of $10,000,000 may be appropriated for the Heritage Area under this subtitle.

(b) 50 PERCENT MATCH.—Federal funding provided under this subtitle, after the designation of the Heritage Area, may not exceed 50 percent of the total cost of any assistance or grant provided or authorized under this subtitle.

Subtitle D—Miscellaneous Provisions

SEC. 331. BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR, MASSACHUSETTS AND RHODE ISLAND.

Section 10(b) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99–647; 16 U.S.C. 461 note), is amended by striking "For fiscal year 1996, 1997, and 1998," and inserting "For fiscal years 1998, 1999, and 2000,".

SEC. 332. ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR, ILLINOIS.

(a) EXTENSION OF COMMISSION.—Section 111(a) of the Illinois and Michigan Canal National Heritage Corridor Act of 1984 (Public Law 98–398; 98 Stat. 1456; 16 U.S.C. 461 note) is amended by striking "ten" and inserting "20".

(b) REPEAL OF EXTENSION AUTHORITY.—Section 111 of such Act (16 U.S.C. 461 note) is further amended—

(1) by striking "(a) TERMINATION.—"; and

(2) by striking subsection (b).

TITLE IV—HISTORIC AREAS

SEC. 401. BATTLE OF MIDWAY NATIONAL MEMORIAL STUDY.

(a) FINDINGS.—The Congress makes the following findings:

(1) September 2, 1998, marked the 53d anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway on June 4, 1942, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, outmaneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to study whether Midway Atoll should be established as a national memorial to the Battle of Midway to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(5) The historic structures on Midway Atoll should be protected and maintained.

(b) PURPOSE.—The purpose of this section shall be to require a study of the feasibility and suitability of designating the Midway Atoll as a national memorial to the Battle of Midway within the boundaries of the Midway Atoll National Wildlife Refuge. The study of the Midway Atoll and its environs shall include, but not be limited to, identification of interpretive opportunities for the educational and inspirational benefit of present and future generations, and of the unique and significant circumstances involving the defense of the island by the United States in World War II and the Battle of Midway.

(c) STUDY OF THE ESTABLISHMENT OF MIDWAY ATOLL AS A NATIONAL MEMORIAL TO THE BATTLE OF MIDWAY.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service, shall carry out a study of the suitability and feasibility of establishing Midway Atoll as a national memorial to the Battle of Midway. The Secretary shall carry out the study in consultation with the Director of the National Park Service, the International Midway Memorial Foundation, Inc. (referred to in this section as the "Foundation"), the Veterans of Foreign Wars, the Battle of Coral Sea Association, the American Legion, or other appropriate veterans group, respectively, and the Midway Phoenix Corporation.

(2) CONSIDERATIONS.—In studying the establishment of Midway Atoll as a national memorial to the Battle of Midway under paragraph (1), the Secretary shall address the following:

(A) The appropriate Federal agency to manage such a memorial, and whether and under what conditions to lease or otherwise allow the Foundation or another appropriate entity to administer, maintain, and fully utilize for use as a national memorial to the Battle of Midway the lands (including any equipment, facilities, infrastructure, and other improvements) and waters of Midway Atoll if designated as a national memorial.

(B) Whether designation as a national memorial would conflict with current management of Midway Atoll as a wildlife refuge and whether, and under what circumstances, the needs and requirements of the wildlife refuge should take precedence over the needs and requirements of a national memorial on Midway Atoll.

(C) Whether, and under what conditions, to permit the use of the facilities on Sand Island for purposes other than a wildlife refuge or a national memorial.

(D) Whether to impose conditions on public access to Midway Atoll if designated as a national memorial.

(d) REPORT.—Upon completion of the study required under paragraph (1), the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report on the study, which shall include any recommendations for further legislative action. The report shall also include an inventory of all known past and present facilities and structures of historical significance on Midway Atoll and its environs. The report shall include a description of each historic facility and structure and a discussion of how each will contribute to the designation and interpretation of the proposed national memorial.

(e) CONTINUING DISCUSSIONS.—Nothing in this section shall be construed to delay or prohibit discussions or agreements between the Foundation, the Veterans of Foreign Wars, the Battle of Coral Sea Association, the American Legion, or any other appropriate veterans group, or the Midway Phoenix Corporation and the United States Fish and Wildlife Service or any other Government entity regarding the future role of the Foundation or the Midway Phoenix Corporation on Midway Atoll.

(f) EXISTING AGREEMENT.—This section shall not affect any agreement in effect on the date of the enactment of this Act between the United States Fish and Wildlife Service and Midway Phoenix Corporation.

(g) AUTHORIZATION.—There are authorized to be appropriated to carry out this section not more than $100,000.

SEC. 402. HISTORIC LIGHTHOUSE PRESERVATION.

(a) PRESERVATION OF HISTORIC LIGHT STATIONS.—Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w–6) is amended by adding the following new section after section 307:

"SEC. 308. HISTORIC LIGHTHOUSE PRESERVATION.

"(a) IN GENERAL.—In order to provide a national historic light station program, the Secretary shall—

"(1) collect and disseminate information concerning historic light stations, including historic lighthouses and associated structures;

"(2) foster educational programs relating to the history, practice, and contribution to society of historic light stations;

"(3) sponsor or conduct research and study into the history of light stations;

"(4) maintain a listing of historic light stations; and

"(5) assess the effectiveness of the program established by this section regarding the conveyance of historic light stations.

"(b) CONVEYANCE OF HISTORIC LIGHT STATIONS.—

"(1) Within one year of the date of enactment of this section, the Secretary and the Administrator of General Services shall establish a process for identifying, and selecting, an eligible entity to which a historic light station could be conveyed for education, park, recreation, cultural, or historic preservation purposes.

"(2) The Secretary shall review all applicants for the conveyance of a historic light station, when the historic light station has been identified as excess to the needs of the agency with administrative jurisdiction over the historic light station, and forward to the Administrator a single approved application for the conveyance of the historic light station. When selecting an eligible entity, the Secretary may consult with the State Historic Preservation Officer of the state in which the historic light station is located. A priority of consideration shall be afforded public entities that submit applications in which the public entity enters into a partnership with a nonprofit organization whose primary mission is historic light station preservation.

"(3)(A) Except as provided in paragraph (B), the Administrator shall convey, by quitclaim deed, without consideration, all right, title, and interest of the United States in and to the historic light station, subject to the conditions set forth in subsection (c). The conveyance of a historic light station under this section shall not be subject to the provisions of 42 U.S.C. 11301 et seq.

"(B)(i) Historic light stations located within the exterior boundaries of a unit of the National Park System or a refuge within the National Wildlife Refuge System shall be conveyed or sold only with the approval of the Secretary.

"(ii) If the Secretary approves the conveyance or sale of a historic light station referenced in this paragraph, such conveyance or sale shall be subject to the conditions set forth in subsection (c) and any other terms or conditions the Secretary considers necessary to protect the resources of the park unit or wildlife refuge.

"(iii) For those historic light stations referenced in this paragraph, the Secretary is encouraged to enter cooperative agreements with appropriate eligible entities, as provided in this Act, to the extent such cooperative agreements are consistent with the Secretary's responsibilities to manage and administer the park unit or wildlife refuge, as appropriate.

"(c) TERMS OF CONVEYANCE.—

"(1) The conveyance of a historic light station shall be made subject to any conditions the Administrator considers necessary to ensure that—

"(A) the lights, antennas, sound signal, electronic navigation equipment, and associated light station equipment located at the historic light station, which are active aids to navigation, shall continue to be operated and maintained by the United States for as long as needed for this purpose;

"(B) the eligible entity to which the historic light station is conveyed under this section shall not interfere or allow interference in any manner with aids to navigation without the express written permission of the head of the agency responsible for maintaining the aids to navigation;

"(C) there is reserved to the United States the right to relocate, replace, or add any aid to navigation located at the historic light station as may be necessary for navigation purposes;

"(D) the eligible entity to which the historic light station is conveyed under this section shall maintain the historic light station in accordance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws;

"(E) the eligible entity to which the historic light station is conveyed under this section shall make the historic light station available for education, park, recreation, cultural or historic preservation purposes for the general public at reasonable times and under reasonable conditions; and

"(F) the United States shall have the right, at any time, to enter the historic light station without notice for purposes of maintaining and inspecting aids to navigation and ensuring compliance with paragraph (C), to the extent that it is not possible to provide advance notice.

"(2) The Secretary, the Administrator, and any eligible entity to which a historic light station is conveyed under this section, shall not be required to maintain any active aids to navigation associated with a historic light station.

"(3) In addition to any term or condition established pursuant to this subsection, the conveyance of a historic light station shall include a condition that the historic light station in its existing condition, at the option of the Administrator, revert to the United States if—

"(A) the historic light station or any part of the historic light station ceases to be available for education, park, recreation, cultural, or historic preservation purposes for the general public at reasonable times and under reasonable conditions which shall be set forth in the eligible entity's application;

"(B) the historic light station or any part of the historic light station ceases to be maintained in a manner that ensures its present or future use as an aid to navigation or compliance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws; or

"(C) at least 30 days before the reversion, the Administrator provides written notice to the owner that the historic light station is needed for national security purposes.

"(d) DESCRIPTION OF PROPERTY.—The Administrator shall prepare the legal description of any historic light station conveyed under this section. The Administrator may retain all right, title, and interest of the United States in and to any historical artifact, including any lens or lantern, that is associated with the historic light station and located at the light station at the time of conveyance. All conditions placed with the deed of title to the historic light station shall be construed as covenants running with the land. No submerged lands shall be conveyed to non-Federal entities.

"(e) RESPONSIBILITIES OF CONVEYEES.—Each eligible entity to which a historic light station is conveyed under this section shall use and maintain the historic light station in accordance with this section, and have such conditions recorded with the deed of title to the historic light station.

"(f) DEFINITIONS.—For purposes of this section and sections 309 and 310:

"(1) HISTORIC LIGHT STATION.—The term 'historic light station' includes the light tower, lighthouse, keepers dwelling, garages, storage sheds, oil house, fog signal building, boat house, barn, pumphouse, tramhouse support structures, piers, walkways, and related real property and improvements associated therewith; provided that the light tower or lighthouse shall be included in or eligible for inclusion in the National Register of Historic Places.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' shall mean—

"(A) any department or agency of the Federal government; or

"(B) any department or agency of the state in which the historic light station is located, the local government of the community in which the historic light station is located, nonprofit corporation, educational agency, or community development organization that—

"(i) has agreed to comply with the conditions set forth in subsection (c) and to have such conditions recorded with the deed of title to the historic light station;

"(ii) is financially able to maintain the historic light station in accordance with the conditions set forth in subsection (c); and

"(iii) can indemnify the Federal government to cover any loss in connection with the historic light station, or any expenses incurred due to reversion.

"(3) ADMINISTRATOR.—The term 'Administrator' means the Administrator of General Services.".

(b) SALE OF EXCESS LIGHT STATIONS.—Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w-6) is amended by adding the following new section after section 308:

"SEC. 309. HISTORIC LIGHT STATION SALES.

"In the event no applicants are approved for the conveyance of a historic light station pursuant to section 308, the historic light station shall be offered for sale. Terms of such sales shall be developed by the Administrator. Conveyance documents shall include all necessary covenants to protect the historical integrity of the historic light station and ensure that any active aids to navigation located at the historic light station are operated and maintained by the United States for as long as needed for that purpose. Net sale proceeds shall be transferred to the National Maritime Heritage Grant Program, established by section 4 of the National Maritime Heritage Act of 1994 (Public Law 103-451; 16 U.S.C. 5403), within the Department of the Interior.".

(c) TRANSFER OF HISTORIC LIGHT STATIONS TO FEDERAL AGENCIES.—Title III of the National Historic Preservation Act (16 U.S.C. 470w–470w-6) is amended by adding the following new section after section 309:

"SEC. 310. TRANSFER OF HISTORIC LIGHT STATIONS TO FEDERAL AGENCIES.

"After the date of enactment of this section, any department or agency of the Federal government, to which a historic light station is conveyed, shall maintain the historic light station in accordance with this Act, the Secretary's Standards for the Treatment of Historic Properties, and other applicable laws.".

(d) Funding.—There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to carry out this section.

SEC. 403. THOMAS COLE NATIONAL HISTORIC SITE, NEW YORK.

(a) Definitions.—As used in this section:

(1) The term "historic site" means the Thomas Cole National Historic Site established by subsection (c).

(2) The term "Hudson River artists" means artists who were associated with the Hudson River school of landscape painting.

(3) The term "plan" means the general management plan developed pursuant to subsection (e)(4).

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "Society" means the Greene County Historical Society of Greene County, New York, which owns the Thomas Cole home, studio, and other property comprising the historic site.

(b) Findings and Purposes.—

(1) Findings.—Congress finds the following:

(A) The Hudson River school of landscape painting was inspired by Thomas Cole and was characterized by a group of 19th century landscape artists who recorded and celebrated the landscape and wilderness of America, particularly in the Hudson River Valley region in the State of New York.

(B) Thomas Cole is recognized as America's most prominent landscape and allegorical painter of the mid-19th century.

(C) Located in Greene County, New York, the Thomas Cole House, also known as Thomas Cole's Cedar Grove, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark.

(D) Within a 15 mile radius of the Thomas Cole House, an area that forms a key part of the rich cultural and natural heritage of the Hudson River Valley region, significant landscapes and scenes painted by Thomas Cole and other Hudson River artists, such as Frederic Church, survive intact.

(E) The State of New York has established the Hudson River Valley Greenway to promote the preservation, public use, and enjoyment of the natural and cultural resources of the Hudson River Valley region.

(F) Establishment of the Thomas Cole National Historic Site will provide opportunities for the illustration and interpretation of cultural themes of the heritage of the United States and unique opportunities for education, public use, and enjoyment.

(2) Purposes.—The purposes of this section are—

(A) to preserve and interpret the home and studio of Thomas Cole for the benefit, inspiration, and education of the people of the United States;

(B) to help maintain the integrity of the setting in the Hudson River Valley region that inspired artistic expression;

(C) to coordinate the interpretive, preservation, and recreational efforts of Federal, State, and other entities in the Hudson Valley region in order to enhance opportunities for education, public use, and enjoyment; and

(D) to broaden understanding of the Hudson River Valley region and its role in American history and culture.

(c) Establishment of Thomas Cole National Historic Site.—

(1) Establishment.—There is established, as an affiliated area of the National Park System, the Thomas Cole National Historic Site in the State of New York.

(2) Description.—The historic site shall consist of the home and studio of Thomas Cole, comprising approximately 3.4 acres, located at 218 Spring Street, in the village of Catskill, New York, as generally depicted on the boundary map numbered TCH/80002, and dated March 1992.

(d) Retention of Ownership and Management of Historic Site by Greene County Historical Society.—The Greene County Historical Society of Greene County, New York, shall continue to own, manage, and operate the historic site.

(e) Administration of Historic Site.—

(1) Applicability of National Park System Laws.—The historic site shall be administered by the Society in a manner consistent with this Act and all laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) Cooperative Agreements.—

(A) Assistance to Society.—The Secretary may enter into cooperative agreements with the Society to preserve the Thomas Cole House and other structures in the historic site and to assist with education programs and research and interpretation of the Thomas Cole House and associated landscapes.

(B) Other Assistance.—To further the purposes of this section, the Secretary may enter into cooperative agreements with the State of New York, the Society, the Thomas Cole Foundation, and other public and private entities to facilitate public understanding and enjoyment of the lives and works of the Hudson River artists through the provision of assistance to develop, present, and fund art exhibits, resident artist programs, and other appropriate activities related to the preservation, interpretation, and use of the historic site.

(3) Artifacts and Property.—

(A) Personal Property Generally.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site.

(B) Works of Art.—The Secretary may acquire works of art associated with Thomas Cole and other Hudson River artists for the purpose of display at the historic site.

(4) General Management Plan.—Within two complete fiscal years after the date of the enactment of this Act, the Secretary shall develop a general management plan for the historic site with the cooperation of the Society. Upon the completion of the plan, the Secretary shall provide a copy of the plan to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The plan shall include recommendations for regional wayside exhibits, to be carried out through cooperative agreements with the State of New York and other public and private entities. The plan shall be prepared in accordance with section 12(b) of Public Law 91-383 (16 U.S.C. 1a-1 et seq.; commonly known as the National Park System General Authorities Act).

(f) Authorization of Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 404. ADDITION OF THE PAOLI BATTLEFIELD TO THE VALLEY FORGE NATIONAL HISTORICAL PARK.

(a) Boundary Modification.—Section 2(a) of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-1), is amended by adding the following after the first sentence thereof: "The park shall also include the Paoli Battlefield, located in the Borough of Malvern, Pennsylvania, as depicted on the map numbered 001 and dated July 24, 1996 (hereinafter in this Act referred to as the 'Paoli Battlefield Addition')."

(b) Acquisition of Lands.—Section 4(a) of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-3), is amended by adding the following before the period at the end thereof: ", except that there is authorized to be appropriated an additional amount of not more than $2,500,000 for the acquisition of property within the Paoli Battlefield Addition if non-Federal monies in the amount of not less than $1,000,000 are available for the acquisition (and subsequent donation to the National Park Service) of such property".

(c) Cooperative Management.—Section 3 of the Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa-2), is amended by adding the following at the end thereof: "The Secretary may enter into a cooperative agreement with the Borough of Malvern for the management by the Borough of the Paoli Battlefield Addition.".

SEC. 405. CASA MALPAIS NATIONAL HISTORIC LANDMARK, ARIZONA.

(a) Findings.—The Congress finds and declares that—

(1) the Casa Malpais National Historic Landmark was occupied by one of the largest and most sophisticated Mogollon communities in the United States;

(2) the landmark includes a 58-room masonry pueblo, including stairways, Great Kiva complex, and fortification walls, a prehistoric trail, and catacomb chambers where the deceased were placed;

(3) the Casa Malpais was designated as a national historic landmark by the Secretary of the Interior in 1964; and

(4) the State of Arizona and the community of Springerville are undertaking a program of interpretation and preservation of the landmark.

(b) Purpose.—It is the purpose of this section to assist in the preservation and interpretation of the Casa Malpais National Historic Landmark for the benefit of the public.

(c) Cooperative Agreements.—

(1) In General.—In furtherance of the purpose of this section, the Secretary of the Interior is authorized to enter into cooperative agreements with the State of Arizona and the town of Springerville, Arizona, pursuant to which the Secretary may provide technical assistance to interpret, operate, and maintain the Casa Malpais National Historic Landmark and may also provide financial assistance for planning, staff training, and development of the Casa Malpais National Historic Landmark, but not including other routine operations.

(2) Additional Provisions.—Any such agreement may also contain provisions that—

(A) the Secretary, acting through the Director of the National Park Service, shall have right to access at all reasonable times to all public portions of the property covered by such agreement for the purpose of interpreting the landmark; and

(B) no changes or alterations shall be made in the landmark except by mutual agreement between the Secretary and the other parties to all such agreements.

(d) Appropriations.—There are authorized to be appropriated such sums as may be necessary to provide financial assistance in accordance with this section.

SEC. 406. LOWER EAST SIDE TENEMENT NATIONAL HISTORIC SITE, NEW YORK.

(a) Findings.—Congress finds that—

(1) immigration, and the resulting diversity of cultural influences, is a key factor in defining American identity; the majority of United States citizens trace their ancestry to persons born in nations other than the United States;

(2) the latter part of the 19th century and the early part of the 20th century marked a period in which the volume of immigrants coming to the United States far exceeded that of any time prior to or since that period;

(3) no single identifiable neighborhood in the United States absorbed a comparable number of immigrants than the Lower East Side neighborhood of Manhattan in New York City;

(4) the Lower East Side Tenement at 97 Orchard Street in New York City is an outstanding survivor of the vast number of humble buildings that housed immigrants to New York City during the greatest wave of immigration in American history;

(5) the Lower East Side Tenement is owned and operated as a museum by the Lower East Side Tenement Museum;

(6) the Lower East Side Tenement Museum is dedicated to interpreting immigrant life within a neighborhood long associated with the immigrant experience in the United States, New York's Lower East Side, and its importance to United States history; and

(7) the National Park Service found the Lower East Side Tenement at 97 Orchard Street to be nationally significant; the Secretary of the Interior declared it a National Historic Landmark on April 19, 1994, and the National Park Service through a special resource study found the Lower East Side Tenement suitable and feasible for inclusion in the National Park System.

(b) Purposes.—The purposes of this section are—

(1) to ensure the preservation, maintenance, and interpretation of this site and to interpret at the site the themes of immigration, tenement life in the later half of the 19th century and the first half of the 20th century, the housing reform movement, and tenement architecture in the United States;

(2) to ensure continued interpretation of the nationally significant immigrant phenomenon associated with New York City's Lower East Side and its role in the history of immigration to the United States; and

(3) to enhance the interpretation of the Castle Clinton, Ellis Island, and Statue of Liberty National Monuments.

(c) Definitions.—As used in this section:

(1) Historic site.—The term "historic site" means the Lower East Side Tenement at 97 Orchard Street on Manhattan Island in New York City, New York, and designated as a national historic site by subsection (d)(1).

(2) Lower East Side Tenement Museum.—The term "Lower East Side Tenement Museum" means the Lower East Side Tenement Museum, a nonprofit organization established in New York City, which owns and operates the tenement building at 97 Orchard Street and manages other properties in the vicinity of 97 Orchard Street as administrative and program support facilities for 97 Orchard Street.

(3) Secretary.—The term "Secretary" means the Secretary of the Interior.

(d) Establishment of Historic Site.—

(1) Designation.—To further the purposes of this section and the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.), the Lower East Side Tenement at 97 Orchard Street, in the City of New York, State of New York, is designated a national historic site to be known as "Lower East Side Tenement National Historic Site".

(2) Status as affiliated site.—The Lower East Side Tenement National Historic Site shall be an affiliated site of the National Park System. The Secretary shall coordinate the operation and interpretation of the historic site with that of the Lower East Side Tenement Historic Site and the Statue of Liberty, Ellis Island, and Castle Clinton National Monument, as the historic site's story and interpretation of the immigrant experience in the United States is directly related to the themes and purposes of these national monuments.

(3) Ownership and operation.—The Lower East Side Tenement National Historic Site shall continue to be owned, operated, and managed by the Lower East Side Tenement Museum.

(e) Management of Historic Site.—

(1) Cooperative agreement.—The Secretary is authorized to enter into a cooperative agreement with the Lower East Side Tenement Museum to ensure the marking, interpretation, and preservation of the historic site.

(2) Assistance.—The Secretary is authorized to provide technical and financial assistance to the Lower East Side Tenement Museum to mark, interpret, and preserve the historic site, including the making of preservation-related capital improvements and repairs.

(3) Management plan.—The Secretary shall, working with the Lower East Side Tenement Museum, develop a general management plan for the historic site to define the National Park Service's roles and responsibilities with regard to the interpretation and the preservation of the historic site. The plan shall also outline how interpretation and programming for the Lower East Side Tenement National Historic Site and the Statue of Liberty, Ellis Island, and Castle Clinton national monuments will be integrated and coordinated so as to enhance the stories at each of the 4 sites. Such plan shall be completed within 2 years after the enactment of this Act.

(4) Savings clause.—Nothing in this section authorizes the Secretary to acquire the property at 97 Orchard Street or to assume overall financial responsibility for the operation, maintenance, or management of the Lower East Side Tenement National Historic Site.

(f) Appropriations.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 407. GATEWAY VISITOR CENTER AUTHORIZATION, INDEPENDENCE NATIONAL HISTORICAL PARK.

(a) Findings and Purpose.—

(1) Findings.—The Congress finds the following:

(A) The National Park Service completed and approved in 1997 a general management plan for Independence National Historical Park that establishes goals and priorities for the park's future.

(B) The general management plan for Independence National Historical Park calls for the revitalization of Independence Mall and recommends as a critical component of the Independence Mall's revitalization the development of a new "Gateway Visitor Center".

(C) Such a visitor center would replace the existing park visitor center and would serve as an orientation center for visitors to the park and to city and regional attractions.

(D) Subsequent to the completion of the general management plan, the National Park Service undertook and completed a design project and master plan for Independence Mall which includes the Gateway Visitor Center.

(E) Plans for the Gateway Visitor Center call for it to be developed and managed, in cooperation with the Secretary of the Interior, by a nonprofit organization which represents the various public and civic interests of the greater Philadelphia metropolitan area.

(F) The Gateway Visitor Center Corporation, a nonprofit organization, has been established to raise funds for and cooperate in a program to design, develop, construct, and operate the proposed Gateway Visitor Center.

(2) Purpose.—The purpose of this section is to authorize the Secretary of the Interior to enter into a cooperative agreement with the Gateway Visitor Center Corporation to construct and operate a regional visitor center on Independence Mall.

(b) Gateway Visitor Center Authorization.—

(1) Agreement.—The Secretary of the Interior, in administering the Independence National Historical Park, may enter into an agreement under appropriate terms and conditions with the Gateway Visitor Center Corporation (a nonprofit corporation established under the laws of the State of Pennsylvania) to facilitate the construction and operation of a regional Gateway Visitor Center on Independence Mall.

(2) Operations of center.—The Agreement shall authorize the Corporation to operate the Center in cooperation with the Secretary and to provide at the Center information, interpretation, facilities, and services to visitors to Independence National Historical Park, its surrounding historic sites, the city of Philadelphia, and the region, in order to assist in their enjoyment of the historic, cultural, educational, and recreational resources of the greater Philadelphia area.

(3) Management-related activities.—The Agreement shall authorize the Secretary to undertake at the Center activities related to the management of Independence National Historical Park, including, but not limited to, provision of appropriate visitor information and interpretive facilities and programs related to Independence National Historical Park.

(4) Activities of corporation.—The Agreement shall authorize the Corporation, acting as a private nonprofit organization, to engage in activities appropriate for operation of a regional visitor center that may include, but are not limited to, charging fees, conducting events, and selling merchandise, tickets, and food to visitors to the Center.

(5) Use of revenues.—Revenues from activities engaged in by the Corporation shall be used for the operation and administration of the Center.

(6) Protection of park.—Nothing in this section authorizes the Secretary or the Corporation to take any actions in derogation of the preservation and protection of the values and resources of Independence National Historical Park.

(7) Definitions.—In this subsection:

(A) Agreement.—The term "Agreement" means an agreement under this section between the Secretary and the Corporation.

(B) Center.—The term "Center" means a Gateway Visitor Center constructed and operated in accordance with the Agreement.

(C) CORPORATION.—The term "Corporation" means the Gateway Visitor Center Corporation (a nonprofit corporation established under the laws of the State of Pennsylvania).

(D) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

SEC. 408. TUSKEGEE AIRMEN NATIONAL HISTORIC SITE, ALABAMA.

(a) DEFINITIONS.—As used in this section:

(1) HISTORIC SITE.—The term "historic site" means the Tuskegee Airmen National Historic Site as established by subsection (d).

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) TUSKEGEE AIRMEN.—The term "Tuskegee Airmen" means the thousands of men and women who were trained at Tuskegee University's Moton Field to serve in America's African-American Air Force units during World War II and those men and women who participate in the Tuskegee Experience today, who are represented by Tuskegee Airmen, Inc.

(4) TUSKEGEE UNIVERSITY.—The term "Tuskegee University" means the institution of higher education by that name located in the State of Alabama and founded by Booker T. Washington in 1881, formerly named Tuskegee Institute.

(b) FINDINGS.—The Congress finds the following:

(1) The struggle of African-Americans for greater roles in North American military conflicts spans the 17th, 18th, 19th, and 20th centuries. Opportunities for African-American participation in the United States military were always very limited and controversial. Quotas, exclusion, and racial discrimination were based on the prevailing attitude in the United States, particularly on the part of the United States military, that African-Americans did not possess the intellectual capacity, aptitude, and skills to be successful fighters.

(2) As late as the 1940's these perceptions continued within the United States military. Key leaders within the United States Army Air Corps did not believe that African-Americans possessed the capacity to become successful military pilots. After succumbing to pressure exerted by civil rights groups and the black press, the Army decided to train a small number of African-American pilot cadets under special conditions. Although prejudice and discrimination against African-Americans was a national phenomenon, not just a southern trait, it was more intense in the South where it had hardened into rigidly enforced patterns of segregation. Such was the environment where the military chose to locate the training of the Tuskegee Airmen.

(3) The military selected Tuskegee Institute (now known as Tuskegee University) as a civilian contractor for a variety of reasons. These included the school's existing facilities, engineering and technical instructors, and a climate with ideal flying conditions year round. Tuskegee Institute's strong interest in providing aeronautical training for African-American youths was also an important factor. Students from the school's civilian pilot training program had some of the best test scores when compared to other students from programs across the Southeast.

(4) In 1941 the United States Army Air Corps awarded a contract to Tuskegee Institute to operate a primary flight school at Moton Field. Tuskegee Institute (now known as Tuskegee University) chose an African-American contractor who designed and constructed Moton Field, with the assistance of its faculty and students, as the site for its military pilot training program. The field was named for the school's second president, Robert Russa Moton. Consequently, Tuskegee Institute was one of a very few American institutions (and the only African-American institution) to own, develop, and control facilities for military flight instruction.

(5) Moton Field, also known as the Primary Flying Field or Airport Number 2, was the only primary flight training facility for African-American pilot candidates in the United States Army Air Corps during World War II. The facility symbolizes the entrance of African-American pilots into the United States Army Air Corps, although on the basis of a policy of segregation that was mandated by the military and institutionalized in the South. The facility also symbolizes the singular role of Tuskegee Institute (Tuskegee University) in providing leadership as well as economic and educational resources to make that entry possible.

(6) The Tuskegee Airmen were the first African-American soldiers to complete their training successfully and to enter the United States Army Air Corps. Almost 1,000 aviators were trained as America's first African-American military pilots. In addition, more than 10,000 military and civilian African-American men and women served as flight instructors, officers, bombardiers, navigators, radio technicians, mechanics, air traffic controllers, parachute riggers, electrical and communications specialists, medical professionals, laboratory assistants, cooks, musicians, supply, firefighting, and transportation personnel.

(7) Although military leaders were hesitant to use the Tuskegee Airmen in combat, the Airmen eventually saw considerable action in North Africa and Europe. Acceptance from United States Army Air Corps units came slowly, but their courageous and, in many cases, heroic performance earned them increased combat opportunities and respect.

(8) The successes of the Tuskegee Airmen proved to the American public that African-Americans, when given the opportunity, could become effective military leaders and pilots. This helped pave the way for desegregation of the military, beginning with President Harry S. Truman's Executive Order 9981 in 1948. The Tuskegee Airmen's success also helped set the stage for civil rights advocates to continue the struggle to end racial discrimination during the civil rights movement of the 1950's and 1960's.

(9) The story of the Tuskegee Airmen also reflects the struggle of African-Americans to achieve equal rights, not only through legal attacks on the system of segregation, but also through the techniques of nonviolent direct action. The members of the 477th Bombardment Group, who staged a nonviolent demonstration to desegregate the officer's club at Freeman Field, Indiana, helped set the pattern for direct action protests popularized by civil rights activists in later decades.

(c) PURPOSES.—The purposes of this section are the following:

(1) To inspire present and future generations to strive for excellence by understanding and appreciating the heroic legacy of the Tuskegee Airmen, through interpretation and education, and the preservation of cultural resources at Moton Field, which was the site of primary flight training.

(2) To commemorate and interpret—

(A) the impact of the Tuskegee Airmen during World War II;

(B) the training process for the Tuskegee Airmen, including the roles played by Moton Field, other training facilities, and related sites;

(C) the African-American struggle for greater participation in the United States Armed Forces and more significant roles in defending their country;

(D) the significance of successes of the Tuskegee Airmen in leading to desegregation of the United States Armed Forces shortly after World War II; and

(E) the impacts of Tuskegee Airmen accomplishments on subsequent civil rights advances of the 1950's and 1960's.

(3) To recognize the strategic role of Tuskegee Institute (now Tuskegee University) in training the airmen and commemorating them at this historic site.

(d) ESTABLISHMENT OF THE TUSKEGEE AIRMEN NATIONAL HISTORIC SITE.—In order to commemorate and interpret, in association with Tuskegee University, the heroic actions of the Tuskegee Airmen during World War II, there is hereby established as a unit of the National Park System the Tuskegee Airmen National Historic Site in the State of Alabama.

(e) DESCRIPTION OF HISTORIC SITE.—

(1) INITIAL PARCEL.—The historic site shall consist of approximately 44 acres, including approximately 35 acres owned by Tuskegee University and approximately 9 acres owned by the City of Tuskegee, known as Moton Field, in Macon County, Alabama, as generally depicted on a map entitled "Tuskegee Airmen National Historic Site Boundary Map", numbered NHS–TA–80,000, and dated September 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(2) SUBSEQUENT EXPANSION.—Upon completion of agreements regarding the development and operation of the Tuskegee Airmen National Center as described in subsection (i), the Secretary is authorized to acquire approximately 46 additional acres owned by Tuskegee University as generally depicted on the map referenced in paragraph (1). Lands acquired by the Secretary pursuant to this paragraph shall be administered by the Secretary as part of the historic site.

(f) PROPERTY ACQUISITION.—The Secretary may acquire by donation, exchange, or purchase with donated or appropriated funds the real property described in subsection (e), except that any property owned by the State of Alabama, any political subdivision thereof, or Tuskegee University may be acquired only by donation. Property donated by Tuskegee University shall be used only for purposes consistent with the purposes of this section. The Secretary may also acquire by the same methods personal property associated with, and appropriate for, the interpretation of the historic site.

(g) ADMINISTRATION OF HISTORIC SITE.—

(1) IN GENERAL.—The Secretary shall administer the historic site in accordance with this section and the laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (commonly known as the National Park Service Organic Act; 16 U.S.C. 1 et seq.), and the Act of August 21, 1935 (commonly known as the Historic Sites, Buildings, and Antiquities Act; 16 U.S.C. 461 et seq.).

(2) ROLE OF TUSKEGEE UNIVERSITY.—The Secretary shall consult with Tuskegee University as its principal partner in determining the organizational structure, developing the ongoing interpretive themes, and establishing policies for the wise management, use and development of the historic site. With the agreement of Tuskegee University, the Secretary shall engage appropriate departments, and individual members

of the University's staff, faculty, and students in the continuing work of helping to identify, research, explicate, interpret, and format materials for the historic site. Through the President of the University, or with the approval of the President of the University, the Secretary shall seek to engage Tuskegee alumni in the task of providing artifacts and historical information for the historic site.

(3) ROLE OF TUSKEGEE AIRMEN.—The Secretary, in cooperation with Tuskegee University, shall work with the Tuskegee Airmen to facilitate the acquisition of artifacts, memorabilia, and historical research for interpretive exhibits, and to support their efforts to raise funds for the development of visitor facilities and programs at the historic site.

(4) DEVELOPMENT.—Operation and development of the historic site shall reflect Alternative C, Living History: The Tuskegee Airmen Experience, as expressed in the final special resource study entitled "Moton Field/Tuskegee Airmen Special Resource Study", dated September 1998. Subsequent development of the historic site shall reflect Alternative D after an agreement is reached with Tuskegee University on the development of the Tuskegee Airmen National Center as described in subsection (i).

(h) COOPERATIVE AGREEMENTS GENERALLY.—The Secretary may enter into cooperative agreements with Tuskegee University, other educational institutions, the Tuskegee Airmen, individuals, private and public organizations, and other Federal agencies in furtherance of the purposes of this section. The Secretary shall consult with Tuskegee University in the formulation of any major cooperative agreements with other universities or federal agencies that may affect Tuskegee University's interests in the historic site. To every extent possible, the Secretary shall seek to complete cooperative agreements requiring the use of higher educational institutions with and through Tuskegee University.

(i) TUSKEGEE AIRMEN NATIONAL CENTER.—

(1) COOPERATIVE AGREEMENT FOR DEVELOPMENT.—The Secretary shall enter into a cooperative agreement with Tuskegee University to define the partnership needed to develop the Tuskegee Airmen National Center on the grounds of the historic site.

(2) PURPOSE OF CENTER.—The purpose of the Tuskegee Airmen National Center shall be to extend the ability to relate more fully the story of the Tuskegee Airmen at Moton Field. The center shall provide for a Tuskegee Airmen Memorial, shall provide large exhibit space for the display of period aircraft and equipment used by the Tuskegee Airmen, and shall house a Tuskegee University Department of Aviation Science. The Secretary shall insure that interpretive programs for visitors benefit from the University's active pilot training instruction program, and the historical continuum of flight training in the tradition of the Tuskegee Airmen. The Secretary is authorized to permit the Tuskegee University Department of Aviation Science to occupy historic buildings within the Moton Field complex until the Tuskegee Airmen National Center has been completed.

(3) REPORT.—Within 1 year after the date of the enactment of this Act, the Secretary, in consultation with Tuskegee University and the Tuskegee Airmen, shall prepare a report on the partnership needed to develop the Tuskegee Airmen National Center, and submit the report to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(4) TIME FOR AGREEMENT.—Sixty days after the report required by paragraph (3) is submitted to Congress, the Secretary may enter into the cooperative agreement under this subsection with Tuskegee University, and other interested partners, to implement the development and operation of the Tuskegee Airmen National Center.

(j) GENERAL MANAGEMENT PLAN.—Within 2 complete fiscal years after funds are first made available to carry out this section, the Secretary shall prepare, in consultation with Tuskegee University, a general management plan for the historic site and shall submit the plan to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $29,114,000.

SEC. 409. LITTLE ROCK CENTRAL HIGH SCHOOL NATIONAL HISTORIC SITE, ARKANSAS.

(a) FINDINGS.—The Congress finds the following:

(1) The 1954 United States Supreme Court decision of Brown v. Board of Education, which mandated an end to the segregation of public schools, was one of the most significant court decisions in the history of the United States.

(2) The admission of nine African-American students, known as the "Little Rock Nine", to Central High School in Little Rock, Arkansas, as a result of the Brown decision, was the most prominent national example of the implementation of the Brown decision, and served as a catalyst for the integration of other, previously segregated public schools in the United States.

(3) 1997 marked the 70th anniversary of the construction of Central High School, which has been named by the American Institute of Architects as the most beautiful high school building in America.

(4) Central High School was included on the National Register of Historic Places in 1977 and designated by the Secretary of the Interior as a National Historic Landmark in 1982 in recognition of its national significance in the development of the civil rights movement in the United States.

(5) The designation of Little Rock Central High School as a unit of the National Park System will recognize the significant role the school played in the desegregation of public schools in the South and will interpret for future generations the events associated with early desegregation of southern schools.

(b) PURPOSE.—The purpose of this section is to preserve, protect, and interpret for the benefit, education, and inspiration of present and future generations, Central High School in Little Rock, Arkansas, and its role in the integration of public schools and the development of the civil rights movement in the United States.

(c) ESTABLISHMENT AS NATIONAL HISTORIC SITE.—The Little Rock Central High School National Historic Site in the State of Arkansas (referred to in this section as the "historic site") is hereby established as a unit of the National Park System. The historic site shall consist of lands and interests therein comprising the Central High School campus and adjacent properties in Little Rock, Arkansas, as generally depicted on a map entitled "Proposed Little Rock Central High School National Historic Site", numbered LIRO-20,000, and dated July 1998. Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) ADMINISTRATION OF HISTORIC SITE.—The Secretary of the Interior (referred to in this section as the "Secretary") shall administer the historic site in accordance with this section. Only those lands under the direct jurisdiction of the Secretary shall be administered in accordance with the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act). Nothing in this section shall affect the authority of the Little Rock School District to administer Little Rock Central High School nor shall this section affect the authorities of the City of Little Rock in the neighborhood surrounding the school.

(e) COOPERATIVE AGREEMENTS.—

(1) AUTHORITY.—The Secretary may enter into cooperative agreements with appropriate public and private agencies, organizations, and institutions (including, but not limited to, the State of Arkansas, the City of Little Rock, the Little Rock School District, Central High Museum, Inc., Central High Neighborhood, Inc., or the University of Arkansas) in furtherance of the purposes of this section.

(2) COORDINATION.—The Secretary shall coordinate visitor interpretation of the historic site with the Little Rock School District and the Central High School Museum, Inc.

(f) GENERAL MANAGEMENT PLAN.—Within three years after the date funds are made available, the Secretary shall prepare a general management plan for the historic site. The plan shall be prepared in consultation and coordination with the Little Rock School District, the City of Little Rock, Central High Museum, Inc., and with other appropriate organizations and agencies. The plan shall identify specific roles and responsibilities for the National Park Service in administering the historic site, and shall identify lands or property, if any, that might be necessary for the National Park Service to acquire in order to carry out its responsibilities. The plan shall also identify the roles and responsibilities of other entities in administering the historic site and its programs. The plan shall include a management framework that ensures the administration of the historic site does not interfere with the continuing use of Central High School as an educational institution.

(g) ACQUISITION OF PROPERTY.—

(1) METHOD OF ACQUISITION.—Subject to paragraph (2), the Secretary is authorized to acquire, by purchase with donated or appropriated funds, by exchange, or by donation, the lands and interests therein located within the boundaries of the historic site.

(2) CONDITIONS.—The Secretary may acquire lands or interests therein under paragraph (1) only with the consent of the owner thereof. Lands or interests therein owned by the State of Arkansas or a political subdivision thereof may be acquired under paragraph (1) only by donation or exchange.

(h) DESEGREGATION IN PUBLIC EDUCATION THEME STUDY.—

(1) THEME STUDY.—Within two years after the date funds are made available, the Secretary shall prepare and transmit to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives a

National Historic Landmark Theme Study (referred to in this subsection as the "theme study") on the history of desegregation in public education. The purpose of the theme study shall be to identify sites, districts, buildings, structures, and landscapes that best illustrate or commemorate key events or decisions in the historical movement to provide for racial desegregation in public education. On the basis of the theme study, the Secretary shall identify possible new national historic landmarks appropriate to this theme and prepare a list in order of importance or merit of the most appropriate sites for national historic landmark designation.

(2) OPPORTUNITIES FOR EDUCATION AND RESEARCH.—The theme study shall identify appropriate means to establish linkages between sites identified in paragraph (1) and between those sites and the historic site and with other existing units of the National Park System to maximize opportunities for public education and scholarly research on desegregation in public education. The theme study also shall recommend opportunities for cooperative arrangements with State and local governments, educational institutions, local historical organizations, and other appropriate entities to preserve and interpret key sites in the history of desegregation in public education.

(3) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with one or more educational institutions, public history organizations, or civil rights organizations knowledgeable about desegregation in public education to prepare the theme study and to ensure that the theme study meets scholarly standards.

(4) THEME STUDY COORDINATION WITH GENERAL MANAGEMENT PLAN.—The theme study shall be prepared as part of the preparation and development of the general management plan for the historic site.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 410. WEIR FARM NATIONAL HISTORIC SITE, CONNECTICUT.

(a) ACQUISITION OF LAND FOR VISITOR AND ADMINISTRATIVE FACILITIES.—Section 4 of the Weir Farm National Historic Site Establishment Act of 1990 (Public Law 101-485; 104 Stat. 1171; 16 U.S.C. 461 note) is amended by adding at the end the following new subsection:

"(d) ACQUISITION OF LAND FOR VISITOR AND ADMINISTRATIVE FACILITIES; LIMITATIONS.—(1) In order to preserve and maintain the historic setting and character of the historic site, the Secretary may acquire not more than 15 additional acres for the development of visitor and administrative facilities for the historic site. The property acquired under the authority of this paragraph may be contiguous or in close proximity to the parcels described in subsection (b). The acquired property shall be included within the boundaries of the historic site and shall be operated and maintained as part of the historic site.

"(2) The Secretary shall keep development of the property acquired under paragraph (1) to a minimum so that the character of the acquired property is similar to the natural and undeveloped landscape of the parcels described in subsection (b). Any parking area for the resulting visitor and administrative facilities shall not exceed 30 spaces. Items sold in the visitor facilities shall be limited to educational and interpretive materials related to the purpose of the historic site and shall not include food.

"(3) Prior to and as a prerequisite to any development of visitor and administrative facilities on the property acquired under paragraph (1), the Secretary shall enter into one or more agreements with the appropriate zoning authority of the town of Ridgefield and the town of Wilton for the purposes of—

"(A) developing the parking, visitor, and administrative facilities for the historic site; and

"(B) managing bus traffic to the historic site, which will include limiting parking for large tour buses to an offsite location.".

(b) INCREASE IN MAXIMUM ACQUISITION AUTHORITY.—Section 7 of such Act (104 Stat. 1173) is amended by striking "$1,500,000" and inserting "$4,000,000".

SEC. 411. KATE MULLANY NATIONAL HISTORIC SITE, NEW YORK.

(a) DEFINITIONS.—As used in this section:

(1) The term "historic site" means the Kate Mullany National Historic Site established by subsection (d).

(2) The term "plan" means the general management plan developed pursuant to subsection (h).

(3) The term "Secretary" means the Secretary of the Interior.

(b) FINDINGS.—Congress finds the following:

(1) The Kate Mullany House in Troy, New York, is listed on the National Register of Historic Places and has been designated as a National Historic Landmark.

(2) The National Historic Landmark Theme Study on American Labor History concluded that the Kate Mullany House appears to meet the criteria of national significance, suitability, and feasibility for inclusion in the National Park System.

(3) The city of Troy, New York—

(A) played an important role in the development of the collar and cuff industry and the iron industry in the 19th century, and in the development of early men's and women's worker and cooperative organizations; and

(B) was the home of the first women's labor union, led by Irish immigrant Kate Mullany.

(4) The city of Troy, New York, with 6 neighboring cities, towns, and villages, entered into a cooperative arrangement to create the Hudson-Mohawk Urban Cultural Park Commission to manage their valuable historic resources and the area within these municipalities has been designated by the State of New York as a heritage area to represent industrial development and labor themes in the State's development.

(5) This area, known as the Hudson-Mohawk Urban Cultural Park or RiverSpark, has been a pioneer in the development of partnership parks where intergovernmental and public and private partnerships bring abut the conservation of our heritage and the attainment of goals for preservation, education, recreation, and economic development.

(6) Establishment of the Kate Mullany National Historic Site and cooperative efforts between the National Park Service and the Hudson-Mohawk Urban Cultural Park Commission will provide opportunities for the illustration and interpretation of important themes of the heritage of the United States, and will provide unique opportunities for education, public use, and enjoyment.

(c) PURPOSES.—The purposes of this section are—

(1) to preserve and interpret the nationally significant home of Kate Mullany for the benefit, inspiration, and education of the people of the United States; and

(2) to interpret the connection between immigration and the industrialization of the Nation, including the history of Irish immigration, women's history, and worker history.

(d) ESTABLISHMENT OF HISTORIC SITE.—There is established, as a unit of the National Park System, the Kate Mullany National Historic Site in the State of New York. The historic site shall consist of the home of Kate Mullany, comprising approximately .05739 acre, located at 350 Eighth Street in Troy, New York, as generally depicted on the map entitled "Kate Mullany House, Troy, New York", numbered 101.23, and dated December 10, 1976 (as revised September 16, 1997).

(e) ACQUISITION OF PROPERTY.—

(1) REAL PROPERTY.—The Secretary may acquire lands and interests therein within the boundaries of the historic site and ancillary real property for parking or interpretation, as necessary and appropriate for management of the historic site. Such acquisitions may be by donation, purchase from willing sellers with donated or appropriated funds, or exchange.

(2) PERSONAL PROPERTY.—The Secretary may acquire personal property associated with, and appropriate for, the interpretation of the historic site using the methods provided in paragraph (1).

(f) ADMINISTRATION OF HISTORIC SITE.—

(1) IN GENERAL.—The Secretary shall administer the historic site in accordance with this section and all laws generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) COOPERATIVE AGREEMENTS.—To further the purposes of this section, the Secretary may consult with and enter into cooperative agreements with the State of New York and the Hudson-Mohawk Urban Cultural Park Commission, and other public and private entities to facilitate public understanding and enjoyment of the life and work of Kate Mullany through the development, presentation, and funding of exhibits and other appropriate activities related to the preservation, interpretation, and use of the historic site and related historic resources.

(g) EXHIBITS.—The Secretary may display, and accept for the purposes of display, items associated with Kate Mullany, as may be necessary for the interpretation of the historic site.

(h) GENERAL MANAGEMENT PLAN.—Not later than two complete fiscal years after the date of the enactment of this Act, the Secretary shall develop a general management plan for the historic site. Upon its completion, the Secretary shall submit the plan to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. The plan shall include recommendations for regional wayside exhibits, to be carried out through cooperative agreements with the State of New York and other public and private entities. The plan shall be prepared in accordance with section 12(b) of Public Law 91-383 (16 U.S.C. 1a-1 et seq.; commonly known as the National Park System General Authorities Act).

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 412. ROUTE 66 NATIONAL HISTORIC HIGHWAY.

(a) DEFINITIONS.—In this section:

(1) ROUTE 66.—The term "Route 66" means—

(A) portions of the highway formerly designated as United States Route 66 that remain in existence as of the date of enactment of this Act;

(B) public lands in the immediate vicinity of the highway; and

(C) private lands in the immediate vicinity of the highway owned by persons who are willing to participate in the programs authorized by this section.

(2) CULTURAL RESOURCE PROGRAMS.—The term "Cultural Resource Programs" means the programs established and administered by the National Park Service for the benefit of and in support of cultural resources related to Route 66, either directly or indirectly.

(3) PRESERVATION OF ROUTE 66.—The term "preservation of Route 66" means the preservation or restoration of portions of the highway, businesses and sites of interest and other contributing resources along the highway commemorating Route 66 during its period of outstanding historic significance (principally between 1933 and 1970), as defined by the July 1995 National Park Service "Special Resource Study of Route 66".

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Cultural Resource Programs at the National Park Service.

(5) STATE.—The term "State" means a State in which a portion of Route 66 is located.

(b) DESIGNATION OF HISTORIC HIGHWAY.—Route 66 is designated as "Route 66 National Historic Highway".

(c) GENERAL MANAGEMENT.—The Secretary, in collaboration with the entities described in subsection (d), shall facilitate the development of guidelines and a program of technical assistance and grants that will set priorities for the preservation of Route 66. The Secretary shall designate officials of the National Park Service stationed at locations convenient to the States to perform the functions of the Cultural Resource Programs under this section.

(d) GENERAL FUNCTIONS.—The Secretary shall—

(1) support efforts of State and local public and private persons, nonprofit Route 66 preservation entities, Indian Tribes, State Historic Preservation Offices, and entities in the States to preserve Route 66 by providing technical assistance, participating in cost-sharing programs, and making grants;

(2) act as a clearinghouse for communication among Federal, State, and local agencies, nonprofit Route 66 preservation entities, Indian Tribes, State historic Preservation Offices, and private persons and entities interested in the preservation of Route 66; and

(3) assist the States in determining the appropriate form of and establishing and supporting a non-Federal entity or entities to perform the functions of the Cultural Resource Programs after those programs are terminated.

(e) OTHER AUTHORITIES.—In carrying out this section, the Secretary may—

(1) collaborate with the Secretary of Transportation to—

(A) address transportation factors that may conflict with preservation efforts in such a way as to ensure ongoing preservation, interpretation and management of Route 66 National Historic Highway; and

(B) take advantage, to the maximum extent possible, of existing programs, such as the Scenic Byways program under section 162 of title 23, United States Code.

(2) enter into cooperative agreements, including, but not limited to study, planning, preservation, rehabilitation and restoration;

(3) accept donations;

(4) provide cost-share grants and information;

(5) provide technical assistance in historic preservation; and

(6) conduct research.

(f) ROAD SIGNS.—The Secretary may sponsor a road sign program on Route 66 to be implemented on a cost-sharing basis with State and local organizations.

(g) PRESERVATION ASSISTANCE.—

(1) IN GENERAL.—The Secretary shall provide assistance in the preservation of Route 66 in a manner that is compatible with the idiosyncratic nature of the highway.

(2) PLANNING.—The Secretary shall not prepare or require preparation of an overall management plan for Route 66, but shall cooperate with the States and local public and private persons and entities, State Historic Preservation Offices, nonprofit Route 66 preservation entities, and Indian Tribes in developing local preservation plans to guide efforts to protect the most important or representative resources of Route 66.

(h) TECHNICAL ASSISTANCE PROGRAM.—

(1) IN GENERAL.—The Secretary shall develop a program of technical assistance in the preservation of Route 66.

(2) GUIDELINES FOR PRESERVATION NEEDS.—

(A) IN GENERAL.—As part of the program under paragraph (1), the Secretary shall establish guidelines for setting priorities for preservation needs.

(B) BASIS.—The guidelines under subparagraph (A) may be based on national register standards, modified as appropriate to meet the needs of Route 66 so as to allow for the preservation of Route 66.

(i) PROGRAM FOR COORDINATION OF ACTIVITIES.—

(1) IN GENERAL.—The Secretary shall coordinate a program of historic research, curation, preservation strategies, and the collection of oral and video histories of Route 66.

(2) DESIGN.—The program under paragraph (1) shall be designed for continuing use and implementation by other organizations after the Cultural Resource Programs are terminated.

(j) GRANTS.—The Secretary shall—

(1) make cost-share grants for preservation of Route 66 available for resources that meet the guidelines under subsection (h); and

(2) provide information about existing cost-share opportunities.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for the period of fiscal years 2000 through 2009 to carry out the purposes of this section.

SEC. 413. VALLEY FORGE MUSEUM OF THE AMERICAN REVOLUTION AT VALLEY FORGE NATIONAL HISTORICAL PARK, PENNSYLVANIA.

The Act of July 4, 1976 (Public Law 94-337; 90 Stat. 796; 16 U.S.C. 410aa et seq.), is amended by adding at the end the following new section:

"SEC. 5. VALLEY FORGE MUSEUM OF THE AMERICAN REVOLUTION.

"(a) MUSEUM AUTHORIZED.—In administering the park, the Secretary may enter into an agreement pursuant to this section with the Valley Forge Historical Society (hereinafter referred to as the 'Society') to facilitate the planning, construction, and operation of a museum on Federal land within the boundaries of the park to be known as the 'Valley Forge Museum of the American Revolution'.

"(b) PURPOSE OF MUSEUM.—

"(1) ACTIVITIES OF SOCIETY.—The agreement shall authorize the Society to construct and operate the museum in cooperation with the Secretary and to provide at the museum programs and services to visitors to the park related to the story of Valley Forge and the American Revolution. The Society, acting as a private nonprofit organization, may engage in activities appropriate for operation of the museum, including charging fees, conducting events, and selling merchandise, tickets, and food to visitors to the museum.

"(2) ACTIVITIES OF SECRETARY.—The agreement shall authorize the Secretary to undertake at the museum activities related to the management of the park, including the provision of appropriate visitor information and interpretive facilities and programs related to the park.

"(c) USE OF REVENUES.—The agreement shall require that revenues derived by the Society from the museum's facilities and services be used to offset the expenses of the museum's operation and maintenance.

"(d) TERM OF OCCUPANCY.—The agreement shall authorize the Society to occupy any structure constructed pursuant to the agreement for such a term as the parties may specify in the agreement.

"(e) CONDITIONS.—The agreement shall be subject to the following terms and conditions:

"(1) The conveyance by the Society to the United States of all right, title, and interest in any structure constructed at the park pursuant to the agreement.

"(2) The authority of the Society to occupy and use any such structure shall be for the exhibition, preservation, and interpretation of artifacts associated with the Valley Forge story and the American Revolution to enhance the visitor experience to the park and to conduct appropriately related activities of the Society consistent with its mission. Such authority shall not be transferred or conveyed without the express consent of the Secretary.

"(3) Such other terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

"(f) RELATION TO OTHER PARK VALUES.—Nothing in this section shall authorize the Secretary or the Society to take any actions in derogation of the preservation and protection of the values and resources of the park.".

TITLE V—SAN RAFAEL SWELL

SEC. 501. SHORT TITLE.

This title may be cited as the "San Rafael Swell National Heritage and Conservation Act".

SEC. 502. DEFINITIONS.

In this title:

(1) ADVISORY COUNCIL.—The term "Advisory Council" means the San Rafael Swell National Conservation Area Advisory Council established under section 525.

(2) CONSERVATION AREA.—The term "conservation area" means the San Rafael Swell National Conservation Area established by section 522.

(3) DIRECTOR.—The term "Director" means the Director of the Bureau of Land Management.

(4) NATIONAL HERITAGE AREA.—The term "national heritage area" means the San Rafael Swell National Heritage Area established by section 513.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the Bureau of Land Management.

(6) SEMI-PRIMITIVE AREA.—The term "semi-primitive area" means any area designated as a semi-primitive nonmotorized use area under section 542.

Subtitle A—San Rafael Swell National Heritage Area

SEC. 511. SHORT TITLE; FINDINGS; PURPOSES.

(a) SHORT TITLE.—This subtitle may be cited as the "San Rafael Swell National Heritage Area Act".

(b) FINDINGS.—Congress finds the following:

(1) The history of the American West is one of the most significant chapters of United States history, and the major themes and images of the history of the American West provide a legacy that has done much to shape the contemporary culture, attitudes, and values of the American West and the United States.

(2) The San Rafael Swell region of the State of Utah was one of the country's last frontiers and possesses important historical, cultural, and natural resources that are representative of the central themes associated with the history of the American West, including themes of pre-Columbian and Native American culture, exploration, pioneering, settlement, ranching, outlaws, prospecting and mining, water development and irrigation, railroad building, industrial development, and the utilization and conservation of natural resources.

(3) The San Rafael Swell region contains important historical sites, including sections of the Old Spanish Trail, the Outlaw Trail, the Green River Crossing, and numerous sites associated with cowboy, pioneer, and mining history.

(4) The heritage of the San Rafael Swell region includes the activities of many prominent historical figures of the old American West, such as Chief Walker, John Wesley Powell, Kit Carson, John C. Fremont, John W. Gunnison, Butch Cassidy, John W. Taylor, and the Swasey brothers.

(5) The San Rafael Swell region has a notable history of coal and uranium mining, and a rich cultural heritage of activities associated with mining, such as prospecting, railroad building, immigrant workers, coal camps, labor union movements, and mining disasters.

(6) The San Rafael Swell region is widely recognized for its significant paleontological resources and dinosaur bone quarries, including the Cleveland Lloyd Dinosaur Quarry which was designated as a National Natural Landmark in 1966.

(7) The beautiful rural landscapes, historic and cultural landscapes, and spectacular scenic vistas of the San Rafael Swell region contain significant undeveloped recreational opportunities for people throughout the United States.

(8) Museums and visitor centers have already been constructed in the San Rafael Swell region, including the John Wesley Powell River History Museum, the College of Eastern Utah Prehistoric Museum, the Museum of the San Rafael, the Western Mining and Railroad Museum, the Emery County Pioneer Museum, and the Cleveland Lloyd Dinosaur Quarry, and these museums are available to interpret the themes of the national heritage area established by this title and to coordinate the interpretive and preservation activities of the area.

(9) Despite the efforts of the State of Utah, political subdivisions of the State, volunteer organizations, and private businesses, the cultural, historical, natural, and recreational resources of the San Rafael Swell region have not realized their full potential and may be lost without assistance from the Federal Government.

(10) Many of the historical, cultural, and scientific sites of the San Rafael Swell region are located on lands owned by the Federal Government and are managed by the Bureau of Land Management or the United States Forest Service.

(11) The preservation of the cultural, historical, natural, and recreational resources of the San Rafael Swell region within a regional framework requires cooperation among local property owners and Federal, State, and local government entities.

(12) Partnerships between Federal, State, and local governments, local and regional entities of these governments, and the private sector offer the most effective opportunities for the enhancement and management of the cultural, historical, natural, and recreational resources of the San Rafael Swell region.

(c) PURPOSES.—The purposes of this subtitle are—

(1) to establish the San Rafael Swell National Heritage Area to promote the preservation, conservation, interpretation, and development of the historical, cultural, natural, and recreational resources related to the historical, cultural, and industrial heritage of the San Rafael Swell region of the State of Utah, which includes the counties of Carbon and Emery, and portions of the county of Sanpete;

(2) to encourage within the national heritage area a broad range of economic and recreational opportunities to enhance the quality of life for present and future generations;

(3) to assist the State of Utah, political subdivisions of the State and their local and regional entities, and nonprofit organizations, or combinations thereof, in preparing and implementing a heritage plan for the national heritage area and in developing policies and programs that will preserve, enhance, and interpret the cultural, historical, natural, recreational, and scenic resources of the heritage area; and

(4) to authorize the Secretary of the Interior to provide financial assistance and technical assistance to support the preparation and implementation of the heritage plan for the national heritage area.

SEC. 512. DESIGNATION.

There is hereby designated the San Rafael Swell National Heritage Area.

SEC. 513. DEFINITIONS.

For purposes of this subtitle:

(1) COMPACT.—The term "compact" means an agreement described in section 515(a).

(2) FINANCIAL ASSISTANCE.—The term "financial assistance" means funds appropriated by the Congress and made available to the Heritage Council for the purposes of preparing and implementing a heritage plan.

(3) HERITAGE AREA.—The term "Heritage Area" means the San Rafael Swell National Heritage Area established by this subtitle.

(4) HERITAGE PLAN.—The term "heritage plan" means a plan described in section 515(b).

(5) HERITAGE COUNCIL.—The term "Heritage Council" means the entity designated in the compact for a National Heritage Area and described in section 516(a).

(6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(7) TECHNICAL ASSISTANCE.—The term "technical assistance" includes—

(A) assistance by the Secretary in the preparation of any heritage plan, compact, or resource inventory; and

(B) professional guidance provided by the Secretary.

(8) UNIT OF GOVERNMENT.—The term "unit of government" means the government of a State, a political subdivision of a State, or an Indian tribe.

SEC. 514. GRANTS, TECHNICAL ASSISTANCE, AND OTHER DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) GRANTS.—

(1) IN GENERAL.—The Secretary may make grants for the purposes of this subtitle to any unit of government or to the Heritage Council.

(2) PERMITTED AND PROHIBITED USES OF GRANTS.—

(A) PERMITTED USES.—Grants made under this section may be used for reports, studies, interpretive exhibits, historic preservation projects, construction of cultural, recreational, and interpretive facilities that are open to the public, and such other expenditures as are consistent with this subtitle.

(B) PROHIBITED USES.—Grants made under this section may not be used for acquisition of real property or any interest in real property.

(3) APPLICABILITY OF RESTRICTIONS TO SUBGRANTS.—For purposes of paragraph (2), any subgrant made from funds received as a grant (or subgrant) made under this section shall be treated as a grant made under this section.

(4) PROTECTION OF FEDERAL INVESTMENT.—Any grant made under this section shall be subject to an agreement that conversion, use, or disposal of the project so assisted for purposes contrary to the purposes of this subtitle, as determined by the Secretary, shall result in a right of the United States to compensation equal to the greater of—

(A) all Federal funds made available to such project under this subtitle; or

(B) the proportion of the increased value of the project attributable to such funds, as determined at the time of such conversion, use, or disposal.

(b) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance with respect to this subtitle.

(c) DURATION OF ELIGIBILITY FOR GRANTS AND TECHNICAL ASSISTANCE.—The Secretary may not provide any grant, and may provide only limited technical assistance, under this subtitle after the expiration of the 10-year period beginning on the date of the designation of the National Heritage Area.

(d) DISQUALIFICATION FOR FEDERAL FUNDING.—If a heritage plan meeting the requirements of section 515(b) is not forwarded to the Secretary as required under section 516(b)(1) within the time specified in section 516(b)(1), the Secretary may not, after such time, provide technical assistance or grants under this subtitle until such a heritage plan for the National Heritage Area is developed and forwarded to the Secretary.

(e) OTHER DUTIES AND AUTHORITIES OF SECRETARY.—

(1) SIGNING OF COMPACT.—The Secretary shall sign or withhold signature on any proposed compact submitted under this subtitle not later than 90 days after receiving the proposed compact. If the Secretary withholds signature on the proposed compact, the Secretary shall advise the submitter, in writing, of the reasons. The Secretary shall sign or withhold signature on each proposed revision to the proposed compact not later than 90 days after receiving the proposed revision. A submitter shall hold a public meeting in the immediate vicinity of the proposed National Heritage Area before making any major revisions in any proposed compact submitted under this subtitle.

(2) MONITORING OF NATIONAL HERITAGE AREA.—The Secretary shall monitor the National Heritage Area. Monitoring of the National Heritage Area shall include monitoring to ensure compliance with the terms of the compact for the area.

(f) DUTIES OF FEDERAL ENTITIES.—Any Federal entity conducting or supporting activities within the National Heritage Area, and any unit of government acting pursuant to a grant of Federal funds or a Federal permit or agreement and conducting or supporting such activities, shall, to the maximum extent practicable—

(1) consult with the Secretary and the Heritage Council for the National Heritage Area with respect to such activities; and

(2) cooperate with the Secretary and the Heritage Council in the carrying out of the duties of the Secretary and the Heritage Council under this subtitle, and coordinate such activities to minimize any real or potential adverse impact on the National Heritage Area.

(g) PROHIBITION OF CERTAIN REQUIREMENTS.—The Secretary may not, as a condition of the award of technical assistance or financial assistance under this section, require any recipient of such assistance to enact or modify land use restrictions.

SEC. 515. COMPACT AND HERITAGE PLAN.

(a) COMPACT.—

(1) IN GENERAL.—The compact submitted under this subtitle with respect to the National Heritage Area shall consist of an agreement entered into by the Secretary, the Secretary of Agriculture, and the Governor of Utah or a designee of the Governor, in coordination with the Heritage Council. Such agreement shall define the area, describe anticipated programs for the area, and include information relating to the objectives and management of the area. Such information shall include, but need not be limited to, each of the following:

(A) BOUNDARIES.—A delineation of the boundaries of the National Heritage Area. Such boundaries shall include the land generally depicted on the map entitled San Rafael Swell National Heritage-Conservation Area Proposed, dated June 12, 1998, which shall be on file and available for public inspection in the office of the Director of the Bureau of Land Management.

(B) MANAGEMENT ENTITY.—An identification and description of the Heritage Council.

(C) NON-FEDERAL PARTICIPANTS.—A list of the initial participants to be involved in developing and implementing the heritage plan and a statement of the financial commitment of those participants.

(D) GOALS, OBJECTIVES, AND CONCEPTUAL FRAMEWORK.—A discussion of the goals, objectives, and cost of the National Heritage Area, including an explanation of—

(i) the conceptual framework, proposed by the partners referred to in subparagraph (C), for development and implementation of the heritage plan for the National Heritage Area; and

(ii) the costs associated with the conceptual framework.

(E) ROLE OF STATE.—A description of the role of the State of Utah.

(2) CONSISTENCY WITH ECONOMIC VIABILITY.—The compact submitted under this subtitle shall be consistent with continued economic viability in the communities within the National Heritage Area.

(3) INITIATION OF ACTIONS.—Actions called for in the compact shall be initiated within a reasonable time after designation of the National Heritage Area and shall ensure effective implementation of the State and local aspects of the compact.

(b) HERITAGE PLAN.—

(1) IN GENERAL.—The heritage plan forwarded to the Secretary under this subtitle shall be a plan which sets forth the strategy to implement the goals and objectives of the National Heritage Area. The heritage plan shall—

(A) present comprehensive recommendations for the conservation, funding, management, and development of the area;

(B) be prepared with public participation;

(C) take into consideration existing Federal, State, county, and local plans and involve residents, private property owners, public agencies, and private organizations in the area;

(D) include a description of actions that units of government and private organizations could take to protect the resources of the area; and

(E) specify existing and potential sources of funding for the conservation, management, and development of the area.

(2) ADDITIONAL INFORMATION.—The heritage plan forwarded to the Secretary under this subtitle also shall include the following, as appropriate:

(A) INVENTORY OF RESOURCES.—An inventory of important natural, cultural, or historic resources which illustrate the themes of the National Heritage Area.

(B) RECOMMENDATIONS FOR MANAGEMENT.—A recommendation of policies for management of the historical, cultural, and natural resources and the recreational and educational opportunities of the area in a manner consistent with the support of appropriate and compatible economic viability.

(C) PROGRAM AND COMMITMENTS.—A program for implementation of the heritage plan by the Heritage Council and specific commitments, for the first 5 years of operation of the heritage plan, by the partners identified in the compact.

(D) ANALYSIS OF COORDINATION.—An analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this subtitle.

(E) INTERPRETIVE PLAN.—An interpretive plan for the National Heritage Area.

(3) RELATIONSHIP TO CONSERVATION AREA MANAGEMENT PLAN.—The heritage plan and the conservation area management plan shall not be inconsistent. However, nothing in the heritage plan may supersede the management plan for the conservation area under section 533, with respect to the application of the management plan to the conservation area.

SEC. 516. HERITAGE COUNCIL.

(a) IN GENERAL.—The management entity for the National Heritage Area shall be known as the "Heritage Council". The Heritage Council shall be an entity that reflects a broad cross-section of interests within the National Heritage Area and shall include—

(1) at least 1 representative of one or more units of government in the State of Utah;

(2) representatives of interested or affected groups; and

(3) private property owners who reside within the National Heritage Area.

(b) DUTIES.—The Heritage Council shall fulfill each of the following requirements:

(1) HERITAGE PLAN.—Not later than 3 years after the date of the designation of the National Heritage Area, the Heritage Council shall develop and forward to the Secretary and to the Governor of Utah a heritage plan in accordance with the compact under subsection (a).

(2) PRIORITIES.—The Heritage Council shall give priority to the implementation of actions, goals, and policies set forth in the compact and heritage plan for the National Heritage Area, including assisting units of government and others in—

(A) carrying out programs which recognize important resource values within the National Heritage Area;

(B) encouraging economic viability in the affected communities;

(C) establishing and maintaining interpretive exhibits in the area;

(D) developing recreational and educational opportunities in the area;

(E) increasing public awareness of and appreciation for the natural, historical, and cultural resources of the area;

(F) restoring historic buildings that are located within the boundaries of the area and relate to the theme of the area; and

(G) ensuring that clear, consistent, and appropriate signs identifying public access points and sites of interest are put in place throughout the area.

(3) CONSIDERATION OF INTERESTS OF LOCAL GROUPS.—The Heritage Council shall, in developing and implementing the heritage plan for the National Heritage Area, consider the interests of diverse units of government, businesses, private property owners, and nonprofit groups within the geographic area.

(4) PUBLIC MEETINGS.—The Heritage Council shall conduct public meetings at least annually regarding the implementation of the heritage plan for the National Heritage Area. The Heritage Council shall place a notice of each such meeting in a newspaper of general circulation in the area and shall make the minutes of the meeting available to the public.

SEC. 517. LACK OF EFFECT ON LAND USE REGULATION.

(a) LACK OF EFFECT ON AUTHORITY OF GOVERNMENTS.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish any authority of Federal, State, and local governments to regulate any use of land as provided for by law or regulation.

(b) LACK OF ZONING OR LAND USE POWERS OF ENTITY.—Nothing in this subtitle shall be construed to grant powers of zoning or land use to the management entity for the National Heritage Area.

(c) BLM AUTHORITY.—

(1) IN GENERAL.—Nothing in this subtitle shall be construed to modify, enlarge, or diminish the authority of the Secretary or the Bureau of Land Management with respect to lands under the administrative jurisdiction of the Bureau.

(2) COOPERATION.—In carrying out this subtitle, the Secretary shall work cooperatively under the Federal Land Policy and Management Act of 1976 with the Forest Service, the Heritage Council under section 516, State and local governments, and private entities.

SEC. 518. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for grants made and technical assistance provided under subsections (a) and (b), respectively, of section 514, and the administration of such grants and assistance, not more than $1,000,000 annually, to remain available until expended.

(b) ANNUAL ALLOCATION FOR GRANTS.—In any fiscal year, not less than 70 percent of the funds obligated under this subtitle shall be used for grants made under section 514(a).

(c) LIMITATION ON PERCENT OF COST.—

(1) IN GENERAL.—Federal funding provided under this subtitle, after the designation of the National Heritage Area, for any technical assistance or grant with respect to the area may not exceed 50 percent of the total cost of the assistance or grant. Federal funding provided under this subtitle with respect

to an area before the designation of the area as the National Heritage Area may not exceed an amount proportionate to the level of local support of and commitment to the designation of the area.

(2) TREATMENT OF DONATIONS.—The value of property or services donated by non-Federal sources and used for management of the National Heritage Area shall be treated as non-Federal funding for purposes of paragraph (1).

(d) LIMITATION ON TOTAL FUNDING.—Not more than a total of $10,000,000 may be made available under this section with respect to the National Heritage Area.

(e) ALLOCATION OF APPROPRIATIONS.—Notwithstanding any other provision of law, no funds appropriated or otherwise made available to the Secretary to carry out this subtitle—

(1) may be obligated or expended by any person unless the appropriation of such funds has been allocated in the manner prescribed by this subtitle; or

(2) may be obligated or expended by any person in excess of the amount prescribed by this subtitle.

Subtitle B—San Rafael Swell National Conservation Area

SEC. 521. DEFINITION OF PLAN.

In this subtitle, the term "plan" means the comprehensive management plan developed for the national conservation area under section 523, including such revisions thereto as may be required in order to implement this subtitle.

SEC. 522. ESTABLISHMENT OF NATIONAL CONSERVATION AREA.

(a) ESTABLISHMENT.—In order to preserve and maintain heritage, tourism, recreational, historical, scenic, archaeological, paleontological, biological, cultural, scientific, educational, and economic resources, there is hereby established the San Rafael Swell National Conservation Area.

(b) AREA INCLUDED.—The conservation area shall consist of all public lands within the exterior boundaries of the conservation area, comprised of approximately 630,000 acres, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, including areas depicted within those boundaries on that map as "Proposed Wilderness", "Proposed Bighorn Sheep Management Area", "Scenic Visual Area of Critical Environmental Concern", and "Semi-Primitive Non-Motorized Use Areas".

(c) MAP AND LEGAL DESCRIPTION.—As soon as is practicable after enactment of this Act, the map referred to in subsection (b) and a legal description of the conservation area shall be filed by the Secretary with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such map and description shall have the same force and effect as if included in this title, except that the Secretary may correct clerical and typographical errors in such map and legal description. Such map and description shall be on file and available for public inspection in the office of the Director and the Utah State Director of the Bureau of Land Management of the Department of the Interior.

(d) WITHDRAWALS.—Subject to valid existing rights, the Federal lands within the conservation area are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws; and from entry, application, and selection under the Act of March 3, 1877 (Ch. 107, 19 Stat. 377, 43 U.S.C. 321 et seq.; commonly referred to as the "Desert Lands Act"), section 4 of the Act of August 18, 1894 (Ch. 301, 28 Stat. 422; 43 U.S.C. 641; commonly referred to as the "Carey Act"), section 2275 of the Revised Statutes, as amended (43 U.S.C. 851), and section 2276 of the Revised Statutes (43 U.S.C. 852). The Secretary shall return to the applicants any such applications pending on the date of enactment of this Act, without further action. Subject to valid existing rights, as of the date of enactment of this Act, lands within the conservation area are withdrawn from location under the general mining laws, the operation of the mineral and geothermal leasing laws, and the mineral material disposal laws, except that mineral materials subject to disposal may be made available from existing sites to the extent compatible with the purposes for which the conservation area is established. All minerals located within an area designated as wilderness by this title shall be administered in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.).

(e) CLOSURE TO FORESTRY.—The Secretary shall prohibit all commercial sale of trees, portions of trees, and forest products located in the conservation area.

SEC. 523. MANAGEMENT.

(a) IN GENERAL.—The Secretary shall, in consultation with the Advisory Council and subject to valid existing rights, manage the conservation area to conserve, protect, and enhance the resources of the conservation area referred to in section 522(a), the Federal Land Policy and Management Act of 1976, and other applicable laws.

(b) USES.—The Secretary shall allow such uses of the conservation area as are specified in the management plan developed under subsection (b) and that the Secretary finds will further the conservation, protection, enhancement, public use, and enjoyment of the resource values referred to in section 522(a). Except when needed for administrative and emergency purposes, the uses of motorized vehicles in the conservation area shall be permitted only on roads and trails specifically designated for such use as part of the management plan prepared pursuant to subsection (c).

(c) MANAGEMENT PLAN.—No later than 3 years after the date of enactment of this Act, the Secretary, in cooperation with the Advisory Council, shall develop a comprehensive plan for the long-range management and protection of the conservation area. The plan shall be developed with full opportunity for public participation and comment, and shall contain provisions designed to assure access to an protection of the heritage, tourism, recreational, historical, scenic, archaeological, paleontological, biological, cultural, scientific, educational, and economic resources and values of the conservation area.

(d) VISITORS.—

(1) VISITORS CENTER.—The Secretary may establish, in cooperation with the Advisory Council and other public or private entities as the Secretary considers appropriate, a visitors center designed to interpret the history and the geological, ecological, natural, cultural, and other resources of the conservation area.

(2) VISITORS USE OF AREA.—In addition to the Visitors Center, the Secretary may provide for visitor use of the public lands in the conservation area to such extent and in such manner as the Secretary considers consistent with the purposes for which the conservation area is established. To the extent practicable, the Secretary shall make available to visitors and other members of the public a map of the conservation area and such other educational and interpretive materials as may be appropriate.

(e) COOPERATIVE AGREEMENTS.—The Secretary may provide technical assistance to, and enter into such cooperative agreements and contracts with, the State of Utah and with local governments and private entities as the Secretary deems necessary or desirable to carry out the purposes and policies of this subtitle.

SEC. 524. ADDITIONS.

(a) ADDITION TO CONSERVATION AREA.—Any lands located within the boundaries of the conservation area that are acquired by the United States on or after the date of enactment of this Act shall become a part of the conservation area and shall be subject to this subtitle.

(b) LAND EXCHANGES TO RESOLVE CONFLICTS.—The Secretary shall, within 4 years after the date of enactment of this Act, study, identify, and initiate voluntary land exchanges which would resolve ownership-related land use conflicts within the conservation area. Lands may be acquired under this subsection only from willing sellers.

SEC. 525. ADVISORY COUNCIL.

(a) ESTABLISHMENT.—There is established the San Rafael Swell National Conservation Area Advisory Council. The Advisory Council shall advise the Secretary regarding management of the conservation area.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Advisory Council shall consist of 11 members appointed by the Secretary from among persons who are representative of the various major citizen's interests concerned with the management of the public lands located in the conservation area. Of the members—

(A) 2 shall be appointed from individuals recommended by the Governor of the State of Utah;

(B) 4 shall be appointed from individuals recommended by the Board of Commissioners of Emery County, Utah, and shall include a representative of each of the Emery County Public Lands Council and the San Rafael Regional Heritage Council recognized under section 514(a);

(C) 1 shall be the Director of the Bureau of Land Management in the State of Utah, or his or her designee; and

(D) 4 shall be selected by the Secretary.

(2) APPOINTMENT PROCESS.—The Secretary shall appoint the members of the Advisory Council in accordance with rules prescribed by the Secretary.

(3) TERMS.—(A) The term of members of the Advisory Council shall be a period established by the Secretary, which may not exceed 4 years and which, except as provided by subparagraph (B), shall be the same for all members.

(B) In appointing the initial members of the Advisory Council, the Secretary shall, for a portion of the members, specify terms that are shorter than the period established under subparagraph (A), as necessary to achieve staggering of terms.

(c) CHAIRPERSON.—The Advisory Council shall have a Chairperson, who shall be selected by the Advisory Council from among its members.

(d) MEETINGS.—The Advisory Council shall meet at least twice each year, at the call of the Secretary or the Chairperson.

(e) PAY AND EXPENSES.—Members of the Advisory Council shall serve without pay, except travel and per diem shall be paid to each member for meetings called by the Secretary or the Chairperson.

(f) FURNISHING ADVICE.—The Advisory Council may furnish advice to the Secretary with respect to the planning and management of the public lands within the conservation area and such other matters as may be referred to it by the Secretary.

(g) TERMINATION.—The Advisory Council shall terminate 10 years after the date of the enactment of this Act, unless otherwise extended by law.

SEC. 526. RELATIONSHIP TO OTHER LAWS AND ADMINISTRATIVE PROVISIONS.

(a) PUBLIC LAND LAWS.—Except as otherwise specifically provided in this title, nothing in this subtitle shall be construed as limiting the applicability to lands in the conservation area of laws applicable to public lands generally, including but not limited to the National Historic Preservation Act (16 U.S.C. 470 et seq.), the Archaeological Resources Protection Act of 1979 (16 U.S.C. 470aa et seq.), or the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.).

(b) NON-BLM LAND.—Nothing in this subtitle shall be construed as by itself altering the status of any lands that on the date of enactment of this Act were not managed by the Bureau of Land Management.

SEC. 527. COMMUNICATIONS EQUIPMENT.

Nothing in this title shall be construed to prohibit the Secretary from authorizing the installation of communications equipment in the conservation area for public safety purposes, other than within areas designated as wilderness, to the highest practicable degree consistent with requirements and restrictions otherwise applicable to the conservation area.

Subtitle C—Wilderness Areas Within Conservation Area

SEC. 531. DESIGNATION OF WILDERNESS.

(a) DESIGNATION.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), the following lands in the conservation area, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, are hereby designated as wilderness and therefore as components of the National Wilderness Preservation System:

(1) Crack Canyon Wilderness Area, consisting of approximately 25,624 acres.

(2) Mexican Mountain Wilderness Area, consisting of approximately 27,257 acres.

(3) Muddy Creek Wilderness Area, consisting of approximately 39,348 acres.

(4) San Rafael Reef Wilderness Area, consisting of approximately 48,227 acres.

(b) MAP AND DESCRIPTION.—As soon as practicable after the date of the enactment of this Act, the Secretary shall file a map and a legal description of each area designated as wilderness by subsection (a) with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Each map and description shall have the same force and effect as if included in this title, except that the Secretary may correct clerical and typographical errors in such maps and legal descriptions. Each map and legal description shall be on file and available for public inspection in the office of the Director of the Bureau of Land Management, and the office of the State Director of the Bureau of Land Management in the State of Utah, Department of the Interior.

SEC. 532. ADMINISTRATION OF WILDERNESS AREAS.

(a) IN GENERAL.—Subject to valid existing rights, each area designated as wilderness by this title shall be administered by the Secretary in accordance with this title and the Wilderness Act (16 U.S.C. 1131 et seq.).

(b) INCORPORATION OF ACQUIRED LANDS AND INTERESTS.—Any lands or interest in lands within the boundaries of an area designated as wilderness by this title that is acquired by the United States after the date of the enactment of this Act shall be added to and administered as part of the wilderness area within which the acquired lands or interest in lands are located.

(c) MANAGEMENT PLANS.—As soon as possible after the date of the enactment of this Act, the Secretary, in cooperation with the Advisory Council, shall prepare plans in accordance with section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) to manage the areas designated as wilderness by this title.

SEC. 533. LIVESTOCK.

Grazing of livestock in areas designated as wilderness by this title, where such grazing was established before the date of the enactment of this Act—

(1) may not be reduced, increased, or withdrawn, except in accordance with the laws and regulations that apply to grazing on lands managed by the Bureau of Land Management; and

(2) shall be administered in accordance with section 4(d)(4) of the Wilderness Act (16 U.S.C. 1133(d)(4)) and the guidelines set forth in House Report 96–1126.

SEC. 534. WILDERNESS RELEASE.

(a) FINDING.—The Congress finds and directs that public lands administered by the Bureau of Land Management within the conservation area in the County of Emery, Utah, that are depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, have been adequately studied for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782).

(b) RELEASE.—Any public lands administered by the Bureau of Land Management within the conservation area in the County of Emery, Utah, that are depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, and that are not designated as wilderness by this title are no longer subject to section 603(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782(c)). Such lands shall be managed for public uses as defined in section 103(c) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(c)) and in accordance with land management plans adopted pursuant to section 202 of such Act (43 U.S.C. 1712) and this title.

Subtitle D—Other Special Management Areas Within Conservation Area

SEC. 541. SAN RAFAEL SWELL DESERT BIGHORN SHEEP MANAGEMENT AREA.

(a) ESTABLISHMENT AND PURPOSES.—

(1) ESTABLISHMENT.—There is hereby established in the conservation area the San Rafael Swell Desert Bighorn Sheep Management Area (in this section referred to as the "management area").

(2) PURPOSES.—The purposes of the management area are the following:

(A) To provide for the prudent management of Desert Bighorn Sheep and their habitat in the Sid's Mountain area of the conservation area.

(B) To provide opportunities for watchable wildlife, hunting, and scientific study of Desert Bighorn Sheep and their habitat.

(C) To provide a seed source for other Desert Bighorn Sheep herds, and a gene pool to protect genetic diversity within the Desert Bighorn Sheep species.

(D) To provide educational opportunities to the public regarding Desert Big Horn Sheep and their environs.

(E) To maintain the natural qualities of the lands and habitat of the management area to the extent practicable with prudent management of desert bighorn sheep.

(b) AREA INCLUDED.—The management area shall consist of approximately 73,909 acres of federally owned lands and interests therein managed by the Bureau of Land Management as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—

(1) IN GENERAL.—Except as otherwise provided in this section, the management area and use of the management area shall be subject to all requirements and restrictions that apply to the conservation area.

(2) MECHANIZED TRAVEL.—The Secretary shall not allow any mechanized travel in the management area, except—

(A) mechanized travel that is in accordance with the plan; and

(B) mechanized travel by personnel of the Utah Division of Wildlife Resources and the Bureau of Land Management, including landings of helicopters, may be allowed as needed to manage the Desert Bighorn Sheep and their habitat.

(3) DESERT BIGHORN SHEEP MANAGEMENT.—The Secretary and the Utah Division of Wildlife Resources may use such management tools as are needed to provide for the sustainability of the Desert Bighorn Sheep herd and the range resource of the management area, including animal transplanting (both into and out of the management area), hunting, water development, fencing, surveys, prescribed fire, control of noxious or invading weeds, and predator control.

(4) WILDLIFE VIEWING.—The Secretary, in cooperation with the State of Utah and the Advisory Council, shall manage the management area to provide opportunities for the public to view Desert Bighorn Sheep in their natural habitat. However, the Secretary may restrict mechanized and nonmechanized visitation to sensitive areas during critical seasons as needed to provide for the proper management of the Desert Bighorn Sheep herd of the management area.

(d) MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary shall include a management plan for the management area in the management plan for the conservation area under section 523.

(2) CONTENTS.—The management plan for the management area shall establish goals and management steps to be taken within the management area to achieve the purposes of the management area under subsection (a)(2).

(3) PARTICIPATION.—The Secretary shall cooperate with the Utah Division of Wildlife Resources and the Advisory Council in developing the management plan for the management area.

(e) FACILITIES.—

(1) IN GENERAL.—The Secretary may establish, operate, and maintain in the management area such facilities as are needed to provide for the management and safety of recreational users of the management area.

(2) VIEWING SITES.—Facilities under this subsection may include improved sheep viewing sites around the periphery of the management area, if such sites do not interfere with the proper management of the sheep and their habitat.

(f) DEVELOPMENT OF HERITAGE SITES.—This section shall not be construed to preclude the utilization, enhancement, and maintenance of national heritage area sites in the management area, if such activities do not conflict with the purposes of the management area under subsection (a).

SEC. 542. SEMI-PRIMITIVE NONMOTORIZED USE AREAS.

(a) DESIGNATION AND PURPOSES.—The Secretary shall designate areas in the conservation area as semi-primitive nonmotorized use areas. The purposes of the semi-primitive areas are the following:

(1) To provide opportunities for isolation from the sights and sounds of man.

(2) To provide opportunities to have a high degree of interaction with the natural environment.

(3) To provide opportunities for recreational users to practice outdoor skills in settings that present moderate challenge and risk.

(b) AREA INCLUDED.—The semi-primitive areas shall consist generally of approximately 120,695 acres of federally owned lands and interests therein located in the conservation area that are managed by the Bureau of Land Management, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—Except as otherwise provided in this section, semi-primitive areas shall be subject to all requirements and restrictions that apply to the conservation area.

(d) MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary shall include a management plan for the semi-primitive areas in the management plan for the conservation area under section 523.

(2) CONTENTS.—The management plans for the semi-primitive areas shall establish goals and management steps to be taken within the semi-primitive areas to achieve the purposes under subsection (a).

(e) DEVELOPMENT OF HERITAGE SITES.—This section shall not be construed to preclude the utilization, enhancement, and maintenance of national heritage area sites in any semi-primitive area, if such activities do not conflict with the purposes of the semi-primitive areas under subsection (a).

SEC. 543. SCENIC VISUAL AREA OF CRITICAL ENVIRONMENTAL CONCERN.

(a) DESIGNATION AND PURPOSE.—The Secretary shall designate areas in the conservation area as a scenic visual area of critical environmental concern (in this section referred to as the "scenic visual ACEC"). The purpose of the scenic visual ACEC is to preserve the scenic value of the Interstate Route 70 corridor within the conservation area.

(b) AREA INCLUDED.—The scenic visual ACEC shall consist generally of approximately 27,670 acres of lands and interests therein located in the conservation area bordering Interstate Route 70 that are managed by the Bureau of Land Management, as generally depicted on the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998.

(c) MANAGEMENT AND USE.—Except as otherwise provided in this section, the scenic visual ACEC shall be subject to all requirements and restrictions that apply to the conservation area, and shall be managed to protect scenic values in accordance with the Bureau of Land Management document entitled "San Rafael Resource Management Plan, Utah, Moab District, San Rafael Resource Area, 1991".

Subtitle E—General Management Provisions

SEC. 551. LIVESTOCK GRAZING.

(a) AREAS OTHER THAN WILDERNESS.—

(1) IN GENERAL.—Except as provided in subsection (b), the Secretary shall permit domestic livestock grazing in areas of the conservation area where grazing was established before the enactment of this Act. Grazing in such areas may not be reduced, increased, or withdrawn, except in accordance with the laws and regulations that apply to grazing on lands managed by the Bureau of Land Management.

(2) COMPLIANCE WITH APPLICABLE REQUIREMENTS.—Except as provided in subsection (b), any livestock grazing on public lands within the conservation area and activities the Secretary determines necessary to carry out proper and practical grazing management programs on such public lands (such as animal damage control activities), shall be managed in accordance with the Act of June 28, 1934 (43 U.S.C. 315 et seq.; commonly referred to as the "Taylor Grazing Act"), section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), other laws governing the management of public lands, and the management plan for the conservation area.

(3) CERTAIN WATER FACILITIES NOT AFFECTED.—Nothing in this title shall affect the maintenance, repair, or equivalent replacement of, or ingress to or egress from, water catchment, storage, and conveyance facilities in existence before the date of the enactment of this Act that are associated with livestock or wildlife purposes, whether located within or outside of the boundaries of areas designated as part of the conservation area under this title.

(b) WILDERNESS.—Subsection (a) shall not apply to any wilderness designated by this title.

SEC. 552. CULTURAL AND PALEONTOLOGICAL RESOURCES.

The Secretary shall allow for the discovery of, shall protect, and may interpret, cultural or paleontological resources located within areas designated as part of the conservation area, to the extent consistent with the other provisions of this title governing management of those areas.

SEC. 553. LAND EXCHANGES RELATING TO SCHOOL AND INSTITUTIONAL TRUST LANDS.

(a) EXCHANGE AUTHORIZED.—

(1) IDENTIFICATION OF LANDS AND INTERESTS BY STATE.—Not later than 1 year after the date of enactment of this Act, the Governor of the State of Utah may identify, describe, and notify the Secretary of any school and institutional trust lands the value or economic potential of which may be diminished by establishment of the conservation area under this title, and that the State would like to exchange for other Federal lands or interests in land within the State of Utah.

(2) OFFER BY SECRETARY.—Not later than 1 year after the date of receipt of notification under subsection (a), and after seeking the advice of the Governor of the State of Utah on potential lands for exchange, the Secretary shall transmit to the Governor a list of Federal lands or interests in lands within the State of Utah that the Secretary believes are approximately equivalent in value to the lands described in subsection (a) of this section, and shall offer such lands for exchange to the State for the lands described in subsection (a).

(b) ENSURING EQUIVALENT VALUE.—

(1) IN GENERAL.—In preparing the list under subsection (a)(2), the Secretary shall take all steps as are necessary and reasonable to ensure that the State of Utah agrees that the lands offered by the Secretary are approximately equivalent in value to the lands identified and described by the State under subsection (a)(1).

(2) ACCOUNTING FOR REVENUE SHARING.—If the State of Utah shares revenue from the properties to be acquired by the State under this section, the value of such properties shall be the value otherwise established under this section, reduced by a percentage that represents the Federal revenue sharing obligation. The amount of such reduction shall not be considered a property right of the State of Utah.

(c) PUBLIC INTEREST.—The exchange of lands included in the list prepared under subsection (a)(2) shall be construed as satisfying the provisions of section 206(a) of the Federal Land Policy and Management Act of 1976 requiring that exchanges of lands be in the public interest.

(d) DEFINITIONS.—As used in this section:

(1) SCHOOL AND INSTITUTIONAL TRUST LANDS.—The term "school and institutional trust lands" means those properties granted by the United States in the Utah Enabling Act to the State of Utah in trust, and other lands that under State law must be managed for the benefit of the public school system or the institutions of the State that are designated by the Utah Enabling Act, that are located in the conservation area.

(2) UTAH ENABLING ACT.—The term "Utah Enabling Act" means the Act entitled "An Act to enable the people of Utah to form a constitution and State government, and to be admitted into the Union on an equal footing with the original States", approved July 16, 1894 (chapter 138; 28 Stat. 107).

SEC. 554. WATER RIGHTS.

(a) FINDINGS.—The Congress finds the following:

(1) The San Rafael Swell region of Utah is a high desert climate with little annual precipitation and scarce water resources.

(2) In order to preserve the limited amount of water available to wildlife, the State of Utah has granted to the Division of Wildlife Resources an in-stream flow right in the San Rafael River.

(3) This preserved right will guarantee that wetland and riparian habitats within the San Rafael region will be protected for designations such as wilderness, semi-primitive areas, bighorn sheep, and other Federal land needs within the San Rafael Swell region.

(b) NO FEDERAL RESERVATION.—Nothing in this title or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising from the designation of areas as part of the conservation area or as a wilderness or semi-primitive area under this title.

(c) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER UTAH LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities on any lands designated as part of the conservation area under this title pursuant to the substantive and procedural requirements of the State of Utah. Nothing in this title shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands. Within areas designated as part of the conservation area under this title, all rights to water granted under the laws of the State of Utah may be exercised in accordance with the substantive and procedural requirements of the State of Utah.

(d) EXERCISE OF WATER RIGHTS GENERALLY UNDER UTAH LAWS.—Nothing in this title shall be construed to limit the exercise of water rights as provided under the laws of the State of Utah.

(e) COLORADO RIVER.—Nothing in this title shall be construed to affect the operation of any existing private, local, State, or federally owned dam, reservoir, or other water works on the Colorado River or its tributaries. Nothing in this title shall alter, amend, construe, supersede, or preempt any local, State, or Federal law; any existing private, local, or State agreement; or any interstate compact or international treaty pertaining to the waters of the Colorado River or its tributaries.

SEC. 555. MISCELLANEOUS.

(a) STATE FISH AND WILDLIFE MANAGEMENT.—In accordance with section 4(d)(7) of the Wilderness Act (16 U.S.C. 1131(d)(7)), nothing in this title shall be construed as affecting the jurisdiction or responsibilities of the State of Utah with respect to fish and wildlife management activities, including water development, predator control, transplanting animals, stocking fish, hunting, fishing, and trapping.

(b) PROHIBITION OF BUFFER ZONES.—The Congress does not intend that the designation of an area by this title as part of the conservation area or a wilderness or semi-primitive area lead to the creation of protective perimeters or buffer zones around the area. It is the intention of the Congress that any protective perimeter or buffer zone be located wholly within such an area. The fact that nonconforming activities or uses can be seen or heard from land within such an area shall not, of itself, preclude such activities or uses up to the boundary of the area. Nonconforming activities that occur outside of the boundaries of such an area designated by this title shall not be taken into account in assessing unnecessary and undue degradation of such an area.

(c) ADJUSTMENT OF CERTAIN BOUNDARIES ALONG ROADS.—

(1) ADJUSTMENT AUTHORIZED.—The Secretary may adjust a boundary described in paragraph (2) that runs along a road as necessary to ensure that the boundary is set back from the center line of the road, as follows:

(A) In the case of Interstate 70, a setback that corresponds with the boundary of the right-of-way for Interstate 70.

(B) In the case of any high standard road, 150 feet.

(C) In the case of any road classified as a County Class B road, 100 feet.

(D) In the case of any road that is equivalent to County Class D roads, 50 feet.

(2) BOUNDARIES DESCRIBED.—A boundary referred to in paragraph (1) is any boundary of a wilderness or semi-primitive area designated by this title, or of the San Rafael Swell Desert Bighorn Sheep Management Area established by section 541, that is depicted on a map referred to in this title.

(d) ACCESS.—

(1) REASONABLE ACCESS ALLOWED.—Subject to valid existing rights, the holder of any permit authorizing use of an existing improvement, structure, or facility (including those related to water and grazing resources) that is located within the conservation area or a wilderness or semi-primitive area designated under this title, whether located on Federal or non-Federal lands, shall be allowed reasonable access to such improvement, structure, or facility in order that it may be operated, maintained, repaired, or equivalently replaced as necessary.

(2) REASONABLE ACCESS DEFINED.—For the purposes of this subsection, the term "reasonable access"—

(A) means the right of ingress and egress; and

(B) includes access by motorized transport on routes in existence as of the date of the enactment of this Act, unless the Secretary determines that transport—

(i) is not necessary or customary; or

(ii) was not historically employed.

(e) LAND ACQUISITION BY EXCHANGE OR PURCHASE.—The Secretary shall offer to acquire from non-governmental entities lands and interests in lands located within or adjacent to the conservation area or a wilderness or semi-primitive area designated under this title. Lands may be acquired under this subsection only by exchange or purchase from willing sellers.

(f) RIGHTS-OF-WAY.—Nothing in this title, including any reference to, or depiction or lack of a depiction on, the map entitled "San Rafael Swell National Heritage/Conservation Area Proposed", dated June 12, 1998, affects any right-of-way claim that arose under section 2477 of the Revised Statutes (43 U.S.C. 932).

TITLE VI—NATIONAL PARKS

SEC. 601. PROVISION FOR ROADS IN PICTURED ROCKS NATIONAL LAKESHORE.

Section 6 of the Act of October 15, 1966, entitled "An Act to establish in the State of Michigan the Pictured Rocks National Lakeshore, and for other purposes" (16 U.S.C. 460s–5), is amended as follows:

(1) In subsection (b)(1) by striking "including a scenic shoreline drive" and inserting "including appropriate improvements to Alger County Road H-58".

(2) By adding at the end the following new subsection:

"(c) PROHIBITION OF CERTAIN CONSTRUCTION.—A scenic shoreline drive may not be constructed in the Pictured Rocks National Lakeshore.".

SEC. 602. EXPANSION OF ARCHES NATIONAL PARK, UTAH.

(a) IN GENERAL.—

(1) BOUNDARY EXPANSION.—Subsection (a) of the first section of Public Law 92–155 (16 U.S.C. 272; 85 Stat. 422) is amended as follows:

(A) By inserting after the first sentence the following new sentence: "Effective on the date of the enactment of this sentence, the boundary of the park shall also include the area consisting of approximately 3,140 acres and known as the 'Lost Spring Canyon Addition', as depicted on the map entitled 'Boundary Map, Arches National Park, Lost Spring Canyon Addition', numbered 138/60,000–B, and dated April 1997.".

(B) In the last sentence, by striking "Such map" and inserting "Such maps".

(2) INCLUSION OF LAND IN PARK.—Section 2 of Public Law 92–155 (16 U.S.C. 272a) is amended by adding at the end the following new sentences: "As soon as possible after the date of the enactment of this sentence, the Secretary of the Interior shall transfer jurisdiction over the Federal lands contained in the Lost Spring Canyon Addition from the Bureau of Land Management to the National Park Service. The Lost Spring Canyon addition shall be administered in accordance with the laws and regulations applicable to the park.".

(3) PROTECTION OF EXISTING GRAZING PERMIT.—Section 3 of Public Law 92–155 (16 U.S.C. 272b) is amended as follows:

(A) By inserting "(a) IN GENERAL.—" before "Where".

(B) By adding at the end the following new subsection:

"(b) EXISTING LEASES, PERMITS, OR LICENSES.—(1) In the case of any grazing lease, permit, or license with respect to lands within the Lost Spring Canyon Addition that was issued before the date of the enactment of this subsection, the Secretary of the Interior shall, subject to periodic renewal, continue such lease, permit, or license for a period of time equal to the lifetime of the permittee as of that date and any direct descendants of the permittee born before that date. Any such grazing lease, permit, or license shall be permanently retired at the end of such period. Pending the expiration of such period, the permittee (or a descendant of the permittee who holds the lease, permit, or license) shall be entitled to periodically renew the lease, permit, or license, subject to such limitations, conditions, or regulations as the Secretary may prescribe.

"(2) Any such grazing lease, permit, or license may be sold during the period specified in paragraph (1) only on the condition that the purchaser shall, immediately upon such acquisition, permanently retire such lease, permit, or license. Nothing in this subsection shall affect other provisions concerning leases, permits, or licenses under the Taylor Grazing Act.

"(3) Any portion of any grazing lease, permit, or license with respect to lands within the Lost Spring Canyon Addition shall be administered by the National Park Service.".

(4) WITHDRAWAL FROM MINERAL ENTRY AND LEASING; PIPELINE MANAGEMENT.—Section 5 of Public Law 92–155 (16 U.S.C. 272d) is amended by adding at the end the following new subsection:

"(c) WITHDRAWAL FROM MINERAL ENTRY AND LEASING; PIPELINE MANAGEMENT.—(1) Subject to valid existing rights, Federal lands within the Lost Spring Canyon Addition are hereby appropriated and withdrawn from entry, location, selection, leasing, or other disposition under the public land laws, including the mineral leasing laws.

"(2) The inclusion of the Lost Spring Canyon Addition in the park shall not affect the right of the Northwest Pipeline Corporation (or its successors or assigns) to operate the natural gas pipeline located within the park and the Addition on the date of the enactment of this subsection and to maintain the pipeline and related facilities in a manner consistent with the requirments of the natural Gas Pipeline Safety Act of 1968 (49 U.S.C. 60201 and following).".

(5) EFFECT ON SCHOOL TRUST LANDS.—

(A) FINDINGS.—The Congress finds the following:

(i) A parcel of State school trust lands, more specifically described as section 16, township 23 south, range 22 east, of the Salt Lake base and meridian, is partially contained within the Lost Spring Canyon Addition included within the boundaries of Arches National Park by the amendment by subsection (a).

(ii) The parcel was originally granted to the State of Utah for the purpose of generating revenue for the public schools through the development of natural and other resources located on the parcel.

(iii) It is in the interest of the State of Utah and the United States for the parcel to be exchanged for Federal lands of equivalent value outside the Lost Spring Canyon Addition, in order to permit Federal management of all lands within the Lost Spring Canyon Addition.

(B) LAND EXCHANGE.—Public Law 92–155 is amended by adding at the end the following new section:

"SEC. 8. LAND EXCHANGE INVOLVING SCHOOL TRUST LANDS.

"(a) EXCHANGE REQUIREMENT.—If, not later than one year after the date of the enactment of this section, and in accordance with this section, the State of Utah offers to transfer all right, title and interest of the State in and to the parcel of school trust lands described in subsection (b)(1) to the United States, the Secretary of the Interior shall accept the offer on behalf of the United States and, within 180 days after the date of such acceptance, transfer to the State of Utah all right, title and interest of the United States in and to the parcel of land described in subsection (b)(2). Title to the State lands shall be transferred at the same time as conveyance of title to the Federal lands by the Secretary of the Interior. The exchange of lands under this section shall be subject to valid existing rights, and each party shall succeed to the rights and obligations of the other party with respect to any lease, right-of-way, or permit encumbering the exchanged lands.

"(b) DESCRIPTION OF PARCELS.—

"(1) STATE CONVEYANCE.—The parcel of school trust lands to be conveyed by the State of Utah under subsection (a) is section 16, township 23 south, range 22 east of the Salt Lake base and meridian.

"(2) FEDERAL CONVEYANCE.—The parcel of Federal lands to be conveyed by the Secretary of the Interior consists of approximately 639 acres and is identified as lots 1 through 12 located in the S½N½ and the N½N½N½S½ of section 1, township 25 south, range 18 east, Salt Lake base and meridian.

"(3) EQUIVALENT VALUE.—The Federal lands described in paragraph (2) are of equivalent value to the State school trust lands described in paragraph (1).

"(c) MANAGEMENT BY STATE.—At least 60 days before undertaking or permitting any surface disturbing activities to occur on the lands acquired by the State under this section, the State shall consult with the Utah State Office of the Bureau of Land Management concerning the extent and impact of such activities on Federal lands and resources and conduct, in a manner consistent with Federal laws, inventory, mitigation, and management activities in connection with any archaeological, paleontological, and cultural resources located on the acquired lands. To the extent consistent with applicable law governing the use and disposition of State school trust lands, the State shall preserve existing grazing, recreational, and wildlife uses of the acquired lands. Nothing in this subsection shall be construed to preclude the State from authorizing or undertaking surface or mineral activities authorized by existing or future land management plans for the acquired lands.

"(d) IMPLEMENTATION.—Administrative actions necessary to implement the land exchange described in this section shall be completed within 180 days after the date of the enactment of this section.".

SEC. 603. CUMBERLAND ISLAND NATIONAL SEASHORE, GEORGIA.

(a) TREATMENT OF MAIN ROAD AND HISTORIC STRUCTURES.—

(1) FINDINGS.—Congress finds the following:

(A) The main road at Cumberland Island National Seashore and numerous historic structures on Cumberland Island are included on the National Register of Historic Places.

(B) The continued existence and use of the main road, as well as a spur road that provides access to Plum Orchard mansion at Cumberland Island National Seashore, is necessary for maintenance and access to the natural, cultural, and historical resources of Cumberland Island National Seashore.

(C) The preservation of the main road and the numerous historic structures at Cumberland Island National Seashore is not only lawful, but also mandated under section 4(a)(3) of the Wilderness Act (16 U.S.C. 1133(a)(3)).

(D) The inclusion of these roads and historic structures both on the National Register of Historic Places and in the Cumberland Island Wilderness or potential wilderness area is incompatible and causes competing mandates on the Secretary of the Interior for management.

(2) EXCLUSION OF ROADS FROM WILDERNESS.—The main road on Cumberland Island (as described on the National Register of Historic Places), the spur road that provides access to Plum Orchard mansion, and the area extending 10 feet on each side of the center line of both roads are hereby excluded from the boundaries of the Cumberland Island Wilderness and the potential wilderness area.

(3) EXCLUSION OF STRUCTURES FROM WILDERNESS.—The Secretary of the Interior shall modify the boundaries of the Cumberland Island Wilderness and the potential wilderness area to exclude—

(A) each structure at Cumberland Island National Seashore that is listed on National Register of Historic Places; and

(B) such land surrounding each excluded structure as the Secretary considers necessary to eliminate incompatible and competing management requirements.

(4) EFFECT OF EXCLUSION.—Nothing in this subsection shall be construed to affect the inclusion of the main road or a structure at Cumberland Island National Seashore on the National Register of Historic Places or the authority of the Secretary of the Interior to impose reasonable restrictions, subject to valid existing rights, on the use of the main road or spur road to minimize any adverse impacts on the Cumberland Island Wilderness or the potential wilderness area.

(b) RESTORATION OF PLUM ORCHARD MANSION.—

(1) RESTORATION REQUIRED.—Using funds appropriated pursuant to the authorization of appropriations in paragraph (4), the Secretary of the Interior shall restore Plum Orchard mansion at Cumberland Island National Seashore so that the condition of the restored mansion is at least equal to the condition of the mansion when it was donated to the United States. The Secretary shall endeavor to collect donations of money and inkind contributions for the purpose of restoring structures within the Plum Orchard historic district.

(2) SUBSEQUENT MAINTENANCE.—The Secretary of the Interior shall endeavor to enter into an agreement with public persons, private persons, or both, to provide for the maintenance of Plum Orchard mansion following its restoration.

(3) RESTORATION PLAN.—Not later than 270 days after the date of the enactment of this Act, the Secretary of the Interior shall submit to Congress a comprehensive plan for the repair, stabilization, restoration, and subsequent maintenance of Plum Orchard mansion to the condition the mansion was in when acquired by the United States.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary for the restoration and maintenance of Plum Orchard mansion under this subsection.

(c) ARCHAEOLOGICAL AND HISTORIC SITES.—The Secretary of the Interior shall identify, document, and protect archaeological sites located on Federal land within Cumberland Island National Seashore. The Secretary shall prepare and implement a plan to preserve designated national historic sites within the seashore.

(d) DEFINITIONS.—In this section:

(1) The term "Cumberland Island National Seashore" means the national seashore established under Public Law 92–536 (16 U.S.C. 4591 et seq.).

(2) The term "Cumberland Island Wilderness" means the wilderness area in the Cumberland Island National Seashore designated by section 2 of Public Law 97–250 (96 Stat. 709; 16 U.S.C. 1132 note).

(3) The term "potential wilderness area" means the potential wilderness area in the Cumberland Island National Seashore designated by such section 2.

(4) The term "National Register of Historic Places" means the register maintained by the Secretary of the Interior under section 101(a)(1)(A) of the National Historic Preservation Act (16 U.S.C. 470a(a)(1)(A)) that is composed of districts, sites, buildings, structures, and objects significant in American history, architecture, archaeology, engineering, and culture.

SEC. 604. STUDIES OF POTENTIAL NATIONAL PARK SYSTEM UNITS IN HAWAII.

(a) IN GENERAL.—The Secretary of the Interior, acting through the Director of the National Park Service, shall undertake feasibility studies regarding the establishment of National Park System units in the following areas in the State of Hawaii:

(1) Island of Maui: The shoreline area known as "North Beach", immediately north of the present resort hotels at Kaanapali Beach, in the Lahaina district in the area extending from the beach inland to the main highway.

(2) Island of Lanai: The mountaintop area known as "Hale" in the central part of the island.

(3) Island of Kauai: The shoreline area from "Anini Beach" to "Makua Tunnels" on the north coast of this island.

(4) Island of Molokai: The "Halawa Valley" on the eastern end of the island, including its shoreline, cove and lookout/access roadway.

(b) KALAUPAPA SETTLEMENT BOUNDARIES.—The studies conducted under this section shall include a study of the feasibility of extending the present National Historic Park boundaries at Kalaupapa Settlement eastward to Halawa Valley along the island's north shore.

(c) REPORT.—A report containing the results of the studies under this section shall be submitted to the Congress promptly upon completion.

SEC. 605. SANTA CRUZ ISLAND, ADDITIONAL RIGHTS OF USE AND OCCUPANCY.

Section 202(e) of Public Law 96–199 (16 U.S.C. 410ff–1(e)) is amended by adding the following at the end thereof:

"(5) In the case of the real property referred to in paragraph (1), in addition to the rights of use and occupancy reserved under paragraph (1) and set forth in Instrument 90-027494, upon the enactment of this paragraph, the Secretary shall grant identical rights of use and occupancy to Mr. Francis Gherini of Ventura, California, the previous owner of the real property, and to each of the two grantors identified in Instrument No. 92-102117 recorded in the Official Records of the County of Santa Barbara, California. The use and occupancy rights granted to Mr. Francis Gherini shall be for a term of 25 years from the date of the enactment of this paragraph. The Secretary shall grant such rights without consideration and shall execute and record such instruments as necessary to vest such rights in such individuals as promptly as practicable, but no later than 90 days, after the enactment of this paragraph.".

SEC. 606. ACQUISITION OF WARREN PROPERTY FOR MORRISTOWN NATIONAL HISTORICAL PARK.

The Act entitled "An Act to provide for the establishment of the Morristown National Historical Park in the State of New Jersey, and for other purposes", approved March 2, 1933 (chapter 182; 16 U.S.C. 409 et seq.), is amended by adding at the end the following new section:

"SEC. 8. (a) In addition to any other lands or interest authorized to be acquired for inclusion in Morristown National Historical Park, and notwithstanding the first proviso of the first section of this Act, the Secretary of the Interior may acquire by purchase, donation, purchase with appropriated funds, or otherwise, not to exceed 15 acres of land and interests therein comprising the property known as the Warren Property or Mount Kimble. The Secretary may expend such sums as may be necessary for such acquisition.

"(b) Any lands or interests acquired under this section shall be included in and administered as part of the Morristown National Historical Park.".

SEC. 607. AMENDMENT OF LAND AND WATER CONSERVATION FUND ACT OF 1965 REGARDING TREATMENT OF RECEIPTS AT CERTAIN PARKS.

Section 4(i)(1)(B) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–6a(i)(1)(B)) is amended by inserting the following after the second sentence: "Notwithstanding subparagraph (A), in any fiscal year, the Secretary of the Interior shall also withhold from the special account 100 percent of the fees and charges collected in connection with any unit of the national park system at which entrance or admission fees cannot be collected by reason of deed restrictions, and the amounts so withheld shall be retained by the Secretary and shall be available, without further appropriation, for expenditure by the Secretary for purpose of such park system unit.".

SEC. 608. CHATTAHOOCHEE RIVER NATIONAL RECREATION AREA.

(a) FINDINGS.—The Congress finds that:

(1) The Chattahoochee River National Recreation Area is a nationally significant resource and the national recreation area has been adversely affected by land use changes occurring within and outside its boundaries.

(2) The population of the metropolitan Atlanta area continues to expand northward, leaving dwindling opportunities to protect the scenic, recreation, natural, and historic values of the 2,000-foot wide corridor adjacent to each bank of the Chattahoochee River and its impoundments in the 48-mile segment known as the area of national concern.

(3) The State of Georgia has enacted the Metropolitan River Protection Act in order to ensure the protection of the corridor located within 2,000 feet of each bank of the Chattahoochee River, or the 100-year flood plain, whichever is greater, and such corridor includes the area of national concern.

(4) Visitor use of the Chattahoochee River National Recreation Area has shifted dramatically since the establishment of the national recreation area from waterborne to water-related and land-based activities.

(5) The State of Georgia and its political subdivisions along the Chattahoochee River have indicated their willingness to join in cooperative efforts with the United States of America to link existing units of the national recreation area with a series of linear corridors to be established within the area of national concern and elsewhere on the river and provided Congress appropriates certain funds in support of such effort, funding from the State, its political subdivisions, private foundations, corporate entities, private individuals, and other sources will be available to fund more than half of the estimated cost of such cooperative effort.

(b) PURPOSES.—The purposes of this section are to—

(1) increase the level of protection of the remaining open spaces within the area of national concern along the Chattahoochee River and to enhance visitor enjoyment of such areas by adding land-based links between existing units of the national recreation area;

(2) assure that the national recreation area is managed to standardize acquisition, planning, design, construction, and operation of the linear corridors; and

(3) authorize the appropriation of Federal funds to cover a portion of the costs of the Federal, State, local, and private cooperative effort to add additional areas to the Chattahoochee River National Recreation Area in order to establish a series of linear corridors linking existing units of the national recreation area and to protect other undeveloped portions of the Chattahoochee River corridor.

(c) AMENDMENTS TO CHATTAHOOCHEE NRA ACT.—The Act of August 15, 1978, entitled "An Act to authorize the establishment of the Chattahoochee River National Recreation Area in the State of Georgia, and for other purposes" (Public Law 95–344; 16 U.S.C. 460ii et seq.) is amended as follows:

(1) Section 101 (16 U.S.C. 460ii) is amended as follows:

(A) By inserting after "numbered Chat–20,003, and dated September 1984" the following: "and on the maps entitled 'Chattahoochee River National Recreation Area Interim Boundary Maps 1, 2, and 3' and dated August 6, 1998".

(B) By amending the fourth sentence to read as follows: "After July 1, 1999, the Secretary of the Interior (in this Act referred to as the 'Secretary') may modify the boundaries of the recreation area to include other lands within the river corridor of the Chattahoochee River by submitting a revised map or other boundary description to the Congress. Such revised boundaries shall take effect on the date 6 months after the date of such submission unless, within such 6-month period, the Congress adopts a Joint Resolution disapproving such revised boundaries. Such revised map or other boundary description shall be prepared by the Secretary after consultation with affected landowners and with the State of Georgia and affected political subdivisions.".

(C) By striking out "may not exceed approximately 6,800 acres." and inserting "may not exceed 10,000 acres.".

(2) Section 102(f) (16 U.S.C. 460ii–1(f)) is repealed.

(3) Section 103(b) (16 U.S.C. 460ii–2(b)) is amended to read as follows:

"(b) COOPERATIVE AGREEMENTS.—The Secretary is authorized to enter into cooperative agreements with the State, its political subdivisions, and other entities to assure standardized acquisition, planning, design, construction, and operation of the national recreation area.".

(4) Section 105(a) (16 U.S.C. 460ii–4(a)) is amended to read as follows:

"(a) AUTHORIZATION OF APPROPRIATIONS; ACCEPTANCE OF DONATIONS.—In addition to funding and the donation of lands and interests in lands provided by the State of Georgia, local government authorities, private foundations, corporate entities, and individuals, and funding that may be available pursuant to the settlement of litigation, there is hereby authorized to be appropriated for land acquisition not more than $25,000,000 for fiscal years after fiscal year 1998. The Secretary is authorized to accept the donation of funds and lands or interests in lands to carry out this Act.".

(5) Section 105(c) (16 U.S.C. 460ii–4(c)) is amended by adding the following at the end thereof: "The Secretary shall submit a new plan within 3 years after the enactment of this sentence to provide for the protection, enhancement, enjoyment, development, and use of areas added to the national recreation area. During the preparation of the revised plan the Secretary shall seek and encourage the participation of the State of Georgia and its affected political subdivisions, private landowners, interested citizens, public officials, groups, agencies, educational institutions, and others.".

(6) Section 102(a) (16 U.S.C. 460ii–1(a)) is amended by inserting the following before the period at the end of the first sentence: ", except that lands and interests in lands within the Addition Area depicted on the map referred to in section 101 may not be acquired without the consent of the owner thereof".

SEC. 609. PROTECTION OF LODGES IN GRAND CANYON NATIONAL PARK.

Section 3 of the Grand Canyon National Park Enlargement Act (16 U.S.C. 228b) is amended by adding at the end the following new subsection:

"(d) The Secretary of the Interior is prohibited from demolishing, or authorizing or permitting (by contract or otherwise) any other person to demolish, the Thunderbird Lodge or the Kachina Lodge in the Grand Canyon National Park unless the Congress approves of the demolition in advance by the enactment of a law.".

TITLE VII—REAUTHORIZATIONS

SEC. 701. REAUTHORIZATION OF NATIONAL HISTORIC PRESERVATION ACT.

The National Historic Preservation Act (16 U.S.C. 470 and following; Public Law 89–665) is amended as follows:

(1) In the third sentence of section 101(a)(6) (16 U.S.C. 470a(a)(6)) by striking "shall review" and inserting "may review" and by striking "shall determine" and inserting "determine".

(2) Section 101(e)(2) (16 U.S.C. 470a(e)(2)) is amended to read as follows:

"(2) The Secretary may administer grants to the National Trust for Historic Preservation in the United States, chartered by an Act of Congress approved October 26, 1949 (63 Stat. 947), consistent with the purposes of its charter and this Act.".

(3) Section 102 (16 U.S.C. 470b) is amended by redesignating subsection (e) as subsection (f) and by redesignating subsection (d), as added by section 4009(3) of Public Law 102–575, as subsection (e).

(4) Section 101(b)(1) (16 U.S.C. 470a(b)(1)) is amended by adding the following at the end thereof:

"For purposes of subparagraph (A), the State and Indian tribe shall be solely responsible for determining which professional employees, are necessary to carry out the duties of the State or tribe, consistent with standards developed by the Secretary.".

(5) Section 107 (16 U.S.C. 470g) is amended to read as follows:

"SEC. 107. Nothing in this Act shall be construed to be applicable to the White House and its grounds, the Supreme Court building and its grounds, or the United States Capitol and its related buildings and grounds as depicted on the map entitled 'Map Showing Properties Under the Jurisdiction of the Architect of the Capitol' and dated November 6, 1996, which shall be on file in the office of the Secretary of the Interior.".

(6) Section 108 (16 U.S.C. 470h) is amended by striking "1997" and inserting "2004".

(7) Section 110(a)(1) (16 U.S.C. 470h–2(a)(1)) is amended by inserting the following before the period at the end of the second sentence: ", especially those located in central business areas. When locating Federal facilities, Federal agencies shall give first consideration to historic properties in historic districts. If no such property is operationally appropriate and economically prudent, then Federal agencies shall consider other developed or undeveloped sites within historic districts. Federal agencies shall then consider historic properties outside of historic districts, if no suitable site within a district exists. Any rehabilitation or construction that is undertaken pursuant to this Act must be architecturally compatible with the character of the surrounding historic district or properties".

(8) The first sentence of section 110(l) (16 U.S.C. 470h–2(l)) is amended by striking "with the Council" and inserting "pursuant to regulations issued by the Council".

(9) The last sentence of section 212(a) (16 U.S.C. 470t(a)) is amended by striking "2000" and inserting "2004"

SEC. 702. REAUTHORIZATION OF DELAWARE WATER GAP NATIONAL RECREATION AREA CITIZEN ADVISORY COMMISSION.

Section 5 of Public Law 101–573 (16 U.S.C. 460*o* note) is amended by striking "10" and inserting "20".

SEC. 703. COASTAL HERITAGE TRAIL ROUTE IN NEW JERSEY.

Public Law 100–515 (102 Stat. 2563; 16 U.S.C. 1244 note) is amended as follows:

(1) In subsection (b)(1) of section 6 by striking "$1,000,000" and inserting "$4,000,000".

(2) In subsection (c) of section 6 by striking "five" and inserting "10".

(3) In the second sentence of section 2 by inserting "including sites in the Township of Woodbridge, New Jersey," after "cultural sites".

SEC. 704. EXTENSION OF AUTHORIZATION FOR UPPER DELAWARE CITIZENS ADVISORY COUNCIL.

The last sentence of paragraph (1) of section 704(f) of the National Parks and Recreation Act of 1978 (16 U.S.C. 1274 note) is amended by striking "20" and inserting "30".

TITLE VIII—RIVERS AND TRAILS

SEC. 801. NATIONAL DISCOVERY TRAILS.

(a) NATIONAL TRAILS SYSTEM ACT AMENDMENTS.—

(1) NATIONAL DISCOVERY TRAILS ESTABLISHED.—

(A) IN GENERAL.—Section 3(a) of the National Trails System Act (16 U.S.C. 1242(a)) is amended by inserting after paragraph (4) the following:

"(5)(A) National discovery trails, established as provided in section 5, which will be extended, continuous, interstate trails so located as to provide for outstanding outdoor recreation and travel and to connect representative examples of America's trails and communities. National discovery trails should provide for the conservation and enjoyment of significant natural, cultural, and historic resources associated with each trail and should be so located as to represent metropolitan, urban, rural, and backcountry regions of the Nation. Any such trail may be designated on Federal lands and, with the consent of the owner thereof, on any non-Federal lands. The consent of the owner shall be obtained in the form of a written agreement, which shall include such terms and conditions as the parties to the agreement consider advisable, and may include provisions regarding the discontinuation of the trail designation. The Congress does not intend for the establishment of a national discovery trail to lead to the creation of protective perimeters or buffer zones adjacent to a national discovery trail. The fact that there may be activities or uses on lands adjacent to the trail that would not be permitted on the trail shall not preclude such activities or uses on such lands adjacent to the trail to the extent consistent with other applicable law. Nothing in this Act may be construed to impose or permit the imposition of any landowner on the use of any non-Federal lands without the consent of the owner. Neither the designation of a national discovery trail nor any plan related thereto shall affect, or be considered, in the granting or denial of a right-of-way or any conditions relating thereto.

"(B) The appropriate Secretary for each national discovery trail shall administer the trail in cooperation with a competent trailwide volunteer-based organization. Where national discovery trails are congruent with other local, State, national scenic, or national historic trails, the designation of the discovery trail shall not in any way diminish the values and significance for which these trails were established.".

(B) FEASIBILITY REQUIREMENTS; COOPERATIVE MANAGEMENT REQUIREMENT.—Section 5(b) of such Act (16 U.S.C. 1244(b)) is amended by adding at the end the following new paragraph:

"(12) For purposes of this subsection, a trail shall not be considered feasible and desirable for designation as a national discovery trail unless it meets all of the following criteria:

"(A) The trail must link to one or more areas within the boundaries of a metropolitan area (as those boundaries are determined under section 134(c) of title 23, United States Code). It should also join with other trails, tying the National Trails System to significant recreation and resources areas.

"(B) The trail must be supported by at least one competent trailwide volunteer-based organization. Each trail shall have extensive local and trailwide support by the public, by user groups, and by affected State and local governments.

"(C) The trail must be extended and pass through more than one State. At a minimum, it should be a continuous, walkable route. National discovery trails are specifically exempted from the provisions of sections 7(g) of this Act.

"(D) The appropriate Secretary shall obtain written consent from affected landowners prior to entering nonpublic lands for the purposes of conducting any surveys or studies of nonpublic lands for purposes of this Act. Provided, before any designation or establishment of any discovery trail provided by this Act, the appropriate Secretary must ensure written notification to all nonpublic landowners on which a designated trail crosses or abuts nonpublic lands. Furthermore, any nonpublic landowner that has property crossed by or abutting land designated under this Act, if trespassing should occur by travelers on the National Discovery Trail, has the right to request and subsequently require the appropriate Secretary to coordinate with State and local officials to ensure to the maximum extent feasible that no further trespassing should occur on such nonpublic land.".

(2) DESIGNATION OF THE AMERICAN DISCOVERY TRAIL AS A NATIONAL DISCOVERY TRAIL.—Section 5(a) of such Act (16 U.S.C. 1244(a)) is amended as follows:

(A) By redesignating the paragraph relating to the California National Historic Trail as paragraph (18).

(B) By redesignating the paragraph relating to the Pony Express National Historic Trail as paragraph (19).

(C) By redesignating the paragraph relating to the Selma to Montgomery National Historic Trail as paragraph (20).

(D) By adding at the end the following:

"(21) The American Discovery Trail, a trail of approximately 6,000 miles extending from Cape Henlopen State Park in Delaware to Point Reyes National Seashore in California, extending westward through Delaware, Maryland, the District of Columbia, West Virginia, Ohio, and Kentucky, where near Cincinnati it splits into two routes. The Northern Midwest route traverses Ohio, Indiana, Illinois, Iowa, Nebraska, and Colorado, and the Southern Midwest route traverses Indiana, Illinois, Missouri, Kansas, and Colorado. After the two routes rejoin in Denver, Colorado, the route continues through Colorado, Utah, Nevada, and California. The trail is generally described in Volume 2 of the National Park Service feasibility study dated June 1995 which shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, the District of Columbia. The American Discovery Trail shall be administered by the Secretary of the Interior in cooperation with at least one competent trailwide volunteer-based organization, affected land managing agencies and State and local governments as appropriate. No lands or interests outside the exterior boundaries of federally administered areas may be acquired by the Federal Government solely for the American Discovery Trail. The American Discovery Trail is specifically exempted from the provisions of subsection (e), (f), and (g) of section 7.".

(3) COMPREHENSIVE NATIONAL DISCOVERY TRAIL PLAN.—Section 5 of such Act (16 U.S.C. 1244) is further amended by adding at the end the following new subsection:

"(g) Within 3 complete fiscal years after the date of enactment of any law designating a national discovery trail, the responsible Secretary shall submit a comprehensive plan for the protection, management, development, and use of the Federal portions of the trail, and provide technical assistance to States and local units of government and private landowners, as requested, for nonfederal portions of the trail, to the Committee on Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. In developing a comprehensive management plan for a national discovery trail, the responsible Secretary shall cooperate to the fullest practicable extent with the organizations sponsoring the trail. The responsible Secretary shall ensure that the comprehensive plan does not conflict with existing agency direction and shall consult with the affected land managing agencies, the Governors of the affected States, affected county and local political jurisdictions, and local organizations maintaining components of the trail. Components of the comprehensive plan include—

"(1) policies, objectives and practices to be observed in the administration and management of the trail, including the identification of all significant natural, historical, and cultural resources to be preserved, model agreements necessary for joint trail administration among and between interested parties, and an identified carrying capacity for critical segments of the trail and procedures for implementation, where appropriate;

“(2) strategies for trail protection to retain the values for which the trail is being established and recognized by the Federal Government;

“(3) general and site-specific trail-related development, including anticipated costs; and

“(4) the process to be followed to implement the trail marking authorities in section 7(c) conforming to approved trail logo or emblem requirements.”.

(b) CONFORMING AMENDMENTS.—The National Trails System Act is amended:

(1) In section 2(b) (16 U.S.C. 1241(b)), by striking “scenic and historic” and inserting “scenic, historic, and discovery”.

(2) In the section heading to section 5 (16 U.S.C. 1244), by striking “AND NATIONAL HISTORIC” and inserting “, NATIONAL HISTORIC, AND NATIONAL DISCOVERY”.

(3) In section 5(a) (16 U.S.C. 1244(a)), in the matter preceding paragraph (1)—

(A) by striking “and national historic” and inserting “, national historic, and national discovery”; and

(B) by striking “and National Historic” and inserting “, National Historic, and National Discovery”.

(4) In section 5(b) (16 U.S.C. 1244(b)), in the matter preceding paragraph (1), by striking “or national historic” and inserting “, national historic, or national discovery”.

(5) In section 5(b)(3) (16 U.S.C. 1244(b)(3)), by striking “or national historic” and inserting “, national historic, or national discovery”.

(6) In section 7(a)(2) (16 U.S.C. 1246(a)(2)), by striking “and national historic” and inserting “, national historic, and national discovery”.

(7) In section 7(b) (16 U.S.C. 1246(b)), by striking “or national historic” each place such term appears and inserting “, national historic, or national discovery”.

(8) In section 7(c) (16 U.S.C. 1246(c))—

(A) by striking “scenic or national historic” each place it appears and inserting “scenic, national historic, or national discovery”;

(B) in the second proviso, by striking “scenic, or national historic” and inserting “scenic, national historic, or national discovery”; and

(C) by striking “, and national historic” and inserting “, national historic, and national discovery”.

(9) In section 7(d) (16 U.S.C. 1246(d)), by striking “or national historic” and inserting “national historic, or national discovery”.

(10) In section 7(e) (16 U.S.C. 1246(e)), by striking “or national historic” each place such term appears and inserting “, national historic, or national discovery”.

(11) In section 7(f)(2) (16 U.S.C. 1246(f)(2)), by striking “National Scenic or Historic Trail” and inserting “national scenic, historic, or discovery trail”.

(12) In section 7(h)(1) (16 U.S.C. 1246(h)(1)), by striking “or national historic” and inserting “national historic, or national discovery”.

(13) In section 7(i) (16 U.S.C. 1246(i)), by striking “or national historic” and inserting “national historic, or national discovery”.

SEC. 802. SUDBURY, ASSABET, AND CONCORD WILD AND SCENIC RIVERS.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended—

(1) by designating the four undesignated paragraphs after paragraph (156) as paragraphs (157), (158), (159), and (160), respectively; and

(2) by adding the following new paragraph at the end thereof:

“(161) SUDBURY, ASSABET, AND CONCORD RIVERS, MASSACHUSETTS.—The 29 miles of river segments in Massachusetts, as follows:

“(A) The 14.9 mile segment of the Sudbury river beginning at the Danforth Street bridge in the town of Framington, downstream to Route 2 bridge in Concord, as a scenic river.

“(B) The 1.7 mile segment of the Sudbury River from the Route 2 bridge downstream to its confluence with the Assabet River at Egg Rock, as a recreational river.

“(C) The 4.4 mile segment of the Assabet River beginning 1,000 feet downstream from the Damon Mill Dam in the town of Concord, to its confluence with the Sudbury River at Egg Rock in Concord, as a recreational river.

“(D) The 8.0 mile segment of the Concord River from Egg Rock at the confluence of the Sudbury and Assabet Rivers downstream to the Route 3 bridge in the town of Billerica, as a recreational river.

The segments referred to in subparagraphs (A) through (D) shall be administered by the Secretary of the Interior in cooperation with the SUASCO River Stewardship Council provided for in the plan through cooperative agreements under section 10(e) between the Secretary and the Commonwealth of Massachusetts and its relevant political subdivisions (including the towns of Framingham, Wayland, Sudbury, Lincoln, Concord, Carlisle, Bedford, and Billerica). The segments shall be managed in accordance with the plan entitled ‘Sudbury, Assabet and Concord Wild and Scenic River Study, River Conservation Plan’ dated March 16, 1995. The plan is deemed to satisfy the requirement for a comprehensive management plan under subsection (d) of this section.”.

SEC. 803. ASSISTANCE TO THE NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds and declares the following:

(A) The city of Casper, Wyoming, is nationally significant as the only geographic location in the western United States where 4 congressionally recognized historic trails (the Oregon Trail, the Mormon Trail, the California Trail, and the Pony Express Trail), the Bridger Trail, the Bozeman Trail, and many Indian routes converged.

(B) The historic trails that passed through the Casper area are a distinctive part of the national character and possess important historical and cultural values representing themes of migration, settlement, transportation, and commerce that shaped the landscape of the West.

(C) The Bureau of Land Management has not yet established a historic trails interpretive center in Wyoming or in any adjacent State to educate and focus national attention on the history of the mid-19th century immigrant trails that crossed public lands in the Intermountain West.

(D) At the invitation of the Bureau of Land Management, the city of Casper and the National Historic Trails Foundation, Inc. (a nonprofit corporation established under the laws of the State of Wyoming) entered into a memorandum of understanding in 1992, and have since signed an assistance agreement in 1993 and a cooperative agreement in 1997, to create, manage, and sustain a National Historic Trails Interpretive Center to be located in Casper, Wyoming, to professionally interpret the historic trails in the Casper area for the benefit of the public.

(E) The National Historic Trails Interpretive Center authorized by this section is consistent with the purposes and objectives of the National Trails System Act (16 U.S.C. 1241 et seq.), which directs the Secretary of the Interior to protect, interpret, and manage the remnants of historic trails on public lands.

(F) The State of Wyoming effectively joined the partnership to establish the National Historic Trails Interpretive Center through a legislative allocation of supporting funds, and the citizens of the city of Casper have increased local taxes to meet their financial obligations under the assistance agreement and the cooperative agreement referred to in paragraph (4).

(G) The National Historic Trails Foundation, Inc. has secured most of the $5,000,000 of non-Federal funding pledged by State and local governments and private interests pursuant to the cooperative agreement referred to in subparagraph (D).

(H) The Bureau of Land Management has completed the engineering and design phase of the National Historic Trails Interpretive Center, and the National Historic Trails Foundation, Inc. is ready for Federal financial and technical assistance to construct the Center pursuant to the cooperative agreement referred to in subparagraph (D).

(2) PURPOSES.—The purposes of this section are the following:

(A) To recognize the importance of the historic trails that passed through the Casper, Wyoming, area as a distinctive aspect of American heritage worthy of interpretation and preservation.

(B) To assist the city of Casper, Wyoming, and the National Historic Trails Foundation, Inc. in establishing the National Historic Trails Interpretive Center to memorialize and interpret the significant role of those historic trails in the history of the United States.

(C) To highlight and showcase the Bureau of Land Management's stewardship of public lands in Wyoming and the West.

(b) NATIONAL HISTORIC TRAILS INTERPRETIVE CENTER.—

(1) ESTABLISHMENT.—The Secretary of the Interior, acting through the Director of the Bureau of Land Management (in this section referred to as the “Secretary”), shall establish in Casper, Wyoming, a center for the interpretation of the historic trails in the vicinity of Casper, including the Oregon Trail, the Mormon Trail, the California Trail, and the Pony Express Trail, the Bridger Trail, the Bozeman Trail, and various Indian routes. The center shall be known as the National Historic Trails Interpretive Center (in this section referred to as the “Center”).

(2) FACILITIES.—The Secretary, subject to the availability of appropriations, shall construct, operate, and maintain facilities for the Center—

(A) on land provided by the city of Casper, Wyoming;

(B) in cooperation with the city of Casper and the National Historic Trails Interpretive Center Foundation, Inc. (a nonprofit corporation established under the laws of the State of Wyoming); and

(C) in accordance with—

(i) the Memorandum of Understanding entered into on March 4, 1993, by the city, the foundation, and the Wyoming State Director of the Bureau of Land Management; and

(ii) the cooperative agreement between the foundation and the Wyoming State Director of the Bureau of Land Management, numbered K910A970020.

(3) DONATIONS.—Notwithstanding any other provision of law, the Secretary may accept, retain, and expend donations of funds, property, or services from individuals, foundations, corporations, or public entities for the purpose of development and operation of the Center.

(4) ENTRANCE FEE.—Notwithstanding section 4 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–6a), the Secretary may—

(A) collect an entrance fee from visitors to the Center; and

(B) use amounts received by the United States from that fee for expenses of operation of the Center.

(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $5,000,000 to carry out this section.

TITLE IX—HAZARDOUS FUELS REDUCTION

SEC. 901. SHORT TITLE.

This title may be cited as the "Community Protection and Hazardous Fuels Reduction Act of 1998".

SEC. 902. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds the following:

(1) Management of Federal lands has been characterized by large cyclical variations in fire suppression policies, timber harvesting levels, and the attention paid to commodity and noncommodity values.

(2) Forests on Federal lands are experiencing significant disease epidemics and insect infestations.

(3) The combination of inconsistent management and natural effects has resulted in a hazardous fuels buildup on Federal lands that threatens catastrophic wildfire.

(4) While the long-term effect of catastrophic wildfire on forests and forest systems is a matter of debate, there should be no question that catastrophic wildfire must be prevented in areas of the Federal lands where wildlands abut, or are located in close proximity to, communities, residences, and other private and public facilities on non-Federal lands.

(5) Wildfire resulting from hazardous fuels buildup in such wildland/urban interface areas threatens the destruction of communities, puts human life and property at risk, threatens community water supplies with erosion that follows wildfire, destroys wildlife habitat, and damages ambient air quality.

(6) The Secretary of Agriculture and the Secretary of the Interior must assign a high priority and undertake aggressive management to achieve the elimination of hazardous fuel buildup and reduction of the risk of wildfire to the wildland/urban interface areas on Federal lands. Protection of human life and property, including water supplies and ambient air quality, must be given the highest priority.

(7) The noncommodity resources, including riparian zones and wildlife habitats, in wildland/urban interface areas on Federal lands which must be protected to provide recreational opportunities, clean water, and other amenities to neighboring communities and the public suffer from a backlog of unfunded forest management projects designed to provide such protection.

(8) In a period of fiscal austerity characterized by shrinking budgets and personnel levels, Congress must provide the Secretary of Agriculture and the Secretary of the Interior with innovative tools to accomplish the required reduction in hazardous fuels buildup and undertake other forest management projects in the wildland/urban interface areas on the Federal lands at least cost.

(b) PURPOSE.—The purpose of this title is to provide new authority and innovative tools to the Secretary of Agriculture and the Secretary of the Interior to safeguard communities, lives, and property by reducing or eliminating the threat of catastrophic wildfire, and to undertake needed forest management projects, in wildland/urban interface areas on Federal lands.

SEC. 903. DEFINITIONS.

As used in this title:

(1) FEDERAL LANDS.—The term "Federal lands" means—

(A) federally managed lands administered by the Bureau of Land Management under the Secretary of the Interior; and

(B) federally managed lands administered by the Secretary of Agriculture.

(2) FOREST MANAGEMENT PROJECT.—The term "forest management project" means a project, including riparian zone enhancement, habitat improvement, noncommercial hazardous fuels reduction, and soil stabilization or other water quality improvement project, designed to protect one or more noncommodity resources on or in close proximity to Federal lands.

(3) LAND MANAGEMENT PLAN.—The term "land management plan" means the following:

(A) With respect to Federal lands described in paragraph (1)(A), a land use plan prepared by the Bureau of Land Management pursuant to section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712), or other multiple-use plan currently in effect.

(B) With respect to Federal lands described in paragraph (1)(B), a land and resource management plan (or if no final plan is in effect, a draft land and resource management plan) prepared by the Forest Service pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604).

(4) SECRETARY CONCERNED.—The term "Secretary concerned" means—

(A) with respect to the Federal lands described in paragraph (1)(A), the Secretary of the Interior; and

(B) with respect to the Federal lands described in paragraph (1)(B), the Secretary of Agriculture.

(5) WILDLAND/URBAN INTERFACE AREA.—The term "wildland/urban interface area" means the line, area, or zone where structures and other human development meet or intermingle with undeveloped wildland or vegetative fuel.

(6) CONGRESSIONAL COMMITTEES.—The term "congressional committees" means the Committee on Resources and the Committee on Agriculture of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(7) HAZARDOUS FUELS BUILDUP.—The term "hazardous fuels buildup" means that level of fuels accumulation, within a fire regime, in which an ignition with the right combination of weather and topographic conditions can result in—

(A) a dangerous exposure of risk to firefighters and the public;

(B) a high potential to cause risk of loss to key components that define ecological resources, capital investments, and private property; or

(C) both subparagraphs (A) and (B).

(8) FOREST PRODUCT.—The term "forest product" means any tree or tree part that can be used for a commercial purpose.

(9) FUELS.—The term "fuels" includes forage, woody debris, duff, needle cast, brush, understory, ladder fuels, and dead or dying overstory.

Subtitle A—Management of Wildland/Urban Interface Areas

SEC. 911. IDENTIFICATION OF WILDLAND/URBAN INTERFACE AREAS.

On or before September 30 of each year, each District Manager of the Bureau of Land Management and each Forest Supervisor of the Forest Service shall identify those areas on Federal lands within the jurisdiction of the District Manager or Forest Supervisor that the District Manager or Forest Supervisor determines—

(1) meet the definition of wildland/urban interface areas; and

(2) have hazardous fuels buildups and other forest management needs that warrant the use of forest management projects as provided in section 912.

SEC. 912. CONTRACTING TO REDUCE HAZARDOUS FUELS AND UNDERTAKE FOREST MANAGEMENT PROJECTS IN WILDLAND/URBAN INTERFACE AREAS.

(a) CONTRACTING AUTHORITY.—

(1) IN GENERAL.—The Secretary concerned is authorized to enter into contracts under this section for the sale of forest products in a wildland/urban interface area identified under section 911 for the primary purpose of reducing hazardous fuels buildups in the area.

(2) INCLUSION OF FOREST MANAGEMENT PROJECTS.—Subject to paragraph (3) and subsection (e), the Secretary concerned may require, as a condition of any sale of forest products referred to in paragraph (1), that the purchaser of such products undertake one or more forest management projects in the wildland/urban interface area.

(3) CONDITIONS ON INCLUSION.—The Secretary concerned may include a forest management project as a condition in a contract for the sale of forest products referred to in paragraph (1) only when the Secretary determines that—

(A) the forest management project is consistent with the applicable land management plan; and

(B) the objectives of the forest management project can be accomplished most cost efficiently and effectively when the project is performed as part of the sale contract.

(b) FINANCING AND SUPPLEMENTAL FUNDING.—

(1) FINANCING THROUGH SALES.—The financing of a forest management project required as a condition of a contract for a sale of forest products authorized by subsection (a) shall be accomplished by including in the contract a provision that offsets the costs incurred by the purchaser in carrying out the required forest management project, by reducing the amount required to be paid to the United States by the purchaser for forest products sold under the contract.

(2) AMOUNT OF REDUCTION OF PAYMENT.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amount of the reduction referred to in paragraph (1) shall be equal to the costs referred to in paragraph (1), minus any assistance to the purchaser under paragraph (3) used to pay those costs.

(B) LIMITATION.—The amount of the reduction for a sale may not exceed the portion of the total amount otherwise required to be paid to the United States by the purchaser (before the reduction) that remains after deducting from that total amount the amounts necessary to make distributions and payments under the provisions of law referred to in paragraph (1) or (2) of subsection (d) that apply to that total amount.

(3) USE OF APPROPRIATED FUNDS.—The Secretary concerned may use appropriated funds to assist the purchaser to undertake a forest management project required as a condition of a contract authorized by subsection (a) if such funds are provided from the resource function or functions that directly benefit from the performance of the project and are available from the annual appropriation for such function or functions during the fiscal year in which the sale is offered. The amount of assistance to be provided for each forest management project shall be included in the prospectus, and published in the advertisement, for the sale.

(c) DETERMINATION OF FOREST MANAGEMENT OFFSETS.—Prior to the advertisement of a sale authorized by subsection (a) and subject to section 915(b), the Secretary concerned shall determine the offsetting cost (under subsection (b)(1)) of each forest management project to be required as a condition of the sale contract. A description of the forest management project, and the cost of the project to be offset against the purchaser's payment for forest products in the sale, shall be included in the prospectus, and published in the advertisement, for the sale.

(d) TREATMENT OF FOREST MANAGEMENT PROJECT OFFSETS AS MONEYS RECEIVED.—

(1) BUREAU OF LAND MANAGEMENT LANDS.—In the case of Federal lands described in section 903(1)(A), the amount of any reduction under subsection (b)(1) of the amount required to be paid by a purchaser in a sale authorized by subsection (a) shall be considered to be money received, for purposes of title II of the Act of August 28, 1937 (50 Stat. 875; 43 U.S.C. 1181f), the first section of the Act of May 24, 1939 (53 Stat. 753; 43 U.S.C. 1181f-1), or other applicable law concerning the distribution of receipts from the sale of forest products on such lands.

(2) FOREST SYSTEM LANDS.—In the case of Federal lands described in section 903(1)(B), the amount of any reduction under subsection (b)(1) of the amount required to be paid by a purchaser in a sale authorized by subsection (a)—

(A) shall be considered to be money received, for purposes of the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908 (35 Stat. 260; 16 U.S.C. 500), and section 13 of the Act of March 1, 1911 (36 Stat. 963; commonly known as the Weeks Act; 16 U.S.C. 500); and

(B) shall not be considered to be money received, for purposes of the fourteenth paragraph under the heading "FOREST SERVICE" of the Act of March 4, 1913 (37 Stat. 843; 16 U.S.C. 501).

(e) LIMITATION ON AMOUNT OF OFFSETS.—The total amount by which purchase payments are reduced under subsection (b)(1) each fiscal year—

(1) under contracts awarded by the Secretary of Agriculture, may not exceed $40,000,000; and

(2) under contracts awarded by the Secretary of the Interior, may not exceed $10,000,000.

SEC. 913. MONITORING REQUIREMENTS.

The Secretary concerned shall monitor the preparation and offering of contracts, and the performance of forest management projects, pursuant to section 912 to determine the effectiveness of such contracts and forest management projects in achieving the purpose of this title.

SEC. 914. REPORTING REQUIREMENTS.

(a) ANNUAL REPORT.—Not later than 90 days after the end of each full fiscal year in which contracts are entered into under section 912, the Secretary concerned shall submit to the congressional committees a report, which shall provide for the Federal lands within the jurisdiction of the Secretary concerned the following:

(1) A list of the wildland/urban interface areas identified on or before September 30 of the previous fiscal year pursuant to section 911.

(2) A summary of all contracts entered into, and all forest management projects performed, pursuant to section 912 during the preceding fiscal year;

(3) A discussion of any delays in excess of three months encountered during the preceding fiscal year, and likely to occur in the fiscal year in which the report is submitted, in preparing and offering the sales, and in performing the forest management projects, pursuant to section 912.

(4) The results of the monitoring required by section 913 of the contracts authorized, and the forest management projects performed, pursuant to section 912.

(5) Any anticipated problems in the implementation of this subtitle.

(b) FOUR YEAR REPORT.—The fourth report prepared by the Secretary concerned under subsection (a) shall contain, in addition to the matters required by subsection (a), the following:

(1) An assessment by the Secretary concerned regarding whether the contracting authority provided in section 912 should be reauthorized beyond the period specified in section 915(a).

(2) If reauthorization is warranted, such recommendations as the Secretary concerned considers appropriate regarding changes in such authority to better achieve the purpose of this title.

SEC. 915. SPECIAL FUNDS.

(a) ESTABLISHMENT AND INITIAL FUNDING.—Notwithstanding any other provision of law, not later than 30 days after the date of enactment of this Act—

(1) the Secretary of Agriculture and the Secretary of the Interior shall each establish and maintain a special fund which shall be available, without further appropriation, for the purposes of planning, offering, and managing sales of forest products referred to in section 912(a)(1);

(2) the Secretary of Agriculture shall transfer, from amounts available to such Secretary for reduction of wildland fire hazardous fuels for the fiscal year in which this Act is enacted and each of the 3 following fiscal years, $10,000,000 to the fund established by the Secretary of Agriculture pursuant to paragraph (1); and

(3) the Secretary of the Interior shall transfer, from amounts available to such Secretary for reduction of hazardous fuels for the fiscal year in which this Act is enacted, $10,000,000 to the fund established by the Secretary of the Interior pursuant to paragraph (1).

(b) REPLENISHMENT OF FUNDS.—Each fund established pursuant to subsection (a) shall receive all of the receipts from each sale of forest products referred to in section 912(a)(1) from Federal lands within the jurisdiction of the Secretary who established such fund, minus the amount required to be distributed under the provisions of law referred to in paragraph (1) or (2), as applicable, of section 912(d).

(c) TERMINATION.—

(1) IN GENERAL.—Each Secretary concerned shall terminate the fund established by such Secretary pursuant to subsection (a) at the expiration of the last day of the fifth full fiscal year occurring after the date of enactment of this Act.

(2) TREATMENT OF BALANCE AND FUTURE RECEIPTS.—Any moneys remaining in a fund established pursuant to subsection (a)(1) upon the expiration of the day referred to in paragraph (1), and any receipts after that day from sales of forest products under section 912(a)(1)—

(A) shall be available to the Secretary of Agriculture for reduction of wildland fire hazardous fuels, in the case of moneys remaining in the fund established by the Secretary of Agriculture and receipts for forest products from Federal lands within the jurisdiction of such Secretary; and

(B) shall be available to the Secretary of the Interior for the reduction of hazardous fuels, in the case of moneys remaining in the fund established by the Secretary of the Interior and receipts for forest products from Federal lands within the jurisdiction of such Secretary.

SEC. 916. TERMINATION OF AUTHORITY.

(a) TERMINATION DATE.—The authority of the Secretary concerned to offer sales of forest products pursuant to section 912, and to require the purchasers of such products to undertake forest management projects as a condition of such sales, shall terminate at the end of the five-fiscal year beginning on the first October 1st occurring after the date of the enactment of this Act.

(b) EFFECT ON EXISTING SALES.—Any contract for a sale of forest products pursuant to section 912 entered into before the end of the period specified in subsection (a), and still in effect at the end of such period, shall remain in effect after the end of such period pursuant to the terms of the contract.

Subtitle B—Miscellaneous Provisions

SEC. 921. REGULATIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary concerned shall prescribe such regulations as are necessary and appropriate to implement this title.

SEC. 922. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each of the first five fiscal years beginning after the date of the enactment of this Act such sums as may be necessary to carry out this title.

TITLE X—MISCELLANEOUS PROVISIONS

SEC. 1001. AUTHORITY TO ESTABLISH MAHATMA GANDHI MEMORIAL.

(a) IN GENERAL.—The Government of India may establish a memorial to honor Mahatma Gandhi on the Federal land in the District of Columbia.

(b) COOPERATIVE AGREEMENTS.—The Secretary of the Interior or any other head of a Federal agency may enter into cooperative agreements with the Government of India to maintain features associated with the memorial.

(c) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Commemorative Works Act (40 U.S.C. 1001 et seq.), except that sections 2(c) and 6(b) of that Act shall not apply with respect to the memorial.

(d) LIMITATION ON PAYMENT OF EXPENSES.—The Government of the United States shall not pay any expense of the establishment of the memorial or its maintenance.

SEC. 1002. ESTABLISHMENT OF THE NATIONAL CAVE AND KARST RESEARCH INSTITUTE IN NEW MEXICO.

(a) PURPOSES.—The purposes of this section are—

(1) to further the science of speleology;

(2) to centralize and standardize speleological information;

(3) to foster interdisciplinary cooperation in cave and karst research programs;

(4) to promote public education;

(5) to promote national and international cooperation in protecting the environment for the benefit of cave and karst landforms; and

(6) to promote and develop environmentally sound and sustainable resource management practices.

(b) Establishment of the Institute.—

(1) In general.—The Secretary of the Interior (referred to in this section as the "Secretary"), acting through the Director of the National Park Service, shall establish the National Cave and Karst Research Institute (referred to in this section as the "Institute").

(2) Purposes.—The Institute shall, to the extent practicable, further the purposes of this section.

(3) Location.—The Institute shall be located in the vicinity of Carlsbad Caverns National Park, in the State of New Mexico. The Institute shall not be located inside the boundaries of Carlsbad Caverns National Park.

(c) Administration of the Institute.—

(1) Management.—The Institute shall be jointly administered by the National Park Service and a public or private agency, organization, or institution, as determined by the Secretary.

(2) Guidelines.—The Institute shall be operated and managed in accordance with the study prepared by the National Park Service pursuant to section 203 of Public Law 101–578 (16 U.S.C. 4310 note).

(3) Contracts and cooperative agreements.—The Secretary may enter into a contract or cooperative agreement with a public or private agency, organization, or institution to carry out this section.

(4) Facility.—

(A) Leasing or acquiring a facility.—The Secretary may lease or acquire a facility for the Institute.

(B) Construction of a facility.—If the Secretary determines that a suitable facility is not available for a lease or acquisition under subparagraph (A), the Secretary may construct a facility for the Institute.

(5) Acceptance of grants and transfers.—To carry out this section, the Secretary may accept—

(A) a grant or donation from a private person; or

(B) a transfer of funds from another Federal agency.

(d) Funding.—

(1) Matching funds.—The Secretary may spend only such amount of Federal funds to carry out this section as is matched by an equal amount of funds from non-Federal sources.

(2) Authorization of appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1003. GUADALUPE-HIDALGO TREATY LAND CLAIMS.

(a) Short Title.—This section may be cited as the "Guadalupe-Hidalgo Treaty Land Claims Equity Act of 1998".

(b) Definitions and Findings.—

(1) Definitions.—For purpose of this section:

(A) Commission.—The term "Commission" means the Guadalupe-Hidalgo Treaty Land Claims Commission established under subsection (c).

(B) Treaty of Guadalupe-Hidalgo.—The term "Treaty of Guadalupe-Hidalgo" means the treaty of Peace, Friendship, Limits, and Settlement (Treaty of Guadalupe Hidalgo), between the United States and the Republic of Mexico, signed February 2, 1848 (TS 207: 9 Bevans 791).

(C) Eligible descendant.—The term "eligible descendant" means a descendant of a person who—

(i) was a Mexican citizen before the Treaty of Guadalupe Hidalgo;

(ii) was a member of a community land grant; and

(iii) became a United States citizen within ten years after the effective date of the Treaty of Guadalupe-Hidalgo, May 30, 1848, pursuant to the terms of the Treaty.

(D) Community land grant.—The term "community land grant" means a village, town, settlement, or pueblo consisting of land held in common (accompanied by lesser private allotments) by three or more families under a grant from the King of Spain (or his representative) before the effective date of the Treaty of Cordova, August 24, 1821, or from the authorities of the Republic of Mexico before May 30, 1848, in what became the State of New Mexico, regardless of the original character of the grant.

(E) Reconstituted.—The term "reconstituted", with regard to a valid community land grant, means restoration to full status as a municipality with rights properly belonging to a municipality under State law and the right of local self-government.

(2) Findings.—Congress finds the following:

(A) New Mexico has a unique history regarding the acquisition of ownership of land as a result of the substantial number of Spanish and Mexican land grants that were an integral part of the colonization and growth of New Mexico before the United States acquired the area in the Treaty of Guadalupe-Hidalgo.

(B) Various provisions of the Treaty of Guadalupe-Hidalgo have not yet been fully implemented in the spirit of article VI, section 2, of the Constitution of the United States.

(C) Serious questions regarding the prior ownership of lands in the State of New Mexico, particularly certain public lands, still exist.

(D) Congressionally established land claim commissions have been used in the past to successfully examine disputed land possession questions.

(c) Establishment and Membership of Commission.

(1) Establishment.—There is established a commission to be known as the "Guadalupe-Hidalgo Treaty Land Claims Commission".

(2) Number and Appointment of Members.—The Commission shall be composed of five members appointed by the President, by and with the advice and consent of the Senate. At least two of the members of the Commission shall be selected from among persons who are eligible descendants. All members shall demonstrate knowledge and expertise about the history and law associated with the New Mexico land grants.

(3) Terms.—Each member shall be appointed for the life of the Commission. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(4) Compensation.—Members shall each be entitled to receive the daily equivalent of level V of the Executive Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(d) International Agreements for Cooperation in the Procurement of Relevant Documents.—

(1) Findings.—Congress recognizes that—

(A) the availability of documents concerning community land grants in the State of New Mexico in the United States is limited; and

(B) a fair and equitable evaluation of the community land grants will depend upon obtaining a comprehensive compilation of the relevant documents available.

(2) Bilateral agreements.—The Secretary of State is authorized to negotiate bilateral agreements with the Governments of Mexico and Spain to obtain their full cooperation with the Commission so that the Commission will have access to certified copies of all relevant documents in those countries relating to community land grants in the State of New Mexico.

(e) Development of Code of Land Grant Claims Procedures.—

(1) Development of procedures.—Not later than one year after the date on which the second bilateral agreement described in subsection (d) is concluded, the Commission shall develop workable and equitable procedures, in clear and concise form, for land grant evaluations, including but not limited to—

(A) a criteria for the Commission to use during its evaluation of what constituted a legal community land grant under Mexican and Spanish law;

(B) the scope of admissible evidence;

(C) appropriate presumptions, if any, regarding previous adjudications made by the Surveyor General and the Court of Private Land Claims, and other court decisions involving the Treaty;

(D) a set of procedural rules setting forth the burden of proof that the Commission will use in determining the validity of community land grants;

(E) an outline of investigative services the Commission proposes to make available to land grant claimants;

(F) safeguards, acceptable to title insurance companies, to ensure that private property owners will not be affected, either with the threat of losing possession to their property or any impairment to the legal, equitable or clear title to their property by the work of the Commission;

(G) safeguards, acceptable to the New Mexico State Engineer, that clearly protect and do not in any way affect the water rights of any person or entity;

(H) safeguards, acceptable to the various Native American Tribes and Pueblos, that clearly protect the status quo regarding existing Indian Lands;

(I) procedures, acceptable to the various Native American Tribes and Pueblos, that—

(i) provide them with access to sacred sites that may eventually be adjudicated as community land grants, and that may become part of any reconstituted community land grant; and

(ii) require that any such sites be identified by the various Native American Tribes and Pueblos during the development of the Code of Land Grant Claims Procedures for the Commission;

(J) an outline of the rights and responsibilities of community land grantees if a community land grant is reconstituted; and

(K) any other items the Commission deems appropriate and necessary.

(2) Review by congressional resource committees.—Prior to beginning the examination of specific community land claims, the Commission shall submit the Code of

Land Claims Procedure to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. The Committees shall have ninety days to hold hearings and examine the Code. The Commission may not commence evaluations of specific community land claims earlier than the 90 days after the date of submission of the Code under this subsection.

(f) EXAMINATION OF LAND CLAIMS LOCATED IN NEW MEXICO.—

(1) SUBMISSION OF NEW MEXICO LAND CLAIMS PETITIONS.—Any three (or more) eligible descendants who are also descendants of the same community land grant may file with the Commission a petition on behalf of themselves and all other descendants of that community land grant seeking a determination of the validity of the land claim that is the basis for the petition.

(2) DEADLINE FOR SUBMISSION.—To be considered by the Commission a petition under paragraph (1) must be received by the Commission not later than five years after the date on which the Committee on Energy and Natural Resources and the Committee on Resources of the House of Representatives has completed the 90-day review period.

(3) ELEMENTS OF PETITION.—A petition under paragraph (1) shall be made under oath and shall contain the following:

(A) The names and addresses of the eligible descendants who are petitioners.

(B) The fact that the land involved in the petition was a community land grant at the time of the effective date of the Guadalupe-Hidalgo Treaty and that such land is now within the borders of the State of New Mexico.

(C) The extent of the community land grant, to the best of the knowledge of the petitioners, accompanied with a survey or, if a survey is not feasible for them, a sketch map thereof.

(D) The fact that the petitioners reside, or intend to settle upon, the community land grant.

(E) All facts known to petitioners concerning the community land grant, together with copies of all papers in regard thereto available to petitioners.

(4) PETITION HEARING.—At one or more designated locations in the State of New Mexico, the Commission shall hold a hearing upon each petition timely submitted under this subsection, at which hearing all persons having an interest in the land involved in the petition shall have the right, upon notice, to appear as a party.

(5) SUBPOENA POWER.—

(A) IN GENERAL.—The Commission may issue subpoenas requiring the attendance and testimony of witnesses and the production of any evidence relating to any petition submitted under paragraph (1). The attendance of witnesses and the production of evidence may be required from any place within the United States at any designated place of hearing within the State of New Mexico.

(B) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued under subparagraph (A), the Commission may apply to a United States district court for an order requiring that person to appear before the Commission to give testimony, produce evidence, or both, relating to the matter under investigation. The application may be made within the judicial district where the hearing is conducted or where that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(C) SERVICE OF SUBPOENAS.—The subpoenas of the Commission shall be served in the manner provided for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(D) SERVICE OF PROCESS.—All process of any court to which application is to be made under subparagraph (B) may be served in the judicial district in which the person required to be served resides or may be found.

(6) DECISION.—On the basis of the facts contained in a petition submitted under paragraph (1), and the hearing held with regard to the petition, the commission shall determine, consistent with the Code of Land Claims Procedure, the validity of the community land grant described in the petition. The decision shall include a recommendation of the Commission regarding whether the community land grant should be reconstituted and its lands restored.

(7) PROTECTION OF NON-FEDERAL PROPERTY.—The decision of the Commission regarding the validity of a petition submitted under paragraph (1) shall not affect the ownership, title or rights of owners of any non-Federal lands covered by the petition. Any recommendation of the Commission under paragraph (6) regarding whether a community land grant should be reconstituted and its lands restored may not address, affect or otherwise involve non-Federal lands. In the case of a valid petition covering lands held in non-Federal ownership, the Commission shall modify the recommendation under the paragraph (6) to recommend the substitution of comparable Federal lands in the State of New Mexico for the lands held in non-Federal ownership.

(g) COMMUNITY LAND GRANT STUDY CENTER.—To assist the Commission in the performance of its activities under subsection (d), the commission shall establish a Community Land Grant Study Center at the Onate Center in Alcalde, New Mexico. The Commission shall be charged with the responsibility of directing the research, study, and investigations necessary for the Commission to perform its duties under this section.

(h) MISCELLANEOUS POWERS OF COMMISSION.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate, and may administer oaths or affirmations to witnesses appearing before it.

(2) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take by this subsection.

(3) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission so long as it is determined that the acceptance of such gifts, bequests or devises do not constitute a conflict of interest.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as the other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

(6) IMMUNITY.—The Commission is an agency of the United States for the purpose of part V of title 18, United States Code (relating to immunity of witnesses).

(i) REPORT.—As soon as practicable after reaching its last decision under subsection (f), the Commission shall submit to the President and the Congress a report containing each decision, including the recommendation of the Commission regarding whether certain community land grants should be reconstituted, so that the Congress may act upon the recommendations.

(j) TERMINATION.—The Commission shall terminate on 180 days after submitting its final report under subsection (i).

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,000,000 for each of the fiscal years 1999 through 2007 for the purpose of carrying out the activities of the Commission and to establish and operate the Community Land Grant Study Center under subsection (g).

SEC. 1004. OTAY MOUNTAIN WILDERNESS.

(a) FINDINGS.—The Congress finds and declares the following:

(1) The public lands within the Otay Mountain region of California are one of the last remaining pristine locations in western San Diego County, California.

(2) This rugged mountain adjacent to the United States-Mexico border is internationally known for its diversity of unique and sensitive plants.

(3) This area plays a critical role in San Diego's multi-species conservation plan, a national model made for maintaining biodiversity.

(4) Due to its proximity to the international border, this area is the focus of important law enforcement and border interdiction efforts necessary to curtail illegal immigration and protect the area's wilderness values.

(5) The illegal immigration traffic, combined with the rugged topography, also presents unique fire management challenges for protecting lives and resources.

(b) DESIGNATION.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), certain public lands in the California Desert District of the Bureau of Land Management, California, comprising approximately 18,500 acres as generally depicted on a map entitled "Otay Mountain Wilderness" and dated May 7, 1998, are hereby designated as wilderness and therefore as a component of the National Wilderness Preservation System, which shall be known as the Otay Mountain Wilderness.

(c) MAP AND LEGAL DESCRIPTION.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, a map and a legal description for the Wilderness Area shall be filed by the Secretary with the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives. Such map and legal description shall have the same force and effect as if included in this Act, except that the Secretary, as appropriate, may correct clerical and typographical errors in such legal description and map. Such map and legal description for the Wilderness Area shall be on file and available for public inspection in the offices of the Director and California State Director, Bureau of Land Management, Department of the Interior.

(2) UNITED STATES-MEXICO BORDER.—In carrying out this subsection, the Secretary shall ensure that the southern boundary of the Wilderness Area is 100 feet north of the trail depicted on the map referred to in paragraph (1) and is at least 100 feet from the United States-Mexico international border.

(e) WILDERNESS REVIEW.—The Congress hereby finds and directs that all the public lands not designated wilderness within the boundaries of the Southern Otay Mountain Wilderness Study Area (CA–060–029) and the Western Otay Mountain Wilderness Study Area (CA–060–028) managed by the Bureau of Land Management and reported to the Congress in 1991, have been adequately studied for wilderness designation pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782), and are no longer subject to the requirements contained in section 603(c) of that Act pertaining to the management of wilderness study areas in a manner that does not impair the suitability of such areas for preservation as wilderness.

(f) ADMINISTRATION OF WILDERNESS AREA.—

(1) IN GENERAL.—Subject to valid existing rights and to paragraph (2), the Wilderness Area shall be administered by the Secretary in accordance with the provisions of the Wilderness Act (16 U.S.C. 1131 et seq.), except that—

(A) any reference in such provisions to the effective date of the Wilderness Act is deemed to be a reference to the effective date of this Act; and

(B) any reference in such provisions to the Secretary of Agriculture is deemed to be a reference to the Secretary of the Interior.

(2) BORDER ENFORCEMENT, DRUG INTERDICTION, AND WILDLAND FIRE PROTECTION.—Because of the proximity of the Wilderness Area to the United States-Mexico international border, drug interdiction, border operations, and wildland fire management operations are common management actions throughout the area encompassing the Wilderness Area. This section recognizes the need to continue such management actions so long as such management actions are conducted in accordance with the Wilderness Act (16 U.S.C. 1131 et seq.) and are subject to such conditions as the Secretary considers appropriate.

(g) FURTHER ACQUISITIONS.—Any lands within the boundaries of the Wilderness Area that are acquired by the United States after the date of enactment of this Act shall become part of the Wilderness Area and shall be managed in accordance with all the provisions of this section and other laws applicable to such a wilderness.

(h) NO BUFFER ZONES.—The Congress does not intend for the designation of the Wilderness Area by this section to lead to the creation of protective perimeters or buffer zones around the Wilderness Area. The fact that nonwilderness activities or uses can be seen or heard from areas within the Wilderness Area shall not, of itself, preclude such activities or uses up to the boundary of the Wilderness Area.

(i) DEFINITIONS.—As used in this section:

(1) PUBLIC LANDS.—The term "public lands" has the same meaning as that term has in section 103(e) of the Federal Land Policy and Management Act of 1976.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) WILDERNESS AREA.—The term "Wilderness Area" means the Otay Mountain Wilderness designated by subsection (b).

SEC. 1005. ACQUISITION AND MANAGEMENT OF WILCOX RANCH, UTAH, FOR WILDLIFE HABITAT.

(a) FINDINGS.—Congress finds the following:

(1) The lands within the Wilcox Ranch in eastern Utah are prime habitat for wild turkeys, eagles, hawks, bears, cougars, elk, deer, bighorn sheep, and many other important species, and Range Creek within the Wilcox Ranch could become a blue ribbon trout stream.

(2) These lands also contain a great deal of undisturbed cultural and archeological resources, including ancient pottery, arrowheads, and rock homes constructed centuries ago.

(3) These lands, while comprising only approximately 3,800 acres, control access to over 75,000 acres of Federal lands under the jurisdiction of the Bureau of Land Management.

(4) Acquisition of the Wilcox Ranch would benefit the people of the United States by preserving and enhancing important wildlife habitat, ensuring access to lands of the Bureau of Land Management, and protecting priceless archeological and cultural resources.

(5) These lands, if acquired by the United States, can be managed by the Utah Division of Wildlife Resources at no additional expense to the Federal Government.

(b) ACQUISITION OF LANDS.—As soon as practicable, after the date of the enactment of this Act, the Secretary of the Interior shall acquire, through purchase, the Wilcox Ranch located in Emery County, in eastern Utah.

(c) FUNDS FOR PURCHASE.—The Secretary of the Interior is authorized to use not more than $5,000,000 from the land and water conservation fund established under section 2 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–5) for the purchase of the Wilcox Ranch under subsection (b).

(d) MANAGEMENT OF LANDS.—Upon payment by the State of Utah of one-half of the purchase price of the Wilcox Ranch to the United States, or transfer by the State of Utah of lands of the same such value to the United States, the Secretary of the Interior shall transfer to the State of Utah all right, title, and interest of the United States in and to those Wilcox Ranch lands acquired under subsection (b) for management by the State Division of Wildlife Resources for wildlife habitat and public access.

SEC. 1006. ACQUISITION OF MINERAL AND GEOTHERMAL INTERESTS WITHIN MOUNT ST. HELENS NATIONAL VOLCANIC MONUMENT.

(a) FINDINGS.—Congress finds the following:

(1) The Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (96 Stat. 301; 16 U.S.C. 431 note), required the United States to acquire all land and interests in land in the Mount St. Helens National Volcanic Monument.

(2) The Act directed the Secretary of Agriculture to acquire the surface interests and the mineral and geothermal interests by separate exchanges and expressed the sense of Congress that the exchanges be completed by November 24, 1982, and August 26, 1983, respectively.

(3) The surface interests exchange was consummated timely, but the exchange of all mineral and geothermal interests has not yet been completed a decade and a half after the enactment of that Act.

(b) PURPOSE.—The purpose of this section is to facilitate and otherwise provide for the expeditious completion of the previously mandated Federal acquisition of private mineral and geothermal interests within the Mount St. Helens National Volcanic Monument.

(c) ACQUISITION.—Section 3 of the Act entitled "An Act to designate the Mount St. Helens National Volcanic Monument in the State of Washington, and for other purposes", approved August 26, 1982 (Public Law 97–243; 96 Stat. 302; 16 U.S.C. 431 note), is amended by adding at the end the following new subsections:

"(g) EXCHANGES FOR MINERAL AND GEOTHERMAL INTERESTS HELD BY CERTAIN COMPANIES.—

"(1) DEFINITION OF COMPANY.—In this subsection, the term 'company' means a company referred to in subsection (c) or its assigns or successors.

"(2) EXCHANGE REQUIRED.—Within 60 days after the date of enactment of this subsection, the Secretary of the Interior shall acquire by exchange the mineral and geothermal interests in the Monument of each company.

"(3) MONETARY CREDITS.—

"(A) ISSUANCE.—In exchange for all mineral and geothermal interests acquired by the Secretary of the Interior from each company under paragraph (2), the Secretary of the Interior shall issue to each such company monetary credits with a value of $2,100,000 that may be used for the payment of—

"(i) not more than 50 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) in the contiguous 48 States;

"(ii) not more than 10 percent of the bonus or other payments made by successful bidders in any sales of mineral, oil, gas, or geothermal leases in Alaska under the laws specified in clause (i);

"(iii) not more than 50 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in the contiguous 48 States issued under the laws specified in clause (i); or

"(iv) not more than 10 percent of any royalty, rental, or advance royalty payment made to the United States to maintain any mineral, oil or gas, or geothermal lease in Alaska issued under the laws specified in clause (i).

"(B) VALUE OF CREDITS.—The total credits of $4,200,000 in value issued under subparagraph (A) are deemed to equal the fair market value of all mineral and geothermal interests to be conveyed by exchange under paragraph (2).

"(4) ACCEPTANCE OF CREDITS.—The Secretary of the Interior shall accept credits issued under paragraph (3)(A) in the same manner as cash for the payments described in such paragraph. The use of the credits shall be subject to the laws (including regulations) governing such payments, to the extent the laws are consistent with this subsection.

"(5) TREATMENT OF CREDITS FOR DISTRIBUTION TO STATES.—All amounts in the form of credits accepted by the Secretary of the Interior under paragraph (4) for the payments described in paragraph (3)(A) shall be considered to be money received for the purpose of section 35 of the Mineral Leasing Act (30 U.S.C. 191) and section 20 of the Geothermal Steam Act of 1970 (30 U.S.C. 1019).

"(6) EXCHANGE ACCOUNT.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of law, not later than 30 days after the completion of the exchange with a company required by paragraph (2), the Secretary of the Interior shall establish an exchange account for that company for the monetary credits issued to that company under paragraph (3). The account for a company shall be established with the Minerals Management Service of the Department of the Interior and have an initial balance of credits equal to $2,100,000.

"(B) USE OF CREDITS.—The credits in a company's account shall be available to the company for the purposes specified in paragraph (3)(A). The Secretary of the Interior shall adjust the balance of credits in the account to reflect credits accepted by the Secretary of the Interior pursuant to paragraph (4).

"(C) TRANSFER OR SALE OF CREDITS.—

"(i) TRANSFER OR SALE AUTHORIZED.—A company may transfer or sell any credits in the company's account to another person.

"(ii) USE OF TRANSFERRED CREDITS.—Credits transferred or sold under clause (i) may be used in accordance with this subsection only by a person that is qualified to bid on, or that holds, a mineral, oil, or gas lease under the Mineral Leasing Act (30 U.S.C. 181 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), or the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.).

"(iii) NOTIFICATION.—Within 30 days after the transfer or sale of any credits by a company, that company shall notify the Secretary of the Interior of the transfer or sale. The transfer or sale of any credit shall not be considered valid until the Secretary of the Interior has received the notification required under this clause.

"(D) TIME LIMIT ON USE OF CREDITS.—On the date that is 5 years after the date on which an account is created under subparagraph (A) for a company, the Secretary of the Interior shall terminate that company's account. Any credits that originated in the terminated account and have not been used as of the termination date, including any credits transferred or sold under subparagraph (C), shall become unusable.

"(7) TITLE TO INTERESTS.—On the date of the establishment of an exchange account for a company under paragraph (6)(A), title to any mineral and geothermal interests that are held by the company and are to be acquired by the Secretary of the Interior under paragraph (2) shall transfer to the United States.

"(h) OTHER MINERAL AND GEOTHERMAL INTERESTS.—Within 180 days after the date of the enactment of this subsection, the Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report—

"(1) identifying all remaining privately held mineral interests within the boundaries of the Monument referred to in section 1(a); and

"(2) setting forth a plan and a timetable by which the Secretary would propose to complete the acquisition of such interests.".

SEC. 1007. OPERATION AND MAINTENANCE OF CERTAIN WATER IMPOUNDMENT STRUCTURES IN THE EMIGRANT WILDERNESS, STANISLAUS NATIONAL FOREST, CALIFORNIA.

(a) AGREEMENT TO OPERATE AND MAINTAIN CERTAIN WATER IMPOUNDMENT STRUCTURES.—The Secretary of Agriculture shall enter into a cooperative agreement with a qualified non-Federal entity under which the entity shall assume the responsibility to operate and maintain all the following water impoundment structures within the boundaries of the Emigrant Wilderness in the Stanislaus National Forest, California:

(1) Horse Meadow enhancement structure.

(2) Red Can Lake level structure.

(3) Yellowhammer Lake level structure.

(4) Huckleberry Lake level structure.

(5) Long streamflow maintenance structure.

(6) Lower Buck streamflow maintenance structure.

(7) Leighton streamflow maintenance structure.

(8) High Emigrant streamflow maintenance structure.

(9) Emigrant Meadow streamflow maintenance structure.

(10) Middle Emigrant streamflow maintenance structure.

(11) Emigrant streamflow maintenance structure.

(12) Snow streamflow maintenance structure.

(13) Bigelow streamflow maintenance structure.

(b) RESPONSIBILITIES OF THE SECRETARY.—The Secretary shall—

(1) prepare a map identifying the location, size, and type of each water impoundment structure listed in subsection (a);

(2) share equally with the non-Federal entity the administrative cost of complying with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and all other applicable laws, except that the cost share of the non-Federal entity shall not exceed $5,000;

(3) prescribe terms and conditions of the cooperative agreement that sets forth the rights and obligations of the Secretary and the non-Federal entity, including, at a minimum, provisions that—

(A) require the non-Federal entity to conduct its operation and maintenance activities in accordance with a plan of operations approved by the Secretary;

(B) require approval by the Secretary of all operation and maintenance activities conducted by the non-Federal entity;

(C) require the Secretary to solicit public involvement during any environmental analysis under NEPA in accordance with the Forest Service NEPA procedures;

(D) require the non-Federal entity to comply with all applicable State and Federal environmental, public health, and safety requirements;

(E) establish monitoring standards; and

(F) establish enforcement standards, including provisions for termination for noncompliance with terms and conditions; and

(4) ensure that the non-Federal entity is in compliance with the terms and conditions of this section and the cooperative agreement.

(c) RESPONSIBILITIES OF THE NON-FEDERAL ENTITY.—

(1) IN GENERAL.—The non-Federal entity shall be responsible for carrying out its operation and maintenance activities on the structures listed in subsection (a) in conformance with this section and the cooperative agreement.

(2) OPERATION AND MAINTENANCE COSTS.—The non-Federal entity shall be responsible for the costs associated with the maintenance and operation of the structures listed in subsection (a).

(3) SAFETY REQUIREMENTS.—Maintenance referred to in paragraphs (1) and (2) includes any reconstruction or rehabilitation necessary to meet applicable State and Federal public health and safety requirements.

(d) FAILURE TO CONSUMMATE AN AGREEMENT.—The Secretary shall not be obligated to maintain any of the structures listed in subsection (a) if—

(1) within 365 days after the date of the enactment of this Act, the Secretary is unable to identify any qualified non-Federal entity that is willing to enter into a cooperative agreement regarding the operation and maintenance of the water impoundment structures listed in subsection (a), or

(2) within 365 days after the date of the termination of a cooperative agreement entered into under subsection (a), the Secretary is unable to identify any non-Federal entity qualified and willing to enter into a subsequent cooperative agreement regarding the operation and maintenance of the water impoundment structures listed in subsection (a).

(e) PROHIBITION OF MECHANIZED TRANSPORT AND MOTORIZED EQUIPMENT.—The use of mechanized transport and motorized equipment to operate and maintain the structures listed in section 1(a) is prohibited.

(f) DEFINITIONS.—In this section:

(1) NON-FEDERAL ENTITY.—The term "non-Federal entity" means a nonprofit organization that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)), any State or local government or political subdivision of such a government, or any private individual, organization, corporation, or other legal entity.

(2) NEPA.—The term "NEPA" means the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 1008. EAST TEXAS BLOWDOWN-NEPA PARITY.

(a) IN GENERAL.—The Secretary of Agriculture or the Secretary of the Interior, as appropriate, shall request the Council on Environmental Quality to approve alternative arrangements under part 1506.11 of title 40, Code of Federal Regulations, authorizing removal of dead, downed, or severely root-sprung trees in areas described in subsection (b), that are similar to the alternative arrangements approved by the Council on Environmental Quality for National Forests and Grasslands in Texas, as set forth in a letter from the Chairman of the Council on Environmental Quality to the Deputy Chief of the National Forest System dated March 10, 1998.

(b) AREAS DESCRIBED.—The areas referred to in subsection (a) are the following:

(1) Approximately 20,000 acres of blowdown forest in the Routt National Forest, Colorado.

(2) Approximately 700 acres of blowdown forest in the Rio Grande National Forest, Colorado.

(3) Approximately 50,000 acres of bark beetle infested forest in the Dixie National Forest, Utah.

(4) Approximately 25,000 acres of insect and fuel-loading conditions on National Forest System lands in the Tahoe Basin, California.

(5) Approximately 28,000 acres of fire-damaged, dead, and dying trees in the Malheur National Forest, Oregon.

(6) Approximately 10,000 acres of gypsy moth infestation in the Allegheny National Forest, Pennsylvania.

(7) Approximately 5,000 acres of severely ice damaged forests in the White Mountain National Forest, New Hampshire, and the Green Mountain National Forest, Vermont.

(8) Approximately 10,000 acres of severe Mountain pine beetle damaged forests in the Panhandle National Forest, Nezperce National Forest, and Boise National Forest, Idaho.

(9) Approximately 10,000 acres of severely ice damaged forests in the Daniel Boone National Forest, Kentucky.

(10) Approximately 15,000 acres of fire-damaged, dead, and dying trees in the Osceola National Forest and Apalachica National Forest, Florida.

(c) CONSIDERATION OF REQUESTS.—Upon receipt of a request under subsection (a), the

Council on Environmental Quality shall promptly consider and approve or disapprove the request.

(d) REGULATIONS.—The Chairman of the Council on Environmental Quality shall, by not later than 180 days after the date of the enactment of this Act, issue regulations—

(1) governing the approval of alternative arrangements under part 1506.11 of title 40, Code of Federal Regulations, pursuant to requests under subsection (a); and

(2) establishing criteria under which those requests will be considered and approved or disapproved.

SEC. 1009. EXEMPTION FOR CERTAIN RIGHT-OF-WAY HOLDERS FROM STRICT LIABILITY FOR RECOVERY OF FIRE SUPPRESSION COSTS.

Section 504(h) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1764(h)) is amended by adding at the end the following:

"(3) FIRE SUPPRESSION COSTS.—In the regulations required under this subsection, the Secretary concerned may not impose liability without fault against any holder of a right-of-way granted, issued, or renewed under section 501(a)(4) to recover fire suppression costs incurred by the United States with respect to right-of-way.".

SEC. 1010. STUDY OF IMPROVED OUTDOOR RECREATIONAL ACCESS FOR PERSONS WITH DISABILITIES.

(a) STUDY REQUIRED.—The Secretary of Agriculture and the Secretary of the Interior shall jointly provide for the conduct of a study to consider ways to improve the access of persons with disabilities to outdoor recreational opportunities (such as fishing, hunting, shooting, trapping, wildlife viewing, hiking, boating, and camping) that are made available to the public on the Federal lands described in subsection (b).

(b) COVERED FEDERAL LANDS.—The Federal lands referred to in subsection (a) are the following:

(1) National Forest System lands.

(2) Units of the National Park System.

(3) Areas in the National Wildlife Refuge System.

(4) Lands administered by the Bureau of Land Management.

(c) PERFORMANCE BY INDEPENDENT ENTITY.—To conduct the study under this section, the Secretaries shall select an independent entity in the private sector that has demonstrated expertise in issues regarding improved access for persons with disabilities. The Secretaries shall consult with the National Council on Disability regarding the selection of the independent entity.

(d) REPORT ON STUDY.—Not later than 18 months after the date of the enactment of this Act, the entity conducting the study shall submit to the Secretaries and the Congress a report that sets forth the results of the study.

SEC. 1011. COMMUNICATION SITE.

(a) IN GENERAL.—The site located directly below Inspiration Point within the San Jacinto Ranger District of the San Bernardino National Forest, California, on which communications facilities are located on August 1, 1998, is hereby designated to be used for communication purposes by the persons who operate such communications facilities on such date and their successors or assigns until such time as such persons, successors, or assigns no longer require the use of such site and provide written notice to that effect to the Forest Service.

(b) LIMITATION.—Nothing in this subsection (a) shall be construed to—

(1) excuse such persons, successors, or assigns from complying with requirements of law or regulation that do not unreasonably or unduly restrict the continued use of such site;

(2) require the site to be made available to other persons for communications use or other purposes; and

(3) require dedication of the site for continued use for communications purposes after the notice referred to in subsection (a).

SEC. 1012. AMENDMENT OF THE OUTER CONTINENTAL SHELF LANDS ACT.

Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended by striking "an agency of the Federal Government" and inserting "a Federal, State, or local government agency".

SEC. 1013. LEASING OF CERTAIN RESERVED MINERAL INTERESTS.

(a) APPLICATION OF MINERAL LEASING ACT.—Notwithstanding the provisions of section 4 of the 1964 Public Land Sale Act (P.L. 88-608, 78 Stat. 988), the Federal reserved mineral interests in lands conveyed under that Act by United States land patents No. 49-71-0059 and No. 49-71-0065 shall be subject to the operation of the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) ENTRY.—Any person who acquires any lease under the Mineral Leasing Act for the interests referred to in subsection (a) may exercise the right to enter reserved to the United States and persons authorized by the United States in the patents conveying the lands described in subsection (a) by occupying so much of the surface thereof as may be required for all purposes reasonably incident to the exploration for, and extraction and removal of, the leased minerals by either of the following means:

(1) By securing the written consent or waiver of the patentee.

(2) In the absence of such consent or waiver, by posting a bond or other financial guarantee with the Secretary of the Interior in an amount sufficient to insure—

(A) the completion of reclamation pursuant to the Secretary's requirements under the Mineral Leasing Act, and

(B) the payment to the surface owner for—

(i) any damages to crops and tangible improvements of the surface owner that result from activities under the mineral lease, and

(ii) any permanent loss of income to the surface owner due to loss or impairment of grazing use, or of other uses of the land by the surface owner at the time of commencement of activities under the mineral lease.

(c) LANDS COVERED BY PATENT NO. 49-71-0065.—In the case of the lands in United States patent No. 49-71-0065, the preceding provisions of this section take effect January 1, 1997.

SEC. 1014. OIL AND GAS WELLS IN WAYNE NATIONAL FOREST, OHIO.

(a) AUTHORITY.—The Secretary of the Interior may enter into noncompetitive oil and gas production and reclamation contracts in accordance with this section with operators of wells in the Wayne National Forest in the State of Ohio who meet the criteria of section 17(b)(3)(A) of the Act of February 25, 1920 (30 U.S.C. 226(b)(3)(A)) pursuant to private land mineral leases which were in effect on and after the date of the enactment of this section, subject to the same laws and regulations that applied to those private land mineral leases.

(b) ADDITIONAL DRILLING.—No contract under this section may authorize deeper completions or additional drilling.

(c) BONDING.—

(1) WAIVER OF FEDERAL BONDING.—Each contract under this section shall require the contractor to provide a Federal oil and gas bond to ensure complete and timely reclamation of the former lease tract in accordance with the regulations of the Bureau of Land Management and the Forest Service, unless the Secretary of the Interior accepts in lieu thereof assurances from the Ohio Department of Natural Resources, Division of Oil and Gas, that—

(A) the contractor has duly satisfied the bonding requirements of the State of Ohio; and following inspection of operator performance, the Ohio Department of Natural Resources is not opposed to such waiver of Federal bonding requirements;

(B) the United States of America is entitled to apply for and receive funding under the provision of section 1509.071 of the Ohio Revised Code so as to properly plug and restore oil and gas sites and lease tracts; and

(C) during the 2 years prior to the date on which the contract is entered into no less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

(2) CONTINUED COMPLIANCE WITH 20 PERCENT REQUIREMENT.—In entering into any contract under this section, the Secretary of the Interior shall reserve the right to require the contractor to comply with all Federal oil and gas bonding requirements applicable to Federal oil and gas leases under the regulations of the Bureau of Land Management and the Forest Service whenever the Secretary finds that less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

SEC. 1015. MEMORIAL TO MR. BENJAMIN BANNEKER IN THE DISTRICT OF COLUMBIA.

(a) MEMORIAL AUTHORIZED.—The Washington Interdependence Council of the District of Columbia is authorized to establish a memorial in the District of Columbia to honor and commemorate the accomplishments of Mr. Benjamin Banneker.

(b) COMPLIANCE WITH STANDARDS FOR COMMEMORATIVE WORKS.—The establishment of the memorial shall be in accordance with the Commemorative Works Act (40 U.S.C. 1001 et seq.).

(c) PAYMENT OF EXPENSES.—The Washington Interdependence Council shall be solely responsible for acceptance of contributions for, and payment of the expenses of, the establishment of the memorial. No Federal funds may be used to pay any expense of the establishment of the memorial.

(d) DEPOSIT OF EXCESS FUNDS.—If, upon payment of all expenses of the establishment of the memorial (including the maintenance and preservation amount required under section 8(b) of the Commemorative Works Act (40 U.S.C. 1008(b))), or upon expiration of the authority for the memorial under section 10(b) of such Act (40 U.S.C. 1010(b)), there remains a balance of funds received for the establishment of the memorial, the Washington Interdependence Council shall transmit the amount of the balance to the Secretary of the Treasury for deposit in the account provided for in section 8(b)(1) of such Act (40 U.S.C. 1008(b)(1)).

SEC. 1016. PROTECTION OF SANCTITY OF CONTRACTS AND LEASES OF SURFACE PATENT HOLDERS WITH RESPECT TO COALBED METHANE GAS.

(a) IN GENERAL.—Subject to subsection (b), the United States shall recognize as not infringing upon any ownership rights of the United States to coalbed methane any—

(1) contract or lease covering any land that was conveyed by the United States under the Act entitled "An Act for the protection of surface rights of entrymen", approved March 3, 1909 (30 U.S.C. 81), or the Act entitled "An

Act to provide for agricultural entries on coal lands", approved June 22, 1910 (30 U.S.C. 83 et seq.), that—

(A) was entered into by a person who has title to the land derived under those Acts, and

(B) conveys rights to explore for, extract, and sell coalbed methane from the land; or

(2) coalbed methane production from the land described in paragraph (1) by a person who has title to the land and who, on or before the date of enactment of this Act, has filed an application with the State oil and gas regulating agency for a permit to drill an oil and gas well to a completion target located in a coal formation.

(b) APPLICATION.—Subsection (a)—

(1) shall apply only to a valid contract or lease described in subsection (a) that is in effect on the date of enactment of this Act;

(2) shall not otherwise change the terms or conditions of, or affect the rights or obligations of any person under, such a contract or lease;

(3) shall apply only to land with respect to which the United States is the owner of coal reserved to the United States in a patent issued under the Act of March 3, 1909 (30 U.S.C. 81), or the Act of June 22, 1910 (30 U.S.C. 83 et seq.), the position of the United States as the owner of the coal not having passed to a third party by deed, patent, or other conveyance by the United States;

(4) shall not apply to any interest in coal or land conveyed, restored, or transferred by the United States to a federally recognized Indian tribe, including any conveyance, restoration, or transfer made pursuant to the Indian Reorganization Act, June 18, 1934 (c. 576, 48 Stat. 984, as amended); the Act of June 28, 1938 (c. 776, 52 Stat. 1209 as implemented by the order of September 14, 1938, 3 Fed. Reg. 1425); and including the area described in section 3 of Public Law 98–290; or any executive order;

(5) shall not be construed to constitute a waiver of any rights of the United States with respect to coalbed methane production that is not subject to subsection (a); and

(6) shall not limit the right of any person who entered into a contract or lease before the date of enactment of this Act, or enters into a contract or lease on or after the date of enactment of this Act, for coal owned by the United States, to mine and remove the coal and to release coalbed methane without liability to any person referred to in subsection (a)(1)(A) or (a)(2).

TITLE XI—AMENDMENTS AND TECHNICAL CORRECTIONS TO 1996 OMNIBUS PARKS ACT

SEC. 1100. REFERENCE TO OMNIBUS PARKS AND PUBLIC LANDS MANAGEMENT ACT OF 1996.

In this title, the term "Omnibus Parks Act" means the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333; 110 Stat. 4093).

Subtitle A—Technical Corrections to the Omnibus Parks Act

SEC. 1101. PRESIDIO OF SAN FRANCISCO.

Title I of division I of the Omnibus Parks Act (16 U.S.C. 460bb note) is amended as follows:

(1) In section 101(2) (110 Stat. 4097), by striking "the Presidio is" and inserting "the Presidio was".

(2) In section 103(b)(1) (110 Stat. 4099), by striking "other lands administrated by the Secretary." in the last sentence and inserting "other lands administered by the Secretary.".

(3) In section 105(a)(2) (110 Stat. 4104), by striking "in accordance with section 104(h) of this title." and inserting "in accordance with section 104(i) of this title.".

SEC. 1102. COLONIAL NATIONAL HISTORICAL PARK.

Section 211(d) of division I of the Omnibus Parks Act (110 Stat. 4110; 16 U.S.C. 81p) is amended by striking "depicted on the map dated August 1993, numbered 333/80031A," and inserting "depicted on the map dated August 1996, numbered 333/80031B,".

SEC. 1103. MERCED IRRIGATION DISTRICT.

Section 218(a) of division I of the Omnibus Parks Act (110 Stat. 4113) is amended by striking "this Act" and inserting "this section".

SEC. 1104. BIG THICKET NATIONAL PRESERVE.

Section 306(d) of division I of the Omnibus Parks Act (110 Stat. 4132; 16 U.S.C. 698 note) is amended by striking "until the earlier of the consummation of the exchange of July 1, 1998," and inserting "until the earlier of the consummation of the exchange or July 1, 1998,".

SEC. 1105. KENAI NATIVES ASSOCIATION LAND EXCHANGE.

Section 311 of division I of the Omnibus Parks Act (110 Stat. 4139) is amended as follows:

(1) In subsection (d)(2)(B)(ii), by striking "W. Seward Meridian" and inserting "W., Seward Meridian".

(2) In subsection (f)(1), by striking "to be know" and inserting "to be known".

SEC. 1106. LAMPREY WILD AND SCENIC RIVER.

(a) TECHNICAL CORRECTION.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C 1274(a)), as amended by section 405(a) of division I of the Omnibus Parks Act (110 Stat. 4149), is amended in the second sentence of the unnumbered paragraph relating to the Lamprey River, New Hampshire, by striking "through cooperation agreements" and inserting "through cooperative agreements".

(b) CROSS REFERENCE.—Section 405(b)(1) of division I of the Omnibus Parks Act (110 Stat. 4149; 16 U.S.C. 1274 note) is amended by striking "this Act" and inserting "the Wild and Scenic Rivers Act".

SEC. 1107. VANCOUVER NATIONAL HISTORIC RESERVE.

Section 502(a) of division I of the Omnibus Parks Act (110 Stat. 4154; 16 U.S.C. 461 note) is amended by striking "by the Vancouver Historical Assessment' published".

SEC. 1108. MEMORIAL TO MARTIN LUTHER KING, JR.

Section 508 of division I of the Omnibus Parks Act (110 Stat. 4157, 40 U.S.C. 1003 note) is amended as follows:

(1) In subsection (a), by striking "of 1986" and inserting "(40 U.S.C. 1001 et seq.)";.

(2) In subsection (b), by striking "the Act" and all that follows through "1986" and inserting "the Commemorative Works Act".

(3) In subsection (d), by striking "the Act referred to in section 4401(b))" and inserting "the Commemorative Works Act)".

SEC. 1109. ADVISORY COUNCIL ON HISTORIC PRESERVATION.

The first sentence of section 205(g) of the National Historic Preservation Act (16 U.S.C. 470m(g)), as amended by section 509(c) of division I of the Omnibus Parks Act (110 Stat. 4157), is amended by striking "for the purpose." and inserting "for that purpose.".

SEC. 1110. GREAT FALLS HISTORIC DISTRICT, NEW JERSEY.

Section 510(a)(1) of division I of the Omnibus Parks Act (110 Stat. 4158; 16 U.S.C. 461 note) is amended by striking "the contribution of our national heritage" and inserting "the contribution to our national heritage".

SEC. 1111. NEW BEDFORD WHALING NATIONAL HISTORICAL PARK.

(a) Section 511 of division I of the Omnibus Parks Act (110 Stat. 4159; 16 U.S.C. 410ddd) is amended as follows:

(1) In the section heading, by striking "**national historic landmark district**" and inserting "**whaling national historical park**".

(2) In subsection (c)—

(A) in paragraph (1), by striking "certain districts structures, and relics" and inserting "certain districts, structures, and relics"; and

(B) in paragraph (2)(A)(i), by striking "The area included with the New Bedford National Historic Landmark District, known as the" and inserting "The area included within the New Bedford Historic District (a National Landmark District), also known as the".

(3) In subsection (d)(2), by striking "to provide".

(4) By redesignating the second subsection (e) and subsection (f) as subsections (f) and (g), respectively.

(5) In subsection (g), as so redesignated—

(A) in paragraph (1), by striking "section 3(D)." and inserting "subsection (d)."; and

(B) in paragraph (2)(C), by striking "cooperative grants under subsection (d)(2)." and inserting "cooperative agreements under subsection (e)(2).".

SEC. 1112. NICODEMUS NATIONAL HISTORIC SITE.

Section 512(a)(1)(B) of division I of the Omnibus Parks Act (110 Stat. 4163; 16 U.S.C. 461 note) is amended by striking "Afican-Americans" and inserting "African-Americans".

SEC. 1113. UNALASKA.

Section 513(c) of division I of the Omnibus Parks Act (110 Stat. 4165; 16 U.S.C. 461 note) is amended by striking "whall be comprised" and inserting "shall be comprised".

SEC. 1114. REVOLUTIONARY WAR AND WAR OF 1812 HISTORIC PRESERVATION STUDY.

Section 603(d)(2) of division I of the Omnibus Parks Act (110 Stat. 4172; 16 U.S.C. 1a-5 note) is amended by striking "subsection (b) shall—" and inserting "paragraph (1) shall—".

SEC. 1115. SHENANDOAH VALLEY BATTLEFIELDS.

Section 606 of division I of the Omnibus Parks Act (110 Stat. 4175; 16 U.S.C. 461 note) is amended as follows:

(1) In subsection (d)—

(A) in paragraph (1), by striking "section 5." and inserting "subsection (e).";

(B) in paragraph (2), by striking "section 9." and inserting "subsection (h)."; and

(C) in paragraph (3), by striking "Commission plan approved by the Secretary under section 6." and inserting "plan developed and approved under subsection (f).".

(2) In subsection (f)(1), by striking "this Act" and inserting "this section".

(3) In subsection (g)—

(A) in paragraph (3), by striking "purposes of this Act" and inserting "purposes of this section"; and

(B) in paragraph (5), by striking "section 9." and inserting "subsection (i).".

(4) In subsection (h)(12), by striking "this Act" and inserting "this section".

SEC. 1116. WASHITA BATTLEFIELD.

Section 607 of division I of the Omnibus Parks Act (110 Stat. 4181; 16 U.S.C. 461 note) is amended—

(1) in subsection (c)(3), by striking "this Act" and inserting "this section"; and

(2) in subsection (d)(2), by striking "local land owners" and inserting "local landowners".

SEC. 1117. SKI AREA PERMIT RENTAL CHARGE.

Section 701 of division I of the Omnibus Parks Act (110 Stat 4182; 16 U.S.C. 497c) is amended as follows:

(1) In subsection (b)(2), by striking "1992" and inserting "1993".

(2) In subsection (b)(3), by striking "legislated by this Act" and inserting "required by this section".

(3) In subsection (d)—

(A) in the matter preceding paragraph (1), by striking "formula of this Act" and inserting "formula of this section"; and

(B) in paragraphs (1), (2), and (3) and in the sentence below paragraph (3)—

(i) by inserting "adjusted gross revenue for the" before "1994–1995 base year" each place it appears ; and

(ii) by striking "this Act" each place it appears and inserting "this section".

(4) In subsection (f), by inserting inside the parenthesis "offered for commercial or other promotional purposes" after "complimentary lift tickets".

(5) In subsection (i), by striking "this Act" and inserting "this section".

SEC. 1118. GLACIER BAY NATIONAL PARK.

Section 3 of Public Law 91–383 (16 U.S.C. 1a–2), as amended by section 703 of division I of the Omnibus Parks Act (110 Stat. 4185), is amended as follows:

(1) In subsection (g), by striking "bearing the cost of such exhibits and demonstrations;" and inserting "bearing the cost of such exhibits and demonstrations.".

(2) By capitalizing the first letter of the first word in each of the subsections (a) through (i).

(3) By striking the semicolon at the end of each of the subsections (a) through (f) and at the end of subsection (h) and inserting a period.

(4) In subsection (i), by striking "; and" and inserting a period.

(5) By conforming the margins of subsection (j) with the margins of the preceding subsections.

SEC. 1119. ROBERT J. LAGOMARSINO VISITOR CENTER.

Section 809(b) of division I of the Omnibus Parks Act (110 Stat. 4189; 16 U.S.C. 410ff note) is amended by striking "section 301" and inserting "subsection (a)".

SEC. 1120. NATIONAL PARK SERVICE ADMINISTRATIVE REFORM.

(a) Technical Corrections.—Section 814 of division I of the Omnibus Parks Act (110 Stat. 4190) is amended as follows:

(1) In subsection (a) (16 U.S.C. 17o note)—

(A) in paragraph (6), by striking "this Act" and inserting "this section";

(B) in paragraph (7)(B), by striking "COMPTETITIVE LEASING.—" and inserting "COMPETITIVE LEASING.—";

(C) in paragraph (9), by striking "granted by statue" and inserting "granted by statute";

(D) in paragraph (11)(B)(ii), by striking "more cost effective" and inserting "more cost-effective";

(E) in paragraph (13), by striking "paragraph (13)," and inserting "paragraph (12),"; and

(F) in paragraph (18), by striking "under paragraph (7)(A)(i)(I), any lease under paragraph (11)(B), and any lease of seasonal quarters under subsection (l)," and inserting "under paragraph (7)(A) and any lease under paragraph (11)".

(2) In subsection (d)(2)(E), by striking "is amended".

(b) Change to Plural.—Section 7(c)(2) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–9(c)(2)), as added by section 814(b) of the Omnibus Parks Act (110 Stat. 4194), is amended as follows:

(1) In subparagraph (C), by striking "lands, water, and interest therein" and inserting "lands, waters, and interests therein".

(2) In subparagraph (F), by striking "lands, water, or interests therein, or a portion of whose lands, water, or interests therein," and inserting "lands, waters, or interests therein, or a portion of whose lands, waters, or interests therein,".

(c) Add Missing Word.—Section 2(b) of Public Law 101–337 (16 U.S.C. 19jj–1(b)), as amended by section 814(h)(3) of the Omnibus Parks Act (110 Stat. 4199), is amended by inserting "or" after "park system resource".

SEC. 1121. BLACKSTONE RIVER VALLEY NATIONAL HERITAGE CORRIDOR.

Section 6(d)(2) of the Act entitled "An Act to establish the Blackstone River Valley National Heritage Corridor in Massachusetts and Rhode Island", approved November 10, 1986 (Public Law 99–647; 16 U.S.C. 461 note), as added by section 901(c) of division I of the Omnibus Parks Act (110 Stat. 4202), is amended by striking "may be made in the approval plan" and inserting "may be made in the approved plan".

SEC. 1122. TALLGRASS PRAIRIE NATIONAL PRESERVE.

Subtitle A of title X of division I of the Omnibus Parks Act is amended as follows:

(1) In section 1002(a)(4)(A) (110 Stat. 4204; 16 U.S.C. 689u(a)(4)(A)), by striking "to purchase" and inserting "to acquire".

(2) In section 1004(b) (110 Stat. 4205; 16 U.S.C. 689u–2(b)), by striking "of June 3, 1994," and inserting "on June 3, 1994,".

(3) In section 1005 (110 Stat. 4205; 16 U.S.C. 689u–3)—

(A) in subsection (d)(1), by striking "this Act" and inserting "this subtitle"; and

(B) in subsection (g)(3)(A), by striking "the tall grass prairie" and inserting "the tallgrass prairie".

SEC. 1123. RECREATION LAKES.

(a) Technical Corrections.—Section 1021(a) of division I of the Omnibus Parks Act (110 Stat. 4210; 16 U.S.C. 4601–10e note) is amended as follows:

(1) By striking "manmade lakes" both places it appears and inserting "man-made lakes".

(2) By striking "for recreational opportunities at federally-managed" and inserting "for recreational opportunities at federally managed".

(b) Advisory Commission.—Section 13 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–10e), as added by section 1021(b) of the Omnibus Parks Act (110 Stat. 4210), is amended as follows:

(1) In subsection (b)(6), by striking "recreation related infrastructure." and inserting "recreation-related infrastructure.".

(2) In subsection (e)—

(A) by striking "water related recreation" in the first sentence and inserting "water-related recreation";

(B) in paragraph (2), by striking "at federally-managed lakes" and inserting "at federally managed lakes"; and

(C) by striking "manmade lakes" each place it appears and inserting "man-made lakes".

SEC. 1124. FOSSIL FOREST PROTECTION.

Section 103 of the San Juan Basin Wilderness Protection Act of 1984 (43 U.S.C. 178), as amended by section 1022(e) of the Omnibus Parks Act (110 Stat. 4213), is amended as follows:

(1) In subsections (b)(1) and (e)(1), by striking "Committee on Natural Resources" and inserting "Committee on Resources".

(2) In subsection (e)(1), by striking "this Act" and inserting "this subsection".

SEC. 1125. OPAL CREEK WILDERNESS AND SCENIC RECREATION AREA.

Section 1023(c)(1)(A) of division I of the Omnibus Parks Act (110 Stat. 4215; 16 U.S.C. 545b(c)(1)(A)) is amended by striking "of 1964".

SEC. 1126. BOSTON HARBOR ISLANDS NATIONAL RECREATION AREA.

Section 1029 of division I of the Omnibus Parks Act (110 Stat. 4232; 16 U.S.C. 460kkk) is amended as follows:

(1) In the section heading, by striking "**recreation area**" and inserting "**national recreation area**".

(2) In subsection (b)(1), by inserting quotation marks around the term "recreation area".

(3) In subsection (e)(3)(B), by striking "subsections (b) (3), (4), (5), (6), (7), (8), (9), and (10)." and inserting "subparagraphs (C), (D), (E), (F), (G), (H), (I), and (J) of paragraph (2).".

(4) In subsection (f)(2)(A)(i), by striking "profit sector roles" and inserting "private-sector roles".

(5) In subsection (g)(1), by striking "and revenue raising activities." and inserting "and revenue-raising activities.".

SEC. 1127. NATCHEZ NATIONAL HISTORICAL PARK.

Section 3(b)(1) of Public Law 100–479 (16 U.S.C. 410oo–2(b)(1)), as added by section 1030 of the Omnibus Parks Act (110 Stat. 4238), is amended by striking "and visitors' center" and inserting "and visitor center".

SEC. 1128. REGULATION OF FISHING IN CERTAIN WATERS OF ALASKA.

Section 1035 of division I of the Omnibus Parks Act (110 Stat. 2240) is amended as follows:

(1) In the section heading, by striking "**regulations**" and inserting "**regulation**".

(2) In subsection (c), by striking "this Act" and inserting "this section".

SEC. 1129. NATIONAL COAL HERITAGE AREA.

Title I of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 104(4) (110 Stat. 4244), by striking "history preservation" and inserting "historic preservation".

(2) In section 105 (110 Stat. 4244), by striking "paragraphs (2) and (5) of section 104" and inserting "paragraph (2) of section 104".

(3) In section 106(a)(3) (110 Stat. 4244), by striking "or Secretary" and inserting "or the Secretary".

SEC. 1130. TENNESSEE CIVIL WAR HERITAGE AREA.

Title II of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 201(b)(4) (110 Stat. 4245), by striking "and associated sites associated" and insert "and sites associated".

(2) In section 207(a) (110 Stat. 4248), by striking "as provide for" and inserting "as provided for".

SEC. 1131. AUGUSTA CANAL NATIONAL HERITAGE AREA.

Section 301(1) of division II of the Omnibus Parks Act (110 Stat. 4249; 16 U.S.C. 461 note) is amended by striking "National Historic Register of Historic Places," and inserting "National Register of Historic Places,".

SEC. 1132. ESSEX NATIONAL HERITAGE AREA.

Section 501(8) of division II of the Omnibus Parks Act (110 Stat. 4257; 16 U.S.C. 461 note) is amended by striking "a visitors' center" and inserting "a visitor center".

SEC. 1133. OHIO & ERIE CANAL NATIONAL HERITAGE CORRIDOR.

Title VIII of division II of the Omnibus Parks Act (16 U.S.C. 461 note) is amended as follows:

(1) In section 805(b)(2) (110 Stat. 4269), by striking "One individuals," and inserting "One individual,".

(2) In section 808(a)(3)(A) (110 Stat. 4279), by striking "from the Committee." and inserting "from the Committee,".

SEC. 1134. HUDSON RIVER VALLEY NATIONAL HERITAGE AREA.

Section 908(a)(1)(B) of division II of the Omnibus Parks Act (110 Stat. 4279; 16 U.S.C. 461 note) is amended by striking "on nonfederally owned property" and inserting "for non-federally owned property".

Subtitle B—Other Amendments to Omnibus Parks Act

SEC. 1151. BLACK REVOLUTIONARY WAR PATRIOTS MEMORIAL EXTENSION.

Section 506 of division I of the Omnibus Parks Act (40 U.S.C. 1003 note; 110 Stat. 4155) is amended by striking "October 27, 1998" and inserting "October 27, 2003".

SEC. 1152. LAND ACQUISITION, BOSTON HARBOR ISLANDS RECREATION AREA.

Section 1029(c) of division I of the Omnibus Parks Act (110 Stat. 4233; 16 U.S.C. 460kkk(c)) is amended by adding at the end the following new paragraph:

"(3) LAND ACQUISITION.—Notwithstanding subsection (h), the Secretary is authorized to acquire, in partnership with other entities, a less than fee interest in lands at Thompson Island within the recreation area. The Secretary may acquire the lands only by donation, purchase with donated or appropriated funds, or by exchange.".

TITLE XII—DUTCH JOHN FEDERAL PROPERTY DISPOSITION AND ASSISTANCE

SEC. 1201. SHORT TITLE.

This title may be cited as the "Dutch John Federal Property Disposition and Assistance Act of 1998".

SEC. 1202. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1)(A) Dutch John, Utah, was founded by the Secretary of the Interior in 1958 on Bureau of Reclamation land as a community to house personnel, administrative offices, and equipment for project construction and operation of the Flaming Gorge Dam and Reservoir as authorized by the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.); and

(B) permanent structures (including houses, administrative offices, equipment storage and maintenance buildings, and other public buildings and facilities) were constructed and continue to be owned and maintained by the Secretary of the Interior;

(2)(A) Bureau of Reclamation land surrounding the Flaming Gorge Reservoir (including the Dutch John community) was included within the boundaries of the Flaming Gorge National Recreation Area in 1968 under Public Law 90-540 (16 U.S.C. 460v et seq.);

(B) Public Law 90-540 assigned responsibility for administration, protection, and development of the Flaming Gorge National Recreation Area to the Secretary of Agriculture and provided that lands and waters needed or used for the Colorado River Storage Project would continue to be administered by the Secretary of the Interior; and

(C) most structures within the Dutch John community (including the schools and public buildings within the community) occupy lands administered by the Secretary of Agriculture;

(3)(A) the Secretary of Agriculture and the Secretary of the Interior are unnecessarily burdened with the cost of continuing to provide basic services and facilities and building maintenance and with the administrative costs of operating the Dutch John community; and

(B) certain structures and lands are no longer essential to management of the Colorado River Storage Project or to management of the Flaming Gorge National Recreation Area;

(4)(A) residents of the community are interested in purchasing the homes they currently rent from the Secretary of the Interior and the land on which the homes are located;

(B) Daggett County, Utah, is interested in reducing the financial burden the County experiences in providing local government support services to a community that produces little direct tax revenue because of Federal ownership; and

(C) a withdrawal of the role of the Federal Government in providing basic direct community services to Dutch John would require local government to provide the services at a substantial cost;

(5)(A) residents of the Dutch John community are interested in self-government of the community; and

(B) with growing demands for additional commercial recreation services for visitors to the Flaming Gorge National Recreation Area and Ashley National Forest, there are opportunities for private economic development, but few private lands are available for the services; and

(6) the privatization and disposal to local government of certain lands in and surrounding Dutch John would be in the public interest.

(b) PURPOSES.—The purposes of this title are—

(1) to privatize certain lands in and surrounding Dutch John, Utah;

(2) to transfer jurisdiction of certain Federal property between the Secretary of Agriculture and the Secretary of the Interior;

(3) to improve the Flaming Gorge National Recreation Area;

(4) to dispose of certain residential units, public buildings, and facilities;

(5) to provide interim financial assistance to local government to defray the cost of providing basic governmental services;

(6) to achieve efficiencies in operation of the Flaming Gorge Dam and Reservoir and the Flaming Gorge National Recreation Area;

(7) to reduce long-term Federal outlays; and

(8) to serve the interests of the residents of Dutch John and Daggett County, Utah, and the general public.

SEC. 1203. DEFINITIONS.

In this title:

(1) SECRETARY OF AGRICULTURE.—The term "Secretary of Agriculture" means the Secretary of Agriculture, acting through the Chief of the Forest Service.

(2) SECRETARY OF THE INTERIOR.—The term "Secretary of the Interior" means the Secretary of the Interior, acting through the Commissioner of the Bureau of Reclamation.

SEC. 1204. DISPOSITION OF CERTAIN LANDS AND PROPERTIES.

(a) IN GENERAL.—Lands, structures, and community infrastructure facilities within or associated with Dutch John, Utah, that have been identified by the Secretary of Agriculture or the Secretary of the Interior as unnecessary for support of the agency of the respective Secretary shall be transferred or disposed of in accordance with this title.

(b) LAND DESCRIPTION.—Except as provided in subsection (e), the Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this title) approximately 2,450 acres within or associated with the Dutch John, Utah, community in the NW¼ NW¼, S½ NW¼, and S½ of Section 1, the S½ of Section 2, 10 acres more or less within the NE¼ SW¼ of Section 3, Sections 11 and 12, the N½ of Section 13, and the E½ NE¼ of Section 14 of Township 2 North, Range 22 East, Salt Lake Base and Meridian, that have been determined to be available for transfer by the Secretary of Agriculture and the Secretary of the Interior, respectively.

(c) INFRASTRUCTURE FACILITIES AND LAND.—Except as provided in subsection (e), the Secretary of the Interior shall dispose of (in accordance with this title) community infrastructure facilities and land that have been determined to be available for transfer by the Secretary of the Interior, including the following:

(1) The fire station, sewer systems, sewage lagoons, water systems (except as provided in subsection (e)(3)), old post office, electrical and natural gas distribution systems, hospital building, streets, street lighting, alleys, sidewalks, parks, and community buildings located within or serving Dutch John, including fixtures, equipment, land, easements, rights-of-way, or other property primarily used for the operation, maintenance, replacement, or repair of a facility referred to in this paragraph.

(2) The Dutch John Airport, comprising approximately 25 acres, including runways, roads, rights-of-way, and appurtenances to the Airport, subject to such monitoring and remedial action by the United States as is necessary.

(3) The lands on which are located the Dutch John public schools, which comprise approximately 10 acres.

(d) OTHER PROPERTIES AND FACILITIES.—The Secretary of Agriculture and the Secretary of the Interior shall dispose of (in accordance with this title) the other properties and facilities that have been determined to be available for transfer or disposal by the Secretary of Agriculture and the Secretary of the Interior, respectively, including the following:

(1) Certain residential units occupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(2) Certain residential units unoccupied on the date of enactment of this Act, as determined by the Secretary of the Interior.

(3) Lots within the Dutch John community that are occupied on the date of enactment of this Act by privately owned modular homes under lease agreements with the Secretary of the Interior.

(4) Unoccupied platted lots within the Dutch John community.

(5) The land, comprising approximately 3.8 acres, on which is located the Church of Jesus Christ of Latter Day Saints, within Block 9, of the Dutch John community.

(6) The lands for which special use permits, easements, or rights-of-way for commercial uses have been issued by the Forest Service.

(7) The lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources, as described in the survey required under section 1207, including yards and land defined by fences in existence on the date of enactment of this Act.

(8) The Dutch John landfill site, subject to such monitoring and remedial action by the United States as is necessary, with responsibility for monitoring and remediation being

shared by the Secretary of Agriculture and the Secretary of the Interior proportionate to their historical use of the site.

(9) Such fixtures and furnishing in existence and in place on the date of enactment of this Act as are mutually determined by Daggett County, the Secretary of Agriculture, and the Secretary of the Interior to be necessary for the full use of properties or facilities disposed of under this title.

(10) Such other properties or facilities at Dutch John that the Secretary of Agriculture or the Secretary of the Interior determines are not necessary to achieve the mission of the respective Secretary and the disposal of which would be consistent with this title.

(e) Retained Properties.—Except to the extent the following properties are determined by the Secretary of Agriculture or the Secretary of the Interior to be available for disposal, the Secretary of Agriculture and the Secretary of the Interior shall retain for their respective use the following:

(1) All buildings and improvements located within the industrial complex of the Bureau of Reclamation, including the maintenance shop, 40 industrial garages, 2 warehouses, the equipment storage building, the flammable equipment storage building, the hazardous waste storage facility, and the property on which the buildings and improvements are located.

(2) 17 residences under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture, of which—

(A) 15 residences shall remain under the jurisdiction of the Secretary of the Interior; and

(B) 2 residences shall remain under the jurisdiction of the Secretary of Agriculture.

(3) The Dutch John water system raw water supply line and return line between the power plant and the water treatment plant, pumps and pumping equipment, and any appurtenances and rights-of-way to the line and other facilities, with the retained facilities to be operated and maintained by the United States with pumping costs and operation and maintenance costs of the pumps to be included as a cost to Daggett County in a water service contract.

(4) The heliport and associated real estate, consisting of approximately 20 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(5) The Forest Service warehouse complex and associated real estate, consisting of approximately 2 acres, which shall remain under the jurisdiction of the Secretary of Agriculture.

(6) The Forest Service office complex and associated real estate, which shall remain under the jurisdiction of the Secretary of Agriculture.

(7) The United States Post Office, pursuant to Forest Service Special Use Permit No. 1073, which shall be transferred to the jurisdiction of the United States Postal Service pursuant to section 1206(d).

SEC. 1205. REVOCATION OF WITHDRAWALS.

In the case of lands and properties transferred under section 1204, effective on the date of transfer to the Secretary of the Interior (if applicable) or conveyance by quitclaim deed out of Federal ownership, authorization for each of the following withdrawals is revoked:

(1) The Public Water Reserve No. 16, Utah No. 7, dated March 9, 1914.

(2) The Secretary of the Interior Order dated October 20, 1952.

(3) The Secretary of the Interior Order dated July 2, 1956, No. 71676.

(4) The Flaming Gorge National Recreation Area, dated October 1, 1968, established under Public Law 90–540 (16 U.S.C. 460v et seq.), as to lands described in section 1204(b).

(5) The Dutch John Administrative Site, dated December 12, 1951 (PLO 769, U–0611).

SEC. 1206. TRANSFERS OF JURISDICTION.

(a) Transfers From the Secretary of Agriculture.—Except for properties retained under section 1204(e), all lands designated under section 1204 for disposal shall be—

(1) transferred from the jurisdiction of the Secretary of Agriculture to the Secretary of the Interior and, if appropriate, the United States Postal Service; and

(2) removed from inclusion in the Ashley National Forest and the Flaming Gorge National Recreation Area.

(b) Exchange of Jurisdiction Between Interior and Agriculture.—

(1) Transfer to Secretary of Agriculture.—The Secretary of the Interior shall transfer to the Secretary of Agriculture administrative jurisdiction over certain lands and interests in lands, consisting of approximately 2,167 acres in Duchesne and Wasatch Counties, Utah, which were acquired by the Secretary of the Interior for the Central Utah Project, as depicted on the following maps:

(A) The map entitled "The Dutch John Townsite, Ashley National Forest, Lower Stillwater", dated February 1997.

(B) The map entitled "The Dutch John Townsite, Ashley National Forest, Red Hollow (Diamond Properties)", dated February 1997.

(C) The map entitled "The Dutch John Townsite, Ashley National Forest, Coal Hollow (Current Creek Reservoir)", dated February 1997.

(2) Transfer to Secretary of the Interior.—The Secretary of Agriculture shall transfer to the Secretary of the Interior administrative jurisdiction over certain lands and interests in lands, consisting of approximately 2,450 acres in the Ashley National Forest, as depicted on the map entitled "Ashley National Forest, Lands to be Transferred to the Bureau of Reclamation (BOR) from the Forest Service", dated February 1997.

(3) Effect of exchange.—

(A) National forests.—The lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) shall become part of the Ashley or Uinta National Forest, as appropriate. The boundaries of each of the National Forests are hereby adjusted as appropriate to reflect the transfers of administrative jurisdiction.

(B) Management.—The Secretary of Agriculture shall manage the lands and interests in land transferred to the Secretary of Agriculture under paragraph (1) in accordance with the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 962, chapter 186; 16 U.S.C. 515 et seq.), and other laws (including rules and regulations) applicable to the National Forest System.

(C) Wildlife mitigation.—As of the date of the transfer under paragraph (1), the wildlife mitigation requirements of section 8 of the Act of April 11, 1956 (43 U.S.C. 620g), shall be deemed to be met.

(D) Adjustment of boundaries.—This paragraph does not limit the authority of the Secretary of Agriculture to adjust the boundaries of the Ashley or Uinta National Forest pursuant to section 11 of the Act of March 1, 1911 (commonly known as the "Weeks Law") (36 Stat. 963, chapter 186; 16 U.S.C. 521).

(4) Land and water conservation fund.—For the purposes of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–9), the boundaries of the Ashley and Uinta National Forests, as adjusted under this section, shall be considered to be the boundaries of the Forests as of January 1, 1965.

(c) Federal Improvements.—The Secretary of the Interior shall transfer to the Secretary of Agriculture jurisdiction over Federal improvements on the lands transferred to the Secretary of Agriculture under this section.

(d) Transfer to United States Postal Service.—The Secretary of Agriculture shall transfer to the United States Postal Service administrative jurisdiction over certain lands and interests in land subject to Forest Service Special Use Permit No. 1073, containing approximately 0.34 acres.

(e) Withdrawals.—Notwithstanding subsection (a), lands retained by the Federal Government under this title shall continue to be withdrawn from mineral entry under the United States mining laws.

SEC. 1207. SURVEYS.

The Secretary of the Interior shall survey or resurvey all or portions of the Dutch John community as necessary—

(1) to accurately describe parcels identified under this title for transfer among agencies, for Federal disposal, or for retention by the United States; and

(2) to facilitate future recordation of title.

SEC. 1208. PLANNING.

(a) Responsibility.—In cooperation with the residents of Dutch John, the Secretary of Agriculture, and the Secretary of the Interior, Daggett County, Utah, shall be responsible for developing a land use plan that is consistent with maintenance of the values of the land that is adjacent to land that remains under the jurisdiction of the Secretary of Agriculture or Secretary of the Interior under this title.

(b) Cooperation.—The Secretary of Agriculture and the Secretary of the Interior shall cooperate with Daggett County in ensuring that disposal processes are consistent with the land use plan developed under subsection (a) and with this title.

SEC. 1209. APPRAISALS.

(a) Requirements.—

(1) In general.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior shall conduct appraisals to determine the fair market value of properties designated for disposal under paragraphs (1), (2), (3), (5), and (7) of section 1204(d).

(2) Unoccupied platted lots.—Not later than 90 days after the date of receipt by the Secretary of the Interior from an eligible purchaser of a written notice of intent to purchase an unoccupied platted lot referred to in section 1204(d)(4), the Secretary of the Interior shall conduct an appraisal of the lot.

(3) Special use permits.—

(A) In general.—Not later than 90 days after the date of receipt by the Secretary of the Interior from a permit holder of a written notice of intent to purchase a property described in section 1210(g), the Secretary of the Interior shall conduct an appraisal of the property.

(B) Improvements and alternative land.—An appraisal to carry out subparagraph (A) may include an appraisal of the value of permit holder improvements and alternative land in order to conduct an in-lieu land sale.

(4) Occupied parcels.—In the case of an occupied parcel, an appraisal under this subsection shall include an appraisal of the full

fee value of the occupied lot or land parcel and the value of residences, structures, facilities, and existing, in-place federally owned fixtures and furnishings necessary for full use of the property.

(5) UNOCCUPIED PARCELS.—In the case of an unoccupied parcel, an appraisal under this subsection shall consider potential future uses of the parcel that are consistent with the land use plan developed under section 1208(a) (including the land use map of the plan) and with subsection (c).

(6) FUNDING.—Funds for appraisals conducted under this section shall be derived from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d).

(b) REDUCTIONS FOR IMPROVEMENTS.—An appraisal of a residence or a structure or facility leased for private use under this section shall deduct the contributory value of improvements made by the current occupant or lessee if the occupant or lessee provides reasonable evidence of expenditure of money or materials in making the improvements.

(c) CURRENT USE.—An appraisal under this section shall consider the current use of a property (including the use of housing as a community residence) and avoid uncertain speculation as to potential future use.

(d) REVIEW.—

(1) IN GENERAL.—The Secretary of the Interior shall make an appraisal under this section available for review by a current occupant or lessee.

(2) ADDITIONAL INFORMATION OR APPEAL.—

(A) IN GENERAL.—The current occupant or lessee may provide additional information, or appeal the findings of the appraisal in writing, to the Upper Colorado Regional Director of the Bureau of Reclamation.

(B) ACTION BY SECRETARY OF THE INTERIOR.—The Secretary of the Interior—

(i) shall consider the additional information or appeal; and

(ii) may conduct a second appraisal if the Secretary determines that a second appraisal is necessary.

(e) INSPECTION.—The Secretary of the Interior shall provide opportunities for other qualified, interested purchasers to inspect completed appraisals under this section.

SEC. 1210. DISPOSAL OF PROPERTIES.

(a) CONVEYANCES.—

(1) PATENTS.—The Secretary of the Interior shall dispose of properties identified for disposal under section 1204, other than properties retained under section 1204(e), without regard to law governing patents.

(2) CONDITION AND LAND.—Except as otherwise provided in this title, conveyance of a building, structure, or facility under this title shall be in its current condition and shall include the land parcel on which the building, structure, or facility is situated.

(3) FIXTURES AND FURNISHINGS.—An existing and in-place fixture or furnishing necessary for the full use of a property or facility under this title shall be conveyed along with the property.

(4) MAINTENANCE.—

(A) BEFORE CONVEYANCE.—Before property is conveyed under this title, the Secretary of the Interior shall ensure reasonable and prudent maintenance and proper care of the property.

(B) AFTER CONVEYANCE.—After property is conveyed to a recipient under this title, the recipient shall be responsible for—

(i) maintenance and proper care of the property; and

(ii) any contamination of the property.

(b) INFRASTRUCTURE FACILITIES AND LAND.—Infrastructure facilities and land described in paragraphs (1) and (2) of section 1204(c) shall be conveyed, without consideration, to Daggett County, Utah.

(c) SCHOOL.—The lands on which are located the Dutch John public schools described in section 1204(c)(3) shall be conveyed, without consideration, to the Daggett County School District.

(d) UTAH DIVISION OF WILDLIFE RESOURCES.—Lands on which are located the offices, 3 employee residences, warehouses, and facilities of the Utah Division of Wildlife Resources described in section 1204(d)(7) shall be conveyed, without consideration, to the Division.

(e) RESIDENCES AND LOTS.—

(1) IN GENERAL.—

(A) FAIR MARKET VALUE.—A residence and occupied residential lot to be disposed of under this title shall be sold for the appraised fair market value.

(B) NOTICE.—The Secretary of the Interior shall provide local general public notice, and written notice to lessees and to current occupants of residences and of occupied residential lots for disposal, of the intent to sell properties under this title.

(2) PURCHASE OF RESIDENCES OR LOTS BY LESSEES.—

(A) IN GENERAL.—Subject to subparagraph (B), the Secretary of the Interior shall provide a holder of a current lease from the Secretary for a residence to be sold under paragraph (1) or (2) of section 1204(d) or for a residential lot occupied by a privately owned dwelling described in section 1204(d)(3) a period of 180 days beginning on the date of the written notice of the Secretary of intent of the Secretary to sell the residence or lot, to execute a contract with the Secretary of the Interior to purchase the residence or lot for the appraised fair market value.

(B) NOTICE OF INTENT TO PURCHASE.—To obtain the protection of subparagraph (A), the lessee shall, during the 30-day period beginning on the date of receipt of the notice referred to in subparagraph (A), notify the Secretary in writing of the intent of the lessee to purchase the residence or lot.

(C) NO NOTICE OR PURCHASE CONTRACT.—If no written notification of intent to purchase is received by the Secretary in accordance with subparagraph (B) or if a purchase contract has not been executed in accordance with subparagraph (A), the residence or lot shall become available for purchase by other persons under paragraph (3).

(3) PURCHASE OF RESIDENCES OR LOTS BY OTHER PERSONS.—

(A) ELIGIBILITY.—If a residence or lot becomes available for purchase under paragraph (2)(C), the Secretary of the Interior shall make the residence or lot available for purchase by—

(i) a current authorized occupant of the residence to be sold;

(ii) a holder of a current reclamation lease for a residence within Dutch John;

(iii) an employee of the Bureau of Reclamation or the Forest Service who resides in Dutch John; or

(iv) a Federal or non-Federal employee in support of a Federal agency who resides in Dutch John.

(B) PRIORITY.—

(i) SENIORITY.—Priority for purchase of properties available for purchase under this paragraph shall be by seniority of reclamation lease or residency in Dutch John.

(ii) PRIORITY LIST.—The Secretary of the Interior shall compile a priority list of eligible potential purchasers that is based on the length of continuous residency in Dutch John or the length of a continuous residence lease issued by the Bureau of Reclamation in Dutch John, with the highest priority provided for purchasers with the longest continuous residency or lease.

(iii) INTERRUPTIONS.—If a continuous residency or lease was interrupted, the Secretary shall consider only that most recent continuous residency or lease.

(iv) OTHER FACTORS.—In preparing the priority list, the Secretary shall not consider a factor (including agency employment or position) other than the length of the current residency or lease.

(v) DISPUTES.—A potential purchaser may file a written appeal over a dispute involving eligibility or ranking on the priority list with the Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation. The Secretary, acting through the Regional Director, shall consider the appeal and resolve the dispute.

(C) NOTICE.—The Secretary of the Interior shall provide general public notice and written notice by certified mail to eligible purchasers that specifies—

(i) properties available for purchase under this paragraph;

(ii) the appraised fair market value of the properties;

(iii) instructions for potential eligible purchasers; and

(iv) any purchase contract requirements.

(D) NOTICE OF INTENT TO PURCHASE.—An eligible purchaser under this paragraph shall have a period of 90 days after receipt of written notification to submit to the Secretary of the Interior a written notice of intent to purchase a specific available property at the listed appraised fair market value.

(E) NOTICE OF ELIGIBILITY OF HIGHEST ELIGIBLE PURCHASER TO PURCHASE PROPERTY.—The Secretary of the Interior shall provide notice to the potential purchaser with the highest eligible purchaser priority for each property that the purchaser will have the first opportunity to execute a sales contract and purchase the property.

(F) AVAILABILITY TO OTHER PURCHASERS ON PRIORITY LIST.—If no purchase contract is executed for a property by the highest priority purchaser within the 180 days after receipt of notice under subparagraph (E), the Secretary of the Interior shall make the property available to other purchasers listed on the priority list.

(G) LIMITATION ON NUMBER OF PROPERTIES.—No household may purchase more than 1 residential property under this paragraph.

(4) RESIDUAL PROPERTY TO COUNTY.—If a residence or lot to be disposed of under this title is not purchased in accordance with paragraph (2) or (3) within 2 years after providing the first notice of intent to sell under paragraph (1)(B), the Secretary of the Interior shall convey the residence or lot to Daggett County without consideration.

(5) ADVISORY COMMITTEE.—The Secretary of the Interior, acting through the Upper Colorado Regional Director of the Bureau of Reclamation, may appoint a nonfunded Advisory Committee comprised of 1 representative from each of the Bureau of Reclamation, Daggett County, and the Dutch John community to review and provide advice to the Secretary on the resolution of disputes arising under this subsection and subsection (f).

(6) FINANCING.—The Secretary of the Interior shall provide advice to potential purchasers under this subsection and subsection (f) in obtaining appropriate and reasonable financing for the purchase of a residence or lot.

(f) Unoccupied Platted Lots.—

(1) In general.—Except as provided in paragraph (2), the Secretary of the Interior shall make an unoccupied platted lot described in section 1204(d)(4) available for sale to eligible purchasers for the appraised fair market value of the lot.

(2) Conveyance for public purpose.—On request from Daggett County, the Secretary of the Interior may convey directly to the County without consideration a lot referred to in paragraph (1) that will be used for a public use purpose that is consistent with the land use plan developed under section 1208(a).

(3) Administration.—The procedures established under subsection (e) shall apply to this subsection to the maximum extent practicable, as determined by the Secretary of the Interior.

(4) Land-use designation.—For each lot sold under this subsection, the Secretary of the Interior shall include in the notice of intent to sell the lot provided under this subsection the land-use designation of the lot established under the land use plan developed under section 1208(a).

(5) Limitation on number of lots.—No household may purchase more than 1 residential lot under this subsection.

(6) Limitation on purchase of additional lots.—No household purchasing an existing residence under this section may purchase an additional single home, residential lot.

(7) Residual lots to county.—If a lot described in paragraph (1) is not purchased in accordance with paragraphs (1) through (6) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the lot to Daggett County without consideration.

(g) Special Use Permits.—

(1) Sale.—Lands on which Forest Service special use permits are issued to holders numbered 4054 and 9303, Ashley National Forest, comprising approximately 15.3 acres and 1 acre, respectively, may be sold at appraised fair market value to the holder of the permit.

(2) Administration of permits.—On transfer of jurisdiction of the land to the Secretary of the Interior pursuant to section 1206, the Secretary of the Interior shall administer the permits under the terms and conditions of the permits.

(3) Notice of availability for purchase.—The Secretary of the Interior shall notify the respective permit holders in writing of the availability of the land for purchase.

(4) Appraisals.—The Secretary of the Interior shall not conduct an appraisal of the land unless the Secretary receives a written notice of intent to purchase the land within 2 years after providing notice under paragraph (3).

(5) Alternative parcels.—On request by permit holder number 9303, the Secretary of the Interior, in consultation with Daggett County, may—

(A) consider sale of a parcel within the Daggett County community of similar size and appraised value in lieu of the land under permit on the date of enactment of this Act; and

(B) provide the holder credit toward the purchase or other negotiated compensation for the appraised value of improvements of the permittee to land under permit on the date of enactment of this Act.

(6) Residual land to county.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) through (5) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(h) Transfers to County.—Other land occupied by authorization of a special use permit, easement, or right-of-way to be disposed of under this title shall be transferred to Daggett County if the holder of the authorization and the County, prior to transfer of the lands to the County—

(1) agree to and execute a legal document that grants the holder the rights and privileges provided in the existing authorization; or

(2) enter into another arrangement that is mutually satisfactory to the holder and the County.

(i) Church Land.—

(1) In general.—The Secretary of the Interior shall offer to sell land to be disposed of under this title on which is located an established church to the parent entity of the church at the appraised fair market value.

(2) Notice.—The Secretary of the Interior shall notify the church in writing of the availability of the land for purchase.

(3) Residual land to county.—If land described in paragraph (1) is not purchased in accordance with paragraphs (1) and (2) within 2 years after providing the first notice of intent to sell under this subsection, the Secretary of the Interior shall convey the land to Daggett County without consideration.

(j) Residual Properties to County.—The Secretary of the Interior shall convey all lands, buildings, or facilities designated for disposal under this title that are not conveyed in accordance with subsections (a) through (i) to Daggett County without consideration.

(k) Water Rights.—

(1) In general.—Subject to the other provisions of this subsection, the Secretary of the Interior shall transfer all water rights the Secretary holds that are applicable to the Dutch John municipal water system to Daggett County.

(2) Water service contract.—

(A) In general.—Transfer of rights under paragraph (1) is contingent on Daggett County entering into a water service contract with the Secretary of the Interior covering payment for and delivery of untreated water to Daggett County pursuant to the Act of April 11, 1956 (70 Stat. 105, chapter 203; 43 U.S.C. 620 et seq.).

(B) Delivered water.—The contract shall require payment only for water actually delivered.

(3) Existing rights.—Existing rights for transfer to Daggett County under this subsection include—

(A) Utah Water Right 41-2942 (A30557, Cert. No. 5903) for 0.08 cubic feet per second from a water well; and

(B) Utah Water Right 41-3470 (A30414b), an unapproved application to segregate 12,000 acre-feet per year of water from the original approved Flaming Gorge water right (41-2963) for municipal use in the town of Dutch John and surrounding areas.

(4) Culinary water supplies.—The transfer of water rights under this subsection is conditioned on the agreement of Daggett County to provide culinary water supplies to Forest Service campgrounds served (on the date of enactment of this Act) by the water supply system and to Forest Service and Bureau of Reclamation facilities, at a rate equivalent to other similar uses.

(5) Maintenance.—The Secretary of Agriculture and the Secretary of the Interior shall be responsible for maintenance of their respective water systems from the point of the distribution lines of the systems.

(l) Shoreline Access.—On receipt of an acceptable application, the Secretary of Agriculture shall consider issuance of a special use permit affording Flaming Gorge Reservoir public shoreline access and use within the vicinity of Dutch John in conjunction with commercial visitor facilities provided and maintained under such a permit.

(m) Revenues.—

(1) In general.—Except as provided in paragraph (2), all revenues derived from the sale of properties as authorized by this title shall temporarily be deposited in a segregated interest-bearing trust account in the Treasury with the moneys on hand in the account paid to Daggett County semiannually to be used by the County for purposes associated with the provision of governmental and community services to the Dutch John community.

(2) Deposit in the general fund.—Of the revenues described in paragraph (1), 15.1 percent shall be deposited in the general fund of the Treasury.

SEC. 1211. VALID EXISTING RIGHTS.

(a) Agreements.—

(1) In general.—If any lease, permit, right-of-way, easement, or other valid existing right is appurtenant to land conveyed to Daggett County, Utah, under this title, the County shall honor and enforce the right through a legal agreement entered into by the County and the holder before the date of conveyance.

(2) Extension or termination.—The County may extend or terminate an agreement under paragraph (1) at the end of the term of the agreement.

(b) Use of Revenues.—During such period as the County is enforcing a right described in subsection (a)(1) through a legal agreement between the County and the holder of the right under subsection (a), the County shall collect and retain any revenues due the Federal Government under the terms of the right.

(c) Extinguishment of Rights.—If a right described in subsection (a)(1) with respect to certain land has been extinguished or otherwise protected, the County may dispose of the land.

SEC. 1212. CULTURAL RESOURCES.

(a) Memoranda of Agreement.—Before transfer and disposal under this title of any land that contains cultural resources and that may be eligible for listing on the National Register of Historic Places, the Secretary of Agriculture, in consultation with the Secretary of the Interior, the Utah Historic Preservation Office, and Daggett County, Utah, shall prepare a memorandum of agreement, for review and approval by the Utah Office of Historical Preservation and the Advisory Council on Historic Preservation established by title II of the National Historic Preservation Act (16 U.S.C. 470i et seq.), that contains a strategy for protecting or mitigating adverse effects on cultural resources on the land.

(b) Interim Protection.—Until such time as a memorandum of agreement has been approved, or until lands are disposed of under this title, the Secretary of Agriculture shall provide clearance or protection for the resources.

(c) Transfer Subject to Agreement.—On completion of actions required under the memorandum of agreement for certain land, the Secretary of the Interior shall provide for the conveyance of the land to Daggett County, Utah, subject to the memorandum of agreement.

SEC. 1213. TRANSITION OF SERVICES TO LOCAL GOVERNMENT CONTROL.

(a) ASSISTANCE.—

(1) IN GENERAL.—The Secretary of the Interior shall provide training and transitional operating assistance to personnel designated by Daggett County, Utah, as successors to the operators for the Secretary of the infrastructure facilities described in section 1204(c).

(2) DURATION OF TRAINING.—With respect to an infrastructure facility, training under paragraph (1) shall continue for such period as is necessary for the designated personnel to demonstrate reasonable capability to safely and efficiently operate the facility, but not to exceed 2 years.

(3) CONTINUING ASSISTANCE.—The Secretary shall remain available to assist with resolving questions about the original design and installation, operating and maintenance needs, or other aspects of the infrastructure facilities.

(b) TRANSITION COSTS.—For the purpose of defraying costs of transition in administration and provision of basic community services, an annual payment of $300,000 (as adjusted by the Secretary for changes in the Consumer Price Index for all-urban consumers published by the Department of Labor) shall be provided from the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620d), to Daggett County, Utah, or, in accordance with subsection (c), to Dutch John, Utah, for a period not to exceed 15 years beginning the first January 1 that occurs after the date of enactment of this Act.

(c) DIVISION OF PAYMENT.—If Dutch John becomes incorporated and become responsible for operating any of the infrastructure facilities referred to in subsection (a)(1) or for providing other basic local governmental services, the payment amount for the year of incorporation and each following year shall be proportionately divided between Daggett County and Dutch John based on the respective costs paid by each government for the previous year to provide the services.

(d) ELECTRIC POWER.—

(1) AVAILABILITY.—The United States shall make available electric power and associated energy from the Colorado River Storage Project for the Dutch John community.

(2) AMOUNT.—The amount of electric power and associated energy made available under paragraph (1) shall not exceed 1,000,000 kilowatt-hours per year.

(3) RATES.—The rates for power and associated energy shall be the firm capacity and energy rates of the Salt Lake City Area/Integrated Projects.

SEC. 1214. AUTHORIZATION OF APPROPRIATIONS.

(a) RESOURCE RECOVERY AND MITIGATION.—There are authorized to be appropriated to the Secretary of Agriculture, out of nonpower revenues to the Federal Government from land transferred under this title, such sums as are necessary to implement such habitat, sensitive resource, or cultural resource recovery, mitigation, or replacement strategies as are developed with respect to land transferred under this title, except that the strategies may not include acquisition of privately owned lands in Daggett County.

(b) OTHER SUMS.—In addition to sums made available under subsection (a), there are authorized to be appropriated such sums as are necessary to carry out this title.

TITLE XIII—RECLAMATION PROJECT CONVEYANCES AND MISCELLANEOUS PROVISIONS

Subtitle A—Sly Park Dam and Reservoir, California

SEC. 1311. SHORT TITLE.

This subtitle may be cited as the "Sly Park Unit Conveyance Act".

SEC. 1312. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the El Dorado Irrigation District, a political subdivision of the State of California that has its principal place of business in the city of Placerville, El Dorado County, California.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Project" means all of the right, title, and interest in and to the Sly Park Dam and Reservoir, Camp Creek Diversion Dam and Tunnel, and conduits and canals held by the United States pursuant to or related to the authorization in the Act entitled "An Act to authorize the American River Basin Development, California, for irrigation and reclamation, and for other purposes", approved October 14, 1949 (63 Stat. 852 chapter 690);

SEC. 1313. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project and subject to the payment by the District of the net present value of the remaining repayment obligation, as determined by Office of Management and Budget Circular A–129 (in effect on the date of enactment of this Act), the Secretary shall convey the Project to the District.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1314. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1315).

SEC. 1315. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) PAYMENT OBLIGATIONS NOT AFFECTED.—The conveyance of the Project under this subtitle does not affect the payment obligations of the District under the contract between the District and the Secretary numbered 14-06-200-7734, as amended by contracts numbered 14-06-200-4282A and 14-06-200-8536A.

(b) PAYMENT OBLIGATIONS EXTINGUISHED.—Provision of consideration by the District in accordance with section 1313(b) shall extinguish all payment obligations under contract numbered 14-06-200-949IR1 between the District and the Secretary.

SEC. 1316. RELATIONSHIP TO OTHER LAWS.

(a) RECLAMATION LAWS.—Except as provided in subsection (b), upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

(b) PAYMENTS INTO THE CENTRAL VALLEY PROJECT RESTORATION FUND.—The El Dorado Irrigation District shall continue to make payments into the Central Valley Project Restoration Fund for 31 years after the date of the enactment of this Act. The District's obligation shall be calculated in the same manner as Central Valley Project water contractors.

SEC. 1317. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle B—Minidoka Project, Idaho

SEC. 1321. SHORT TITLE

This subtitle may be cited as the "Burley Irrigation District Conveyance Act".

SEC. 1322. DEFINITIONS.

In this subtitle:

(1) DISTRICT.—The term "District" means the Burley Irrigation District, an irrigation district organized under the law of the State of Idaho.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) PROJECT.—The term "Project" means all of the right, title, and interest in and to the Southside Pumping Division of the Minidoka Project, Idaho, including the water distribution system below the headworks of the Minidoka Dam held in the name of the United States for the benefit of, and for use on land within, the District for which the allocable construction costs have been fully repaid by the District.

SEC. 1323. CONVEYANCE.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the completion of payments by the District required under subsection (c)(3), the Secretary shall convey the Project and the water rights described in subsection (b) to the District.

(b) WATER RIGHTS.—

(1) TRANSFER REQUIRED.—The Secretary shall transfer to the District, through an agreement among the District, the Minidoka Irrigation District, and the Secretary and in accordance with and subject to the law of the State of Idaho, all natural flow, waste, seepage, return flow, and ground water rights held in the name of the United States—

(A) for the benefit of the South Side Pumping Division operated and maintained by the District;

(B) for use on lands within the District or that are return flows for which the District may receive credit against storage water used.

(2) LIMITATION.—The transfer of the property interest of the United States in Project water rights directed to be conveyed by this section shall—

(A) neither enlarge nor diminish the water rights of either the Minidoka Irrigation District or the District, as set forth in their respective contracts with the United States;

(B) not be exercised as to impair the integrated operation of the Minidoka Project by the Secretary pursuant to applicable Federal law;

(C) not affect any other water rights; and

(D) not result in any adverse impact on any other project water user.

(c) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be borne by the District.

SEC. 1324. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1325).

SEC. 1325. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) SAVINGS.—Nothing in this subtitle or any transfer pursuant thereto shall affect the right of Minidoka Irrigation District to the joint use of the gravity portion of the Southside Canal, subject to compliance by the Minidoka Irrigation District with the terms and conditions of a contract between the District and Minidoka Irrigation District, and any amendments or changes made by agreement of the irrigation districts.

(b) ALLOCATION OF STORAGE SPACE.—The Secretary shall provide an allocation to the District of storage space in Minidoka Reservoir, American Falls Reservoir, and Palisades Reservoir, as described in Burley Contract Nos. 14–06–100–2455 and 14–06–W–48, subject to the obligation of Burley to continue to assume and satisfy its allocable costs of operation and maintenance associated with the storage facilities operated by the Bureau of Reclamation.

(c) PROJECT RESERVED POWER.—The Secretary shall continue to provide the District with project reserved power from the Minidoka Reclamation Power Plant, Palisades Reclamation Power Plant, Black Canyon Reclamation Power Plant, and Anderson Ranch Reclamation Power Plant in accordance with the terms of the existing contracts, including any renewals thereof as provided in such contracts.

SEC. 1326. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be held liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle C—Carlsbad Irrigation Project, New Mexico

SEC. 1331. SHORT TITLE.

This subtitle may be cited as the "Carlsbad Irrigation Project Acquired Land Conveyance Act".

SEC. 1332. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Carlsbad Irrigation District, a quasimunicipal corporation formed under the laws of the State of New Mexico that has its principal place of business in the city of Carlsbad, Eddy County, New Mexico.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term "Project" means all right, title, and interest in and to the lands (including the subsurface and mineral estate) in Eddy County, New Mexico, described as the acquired lands in section (7) of the Status of Lands and Title Report: Carlsbad Project as reported by the Bureau of Reclamation in 1978 and all interests the United States holds in the irrigation and drainage system of the Carlsbad Project and all related ditch rider houses, maintenance shop and buildings, and Pecos River Flume.

SEC. 1333. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—Except as provided in subsection (b), in consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the completion of payments by the District required under subsection (c)(3), the Secretary shall convey the Project to the District

(b) RETAINED TITLE.—The Secretary shall retain title to the surface estate (but not the mineral estate) of such Project lands which are located under the footprint of Brantley and Avalon dams or any other Project dam or reservoir diversion structure. The Secretary shall retain storage and flow easements for any tracts located under the maximum spillway elevations of Avalon and Brantley Reservoirs.

(c) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1334. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use and operation of the Project from its current use. The Project shall continue to be managed and used by the District for the purposes for which the Project was authorized, based on historic operations, and consistent with the management of other adjacent project lands.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project, it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1335).

SEC. 1335. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), upon conveyance of the Project under this subtitle the District shall assume all rights and obligations of the United States under the agreement dated July 28, 1994, between the United States and the Director, New Mexico Department of Game and Fish (Document No. 2–LM–40–00640), relating to management of certain lands near Brantley Reservoir for fish and wildlife purposes and the agreement dated March 9, 1977, between the United States and the New Mexico Department of Energy, Minerals, and Natural Resources (Contract No. 7–07–57–X0888) for the management and operation of Brantley Lake State Park.

(b) LIMITATION.—The District shall not be obligated for any financial support agreed to by the Secretary, or the Secretary's designee, in either agreement and the District shall not be entitled to any receipts or revenues generated as a result of either agreement.

SEC. 1336. LEASE MANAGEMENT AND PAST REVENUES COLLECTED FROM THE ACQUIRED LANDS.

(a) NOTIFICATION OF LEASEHOLDERS.—Within 120 days after the date of enactment of this Act, the Secretary shall provide to the District a written identification of all mineral and grazing leases in effect on Project lands on the date of enactment of this Act and notify all leaseholders of the conveyance authorized by this subtitle.

(b) MANAGEMENT OF LEASES, LICENSES, AND PERMITS.—The District shall assume all rights and obligations of the United States for all mineral and grazing leases, licenses, and permits existing on the Project lands conveyed under section 1333, and shall be entitled to any receipts from such leases, licenses, and permits accruing after the date of conveyance. All such receipts shall be used for purposes for which the Project was authorized and for financing the portion of operations, maintenance, and replacement at the Sumner Dam that, prior to conveyance, was the responsibility of the Bureau of Reclamation, with the exception of major maintenance programs in progress prior to conveyance. The District shall continue to adhere to the current Bureau of Reclamation mineral leasing stipulations for the Project.

(c) AVAILABILITY OF AMOUNTS PAID INTO THE RECLAMATION FUND.—

(1) AMOUNTS IN FUND ON DATE OF ENACTMENT.—Amounts in the reclamation fund on the date of enactment of this Act which exist as construction credits to the Carlsbad Project under the terms of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351–359) shall be deposited into the general fund of

the Treasury and credited to deficit reduction or retirement of the Federal debt.

(2) RECEIPTS AFTER DATE OF ENACTMENT.—Of the receipts from mineral and grazing leases, licenses, and permits on Project lands to be conveyed under section 1333 that are received by the United States after the date of enactment of this Act and before the date of conveyance, up to $200,000 shall be applied to pay the cost referred to in section 1333(c)(3) and the remainder shall be deposited into the general fund of the Treasury of the United States and credited to deficit reduction or retirement of the Federal debt.

SEC. 1337. WATER CONSERVATION PRACTICES.

Nothing in this subtitle shall be construed to limit the ability of the District to voluntarily implement water conservation practices.

SEC. 1338. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

SEC. 1339. FUTURE RECLAMATION BENEFITS.

After completion of the conveyance under this subtitle, the District shall not be eligible for any emergency loan from the Bureau of Reclamation for maintenance or replacement of any facility conveyed under this subtitle.

Subtitle D—Palmetto Bend Project, Texas

SEC. 1341. SHORT TITLE.

This subtitle may be cited as the "Palmetto Bend Conveyance Act".

SEC. 1342. DEFINITIONS.

In this subtitle:

(1) STATE.—The term "State" means the Lavaca-Navidad River Authority and the Texas Water Development Board, jointly.

(2) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(3) PROJECT.—The term "Project" means all of the right, title, and interest in and to the Palmetto Bend reclamation project, Texas, authorized by Public Law 90–562 (82 Stat. 999).

SEC. 1343. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the State accepting the obligations of the Federal Government for the Project and subject to the payment by the State of the net present value of the remaining repayment obligation, as determined by Office of Management and Budget Circular A–129 (in effect on the date of enactment of this Act) and the completion of payments by the State required under subsection (b)(3), the Secretary shall convey the Project to the State.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the State intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this title before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the State.

SEC. 1344. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the State alters the operations or uses of the Project it shall comply will all applicable laws or regulations governing such changes at that time.

(c) CONDITION.—Subject to the laws of the State of Texas, Lake Texana shall not be used to wheel water originating from the Texas, Colorado River.

SEC. 1345. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

Existing obligations of the United States pertaining to the Project shall continue in effect and be assumed by the State.

SEC. 1346. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1347. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle E—Wellton-Mohawk Division, Gila Project, Arizona

SEC. 1351. SHORT TITLE.

This subtitle may be cited as the "Wellton-Mohawk Division Title Transfer Act of 1998".

SEC. 1352. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Wellton-Mohawk Irrigation and Drainage District, an irrigation and drainage district created, organized, and existing under and by virtue of the laws of the State of Arizona.

(2) The term "Project" means all of the right, title, and interest in and to the Wellton-Mohawk Division, Gila Project, Arizona, held by the United States pursuant to or related to any authorization in the Act of July 30, 1947 (chapter 382; 61 Stat. 628).

(3) The term "Secretary" means the Secretary of the Interior.

(4) The term "withdrawn lands" means those lands within and adjacent to the District that have been withdrawn from public use for reclamation purposes.

SEC. 1353. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Project, and subject to the payment of fair market value by the District for the withdrawn lands and the completion of payments by the District required under subsection (b)(3), the Secretary shall convey the Project and the withdrawn lands to the District in accordance with the Memorandum of Agreement between the Secretary and the District numbered 8–AA-34–WAO14 and dated July 10, 1998.

(b) DEADLINE.—

(1) IN GENERAL.—The Secretary shall complete the conveyance expeditiously, but not later than 3 years after the date of enactment of this Act.

(2) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1354. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use or operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Project, it shall comply with all applicable laws and regulations governing such changes at that time.

SEC. 1355. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be held liable under any law for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

SEC. 1356. LANDS TRANSFER.

Pursuant to the Memorandum of Agreement between the Secretary and the District numbered 8–AA–34–WAO14 and dated July 10, 1998, the Secretary may transfer to the District, by sale or exchange, at fair market value, public lands located in or adjacent to the Project, and lands held by the Federal Government on the date of the enactment of this Act pursuant to Public Law 93–320 and Public Law 100–512 and located in or adjacent to the District, other than lands in the Gila River channel.

SEC. 1357. WATER AND POWER CONTRACTS.

Notwithstanding any conveyance or transfer under this subtitle, the Secretary and the Secretary of Energy shall provide for and deliver Colorado River water and Parker-Davis Project Priority Use Power to the District in accordance with the terms of existing contracts with the District, including any amendments and supplements thereto or extensions thereof and as provided under section 2 of the Memorandum of Agreement between the Secretary and the District numbered 8–AA–34–WAO14 and dated July 10, 1998.

Subtitle F—Canadian River Project, Texas

SEC. 1361. SHORT TITLE.

This subtitle may be cited as the "Canadian River Project Prepayment Act".

SEC. 1362. DEFINITIONS.

For the purposes of this subtitle:

(1) The term "Authority" means the Canadian River Municipal Water Authority, a conservation and reclamation district of the State of Texas.

(2) The term "Canadian River Project Authorization Act" means the Act entitled 'An Act to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Canadian River reclamation project, Texas", approved December 29, 1950 (chapter 1183; 64 Stat. 1124).

(3) The term "Project" means all of the right, title, and interest in and to all land and improvements comprising the pipeline and related facilities of the Canadian River Project authorized by the Canadian River Project Authorization Act.

(4) The term "Secretary" means the Secretary of the Interior.

SEC. 1363. PREPAYMENT AND CONVEYANCE OF PROJECT.

(a) IN GENERAL.—(1) In consideration of the Authority accepting the obligation of the

Federal Government for the Project and subject to the payment by the Authority of the applicable amount under paragraph (2) within the 360-day period beginning on the date of the enactment of this subtitle, the Secretary shall convey the Project to the Authority, as provided in section 2(c)(3) of the Canadian River Project Authorization Act (64 Stat. 1124).

(2) For purposes of paragraph (1), the applicable amount shall be—

(A) $34,806,731, if payment is made by the Authority within the 270-day period beginning on the date of enactment of this title; or

(B) the amount specified in subparagraph (A) adjusted to include interest on that amount since the date of the enactment of this subtitle at the appropriate Treasury bill rate for an equivalent term, if payment is made by the Authority after the period referred to in subparagraph (A).

(3) If payment under paragraph (1) is not made by the Authority within the period specified in paragraph (1), this subtitle shall have no force or effect.

(b) FINANCING.—Nothing in this subtitle shall be construed to affect the right of the Authority to use a particular type of financing.

SEC. 1364. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) FUTURE ALTERATIONS.—If the Authority alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such alteration at that time.

(c) RECREATION.—The Secretary of the Interior, acting through the National Park Service, shall continue to operate the Lake Meredith National Recreation Area at Lake Meredith.

(d) FLOOD CONTROL.—The Secretary of the Army, acting through the Corps of Engineers, shall continue to prescribe regulations for the use of storage allocated to flood control at Lake Meredith as prescribed in the Letter of Understanding entered into between the Corps, the Bureau of Reclamation, and the Authority in March and May 1980.

(e) SANFORD DAM PROPERTY.—The Authority shall have the right to occupy and use without payment of lease or rental charges or license or use fees the property retained by the Bureau of Reclamation at Sanford Dam and all buildings constructed by the United States thereon for use as the Authority's headquarters and maintenance facility. Buildings constructed by the Authority on such property, or past and future additions to Government constructed buildings, shall be allowed to remain on the property. The Authority shall operate and maintain such property and facilities without cost to the United States.

SEC. 1365. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) PAYMENT OBLIGATIONS EXTINGUISHED.—Provision of consideration by the Authority in accordance with section 603(a) shall extinguish all payment obligations under contract numbered 14–06–500–485 between the Authority and the Secretary.

(b) OPERATION AND MAINTENANCE COSTS.—After completion of the conveyance provided for in section 1363, the Authority shall have full responsibility for the cost of operation and maintenance of Sanford Dam, and shall continue to have full responsibility for operation and maintenance of the Project pipeline and related facilities.

(c) GENERAL.—Rights and obligations under the existing contract No. 14–06–500–485 between the Authority and the United States, other than provisions regarding repayment of construction charge obligation by the Authority and provisions relating to the Project aqueduct, shall remain in full force and effect for the remaining term of the contract.

SEC. 1366. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1367. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Project under this subtitle, the United States shall not be liable under any law for damages of any kind arising out of any act, omission, or occurrence relating to the conveyed property.

Subtitle G—Clear Creek Distribution System, California

SEC. 1371. SHORT TITLE.

This subtitle may be cited as the "Clear Creek Distribution System Conveyance Act".

SEC. 1372. DEFINITIONS.

For purposes of this subtitle:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(2) DISTRICT.—The term "District" means the Clear Creek Community Services District, a California community services district located in Shasta County, California.

(3) DISTRIBUTION SYSTEM.—The term "Distribution System" means all the right title and interest in and to the Clear Creek distribution system as defined in the agreement entitled "Agreement Between the United States and the Clear Creek Community Services District to Transfer Title to the Clear Creek Distribution System to the Clear Creek Community Services District" (Agreement No. 8–07–20–L6975).

SEC. 1373. CONVEYANCE OF PROJECT.

(a) IN GENERAL.—In consideration of the District accepting the obligations of the Federal Government for the Distribution System and subject to the completion of payments by the District required under subsection (b)(3), the Secretary shall convey the Distribution System to the District.

(b) DEADLINE.—

(1) IN GENERAL.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) DEADLINE IF CHANGES IN OPERATIONS INTENDED.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) ADMINISTRATIVE COSTS OF CONVEYANCE.—If the Secretary fails to complete the conveyance under this subtitle before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

SEC. 1374. RELATIONSHIP TO EXISTING OPERATIONS.

(a) IN GENERAL.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Distribution System from its current use and operation.

(b) FUTURE ALTERATIONS.—If the District alters the operations or uses of the Distribution System it shall comply with all applicable laws or regulations governing such changes at that time (subject to section 1375).

SEC. 1375. RELATIONSHIP TO CERTAIN CONTRACT OBLIGATIONS.

(a) NATIVE AMERICAN TRUST RESPONSIBILITY.—The Secretary shall ensure that any trust responsibilities to any Native American Tribes that may be affected by the conveyance under this title are protected and fulfilled.

(b) CONTRACT OBLIGATIONS.—Conveyance of the Distribution System under this subtitle—

(1) shall not affect any of the provisions of the District's existing water service contract with the United States (contract number 14–06–200–489–IR3), as it may be amended or supplemented; and

(2) shall not deprive the District of any existing contractual or statutory entitlement to subsequent interim renewals of such contract or to renewal by entering into a long-term water service contract.

SEC. 1376. LIABILITY.

Except as otherwise provided by law, effective on the date of conveyance of the Distribution System under this subtitle, the United States shall not be liable under any law for damages of any kind arising out of any act, omission, or occurrence based on its prior ownership or operation of the conveyed property.

Subtitle H—Pine River Project, Colorado

SEC. 1381. SHORT TITLE.

This subtitle may be cited as the "Vallecito Dam and Reservoir Conveyance Act".

SEC. 1382. DEFINITIONS.

For purposes of this subtitle:

(1) The term "District" means the Pine River Irrigation District, a political division of the State of Colorado duly organized, existing, and acting pursuant to the laws thereof with its principal place of business in the city of Bayfield, La Plata County, Colorado.

(2) The term "Secretary" means the Secretary of the Interior.

(3) The term the "Project" means Vallecito Dam and Reservoir, and associated interests, owned by the United States and authorized in 1937 under the provisions of the Department of the Interior Appropriation Act of June 25, 1910 (36 Stat. 835).

(4) The term "Repayment Contract" means Repayment Contract #Ilr–1204, between Reclamation and the Pine River Irrigation District, dated April 15, 1940, and amended November 30, 1953, all amendments thereto, and changes pursuant to the Act of July 27, 1954 (68 Stat. 534).

(5) The term "Tribe" means the Southern Ute Indian Tribe, a federally recognized Indian tribe located on the Southern Ute Indian Reservation, La Plata County, Colorado.

(6) The term "Jurisdictional Map" means the map entitled "Transfer of Jurisdiction—Vallecito Reservoir, United States Department of Agriculture, Forest Service and

United States Department of the Interior, Bureau of Reclamation and the Bureau of Indian Affairs" dated March, 1998.

SEC. 1383. CONVEYANCE OF PROJECT.

(a) Conveyance to District.—

(1) In general.—In consideration of the District accepting the obligations of the Federal Government for the Project and subject to the completion of payments by the District required under subsection (b)(3) and occurrence of the events described in paragraphs (2) and (3) of this subsection, the Secretary shall convey an undivided ⅚ interest in the Project to the District.

(2) Submission of management plan.—Prior to any conveyance under paragraph (1), the District shall submit to the Secretary a plan to manage the Project in a manner substantially similar to the manner in which it was managed prior to the transfer and in accordance with applicable Federal and State laws, including provisions—

(A) protecting the interests in the Project held by the Bureau of Indian Affairs for the Tribe;

(B) preserving public access and recreational values and preventing growth on certain lands to be conveyed hereunder, as set forth in an Agreement dated March 20, 1998, between the District and residents of Vallecito Reservoir; and

(C) ensuring that any future change in the use of the water supplied by Vallecito Reservoir shall comply with applicable law.

(3) Limitation.—No interest in the Project shall convey under this subsection before the date on which the Secretary receives a copy of a resolution adopted by the Tribe declaring that the terms of the conveyance protects the Indian trust assets of the Tribe.

(b) Deadline.—

(1) In general.—If no changes in Project operations are expected following the conveyance under subsection (a), the Secretary shall complete the conveyance under subsection (a) expeditiously, but not later than 180 days after the date of the enactment of this Act.

(2) Deadline if changes in operations intended.—If the District intends to change Project operations as a result of the conveyance under subsection (a), the Secretary—

(A) shall take into account those potential changes for the purpose of completing any required environmental evaluation associated with the conveyance; and

(B) shall complete the conveyance by not later than 2 years after the date of the enactment of this Act.

(3) Administrative costs of conveyance.—If the District submits a plan in accordance with subsection (a)(2) and the Secretary receives a copy of a resolution described in subsection (a)(3), and the Secretary fails to complete the conveyance under subsection (a) before the applicable deadline under paragraph (1) or (2), the full cost of administrative action and environmental compliance for the conveyance shall be borne by the Secretary. If the Secretary completes the conveyance before that deadline, ½ of such cost shall be paid by the District.

(c) Tribal Interests.—At the option of the Tribe, the Secretary shall convey to the Tribe an undivided ⅙ interest in the Project, all interests in lands over which the Bureau of Indian Affairs holds administrative jurisdiction under section 1384(e)(1)(A), and water rights associated with those interests. No consideration or compensation shall be required to be paid to the United States for such conveyance.

(d) Restriction on Partition.—Any conveyance of interests in lands under this subtitle shall be subject to the prohibition that those interests in those lands may not be partitioned. Any quit claim deed or patent evidencing such a conveyance shall expressly prohibit partitioning.

SEC. 1384. RELATIONSHIP TO EXISTING OPERATIONS.

(a) In General.—Nothing in this subtitle shall be construed as significantly expanding or otherwise changing the use or operation of the Project from its current use and operation.

(b) Description of Existing Condition.—The Secretary shall submit to the District, the Bureau of Indian Affairs, and the State of Colorado a description of the existing condition of Vallecito Dam based on Bureau of Reclamation's current knowledge and understanding.

(c) Future Alterations.—If the District alters the operations or uses of the Project it shall comply with all applicable laws or regulations governing such changes at that time.

(d) Flood Control Plan.—The District shall work with Corps of Engineers to develop a flood control plan for the operation of Vallecito Dam for flood control purposes.

(e) Jurisdictional Transfer of Lands.—

(1) Inundated lands.—To provide for the consolidation of lands associated with the Project to be retained by the Forest Service and the consolidation of lands to be transferred to the District, the administrative jurisdiction of lands inundated by and along the shoreline of Vallecito Reservoir, as shown on the Jurisdictional Map, shall be transferred, as set forth in this subsection, concurrently with any conveyance under section 1383. Except as otherwise shown on the Jurisdictional Map—

(A) for withdrawn lands (approximately 260 acres) lying below the 7,665-foot reservoir water surface elevation level, the Forest Service shall transfer an undivided ⅚ interest to the Bureau of Reclamation and an undivided ⅙ interest to the Bureau of Indian Affairs in trust for the Tribe; and

(B) for Project acquired lands (approximately 230 acres) above the 7,665-foot reservoir water surface elevation level, the Bureau of Reclamation and the Bureau of Indian Affairs shall transfer their interests to the Forest Service.

(2) Map.—The Jurisdictional Map and legal descriptions of the lands transferred pursuant to paragraph (1) shall be on file and available for public inspection in the offices of the Chief of the Forest Service, the Commissioner of Reclamation, appropriate field offices of those agencies, and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(3) Administration.—Following the transfer of administrative jurisdiction under paragraph (1):

(A) All lands that, by reason of the transfer of administrative jurisdiction under paragraph (1), become National Forest System lands within the boundaries of the San Juan National Forest, shall be administered in accordance with the laws, rules, and regulations applicable to the National Forest System.

(B) Bureau of Reclamation withdrawals of land from the San Juan National Forest established by Secretarial Orders on November 9, 1936, October 14, 1937, and June 20, 1945, together designated as Serial No. C-28259, shall be revoked.

(C) The Forest Service shall issue perpetual easements to the District and the Bureau of Indian Affairs, at no cost to the District or the Bureau of Indian Affairs, providing adequate access across all lands subject to Forest Service jurisdiction to insure the District and the Bureau of Indian Affairs the ability to continue to operate and maintain the Project.

(D) The undivided ⅚ interest in National Forest System lands that, by reason of the transfer of administrative jurisdiction under paragraph (1) is to be administered by Bureau of Reclamation, shall be conveyed to the District pursuant to section 1383.

(E) The District and the Bureau of Indian Affairs shall issue perpetual easements to the Forest Service, at no cost to the Forest Service, from National Forest System lands to Vallecito Reservoir to assure continued public access to Vallecito Reservoir when the Reservoir level drops below the 7,665-foot water surface elevation.

(F) The District and the Bureau of Indian Affairs shall issue a perpetual easement to the Forest Service, at no cost to the Forest Service, for the reconstruction, maintenance, and operation of a road from La Plata County Road No. 501 to National Forest System lands east of the Reservoir.

(4) Valid existing rights.—Nothing in this subsection shall affect any valid existing rights or interests in any existing land use authorization, except that any such land use authorization shall be administered by the agency having jurisdiction over the land after the transfer of administrative jurisdiction under paragraph (1) in accordance with paragraph (3) and other applicable law. Renewal or reissuance of any such authorization shall be in accordance with applicable law and the regulations of the agency having jurisdiction, except that the change of administrative jurisdiction shall not in itself constitute a ground to deny the renewal or reissuance of any such authorization.

(f) Federal Dam Charge.—Nothing in this subtitle shall relieve the holder of the Federal Energy Regulatory Commission license for Vallecito Dam in effect on the date of the enactment of this Act from the obligation to make payments under section 10(e)(2) of the Federal Power Act during the term of the license. At the expiration of the present license term, the Federal Energy Regulatory Commission shall adjust the charge to reflect either (1) the 1/6 interest of the United States remaining in the Vallecito Dam after conveyance to the District; or (2) if the remaining 1/6 interest of the United States has been conveyed to the Tribe pursuant to section 1383(c), then no Federal dam charge shall be levied from the date of expiration of the present license.

SEC. 1385. RELATIONSHIP TO OTHER LAWS.

Upon conveyance of the Project under this subtitle, the Reclamation Act of 1902 (82 Stat. 388) and all Acts amendatory thereof or supplemental thereto shall not apply to the Project.

SEC. 1386. LIABILITY.

Except as otherwise provided by law, effective on the date of the conveyance of the remaining undivided 1/6 right and interest in the Pine River Project to the Tribe pursuant to subsection 1383(c), the United States shall not be held liable by any court for damages of any kind arising out of any act, omission, or occurrence relating to such Project, based on its prior ownership or operation of the conveyed property.

Subtitle I—Technical Corrections and Miscellaneous Provisions

SEC. 1391. TECHNICAL CORRECTIONS.

(a) Reduction of Waiting Period for Obligation of Funds Provided Under Reclamation Safety of Dams Act of 1978.—Section 5 of the Reclamation Safety of Dams

Act of 1978 (92 Stat. 2471; 43 U.S.C. 509) is amended by striking "sixty days" and all that follows through "day certain)" and inserting "30 calendar days".

(b) Albuquerque Metropolitan Area Reclamation and Reuse Project.—

(1) Technical corrections.—Section 1621 of the Reclamation Projects Authorization and Adjustment Act of 1992 (43 U.S.C. 390h–12g) is amended—

(A) by amending the section heading to read as follows:

"SEC. 1621. ALBUQUERQUE METROPOLITAN AREA WATER RECLAMATION AND REUSE PROJECT.";

and

(B) in subsection (a) by striking "Reuse" and all that follows through "reclaim" and inserting "Reuse Project to reclaim".

(2) Clerical amendment.—The table of sections in section 2 of such Act is amended by striking the item relating to section 1621 and inserting the following:

"Sec. 1621. Albuquerque Metropolitan Area Water Reclamation and Reuse Project.".

(c) Phoenix Metropolitan Water Reclamation and Reuse Project.—Section 1608 of the Reclamation Projects Authorization and Adjustment Act of 1992 (106 Stat. 4666; 43 U.S.C. 390h–6) is amended—

(1) by amending subsection (a) to read as follows:

"(a) The Secretary, in cooperation with the city of Phoenix, Arizona, shall participate in the planning, design, and construction of the Phoenix Metropolitan Water Reclamation and Reuse Project to utilize fully wastewater from the regional wastewater treatment plant for direct municipal, industrial, agricultural, and environmental purposes, groundwater recharge, and indirect potable reuse in the Phoenix metropolitan area.";

(2) in subsection (b) by striking the first sentence; and

(3) by striking subsection (c).

(d) Refund of Certain Amounts Received Under Reclamation Reform Act of 1982.—

(1) Refund required.—Subject to paragraph (2) and the availability of appropriations, the Secretary of the Interior shall refund fully amounts received by the United States as collections under section 224(i) of the Reclamation Reform Act of 1982 (101 Stat. 1330–268; 43 U.S.C. 390ww(i)) for paid bills (including interest collected) issued by the Secretary of the Interior before January 1, 1994, for full-cost charges that were assessed for failure to file certain certification forms under sections 206 and 224(c) of such Act (96 Stat. 1266, 1272; 43 U.S.C. 390ff, 390ww(c)).

(2) Administrative fee.—In the case of a refund of amounts collected in connection with sections 206 and 224(c) of the Reclamation Reform Act of 1982 (96 Stat. 1266, 1272; 43 U.S.C. 390ff, 390ww(c)) with respect to any water year after the 1987 water year, the amount refunded shall be reduced by an administrative fee of $260 for each occurrence.

(3) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection $3,000,000.

(e) Extension of Periods for Repayments for Nueces River Reclamation Project and Canadian River Reclamation Project, Texas.—Section 2 of the Emergency Drought Relief Act of 1996 (Public Law 104–318; 110 Stat. 3862) is amended by adding at the end the following new subsection:

"(c) Extension of Periods for Repayment.—Notwithstanding any provision of the Reclamation Project Act of 1939 (43 U.S.C. 485 et seq.), the Secretary of the Interior—

"(1) shall extend the period for repayment by the city of Corpus Christi, Texas, and the Nueces River Authority under contract No. 6–07–01–X0675, relating to the Nueces River reclamation project, Texas, until—

"(A) August 1, 2029, for repayment pursuant to the municipal and industrial water supply benefits portion of the contract; and

"(B) until August 1, 2044, for repayment pursuant to the fish and wildlife and recreation benefits portion of the contract; and

"(2) shall extend the period for repayment by the Canadian River Municipal Water Authority under contract No. 14–06–500–485, relating to the Canadian River reclamation project, Texas, until October 1, 2021.".

(f) Solano Project Water.—

(1) Authorization.—The Secretary of the Interior is authorized to enter into contracts with the Solano County Water Agency, or any of its member unit contractors for water from the Solano Project, California, pursuant to the Act of February 21, 1911 (43 U.S.C. 523), for—

(A) the impounding, storage, and carriage of nonproject water for domestic, municipal, industrial, and other beneficial purposes, using any facilities associated with the Solano Project, California, and

(B) the exchange of water among Solano Project contractors, for the purposes set forth in subparagraph (A), using facilities associated with the Solano Project, California.

(2) Limitation.—The authorization under paragraph (1) shall be limited to the use of that portion of the Solano Project facilities downstream of Mile 26 of the Putah South Canal (as that canal is depicted on the official maps of the Bureau of Reclamation), which is below the diversion points on the Putah South Canal utilized by the city of Fairfield for delivery of Solano Project water.

(g) Fish Passage and Protective Facilities, Rogue River Basin, Oregon.—The Secretary of the Interior is authorized to use otherwise available amounts to provide up to $2,000,000 in financial assistance to the Medford Irrigation District and the Rogue River Valley Irrigation District for the design and construction of fish passage and protective facilities at North Fork Little Butte Creek Diversion Dam and South Fork Little Butte Creek Diversion Dam in the Rogue River basin, Oregon, if the Secretary determines in writing that these facilities will enhance the fish recovery efforts currently underway at the Rogue River Basin Project, Oregon.

SEC. 1392. AUTHORIZATION TO CONSTRUCT TEMPERATURE CONTROL DEVICES.

(a) Folsom Dam.—The Secretary of the Interior is hereby authorized to construct in accordance with the draft environmental impact statement/environmental impact report for the Central Valley Supply contracts under Public Law 101–514 (section 206) and the report entitled "Assessment of the Beneficial and Adverse Impacts of Operating a Temperature Control Device (TCD) at the Water Supply Intakes of Folsom Dam", a temperature control device on Folsom Dam and necessary associated temperature monitoring facilities. The temperature control device and said associated temperature monitoring facilities shall be operated as an integral part of the Central Valley Project for the benefit and propagation of fall-run chinook salmon and steelhead trout in the American River, California.

(b) Device on Non-CVP Facilities.—The Secretary of the Interior is hereby authorized to construct or assist in the construction of 1 or more temperature control devices on existing non-Federal facilities delivering Central Valley Project water supplies from Folsom Reservoir and necessary associated temperature monitoring facilities. These costs of construction of temperature control device and associated temperature monitoring facilities shall be nonreimbursable and operated by the non-Federal facility owner at its expense, in coordination with the Central Valley Project for the benefit and propagation of chinook salmon and steelhead trout in the American River, California.

(c) Authorization.—There is hereby authorized to be appropriated for the construction of a temperature control device on Folsom Dam and necessary associated temperature monitoring facilities the sum of $5,000,000 (adjusted for inflation based on October 1997 prices). There is also authorized to be appropriated for the construction of a temperature control device on existing non-Federal facilities and necessary associated temperature monitoring facilities the sum of $2,000,000 (October 1997 prices). There is also authorized to be appropriated, in addition thereto, such amounts as are required for operation, maintenance, and replacement of the temperature control devices on Folsom Dam and associated temperature monitoring facilities.

SEC. 1393. COLUSA BASIN WATERSHED INTEGRATED RESOURCES MANAGEMENT.

(a) Short Title.—This section may be cited as the "Colusa Basin Watershed Integrated Resources Management Act".

(b) Authorization of Assistance.—The Secretary of the Interior (in this section referred to as the "Secretary") may provide financial assistance to the Colusa Basin Drainage District, California (in this section referred to as the "District"), for use by the District or by local agencies acting pursuant to section 413 of the State of California statute known as the Colusa Basin Drainage Act (California Stats. 1987, ch. 1399), as in effect on the date of the enactment of this Act (in this section referred to as the "State statute"), for planning, design, environmental compliance, and construction required in carrying out eligible projects in the Colusa Basin Watershed to—

(1)(A) reduce the risk of damage to urban and agricultural areas from flooding or the discharge of drainage water or tailwater;

(B) assist in groundwater recharge efforts to alleviate overdraft and land subsidence; or

(C) construct, restore, or preserve wetland and riparian habitat; and

(2) capture, as an incidental purpose of any of the purposes referred to in paragraph (1), surface or stormwater for conservation, conjunctive use, and increased water supplies.

(c) Project Selection.—

(1) Eligible projects.—A project shall be an eligible project for purposes of subsection (b) only if it is—

(A) identified in the document entitled "Colusa Basin Water Management Program", dated February 1995; and

(B) carried out in accordance with that document and all environmental documentation requirements that apply to the project under the laws of the United States and the State of California.

(2) Compatibility requirement.—The Secretary shall ensure that projects for which assistance is provided under this section are not inconsistent with watershed protection and environmental restoration efforts being carried out under the authority of the Central Valley Project Improvement Act (Public Law 102–575; 106 Stat. 4706 et seq.) or the CALFED Bay-Delta Program.

(d) Cost Sharing.—

(1) NON-FEDERAL SHARE.—The Secretary shall require that the District and cooperating non-Federal agencies or organizations pay—

(A) 25 percent of the costs associated with construction of any project carried out with assistance provided under this section; and

(B) 100 percent of any operation, maintenance, and replacement and rehabilitation costs with respect to such a project.

(2) PLANNING, DESIGN, AND COMPLIANCE ASSISTANCE.—Funds appropriated pursuant to this section may be made available to fund all costs incurred for planning, design, and environmental compliance activities by the District or by local agencies acting pursuant to the State statute, in accordance with agreements with the Secretary.

(3) TREATMENT OF CONTRIBUTIONS.—For purposes of this subsection, the Secretary shall treat the value of lands, interests in lands (including rights-of-way and other easements), and necessary relocations contributed by the District to a project as a payment by the District of the costs of the project.

(e) COSTS NONREIMBURSABLE.—Amounts expended pursuant to this section shall be considered nonreimbursable for purposes of the Act of June 17, 1902 (32 Stat. 388; 43 U.S.C. 371 et seq.), and Acts amendatory thereof and supplemental thereto.

(f) AGREEMENTS.—Funds appropriated pursuant to this section may be made available to the District or a local agency only if the District or local agency, as applicable, has entered into a binding agreement with the Secretary—

(1) under which the District or the local agency is required to pay the non-Federal share of the costs of construction required by subsection (d)(1); and

(2) governing the funding of planning, design, and compliance activities costs under subsection (d)(2).

(g) REIMBURSEMENT.—For project work (including work associated with studies, planning, design, and construction) carried out by the District or by a local agency acting pursuant to the State statute referred to in subsection (b) before the date amounts are provided for the project under this section, the Secretary shall, subject to amounts being made available in advance in appropriations Acts, reimburse the District or the local agency, without interest, an amount equal to the estimated Federal share of the cost of such work under subsection (d).

(h) COOPERATIVE AGREEMENTS.—

(1) IN GENERAL.—The Secretary may enter into cooperative agreements and contracts with the District to assist the Secretary in carrying out the purposes of this section.

(2) SUBCONTRACTING.—Under such cooperative agreements and contracts, the Secretary may authorize the District to manage and let contracts and receive reimbursements, subject to amounts being made available in advance in appropriations Acts, for work carried out under such contracts or subcontracts.

(i) RELATIONSHIP TO RECLAMATION REFORM ACT OF 1982.—Activities carried out, and financial assistance provided, under this section shall not be considered a supplemental or additional benefit for purposes of the Reclamation Reform Act of 1982 (96 Stat. 1263; 43 U.S.C. 390aa et seq.).

(j) APPROPRIATIONS AUTHORIZED.—There are authorized to be appropriated to the Secretary to carry out this section $25,000,000, plus such additional amount, if any, as may be required by reason of changes in costs of services of the types involved in the District's projects as shown by engineering and other relevant indexes. Sums appropriated under this subsection shall remain available until expended.

SEC. 1394. LIMITATION ON STATUTORY CONSTRUCTION.

Nothing in this title shall be construed to abrogate or affect any obligation of the United States under section 120(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9620(h)).

TITLE XIV—PROVISIONS SPECIFIC TO ALASKA

SEC. 1401. AUTOMATIC LAND BANK PROTECTION.

(a) LANDS RECEIVED IN EXCHANGE FROM CERTAIN FEDERAL AGENCIES.—The matter preceding clause (i) of section 907(d)(1)(A) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(1)(A)) is amended by inserting "or conveyed to a Native Corporation pursuant to an exchange authorized by section 22(f) of Alaska Native Claims Settlement Act or section 1302(h) of this Act or other applicable law" after "Settlement Trust".

(b) LANDS EXCHANGED AMONG NATIVE CORPORATIONS.—Section 907(d)(2)(B) of such Act (43 U.S.C. 1636(d)(2)(B)) is amended—

(1) by striking "and" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting "; and"; and

(3) by adding at the end the following:

"(iv) lands or interest in lands shall not be considered developed or leased or sold to a third party as a result of an exchange or conveyance of such land or interest in land between or among Native Corporations and trusts, partnerships, corporations, or joint ventures, whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

(c) ACTIONS BY TRUSTEE SERVING PURSUANT TO AGREEMENT OF NATIVE CORPORATIONS.—Section 907(d)(3)(B) of such Act (43 U.S.C. 1636(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; or"; and

(3) by adding at the end the following:

"(iii) to actions by any trustee whose right, title, or interest in land or interests in land arises pursuant to an agreement between or among Native Corporations and trusts, partnerships, or joint ventures whose beneficiaries, partners, shareholders, or joint venturers are Native Corporations.".

SEC. 1402. DEVELOPMENT BY THIRD-PARTY TRESPASSERS.

Section 907(d)(2)(A)(i) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1636(d)(2)(A)(i)) is amended—

(1) by inserting "Any such modification shall be performed by the Native individual or Native Corporation." after "substantial modification.";

(2) by inserting a period after "developed state" the second place it appears; and

(3) by adding "Any lands previously developed by third-party trespassers shall not be considered to have been developed.".

SEC. 1403. RETAINED MINERAL ESTATE.

(a) IN GENERAL.—Section 12(c)(4) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)(4)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively, and by inserting after subparagraph (B) the following new subparagraphs:

"(C) Where such public lands are surrounded by or contiguous to subsurface lands obtained by a Regional Corporation under subsections (a) or (b), the Corporation may, upon request, have such public land conveyed to it.

"(D)(i) A Regional Corporation which elects to obtain public lands under subparagraph (C) shall be limited to a total of not more than 12,000 acres. Selection by a Regional Corporation of in lieu surface acres under subparagraph (E) pursuant to an election under subparagraph (C) shall not be made from any lands within a conservation system unit (as that term is defined by section 102(4) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3102(4)).

"(ii) An election to obtain the public lands described in subparagraph (A), (B), or (C) shall include all available parcels within the township in which the public lands are located.

"(iii) For purposes of this subparagraph and subparagraph (C), the term 'Regional Corporation' shall refer only to Doyon, Limited."; and

(2) in subparagraph (E) (as so redesignated), by striking "(A) or (B)" and inserting "(A), (B), or (C)".

(b) FAILURE TO APPEAL NOT PROHIBITIVE.—Section 12(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1611(c)) is amended by adding at the end the following:

"(5) Subparagraphs (A), (B), and (C) of paragraph (4) shall apply, notwithstanding the failure of the Regional Corporation to have appealed the rejection of a selection during the conveyance of the relevant surface estate.".

SEC. 1404. AMENDMENT TO PUBLIC LAW 102–415.

Section 20 of the Alaska Land Status Technical Corrections Act of 1992 (106 Stat. 2129), is amended by adding at the end the following new subsection:

"(h) Establishment of the account under subsection (b) and conveyance of land under subsection (c), if any, shall be treated as though 3,520 acres of land had been conveyed to Gold Creek under section 14(h)(2) of the Alaska Native Claims Settlement Act for which rights to subsurface estate are hereby provided to CIRI. Within 1 year from the date of the enactment of this subsection, CIRI shall select 3,520 acres of land from the area designated for selection by paragraph I.B.(2)(b) of the document identified in section 12(b) (referring to the Talkeetna Mountains) of the Act of January 2, 1976 (43 U.S.C. 1611 note). Not more than five selections shall be made under this subsection, each of which shall be reasonably compact and in whole sections, except when separated by unavailable land or when the remaining entitlement is less than a whole section.".

SEC. 1405. CLARIFICATION ON TREATMENT OF BONDS FROM A NATIVE CORPORATION.

Section 29(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) is amended—

(1) in paragraph (3)(A), by inserting "and on bonds received from a Native Corporation" after "from a Native Corporation"; and

(2) in paragraph (3)(B), by inserting "or bonds issued by a Native Corporation which bonds shall be subject to the protection of section 7(h) until voluntarily and expressly sold or pledged by the shareholder subsequent to the date of distribution" before the semicolon.

SEC. 1406. MINING CLAIMS.

Paragraph (3) of section 22(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(c)) is amended—

(1) by striking out "regional corporation" each place it appears and inserting in lieu thereof "Regional Corporation"; and

(2) by adding at the end the following: "The provisions of this section shall apply to Haida Corporation and the Haida Traditional Use Sites, which shall be treated as a Regional Corporation for the purposes of this paragraph, except that any revenues remitted to Haida Corporation under this section shall not be subject to distribution pursuant to section 7(i) of this Act.".

SEC. 1407. SALE, DISPOSITION, OR OTHER USE OF COMMON VARIETIES OF SAND, GRAVEL, STONE, PUMICE, PEAT, CLAY, OR CINDER RESOURCES.

Subsection (i) of section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) is amended—

(1) by striking "Seventy per centum" and inserting "(A) Except as provided by subparagraph (B), seventy percent"; and

(2) by adding at the end the following:

"(B) In the case of the sale, disposition, or other use of common varieties of sand, gravel, stone, pumice, peat, clay, or cinder resources made during a fiscal year ending after the date of enactment of this subparagraph, the revenues received by a Regional Corporation shall not be subject to division under subparagraph (A). Nothing in this subparagraph is intended to or shall be construed to alter the ownership of such sand, gravel, stone, pumice, peat, clay, or cinder resources.".

SEC. 1408. ALASKA NATIVE ALLOTMENT APPLICATIONS.

Section 905(a) of the Alaska National Interest Lands Conservation Act (43 U.S.C. 1634(a)) is amended by adding at the end the following:

"(7) Paragraph (1) of this subsection and subsection (d) shall apply, and paragraph (5) of this subsection shall cease to apply, to an application—

"(A) that is open and pending on the date of enactment of this paragraph,

"(B) if the lands described in the application are in Federal ownership other than as a result of reacquisition by the United States after January 3, 1959, and

"(C) if any protest which is filed by the State of Alaska pursuant to paragraph (5)(B) with respect to the application is withdrawn or dismissed either before, on, or after the date of the enactment of this paragraph.

"(8)(A) Any allotment application which is open and pending and which is legislatively approved by enactment of paragraph (7) shall, when allotted, be made subject to any easement, trail, or right-of-way in existence on the date of the Native allotment applicant's commencement of use and occupancy.

"(B) The jurisdiction of the Secretary is extended to make any factual determinations required to carry out this paragraph.".

SEC. 1409. VISITOR SERVICES.

Paragraph (1) of section 1307(b) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197(b)) is amended—

(1) by striking "Native Corporation" and inserting "Native Corporations"; and

(2) by striking "is most directly affected" and inserting "are most directly affected".

SEC. 1410. LOCAL HIRE REPORT.

(a) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary of the Interior shall transmit to Congress a report.

(b) LOCAL HIRE.—The report required by subsection (a) shall—

(1) indicate the actions taken in carrying out subsection (b) of section 1308 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3198);

(2) address the recruitment processes that may restrict employees hired under subsection (a) of such section from successfully obtaining positions in the competitive service; and

(3) describe the actions of the Secretary of the Interior in contracting with Alaska Native Corporations to provide services with respect to public lands in Alaska.

(c) COOPERATION.—The Secretary of Agriculture shall cooperate with the Secretary of the Interior in carrying out this section with respect to the Forest Service.

SEC. 1411. SHAREHOLDER BENEFITS.

Section 7 of the Alaskan Native Claims Settlement Act (43 U.S.C. 1606) is amended by adding at the end the following:

"(r) BENEFITS FOR SHAREHOLDERS OR IMMEDIATE FAMILIES.—The authority of a Native Corporation to provide benefits to its shareholders who are Natives or descendants of Natives or to its shareholders' immediate family members who are Natives or descendants of Natives to promote the health, education, or welfare of such shareholders or family members is expressly authorized and confirmed. Eligibility for such benefits need not be based on share ownership in the Native Corporation and such benefits may be provided on a basis other than pro rata based on share ownership.".

SEC. 1412. SHAREHOLDER HOMESITE PROGRAM.

Section 39(b)(1)(B) of the Alaskan Native Claims Settlement Act (43 U.S.C. 1629e(b)(1)(B)) is amended by inserting after "settlor corporation" the following: "or the land is conveyed for a homesite by the Trust to a beneficiary of the Trust who is also a legal resident under Alaska law of the Native village of the settlor corporation and the conveyance does not exceed 1.5 acres".

SEC. 1413. MORATORIUM ON FEDERAL MANAGEMENT.

Prior to December 31, 1999, neither the Secretary of the Interior nor the Secretary of Agriculture may issue or implement final regulations, rules, or policies pursuant to title VIII of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3111 et seq.) to assert jurisdiction, management, or control over the navigable waters transferred to the State of Alaska pursuant to the Submerged Lands Act (43 U.S.C. 1301 et seq.) or the Act entitled "An Act to provide for the admission of the State of Alaska into the Union", approved July 7, 1958 (Public Law 85–508; 72 Stat. 339).

SEC. 1414. EASEMENT FOR CHUGACH ALASKA CORPORATION.

(a) IN GENERAL.—Notwithstanding any other provision of law, not later than December 11, 1998, the Secretary of Agriculture shall convey to Chugach Alaska Corporation an easement for the construction, use, and maintenance of forest roads and related facilities necessary for access to and economic development of the land interests in the Carbon Mountain and Katalla vicinity that were conveyed to Chugach Alaska Corporation pursuant to the Alaska Native Claims Settlement Act. The public shall be permitted use of the roads pursuant to the terms and conditions contained in the 1982 Chugach Natives, Inc. Settlement Agreement. The location of the easement is depicted on the map entitled "Carbon Mountain Access Easement" and dated November 4, 1997. Nothing in this section waives any legal environmental requirement with respect to the actual road construction.

(b) CONSTRUCTION AND MAINTENANCE.—Construction and maintenance of any roads pursuant to subsection (a) shall be in accordance with the best management practices of the Forest Service as promulgated in the Forest Service Handbook.

(c) SETTLEMENT AGREEMENT TO REMAIN IN FORCE.—Nothing in this section shall be construed as impairing or diminishing any right granted Chugach Alaska Corporation under the 1982 Chugach Natives, Inc. Settlement Agreement.

SEC. 1415. CALISTA NATIVE CORPORATION LAND EXCHANGE.

(a) CONGRESSIONAL FINDINGS.—Congress finds and declares that—

(1) the land exchange authorized by section 8126 of Public Law 102–172 should be implemented without further delay;

(2) the Calista Corporation, the Native Regional Corporation organized under the authority of the Alaska Native Claims Settlement Act for the Yupik Eskimos of Southwestern Alaska, which includes the majority of the Yukon Delta National Wildlife Refuge—

(A) has responsibilities provided for by the Alaska Native Claims Settlement Act to help address social, cultural, economic, health, subsistence, and related issues within the region and among its villages, including the viability of the villages themselves, many of which are remote and isolated; and

(B) has been unable to fully carry out such responsibilities;

(3) the implementation of the exchange referenced in this subsection is essential to helping Calista utilize its assets to carry out those responsibilities and to realize the benefits of the Alaska Native Claims Settlement Act;

(4) the parties to the exchange have been unable to reach agreement on the valuation of the lands and interests in lands to be conveyed to the United States under section 8126 of Public Law 102–172; and

(5) in light of the foregoing, it is appropriate and necessary in this unique situation that Congress authorize and direct the implementation of this exchange as set forth in this section in furtherance of the purposes and underlying goals of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

(b) LAND EXCHANGE IMPLEMENTATION.—Section 8126 of Public Law 102–172 (105 Stat. 1206) is amended to read as follows:

"SEC. 8126. (a)(1) In exchange for lands, partial estates, and land selection rights identified in the document entitled 'The Calista Conveyance and Relinquishment Document', dated October 28, 1991, as amended September 18, 1998 (hereinafter referred to as 'CCRD'), the United States will establish a property account for the Calista Corporation, a corporation organized under the laws of the State of Alaska, in the amount identified in the CCRD, and in accordance with the provisions of this Act.

"(2) The CCRD contains the land descriptions of the lands and interests in lands to be conveyed, the selections to be relinquished, the charges to entitlement, the quantity and class of entitlement to be transferred to the United States, the terms of the Kuskokwim Corporation Conservation Easement, and the amount that is authorized for the property account.

"(3) The covenants, terms, and conditions to be used in any transfers to the United States described in the CCRD shall be binding on the United States and the participating Native corporations and shall be a matter of Federal law.

"(b)(1) The aggregate values of such lands and interests in lands, together with compensation for the considerations set forth in congressional findings concerning the Calista Region and its villages, shall be the sum provided in section IX of the CCRD. The amounts credited to the property account described in this subsection shall not be subject to adjustment for minor changes in acreage resulting from preparation or correction of the land descriptions in the CCRD or the exclusion of any small tracts of land as a result of hazardous material surveys. The Secretary of the Interior shall maintain an accounting of the lands and interests in lands remaining to be conveyed or relinquished by Calista Corporation and the participating village corporations pursuant to this section. The Secretary of the Treasury on October 1, 1998, shall establish a property account on behalf of Calista Corporation.

“(2) The account shall be credited and available for use as provided in paragraph (4), according to the following schedule of percentages of the amount in section IX of the CCRD:

“(A) On October 1, 1999, and on October 1 of each year thereafter through October 1, 2005, the amount equal to 12.69 percent.

“(B) On October 1, 2007, the amount equal to 11.17 percent.

“(3)(A) Unless otherwise authorized by law, the aggregate amount of all credits to the account, pursuant to the schedule set forth in paragraph (2), shall be equal to the amount in section IX of the CCRD.

“(B) All amounts credited to the account shall be from amounts in the Treasury not otherwise appropriated and shall be available for expenditure without further appropriation and without fiscal year limitation.

“(4) The property account may not be used until all conveyances, relinquishments of selections, and adjustments to entitlements described in the CCRD have been made to and accepted by the United States. The Secretary of the Interior shall notify the Secretary of the Treasury when all requirements of the preceding sentence have been met. Immediately thereafter the Secretary of the Treasury shall comply with his duties under this paragraph including the computations of the amount in the account, the amount that may be expended in any particular Federal fiscal year, and the balance of the account after any transaction. The property account may be used in the same manner as any other property account held by any other Alaska Native Corporation.

“(5) Notwithstanding any other provision of law, Calista Corporation on its own behalf or on behalf of the village corporations identified in the CCRD, may assign any or all of the account upon written notification to the Secretary of the Treasury and the Secretary of the Interior.

“(6) The Secretary of the Treasury shall notify the Secretary of the Interior and Calista whenever there is a reduction in the property account, the purpose for such reduction and the remaining balance in the account. The Alaska State Office of the Bureau of Land Management shall be the official repository of such notices.

“(7) For the purpose of the determination of the applicability of section 7(i) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(i)) to revenues generated pursuant to that section, such revenues shall be calculated in accordance with section IX of the CCRD.

“(8) The United States shall not be liable for the redistribution of benefits by the Calista Corporation to the participating Alaska Native village corporations pursuant to this section.

“(9) These transactions are not based on appraised property values and therefore shall not be used as a precedent for establishing property values.

“(10) Prior to the issuance of any conveyance documents or relinquishments and acceptance, the Secretary of the Interior and the participating Native corporations may, by mutual agreement, modify the legal descriptions included in the CCRD to correct clerical errors.

“(11) Property located in the State of Alaska that is purchased by use of the property account shall be considered and treated as conveyances of land selections under the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

“(12) The conveyance of lands, partial estates and land selection rights and relinquishment or adjustments to entitlement made by the Alaska Native Corporations pursuant to this section and the use of the property account in the Treasury shall be treated as the receipt of land or any interest therein or cash in order to equalize the values of properties exchanged pursuant to section 22(f) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(f)) as provided in the first sentence in section 21(c) of that Act (43 U.S.C. 1620(c)).

“(13) With respect to the content of the CCRD, the Secretary of the Interior, the Calista Regional Corporation, and the participating village corporations agree upon the lands, interests in lands, relinquishments and adjustments to entitlement described therein that may be offered to the United States pursuant to this section. These parties also agree with the amounts to be made available in the property account once all conveyances and relinquishments are completed, and the parties agree with the needs set forth in the congressional findings in section 6(a) of the ANCSA Land Bank Protection Act of 1998. The parties do not necessarily agree on the hortatory statements, descriptions, and attributions of resource values which are included in the CCRD as drafted by Calista. But such disagreements will not affect the implementation of this section.

“(14) Descriptions of resource values provided for surface lands which are not offered in the exchange and will remain privately owned by village corporations form no part of the consideration for the exchange.”.

TITLE XV—OTHER PROVISIONS

SEC. 1501. ADAMS NATIONAL HISTORICAL PARK.

(a) FINDINGS.—Congress finds the following:

(1) In 1946, the Secretary of the Interior, by means of the authority provided to the Secretary under section 2 of the Act of August 21, 1935 (16 U.S.C. 462; commonly known as the Historic Sites, Buildings, and Antiquities Act), established the Adams Mansion National Historic Site in Quincy, Massachusetts.

(2) In 1952, again using the authority provided under the Act of August 21, 1935, the Secretary enlarged the historic site and renamed it the Adams National Historic Site.

(3) In 1972, title III of Public Law 92–272 (86 Stat. 121) authorized the Secretary to expand the boundaries of the Adams National Historic Site to include an additional 3.68 acres and to acquire lands and interests in lands within the expanded boundaries.

(4) Section 312 of the National Parks and Recreation Act of 1978 (Public Law 95–625; 92 Stat. 3479) authorized the Secretary to accept the conveyance of the birthplaces in Quincy, Massachusetts, of John Adams, second President of the United States, and John Quincy Adams, sixth President of the United States, and to administer the birthplaces as part of the Adams National Historic Site.

(5) In 1980, Public Law 96–435 (94 Stat. 1861) authorized the Secretary to accept the conveyance of the United First Parish Church in Quincy, Massachusetts, the burial site of John Adams and his wife, Abigail Adams, and John Quincy Adams and his wife, Louisa Adams, and to administer the burial site as part of the Adams National Historic Site.

(6) The actions described in the preceding paragraphs to preserve for the benefit, education, and inspiration of present and future generations of Americans the home, property, birthplaces, and burial site of John Adams, Abigail Adams, John Quincy Adams, and Louisa Adams, have resulted in a multisite unit of the National Park System with no overarching enabling or authorizing legislation.

(7) The sites and resources associated with John Adams and his wife, Abigail Adams, and John Quincy Adams and his wife, Louisa Adams, deserve recognition as a national historical park in the National Park System.

(b) DEFINITIONS.—As used in this section:

(1) HISTORICAL PARK.—The term “historical park” means the Adams National Historical Park established in subsection (c).

(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(c) ADAMS NATIONAL HISTORICAL PARK.

(1) ESTABLISHMENT.—In order to preserve for the benefit, education, and inspiration of the people of the United States certain properties in Quincy, Massachusetts, associated with John Adams, second President of the United States, his wife, Abigail Adams, John Quincy Adams, sixth President of the United States, and his wife, Louisa Adams, there is established the Adams National Historical Park as a unit of the National Park System.

(2) BOUNDARIES.—The historical park shall be comprised of—

(A) all property owned by the National Park Service in the Adams National Historic Site as of the date of the enactment of this Act, as well as all property previously authorized to be acquired by the Secretary for inclusion in the Adams National Historic Site, as generally depicted on the map entitled “Adams National Historical Park”, numbered NARO 386/92001, and dated July 22, 1992; and

(B) all property authorized to be acquired for inclusion in the historical park by this section or other law enacted after the date of the enactment of this Act.

(3) VISITOR AND ADMINISTRATIVE SITES.—To preserve the historical character and landscape of the main features of the historical park, the Secretary may acquire up to 10 acres for the development of visitor, administrative, museum, curatorial, and maintenance facilities adjacent to or in the general proximity of the property depicted on the map identified in paragraph (2)(A).

(4) MAP.—The map of the historical park shall be on file and available for public inspection in the appropriate offices of the National Park Service.

(d) ADMINISTRATION.—

(1) IN GENERAL.—The park shall be administered by the Secretary in accordance with this section and the provisions of law generally applicable to units of the National Park System, including the Act of August 25, 1916 (16 U.S.C. 1 et seq.; commonly known as the National Park Service Organic Act), and the Act of August 21, 1935 (16 U.S.C. 461 et seq.; commonly known as the Historic Sites, Buildings, and Antiquities Act).

(2) COOPERATIVE AGREEMENTS.—

(A) AGREEMENTS AUTHORIZED.—The Secretary may consult and enter into cooperative agreements with interested entities and individuals to provide for the preservation, development, interpretation, and use of the historical park.

(B) Condition.—Any payments made by the Secretary pursuant to a cooperative agreement under this subsection shall be subject to the condition that conversion, use, or disposal of the project for which the payments are made for purposes contrary to the purposes for which the historical park is established, as determined by the Secretary, will result in a right of the United States to reimbursement in an amount equal to the greater of—

(i) all payments made by the Secretary in connection with the project; or

(ii) the proportion of the increased value of the project attributable to the payments, as determined at the time of such conversion, use, or disposal.

(3) Acquisition of real property.—To advance the purposes for which the historical park is established, the Secretary may acquire real property within the boundaries of the historical park by any of the following methods:

(A) Purchase using funds appropriated or donated to the Secretary.

(B) Acceptance of a donation of the real property.

(C) Use of a land exchange.

(4) Repeal of superseded administrative authorities.—(A) Section 312 of the National Parks and Recreation Act of 1978 (Public Law 95–625; 92 Stat. 3479) is amended—

(i) by striking "(a)" after "Sec. 312."; and

(ii) by striking subsection (b).

(B) The first section of Public Law 96–435 (94 Stat. 1861) is amended—

(i) by striking "(a)" after "That"; and

(ii) by striking subsection (b).

(5) References to historic site.—Any reference in any law (other than this section), regulation, document, record, map, or other paper of the United States to the Adams National Historic Site shall be considered to be a reference to the historical park.

(e) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes for which the historical park is established, for annual operations and maintenance of the historical park, and for acquisition of property and development of facilities necessary to operate and maintain the historical park, as may be outlined in an approved general management plan for the historical park.

SEC. 1502. ACQUISITION OF LANDS FOR FREDERICK LAW OLMSTEAD NATIONAL HISTORIC SITE.

Section 201 of Public Law 96–87 (93 Stat. 664; 16 U.S.C. 461 note) is amended by adding at the end the following:

"(d)(1) Notwithstanding subsection (c), in order to preserve and maintain the historic setting of the Site, the Secretary may acquire, by donation only, lands and interests in lands that are situated adjacent to the Site and owned by the Brookline Conservation Land Trust (a nonprofit corporation established under the laws of the State of Massachusetts).

"(2) Lands acquired under this subsection shall be included in and maintained and managed as part of the Site.".

SEC. 1503. DESIGNATION OF DANTE FASCELL VISITOR CENTER AT BISCAYNE NATIONAL PARK.

(a) Designation.—The Biscayne National Park visitor center, located on the shore of Biscayne Bay on Convoy Point, is designated as the Dante Fascell Visitor Center at Biscayne National Park.

(b) References.—Any reference in any statute, rule, regulation, Executive order, publication, map, or paper or other document of the United States to the Biscayne National Park visitor center is deemed to refer to the Dante Fascell Visitor Center at Biscayne National Park.

SEC. 1504. DESIGNATION OF CALIFORNIA COASTAL ROCKS AND ISLANDS WILDERNESS AREA TO BE ADMINISTERED BY BUREAU OF LAND MANAGEMENT.

(a) Findings.—The Congress finds the following:

(1) The California coastal rocks and islands are a critical component of a unique ecosystem of California.

(2) The California coastal rocks and islands comprise a narrow flight lane in the Pacific Flyway, providing protected nest sites as well as feeding and perching areas for millions of seabirds.

(3) This unique ecosystem is also important for the continued survival of endangered or threatened sea mammals, such as stellar sea lions and elephant seals.

(4) Designation of the California coastal rocks and islands as wilderness would add a significant natural component to the National Wilderness Preservation System.

(b) Designation as Wilderness.—In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), all unreserved and unappropriated ocean islands in the State of California (as more fully described in subsection (c)) that, as of the date of the enactment of this Act, are under the jurisdiction of the Bureau of Land Management are hereby designated as wilderness and, therefore, as components of the National Wilderness Preservation System, and shall be known as the California Coastal Rocks and Islands Wilderness.

(c) Description of Covered Islands.—The ocean islands covered by subsection (b) are those islands, reefs, rocks, and islets lying within three miles off the Pacific coast of the State of California from Oregon to the Mexican border and above the mean high tides, except those already reserved and appropriated for other uses as listed in the exhibit titled "Lands Not Affected By Wilderness Designation" dated February 26, 1997, and on file and available for public review in the California office of the Bureau of Land Management.

(d) Management Authority.—The California Coastal Rocks and Islands Wilderness shall remain under the jurisdiction of the Bureau of Land Management, and the islands, reefs, rocks, and islets designated as wilderness under subsection (b) are managed, as of the date of the enactment of this Act, under a memorandum of understanding by the California Department of Fish and Game.

(e) Management.—Subject to valid existing rights, the California Coastal Rocks and Islands Wilderness shall be administered by the Secretary of the Interior in accordance with the Wilderness Act, except that, with respect to such wilderness area, any reference in the Wilderness Act to the effective date of the Wilderness Act shall be deemed to be a reference to the date of the enactment of this Act and any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

(f) Effect on Other Laws.—This section shall take precedence over and supersede the temporary reservation made by the Act of February 18, 1931 (Chapter 226; 46 Stat. 1172).

SEC. 1505. SPANISH PEAKS WILDERNESS.

(a) Amendment.—Section 2 of the Colorado Wilderness Act of 1993 (Public Law 103–77) is amended by adding the following new paragraph at the end of subsection (a):

"(20) Certain lands in the San Isabel National Forest which comprise approximately 18,000 acres, as generally depicted on a map entitled 'Proposed Spanish Peaks Wilderness', dated May 1997, and which shall be known as the Spanish Peaks Wilderness.".

(b) Map and Description.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall file a map and a boundary description of the area designated as the Spanish Peaks Wilderness by paragraph (20) of subsection 2(a) of the Colorado Wilderness Act of 1993, as amended by this section, with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. Such map and boundary description shall have the same force and effect as if included in the Colorado Wilderness Act of 1993, except that if the Secretary is authorized to correct clerical and typographical errors in such boundary description and map. Such map and boundary description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

(c) Conforming Change.—Section 10 of the Colorado Wilderness Act of 1993 (Public Law 103–77) is hereby repealed, and section 11 of such Act is renumbered as section 10.

SEC. 1506. ROSIE THE RIVETER NATIONAL PARK SERVICE AFFILIATED SITE.

(a) Findings.—The Congress finds the following:

(1) The City of Richmond, California, is located on the northeastern shore of San Francisco Bay and consists of several miles of waterfront which have been used for shipping and industry since the beginning of the 20th century. During the years of World War II, the population of Richmond grew from 220 to over 100,000.

(2) An area of Richmond, California, now known as Marina Park and Marina Green, was the location in the 1940's of the Richmond Kaiser Shipyards, which produced Liberty and Victory ships during World War II.

(3) Thousands of women of all ages and ethnicities moved from across the United States to Richmond, California, in search of high paying jobs and skills never before available to women in the shipyards.

(4) Kaiser Corporation supported women workers by installing child care centers at the shipyards so mothers could work while their children were well cared for nearby.

(5) These women, referred to as "Rosie the Riveter" and "Wendy the Welder", built hundreds of liberty and victory ships in record time for use by the United States Navy. Their labor played a crucial role in increasing American productivity during the war years and in meeting the demand for naval ships.

(6) In part the Japanese plan to defeat the United States Navy was predicated on victory occurring before United States shipyards could build up its fleet of ships.

(7) The City of Richmond, California, has dedicated the former site of Kaiser Shipyard #2 as Rosie the Riveter Memorial Park and will construct a memorial honoring American women's labor during World War II. The memorial will be representative of one of the Liberty ships built on the site during the war effort.

(8) The City of Richmond, California, is committed to collective interpretative oral histories for the public to learn of the stories of the "Rosies" and "Wendys" who worked in the shipyards.

(9) The Rosie the Riveter Park is a nationally significant site because there tens of thousands of women entered the work force for the first time, working in heavy industry

to support their families and the War effort. This was a turning point for the Richmond, California, area and the nation as a whole, when women joined the workforce and successfully completed jobs for which previously it was believed they were incapable.

(b) STUDY.—

(1) IN GENERAL.—The Secretary of the Interior shall conduct a feasibility study to determine whether—

(A) the Rosie the Riveter Park located in Richmond, California, is suitable for designation as an affiliated site to the National Park Service; and

(B) the Rosie the Riveter Memorial Committee established by the City of Richmond, California, with respect to that park is eligible for technical assistance for interpretative functions relating to the park, including preservation of oral histories from former works at the Richmond Kaiser Shipyards.

(2) REPORTS.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall complete the study under paragraph (1) and submit a report containing findings, conclusions, and recommendations from the study to the Committee on Resources of the House of Representatives and the Committee on Energy and Environment of the Senate.

EXTENSIONS OF REMARKS

INTRODUCTION OF THE WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BILIRAKIS. Mr. Speaker, on Friday, I introduced legislation to revise and extend a number of important women's health research and prevention programs at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC). My bill is a companion measure to S. 1722, the "Women's Health Research and Prevention Amendments of 1998." S. 1722 was introduced in March by Senator BILL FRIST and enjoys strong bipartisan support, including members of the Senate Leadership.

Both the NIH and the CDC play critical roles in efforts to improve women's health through research, screening, prevention, treatment, education and data collection. My bill reauthorizes programs at the NIH for vital research into the causes, prevention and treatment of some of the major diseases affecting women—including osteoporosis, breast and ovarian cancer—and for research into the aging processes of women.

In addition, the bill authorizes a new research program at the National Heart, Lung, and Blood Institute to target heart attack, stroke, and other cardiovascular diseases in women. This program will advance research into cardiovascular disease, which is the leading cause of death in women. In the past, the medical community has focused on men in research, treatment and counseling for heart disease and stroke. Clearly, the need exists to study these diseases in women to prevent and treat them.

My bill also reauthorizes several major programs at the CDC for prevention and education activities on women's health issues. These include the National Center for Health Statistics, the National Program of Cancer Registries, the National Breast and Cervical Cancer Early Detection Program and the Centers for Research and Demonstration of Health Promotion and Disease Prevention.

As Chairman of the Health and Environment Subcommittee of the House Commerce Committee, I believe Congress must play an active role in promoting women's health research and prevention efforts. My bill reauthorizes a number of these critical women's health programs, and I urge all Members to join me in supporting passage of this important legislation.

SUMMARY OF THE WOMEN'S HEALTH RESEARCH AND PREVENTION AMENDMENTS OF 1998 INTRODUCED BY THE HON. MICHAEL BILIRAKIS

Purpose: To amend the Public Health Service Act to revise and extend certain programs with respect to women's health research and prevention activities at the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC).

TITLE I: PROVISIONS RELATING TO WOMEN'S HEALTH RESEARCH AT THE NIH.

Section 101. Research Program and Authorization of National Education Program Regarding Drug DES. Amends PHS Act Sec. 403A to extend the research program on DES (diethylstilbestrol), a drug widely prescribed to American women from 1938 to 1971 which has been shown to be harmful to pregnant women and their children. Adds to the PHS Act a new Sec. 1710 to establish a national program through the Public Health Service agencies for education of health professionals and the public with respect to DES.

Section 102. Research on Osteoporosis, Paget's Disease and Related Bone Disorders. Amends PHS Act Sec. 409A(d) to extend the research program on osteoporosis, Paget's disease and related bone disorders at the National Institute on Aging, the National Institute for Arthritis and Musculoskeletal and Skin Diseases, the National Institute of Dental Research and the National Institute of Diabetes and Digestive and Kidney Diseases.

Section 103. Research on Cancer, Breast Cancer, and Ovarian and Related Cancer. Amends PHS Act Sec. 417B(b) to extend the research programs for basic and clinical research and education efforts with respect to cancer, breast cancer, and ovarian and related cancer.

Section 104. Research on Heart Attack, Stroke, and other Cardiovascular Diseases in Women. Adds to the PHS Act a new Sec. 424A to expand, intensify, and coordinate research and related activities with respect to heart attack, stroke, and other cardiosvascular diseases in women at the National Heart, Lung, and Blood Institute. This new authorization is included to support research into cardiovascular disease, which has been shown to be the leading cause of death in women in the United States.

Section 105. Aging Processes Regarding Women. Amends PHS Act Sec. 445H to extend the research programs at the National Institute on Aging into the aging processes of women, which give particular emphasis to the effects of menopause and the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.

Section 106. Office of Research on Women's Health. Amends PHS Act Sec. 486(d) to allow the Director of NIH to make appointments to the Advisory Committee on Research on Women's Health.

TITLE II: PROVISIONS RELATINGS TO WOMEN'S HEALTH AT THE CDC.

Section 201. National Center for Health Statistics. Amends PHS Act Sec. 306(n) to extend the authority for statistical and epidemiological activities conducted by the NCHS, the federal government's principal health statistical agency. NCHS maintains more than a dozen data systems, including vital statistics data acquired from states, data derived from personal interviews, physical examinations, and laboratory tests, review of records of health care providers, and other survey methods. Data produced by these systems identify and address a broad spectrum of health concerns from birth to death, including overall health status, lifestyle, exposure to unhealthful influences, the onset and diagnosis of illness and disability, and the use of health care and rehabilitation services. Grant for Special Populations. The legislation extends the program for grants and studies on the health of ethnic and racial populations and on improving methods for developing statistics on ethnic and racial groups. The data collection supported by the NCHS is often the only national data available on the health status of U.S. women and their use of the health care system.

Section 202. National Program of Cancer Registries. Amends PHS Act Sec. 399L to extend the National Cancer Registries Program. The NPCR provides for the development of a comprehensive national cancer database for analysis of the cancer burden in the United States on a state, regional and national population basis. CDC provides funds to States and territories to enhance existing cancer registries; to implement registries in additional states; to develop model legislation and regulations for States to enhance viability of registry operations; to set standards for completeness, timeliness, and quality; and to provide training. This program generates reliable cancer surveillance data needed to monitor trends; guide cancer control programs; assist in allocations of health resources; advance population-based epidemiologic and health services research; and serve as the foundation of a national comprehensive cancer control strategy. CDC provides support to 42 states and the District of Columbia.

Section 203. National Breast and Cervical Cancer Early Detection Program. Amends PHS Act Sec. 1510(a) to extend the program, which provides for regular screening for breast and cervical cancers to underserved women, prompt follow-up if necessary, and assurances that the tests are performed in accordance with current quality recommendations. Amends PHS Act Sec. 1501(a)(2) to include support services such as case management under the purposes of the program. Amends PHS Act Sec. 1501(b) to authorize states to contract with for-profit entities to provide all types of services and to clarify that states may give priority to applications of equivalent quality submitted by nonprofit private entities. CDC supports activities at the state and national level in the areas of screening referral and follow-up services, quality assurance, public and provider education, surveillance, collaboration and partnership development.

Section 204. Centers for Research and Demonstration of Health Promotions and Disease Prevention (Prevention Centers). Amends PHS Act Sec. 1706(e) to extend authorization for grants to academic health institutions to establish centers for research and demonstration of health promotion and disease prevention. CDC funds 14 academic centers across the country. Areas of special emphasis include quality of life for special populations and curbing premature morbidity and mortality that lead to excessive health care costs. The NIH Women's Health Initiative and CDC Prevention Research Centers in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Maryland, North Carolina, and Alabama are working together to develop strategies for prevention of cardiovascular disease in women.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mr. BEREUTER. Mr. Speaker, this Member rises to express his concerns about the inadequacy of the emergency farm relief package in the conference report for H.R. 4101. This Member would like to begin by expressing his appreciation to the distinguished gentleman from New Mexico (Mr. SKEEN) and the distinguished gentlewoman from Ohio (Ms. KAPTUR) for their diligent work in crafting this legislation.

Although this legislation includes important emergency aid provisions for farmers, this Member believes that it is inadequate to address the enormous needs of agricultural producers who are reeling from depressed commodity prices across the board. Most of the assistance available under this agriculture relief package is targeted toward farmers who have suffered natural disaster and multi-year losses. As a result, it will offer little help to farmers in most agricultural states, such as Nebraska, who are harvesting good crops but encountering drastically lower prices.

Unfortunately, this Member does not believe that the $1.65 billion in the package for market loss assistance is adequate to compensate producers. Since it represents a 29 percent increase over the AMTA payment received by producers in FY98, it is a good first step. However, the 1996 Farm Act was based on the premise of expanding international markets for the commodities produced by our nation's farmers. This clearly has not happened. Certainly, one of the root causes of the current low commodity prices is the recent economic down-turn. Nobody could predict the Asian financial crisis or the contagion effect which is still being felt. The U.S. Department of Agriculture's foreign Agricultural Service (FAS) is now forecasting that FY98 exports will be $2.3 billion lower than FY97 sales and $4.8 billion below the FY96 record of $59.8 billion.

Also, because of the strength of our national economy relative to most other countries, the value of our currency relative to others now makes our exports less price-competitive in Asian markets than our competitor exporters like Canada, Australia, Brazil, or the nations of the European Union. Thus, there is not only a dramatically reduced agricultural export market in Asia, we are also getting a reduced portion of the remaining Asian import business.

This Member continues to support the flexibility offered by the 1996 Agriculture Market Transition Act and does not want to see a return to the policies of the past. Farmers certainly appreciate the freedom to plant what they want and for the most part do not want to encounter unnecessary restrictions and bureaucracy. However, proposed changes, such as removing the loan rate caps would likely cause intermediate and long-term problems. A recent study prepared by the Food and Agricultural Policy Research Institute at the University of Missouri and Iowa State University concluded that such a change would lead to larger supplies and lower prices in the future.

This Member supports the Pomeroy motion to recommit with instructions which proposed that the conferees should "increase the assistance available to family farmers suffering economic loss as a result of record low prices, deteriorating market conditions and/or natural disasters."

In addition, this Member is supportive of recent actions which are designed to assist farmers during these difficult times. For example, this Member was supportive of the legislation which makes $5.5 billion in current FY99 Farm Act payments to farmers available at an earlier date on October 1, 1998. This action will significantly expedite these much needed payments.

More must be done for our nation's farmers and this Member believes it almost certainly now will be necessary to approve an emergency supplemental appropriation to assist farmers early next year, because the emergency assistance to farmers is not sufficient given the wholly unexpected export conditions in Asia and world markets and very low commodity prices they face.

CONFERENCE REPORT ON H.R. 4101, AGRICULTURE, FOOD AND DRUG ADMINISTRATION, AND BELATED AGENCIES APPROPRIATIONS ACT, 1999

SPEECH OF

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 2, 1998

Mrs. ROS-LEHTINEN. Mr. Speaker, I rise in support of this bill and to commend Chairman SKEEN for his dedication and commitment to the Agriculture Appropriations process.

He and Senate Subcommittee Chairman, Mr. COCHRAN, along with the full committee chairmen, Mr. LIVINGSTON in the House and Mr. STEVENS in the Senate have worked tirelessly throughout the entire process and, specifically, during conference proceedings.

The conferees did not succumb to outside pressures and stood firm against terrorist countries and parish states. they understood the tremendous differences between dealings with democratically elected governments versus attempts to negotiate with and support terrorist states such as the Castro regime in Cuba—that is what the provision by Senator DODD would have done.

The conferees understood that reality and eliminated the Dodd provision. The House and Senate conferees heard the rhetoric used by supporters of the Dodd provision but, when they heard the facts, they did what was right for the American people and for their security.

The conferees were clear on what they were dealing with when talking about Fidel Castro. They knew that Castro had recently rejected a U.S. proposal to provide donated aid to needy Cubans because it was coming from the United States. Even the North Korean dictatorship could not bring itself to deny aid for its people.

The conferees were fully aware of the fact that U.S. policy does not deny food and medicine to the Cuban people; that U.S. policy supports the Cuban people while punishing the dictator that enslaves them.

From a practical standpoint, the conferees understood that Castro does not have the money to purchase food because Castro's socialist economy is a dismal failure.

As far as "credits", the conferees were aware of the fact that Castro has the highest per capita debt in Latin America, rendering Cuba unworthy of credit from any country or international lender in the world. The Dodd provision would have made the U.S. the laughing stock of the world. It would have turned the U.S. into the only country in the world offering to extend credits to Fidel Castro.

The conferees recalled the fact that just a few weeks ago, the FBI rounded up 10 Cuban spies working to obtain intelligence from three U.S. military bases in South Florida.

With the enemy at our doorstep; with Castro agents gnawing at U.S. domestic security; there were those who actually wanted to appease the oppressive Castro regime by supporting the Dodd provision.

But again, the majority of the conferees could not, would not be fooled. They dropped the Dodd provision from the Agriculture Appropriations bill.

I appreciate their cooperation throughout the last couple of months, and praise them for their commitment to what is right and just. On behalf of the Cuban people and the people of terrorist and oppressive regimes around the world, thank you.

SALUTING THE MEMORY OF SANDY ANDREWS

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. TAYLOR of North Carolina. Mr. Speaker, in 1991, a young woman in my district, Sandy Andrews, was tragically killed when a train struck her vehicle at a railroad crossing.

But sometimes, out of such tragedies, come good things.

Sandy Andrews was active in youth sports in North Cove, North Carolina, where she lived with her husband and three sons. So to honor her memory, her family donated approximately 10 acres along U.S. Highway 221 for building a park. With the involvement of the McDowell County government, many volunteers, and local grant monies, that park was built.

On Saturday, September 12, 1998, the Sandy Andrews Memorial Park was opened, providing a ball field with dugouts, a playground, basketball court, and a volleyball court.

In this day when so many senseless tragedies occur, the building of this park is a tribute to both the memory of Sandy Andrews, and the resolution of her family and her community to honor her memory.

It is an honor to share the story of that tribute with my colleagues today.

[From the McDowell News, Sept. 14, 1998]

FAMILY HOPES MEMORIAL PARK WILL BENEFIT COUNTY'S CHILDREN

(By Ragan Robinson)

A host of North Cove residents and county officials were on hand for the dedications of the Sandy Andrews Memorial Park Saturday morning.

Approximately 10 acres of land located on U.S. 221 North was donated for the park by Roger, Tom and Louis Andrews.

The county put up funds, enlisted volunteer and inmate labor and received grant money to add the ballfield, dugout, playground. basketball court and volleyball court.

It was named after Roger Andrews' late wife, Sandy, who was killed in 1991 when a train hit her vehicle at a nearby railroad crossing.

"This could not have happened without the generosity of the Andrews family," said Commission Chairman Butch Hogan during the dedication.

Sandy Andrews would have been very excited to see the park finished, according to her family.

She was involved in youth sports in the North Cove community, where she and her husband lived.

"It's a great tribute to a great woman," said Hogan.

Ben McCall, president of North Cove Youth Activities, spoke to the group, saying that area residents are proud of their community and of their children.

"America will hopefully return to a lot of the things North Cove never left," he noted. "Ours are good kids and they're worth our effort. This is only a portion of what we should do for them."

He also praised the hard work many in the community had put into making the park a reality, adding that Roger Andrews had spent many long, hot days laboring to get it finished.

Roger Andrews acknowledged the effort so many had made and said watching the park benefit local children would be all the reward he and his family wanted for their investment.

After introducing Sandy Andrews' three sons, Benji, Brian and Lee, he read a chapter from Corinthians which he said had been his late wife's favorite.

She always had tremendous amount of patience, he said, and possessed the ability to endure ad great deal without complaint.

"Charity, which Sandy possessed such a great measure of, is the only thing that exists beyond the grave," he said. "We got this done with the inspiration she left with us."

After the dedication, organizers held a potato sack rack, a three-legged race, a wheelbarrow race and an egg and spoon race.

There was also youth softball, volleyball, soccer, basketball and softball for the visitors.

[From the McDowell News, Sept. 15, 1998]

PARK A TRIBUTE TO BOTH ANDREWS AND COMMUNITY

The Sandy Andrews Memorial Park in North Cove is a triumph born of tragedy.

Sandy Andrews, a wife and mother who was active in her community, died in 1991 when a train struck her vehicle at a railroad crossing. The Andrews family donated 10 acres of land off U.S. 221 for a recreation park that would help keep Sandy's memory alive and provide a much needed place in North Cove for people to come together for fun and fellowship.

On Saturday, county officials, community leaders, members of the Andrews family and residents of North Cove helped dedicate that park.

"This could not have happened without the generosity of the Andrews family," said County Commission Chairman Butch Hogan.

And it could not have happened without a joint effort between the community and local government.

The park is an example of what can be done through cooperation. While the red tape and bureaucracy inherent to government can often be frustrating, this is one time when all the pieces came together.

The county earmarked money for the park, secured grants to help with its development and coordinated with the state to provide inmate labor for the project. Roger Andrews, husband of Sandy, spent a great deal of time along with many other members of the community helping with its development.

The park is an asset to North Cove and it stands as a tribute to a good woman, a generous family and a caring community.

EULOGY FOR MEG DONOVAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. HAMILTON. Mr. Speaker, over the week-end Secretary of State Madeleine Albright delivered a eulogy for Meg Donovan, who departed this world on October 1. I ask that Secretary Albright's eulogy for Meg be included in the CONGRESSIONAL RECORD.

EULOGY FOR MEG

Father D'Silvo; Duffy, Colin, Emma, Liam, Mr. Daniel Donovan, Patrick, Paula, Mary Ellen, and other members of Meg Donovan's family; colleagues, friends and acquaintances of Meg:

There are times when it seems more fitting just to stammer with emotion than to speak with finely turned phrases.

It does not seem fair; it is not fair that Heaven, which already has so much, now has so much more. And that we here on Earth, who need so much, have lost someone who is irreplaceable in our hearts.

This we know. Meg could not pass from one world to the other without changing both.

We are crushed with grief. But the scriptures say that those who mourn are blessed for they shall be comforted; and we are comforted by the knowledge that, somewhere up above, God is getting an earful on human rights.

I did not become acquainted with Meg Donovan until I went to the State Department in 1993. Like her, I was a mother of three, including twins. I felt I understood better than some others might the choices and challenges she faced. But many of you knew her longer and more intimately than I. I cannot capture her personality or her career in full.

To me, if there is one word that sums up Meg, it is "completeness."

There are others in this town who are smart and good at their jobs; others with a commitment to causes that are right and just; others who bargain shrewdly and hard; others with a warm and wonderful sense of humor; others who understand the obligations of friendship; others who are devoted and loving to their families; others who have the discipline to live their faith.

There may even be others with Christmas sweaters that light up and play jingle bells. But rarely have the elements of true character been so artfully mixed as they were in Meg Donovan. Van Gogh is arriving in Washington; but a human masterpiece is gone.

When I was designated by President Clinton to serve as Secretary of State, I did what my predecessor, Warren Christopher, did. I turned to the person with the best instincts in Washington on how to deal with our friends on Capitol Hill. That was Meg. We began preparing in December.

Now, naturally, I thought the President had made a brilliant choice for the job, but I had to wonder, as we went along in practice, and Meg corrected and improved upon my every answer on every subject, whether there was anyone more qualified to be Secretary of State than she.

Of course, that being December, the birthday of the twins came along. And naturally, Liam and Emma didn't understand why their mother couldn't promise to attend the party. Their proposal, passed on and advocated by Meg, was that we adjourn our practice session and re-convene at Chuck E. Cheese. It is typical that, when the hour of the party drew near, Meg excused herself, and did not ask but told her new boss, that she was heading for Chuck E. Cheese.

When he was Secretary of State, George Marshall used to tell his staff "don't fight the problem, decide it, then take action." I suspect he would have like Meg a lot because, all her life, Meg was a doer.

Like quite a few others, she came to Washington committed to the fight for tolerance and respect for basic human rights for all people. What set her apart is that she could still make that claim after having worked here 25 years.

Whether at the Helsinki Commission, or the House Committee on International Relations, or the Department of State, Meg was one of the good guys. She could out-talk anyone, but talk isn't what she was after. She wanted change.

She wanted Soviet Jews to be able to exercise their right to emigrate. She wanted Tibetans to be able to preserve their heritage. She wanted prisoners of conscience to breathe the air of freedom. She wanted women to have the power to make choices that would determine the course of their lives.

Above all, she wanted to draw on and draw out the best in America: the America that would use its resources and power to help others achieve the blessings we all too often take for granted.

There were her ideals, but Meg was more than a dreamer. No one was more effective than she at creating the coalitions, marshaling the arguments and devising the strategies that would yield concrete results.

One of Meg's big problems was that she knew the system better and played it better than anyone else. So, whenever we found ourselves in a real legislative mess, which was not more than three or four times a week, we turned to Meg to help get us out.

Around the Department and earlier in her years on Capitol Hill, Meg's energy and wisdom added sparkle to every meeting. When she spoke, people listened. When she listened, people chose their words with care. She was thoughtful and patient with those who, by virtue of experience or ability, needed her help. She brought out the best in others; just as she demanded the best from herself.

In our collective mind's eye, we can still see her striding purposefully down a hall with her arms full of folders, trailed by some hapless Ambassadorial nominee whose future had been entrusted to Meg's capable hands.

We see her, hugely pregnant, maneuvering around swivel chairs and outthrust elbows on the cramped dais of the House International Relations Committee.

We see her serious and firm, forearms chopping the air for emphasis, persuading us with eloquence and passion that doing the right thing is also the smart thing.

We see her relaxing at an office party, gold bracelets flashing, surrounded by flowers from her garden, a cherub's face aglow with health and life, 100 megawatt smile turned on full.

We see her where she most belonged, with Duffy, her partner of 24 years, and with their children.

And as we see her, we also hear that inimitable laugh, which was not exactly musical, but which conveyed a love and enjoyment of living that somehow makes what happened even harder to believe and accept.

Meg knew the impermanence of life. She lost her mother to cancer and a sister to cystic fibrosis. So she made the most of every single day.

The poet, William Blake, wrote that:

He who binds himself to a joy
Does the winged life destroy
But he who kisses the joy as it flies
Lives in eternity's sunrise.

No force, not even life itself, could bind Meg Donovan or ground her flight. She was only 47. But, in that time, her gifts to those of us who are gathered here and to those from around the world who have benefited directly or indirectly from her commitment, were full and rich.

This morning, as she looks down upon us, I know that she would expect us to cry and that, if she could, she would herself hand us the tissues. But she would also want us to be thankful for our time together, and to dedicate ourselves to improving our own lives by helping others.

We are sad today, but our sorrow is accompanied by the abundance of joy in the memories we share, the life we celebrate and the love that surrounds us.

May that joy melt, over time, the clouds of our grief.

May Meg's family, especially, draw comfort from our affection and from the deep respect we held for her.

And may Meg Donovan rest in peace, for we will never, never forget her.

COMPENSATION OF RETIRED MILITARY

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KENNEDY of Rhode Island. Mr. Speaker, I am proud to submit the following for inclusion in the RECORD on behalf of the veterans of Rhode Island.

[From the State of Rhode Island in General Assembly, January Session, A.D. 1998]

JOINT RESOLUTION MEMORIALIZING CONGRESS TO AMEND TITLE TEN, UNITED STATES CODE, RELATING TO THE COMPENSATION OF RETIRED MILITARY

Introduced by: Representative Pires.
Date introduced: March 25, 1998.
Referred to: Committee on Finance.

Whereas, American servicemen and women have dedicated their careers to protect the rights we all enjoy; and

Whereas, Career military personnel endured hardships, privation, the threat of death, disability and long separations from their families in service to our country; and

Whereas, Integral to the success of our military forces are those soldiers and sailors who have made a career of defending our great nation in peace and war from the revolutionary war to present day; and

Whereas, There exists a gross inequity in the federal statutes that denies disabled career military equal rights to receive Veterans Administration disability compensation concurrent with receipt of earned military retired pay; and

Whereas, Legislation has been introduced in the United States Congress to remedy this inequity applicable to career military dating back to the nineteenth century; and

Whereas, The injustice concerns those veterans who are both retired with a minimum of 20 years, are denied concurrent receipt of hard earned military longevity retirement pay and Veterans Administration awards for service connected with disability; and

Whereas, Career military earn retirement benefits based on longevity of twenty years for honorable and faithful service and rank at time of retirement; and

Whereas, Veterans administered compensations serve a different purpose from longevity retired pay and are intended to compensate for pain, suffering, disfigurement, chemicals, wound injuries and a loss of earning ability and have a minimum requirement of 90 days of active duty; and

Whereas, The prevailing idea that military retirement pay is "free" is false. There is a contribution to retirement pay, which is calculated to reduce military base pay and retirement pay by approximately seven percent when pay and allowances are computed and approved by Congress; and

Whereas, Traditionally, a career military person receives a lower pay and retirement than his or her civilian counterpart and has invested a life of hardships and long hours without the benefit of overtime pay and lack of freedom of expression through the unions; and

Whereas, The Veterans Administration awards dependents allowances to disabled veterans with a thirty percent (30%) disability or more for each dependent, which allowances are increased with the amount of disability; and

Whereas, The Department of Defense deducts the entire amounts of dependents allowance, essentially leaving the disabled military retiree with no dependents allowance and that extends the discrimination to the families of military longevity retirees; and

Whereas, It is unfair to require disabled military retirees to fund their own Veterans Administration compensation by deductions on a dollar for dollar basis in the Department of Defense; and

Whereas, No such deduction applies to similarly situated federal civil service or Congressional retirement benefits to receive Veterans Administration compensation; and

Whereas, A statutory change is necessary to correct this injustice and discrimination in order to insure that America's commitment to national and international goals be matched by the same allegiance to those who sacrificed on behalf of those goals; now therefore be it

Resolved, That the General Assembly of the Sate of Rhode Island and Providence Plantations hereby urges the United States Congress to amend title ten, United States Code relating to the compensation of retired military, permitting concurrent receipt of military retired pay and Veterans Administration compensation, including dependents allowances; and be it further

Resolved, That the Secretary of State be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the President of the United States, Secretary of Defense, Senate Majority and Minority Leaders of the U.S. Congress, Speaker of the House, Committee Chairman of the Senate Armed Forces Committee and Veterans Affairs Committee, House Committee Chairman, National Security and Veterans Affairs Committee, and each member of the Rhode Island Delegation to Congress.

LANE MEMORIAL CHRISTIAN METHODIST EPISCOPAL CHURCH 1866–1998

HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Ms. NORTON. Mr. Speaker, I rise to pay tribute to the Lane Memorial Christian Methodist Episcopal Church, one of the District's most distinguished congregations, on the occasion of its 132th Anniversary and Homecoming Celebration. Lane has a long history of community service and has touched the lives of thousands through its outreach ministries that include the "Break of Life" Ministry and the Clothes Closet.

Lane was established in 1866 under the pastorate of the late Reverend Henson Primrose. The original and present site at 14th and C Street, NE was purchased with the assistance of General O.O. Howard, head of the Freedmen's Bureau and founder of Howard University. Participating in the purchase were Lane officers: Jacob Crumpton, James Green and Benjamin Whitaker.

In 1898, under the leadership of the Reverend J.R. White, the original white frame building was torn down, and a brick edifice was erected. In 1924, under the direction of Reverend P.L. Moore, an addition was constructed in the rear of the church. Following the death, in 1937, of the Right Reverend Isaac Lane, Fifth Bishop of the Colored Methodist Episcopal Church, the East Washington Mission was renamed Lane Chapel in his honor. In 1945, under the pastorate of Reverend C.E. Kelly, the mortgage was paid off and the church was renovated. The parsonage, at 1615 East Capitol Street, NE, was purchased, in 1951, while Reverend W.C. Doty was the pastor.

The church was deeded to the Colored Methodist Episcopal Church, and in 1954, the denomination's name was changed to the

Christian Methodist Episcopal Church. Reverend Giles R. Wright served as pastor from 1954–1959. Under his leadership, the church purchased two adjacent lots. In 1977, during the patorate of Reverend Allen W. Singh, an Educational Building was erected on the two lots. Further renovations were made while Reverend Marshall Jenifer was pastor, including a unique set of stained glass windows and a mural. The windows tell the story of the denomination's illustrious history and proclaims its Christian message. The church offices and parsonage were renovated in 1993, and air conditioning was installed in the sanctuary.

Outstanding among the many former pastors of Lane are, Reverend A.W. Womack, who was elected Bishop in 1950, and Reverend M.L. Breeding who, in 1954, was elected General Secretary of the Department of Kingdom Extension.

Over the years, many sons of Lane have answered the call to the ministry. The church has witnessed the acceptance of the call by five of its sons and two of its daughters: Joseph Carter, Walter Gaskin, Joseph Collins, Oliver Chase, Charles H. Roman, Azarine Mayes McClellan and Paulette M.E. Stevens. The Reverends Helen S. Clanton, Drexel N. Mitchell and Kenneth K. Dubose have served as associate ministers and received their first charges from this congregation. The present pastor, the Reverend H. Shirley Clanton, was assigned to Lane on August 2, 1998.

Mr. Speaker, the Lane Memorial Christian Methodist Episcopal Church is a beacon of light and hope in this city. I ask this body to join me in celebrating its rich history and traditional of spiritual, civic, and social activism.

HONORING PRIVATE FIRST CLASS BERNARD McADAMS III

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Ms. SLAUGHTER. Mr. Speaker, I rise today to pay my respects to a young man from my district who made the ultimate sacrifice in the line of duty. Bernard McAdams was proudly serving his country at Suwon Air Base as a member of the First 43rd Air Defense Artillery Battalion, south of Seoul, South Korea. In less than two years in the military, McAdams won commendations for sharpshooting, bravery, and leadership. Yet, his ultimate act of leadership ultimately cost him his life.

Last month, Private McAdams was assisting civilians amidst torrential rains on the Korean peninsula when he and two other soldiers were killed in a mudslide. However, while these great forces of nature were able to sweep him away from his family and friends, no power exists that can ever rob us of the sprint that he left behind. A graduate of Penfield High School near Rochester, New York, Bernard McAdams was known for his kindness, his intelligence, and his generosity. He grew up participating in activities such as the Boy Scouts, and Jack and Jill of America, a volunteer service club. He was a lover of Shakespeare, history, sports and art. In particular, many will remember him for his skill and interest in cartooning. Private McAdams was also a man of faith who was known for often reading and re-reading the Bible.

Mr. Speaker, the people who knew Private First Class Bernard McAdams III will forever be touched by the short time that he had in this world. This young man died as he lived, as a hero and as a role model. I send my condolences to his family and on behalf of my colleagues, offer my thanks and admiration for representing this nation with honor and dignity.

INTRODUCTION OF LEGISLATION TO MODIFY THE TAX ON COMMERCIAL AVIATION FOR ISLAND AIRPORTS

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. NEAL of Massachusetts. Mr. Speaker, today Congressman DELAHUNT and I are introducing legislation to modify the tax on commercial aviation to and from airports located on sparsely populated islands. Senator CHAFEE has introduced companion legislation in the Senate.

The Taxpayer Relief Act of 1997 replaced the 10 percent airline ticket tax with a combination ticket tax and per passenger segment charge. Under prior law, domestic air passenger transportation was subject to an excise tax equal to 10 percent of the amount of the ticket price. The new formula, which is gradually phased-in, is a combination of a 7.5 percent excise tax on the price of a ticket and a fixed fee of $3 per segment.

Congress enacted a new formula to ensure a long-term stable funding source for the Airport and Airway Trust Fund. The formula was changed to reflect a user-based approach to pay for the use of FAA service and facilities. This new formula has resulted in inequities for short distance flights between an island and the mainland. When fully phased-in, the new tax formula could represent as much as 18 percent of the ticket price of a short distance flight to an island.

Short distance flights between islands and a mainland make little demand on Air Traffic Control (ATC) services as these flights do not use ATC centers, and rarely use departure or arrival control. These short island flights usually are transferred from the departure control tower to the destination control tower.

Air and ferry transportation provide islands with a vital link to the mainland for shopping, employment, health care and other needs. For these communities, air and ferry service maintain a delicate balance, where both are needed to meet the communities' needs for mainland access.

The new formula is harsh on island communities and for this reason, the legislation I am introducing will provide more equitable tax treatment for short distance flights to and from islands. This legislation would modify the tax to allow island airports to pay a 10 percent excise tax instead of the new formula which includes a segment fee. The legislation defines an island airport as an airport located on an island with population of 20,000 or less, 400,000 or fewer commercial passengers departing by air from such airport, and 50 percent or more of the initial flight segments of such commercial passengers are 100 miles or less.

I urge my colleagues to review this legislation and to consider addressing the inequities that were created by the new ticket tax formula.

TRIBUTE TO CATHLEEN KENNEDY—OUTSTANDING COMMUNITY COLLEGE PROFESSOR OF THE YEAR

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LANTOS. Mr. Speaker, I would like to invite my colleagues to join me in congratulating my constituent and a fellow educator, Professor Cathleen Kennedy of the College of San Mateo, for her extraordinary dedication to teaching, her commitment to students, and her innovative teaching methods.

Recently, Mr. Speaker, the Carnegie Foundation for the Advancement of Teaching named Professor Kennedy the Outstanding Community College Professor of the Year as a mark of her high achievement. Professor Kennedy was selected from among more than 500 faculty members nominated by colleges and universities across our country in the U.S. Professors of the Year program—the only national award program which recognizes college professors for their teaching.

As a former professional computer systems consultant, Professor Cathleen Kennedy left consulting to serve as a role model and help others achieve their dreams. She encourages her students to envision themselves as future programmers or engineers. By persuading the Network Professional Association and several corporations to help develop an on-campus Networking Technologies Lab, Professor Kennedy has provided her students the opportunity to access the latest computer hardware and software and allowed them to work with experienced professionals on the newest technologies. Among her other numerous accomplishments, Professor Kennedy also adapted an introductory computer science course for distance learning, providing multimedia materials and support for students through voicemail, e-mail, and the World Wide Web.

Mr. Speaker, Professor Cathleen Kennedy is a teacher who exemplifies the ideals of innovation and selflessness. She is truly the Outstanding Community College Professor of this nation. The College of San Mateo as well as all of San Mateo County are greatly rewarded by her presence and by the ideals of higher education that she represents so admirably. I urge my colleagues to join me in extending to her our best wishes and congratulations for her outstanding achievement.

HONORING THE AMERICAN MUSLIM COMMUNITY

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to speak for one minute about American Muslim involvement in our Nation's political process. Participation is a fundamental requirement for the strength of our democracy, so it is gratifying when I see a community making such great strides toward becoming politically active. The American Muslim community is drawing strength from their common interests to bring issues of concern to the forefront.

This summer, I had the pleasure of attending the American Muslim Council's (AMC) 7th Annual National Convention. The AMC was established in 1990 to provide a fair and accurate picture of the American Muslim community to policy makers. The theme of the convention was "Strengthening Our Common Ground." I was amazed at the diversity of this gathering. The attendees were from a wide variety of backgrounds with their American citizenship and religion as their common bonds. Important issues on their agenda included protection of Muslim families from harassment, media abuse, and obstacles for Muslim students in public schools.

I would like to bring your attention to an article by Larry Witham that recently appeared in the Washington Times. It aptly describes the Muslim community's quest to become more active in local and national politics.

The article explains that although many American Muslims are still absent from civic and political activities, increased involvement of the community has begun to make a positive difference. American Muslims have been instrumental in electing candidates to State and Federal offices. Community members have begun to occupy visible positions themselves, as chaplains in the military and as law enforcement officials.

I move to insert the Washington Times article "Muslims urged to play part in politics" from June 28, 1998 in the CONGRESSIONAL RECORD to honor the value American Muslim participation adds to our political system.

It greatly concerns me, that in a nation that prides itself on religious freedom and values religious diversity, that many American Muslims are stereotyped by the media and even government officials as terrorists or likely terrorists. The vast majority of American Muslims embody the American Dream, are loyal to our flag, and are substantial contributing members to our communities. I am proud to represent so many Muslims and proud of their achievements in our Nation.

Mr. Speaker, I know my colleagues join me in commending the American Muslim community for their efforts to become more politically involved. Their increasingly active community serves as a wonderful example to all Americans.

MUSLIMS URGED TO PLAY PART IN POLITICS

END OF ISOLATION IS CALLED A MUST

(By Larry Witham)

As a politically-conscious Muslim, M.M. Ali shows up at both Democratic and Republican meetings in Northern Virginia but finds himself "the lone person from my part of the world."

The absence of Muslims from civic and political life may still be the rule in the United States, except where they make up a large voting block, speakers said at the annual national meeting yesterday of the American Muslim Council (AMC).

"It is unwise, as some of us do, to live in islands of isolation," Mr. Ali told the event, which drew nearly 1,000 participants from across the country. "Mainstreaming is the only viable way to rise up and be counted."

A main focus of the second annual Washington meeting of the council, formed in 1990 as the leading policy and lobbying group for Muslims, is to encourage more political involvement and to fight defamation.

Muslims now serve as chaplains in the military, one is a state senator in North Carolina, and others work for the FBI and attorneys general. Politicians, moreover, go to their mosques and write resolutions to recognize their festivals.

Yet the financially based political clout of other minorities—such as Jews, Greeks, Hispanics and blacks—is not yet a tool of an estimated 5 million Muslims nationwide, divided roughly in half between immigrants and blacks.

Khalil Munir, a former congressional staffer, said he witnessed how lack of money prompted three lawmakers he campaigned for in Brooklyn, N.Y., to overlook voters of the Islamic faith.

"When election time came, they knew they did not have to be accountable to the Muslim people," he said.

He and other speakers said Muslims must pool their money, earmark it for favorite lawmakers, do volunteer work and serve the community in civic roles.

One success story, said Randa Fagmy, a foreign policy and legal affairs aide for Sen. Spencer Abraham, Michigan Republican, was his narrow election victory on a Muslim swing vote.

Mr. Abraham, the only Arab-American in the Senate, was bolstered by a registration campaign among Muslims and a telephone network that urged them to vote on Election Day, she said.

"Encourage your kids to go into politics as a profession," Mrs. Fahmy said.

New Jersey's 350,000 Muslim families also were instrumental in electing one local official and one senator in recent years, said Morad Aboud Sabe, president of the Arab American League of Voters of the state.

"It's time for the Muslim community to produce its own candidates from within," Mr. Sabe said, noting that such civic involvement must start with the second generation at an early age.

While one political concern of Muslim activists may be U.S. foreign policy toward their homelands, the priority at the AMC meeting was protection of Muslim families from harassment, media abuse or obstacles in public schools.

On Friday, FBI Director Louis Freeh was scheduled to address the group at a meeting in the Hart Senate Office Building, but he canceled and instead sent Brekke Tron, head of the FBI's civil rights program.

"I was not satisfied with the director not showing up," AMC Secretary Abdurahman Alamoudi said. He acknowledged the tension between FBI efforts to stop terrorism and American Muslim concerns about suffering from guilt by association.

Despite the director's absence, "we broke the myth of the FBI in our Muslim community," Mr. Alamoudi said. "The public meeting was a milestone."

After Mr. Tron gave a presentation on FBI enforcement ethics and efforts to work with all ethnic groups, three Muslim representatives recounted cases in which law enforcement agents violated the civil rights of that group.

THE MIDDLE EAST PEACE PROCESS

HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mrs. CAPPS. Mr. Speaker, last week, Jews all over the world celebrated the most solemn day of their religious calendar, Yom Kippur. After twenty-four hours of fasting, prayer, and reflection, the shofar is sounded and worshipers call out, "Next Year in Jerusalem." I know that I speak for my constituents and all Americans—Jews and non Jews alike—who fervently hope that the coming year will bring peace in Jerusalem and throughout the Middle East.

Achieving peace between Israel and the Palestinians and neighboring Arab states is clearly in U.S. national interest. A stable Middle East will not only reduce military risks, but will enhance the economic vitality of the region and indeed the world. A failed peace process, sadly, will bring economic disruptions, terrorism, and even war. We simply cannot allow the enemies of peace to prevail.

Mr. Speaker, it is a historical reality that active, direct U.S. involvement, at the highest levels, is an indispensable ingredient to Middle East peace. This was especially true when the Camp David Accords led to a peace treaty between Israel and Egypt. U.S. leadership also helped Israel and the Palestinians begin implementing the historic Oslo accord.

Over the past several months, the progress made at Oslo has slowed. That is why I was very heartened that the Administration has intensified its work on this issue. Under U.S. auspices, Prime Minister Netanyahu and Chairman Arafat met on September 28. At this meeting, it appears that significant progress was made toward resolving the remaining differences that are keeping the parties from concluding the next agreement. And it is clear that this important step forward occurred because the President has again made a Middle East peace agreement one of his foremost foreign policy priorities.

Mr. Speaker, as this session of Congress races to a close, I urge my colleagues to support the Middle East peace process. I hope my colleagues will join me in encouraging the President to continue his active involvement. I also hope that Members of Congress will urge both Israel and the Palestinians to avoid unilateral actions which could disrupt the thoughtful negotiations that seem to be headed toward an important breakthrough.

COMPETITION IN THE ELECTRONIC MARKETPLACE

HON. STEVE LARGENT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LARGENT. Mr. Speaker, within the next few weeks, a lawsuit filed by the U.S. Department of Justice and 20 state attorneys general to protect competition in the electronic marketplace will go to trial.

The decision in this matter may define the development of the digital economy. And apart from the upcoming trial, Congress may be required to sort through the issues raised in this case, either in legislation or through additional hearing. In a month when Members of Congress are faced with many other critical issues, we should pay close attention to these proceedings.

It is the interest of the American people for the Internet—the most important new marketplace to come along in decades—to develop in an atmosphere that promotes innovation by the thousands of software and online service companies across America.

These electronic entrepreneurs have been one of the driving forces in the prolonged period of economic growth we have enjoyed in recent years. While I am usually a strong advocate for keeping the government out of the marketplace, there is too much at stake in the future of the Internet to run the risk that innovation will be stifled.

Mistakes made today in maintaining competition could provide the justification down the road for unnecessary government regulation. Our economy and the public will be better served if these concerns are addressed today through efforts that fall short of regulation. While we should not rush to final judgement before a trial has been held, there is clearly ample reason for the Justice Department case to go forward.

We are a nation governed by laws, not emotions. And regardless of the feelings some of us may have toward certain companies or the Department of Justice, we must make sure that our laws are being followed, and that the public interest is being protected.

The scheduled trial is necessary to ensure that the law is being followed and that electronic commerce will continue to develop to benefit both large and small companies, as well as the American people.

PERSONAL EXPLANATION

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. GOSS. Mr. Speaker, I was not present for roll call votes 426 to 479 due to a family emergency. Had I been present, I would have voted yes on roll call votes: 427, 428, 429, 430, 432, 434, 435, 436, 437, 438, 440, 442, 443, 444, 445, 446, 449, 452, 453, 454, 455, 456, 457, 458, 460, 461, 462, 464, 465, 466, 467, 469, 470, 471, 472, 474, 475, 476, and 477; and no on roll call votes: 426, 431, 433, 439, 441, 447, 448, 450, 451, 459, 463, 468, 473, 478, and 479.

HONORING COLONEL ALBERT S. HINKLE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. GILMAN. Mr. Speaker, I am deeply saddened to inform our colleagues of the loss of a man who, for over thirty years, has been a close friend, a loyal confidant, a dedicated staff member, and an outstanding public servant.

Colonel Al Hinkle was born November 6, 1917, in Fargo, North Dakota, to Ned and Mildred Hinkle. He received a bachelor's degree in political science from North Dakota State University and thereafter was a 1958 graduate to the Yale University Institute for Organizational Management and did postgraduate work at Yale in 1959. He also attended Corning Community College.

Al was employed by the U.S. Treasury Department in Washington. During World War II, Al served in the Army as a finance officer assigned to General Dwight D. Eisenhower's staff, attaining the rank of Colonel. He was the Currency Director of the European Theater Operations.

Subsequent to World War II, from 1946, to 1950, Al was a salesman for Oneida Ltd., in Oneida, New York, responsible for sales in Virginia, North Carolina, and South Carolina. He then advanced to division manager for Frigidaire, Onondago Supply in Syracuse from 1951 to 1952. From 1953 to 1955, Al served as District Manager for the Kelvinator Division of American Motors in Buffalo. In 1956, Al served as the Executive Secretary of the Oneida Chamber of Commerce.

Over the next decade, Al served as the Executive Vice President of the Greater Corning Area Chamber of Commerce, and from 1966 to 1971, served as a Regional Manager of the New York State Department of Commerce. He was an Assistant Director of the Corning Urban Renewal Agency from 1971 to 1972, and then became Assistant Commissioner for Special Programs with the New York State Division of Housing and Community Renewal. He served in that position until May 1975.

In September 1975, Al Hinkle joined my staff as a legislative assistant, serving for 22 years until early 1997, when he retired. He was invaluable to me and my office, performing such duties as organizing seminars and meetings, managing my district office in Monsey, N.Y., traveling with me throughout our District, and keeping me aware of events affecting my constituency.

As Members of Congress,we are all well aware how imperative it is to have knowledgeable, well-informed, trustworthy staff members. Al was the epitome of such an assistant. However, he was more than exemplary employee, Al was also a good friend.

Al was never reluctant to express his opinions and views, and more often than not was proven correct. I was always proud to have Al represent me at public functions and was impressed with his detailed reports on what had transpired. He was of great help to me over the years in being my eyes and ears, helping me to keep my fingers on the pulse of Rockland County.

Al's tenure as First Vice Chairman of the Rockland County Republican Committee was marked by the increased growth in our party. In 1979, Al was mentioned as a possible Republican candidate for Rockland County Clerk, but withdrew his name.

Al was a member of the American Chamber of Commerce Executives, the New York State Association of Industrial Development Agencies, and the state Chamber of Commerce Executives. He was also a past president of the New York-Penn Tier Association of Chambers of Commerce, and served as a director of the American Retail Association Executives. Al's community service included many yeas an energetic Monsey Rotarian, an active officer in the Reserve Officers Association of the United States and an energetic member of several veterans organizations.

Al was married to the lovely June Brooks and they enjoyed a long, fruitful, and happy life together. When June became terminally ill with cancer, Al was a devoted helpmate throughout her long illness, and rarely left her side. The passing of his beloved wife in January 1994, was a deep loss to Al. He was never quite the same after her passing.

Al is survived by his sons, Albert II, David, and Frederick; and brother, John; and four grandchildren. Al will be afforded the honor, which he fully deserved, of a military burial in Arlington National Cemetery on October 16, 1998.

Mr. Speaker, I invite our colleagues to join with me in extending to Al's sons, his family, and his many friends, our deepest condolences.

AMERICA'S IMPACT AID ASSOCIATION: 25 YEARS OF WORK FOR OUR COUNTRY

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. CUNNINGHAM. Mr. Speaker, I rise today to make note that the National Association of Federally Impact Schools this year celebrates its 25th Anniversary.

The NAFIS represents school districts that are federally impacted—that is, their streams of state and local sales and property tax revenues are affected by the presence of military facilities of Indian lands. The federal presence in each American community represents a clear and convincing federal responsibility: that until the federal government pays local property and sales tax, it owes the schools a full and fair measure of impact aid, so that these schools may provide an excellent education to the children of military families and Native Americans, and to all children in affected communities. This association represents hundreds of American school districts, including the San Diego Unified Schools in my congressional district. It also plays a vital role in informing the bipartisan Congressional Impact

Aid Coalition, of which I am a member, so that we can keep current on issues with respect to this federal responsibility of impact aid.

I want to take note that NAFIS, on October 6, 1998, will honor the past presidents of the Association. Since 1973, these individuals have worked for fair treatment of our federally impacted schools, and for fair impact aid appropriations. In order of their service, these NAFIS presidents were: Lance Eldred, Dave Fish, June Quint, Thomas Bobo, Glenn Barnes, Don Bruno, Pat Hayden, Bob Thomas, Clarence Ham, Dave Kinkaid, Ed Hennessee, Ivan Small, Steve Pratt, and the current president, Lowell Draffen.

I also want to recognize NAFIS Executive Director John Forkenbrock and his staff, who work very hard to keep lawmakers, congressional staffs, and association members themselves well informed about impact aid.

In addition, at the same event where NAFIS honors its presidents, the association will pay a special honor to one of our colleagues: the distinguished chairman from Illinois and chairman of the House Appropriations Subcommittee on Labor, Health and Human Services and Education, the Honorable JOHN EDWARD PORTER. NAFIS will award him the Harry S. Truman Recognition Award for his vigorous advocacy in support of impact aid as a clear federal responsibility. Year after year, President Clinton's budgets have slashed and gutted impact aid, and year after year, Chairman PORTER has courageously and successfully fought to ensure that the federal government meets this fundamental responsibility to our schools, our communities, and our military and Native American families. It is worth noting that Chairman PORTER is only the second person ever to be recognized with this honor, the other being our late colleague, the gentleman from Kentucky, Representative Bill Natcher, a great and respected member of this House who earned and received the respect of us all.

Let the permanent RECORD of the Congress of the United States now note this tribute to the National Association of Federally Impacted Schools on its 25th anniversary, on its presidents and staff, and upon impact aid's great champion in Congress, the Honorable JOHN EDWARD PORTER, in appreciation for their service and dedication past, present and future.

TRIBUTE TO THE LIFE OF GENE McCABE, A TRUE HERO

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. RANGEL. Mr. Speaker, I rise to pay tribute to my dear friend, Eugene McCabe, who passed away September 29th at the age of 61.

Fulfilling his commitment to the health needs of his community, Mr. McCabe, against all odds, conceived and built a first-class hospital in Harlem, in the center of my Congressional District.

Friends have used words like "dogged persistence" to describe the passion that drove him. Above all, he was a man who loved his family, his people and his community, and was determined to do the best for them.

I am proud to honor Mr. McCabe who made a difference in his life and has left a precious legacy for future generations. I commend to my colleagues the following tribute by Jack Newfield which appeared in the New York Post.

[From the New York Post, Oct. 5, 1998]

CITY LOST TRUE HERO WITH HOSPITAL HEAD'S DEATH

(By Jack Newfield)

Mark McGwire and Sammy Sosa are great, but they are not the only heroes in the world.

There are quiet heroes on a smaller scale all over this city. It's just that their good works don't get on television and are not performed before 50,000 fans.

One such hero of the city died the other day. His name is Gene McCabe, and the whole city should know his name, and know his story.

I knew Gene McCabe for 15 years. He was a dignified healer in a vulgar time. He was a long-distance runner in a season of sprinters.

McCabe founded and ran a great hospital called North General in Harlem, an institution that saved lives, created 2,000 jobs, revived a whole neighborhood, built housing and survived constant fiscal crises.

In the plague years of AIDS, crack, and health-care budget cuts, McCabe's hospital provided the best possible care to the poor dependent on Medicare and Medicaid.

You should know three things about Gene McCabe that made him tick. He was a Marine. He was a climber of mountains. And his role model was his own father, a respected civic leader in New Haven.

Gene died at 61, in the hospital he created. When he was told his breast cancer was terminal, he asked to die in his own hospital, surrounded by his own employees.

Gene could have been anything in Harlem. He was smart, efficient, honest and wonderful with people.

Mayor Dinkins offered him a big job with a car and driver, but he said no, thanks.

The Clinton administration wanted him to run the Harlem Empowerment Zone, but North General was his mission.

He was the sort of inner-directed man who did not need the external validation of reading his name in the papers, or sitting on the dais of banquets honoring him.

Creating a first-rate hospital in Harlem was Gene's dream nobody could defer. It was his flower in the sun he did not let dry up.

A professionally managed, community-oriented hospital became Gene's dream in 1979, when the Hospital for Joint Diseases abandoned Harlem, and the city targeted Sydenham Hospital for closing.

The dream came true only after repeated brushes, with extinction. The hospital didn't make financial sense on paper. But you can't quantify determination and sacrifice on paper.

The hospital opened with no assets. It averted bankruptcy in 1988 with $150 million in state bonds, arranged by Mario Cuomo and the late David Axelrod.

At one point the hospital couldn't maintain a bank account because there was a lien by the IRS. Gene had spent his last dollar for medicine and gurneys.

At another point, Gene had to persuade Dennis Rivera, the militant leader of the hospital workers' union, to forgive a debt of $6 million to the union's pension fund, so the hospital could stay open.

"I loved Gene," Rivera said yesterday. "I would not have done this for any other hospital CEO. Gene was so honest. He had no patronage at that hospital. It wasn't like Lincoln or Kings County."

Recently, North General received a 98 percent rating for the quality of its care from the Joint Commission on Accreditation of Healthcare Organizations.

This put North General in the top 4 percent of 5,200 hospitals surveyed—amazing for an institution where 90 percent of patients are on Medicare or Medicaid.

"The morale of my members is so wonderful at North General," Rivera said. "That's why we forgave the debt."

Every day, Gene was the last person to leave the hospital. The women who changed the bedpans say Gene knew their names and asked about their family problems.

They saw him mop up spills and pick up pieces of paper.

North General had so many near-death experiences, the staff adopted the Motown song "Ain't No Stopping Us Now" as its theme song. The board of directors sang it after every rescue.

Basil Paterson, the former deputy mayor, was Gene's best friend, and the lawyer for the hospital.

"It was Gene's competitiveness that saved the hospital," Paterson said yesterday.

"Gene was normally gentle and diplomatic," Paterson recalled, "but I once saw him climb over a table to assault the executive of another hospital who was jeopardizing North General's chances for survival.

"He was so wise, and discreet, I told him all my secrets," the elder statesman of Harlem politics added, famous himself for secret-keeping and wisdom.

"Gene is irreplaceable," he added with a sad sigh.

Yesterday I visited the spotless hospital with artworks in the lobby, and spoke to Gene's widow, Elsie Crum.

She told me the story of how, years ago, Gene befriended a young woman he met bagging groceries at a local Harlem supermarket.

Gene became her mentor, and now this woman is about to graduate from Harvard Medical School.

She could work anywhere in the nation.

But she is coming back to Harlem, to work at North General.

That's the kind of hospital it is.

That's the kind of human being Gene McCabe was.

GILBERT LEAL

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. ORTIZ. Mr. Speaker, I hope my colleagues will join me today in recognizing Dr. J. Gilbert Leal, the president of Texas State Technical College (TSTC), where he has served for 20 years.

Dr. Leal has proven his leadership in our community and in higher education. During his 20-year tenure, Dr. Leal has seen an enormous amount of growth on the physical campus itself, in the student population, and in the university budget. In 1969, when Dr. Leal joined the staff of TSTC, he began teaching in the educational and development programs under the Manpower Development Training Act.

During his tenure as Migrant Counselor-Supervisor, his work with adult migrant education provided basic education to area migrant workers. It also shaped his thinking about the importance of adult education, particularly in the majority-Hispanic communities of South Texas.

He was soon chosen to direct the Admissions and Records Department, a position he held for six years, until he was selected as campus president in 1978.

Maintaining a positive working relationship with community business and industry is only one way Dr. Leal has followed the philosophy of TSTC to respond to the local unique educational and training needs. By capitalizing on education partnerships through a coordinated effort to utilize local, state, federal and private funds for continued growth at TSTC during the difficult years, Dr. Leal made it possible for the college to grow without creating an undue tax burden for area residents or students.

In addition to his commitment to education and improving the standards by which we educate young people, he has shown his commitment to the community by chairing the Rural Health Scholarship Committee, serves on the Lower Rio Grande Valley Development Council Board of Directors and the Cameron County Workforce Council. He chaired the Valley Workforce Alliance, served on Task Force for Improving Quality Education in the Rio Grande Valley, as well as the Harlingen School Board of Trustees.

I ask my colleagues today to join me in commending Dr. J. Gilbert Leal for the outstanding service he has given the South Texas community, educationally and otherwise. Also, I would like to thank Norma Leal, and their sons, Gilbert D. Michael, and Ricardo, for their generosity in sharing their husband and father with the community for so many years.

TRIBUTE TO THE BEAUMONT POLICE ACTIVITIES LEAGUE BOXING TEAM

HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. LAMPSON. Mr. Speaker, I rise before you today to recognize the achievements of six young men who exemplify the Olympic spirit in both physical endurance and strength of character. They are models for their peers and a source of pride for their community, the City of Beaumont in the Ninth Congressional District of Texas.

Chris Henry, age 17, has won two outstanding boxer awards. In 1997, Mr. Henry was the Gulf Association Junior Olympic Champion, the Texas State Junior Olympic Champion and the National Junior Olympic Silver medalist. He won the gold medal in the light-heavyweight division of the U.S. 19-and-Under Championships and is automatically placed on the U.S. National team to represent his country in the World Championships in Buenos Aires, Argentina.

Quinton Sells, age 14, has won an Outstanding Boxer Award, was Gulf Association Silver Glove Champion, Texas State Silver Glove Champion, Regional Silver Glove Champion and National Silver Glove Champion all in one year, 1998. In addition to his physical prowess, Mr. Sells has been recognized by his peers for his intellect, having been voted Outstanding Student at Martin Luther King Middle School.

K'lon Spencer, age 13, has won 9 Outstanding Boxer awards. In 1997, Mr. Spencer was Gulf Association Silver Glove, Golden Glove and Junior Olympic Champion. The next year he was Texas State Silver Glove, Golden Glove and Junior Olympic Champion. That same year he also won the Junior National Golden Glove Championship.

Jordan Burton III, age 13, has won two Outstanding Boxer Awards. He was the Gulf Association Silver Glove, Golden Glove and Junior Olympic Champion in 1997. He is the Texas State Silver Glove, Golden Glove and Junior Olympic Champion for 1998.

Cymone Kearney, age 12, was Gulf Association Silver Glove Champion, Texas State Silver Glove Champion, Regional Silver Glove Champion and National Silver Glove Champion in 1998. Mr. Kearney is also the Junior National Olympic Champion.

Bryant Thomas, age 12, is the Gulf Association Golden Glove, Silver Glove and Junior Olympic Champion of 1998, the Texas State Golden Glove Champion and the runner-up National Silver Glove Champion of the same year.

These young men, whom we praise for their individual prowess, are also part of a team. The Beaumont Police Activities League provides a safe, supportive environment in which all young people are encouraged to succeed. The boxing team was started in September 1996. Since then, they have competed in more than 300 bouts with a team record of 176 wins and 142 losses. They are sanctioned by USA Boxing and have won 8 team championships. This gym alone has produced 5 National Champions, a credit to their coaching as much as individual talent. The coaches have volunteered their time and invested themselves wholeheartedly in the program. Coach Lee Wheeler went so far as to trade his Harley-Davidson motorcycle in order to purchase a van to transport the team across the country.

I applaud these six young men for their dedication, fortitude and spirit. I thank them for showing us the courage that exists within us all. And I wish them luck in all of their future endeavors both inside and outside the ring.

PERSONAL EXPLANATION

HON. VINCE SNOWBARGER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. SNOWBARGER. Mr. Speaker, I was unavoidably detained on Friday October 2, and missed Roll Call votes number 477, 478, and 479. Had I been present, I would have voted Yes on Roll Call 477, to approve the Journal of the previous day; I would have voted No on Roll Call 478 to recommit the Conference Report on H.R. 4101; and I would have voted Yes on Roll Call 479 to agree to the Conference Report on H.R. 4101. I ask unanimous consent that my positions on these votes be so noted.

CONGRATULATIONS TO HARRY AND NANCY E. ROTHROCK, JR., FOR THEIR GOLDEN WEDDING ANNIVERSARY

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. PICKERING. Mr. Speaker, on September 5, 1998, Harry and Nancy E. Rothrock, Jr., of High Point, North Carolina celebrated a special day in their lives—their Golden Wedding Anniversary. It is with great pride and personal interest that I congratulate them on this special occasion.

In this day and age when fewer couples can claim fifty years of marriage, Harry and Nancy Rothrock are the exception to the rule. For they have based their long lasting relationship on open communications, a personal commitment to one another, and genuine love. From 1948 to 1998, they experienced many ups and downs, and many trials and tribulations, but I know they would both say it has been well worth it.

Harry and Nancy met at High Point College in 1946 where they were active in many campus activities. Harry was a baseball and basketball star, while Nancy was the "May Day Queen" and a cheerleader, Rumor has it that it took Harry three attempts before Nancy would go out on a date with him, but, in the end, it was "love at first sight."

Their marriage has been complemented with four children—Nancy, Jr., Alan, John and Doug—and three grandchildren—Abbey, Darus, and Elizabeth. The family celebrated the anniversary with a private dinner and were joined by Nancy's sister, Mrs. Betsy (George S.) Bouldin.

Again, I want to send my sincerest congratulations and heart felt wishes to Harry and Nancy Rothrock on celebrating their 50th Wedding Anniversary.

DR. JON LARSON INAUGURATED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to Dr. Jon H. Larson, a distinguished educator who is joining our community in Northeastern Pennsylvania. On October 10, 1998, Dr. Larson will be inaugurated as the fifth president of the Luzerne County Community College, located in my hometown of Nanticoke.

Dr. Larson was most recently Vice-President for Administration and Dean of Institutional Services of the Frederick Community College in Frederick, Maryland. During his tenure at Frederick, he was also a research associate at the University of Maryland. Prior to that experience, Dr. Larson served in several administrative and teaching positions at Berkshire Community College in Massachusetts.

Dr. Larson had numerous successes in Maryland, having served as the founding co-chair of the Maryland Community College Technology Council and the founding chair of the Maryland Community College Facilities Planners Council. He chaired a campaign that quadrupled capital funding for 18 colleges and was instrumental in the resource development and grant funding aspects of a $34 million capital improvements program.

Always active in the community, Dr. Larson served in leadership capacity of the Kiwanis, Norwich University Club, and the Frederick County Chamber of Commerce. He also served as community representative for the Bio Whittaker Animal Care and Use Committee, chair of the Frederick County CETA Planning Council, and chair of the Lee, Massachusetts Planning Board.

Dr. Larson has been a member of the Society for College and University Planning, the AACC National Council for Research and Planning, and several other professional organizations. Since moving to Northeastern Pennsylvania, Dr. Larson has continued his community involvement by joining the Kirby Center Board of Directors and co-chairing the education committee of the United Way of Wyoming Valley.

Mr. Speaker, I am pleased to have the opportunity to join with the community in welcoming Dr. Larson and his wife, Judy, to Northeastern Pennsylvania. Since his recent arrival, Dr. Larson has already provided a clear vision for the mission of the Luzerne County Community College in the new millennium.

AFRICA SEEDS OF HOPE ACT OF 1998

SPEECH OF

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 28, 1998

Mrs. MEEK of Florida. Mrs. Speaker, I rise in strong support of H.R. 4283, the Africa Seeds of Hope Act of 1998.

There are important signs of human progress in Africa. Life expectancy has increased, the infant mortality rate decreased by nearly 50%, we have seen sharp increases in educational advancement. Despite these advances, however, hunger and poverty still remain worse in Africa than on any other continent in the world.

The Africa Seeds of Hope Act promotes sustainable growth and development in Sub-Saharan Africa while at the same time helping the agriculture community. This bill would also improve food security for children, women and needy households, and improve the agricultural productivity and incomes of the rural poor. Agriculture is the largest source of revenue in most Sub-Saharan African economies. It is safe to say, that unless the agricultural industries improve, many Sub-Saharan African countries will continue to economically deteriorate.

The Africa Seeds of Hope Act has been endorsed by over two-hundred agricultural and humanitarian organizations with experiences in Africa.

By dedicating resources aimed at agricultural research, financing rural area farms and food security, this bi-partisan legislation would work in tandem with our new trade initiatives with Africa. The long-term partnerships that will be created because of this legislation will better enable the U.S. to evaluate the effectiveness of programs and allow us to design cost-effective techniques that can be used throughout our foreign aid programs.

Mr. Speaker, the Africa Seeds of Hope Act of 1998 provides substantial economic benefits to Sub-Saharan Africa and promotes American foreign interests. This bill has received bipartisan support in this Congress and is consistent with our current African foreign policy. I strongly urge my colleagues to support it.

HONORING THE STUDENTS OF COLD SPRING HARBOR JUNIOR HIGH SCHOOL

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. ACKERMAN. Mr. Speaker, I rise to honor and congratulate Rachel Friedstein, Jessica Berenblum, Lauren Schulz, and Raina Tripp who placed second in their quest for the Bayer/National Science Foundation (NSF) Award for Community Innovation. Each of these students has received a $3,000 savings bond and will be honored at a Capitol Hill Ceremony. We should also recognize the outstanding work of their coach, Mr. Jim Frank, whose leadership and guidance was instrumental to the students' success.

These Cold Spring Harbor Junior High School students conducted a comprehensive study of the long term damage caused by wearing backpacks that were excessively heavy. They concluded that 25–33 percent of adolescents already experience lower back pain and that overweight backpacks can exacerbate these problems leading to even more serious back conditions later in life. The students worked with physicians and chiropractors to identify risk factors and prevention methods.

In the fall, these four students began a program entitled "Light is Right" which seeks to inform their peers about the dangers associated with backpack misuse and strategies to avoid this problem. They will hold an assembly for new junior high school students and distribute brochures and stickers describing the problem. Moreover, they will work to create an Internet survey to conduct further research.

The creativity and ingenuity of these students should serve as a model to all of our schools and communities. It also shows that students can really make a difference in the lives of their peers by working with their school and the private sector. The award program, which is jointly run by the National Science Foundation and the Bayer Corporation, has adhered to this model of public-private interdependence. It is my hope that other schools throughout the New York area will look to this example and create similar programs. Most importantly, their work will enable other teenagers to lead healthier lives.

Mr. Speaker, I ask all of my colleagues join me in rising to honor these extraordinary students and their coach.

IN RECOGNITION OF THE HELLING STADIUM RENOVATION PROJECT

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KLINK. Mr. Speaker, it is with great pride I rise and give recognition to the people of Ellwood City on the occasion of the rededication of Helling Stadium. Under construction for the past year and a half, the new stadium will provide a state-of-the-art facility for the students who attend Lincoln High School. It will also provide a first class venue for the Western Pennsylvania Interscholastic Athletic League to use for playoff games in baseball, football, and track and field bringing more and more people from outside Lawrence County into Ellwood City.

In addition to having one of the premier football stadiums in western Pennsylvania the complex has added a six-lane regulation polyurethane running track as well as a new baseball field and concession stands. As a result of this renovation, Lincoln High School will finally be able to host track and field events. It is interesting to note that prior to the renovation the baseball stadium's lighting was passed down from storied Forbes Field in Pittsburgh.

The Fourth Congressional District has been home to many great professional athletes. Tony Dorsett, Joe Namath, Ty Law, and George Blanda to name a few. It is my belief that with a first-class facility like this, it may not be long before a new crop of future NFL stars come from Ellwood City.

Mr. Speaker, it is once again with great pride that I rise and urge my colleagues to join me in congratulating the people of Ellwood City on this fabulous evening. Additionally, I would like to take this opportunity to extend my most sincere thanks to Brad Ovial and the entire school board for the work they have done to guarantee the completion of this project. Good luck for the future and go Wolverines.

A TRIBUTE TO THE REVEREND BERNARD C. POITIER

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mrs. MEEK of Florida. Mr. Speaker, I am proud to salute Reverend Bernard C. Poitier for his many years of service to our community and to his church as an educator, family counselor, and community leader.

Rev. Poitier has been the owner and director of Poitier Funeral Home for the past 30 years and the Pastor of Saint Luke Cousin Memorial A.M.E. church for 18 years.

Pastor Poitier began his ministerial training at Mount Herman A.M.E. church under the guidance of Reverend C.E. Jenkins. He received his primary and secondary education from Dade County public schools, then went on to earn his Bachelor of Science degree from Bethune-Cookman College in 1963.

As pastor of Saint Luke Cousin Memorial A.M.E. Church, Rev. Poitier has inspired many to become personally involved in doing God's work. Guided by his commitment to inner city youth, Rev. Poitier has organized numerous athletic events, fund raisers, and recreational activities designed to benefit those who are less fortunate.

Pastor Poitier is married to the former Barbara Riley and is the father of two sons, and two daughters. He is also the grandfather of two.

In honoring Rev. Poitier today, we honor the virtue, moral courage, and sacrifice which he has exhibited throughout his life. As an inspiration, strength, and a blessing to those whose lives are touched by his, he helps others understand the place of faith in their lives.

I know that my colleagues join with me and our entire commuity in extending our highest praise and congratulations to Rev. Bernard C. Poitier for his lifetime of service.

HONORING THE VERY REVEREND FATHER STEVAN STEPANOV FOR TWENTY-FIVE YEARS OF SERVICE TO ST. ELIJAH SERBIAN CHURCH IN ALIQUIPPA, PENNSYLVANIA

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. KLINK. Mr. Speaker, I rise today to honor an exceptional individual, the Very Reverend Father Stevan Stepanov of Aliquippa, PA.

This year, Father Stevan celebrates the twenty-fifth anniversary of serving the Aliquippa parish and the thirty-fifth anniversary of his ordination into the Orthodox priesthood.

Born and educated in Yugoslavia, Father Stevan moved to this country with his family to begin his career as a Deacon to the Serbian Orthodox Diocese in America. He became a United States citizen, earned a Master's Degree at the University of Pittsburgh, and strove to be a good husband and father.

As the parish priest in Aliquippa, he quickly established himself as an outstanding priest and helped to build the reputation of Aliquippa as one of the finest, most active Serbian Orthodox communities in America. Father Stevan has maintained the spiritual vitality of the Orthodox church service. He has rejuvenated holiday traditions that are centuries old. He has served as teacher to generations of young and old parishioners. He founded the summer camp and served as advisor and supporter for its Sunday School, Youth Group, KCC, Church Choir, Junior Choir, Mother's Club, Men's Club, and other organizations.

Through these many years, Father Stevan has enjoyed the support and good counsel of his wife, Ana. Her strength, humor, and patience have allowed Father Stevan to devote the many hours and much energy to his work in the parish.

Mr. Speaker, once again I want to commend Father Stevan for his service to the St. Elijah Serbian Church and the greater Aliquippa community and wish him many more years of good health and good work. He is a credit to his people and his vocation and an inspiration to all citizens of the Fourth Congressional District of Pennsylvania.

I hope that all of my colleagues will join me in recognizing the exemplary work of a truly extraordinary man.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, October 6, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 7

9:30 a.m.

Environment and Public Works

To hold hearings on the nominations of Isadore Rosenthal, of Pennsylvania, to be a Member of the Chemical Safety and Hazard Investigation Board, and William Clifford Smith, of Louisiana, to be a Member of the Mississippi River Commission.

SD–406

Judiciary

Business meeting, to consider pending calendar business.

SD–226

Indian Affairs

To hold hearings on H.R. 1833, to amend the Indian Self-Determination and Education Assistance Act to provide for further Self-Governance by Indian tribes.

SR–485

Special on SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM

To hold hearings to examine information technology readiness of general business services for the Year 2000.

SD–192

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Ira G. Peppercorn, of Indiana, to be Director of the Office of Multifamily Housing Assistance Restructuring.

SD–538

Foreign Relations

To hold hearings on the nominations of William B. Bader, of New Jersey, to be Associate Director for Educational and Cultural Affairs of the United States Information Agency, Harold Hongju Koh, of Connecticut, to be Assistant Secretary of State for Democracy, Human Rights, and Labor, and C. David Welch, of Virginia, to be Assistant Secretary of State for International Organization Affairs.

SD–419

Governmental Affairs

To hold hearings on the nominations of Dana Bruce Covington, Sr., of Mississippi, and Edward Jay Gleiman, of Maryland, each to be a Commissioner of the Postal Rate Commission, and David M. Walker, of Georgia, to be Comptroller General of the United States, General Accounting Office.

SD–342

Joint Economic

To hold hearings on proposals to stabilize the international economy. 311 Cannon Building

2:00 p.m.

Governmental Affairs

Oversight of Government Management, Restructuring and the District of Columbia Subcommittee

To hold hearings to examine the implications of military adultery standards.

SD–342

Judiciary

To hold hearings on the implementation of the Radiation Exposure Compensation Act.

SD–226

OCTOBER 8

9:00 a.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

To hold hearings to examine national security considerations in asylum applications, focusing on a case study involving six Iraqis.

SD–226

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Ashish Sen, of Illinois, to be Director of the Bureau of Transportation Statistics, and Albert S. Jacquez, of California, to be Administrator of the Saint Lawrence Seaway Development Corporation, both of the Department of Transportation.

SR–253

Environment and Public Works
Drinking Water, Fisheries, and Wildlife Subcommittee
To hold oversight hearings on scientific and engineering issues relating to Columbia/Snake River system salmon recovery.
SD–406

10:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings to examine recent events in Afghanistan.
SD–419

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

CANCELLATIONS

OCTOBER 8

9:30 a.m.
Select on Intelligence
To hold hearings to examine the scope of national security threats.
SH–216

2:30 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

SENATE—*Tuesday, October 6, 1998*

(Legislative day of Friday, October 2, 1998)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Rev. Robert Kem, Saint Andrew's Episcopal Church, Omaha, NE. He is a guest of Senator CHUCK HAGEL. Pleased to have you with us.

PRAYER

The guest Chaplain, Rev. Robert Kem, Saint Andrew's Episcopal Church, Omaha, NE, offered the following prayer:

Let us pray:

O Lord our Governor, whose glory is in all the world: We commend this Nation to Your merciful care, that being guided by Your providence, we may recognize You as our sovereign God and dwell in Your purpose and peace.

Grant to the President of the United States and especially the Members of the United States Senate and the House of Representatives and to all in authority the wisdom and strength to know You and to do Your will.

Fill them with the love of truth and righteousness. Make them ever mindful of their utmost calling to serve You as the chosen representatives of the people of this land. And in all that they do, may they serve You faithfully in this generation to the honor of Your holy name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. DEWINE. I yield at this point to my colleague from Nebraska.

Mr. HAGEL. Mr. President, I thank my friend and distinguished colleague from Ohio, Senator DEWINE.

THE SENATE'S GUEST CHAPLAIN

Mr. HAGEL. Mr. President, I want to very briefly reflect for a moment on the prayer just offered by the Rev. Robert Kem of Saint Andrew's Episcopal Church in Omaha. It happens, Mr. President, that is the church where my family and I often are seen—more over the few years previous to the last 2 years, because of our recent change to our residency here in Washington.

Father Kem's guidance, and what that has meant to us as he continues to give spiritual guidance to so many, has been unique. He is known far outside the boundaries of just the Midwest. I think that is quite evident by the elegance of his prayer and his eloquent statement, reflecting on who we are as a Nation: All creatures, children of God. For Father Kem coming before this body today to offer guidance and prayer and hope, I am grateful. We are all better for Father Kem. To all the parishioners, those a part of the Saint Andrew's Episcopal family in Omaha, we know you are proud, as are we in the U.S. Senate.

I yield the floor.

The PRESIDENT pro tempore. The distinguished Senator from Ohio is recognized.

SCHEDULE

Mr. DEWINE. Mr. President, I have several announcements on behalf of the majority leader.

This morning there will be a period of morning business until 10 a.m. Following morning business, the Senate may consider any cleared executive nominations or legislation regarding judicial antinepotism. At 11:30 a.m., under a previous order, the Senate will resume consideration of the agricultural appropriations conference report, with a vote occurring on adoption of that report at 3:15 p.m. Following that vote, the Senate will resume consideration of S. 442, the Internet tax bill. Amendments are expected to be offered and debated in relation to Internet tax and, therefore, Members should expect rollcall votes into the evening during today's session.

Members are reminded that at 10 a.m. on Wednesday the Senate will vote on adoption of the motion to proceed to H.R. 10, the financial services reform bill, to be followed by a cloture vote on the Internet tax bill. By unanimous consent, Senators have until the cloture vote occurs to file second-degree amendments to the Internet bill.

I thank my colleagues for their attention.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. HAGEL). Under the previous order, there will now be a period for morning business not to extend beyond the hour of 10 a.m. with Senators permitted to speak therein for not to exceed 5 minutes, provided the Senator from Ohio, Mr. DEWINE, shall be entitled to speak for 10 minutes.

The Senator from Ohio.

Mr. DEWINE. Mr. President, I ask unanimous consent to proceed for the next 15 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIOLENCE IN KOSOVO

Mr. DEWINE. Mr. President, in a 1985 speech attended by President Ronald Reagan, the acclaimed writer and lecturer Elie Wiesel, a witness and survivor of the Holocaust, recounted the lessons he learned over the years since this dark chapter in our history. He said:

> I learned that in extreme situations when human lives and dignity are at stake, neutrality is a sin. It helps the killers, not the victims. I learned the meaning of solitude, Mr. President. We were alone, desperately alone.

Mr. President, years from now, we may hear similar words from some of the survivors of the recent atrocities committed in the former Yugoslavia. This past week, Americans and people from all over the world have been witness to some horrific images coming from the tiny province of Kosovo in the Republic of Serbia. These images, of murdered ethnic Albanian civilians, from the very young to the very old, are the latest in a series of systematic attacks over the last 7 months by Serbian military and security forces against Albanian Kosovars—both rebel insurgents and unarmed civilians.

The victims of this latest massacre included old men, women, and children. The death toll since last February is estimated to be as low as 500 and as many as 1,000 although, frankly, no one knows how many victims there have been. Homes have been firebombed. Entire villages have been bulldozed to the ground. Hundreds of thousands of Albanian Kosovars literally have run for their lives and are seeking refuge in the forests and mountains of Kosovo, or in the neighboring states of Albania, Montenegro, Macedonia, and Bosnia.

Mr. President, what perhaps makes last weekend's attack more difficult to bear is that it causes us to pause and wonder if these lives could have been saved if NATO had stepped in sooner. I think we all know the answer to that.

Congress has struggled with the issue of brutal violence in the Balkans for the better part of this decade. The images broadcast this week are a somber reminder of very similar pictures that came from places not far from Kosovo—places like Mostar or Tuzla in

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Bosnia. I can recall, as I am sure can many of my colleagues, during our many discussions on Bosnia in 1995, several of our colleagues, including our former Majority Leader, Bob Dole, warning us that tensions in Kosovo could lead to the level of outright violence and ethnic cruelty that crippled Bosnia.

I am certain that this is one instance in which Senator Dole today wishes he had been wrong.

It has long been thought that Kosovo was an area where America's national resolve was clear. In 1992, President George Bush warned President Milosevic that violent acts against Albanian Kosovars would lead to military intervention.

President Bush's warning was prompted by President Milosevic's single-handed efforts to strip Kosovo of its autonomy in 1989, and abolish Kosovo's parliament and government 1 year later.

At that time, the Albanian Kosovars, which represent 90 percent of the total population of Kosovo, chose to exercise a form of nonviolent protest against the Serbian government. A shadow government, parliament, and society emerged. Besides electing their own President and legislature, Kosovars established their own education and medical systems.

Although there were scattered reports of human rights violations against Albanian Kosovars during this period, they were not connected with the reports of an extensive ethnic cleansing campaign underway in Bosnia. Many factors were involved, but perhaps most important was the threat of a larger regional war that could be sparked if the carnage in Bosnia spread to Kosovo. Besides the United States, the countries of Albania, Macedonia, Turkey, and Greece at one time or another warned that violence in Kosovo could force any one of these countries, if not all of them, to intervene. Certainly, with his resources engaged in the conflict in Bosnia, Serbian President Milosevic could not risk taking action in Kosovo.

Now, with instability in Albania and Macedonia, and the growth of the pro-independence faction of Kosovars known as the Kosovo Liberation Army, or KLA, President Milosevic has engaged his security and military forces in Kosova under the guise of putting down the KLA.

Mr. President, from the evidence that we have, Mr. Milosevic has gone beyond a simple police action. This has been a seven month campaign of intimidation and conquest.

Our government, as well as European governments, vowed not to allow in Kosovo a repeat of the vicious war crimes we found in Bosnia. Yet, some who have recently visited the region, believe these crimes have already happened. The extent of these crimes cannot be confirmed. Relief workers and humanitarian organizations are being barred from reaching victims and refugees.

Should this be a surprise to any of us? Certainly not. Slobodan Milosevic is a cold, calculating tyrant. He is a war criminal. He was not moved by diplomatic threats in Bosnia—what drove him to the Dayton peace talks was the military success of the Bosniak-Croat alliance in reclaiming land once held by the Serbs.

Kosovo is no different. Milosevic and his subordinates often have pledged to end the carnage in Kosova. Yet, no pledge has been followed by a clear cessation of hostilities. Mr. Milosevic has demonstrated that he will not withdraw his forces until he feels he has achieved the most from the use of violence. And he will not engage in peace talks unless he believes that no other course of action will preserve his position or advance his goals.

So it should not be a surprise to any of us that now, as NATO prepares for a military response, the Serbian government has declared victory and now is making plans to reduce its military and police presence in the region.

We have been witness to a brutal military and police action against unarmed civilians that was done with the expectation, if not certainty, that both Europe and the United States would not respond, or indeed would not even know how to respond.

There is little to ponder about what must occur.

The threat or actual use of military action by NATO, such as air strikes, is needed if some form of Serbian withdrawal or cease fire in the Kosovo province is going to occur.

I believe we cannot escape the fact that, in the short term, some form of NATO or United Nations presence on the ground will be needed to police any cease fire or withdrawal, or to ensure the transport of needed food, medical and other supplies to the refugees. In addition, war crime investigators will need to be able to determine the actual atrocities committed and who is responsible.

It is uncertain if ground forces will be called for by NATO. In fact, we know very little of what NATO plans to do beyond air strikes. That is of concern to me because a number of uncertainties remain—uncertainties that if left unresolved will not deal with the root cause of the conflict between the Serbs and Albanian Kosovars. The administration needs to articulate a clear strategy or plan to address the current humanitarian crisis, and the even larger questions about the political future of the Kosovars over the long term.

For example, what fate lies ahead for the estimated 300,000 Kosovars who were uprooted from their homes and villages and forced to seek refuge as far away as Albania, Macedonia, or Bosnia? And of those refugees, what lies ahead for the 50,000 or more who are in hiding in the hills within the province—without shelter, food, or medicine—with winter just around the corner?

Clearly, our first and foremost goal is to achieve a cease-fire. I am hopeful NATO air strikes can ensure a cease-fire. Second, we must ensure humanitarian organizations can safely reach out to these refugee populations without fear of obstruction or even destruction by hostile Serbian forces.

And once they get cared for, when can the displaced Kosovars return home? And what kind of home do they expect to see when they return? It is estimated that approximately 200 villages in the province have been completely destroyed or heavily damaged. When can they expect to see some restoration of the kind of livelihood that affords them the chance to live in peace?

These are the harder questions, but right now, it seems that NATO has yet to consider how they are to be answered. These issues must be addressed and answered if this conflict is going to be contained over the long term.

I'm sure we all agree that these issues must be addressed and answered not at either end of a rifle, but at a conference table. Yet, how can NATO get both sides—the Kosovars and the Serbs—to the conference table? That remains unclear.

And should some kind of long-term agreement be reached, how will that be enforced? What role, if any, can we expect NATO to play to ensure long-term peace in Kosovo? That too remains unclear.

What is clear is that the actions we take in the next few weeks have implications for long-term peace not just in the province but throughout the Balkans. That's why it's in NATO's interest to act, and act with resolve. Unfortunately, the only resolve we see is to strike at the Serbs by air, but nothing more beyond that.

NATO needs to begin to look at these larger questions and soon if our resolve for peace will achieve results and be real over the long-term. It's in our interests to do so. We still risk the threat of a larger conflict in the region, involving Albania, Macedonia, Turkey, and Greece. We also put in jeopardy the progress we have made thus far to maintain peace in Bosnia.

Mr. President, we cannot and should not dictate the terms of any agreement between the Serbs and Kosovars, but NATO can insist—through force if necessary—that peace be achieved through cooperation, not conquest.

This, Mr. President, ought to be the U.S. policy. I thank the chair and yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for up to 5 minutes.

Mr. DODD. Mr. President, first of all let me commend our colleague from Ohio. At some point today or tomorrow I also want to address this issue of Kosovo.

I will tell you that the expressions given by our colleague from Ohio are certainly appreciated by all. I think for most of our colleagues it is our sincere hope that we will not once again play this game with Mr. Milosevic as he has played it so effectively over the last few years with Bosnia, and now Kosovo, where the threat of retaliation causes some warm statements to be made, and once again we back off, and once again more people suffer terribly as a result of it.

MEDICARE HMO BENEFICIARY EMERGENCY RELIEF ACT OF 1998

Mr. DODD. Mr. President, last week, close to 400,000 older Americans and individuals with disabilities, representing some 300 counties and 18 States across this Nation, were notified by their Medicare health maintenance organizations that as of January 1, 1999, their insurers would be terminating their health coverage.

In my State of Connecticut, we were notified on Friday around 6 o'clock that 6,000 seniors would see their HMO, Oxford Health Plan, leave their communities. When added to earlier withdrawals from the market by other HMOs in Connecticut, this announcement means that more than 12,000 Connecticut Medicare beneficiaries will lose their present HMO providers.

One can only imagine the anxiety of seniors reading of the announcement in their newspapers or hearing on television that their HMO would not be there for them on January 1 and having no one to turn to, no one to ask questions of, with offices closed for the weekend. Even the Health Care Financing Administration, which regulates these HMOs, had not yet received the news.

Only three weeks earlier, two other HMOs in Connecticut notified their customers that they would be backing out of New London, Windham, and Tolland Counties, jeopardizing affordable Medicare coverage for about 6,000 seniors.

The precipitous withdrawal of managed care organizations from Medicare is a growing problem. Unless action is taken, on January 1, 1999 thousands of seniors will find themselves at forced to leave established relationships with their doctors and without affordable health care coverage.

I am fearful that with Congress adjourning later this week or early next week, and being out of session for the bulk of October, November, December, it may not be until January that we will again have the opportunity to do something about this.

I am going to be calling on the leadership today to enact an emergency piece of legislation, which I will be introducing today, to put a moratorium on HMOs leaving the Medicare market while we are not in session. This legislation will give us some time to see if we can't sort out this mess and prevent thousands more seniors from finding themselves without HMO coverage on January 1, 1999, a matter of weeks.

My hope is that the leadership will find some time to consider this and adopt it before we leave, hopefully on a bipartisan basis, to stop this serious problem we are seeing in my State and 17 other States around the country.

Mr. President, last Friday I also introduced legislation that deals with the broader issues underlying the recent withdrawals of Medicare HMOs from certain communities. Because it takes a comprehensive approach, I do not expect that this bill would be adopted before we leave. However, I would hope that for now we can at least agree on a narrowly defined moratorium which would at least give us time to find solutions to the larger problem.

Mr. President, I would like to briefly outline for my colleagues the provisions of the legislation I introduced last week. Specifically, the legislation would not allow a flat termination of coverage if there are other less drastic options available. In the case of the withdrawals of two HMOs in eastern Connecticut, after causing considerable distress to seniors with an announcement that they were leaving, the companies re-evaluated their positions in the face of strong pressure from the community, and said "Well, maybe there are some other options we hadn't considered." This legislation will require they consider those other options first—before creating anxiety among our seniors.

Secondly, the legislation will stipulate that if a company maintains there are no other options but ending coverage, they must demonstrate that. In addition, the HMO would then be responsible for notifying consumers of what alternative coverage is available.

The legislation also requires that HMOs commit to serving seniors for more than just a year. Right now, HMOs are only required to contract on an annual basis. We would require them to make a 3-year commitment. It is important to keep in mind that we are talking about companies that have made the careful determination that it is in their financial interest to enter the Medicare market. These are companies that have extensively recruited seniors and convinced them to leave long-standing relationships with their health care providers to join their HMO and then, with very precipitous announcements, as we have seen in the last several weeks, they have left those communities.

Mr. President, this is a serious, serious problem that is going to get worse, in my view, if we don't take some steps. We passed similar legislation a number of years ago dealing with plant closings. We finally decided that having a company announce precipitously it is leaving, disrupting communities, disrupting the lives of their employees, is unwise and that we ought to adopt legislation that requires at least some advance notice so that communities and people can try to rearrange their lives.

I am suggesting parallel legislation to deal with Medicare HMOs. Here it is so important, particularly for our older Americans or disabled Americans, many of them living alone, who don't have the financial resources to hire lawyers and read through all of the morass of paperwork when it comes to finding a new HMO, that they be given adequate notice and provided with clear information about their options.

We are hopeful we can build some support for the idea of considering all options, having more advanced notice, and extending the contract term. If you are going to go out and try to entice people to sign up, it seems to me you have an obligation to stick with them for a while. Certainly just to make a decision that you are going to pull out of the area, with minimal notice, I think is wrong.

TRIBUTE TO FRED KRAL

Mr. DODD. Mr. President, I want to take a minute to talk about an individual in my State whom I only met for about 10 minutes, but who had a profound impact on my view of this situation. He is a man by the name of Fred Kral. He is a person who led, in many ways, I suppose, an ordinary life, but I think became sort of an extraordinary figure. He recently died at the age of 72.

Mr. Kral lived in Niantic, CT, for the last 48 years. He served in World War II. After the war, he attended the Rhode Island School of Design. He later went to the University of Connecticut. He earned a degree in agricultural engineering.

He worked at Electric Boat Company, a builder of submarines, for 38 years and retired in 1989 as manager of materials for the Kessel Ring site in Ballston Spa, NY.

He was a member of the Masons. He was also a member of the East Lyme Water and Sewer Commission. An avid golfer and a track letterman back in college, he was a founding and life member of the Niantic Sportsman's Club where he served in various offices.

Most important, Mr. Kral was a loving husband and parent, survived by his wife, his son Frederick, his three daughters Joyce, Freda, and Heidi, his sister Betty Lavelle, and his 11 grandchildren.

Fred Kral was a fine man. A lot of people would say Fred Kral was an average guy, an average American. In many respects he was, but this average man also was a very passionate man, a man who always fought for what he believed.

Earlier this month, Fred Kral and an estimated 6,000 other seniors in eastern Connecticut were notified through the mail that two Medicare HMOs were discontinuing service in their communities, effectively canceling these seniors' health care plans as of January 1, 1999.

Three Saturdays ago, Mr. President, I organized a forum at the Rose City Senior Center in Norwich where more than 400 people gathered to discussed these insurance companies' actions and what steps might be taken to preserve their health care.

At that meeting, Fred Kral spoke eloquently—eloquently—not only on behalf of himself and his wife who, 2 weeks earlier, had a stroke, but on behalf of all the seniors in eastern Connecticut who were worried about their health care and what was going to happen to them when these HMOs left.

Fred Kral expressed anger and disappointment with his HMO's decision. He specifically voiced his concern for his wife, who recently suffered a stroke, and his fears he might be rejected when he tried to join another plan. He wondered how he could be dropped from the same health care plan that he and his wife were enticed to join only 2 years ago.

He also said he would be willing to pay higher premiums to keep his health care if that was the only choice. But at the time he wasn't given that option. He and thousands of others were simply told they were being dropped by the same plan that had actively recruited them just 2 years earlier. He summed up the debate best when he said, "It's a moral issue."

As he returned to his seat from speaking, Fred Kral suffered cardiac arrest. After efforts to revive him at the scene, he was rushed back to his hospital in Norwich and died shortly before noon on that day.

This is a tragic incident and an unfortunate way for this honorable man to die. But it is no accident that Fred Kral was at that meeting delivering his speech from the front row of that audience that day. As I said earlier, he was a passionate man about everything he did. He was particularly passionate about this issue. His daughter told me that he was up at 2:30 in the morning the day of the meeting preparing questions.

Of the hundreds of people attending the forum, Fred Kral had approached me before the event and struck up a conversation. He told me he came to that forum to have his opinions heard. I told him I would recognize him when the forum began.

I want my colleagues to know about Fred Kral. I want them to know that this debate is not about nameless, faceless beneficiaries. It is about individuals like Fred Kral. He was not a member of some consumer advocacy group, he was just a normal citizen who cared very deeply about health care and HMOs because no other issue had a more direct impact on his life and his family.

There are a lot of people out in this country who feel the same way about this issue as Fred Kral did. Just look at my own State. In a small community in this small State, there were 400 people who cared enough about this issue to spend their Saturday morning at a health care forum. I guarantee each and every one of my colleagues that there are persons in their home States who have similar worries about their health care, and they want Congress to do something about it.

Before any of my colleagues say that the health care system in this country doesn't need changing, I urge them, again, to think about Fred Kral of Niantic, CT. Here is a man who lived nearly half a century in the same small town. He served our Nation in World War II. He spent 38 years working to strengthen our national infrastructure, our defense infrastructure. He supported and raised a family, and in his retirement he enjoyed a good round of golf every now and then—in many ways he was your average, solid citizen that we so often talk about. But despite playing by the rules his whole life, he got a letter in the mail from his HMO telling him that they no longer wished to take care of him, just weeks after his wife had suffered a stroke.

I say to you, my colleagues here, any health care system that allows something like this to happen to someone such as Fred Kral, and 12,000 other Connecticut citizens, is in need of serious examination and review. Therefore, Mr. President, in the small amount of time we have left in this legislative session, I would hope that we in this Congress would do what is right and have a full and open debate on the issues of Medicare HMOs. Four hundred thousand people in the last 2 or 3 weeks who have been dumped by their HMOs deserve better than just silence on this issue.

I know the hours are waning. I know there is other business to do. But I cannot think of anything that could be more important than helping thousands and thousands of older Americans who, while we are out of session, may find themselves losing affordable health care coverage because their HMO has decided some communities aren t quite as profitable as they thought they d be.

We must act in the next few days. To be out of session for October and November and December and January while we know there are thousands of people who are worried about whether or not they are going to have HMO coverage, I think is terribly, terribly wrong.

In closing, Mr. President, Fred Kral's death is certainly a tragedy. It is a tragedy for his family and for the people who knew him and loved him, but it did not come in vain. In southeastern Connecticut, the insurance companies are reconsidering their decision. They announced the Monday following the forum that they will try to come up with some solutions. I hope they do. I am not confident they are going to be terribly comprehensive, but obviously they were mortified, as they should have been, about what occurred.

So my hope is, Mr. President, that we might be able to at least pass an emergency piece of legislation that would place for the next 6 months a moratorium on HMOs leaving these areas to give us time to work with the Health Care Financing Administration to try and renegotiate some of the contracts and prevent these companies from just packing up and leaving. So in the midst of dealing with all these other lofty bills we have before us, a simple moratorium. I wish that we would get into a full-blown debate of HMOs, but I do fear it is not going to happen. I hoped we would be able to adopt a Patient Protection Act this Congress to allow patients and doctors to decide what medical procedures are necessary and to allow patients to choose their doctors. But for now, I am asking that we consider a simple moratorium on Medicare HMOs leaving the market to give us all time to consider more comprehensive solutions. This is the very least, I think, we can do.

So, Mr. President, later today I will introduce the moratorium bill and make it retroactive to protect the seniors who have been so adversely affected. I urge our colleagues and the leadership to consider this bill and to adopt it before this 105th Congress adjourns sine die.

Mr. President, I see no other colleague here on the floor, so I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ROBERTS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF MORNING BUSINESS

Mr. DODD. Mr. President, I ask unanimous consent that morning business be extended until 11:30 a.m., with Senators permitted to speak for up to 5 minutes each. That is on behalf of the majority leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DODD. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE AGENDA

Mr. BURNS. Mr. President, as we move into the final week of the 105th Congress, I am reminded by everything that is going on around us of the importance of our work here. Most Senators would agree that this will be a closing unlike what the majority of Senators have ever seen. It will test each and every one of us and will remind Members just why we are here.

It will test our patience and stamina regarding each and every piece of legislation that we have toiled on throughout the 105th Congress in the last 2 years. We have worked on legislation that has been in the pipeline, and now we are coming down to the small end of the funnel. Just as air, when compressed, picks up velocity, legislation picks up movement in the last week of a session.

The agenda of this Congress has been and should be simple. I gather it has been a simple one. We responded to emergencies all across the land and, yes, beyond the shores of our great land. We responded to the needs of people within our borders, attended to the needs that were a part of circumstances beyond anybody's choosing or control. Basically, that is what we do best.

There is a quality of statesmanship that is a part of each and every one of us who serve here. It will be tested as reality sets in. Some highly important issues to us all will need to be laid aside for another day. Believe me, there will be another day. There will be another battleground.

The decisions that are now before the Senate, should government be placed above all else in the average lives of all Americans? My answer is, hardly. I think it is during these times that we must reassess the role of the Federal Government and the role each of us must fill. Competition is keen among all who serve the American people at each level of government. Can we forget that we are not a true democracy and remember that we are a Republic? Each State of this great Union plays their important role in the day-to-day business of public service.

The agenda for this week is appropriations, funding the important part of our Government, which could include national security, our relations with the world community, and the economic well-being of our citizens. In other words, ensuring each and every American is not denied the American dream.

As we close the Senate and the 105th Congress, it may be asking something out of the ordinary, but it is not impossible that we lay aside the issues that cloud and delay and wait for another day. This Nation has survived for the past 200 years and will survive another 200 years. Yesterday, we heard announcements coming from both sides of the aisle and many other sources that the other side would risk shutting down the Government should we not fulfill the agenda of appropriations. If the Government is shut down because of a lack of funding, it will be the fault of the other person or party. That was the message this weekend and all day yesterday.

It is time that we reassess what has happened to get us where we are. We have been using delaying tactics either to block or slow progress of the appropriations process—nothing but delaying tactics, pure and simple. Now that we are at this point, someone must be to blame. Do we blame somebody else, or do we blame ourselves? Is there a mindset that the responsibility or the lack of responsibility does not fall on each and every one of us, whether we serve in the legislative arm of this Government or the administrative arm? Are we really saying we don't have the courage to accept the responsibility and suffer the consequences of our own actions? How can we ask our younger Americans to develop a sense of responsibility if we do not do it? Are we a nation of laws or a nation of self-satisfaction and the impulses or emotions of the day?

What we do here matters. It matters more than any one of us can imagine. Now is not the time for posturing. It is time to let the statesmanship that lives in each and every one of us come out and complete the Nation's business. I think the folks who sent us here will appreciate that, the Nation would be better off for it, and so will you as an individual. Then you will have earned and deserve the title of U.S. Senator, serving the people of the greatest nation ever established on this planet.

Mr. President, that is just a reminder, as we move into the closing days, of some problems that we have to deal with before we all go home.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

READING EXCELLENCE ACT

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 404, H.R. 2614.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 2614) to improve the reading and literacy skills of children and families by improving in-service instructional practices for teachers who teach reading, to stimulate the development of more high-quality family literacy programs, to support extended learning-time opportunities for children, to ensure that children can read well and independently not later than third grade, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

TITLE I—PROFESSIONAL DEVELOPMENT IN READING AND LITERACY

SEC. 101. PROFESSIONAL DEVELOPMENT IN READING AND LITERACY.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by redesignating parts C and D as parts D and E, respectively; and

(2) by inserting after part B the following:

"PART C—PROFESSIONAL DEVELOPMENT IN READING AND LITERACY

"SEC. 2251. PROGRAM AUTHORIZED.

"The Secretary is authorized to award grants to State educational agencies for the improvement of teaching and learning through sustained and intensive high quality professional development activities in reading and literacy at the State and local levels.

"SEC. 2252. ALLOTMENT OF FUNDS.

"(a) RESERVATIONS.—From the amount available to carry out this part for any fiscal year, the Secretary shall reserve—

"(1) ½ of 1 percent for the outlying areas, to be distributed among the outlying areas on the basis of their relative need for assistance under this part, as determined by the Secretary; and

"(2) ½ of 1 percent for the Secretary of the Interior for programs under this part for professional development activities for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(b) STATE ALLOTMENTS.—The Secretary shall allot the amount available to carry out this part and not reserved under subsection (a) for a fiscal year to each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico as follows, except that no State shall receive less than ½ of 1 percent of such amount:

"(1) 50 percent shall be allotted among such jurisdictions on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

"(2) 50 percent shall be allotted among such jurisdictions in accordance with the relative amounts such jurisdictions received under part A of title I for the preceding fiscal year.

"(c) REALLOTMENT.—If any jurisdiction does not apply for an allotment under subsection (b) for any fiscal year, the Secretary shall reallot the amount of the allotment to the remaining jurisdictions in accordance with such subsection.

"SEC. 2253. WITHIN-STATE ALLOCATIONS.

"(a) RESERVATION.—From the amount made available to a State under this part for any fiscal year, not more than 5 percent may be reserved for the administrative costs of the State

educational agency and to carry out State-level activities described in section 2256(a).

"(b) Local Educational Agency Eligibility.—A State educational agency shall award grants under this part for a fiscal year to a local educational agency only if the number of children, that are served by the local educational agency and counted under section 1124(c) for the fiscal year, is equal to or exceeds the lesser of—

"(1) 30 percent of the total number of children aged 5 through 17 served by the local educational agency for the fiscal year; or

"(2) the total number of children aged 5 through 17 served by the local educational agency for the fiscal year multiplied by the result obtained from multiplying 1.5 by a fraction, the numerator of which is the total number of children in the State counted under section 1124(c) for the fiscal year, and the denominator of which is the total number of children aged 5 through 17 in the State for the fiscal year.

"(c) Allocation.—A State educational agency shall allocate funds made available under this part and not reserved under subsection (a) for a fiscal year among local educational agencies in the State that are described in subsection (b), according to the local educational agencies respective need for assistance under this part, as determined by the State educational agency, taking into account factors such as—

"(1) the number of children served by the local educational agency who are from low-income families; and

"(2) the number of elementary school and secondary school students who are served by the local educational agency and whose reading achievement is unsatisfactory.

"SEC. 2254. CONSORTIA REQUIREMENTS.

"(a) Consortia.—A local educational agency receiving a grant under this part of less than $10,000 shall form a consortium with another local educational agency or an educational service agency serving another local educational agency in order to be eligible to participate in programs assisted under this part.

"(b) Waiver.—The State educational agency may waive the application of subsection (a) in the case of any local educational agency that demonstrates that the amount of the agency's grant under this part is sufficient to provide a program of sufficient size, scope, and quality to be effective. In granting waivers under the preceding sentence, the State educational agency shall—

"(1) give special consideration to local educational agencies serving rural areas if distances or traveling time between schools make formation of the consortium more costly or less effective; and

"(2) consider cash or in-kind contributions provided from State or local sources that may be combined with the local educational agency's grant for the purpose of providing services under this part.

"(c) Special Rule.—Each consortium shall rely, as much as possible, on technology or other arrangements to provide professional development programs tailored to the needs of each school or school district participating in a consortium described in subsection (a).

"SEC. 2255. STATE APPLICATIONS.

"(a) Applications Required.—Each State educational agency desiring an allotment under this part for any fiscal year shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

"(b) State Plan To Improve Teaching and Learning of Reading and literacy Programs.—

"(1) In general.—Each application under this section shall include a State plan that is coordinated with the State's plan for other Federal education programs that pertain to reading and literacy activities.

"(2) Contents.—Each State plan shall—

"(A) be developed—

"(i) in conjunction with the Governor of the State (in those States where the Governor does not appoint the Chief State School Officer), the State agency for higher education, community-based and other nonprofit organizations of demonstrated effectiveness in reading readiness, reading instruction for both adults and children, and early childhood literacy, institutions of higher education or schools of education, and State directors of appropriate Federal or State programs with a strong reading or literacy component; and

"(ii) with the extensive participation of teachers who teach reading, and of parents;

"(B) include an assessment of State and local needs for reading and literacy professional development for pre-school, elementary school, and secondary school teachers, and teachers who teach in adult and family literacy programs;

"(C) include a description of how the plan has assessed the needs of local educational agencies serving rural and urban areas, and a description of the actions planned to meet such needs;

"(D) include a description of how the activities assisted under this part will address the needs of teachers in schools receiving assistance under title I and will effectively teach all students to read independently;

"(E) include a description of—

"(i) how professional development activities assisted under this part will be based on the best available research on reading development and reading disorders; and

"(ii) the extent to which the activities prepare teachers in all the major components of reading instruction (including phoneme awareness, phonics, fluency, and reading comprehension);

"(F) describe how the State will use technology to enhance reading and literacy professional development activities for teachers;

"(G) describe how parents can participate in literacy-related activities assisted under this part to enhance children's reading fluency;

"(H) describe how reading tutors can participate in literacy-related activities assisted under this part, including professional development opportunities, to enhance children's reading fluency;

"(I) describe how the State educational agency will facilitate the provision of technical assistance to the local educational agencies that receive grants under this part in order to assist in establishing the local educational agencies' local professional development activities;

"(J) describe how the State educational agency—

"(i) will build on, and promote coordination among, literacy programs in the State, in order to increase the effectiveness of the programs and to avoid duplication of the efforts of the programs; and

"(ii) will promote programs that provide access to diverse and age-appropriate reading material;

"(K) describe how the State educational agency will assess and evaluate, on a regular basis, local educational agency activities assisted under this part;

"(L) describe the methods the State educational agency will use to assess and evaluate the progress of local educational agencies in the State that receive grants under this part; and

"(M) include an assurance that each local educational agency to which the State educational agency awards a grant—

"(i) will carry out family literacy programs, such as the Even Start family literacy program authorized under part B of title I, to enable parents to be their child's first and most important teacher; and

"(ii) will carry out programs to assist those pre-kindergarten and kindergarten students who are not ready for the transition to 1st grade, particularly students experiencing difficulty with reading skills.

"(c) Plan Approval.—

"(1) In general.—The Secretary shall approve an application of a State educational agency under this section if such application meets the requirements of this section.

"(2) Disapproval.—The Secretary shall not finally disapprove a State plan, except after giving the State educational agency notice and an opportunity for a hearing.

"(3) Peer review.—The Secretary shall establish a peer review process, in consultation with the National Research Council of the National Academy of Sciences and the National Institute of Child Health and Human Development, to make recommendations regarding approval of State plans.

"(d) Assurances.—A State plan shall contain assurances that the State will comply with the requirements of this section, and provide for such fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State under this section.

"(e) Multi-State Partnership Arrangements.—For the purposes of carrying out this section, a State educational agency may join with other State educational agencies to develop a single application that satisfies the requirements of this section and identifies which State educational agency, from among the States joining, shall act as the fiscal agent for the multi-State arrangement.

"(f) Reporting.—A State educational agency that receives an allotment under this part shall submit an annual performance report to the Secretary. Such report shall include a description of—

"(1) the assessment and evaluation methods described in section 2255(b)(2)(L); and

"(2) the local educational agencies receiving grants under this part.

"SEC. 2256. STATE USE OF FUNDS.

"(a) State Level Activities.—Each State educational agency shall use funds made available under section 2253(a)—

"(1) to provide technical assistance to schools and local educational agencies, and entities administering adult and family literacy programs, for the purpose of providing effective professional development reading and literacy activities;

"(2) to conduct an assessment of State needs for reading and literacy professional development, including the needs in both rural and urban areas;

"(3) to provide for coordination of reading and literacy programs within the State in order to avoid duplication and increase the effectiveness of reading and literacy activities; and

"(4) to conduct evaluations of local educational agency activities assisted under this part.

"(b) Grants.—

"(1) In general.—Each State educational agency receiving an allotment under this part shall use the funds made available under section 2253(c) to award grants in accordance with such section to local educational agencies within the State.

"(2) Grant period.—A grant awarded under this subsection shall be awarded for a period of 3 years.

"SEC. 2257. LOCAL PLAN FOR IMPROVING TEACHING AND LEARNING OF READING AND LITERACY PROGRAMS.

"(a) In General.—Each local educational agency desiring a grant under this part shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State

educational agency may require. Such application shall include an assessment of local needs for professional development activities in reading and literacy—

"(1) at the elementary school and secondary school levels; and

"(2) in adult and family literacy programs.

"(b) SPECIAL RULE.—A local educational agency that applies for a grant under this part shall form a partnership, with 1 or more community-based organizations of demonstrated effectiveness in reading readiness, reading instruction and achievement for both adults and children, and early childhood literacy, such as a Head Start program, public library, or an agency that oversees adult education programs, to carry out the local activities described in section 2258.

"(c) CONTENTS.—Each local plan shall—

"(1) include an assessment of local needs for reading and literacy professional development;

"(2) include a description of how the activities described in section 2258 will address the needs of teachers—

"(A) in schools receiving assistance under title I; and

"(B) in adult and family literacy programs;

"(3) describe how parents can participate in literacy-related activities assisted under this part to enhance children's reading fluency;

"(4) describe how reading tutors can participate in literacy-related activities assisted under this part, including professional development opportunities, to enhance children's reading fluency;

"(5) describe how the local educational agency will build on, and promote coordination among, literacy programs at the local level in order to increase the effectiveness of the programs and to avoid duplication of effort;

"(6) describe how the local educational agency—

"(A) will carry out family literacy programs, such as the Even Start family literacy program authorized under part B of title I, to enable parents to be their child's first and most important teacher;

"(B) will carry out programs to assist those pre-kindergarten and kindergarten students who are not ready for the transition to 1st grade, particularly students experiencing difficulty with reading skills; and

"(C) will promote programs that provide access to diverse and age-appropriate reading material;

"(7) describe how the local plan will be carried out in coordination with other Federal education programs that pertain to reading and literacy activities; and

"(8) describe the amount and nature of funds from other public or private sources that will be combined with funds received under this section.

"(d) LOCAL PLAN APPROVAL.—The State educational agency shall approve an application of a local educational agency under this section if such application meets the requirements of this section.

"SEC. 2258. LOCAL ACTIVITIES.

"(a) IN GENERAL.—Each local educational agency shall use the funds made available under section 2256(b)—

"(1) to support partnerships among preschools, elementary schools, secondary schools, consortia of such schools, local educational agencies, community-based organizations (such as a Head Start program), adult education programs, institutions of higher education, or (where appropriate) public libraries, of demonstrated effectiveness in reading readiness, and in reading instruction and achievement, for adults and children;

"(2) to provide intensive, ongoing professional development activities to train teachers to meet the diverse reading needs of all students, which activities shall—

"(A) be based on the best available research on reading development and reading disorders; and

"(B) prepare teachers in all the major components of reading instruction (including phoneme awareness, phonics, fluency, and reading comprehension);

"(3) to develop professional development programs and strategies to effectively involve parents in helping their children with reading;

"(4) to provide parents with literacy-related activities that will enhance children's reading fluency;

"(5) to provide reading tutors with literacy-related activities, including professional development opportunities, to enhance children's reading fluency;

"(6) to promote programs that provide access to diverse and age-appropriate reading material;

"(7) to provide coordination of reading and literacy programs within the local educational agency to avoid duplication and increase the effectiveness of reading and literacy activities;

"(8) to coordinate family literacy programs, such as the Even Start family literacy program authorized under part B of title I, to enable parents to be their child's first and most important teacher, and to make payments for the receipt of technical assistance for the development of such programs; and

"(9) to establish programs to assist those prekindergarten and kindergarten students enrolled in schools served by the local educational agency who are not ready for the transition to 1st grade, particularly students experiencing difficulty with reading skills.

"(b) SPECIAL RULES.—A local educational agency receiving a grant under this part shall use the funds for activities described in subsection (a) that—

"(1) provide professional development activities in reading instruction to teachers in elementary schools and secondary schools having the greatest need for such services, as evidenced by poor student performance on reading assessments, a high percentage of students from low-income families, or a combination of such performance and percentage; and

"(2) are provided to teachers at public and private nonprofit elementary schools and secondary schools.

"SEC. 2259. LOCAL DISTRIBUTION OF FUNDS.

"Each local educational agency that receives funds under this part for any fiscal year—

"(1) shall use not less than 80 percent of such funds for the professional development of teachers and, where appropriate, administrators, pupil services personnel, parents, tutors, and other staff of individual schools, and for other literacy-related activities, in a manner that—

"(A) to the extent practicable, takes place at an individual school site; and

"(B) is consistent with the local educational agency's plan under section 2257, any school plan under part A of title I, and any other plan for professional development carried out with Federal, State, or local funds that emphasizes sustained, ongoing activities related to professional development for teachers; and

"(2) may use not more than 20 percent of such funds for school district-level professional development activities, including, where appropriate, the participation of administrators, policymakers, tutors, and parents, if such activities directly support instructional personnel, and for other literacy-related activities.

"SEC. 2260. INFORMATION DISSEMINATION.

"(a) IN GENERAL.—From funds reserved under section 2261(b), the National Institute for Literacy shall disseminate information with respect to reading and literacy. At a minimum, the institute shall disseminate such information to all recipients of Federal financial assistance under this title, titles I and VII, the Head Start Act, the Individuals with Disabilities Education Act, and the Adult Education Act.

"(b) COORDINATION.—In carrying out this section, the National Institute for Literacy shall use, to the extent practicable, information networks developed and maintained through other public and private persons, including the Secretary, the National Center for Family Literacy, and the Readline Program.

"SEC. 2261. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—If the amount appropriated to carry out the Individuals with Disabilities Education Act for fiscal year 1998, 1999, or 2000 exceeds by $500,000,000 the amount so appropriated for fiscal year 1997, 1998, or 1999, respectively, there are authorized to be appropriated to carry out this part and section 1202(c) $210,000,000 for the fiscal year 1998, 1999, or 2000, as the case may be, of which $10,000,000 shall be available to carry out section 1202(c).

"(b) RESERVATION.—From amounts appropriated under subsection (a) for a fiscal year, the Secretary shall reserve $5,000,000 to carry out section 2260.

"(c) SUNSET.—Notwithstanding section 422(a) of the General Education Provisions Act, this title is repealed, effective September 30, 2000, and is not subject to extension under such section.".

(b) CONFORMING AMENDMENT.—Section 2003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6603) is amended—

(1) in subsection (a), by inserting "(other than part C)" after "title"; and

(2) in subsection (b)(3), by striking "part C" and inserting "part D".

TITLE II—AMENDMENTS TO EVEN START FAMILY LITERACY PROGRAMS

SEC. 201. RESERVATION FOR GRANTS.

Section 1202(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)) is amended to read as follows:

"(c) RESERVATION FOR GRANTS.—

"(1) GRANTS AUTHORIZED.—From funds reserved under section 2261(a) to carry out this section for a fiscal year, the Secretary shall award grants, on a competitive basis, to States to enable such States to plan and implement statewide family literacy initiatives to coordinate and integrate existing Federal, State, and local literacy resources consistent with the purposes of this part. Such coordination and integration shall include coordination and integration of funds available under the Adult Education Act, the Head Start Act, this part, part A of this title, and part A of title IV of the Social Security Act.

"(2) CONSORTIA.—

"(A) ESTABLISHMENT.—To receive a grant under this subsection, a State shall establish a consortium of State-level programs under the following provisions of law:

"(i) This title.

"(ii) The Head Start Act.

"(iii) The Adult Education Act.

"(iv) All other State-funded preschool programs and programs providing literacy services to adults.

"(B) PLAN.—To receive a grant under this subsection, the consortium established by a State shall create a plan to use a portion of the State's resources, derived from the programs referred to in subparagraph (A), to strengthen and expand family literacy services in such State.

"(C) COORDINATION WITH PART C OF TITLE II.—The consortium shall coordinate its activities with the activities assisted under part C of title II, if the State receives a grant under such part.

"(3) TECHNICAL ASSISTANCE.—The Secretary shall provide, directly or through a grant or contract with an organization with experience

in the development and operation of successful family literacy services, technical assistance to States receiving a grant under this subsection.

"(4) MATCHING REQUIREMENT.—The Secretary shall not make a grant to a State under this subsection unless the State agrees that, with respect to the costs to be incurred by the eligible consortium in carrying out the activities for which the grant was awarded, the State will make available non-Federal contributions in an amount equal to not less than the Federal funds provided under the grant.".

SEC. 202. DEFINITIONS.

Section 1202(e) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(e)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) the term 'family literacy services' means services provided to participants on a voluntary basis that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family (such as eliminating or reducing welfare dependency) and that integrate all of the following activities:

"(A) Interactive literacy activities between parents and their children.

"(B) Equipping parents to partner with their children in learning.

"(C) Parent literacy training, including training that contributes to economic self-sufficiency.

"(D) Appropriate instruction for children of parents receiving parent literacy services.".

SEC. 203. EVALUATION.

Section 1209 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6369) is amended—

(1) in paragraph (1), by striking "and" after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) to provide States and eligible entities receiving a subgrant under this part, directly or through a grant or contract with an organization with experience in the development and operation of successful family literacy services, technical assistance to ensure local evaluations undertaken under section 1205(10) provide accurate information on the effectiveness of programs assisted under this part.".

SEC. 204. INDICATORS OF PROGRAM QUALITY.

(a) IN GENERAL.—The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating section 1210 as section 1212; and

(2) by inserting after section 1209 the following:

"SEC. 1210. INDICATORS OF PROGRAM QUALITY.

"Each State receiving funds under this part shall develop, based on the best available research and evaluation data, indicators of program quality for programs assisted under this part. The indicators shall be used to monitor, evaluate, and improve such programs within the State. The indicators shall include the following:

"(1) With respect to eligible participants in a program who are adults—

"(A) achievement in the areas of reading, writing, English language acquisition, problem solving, and numeracy;

"(B) receipt of a secondary school diploma or its recognized equivalent;

"(C) entry into a postsecondary school, a job retraining program, or employment or career advancement, including the military; and

"(D) such other indicators as the State may develop.

"(2) With respect to eligible participants in a program who are children—

"(A) improvement in ability to read on grade level or reading readiness;

"(B) school attendance;

"(C) grade retention and promotion; and

"(D) such other indicators as the State may develop.".

(b) STATE LEVEL ACTIVITIES.—Section 1203(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6363(a)) is amended—

(1) in paragraph (1), by striking "and" after the semicolon;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) carrying out section 1210.".

(c) AWARD OF SUBGRANTS.—Paragraphs (3) and (4) of section 1208(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368) are amended to read as follows:

"(3) CONTINUING ELIGIBILITY.—In awarding subgrant funds to continue a program under this part for the second, third, or fourth year, the State educational agency shall evaluate the program based on the indicators of program quality developed by the State under section 1210. Such evaluation shall take place after the conclusion of the startup period, if any.

"(4) INSUFFICIENT PROGRESS.—The State educational agency may refuse to award subgrant funds if such agency finds that the eligible entity has not sufficiently improved the performance of the program, as evaluated based on the indicators of program quality developed by the State under section 1210, after—

"(A) providing technical assistance to the eligible entity; and

"(B) affording the eligible entity notice and an opportunity for a hearing.".

SEC. 205. RESEARCH.

The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), as amended by section 204 of this Act, is further amended by inserting after section 1210 the following:

"SEC. 1211. RESEARCH.

"(a) IN GENERAL.—The Secretary shall carry out, through grant or contract, research into the components of successful family literacy services. The purpose of the research shall be—

"(1) to improve the quality of existing programs assisted under this part or other family literacy programs carried out under this Act or the Adult Education Act; and

"(2) to develop models for new programs to be carried out under this Act or the Adult Education Act.

"(b) DISSEMINATION.—The National Institute for Literacy shall disseminate, pursuant to section 2260, the results of the research described in subsection (a) to States and recipients of subgrants under this part.".

AMENDMENT NO. 3740

(Purpose: To provide for a complete substitute)

Mr. JEFFORDS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], proposes an amendment numbered 3740.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. JEFFORDS. Mr. President, this is an important bill. It is a bill that is designed to address what is probably the most serious problem we have in the United States in our educational system, and that is the inability of our school system to provide young people who graduate from high school with the skills necessary, in just the very basics of reading. To enable our nation to proceed into the next century as we should and to maximize the potential of these young people, we must assure that our high school graduates have these essential skills.

Back in 1983, the Reagan administration, through Education Secretary Terrel Bell, delivered a report to the Nation called "A Nation At Risk." That report outlined the serious problems we have in our educational system and observed that the output of our primary and secondary educational schools was not anywhere near what it needed to be in order to meet the challenges posed by our Asian and European competitors. Many problems were delineated in that report. One on which we have focused a great deal of attention is performance in mathematics.

The United States, among all the industrialized nations, was at the bottom in tests given to our young people to determine their abilities in mathematics. We were dead last among our competitor nations. So, in a number of ways, we have tried to improve the results of our educational system with respect to mathematics. The studies have also shown that our industries have found that problems are not limited just to mathematics. Rather, they found that the basic problem was that their workers could not read the problems in order to determine the mathematics necessary to solve them. Mastering the very basics of reading was essential before they could understand how to answer the problems in mathematics.

We have been trying to make improvements since 1983. In 1988, the Governors met with the President and established national goals—sometimes referred to as Goals 2000—to try to emphasize that changes must be made in our educational system in order to make this Nation what it ought to be as we go into the next century.

As a result of that initiative, in 1994, we established a goals panel in order to determine whether or not we were making any improvement in these essential areas. I sit on that goals panel. I have been a member now for some 4 years, and I am sorry to report—and this has already been reported—that, in those 4 years, there has not been any indication that we have made any progress toward these goals, even in the area of reading. And the same is true with respect to mathematics. In fact, just recently, the last IMS study—International Mathematics Study—showed that our students graduating from high school were again at the bottom of all industrialized nations, as far as their capacity to solve mathematical problems.

That same study indicated that our fourth graders were the best in the world, and our eighth graders were average. But, by the time they graduated from high school, they were well behind. Part of that problem stems from problems with reading and the ability to understand problems.

I point out another situation with respect to reading that is very instructive in this regard.

Motorola, back in the early 1980s, was in a real fight with Japan on cellular phones. The CEO of Motorola said he had to develop a new factory employing individuals with the skills necessary to produce cellular phones that would be equal to or better than those of the Japanese. So a study group was established. The study group indicated that they had a problem with respect to trying to get the skilled workforce necessary in order to compete with the Japanese. They also took a look at Malaysia and other areas. They reported back to the CEO that our workers were not capable of the productivity necessary. So they opted to locate the plant in Malaysia. The CEO, being a strong American, said "No. We are not going to locate a plant in Malaysia. I want to find out why we are unable to find and to train the workers necessary to get the best productivity."

A study was conducted, which found out that the reason for the problem was the inability to answer math problems. That was one thing. But, then, they found that the reason workers were not able to solve the math problems was that they couldn't read the math problems. The company created the necessary remedial training first to train the workers how to read and then to allow them to do the math problems. Believe it or not, they were able to do that with the remedial training.

So the CEO said, "We are going to locate that plant in the United States." They did. It proved to be the most productive plant in all of the Motorola operations, with higher productivity than the Japanese. It is a long story about Motorola. But, finally, they were able to outdo the Japanese and to outsell them. In fact, they were even able to break into the markets in Japan and to outsell the Japanese. It goes back to the basics. The workers couldn't read.

Another study which is instructional was done in, I believe, 1993. It was a national literacy study that showed that 51 percent of the high school graduates who were examined were found to be functionally illiterate. That is incredible. You wonder why our business people say they don't even bother to look at a diploma of a kid out of high school because it doesn't mean anything. That is another area that we are trying to improve and, at a minimum, to make sure that everyone who gets a high school diploma knows how to read.

We looked into this and found what had happened. The reason this dismal result was appearing was that, back in the 1960s, studies were done at Cornell University. At that time, we had this big awakening about the problems of neurosis and young people and things that stimulated mental problems. Researchers concluded that the worst thing one could do was to fail a kid in school because that would create a neurosis and the child would have problems the rest of his or her life.

That led to the development of so-called "social promotion." In other words, the attitude was, "Well, if they can't read, pack them on." That might have been fine from the second to the third grade and maybe even from the third or fourth grades if somebody would have picked them up and taught them how to read. But nobody ever picked them up. The teachers were busy teaching the ones who knew how to read. They did not have time for those who didn't know how to read. Social promotion is a reality in probably all of our schools.

You wonder why our CEO's say, "We don't even look at diplomas to determine whether the kids should come to us to work."

Getting to today, this problem with reading was emphasized, and we determined that we had to do something. Working with the Administration, we prepared the reading bill before us today. This legislation provides for ample funding and lays out everything that we believe we need to do in order to take not only corrective action before students get out of the third and fourth grades to make sure that they read, but also to make sure we have remedial training for all of those in the higher grades who didn t master reading in their early school years.

In the budget account, we attached $250 million for this bill to assist in trying to find a remedial program which will be successful in getting our young people to read.

A number of people have worked very hard on this bill. Senator KENNEDY, I expect, will be here before too long. Senator COVERDELL and Senator COATS and Senators GREGG and HUTCHINSON all really worked hard to bring about this bill and to make sure that it received favorable consideration.

On the House side Representatives CLAY, HILLEARY and RIGGS, and especially my good friend BILL GOODLING. Chairman GOODLING has championed literacy throughout his tenure, and he has done a wonderful job in making sure that the reading bill got to us. I am now working very closely with him as we go towards the reauthorization of the Elementary and Secondary Education Act.

In my view, the bill provides the necessary remedial help to get our schools on a path where we can assist substantially in getting young people to read and to graduate from high school in a manner which will be productive for them and for our society.

I mentioned Senator KENNEDY. He is here. The work that he has done in championing this cause is very notable.

Mr. KENNEDY. Mr. President, I commend Chairman JEFFORDS for his leadership in making child literacy a priority and developing this strong legislation. I also commend Senator COVERDELL for helping to make this bill a priority in the Senate, and Senator MURRAY and Senator DODD for their leadership in issues involving young children.

I also want to thank Congressman GOODLING and Congressman CLAY for working effectively to ensure that the Senate and House could reach agreement on this important measure.

I commend and thank all the staff members of the working group for their skillful assistance in making this process successful: Sherry Kaiman of Senator JEFFORDS' staff; Townsend Lange of Senator COATS staff; Suzanne Day of Senator DODD's staff; Elyse Wasch of Senator REED's staff; Greg Williamson of Senator MURRAY's staff; Bev Schroeder of Senator HARKIN's staff; and Danica Petroshius of my own staff. I also commend the hard work of the House staff on the working group, including Vic Klatt, Sally Lovejoy, D'Arcy Philps, Lynn Selmser, and Bob Sweet of the House Committee majority staff; Alex Nock, Marci Phillips, Mark Zuckerman, and June Harris of the House Committee minority staff; and Charlie Barone of Represenative GEORGE MILLER's staff.

Learning to read well is the cornerstone of every child's education. We know that reading skills are fundamental to effective learning in all subjects. The ability to read effectively is the gateway to opportunity and success throughout life.

Many successful programs are helping children learn to read well. But too often, the best programs are not available to all children. As a result, large numbers of children are denied the opportunity to learn to read well. 40 percent of 4th grade students do not achieve the basic reading level, and 70 percent of 4th graders are not proficient in reading.

Children who fail to acquire basic reading skills early in life are at a disadvantage throughout their education and later careers. They are more likely to drop out of school, and to be unemployed. We need to do more to ensure that all children learn to read well—and learn to read well early—so that they have a greater chance for successful lives and careers.

In October 1996, President Clinton and the First Lady initiated a new effort to call national attention to child literacy by proposing their "America Reads Challenge." Many of us in Congress strongly supported their call for increased aid for reading tutors and other steps to improve child literacy. Today, over 1,000 colleges and universities are committed to the President's "America Reads Work Study Program," and 59 of these institutions are in Massachusetts.

Many of the reading difficulties experienced by teenagers and adults today could have been prevented by better attention during early childhood. By working to ensure that all children learn to read well in the early grades, we can reduce the need for costly special education instruction in later grades. We must make every effort to give our public schools the resources necessary to ensure that all children obtain the reading skills they need—at an early age.

This bill is a major step toward meeting that goal. It provides children, parents, schools, and communities with the resources and opportunities they need to improve child and family literacy—and the help can't come a minute too soon.

This bill also recognizes that teachers must have adequate resources and proper training in order to be prepared to teach reading well. Teachers must often provide special assistance to children who are having difficulty learning to read. Too often, teachers lack the time, the skills, and the resources to provide children with that assistance. Building on the successful Eisenhower Professional Development Program, which trains teachers in math and science, this bill creates new opportunities for teachers to obtain the training they need to teach reading effectively.

Communities across the country are initiating innovative projects on reading. At Boston College, a fundamental part of teacher education is training teachers in the best research and practice on ways to teach reading, including helping children develop skills in phonics, sound-and-symbol relationships, and reading comprehension.

This bill encourages local school districts to build partnerships and work in cooperation with community organizations and state agencies. It ensures that local, state, and national efforts to improve literacy are coordinated, and that the most effective resources and practices are used to meet the needs of children. It also provides communities with support to provide children with trained tutors to give them the opportunity to practice reading with adults.

In Massachusetts, 59 colleges and universities are providing trained tutors to school children through the Federal Work Study Program. At Boston University, 150 reading tutors are helping 400 needy children learn to read. Students at Worcester Polytechnic Institute serve as reading tutors at the Belmont Community School. The Reading Excellence Act builds upon these successful programs to help communities find and train tutors who can make a difference.

In addition, children need to have useful reading materials outside of school to help them develop a love of reading early in life. To meet this goal, the bill encourages strong links to a variety of programs for early childhood literacy, and encourages cooperation between community, state, and national organizations to ensure that every child has access to good reading materials.

Physicians are also part of the effort. Successful pediatric programs, such as Reach Out and Read, can benefit even more children as a result of this bill. This program was created by a team of pediatricians and early childhood educators at Boston City Hospital in 1989. Pediatricians are encouraged to prescribe reading activities as part of childhood medical check-ups, and to see that children leave the doctor's office with a good book in hand. Now, 4,500 health care providers in 46 states have been trained to help nearly one million children and their families. Parents who participate in Reach Out and Read are 8 times more likely to read to their children than parents who do not participate in this pediatric program.

Children whose parents are involved in their education, who read to them, and who work with them on language skills are more likely to become successful readers. They achieve higher test scores. They have better school attendance records. They graduate at higher rates. And they are more likely to go to college. But children whose parents lack a strong educational foundation are less likely to do so.

Many parents want to help, but too often they are unable to do so because the parents themselves lack basic reading skills. We can do more to help parents acquire the skills and resources needed to help their children learn to read. This bill will expand local family literacy initiatives, and help states to increase parent involvement.

Family literacy efforts, such as the Home Instruction Program for Preschool Youngsters in Worcester, Massachusetts, concentrate on providing parents with the education and skills they need to be their children's first reading teachers. These programs teach parents how to read aloud and work with their children at home, and give parents the opportunity to attend literacy and other classes.

Funds will also be available to the National Institute for Literacy to gather and disseminate information about the best practices for improving child literacy, so that every school and community can take advantage of them.

This bill targets funds for literacy programs on schools where the needs are greatest. Children in poor schools are more likely to live in homes with parents who have not completed high school and are unemployed. Children from such homes are 5 to 6 times more likely to drop out of school than other children. We should help ensure that they get the opportunities they need to learn to read well.

Recent successes in Boston prove that targeted efforts to improve schools and student performance can produce real results. After three years of reforms in Boston emphasizing early literacy, high academic standards, and the best teaching practices, students in almost every grade showed significant improvements in math and reading scores on city-wide achievement tests.

The Samuel W. Mason School in Boston, where 91 percent of the children come from poor families, has gone from one of the lowest-performing schools in the city to scoring in the top quarter of all public schools in the city in reading achievement. They have implemented a school reform approach that focuses on literacy. Teachers were trained in the best reading practices. In addition, they adapted teaching styles to fit children's learning styles, tested the children every six weeks to measure improvement, and focused on improving family literacy in the community.

The bill will help provide children with the readiness skills and support they need to learn to read once they enter school. It will help teach every child to read in these early years—from preschool though the 3rd grade. And, it will improve the instructional practices of teachers and other staff in elementary schools with the greatest need for extra help.

The bill provides competitive grants to states to improve child literacy. Each state will create a plan to address the needs of its teachers and communities for improving student achievement in reading. Eligible school districts will be able to apply to the state for funds to support teacher training in how to teach reading well in elementary schools with the greatest need for help, and to support partnerships among eligible school districts and community organizations that support early learning, tutoring, adult literacy, and that provide children and families with access to books.

The lowest-achieving and poorest schools will benefit. Local school districts that are eligible for subgrants fall into three categories: (1) districts that have at least one low-performing school in school improvement under Title I; (2) districts that have schools with the highest and second highest number of poor children in the state; and (3) districts that have schools with the highest and second highest poverty rates in the states.

The bill amends Title II of the Elementary and Secondary Education Act, and authorizes $260 million each year for fiscal years 1999 and 2000.

By building on successful programs such as the Eisenhower Professional Development Program, the College Work Study Program, and the Even Start Program, this bill provides state and local education agencies with the support they need to bring successful programs to their teachers, students, and communities.

Children do not learn to read on their own. Children need well-trained teachers who can give them the assistance they deserve. Children need trained tutors who can work with them outside the classroom. They need involved parents who know how to read and know how to work effectively with their children at home. Children need access to effective reading materials at home. And, children need the opportunity to acquire reading readiness skills early, so that they come to school ready to learn to read.

The Reading Excellence Act ensures that the best methods and resources are more widely available to schools, families, and children across the country. I urge the Senate to pass this important legislation.

Mr. DODD. Mr. President, it is with great pleasure that I rise in support of the Reading Excellence Act. I am very pleased that, working with the House committee and Secretary Riley, we have been able to work out a final bill that will improve reading skills. This effort once again demonstrates that when we focus on what really matters to America's families and work together, we can accomplish a great deal of good. And today, we are taking a substantial step in improving the teaching of reading in our schools.

There are few skills that are more important than literacy. It is what makes us good workers, good parents, and good citizens. Imagine not being able to read. Bus schedules, children's homework assignments, and local newspapers—all beyond your grasp. From start to finish, each day would be nearly impossible.

Yet, too many of our children leave school lacking this basic skill which is essential to their livelihood and their quality of life. But, for the child who cannot read, the problem begins much earlier than graduation. Research has shown that children who fall behind as early as the second and third grade do not catch up or become fluent readers unless expensive, intensive help is available to them. If such help is not available, these children become increasingly frustrated and are at substantial risk of dropping out of school altogether.

Our goal must be to help all children to read well, to read independently, and, importantly, to enjoy reading. We have a tremendous advantage today in reaching this goal in that we know so much more about the physiological process of learning to read. We also know what works and what does not. This bill makes sure that this new base of knowledge gets out beyond academia and its scholarly journals and into classrooms across the country where it can make a real difference in the lives of our children.

Beyond the classroom, this legislation will also help empower the first and most important teacher of all children—their parents. Children's literacy levels are directly related to the literacy ability and interest of their parents, especially their mothers. The values, attitudes and expectations held by parents and other care givers with respect to literacy will have a lasting effect on a child's attitude about learning to read. This bill will encourage parents to read to their children at an early age and foster the budding literacy skills of their children.

I am particularly pleased the bill also reaches out to Head Start and other local pre-school programs to bring them into these efforts to ensure that young children have the necessary foundation for literacy. In addition, the bill does not overlook the important contribution trained volunteers and mentors can have in improving a child's reading fluency and comprehension. This bill encourages local communities to tap into these efforts and coordinate volunteers to bring their talents and time into the schools to read with children one on one.

Finally, Mr. President, this bill does not overlook the most basic tool in any literacy effort—Books. Good, engaging, age-appropriate books are critical to any successful effort to improve literacy. In too many homes, books are a rarity. And yet any parent will tell you how books capture the imagination and attention of toddlers and, even babies, better than any television show.

I think we need to do much more when it comes to books. Our tax laws have set up very perverse incentives that make it more profitable to destroy unsold books rather than donate them to schools or literacy organizations. I am hopeful that, when the Senate next revisits tax law, we can take a look at this issue and reverse these incentives to get more books into the hands of children. In the meantime, this legislation is a good first step in ensuring that children will have increased exposure and involvement with high-quality books.

Mr. President, this is a good thoughtful bill and I am very pleased that we will complete action on it this year and begin this important effort to improve our children's literacy skills.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Amendment be agreed to, the committee amendment, as amended, be agreed to, the bill be considered as read the third time and passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3740) was agreed to.

The committee amendment, as amended, was agreed to.

The bill (H.R. 2614), as amended, was considered read the third time, and passed.

Mr. COVERDELL. Mr. President, today the Senate passed H.R. 2614, the Reading Excellence Act, and I rise in celebration for the many Americans this important legislation will help. Reading is critical to every aspect of life, especially as we move into the high-tech world of the 21st century. With the passage of this bill, more Americans will secure the basic reading skills necessary to enjoy the benefits of citizenship. It will enable many to do some of the things we take for granted—being able to read a phone book, a dinner menu, directions on a medicine bottle, or a job application.

Right now, only 4 out of 10 of our Nation's third graders can read at grade level or above. This clearly can not stand. Our goal is to ensure that every child is able to read by the third grade. This bill is a down payment toward that goal. The Reading Excellence Act focuses on scientifically based methods for teaching reading, it provides for tutorial assistance for at-risk children, and addresses adult illiteracy so that parents can be their children's first and most important teacher. This bill stresses the basics, a return to proven teaching methods, and most importantly a return to methods that work. It is unacceptable that only 10 percent of our teachers have received formal instruction on how to teach reading. Reading Excellence will give our educators the resources needed to prepare our children to read before they advance to the next grade.

With the leadership of Chairman WILLIAM F. GOODLING, H.R. 2614 passed the House last year. Earlier this year Reading Excellence was included in our Senate Republican blueprint for education reform. I also offered Reading Excellence, S. 1596, as a freestanding bill in the Senate on February 2, 1998. Again, in an effort to pass this legislation, I offered it as an amendment to my education savings accounts bill and it was agreed to unanimously. Unfortunately, the President killed that comprehensive education reform bill, vetoing the literacy language along with it. The administration has endorsed this language as a freestanding bill.

Helping kids read should not be a partisan issue. Both Chambers have now passed Reading Excellence unanimously, and I urge the President to sign H.R. 2614 into law. I praise Chairman GOODLING for his perseverance and dedication to helping over 3 million children at risk of falling behind. Senator COATS has also been a leader in getting this legislation to its final passage and we all thank him for his dedication to education. Today we take a first step, and as the poet Robert Frost says, "we have miles to go before we sleep."

PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent James Fenwood, a fellow on my staff, be granted the privilege of the floor this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Washington is recognized.

Mr. GORTON. Mr. President, I ask unanimous consent I may proceed for up to 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SOCIAL SECURITY SURPLUS MUST BE PROTECTED

Mr. GORTON. Mr. President, this year began in a way unprecedented during my years as a U.S. Senator. Just months after passing the balanced budget agreement of 1997, budget forecasters released projections that included the possibility of a budget surplus as early as 1999. By March, the Congressional Budget Office estimated an $8 billion surplus by the end of fiscal year 1998.

I'll skip ahead a few months, because we all know that the surplus projections continued to grow. Last week, fiscal year 1998 came to an end with the President and Congress announcing a $70 billion budget surplus.

In less than a year, the deficit-busting efforts started early in the 1980s and culminating in last year's balanced budget agreement reached the climax we have been waiting for since 1969—the first budget surplus in 30 years.

All of this is very good news, everyone on Capitol Hill wants to take credit for it. Despite the euphoric attitude that has overcome the congressional budgeteers and appropriators, however, I want to sound a note of caution.

This weekend, the Seattle Times published an editorial that sums up my hesitation to jump on the pig pile scrambling to spend the projected surplus on tax cuts, as advocated by a number of my colleagues, or new government programs, as suggested by the President and Democratic leadership.

The editorial, aptly titled "Surplus? What Surplus?", reminds us all of a reality few are willing to face.

In July, the Congressional Budget Office predicted the Federal Government will run a $63 billion surplus in 1998 if the Social Security trust fund is included in the budget calculations. We still are running a $41 billion deficit, however, if the surplus in the Social Security trust fund is excluded.

The Federal Government will not run a surplus without the inclusion of the Social Security trust fund until 2002, when CBO expects a $1 billion surplus. By 2008, the surplus will rise to $64 billion, without including the Social Security trust fund.

We are close, but we are not out of the woods yet.

I remain deeply concerned about the future viability of Social Security.

Social Security is a sacred contract between the Federal Government and seniors. We cannot and must not use the current surplus in the Social Security trust fund to offset deficit spending in other Government programs. Unfortunately, the President, among others in Government, has proposed to do precisely that.

As Congress speeds toward the end of the 105th Congress, we must keep the future of the Social Security trust fund paramount in our deliberations. Some Members of Congress want to pass a tax cut package before the election, which will be funded by the projected surplus.

The President—who urged us to "Save Social Security First" during his State of the Union Address in January—opposes tax cuts for the American people but has been pushing for $20 billion in so-called emergency spending since September. He does not propose to offset this spending with cuts in other Government programs. In fact, by categorizing his spending requests as "emergencies," he plans to spend a large part of the surplus he himself designated for saving Social Security in January.

Frankly, I question the legitimacy of the "emergencies" identified by the President—the year 2000 computer problem, military responsibilities in Bosnia, and the decennial census. These so-called emergencies have been on the radar screen for years. Unfortunately, the President failed to place a priority on these challenges when he gave Congress his budget in February.

Now we have several "emergencies" for which the President is willing to dip into the surplus he deemed sacred in January—a surplus that does not exist unless we tap into the Social Security trust fund.

Allow me to discuss the trust fund for just a moment. Today the Social Security trust fund is running a surplus. But that is by design. When the baby boom generation begins retiring in just a few years, that surplus will be needed to ensure that Social Security can meet its obligations.

I believe that all Government surpluses must be used to guarantee the stability of the Social Security system so that everyone relying on Social Security today, and everyone working and paying into the system today, will be able to count on Social Security without any cuts or increased taxes tomorrow.

The President has said that he wants to save Social Security, but in fact his budget proposed to spend billions of dollars over and above the balanced budget agreement he signed a year ago. Now he wants more money for the so-called emergencies I described earlier. Every one of those dollars will inevitably come out of the surplus I am convinced we need to preserve for Social Security. That is wrong.

We must use all of the Social Security and other future budget surpluses to make entirely certain that the current generation, and at least the next generation, have Social Security in its present form.

I believe so strongly in this position, that in a July strategy meeting to discuss tax and budget issues my advice to Senate Majority Leader TRENT LOTT was to "save Social Security first." I believe now that that is exactly what we will do.

We cannot play smoke and mirrors with the Social Security trust fund.

At the beginning of September, I sent this chart, which you can see, Mr. President, to more than 300,000 seniors in Washington State. I have received thousands of responses over the last 3 weeks.

This is a difference between a true deficit in our normal accounts and a surplus that is created simply by counting the Social Security surplus, with the 0 point, as I said earlier, not reached until in the year 2002.

Margaret Collins of Kent wrote: "Keep Social Security money for Social Security only."

Alice Crawley of Seattle wrote: "I am 82 years old and I say they should use any available surplus, Social Security and otherwise to preserve and protect Social Security."

Mr. and Mrs. Bill Pennock of Redmond wrote: "The American people pay into Social Security believing the money will be there when they retire. Our generation depends on Social Security and we feel future generations will also need it. Please do not spend the fund on other government programs."

Wallace Wickland of Bothell wrote: "You people in Washington have got to keep your hands off Social Security. This is all some people have. Voting for Social Security will save your jobs!"

Anna Green of Tacoma wrote: "We always voted for you, and I hope you think of our children and grandchildren to preserve and protect the Social Security for them."

Barbara Murphy of Tumwater wrote: "I'm in favor of using all the surplus to shore-up Social Security. I know House Republicans propose a tax refund for citizens, but let's wait on that."

My constituents support using all of the Social Security surplus and future budget surpluses to make entirely certain that the current generation and future generations are protected. Once Congress and the President agree to a plan that shores up Social Security for our children and grandchildren who will retire during the next century, I gladly will join my colleagues in providing tax relief for hard-working Americans.

I want to make that point crystal clear. I am not opposed to tax relief. In fact, I'm all for across-the-board tax cuts that provide relief for middle class taxpayers. In fact, I have cosponsored two bills that reduce or eliminate tax penalties on married couples—a major component of the House-passed tax relief package. The taxpayers have contributed more than their fair share to the balanced budget for which we so desperately want to claim credit in Washington, D.C.

Unfortunately, we have to eat the spinach on our plate before we eat dessert. We have one more challenge to face—one more hurdle to jump—before we can claim victory on balancing the budget and start returning their hard-earned dollars to taxpayers. Let's secure and protect the Social Security trust fund for current retirees and future generations first.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

Mr. DORGAN. I ask unanimous consent to speak as if in morning business for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Thank you, Mr. President.

PRIORITIES OF THE 105TH CONGRESS

Mr. DORGAN. Mr. President, one of the items up for consideration as we finish this 105th Congress is H.R. 10, the so-called financial modernization bill. In fact, we have gone through a cloture vote on the motion to proceed to that bill. H.R. 10 is a piece of legislation that apparently has fairly wide support, I am told, in this Congress. I do not happen to support it, but I assume we will go through a period this week of debating and voting on a series of procedural motions dealing with H.R. 10.

It is a 600-page bill, and it will make the most sweeping changes to the financial sector and particularly the banking and other financial industries since the 1930s. This piece of legislation repeals the Glass-Steagall Act, which restricts the ability of banks and security underwriters to affiliate with one another.

The bill creates a new category of financial holding companies. The structure will allow for a broader range of financial services now to be done in one affiliated area—commercial banking, insurance underwriting, merchant banking.

I do not know whether most people have forgotten the lessons of the 1930s, but in the 1930s it was thought that perhaps we ought not to merge or marry in any way inherently speculative activities with banking because banking requires the perception—even just the perception—of safety and soundness to survive and do well. Safety and soundness is critical.

When you bring into the realm of banking activity that is inherently speculative, such as underwriting securities, insurance underwriting, merchant banking, and a whole range of other activities, it seems to me we have just forgotten the lessons of the 1930s. And we are told that we must do this is the name of financial modernization. In order to be "modern," we must decide to step forward and change the structure of these financial institutions.

This country learned tough lessons the very hard way decades ago about marrying banking activities with other activities that are inherently speculative. I know they say, gee, we have created these affiliates with firewalls, all that sort of thing. I have heard that all before. I heard that with the Saving and Loans. The taxpayer got stuck for $500 billion bailing out the S&L mess.

I think this bill represents a huge step backwards for this country. For that reason, I do not support the legislation. I will speak more about it at some point later.

But the thing I find interesting is this rush to complete H.R. 10 right now. The big shots want financial modernization and the halls are filled with people who are working to get H.R. 10 done because the big economic interests in this country want financial modernization.

But what about school modernization? I have been on the floor of this Senate talking about school construction, I guess maybe 10 times in this Congress. I have told about a young second grader at the Cannon Ball elementary school. Let me just talk about this issue again, because school modernization does not seem to be a priority. Apparently, second graders are not big shots. They do not have the same clout with this Congress.

The school in Cannon Ball, just on the periphery of an Indian reservation, is a public school. It is open today. Those little kids, mostly Native Americans, are in their crowded classrooms. There are 160 students and staff in that school with only one water fountain and two bathrooms. Part of the school that is now being used had previously been condemned. It is an old, old, old building in desperate disrepair.

One of the rooms they use for music is in the downstairs area. They more than occasionally cannot use it because the stench of sewer gas comes up and fills that area, and they have to evacuate that area. And a little second grader came up to me when I toured that school, and asked, "Mr. Senator, will you build us a new school?" Well, the answer is, modernization of a school building does not apparently have the same priority to this Congress as modernization of our financial system.

Instead of financial modernization, how about modernization of the Cannon Ball school so that little girl, Rosie, age 7, can walk into a second grade classroom that we can be proud of, where you can hook a computer to the Internet, a classroom that is not going to have to be evacuated because of seeping sewer gas, a classroom that has a bathroom outside or a water fountain close by. What about her needs? What about the needs of all those kids?

Or maybe we can talk about the Ojibwa school. The kids there go to school in trailers that are overcrowded and unsafe and classrooms that have been condemned—and this Congress knows it. There is going to be a desperate accident there some day. There is going to be a fire spread across those trailers with their wooden fire escapes. My deep concern that somebody is going to die unless somebody takes action first.

Study after study after study shows that school to be unsafe, but there is no money to modernize that school. Those little children on the Turtle Mountain Indian Reservation go to the Ojibwa school in conditions that, in my judgment, should not give any of us pride that we send our children through its doorway.

We can do something about it. We can modernize those schools. We have had proposals on the floor of the Senate for school construction, but guess what? The funds to modernize those schools is not nearly as important as modernizing our financial system because H.R. 10, the financial modernization bill, has all kinds of folks in dark suits standing out here lobbying for it.

They have a lot of clout, a lot of resources. When they say, "Jump," we have people saying, "How high?" But what about the second graders? What about the Cannon Ball school? What about the Ojibwa school? I could go on talking about the school construction needs in our country and in my State, and especially on Indian reservations, about which we ought to do something.

I know the Senator from Massachusetts wanted to make this point with respect to the Patients' Bill of Rights. Talk about modernization, what about modernization with respect to the delivery of health care? Is it modern to have a health care system in which people do not get the medical care they need?

The Senator from Massachusetts has been talking about the Patients' Bill of Rights. We cannot even get a vote on it. It is very simple. It says that, when you are sick, you ought to be able to have a doctor or a health care plan that tells you all of your treatment options, not just the cheapest. And yet today all across this country people find HMOs saying, "We will only tell you what the cheapest option is, not all of your options, as a patient."

Mr. KENNEDY. Would the Senator yield for a question?

Mr. DORGAN. I would be happy to yield.

Mr. KENNEDY. I have before me—and I will include in the RECORD—an excellent letter written by representatives of 30 different organizations representing women. I would like to ask if the Senator would agree with me that this issue involving the Patients' Bill of Rights has special importance to women. It does—as I will mention in just a moment—to those who have been afflicted with breast cancer. And, of course, the nurses in this country are all in support.

But would the Senator agree with this letter, which is sponsored by the 30 organizations? I will include it in its entirety.

> Few issues resonate as profoundly and pervasively as the need for quality health care, and women have a particular stake in the changes in our health care delivery system. Women are the primary consumers of health care services in this country, and we have unique health care needs. Women also take care of the health care needs of our families, from children to elderly relatives. Because of the great impact any patient protection bill will ultimately have on women, we ask that you support real reform that will truly improve women's health.
>
> The Patients' Bill of Rights Act (S. 1890) takes the needs of all consumers seriously, and it pays particular attention to the needs of women. The genuine and often unique concerns of women are woven into the fabric of this bill. S. 1890 recognizes that women's health can only be improved by comprehensive reform.

I am just wondering if the Senator would agree, first of all, as a strong supporter of the legislation, that he believes that the Republican leadership is derelict in its duty by failing to bring up legislation that can have that kind of importance to the mothers and to the wives, to the sisters, to the daughters, of families in this country?

This is supported by 30 organizations that represent women, children, and families.

Does the Senator not agree with me that the Republican leadership has been derelict in failing to give us an opportunity to address these issues which are central to the concern of women in our society and their health care needs?

Mr. DORGAN. I agree that there has been a concerted attempt to prevent legislation of this type from coming to the floor of the Senate under regular order.

It is apparently not a priority. In fact, not only is this apparently not a priority but they have also deliberately attempted to prevent us from having the opportunity to enact HMO reform, the Patients' Bill of Rights, school modernization, and so on, because it is not something they want to do.

I think this is a misplaced set of priorities.

Mr. KENNEDY. Will the Senator agree that is one of the most important issues before families in this country? We believe, as supporters of the Patients' Bill of Rights, Senator DASCHLE's bill, that doctors ought to be making decisions with regard to the health of women in our society. That is the key underlying difference between the Patients' Bill of Rights and other substitutes, but this is a matter of urgency, a matter of importance.

The PRESIDING OFFICER. The time of the Senator from North Dakota has expired.

Mr. DORGAN. Mr. President, I ask unanimous consent for 2 additional minutes.

Mr. CRAIG. May I inquire how much time remains in morning business under the order?

The PRESIDING OFFICER. The remaining time is about 18 minutes, until 11:30.

Mr. CRAIG. The Senator from West Virginia and I would also like some of that time if at all possible prior to 11:30. If you would take that under consideration, I would not object.

The PRESIDING OFFICER. The Senator has 2 more minutes.

Mr. CRAIG. I require no more than 10 minutes.

Mr. DORGAN. Mr. President, I appreciate the indulgence of the Senator from Idaho.

Let me make one final point, and if the Senator from Massachusetts wishes to make a final point in the form of a question, I will yield.

The point is that health care decisions ought to be made in a doctor's office or in a hospital room, not by some insurance company accountant 500 or 1,000 miles away. That is the point the Senator from Massachusetts is making. That is the point that is made in the underlying legislation dealing with a Patients' Bill of Rights. It is a critically important point.

We ought to have been able to debate fully under regular order the piece of legislation called the Patients' Bill of Rights. I regret we have not been able to debate that.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, to conclude, I ask unanimous consent to have printed in the RECORD the correspondence from various women's groups, including the No. 1 consumer group in terms of protection of women, the Breast Cancer Coalition, 450 organizations that support this legislation, and the American Nurses Association, who strongly support the legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 29, 1998.

Dear Senator: The undersigned organizations work on a range of issues that are important to women, including women's health, and together we speak for millions of women around this country. As women's organizations, we understand the needs and concerns of women. We urge you to support the Patients' Bill of Rights Act (S. 1890) because it is the only bill that provides comprehensive and genuine patient protections for the millions of Americans enrolled in managed care plans.

Few issues resonate as profoundly and pervasively as the need for quality health care, and women have a particular stake in the changes in our health care delivery system. Women are the primary consumers of health care services in this country, and we have unique health care needs. Women also take care of the health care needs of our families, from children to elderly relatives. Because of the great impact any patient protection bill will ultimately have on women, we ask that you support real reform that will truly improve women's health.

The Patients' Bill of Rights Act (S. 1890) takes the needs of all consumers seriously, and it pays particular attention to the needs of women, The genuine and often unique concerns of women are woven into the fabric of this bill. S 1890 recognizes that women's health can only be improved by comprehensive reform. Some of the provisions in S. 1890 that will improve women's health include: letting a patient's own trusted health care professional make important treatment decisions like how long a patient stays in the hospital; ensuring and streamlining access to specialty care, including access to non-network specialists (at no additional cost) when the plan can't meet the patient's needs; giving women the option of having direct access to ob-gyn services or choosing an obstetrician/gynecologist as a primary care provider; ensuring access to clinical trials that may save women's lives; ensuring that pregnant women can continue to see the same health care provider throughout pregnancy if either their provider leaves the plan or their employer changes plans; allowing health care professionals to prescribe drugs that are not on the plan's predetermined list when such drugs are medically indicated; providing a fast, fair, consumer-friendly independent appeal whenever a plan's decision to deny or limit care jeopardizes life or health; having an internal quality improvement system that measures performance on health care issues that affect women; collecting data (and providing a summary of it to enrollees) that allows plans to evaluate how they are meeting the health needs of women; incorporating gender-specific medicine when developing the plan's written clinical review criteria; and ensuring that providers and patients are not discriminated against on the basis of sex or other characteristics.

The other health reform bill that the Senate may soon consider, the Senate leadership's bill (S. 2330), does not include the patient protections listed above. It attempts to address a few of these issues (ob-gyn services, continuity of care, appeal procedures), but in each case the provisions fall considerably short of S. 1890. As a result, the bill does almost nothing to correct the problems that insured women encounter every day with their health plans—the very point of enacting patient protection legislation.

The bill's sponsors tout Title V of the bill (entitled "Women's Health Research and Prevention") as responding to the needs of women. But this title consists mostly of routine reauthorizations of research and public health programs that Congress must attend to as part of the usual course of business. Initiatives such as these have bipartisan support, but have stalled in committee for 18 months. Now that these proposals have the backing of the leadership, we hope they can be passed swiftly. But let's not be fooled—these provisions, regardless of their obvious merits, do not turn S. 2330 into a patient protection bill that meets the needs of women.

Only S. 1890 offers the range of commonsense patient protections that women need. We need to invest in women's health research, but not as a substitute for comprehensive patient protections. We urge you to support S. 1890 and not S. 2330 when these bills come to the floor for a vote.

Sincerely,

National Partnership for Women & Families; American Association of University Women; American Nurses Association; Association of Women's Health, Obstetric and Neonatal Nurses; Catholics for a Free Choice; Church Women United; Coalition of Labor Union Women (CLUW); Feminist Majority; MANA, A National Latina Organization; National Abortion Federation.

National Abortion and Reproductive Rights Action League; National Association of Commissions for Women (NACW); National Association for Female Executives; National Association of Nurse Practitioners in Reproductive Health; National Black Women's Health Project; National Committee for Responsive Philanthropy; National Family Planning and Reproductive Health Association; National Organization for Women; National Women's Conference; National Women's Law Center.

NETWORK, A National Catholic Social Justice Lobby; Older Women's League; Religious Coalition for Reproductive Choice; RESOLVE, The National Infertility Association; United Methodist Church, General Board of Church and Society; Wider Opportunities for Women; The Woman Activist Fund; Women Employed; Women's Institute for Freedom of the Press; Working Women's Department, AFL–CIO; YWCA of the U.S.A.

STATEMENT OF BEVERLY L. MALONE, PRESIDENT, AMERICAN NURSES ASSOCIATION

PRESS CONFERENCE ON MANAGED CARE AND WOMEN'S HEALTH

Good afternoon. I am Beverly Malone, President of the American Nurses Association.

ANA is proud to be one of the signatories of this letter urging members of the Senate to support S. 1890, the Patients' Bill of Rights Act. It is the only bill that provides comprehensive and genuine patient protections for the millions of Americans enrolled in managed care plans, protections that are of particular importance to women.

Nurses have long been in the forefront of efforts to recognize and provide for the distinct health care needs of women. As patient advocates, most of whom are themselves women, and as health care providers who focus on the health of the whole person, nurses have a special concern for the well-being of women in our society.

ANA strongly supports the patient protections recommended by the President's Commission on Consumer Protection and Quality in the Health Care Industry and embodied in Patients' Bill of Rights of 1998. As a member of the Commission, as a nurse, as a woman, and as a representative of the millions of registered nurses in the United States, I say without reservation that the nursing profession's commitment to our patients demands our commitment to legislation that will provide true protection from the abusive practices of the managed care industry.

Nurses who are at the bedside when women undergo the trauma of breast cancer and mastectomy are acutely aware of a broad range of unsafe and insensitive practices that threaten the health and safety of their patients. Certainly, requirements by health plans that women undergo mastectomies as outpatient procedures are unconscionable. But that practice is symptomatic of more pervasive dysfunctions in the health care system that impact women disproportionately and must be addressed as well. It is not enough to address only one instance of inappropriate interference in treatment decisions. In fact, offering a token rather than a genuine reform is shameful when there is such suffering in so many other areas.

My colleagues from the women's community who are here today know that aging women suffer the effects of prescription drug limitations that do not allow for their complex health requirements, that the scourge of breast cancer requires not only humane treatment but access to clinical trials so that true progress can be made for future generations, and that women who make health care decisions for themselves and for their families must have full information on which to base those decisions.

The Americans Nurses Association believes that every individual should have access to health care services along the full continuum of care and be an empowered partner in making health care decisions. We also believe that accountability for quality, cost-effective health care must be shared among health plans, health systems, providers, and consumers. There is only one bill before the Senate which will provide that kind of access and empowerment and accountability for the women of our nation and their families.

Nurses at the bedside have learned what happens when frail, older women receive inappropriate medications, or when mammograms come too late, or when misinformation or misunderstanding lead to dangerous delays in care. For the nurses at the bedside, the need for patient protection and patient advocacy is played out every day, and we urge every Senator to support S. 1890, the Patients' Bill of Rights Act of 1998.

STATEMENT OF FRANCES M. VISCO, PRESIDENT, NATIONAL BREAST CANCER COALITION

PATIENTS' BILL OF RIGHTS ACT OF 1998

Once again, on behalf of the 450 organizations and tens of thousands of individuals who are members of the National Breast Cancer Coalition (NBCC), I would like to reconfirm our support for the "Patients' Bill of Rights Act of 1998" (S. 1890). I applaud Sens. Daschle and Kennedy for introducing a bill which offers real patient protections benefitting women and the potential to help ensure effective, quality health care.

The NBCC is dedicated to the eradication of breast cancer through action and advocacy: it seeks to increase the influence of breast cancer survivors and other activities over research, clinical trials, and public policy and to ensure access to quality health care for all women. NBCC recognizes that the evolving health care system affords us the opportunity to define and focus on true quality of care for women and their families. We cannot afford to let this opportunity pass.

The NBCC believes that breast cancer patients have fundamental rights, including: the right to receive accurate information about their health plans; access to the right providers; involvement in treatment decisions that are based on good science; confidentiality of their health information; and coverage for routine health care costs associated with participation in clinical trials. S. 1890 guarantees patients these rights and offers women a legitimate "Patients' Bill of Rights."

Other bills being considered by the Senate that are being marketed as women's health bills do not in fact give women the substantive protections that they need. Instead, the bills offer routine reauthorizations of research and public health programs that Congress must attend to as part of the usual course of business. While these provisions and efforts to move them forward quickly are extremely important, they do not transform proposed health reform legislation into a women's health care bill. To ensure true quality health care for women and their families, we need legislation, such as S. 1890, which offers comprehensive patient protections against the problems that insured women encounter every day with their health plans.

One of the NBCC's most pressing concerns is that health insurance and managed care plans are erecting barriers to good science by increasingly refusing reimbursement for routine patient costs when breast cancer patients participate in approved clinical trials. This practice is preventing us from finding desperately needed scientific answers about breast cancer and severely affects the treatment breast cancer patients receive. Only three percent of adult cancer patients are enrolled in clinical trials—insurance reimbursement is often a major obstacle to clinical trial participation. In fact, one of our NBCC members who participated in an NCI clinical trial five years ago, only recently resolved her legal battles with her insurance company over coverage of the costs associated with the NCI trial. The Patients' Bill of Rights Act is an important first step in ensuring third party coverage for the routine patient costs incurred within a clinical trial.

The NBCC is prepared to work with the Congress, and will mobilize our nation-wide network of advocates to ensure that meaningful legislation like the Patients' Bill of Rights Act is enacted into law. We offer thanks to all of the leaders gathered here today for their work to ensure that breast cancer patients and all American women and families receive quality health care.

SCHEDULE OF THE PRESIDENT

Mr. CRAIG. Mr. President, I come to the floor today with a revelation that I suspect will come as a bit of a surprise to some of my colleagues and to a few Americans. Mr. President, fellow Senators and fellow Americans, President Bill Clinton, is in town. That is right. The President is actually in the White House today.

For any who have followed the President's extensive travel throughout his term in office, you would notice that I say his "time in Washington" because that has been far less than his term in office. The fact that the President has actually planned to stay in town for a week is, in my opinion, a bit newsworthy.

The President is supposed to be the head of our country. Instead, I suspect that Bill Clinton has been our country's feet. This President is already the most foreign-traveled President in U.S. history, with 32 trips abroad in less than 6 years in office. In just the last 2 years, he has spent 79 days overseas. Those 79 days abroad in 2 years are almost as many days as President Bush spent during his 4 years in office.

If and when he has come home to the United States does not mean that he came home to the White House. President Clinton spent almost half of last year, 149 days, and over half of this year, now 155 days, out of the White House. What has he been doing while logging those frequent flier miles on Air Force One? Well, a lot has been fundraising; 65 days over just the last 2 years have included out-of-town fundraising trips, and 14 more are planned for this month alone.

Now the President is back in town for one of his rare weeks in Washington. What did he do on his first day at work yesterday? He sought, once again, to divert attention from his own problems—this time, by threatening to shut down the Government. It is hard to tell if this President has come back to town to simply repack his bags or to take, or attempt to take, Congress hostage.

President Clinton appears intent on making the sequel to the movie "Wag the Dog." The President hasn't participated in the process of government at all this year, and now he returns, seemingly, to attempt to shut the process down. I have to say I think this is a bit of diversion. I don't believe it is leadership.

Is it unfair to criticize? Is it partisan to be harsh? I asked myself that question before I came to the floor this morning. I don't think so. Here is why I don't think so. Consider just two issues that we all believe are important issues, that even the President has acknowledged are important.

In just a few moments we are going to resume debate on a most important piece of legislation, the agricultural appropriations. It is on that that I want to speak for just a few moments, an issue that President Clinton once ignored. He ignored solutions to help farmers and ranchers. He didn't speak about them in his first term of office and has spoken little about them in his second term. Now we have legislation that we think will help farmers and ranchers, and on his first week back in town he says "I'll veto it."

"Agriculture" is a word that this President hasn't found a place for in his vocabulary. Why? Because American farmers make up less than 3 percent of the American public. They don't have as much political clout as they once had. So this President hasn't addressed this issue. But just now, when American agriculture is in crisis and this Congress, in a bipartisan way, is attempting to find solutions to that crisis, our President comes to town, finds his footing, and says, "I'll veto the effort."

Mr. President, that is fair if you had been part of the process, if you had been in here working with us, if there had been legitimate give-and-take and finally a breakdown. That is not the case at all.

The President was absent—traveling, fundraising—away from what is most important. So he seeks now to make up for his absence by having not just one position on agriculture but three positions. First of all, he asked for about $2.3 billion in assistance on September 22. That was just 2 weeks ago. Congress then roughly doubled that amount. Yet now, to hide the fact that he had not been paying attention to American agriculture, President Clinton is demanding more, much more—nearly $7 billion. And now he threatens to veto legislation that Congress will send to him—legislation that will give twice the money that he asked for less than a month ago.

For 2 years, he has failed to use the tools that could have addressed the agriculture problems in substantial ways. He has ignored the tools—tools that I have requested the President not let rust away in some storage shed down at USDA, tools of trade, tools of trade intervention, humanitarian aid. All of those kinds of things that would have moved our products into the market were not used and have gathered rust and sat idle. Why, then, is the President coming back almost in an effort to demand a scorched-Earth policy? Is it politics, or is it the wag factor that is now at work? I am not sure. But, Mr. President, I think you have little credibility in this area.

Let me discuss just one other area briefly. I know the Senator from West Virginia is waiting.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. CRAIG. There is the issue of Social Security. So important was it that the President declared it in his State of the Union Address as an effort to save Social Security. Yet, the President has not bothered to make one step in that direction. The Congress waited a year, but no plan came from the White House. Just as with the farm crisis, he has only managed to use it—not address it, much less solve it. Like the farm crisis, he sought to use it to turn attention from himself. Instead of buckling down, this President has traveled around; over half of the days of this year the President has been out of town. He has found time to travel, he has found time to go overseas, he has found time to fundraise; but he has not found time to send any one plan to save Social Security to the Congress of the United States, or any one plan to alleviate a farm crisis that is now emerging.

Well, I suspect that if the solution to Social Security had been in Beijing, or Chile, or Ghana, or Uganda, or Rwanda, or South America, he might have found it there because that is where the President was. Why now, the last week that Congress plans to be in session, with a schedule that was established at the first of the year, did the President find his way back to the White House to sit and only threaten—threaten to veto here, threaten to veto there?

Mr. President, are you planning to shut down the Government? Is it a plan for diversion? Is it a plan to hide? Well, we have some problems and we are going to work to solve them. Those solutions should come in a bipartisan way. Mr. President, I hope you will be a part of the solution. The American people deserve nothing less than that.

I don't like coming to the floor to give these kinds of speeches, but sometimes I feel they are important. Sometimes I feel it is important for the American people to recognize, as we do, that there are times when we work together and not times when we simply find our footing to threaten or to change the subject or to divert attention.

Is the Presidency in crisis today? Yes, it is. We all know why it is. That is a constitutional tragedy. That will work its will. The House is underway in that process. Let us be allowed to work our will to solve the problem of financing our Government for the coming year.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I have some remarks, which may require 10 or 11 or 12 minutes.

I ask unanimous consent that I may be recognized for such time as I may consume, and that the previous order to proceed with the Agriculture conference report be delayed until I complete my statement.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

SAFE SCHOOLS: A MUST FOR THE NATION

Mr. BYRD. Mr. President, with the new school year now in full swing, our youngsters are brimming with the excitement of making new friends, radiating enthusiasm for new studies, and preparing for the challenges that lie ahead of them. Students are tackling new reading assignments and committing algebraic formulas to memory. During recess hour, they are frolicking in the school playground with new classmates and old friends, enjoying the waning days of shirt-sleeve weather. They feel safe and secure—free from threatening situations and out of harm's way.

But as our children leave home each morning for the school day, we as parents, grandparents, educators, and legislators, must regretfully remember that, just a few months ago, some of our nation's schools looked more like virtual war zones with bloodshed and the tragic loss of life. From Paducah, KY, to Springfield, OR, the notion of schools as a safe haven was shattered by the sound of gunfire, and we must now begin to face the formidable challenge of rebuilding that serene and tranquil school environment that each and every student deserves.

Today, responding to my concerns about this trend, I am unveiling a new branch of my web site which contains the most up-to-date and accurate information available from authoritative sources on school safety. I have designed this web site to be an electronic resource book, complete with descriptions of school safety initiatives underway in West Virginia, updates on federal funding available for violence prevention efforts, and the latest information on legislation moving through the Congress. I hope that this addition to my web site will serve as an important tool for parents, students, educators, and lawmakers in addressing the issue of school safety in West Virginia and in other States.

In concert with the release of my school safety resources web site, I am also introducing companion legislation in the Senate today to Representative BOB WISE's recently introduced legislation, H.R. 4515, to provide for the establishment of school violence prevention hotlines. Often, a potentially harmful student confides in his closest friend about his intentions to launch a violent attack on school premises. Or perhaps, teachers notice a change in a student's demeanor or an action completely uncharacteristic of a happy, well-balanced child. Occasionally, the parents of an otherwise cheerful, amicable son or daughter detect hostility in their child's voice when talking about a particular group of students. All of these scenarios may be just a bad day on the surface or semantics misinterpreted, but they also may be the first signs of a potentially threatening student.

My legislation would provide funds to local education agencies and schools that have established or proposed to establish school violence prevention hotlines. It is essential that parents, students, and teachers have an outlet where they can report threatening situations to authorities who will watch over the student's behavior and alert school officials. School violence hotlines can prevent a disturbed student in need of help from taking that next, sometimes fatal, step.

I have long been concerned about the increasing incidence of violence in the classroom and have supported numerous efforts to combat this kind of outrageous behavior and strengthen discipline for all students. After receiving a disturbing report in 1990 from the Centers for Disease Control and Prevention which stated that nearly twenty-four percent of West Virginia's students between grades nine and twelve carried a gun, knife, or other weapon to school at least once during that year for self-protection or use in a fight, I began looking for ways to better address the problem of school violence. In 1994, when Congress passed the Improving America's Schools Act in an effort to reauthorize and improve the existing Elementary and Secondary Education Act, I offered two amendments aimed at reducing the level of school violence.

First, the Congress adopted my proposal directing local school districts to refer to the criminal justice system any student who brings a weapon to school. Possession of a weapon on school property is a crime, and when a crime occurs, the police should be notified. While school discipline is an appropriate and essential first step in reprimanding a student for such a violation, it is simply not enough. Possession of a firearm on school grounds is an outrage and a true impediment to the environment that teachers are striving to foster.

The second amendment that I authored in 1994, which was approved by Congress, required the U.S. Secretary of Education to conduct the first major study of violence in schools since 1978. In July of this year, the National Center for Education Statistics, in concert with the Department of Education, released the results of this study, which was conducted with a nationally representative sample of 1,234 regular public, elementary, middle, and secondary schools in all 50 States and the District of Columbia.

In a snapshot of the 1996–1997 school year, the study revealed that, with more than half of U.S. public schools reporting at least one crime incident, and one in ten schools reporting at least one serious violent crime during that school year, violence continues to beset schools across this country, all too often resulting in fatal situations.

Back in my day, no student would have considered such lawless and unruly behavior. We knew right from wrong, as it was instilled in us from our parents, sometimes with the aid of a switch that we were made to fetch ourselves. We were told that the classroom was a sacred precinct. I was told that if I got a whipping at school I would get a thrashing at home.

The classroom was a place where quiet prevailed and where students cherished the opportunity they had to learn, and that was the attitude we adopted. Unfortunately, today, students, many of them it seems, must be threatened by an impending obligation before the criminal justice system to make them behave and, often, even that has proven inadequate in keeping guns out of the hands of children and off school properties. Mr. President, what is it going to take to keep our students safe—metal detectors in every elementary and secondary school in the nation? Is that the direction in which our country is headed?

In the wake of reports of violence and tragedy at schools across the country, Congress is, once again, honing in on the issue of school safety. In more recent efforts, as part of the Fiscal Year 1999 Commerce/Justice/State Appropriations Bill, the Senate approved $210 million for a new national safe schools initiative to assist community-level efforts. Of that funding, $175 million is to increase community policing in and around schools.

Just a few weeks ago, as part of the Fiscal Year 1999 Labor/Health and Human Services,/Education and Related Agencies Appropriations Bill, the Senate Appropriations Committee reported out legislation which contains more than $150 million for a comprehensive school safety initiative to support activities that promote safe learning environments for students. Such activities may include targeted assistance, training for teachers and school security officers, and enhancing the capacity of schools to provide mental health services to troubled youth.

Since the release of the 1990 report from the Centers for Disease Control and Prevention, my home state of West Virginia has made great strides in addressing school violence, and is setting a true precedent for communities around the country in helping to establish safe schools which support learning for all children and the professionals who teach them. According to the West Virginia Department of Education, incidents involving a weapon have decreased by sixty-nine percent during the years 1994 through 1997, perhaps, in large part, due to short- and long-term initiatives underway in the State of West Virginia.

Mr. President, our nation has been grappling with the issue of improved school safety for years, and I am frankly alarmed that American school children continue to face increasing crime and violence. It is time to stop wringing our hands over this issue and take action.

We have a school system today run in many instances by hoodlums who are converting sacred temples for learning into terror camps with innocent children becoming casualties in scholastic "free fire" zones. We have teachers working in fear, too anxious even to teach their students properly. We must get guns out of the schools and put an end to this sense of panic which is pervading our nation's elementary and secondary education system. I am hopeful that these initiatives we have promulgated in the Senate this year will begin the mission of setting our nation back on track.

One of the most important things that we can provide to our children is the opportunity for a good education. I was afforded the opportunity to obtain a good, solid education back when I was a student attending class in a two-room schoolhouse. Today, we have mammoth schools, with all kinds of high-tech equipment, computers, and amenities that I never had or had never even heard of, or couldn't even imagine in those years. Yet our students are not learning. We owe our young people today the chance to learn and excel in an environment free from guns, knives, and other weapons.

One of the National Education Goals, as included in the Goals 2000 legislation enacted in 1994, states "all schools in America will be free of drugs and violence and the unauthorized presence of firearms and alcohol, and offer a disciplined environment that is conducive to learning by the year 2000." To accomplish that goal—it is almost going to be impossible—we must send a message loud and clear that we will not tolerate weapons in our schools.

Protecting our children is not simply a matter of public policy. It is a matter of basic values, of teaching children right from wrong and punishing those who insist on doing wrong, of instilling them with respect for the law and providing them with limitations. Students must know that they will be punished for doing the wrong thing, or for choosing the bad route.

Mr. President, in the blink of an eye, we have lost the lives of precious young children to school violence—children who may have grown to be teachers, doctors, businessmen and women, and perhaps even future Senators. We in Congress have a responsibility to stop this deadly trend from striking other innocent families. The time has long since come and gone for decency and sanity to re-enter the schoolhouse door—let's get moving.

Mr. President, I yield the floor.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. The Senate will now proceed to the conference report on H.R. 4101 until 1:30 with the time equally divided.

The Senate resumed consideration of the conference report.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Who yields time?

Mr. FEINGOLD. Mr. President, I ask unanimous consent the full hour be accorded that was intended for the agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I yield myself such time as I require.

The PRESIDING OFFICER. Senator from Wisconsin is recognized.

Mr. FEINGOLD. Mr. President, I intend to vote against the Conference Report on Fiscal Year 1999 Agriculture Appropriations bill for a number of reasons. In the final version, the congressional majority has added a $3.6 billion unfunded emergency spending provision, while simultaneously stripping out consumer and farmer protections.

However, today I will focus on the worst provision in the conference report. I am extremely disappointed that the final version contains language from the House bill extending USDA's rulemaking period on Federal Milk Marketing Order Reform. Once again, on the issue of milk orders, bad politics prevailed over good policy.

This extension will require the new milk pricing system to be in place in October of 1999, instead of the original date of April, 1999 set in the Farm Bill. Mr. President, officials at USDA have assured me that they did not request this extension nor do they need it.

House Appropriators argued that the extension was necessary to give Congress ample time to review, comment and act on the final rule. They claim that if the rule were to be announced in late November, they would not have time to act on it. Mr. President, let's examine this argument because it does not hold water. My House and Senate colleagues who support this provision on these grounds surely remember passage of the Small Business Regulatory Enforcement Fairness Act of 1996. This law empowers Congress and the courts to overturn regulations with Presidential approval. This law gives Congress 60 days to act, once a rule has been published in the Federal Register. So, whether the rule is published in late November, early December, or mid-February of 1999, Congress has 60 days of session to act. So this really tells us what is going on here.

Mr. President, this dairy provision was included solely to intimidate and bully USDA and Secretary Glickman into an anti-Wisconsin dairy pricing reform. Instead of allowing USDA to do its job, some Members of Congress want to do it for them, and do it to benefit their own producers at the expense of dairy farmers in the Upper Midwest.

Let's just take a look at the current system which is shown on this chart, which some have called the Eau Claire system. I like to call it the anti-Eau Claire system because it is an unfair system for Eau Claire, WI, and our entire state—in fact, the entire upper Midwest.

This chart shows that the Class I differential received by dairy farmers in Eau Claire, Wisconsin is $1.20 per hundredweight. Believe it or not, Mr. President, Federal pricing policy dictates that the farther you travel from Eau Claire, WI, the higher your Class I differential. You will notice that the price in Chicago is $1.40, in Kansas City, Missouri it's $1.92 and in Charlotte, NC it's $3.08 per hundredweight. Our friends in Florida make $3.58 in Tallahassee, $3.88 in Tampa, and $4.18 in Miami. Dairy farmers in Miami make nearly $3.00 more per hundredweight than farmers in the Upper Midwest. Does that make any sense? Absolutely not.

Let me illustrate this with another chart.

To illustrate just how senseless this whole system is, I have borrowed this graphic from my colleague from Minnesota, Senator ROD GRAMS. As you can see, pricing milk based on its distance from Eau Claire, WI, is as arbitrary and ridiculous as pricing oranges from their distance from Florida, computers from their distance from Seattle, or—even more shocking to some of us—country music from its distance from Nashville. But wait, now that I think about it, maybe Congress should pass legislation to price maple syrup based on its distance from Burlington, VT, and white wine on its distance from California. While we are at it, lets pass a law to pay Members of Congress according to the distance of their hometown from Washington, DC. Sound ridiculous? It is, just as the current milk pricing system is ridiculous. It would almost be funny if it weren't so destructively unfair to Wisconsin's dairy farmers, undermining the livelihoods of their families.

Mr. President, the current system desperately needs reform, a reform the Secretary of Agriculture has indicated he is willing to make—but that some members of Congress are very anxious to prevent. This poster is an illustration of today's Federal milk pricing system—how milk is produced and priced in America. You can see that the price of milk begins not with the cow, but with the Congress. Its interesting to note that the market and the farmer don't enter into the equation until two-thirds down the page. I could walk you through all the confusing steps shown here, but I understand we are scheduled to recess sometime in October, and frankly, I would need until mid-November to describe fully the inequity of this system.

This system has outlived its usefulness, its patently unfair and its bad policy.

The extension of USDA's rulemaking had another intent as well. Extending the rulemaking period automatically extends the life of the Northeast Interstate Dairy Compact. The 1996 Farm Bill requires a sunset of the Compact when the new federal pricing system is implemented. At the rate Congress is going, tacking this issue onto appropriations bills, there is no telling when implementation will now occur.

The effects of the Compact on consumers within the region and producers outside of it is indisputable. Dairy compacts are harmful, unnecessary and a burden to this country's taxpayers.

The worst part of this entire 65 year dairy fiasco is its effect on the producers in the Upper Midwest. The 6 month extension puts an additional 900 Wisconsin producers at risk. Wisconsin loses approximately 3 dairy farmers a day. Producers cannot stand 6 more days of the current program, let along 6 more months.

I am truly troubled by this turn of events and would like to read into the record a few excerpts from letters I have received from struggling dairy farmers in my home state of Wisconsin.

From Pulaski, Wisconsin a constituent writes:

> I would love to encourage my son or daughter to take over this farm someday. But without a fair pricing system, they cannot earn a decent living, and I cannot and will not encourage them to farm. That will be a great loss to the world of agriculture.

A letter from Bloomer, WI reads:

> We, in the Upper Midwest are not asking for a handout, just a more level playing field. Fair competition and price reform is our only hope.

Another constituent writes:

> In my opinion, just because a pricing system has been in implementation for years, doesn't make it useful today. It must also change with the times. How many more farms are we willing to let fall victim to the prejudiced pricing? . . . Its much easier to put a pillow over our heads, roll over and ignore the cry for help from the Wisconsin dairy farmers . . . I realize changing the present milk pricing system will not heal the strained economics of dairy farming. It's only a step . . . I urge you to take this step and . . . hear the cry of dairy farmers like me.

And finally, a dairy producer makes this comment:

> Eau Claire was chosen as the reference point because it was judged by the government to be the center of the dairy industry's most productive region. Since California now produces more milk than Wisconsin, this [rule] should no longer apply. Maybe we should change the [milk pricing] reference point to Fresno, California, to encourage dairy production in the Midwest.

These examples illustrate the need for dairy pricing reform and illustrate the state of Wisconsin's dairy industry-struggling needlessly under the burden of current dairy policy.

Mr. President, not only is legislating dairy policy on this bill inappropriate, its bad precedent, it circumvents the appropriate committees, the Agriculture and Judiciary Committees, and circumvents USDA's authority. We ought to give USDA the opportunity to do the right thing for today's national dairy industry and put an end to the unfair Eau Claire system now, not 6 months from now.

Mr. President, I urge my colleagues to take a second look at this antiquated and harmful policy. Stand up for equity, fairness, and for what is best for America's dairy industry, our consumers and our taxpayers. I yield back the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, we begin consideration again today of the Agriculture Appropriations Conference Report. Yesterday we were on that report for 3½ hours and had a full discussion of views on the question of whether or not the conference report should be adopted. I was pleased to see this morning an assessment of the situation by the Washington Post, in an editorial entitled, "The Appropriations Game." I read excerpts from that editorial:

> In the agricultural bill, an election-year bidding war has broken out between the parties over aid to distressed farmers. This is one from which the president should back away . . . The Democrats want not just to give a larger amount but to do so in such a way as to repudiate the last farm bill . . . The administration earlier in the year rightly resisted the position it has now adopted; it should revert.

That is the end of the quotation from the Washington Post editorial. I think it appropriately points out the difficulty we face in confronting a threat from the President to veto this conference report. It is not just about money.

The President is suggesting, through his Secretary of Agriculture and through the Democratic leadership, that this conference report is unacceptable, not because it doesn't appropriate enough money, but because it doesn't change the policy that was agreed upon in the 1996 farm bill and signed by this President. It changes a fundamental policy of setting Government loan rates and using them to encourage the planning of some five or more specific commodities.

To get away from that old way of Government support, the Congress and the President, the administration, worked together to develop an alternative, a farm policy that would be driven by the dictates of the market, the demands of the market, the signals that the market would send to producers to indicate what prices might likely be during a crop year, and farmers themselves would make the choice as to what they would plant.

Some call this Freedom to Farm—freedom to plant what you want to rather than what the Government dictates you have to plant in order to be eligible for Government support. To make this a transition where the Government wasn't going to just say, "OK, everybody, you're on your own, farmers are on their own," there would be a series, over 5 years, of transition payments made.

Interestingly enough, as pointed out by the distinguished Senator from Kansas, Senator ROBERTS, yesterday during the debate, this year's transition payments are going to be higher. It was assumed by the writers of that policy, the legislative committees, that at first farmers would really need to have higher payments. They were very prescient figuring this out and including that provision in the farm bill.

What we have suggested in our disaster assistance plan is, not to change the policy, but to provide bonus payments under the market transition formulas to increase the amount that all producers who are eligible for these payments would receive to help deal with the income losses that are occurring because of lost markets in Asia and elsewhere during this global economic crisis.

Then there are those who have sustained weather-related disasters in certain areas, which has meant lost crops, not just lost income, not just diminished yields, which the increased market transition payments will help deal with. But, for those who have suffered crop losses, no loan rate is going to help them. There is nothing to put under the loan.

The Washington Post points out, correctly, that we are not just in a bidding war on this bill—we are out of sorts because the Democrats keep advertising that their plan is worth $7 billion plus, and the Republicans only $4 billion; and therefore, the Democrats have a preferable plan and one that would provide more benefits—but the fact is, you change the policy instead of providing direct disaster assistance and you are not necessarily delivering money to those people who need the disaster benefits.

The $4.2 billion plan is a direct assistance plan to those who qualify because they have suffered losses, plus the additional amount that is included in the transition bonuses.

We continue to debate the issue. I am hopeful the Senate will approve the conference report. We have voted twice in the Senate, at the Democrats' insistence, on lifting the loan caps under the 1996 farm bill, and that has been rejected each time. We have voted twice on it, and twice it has been rejected. Now the administration is saying if you don't reconsider those two decisions, put that or something similar in the farm bill, in the disaster program, then the President will veto the bill.

This is a $59.9 billion bill—$59.9 billion. We are talking about a very small part, a disagreement on a matter of policy where the Democrats are trying to get the Congress to be required by this President to repudiate a part of the 1996 farm bill so some Senators, I suppose, can go home and say, "I told you so; we had a better bill," even though it has been pointed out clearly that under the old farm bill, under the old policy that they are trying to reinstate pro tanto—a good law school phrase—they would be getting less money.

Under the Freedom to Farm bill, all farmers are getting more money from the Government as transition payments than they would have been eligible to receive under the 1996 farm bill which they want to exhume, resurrect, breathe life into, and put back on the books. That is not a very impressive proposal. That is not a very attractive proposal, and this Senate ought to reject it.

I hope there will be votes enough to override the President's veto. It has been done before on an agriculture appropriations bill. It was a long time ago. But you usually don't see a President vetoing an agriculture appropriations bill. I hope somebody will get around to pointing out what all is in this bill for production agriculture, for the women, infants, and children feeding program, for food stamps for people who are unable to provide for their own nutrition needs, for school lunch and breakfast programs.

I just came from a conference with the House on a reauthorization bill for child nutrition programs. We have some very important needs that are met in this legislation. Close to 65 percent of the funding in this appropriations bill that we are approving today goes to help people provide for their own nutrition needs.

The President may call this a veto of a disaster assistance program, but that is one very small part of what he is saying no to. He is rejecting the hard work of many Members of this body and the other body as well in crafting a bill that meets the need for agriculture research, for rural water and sewer system loans and grants, for economic development initiatives in small towns and rural communities throughout the United States.

If one looks at the amount of money that goes to support production agriculture in this legislation, it is minuscule compared to the total amount being spent on other programs. Many in agriculture have said that this bill should not even be named an agriculture appropriations bill—that there should be a more accurate way of describing the funding that is contained in the bill. It doesn't go to agriculture, or at least not most of it, very little of it, as a percentage of the total amount appropriated. But the President is willing to put at risk those programs that are funded in this bill to accommodate the interests of a few Senators who are suggesting that this is an unfair, an insensitive approach to providing disaster assistance to those who have suffered weather-related disasters and suffered because of a downturn in the world economic situation.

We are confronting a serious crisis in American agriculture. This bill responds to that crisis by providing direct assistance to those who have been harmed and who are eligible for transition payments and weather-related disaster benefits.

I suggest the Washington Post is right about this, and to repeat what they say this morning in this editorial, this is an election-year bidding war from which the President should back away.

> The Democrats want not just to give a larger amount but to do so in such a way as to repudiate the last farm bill. . . . The administration earlier in the year rightly resisted the position it has now adopted; it should revert.

And so the observers at the Washington Post have figured this out. I hope that Senators will resist the entreaties being made to vote against this bill. This conference report ought to be adopted. It is a fair allocation of resources across the programs that are funded in the bill.

I mentioned the Department of Agriculture programs that are funded in the bill that the President is willing to put at risk and to create the uncertainty and the anxieties among those who are expecting benefits at the beginning of this fiscal year. Right now we are operating under a continuing resolution. To veto the bill creates more delay, more uncertainty, more anxiety. It puts in jeopardy the very benefits we are trying to make available for people now.

Farmers need help now. They are beginning to be skeptical of the whole process and promises that are made by the Federal Government. I would like to do something to correct that. I would like to make sure that Government is trusted again to do what it promises to do and what it says it is willing to do, and many of us have been trying to put together a package of benefits that makes sense, is supported by the facts, can be administered.

We provide additional funds in this bill for the administration of the program. And it is going to cost more. We have tried to work with the administration to determine the amount needed so that there will not have to be extra burdens assumed at county offices throughout the country, where there will be an increase in the workload, where there will be more demands made on the administration, the farm service agency in particular.

We have tried to cooperate with this administration. It was our recommendation at the conference that these funds be added to help the administration deal with it. And now they turn right around and say, "We're going to veto that bill because it is inconsistent with the proposal made by Senate Democrats on the Senate floor," that was twice rejected by the Senate. "If you don't include the disaster bill the way they want it written or in that respect, then we're going to veto this entire bill."

This entire bill, Mr. President, provides $56 billion in funding for a wide range of programs, most of them nutrition assistance, as I mentioned. So I hope the people in the country will stop and think what this administration is about to do to you if you are depending upon and looking to the Federal Government for support in nutrition programs. If you have free and reduced lunch and breakfast programs in your schools, they are not going to be funded on time because this President says, "I'm vetoing this bill because it doesn't satisfy a few Senate Democrats."

That is not only bad politics, that is bad Government, and it ought to be repudiated by the Congress. If the President does insist on carrying out this promise or this threat to veto the bill, I hope the Senate will—if the House can—overturn the veto and not sustain the President's action.

The Washington Post is right, the President ought to go back to the position he earlier had taken. The President signed the 1996 farm bill, and now he is suggesting that we need to go back and rewrite portions of it and that that will satisfy the needs of production agriculture, that that would be a better deal for farmers. The fact of the matter is, if we start going down that old road again, we will have an unworkable and unpredictable level of support from the Federal Government.

Now farmers know what the Federal Government is going to provide in transition payments that are outlined in legislation over a 5-year period. Farmers can look at that. They can make judgments about what is best for their own farm operation, what the market conditions are, so that they can make decisions based on what is best for them at that farm in that crop year, given their own economic conditions as to what they will do. They will not lose benefits because they make a decision to change the crop they are planting. They would under the old law. If you do not plant that same crop that you are eligible for, you lose your eligibility for any assistance from the Government.

And another thing. If you do not make a crop, you cannot put any crop in the loan. You cannot put an empty basket under the loan program that the Democrats are trying to resurrect. So if you would—like you have in southern Georgia—have crop losses, and you just plowed up a field, and you did not even try to harvest it because it was burned up, increasing the loan rate would not help you—not a bit.

So my point is, the Democrats' plan is not all that it is cracked up to be. It is more an expression of frustration. And I sympathize with the frustration in many parts of the country. It is an effort to grasp at some straw in the wind and hold out the hope that this is going to make everything right.

We are doing a very workmanlike job, in my view, of bringing together all of the different problems in agriculture and trying to design a program of benefits and assistance that helps farmers make it to the next year, helps compensate them to the extent that some will be spared going into bankruptcy or having to sell their farms at a forced sale. And it is that bad in some areas.

We think this is a balanced approach, not only for this disaster assistance program that is funded in this bill to the extent of $4.2 billion. That is in addition to all the other transition payments that we are providing under the existing law. And an option to obtain an accelerated payment of next year's market transition payment, that is available now in October because of a bill that was passed just recently.

We think the bill itself, the entire conference report, justifies the support of this Senate and an overwhelming vote to approve it and to send it to the President.

Before I yield the floor, Mr. President, I want to point out that this is just one aspect of what is being done or what is attempted to be done by this Congress to help the outlook for farming in America and in agriculture. Our economy—that is one of the most successful of any sectors of our economy in terms of its ability to export, to generate income for people not just on the farm but at the store, driving trucks in the transportation system, the inputs that go into production agriculture, the equipment that is purchased, the seeds, all the rest that go into this giant part of our economy—is very important to our country.

We generate a positive trade balance. I think this year it is going to be almost $20 billion in trade surplus. This is comparing the amount and the value of exports with imports of agriculture and food products.

The House just recently passed a tax bill, reported out of the House Ways and Means Committee. It was my hope that we could take that bill up here and pass it in the Senate, because it delivers to farmers and farm families some new tax benefits that can help them in this time of crisis on the farm and would be good policy changes for the future, one of which permits a 5-year carryback of operating losses. Another makes permanent the income averaging provision of the more recent tax bill that was signed into law. Another accelerates the phasing in of exemptions of inheritance tax and gift tax for small businesses and farms. That is very helpful to farmers and farm families.

Another provides 100 percent deductibility of the costs of self-employed health insurance, health insurance for those people who work for themselves. In the past, they weren't able to deduct the costs of that health insurance.

Under the bill that was reported out of the House Ways and Means Committee and passed by the other body, the total costs of that premium could be deducted from income tax. We should make that the law now. Farmers need that now. Farm families need that benefit now.

Because of a threat by the Democrat minority, we can't call that bill up. We are told there will be an objection. And if a motion is made to proceed to consider the House bill, 60 votes would be required to shut off debate on the motion to proceed. So that bill is unlikely to be considered by the Senate, we are told, because of those objections and that resistance. Again the President said, "If you pass it, I will veto that."

So farmers ought to know where the problem is. They are being told with big speeches out here and a lot of charts that the Democrats are the farmers' best friend. The evidence is piling up on the other side of that argument. I think it is going to become very, very clear that that is not the case.

Here is another example. We have been told that American agriculture is suffering right now—unfairness in the international marketplace. People are erecting barriers to trade while we are trying to sell more in the market or break into a new market for agriculture products and foodstuffs, that we are running into barriers of one kind or another, and that the importation of certain foodstuff—cattle, wheat—from Canada violates existing rules of fair trade in this hemisphere. For months, the administration has done absolutely nothing that I know of to try to deal with that situation.

One thing they asked last year of the Congress was to enact fast-track negotiating authority for the administration so agreements to adjust these problems, to resolve the difficulties, could be negotiated and worked out. Congress would make a commitment that if fair agreements were worked out we would take them up under fast-track procedures and vote them up or down. So the Speaker of the House, as we were working to put together the disaster assistance program, agreed he would call up the fast-track authority legislation in the House for a vote; the Senate has acted. The House couldn't pass it because the Democrats wouldn't vote for it. A huge number of Democrats voted against it. The President, apparently without the ability to lead on that issue in the House, couldn't turn out the votes to pass the legislation he said was important, he said was needed to help agriculture. The Republican leadership called it up and most of them voted for it.

I am suggesting that is another example of a problem that we have here in the government. I am not trying to put this into a partisan debate to say that the Republicans are right on everything and the Democrats are wrong; but I am pointing out these facts that exist in the context of trying to do something to help farmers and help agriculture.

Most people live outside the United States, and if the growth is going to be achieved in agriculture sales and we are going to see increases in incomes and prices, we are going to have to sell more of what we produce in the export market. Mr. President, 95 percent of the people in this world live outside the United States. It is that area of the world where the population is growing the fastest. The needs are greater for foodstuffs.

I hope, as Senators look at this problem and try to decide whether we are doing the right thing or not by approving this bill, they will recognize we can't solve every problem that this sector has in one bill. But this is a very positive step toward dealing with the real crisis that exists out there in agriculture today. I am hopeful that the Senate will vote for this conference report and that we will have a resounding vote to overturn and override the President's veto, if he insists on continuing down this path. It is wrong. It is not justified. I hope he will change his mind.

I yield to the distinguished Senator from Idaho such time as he may consume.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, let me join with my chairman, Senator THAD COCHRAN, chairman of the Agricultural Appropriations Subcommittee, who spoke with a certain amount of frustration in his voice just a few moments ago. He has every reason to be frustrated.

This chairman has bent over backwards in the last 6 months trying to understand and address the agricultural crisis that is now upon America's production agriculture. He has joined with us—those of us here in the Senate who come from strong agricultural States—at every step along the way to see how we could resolve this under current policy. I don't blame his frustration.

I came to the floor just a few moments ago to announce that the President is in town for the full week for the first time in a good many weeks, and the first thing he says is that he is going to veto the agriculture appropriations bill. I am critical of this President. Mr. President, wake up. You haven't had a position on agriculture your entire term in office. Now you say, "I'm going to veto," at a time when this Congress has worked collectively, on a very strong bipartisan vote on the House side just last week, 333 House Members, Democrat and Republican, on the very issue that we have on the floor now that the chairman has spoken to and that we will vote on this afternoon.

I am not quite sure why he is doing that. I suggested this morning that maybe it was a bit of "Wag the Dog." I don't want to make accusations, but why isn't he helping us, working with us to resolve this, rather than simply addressing it with a veto threat.

What has the bill to offer production agriculture? For the last several days, we have laid out the amount of money that is being spent that will go directly to farmers to offset the market losses that they have experienced, the very real and dramatic declines in commodity prices that are going to place some of our very good farmers and ranchers in bankruptcy. We want to be sensitive to that. This Congress is being sensitive to that with a $4.2 billion package. Payments directly to farmers who have experienced natural disasters—$1.5 billion for that—who through no fault of their own, have lost their crops; market loss payments, reflective of what has gone on in the Pacific Rim and the loss of markets there, payments of about $1.65 billion, directly down through to the farmer and the rancher; a multiple-year losses program of about $675 million; livestock feed assistance for those areas that were "droughted" out who obviously produced no feed for their livestock this year and are having to reach well outside their barriers and pay premium price for hay to be brought in; and, of course, emergency-related aid of about $200 million. This bill is very sensitive to the needs of production agriculture.

What is the debate really about? Why would the President want to veto a bill that provides so much at a time of true need to production agriculture? As I said, it could be a "Wag the Dog" problem, but more importantly it is probably a debate over significant problems.

We—Republicans—believe, and I think American agriculture supports a recognition that farmers ought to be farming to the market. The Freedom to Farm bill reflected that and we made significant change to policy. We also said government has a responsibility to break down the political barriers that the chairman spoke about to expand world trade, and yet the tools to do that are rusting down in the toolshed at USDA because they have failed to use them. Throughout the time this crisis was growing, not one kernel of grain was purchased for humanitarian purposes. Yet, the Secretary had the tools to do it. The Secretary had the tools to enhance trade for the purpose of moving the product that was stored out there on America's farms, or in America's granaries. Yet, that didn't happen. And now, all of a sudden, when we are trying to shape some form of aid to get us through this cropping season and keep what American farmers say is a good farm policy in place, the President takes time off from his world travels and his campaign fundraising events to say, "I am going to veto this bill."

Mr. President, I hope you will study it a bit and change your mind, because if you think you are going to use an additional $3 billion or $4 billion from the surplus that you want to put in Social Security to save Social Security, think again. It isn't necessary and it isn't needed, and I don't think this Congress is willing to provide it. Those are the realities with which we are dealing.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CRAIG. With that, Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, how much time do those in opposition have?

The PRESIDING OFFICER. Twenty minutes.

Mr. WELLSTONE. Does the manager know whether or not others are going to come over on our side?

Mr. COCHRAN. If the Senator will yield, I think other Senators want to speak, but not right now. We have another hour, from 2:15 to 3:15, that will be available for debate. So as long as you see no competition on your side of the aisle, you have it all to yourself.

Mr. WELLSTONE. I thank my colleague.

Mr. President, I had a chance to speak yesterday and I don't want to really repeat the arguments I made yesterday. I do not intend to vote for this bill today, but I think that by the end of the week, or at least I am hopeful, we will be able to resolve our differences and pass a farm relief bill that will do the job—or at least will be a huge help for family farmers in Minnesota and across the country.

Mr. President, the President of the United States indicated on Saturday that the farm relief bill—this bill that we are looking at right now, which we will be voting on—is inadequate. He has said that more will need to be done with farm relief. It will have to be improved before he can sign an Agriculture appropriations bill. I am hopeful that either following the veto of this bill, or as part of the negotiations—and I think I have a different view from my colleague from Idaho, I am not sure—as part of the negotiations on the emergency supplemental packages, which may be included in an omnibus appropriations bill, we will see an improved version of this farm relief package.

I said yesterday to my colleague from Mississippi, Senator COCHRAN, I much appreciate the work he has done. We have come a significant way from where we were. This is a $4 billion relief package. I think that given the position the President has taken—and as a Senator from Minnesota, I have certainly requested that he take this position; I have said I hope he will veto this bill or wait until we get some kind of relief package that I think would do a better job. I have to continue to fight as long and as hard as I can for family farmers in my State, for what I think will be most helpful to them. Frankly, I believe that given the Senators who are dealing with this question on both sides of the aisle—we all care fiercely about agriculture, and I think we have an understanding about it—I don't see any reason why, by the end of this week, given the position the President has taken, we can't have some really strenuous, but I think substantive, negotiations and come up with a much better relief package.

Now, this relief package that my colleague, Senator COCHRAN, brings to the floor of the Senate is a credible effort. But I think it is insufficient. There is an inadequate amount of money, and I think it utilizes the wrong mechanism to deliver the assistance that is meant to address the price crisis. Let me just be clear about what is at issue here. Surely, given the position the President is taking, which is the position that the Senator from Minnesota and many other Midwestern Senators asked him to take, which is to make it clear that he will veto this bill unless there are negotiations and we can get a better package.

Why have we taken this position? Well, our proposal, $7 billion-plus, and the proposal we have before us on the floor of the Senate are similar in that both include between $2 billion and $2.5 billion for indemnity assistance for crop loss. This is an increase from the original $500 million, which many of us worked very hard to include in the original Senate bill. It is not surprising. There are a whole lot of people who have really been hit hard and who need the help.

The Republican package, however, that is before us also contains an additional $1.7 billion. So there is agreement on the indemnity part. We went from $500 million to $2 billion to $2.5 billion. The Republican package also contains about $1.7 billion to address the price crisis. The way they deliver this assistance is through a supplemental or bonus transition payment, and that is where there is a big disagreement. The prices for our major commodities, such as wheat, corn and soybeans, are 15 to 30 percent below the 5-year market average. Our $5 billion proposal to address the price crisis—where there is the difference here—would lift the current caps on the loan rate and raise those loan rates about 57 cents a bushel for wheat, about 28 cents a bushel for corn, and over 20 cents a bushel for soybeans. This would not only immediately boost farm income for the farmers of these commodities, but in raising the loan rate, it also has a beneficial effect on market prices. It tends to lift them up. That is why I think our proposal is superior.

Mr. President, I worry about these transition payments because I think there are a couple of problems with them. First of all, these payments are based on the old farm program's historic yields. Farmers such as traditional soybean farmers, who never had a program based on the old program, don't get any of these AMTA payments. That is one huge problem. On the other hand, it is possible for some people who might not even have planted a crop to receive them because the Freedom to Farm—or what I call the "Freedom to Fail"—payments are completely unconnected to production or price.

I have to tell you, that is the key issue. That is the key difference. At the very minimum, in dealing with the price crisis, we ought to make sure that the payments are connected to production and price. So what we have here in this bill is the wrong mechanism for addressing the price crisis. Our proposal would lift the cap on the loan rates. I think there can be negotiation. The President is correct in vetoing this bill if that is what is required to get better assistance. Thousands of family farmers across the country could go out of business due to conditions that are beyond their control. In Minnesota, up to 20 percent of our family farmers are threatened. Now, the other part of this is that the Democratic proposal for the State of Minnesota is worth about an additional one-quarter of a billion dollars.

I ask the Chair, has 20 minutes expired?

The PRESIDING OFFICER. Twelve minutes remain.

Mr. WELLSTONE. The proposal is worth an additional one-quarter of a billion dollars for agriculture in Minnesota, for rural Minnesota, for what we call "greater Minnesota." It is no small amount of money, especially when you consider the multiplier effect in our communities.

So I say to my colleague, Senator COCHRAN from Mississippi, this is a start. I am going to vote against this. The President has said he is going to veto it unless there is further negotiation. I think we can do better. I don't like the rider that basically continues another 6 months with the dairy compact. I have dairy farmers in my State who are going under because of very unfair pricing mechanisms.

In addition, I emphasis again, we are in agreement when it comes to crop losses, disaster, people who didn't have the insurance because of wet weather, scab disease or whatever. We are not in agreement on the price.

There are two problems. The main one is at the very minimum you have to target the price, whatever you do by way of dealing with low prices. You have to make sure that the payments are connected to the production of the price. Too many of these transition payments go to landowners, and not necessarily producers. I don't think that makes a lot of sense. Some, like soybean growers, won't be helped at all.

I think we can do better on the price part. I think we have to do better if this relief package is going to do the job. I think we have some differences out here. They are honestly held differences. All of us care about agriculture. All of us know what the economic and personal pain is out there in the countryside.

Some are quite often critical of some of the President's policies, but I thank him for exerting strong leadership on this question and for making it clear that surely this week in negotiations we can do better. We can come up with an even better package.

My colleague from Mississippi brings a package out here that is an important start. We are going to get the job done by the end of the week or by next week. We are going to get the job done. We are going to have a relief package, because we have to, because that is why we are here. I believe we can do that through the negotiations that are to come.

BISON INSPECTION

Mr. ALLARD. Mr. President, I would like to engage in a colloquy with my good friend from Vermont, Senator LEAHY regarding an issue that impacts bison ranchers nationwide as well as in both of our States.

It is my understanding that the U.S. Department of Agriculture has taken major steps during the past year to ensure that our country's food supply is as safe as possible. USDA requires all firms that wish to sell meat to USDA and other Federal agencies to comply with newly adopted regulations known as HACCP.

It is also my understanding that the beef, pork, and poultry industries are provided USDA inspection at no cost, and that ranchers who raise American bison must pay a steep fee to USDA for inspection at slaughter and inspection of products to be sold to USDA. These costs exceed $40 per hour, per inspector, both for inspection at slaughter and at further processing.

I would like to ask my colleague on the Agricultural Appropriations Subcommittee, Senator LEAHY, whether he would agree with me that USDA should explore what impact inspection fees has on the bison industry?

Mr. LEAHY. Yes, I do agree.

It is my understanding that USDA collects substantial fees from those bison ranchers and processing firms for Federal inspection. It is my understanding that this fee is set yearly by USDA and that it is approximately $41 per hour. I believe that these fees directly impact thousands of small ranchers who belong to the National Bison Association.

Mr. ALLARD. Would the Senator further support asking Secretary Glickman to report back this next year on ways in which USDA might lower the inspection fees to help strengthen the U.S. bison industry.

Mr. LEAHY. We have bison ranchers in my state and in every other State in the country. I agree with the Senator that while we are looking for policies and programs that help small farmers and ranchers, we look carefully at all other actions that could make a difference. I believe that the issue of inspection fees charged bison producers should be explored by the Department of Agriculture, and that the Department should provide us with their analysis of this impact early in 1999.

Mr. ALLARD. I thank the Senator for his comments.

Mr. GORTON. Mr. President, on March 28, 1996, Congress passed the Federal Agricultural Improvement and Reform Act, most commonly referred to as the farm bill. This comprehensive, forward looking legislation provides U.S. agriculture the free market principles that our farmers and ranchers requested and desired. Government no longer dictates to farmers how much to plant, when to plant, when to buy, or when to sell. The farm bill provides the flexibility, predictability, and simplicity that our farmers and ranchers asked for from their government.

In the past few months, agriculture in the United States has been impacted by chaotic world markets, natural disasters, and disease. These occurrences are not the result of the Farm Bill, but without a doubt have impacted the prices paid for U.S. commodities. As a member of the Agriculture Appropriations Subcommittee, I had the opportunity to review and subsequently pass a disaster package as part of the Fiscal Year 1999 Agriculture Appropriations Conference Report. This package includes relief for those farmers who experienced one or all three of the aforementioned occurrences.

The Pacific Northwest is experiencing misfortune that is not weather or disease related, but market related. Producers in the State of Washington rely heavily on international trade. Wheat growers in the state export approximately 85 percent of their crop. Our apple and minor crop industries rely heavily on Asia as an export market. When world markets collapse, so too does the price paid for each of these commodities.

The disaster package which is included in the conference report provides some relief for growers in Washington state. However, because a bulk of the assistance provided in the package will benefit farmers in the midwest states, I voted with Senator

BURNS to increase the relief plan by $610 million. Although this plan was defeated, I believe the overall package is adequate and a necessary starting point for recharging the cash flow to the family farm. This package, combined with the Agriculture Market Transition Act payments farmers will receive in October and December of this year, and the loan deficiency payments for program crops totals over $17 billion in cash payments for 1998 and 1999.

Because Pacific Northwest agriculture is so trade dependent, I believe we must focus on expanding trade and gaining new markets. In this arena, I fear that the administration's silence has been deafening.

Two weeks ago the House defeated the bill to provide the President fast track-trade negotiating authority. Unfortunately, a wounded President and a weak Secretary of the U.S. Department of Agriculture failed to convince our colleagues the importance of passing this legislation. With one in four jobs in the State of Washington directly related to trade, and with agriculture being the State's number one employer, the passage of fast track was essential.

Just last week I made a statement regarding the administration's trade policy with China. Finally, a member of the Administration commented on the inability of the President to make headway with China's protectionist position. The Undersecretary of International Trade at the Department of Commerce admitted that U.S. trade policy with China is flawed and that the Administration's policy of 'engagement' has not moved China toward free trade practices.

China claims that wheat from our region is inflicted with a disease called TCK smut. At the bipartisan request of many Senators from the Pacific Northwest, the President was asked to discuss this bogus phytosanitary concern with Chinese President Jiang Zemin. The President personally met with President Zemin twice in the last two years, but the Pacific Northwest wheat industry remains locked out of another potential, enormous market.

As a border state of Canada, Washington has encountered many trade discrepancies with our Northern counterparts. The beef trade between Washington and Canada has evoked bad feelings and more recently tensions escalated. Just two days ago, United States Trade Representative Charlene Barshefsky and Agriculture Secretary Dan Glickman announced their intention to begin intensive negotiations to resolve some of the restrictive trade practices utilized by Canada. While I applaud the Administration for taking this action, it is unfortunate that it comes only after ranchers in bordering States began blockading Canadian farm shipments. Agriculture trade relations have been thorny with Canada for quite some time, and many believe that the Administration's inability to support and defend the U.S. beef and wheat industries in negotiations with Canada have left agriculture with the short end of the stick. We are consistently being out-witted by the Canadian trade negotiators and the farmers and ranchers in this country are expected to pick up the pieces.

These are just a few of the Administration's trade policies which directly impact the bottom line of farmers in the State of Washington. While I recognize and empathize with the family farm at a time when cash flow is sparse, I do not support the President or the Administration in its threats to veto the Agriculture Appropriations bill because the disaster package is not to their liking.

There are several items that in addition to this disaster package, AMTA payments, and LDP payments which deserve attention. While expansion of trade is of obvious importance to the State of Washington and is certainly a long-term goal, regulatory relief, tax relief, adequate funding for agriculture research, and deductibility of health insurance for the self-employed are immediate mechanisms to provide assistance to the family farm. Unfortunately, the vehicles providing this relief—the Interior appropriations bill and the House passed tax package—are also under the threat of a Presidential veto.

Mr. President, the Agriculture appropriations bill is a constructive piece of legislation that deserves our support. While the unfortunate politics of partisanship has appeared to weigh heavily on this legislation, I sincerely hope that the Administration would remember the family farm and the longevity of production agriculture in this country and sign the bill.

Mr. LEAHY. Mr. President, if ironies were flowers the area inside the Washington beltway would be covered with fields of flowers sprouting out of every square inch of land.

I am surprised that many of the same Senators who say they want farmers to receive higher income for what they produce strongly oppose the same for other farmers if the product is not produced in their home states.

Many Senators have recently spoken on the floor about the disaster facing their farmers. Some have likened it to losses caused by natural disasters such as Hurricanes. Regarding this farm disaster, their biggest concern is the huge loss in farm income. The culprit this time is low prices and the loss of farm income.

In speech after speech many complain that their farmers face low prices—and thus low income. And, as is so often said, farmers do not want welfare they want higher income for their labors. These Senators assert that farmers do not just want a handout—they want higher prices so they can earn an reasonable income and stay in business.

Whether the commodity is wheat, soybeans, corn, or other feedgrains we hear time and time again that prices are too low—and thus their farmers may go out of business.

There is a sense of great panic in the farm community. It is real. I am advised that farm income in some areas has been reduced by 98 percent. I have been moved by many of the compelling descriptions of the agony faced by these farm families. I am concerned about this even though my home state of Vermont is not as directly affected.

Thomas Paine made an interesting comment about these situations which is still as true today as is was in 1776. He said: "Panics, in some cases, have their uses. . . . their peculiar advantage is, that they are the touchstone of sincerity and hypocrisy, and bring things and men to light, which might otherwise have lain forever undiscovered."

There is indeed a touch of hypocrisy in this crisis. Some, including some at the U.S. Department of Agriculture, see the loan deficiency payments as a great solution. If prices drop below a target price the farmers get the difference between their market price and this target price. If prices increase above a certain level then the farmers cannot receive this cash payment. Recently I twice voted for these proposals along with every Democratic Senator save one.

I do think this approach is a good idea and I hope in the end it is included in any continuing resolution we work out. It is important that any income relief in the resolution be targeted to 1998 year crop production and that it go to producers, not mere landowners.

Many strongly support this approach for commodities produced by their farmers. However, if the benefit is to be provided to farmers not producing their commodities some turn a deaf ear. This is an unfortunate irony—some will not listen to the very arguments they use to support additional income to their farmers if other commodities are involved. I voted for their solution even though it is of little benefit to my home state of Vermont. Turning a deaf ear toward farm problems in other areas of the country raises a lot of concerns.

The Northeast Interstate Dairy Compact is the perfect example. The major benefit of the compact is to provide income to farmers when milk prices are low—income is not provided to farmers when prices rise past a certain point. The amount of the payment a farmer gets depends on how far milk prices are below the target price. You could simply repeat those two sentences but substitute the word "corn," "soybeans" or "wheat," or whichever commodity, for "milk" and you have described how the loan deficiency payment system works.

Many certainly want this benefit for their commodities. Some Senators would rather their farmers get a check for increased "freedom to farm payments" instead of cash payments called loan deficiency payments. In this way these Senators provide cash to feedgrains producers to make up for the fact that farm prices are so low. Either way, almost all Senators want farmers to receive some additional cash payments. And farms families deserve this.

But try to apply this system to milk prices and many Members of Congress and some in the Administration say "no."

This is a major issue for me since more than 70 percent of all farm income in my state is from dairy. Vermont is first in the nation in terms of the relative importance of dairy to total farm income. This is why the Compact is crucial to me.

Dairy farmers like other farmers work hard—milking cows early in the morning, moving cows around to pasture, feeding them, worrying about veterinary bills. I wish we could all work together on this matter—all areas of the country—and support farm income for all producers.

I freely admit that the Compact does give dairy farmers a lot more income when prices are low. It is supposed to do that—just like loan deficiency payments. We are not concealing the fact that during the first 6 months of operation OMB reported that "New England dairy farm income rose by an estimated $22-27 million . . . ."

Several Senators from the Upper Midwest insisted that OMB do a study on the effects of the Compact. The OMB report is called the "The Economic Effects of the Northeast Interstate Dairy Compact." I will be quoting a lot from that study that those Senators wanted in this floor statement.

As a little background, the Interstate Dairy Compact Commission with 26 delegates appointed by the six governors is authorized to determine a "target price"—$16.94/cwt in this case. Under the Compact language approved by the six states any state can opt-out temporarily—until a later date that the state determines—or opt-in and receive that additional income for producers. The Compact is voluntary, it is up to each state.

As I just pointed out in this respect, when prices are low the effect of the Compact is similar to the loan deficiency payments made under marketing loan programs in that, roughly speaking, producers get the difference between a "capped" target amount and the current price. When farm prices are high, no cash payments are made to producers under the Compact.

Why is this additional income for dairy farmers as justifiable as additional income—whether in the form of loan deficiency payments or increased freedom to farm payments—for feedgrain farmers? The answer is simple—it keeps their families on the farm. All farmers deserve to earn a decent income for their families.

This additional income to farmers in New England based on the Compact has kept farmers in business. For example, news articles have focused on how in Connecticut and Vermont the rate of farm loss is much less than before the Compact went into effect. Before the Compact, OMB reports that New England suffered a "20-percent decline" in the number of farms with milk cows from 1990 to 1996. Now, this horrible rate of attrition has stopped. I wish other states could also stop their loss of farm families. I have supported reasonable efforts to keep family farmers in business throughout our country and will insist on that in any continuing resolution.

It is clear that efforts to keep dairy farmers in business will become more critical over time since, as OMB reports, "the Farm Bill also calls for the termination of many elements of USDA's current dairy program by January 2000." Also, dairy producers do not receive any so-called "freedom to farm payments" for milk production and the milk support program will be terminated in the year 2000.

Also, since dairy farmers sell a perishable fluid product that needs refrigeration they are not able to hold product off the market until they can get a better price. Feedgrains can be and are stored to get a better price—indeed the government will even give you a loan based on the value of the grain you are storing. This provides farmers with cash to pay bills—this program is not available regarding the production of milk.

Of course, by taking this grain off the market this can have the effect of increasing grain prices. FAPRI has provided Congress with information on these anticipated increases in grain prices based on the marketing loan program.

One disadvantage to increasing the caps in marketing loan programs, or increasing freedom to farm payments, is that it costs taxpayers a bundle—in this case several billion dollars. I voted for the marketing loan proposals twice because I think it is worth it to increase farm income in Iowa, North Dakota, South Dakota, Nebraska, Missouri and a number of other states. While marketing loan programs do not benefit New England dairy farmers, I have always felt that farmers should stick together and help each other out. I wish more Members of Congress felt that way.

I am very willing to work with my Colleagues from the Upper Midwest to try to figure a way so that all of us can work together. But I will insist on one thing—that our goal should be to protect income for dairy farmers and to keep farmers in business. I do have some ideas that I think we can all agree upon and want to sit down with my Colleagues from the Upper Midwest, and around the country, to work something out.

I will support reasonable programs that benefit their farmers, as I do farmers in others states and as I do for other commodities.

As long as I am on the subject of the Compact I want to make a few additional points about how well it is working.

First, I want to thank many of the Members of Congress who want to support farm income for all farmers—not just farmers producing feedgrains. I am very pleased that the Compact will get a short extension in the appropriations bill. Some opponents have begun complaining that it is included in the Agriculture Appropriations bill. It was included in the House bill and is now included in the Conference Report.

I am very pleased with this since the 1996 farm bill created a three-year Compact pilot project for the Northeast. However, long delays in implementing the Compact by USDA have cut that three-year period down to less than two years. That is not what the Congress had in mind when it passed a three-year time period in 1996. I am pleased that this Appropriations Bill will extend the Compact at least until September 30, 1999, so that the Congress can find out how well it has served farmers. Even with this extension, the time-period is less than Congress set forth in 1996.

It is interesting that one of my distinguished Colleagues blasted the Compact on the Senate floor by saying that dairy farmers have not seen positive benefits as a result of the compact. What surprises me about this statement is that most dairy farmers would say that a significant increase in their income over a six-month period was a "positive benefit."

Maybe things are different in the Upper Midwest but New England farmers like this increase in income and consider higher income a positive benefit. It could be that since New England only produces three percent of the fluid milk in the nation that an increase of $22 million to $27 million in income over a six month period, according to OMB, is not considered large by Upper Midwest standards.

I also disagree with the complaint that under the Compact "consumers have been hurt by higher prices." OMB has an answer for that which proves the value of the Compact. OMB reported after an initial increase in prices at some stores just as the Compact was implemented that: "New England retail milk prices by December [the sixth month after implementation] returned to the historical relationship to national levels, being about $0.05 per gallon lower."

So, OMB has concluded that consumer milk prices are lower in New England than the rest of the nation. I would like to repeat that—consumer prices in New England with the Compact are lower than national levels. I would encourage a study to check out that relationship now—I am very confident that prices in New England are still lower than the rest of the nation.

The Connecticut Agriculture Commissioner Shirley Ferris reports, "In June of 1997, the month before the Compact took effect, the average retail price for a gallon of whole milk was $2.72. This June, almost a year after the Compact took effect, the price for a gallon of whole milk is only $2.73. And the price of a gallon of 1% milk is even less expensive now than before the Compact—$.03 less per gallon than last June."

Consumer milk prices, as economists had predicted, are lower in the Compact region than the average for the nation.

Another interesting assertion—that milk consumption has dropped in the compact region—was made on the Senate floor recently. This is most odd since national data shows that the rate of milk consumption has dropped more in the rest of the nation than in the Compact region.

According to the most recent A.C. Neilson Corporation marketing research data, U.S. gallon sales of fluid milk are down 1.8 percent compared to one year ago. New England gallon sales of fluid milk, however, have decreased by only 0.7 percent. National sales of fluid milk have declined 1.1 percent more than New England sales of fluid milk.

In another assertion it was said that "The only real winners have been the largest industrial dairies of the Upper Northeast." First of all, I am not certain if the use of Upper refers to Maine. Second, I am not certain what the "largest industrial dairies" means since our plants are so small compared to the Upper Midwest.

And third, under the Compact, and as confirmed by the OMB study, it is the producers of milk, the farmers, who get the increase in income under the Compact. If anyone doubts that the dairy farmers in New England did not get increased pay checks someone should randomly call them on the phone and see if they really got the checks. I certainly have not heard complaints that the paychecks were lost in the mails.

My distinguished Colleague also said that the Compact puts "traditional dairy farms" outside the region "at a competitive disadvantage." OMB reports just the opposite. But again, you do not need an OMB report. Simply pick up the phone and call some dairy producers who live near the Compact region. They are selling milk into the region to take advantage of the Compact. If Wisconsin or Minnesota switched places with New York State, farmers in Wisconsin and Minnesota would do the same—sell into the Compact region to make more income.

While I do not know for sure, I suspect that dairy producers in Wisconsin and Minnesota would like more income for all their hard labor. Vermont dairy farmers and neighboring New York dairy farmers sure do.

OMB reports there has been "an increase in milk shipments into New England equal to 8 percent." This is not surprising since neighboring producers get higher prices for their milk in the compact region.

Except for this benefit for neighboring farmers living just outside the Compact region, OMB reported that "New England has little effect on dairy markets outside its region, or on national prices or trends. . . . Its shipments outside the region in the form of cheese or milk are small."

Opponents of the Compact have constantly repeated that it would be a "trade barrier" on sales into New England. I could point to many statements to this effect on the floor.

I predicted before the Compact was implemented, on the other hand, that since the law required that anyone could sell into the region and since the law required that these sellers get the benefit of the Compact, that there would be increased sales into the region.

I was correct—and the evidence reported by OMB shows that neighboring farmers get the benefit of the higher Compact price and thus there has been an increase of sales into the region of 8 percent.

This Compact has thus increased trade. Something that increases trade is not usually called a trade barrier.

As an interesting footnote OMB reports that the Compact commission decided to provide additional money for New England WIC programs so that more eligible infants, children and pregnant women would be able to participate than would have participated without the Compact. The OMB report states that the "Compact could support a small increase in participation during the demonstration period." The Commission has recently decided to provide additional funding to the school lunch programs.

I also want to address the surplus production issue. As background, note that if New England regional milk production decreases less—or increases more—than the national rate, the farm bill requires that the Commission reimburse the federal government for the cost of Commodity Credit Corporation purchases of any "surplus production" that might occur.

This year the Commission will pay a reimbursement as determined by the Secretary. Very favorable conditions in New England and low feedgrain prices and very unfavorable weather conditions throughout much of the rest of the country created this shift even though there was decrease—2,000 fewer—in cows milked from April to June 1998.

As these relatively very unfavorable weather conditions in the rest of the country subside I expect that New England's rate of production will once again grow at a lower rate than the rest of the country—especially with the drop in cows milked in New England. Also note that almost all of the CCC purchases were of milk product from other regions of the country.

To provide some perspective, I also wanted to mention that OMB reports that in 1996, "New England accounted for 2.93 percent of the Nation's milk production and 2.9 percent of its milk cows."

As the OMB report shows if other states had a dairy compact, farmers in those states could receive a significant increase in income. So why are some supporting billions' worth of increases in payments to farmers producing nondairy commodities but are opposed to increases in farm income to dairy farmers?

The answer is easy. Sir Walter Scott knew many years ago that: "Oh, what a tangled web we weave, when first we practice to deceive."

Corporate opponents of the Compact have tried to argue that this was a fight between consumers and farmers. The OMB study proves that consumer prices are lower in New England than the average for the rest of the country. So that is a false argument.

The fight is actually between large manufacturers of milk products—large multinational corporations—and farmers. Manufacturers of any product, not just manufacturers of cheese or ice cream, want to buy their inputs as cheaply as possible.

How do we know that? As with the answers to many questions all you have to do is follow the money. Who is buying ads and time to distort the truth? Who is staffing up to fight the Compact? And who mostly wants the Compact defeated?

It certainly isn't farmers in areas that border the Compact region. They take advantage of the Compact's open invitation to trade—and make more money selling into the Compact region.

It certainly isn't consumers since they get lower prices than the average for the rest of the nation. It certainly isn't farmers living in the region since they have gotten a significant boost in farm income.

To find out the answer one just has to look at lobbying reports that have to be filed in Washington. Who funded efforts and hired people to oppose the Compact?

Groups representing the large manufacturers of milk products—that's who. The International Dairy Food Association for example. Their members, like any manufacturers, want to buy their inputs at low cost.

One of their members, Kraft, which is owned by a large tobacco company, wants to pass a bill that will allow them to buy milk at less than the price set by milk marketing orders through something called forward contracting. This could greatly increase their profits.

They also oppose the dairy compact. The Compact has producers selling milk at more than the level set by milk marketing orders. Under the Dairy Compact, producers receive an over-order premium which means that they get more money than the minimum set by the order, not less.

So why was there ever a concern about consumer prices increasing in the Compact region? Prices should have never increased.

The Wall Street Journal and the New York Times discussed this in news articles about retail store price gouging. GAO raised the issue in 1991 and is looking at it now.

We do know that retail prices for milk are often over double what farmers get for their milk—nationwide. Think about that.

Lets look at the time period just before the compact took effect—and pick Vermont as the sample state. As the Wall Street Journal pointed out, in "Are Grocers Getting Fat by Overcharging for Milk?," beginning in November, 1996, the price that farmers got for their milk dropped by almost 25 percent—35 cents or so per gallon. Store prices stayed high which locked in a huge benefit to stores selling to consumers. 35 cents a gallon is a significant increase in benefits to retail stores.

Comparing November 1996, to June 1997, the price farmers got for their milk dropped 35 cents a gallon, and stayed low, but the prices stores charged for milk stayed about the same.

I have always contended that Dairy Compacts can help reduce this retail store price inflation by stabilizing the price that farmers get for milk—thus reducing the need for stores to build in a safety cushion to protect themselves in case it costs more for them to purchase milk.

Without a compact, the price farmers get for their milk can vary significantly. These variations in price are passed through to stores by co-ops and other handlers. Yet stores prefer not to constantly change prices for customers so they build in a cushion. But this huge profit margin can be reduced by Compacts which means that Dairy Compacts will save consumers money and provide more income to farmers.

Unfortunately, the OMB study is based on very limited information from USDA. USDA only gave OMB price information from 6 stores in New England—and only in two cities where it was announced in press accounts, in advance, that retail prices would go up even though store and wholesaler costs had dropped 35 cents per gallon.

Even in light of this OMB concluded that after 6 months, retail store prices in the compact region of New England were 5 cents lower than the rest of the nation.

New England newspaper accounts of the implementation of the Compact were very interesting. For example, the July 1, 1997, the Portland Press Herald, Portland, Maine, points out that "Cumberland Farms increased the price of whole milk by four cents but dropped the price of skim by a penny" when the Compact was implemented.

Also, they note that "At Hannaford's Augusta store, Hood milk—a brand-name product—was selling for $2.63 a gallon, while the Hannaford store brand was selling for $2.32."

Also, "Shaw's increased its price by about 20 cents a gallon in [parts of] the five other New England states but kept the price the same here [in Maine]."

The June 26, 1997, Boston Globe and the June 27, Providence Journal pointed out before the Compact was implemented that one of the chains signaled a price increase. A spokesman for Shaw's Supermarkets, Bernard Rogan, is quoted as saying that milk prices will go up next week

The June 30, Boston Globe reported that "The region's major supermarkets are raising their milk prices 20 cents a gallon, ignoring arguments that their profit margins are big enough to absorb a new price subsidy for New England dairy farmers that takes effect this week."

As OMB discovered, after six months this initial signaled increase, described above, was being subjected to competitive pressures and that consumer prices in New England were on average lower than the rest of the nation.

Studies of prices charged in stores in Vermont, for example, show that the most important factor in the price of milk is the brand and the store. In cities and towns in Vermont the variation in price among stores was in the 50 cents to one dollar range. In other words, in the same town the price of a gallon of milk varied greatly and still does.

These store variations, and variations through the use of store coupons, dwarf any possible impact of the compact.

Also note that reports have indicated that the dairy case is the most profitable part of a supermarket. The product profitability of fluid milk is $16.46 per square foot, whereas regular grocery items return only $2.32 per square foot. This information is from testimony of Professor Andrew Novakovic, on April 10, 1991, before the Committee on Agriculture of the U.S. House of Representatives.

All other food expenditures dwarf how much income that consumers spend on fluid milk. The savings consumers can achieve through buying "on sale" or house-brand items, or through using discount coupons, far exceed typical changes in the price of fluid milk. Only 3 percent of the average household's total expenditures on food go for fluid milk. This information is from an article called "Food Cost Review," 1995, from the Economic Research Service of U.S.D.A.

Note also that OMB reported that the Northeast has the Nation's second highest cost of dairy production ($14.27 per cwt in 1996) and its milk generated the lowest returns per cwt after expenses. OMB found that a smaller proportion of New England farms are competitive than in other regions. Net average returns per cow in Vermont are $350 per year and in Wisconsin are $460 year. OMB determined that the Compact generated about $70 more in annual income per cow.

So why all the fuss about the compact and who is generating it?

For one, Kraft, the international milk manufacturing giant, opposes the compact. Kraft's annual U.S. sales exceed $16 billion. They are owned by Phillip Morris, the tobacco giant.

Perhaps the writer Ben Johnson said it best: "Whilst that for which all virtue now is sold, And almost every vice—almighty gold."

IDFA, which receives funding from Kraft which is owned by big tobacco, went on a spending spree. One big staff acquisition was from Public Voice for Food and Health Policy. The very person who led Public Voice's press attack on the Compact was negotiating for a job with the milk manufacturers who opposed the Compact.

Lobbying registration forms show the whole sad story.

In June 1996, the Senior Vice President for Programs at Public Voice publicly defended his organization from charges that its analysis was influenced by corporate contributions.

A Lobby Registration form filed in July 1996 shows that he worked for William Wasserman of M & R Strategic as a "consultant" for this lobbying arm of IDFA.

This is the major reason I returned the golden carrot award back to Public Voice. It is one thing to have honest disagreements about policy. It is another to be working on getting a job with opponents of the Compact at the same time you are leading the charge for Public Voice against the Compact. The Lobbying Reports tell the story.

There is an unseemly web of money and promises between the dairy processors and Public Voice.

For example, we know that during a critical time period between January 1995 and June 1996, Public Voice accepted $41,000 from the International Dairy Foods Association (IDFA).

We do not know how much IDFA has contributed to Public Voice after June

1996 or how much any of IDFA's corporate members and officers of those corporations have individually contributed to Public Voice. We do not know how much big tobacco gives to Public Voice. I have always expected that it is a huge number considering the large salaries IDFA pays to its top officers.

For a six-month period in 1996, IDFA paid at least $30,000 to M & R Strategic Services for its lobbying efforts.

These are all public facts documented by lobbying disclosure forms or derived directly from quotes from Public Voice officials.

This overwhelming and unseemly evidence compelled me to conclude that, for Public Voice, when it comes to the Dairy Compact, contributions come first, and analysis comes second. The New York Times and other editorial pages have relied upon the numbers provided by Public Voice to substantiate their editorials against the Compact, but we now know those numbers were cooked, and flat-out wrong.

I challenged Public Voice to release the names of any dairy-related or tobacco-related contributors and how much they contributed during the last three years. They have not done so yet. I would be pleased just to know if the amount is $100,000 or $500,000, total, over the last three years.

IDFA also made other major acquisitions. They hired the Director of Consumer Affairs at USDA, William Wasserman, who set up a subsidiary called the "Campaign for Fair Milk Prices" through M & R Associates.

Money can solve a lot of problems. For example, his Lobby Report filed on August 15, 1996, shows his client as IDFA and shows him specifically working on the "Northeast Dairy Compact." His Lobbying Registration form filed on February 13, 1996, shows he worked for IDFA on dairy price supports and marketing orders.

A key USDA official who represented USDA at dairy meetings on Capitol Hill was also hired by IDFA. Mr. Charles Shaw is now listed as Senior Economist and Director of IDFA in the book 1997 Washington Representatives.

Listed as "counsel or consultants" for IDFA are—you guessed it—M & R Strategic Services lobbyists Allen Rosenfeld and William Wasserman in 1997 Washington Representatives.

I will explain the importance of this in a minute. Before I begin I want to point out that the battle over the Compact is really a battle between well-off dairy manufacturers and struggling dairy farmers.

These huge dairy manufacturers cannot win over the editorial boards of The New York Times or The Washington Post on that basis.

But if a group like Public Voice carries their public relations message, casting this as a consumer issue, they have a foot in the door.

Public Voice has focused on the price increases which took place just as the Compact was implemented. I mentioned these price signaling newspaper articles earlier.

But Public Voice has ignored the conclusion that consumer prices are lower in New England than the average for the nation. I wonder why.

I wonder how much money they have received from all the major manufacturers of milk and tobacco companies throughout the country over the last three years? I wonder how much money they have received from IDFA and other groups that represent manufacturers over the last three years? I wonder how many others they will hire to influence public opinion in a way that supports the efforts of huge milk manufacturers against the interest of dairy farmers in New England?

I want to make one final point. The New York Times has reported on how important the Compact is for the environment. In an article entitled "Environmentalists Supporting Higher Milk Price for Farmers" it was explained that keeping farmers on the land maintains the beauty of New England.

A lack of farm income resulting from low dairy prices is cited as the major reason dairy farmers leave farming in New England. Production costs in New England are much higher than in other areas of the nation while the value of the land for nonfarm purposes is often greater than its value as farmland.

In many cases I am advised that this is very different as compared to vast areas of the Midwest and Upper Midwest where land is worth very little except for its value as farmland. As the Vermont Economy Newsletter reported in July 1994:

> In the all important dairy industry, the decrease in farm income has come from a continuation of the long term trends the industry has been facing. Should these trends persist, and there is every expectation they will, Vermont will continue to see dairy farms disappearing from its landscape during the 1990s.

One of the consequences of the exit of dairy farmers in New England is that land is released from agriculture. Given the close proximity to population centers and recreational areas in New England, good land is in high demand, and as a result there is often a strong incentive to develop the land.

What are the consequences of land being converted from farm to non-farm uses?

One consequence is that the rural heritage and aesthetic qualities of the working landscape are lost forever. The impact of this loss would be devastating to Vermont and to much of New England. The tourists from some of America's largest urban centers are drawn to rural New England because of its beauty, its farms and valleys, and picturesque roads.

Strip malls and condominiums do not have the same appeal to vacationers.

The Vermont Partnership for Economic Progress, noted in its 1993 report, A Plan for a Decade of Progress: Actions for Vermont's Economy, "There are many issues that will influence the [tourism] industry's future in Vermont . . . [including] our state's ability to preserve its landscape." The report went on to list among its primary goals:

> 1. Maintain the existing amount of land in agriculture and related uses;
>
> 2. Preserve the family farm as part of our economic base and as an integral factor in Vermont's quality of life from "A Plan for a Decade of Progress."

The priority of these goals show that preserving farmland and a viable agriculture industry are important for the overall economic health of the region from Maine, to rural parts of Connecticut, Rhode Island, and Massachusetts, to Vermont and New Hampshire.

Other consequences of farm losses are equally destructive. The American Farmland Trust has completed cost of community services studies in four New England towns, one in Connecticut and three in Massachusetts. The information is from "Does Farmland Protection Pay?"

These studies show the cost of providing community services for farmland and developed land. It is true that developed land brings in more tax revenues than farmland, especially when farmland is assessed at its agricultural value, as it is in most New England states. Developed land, however, requires far more in the way of services than the tax revenues it returns to the treasuries of municipalities.

For example, residential land in these four New England towns required $1.11 in services for every one dollar in tax revenue generated while the farmland required only $0.34 of services for every one dollar of revenue it generated. This demonstrates the major impact that losing dairy farmland has on rural New England. This information is from "Does Farmland Protection Pay?"

National Geographic recently detailed the risk of economic death by strip malling otherwise tourist-drawing farmland. New England should be allowed to try to reverse this trend, especially in ways that help neighboring states such as under the Compact.

The American Farmland Trust Study pointed out that agricultural land actually enhanced the value of surrounding lands in addition to sustaining important economic uses.

> Farming is a cost effective, private way to protect open space and the quality of life. It also supports a profusion of other interests, including: hunting, fishing, recreation, tourism, historic preservation, floodplain and wetland protection. "Does Farmland Protection Pay?"

Keeping land in agriculture and protecting it from development is vitally important for all of New England, which is one reason all six New England states have funded or authorized purchase of agricultural conservation easement programs to help protect farmland permanently.

Other economic uses, from condominiums and second homes for retired or professional people from New York, Boston, or Philadelphia to shopping malls to serve them, are waiting in the wings. The pressure to develop in New England is voracious.

A 1993 report from the American Farmland Trust called "Farming on the Edge" showed that only 14 of the more than 67 counties in New England, were not significantly influenced by urban areas.

In fact, eight New England counties were considered to be farming areas in the greatest danger of being lost to development because of their high productivity and close proximity to urban areas. The Champlain and Hudson River Valleys were considered to be among the top 12 threatened agricultural areas in the entire country according to this "Farming on the Edge" study.

Dairy farming is New England's number one agricultural industry, and a lack of farm income is a major cause for farmers leaving dairying. This discussion underscores the compelling need for the Northeast Interstate Dairy Compact because towns will not only lose their rural character with the loss of farms, but they will suffer economic consequences as well. New England suffer the economic losses of the economic activity from farming, but will spend more in services than they gain in revenue as good farmland gets developed.

I need to address one more dairy issue, milk marketing order reform. This bill does give USDA a few more months to study this critical issue. I have been fighting for a fair revision of the milk marketing orders as have other Colleagues. Although dairy farmers across the country have told the Agriculture Department that they prefer Option 1–A, the Department continues to support Option 1–B.

It has been made clear that the U.S. Department of Agriculture prefers Option 1–B for fluid milk pricing, even though it has been demonstrated that this system would be disastrous for dairy farmers across the country. Economists for AgriMark estimate that under Option 1–B, dairy farmers' income would drop by $365 million dollars next year—that is a loss of $1 million each and every day of the year. I am told by economists at AgriMark that Option 1–B reduces farm income in almost every area of the country.

I am also told that every area of the country, including the Upper Midwest, will have higher farm income under Option 1–A as compared to Option 1–B.

At the close of the comment period for milk pricing reform, I was joined by 60 Senators in a letter to USDA supporting Option 1–A. Option 1–A is the only option which is both fair and equitable to farmers while promising to continue providing consumers with reasonably priced fresh, wholesome milk.

Mr. President, this year Vermont farmers took a one-two punch from Mother Nature. The unprecedented ice storm this winter that knocked out power across the state, forcing farmers to cull their herds, dump milk and scramble for feed. This summer's flooding hit many of these same farmers just as their crops were starting to produce. Their fields have been saturated with water ever since leaving them without feed going into the winter. Ten out of the fourteen counties in Vermont have been declared National Disaster Areas by the President this year.

Because the margins are already so close for many farmers, helping these farmers recover from their feed losses could mean the difference between staying in business or selling out. The Livestock Feed Assistance Program will help Vermont farmers get through the winter and not be overwhelmed by recovery costs. I visited these farms after the ice storm and went back again to some of the same areas after the flooding.

What I heard at every farm I visited was very simple: farmers need enough assistance to get them through this season. They do not expect a lot of assistance, but they do expect it to be fast and they expect it to be fair.

Unfortunately, disaster assistance programs have not always worked this way. Too often, the criteria and program thresholds developed by the national office do not catch the small, family dairy farms we have in the Northeast. The disasters that hit Vermont this year caused damage much like what you see after a tornado. One farm may have lost half his crop while his neighbor may not have been touched. But the way the disaster programs work now, if the county as a whole did not sustain at least 40 percent damage, none of the farmers hit by the disaster would be eligible for assistance.

In addition, these programs often require a farmer to sustain at least 40 or 50 percent damage on his farm. This requirement has prevented many farmers who are barely making it anyway from getting assistance. After the ice storm, many Vermont farmers were tinkering at the edge of losing their farms.

I know that Secretary Glickman shares my commitment to preserving the family farm and I look forward to working with him to make sure these disaster programs are flexible enough to help our small, family farms. Let me quote a letter from Edie Connellee and Bill Cartright of Waitsfield, Vermont, "I hope we all purposefully remember to use this experience as a way to better be a community and especially remember that small acts of kindness, even just a phone call, make a huge difference when someone is hurting in any way." I hope this is the approach the Agriculture Department will take when implementing these disaster programs.

Finally, Mr. President, let me take a moment to talk about the funding levels for the conservation programs in this year's Agriculture Appropriations bill. When we passed the 1996 Farm Bill one of cornerstones of that package was the mandatory funding for the conservation programs. We set aside $200 million a year for the Environmental Quality Incentives Program. Unfortunately, it was all too tempting for the appropriators to cap that program this year at $175 million and use the savings elsewhere. In a year where we have seen state legislation regulating agriculture waste on farms and new regulations from the Environmental Protection Agency, this program is all the more critical to making sure farmers can comply with these requirements.

Having worked with dairy farmers across Vermont, but especially around Lake Champlain and Lake Memphremagog, I know how committed they are to protecting our watersheds from farm run-off. Vermont farmers lead the country in developing innovative techniques to control agriculture waste. But they cannot do it alone. The EQIP cost-share payments help them do the right thing without putting them in a financial bind. Now is not the time to be slowing down such a successful program.

Mr. SHELBY. Mr. President, I rise today to add my voice to the debate regarding the FY 1999 Agriculture Appropriations bill. While I know this bill contains numerous important items including funding for agricultural research, credit programs, conservation programs, and food safety initiatives, I want to specifically mention my concern regarding the portions of this legislation which provide emergency relief to America's farmers.

The last few years have been very difficult for America's farmers. I know this very well because of the numerous difficulties suffered by farmers in my state of Alabama. Last year, North Alabama was hit with an especially cold and rainy spring which greatly reduced the yields of cotton farmers. Peanut farmers in Southeastern Alabama were hit with a toxic mold blight which cost them greatly when they tried to market their peanuts. Before the close of the Summer of 1997, Hurricane Danny dumped inches of rain on and brought devastating winds to Southwestern Alabama. This storm alone caused millions of dollars in crop losses and farm related damages.

Mr. President, unfortunately I cannot say that weather conditions improved much in Alabama this year. Early spring flooding was followed by devastating heat and drought. Alabama's cotton producers, corn producers, cattle producers and peanut producers were forced to battle extreme conditions as they tried to keep crops and livestock alive. If this was not enough, Hurricane Georges swept through the Gulf Coast this past week and caused millions of dollars more in crop losses.

To add insult to these weather-induced injuries, the troubled economic conditions in Asia and throughout other parts of the world have decreased the number of available markets for our farmers. The loss of these markets has in turn led to lower prices. Where our farmers have actually made a crop, they are finding that the market has bottomed out and there is very little profit available to them.

Mr. President, a series of natural disasters coupled with economic collapse have hit Alabama's farmers extremely hard. They need help.

I am well aware of the fact that many other regions have suffered significant farm-related losses. As I have pointed out, however they have not been affected exclusively. I want the devastation that Alabama's farmers have suffered to be recognized on the record.

Mr. President, this bill provides $2.1 billion in disaster assistance funding and grants the Secretary of Agriculture broad discretion to implement disaster assistance awards. I urge the Secretary to make a full and complete review of all the factors affecting farmers in every region of the country. I want it noted that I believe that it is fundamentally important that the Secretary be aware of the extreme conditions that have befallen farmers in my state.

When Secretary Glickman makes the awards for farm disasters and economic losses, I want him to make them based on a fair appraisal of all farm losses throughout the country. I believe that all my colleagues will agree. Our farmers deserve no less.

Mr. ENZI. Mr. President, I rise to speak on the Agriculture appropriations conference report. I commend Senator COCHRAN for his hard work in putting together this bill to fund our Nation's agricultural and nutrition programs and to provide emergency assistance to America's farmers in this difficult year.

I am disappointed, however, that some provisions that would have benefited our Nation's family ranchers who are also suffering from low commodity prices were dropped from the final conference report. Although these measures were unsuccessful this year, I am confident that they will come before the Senate again next year and I intend to work hard for their passage.

In particular, I am disappointed that the amendment to require the labeling of imported meat was dropped from the final package. I strongly believe that we need to require foreign meat products to be clearly labeled as such. I support free trade, but in order to have free trade you need to have full disclosure. American consumers have a right to know if the meat they are buying has been produced in our Nation. American stockgrowers have a strong record of producing top quality products, and the American consumer should have the ability to identify these top quality products in the grocery store.

I am also disappointed that the amendment to establish a price reporting pilot project was dropped. Many of my constituents who are family ranchers are very concerned about the current state of the packing industry, notably the increase in packer concentration. I share their concerns. Although I generally do not favor government mandates on any industry, I believe that the price reporting amendment would have provided us with more transparency to determine what effect the recent trend towards consolidation in the packing industry has had on cattle prices.

In addition, I think we need to add fairness to our meat inspection programs by allowing State-inspected meat to move across State lines. We already allow Canadian and Mexican meat products to be sold in our Nation based on a promise that their standards are the same as ours. There is no reason for our government to trust foreign inspectors and not State inspectors. We need to level the playing field for meat inspections to help out our small packers. Allowing small packers to ship their products across State lines is not only fair, it would also increase competition in the packing industry. Unfortunately this important issue was not considered this year at all.

So Mr. President, while I will not object to this Agriculture appropriations bill because I recognize how important it is to America's farmers, I am disappointed that it did not do more to address the financial problems facing our Nation's ranching industry. Family ranchers are struggling with the lowest beef prices in over 20 years. Their problems are not now and never have been addressed by huge government spending programs. But Congress should take action to provide free and fair competition in the livestock industry. The three measures I have just outlined would do just that, and I will work hard to make sure that they receive the careful consideration of Congress next year.

WATER QUALITY RESEARCH

Mr. DORGAN. Mr. President, I would like to ask a few questions of my friend from Arkansas, Senator BUMPERS, regarding the water quality component of the Cooperative State Research, Education and Extension Service (CSREES) Special Grants Program. In particular, I note that although the Senate agriculture appropriations bill for fiscal year 1999 included $436,000 for water quality grant in North Dakota, the conference report now before us has moved those funds into a separate water quality item. Could the Senator explain the reason for this action?

Mr. BUMPERS. Over the past several years, the Congress has funded water quality grants through three separate items with in the CSREES Special Grants Program, including the two the Senator from North Dakota mentions. The fiscal year 1999 appropriations bill which Senator COCHRAN and I reported to the Senate earlier this year included a total of $2,897,000 for these activities. This amount includes funds at last year's level for the North Dakota program and the balance directed to the undesignated water quality item. The House included the third water quality grant and provided a total of $3,389,000 for all water quality special grants.

The conferees recognized the need to strengthen our cooperative research activities for water quality, in a manner similar to the treatment of food safety and other priority research areas, and decided to consolidate and increase the funding level for water quality through the CSREES Special Grants Program. Accordingly, all funding for water quality research was moved to a single item and in recognition of the excellent record of the North Dakota program, language was included in the Statement of Managers explaining that the North Dakota program should continue to secure funding through that item.

Mr. DORGAN. I thank the Senator for that explanation. Is the Senator from Arkansas aware of the work underway in North Dakota regarding water quality?

Mr. BUMPERS. Yes, I am. I understand the North Dakota program, developed through the Red River Water Management Consortium (RRWMC) is doing important work to help understand the occurrence, transport, and fate of agricultural chemicals in the Northern Great Plains region. I believe it is also noteworthy that the RRWMC is a basin-wide water management group, comprised of a number of government and industry stakeholders throughout the water basin and has included partners from municipalities, agricultural industries, county governments, resource conservation and development organizations, and public utilities. Cooperation and coordination of all these groups is vital and the network established in North Dakota should serve as an excellent model for other parts of the United States where water contamination, especially from agricultural runoff, posses a real or potential threat to the environment and public health.

Mr. DORGAN. I appreciate the Senator's understanding of the importance of this research and his familiarity with the RRWMC's activities. Is it the understanding of the Senator from Arkansas that the goals of the North Dakota project are consistent with the overall water quality research objectives of CSREES?

Mr. BUMPERS. Yes, I believe they are. The CSREES water quality programs are intended to help investigate the impacts of non-point source pollution and recognize the public's concern about the possible risks to the environment resulting from the use of agricultural chemicals. Therefore, the purpose of the RRWMC's activities are clearly consistent with the goals of the agency's water quality research mission. Further, I understand that the RRWMC has been able to leverage non-federal funds on a ratio of about two to one. Given current budget constraints, this accomplishment is to be commended especially in recognition of the fact that the CSREES water quality grant has received nearly $48 million in appropriations since 1990 and has only been able to leverage approximately $1 million per year during that time. The record of RRWMC in leveraging non-federal funds is, therefore, all the more impressive and worthy of these federal dollars. In view of the important ongoing work of the RRWMC on the important issues of water quality protection, their cooperative relationships with a wide variety of stakeholders, and their ability to leverage non-federal resources, I believe the conferees would agree that RRWMC should be able to secure funding of, at least, last year's level in the coming fiscal year.

Mr. DORGAN. I appreciate the Senator's understanding of the fine work of the RRWMC and his words of encouragement for their activities under CSREES in the coming fiscal year.

Mr. KEMPTHORNE. Mr. President, I rise today to delcare my support for the fiscal year 1999 Agriculture appropriations bill.

American agriculture is in a state of emergency. No one who has read a commodity report in the last few months would disagree. Wheat and barley prices are at record lows as are prices for other important Idaho agricultural products. In August, I talked to growers all over Idaho who are on the verge of bankruptcy, they tell me they are in trouble.

This appropriations bill will help farmers get back on their feet. The bill provides funding for a wide range of USDA programs, including agricultural research, export initiatives, foreign market development, nutrition programs and other department operations. Much-needed short term relief is also provided—$1.5 billion in one-time payments to assist producers who have been hit by crop losses in 1998, an additional $675 million to provide assistance to farmers who have suffered multi-year crop losses, $175 million for livestock feed assistance in a cost-share program available to ranchers who lost their 1998 feed supplies to disaster, and $1.65 billion for increased AMTA (Agriculture Market Transition Act) payments.

In a time when its farmers are experiencing severe economic hardship, Idaho is one of the big winners in the process. Many important Idaho research projects were included in the bill, including over $1.2 million for potato variety development, $329,000 for peas and lentils, $423,000 for grass seed and $550,000 for small fruit research, among others.

The agriculture appropriations bill will also help promote American agriculture overseas. The Market Access Program continues to be a vital and important part of U.S. trade policy aimed at maintaining and expanding U.S. agricultural exports, countering subsidized foreign competition, strengthening farm income and protecting American jobs. MAP has been a tremendous success by any measure. Since the program was established, U.S. agricultural exports have doubled. In fiscal year 1997, U.S. agricultural exports amounted to $57.3 billion, resulting in a positive agricultural trade surplus of approximately $22 billion and contributing billions of dollars more in increased economic activity and additional tax revenues. This appropriations bill continues funding for MAP.

Also included in the bill is funding for the Agriculture Education Competitive Grants Program. This program funds grants for school-based agricultural education at the high school and junior college levels of instruction. Competitive grants targeted to school-based agricultural education will be used to enhance curricula, increase teacher competencies, promote the incorporation of agriscience and agribusiness education into other subject matter, like science and mathematics, and facilitate joint initiatives between secondary schools, 2-year postsecondary schools, and 4-year universities. This will help our young people be successful in an ever-increasing competitive agriculture market.

Is this is a perfect bill? No, but it is one that is fiscally responsible and it does not return to the failed policies of the past. We must allow American farmers to compete and give them the tools they need to do so. This bill is another step in that direction.

Mr. President, I will vote yes for the appropriations bill and urge my colleagues to do the same.

Ms. MIKULSKI. Mr. President, I rise today in opposition to the Agriculture Appropriations Conference Report. I oppose this bill for three reasons. First and foremost, it does not meet the needs of my state of Maryland. Second, it does not sufficiently fund agriculture programs in order to help all American farmers. Third, the method by which the funding is spent is wholly inadequate to address the farm crisis.

In my state of Maryland, we have been plagued by drought for the second consecutive year. Our farmers are losing crops and they are losing money. They are struggling just to survive. Couple the drought with the record low prices, high costs and a glut in the market and that spells disaster for our farmers. Official data reports that drought has destroyed between 30 percent and 65 percent of the crops in nine Southern Maryland and lower Eastern Shore counties. Loss of soybean, tobacco, wheat and corn crops is making this a very tough season for Maryland farmers. Let me assure you I will not just stand by and let this happen to my farmers.

I am already fighting with the rest of the Maryland delegation team to provide emergency loans from the Department of Agriculture to our farmers and to officially designate them disaster areas because of the drought. But this money does not really take care of the problem. This is not some heroic assistance program for our farmers. It is just a loan. This is money that must be paid back. It does not provide any real long term assistance for our farming community. That is precisely the job of Congress today.

Our farmers need help so they can continue to farm. They need help now, this is true, and they need these loans. But eventually, loans must be paid back with money earned. And this money will not and cannot be earned without our help. We should be uplifting our farmers and helping them to help themselves. Not just continuing their burden of debt. We need help, and this Agriculture Appropriations bill neither addresses Maryland's agricultural problems nor the agricultural problems scourging the rest of our country.

Farmers in my state of Maryland came to me with their priorities for this bill, neither of which are adequately addressed. First, this bill does not provide adequate funding for operating loans so farmers can buy the equipment and supplies necessary to plan for the next season. Without these loans, many of our farmers will not have the funds they need to plant. This then becomes a vicious cycle. Without the funds to plant, the farmers cannot make money for the next year, and pay back or even be eligible for loan assistance.

The second, and most important reason this bill does not satisfy the needs of my state is because this bill does not uncap the market loans. My farmers have told me that their number one priority is to take the artificial caps off the market loans. In fact, my farmers have told me they desperately needed the caps off the market loans. Last week, a new U.S. Department of Agriculture report forecasted a net farm income for 1998 at $42 billion, down $7.9 billion from last year. This amounts to nearly a 16 percent drop in farm income. The report also said that farm debt is anticipated to reach $172 billion by the end of 1998.

What do these forecasts tell us? This says that any federal response that stops short of recognizing the fundamental problem of depressed prices will absolutely not address the problem. We cannot pass a band-aid measure and expect it to stick in the long term. This is just not possible. The only way to start to correct the problem is to start at the root. And this means acknowledging and dealing with the depressed crop prices. Uncapping the market loans is crucial to confronting this problem.

I will not vote for this bill today because it does not provide enough funding to deal with these problems. The Democratic farm relief package offered by Senator HARKIN in conference was sadly defeated along partisan lines. This package would have provided the necessary $7.3 billion in funds to cover both disaster and economic losses, including a provision to increase marketing loan rates. The Republican plan—less than $4 billion—adopted by the committee came as an extreme disappointment. All states suffer under the Republican plan. In my state alone, Maryland would receive only $7 million in assistance verses $21 million under the Democratic plan.

The magnitude of losses suffered simply does not merit this meager and shallow attempt to pass this bill. All one need do is look at the facts. The level of economic assistance contained in the bill is $1.65 billion. The net farm income projected is expected to fall this year alone by $8 billion to $10 billion. Clearly, this bill does not increase the amount of relief to a level that will help farmers weather the economic crisis.

Finally, I will not support this bill because the method by which the funding is spent is wholly inadequate to address the farm crisis. The assistance is not directed to the person who suffered the loss. Increasing the Republican plan would simply send money to landlords who have already been paid their cash rent for the year. These Agricultural Market Transition Act (AMTA) payments benefit the absentee landowner, rather than the farmers who need the assistance. One recent study showed that 73 percent of the nation's farmers feel the current farm bill does not provide adequate income during low-price periods. This means the current system is failing us. Rather than pump more money into a failed system, it is time we overhaul the method.

Let me say that I absolutely agree with Senators DASCHLE and HARKIN that this bill does not sufficiently address the farm crisis. More needs to be done. I am sorry not to vote for this appropriations bill. Mr. President, let me be clear—I wanted to vote for an agriculture appropriations bill today. I think we all did. In fact, I want to see all thirteen of these appropriations bills pass, as they rightly should. But I will not support a bill that shortchanges our farmers. I did not vote for the Freedom to Farm bill for this very reason. I will not vote for the agriculture appropriations bill today.

Mr. LUGAR. Mr. President, I will vote for the 1999 agriculture appropriations conference report. Unfortunately, several unwise provisions have been added since this bill passed the Senate. The cumulative weight of these mistaken policies does not outweigh the many good things in the bill, but is still reason for substantial concern.

The bill is commendable in many ways. The conferees wisely rejected efforts to increase price support loan rates. Instead, they expanded disaster assistance from $500 million in the Senate bill to $2.35 billion. This aid will benefit farmers with 1998 losses as well as producers in some regions who have suffered several consecutive years of loss because of weather or disease.

The bill also provides $1.65 billion in market loss payments to farmers. These payments provide income support without doing violence to the basic structure of the 1996 FAIR Act. In preserving the FAIR Act's "freedom to farm," the market loss payments are clearly superior to the higher loan rates preferred by our Democratic colleagues. Raising loan rates, according to the non-partisan Food and Agricultural Policy Research Institute, would cause more production, higher surplus stocks and lower prices and incomes in future years. Even though higher loan rates might raise prices in the short term, they would have deleterious effects that would plague U.S. agriculture for years to come.

Other parts of the bill deserve praise. The conferees adopted a biodiesel provision in the Senate bill which I sponsored along with other Senators. Encouraging the use of biodiesel will advance, in a small way, the neglected cause of energy self-sufficiency and renewability. The conference report will also facilitate an increase in overseas food assistance through Food for Progress.

I also commend the conferees for adopting a regulatory standstill that will restore legal certainty to swap transactions. This standstill will allow the Commodity Futures Trading Commission to take necessary actions in a financial emergency, as well enforcement actions. It leaves regulators free to act prudently. However, the provision will ensure that the President's Working Group on Financial Markets has an opportunity to advance its current study of the appropriate regulation of over-the-counter derivatives, a study I asked the working group to begin back in July. The turbulence in financial markets during recent weeks should finally convince everyone of the need to expedite this study. The standstill also allows crucial decisions about OTC derivatives to be made, as they should be, in Congress.

Restoring legal certainty to swaps will also help to calm markets: In a volatile period, the last thing markets need to deal with is the threat of valid contracts becoming unenforceable. I commend Senator COCHRAN for his sponsorship of this provision, which Congressman BOB SMITH and I proposed.

Unfortunately, the conference report has a number of undesirable provisions. Most regrettably, this conference report adopts a House provision to deny funding for the Initiative for Future Agriculture and Food Systems. It is difficult to understand why this initiative, which passed both Houses of Congress by overwhelming margins earlier this year, was neglected when many less urgent—and more parochial—research items were funded. The initiative's competitive grants and carefully chosen priorities represent the direction in which federal research funding should go. To deny funding for research that will help us feed future generations is unconscionable.

The conference report has other flaws. It adopts new loan programs for honey and mohair which were not contained in either bill. Programs for these commodities were abolished only a few years ago. The conference report also adopts language from the House bill which will delay the reform of milk marketing orders by six months. Such a delay is doubly unfortunate since the Secretary of Agriculture is already proposing only half-measures to reform this antiquated and byzantine system.

The report's statement of managers contains statements about the sugar program which, though not legally binding, would negate a provision of the FAIR Act if they were taken seriously by the Department of Agriculture. The managers state, in effect, that the one-cent-per-pound penalty assessed on forfeited sugar should not be considered an effective reduction in the support price of sugar, especially for purposes of determining the tariff rate quota for imports. But that was, of course, precisely the intent and effect of this provision. The logical result of a one-cent penalty is to reduce by that amount the price at which a sugar processor would be indifferent to forfeiture or a market sale. It is instructive to read comments on the floor of the House, during debate on the FAIR Act by a strong advocate of the sugar program, former Congressman E de la Garza. The former chairman of the House Agriculture Committee said that the FAIR Act's sugar section "effectively reduces the loan rate by 1 cent and ensures an increase in foreign imports."

The conference report also reverses one recent reform of the catastrophic crop insurance program. Not only does the conference report allow multi-million dollar operations to continue buying catastrophic coverage for as little as $60, rather than a small percentage of crop value. It also extends this provision into the future, something that is simply not appropriate in a one-year appropriation bill. Finally, funding was cut for environmental assistance that mitigates non-point source pollution—the Environmental Quality Incentives Program. Like the Initiative for Future Agriculture and Food Systems, EQIP is funded through mandatory accounts that are under the jurisdiction of authorizing, not appropriating, committees.

Even after listing disappointing actions, I have chosen to highlight the positive achievements in this bill and other recent bills and enacted statutes in which Republicans have shown their ability to assist farmers in troubled times.

Under the Republican FAIR Act, loan deficiency payments and marketing loan gains for 1998 crops will total $4.2 billion. Most of this amount is not counted in the most recent Administration estimates of net farm income. This summer, Republicans led the way in passing a bill to augment farm cash flow by speeding up 1999 "freedom to farm" payments. Now, Republicans are asking the President to join in a $4 billion cash infusion into the farm economy—$2.35 billion in disaster assistance and $1.65 billion in market loss payments.

These Republican initiatives will lift 1998 net farm income to near the 1997 level and above the average level of the 1990s. Without a doubt, many producers are under severe stress. Not every operation will survive. Like most other commodity prices, farm prices are depressed because of the shock waves sweeping through the world economy. In such trying times, Republicans have responded with practical assistance rather than ideological demagoguery.

We should send this conference report to the President, and he should sign it promptly.

Ms. LANDRIEU. Mr. President, after two and a half months of debate on the economic and disaster crisis facing rural America and thousands of farm families, we are voting on a measure that provides $4.2 billion in economic relief to our farmers.

During the course of this debate, we have heard from our Democratic Leader, who I want to commend for his leadership on this issue, our President, and many others who believe that much more assistance is needed to adequately address the serious situation facing rural America. I fully agree that the relief provided in this legislation is far less than meaningful for Louisiana and other Southern states who are suffering one of the worst droughts in 100 years. Already, we have thousands of farmers whose crops and pasture land have been burnt up by the heat and an estimated $450 million in crop losses in Louisiana alone. These same farmers are also facing some of the worst commodity prices in over a decade. Not only are Louisiana farmers hit with low prices, they also have no crop. Therefore, I have argued and strongly supported additional funding to address this crisis. This funding is justified and should be provided.

However, Mr. President, we also have a conference report before us, a bill that provides a total of $55.7 billion in essential funding for some very important agriculture, rural development, and nutrition programs. Additionally, included in this measure is over $25 million for much needed research and education projects in Louisiana.

Mr. President, the senior Senator from Louisiana and I have both advocated for additional funding for our farmers. However, the bottom line is that many members in the House and Senate have differing views about how this assistance should be delivered. Furthermore, many members have strong philosophical reasons for opposing even the $4.2 billion provided in this relief package. Therefore, with only a few days remaining, before the Congress adjourns and the $450 million in associated crop damages facing Louisiana, the $4.2 billion provided in this legislation, is the best option on the table for providing immediate assistance to my state. Therefore, I am rising in support of this measure, which as stated by the Chairman and Senator BUMPERS has been one of the most difficult conference reports ever considered by the Agriculture Appropriations Subcommittee.

Mr. President, before I conclude my remarks I want to make two additional points. While I recognize that this is not the appropriate bill to reform crop insurance, I want to make a prediction that if this issue along with revisions to the current loan rate structure are not addressed early next year, we will be back on the Senate floor debating an even greater economic farm crisis. Then, we will not only be hearing from farmers, but bankers, retail store owners and state chambers of commerce.

I know that many of my colleagues strongly support crop insurance reform. However, many Senators are opposed to revisiting any of the loan rate provisions included in the 1996 Farm Bill. From my discussions with several reputable farmers in Louisiana this issue should be reconsidered.

Mr. President, with the many complicated issues facing farmers, only through a bipartisan effort can we begin to address these matters. Therefore, I hope that the Democratic and Republican leaders in the House and Senate will take the additional steps needed early next year to address and resolve this pending economic agriculture crisis.

I thank the Chairman for yielding his time and I yield the floor.

Mr. KERREY. Mr. President, during my October 5, 1998, floor statement on the 1999 Agriculture Appropriations Conference Report, I referred to and inserted for the record a chart showing a state-by-state breakdown of the Democratic and Republican ag relief proposals. I wish to clarify that the chart was not generated by the Congressional Budget Office, but rather an estimate prepared by the Senate Agriculture Committee staff based on the aggregate CBO estimate of the cost to remove the caps placed on marketing loans in the 1996 Farm Bill.

Mr. President, I appreciate this opportunity to make this clarification.

Mr. BRYAN. Mr. President, I rise today to briefly discuss two provisions included in the conference report accompanying H.R. 4101, the Agriculture Appropriations Bill.

First, I want to express my gratitude to the House and Senate conferees for retaining a provision in the conference report that was originally passed here in the Senate relating to the Market Access Program.

As my colleagues are aware, the Market Access Program is administered by the U.S. Department of Agriculture through its Foreign Agriculture Service. MAP funding is designed to reimburse private companies, industry associations and cooperatives for the promotion of brand-name products as well as generic commodities overseas.

Unfortunately, Mr. President, it has become quite clear that the Market Access Program is a flagrant example of a federal spending program gone wrong—one that is simply unproductive, unjustified and unaffordable.

Over the past few years, I have stood here on the Senate floor several times to highlight the assorted flaws with this program, particularly the outrageous reality that we are channeling millions and millions of taxpayers dollars to some of the most prosperous corporations in America, including Sunkist, Welch Foods, Gallo and General Mills.

My efforts to terminate the Market Access Program were endorsed by a sweeping coalition of fiscal watchdogs, including Taxpayers For Common Sense, National Taxpayers Unions, Citizens Against Government Waste, Friends of the Earth, Citizens for a Sound Economy and the U.S. Public Interest Research Group.

Unfortunately, proponents of this policy made claims about the program that were difficult for the General Accounting Office to refute as a result of the lack of available information about the effectiveness and value of the program. Clearly, greater scrutiny of this program is appropriate and necessary.

In July of this year, the Senate passed an amendment that I authored to the Agriculture Appropriations bill that I believe will have a profound effect on the future of the Market Access Program. I am pleased this provision has been retained in the conference report before us today.

This provision requires the USDA to estimate the impact of the Market Access Program on the agriculture sector as well as on U.S. consumers, while also considering the costs and benefits of alternative uses of the funds currently allocated to MAP.

Additionally, the amendment requires USDA to evaluate the additional spending of participants and the amount of exports additionally resulting from the Market Access Program.

I believe, Mr. President, that this information will allow the General Accounting Office to produce a useful evaluation that will enable Congress to make an informed, responsible decision about the utility of continuing this program in future years.

Unfortunately, while this amendment will throw a spotlight on one wasteful federal spending program, I am concerned that another provision in this conference report could compromise past and future efforts to rein in other wasteful and unnecessary federal expenditures.

As part of an effort to provide economic assistance to farmers and producers who have been hit hard by the worsening weather and market conditions facing rural America, this legislation includes roughly $6.5 million in the form of recourse loans for mohair producers.

Perhaps this funding assistance is warranted. Clearly, the entire agricultural community is reeling from prolonged disastrous weather conditions, a 20-year low in commodity prices and dwindling overseas exports.

It is imperative that we provide to our producers in need, timely disaster and other economic assistance for crop losses and other related dilemmas.

However, we must be clear in stating that the emergency assistance provided in this bill for mohair producers is not in any way, shape or form an attempt to resuscitate the mohair subsidy program that was shut down by the Congress just a few short years ago.

My colleagues will recall that the mohair subsidy program originated in 1954, when Congress passed the National Wool Act, authorizing a subsidy program to guarantee the production of domestic wool for military uniforms during the Cold War era.

Mohair, which was used for decorative braids on military uniforms, was inexplicably affixed to the wool subsidy program.

Over the years, the need and justification for both the wool and mohair subsidies has plainly evaporated. Yet in 1992, years after the sun had set on the Cold War and the strategic need for wool and mohair had long expired, wool producers were still receiving roughly 130 million dollars in subsidy payments while mohair producers were still receiving about 48 million dollars.

In light of this, I joined with several of my colleagues in 1993, including Senators KERRY and FEINGOLD, in terminating the wool and mohair subsidy that had existed for nearly forty years. We shut that program down.

That was no small accomplishment, Mr. President.

The Congress is clearly capable of, and has been somewhat successful in reducing the size, scope and funding for a number of federal spending programs.

But to actually terminate a program and to categorically wipe that program clean from the federal budget, is indeed, an uncommon achievement.

Mr. President, I am not here to dispute the contention that mohair producers are deserving of emergency assistance. Certainly, virtually every component of our agricultural community has been adversely affected by the crisis that is facing our Nation's farmers and producers.

But I do want to take this opportunity to express to the distinguished Chairman and distinguished Ranking Member of the Subcommittee my sincere hope that the inclusion of this funding for mohair producers is not an attempt to re-open the wool and mohair subsidy program that was shut down by Congress just a few short years ago.

Terminating the wool and mohair subsidy was a small step on the road to a balanced budget, and I fully intend to monitor this situation next year. If we are to stay the course of fiscal responsibility, we must make sure that the American taxpayer is not forced to subsidize those antiquated programs the Congress has deemed to be wasteful and unaffordable.

Mr. McCAIN. Mr. President, the Agriculture Appropriations bill continues funding for the various agricultural and land-based programs within USDA and directs $4 billion in additional spending to support emergency farm relief and crop assistance to help farmers in need during a critical year of disaster-related conditions.

Back in July, I reported more than $241 million in earmarks contained in the Senate bill for unrequested, unauthorized or purely parochial projects. A review of the conference report leads me to determine that the conferees jointly decided to overload this report with even more flagrant examples of wasteful and unnecessary spending. This year's conference agreement is more than $381 million above the budget request and higher than either the Senate or House had proposed.

Included in this spending bill is an added farm relief package that totals $4 billion for crop loss assistance and market loss payments to help farmers cope with emergency situations and falling prices. We did not vote on this measure as part of the original Senate or House bill, it was added in conference. This is a very serious issue which involves a substantial amount of federal spending. Certainly, this deserves thoughtful deliberation and careful review through our established process, and should not be attached at the midnight hour to a conference report. This is not the way we ought to conduct the business of prioritizing taxpayer dollars.

Mr. President, each year, appropriations bills are a target for members to advance political platforms. I find that the accounts for the Agricultural Research Service and the Cooperative State Research, Education, and Extension Service are a virtual goldmine for member-interest earmarks.

For example, specific earmarks are directed at the cost of:

> $250,000 for "alternative fish feed" in Idaho; $750,000 for grasshopper research in Alaska; $250,000 for lettuce geneticist/breeding in Salinas, California; $1,000,000 for peanut quality research in Dawson, Georgia and Raleigh, North Carolina; $162,000 for peach tree shortlife in South Carolina; $200,000 for tomato wilt virus in Georgia, and $750,000 to the Fish Farming Experiment Laboratory in Stuttgart, Arkansas.

While I am not an expert in the agricultural field, I find it incredulous that we can expend one million dollars on peanut quality research while we are experiencing a crisis in the farm economy! Additionally, a quarter of a million is earmarked for "alternative fish feed"? While I am certain that the members from these respective states can make their case for directed funding for these projects, I question their desire to side-step a competitive and merit-based review process.

I was pleased to note in the conference report a recognition of the importance of merit review procedures for grant funding. However, despite this recognition, the report continues to include directive language which explicitly leads the agency to grant specific projects with special consideration.

For example, the report reads:

> The House and Senate reports recommend projects for consideration under various rural development programs and the conferees expect the department to apply established review procedures when considering applications.

The report then directs:

> The conferees further expect the Department to give consideration to business enterprise and housing preservation projects in the city of Bayview, VA; aplications for rural business enterprise grants from TELACU, for a project in Selma, CA; for assistance for a community improvement program in Arkansas; water and sewer improvements for the City of Vaughn, NM; the Shulerville/Honey Hill Water project, South Carolina; and a rural enterprise grant for Indian Hills Community College in Iowa.

This is a true disservice to the many potential competitors who are vying for funding, yet decide to work through the designated competitive grant process.

Last year I noticed a practice by the appropriators of using the appropriations process to prevent Federal agencies from following government-wide efforts to down-size and cut back on unnecessary bureaucracy. This year's conference report formalizes this practice as a tradition by including language such as:

Language whereby the conferees "expect the Secretary, to the extent practicable, to avoid the use of reductions-in-force or furloughs for both Federal and non-federal employees or any county office closings"; or,

Prohibitive language which prevents the expenditure of funds made available by the Food and Drug Administration to close or relocate, or to plan to close or relocate, the Food and Drug Division of Drug Analysis in St. Louis, Missouri.

Mr. President, I am not trying to undermine the hard work of the conferees for they do have a difficult responsibility. I commend the managers on both sides of the aisle in working out a careful compromise. Unfortunately, the Agriculture Appropriations conference report is representative of legislative circumvention and the troubling practice of pork-barrel spending.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT REQUEST—S. RES. 264, ESTABLISHING A DAY OF CONCERN FOR YOUNG PEOPLE AND GUN VIOLENCE

Mrs. MURRAY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of S. Res. 264 and that the Senate proceed to its immediate consideration, that the resolution and preamble be agreed to en bloc, and the motion to reconsider be laid upon the table without intervening action.

Mr. COCHRAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I really regret the objection and I rise today to really plead with my colleagues to lift the hold on this really simple, bipartisan resolution that simply encourages our children to stay away from gun violence. I thank my friend and colleague, Senator KEMPTHORNE, who has been working with me to try to move this resolution.

In 2 days it will be October 8, the day this resolution calls upon the President to establish a Day of National Concern for Young People and Gun Violence. In 2 days, the Senate will have missed an opportunity to send a message to our kids that gun violence is the wrong way to solve problems.

Fortunately, groups like the National Parent-Teacher Association, Mothers Against Violence in America, the American Medical Association, and others are spreading the word without our help. They are encouraging young people all over this country to sign a pledge and promise they—will never take a gun to school; will never use a gun to settle a dispute; and will use their influence to prevent friends from using guns to settle disputes. That is what this resolution is about.

Mr. President, this is exactly the message the United States Senate should be sending to our children. We want them to make a personal commitment against violence. We want them to help convince their friends to do the same. We want them to join together to fight against youth violence. Just like we should be doing.

We must pass this resolution. Let me read to you a list of the Senators who have committed themselves to establishing this day of concern and helping steer kids away from violence: Senators KEMPTHORNE, LAUTENBERG, SMITH of Oregon, KENNEDY, BAUCUS, SPECTER, ROBB, AKAKA, SARBANES, CHAFEE, LIEBERMAN, FAIRCLOTH, JEFFORDS, GORTON, REID of Nevada, D'AMATO, DASCHLE, ROCKEFELLER, KERREY of Nebraska, LUGAR, FEINGOLD, BUMPERS, ABRAHAM, CRAIG, COLLINS, WELLSTONE, COCHRAN, GRAMS, GRAHAM of Florida, DURBIN, BOXER, HUTCHISON, LEVIN, GLENN, MOSELEY-BRAUN, BIDEN, MOYNIHAN, FEINSTEIN, DODD, BINGAMAN, TORRICELLI, JOHNSON, BREAUX, WARNER, FRIST, INOUYE, LANDRIEU, BURNS, KOHL, KERRY of Massachusetts, WYDEN, CONRAD, BUMPERS, MIKULSKI, MCCAIN, SNOWE, NIGHTHORSE CAMPBELL, and BENNETT. There are 59 Senators who are cosponsors of this simple resolution to prevent gun violence amongst our youths.

We all are convinced the best way to prevent gun violence is by reaching out to individual children and helping them make the right decisions. This resolution gives parents, teachers, government leaders, service clubs, police departments, and others a special day to focus on the problems caused by young people and gun violence. October is National Crime Prevention Month—the perfect time to center our attention on the special needs of our kids and gun violence.

A Minnesota homemaker, Mary Lewis Grow, developed this idea for a Day of Concern for Young People and Gun Violence. This will be the third year the Senate has passed a resolution urging kids to take the pledge against gun violence. In 1997, 47,000 students in Washington State signed the pledge card, as did more than 200,000 children in New York City, and tens of thousands more across the country.

Just think of the lives we could have saved if all students had signed—and lived up to—such a pledge last year. Consider that in the months between today and the day we demonstrated our concern about youth violence last year, we have had an outbreak of school violence. Eleven students and two teachers have been killed and more than 40 students have been wounded in shootings by children. In addition, we have lost thousands of children in what has become the all-too-common violence of drive-by shootings, drug wars, and other crime and in self-inflicted and unintentional shootings.

Last year, Senator KEMPTHORNE and I led the cosponsorship drive of this resolution after his 17-year-old neighbor was murdered by a 19-year-old in a random act of violence in Washington State. Ann Harris' parents vowed to transform their grief into an opportunity to help teach our young people to care about each other and to stop the violence. This month, they are suffering through the trial of her accused killer. We should support them.

Mr. President, we must, absolutely must pass this resolution. I urge whomever has a hold on this resolution urging young people to say no to gun violence to drop his or her hold and let us send a message from the United States Senate to every young person in America: Stop gun violence now.

I yield the floor.

RECESS

The PRESIDING OFFICER. The Senate stands in recess, under the previous order, until 2:15.

Thereupon, at 12:44 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUTCHINSON).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Arkansas, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURAL, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the order of business is the agriculture conference report.

The Senate continued with consideration of the conference report.

Mr. DASCHLE. Mr. President, I know that there is a vote at 3:15. I wanted the opportunity to address the conference report prior to that vote.

Let me begin first by complimenting the distinguished Chair for the manner in which he has conducted himself in this debate, as he does with all debate. We may have deep differences of opinion on this particular issue, but in true form he has been a statesman and, I think, a model for all of us in the way he has conducted himself. As I say, I take issue with the bill but certainly not with the manager and the Chair of the committee. He has in so many cases done an outstanding job.

Let me also applaud our distinguished ranking member. This will probably be the final bill that he manages. He knows how strongly I feel about him and the friendship that I have and feel toward him. He is one of the finest Members of the Senate who has ever served, in my opinion. We will miss him more than we can ever possibly express. It is with sadness that I acknowledge that this may be his last bill, but it is with a great deal of satisfaction in looking back over the past 12 years in my service with him that I share many fond memories and many extraordinary legislative success stories.

The conference report that is before the Senate is one that I believe fails to recognize the extraordinary nature of the circumstances we find ourselves in in the agricultural industry across this country. People on both sides of the aisle acknowledge the seriousness of the crisis. They acknowledge the fact that prices continue to plummet. Many of my colleagues on the Democratic side have indicated that grain prices have already fallen at least 25 percent below the 1997 level.

I have asked people in the media and around the country to imagine what would happen if Wall Street prices had fallen in 1 year by 25 percent. How many Wall Street Journal articles would we see? How many front page stories in the daily newspapers would we see if prices plummeted that far? Obviously, there would be tremendous national anxiety about those circumstances.

That is exactly what has happened in agriculture. Prices have plummeted by more than 25 percent. There are some who believe that "business as usual" is acceptable here. I am not suggesting that our Republican colleagues have approached this matter with that in mind, but I do believe that there is a significant difference of opinion. Unfortunately, it does break partly along partisan lines in recognizing the depth of the problem and in dealing with it prior to the time we leave this year.

Livestock producers today are losing somewhere between $100 and $150 per head. A number of States in the Midwest are likely to lose at least 20 percent of our farmers in the coming year, according to state secretaries of agriculture—these are not my figures, but the secretaries of agriculture in the upper Great Plains who are reporting to us that one out of every five farm and ranch families will probably be forced off their farm or ranch as a result of the circumstances we are facing today. In South Dakota, that means perhaps as many as 7,000 producers who will no longer have the livelihood they have right now.

Nationwide, we expect an $11.4 billion reduction in farm income. That is over 20 percent. The sad thing is that the Department of Agriculture has just released new figures to suggest that there is no real hope in sight. The fact is, for at least the next 12 months we don't see circumstances improving.

The last time the Congress was in a situation similar to this was the mid-eighties. At that time, we had a safety net; we had policy positions that allowed us the opportunity to respond more equitably. Some might argue that maybe we went too far. I don't know, what is too far? All I know is, during that critical timeframe, in 1986 dollars, we committed $26 billion to respond to the disaster. Now a lot of that was not decided in the Senate, because there was a safety net already in place. But it was so bad, we committed $26 billion in ways that would soften the blow and keep farmers and ranchers on the farm. It did. A lot of them dug out, got back in the black, and continued to be productive, tax-paying members of rural communities all across this country.

What we are suggesting is, we can't afford $26 billion, we can't afford $20 billion, we can't afford half that amount, $13 billion. All we can probably commit to, given the array of needs that are out there and given our circumstances, is $7 billion.

The secretaries of agriculture said, "That isn't enough, we need $9 billion," and wrote in a letter to us just last week, "We need $9 billion, not $7 billion."

What do our Republican colleagues propose? Something less than four—over $3 billion, a fraction of what we did in 1986 when the circumstances were as bad as they are now.

Mr. President, what we are saying is that given the fact that we could be out of session sine die—that is, without any real expectation of coming back before the next Congress—and recognizing that in the next Congress there is very little chance of being back in this position in January or February during the cold winter months, perhaps not even in March or April—it could be at least 6 months before we have a chance to really seriously consider this situation again. We are simply saying that we cannot commit only this meager amount of resources to a situation that, in many respects, is every bit as bad if not worse than in 1986. This cannot be the full extent of our response. That is what the President is saying. The President has reluctantly said that he will veto this legislation. He will either veto it today or tomorrow. It will be vetoed this week.

So there is no doubt that we are going to be coming back and we are going to have to make a decision as a result of that veto about what we do. Our hope is that our colleagues can come to some resolution quickly. It appears that we are going to have to go through the veto to come back to the table. But, indeed, we will come back.

So, Mr. President, that is where I believe we have found ourselves. We must, when we come back, negotiate a relief package that is based at least on several principles that I hope will enjoy broad, bipartisan support. First, we must have strong indemnity-related relief for farmers with no crop, and meaningful income relief for farmers with a crop at low prices. In other words, there are two categories of farmers who are in desperate condition today. In many cases in the South, we have a problem of farmers not having a crop. I know that is especially true in Louisiana, and I suspect it is true in other Southern States as well. In the Northeastern States, we have a problem of having a crop, but absolutely no prices. And so we have circumstances that vary, depending on the geographic area. Whatever it is we do, I hope we can agree that both circumstances have to be addressed.

Secondly, income assistance must be linked to 1998 crop year production. We don't know what it is going to be in 1999. We are told it is not going to get any better. So we must focus on the 1998 crop year and target producers, not just anyone with an AMTA or Freedom to Farm contract, but all producers who otherwise will have no hope of finding the kind of financial security or relief that they need to get through these winter months.

I hope, Mr. President, that we also could agree, on a bipartisan basis, that losses born by livestock producers who have never had a farm program, and for whom fair trade legislation is critical, could be dealt with successfully as well. There are two things that the Senate did in July that I hope, on a bipartisan basis, we could restore once we come back to the table. The first is country of origin meat labeling. I don't think there is anything that would help more, psychologically as well as financially, than to have the same requirement for meat that we have for virtually every other imported product—labeling. Our farmers and ranchers have said that they believe that, more than anything else, this would improve competition in the retail and wholesale marketplaces. If the American consumer knew what it was they were eating and where it was from, our farmers and ranchers agree almost unanimously that they would be in a much stronger and competitive position.

The second is to do something that they talk about almost anywhere I go in the country, but especially in the Dakotas, and my home State of South Dakota in particular, and that is improve price transparency. Increase market reporting of prices paid for livestock, specifically by the big packers of formula contract prices. We all know what is happening right now. Secret contracts are being signed with no appreciation for what the market is. That has a devastating effect on the marketplace. Farmers are left in the dark. It would be like going to buy a car or a pickup, or any kind of product, and not knowing what the price was and not knowing what the comparable prices are in the industry and wondering, based upon your best judgment, whether you were getting a good deal or not. We would not do that were we buying a car. We could not do that if we were buying a house. Yet, every day our farmers and ranchers are expected to pit themselves against the big packers and try to guess, using some crystal ball that they don't have, what the market looks like out there. So they are given a price, and in a very short timeframe, they have to decide whether that is a good deal or not. They are losing $100 to $150 a head right now. So we know what kind of deals they are getting.

We need price transparency. The Senate responded favorably to both of those proposals, but unfortunately they were dropped in conference. I am very hopeful that they can be restored. These are steps we can take immediately that will send a clear message that we understand the circumstances that livestock producers are in. And now is the time for us to deal with it, not next spring after we have lost tens of thousands of producers all over the country.

Some of these matters that we have debated have a cost-related function. Mr. President, there is no cost to labeling, and there is no cost to mandatory price reporting. Keep in mind, we are suggesting that we would even settle, at least at this point, for a pilot study of those options. Let's analyze what happens when we have full price reporting. Let's analyze what happens when we have meat labeling. We are willing to sunset both of these in 2 to 3 years in an effort to evaluate whether or not they have worked. At least let's get started. I don't think that is too much to ask.

So, Mr. President, that is why many of us have taken such a strong position on this conference report. Number one, it is our last shot at providing some meaningful economic assistance to agriculture, and, number two, it is an opportunity that we may not have again for 7 or 8 months. We can't wait that long. Our package—the proposal that we are hoping our colleagues would consider—is fair, and it is balanced among all regions suffering low prices and disaster. It is targeted to the people who need it; that is, producers of 1998 crops. It is fiscally responsible. Price relief is linked to the market price, and it addresses the real needs of agriculture.

Mr. President, what time remains? Is time allocated to both sides?

The PRESIDING OFFICER. There was an hour, equally divided, starting at 2:15, with a vote scheduled at 3:15.

Mr. DASCHLE. How much time remains on my side?

The PRESIDING OFFICER. The Senator has just under 6½ minutes.

Mr. DASCHLE. Mr. President, I see no other Democratic Senators on the floor, so I will use the remainder of the time.

We believe that our proposal is also fiscally responsible. We link price relief to the market price, and we certainly recognize that it addresses the real problems that we are facing across the board in agriculture. I think our colleagues on the other side have failed to address the dual nature of the crisis—that is, loss of crops and loss of income. I believe they are failing to recognize the severity of the crisis. As I noted earlier, Mr. President, our Secretaries of Agriculture—the Association of State Departments of Agriculture—held an emergency conference last week to propose to us what they believe ought to be done. Frankly, they said both of our relief packages were inadequate. They said that even $7 billion was inadequate, and even all the policy changes we are recommending did not do what they felt was needed to address the level of need they see today. So if $7 billion and all of the policy changes we have recommended doesn't even cut it, $3.5 billion doesn't cut it, either.

Over 150 Members of the House voted to send this bill back to conference. I hope that a large number of our colleagues on both sides of the aisle will agree to send it back as well. We simply can't leave this Congress without providing essential disaster relief.

We must not lose this opportunity. We have a true emergency—an emergency that I think jeopardizes farmers' and ranchers' survival in a myriad of ways, and the survival, frankly, of rural communities all across this country. The loss in income that we are seeing has already started to translate into lost farms and ranches.

When I was home recently a friend told me that a banker he knows is going to be forced to foreclose on 35 farms in just one small community in South Dakota alone this winter. The banker is so disturbed by what he is experiencing that he has actually joined a community prayer group just to deal with the stress he is feeling.

Another friend who is concerned about the impact that the depressed farm economy is having on communities generally, said that a local cleaning service has laid off all of its employees because they have had no business since the end of July.

These stories and many, many more are unfolding across the country. As my colleagues have noted already during this debate, we simply cannot leave until we have successfully dealt with this matter. I hope that we can earnestly come to some closure, successfully recognizing the importance of this issue and dealing with it in as comprehensive a manner as is humanly possible. The stakes are too high. The ramifications of failure are too high. Our only real chance to address this matter now is with this legislation.

Mr. President, I urge a "no" vote on the conference report. I will support the President's veto. More than enough Members of this Senate have indicated already that they will support the President's veto. When that happens, let's get back to work, and let's deal with this issue successfully.

I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield such time as he may consume to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Thank you, Mr. President.

Mr. President, first of all, let me thank the Senator from Mississippi for the work that he has done on this agriculture appropriations bill. It is a very difficult one. It is a large bill of $56 billion. It is very difficult. It comes at a time when we are seeking, I think properly, to make a transition from the old farm programs with the acreage allotments and the subsidies to a market system which, in my State at least, most farmers and ranchers believe we should do. Coupled with that, of course, has come some unfortunate weather disasters, flooding and those kinds of things and crop failures as well. And certainly the Asian currency problem has had an impact in terms of available foreign markets, which is very important when nearly 40 percent of agricultural products are sold in that way.

So now we are faced with the problem of seeking to deal with these problems. Everybody wants to do that. Everybody wants to be helpful for agriculture. Then we need to find the proper way to do it. We need to be able to do this in a way that I think does not cause us to deviate from our policy position, which is to return to a marketplace in agriculture.

We are doing a great deal for agriculture in this bill. There will be transition payments. There will be payments for disasters. As a matter of fact, as I understand it, the figures that I have indicate that through 1996 and 1998 farmers have been paid approximately $17 billion under the old bill. That would have been $10 billion. There has been a substantial increase there. Farmers will receive approximately $500 billion from the banks in transition payments in October of this year.

Actually all these numbers added together equal $31 billion paid to farmers and ranchers over the past 3 years. If you take the 1998 bonus in advance for 1999, we would be paying $15 billion out in this 1 year.

There is a substantial interest being made and properly being made. There are other things, in my view, that need to be done as well. We need to do something about increasing foreign markets, of course. I happen to be on the Foreign Relations Committee and am chairman of the Subcommittee on Asia. We are trying to do some things to reclaim that market—in all kinds of ways to get those markets back, particularly for agriculture.

We have done something about the unilateral sanctions—the idea that if something happens in Asia or Pakistan that the first thing you do is sanction off the sales of agricultural products. We have made some changes there, as indeed we should.

I believe we should move forward in doing something with income averaging on a permanent basis for agriculture. This is the kind of an industry where you may have a very good year, or have a very poor year, and you should be able to income average.

We need savings accounts for farmers so they hold back in good years so they are able to do better.

Crop insurance—crop interests need to be revised the way it came out of the farm bill. That was changed and has not been effective. We need to do that.

It is interesting. Our friends on the other side of the aisle talk about this increase, and the President is now making speeches on Saturday, and so on. It turns out that he started out asking for less than $1 billion. It went up to $2 billion, and suddenly politically he has gone up to $7 billion, and probably more.

We have to really deal with this on that basis.

Mr. President, I wanted to say that I am disappointed in a couple of areas. I come from a State, of course, where the major activity in agriculture is livestock—cattle and sheep. I was very much interested in our moving forward with this matter of labels; this country of origin kind of thing so that buyers could decide what kind of meats they choose to buy, whether they want to have American-made meats or meats from other countries. But they should be able to know that. We put that in the Senate bill and lost it in the conference. I am very disappointed in that.

We also, I believe, need to have our market reporting strengthened so that all the cattle and all of the sheep that go in the market will be reported as part of the market, not those things that are held by packers and never reported that would impact the crisis.

I am disappointed in those things. I hope that we can go forward.

There is some indication apparently from the conference committee that we would go forward with the study of the labeling. I hope we do.

On the other hand, I think it is going to be slow that way. I wish, frankly, that we could change it before we have to go back and do it that way.

Mr. President, I just wanted to say that I admire very much the work that has been done. I know we must do something in agriculture. We are poised to do something.

I wanted to point out the two areas of disappointment that I have—that of labeling in the country of origin, and that of transparency in market prices. We need something we can do about that.

Mr. President, I thank you for the time. I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, may I inquire? How much time remains on the conference report on both sides?

The PRESIDING OFFICER. The Senator from Mississippi has 16 minutes; the minority has 2 minutes 21 seconds.

Mr. COCHRAN. I thank the Chair.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I am not managing time on our side. Did the Chair say the minority has 2 minutes 21 seconds remaining?

The PRESIDING OFFICER. That is correct.

Mr. BAUCUS. I wonder if my very great, good friend, the Senator from Mississippi, would yield me some time, although I must upfront say that I am arguing against the conference report.

Mr. COCHRAN. Mr. President, let me inquire of the Senator, how much time does he seek?

Mr. BAUCUS. I was going to speak maybe 5 minutes.

Mr. COCHRAN. I have no objection.

Mr. BAUCUS. I thank my very, very good friend from Tennessee—Mississippi——

Mr. COCHRAN. If you do not get my State right, I will not yield time.

Mr. BAUCUS. I will use some of my time to praise you because that is very generous of the Senator from Mississippi, and it is typical of his generosity and his graciousness. He is a very, very fine man.

Mr. President, sometimes we have to disagree with one another, and I am about to say that as much as I respect and admire the Senator from Mississippi, I have a different view than he has on this issue.

Mr. President, I rise toady to express my profound disappointment in the conference report before the Senate.

The words of our forefathers speak volumes about many topics, including this one. "Blessed is the man who expects nothing, for he shall never be disappointed." These words were written in a letter from Alexander Pope over 270 years ago. They paraphrase biblical verse. I believe they speak to rural America today about the farm relief provisions included in this conference report.

But more accurately they speak to the matters excluded from this package.

This package should include meaningful relief for farmers in the worst economic crunch of this decade. Instead, it includes a pittance. While the conferees could have adopted a package that provided roughly 60 cents per bushel on wheat in addition to what farmers get now, which is virtually nothing in the market, the conferees did not provide that 60 cents. Instead, the bill provides 13 cents per bushel. That is how it works out.

Frankly, I am stunned. I assumed that when the conferees met they would work out some kind of compromise. The Democratic package had eliminated the loan caps, it had the country of origin labeling, a provision providing for price reporting on a pilot project basis of fat cattle bought by packers. It included several provisions which would have helped farmers just a little bit.

On the other side of the aisle, on the Republican side, there was not much at all; as I said, 13 cents as opposed to 60 cents, with respect to wheat.

Mr. President, this package could only satisfy a farmer who expects nothing. I fear, as I hear from disillusioned producers across Montana, far too many producers expect this Congress to fail in the effort to help out.

They believe instead that their pleas are falling on deaf ears. Their disaster is being seen in academic terms. Their future—the survival of their farms and ranches has become little more than a laboratory test of the farm policy enacted a couple years ago.

I still believe in our producers—the top industry in our state. But that very industry that generated about $2 billion in sales last year will lose nearly $200 million this year. The Republican package will short Montana producers another $100 million. Then multiply it by our treacherous rank—46th in the Nation for per capita income—and you get a grand total of $300 million that Montana can't afford to lose—not on the farm and not on Main Street. Thus, what we do now portends what will happen in the next year in our rural communities.

I think it is very irresponsible to end this Congress without meaningful relief for our farmers and ranchers. We need to eliminate the loan rate cap for this year and provide the funding to make it work.

We need to mandate country of origin labeling on meat. And we need to require price reporting on the livestock sold each day.

We need to treat this situation like the crisis it is to producers across Montana and across our country.

Mr. President, I assumed the two sides would get together and work out some kind of compromise. That is not what happened. Instead, the majority party—I do not like being partisan about this stuff but I just have to be accurate—the majority party did not compromise at all. They just stuck with their 13 cents and also stuck with rejecting country of origin labeling on beef, stuck with rejecting entirely the pilot project on mandatory price reporting, instead replacing it with a study—essentially totally agreed to a pittance to farmers.

I must say, Mr. President—this is no exaggeration, I am not exaggerating—farmers find this an insult. They find it a slap in the face. They cannot believe that the U.S. Congress is sitting here in many respects worried more about Ken Starr—certainly the majority side—than they are about paying attention to farmers and what is happening in the country.

I have to tell you, Mr. President, it is really a bad situation in farm country. Bankers are not going to be able to extend loans. Worse than that, they are going to begin to call in loans. Implement dealers, car dealers, grocery stores, hardware stores in farm communities are finding their sales way down. That means they have to start digging deeper into their pockets. This is the worst situation I have seen in at least 10 or 12 years. And 10 or 12 years ago, in the late 1980s when farmers were facing about the same situation—again, through no fault of their own, because of drought and because of world conditions—Congress spent about $16 billion to help farmers.

Mr. President, 10 or 12 years ago we spent $16 billion. Today the Democratic side is asking for, not $16 billion, $7 billion; and the Republican side said no, no, not even $7 billion, but $4 billion. We are saying, we on our side of the aisle: Hey, $4 billion is an insult. It is a slap in the face.

I plead with Senators to go back again and see if we can figure out some way to agree, if not to the full 7, to virtually the 7.

Another point: I have been in the Senate a few years. I voted for the New York City bailout, I voted for the Chrysler bailout, I voted for California disaster assistance. Guess what. All those efforts have been repaid—in spades.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The time of the Senator has expired.

Mr. BAUCUS. I ask the Senator for 1 minute on the time of our side.

Mr. BUMPERS. I yield 1 minute.

Mr. BAUCUS. When we loaned money to New York City a few years ago, New York repaid that loan with interest, ahead of time. When we loaned Chrysler Corporation money to get its feet back on the ground, that loan was repaid ahead of time. I am just saying, today, if we can help farmers a little bit today with the conditions they face through no fault of their own, because the world market supply is so large and the price is so low, and the Asian economic crisis, at the very least that will be repaid back again in spades.

I urge my colleagues, please show a little bit of statesmanship and vote to help this part of our country. It is going to come back and help all of us as a nation.

I thank very much my very good friend from Mississippi, again, for his very generous offer to give me some time.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I yield myself the remainder of the time on our side.

Let me say to the distinguished Senator from Montana, I appreciate his courtesies as well. It is a pleasure working with him on these issues. I am sorry we have to disagree on some of the issues contained in this agriculture appropriations conference report.

On the subject that the Senator mentions, and also the Democratic leader when he was speaking mentioned as a reason why the President ought to veto this legislation, was the question of price reporting and meat labeling. These are two separate issues. Frankly, I was surprised by the comments and also including this as a basis for urging the President to veto the legislation.

When we passed our bill in July, we received the reaction following that, after the administration had an opportunity to study the legislation—we received the reaction in a formal letter from the Secretary of Agriculture dated September 24, a "Dear Thad" letter from Dan Glickman.

Included is a table going down through the bills. This is prior to conference now—I think that is right—prior to our going to the conference with the House conferees to work out differences between the House- and Senate-passed bills. In Secretary Glickman's letter pointing out their reaction to the Senate-passed bill and the provisions in the House bill, they get down to the meat labeling provision, which is title X in the Senate bill. There is no House provision on that subject. The USDA position as conveyed in this letter to me says: Working with Congress to address concerns about adverse trade effects and concerns that implementation would divert resources needed to address important food safety issues.

We tried to work with the administration, and did, to address those concerns. If the administration had been supportive of the meat labeling provisions, they would have said so, because they go right down through the list and support some other provisions. Or if they opposed it, they point it out and they say so.

Here is another example, the Biodiesel Energy Development Act, which the administration says, to a separate bill in the House, the administration opposes.

The administration did not say that they supported the meat labeling. They suggested they had concerns about it and they wanted to work with the Congress to address those concerns. So here is what we did in conference to try to address those concerns. We provided conference report language, statement of managers, to this effect:

> The conferees direct the Secretary to conduct a comprehensive study on the potential effects of mandatory country of origin labeling of imported fresh muscle cuts of beef and lamb. The report shall include the impact of such requirements on imports, exports, livestock producers, consumers, processors, packers, distributors and grocers.

We went on to say:

> The report shall be submitted to Congress no later than 6 months after the enactment of this Act, and shall contain a detailed statement of the findings and conclusions of the Secretary, together with his recommendations for such legislation and administrative actions as he considers appropriate.

I have suggested to the Senate that the action taken by the conferees is responsive to the objections and concerns that were raised in our letter from the administration on that subject. And here, at the very last minute, the Democratic leader raises this issue and spends a good deal of his time talking about this as the reason why the administration ought to veto the conference report.

Another subject that was raised was price reporting. We also got a letter from the Office of Management and Budget as well as the Secretary of Agriculture, responding to our bill and suggesting things that they think need the attention of conferees. If they have objections to provisions, they say so in either the OMB letter or the Secretary of Agriculture's letter.

On the subject of price reporting, there was a USDA request to review any final language adopted by the conferees. Here is what the conferees provided in the statement of managers on that issue:

> The conferees direct the Secretary of Agriculture to take steps to increase the voluntary reporting of fed cattle, and wholesale beef carcass prices and volumes on a quality and yield-grade basis, as well as the prices and volumes of boxed beef. . . The Secretary shall encourage the reporting of the price differential for USDA Prime, the upper 2/3 of USDA Choice, and a sub-select price category. Reports should include imported beef products and livestock.

Then we go on to say:

> The Secretary of Agriculture shall compile and publish price, volume sales, and the shipment information regarding all exports and imports of beef, veal, lamb, and products thereof which is collected via the expanded voluntary process. . . . The Secretary shall also standardize the Agriculture Marketing Service price reporting data collection activities to ensure uniformity and complete sales data capture and to maximize the information available to all aspects of the industry.
>
> The Secretary shall report to Congress, not more than 6 months after enactment, on the feasibility or need for mandatory price reporting. . .

I suggest, Mr. President, that the conferees have done a very good job of trying to deal with these two issues in this conference. We have responded to the concerns expressed by the Secretary of Agriculture in his letter to us of September 24 giving us his reaction to our bill. Never did they single out in the letters to us that this would trigger a veto if we didn't do such and such with either one of those provisions. There was no such suggestion made.

There was a veto threat in the letter from the Director of the Office of Management and Budget, and here is what the veto threat says:

> If the bill presented to the President includes the unacceptable FDA language—

And, by the way, that has been removed from the bill in conference, the so-called RU486 issue—

> and agriculture disaster provisions that provide inadequate indemnity assistance or are inconsistent with the Daschle/Harkin proposal, his senior advisers would recommend that he veto the bill. We look forward to working with you to resolve these concerns.

The veto message, if this is a veto message, is that if we don't enact the Daschle/Harkin disaster indemnity assistance proposal, then the senior advisers will recommend to the President that he veto the bill.

We have talked about the disaster assistance proposal and why we think the direct assistance is much to be preferred over rewriting a portion of the 1996 farm bill as proposed by Daschle/Harkin, and we certainly think that is not good policy. It won't serve to increase prices for farmers at market, which is what we are trying to do to help ensure a brighter future for American production agriculture.

Mr. President, I urge the Senate to approve the conference report on Agriculture appropriations.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, I wonder if I may be yielded 1 minute or 2 minutes.

Mr. COCHRAN. I am happy to yield a minute to the distinguished Senator.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 1 minute.

METHYL BROMIDE

Mr. CHAFEE. Mr. President, this bill contains a rider that addresses methyl bromide use. It is an anti-environmental rider offered by a few members of the other party, and slipped into the bill by the conference committee. It has not been debated by either body, and yet this language amends the Clean Air Act and constrains our ability to negotiate a more rapid phase-out of methyl bromide use with other nations.

Just last week, the White House, and specifically Vice President GORE, called on the Congress to end what he called "backdoor assaults" on the environment. I sincerely hope that the President and Vice President mean that to apply to all anti-environmental riders, including the ones offered by their own party.

This methyl bromide rider began as an effort to address a legitimate problem, but changes sought by a few members of the other party go too far. Methyl bromide is highly toxic and a potent ozone depleting compound. It is also one of the most widely used pesticides in the United States. The 1994 Montreal Protocol requires a gradual phase-out of methyl bromide beginning next year. Industrialized countries have agreed to a phase-out by 2005, while developing nations must phase-out methyl bromide by 2015. In the United States, the Clean Air Act requires an even earlier phase-out date for methyl bromide—January 1, 2001.

I share the concern that the Clean Air Act's accelerated phase-out schedule might put our farmers at a competitive disadvantage. However, I believe that addressing this problem in the context of an appropriations bill is entirely inappropriate. Putting constraints on an international treaty and modifying a major environmental statute demands thoughtful debate. To do this with a rider on an appropriations bill allows almost no debate.

The principle argument for action on methyl bromide has been the potential competitive disadvantage for American agriculture. As I said, I am sympathetic to that problem, and I support the idea that we should allow the Montreal Protocol to dictate the phase-out in this nation. But the language added to this bill would prohibit any phase-out earlier than the date currently contained in the Protocol—2005.

Could the deadline for phase-out be accelerated if, a few years down the road, the international community decides that effective, affordable alternatives to methyl bromide exist? Not if we approve this rider. This language says that—no matter what—the United States will not end methyl bromide use before 2005. The international community is not going to negotiate an earlier date, because they know that the U.S. will not comply with an earlier date. Inclusion of that language guarantees that worldwide methyl bromide use will continue until 2005.

This is an inappropriate limitation on our options regarding methyl bromide and our ability to negotiate changes to an international treaty. More importantly, a last minute appropriations rider is a bad way to amend the Clean Air Act. I can only hope that the President, the Vice President, and Democratic Senators who have spoken against other riders intend to oppose all anti-environmental riders, not just those offered by Republicans.

Mr. President, I am distressed over the methyl bromide amendment which is an antienvironmental rider that was put into this conference report. It wasn't debated by either body, yet the language amends the Clean Air Act and constrains our ability to negotiate a more rapid phaseout of methyl bromide when used by other nations.

I point out that the principal argument for action on methyl bromide has been the potential competitive disadvantage for American agriculture. I am sympathetic of that, and I support the idea we should allow the Montreal Protocol to dictate the phaseout of this. If we don't like it, then we should amend it.

The present time for the phaseout is 2005 but could be earlier. What this legislation does is makes it no later than 2005 but prevents it from being earlier than 2005. In those intervening 7 years, there well could be developed an alternative to methyl bromide. I think this is an unfortunate provision in the bill. I thank the Chair.

Mr. DOMENICI. Mr. President, I rise in support of the conference report accompanying the Department of Agriculture and related agencies appropriations bill for fiscal year 1999.

The final bill provides $59.6 billion in new budget authority (BA) and $44.8 billion in new outlays to fund most of the programs of the Department of Agriculture and other related agencies. All of the funding in this bill is nondefense spending. The conference report now includes "emergency" funding totaling $4.3 billion in budget authority and $4.1 billion in outlays to provide relief to the nation's farmers.

When outlays for prior-year appropriations and other adjustments are taken into account, the conference agreement totals $59.4 billion in BA and $51.6 billion in outlays for fiscal year 1999. Including mandatory savings, the subcommittee is $1 million in budget authority below its 302(b) allocation, and at its 302(b) allocation for outlays.

The Senate Agriculture Appropriations Subcommittee revised 302(b) allocation totals $59.4 billion in budget authority (BA) and $51.6 billion in outlays. Within this amount, $17.9 billion in BA and $18.1 billion in outlays is for nondefense discretionary spending, including agricultural emergency spending.

For discretionary spending in the bill, and counting (scoring) all the mandatory savings in the bill, the final bill is $4.0 billion in BA and $3.9 billion in outlays above the President's budget request for these programs. The bill is at least $4 billion in both BA and outlays above the Senate- and House-passed bills, all due to the addition of the emergency disaster assistance for farmers.

The disaster aid package includes $2.2 billion in direct payments to farmers experiencing crop losses due to natural and other disasters. The Congressional Budget and Impoundment Control Act as amended prohibits "emergency" spending for purposes of crop disaster assistance. The conference agreement includes directed scorekeeping language allowing the emergency designation to be used in this case. This conference report therefore violates Section 306(a) of the Congressional Budget Act by including legislative language under the jurisdiction of the Budget Committee that was not reported by the Senate Budget Committee.

I recognize the difficulty of bringing this bill to the floor at its 302(b) allocation and in addressing the need for disaster assistance by farmers in many parts of the nation, including New Mexico and parts of the Southwest.

Mr. President, I ask unanimous consent that a table displaying the Senate Budget Committee scoring of the final bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

H.R. 4101, AGRICULTURE APPROPRIATIONS, 1999—SPENDING COMPARISONS—CONFERENCE REPORT

[Fiscal year 1999, in millions of dollars]

	Defense	Nondefense	Crime	Mandatory	Total
Conference Report:					
Budget authority		17,909		41,460	59,369
Outlays		18,121		33,429	51,550
Senate 302(b) allocation:					
Budget authority		17,910		41,460	59,370
Outlays		18,121		33,429	51,550
1998 level:					
Budget authority		13,930		35,048	48,978
Outlays		14,227		35,205	49,432
President's request:					
Budget authority		13,672		41,460	55,132
Outlays		14,056		33,429	47,485
House-passed bill:					
Budget authority		13,596		41,460	55,056
Outlays		14,031		33,429	47,460
Senate-passed bill:					
Budget authority		13,698		41,460	55,158
Outlays		14,069		33,429	47,498
Conference Report compared to:					
Senate 302(b) allocation:					
Budget authority		−1			−1
Outlays					
1998 level:					
Budget authority		3,979		6,412	10,391
Outlays		3,894		−1,776	2,118
President's request:					
Budget authority		4,237			4,237
Outlays		4,065			4,065
House-passed bill:					
Budget authority		4,313			4,313
Outlays		4,090			4,090
Senate-passed bill:					
Budget authority		4,211			4,211
Outlays		4,052			4,052

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute 12 seconds.

Mr. BUMPERS. Mr. President, I join my friend and colleague, Senator COCHRAN, in bringing to the floor the conference report to accompany H.R. 4101, the fiscal year 1999 appropriations bill for agriculture, rural development and related agencies. This is the last annual agriculture appropriations bill which I will jointly author with my friend from Mississippi, and I regret to report that the progress this year has not been as smooth as in years past. Last year, my fellow conferees were able to conclude the business of the committee on conference in approximately 5 minutes. By contrast, it took us 5 days this year and I fear, at this late date, all hurdles toward enactment are not fully cleared. In fact, I, along with all Senate Democrat members of the conference committee who attached our signatures to the official conference papers, did so with an exception to one of the titles included in the conference report.

Aside from the one area still in disagreement, the conference report before us is as good a product as was possible under the budgetary constraints we faced. We include in this measure nearly $52 million in new spending for food safety. This figure is well below the budget request, but represents a good increase in spending for the Department of Agriculture and the Food and Drug Administration to help ensure that our Nation's food supplies remain the safest in the world.

The conference report also provides adequate levels for the Women, Infants, and Children (WIC) Program, including an increase for the WIC Farmers Market Program of up to $15 million. Overall, the USDA food assistance programs remain the single largest component of this conference report, totaling $36 billion in new spending.

Rural development is another key element of this conference report. Included is more than $4.25 billion in rural housing program levels and nearly $725 million in budget authority for the Rural Community Advancement Program, which includes the water and wastewater program. I have seen firsthand the benefits these programs bring to rural areas in my State and I am glad we were able to achieve these levels for the coming year. Also, the conference report includes a special recognition for the needs of the Lower Mississippi River Delta, an often overlooked region of our Nation that has long deserved our special attention. I have worked for many years to improve conditions in this region and I am happy to have included special consideration for the delta in this measure.

Agricultural research continues to receive the attention of our subcommittee. The level of spending for the Agricultural Research Service in this conference report is higher than either the House or Senate levels prior to conference. In addition, we were able to increase the levels of funding for basic formula research for our Nation's 1862, 1890, and 1994 institutions. Funding for these institutions has been frozen for far too long, and this conference report provides a 7 percent increase above last year. Enhanced agricultural research is a commitment the Congress has made to our farmers and consumers and this conference report lies up to that commitment.

I would be most remissed if I didn't pause to give credit, to my friend, Senator COCHRAN, for facing the grim budgetary challenge we faced this year. Our allocation was well below what was available for fiscal year 1998 and going into conference we had to adjust our numbers downward toward the lower House allocation. Our task was made even more difficult by the assumed enactment of hundreds of millions of dollars in user fees that looked good on paper but only served to raise faint expectations beyond what was possible. This conference report includes a general provision that will, hopefully, forestall the use of projected user fees in next year's budget and keep everyone working within a budgetary framework more closely associated with the realities we all must face.

Given my years of work on this subcommittee, and my close friendship with Senator COCHRAN, I am greatly saddened by my reluctance to give unequivocal support for all matters contained in this conference report. As we began conference deliberations with the House, the President made it clear that two items under discussion were of such importance that their inclusion in the conference report would result in a veto. I must admit that I never thought the agriculture appropriations bill would ever be the target of a Presidential veto. In fact, the agriculture appropriations bill is usually approved by the Senate 100 to 0. I remind my colleagues that a few years go when much of the Federal Government faced a shutdown from failed appropriations bills, the agencies funded under this bill were among the few not included in that Governmental debacle. Such has been the history of the agriculture appropriations process during my tenure and it saddens me to think that I might be leaving the Senate with that possibility lurking as strongly as it does today.

One of the items which drew the attention of the President was a provision in the House bill that placed a limitation on the Food and Drug Administration's funding for any testing, development, or approval of the drug RU–486, a chemical used to induce an abortion. Leaving for a moment the argument that science is better left to scientists than politicians, the inclusion of the abortion debate in the agriculture appropriations bill was a most unfortunate attempt to drag this bill down with one of the most divisive and politically charged issues of our time. I am very pleased to report that the Senate conferees made it crystal clear that the Senate was not going to allow the issue of abortion to infect the agriculture appropriations bill with the same paralysis that has inflicted other subcommittees. If the Senate had not held firm, a very bad precedent would have been set and all agriculture appropriations bills in the future would become the venue for, and be held hostage by, an issue best reserved for other forums.

The other item of Presidential disapproval is tied to the levels of assistance for farmers and ranchers who are facing the most pressing financial times in recent years, maybe ever. It is on this point that I had to part with my friend Senator COCHRAN and express an opinion that our measure falls short of meeting current needs.

The conference report includes provisions put forward by the majority party that strives to bring relief to farmers and ranchers who are suffering from lost crops and low prices. However, my concern is with the manner in which the assistance is to be provided. In order to help farmers suffering from low prices, the conference report would simply allow for additional "Freedom to Farm" payments to go to all producers who hold a Agricultural Market Transition Act contract. The fallacy with this approach is that it does not target the additional funds to people who are suffering from either crop failure or fallen prices. Instead, it makes funds available to landlords who may have received cash rent for their lands, suffered no loss at all, and in many instances never even faced a risk of loss in the first place.

We have to recognize that many, though not all, farmers across America are suffering. Most are suffering from losses this year, but some from losses over several years. Some farmers have a crop to harvest, but low prices preclude any chance of a profit. The purpose of the Democratic alternative for disaster assistance is to make sure the relief payments go to those in need.

I have heard from farmers in my State who have lost everything this year. They tell me that this year is worse than the crop failures of 1980, which was the worst year since the Great Depression. The Democratic alternative provides more relief, 100 percent more in fact, for farmers in my State and I feel we should not turn our backs on the one segment of the national economy that has not been surging into double digit profits on Wall Street. The President has indicated he will veto this bill if additional farm relief is not added. Congress needs to act swiftly to amend the shortfall in this bill and send to the President a package that truly meets the needs of farmers and ranchers.

Mr. President, this brings me to the close of my last annual agriculture appropriations bill on the floor of the Senate. I want to once more thank my distinguished colleague, Senator COCHRAN, for his years of friendship on and off this subcommittee. I also want to thank all other members for their cooperation over the years.

Mr. President, I say in closing that this is a very complex matter, this matter of disaster relief. The only disagreement on this side and the other side of the aisle is over the disaster provisions. As I say, they are both fairly complicated, and I am hoping that if the President vetoes the bill, as he has promised to do, we will be able to work out something—maybe not everything the President wanted, maybe more than others wanted—and that we will be able to reach a compromise that will actually take care of farmers.

My fear is that, this being what I consider probably the worst year in the history for agriculture since the Great Depression, that the proposal in the bill is not adequate to save an awful lot of farmers who deserve saving. So I am hoping if the President does veto the bill, we can come back and hammer out an agreement that will save a lot more farmers.

I yield the remainder of my time.

Mr. COCHRAN. Mr. President, have the yeas and nays been ordered on the conference report?

The PRESIDING OFFICER. They have not been ordered.

Mr. COCHRAN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the conference report accompanying H.R. 4101. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote "aye."

The result was announced—yeas 55, nays 43, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—55

Abraham
Allard
Ashcroft
Bennett
Bond
Boxer
Breaux
Brownback
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Domenici
Enzi
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Hagel
Hatch
Helms
Hutchinson
Hutchison
Inhofe
Jeffords
Kempthorne
Landrieu
Leahy
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Roberts
Roth
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Biden
Bingaman
Bryan
Bumpers
Burns
Byrd
Cleland
Conrad
Daschle
Dodd
Dorgan
Durbin
Feingold
Ford
Graham
Gregg
Harkin
Hollings
Inouye
Johnson
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Mikulski
Moseley-Braun
Murray
Reed
Reid
Robb
Rockefeller
Santorum
Sarbanes
Thomas
Torricelli
Wellstone
Wyden

NOT VOTING—2

Glenn
Moynihan

The conference report was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period for morning business until 4:15 p.m. today, with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTINGUISHED FLYING CROSS

Mr. THURMOND. Mr. President, I rise today to recognize former Navy and Marine Corps members who received the Distinguished Flying Cross in accordance with section 532 of the National Defense Authorization Act for Fiscal Year 1999, which waived time limitations for award of this decoration for specified persons. These awards were recommended by the Secretary of the Navy based upon requests from Members of Congress. These procedures were established by section 526 of the National Defense Authorization Act for Fiscal Year 1996 to resolve a dilemma under which deserving individuals were denied the recognition they deserved solely due to the passage of time. I am proud to have established a procedure that enables these distinguished veterans to receive the honors they earned. We are very proud of their dedicated service to our Nation.

Mr. President, I ask unanimous consent that a list of all who were awarded the Distinguished Flying Cross be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

STROM THURMOND NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999, SECTION 532—WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS

(1) FIRST AWARD

Marine Corps

1. Mr. Earl D. Van Keuren, Jr., Fort Collins, CO.
2. Mr. James E. Renshaw, Runnemede, NJ.
3. Mr. Edward J. Mariani, Brockton, MA.
4. Mr. Andrew B. Jones, Old Lyme, CT.
5. Mr. John Avelis, Terre Haute, IN.
6. Mr. James R. Spencer, Grants Pass, OR.
7. Mr. Edward H. Benintende, Scranton, PA.
8. Mr. Clarence R. Cox, Woodburn, OR.
9. 2ndLt Leland E. Thomas, USMC Reserve, Fruitland. ID.
10. Mr. Edward L. Eades, Kerrville, TX.
11. Mr. Paul F. Dudley, Las Vegas, NV.
12. Mr. Raymond G. Czarnecki.
13. Capt Edward J. Wallof, USMC Retired, Soulsbyville, CA.
14. LtCol Edwin W. Allard, USMC Retired, Carlsbad, CA.
15. Mr. Jack S. Straub, Destin, FL.
16. Mr. William D. Donohue, River Vale, NJ.
17. Mr. Wallace W. Ostrowski, Carlsbad, CA.
18. Mr. William F. Savino, Yaphank, NY.
19. Mr. Sidney H. Zimman, Oceanside, CA.
20. Mr. Ned Wernick, Pensacola, FL.
21. Mr. Stephen F. Gibbens, Montecito, CA.
22. Mr. Theodore R. Wall, Pinellas Park, FL.
23. Mr. Harold W. Park, Rochester, PA.
24. Mr. Benson M. Jones, Columbus, GA.
25. Mr. Philip L. Strader, Lynchburg, VA.
26. Mr. Henry M. Knauth, Landrum, SC.
27. Mr. Theodore E. Sittel, Englewood, CO.
28. Mr. Frank J. Lange, Panama City, FL.
29. Mr. Ralph H. Rudeen, Olympia, WA.
30. Mr. Robert P. Byno Sr., Westwood, MA.
31. Mr. William M. Crutcher, Glenwood Springs, CO.
32. Mr. Thomas B. Hartmann, Princeton NJ.
33. Mr. Marion F. Beckman, Stasuma, AL.
34. Mr. Frederick R. Scharnhorst, Richland, WA.

Navy

1. Mr. Robert E. Rosati, East Hartford, CT.
2. LT Edward T. Gaines, (USN (Ret.), Lexington, KY.
3. CDR Ira B. West, USN (Ret.), Vienna, VA.
4. Mr. Stephen R. Michalovic, Clifton, NJ.
5. Mr. John T. Allen, Knoxville, TN.
6. Mr. Martin D. Lipman, Huntington Beach, CA.
7. Mr. Fay D. Hargrove, Longmont, CO.
8. Mr. Alfred F. Shultz.
9. Mr. James L. Andrews, Livonia, MI.
10. Mr. Lester L. Larson, Jr., Kingsland, TX.
11. Mr. Samuel P. Tyndall.
12. Mr. Edward J. Karcher, Port St. Lucie, FL.
13. Mr. Leo A. Pyatt, Columbus, OH.
14. Mr. Milton E. Ferrell, Nashville, TN.
15. Mr. Daniel G. Straka, San Clemente, CA.

(2) SECOND AWARD

Marine Corps

1. Mr. Sidney H. Zimman, Oceanside, CA.
2. Mr. Ned Wernick, Pensacola, FL.
3. Mr. Stephen F. Gibbens, Montecito, CA.
4. Mr. Paul F. Dudley, Las Vegas, NV.
5. Mr. Wallace W. Ostrowski, Carlsbad, CA.
6. Mr. William F. Savino, Yaphank, NY.
7. LtCol Edwin W. Allard, USMC Retired, Carlsbad, CA.
8. Mr. Raymond G. Czarnecki.
9. Captain Edward J. Wallof, USMC Ret., Soulsbyville, CA.
10. Mr. Jack S. Straub, Destin, FL.
11. Mr. William D. Donohue, River Vale, NJ.
12. Mr. Theodore R. Wall, Pinellas Park, FL.
13. Mr. Harold W. Park, Rochester, PA.
14. Mr. Benson M. Jones, Columbus, GA.
15. Mr. Philip L. Strader, Lynchburg, VA.
16. Mr. Henry M. Knauth, Landrum, SC.
17. Mr. Theodore E. Sittel, Englewood, CO.
18. Mr. Frank J. Lange, Panama City, FL.
19. Mr. Ralph H. Rudeen, Olympia, WA.
20. Mr. Robert P. Byno Sr., Westwood, MA.
21. Mr. William M. Crutcher, Glenwood Springs, CO.
22. Mr. Thomas B. Hartmann, Princeton, NJ.
23. Mr. Marion F. Beckman, Stasuma, AL.
24. Mr. Frederick R. Scharnhorst, Richland, WA.

(3) THIRD AWARD

Marine Corps

1. Mr. Theodore R. Wall, Pinellas Park, FL.
2. Mr. Harold W. Park, Rochester, PA.
3. Mr. Benson M. Jones, Columbus, GA.
4. Capt Edward J. Wallof, USMC Retired, Soulsbyville, CA.
5. Mr. Raymond G. Czarnecki.
6. Mr. Jack S. Straub, Destin, FL.
7. Mr. William D. Donohue, River Vale, NJ.
8. Mr. Philip L. Strader, Lynchburg, VA.
9. Mr. Henry M. Knauth, Landrum, SC.
10. Mr. Theodore E. Sittel, Englewood, CO.
11. Mr. Frank J. Lange, Panama City, FL.
12. Mr. Ralph H. Rudeen, Olympia, WA.
13. Mr. Robert P. Byno Sr., Westwood, MA.
14. Mr. William M. Crutcher, Glenwood Springs, CO.
15. Mr. Thomas B. Hartmann, Princeton, NJ.
16. Mr. Marion F. Beckman, Stasuma, AL.
17. Mr. Frederick R. Scharnhorst, Richland, WA.

(4) FOURTH AWARD

Marine Corps

1. Mr. Philip L. Strader, Lynchburg, VA.
2. Mr. Henry M. Knauth, Landrum, SC.
3. Mr. Jack S. Straub, Destin, FL.
4. Mr. William D. Donohue, River Vale, NJ.
5. Mr. Theodore E. Sittel, Englewood, CO.
6. Mr. Frank J. Lange, Panama City, FL.
7. Mr. Ralph H. Rudeen, Olympia, WA.
8. Mr. Robert P. Byno Sr., Westwood, MA.
9. Mr. William M. Crutcher, Glenwood Springs, CO.
10. Mr. Thomas B. Hartmann, Princeton, NJ.
11. Mr. Marion F. Beckman, Stasuma, AL.
12. Mr. Frederick R. Scharnhorst, Richland, WA.

(5) FIFTH AWARD

Marine Corps

1. Mr. Theodore E. Sittel, Englewood, CO.
2. Mr. Frank J. Lange, Panama City, FL.

3. Mr. Marion F. Beckman, Stasuma, AL.
4. Mr. William D. Donohue, River Vale, NJ.
5. Mr. Ralph H. Rudeen, Olympia, WA.
6. Mr. Robert P. Byno Sr., Westwood, MA.
7. Mr. William M. Crutcher, Glenwood Springs, CO.
8. Mr. Thomas B. Hartmann, Princeton, NJ.
9. Mr. Frederick R. Scharnhorst, Richland, WA.

(6) SIXTH AWARD

Marine Corps

1. Mr. Ralph H. Rudeen, Olympia, WA.
2. Mr. Robert P. Byno Sr., Westwood, MA.
3. Mr. William M. Crutcher, Glenwood Springs, CO.
4. Mr. Frederick R. Scharnhorst, Richland, WA.
5. Mr. Thomas B. Hartmann, Princeton, NJ.

(7) SEVENTH AWARD

Marine Corps

1. Mr. Thomas B. Hartmann, Princeton, NJ.

(8) EIGHTH AWARD

Marine Corps

1. Mr. Thomas B. Hartmann, Princeton, NJ.

(9) NINTH AWARD

Marine Corps

1. Mr. Thomas B. Hartmann, Princeton, NJ.

ENSURING ECONOMIC PROSPERITY

Mr. ABRAHAM. Mr. President, I rise today to make a few observations regarding the state of the American economy and the steps policy makers should take to ensure continued prosperity in the future.

Right now we have some good news about the state of the economy. Overall employment growth is strong. Unemployment is low at 4.5 percent nationally and an even lower 3.9 percent in my home state of Michigan. Family incomes continue to rise. And the technological and information age revolution continues to increase productivity and wealth throughout America.

Hi-tech companies in particular are growing fast and creating thousands of spin-off jobs. Economist Larry Kudlow reports that the hardware and software industries combined account for about one third of real economic growth. What is more, this industry is increasing productivity throughout our economy in ways we can't even measure.

So, on the surface things look pretty bright right now, Mr. President. But there are economic storm clouds on the horizon. Stock market investors are riding a roller coaster of volatility. The August Employment Report from the Bureau of Labor Statistics shows a drop in manufacturing jobs of 55,000—indeed, the number of manufacturing jobs in this country has declined for 5 straight months. Bankruptcies have accelerated. On the international front, the Russian economy is in deep distress. And our Asian economic partners continue in a state of crisis that threatens our balance of payments and our general economic health.

As Federal Reserve Chairman Greenspan noted recently in a speech at the University of California at Berkeley, "it is just not credible that the United States can remain an oasis of prosperity unaffected by a world that is experiencing greatly increased stress."

I wholeheartedly concur in Chairman Greenspan's analysis. And that is why I believe it is necessary for us to look closely and seriously at our current economic policies so that we can face coming economic uncertainties from a position of strength. We must, in my view, address a number of problems in current policy, lest they undermine continued economic growth and prosperity.

To begin with, Mr. President, we should consider the current state of our monetary policy. The Fed's recent quarter point cut in the federal funds (or overnight lending) rate was followed by a significant drop in the stock market. A number of analysts have observed that this may have been caused by investors' conviction that, even with the cut, short term interest rates remain too high, and that the Federal Reserve should seriously consider cutting them further.

The fed funds rate remained at 5.5 percent for two and a half years despite a drop in inflation to 1.7 percent. Even at its current 5.25 percent, the real, after-inflation rate is about 3.5 percent—much higher for example than between 1992 and 1994, when it was only 0.6 percent.

Chairman Greenspan, along with former Chairman Paul Volcker, deserve great credit for reducing inflation through sound monetary policies. But real interest rates have remained high in the face of indications that we may be entering an era of deflation, and this cannot continue if we are to maintain price stability and a strong economy.

Gold prices have fallen by more than 30 percent since early 1996. Commodity prices have fallen to 21 year lows. Corporate profits have declined on a year-over-year basis for the first time in a decade. Farm prices are plummeting.

What is more, Mr. President, a number of economies in recent months have experienced significant currency devaluations. These devaluations have produced increasing demands for U.S. dollars. But, by keeping short term interest rates high, the Fed has refused to supply these dollars, precipitating a liquidity crisis around the globe.

I firmly believe that the best environment for business, workers, and consumers is one of price stability. Price stability allows for accurate planning and investment over the long term. But price stability requires that we avoid both extremes, of deflation as well as inflation.

Monetary policy is a matter for Alan Greenspan and his colleagues at the Federal Reserve. But it is my hope that they will examine the overall economic picture and conclude that it is time to lower interest rates in the interests of long term price stability and global economic growth.

We should not look solely to the Fed, however, in seeking to ensure prosperity for the future. In addition to excessively tight monetary policy, the American economy and the American people are being put at risk from too-tight fiscal policy. Specifically, Mr. President, the current high and rising federal tax burden is keeping the economy from reaching its full potential.

In 1997 federal taxes took 20 percent of the Gross Domestic Product of this country, the highest percentage since World War II. Federal taxes on the American people increased by almost a third in just four years—going up from $1.2 trillion in fiscal year 1993 to $1.6 trillion over the course of President Clinton's first term. In 1997 Americans paid 45 percent more in income taxes than they had in 1993. And, unless we act, this burden will increase. During the fourth quarter of 1997 federal receipts approached a record 22 percent of GDP.

Neither the American people nor the American economy can sustain this crushing tax burden. It discourages people from working, saving, investing, and engaging in the entrepreneurial activities that keep our economy growing. It must be lowered substantially, expeditiously, and in a way that encourages economic growth.

Early on in the next Congress, Mr. President, I believe we should seriously consider significant pro-growth tax cuts, including:

Using revenues from our budget surplus to save Social Security and encourage investment by lowering the payroll tax and allowing workers to put some of their own money in Personal Retirement Accounts.

Marriage penalty tax relief.

A capital gains tax rate reduction, perhaps to 15 percent as proposed by Majority Leader LOTT.

Estate tax relief.

Widening the current 15 percent income tax bracket to apply it to all middle class American families.

Expanding tax free savings accounts for education, health care, and retirement.

Reducing income tax rates across-the-board—perhaps up to 10 percent, and allowing businesses to more quickly write-off the costs for investment in plant and equipment. This pro-growth tax incentive would be especially beneficial to America's struggling manufacturing sector.

These tax suggestions are neither new nor radical, Mr. President. But it is time for us to implement them. They would spur savings and investment, and encourage work and entrepreneurial activity, assuring economic growth.

But they are not enough. Over the long term, Mr. President, we must move toward more fundamental tax reform. We need to design an income tax that applies a lower rate to income, reduces the current bias against saving and investment, lowers the tax burden on working families, simplifies the code, and reduces the cost of compliance. Only this kind of fairer, flatter, simpler and more investment-friendly tax system can give us the sound fiscal policy we need to build a bright, sustainable economic future.

Congress needs to institute other pro-growth reforms as well.

We must reform our tort system to lower the "tort tax" from frivolous lawsuits. The Rand Corporation recently reported that the average lawsuit costs a company $100,000. Thus even a frivolous lawsuit can put a small company out of business, and a good number of workers out of a job.

We need to institute serious cost-benefit analysis for federal regulations and federal unfunded, private sector mandates. Regulations cost our economy $647 billion per year, according to the GAO, and that is simply too much.

We have to do more to improve our children's education so that they can qualify for good paying jobs in our technological, information age economy.

We have to bring in a limited number of highly trained immigrants to fill some of the important positions our high-tech companies cannot currently fill and to help us solve the year 2000 or "Y2K" problem before it damages our economy.

And within the next few days the Senate will pass and President Clinton will sign the American Competitiveness and Workforce Enhancement Act. This legislation will increase the number of temporary high-tech visas and provide scholarships and job training so that more Americans can gain the skills necessary to fill these positions in the long term.

We also must continue to build on America's pro-free trade tradition—by extending fast track negotiating authority, and aggressively negotiating trade agreements that open markets for American products.

We must reform the lending policies of the International Monetary Fund. All too often, the Fund requires developing countries to raise taxes and devalue currencies as a condition for receiving loans. These anti-growth policies only worsen a developing country's economic and debt problems. The Fund should instead promote policies that spur economic growth in these countries—lower tax rates, free markets, the rule of law, and sound currencies.

In general, Mr. President, we must do more to encourage hard work and entrepreneurship so that all of us can benefit from the income and the jobs they create.

Through prudent steps ensuring price stability and reducing governmental burdens on the private sector, we can sustain economic growth for the foreseeable future. But the time to act is now. The warning signs are there for us to see. I hope we will not wait until it is too late.

I plan to work for pro-growth reforms whenever and wherever possible. I believe it is my duty to the people of Michigan, as it is our duty to the people of America, to safeguard their economic security by unleashing the entrepreneurial spirit that built this nation, and that can build a bright future of growth and opportunity.

I yield the floor.

Mr. LOTT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

INTERNET TAX FREEDOM ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 442, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 442) to establish national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exaction that would interfere with the free flow of commerce via the Internet, and for other purposes.

The Senate resumed consideration of the bill.

Mr. McCAIN. Mr. President, I ask unanimous consent it be in order for an amendment to be offered by Senator GRAHAM of Florida with a time of 30 minutes, 20 minutes on the side of the Senator from Florida, 10 minutes from the side managed by me.

Mr. GRAHAM. I would not object, but I add that there be no second-degree amendments.

The PRESIDING OFFICER. Without objection, so ordered.

AMENDMENT NO. 3729

(Purpose: To require a supermajority of both Houses to extend the moratorium)

Mr. GRAHAM. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 3729.

The amendment is as follows:

On page 176, between lines 15 and 16, insert:

(c) POINT OF ORDER.—It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report if such bill, resolution, amendment, or conference report would extend the moratorium under subsection (a). This point of order may only be waived or suspended by a vote of three-fifths of the Members, duly chosen and sworn.

Mr. GRAHAM. Mr. President, as the amendment clearly states, its purpose is to establish to the extent possible under our rules that the moratorium, whatever this body decides its initial length will be, will be that length and that we will not fall into a situation of a "fluid" moratorium, with efforts each year made to extend it further and further. This amendment does not go to the issue of what the length of the initial moratorium shall be.

The bill before the Senate today, which is the product of the Senate Finance Committee, provides for a 2-year moratorium. There are amendments filed which would extend that up to 5 or 6 years. There are no amendments filed which would reduce the period of the moratorium. So it is fair to suggest that we will be dealing with the moratorium of at least 2 years, possibly longer. The purpose of this amendment is to assure to the extent possible that once we have made that decision, that will be the decision.

The underlying premise of this bill is an unusual one for the U.S. Congress—not unique, but rarely used. That is, we are about to consider legislation which would preempt every State and every local government in this country, for a period of time, from exercising their otherwise legal powers relative to taxation on Internet access and transactions which are undertaken through the use of the Internet. While it is perfectly appropriate for Congress to decide that the Federal Government should not tax Internet access or Internet transactions, I am concerned we will face a proposal that tells States and local governments that they shall be denied the right to tax these transactions.

The argument which I find to have some merit is that it is appropriate we have a "pause," a period in which we can determine what is the appropriate means of taxing this new technology, and that during that pause there should be a prohibition on State and local governments imposing taxes on Internet access or Internet transactions. What I am concerned about is that that pause does not become a permanent slumber, an elongated sleep in which there is a prohibition on State and local government's ability to exercise what is their basic right under our constitutional allocation of responsibilities to raise those revenues necessary to support necessary government programs.

The Federal Government has on many occasions passed legislation which conditions the receipt of Federal funds. For instance, in the highway bills we have frequently required the States to undertake a certain set of actions, such as setting a speed limit or imposing the requirement of seatbelts or motorcycle helmets or some other item which the Federal Government felt was of sufficient import, that the ability of the State to receive its otherwise due allocation of Federal funds would be conditioned upon their adopting that policy. But in those cases, the States have a choice. If a State believes the Federal requirement is so onerous or so misguided that they will reject it, they can do so and accept the consequences of some reduction in their Federal funds.

What we are deciding here today is that the States do not have such an option. There will be a prohibition for the period of the moratorium on the State's ability to exercise their policy relative to the taxation of Internet access or Internet transactions.

What concerns me about this policy is its potential to "morph" from being a temporary pause to being a permanent prohibition. What are some of the risks that are involved in this? One of those risks is the unknown, the unknown potential of this new rapidly developing technology having implications to State and local governments which are beyond our current ability to comprehend.

As an example, there is an emerging technology—it is not new, it is in place but will probably become more prevalent—which is known as Internet telephony which is essentially where the Internet system substitutes for the normal local or long distance telephone lines as a means of transmitting telephone services. This system, which is currently in use on a limited basis, has the potential of being a very major competitor with the traditional ways in which telephone service has been delivered.

Probe Research, a telecommunications and data networking market research system, forecasts that the demand for Internet telephony will make these services add up to a $6.3 billion market by the year 2002. That is just some 3 years from now. At that point, according to Probe Research, Internet telephone and fax traffic will account for nearly 10 percent of total long distance traffic, a very significant high-growth industry.

What does this mean for State and local government? Telecommunications services and cable services are significant sources of revenue for State and local government. The Finance Committee bill, in fact, recognizes this by specifically preserving the Federal Government's taxing authority over many of these areas and preserving the taxing authority of State and local government for access to telephone and cable services.

Unfortunately, the bill is vague regarding the treatment of such new technologies as Internet telephony. While it specifically protects Federal revenue, it does not clarify that the moratorium does not apply to State and local governments with respect to Internet telephony. I use this example because it is one that is before the Senate, an example that the implications of allowing a specified moratorium to become a longer-term prohibition could have implications on State and local governments and on the fairness in the marketplace between competing forms of commercial transaction, telecommunications, and other aspects of our economy that will be affected that are beyond our ability to currently estimate.

A second risk is that this moratorium will become ingrained into the law. We have had multiple examples of where laws that were originally passed as temporary moratoriums, or as a temporary benefit, have become de facto permanent. In fact, before this session is over, we may be considering what is referred to as an extender law, which is to add additional months or years to a variety of tax benefits which were initially adopted to have a specified time to limited life. But once in place, once they have developed a political constituency, they have become, for all intents and purposes, permanent provisions in our Tax Code.

I am concerned that the same development of a political constituency that has gotten used to the fact that they didn't have to pay any tax for access, and particularly any tax on Internet transactions, will develop here and there and will be tremendous political pressure at the conclusion of this moratorium, whenever that might be, for its extension.

Next, the potential of a long-term moratorium merging into prohibition would create an imbalance on the commercial playing field. I could foresee what is happening in a limited form becoming more prevalent as retail stores begin to open a back office Internet sales shop in order to be able to participate in tax-free Internet sales. So what today is a relatively limited application has the potential of becoming a much larger threat to fairness and parity in the commercial marketplace and to a fundamental source of revenue for State and local government.

Finally, the potential of the specified moratorium being extended would delay or obviate the accomplishment of the very objective of having the moratorium in the first place, which is to direct a commission, representative of the various stakeholders in this issue, to sort out the conflicting theories and practices and give us a recommendation for some uniform, fair, nondiscriminatory Federal, State, and local policies, as it relates to the use of the Internet as a form of commerce.

So for all of those reasons, Mr. President, I am concerned, and I think our Members should be concerned, about the prospect of the moratorium, whatever length we finally decide is appropriate, becoming a permanent prohibition on the use of State governments and of their inherent powers relative to the Internet.

Finally, Mr. President, I think the period of time that is in the Senate finance bill and the period of time that is proposed in various amendments should be plenty to accomplish the objective of this study. We have had a number of recent commissions that have been given a specific time to accomplish their task.

Two or three years ago, the Congress established an Internal Revenue Reform Commission. It gave that commission 18 months to look at an agency as complex as the IRS. That commission actually completed its work in 15 months, made its report, and this year Congress used that report as the basis of probably the most sweeping reforms of the Internal Revenue Service in a generation.

Last year, we established a Medicare Commission to look at one of the most complicated, one of the most expensive, one of the most sensitive programs that the Federal Government operates, the program that finances the health care of some 35 million of our older citizens. We gave that commission 18 months in order to issue its report.

So I suggest that the 2 years that are in the Finance Committee recommendation are ample to carry out a much more focused study of the tax implications of the Internet and that we should take this step by adopting the amendment that I proposed to assure that this moratorium will not morph into a permanent prohibition.

Mr. President, the fundamental issue here is the issue that underlies this legislation, and that is the desire to have parity, equality, on the commercial playing field among all forms of sales, whether they be the Main Street seller or the remote seller or the cyberspace seller; second, to assure that the Federal Government will not unduly intrude into the areas of historic responsibility for State and local government. It is appropriate for us to attempt to establish some standards for uniformity of treatment and predictability of treatment. It is not appropriate for the Federal Government to preempt State and local governments from their ability to exercise what they think is appropriate tax policy for their citizens.

So the amendment would provide that once the moratorium has been completed, whatever its length, it would require a three-fifths vote of each House to extend that moratorium for a further period.

I reserve the remainder of my time.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

PRIVILEGE OF THE FLOOR

Mr. McCAIN. On behalf of Senator MACK, I ask unanimous consent that Elaine Petty and Nancy Segerdahl, legislative fellows in Senator MACK's office, be granted floor privileges during the week of October 5 for consideration of S. 1868, the International Religious Freedom Act of 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. GRAHAM. Mr. President, I ask unanimous consent that Mary Jo Catalano and Heather Landesman of my staff be granted floor privileges for the pendency of S. 442.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I urge my colleagues to oppose this amendment. It circumvents the legislative process by requiring a supermajority to extend the tax moratorium in the Internet Tax Freedom Act, it would bind the hands of future Congresses, and it would start setting a rather dangerous precedent.

Mr. President, the Senate has a supermajority mandate that applies to all legislation; it is called a filibuster. Requiring three-fifths of Congress to agree to adopt any future actions in this matter is unnecessary, when all legislation considered and passed by the Senate must essentially meet the test created by the filibuster.

This legislation before us, the Internet Tax Freedom Act, is an excellent example of the proper manner in which legislation makes its way to the Senate for full consideration and a final vote. This legislation has been fully considered by the Commerce Committee, referred to the Finance Committee, and Senator WYDEN and I have worked hard to address the concerns some Members have expressed.

S. 442 is before the Senate now, not because any extraordinary measures have been taken, but because the bill has undergone the legislative process as it was meant to function. This legislation is before the Senate today because the majority of Senators support it and a filibuster would have been defeated. There is no reason to institute a supermajority for future actions on this issue, as Congress is fully capable of addressing this issue under existing processes and procedures.

I yield to the Senator from Oregon such time as he may consume.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Mr. President, I strongly urge my colleagues to oppose this amendment. I think we are making substantial progress on this legislation. I believe that in a few minutes Senator McCAIN and I are going to accept something like seven or eight amendments that have been offered in an effort to try to bring the parties together, and I would like to see us continue to work in this spirit.

Mr. President, and colleagues, I introduced the Internet Tax Freedom Act in March of 1997. Since then, this measure has been one of the most hotly debated measures in this Congress—debated in both the Senate and the House of Representatives. Through the course of this year and a half discussion, never once has this idea been suggested—not in the House nor in the Senate. And the fact of the matter is we are still having important negotiations in order to get at the issue of how long the moratorium ought to be. We are anxious to involve the Senator from Florida in that effort. It would seem to me that our job—just as we have tried to do with the seven or eight amendments which Chairman McCAIN and I are going to accept in a few minutes—is to continue to do our work in good faith. The Senator from Florida knows that I have gone to considerable lengths to be supportive of his position with respect to what would be studied by the commission in an effort to be responsive to his concerns.

I would like to see us continue those discussions, both with respect to what the commission will study and how long the moratorium ought to be. When we arrive at that point, I and others believe that the commission will do a thoughtful and responsible job. We think they are going to work in good faith. If at any point they indicate that they are unwilling to pursue their duties in that kind of fashion, the U.S. Senate can get back at it.

I think it is important that the Senate reject this amendment and let us continue in the kind of spirit that Chairman McCAIN and I have shown with respect to the seven or eight amendments that are going to come up very shortly that we have agreed to accept, and let us get this bill on the President's desk.

The President of the United States is for this legislation, the majority leader of this body, TRENT LOTT, is for this legislation, and the minority leader, TOM DASCHLE, has said that he wants to see this bill enacted. I think it is important that we reject this amendment and move forward in good faith to work out the remaining issues.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes 55 seconds. The Senator from Arizona has 4 minutes 52 seconds.

Mr. GRAHAM. Mr. President, I also add my name to the list in favor of the residual purpose of this legislation, which is a pause of sufficient length to allow a serious study of the implications of Internet technology to be a party in the commercial marketplace, and the role of State and local taxation, as well as international and Federal taxation on this new technology. The purpose of that latter point is to achieve stability, predictability and uniformity in a way in which Internet transactions and access is treated and to avoid there being a discriminatory set of policies that are contrary to the development of their important new technology. I believe the Senate Finance Committee bill achieved that proper balance with a 2-year moratorium.

What I am concerned about and what this amendment goes to is for that brief pause not to become a permanent prohibition. For the reasons that I have already cited—the rapidly changing nature of this technology and its application, the potential for a constituency to develop that would convert temporary into permanent, the basic unfairness of having some forms of commerce subject to tax while others are given the benefit of a moratorium, the inappropriateness of the Federal Government preempting appropriate State and local judgments for protracted periods of time—all have led me to suggest that we should add to the 2-year moratorium, as it is currently written, an additional protection, and that is at the end of that moratorium, if there is a proposal to extend further, that it would take a 60-vote margin and an equivalent percentage of votes in the House of Representatives in order to do so.

That would give us some assurance that the objectives that are stated will be achieved, but that this will not become the camel's nose in the tent where eventually the whole body of the camel will be inside the tent. We would be in the position of a permanent prohibition on legal and appropriate policy decisions that have and should be made at the State and local level for the purposes of maintaining not only fair treatment in the marketplace but also the essential resources necessary for State and local governments to carry out their responsibilities in public safety, education and other critical areas.

Mr. President, I urge the adoption of this amendment, which I consider to be wholly consistent with the objectives of this legislation as stated by its sponsors.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Mr. President, I ask unanimous consent that the vote take place at 5 o'clock.

The PRESIDING OFFICER. Does the Senator from Florida yield back time?

Mr. GRAHAM. How much time do I have remaining?

The PRESIDING OFFICER. Two minutes 42 seconds.

Mr. GRAHAM. Mr. President, I reserve the remainder of my time.

Mr. McCAIN. I withdraw my unanimous consent request. I yield such time to the Senator from New Hampshire as he may consume.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. GREGG. Mr. President, I rise to support the position of the chairman of the committee on this issue in opposition to the Senator from Florida.

The proposal which the Senator from Florida is suggesting goes really to the essence of this debate, which is whether or not 30,000 municipalities and State agencies across this country are going to have the right to essentially assess taxes in an arbitrary way on one of the most dynamic vehicles of commerce that has never come forward in the experience of the world. The chaos which those 30,000 municipalities and State agencies would create should they be able to assess that type of taxation on the Internet would be overwhelming. It might totally defeat what has been one of the great engines of economic activity and prosperity which our Nation has enjoyed over the last few years.

It is not a unique situation. We can go all the way back to John Marshall to determine that the Congress has the right to make the decision on the issue of policy relative to taxation in commerce. It was, of course, Chief Justice Marshall who determined that when a ferry was crossing a river between two States that that ferry could not be taxed by the local State if it was going to interfere with interstate commerce.

This concept has carried through our jurisprudence since that time—that the Federal Government reserves the unique right to determine the taxation of commerce.

There is no reason why we should arbitrarily handicap ourselves by creating a supermajority within our own institution to exercise that right, which is what the Senator from Florida is proposing.

Let's continue the policies which have done us so well in the area of tax policy for the last 200 years, which is a majority of the Congress to make a decision as to what tax policy shall be in international trade. Let's not create some artificial barrier for us to jump over as an institution as we try to deal with what is a tremendous real ferry that may be created by having 30,000 municipalities and State agencies across the country assess taxes against the Internet.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield 2 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I may not need the entire 2 minutes, but I rise in support of the amendment offered by the Senator from Florida.

This issue is relatively simple. The whole purpose of a moratorium is to take kind of a time-out and establish a commission and review a series of these issues. But all of us here know how difficult it is going to be when this moratorium, whatever it is, is to expire. We will have people coming here saying this needs to be a perpetual thing; we will continue the moratorium year after year after year. I want this piece of legislation with its moratorium to represent that time-out; to give this country time to make the right decisions. But at that point I want the decisions to be made, and I want the moratorium to be gone. That is what the Senator from Florida is saying. It is a very important amendment.

I hope my colleagues will support this amendment so that we will comply with what I think the true spirit of this legislation really is—a time-out for thoughtful decisions to be made and then business as usual. We don't want permanent preemption of the State's tax base. That is what will happen if we don't decide now that this moratorium will be—whatever it is. I hope it is 3 years.

Mr. GREGG. Will the Senator yield?

Mr. DORGAN. If I have time, I am happy to yield. Of course.

Mr. GREGG. Wouldn't the business as usual be that the majority would take action rather than having a supermajority take place?

Mr. DORGAN. The Senator misunderstood my business-as-usual comment. I was talking about the business as usual allowing a State to describe its own tax base in a fair and thoughtful manner. My fear is that this moratorium will continue forever, unless it becomes what we think it should become—a time-out to make decisions, and then move on.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes 5 seconds.

Mr. McCAIN. I yield the remainder of my time.

The PRESIDING OFFICER. Does the Senator yield the remainder of his time, 29 seconds?

Mr. GRAHAM. I yield the remainder of my time.

Mr. McCAIN. Mr. President, I move to table the Graham amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arizona. The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from New York (Mr. MOYNIHAN), are necessarily absent.

The result was announced—yeas 83, nays 15, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—83

Abraham
Akaka
Allard
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Brownback
Bryan
Burns
Cambell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Durbin
Enzi
Faircloth
Feingold
Feinstein
Frist
Gramm
Grams
Grassley
Gregg
Hagel
Harkin
Hatch
Helms
Hutchinson
Hutchison
Inouye
Jeffords
Johnson
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Murkowski
Murray
Nickles
Reed
Reid
Robb
Roberts
Rockefeller
Roth
Santorum
Sarbanes
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—15

Breaux
Bumpers
Byrd
Cleland
Conrad
Dorgan
Ford
Gorton
Graham
Hollings
Inhofe
Kennedy
Landrieu
Levin
Wellstone

NOT VOTING—2

Glenn
Moynihan

The motion to lay on the table the amendment (No. 3729) was agreed to.

Mr. McCAIN. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCAIN. Mr. President, I ask unanimous consent there now be a period of morning business, with Senators permitted to speak up to 5 minutes each until 6:30 p.m.

Mr. BUMPERS. I object.

Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The Senator from Arizona has the floor.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCAIN. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I ask unanimous consent the Senate now move to a Bumper's amendment, with 10 minutes equally divided on either side, followed by a rollcall vote if the Senator from Arkansas wants it; I will make a motion to table; following that, that the Senate then go into morning business, with Senators permitted to speak up to 5 minutes each until 6:30 p.m.

Mr. BUMPERS. I add to that, no second-degree amendments be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3742

(Purpose: To require persons selling tangible personal property via the Internet to disclose to purchasers that they may be subject to State and local sales and use taxes on the purchases)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, and Mr. GRAHAM, proposes an amendment numbered 3742.

Mr. BUMPERS. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new title:

TITLE —CONSUMER PROTECTION TAX DISCLOSURE

SEC. . DISCLOSURE REQUIREMENT.

(a) DISCLOSURE REQUIREMENT.—Any person selling tangible personal property via the Internet who—

(1) delivers such property, or causes such property to be delivered, to a person in another State, and

(2) does not collect and remit all applicable State and local sales taxes pertaining to the sale and use of such property.

shall prominently display the notice described in subsection (b) on every other form available to a purchaser or prospective purchaser.

(b) DISCLOSURE NOTICE.—The notice described in this subsection is as follows:

"NOTICE REGARDING TAXES: You may be required by your State or local government to pay sales or use tax on this purchase. Such taxes are imposed in most States. Failure to pay such taxes could result in civil or criminal penalties. For information on your tax obligations, contact your State taxation department."

(c) REGULATORY AUTHORITY.—The Secretary of Commerce shall issue and enforce such regulations as are necessary to ensure compliance with this section, including regulations as to what constitutes prominently displaying a notice.

SEC. . PENALTIES.

Any person who willfully fails to include any notice under section ___ shall be fined not more than $100 for each such failure.

SEC. . DEFINITIONS.

For purposes of this title—

(1) the term "use tax" means a tax imposed on or incident to the use, storage, consumption, distribution, or other use within a State or local jurisdiction or other area of a State, of tangible personal property,

(2) the term "local sales tax" means a sales tax imposed in a local jurisdiction or area of a State and includes, but is not limited to—

(A) a sales tax or in-lieu fee imposed in a local jurisdiction or area of a State by the State on behalf of such jurisdiction or area, and

(B) a sales tax imposed by a local jurisdiction or other State-authorized entity pursuant to the authority of State law, local law, or both,

(3) the term "person" means an individual, a trust, estate, partnership, society, association, company (including a limited liability company), or corporation, whether or not acting in a fiduciary or representative capacity, and any combination thereof,

(4) the term "sales tax" means a tax, including use tax, that is—

(A) imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property as may be defined or specified under the laws imposing such tax, and

(B) measured by the amount of the sale price, cost, charge, or other value of or for such property, and

(5) the term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. . EFFECTIVE DATE.

This title shall take effect 180 days after the date of enactment of this Act. In no event shall this Act apply to any sale occurring before such effective date.

Mr. BUMPERS. Mr. President, this is a very simple amendment. Forty-five States have sales and use taxes on sales of merchandise coming into their State from another State. The problem is, they can't collect it because the people who are buying the merchandise don't know that there is a sales tax on the goods coming in. I think Maine collects about $1 million, and that is probably as much as any State collects.

People are always getting rude surprises. All of a sudden somebody knocks on the door and they say, "We saw where you just bought $50,000 worth of furniture from North Carolina. You owe sales tax." They say, "The ad said no sales tax." "I don't care what the ad says. There is a North Carolina sales tax on merchandise brought in from out of State."

My amendment says on Internet sales, if you sell into a State, you must notify people with a short notice that simply says, "This merchandise may be subject to a sales or use tax in your State." You could be subject to a civil penalty or a criminal penalty—something like 100 bucks. If you want to check, you should check with your local revenue department to determine whether or not your State has a tax.

I want every Member in this body to ask this question: Why would you vote against this when your legislature has specifically provided that sale of goods from across the State lines are taxable? If you say they are not taxable, you are flying right into the face of the will of the people in your State who said they should be.

All I am saying, people should not be misled and should be told that when they buy this merchandise it may be subject to a sales or use tax. It is just that simple. Why wouldn't you? If your State is one of the 45 States that have a tax, why would you not want a company selling goods on the Internet—not mail-order houses on the Internet—why would you not want to tell the customer he may be subject to it, instead of him getting a rude surprise and some auditor knocking on his door?

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

I strongly oppose this amendment. This amendment specifically singles out those who sell goods over the Internet for discrimination. It applies to one class of people and that is those who sell goods on the Internet. The amendment would impose on those sellers of goods on the Internet a new requirement that would not be imposed on someone who sells goods over the phone or someone who mails the goods when they get a check.

Now, let's picture the kind of person who is going to be hurt by this amendment. My State, the State of the Presiding Officer of the Senate, has 100,000 home-based businesses. These are some of the most exciting businesses in the country coming up with new products. They are small. They are entrepreneurial. If this amendment passes, those 100,000 home-based businesses in Oregon—and there are thousands and thousands of other home-based businesses across the country in States that we all represent—they, and only they, will be subject to this new requirement.

This amendment seeks to do what the Internet tax freedom bill seeks to prevent. Our legislation is about technological neutrality. We should treat the Internet like we treat everything else. It shouldn't get a preference. It shouldn't be discriminated against. But if you read section (a) of this amendment, you will see that it applies requirements to one class of people, and one class of people only. Those are individuals who sell goods over the Internet.

This is discriminatory. This does what our legislation seeks to prevent. Those who vote for the amendment, in my view, in this Senator's view, are fostering the kind of policy that is going to lead to selective and discriminatory activity against those who sell goods through the World Wide Web.

I yield back my time, Mr. President.

Mr. BUMPERS. Mr. President, I ask unanimous consent that my amendment be expanded to include mail-order catalog sales.

The PRESIDING OFFICER. Is there an objection?

Mr. GREGG. I object.

Mr. BUMPERS. The reason there is an objection is because the Senator from New Hampshire and the Senator from Oregon do not come from the 45 States that have sales taxes.

They are opposed to this because their State is not one of the 45 States that do have a sales or use tax. Secondly, the unanimous consent agreement limits amendments to relevant amendments. If you put mail-order catalog sales in, it is not relevant. That is the reason I confined it to the Internet and asked consent to extend it. That is the reason they objected. They don't have to face a legislature or people back home who passed a sales or use tax on Internet sales coming in from out of State, because their States don't have a sales or use tax. My State does have that use tax, and we would like to collect it. Your revenue departments and your Governors would like to collect it, too.

All I am saying is, Internet sales simply ought to state a simple thing—that the goods you are buying could be subject to a use or sales tax in your State; if you want to know whether it does or not, contact your local revenue department. What is wrong with that? Who can oppose that? The taxes have already been passed by the legislature. It is just that they can't collect it unless they stand at the border and intercept every piece of merchandise that comes through the mail or on the highway. They can't do it.

So all I am saying is, if these 45 States have seen fit to levy taxes on out-of-State sales to make the playing field a little more level with the main street merchants, we ought to give them such help as we can. I am saying they ought to at least advise these people that these purchases might be subject to a use or sales tax.

Mr. President, I am prepared to yield back the remainder of my time if everybody else is, and we will go to a vote.

Mr. GREGG. Mr. President, I move to table the amendment of the Senator from Arkansas and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Arkansas. The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 300 Leg.]

YEAS—71

Abraham
Akaka
Allard
Ashcroft
Baucus
Biden
Bingaman
Bond
Boxer
Brownback
Burns
Campbell
Chafee
Coats
Cochran
Collins
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Enzi
Faircloth
Feinstein
Frist
Gramm
Grams
Grassley
Gregg
Hagel
Hatch
Helms
Hutchinson
Hutchison
Jeffords
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Murkowski
Murray
Nickles
Reid
Robb
Roberts
Roth
Santorum
Sessions
Shelby
Smith (NH)
Smith (OR)
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Torricelli
Warner
Wyden

NAYS—27

Bennett
Breaux
Bryan
Bumpers
Byrd
Cleland
Conrad
Daschle
Dorgan
Durbin
Feingold
Ford
Gorton
Graham
Harkin
Hollings
Inhofe
Inouye
Johnson
Kennedy
Landrieu
Levin
Mikulski
Reed
Rockefeller
Sarbanes
Wellstone

NOT VOTING—2

Glenn
Moynihan

The motion to lay on the table the amendment (No. 3742) was agreed to.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Arizona.

UNANIMOUS CONSENT AGREEMENT

Mr. McCAIN. Madam President, I ask unanimous consent that the Senate remain on S. 442 for the purposes of offering a nonrelevant amendment that has been agreed to by both sides, that the amendment be immediately agreed to, and that the Senate return to morning business under the previous order, except that the time be until 7:30 instead of 6:30, with no intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Madam President, reserving the right to object. I will not object. My understanding is the amendment that is to be offered has been cleared with the authorizing committee, and we have no problem with the amendment.

Mr. BYRD. Madam President, reserving the right to object.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. I have no intention of objecting. I merely want a little clarification on the time. Will that mean we have to wait until 7:30 and then may have a rollcall vote or so after that?

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Madam President, it is my understanding that there will not be the likelihood of further votes, but we will have to clear that with the majority leader.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Madam President, who has the floor? The Senator from Arizona?

Mr. McCAIN. I yield the floor.

Mr. LOTT. We are trying to get final clearance on the antinepotism bill. We think there is a probability that we would not have to have a recorded vote. But that is what we are trying to do right now; we are trying to make sure everybody is satisfied with that. If we could get that cleared, move it on a voice vote, then we would have no further recorded votes tonight. We are not able to announce it at this moment, but we believe within the next 5 or 10 minutes we will be able to make that clear.

I see the Senator from Vermont just came on the floor. He was one of the ones we were wanting to get some information from about the antinepotism bill, being able to take it up, and whether or not a recorded vote was going to be necessary on that.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, I tell my friend from Mississippi, we discussed, last night, what we were trying to do, as he knows. The Senator from Arizona has been most helpful in trying to help this along, to get the antinepotism bill up, but also have the time to do the Fletcher nomination.

What I understand the Senator from Mississippi and the Senator from Arizona want to do is to get something locked in so we can take care of both those.

There were some who wanted a rollcall vote on the nepotism bill. Is the distinguished leader saying it would be easier for his scheduling if there was not one? I came to this conversation late; I apologize.

Mr. LOTT. I believe it will be better from a scheduling standpoint; therefore, we can advise Members what they can expect for the remainder of the evening and we can get this legislation completed. Then we will be able to go to the Fletcher nomination tomorrow.

Mr. LEAHY. I ask my good friend, the distinguished leader—and we have been friends for a long time—do I detect a hint in that suggestion of being able to tell Members there may not be further votes if we voice vote the nepotism bill?

Mr. LOTT. That was very much an implied hint.

Mr. LEAHY. I think I can tell my friend from Mississippi we can overcome those who are requesting a rollcall vote on this side. But we do want a specific time for a vote on the Fletcher nomination, and I rely on the distinguished leader to work this to a time convenient for scheduling. It is, of course, with the understanding that there will be a time set down for a vote on Mr. Fletcher that we would be able to reach an agreement.

Mr. LOTT. That is my intent, and, as the Senator knows, I had made a commitment earlier we were going to do that. I will keep that commitment. It is my intent to have that vote tomorrow, or the next day at the latest. We will have a vote on that nomination.

I thank Senator KYL also for his effort. I say to all Members, if they will bear with us just another 5 or 10 minutes, we will be able to make it official that we won't have a recorded vote.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Madam President, I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3743

(Purpose: To provide support for certain institutes and schools)

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. FRIST, for himself, Mr. THOMPSON, Mr. DEWINE, Mr. JEFFORDS, Mr. SMITH of Oregon and Mr. WYDEN proposes an amendment numbered 3743.

Mr. MCCAIN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. MCCAIN. Madam President, I ask unanimous consent to add Senator SMITH of Oregon and Senator WYDEN as original cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. Madam President, I ask unanimous consent that Senators GREGG and LIEBERMAN be considered original cosponsors of amendment No. 3722.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3743) was agreed to.

Mr. MCCAIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. MCCAIN. Madam President, according to the previous order, we are in a period for morning business.

The PRESIDING OFFICER. That is correct.

Mr. MCCAIN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—S. 1892

Mr. LOTT. Madam President, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to Calendar No. 381, S. 1892, which is the antinepotism language with regard to judicial appointments, under the following limitations: No amendments in order to the bill, and debate limited on the bill to 15 minutes under the control of Senator KYL and 30 minutes under the control of Senator LEAHY or his designee.

I further ask unanimous consent that following the expiration or yielding back of any debate time, the bill be read the third time and the Senate proceed to a vote on passage, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR

Mr. LOTT. Madam President, as in executive session, I ask unanimous consent that the majority leader shall, no later than the close of business Thursday, October 8, proceed to executive session for the consideration of Executive Calendar No. 619, the nomination of William Fletcher. I further ask consent there be 90 minutes equally divided between the proponents and opponents of the nomination. I further ask consent that following that debate time, the Senate proceed to a vote on the confirmation of the nomination and, immediately following that vote, Executive Calendar Nos. 803, 804, and 808—that is, H. Dean Buttram, to be U.S. District Judge for the Northern District of Alabama; Inge Johnson, also to be a U.S. District Judge for the Northern District of Alabama; and Robert Bruce King, to be a U.S. Circuit Judge for the Fourth Circuit of West Virginia—and that they be confirmed, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

Mr. LEAHY. Reserving the right to object. Would the majority leader consider amending that to add that if he were to bring these up on Wednesday—I know the agreement says no later than Thursday—but if he were to bring it up on Wednesday, that would be notwithstanding the provisions of Rule XXII.

Mr. LOTT. I don't see any problem with that. I believe we probably should have asked that. I will amend it to include that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, to clarify, we will have not more than 45 minutes of debate on the anti-nepotism bill. There will not be a recorded vote on that, and then not later than Thursday—but hopefully Wednesday—we can move these judicial nominations—the three I mentioned, plus William Fletcher of the Ninth Circuit court. So we have had the last vote for the day, and we will have this debate and perhaps some other wrap-up business. But there will be no further recorded votes during the day.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. KYL. Madam President, might I inquire, is it appropriate to begin debate on the subject of the unanimous consent request, S. 1892? And is it correct that the time would be under my control and then Senator LEAHY would have time on the other side?

The PRESIDING OFFICER. Yes, that's the order.

JUDICIAL ANTINEPOTISM ACT

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1892) to provide that a person closely related to a judge of a court exercising judicial power under article III of the United States Constitution (other than the Supreme Court) may not be appointed as a judge of the same court, and for other purposes.

The Senate proceeded to consider the bill.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, let me thank Senator LEAHY for his cooperation in allowing us to get this bill up at this time and deal with it in an expedited fashion. I will describe briefly the reason for the legislation, what it does. I will ask unanimous consent to submit further remarks for the RECORD.

Under existing law, section 458 of title 28 of the U.S. Code reads: "No person shall be appointed to, or employed in, any office or duty in any court who is related by affinity or consanguinity within the degree of first cousin to any justice or judge of such court."

I will read the words that pertain to judges: "no person shall be appointed . . . to any court who is related . . . to any justice or judge of such court." That language seems pretty straightforward on its face—that you can't have relations on the same court, nominated by the President or appointed by the Senate. Notwithstanding that relatively clear language, there has arisen a controversy over whether it means what I suggest it says. The administration has actually interpreted it in a way that could mean that it applies only to employees of the court, not to judges of the court themselves.

This bill clarifies that it applies to both, which I think was both the original intent and the best public policy. I note that the issue has arisen because of the nomination of Professor Fletcher to be a judge on the Ninth Circuit, since his mother sits on the circuit currently. Frankly, most people were not aware of the statute, Madam President. But, in my view, we should not do something that is not permitted under the law. Therefore, while I acknowledge that the administration has raised a question about the interpretation of the statute, I think the statute is pretty clear. This bill makes it crystal clear that it applies to both employees of the court and judges of the court.

In effect, what the legislation would do is to say that on the same court, like the same circuit or the same district court, you would not be able to have a father and son, two brothers, two sisters, that sort of thing. But you could have people related on different circuits or different Federal district courts. For example, you could have a brother in the Fifth Circuit and a brother in the Second Circuit. You could have two sisters serving in different circuits or different districts in the State of Maine, or of the State of Pennsylvania, or of the State of Vermont. But you would not be able to have two close relatives in the very same court.

The public policy reasons for that are fairly obvious. When a litigant is before the court, the litigant wants to know that he or she is being treated fairly. When a relative who is that close to a judge that may have decided a case on a panel of judges is then being called upon to review the decision of that close relative, the litigant clearly is going to have a question as to whether his or her case can be treated fairly. Here is an example: A circuit court judge sits on a panel of three judges who decide against a plaintiff. That case is then given to the en banc panel of the circuit court in which the father, or the brother, or the sister of that judge is also a member of the panel; the litigant might well be a little skeptical that the brother, sister, father, or whoever it is, is going to be treating him fairly, given the fact that the question is whether or not he will overturn the decision of his brother, or his son, or whoever the relative is.

So it is historic that we have tried to avoid that kind of conflict of interest. In most cases, it can be avoided. The kinds of situations in which this will arise are very rare. But since it has arisen in the context of this particular nominee, and since we think we can make the statute crystal clear to apply to both judges and employees, it seemed like a good thing to do.

I have two final points. One, this does not apply to the U.S. Supreme Court. Constitutionally, we have the ability to set the criteria or qualifications for circuit and district courts, but we don't have that ability for the Supreme Court. That is fixed in the Constitution. We could not apply it there.

Secondly, it only applies to nominations made after the effective date of the statute. For those interested in the nomination of Professor Fletcher, this statute or change would not adversely affect his nomination or confirmation by the Senate.

With that explanation, I yield to Senator LEAHY for such comment as he may want to make. I know he is in opposition to the bill.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. I thank my friend from Arizona. As he knows, I have opposition to this bill coming forward. I am not in favor of the bill. It will pass, I understand, but I am not in favor of it. I know of no problem created by the appointment of judges who are from the same family. Indeed, the three historical example of which I am aware lead me to the opposite conclusion. Justice David Brewer served with his uncle Justice Stephen Field on the United States Supreme Court after being appointed by President Harrison in 1890. Learned and his cousin Augustus Hand served together in the Southern District of New York and on the Court of Appeals for the Second Circuit. Richard and Morris Arnold are brothers currently serving on the Court of Appeals for the Eighth Circuit. All served with distinction.

I do not know why the country should be deprived of the judgment and wisdom of someone because a relative proceeded him or her to the bench. We have had relatives serve simultaneously in government before and now. Should one of the LEVIN brothers or HUTCHINSON brothers not serve in Congress? Should one of the Breyer brothers be barred from the federal bench? For that matter, should federal judges be prohibited who are related to Senators who recommend them to the President and then voted for their confirmation?

I believe that S. 1892 is an unnecessary and unwise bill. Moreover, it could lead to appointment barriers against daughters and nieces of current judges. With people living longer and women as well as men having been practicing law and entered public service in the last decades, I fear that the prohibition envisioned by the bill will serve as yet another barrier to keep qualified women from being appointed to the bench. This may be an unintentional consequence of the bill, but a likely consequence nonetheless.

Senator KYL's bill is intended to do what section 458 of title 28, United States Code, does not; namely, prohibit the appointment to a federal court of a relative of a judge already serving on that court. The bill would amend the law to add a prohibition against the appointment of a person to a federal court on which a first cousin or closer relative of that nominee was an active or senior judge.

In 1914 President Woodrow Wilson appointed Augustus Hand to the United States District Court for the Southern District of New York where he joined his distinguished first cousin and close friend Judge Learned Hand. In 1927, President Calvin Coolidge elevated Judge Augustus Hand to the United States Court of Appeals for the Second Circuit, where he rejoined his cousin Judge Learned Hand, who had been elevated three years before. Had the Kyl bill been in force, neither of these appointments would have been in accordance with law.

The service of the Hand cousins on the Second Circuit was central to the development of the law in our Circuit and to its reputation as the finest federal appellate court in the country.

More recently, just six years ago in 1992, President George Bush appointed Judge Morris Arnold to the United States Court of Appeals for the Sixth Circuit, where he joined his brother Judge Richard Arnold on that court. In our confirmation proceedings, a number of Senators commented favorably on the fact that Judge Arnold was joining his distinguished brother.

When it was a brother being nominated by a Republican President, the familial relationship was seen as a plus, a benefit for the public. Now that we have a Democratic President nominating a son to join a bench that has included his mother, a new danger of possible appearance of conflict of interest is being conjured up as an excuse to delay and oppose confirmation of a distinguished scholar and decent person.

I worry that we are raising something that we don't need to raise. I realize this affects Professor Fletcher's appointment. But I think we may have legislated beyond where we need to legislate.

There are problems with the appointment of judges to the federal judiciary, but nepotism in the appointment of judges does not appear to be one of them. After all, it is the President who nominates and the Senate that consents. If we really wanted to do something about the evils of nepotism, we would prohibit Presidents from nominating their relatives or the Senate from confirming theirs. Other judges, relatives or not, do not have a role in the appointment process.

The bigger problem with respect to the judiciary is the assault on the judiciary by the Republican majority and its unwillingness to work to fill longstanding vacancies with the qualified people being nominated by the President. Professor Fletcher's nomination has been a casualty of the Republican majority's efforts. Forty-one months and two confirmation hearings have not been enough time and examination to bring the Fletcher nomination to a vote.

Professor Fletcher is a fine person and an outstanding nominee has had to endure years of delay and demagoguery as some choose to play politics with our independent judiciary. The Ninth Circuit continues to function with multiple vacancies among its authorized judgeships, although we have five nominees to the Ninth Circuit pending before the Senate for periods ranging from four to 41 months. Two await hearings, one awaits a Committee vote, and two have been on the Senate calendar awaiting final action for many months.

This is too reminiscent of the government shutdown only a couple of years ago and the numerous times of late when the Republican congressional leadership has recessed without completing work on emergency supplemental and disaster relief legislation, on the federal budget, campaign finance reform, comprehensive tobacco legislation, the patient bill of rights and HMO reform.

In his most recent Report on the Judiciary the Chief Justice of the United States Supreme Court warned that vacancies would harm the administration of justice. The Chief Justice of the United States Supreme Court pointedly declared: "Vacancies cannot remain at such high levels indefinitely without eroding the quality of justice that traditionally has been associated with the federal judiciary."

Once this bill is acted upon by the Senate, the Senate will finally be allowed to turn its attention to the longstanding nomination of Professor Fletcher. I have said from the outset of Senator KYL's effort that I would not hold up consideration of his bill but that I wanted an opportunity to note my opposition to it and to vote against it. Indeed, it was Senator KYL who held his bill over for a week before it was considered before the Judiciary Committee.

Despite the Committee reporting of the bill on May 21, 1998, the majority did not propose consideration of S. 1892 until Monday of this week, October 5, 1998. I responded without delay that I was prepared, as I had been all along, to enter into a short time agreement to be followed by a vote on the bill. Consistent with that undertaking I have noted my opposition and am prepared to vote.

Madam President, I am willing to yield the remainder of the time and go to a vote.

Mr. KYL. Madam President, I am happy to yield the remainder of my time and am prepared to vote.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1892) was ordered to be engrossed for a third reading, was read the third time, and passed as follows:

S. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION ON CLOSELY RELATED PERSONS SERVING AS FEDERAL JUDGES ON THE SAME COURT.

(a) IN GENERAL.—Section 458 of title 28, United States Code, is amended—

(1) by inserting "(a)(1)" before "No person"; and

(2) by adding at the end the following:

"(2) With respect to the appointment of a judge of a court exercising judicial power under article III of the United States Constitution (other than the Supreme Court), subsection (b) shall apply in lieu of this subsection.

"(b)(1) In this subsection, the term—

"(A) 'same court' means—

"(i) in the case of a district court, the court of a single judicial district; and

"(ii) in the case of a court of appeals, the court of appeals of a single circuit; and

"(B) 'member'—

"(i) means an active judge or a judge retired in senior status under section 371(b); and

"(ii) shall not include a retired judge, except as described under clause (i).

"(2) No person may be appointed to the position of judge of a court exercising judicial power under article III of the United States Constitution (other than the Supreme Court) who is related by affinity or consanguinity within the degree of first cousin to any judge who is a member of the same court.".

(b) EFFECTIVE DATE.—This Act shall take effect on the date of enactment of this Act and shall apply only to any individual whose nomination is submitted to the Senate on or after such date.

Mr. KYL. Madam President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Ms. SNOWE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ALLARD). Without objection, it is so ordered.

SECTION 371 OF THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. GRASSLEY. Mr. President, I would like to take a moment to clarify one section of the Strom Thurmond National Defense Authorization Act with my colleague, Senator THURMOND.

I want to clarify further the intent of the language in section 371. This section deals with the ability of the children of U.S. Customs employees living in Puerto Rico to attend the Department of Defense school in Puerto Rico. It is my understanding that the Customs Service will not be required to reimburse the Department of Defense for the cost of dependents attending the DOD school in Puerto Rico. Is this the Senator's understanding?

Mr. THURMOND. I appreciate the opportunity to clarify the intent of this provision. The Conference Report authorizes children of Customs Service employees to attend the Department of Defense school in Puerto Rico during the period of their assignment in Puerto Rico. Our intent was to remove the five-year limit on the eligibility for children of non-Department of Defense personnel to attend the DOD school in Puerto Rico since Customs employees are routinely stationed in locations like Puerto Rico longer than five years. The provision does not require the Customs Service to pay tuition costs for these children to attend the DOD school; however, the Secertary of Defense may work with the Secretary of the Treasury to provide reimbursement for the tuition costs for children of Customs Service employees.

Mr. GRASSLEY. That was my understanding as well. I would like to make one additional point which I believe you just made in your comments. I understand that the intention of the Conference was that the children of all Customs Service employees would be eligible to attend the DOD school in Puerto Rico. The Conferees did not intend to limit this eligibility to a single category of Customs Service employee. The Statement of Managers language in the Conference Report refers to Customs Agents. Some may interpret this to mean that only children of agents were eligible to attend the DOD school.

Mr. THURMOND. The Senator is correct in pointing this out. The term "agent" in the Statement of Managers is not used in the technical sense, but was intended to be a generic reference to all Customs Service employees stationed in Puerto Rico.

Mr. GRASSLEY. I thank my colleague for clarifying the intent of this provision.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, October 5, 1998, the federal debt stood at $5,527,218,225,445.49 (Five trillion, five hundred twenty-seven billion, two hundred eighteen million, two hundred twenty-five thousand, four hundred forty-five dollars and forty-nine cents).

Five years ago, October 5, 1993, the federal debt stood at $4,407,913,000,000 (Four trillion, four hundred seven billion, nine hundred thirteen million).

Ten years ago, October 5, 1988, the federal debt stood at $2,621,612,000,000 (Two trillion, six hundred twenty-one billion, six hundred twelve million).

Fifteen years ago, October 5, 1983, the federal debt stood at $1,385,519,000,000 (One trillion, three hundred eighty-five billion, five hundred nineteen million).

Twenty-five years ago, October 5, 1973, the federal debt stood at

$458,006,000,000 (Four hundred fifty-eight billion, six million) which reflects a debt increase of more than $5 trillion—$5,069,212,225,445.49 (Five trillion, sixty-nine billion, two hundred twelve million, two hundred twenty-five thousand, four hundred forty-five dollars and forty-nine cents) during the past 25 years.

NATIONAL HISTORIC SITE STUDY ACT OF 1998

Mr. CAMPBELL. Mr. President, Tuesday, October 6, 1998, will always hold a spot dear to my heart. I hope that today will also be dear to the hearts of the Cheyenne and Arapaho people, dear to Coloradans, and dear to Americans everywhere.

Today, S. 1695, the Sand Creek Massacre National Historic Site Study Act of 1998, a bill I was proud to introduce, was signed into law at a special White House ceremony. Under this new law, our nation takes a major step toward honoring the memory of the many innocent Cheyenne and Arapahoe people massacred there by instructing the National Park Service to locate the site of the Sand Creek Massacre once and for all.

Somewhere along the banks of Sand Creek in Southeastern Colorado is a killing field where many innocent Cheyenne and Arapaho, many of my ancestors, fell on the cold morning of November 29, 1864. On that day, in the month known by the Cheyenne and Arapaho people as the Month of the Freezing Moon, this ground was sanctified when the blood of hundreds of innocent Cheyenne and Arapaho women, children and elderly noncombatants was needlessly and brutally spilt.

Once this sacred ground is located, I hope it will be acquired and preserved with honor and dignity and in a way that takes into account the concerns of the Cheyenne and Arapaho decedents of those who died there. This ground should also be open to all people as a reminder of the national tragedy that occurred at Sand Creek.

On this special day, I would like to take a moment to thank a few people who helped S. 1695 become law. I want to thank my colleague from Colorado, Congressman BOB SCHAFFER, who introduced the companion bill and shepherded this legislation through the House of Representatives. I also want to thank Senator CRAIG THOMAS, who as the Chairman of the National Parks Subcommittee, was gracious and helpful in getting this bill through the Senate.

I especially want to thank my friends William Walksalong, Steve Brady and Laird Cometsevah, who all spoke with such eloquence as witnesses during the March 24th, 1998, hearing on S. 1695, that many in the room, including myself, were deeply moved. I also want to thank LaForce Lonebear who sent in his testimony even though he could not attend the hearing. Finally, I want to thank David Halaas of the Colorado State Historical Society and Roger Walke of the Congressional Research Service for their dedication along the way.

Many of these and other friends joined me at the White House earlier today as S. 1695 was signed into law.

Finally, on this occasion I want to pay a long overdue tribute to one young Coloradan, Captain Silas S. Soule, whose actions over one hundred and thirty years ago saved many innocent Cheyenne and Arapaho lives on that fateful day at Sand Creek.

When Captain Soule, who was under Colonel Chivington's command, heard of Chivington's plan to attack a peaceful Cheyenne and Arapaho winter encampment at Sand Creek, he vigorously tried to persuade Chivington to abandon the plan. However, Colonel Chivington, who was known to say "Nits make Lice" as a justification for killing innocent Cheyenne and Arapaho women and children, could not be dissuaded.

When Chivington ordered his men to attack the peaceful Sand Creek encampment, the vast majority of which were women, children, and elderly noncombatants, Captain Soule steadfastly refused to order his Company to open fire. Captain Soule's refusal allowed many, perhaps hundreds, of innocent Cheyenne and Arapaho to flee the bloody killing field through his Company's line.

While the Sand Creek Massacre was at first hailed as a great victory, Captain Soule was determined to make the horrific truth of the massacre known. Even though he was jailed, intimidated, threatened, and even shot at, Soule refused to compromise himself and made his voice heard through reports that reached all the way from Colorado to Washington, and even to the floor of the U.S. Senate. Even with the bloody carnage of the Civil War, the brutal atrocities at Sand Creek shocked the nation.

During hearings in Denver, Captain Soule's integrity and unwavering testimony turned the tide against the once popular Chivington and the other men who participated in the massacre and mutilations at Sand Creek. Captain Soule fully realized that telling the truth about the massacre could cost him his life, even telling a good friend that he fully expected to be killed for his testimony. He was right. Walking home with his new bride a short time later, Silas Soule was ambushed and shot in the head by an assassin who had participated in the Sand Creek Massacre. Silas Soule's funeral, held just a few weeks after his wedding, was one of the most attended in Denver up until that time.

While Captain Silas Soule's name has largely faded into history, he stands out as one of the few bright rays of light in the moral darkness that surrounds the Sand Creek Massacre. He should be remembered.

Thank you, Mr. President. I yield the floor.

MESSAGES FROM THE HOUSE

At 11:55 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 563. An act to establish a toll free number in the Department of Commerce to assist consumers in determining if products are American-made.

H.R. 633. An act to amend the Foreign Service Act of 1980 to provide that the annuities of certain special agents and security personnel of the Department of State be computed in the same way as applies generally with respect to Federal law enforcement officers, and for other purposes.

H.R. 1756. An act to amend chapter 53 of title 31, United States Code, to require the development and implementation by the Secretary of the Treasury of a national money laundering and related financial crimes strategy to combat money laundering and related financial crimes, and for other purposes.

H.R. 1833. An act to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes.

H.R. 2370. An act to amend the Organic Act of Guam to clarify local executive and legislative provisions in such Act, and for other purposes.

H.R. 2742. An act to provide for the transfer of public lands to certain California Indian Tribes.

H.R. 2943. An act to amend title 5, United States Code, to increase the amount of leave time available to a Federal employee in any year in connection with serving as an organ donor, and for other purposes.

H.R. 3864. An act to designate the post office located at 203 West Paige Street, in Tompkinsville, Kentucky, as the "Tim Lee Carter Post Office Building."

H.R. 4000. An act to designate the United States Postal Service building located at 400 Edgmont Avenue, Chester, Pennsylvania, as the "Thomas M. Foglietta Post Office Building."

H.R. 4001. An act to designate the United States Postal Service building located at 2601 North 16th Street, Philadelphia, Pennsylvania, as the "Roxanne H. Jones Post Office Building."

H.R. 4005. An act to amend titles 18 and 31, United States Code, to improve methods for preventing money laundering and other financial crimes, and for other purposes.

H.R. 4148. An act to amend the Export Apple and Pear Act to limit the applicability of the act to apples.

H.R. 4280. An act to provide for greater access to child care services for Federal Employees.

H.R. 4647. An act to amend the Agricultural Trade Act of 1978 to require the President to report to Congress on any selective embargo on agricultural commodities, to provide a termination date for the embargo, to provide greater assurances for contract sanctity, and for other purposes.

H.R. 4655. An act to establish a program to support a transition to democracy in Iraq.

The message also announced that the House has passed the following bill, without amendment:

S. 314. An act to provide a process for identifying the functions of the Federal Government that are not inherently governmental functions, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 930) to require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test programs for the payment of Federal employee travel expenses and relocation expenses.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1702) to encourage the development of a commercial space industry in the United States, and for other purposes, with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 1836) to amend chapter 89 of title 5, United States Code, to improve administration of sanctions against unfit health care providers under the Federal Employees Health Benefits Program, and for other purposes.

The message also announced that pursuant to clause 6(f) of rule X, the Chair removes Mr. CASTLE and Mr. SOUDER, as conferees on the bill (S. 2073) to authorize appropriations for the National Center for missing and Exploited Children, and appoints Mr. RIGGS and Mr. GREENWOOD, to fill the vacancies thereon.

ENROLLED BILLS SIGNED

At 12:08 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 414. An act to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes.

H.R. 3007. An act to establish the Commission on the Advancement of Women and Minorities in Sciences, Engineering, and Technology Development Act.

H.R. 4068. An act to make certain corrections in laws relating to Native Americans, and for other purposes.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 7, 1997, the Secretary of the Senate, on October 6, 1998, during the recess of the Senate, received a message from the House of Representatives announcing that House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 5:57 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 4101. An act making appropriations for Agriculture, Rural Development, Food and Drug Administrations, and Related Agencies programs of the fiscal year ending September 30, 1999, and for other purposes.

H.R. 4103. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1999, and for other purposes.

The enrolled bills were signed subsequently by the President pro tempore (Mr. THURMOND).

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on October 6, 1998, he had presented to the President of the United States, the following enrolled bill:

S. 414. An act to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 1404: A bill to establish a Federal Commission on Statistical Policy to study the reorganization of the Federal statistical system, to provide uniform safeguards for the confidentiality of information acquired for exclusively statistical purposes, and to improve the efficiency of Federal statistical programs and the quality of Federal statistics by permitting limited sharing of records among designated agencies for statistical purposes under strong safeguards (Rept. No. 105–367).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources: Report to accompany the bill (S. 2117) to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., a nonprofit corporation, in the planning and construction of the water supply system, and for other purposes (Rept. No. 105–368).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources: Report to accompany the bill (S. 744) to authorize the construction of the Fall River Water Users District Rural Water System and authorize financial assistance to the Fall River Water Users District, a non-profit corporation, in the planning and construction of the water supply system, and for other purposes (Rept. No. 105–369).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources: Report to accompany the bill (S. 736) to convey certain real property within the Carlsbad Project in New Mexico to the Carlsbad Irrigation District (Rept. No. 105–370).

By Mr. HATCH, from the Committee on the Judiciary: Report to accompany the bill (S. 2151) to clarify Federal law to prohibit the dispensing or distribution of a controlled substance for the purpose of causing, or assisting in causing, the suicide, euthanasia, or mercy killing of any individual (Rept. No. 105–371).

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2238: A bill to reform unfair and anticompetitive practices in the professional boxing industry (Rept. No. 105–371).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 2402: A bill to direct the Secretary of Agriculture to convey certain lands in San Juan County, New Mexico, to San Juan College.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with amendments and an amendment to the title:

S. 2413: A bill to provide for the development of a management plan for the Woodland Lake Park tract in Apache-Sitgreaves National Forest in the State of Arizona reflecting the current use of the tract as a public park.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2458: A bill to amend the Act entitled "An Act to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes" to authorize the acquisition of property known as the "Warren Property."

S. 2513: A bill to transfer administrative jurisdiction over certain Federal land located within or adjacent to Rogue River National Forest and to clarify the authority of the Bureau of Land Management to sell and exchange other Federal land in Oregon.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

David Michaels, of New York, to be an Assistant Secretary of Energy (Environment, Safety and Health).

Rose Eilene Gottemoeller, of Virginia, to be an Assistant Secretary of Energy (Non-Proliferation and National Security).

By Mr. SPECTER, from the Committee on Veterans' Affairs:

Eligah Dane Clark, of Alabama, to be Chairman of the Board of Veterans' Appeals for a term of six years.

Edward A. Powell, Jr., of Virginia, to be an Assistant Secretary of Veterans Affairs (Management).

Leigh A. Bradley, of Virginia, to be General Counsel, Department of Veterans' Affairs.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAMS:

S. 2552. A bill to reform Social Security by creating personalized retirement accounts, and for other purposes; to the Committee on Finance.

By Mr. BYRD:

S. 2553. A bill to amend the Safe and Drug-Free Schools and Communities Act of 1994 to provide for the establishment of school violence prevention hotlines; to the Committee on Labor and Human Resources.

By Mr. DEWINE:

S. 2554. A bill to amend Public Law 90-419 to repeal a limitation on the consent of Congress to the Great Lakes Basin Compact; to the Committee on the Judiciary.

By Mr. DASCHLE:

S. 2555. A bill to deauthorize the Blunt Reservoir feature of the Oahe Irrigation Project, South Dakota, and direct the Secretary of the Interior to convey certain parcels of land acquired for the reservoir to the Commission of Schools and Public Lands of the State of South Dakota, on the condition that the current preferential leaseholders shall have an option to purchase the parcels from the Commission; to the Committee on Energy and Natural Resources.

By Mr. DEWINE:

S. 2556. A bill to amend the Internal Revenue Code of 1986, the Social Security Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970 to improve the method by which Federal unemployment taxes are collected and to improve the method by which funds are provided from Federal unemployment tax revenue for employment security administration, and for other purposes; to the Committee on Finance.

By Mr. SPECTER (for himself and Mr. SANTORUM):

S. 2557. A bill to authorize construction and operation of the Valley Forge Museum of the American Revolution at Valley Forge National Historical Park, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. MURRAY (for herself and Mr. WELLSTONE):

S. 2558. A bill to provide economic security for battered women, and for other purposes; to the Committee on the Judiciary.

By Mr. REED:

S. 2559. A bill to provide for certain inspections with respect to small farms; to the Committee on Labor and Human Resources.

By Mr. BREAUX (for himself and Mr. COCHRAN):

S. 2560. A bill to authorize electronic issuance and recognition of migratory bird hunting and conservation stamps; to the Committee on Environment and Public Works.

By Mr. NICKLES (for himself and Mr. BRYAN):

S. 2561. A bill to amend the Fair Credit Reporting Act with respect to furnishing and using consumer reports for employment purposes; considered and passed.

By Mr. DODD (for himself, Mr. DASCHLE, and Mr. WELLSTONE):

S. 2562. A bill to amend title XVIII of the Social Security Act to extend for 6 months the contracts of certain managed care organizations under the medicare program; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCONNELL:

S. Res. 288. A resolution authorizing the printing of the Report of the Task Force on Economic Sanctions; to the Committee on Rules and Administration.

By Mr. LAUTENBERG (for himself, Mr. HATCH, Mr. GRAHAM, Mr. GRASSLEY, Mr. HELMS, Mrs. BOXER, Mr. BINGAMAN, and Mr. MACK):

S. Con. Res. 124. A concurrent resolution expressing the sense of Congress regarding the denial of benefits under the Generalized System of Preferences to developing countries that violate the intellectual property rights of United States persons, particularly those that have not implemented their obligations under the Agreement on Trade-Related Aspects of Intellectual Property; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DASCHLE:

S. 2555. A bill to deauthorize the Blunt Reservoir feature of the Oahe Irrigation Project, South Dakota, and direct the Secretary of the Interior to convey certain parcels of land acquired for the reservoir to the Commission of Schools and Public Lands of the State of South Dakota, on the condition that the current preferential leaseholders shall have an option to purchase the parcels from the Commission; to the Committee on Energy and Natural Resources.

THE BLUNT RESERVOIR LAND TRANSFER ACT

Mr. DASCHLE. Mr. President, today, I am introducing legislation to restore to the original owners and operators, the Blunt Reservoir lands in Sully County, South Dakota. The time has come for Congress finally to return these lands to those who owned them and worked them before they were acquired for the Oahe project. It is clear the lands will never be used for their intended purpose and it makes no sense for the Bureau of Reclamation to continue to manage them with the expectation that someday this project ever will be constructed.

The history of this project has been one of contention and debate within South Dakota and the federal government. One of the promises made to South Dakota when the Pick-Sloan dams were authorized was that we would be compensated for hosting the dams with the development of abundant irrigation. The centerpiece of that promise was the Oahe Irrigation project, which was to have expanded the agricultural potential of central South Dakota. In anticipation of constructing the Oahe Irrigation project, the Bureau of Reclamation acquired about 25,000 acres of land in Sully County to be used as a reservoir to store water for the irrigation project and for a canal from Pierre to carry the water. Despite taking this initial step, the project became very controversial and, as a result, has never been built. Consequently, instead of constructing the Blunt Reservoir feature of the project, the Bureau of Reclamation has leased these lands to the original owners and operators on a preferential basis and to others on a non-preferential basis, while waiting to see if Congress and the Administration would ever provide the funding necessary to build the project.

What has become clear during that time is that the Blunt Reservoir feature of the Oahe project never will be completed. It is senseless to continue to ask the Bureau of Reclamation to manage these lands. We should recognize this fact and take the steps necessary to return the lands to the county tax rolls by restoring them to their former owners and operators.

Those who have sacrificed their lands to this ill-fated project should no longer be forced to live with the uncertainty of wondering if they will be forever renting the lands they once owned. One farmer whose family owned Blunt Reservoir land for four generations recently visited me in Washington and told me that under their current circumstances there is little incentive to invest in improving the land. Without the security of ownership, farmers feel more like hired hands than permanent stewards. At times like these, when the very act of farming is a precarious pursuit, we should pursue every means of providing stability to our producers.

That is why today I am introducing legislation to deauthorize the Blunt Reservoir feature of the Oahe Irrigation Project in South Dakota, and to transfer to the South Dakota School and Public Lands Commission the preferentially-leased lands. The Commission, in turn, will be required to offer the lands for sale to the original landowners or operators, or their heirs. The legislation also will transfer to the South Dakota Game, Fish and Parks Department the lands associated with this project that are currently leased on a non-preferential basis. The Department will use the lands to help mitigate the wildlife habitat that was inundated by the Pick-Sloan project.

Under my legislation, the preferential lessees will be able to purchase the Blunt Reservoir lands they currently are leasing for cash, at a 10% discount from the assessed value, or for a contract-for-deed at the full assessed value. The land also could be purchased with a contract-for-deed if the purchaser makes a down payment of 20% of the value of the land, and pays the balance over 30 years at 3% interest per year. Existing preferential lessees would have 10 years from the date of enactment to decide to purchase the lands, during which time they could continue to lease the lands from the School and Public Lands Commission at the current lease rates. Money gained from the sale of these lands by the School and Public Lands Commission will support education in South Dakota, which has been adversely affected by the replacement of property tax revenue with the perennially inadequate federal payments-in-lieu-of-taxes for these lands and for the Pick-Sloan project lands. It is my hope that in the near future, similar legislation can be developed for the lessees using the Pierre Canal lands that addresses their objectives to purchase the land and the objectives of those who hope to maintain the option of someday developing an irrigation project for the area.

Thank you, Mr. President, for the opportunity to present this legislation to the Senate. I urge my colleagues to join me in supporting its enactment. I ask unanimous consent that the full text of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEAUTHORIZATION OF THE BLUNT RESERVOIR FEATURE OF THE OAHE IRRIGATION PROJECT, SOUTH DAKOTA; CONVEYANCE.

(a) DEFINITIONS.—In this section:

(1) BLUNT RESERVOIR FEATURE.—The term "Blunt Reservoir feature" means the Blunt Reservoir feature of the Oahe Irrigation Project authorized by section 9 of the Act of December 22, 1944 (58 Stat. 891, chapter 665), as part of the Pick-Sloan Missouri River Basin Program.

(2) COMMISSION.—The term "Commission" means the Commission of Schools and Public Lands of the State of South Dakota.

(3) PREFERENTIAL LEASEHOLDER.—The term "preferential leaseholder" means a leaseholder of a parcel of land who is—

(A) the person from whom the Secretary purchased the parcel for use in connection with the Blunt Reservoir feature;

(B) the original operator of the parcel at the time of acquisition; or

(C) a descendant of a person described in subparagraph (A) or (B).

(4) PREFERENTIAL LEASE PARCEL.—The term "preferential lease parcel" means a parcel of land that—

(A) was purchased by the Secretary for use in connection with the Blunt Reservoir feature; and

(B) is under lease to a preferential leaseholder as of the date of enactment of this Act.

(5) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Commissioner of Reclamation.

(b) DEAUTHORIZATION.—The Blunt Reservoir feature is deauthorized.

(c) CONVEYANCE.—The Secretary shall convey all of the preferential lease parcels to the Commission, without consideration, on the condition that the Commission honor the purchase option provided to preferential leaseholders under subsection (d).

(d) PURCHASE OPTION.—

(1) IN GENERAL.—A preferential leaseholder shall have an option to purchase from the Commission the preferential lease parcel that is the subject of the lease.

(2) TERMS.—A preferential leaseholder may elect to purchase a parcel on 1 of the following terms:

(A) Cash purchase for the amount that is equal to—

(i) the value of the parcel determined under paragraph (4); minus

(ii) 10 percent of that value.

(B) Installment purchase, with 20 percent of the value of the parcel determined under paragraph (4) to be paid on the date of purchase and the remainder to be paid over 30 years at 3 percent annual interest.

(3) OPTION EXERCISE PERIOD.—

(A) IN GENERAL.—A preferential leaseholder shall have until the date that is 10 years after the date of the conveyance under subsection (c) to exercise the option under paragraph (1).

(B) CONTINUATION OF LEASES.—Until the date specified in subparagraph (A), a preferential leaseholder shall be entitled to continue to lease from the Commission, under the same terms and conditions as under the lease as in effect as of the date of conveyance, the parcel leased by the preferential leaseholder.

(4) VALUATION.—

(A) IN GENERAL.—The value of a preferential lease parcel shall be determined to be, at the election of the preferential leaseholder—

(i) the amount that is equal to 110 percent of the amount that is equal to—

(I) the number of acres of the preferential lease parcel; multiplied by

(II) the amount of the per-acre assessment of adjacent parcels made by the Director of Equalization of the county in which the preferential lease parcel is situated; or

(ii) the amount of a valuation of the preferential lease parcel for agricultural use made by an independent appraiser.

(B) COST OF APPRAISAL.—If a preferential leaseholder elects to use the method of valuation described in subparagraph (A)(ii), the cost of the valuation shall be paid by the preferential leaseholder.

(e) CONVEYANCE OF NONPREFERENTIALLY LEASED PARCELS.—The Secretary shall convey to the South Dakota Department of Game, Fish, and Parks the Blunt Reservoir parcels that are leased on a nonpreferential basis. These lands shall be used by the South Dakota Department of Game, Fish, and Parks for the purpose of mitigating the wildlife habitat that was lost as a result of the development of the Pick-Sloan project.

By Mr. DEWINE:

S. 2556. A bill to amend the Internal Revenue Code of 1986, the Social Security Act, the Wagner-Peyser Act, and the Federal-State Extended Unemployment Compensation Act of 1970 to improve the method by which Federal unemployment taxes are collected and to improve the method by which funds are provided from Federal unemployment tax revenue for employment security administration, and for other purposes; to the Committee on Finance.

EMPLOYMENT SECURITY FINANCING ACT OF 1998

• Mr. DEWINE. Mr. President, today I introduce the Employment Security Financing Act of 1998, a bill which seeks to reform the unemployment insurance program by giving states greater control over the management of their unemployment insurance system.

Specifically, under this legislation, beginning January 1, 2000, states would begin to collect Federal unemployment taxes, or "FUTA taxes," in addition to the state unemployment taxes that they currently collect. The legislation also repeals the "temporary" 0.2 percent FUTA surtax in 2004, restructures the accounts in the Unemployment Trust Fund and reduces paperwork for employers. Most importantly, this legislation will return to the states the funding necessary to effectively operate their employment security systems and services.

Reform of the unemployment insurance program is essential to a state like Ohio which receives less than 39 cents of each employer FUTA dollar. This shortfall in funding has led to the closing of 22 local employment service offices during the past four years. In order to make up for the shortfall of FUTA dollars, the Ohio legislature has appropriated more than $50 million during the last four years to pay for employment services, something that should be funded by FUTA dollars. This appropriation of state tax dollars forces Ohio taxpayers to pay twice to fund unemployment services.

Ohio is not alone—since 1990, less than 59 cents of every employer FUTA tax dollar has been returned to the states for funding employment security. As a result, $2 billion sits in Federal accounts rather than being used as it was intended—to help put people back to work.

This is an important issue that Congress needs to consider. While this legislation obviously will not be considered before adjournment, I look forward to working with Representative CLAY SHAW, the House sponsor of this bill, on legislation that can meet the budget rules, yet still achieve necessary reform of the unemployment insurance program.•

By Mr. SPECTER (for himself and Mr. SANTORUM):

S. 2557. A bill to authorize construction and operation of the Valley Forge Museum of the American Revolution at Valley Forge National Historical Park, and for other purposes; to the Committee on Environment and Public Works.

VALLEY FORGE MUSEUM OF THE AMERICAN REVOLUTION ACT OF 1998

• Mr. SPECTER. Mr. President, today I introduce the Valley Forge Museum of the American Revolution Act of 1998, which authorizes the Secretary of Interior to enter into an agreement with the private, non-profit Valley Forge Historical Society to construct and operate this museum and visitor center within the boundaries of Valley Forge National Historical Park.

I have worked closely with Congressman WELDON on this legislation, and the Valley Forge Museum of the American Revolution Act included in the Omnibus National Parks and Public lands Act currently being considered in the House of Representatives.

This museum will combine the holdings of the Valley Forge National Historical Park and the Valley Forge Historical Society, making it the largest collection of Revolutionary War era artifacts in the world. The Valley Forge Historical Society, established in 1918, has a long history of service to the park, and has amassed one of the best collections of artifacts, art, books, and documents relating to the 1777–1778 encampment of George Washington's Continental Army at Valley Forge, the American Revolution, and the American colonial era. Their collection is currently housed in a facility that is inadequate to properly maintain, preserve, and display the Society's ever-growing collection. Construction of a new facility will rectify this situation.

This project is supported by local officials, and a new facility is part of Valley Forge National Historical Park's General Management Plan, which has identified inadequacies in the park's current visitor center and calls for the development of a new or significantly renovated museum and visitor center. The museum will educate an estimated 500,000 visitors a year about the critical events surrounding the birth of our nation. Currently, there is no museum in the United States dedicated to the American Revolution, and I believe it is important that Congress provide the authorization to bring this worthwhile project to fruition.

This legislation authorizes the Valley Forge Historical Society to operate the museum in cooperation with the Secretary of Interior. This project will directly support the historical, educational, and interpretive activities and needs of Valley Forge National Historical Park and the Valley Forge Historical Society while combining two outstanding museum collections.

Mr. President, this legislation holds enormous potential for visitors, scholars, and researchers to the park. I therefore urge my colleagues to support this bill.•

By Mrs. MURRAY (for herself and Mr. WELLSTONE):

S. 2558. A bill to provide economic security for battered women, and for other purposes; to the Committee on the Judiciary.

BATTERED WOMEN'S ECONOMIC SECURITY ACT

• Mrs. MURRAY. Mr. President, today, Senator WELLSTONE and I are introducing the Battered Women's Economic Security Act. This legislation was developed in order to address the numerous economic obstacles facing victims of domestic and family violence as they try to escape this violence.

I know that Senator WELLSTONE joins me in applauding Senator BIDEN's efforts in crafting legislation to reauthorize the Violence Against Women Act programs. Senator BIDEN developed a bipartisan bill to build on the success of VAWA and expand those programs aimed at the immediate needs of victims of domestic violence.

The legislation we are introducing today takes the next step. As a result of VAWA and the increased federal commitment to addressing the domestic violence crisis, we now have an infrastructure in place that helps the community respond to this violence. VAWA has been a success in helping local law enforcement, and the courts, prosecute those who batter and abuse women. VAWA provides a strong law enforcement component as well as services to provide immediate and emergency assistance to victims. But, the road to recovery is much longer and much harder because of economic barriers.

As I learned last year in my efforts to maintain a safety net for victims of family violence, often times it is basic economics that trap women and children in violent homes and relationships. Economic barriers threaten the success of VAWA and work to maintain the threat of violence.

We all know the cost of domestic and family violence. But, there is a much greater cost to the community that is often overlooked. How many police officers have been caught in the cross fire when responding to domestic and family violence calls? How many innocent children grow up in a violent home and bring this violence into the classroom or future relationships? We have made a commitment to ending domestic violence, however, in order to succeed we must tear down the economic barriers.

We have insurance policies that discriminate against victims of domestic violence. Some insurance companies think that victims of domestic violence are engaging in high risk behavior similar to a race car driver or sky diver. Life, homeowners, auto and health insurance are essential elements of economic security. Eliminating this protection for victims of domestic violence threatens their ability to achieve economic independence. It also discourages women from coming forward and reporting this violence and abuse for fear that their insurance company will use it against them.

Don't let anyone tell you this does not happen. I can give many examples of insurance discrimination faced by victims of domestic violence. Just ask Kaddas Bolduc from Washington, whose estranged husband burned down her home. Her insurance company refused to honor her homeowner's policy as they decided this was not arson, but a violent response to the break up of a relationship. Her husband had been released from jail shortly before the fire. She was told that she had no claim and no way to rebuild her home. I would have to say that this is a serious economic barrier that must come down.

I have met with many domestic violence advocates in Washington and have listen to their concerns about finding long term security for victims. I have heard horror stories about the lack of affordable housing or the inability of victims to secure safe housing. Many landlords refuse to rent to a victim for fear that the violence will follow her. Many women do not have a lease or mortgage in their name. They have no real credit history and certainly cannot prove that they were reliable tenants. As a result they have a difficult time finding housing. Shelters are simply temporary solutions and in many communities the need far outweighs the availability of emergency shelter space.

We need to expand Section 8 opportunities for victims of domestic violence in order to ensure that they can find long term housing. A safe, affordable home is often a goal that many battered women are unable to achieve. Many women end up back in violent homes or relationships as they have no where else to go. In order to end domestic and family violence we must provide greater housing assistance and opportunities to those who have suffered this violence.

Currently, there are many barriers to work for victims of domestic violence. Safe, affordable child care would be the greatest barrier and I believe the bonus provisions included in this bill will provide the incentives to the states to address this problem. We need to expand child care options and benefits for victims of domestic violence, but we cannot do it at the expense of other low income women an families struggling to stay off of welfare. I believe we need to work with the states in addressing the unique needs of victims of domestic violence.

Unfortunately, the violence can follow women into the work place which jeopardizes their health and safety as well as their job. Many women are unable to take leave to seek relief in the courts. They do not have the luxury of taking time off to file for a restraining order or to testify against their abuser. They cannot take sick leave to seek medical attention or treatment. Many employers simply do not offer or provide the flexibility that these women need. Included in this legislation we are introducing today is the Employment Protection for Battered Women introduced by Senator WELLSTONE. I believe these provisions will help battered women maintain their jobs without jeopardizing their safety.

But when the threat of violence becomes so great as to jeopardize the woman and her coworkers she must be able to leave the job immediately. Unfortunately, many states refuse to allow these women the ability to collect unemployment compensation as they rule that she left on her own accord. However, many women are forced to leave a job and should not be penalized because they are being harassed and have been subjected to abuse in the past. Our legislation includes provisions that would allow a victim of domestic violence to collect unemployment compensation when they are forced to leave their job due to the thereat of continued violence.

I have also heard first hand from advocates who have been working with women in an effort to change their Social Security number in order to flee a violent abuser. It is impossible to secure employment without giving out one's Social Security number. It is impossible to rent an apartment or even establish credit without a Social Security number. Yet giving out this number can make it easier for an abusive husband or boyfriend to track a woman down. The ability to change their Social Security number becomes the difference between economic dependency and economic independence. Yet it is easier to change one's number based on superstition than it is because one is trying to flee a violent relationship.

The Office of Victims Advocacy at the Washington State AG's office told me that it can take as long as six months to change a Social Security number and that is in a case where there was a clear need to change the victim's identity. But, in most cases it takes more than 12 months and for some it may never happen. The Social Security Administration must work to correct this threat. Included in our legislation is a requirement that the Social Security Administration expedite requests from victims of domestic violence for a change in their Social Security number in order to achieve economic independency faster and safer.

The legislation is the result of months of drafting and working with domestic violence advocactes to address the many economic barriers facing victims. In working to strengthen the Family Violence Option in welfare reform, I became painfully aware of the barriers that punitive welfare reform provisions had created. But I realized that this was only one of many barriers.

VAWA took the first step in dedicating federal resources to addressing the domestic violence crisis, but its whole focus is law enforcement and emergency response. We need to go to the next level to truly end violence against women. We need to address these economic needs and problems. I believe our legislation meets this test and will eliminate many of the economic barriers that trap women and children in violent homes and relationships.

I urge my colleagues to join us in support of this important legislation.•

By Mr. BREAUX (for himself and Mr. COCHRAN):

S. 2560. A bill to authorize electronic issuance and recognition of migratory bird hunting and conservation stamps; to the Committee on Environment and Public Works.

ELECTRONIC DUCK STAMP ACT

• Mr. BREAUX. Mr. President, I am pleased to join with the distinguished senior Senator from the State of Mississippi and my colleague on the Migratory Bird Conservation Commission, Senator COCHRAN, in introducing the Electronic Duck Stamp Act. I believe it is legislation all of our colleagues should support.

The Electronic Duck Stamp Act would authorize electronic issuance of the federal migratory bird hunting and conservation stamp. A number of states are setting up electronic licensing systems so their hunters can purchase all their state hunting licenses at one time and in one location. This bill will help coordinate federal and state licensing systems and provide sportsmen and sportswomen the convenience of getting all their hunting licenses, federal and state, in one location. I believe this added convenience will increase "duck stamp" sales. This, in turn, will increase the total funds deposited into the Migratory Bird Conservation Fund for the purchase of suitable habitat for migratory birds. These funds are essential to the long-term survival of our migratory bird populations.

Mr. President, I urge my colleagues to join us in supporting this worthwhile legislation, and I ask unanimous consent that the full text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Electronic Duck Stamp Act of 1998".

SEC. 2. ELECTRONIC ISSUANCE OF MIGRATORY BIRD HUNTING AND CONSERVATION STAMPS.

Section 2 of the Act of March 16, 1934 (16 U.S.C. 718b), is amended by adding at the end the following:

"(c) ELECTRONIC ISSUANCE OF STAMPS.—

"(1) DEFINITIONS.—In this subsection:

"(A) ACTUAL STAMP.—The term 'actual stamp' means a printed paper stamp that is issued and sold through a means in use on the day before the date of enactment of this subsection.

"(B) ELECTRONIC STAMP.—The term 'electronic stamp' means a representation of a stamp issued electronically under paragraph (2).

"(C) STAMP.—The term 'stamp' means a migratory bird hunting and conservation stamp required by the first section.

"(2) AUTHORIZATION.—The Department of the Interior, the Postal Service, or, subject to paragraph (7), a State or person authorized under subsection (a) to sell stamps, may issue representations of stamps electronically by endorsement affixed to licenses issued at points of sale or through other electronic media.

"(3) SIZE OF ELECTRONIC STAMPS.—An electronic stamp shall be of an area that is less than ¾, or more than 1½, of the area of an actual stamp.

"(4) CONFIRMATION NUMBER AND OTHER IDENTIFYING INFORMATION.—

"(A) CONFIRMATION NUMBER.—An electronic stamp shall be assigned a unique confirmation number.

"(B) OTHER IDENTIFYING INFORMATION.—Each issuer of an electronic stamp and unique confirmation number shall print on the electronic stamp appropriate information that is sufficient to permit Federal, State, and other law enforcement officers to verify the electronic stamp, confirmation number, and sales transaction with the licensee.

"(5) DELIVERY OF ACTUAL STAMPS.—An entity that issues electronic stamps shall have financial responsibility for the sale, delivery, and mailing of the corresponding actual stamp to the licensee within 14 calendar days after the date of issuance of the electronic stamp.

"(6) RECOGNITION OF ELECTRONIC STAMPS.—

"(A) IN GENERAL.—An electronic stamp and its unique confirmation number shall—

"(i) subject to the requirements of the first section, be given full recognition during the period beginning on the date of issuance of the electronic stamp until the date on which the corresponding actual stamp is received; and

"(ii) expire and be replaced by the actual stamp upon receipt of the actual stamp, but not later than 14 calendar days after the date of issuance of the electronic stamp, if the licensee complies with the requirements of the first section.

"(7) PLAN.—

"(A) SUBMISSION TO SECRETARY OF THE INTERIOR.—A State or person may participate in the issuance of an electronic stamp under this subsection only if the Secretary of the Interior has approved a plan submitted by the State or person that provides for—

"(i) a satisfactory accounting process for the collection and transfer of revenue;

"(ii) distribution and law enforcement verification of the electronic transaction; and

"(iii) the subsequent distribution of the actual stamp.

"(B) ACTION BY THE SECRETARY.—Not later than 60 days after the date of submission of a plan under subparagraph (A), the Secretary of the Interior shall—

"(i) review the request of the State or person and all accompanying documentation and other information available to the Secretary; and

"(ii) make a determination to approve or disapprove the plan.

"(8) ELECTRONIC COLLECTION OF ELECTRONIC STAMP SALES REVENUE.—Not later than 14 days after the date of issuance of an electronic stamp under this subsection, a State or person shall transfer to the Department of the Interior or a designated agent the revenue collected from the issuance by means of an electronic fund transfer method approved by, and compatible with, the accounting system of the Department of the Interior or the designated agent.".●

ADDITIONAL COSPONSORS

S. 1137

At the request of Mr. DURBIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1137, a bill to amend section 258 of the Communications Act of 1934 to establish additional protections against the unauthorized change of subscribers from one telecommunications carrier to another.

S. 1326

At the request of Mr. DASCHLE, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1326, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 1720

At the request of Mr. ROBB, his name was added as a cosponsor of S. 1720, a bill to amend title 17, United States Code, to reform the copyright law with respect to satellite retransmissions of broadcast signals, and for other purposes.

S. 1881

At the request of Mr. LIEBERMAN, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 1881, a bill to amend title 49, United States Code, relating to the installation of emergency locator transmitters on aircraft.

S. 2013

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 2013, a bill to amend title XIX of the Social Security Act to permit children covered under private health insurance under a State children's health insurance plan to continue to be eligible for benefits under the vaccine for children program.

S. 2024

At the request of Mr. ASHCROFT, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 2024, a bill to increase the penalties for trafficking in methamphetamine in order to equalize those penalties with the penalties for trafficking in crack cocaine.

S. 2119

At the request of Mr. STEVENS, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 2119, a bill to amend the Amateur Sports Act to strengthen provisions protecting the right of athletes to compete, recognize the Paralympics and growth of disabled sports, improve the U.S. Olympic Committee's ability to resolve certain disputes, and for other purposes.

S. 2213

At the request of Mr. FRIST, the name of the Senator from Arizona (Mr. MCCAIN) was added as a cosponsor of S. 2213, a bill to allow all States to participate in activities under the Education Flexibility Partnership Demonstration Act.

S. 2217

At the request of Mr. FRIST, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 2217, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 2364

At the request of Mr. CHAFEE, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 2364, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 2520

At the request of Mr. MOYNIHAN, the name of the Senator from Illinois (Ms. MOSELEY-BRAUN) was added as a cosponsor of S. 2520, a bill to exclude from Federal taxation any portion of any reward paid to David R. Kaczynski and Linda E. Patrik which is donated to the victims in the Unabomber case or their families or which is used to pay Mr. Kaczynski's and Ms. Patrik's attorneys' fees.

SENATE CONCURRENT RESOLUTION 83

At the request of Mr. WARNER, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of Senate Concurrent Resolution 83, a concurrent resolution remembering the life of George Washington and his contributions to the Nation.

SENATE CONCURRENT RESOLUTION 108

At the request of Mr. DORGAN, the names of the Senator from Idaho (Mr. CRAIG), the Senator from Washington (Mrs. MURRAY), and the Senator from New Hampshire (Mr. SMITH) were added as cosponsors of Senate Concurrent Resolution 108, a concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes.

SENATE CONCURRENT RESOLUTION 121

At the request of Mr. SPECTER, the names of the Senator from Ohio (Mr. GLENN), the Senator from Illinois (Mr. DURBIN), the Senator from Georgia (Mr. COVERDELL), and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of Senate Concurrent Resolution 121, a concurrent resolution expressing the sense of Congress that the President should take all necessary measures to respond to the increase in steel imports resulting from the financial crises in Asia, the independent States of the former Soviet Union, Russia, and other areas of the world, and for other purposes.

SENATE RESOLUTION 264

At the request of Mrs. MURRAY, the name of the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of Senate Resolution 264, a resolution to designate October 8, 1998 as the Day of Concern About Young People and Gun Violence.

AMENDMENT NO. 3722

At the request of Mr. MCCAIN the names of the Senator from New Hampshire (Mr. GREGG) and the Senator from Connecticut (Mr. LIEBERMAN) were added as cosponsors of Amendment No. 3722 intended to be proposed to S. 442, a bill to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes.

SENATE CONCURRENT RESOLUTION 124—EXPRESSING THE SENSE OF CONGRESS ON INTELLECTUAL PROPERTY PROTECTION

Mr. LAUTENBERG (for himself, Mr. HATCH, Mr. GRAHAM, Mr. GRASSLEY, Mr. HELMS, Mrs. BOXER, Mr. BINGAMAN, and Mr. MACK) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 124

Whereas intellectual property-dependent industries include businesses that depend on protection of trademarks, trade secrets, trade names, copyrights, and patents;

Whereas intellectual property-dependent industries have become primary drivers of the United States economy, contributing over $500,000,000,000 to the United States economy in 1997;

Whereas the foreign sales and exports of United States intellectual property-dependent goods totaled at least $100,000,000,000 in 1997, exceeded sales of every other industrial sector, and helped the United States balance of trade;

Whereas international piracy of United States intellectual property, which the Department of Commerce estimates costs United States companies nearly $50,000,000,000 annually, poses the greatest threat to the continued success of United States intellectual property-dependent industries;

Whereas goods from many developing countries receive preferential duty treatment under the Generalized System of Preferences even though those countries do not protect intellectual property rights of United States persons;

Whereas piracy of United States intellectual property is so rampant in some developing countries that receive benefits under the Generalized System of Preferences that it effectively prevents United States intellectual property-dependent industries from selling products in those countries;

Whereas the Agreement on Trade-Related Aspects of Intellectual Property Rights requires its signatories to provide a minimum of essential protections to the intellectual property of citizens from all signatory nations;

Whereas the United States has fully implemented its obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights, and in fact in many cases offers stronger protection of intellectual property rights than required in the Agreement;

Whereas it appears that at the current rate many developing countries that receive benefits under the Generalized System of Preferences may not be in compliance with their obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights on January 1, 2000, as required; and

Whereas many of the developing countries that receive benefits under the Generalized System of Preferences and that are not on track in complying with their obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights are responsible for substantial trade losses suffered by United States intellectual property-dependent industries: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the United States should not give special trade preferences to goods originating from a country that does not adequately and effectively protect United States intellectual property rights, particularly a developing country that has not met its obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights by January 1, 2000;

(2) Congress should monitor the progress of developing countries in meeting their obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights by January 1, 2000; and

(3) Congress should consider legislation that would deny the benefits of the Generalized System of Preferences to developing countries that are not in compliance with their obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights beginning on January 1, 2000.

• Mr. LAUTENBERG. Mr. President, today I submit a resolution expressing the sense of the Congress that the United States should not extend preferential duty-free treatment on products to countries who do not comply with their treaty obligations regarding the protection of intellectual property.

The United States leads the world in the production of intellectual property. Intellectual property-based industries, including those that rely on patents, copyrights, trademarks, trade secrets, and trade names, contribute over $500 billion annually to the U.S. economy. However, the current global reach of information is making it much easier for pirates to gain access to intellectual property. It is vitally important that we take adequate steps to discourage, and ultimately prevent, other nations from allowing the rampant piracy of the work of Americans.

Members of the World Trade Organization signed an agreement on Trade-Related aspects of Intellectual Property Rights, or TRIPS, in 1995. That agreement establishes minimum standards of intellectual property protection and requires the signatory developing nations to be compliant with their TRIPS obligations by January 1, 2000. Regardless of this, piracy continues in GSP beneficiary nations and around the world, costing the U.S. intellectual property-dependent industries approximately $50 billion a year.

The United States has recognized the importance of protecting American intellectual property and encouraging the growth of its related industries. The Administration has actively pressed other nations to engage in adequate protections, particularly through the use of the Special 301 "watch" list. However, this is not enough. We need to do more to remove the incentives for piracy. Linking GSP benefits to TRIPS obligations is an important first step, and a powerful way to send a clear message to these and other nations that there is a price to pay for continuing to permit rampant piracy of American-made products.

Mr. President, this sense of the Congress does send an important message to these countries that the United States is watching, and that legislation to implement the denial of duty-free treatment is imminent unless they take the necessary steps to respect and protect the intellectual capital of Americans.

At this point, Mr. President, I ask unanimous consent that letters in support of this resolution be inserted into the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

INTERNATIONAL INTELLECTUAL
PROPERTY ALLIANCE,
Washington, DC, October 1, 1998.

Hon. ORRIN HATCH,
U.S. Senate, Russell Senate Office Building, Washington, DC.

Hon. FRANK LAUTENBERG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATORS HATCH AND LAUTENBERG: On behalf of the International Intellectual Property Alliance and its members (listed below), we convey our strong support for your "Sense of the Congress" resolution designed to warn developing countries around the world that they cannot expect preferential trade benefits under the Generalized System of Preferences (GSP) program while, at the same time, condoning the theft of U.S. intellectual property (in our case, movies, business and entertainment software, music and sound recording, and books and journals—products protected by copyright laws).

Your resolution rightly sets, as the minimum standard of IP protection, the TRIPS agreement negotiated during the Uruguay Round and set to go into effect for most developing countries on January 1, 2000. It warns these countries that they must bring their statutory laws and, most importantly, their enforcement systems into compliance with those standards if they expect to receive these trade benefits. While the current GSP provisions give the President discretion to deny such benefits where U.S. intellectual property is inadequately protected, we welcome the message you are sending—that the Congress will consider tougher legislation which would increase the risk of these benefits being denied if these countries do not bring their IPR regimes into compliance with their international obligations.

Piracy levels in developing countries often hover at or above 90% of the marketplace. Rates at these levels simply deny our copyright-based industries the ability to enter and survive in many of these markets effectively. In total, IIPA estimates that the copyright industries lose over $20 billion to piracy worldwide, with a significant portion of this loss coming from developing countries. IIPA and the Administration have been working diligently to lower these piracy levels and global losses and to a great extent we have achieved success in obtaining improved legislation, the first step in this process. Now we face the challenge of improving enforcement systems and we welcome your resolution in the fight to meet this next objective.

We also applaud the resolution's acknowledgment of the importance of the intellectual property industries to the U.S. economy and to our international trade. As we announced last May before Senator Hatch's Judiciary Committee, the copyright industries accounted for $278.4 billion in value added to the U.S. economy, or approximately 3.65% of the Gross Domestic Product (GDP) in 1996 (the last year for which complete data is available). With respect to employment and job growth, the core copyright industries grew at more than twice the annual growth rate of the U.S. economy as a whole between 1977 and 1996 (5.5% vs. 2.6%). Employment in the core copyright industries grew at nearly three times the employment growth in the economy as a whole between 1977 and 1996 (4.6% vs. 1.6%). More than 6.5 million workers were employed by the total copyright industries in 1996, about 5.15% of the total U.S. work force. In 1996, the core copyright industries achieved foreign sales and exports of $60.18 billion, a 13% gain over the $53.25 billion generated in 1995, for the first time leading all major industry sectors including agriculture, automobiles and auto parts and the aircraft industry. In the future, the copyright industries will assume ever greater importance to revenue growth, job creation and international trade. Your resolution is right on target to ensure that these industries continue to remain healthy and vibrant.

Thank you for your attention to these important matters. Again, the nearly 1,400 companies represented by IIPA members strongly support this resolution.

Sincerely,

ERIC H. SMITH,
President.

INTELLECTUAL PROPERTY COMMITTEE,
Washington, DC, October 1, 1998.

Hon. FRANK R. LAUTENBERG
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR LAUTENBERG: The Intellectual Property Committee (IPC), whose members represent the broad spectrum of private sector intellectual property interests, strongly endorses the concurrent resolution on worldwide intellectual property protection that you are about to introduce.

The concurrent resolution demonstrates a clear understanding that strong worldwide protection of U.S. intellectual property is critical to the continued competitiveness of U.S. industry and to our nation's ability to create good jobs here in the United States. The intellectual property (TRIPS) agreement, which developing country members of the World Trade Organization (WTO) will be required to implement on January 1, 2000, provides international standards of protection and enforcement across a broad range of intellectual property elements.

The concurrent resolution expresses the sense of Congress that the United States should not give special trade preferences, under the U.S. Generalized System of Preferences (GSP), to goods originating from countries that will have failed to meet their obligations on January 1, 2000 under the TRIPS Agreement. It also expresses the sense of Congress that Congress should consider legislation that would deny GSP benefits to developing countries that will not be in compliance with their TRIPS obligations beginning on January 1, 2000.

Through such linkage, your concurrent resolution and the legislation that it envisages will provide the United States with the leverage necessary to ensure that GSP-beneficiary countries will live up to their WTO obligations. (These countries have had a five year transition period to comply with their WTO intellectual property obligations; the transition period will expire as of January 1, 2000.) In the absence of this type of leverage, the United States will face real difficulty in achieving the critical goal of improved worldwide intellectual property protection in a timely manner. In addition, your concurrent resolution will underscore the importance of adequate and effective intellectual property protection in stimulating economic growth in GSP-beneficiary countries, which will lead to expanded export opportunities for U.S. goods and services.

The IPC commends your continued efforts on behalf of strong intellectual property protection and economic growth in the United States.

Sincerely,

CHARLES S. LEVY,
Counsel.
JACQUES J. GORLIN,
Director.

INTERACTIVE DIGITAL
SOFTWARE ASSOCIATION,
Washington, DC, October 1, 1998.

Hon. ORRIN HATCH,
U.S. Senate, Russell Office Building, Washington, DC.
Hon. FRANK LAUTENBERG,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATORS HATCH AND LAUTENBERG: I write to thank you for your leadership on the issue of protecting intellectual property, and in particular to express the support of the Interactive Digital Software Association (IDSA), which represents the United States entertainment software publishers, for your decision to introduce a "Sense of the Congress" resolution on this issue. The IDSA believe this resolution will provide developing nations an incentive to meet pre-existing obligations to offer adequate and effective protection to intellectual property rights (IPR), and in particular to take all necessary steps to implement the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs Agreement.) Because the United States leads the world in intellectual property production and experiences a tremendous positive balance of trade in this area, better global protection for IPR will directly benefit the United States economy.

Piracy of intellectual property is a severe problem for U.S. industries. In 1997, the U.S. entertainment software industry, which had revenues of $5.6 billion in the United States, experienced global piracy losses of approximately $3.2 billion (not including online piracy losses.) Perhaps more troubling, $894 million of those losses occurred in developing nations that receive special trade preference from the U.S. under the Generalized Systems of Preferences (GSP) program. As a result, the U.S. provides special trade preferences to the goods of nations whose inadequate protection for IPR effectively bars many U.S. companies from doing business therein.

Piracy losses in GSP beneficiary nations continue to mount though many of these nations have signed the TRIPs Agreement and are required to meet its obligations by January 1, 2000. In fact, many of these nations have yet to begin the long process of passing legislation to implement the TRIPs Agreement, much less to demonstrate a willingness to enforce such laws once enacted. Due to this lack of progress, it appears that the vast majority of developing nations will not be in full compliance with the TRIPs Agreement as required on January 1, 2000.

Your resolution will, in a variety of ways, help to address the problem of inadequate protection for IPR rights by developing nations. Your resolution will send a powerful message that the United States Congress places a high priority on global IPR protection. By expressing a congressional willingness to deny GSP benefits to nations that do not meet their TRIPs Agreement obligations, your resolution will provide developing nations a powerful incentive to get serious about TRIPs Agreement implementation. Furthermore, your resolution will supplement and support the efforts of the United States Government, particularly the Office of the United States Trade Representative (USTR), and United States intellectual property owners to convince developing nations to provide at least the minimum of IPR protection required under the TRIPs Agreement.

Therefore, I again express the full support of the IDSA for your resolution, and offer any assistance we may provide in seeing this resolution to passage.

Sincerely,

DOUG LOWENSTEIN,
President.

PHARMACEUTICAL RESEARCH AND
MANUFACTURERS OF AMERICA,
Washington, DC, October 6, 1998.

Hon. FRANK LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: I am writing to express PhRMA's support for the Concurrent Resolution regarding GSP and intellectual property you are introducing today. The denial of intellectual property rights protection abroad is one of the American research-based pharmaceutical industry's most serious challenges. Billions of dollars are lost annually to patent pirates in such countries as Argentina, India, Egypt, and many others.

By withholding GSP privileges from countries that refuse to respect the intellectual property rights of American biomedical inventors, your Resolution sends an important signal to the world trading community. American foreign trade policy is based on the fundamental principle of reciprocity, and denial of intellectual property rights is, in fact, a de facto denial of market access since the innovator cannot enjoy the limited period of marketing exclusivity granted by a patent. Since many pirating countries on the one hand deny market access to American companies, but on the other hand enjoy not only market access but GSP treatment on trade with the United States, your Resolution is quite appropriate and necessary.

PhRMA is pleased to offer its support for the Concurrent Resolution expressing the sense of the Senate that GSP benefits should be withheld from developing countries that violate American intellectual property rights.

Respectfully,

BARRY H. CALDWELL,
Vice President.●

AMENDMENTS SUBMITTED

READING EXCELLENCE ACT

JEFFORDS AMENDMENT NO. 3740

Mr. JEFFORDS proposed an amendment to the bill (H.R. 2614) to improve the reading and literacy skills of children and families by improving in-service instructional practices for teachers who teach reading, to stimulate the development of more high-quality family literacy programs, to support extended learning-time opportunities for children, to ensure that children can read well and independently not later than third grade, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Reading Excellence Act".

TITLE I—READING AND LITERACY GRANTS

SEC. 101. AMENDMENT TO ESEA FOR READING AND LITERACY GRANTS.

(a) IN GENERAL.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(1) by redesignating parts C and D as parts D and E, respectively; and

(2) by inserting after part B the following:

"PART C—READING AND LITERACY GRANTS

"SEC. 2251. PURPOSES.

"The purposes of this part are as follows:

"(1) To provide children with the readiness skills they need to learn to read once they enter school.

"(2) To teach every child to read in the child's early childhood years—

"(A) as soon as the child is ready to read; or

"(B) as soon as possible once the child enters school, but not later than 3d grade.

"(3) To improve the reading skills of students, and the instructional practices for current teachers (and, as appropriate, other instructional staff) who teach reading, through the use of findings from scientifically based reading research, including findings relating to phonemic awareness, systematic phonics, fluency, and reading comprehension.

"(4) To expand the number of high-quality family literacy programs.

"(5) To provide early literacy intervention to children who are experiencing reading difficulties in order to reduce the number of children who are incorrectly identified as a child with a disability and inappropriately referred to special education.

"SEC. 2252. DEFINITIONS.

"For purposes of this part:

"(1) ELIGIBLE PROFESSIONAL DEVELOPMENT PROVIDER.—The term 'eligible professional development provider' means a provider of professional development in reading instruction to teachers that is based on scientifically based reading research.

“(2) Family literacy services.—The term ‘family literacy services’ means services provided to participants on a voluntary basis that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

“(A) Interactive literacy activities between parents and their children.

“(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

“(C) Parent literacy training that leads to economic self-sufficiency.

“(D) An age-appropriate education to prepare children for success in school and life experiences.

“(3) Instructional staff.—The term ‘instructional staff’—

“(A) means individuals who have responsibility for teaching children to read; and

“(B) includes principals, teachers, supervisors of instruction, librarians, library school media specialists, teachers of academic subjects other than reading, and other individuals who have responsibility for assisting children to learn to read.

“(4) Reading.—The term ‘reading’ means a complex system of deriving meaning from print that requires all of the following:

“(A) The skills and knowledge to understand how phonemes, or speech sounds, are connected to print.

“(B) The ability to decode unfamiliar words.

“(C) The ability to read fluently.

“(D) Sufficient background information and vocabulary to foster reading comprehension.

“(E) The development of appropriate active strategies to construct meaning from print.

“(F) The development and maintenance of a motivation to read.

“(5) Scientifically based reading research.—The term ‘scientifically based reading research’—

“(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

“(B) shall include research that—

“(i) employs systematic, empirical methods that draw on observation or experiment;

“(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

“(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

“(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.

“SEC. 2253. READING AND LITERACY GRANTS TO STATE EDUCATIONAL AGENCIES.

“(a) Program Authorized.—

“(1) In general.—Subject to the provisions of this part, the Secretary shall award grants to State educational agencies to carry out the reading and literacy activities authorized under this section and sections 2254 through 2256.

“(2) Limitations.—

“(A) Single grant per state.—A State educational agency may not receive more than one grant under paragraph (1).

“(B) 3-year term.—A State educational agency that receives a grant under paragraph (1) may expend the funds provided under the grant only during the 3-year period beginning on the date on which the grant is made.

“(b) Application.—

“(1) In general.—A State educational agency that desires to receive a grant under this part shall submit an application to the Secretary at such time and in such form as the Secretary may require. The application shall contain the information described in paragraph (2).

“(2) Contents.—An application under this subsection shall contain the following:

“(A) An assurance that the Governor of the State, in consultation with the State educational agency, has established a reading and literacy partnership described in subsection (d), and a description of how such partnership—

“(i) assisted in the development of the State plan;

“(ii) will be involved in advising on the selection of subgrantees under sections 2255 and 2256; and

“(iii) will assist in the oversight and evaluation of such subgrantees.

“(B) A description of the following:

“(i) How the State educational agency will ensure that professional development activities related to reading instruction and provided under this part are—

“(I) coordinated with other State and local level funds and used effectively to improve instructional practices for reading; and

“(II) based on scientifically based reading research.

“(ii) How the activities assisted under this part will address the needs of teachers and other instructional staff, and will effectively teach students to read, in schools receiving assistance under section 2255 and 2256.

“(iii) The extent to which the activities will prepare teachers in all the major components of reading instruction (including phonemic awareness, systematic phonics, fluency, and reading comprehension).

“(iv) How the State educational agency will use technology to enhance reading and literacy professional development activities for teachers, as appropriate.

“(v) How parents can participate in literacy-related activities assisted under this part to enhance their children's reading.

“(vi) How subgrants made by the State educational agency under sections 2255 and 2256 will meet the requirements of this part, including how the State educational agency will ensure that subgrantees will use practices based on scientifically based reading research.

“(vii) How the State educational agency will, to the extent practicable, make grants to subgrantees in both rural and urban areas.

“(viii) The process that the State used to establish the reading and literacy partnership described in subsection (d).

“(C) An assurance that each local educational agency to which the State educational agency makes a subgrant—

“(i) will provide professional development for the classroom teacher and other appropriate instructional staff on the teaching of reading based on scientifically based reading research;

“(ii) will provide family literacy services based on programs such as the Even Start family literacy model authorized under part B of title I, to enable parents to be their child's first and most important teacher;

“(iii) will carry out programs to assist those kindergarten students who are not ready for the transition to first grade, particularly students experiencing difficulty with reading skills; and

“(iv) will use supervised individuals (including tutors), who have been appropriately trained using scientifically based reading research, to provide additional support, before school, after school, on weekends, during noninstructional periods of the school day, or during the summer, for children preparing to enter kindergarten and students in kindergarten through grade 3 who are experiencing difficulty reading.

“(D) An assurance that instruction in reading will be provided to children with reading difficulties who—

“(i) are at risk of being referred to special education based on these difficulties; or

“(ii) have been evaluated under section 614 of the Individuals with Disabilities Education Act but, in accordance with section 614(b)(5) of such Act, have not been identified as being a child with a disability (as defined in section 602 of the such Act).

“(E) A description of how the State educational agency—

“(i) will build on, and promote coordination among, literacy programs in the State (including federally funded programs such as the Adult Education and Family Literacy Act and the Individuals with Disabilities Education Act), in order to increase the effectiveness of the programs in improving reading for adults and children and to avoid duplication of the efforts of the programs;

“(ii) will promote reading and library programs that provide access to engaging reading material;

“(iii) will make local educational agencies described in sections 2255(a)(1) and 2256(a)(1) aware of the availability of subgrants under sections 2255 and 2256; and

“(iv) will assess and evaluate, on a regular basis, local educational agency activities assisted under this part, with respect to whether they have been effective in achieving the purposes of this part.

“(F) A description of the evaluation instrument the State educational agency will use for purposes of the assessments and evaluations under subparagraph (E)(iv).

“(c) Approval of Applications.—

“(1) In general.—The Secretary shall approve an application of a State educational agency under this section only—

“(A) if such application meets the requirement of this section; and

“(B) after taking into account the extent to which the application furthers the purposes of this part and the overall quality of the application.

“(2) Peer review.—

“(A) In general.—The Secretary, in consultation with the National Institute for Literacy, shall convene a panel to evaluate applications under this section. At a minimum, the panel shall include—

“(i) representatives of the National Institute for Literacy, the National Research Council of the National Academy of Sciences, and the National Institute of Child Health and Human Development;

“(ii) 3 individuals selected by the Secretary;

“(iii) 3 individuals selected by the National Institute for Literacy;

“(iv) 3 individuals selected by the National Research Council of the National Academy of Sciences; and

“(v) 3 individuals selected by the National Institute of Child Health and Human Development.

“(B) Experts.—The panel shall include experts who are competent, by virtue of their training, expertise, or experience, to evaluate applications under this section, and experts who provide professional development to teachers of reading to children and adults, and experts who provide professional development to other instructional staff, based on scientifically based reading research.

"(C) PRIORITY.—The panel shall recommend grant applications from State educational agencies under this section to the Secretary for funding or for disapproval. In making such recommendations, the panel shall give priority to applications from State educational agencies whose States have modified, are modifying, or provide an assurance that not later than 18 months after receiving a grant under this section the State educational agencies will increase the training and the methods of teaching reading required for certification as an elementary school teacher to reflect scientifically based reading research, except that nothing in this Act shall be construed to establish a national system of teacher certification.

"(D) MINIMUM GRANT AMOUNTS.—

"(i) STATES.—Each State educational agency selected to receive a grant under this section shall receive an amount for the grant period that is not less than $500,000.

"(ii) OUTLYING AREAS.—The Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands selected to receive a grant under this section shall receive an amount for the grant period that is not less than $100,000.

"(E) LIMITATION.—The Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau shall not be eligible to receive a grant under this part.

"(d) READING AND LITERACY PARTNERSHIPS.—

"(1) REQUIRED PARTICIPANTS.—In order for a State educational agency to receive a grant under this section, the Governor of the State, in consultation with the State educational agency, shall establish a reading and literacy partnership consisting of at least the following participants:

"(A) The Governor of the State.

"(B) The chief State school officer.

"(C) The chairman and the ranking member of each committee of the State legislature that is responsible for education policy.

"(D) A representative, selected jointly by the Governor and the chief State school officer, of at least one local educational agency that is eligible to receive a subgrant under section 2255.

"(E) A representative, selected jointly by the Governor and the chief State school officer, of a community-based organization working with children to improve their reading skills, particularly a community-based organization using tutors and scientifically based reading research.

"(F) State directors of appropriate Federal or State programs with a strong reading component.

"(G) A parent of a public or private school student or a parent who educates their child or children in their home, selected jointly by the Governor and the chief State school officer.

"(H) A teacher who successfully teaches reading and an instructional staff member, selected jointly by the Governor and the chief State school officer.

"(I) A family literacy service provider jointly by the Governor and the Chief State School Officer.

"(2) OPTIONAL PARTICIPANTS.—A reading and literacy partnership may include additional participants, who shall be selected jointly by the Governor and the chief State school officer, and who may include a representative of—

"(A) an institution of higher education operating a program of teacher preparation based on scientifically based reading research in the State;

"(B) a local educational agency;

"(C) a private nonprofit or for-profit eligible professional development provider providing instruction based on scientifically based reading research;

"(D) an adult education provider;

"(E) a volunteer organization that is involved in reading programs; or

"(F) a school library or a public library that offers reading or literacy programs for children or families.

"(3) PREEXISTING PARTNERSHIP.—If, before the date of the enactment of the Reading Excellence Act, a State established a consortium, partnership, or any other similar body, that includes the Governor and the chief State school officer and has, as a central part of its mission, the promotion of literacy for children in their early childhood years through the 3d grade and family literacy services, but that does not satisfy the requirements of paragraph (1), the State may elect to treat that consortium, partnership, or body as the reading and literacy partnership for the State notwithstanding such paragraph, and it shall be considered a reading and literacy partnership for purposes of the other provisions of this part.

"SEC. 2254. USE OF AMOUNTS BY STATE EDUCATIONAL AGENCIES.

"A State educational agency that receives a grant under section 2253—

"(1) shall use not more than 5 percent of the funds made available under the grant for the administrative costs of carrying out this part (excluding section 2256), of which not more than 2 percent may be used to carry out section 2259; and

"(2) shall use not more than 15 percent of the funds made available under the grant to solicit applications for, award, and oversee the performance of, not less than one subgrant pursuant to section 2256.

"SEC. 2255. LOCAL READING IMPROVEMENT SUBGRANTS.

"(a) IN GENERAL.—

"(1) SUBGRANTS.—A State educational agency that receives a grant under section 2253 shall make subgrants, on a competitive basis, to local educational agencies that either—

"(A) have at least one school that is identified for school improvement under section 1116(c) in the geographic area served by the agency;

"(B) have the largest, or second largest, number of children who are counted under section 1124(c), in comparison to all other local educational agencies in the State; or

"(C) have the highest, or second highest, school-age child poverty rate, in comparison to all other local educational agencies in the State.

For purposes of subparagraph (C), the term 'school-age child poverty rate' means the number of children counted under section 1124(c) who are living within the geographic boundaries of the local educational agency, expressed as a percentage of the total number of children aged 5-17 years living within the geographic boundaries of the local educational agency.

"(2) SUBGRANT AMOUNT.—A subgrant under this section shall consist of an amount sufficient to enable the subgrant recipient to operate a program for a 2-year period and may not be revoked or terminated on the grounds that a school ceases, during the grant period, to meet the requirements of subparagraph (A), (B), or (C) of paragraph (1).

"(b) APPLICATIONS.—A local educational agency that desires to receive a subgrant under this section shall submit an application to the State educational agency at such time, in such manner, and including such information as the agency may require. The application—

"(1) shall describe how the local educational agency will work with schools selected by the agency to receive assistance under subsection (d)(1)—

"(A) to select one or more programs of reading instruction, developed using scientifically based reading research, to improve reading instruction by all academic teachers for all children in each of the schools selected by the agency under such subsection and, where appropriate, for their parents; and

"(B) to enter into an agreement with a person or entity responsible for the development of each program selected under subparagraph (A), or a person with experience or expertise about the program and its implementation, under which the person or entity agrees to work with the local educational agency and the schools in connection with such implementation and improvement efforts;

"(2) shall include an assurance that the local educational agency—

"(A) will carry out professional development for the classroom teacher and other instructional staff on the teaching of reading based on scientifically based reading research;

"(B) will provide family literacy services based on programs such as the Even Start family literacy model authorized under part B of title I, to enable parents to be their child's first and most important teacher;

"(C) will carry out programs to assist those kindergarten students who are not ready for the transition to first grade, particularly students experiencing difficulty with reading skills; and

"(D) will use supervised individuals (including tutors), who have been appropriately trained using scientifically based reading research, to provide additional support, before school, after school, on weekends, during noninstructional periods of the school day, or during the summer, for children preparing to enter kindergarten and students in kindergarten through grade 3 who are experiencing difficulty reading;

"(3) shall describe how the applicant will ensure that funds available under this part, and funds available for reading instruction for kindergarten through grade 6 from other appropriate sources, are effectively coordinated, and, where appropriate, integrated with funds under this Act in order to improve existing activities in the areas of reading instruction, professional development, program improvement, parental involvement, technical assistance, and other activities that can help meet the purposes of this part;

"(4) shall describe, if appropriate, how parents, tutors, and early childhood education providers will be assisted by, and participate in, literacy-related activities receiving financial assistance under this part to enhance children's reading fluency;

"(5) shall describe how the local educational agency—

"(A) provides instruction in reading to children with reading difficulties who—

"(i) are at risk of being referred to special education based on these difficulties; or

"(ii) have been evaluated under section 614 of the Individuals with Disabilities Education Act but, in accordance with section 614(b)(5) of such Act, have not been identified as being a child with a disability (as defined in section 602 of the such Act); and

"(B) will promote reading and library programs that provide access to engaging reading material; and

"(6) shall include an assurance that the local educational agency will make available, upon request and in an understandable and uniform format, to any parent of a student attending any school selected to receive assistance under subsection (d)(1) in the geographic area served by the local educational agency, information regarding the professional qualifications of the student's classroom teacher to provide instruction in reading.

"(c) SPECIAL RULE.—To the extent feasible, a local educational agency that desires to receive a grant under this section shall form a partnership with one or more community-based organizations of demonstrated effectiveness in early childhood literacy, and reading readiness, reading instruction, and reading achievement for both adults and children, such as a Head Start program, family literacy program, public library, or adult education program, to carry out the functions described in paragraphs (1) through (6) of subsection (b). In evaluating subgrant applications under this section, a State educational agency shall consider whether the applicant has satisfied the requirement in the preceding sentence. If not, the applicant must provide information on why it would not have been feasible for the applicant to have done so.

"(d) USE OF FUNDS.—

"(1) IN GENERAL.—Subject to paragraph (2), a local educational agency that receives a subgrant under this section shall use amounts from the subgrant to carry out activities to advance reform of reading instruction in any school that (A) is described in subsection (a)(1)(A), (B) has the largest, or second largest, number of children who are counted under section 1124(c), in comparison to all other schools in the local educational agency, or (C) has the highest, or second highest, school-age child poverty rate (as defined in the second sentence of subsection (a)(1)), in comparison to all other schools in the local educational agency. Such activities shall include the following:

"(A) Securing technical and other assistance from—

"(i) a program of reading instruction based on scientifically based reading research;

"(ii) a person or entity with experience or expertise about such program and its implementation, who has agreed to work with the recipient in connection with its implementation; or

"(iii) a program providing family literacy services.

"(B) Providing professional development activities to teachers and other instructional staff (including training of tutors), using scientifically based reading research and purchasing of curricular and other supporting materials.

"(C) Promoting reading and library programs that provide access to engaging reading material.

"(D) Providing, on a voluntary basis, training to parents of children enrolled in a school selected to receive assistance under subsection (d)(1) on how to help their children with school work, particularly in the development of reading skills. Such training may be provided directly by the subgrant recipient, or through a grant or contract with another person. Such training shall be consistent with reading reforms taking place in the school setting. No parent shall be required to participate in such training.

"(E) Carrying out family literacy services based on programs such as the Even Start family literacy model authorized under part B of title I, to enable parents to be their child's first and most important teacher.

"(F) Providing instruction for parents of children enrolled in a school selected to receive assistance under subsection (d)(1), and others who volunteer to be reading tutors for such children, in the instructional practices based on scientifically based reading research used by the applicant.

"(G) Programs to assist those kindergarten students enrolled in a school selected to receive assistance under subsection (d)(1) who are not ready for the transition to first grade, particularly students experiencing difficulty with reading skills.

"(H) Providing additional support for children preparing to enter kindergarten and students in kindergarten through grade 3 who are enrolled in a school selected to receive assistance under subsection (d)(1), who are experiencing difficulty reading, before school, after school, on weekends, during noninstructional periods of the school day, or during the summer, using supervised individuals (including tutors), who have been appropriately trained using scientifically based reading research.

"(I) Providing instruction in reading to children with reading difficulties who—

"(i) are at risk of being referred to special education based on these difficulties; or

"(ii) have been evaluated under section 614 of the Individuals with Disabilities Education Act but, in accordance with section 614(b)(5) of such Act, have not been identified as being a child with a disability (as defined in section 602 of the such Act).

"(J) Providing coordination of reading, library, and literacy programs within the local educational agency to avoid duplication and increase the effectiveness of reading, library, and literacy activities.

"(2) LIMITATION ON ADMINISTRATIVE EXPENSES.—A recipient of a subgrant under this section may use not more than 5 percent of the subgrant funds for administrative costs.

"(e) TRAINING NONRECIPIENTS.—A recipient of a subgrant under this section may train, on a fee-for-service basis, personnel from schools, or local educational agencies, that are not a beneficiary of, or receiving, such a subgrant, in the instructional practices based on scientifically based reading research used by the recipient. Such a nonrecipient school or agency may use funds received under title I of this Act, and other appropriate Federal funds used for reading instruction, to pay for such training, to the extent consistent with the law under which such funds were received.

"SEC. 2256. TUTORIAL ASSISTANCE SUBGRANTS.

"(a) IN GENERAL.—

"(1) SUBGRANTS.—Except as provided in paragraph (4), a State educational agency that receives a grant under section 2253 shall make at least one subgrant on a competitive basis to—

"(A) local educational agencies that have at least one school in the geographic area served by the agency that—

"(i) is located in an area designated as an empowerment zone under part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986; or

"(ii) is located in an area designated as an enterprise community under part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986;

"(B) local educational agencies that have at least one school that is identified for school improvement under section 1116(c) in the geographic area served by the agency;

"(C) local educational agencies with the largest, or second largest, number of children who are counted under section 1124(c), in comparison to all other local educational agencies in the State; or

"(D) local educational agencies with the highest, or second highest, school-age child poverty rate, in comparison to all other local educational agencies in the State.

For purposes of subparagraph (D), the term 'school-age child poverty rate' means the number of children counted under section 1124(c) who are living within the geographic boundaries of the local educational agency, expressed as a percentage of the total number of children aged 5-17 years living within the geographic boundaries of the local educational agency.

"(2) NOTIFICATION.—

"(A) TO LOCAL EDUCATIONAL AGENCIES.—A State educational agency shall provide notice to all local educational agencies within the State regarding the availability of the subgrants under this section.

"(B) TO PROVIDERS AND PARENTS.—Not later than 30 days after the date on which the State educational agency provides notice under subparagraph (A), each eligible local educational agency shall provide public notice to potential providers of tutorial assistance and parents within the eligible local educational agency regarding the availability of the subgrants under this section.

"(3) APPLICATION.—A local educational agency that desires to receive a subgrant under this section shall submit an application to the State educational agency at such time, in such manner, and including such information as the agency may require. The application shall include an assurance that the local educational agency will use the subgrant funds to carry out the duties described in subsection (b) for children enrolled in any school selected by the agency that (A) is described in paragraph (1)(A), (B) is described in paragraph (1)(B), (C) has the largest, or second largest, number of children who are counted under section 1124(c), in comparison to all other schools in the local educational agency, or (D) has the highest, or second highest, school-age child poverty rate (as defined in the second sentence of paragraph (1)), in comparison to all other schools in the local educational agency.

"(4) EXCEPTION.—If no local educational agency within the State submits an application to receive a subgrant under this section within the 6-month period beginning on the date on which the State educational agency provided notice to the local educational agencies regarding the availability of the subgrants, the State educational agency may use funds otherwise reserved under 2254(2) for the purpose of providing local reading improvement subgrants under section 2255 if the State educational agency certifies to the Secretary that the requirements of paragraph (2) have been met and each local educational agency has demonstrated to the State educational agency that no providers of tutorial assistance requested a local educational agency within the State to submit an application for a tutorial assistance subgrant under paragraph (3).

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—A local educational agency that receives a subgrant under this section shall carry out, using the funds provided under the subgrant, each of the duties described in paragraph (2).

"(2) DUTIES.—The duties described in this paragraph are the provision of tutorial assistance in reading, before school, after school, on weekends, or during the summer, to children who have difficulty reading, using instructional practices based on scientifically based reading research, through the following:

"(A) The creation and implementation of objective criteria to determine in a uniform manner the eligibility of tutorial assistance providers and tutorial assistance programs desiring to provide tutorial assistance under the subgrant. Such criteria shall include the following:

"(i) A record of effectiveness with respect to reading readiness, reading instruction for children in kindergarten through 3d grade, and early childhood literacy, as appropriate.

"(ii) Location in a geographic area convenient to the school or schools attended by the children who will be receiving tutorial assistance.

"(iii) The ability to provide tutoring in reading to children who have difficulty reading, using instructional practices based on scientifically based reading research and consistent with the reading instructional methods and content used by the school the child attends.

"(B) The provision, to parents of a child eligible to receive tutorial assistance pursuant to this section, of multiple choices among tutorial assistance providers and tutorial assistance programs determined to be eligible under the criteria described in subparagraph (A). Such choices shall include a school-based program and at least one tutorial assistance program operated by a provider pursuant to a contract with the local educational agency.

"(C) The development of procedures—

"(i) for the provision of information to parents of an eligible child regarding such parents' choices for tutorial assistance for the child;

"(ii) for considering children for tutorial assistance who are identified under subparagraph (D) and for whom no parent has selected a tutorial assistance provider or tutorial assistance program that give such parents additional opportunities to select a tutorial assistance provider or tutorial assistance program referred to in subparagraph (B); and

"(iii) that permit a local educational agency to recommend a tutorial assistance provider or tutorial assistance program in a case where a parent asks for assistance in the making of such selection.

"(D) The development of a selection process for providing tutorial assistance in accordance with this paragraph that limits the provision of assistance to children identified, by the school the child attends, as having difficulty reading, including difficulty mastering phonemic awareness, systematic phonics, fluency, and reading comprehension.

"(E) The development of procedures for selecting children to receive tutorial assistance, to be used in cases where insufficient funds are available to provide assistance with respect to all children identified by a school under subparagraph (D), that—

"(i) give priority to children who are determined, through State or local reading assessments, to be most in need of tutorial assistance; and

"(ii) give priority, in cases where children are determined, through State or local reading assessments, to be equally in need of tutorial assistance, based on a random selection principle.

"(F) The development of a methodology by which payments are made directly to tutorial assistance providers who are identified and selected pursuant to this section and selected for funding. Such methodology shall include the making of a contract, consistent with State and local law, between the provider and the local educational agency. Such contract shall satisfy the following requirements:

"(i) It shall contain specific goals and timetables with respect to the performance of the tutorial assistance provider.

"(ii) It shall require the tutorial assistance provider to report to the local educational agency on the provider's performance in meeting such goals and timetables.

"(iii) It shall specify the measurement techniques that will be used to evaluate the performance of the provider.

"(iv) It shall require the provider to meet all applicable Federal, State, and local health, safety, and civil rights laws.

"(v) It shall ensure that the tutorial assistance provided under the contract is consistent with reading instruction and content used by the local educational agency.

"(vi) It shall contain an agreement by the provider that information regarding the identity of any child eligible for, or enrolled in the program, will not be publicly disclosed without the permission of a parent of the child.

"(vii) It shall include the terms of an agreement between the provider and the local educational agency with respect to the provider's purchase and maintenance of adequate general liability insurance.

"(viii) It shall contain provisions with respect to the making of payments to the provider by the local educational agency.

"(G) The development of procedures under which the local educational agency carrying out this paragraph—

"(i) will ensure oversight of the quality and effectiveness of the tutorial assistance provided by each tutorial assistance provider that is selected for funding;

"(ii) will provide for the termination of contracts with ineffective and unsuccessful tutorial assistance providers (as determined by the local educational agency based upon the performance of the provider with respect to the goals and timetables contained in the contract between the agency and the provider under subparagraph (F));

"(iii) will provide to each parent of a child identified under subparagraph (D) who requests such information for the purpose of selecting a tutorial assistance provider for the child, in a comprehensible format, information with respect to the quality and effectiveness of the tutorial assistance referred to in clause (i);

"(iv) will ensure that each school identifying a child under subparagraph (D) will provide upon request, to a parent of the child, assistance in selecting, from among the tutorial assistance providers who are identified pursuant to subparagraph (B) the provider who is best able to meet the needs of the child;

"(v) will ensure that parents of a child receiving tutorial assistance pursuant to this section are informed of their child's progress in the tutorial program; and

"(vi) will ensure that it does not disclose the name of any child who may be eligible for tutorial assistance pursuant to this section, the name of any parent of such a child, or any other personally identifiable information about such a parent or child, to any tutorial assistance provider (excluding the agency itself), without the prior written consent of such parent.

"SEC. 2257. NATIONAL EVALUATION.

"From funds reserved under section 2260(b)(1), the Secretary, through grants or contracts, shall conduct a national assessment of the programs under this part. In developing the criteria for the assessment, the Secretary shall receive recommendations from the peer review panel convened under section 2253(c)(2).

"SEC. 2258. INFORMATION DISSEMINATION.

"(a) IN GENERAL.—From funds reserved under section 2260(b)(2), the National Institute for Literacy shall disseminate information on scientifically based reading research and information on subgrantee projects under section 2255 or 2256 that have proven effective. At a minimum, the institute shall disseminate such information to all recipients of Federal financial assistance under titles I and VII of this Act, the Head Start Act, the Individuals with Disabilities Education Act, and the Adult Education and Family Literacy Act.

"(b) COORDINATION.—In carrying out this section, the National Institute for Literacy—

"(1) shall use, to the extent practicable, information networks developed and maintained through other public and private persons, including the Secretary, the National Center for Family Literacy, and the Readline Program;

"(2) shall work in conjunction with any panel convened by the National Institute of Child Health and Human Development and the Secretary and any panel convened by the Office of Educational Research and Improvement to assess the current status of research-based knowledge on reading development, including the effectiveness of various approaches to teaching children to read, with respect to determining the criteria by which the National Institute for Literacy judges scientifically based reading research and the design of strategies to disseminate such information; and

"(3) may assist any State educational agency selected to receive a grant under section 2253, and that requests such assistance—

"(A) in determining whether applications submitted under section 2253 meet the requirements of this title relating to scientifically based reading research; and

"(B) in the development of subgrant application forms.

"SEC. 2259. STATE EVALUATIONS; PERFORMANCE REPORTS.

"(a) STATE EVALUATIONS.—

"(1) IN GENERAL.—Each State educational agency that receives a grant under section 2253 shall evaluate the success of the agency's subgrantees in meeting the purposes of this part. At a minimum, the evaluation shall measure the extent to which students who are the intended beneficiaries of the subgrants made by the agency have improved their reading skills.

"(2) CONTRACT.—A State educational agency shall carry out the evaluation under this subsection by entering into a contract with an entity that conducts scientifically based reading research, under which contract the entity will perform the evaluation.

"(3) SUBMISSION.—A State educational agency shall submit the findings from the evaluation under this subsection to the Secretary. The Secretary shall submit a summary of the findings from the evaluations under this subsection and the national assessment conducted under section 2257 to the appropriate committees of the Congress, including the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(b) PERFORMANCE REPORTS.—A State educational agency that receives a grant under section 2253 shall submit performance reports to the Secretary pursuant to a schedule to be determined by the Secretary, but not more frequently than annually. Such reports shall include—

"(1) with respect to subgrants under section 2255, the program or programs of reading instruction, based on scientifically based reading research, selected by subgrantees;

"(2) the results of use of the evaluation referred to in section 2253(b)(2)(E)(iv); and

"(3) a description of the subgrantees receiving funds under this part.

"SEC. 2260. AUTHORIZATIONS OF APPROPRIATIONS; RESERVATIONS FROM APPROPRIATIONS; SUNSET.

"(a) AUTHORIZATIONS.—

"(1) FY 1999.—If the amount appropriated to carry out the Individuals with Disabilities Education Act for fiscal year 1999 exceeds by at least $500,000,000 the amount appropriated to carry out such Act for fiscal year 1998, there are authorized to be appropriated to carry out this part and section 1202(c) $260,000,000 for fiscal year 1999.

"(2) FY 2000.—If the amount appropriated to carry out the Individuals with Disabilities Education Act for fiscal year 2000 exceeds by at least $500,000,000 the amount appropriated to carry out such Act for fiscal year 1999, there are authorized to be appropriated to carry out this part and section 1202(c) $260,000,000 for fiscal year 2000.

"(b) RESERVATIONS.—From each of the amounts appropriated under subsection (a) for a fiscal year, the Secretary—

"(1) shall reserve 1.5 percent to carry out section 2257(a);

"(2) shall reserve $5,000,000 to carry out section 2258; and

"(3) shall reserve $10,000,000 to carry out section 1202(c).

"(c) SUNSET.—Notwithstanding section 422(a) of the General Education Provisions Act, this part is not subject to extension under such section.".

(b) CONFORMING AMENDMENTS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 2003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6603) is amended—

(A) in subsection (a), by striking "title," and inserting "title (other than part C),"; and

(B) in subsection (b)(3), by striking "part C" and inserting "part D".

(2) PRIORITY FOR PROFESSIONAL DEVELOPMENT IN MATHEMATICS AND SCIENCE.—Section 2206 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6646) is amended by inserting "(other than part C)" after "for this title" each place such term appears.

(3) REPORTING AND ACCOUNTABILITY.—Section 2401 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6701) is amended by striking "under this part" each place such term appears and inserting "under this title (other than part C)".

(4) DEFINITIONS.—Section 2402 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6701) is amended by striking "this part—" and inserting "this title (other than part C)—".

(5) GENERAL DEFINITIONS.—Section 14101(10)(C) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(10)(C)) is amended by striking "part C" and inserting "part D".

TITLE II—AMENDMENTS TO EVEN START FAMILY LITERACY PROGRAMS

SEC. 201. RESERVATION FOR GRANTS.

Section 1202(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)) is amended to read as follows:

"(c) RESERVATION FOR GRANTS.—

"(1) GRANTS AUTHORIZED.—From funds reserved under section 2260(b)(3), the Secretary shall award grants, on a competitive basis, to States to enable such States to plan and implement statewide family literacy initiatives to coordinate and, where appropriate, integrate existing Federal, State, and local literacy resources consistent with the purposes of this part. Such coordination and integration shall include funds available under the Adult Education and Family Literacy Act, the Head Start Act, this part, part A of this title, and part A of title IV of the Social Security Act.

"(2) CONSORTIA.—

"(A) ESTABLISHMENT.—To receive a grant under this subsection, a State shall establish a consortium of State-level programs under the following laws:

"(i) This title (other than part D).

"(ii) The Head Start Act.

"(iii) The Adult Education and Family Literacy Act.

"(iv) All other State-funded preschool programs and programs providing literacy services to adults.

"(B) PLAN.—To receive a grant under this subsection, the consortium established by a State shall create a plan to use a portion of the State's resources, derived from the programs referred to in subparagraph (A), to strengthen and expand family literacy services in such State.

"(C) COORDINATION WITH PART C OF TITLE II.—The consortium shall coordinate its activities with the activities of the reading and literacy partnership for the State established under section 2253(d), if the State educational agency receives a grant under section 2253.

"(3) READING INSTRUCTION.—Statewide family literacy initiatives implemented under this subsection shall base reading instruction on scientifically based reading research (as such term is defined in section 2252).

"(4) TECHNICAL ASSISTANCE.—The Secretary shall provide, directly or through a grant or contract with an organization with experience in the development and operation of successful family literacy services, technical assistance to States receiving a grant under this subsection.

"(5) MATCHING REQUIREMENT.—The Secretary shall not make a grant to a State under this subsection unless the State agrees that, with respect to the costs to be incurred by the eligible consortium in carrying out the activities for which the grant was awarded, the State will make available non-Federal contributions in an amount equal to not less than the Federal funds provided under the grant.".

SEC. 202. DEFINITIONS.

Section 1202(e) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(e)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) the term 'family literacy services' means services provided to participants on a voluntary basis that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

"(A) Interactive literacy activities between parents and their children.

"(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

"(C) Parent literacy training that leads to economic self-sufficiency.

"(D) An age-appropriate education to prepare children for success in school and life experiences.

SEC. 203. EVALUATION.

Section 1209 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6369) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) to provide States and eligible entities receiving a subgrant under this part, directly or through a grant or contract with an organization with experience in the development and operation of successful family literacy services, technical assistance to ensure local evaluations undertaken under section 1205(10) provide accurate information on the effectiveness of programs assisted under this part.".

SEC. 204. INDICATORS OF PROGRAM QUALITY.

(a) IN GENERAL.—The Elementary and Secondary Education Act of 1965 is amended—

(1) by redesignating section 1210 as section 1212; and

(2) by inserting after section 1209 the following:

"SEC. 1210. INDICATORS OF PROGRAM QUALITY.

"Each State receiving funds under this part shall develop, based on the best available research and evaluation data, indicators of program quality for programs assisted under this part. Such indicators shall be used to monitor, evaluate, and improve such programs within the State. Such indicators shall include the following:

"(1) With respect to eligible participants in a program who are adults—

"(A) achievement in the areas of reading, writing, English language acquisition, problem solving, and numeracy;

"(B) receipt of a high school diploma or a general equivalency diploma;

"(C) entry into a postsecondary school, job retraining program, or employment or career advancement, including the military; and

"(D) such other indicators as the State may develop.

"(2) With respect to eligible participants in a program who are children—

"(A) improvement in ability to read on grade level or reading readiness;

"(B) school attendance;

"(C) grade retention and promotion; and

"(D) such other indicators as the State may develop.".

(b) STATE LEVEL ACTIVITIES.—Section 1203(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6363(a)) is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(3) carrying out section 1210.".

(c) AWARD OF SUBGRANTS.—Paragraphs (3) and (4) of section 1208(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6368) are amended to read as follows:

"(3) CONTINUING ELIGIBILITY.—In awarding subgrant funds to continue a program under this part for the second, third, or fourth year, the State educational agency shall evaluate the program based on the indicators of program quality developed by the State under section 1210. Such evaluation shall take place after the conclusion of the startup period, if any.

"(4) INSUFFICIENT PROGRESS.—The State educational agency may refuse to award subgrant funds if such agency finds that the eligible entity has not sufficiently improved the performance of the program, as evaluated based on the indicators of program quality developed by the State under section 1210, after—

"(A) providing technical assistance to the eligible entity; and

"(B) affording the eligible entity notice and an opportunity for a hearing.".

SEC. 205. RESEARCH.

The Elementary and Secondary Education Act of 1965, as amended by section 204 of this Act, is further amended by inserting after section 1210 the following:

"SEC. 1211. RESEARCH.

"(a) In General.—The Secretary shall carry out, through grant or contract, research into the components of successful family literacy services, to use—

"(1) to improve the quality of existing programs assisted under this part or other family literacy programs carried out under this Act or the Adult Education and Family Literacy Act; and

"(2) to develop models for new programs to be carried out under this Act or the Adult Education and Family Literacy Act.

"(b) Dissemination.—The National Institute for Literacy shall disseminate, pursuant to section 2258, the results of the research described in subsection (a) to States and recipients of subgrants under this part.".

TITLE III—REPEALS

SEC. 301. REPEAL OF CERTAIN UNFUNDED EDUCATION PROGRAMS.

(a) Community School Partnerships.—The Community School Partnership Act (contained in part B of title V of the Improving America's Schools Act of 1994 (20 U.S.C. 1070 note) is repealed.

(b) Educational Research, Development, Dissemination, and Improvement Act of 1994.—Section 941(j) of the Educational Research, Development, Dissemination, and Improvement Act of 1994 (20 U.S.C. 6041(j)) is repealed.

(c) Elementary and Secondary Education Act of 1965.—The following provisions are repealed:

(1) Innovative elementary school transition projects.—Section 1503 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6493).

(2) De lugo territorial education improvement program.—Part H of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8221 et seq.).

(3) Extended time for learning and longer school year.—Part L of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8351).

(4) Territorial assistance.—Part M of title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8371).

(d) Family and Community Endeavor Schools.—The Family and Community Endeavor Schools Act (42 U.S.C. 13792) is repealed.

(e) Goals 2000: Educate America Act.—Subsections (b) and (d)(1) of section 601 of the Goals 2000: Educate America Act (20 U.S.C. 5951) are repealed.

TITLE IV—TECHNICAL AND CONFORMING AMENDMENTS

SEC. 401. TECHNICAL AMENDMENTS TO THE WORKFORCE INVESTMENT ACT OF 1998.

(1) Section 111(c) of the Workforce Investment Act of 1998 is amended by striking "Chairman" and inserting "Chairperson".

(2) Section 112(c)(1) of such Act is amended by striking "; and" and inserting "; or".

(3) Section 116(a)(3)(D)(ii)(I)(aa) of such Act is amended by striking "; or" and inserting "; and".

(4) Section 117 of such Act is amended—

(A) in subsection (f)(1)(D), by striking "State" and inserting "Governor"; and

(B) in subsection (i)(1)(D)(ii), by striking subclause (II), and inserting the following:

"(II) other representatives of employees in the local area (for a local area in which no employees are represented by such organizations).".

(5) Section 134(d)(4)(F) of such Act is amended by adding at the end the following:

"(iii) Individual training accounts.—An individual who seeks training services and who is eligible pursuant to subparagraph (A), may, in consultation with a case manager, select an eligible provider of training services from the list or identifying information for providers described in clause (ii)(I). Upon such selection, the one-stop operator involved shall, to the extent practicable, refer such individual to the eligible provider of training services, and arrange for payment for such services through an individual training account.".

(6) Section 159 of such Act is amended—

(A) in subsections (c)(1)(G) and (d)(4), by striking "post-secondary" and inserting "postsecondary"; and

(B) in subsection (c)(3), by striking "containing" and inserting "containing,".

(7) Section 166(h)(3)(A) of such Act is amended by striking "paragraph (2)" and inserting "subparagraph (B)".

(8) Section 167(d) of such Act is amended by inserting "and section 127(b)(1)(A)(iii)" after "this section".

(9) Section 170(a)(1) of such Act is amended by striking "carry out" and inserting "carrying out".

(10) Section 170(b)(2) of such Act is amended by striking "174(b)" and inserting "173(b)".

(11) Section 171(b)(2) of such Act is amended by striking "only on a competitive" and all that follows through the period and inserting "in accordance with generally applicable Federal requirements.".

(12) Section 173(a)(2) of such Act is amended by striking "the Robert" and inserting "The Robert".

(13) Section 189(i)(1) of such Act is amended by striking "1997 (Public Law 104-208; 110 Stat. 3009-234)" and inserting "1998 (Public Law 105-78; 111 Stat. 1467).

(14) Paragraphs (2) and (3) of section 192(a) of such Act are amended by striking "), to" and inserting ") to".

(15) Section 334(b) of such Act is amended by striking paragraph (2) and inserting the following:

"(2) Date.—The appointments of the members of the Commission shall be made by February 1, 1999.".

(16) Section 405 of such Act is amended by striking "et seq.)," and inserting "et seq.)".

(17) Section 501(b)(1) of such Act is amended by adding at the end the following: "For purposes of this paragraph, the activities and programs described in subparagraphs (A) and (B) of paragraph (2) shall not be considered to be 2 or more activities or programs for purposes of the unified plan. Such activities or programs shall be considered to be 1 activity or program.".

(18) Section 505 of such Act is amended—

(A) in subsection (a), by striking "in this Act" and inserting "under title I, II, or III or this title"; and

(B) in subsection (b), by striking "under this Act" each place it appears and inserting "under title I, II, or III or this title".

(19) Section 506(d) of such Act is amended—

(A) in paragraph (1), by striking "subsection (b)" and inserting "subsection (c)"; and

(B) in paragraph (2)—

(i) by inserting "planning authorized under" after "carry out" each place that such appears; and

(ii) by striking "the purposes" and inserting "the planning purposes".

SEC. 402. TECHNICAL AMENDMENTS TO THE REHABILITATION ACT OF 1973.

(a) Redesignation.—

(1) The Rehabilitation Act of 1973 (as amended by title IV of the Workforce Investment Act of 1998) is further amended by redesignating sections 6 through 19 as sections 7, 8, and 10 through 21, respectively.

(2) The table of contents for the Rehabilitation Act of 1973 (as amended by section 403 of the Workforce Investment Act of 1998) is further amended by striking the items relating to sections 6 through 19 and inserting the following:

"Sec. 7. Definitions.
"Sec. 8. Allotment percentage.
"Sec. 10. Nonduplication.
"Sec. 11. Application of other laws.
"Sec. 12. Administration of the Act.
"Sec. 13. Reports.
"Sec. 14. Evaluation.
"Sec. 15. Information clearinghouse.
"Sec. 16. Transfer of funds.
"Sec. 17. State administration.
"Sec. 18. Review of applications.
"Sec. 19. Carryover.
"Sec. 20. Client assistance information.
"Sec. 21. Traditionally underserved populations.".

(b) Section Headings.—

(1) Section 1 of such Act (as so amended) is further amended by striking the section heading and all that follows through "Short Title.—" and inserting the following:

"SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"(a) Short Title.—".

(2) Section 2 of such Act (as so amended) is further amended by striking the section heading and all that follows through "Findings.—" and inserting the following:

"SEC. 2. FINDINGS; PURPOSE; POLICY.

"(a) Findings.—".

(3) Section 7 of such Act (as so amended and redesignated in subsection (a)) is further amended by striking the section heading and all that follows through "(1) The term" and inserting the following:

"SEC. 7. DEFINITIONS.

"For the purposes of this Act:

"(1) Administrative costs.—The term".

(4) Section 19 of such Act (as so amended and redesignated in subsection (a)) is further amended by striking the section heading and all that follows through "In General.—" and inserting the following:

"SEC. 19. CARRYOVER.

"(a) In General.—".

(5) Section 20 of such Act (as so amended and redesignated in subsection (a)) is further amended by striking the section heading and all that follows through "All" and inserting the following:

"SEC. 20. CLIENT ASSISTANCE INFORMATION.

"All".

(6) Section 21 of such Act (as so amended and redesignated in subsection (a)) is further amended by striking the section heading and all that follows through "Findings.—" and inserting the following:

"SEC. 21. TRADITIONALLY UNDERSERVED POPULATIONS.

"(a) Findings.—".

(7) Section 110 of such Act (as so amended) is further amended by striking the section heading and all that follows through "(a)(1) Subject" and inserting the following:

"STATE ALLOTMENTS

"Sec. 110. (a)(1) Subject".

(8) Section 111 of such Act (as so amended) is further amended by striking the section heading and all that follows through "(a)(1) Except" and inserting the following:

"PAYMENTS TO STATES

"SEC. 111. (a)(1) Except".

(9) Section 112 of such Act (as so amended) is further amended by striking the section heading and all that follows through "(a) From" and inserting the following:

"CLIENT ASSISTANCE PROGRAM

"SEC. 112. (a) From".

(10) Section 121 of such Act (as so amended) is further amended by striking the section heading and all that follows through "(a) The" and inserting the following:

"VOCATIONAL REHABILITATION SERVICES GRANTS

"SEC. 121. (a) The".

(11) Section 205 of such Act (as so amended) is further amended by striking the section heading and all that follows through "ESTABLISHMENT.—" and inserting the following:

"SEC. 205. REHABILITATION RESEARCH ADVISORY COUNCIL.

"(a) ESTABLISHMENT.—".

(12) Section 621 of such Act (as so amended) is further amended by striking the section heading and all that follows through "It" and inserting the following:

"SEC. 621. PURPOSE.

"It".

(13) Section 622 of such Act (as so amended) is further amended by striking the section heading and all that follows through "IN GENERAL.—" and inserting the following:

"SEC. 622. ALLOTMENTS.

"(a) IN GENERAL.—".

(14) Section 623 of such Act (as so amended) is further amended by striking the section heading and all that follows through "Funds provided under this part may" and inserting the following:

"SEC. 623. AVAILABILITY OF SERVICES.

"Funds provided under this part may".

(15) Section 624 of such Act (as so amended) is further amended by striking the section heading and all that follows through "An" and inserting the following:

"SEC. 624. ELIGIBILITY.

"An".

(16) Section 625 of such Act (as so amended) is further amended by striking the section heading and all that follows through "STATE PLAN SUPPLEMENTS.—" and inserting the following:

"SEC. 625. STATE PLAN.

"(a) STATE PLAN SUPPLEMENTS.—".

(17) Section 626 of such Act (as so amended) is further amended by striking the section heading and all that follows through "Each" and inserting the following:

"SEC. 626. RESTRICTION.

"Each".

(18) Section 627 of such Act (as so amended) is further amended by striking the section heading and all that follows through "SUPPORTED EMPLOYMENT SERVICES.—" and inserting the following:

"SEC. 627. SAVINGS PROVISION.

"(a) SUPPORTED EMPLOYMENT SERVICES.—".

(19) Section 628 of such Act (as so amended) is further amended by striking the section heading and all that follows through "There" and inserting the following:

"SEC. 628. AUTHORIZATION OF APPROPRIATIONS.

"There".

(c) OTHER AMENDMENTS.—

(1) Section 7 of such Act (as so amended and redesignated in subsection (a)) is further amended—

(A) in paragraph (2)(B), by striking "objectives, nature," and inserting "nature";

(B) by striking paragraph (7);

(C) in paragraph (16)(A)(iii), by striking "client" and inserting "eligible individual"; and

(D) in paragraph (36)(C), by striking "rehabilitation objectives" and inserting "employment outcome".

(2) Section 10 of such Act (as so amended and redesignated in subsection (a)) is further amended—

(A) by striking "disregarded: (1)" and inserting the following: "disregarded—

"(1)";

(B) by striking "(2)" and inserting the following:

"(2)"; and

(C) by striking "No payment" and inserting the following:

"No payment".

(3) The second and third sentences of section 21(a)(3) of such Act (as so amended and redesignated in subsection (a)) are further amended by striking "are" and inserting "is".

(4) Section 101(a) of such Act (as so amended) is further amended—

(A) in paragraph (18)(C), by striking "will be utilized" and inserting "were utilized during the preceding year"; and

(B) in paragraph (21)(A)(i)(II)(bb), by striking "Commission" and inserting "commission".

(5) Section 102(c)(5)(F) (as so amended) is further amended—

(A) in clause (ii), by striking "and" at the end thereof;

(B) in clause (iii), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(iv) not delegate the responsibility for making the final decision to any officer or employee of the designated State unit.".

(6) Section 105(b) of such Act (as so amended) is further amended—

(A) in paragraph (3)—

(i) by striking "Governor" the first place it appears and inserting "Governor or, in the case of a State that, under State law, vests authority for the administration of the activities carried out under this Act in an entity other than the Governor (such as one or more houses of the State legislature or an independent board), the chief officer of that entity"; and

(ii) in the second and third sentences, by striking "Governor" and inserting "appointing authority";

(B) in paragraph (4)(A)(i), by striking "section 7(20)(A)" and inserting "section 7(20)(B)";

(C) in paragraph (5)(B)—

(i) in the subparagraph heading, by striking "GOVERNOR" and inserting "CHIEF EXECUTIVE OFFICER"; and

(ii) by striking "Governor shall" and inserting "appointing authority described in paragraph (3) shall"; and

(D) in paragraphs (6)(A)(ii) and (7)(B), by striking "Governor" and inserting "appointing authority described in paragraph (3)".

(7) Section 705(b) of such Act (as so amended) is further amended—

(A) in paragraph (1)—

(i) by striking "Governor" the first place it appears and inserting "Governor or, in the case of a State that, under State law, vests authority for the administration of the activities carried out under this Act in an entity other than the Governor (such as one or more houses of the State legislature or an independent board), the chief officer of that entity"; and

(ii) in the second sentence, by striking "Governor" and inserting "appointing authority";

(B) in paragraph (5)(B)—

(i) in the subparagraph heading, by striking "GOVERNOR" and inserting "CHIEF EXECUTIVE OFFICER"; and

(ii) by striking "Governor shall" and inserting "appointing authority described in paragraph (3) shall"; and

(C) in paragraphs (6)(A)(ii) and (7)(B), by striking "Governor" and inserting "appointing authority described in paragraph (3)".

SEC. 403. TECHNICAL AMENDMENTS TO OTHER ACTS.

(a) WAGNER-PEYSER ACT.—Section 15 of the Wagner-Peyser Act (as added by section 309 of the Workforce Investment Act of 1998) is amended—

(1) in subsection (a)(2)(A)(i), by striking "of this section"; and

(2) in subsection (e)(2)(G), by striking "complementary" and inserting "complementarity".

(b) OLDER AMERICANS ACT OF 1965.—Subparagraph (Q) of section 502(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056(b)(1)) (as added by section 323 of the Workforce Investment Act of 1998) is amended by aligning the margins of the subparagraph with the margins of subparagraph (P) of such section.

SEC. 404. TECHNICAL AMENDMENTS REGARDING ADULT EDUCATION.

(a) REFERENCES TO TITLE.—The matter preceding paragraph (1) of section 203, and sections 204 and 205, of the Adult Education and Family Literacy Act (20 U.S.C. 9202, 9203, and 9204) are each amended by striking "this subtitle" and inserting "this title".

(b) QUALIFYING ADULT.—Section 211(d)(1) of the Adult Education and Family Literacy Act (20 U.S.C. 9211(d)(1)) is amended by striking ", but less than 61 years of age".

(c) LEVELS OF PERFORMANCE.—Section 212(b)(3)(A)(vi) of the Adult Education and Family Literacy Act (20 U.S.C. 9212(b)(3)(A)(vi)) is amended by striking "136(j)" and inserting "136(i)(1)".

(d) CORRECTIONS EDUCATION.—Section 225(a) of the Adult Education and Family Literacy Act (20 U.S.C. 9225) is amended—

(1) in subsection (a), by striking "or education" and inserting "and education"; and

(2) in subsection (c), by striking "with" and inserting "within".

(e) NATIONAL LEADERSHIP ACTIVITIES.—Section 243(2)(B) of the Adult Education and Family Literacy Act (20 U.S.C. 9253(2)(B)) is amended by striking "qualify" and inserting "quality".

(f) INCENTIVE GRANTS.—Section 503(a) of the Workforce Investment Act of 1998 (20 U.S.C. 9273(a)) is amended by striking "expected" and inserting "adjusted".

SEC. 405. CONFORMING AMENDMENTS.

(a) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(b) REFERENCES TO TITLE II OF PUBLIC LAW 95-250.—Section 103 of Public Law 95-250 (16 U.S.C. 791) is amended—

(1) by striking the second sentence of subsection (a); and

(2) by striking the second sentence of subsection (b).

(c) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(1) TABLE OF CONTENTS RELATING TO SUBTITLE C OF TITLE VII.—The table of contents of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is

amended by striking the items relating to sections 731 through 737, and sections 739 through 741, of such Act.

(2) TITLE VII.—Title VII of such Act is amended by inserting before section 738 the following:

"Subtitle C—Job Training for the Homeless".

(3) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended—

(A) by striking paragraph (15); and

(B) by redesignating paragraphs (16) through (19) as paragraphs (15) through (18), respectively.

(d) REFERENCES TO JOB TRAINING PARTNERSHIP ACT PRIOR TO REPEAL.—

(1) TITLE 5, UNITED STATES CODE.—Section 3502(d) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) the appropriate State dislocated worker unit or office (referred to in section 311(b)(2) of the Job Training Partnership Act), or the State or entity designated by the State to carry out rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998; and"; and

(ii) in subparagraph (B)(iii), by striking "other services under the Job Training Partnership Act" and inserting "other services under the Job Training Partnership Act or under title I of the Workforce Investment Act of 1998"; and

(B) in paragraph (4), in the second sentence, by striking "Secretary of Labor on matters relating to the Job Training Partnership Act" and inserting "Secretary of Labor on matters relating to the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(2) FOOD STAMP ACT OF 1977.—

(A) SECTION 5.—Section 5(l) of the Food Stamp Act of 1977 (7 U.S.C. 2014(l)) is amended by striking "Notwithstanding section 142(b) of the Job Training Partnership Act (29 U.S.C. 1552(b)), earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or section 264(c)(1)(A) of the Job Training Partnership Act" and inserting "Notwithstanding section 142(b) of the Job Training Partnership Act or section 181(a)(2) of the Workforce Investment Act of 1998, earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or 264(c)(1)(A) of the Job Training Partnership Act or in on-the-job training under title I of the Workforce Investment Act of 1998".

(B) SECTION 6.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(i) in subsection (d)(4)(M), by striking "the State public employment offices and agencies operating programs under the Job Training Partnership Act" and inserting "the State public employment offices and agencies operating programs under the Job Training Partnership Act or of the State public employment offices and other State agencies and providers carrying out activities under title I of the Workforce Investment Act of 1998";

(ii) in subsection (e)(3), by striking subparagraph (A) and inserting the following:

"(A) a program under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998;"; and

(iii) in subsection (o)(1)(A), by striking "Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(C) SECTION 17.—The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended—

(i) by striking "to accept an offer of employment from a political subdivision or a prime sponsor pursuant to the Comprehensive Employment and Training Act of 1973, as amended (29 U.S.C. 812)," and inserting "to accept an offer of employment from a political subdivision or provider pursuant to a program carried out under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,"; and

(ii) by striking ": *Provided*, That all of the political subdivision's" and all that follows and inserting ", if all of the jobs supported under the program have been made available to participants in the program before the political subdivision or provider providing the jobs extends an offer of employment under this paragraph, and if the political subdivision or provider, in employing the person, complies with the requirements of Federal law that relate to the program.".

(3) PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—

(A) Section 403(c)(2)(K) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(K)) is amended by striking "Job Training Partnership Act" and inserting "Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(B) Section 423(d)(11) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note) is amended by striking "Job Training Partnership Act" and inserting "Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(4) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(F) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(F)) is amended by striking "The Job Training Partnership Act." and inserting "The Job Training Partnership Act or title I of the Workforce Investment Act of 1998.".

(5) REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—Section 402(a)(4) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(6) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1991.—Section 4003(5)(C) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2391 note) is amended by inserting before the period the following: ", as in effect on the day before the date of enactment of the Workforce Investment Act of 1998".

(7) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) SECTION 3161.—Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) is amended by striking subparagraph (A) and inserting the following:

"(A) programs carried out by the Secretary of Labor under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998;".

(B) SECTION 4461.—Section 4461(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking "The Job Training Partnership Act (29 U.S.C. 1501 et seq.)." and inserting "The Job Training Partnership Act or title I of the Workforce Investment Act of 1998.".

(C) SECTION 4471.—Section 4471 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2501 note) is amended—

(i) in subsection (c)(2), by striking "the State dislocated" and all that follows through "and the chief" and inserting "the State dislocated worker unit or office referred to in section 311(b)(2) of the Job Training Partnership Act, or the State or entity designated by the State to carry out rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998, and the chief";

(ii) in subsection (d)—

(I) in the first sentence, by striking "for training, adjustment assistance, and employment services" and all that follows through "except where" and inserting "for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act or to participate in employment and training activities carried out under title I of the Workforce Investment Act of 1998, except in a case in which"; and

(II) by striking the second sentence; and

(iii) in subsection (e), by striking "for training," and all that follows through "beginning" and inserting ", on the basis of any related reduction in funding under the contract, for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act or to participate in employment and training activities under title I of the Workforce Investment Act of 1998, beginning".

(D) SECTION 4492.—Section 4492(b) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(8) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.—Section 1333(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2701 note) is amended by striking "Private industry councils (as described in section 102 of the Job Training Partnership Act (29 U.S.C. 1512))." and inserting "Private industry councils as described in section 102 of the Job Training Partnership Act or local workforce investment boards established under section 117 of the Workforce Investment Act of 1998.".

(9) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998.—Section 2824(c)(5) of the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 2687 note) is amended by striking "Job Training Partnership Act" and inserting "Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(10) SMALL BUSINESS ACT.—The fourth sentence of section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(11) EMPLOYMENT ACT OF 1946.—Section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)) is amended by striking "and include these in the annual Employment and Training Report of the President required under section 705(a) of the Comprehensive Employment and Training Act of 1973 (hereinafter in this Act referred to as 'CETA')" and inserting "and prepare and submit to the President an annual report containing the recommendations".

(12) FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978.—

(A) SECTION 206.—Section 206 of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3116) is amended—

(i) in subsection (b)—

(I) in the matter preceding paragraph (1), by striking "CETA" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998"; and

(II) in paragraph (1), by striking "(including use of section 110 of CETA when necessary)"; and

(ii) in subsection (c)(1), by striking "CETA" and inserting "activities carried out under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(B) SECTION 401.—Section 401(d) of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3151(d)) is amended by striking "include, in the annual Employment and Training Report of the President provided under section 705(a) of CETA," and inserting "include, in the annual report referred to in section 4(f)(2)(B) of the Employment Act of 1946 (15 U.S.C. 1022a(f)(2)(B)),".

(13) TITLE 18, UNITED STATES CODE.—Subsections (a), (b), and (c) of section 665 of title 18, United States Code are amended by striking "the Comprehensive Employment and Training Act or the Job Training Partnership Act" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(14) TRADE ACT OF 1974.—

(A) SECTION 236.—Section 236(a)(5)(B) of the Trade Act of 1974 (19 U.S.C. 2296(a)(5)(B)) is amended by striking "section 303 of the Job Training Partnership Act" and inserting "section 303 of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(B) SECTION 239.—Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by striking "under title III of the Job Training Partnership Act" and inserting "under title III of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(15) HIGHER EDUCATION ACT OF 1965.—

(A) SECTION 418A.—Subsections (b)(1)(B)(ii) and (c)(1)(A) of section 418A of the Higher Education Act of 1965 (20 U.S.C. 1070d–2) are amended by striking "section 402 of the Job Training Partnership Act" and inserting "section 402 of the Job Training Partnership Act or section 167 of the Workforce Investment Act of 1998".

(B) SECTION 480.—Section 480(b)(14) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)(14)) is amended by striking "Job Training Partnership Act noneducational benefits" and inserting "Job Training Partnership Act noneducational benefits or benefits received through participation in employment and training activities under title I of the Workforce Investment Act of 1998".

(16) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—Subsection (a) of section 302 of the Department of Education Organization Act (20 U.S.C. 3443(a)) is amended by striking "under section 303(c)(2) of the Comprehensive Employment and Training Act" and inserting "relating to such education".

(17) NATIONAL SKILL STANDARDS ACT OF 1994.—

(A) SECTION 504.—Section 504(c)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5934(c)(3)) is amended by striking "the Capacity Building and Information and Dissemination Network established under section 453(b) of the Job Training Partnership Act (29 U.S.C. 1733(b)) and".

(B) SECTION 508.—Section 508(1) of the National Skill Standards Act of 1994 (20 U.S.C. 5938(1)) is amended to read as follows:

"(1) COMMUNITY-BASED ORGANIZATION.—The term 'community-based organization' means a private nonprofit organization that is representative of a community or a significant segment of a community and that has demonstrated expertise and effectiveness in the field of workforce investment.".

(18) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1205.—Section 1205(8)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365(8)(B)) is amended by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(B) SECTION 1414.—Section 1414(c)(8) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6434(c)(8)) is amended by striking "programs under the Job Training Partnership Act," and inserting "programs under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,".

(C) SECTION 1423.—Section 1423(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking "programs under the Job Training and Partnership Act" and inserting "programs under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(D) SECTION 1425.—Section 1425(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6455(9)) is amended by striking ", such as funds under the Job Training Partnership Act," and inserting ", such as funds made available under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,".

(19) DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995.—Section 2604(c)(2)(B)(ii) of the District of Columbia School Reform Act of 1995 (Public Law 104–134; 110 Stat. 1321–145) is amended by striking "Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(20) FREEDOM SUPPORT ACT.—The last sentence of section 505 of the FREEDOM Support Act (22 U.S.C. 5855) is amended by striking ", through the Defense Conversion" and all that follows through "or through" and inserting "or through".

(21) EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974.—

(A) SECTION 204.—Section 204(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended by striking "designate as an area" and all that follows and inserting "designate as an area under this section an area that is a service delivery area established under section 101 of the Job Training Partnership Act (except that after local workforce investment areas are designated under section 116 of the Workforce Investment Act of 1998 for the State involved, the corresponding local workforce investment area shall be considered to be the area designated under this section) or a local workforce investment area designated under section 116 of the Workforce Investment Act of 1998.".

(B) SECTION 223.—Section 223 of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended—

(i) in paragraph (3), by striking "assistance provided" and all that follows and inserting "assistance provided under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998;"; and

(ii) in paragraph (4), by striking "funds provided" and all that follows and inserting "funds provided under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998;".

(22) JOB TRAINING REFORM AMENDMENTS OF 1992.—Section 701 of the Job Training Reform Amendments of 1992 (29 U.S.C. 1501 note) is repealed.

(23) PUBLIC LAW 98–524.—Section 7 of Public Law 98–524 (29 U.S.C. 1551 note) is repealed.

(24) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402 of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(A) in subsection (a), by striking "title III of the Job Training Partnership Act (29 U.S.C. 1651 et seq.)" and inserting "title III of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998";

(B) in subsection (c), by striking "Training, in consultation with the office designated or created under section 322(b) of the Job Training Partnership Act," and inserting "Training, in consultation with the unit or office designated or created under section 322(b) of the Job Training Partnership Act or any successor to such unit or office under title I of the Workforce Investment Act of 1998,"; and

(C) in subsection (d)—

(i) in paragraph (1)(A), by striking "part C" and all that follows through"; and" and inserting "part C of title IV of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998; and"; and

(ii) in paragraph (2), by striking "Employment and training" and all that follows and inserting "Employment and training activities for dislocated workers under title III of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998.".

(25) VETERANS' JOB TRAINING ACT.—

(A) SECTION 13.—Section 13(b) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking "assistance under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "assistance under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(B) SECTION 14.—Section 14(b)(3)(B)(i)(II) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended by striking "under part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "under part C of title IV the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(C) SECTION 15.—Section 15(c)(2) of the Veterans' Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking "part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "part C of title IV of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998"; and

(ii) in the third sentence, by striking "title III of that Act" and inserting "title III of the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(26) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT.—Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking "to the State" and all that follows through "and the chief" and inserting "to the State dislocated worker unit or office (referred to in section 311(b)(2) of the Job Training and Partnership Act), or the State or entity designated by the State to carry out rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998, and the chief".

(27) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended by striking paragraph (4) and inserting the following:

"(4) Programs under title II or IV of the Job Training Partnership Act or under title I of the Workforce Investment Act of 1998.".

(28) VETERANS' REHABILITATION AND EDUCATION AMENDMENTS OF 1980.—Section 512 of

the Veterans' Rehabilitation and Education Amendments of 1980 (38 U.S.C. 4101 note) is amended by striking "the Comprehensive Employment and Training Act (29 U.S.C. et seq.)," and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,".

(29) TITLE 38, UNITED STATES CODE.—

(A) SECTION 4102A.—Section 4102A(d) of title 38, United States Code, is amended by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(B) SECTION 4103A.—Section 4103A(c)(4) of title 38, United States Code, is amended by striking "(including part C of title IV of the Job Training Partnership Act (29 U.S.C. 1501 et seq.))" and inserting "including part C of title IV of the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(C) SECTION 4213.—Section 4213 of title 38, United States Code, is amended by striking "program assisted under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)," and inserting "program carried out under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,".

(30) SOCIAL SECURITY ACT.—Section 403(a)(5) of Social Security Act (42 U.S.C. 603(a)(5)) is amended—

(A) in subparagraph (A)(vii)(I), by striking "(as described in section 103(c) of the Job Training Partnership Act)" and inserting "(as described in section 103(c) of the Job Training Partnership Act or defined in section 101 of the Workforce Investment Act of 1998)"; and

(B) in subparagraph (D)—

(i) in clause (ii), by striking "means, with respect to a service delivery area, the private industry council (or successor entity) established for the service delivery area pursuant to the Job Training Partnership Act" and inserting "means, with respect to a service delivery area, the private industry council or local workforce investment board established for the service delivery area pursuant to the Job Training Partnership Act or title I of the Workforce Investment Area of 1998, as appropriate"; and

(ii) in clause (iii), by striking "shall have the meaning given such term (or the successor to such term) for purposes of the Job Training Partnership Act" and inserting "shall have the meaning given such term for purposes of the Job Training Partnership Act or shall mean a local area as defined in section 101 of the Workforce Investment Act of 1998, as appropriate".

(31) UNITED STATES HOUSING ACT.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(A) in subsection (b)(2)(A), by striking "the Job Training" and all that follows through "or the" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 or the";

(B) in the first sentence of subsection (f)(2), by striking "programs under the" and all that follows through "and the" and inserting "programs under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 or the"; and

(C) in subsection (g)—

(i) in paragraph (2), by striking "programs under the" and all that follows through "and the" and inserting "programs under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 or the"; and

(ii) in paragraph (3)(H), by striking "program under" and all that follows through "and any other" and inserting "programs under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 and any other".

(32) HOUSING ACT OF 1949.—Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474(c)(3)) is amended by striking "pursuant to" and all that follows through "or the" and inserting "pursuant to the Job Training Partnership Act or title I of the Workforce Investment Act of 1998 or the".

(33) OLDER AMERICANS ACT OF 1965.—

(A) SECTION 203.—Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3013) is amended—

(i) in subsection (a)(2), by striking the last sentence and inserting the following: "In particular, the Secretary of Labor shall consult and cooperate with the Assistant Secretary in carrying out the Job Training Partnership Act and title I of the Workforce Investment Act of 1998."; and

(ii) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) the Job Training Partnership Act or title I of the Workforce Investment Act of 1998,".

(B) SECTION 502.—Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended—

(i) in subsection (b)(1)(N)(i), by striking "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998"; and

(ii) in subsection (e)(2)(C), by striking "programs carried out under section 124 of the Job Training Partnership Act (29 U.S.C. 1534)" and inserting "programs carried out under the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(C) SECTION 503.—Section 503(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056a(b)(1)) is amended—

(i) in the first sentence, by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998"; and

(ii) in the first sentence, by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(D) SECTION 510.—Section 510 of the Older Americans Act of 1965 (42 U.S.C. 3056h) is amended by striking the matter following the section heading and inserting the following:

"In the case of projects under this title carried out jointly with programs carried out under the Job Training Partnership Act, eligible individuals shall be deemed to satisfy the requirements of sections 203 and 204(d)(5)(A) of such Act (29 U.S.C. 1603, 1604(d)(5)(A)) that are applicable to adults. In the case of projects under this title carried out jointly with programs carried out under subtitle B of title I of the Workforce Investment Act of 1998, eligible individuals shall be deemed to satisfy the requirements of section 134 of such Act.".

(34) OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 1801(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ee(b)(3)) is amended by striking "activities carried out under part B of title IV of the Job Training Partnership Act (relating to Job Corps) (29 U.S.C. 1691 et seq.)" and inserting "activities carried out under part B of title IV of the Job Training Partnership Act or subtitle C of title I of the Workforce Investment Act of 1998 (relating to Job Corps)".

(35) ENVIRONMENTAL PROGRAMS ASSISTANCE ACT OF 1984.—The second sentence of section 2(a) of the Environmental Programs Assistance Act of 1984 (42 U.S.C. 4368a(a)) is amended by striking "and title IV of the Job Training Partnership Act" and inserting "and title IV of the Job Training Partnership Act or subtitle D of title I of the Workforce Investment Act of 1998".

(36) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(A) SECTION 103.—The second sentence of section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended to read as follows: "Whenever feasible, such efforts shall be coordinated with an appropriate private industry council established under the Job Training Partnership Act or local workforce investment board established under section 117 of the Workforce Investment Act of 1998.".

(B) SECTION 109.—Subsections (c)(2) and (d)(2) of section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by striking "administrative entities designated to administer job training plans under the Job Training Partnership Act" and inserting "administrative entities designated to administer job training plans under the Job Training Partnership Act and eligible providers of employment and training activities under subtitle B of title I of the Workforce Investment Act of 1998".

(37) AGE DISCRIMINATION ACT OF 1975.—Section 304(c)(1) of the Age Discrimination Act of 1975 (42 U.S.C. 6103(c)(1)) is amended by striking "Except with" and all that follows through "nothing" and inserting "Nothing".

(38) ENERGY CONSERVATION AND PRODUCTION ACT.—Section 414(b)(3) of the Energy Conservation and Production Act (42 U.S.C. 6864(b)(3)) is amended by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(39) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended, in the matter preceding paragraph (1), by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(40) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—Section 617(a)(3) of the Community Economic Development Act of 1981 (42 U.S.C. 9806(a)(3)) is amended by striking "activities such as those described in the Comprehensive Employment and Training Act" and inserting "activities such as the activities described in the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(41) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—Section 103(b)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(b)(2)) is amended by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(42) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) SECTION 177.—Section 177(d) of the National and Community Service Act of 1990 (42 U.S.C. 12637(d)) is amended to read as follows:

"(d) TREATMENT OF BENEFITS.—Allowances, earnings, and payments to individuals participating in programs that receive assistance under this title shall not be considered to be income for the purposes of determining eligibility for and the amount of income transfer and in-kind aid furnished under any Federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.).".

(B) SECTION 198C.—Section 198C of the National and Community Service Act of 1990 (42 U.S.C. 12653c) is amended—

(i) in subsection (b)(1), by striking "a military installation described in section 325(e)(1) of the Job Training Partnership Act (29 U.S.C. 1662d(e)(1))." and inserting "a military installation being closed or realigned under—

"(A) the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of division B of Public Law 101–510; 10 U.S.C. 2687 note); and

"(B) title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note)."; and

(ii) in subsection (e)(1)(B), by striking clause (iii) and inserting the following:

"(iii) an eligible youth described in section 423 of the Job Training Partnership Act or an individual described in section 144 of the Workforce Investment Act of 1998.".

(C) SECTION 199L.—Section 199L(a) of the National and Community Service Act of 1990 (42 U.S.C. 12655m(a)) is amended by striking "the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(43) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—

(A) SECTION 454.—Subparagraphs (H) and (M) of subsection (c)(2), and subsection (d)(7), of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899c) are amended by striking "the Job Training Partnership Act" and inserting "the Job Training Partnership Act and title I of the Workforce Investment Act of 1998".

(B) SECTION 456.—The first sentence of section 456(e) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899e(e)) is amended by inserting "(as in effect on the day before the date of enactment of the Workforce Investment Act of 1998)" after "the Job Training Partnership Act" each place it appears.

(44) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Section 31113(a)(4)(C) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13823(a)(4)(C)) is amended by striking "authorized under the Job Training Partnership Act (29 U.S.C. 1501 et seq.)" and inserting "authorized under the Job Training Partnership Act or title I of the Workforce Investment Act of 1998".

(e) OTHER REFERENCES TO TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(1) TABLE OF CONTENTS.—The table of contents of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.) is amended by striking the items relating to title VII of such Act, except the items relating to the title heading, and subtitles B and C, of such title.

(2) TITLE VII.—The Stewart B. McKinney Homeless Assistance Act (as amended by section 199(b)(1) of the Workforce Investment Act of 1998) is further amended by inserting before subtitle B (relating to education for homeless children and families) the following:

"TITLE VII—EDUCATION AND TRAINING".

(f) REFERENCES TO JOB TRAINING PARTNERSHIP ACT SUBSEQUENT TO REPEAL.—

(1) TITLE 5, UNITED STATES CODE.—Section 3502(d) of title 5, United States Code, is amended—

(A) in paragraph (3)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

"(i) the State or entity designated by the State to carry out rapid response activities under section 134(a)(2)(A) of the Workforce Investment Act of 1998; and"; and

(ii) in subparagraph (B)(iii), by striking "under the Job Training Partnership Act or"; and

(B) in paragraph (4), in the second sentence, by striking "the Job Training Partnership Act or".

(2) FOOD STAMP ACT OF 1977.—

(A) SECTION 5.—Section 5(l) of the Food Stamp Act of 1977 (7 U.S.C. 2014(l)) is amended by striking "Notwithstanding section 142(b) of the Job Training Partnership Act or section 181(a)(2) of the Workforce Investment Act of 1998, earnings to individuals participating in on-the-job training programs under section 204(b)(1)(C) or 264(c)(1)(A) of the Job Training Partnership Act or in on-the-job training under title I of the Workforce Investment Act of 1998" and inserting "Notwithstanding section 181(a)(2) of the Workforce Investment Act of 1998, earnings to individuals participating in on-the-job training under title I of the Workforce Investment Act of 1998"

(B) SECTION 6.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(i) in subsection (d)(4)(M), by striking "the State public employment offices and agencies operating programs under the Job Training Partnership Act or of";

(ii) in subsection (e)(3), by striking subparagraph (A) and inserting the following:

"(A) a program under title I of the Workforce Investment Act of 1998;"; and

(iii) in subsection (o)(1)(A), by striking "Job Training Partnership Act or".

(C) SECTION 17.—The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking "the Job Training Partnership Act or".

(3) PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—

(A) Section 403(c)(2)(K) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)(K)) is amended by striking "Job Training Partnership Act or".

(B) Section 423(d)(11) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note) is amended by striking "Job Training Partnership Act or".

(4) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(4)(F) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(F)) is amended by striking "The Job Training Partnership Act or title" and inserting "Title".

(5) REFUGEE EDUCATION ASSISTANCE ACT OF 1980.—Section 402(a)(4) of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended by striking "the Comprehensive Employment and Training Act of 1973" and inserting "the Job Training Partnership Act or".

(6) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—

(A) SECTION 3161.—Section 3161(c)(6) of the National Defense Authorization Act for Fiscal Year 1993 (42 U.S.C. 7274h(c)(6)) is amended by striking subparagraph (A) and inserting the following:

"(A) programs carried out by the Secretary of Labor under title I of the Workforce Investment Act of 1998;".

(B) SECTION 4461.—Section 4461(1) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking "The Job Training Partnership Act of title" and inserting "Title".

(C) SECTION 4471.—Section 4471 of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 2501 note) is amended—

(i) in subsection (c)(2), by striking "the State dislocated worker unit or office referred to in section 311(b)(2) of the Job Training Partnership Act, or";

(ii) in subsection (d), in the first sentence, by striking "for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act or"; and

(iii) in subsection (e), by striking "for training, adjustment assistance, and employment services under section 325 or 325A of the Job Training Partnership Act or".

(D) SECTION 4492.—Section 4492(b) of the National Defense Authorization Act for Fiscal Year 1993 (10 U.S.C. 1143 note) is amended by striking "the Job Training Partnership Act or".

(7) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1994.—Section 1333(c)(2)(B) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2701 note) is amended by striking "Private industry councils as described in section 102 of the Job Training Partnership Act or local" and inserting "local".

(8) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998.—Section 2824(c)(5) of the National Defense Authorization Act for Fiscal Year 1998 (10 U.S.C. 2687 note) is amended by striking "Job Training Partnership Act or".

(9) SMALL BUSINESS ACT.—The fourth sentence of section 7(j)(13)(E) of the Small Business Act (15 U.S.C. 636(j)(13)(E)) is amended by striking "the Job Training Partnership Act or".

(10) FULL EMPLOYMENT AND BALANCED GROWTH ACT OF 1978.—Section 206 of the Full Employment and Balanced Growth Act of 1978 (15 U.S.C. 3116) is amended—

(A) in subsection (b), in the matter preceding paragraph (1), by striking "CETA" and inserting "the Job Training Partnership Act and"; and

(B) in subsection (c)(1), by striking "activities carried out under the Job Training Partnership Act or".

(11) TRADE ACT OF 1974.—

(A) SECTION 236.—Section 236(a)(5)(B) of the Trade Act of 1974 (19 U.S.C. 2296(a)(5)(B)) is amended by striking "section 303 of the Job Training Partnership Act or".

(B) SECTION 239.—Section 239(e) of the Trade Act of 1974 (19 U.S.C. 2311(e)) is amended by striking "title III of the Job Training Partnership Act or".

(12) HIGHER EDUCATION ACT OF 1965.—

(A) SECTION 418A.—Subsections (b)(1)(B)(ii) and (c)(1)(A) of section 418A of the Higher Education Act of 1965 (20 U.S.C. 1070d–2) are amended by striking "section 402 of the Job Training Partnership Act or".

(B) SECTION 480.—Section 480(b)(14) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(b)(14)) is amended by striking "Job Training Partnership Act noneducational benefits or".

(13) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—

(A) SECTION 1205.—Section 1205(8)(B) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6365(8)(B)) is amended by striking "the Job Training Partnership Act and".

(B) SECTION 1414.—Section 1414(c)(8) of the Elementary and Secondary Education Act of

1965 (20 U.S.C. 6434(c)(8)) is amended by striking “the Job Training Partnership Act or”.

(C) SECTION 1423.—Section 1423(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6453(9)) is amended by striking “the Job Training Partnership Act or”.

(D) SECTION 1425.—Section 1425(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6455(9)) is amended by striking “the Job Training Partnership Act or”.

(14) DISTRICT OF COLUMBIA SCHOOL REFORM ACT OF 1995.—Section 2604(c)(2)(B)(ii) of the District of Columbia School Reform Act of 1995 (Public Law 104–134; 110 Stat. 1321–145) is amended by striking “Job Training Partnership Act or”.

(15) EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974.—

(A) SECTION 204.—Section 204(b) of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended by striking “service delivery area established” and all that follows through “this section) or a”.

(B) SECTION 223.—Section 223 of the Emergency Jobs and Unemployment Assistance Act of 1974 (26 U.S.C. 3304 note) is amended—

(i) in paragraph (3), by striking “the Job Training Partnership Act or”; and

(ii) in paragraph (4), by striking “the Job Training Partnership Act or”.

(16) VETERANS’ BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402 of the Veterans’ Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended—

(A) in subsection (a), by striking “title III of the Job Training Partnership Act or”; and

(B) in subsection (d)—

(i) in paragraph (1)(A), by striking “part C of title IV of the Job Training Partnership Act or”; and

(ii) in paragraph (2), by striking “title III of the Job Training Partnership Act or”.

(17) VETERANS’ JOB TRAINING ACT.—

(A) SECTION 13.—Section 13(b) of the Veterans’ Job Training Act (29 U.S.C. 1721 note) is amended by striking “the Job Training Partnership Act or”.

(B) SECTION 14.—Section 14(b)(3)(B)(i)(II) of the Veterans’ Job Training Act (29 U.S.C. 1721 note) is amended by striking “part C of title IV the Job Training Partnership Act or”.

(C) SECTION 15.—Section 15(c)(2) of the Veterans’ Job Training Act (29 U.S.C. 1721 note) is amended—

(i) in the second sentence, by striking “part C of title IV of the Job Training Partnership Act or”; and

(ii) in the third sentence, by striking “title III of the Job Training Partnership Act or”.

(18) WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT.—Section 3(a)(2) of the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2102(a)(2)) is amended by striking “the State dislocated worker unit or office (referred to in section 311(b)(2) of the Job Training and Partnership Act), or”.

(19) TITLE 31, UNITED STATES CODE.—Section 6703(a) of title 31, United States Code, is amended by striking paragraph (4) and inserting the following:

“(4) Programs under title I of the Workforce Investment Act of 1998.”.

(20) VETERANS’ REHABILITATION AND EDUCATION AMENDMENTS OF 1980.—Section 512 of the Veterans’ Rehabilitation and Education Amendments of 1980 (38 U.S.C. 4101 note) is amended by striking “the Job Training Partnership Act or”.

(21) TITLE 38, UNITED STATES CODE.—

(A) SECTION 4102A.—Section 4102A(d) of title 38, United States Code, is amended by striking “the Job Training Partnership Act and”.

(B) SECTION 4103A.—Section 4103A(c)(4) of title 38, United States Code, is amended by striking “part C of title IV of the Job Training Partnership Act and”.

(C) SECTION 4213.—Section 4213 of title 38, United States Code, is amended by striking “the Job Training Partnership Act or”.

(22) SOCIAL SECURITY ACT.—Section 403(a)(5) of Social Security Act (42 U.S.C. 603(a)(5)) is amended—

(A) in subparagraph (A)(vii)(I), by striking “described in section 103(c) of the Job Training Partnership Act or”; and

(B) in subparagraph (D)—

(i) in clause (ii), by striking “the Job Training Partnership Act or”; and

(ii) in clause (iii), by striking “shall mean a local area as defined in section 101 of the Workforce Investment Act of 1998, as appropriate”.

(23) UNITED STATES HOUSING ACT.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended—

(A) in subsection (b)(2)(A), by striking “the Job Training Partnership Act or”;

(B) in the first sentence of subsection (f)(2), by striking “the Job Training Partnership Act or”; and

(C) in subsection (g)—

(i) in paragraph (2), by striking “the Job Training Partnership Act or”; and

(ii) in paragraph (3)(H), by striking “the Job Training Partnership Act or”.

(24) HOUSING ACT OF 1949.—Section 504(c)(3) of the Housing Act of 1949 (42 U.S.C. 1474(c)(3)) is amended by striking “the Job Training Partnership Act or”.

(25) OLDER AMERICANS ACT OF 1965.—

(A) SECTION 203.—Section 203 of the Older Americans Act of 1965 (42 U.S.C. 3013) is amended—

(i) in subsection (a)(2), by striking “the Job Training Partnership Act and”; and

(ii) in subsection (b), by striking paragraph (1) and inserting the following:

“(1) title I of the Workforce Investment Act of 1998,”.

(B) SECTION 502.—Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended—

(i) in subsection (b)(1)(N)(i), by striking “the Job Training Partnership Act and”; and

(ii) in subsection (e)(2)(C), by striking “the Job Training Partnership Act and”.

(C) SECTION 503.—Section 503(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3056a(b)(1)) is amended—

(i) in the first sentence, by striking “the Job Training Partnership Act and”; and

(ii) in the first sentence, by striking “the Job Training Partnership Act or”.

(D) SECTION 510.—Section 510 of the Older Americans Act of 1965 (42 U.S.C. 3056h) is amended by striking the matter following the section heading and inserting the following:

“In the case of projects under this title carried out jointly with programs carried out under subtitle B of title I of the Workforce Investment Act of 1998, eligible individuals shall be deemed to satisfy the requirements of section 134 of such Act.”.

(26) OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968.—Section 1801(b)(3) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796ee(b)(3)) is amended by striking “part B of title IV of the Job Training Partnership Act or”.

(27) ENVIRONMENTAL PROGRAMS ASSISTANCE ACT OF 1984.—The second sentence of section 2(a) of the Environmental Programs Assistance Act of 1984 (42 U.S.C. 4368a(a)) is amended by striking “title IV of the Job Training Partnership Act or”.

(28) DOMESTIC VOLUNTEER SERVICE ACT OF 1973.—

(A) SECTION 103.—The second sentence of section 103(d) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(d)) is amended to read as follows: “private industry council established under the Job Training Partnership Act or”.

(B) SECTION 109.—Subsections (c)(2) and (d)(2) of section 109 of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4959) is amended by striking “administrative entities designated to administer job training plans under the Job Training Partnership Act and”.

(29) ENERGY CONSERVATION AND PRODUCTION ACT.—Section 414(b)(3) of the Energy Conservation and Production Act (42 U.S.C. 6864(b)(3)) is amended by striking “the Job Training Partnership Act or”.

(30) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 233 of the National Energy Conservation Policy Act (42 U.S.C. 6873) is amended, in the matter preceding paragraph (1), by striking “the Job Training Partnership Act or”.

(31) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—Section 617(a)(3) of the Community Economic Development Act of 1981 (42 U.S.C. 9806(a)(3)) is amended by striking “the Job Training Partnership Act or”.

(32) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—Section 103(b)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(b)(2)) is amended by striking “the Job Training Partnership Act or”.

(33) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—

(A) SECTION 198C.—Section 198C(e)(1)(B) of the National and Community Service Act of 1990 (42 U.S.C. 12653c(e)(1)(C)) is amended by striking clause (iii) and inserting the following:

“(iii) an individual described in section 144 of the Workforce Investment Act of 1998.”.

(B) SECTION 199L.—Section 199L(a) of the National and Community Service Act of 1990 (42 U.S.C. 12655m(a)) is amended by striking “the Job Training Partnership Act and”.

(34) CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.—Subparagraphs (H) and (M) of subsection (c)(2), and subsection (d)(7), of section 454 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899c) are amended by striking “the Job Training Partnership Act and”.

(35) VIOLENT CRIME CONTROL AND LAW ENFORCEMENT ACT OF 1994.—Section 31113(a)(4)(C) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13823(a)(4)(C)) is amended by striking “the Job Training Partnership Act or”.

(g) EFFECTIVE DATES.—

(1) IMMEDIATELY EFFECTIVE AMENDMENTS.—The amendments made by subsections (a) through (d) shall take effect on the date of the enactment of this Act.

(2) SUBSEQUENTLY EFFECTIVE AMENDMENTS.—

(A) STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—The amendments made by subsection (e) shall take effect on July 1, 1999.

(B) JOB TRAINING PARTNERSHIP ACT.—The amendments made by subsection (f) shall take effect on July 1, 2000.

(h) REFERENCES.—

(1) IN GENERAL.—Section 190 of the Workforce Investment Act of 1998 is amended to read as follows:

“SEC. 190. REFERENCES.

“(a) REFERENCES TO COMPREHENSIVE EMPLOYMENT AND TRAINING ACT.—Except as otherwise specified, a reference in a Federal law (other than a reference in a provision amended by the Reading Excellence Act) to a provision of the Comprehensive Employment and Training Act—

"(1) effective on the date of enactment of this Act, shall be deemed to refer to the corresponding provision of the Job Training Partnership Act or of the Workforce Investment Act of 1998; and

"(2) effective on July 1, 2000, shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998.".

"(b) REFERENCES TO JOB TRAINING PARTNERSHIP ACT.—Except as otherwise specified, a reference in a Federal law (other than a reference in this Act or a reference in a provision amended by the Reading Excellence Act) to a provision of the Job Training Partnership Act—

"(1) effective on the date of enactment of this Act, shall be deemed to refer to that provision or the corresponding provision of the Workforce Investment Act of 1998; and

"(2) effective on July 1, 2000, shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the Workforce Investment Act of 1998.

(3) CONFORMING AMENDMENT.—Section 199A of such Act is amended by striking subsection (c).

INTERNET TAX FREEDOM ACT

HUTCHINSON AMENDMENT NO. 3741

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill (S. 442) to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise Congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes; as follows:

On page 24, strike line 5 and insert the following: communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all interstate sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments, which examination may include a review of the efforts of State and local governments to collect sales and use taxes owed on in-State purchases from out-of-State sellers.

BUMPERS (AND GRAHAM) AMENDMENT NO. 3742

Mr. BUMPERS (for himself and Mr. GRAHAM) proposed an amendment to the bill, S. 442, supra; as follows:

At the appropriate place, insert the following new title:

TITLE —CONSUMER PROTECTION TAX DISCLOSURE

SEC. . DISCLOSURE REQUIREMENT.

(a) DISCLOSURE REQUIREMENT.—Any person selling tangible personal property via the Internet who—

(1) delivers such property, or causes such property to be delivered, to a person in another State, and

(2) does not collect and remit all applicable State and local sales taxes pertaining to the sale and use of such property.

shall prominently display the notice described in subsection (b) on every other form available to a purchaser or prospective purchaser.

(b) DISCLOSURE NOTICE.—The notice described in this subsection is as follows:

"NOTICE REGARDING TAXES: You may be required by your State or local government to pay sales or use tax on this purchase. Such taxes are imposed in most States. Failure to pay such taxes could result in civil or criminal penalties. For information on your tax obligations, contact your State taxation department."

(c) REGULATORY AUTHORITY.—The Secretary of Commerce shall issue and enforce such regulations as are necessary to ensure compliance with this section, including regulations as to what constitutes prominently displaying a notice.

SEC. . PENALTIES.

Any person who willfully fails to include any notice under section ___ shall be fined not more than $100 for each such failure.

SEC. . DEFINITIONS.

For purposes of this title—

(1) the term "use tax" means a tax imposed on or incident to the use, storage, consumption, distribution, or other use within a State or local jurisdiction or other area of a State, of tangible personal property,

(2) the term "local sales tax" means a sales tax imposed in a local jurisdiction or area of a State and includes, but is not limited to—

(A) a sales tax or in-lieu fee imposed in a local jurisdiction or area of a State by the State on behalf of such jurisdiction or area, and

(B) a sales tax imposed by a local jurisdiction or other State-authorized entity pursuant to the authority of State law, local law, or both,

(3) the term "person" means an individual, a trust, estate, partnership, society, association, company (including a limited liability company), or corporation, whether or not acting in a fiduciary or representative capacity, and any combination thereof,

(4) the term "sales tax" means a tax, including use tax, that is—

(A) imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property as may be defined or specified under the laws imposing such tax, and

(B) measured by the amount of the sale price, cost, charge, or other value of or for such property, and

(5) the term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

SEC. . EFFECTIVE DATE.

This title shall take effect 180 days after the date of enactment of this Act. In no event shall this Act apply to any sale occurring before such effective date.

FRIST (AND OTHERS) AMENDMENT NO. 3743

Mr. MCCAIN (for Mr. FRIST for himself, Mr. THOMPSON, Mr. DEWINE, Mr. JEFFORDS, and Mr. SMITH of Oregon) proposed an amendment to the bill, S. 442, supra; as follows:

At the end add the following:

TITLE ___—OREGON INSTITUTE OF PUBLIC SERVICE AND CONSTITUTIONAL STUDIES

SEC. ___01. DEFINITIONS.

In this title:

(1) ENDOWMENT FUND.—The term "endowment fund" means a fund established by Portland State University for the purpose of generating income for the support of the Institute.

(2) INSTITUTE.—The term "Institute" means the Oregon Institute of Public Service and Constitutional Studies established under this title.

(3) SECRETARY.—The term "Secretary" means the Secretary of Education.

SEC. ___02. OREGON INSTITUTE OF PUBLIC SERVICE AND CONSTITUTIONAL STUDIES.

From the funds appropriated under section ___06, the Secretary is authorized to award a grant to Portland State University at Portland, Oregon, for the establishment of an endowment fund to support the Oregon Institute of Public Service and Constitutional Studies at the Mark O. Hatfield School of Government at Portland State University.

SEC. ___03. DUTIES.

In order to receive a grant under this title the Portland State University shall establish the Institute. The Institute shall have the following duties:

(1) To generate resources, improve teaching, enhance curriculum development, and further the knowledge and understanding of students of all ages about public service, the United States Government, and the Constitution of the United States of America.

(2) To increase the awareness of the importance of public service, to foster among the youth of the United States greater recognition of the role of public service in the development of the United States, and to promote public service as a career choice.

(3) To establish a Mark O. Hatfield Fellows program for students of government, public policy, public health, education, or law who have demonstrated a commitment to public service through volunteer activities, research projects, or employment.

(4) To create library and research facilities for the collection and compilation of research materials for use in carrying out programs of the Institute.

(5) To support the professional development of elected officials at all levels of government.

SEC. ___04. ADMINISTRATION.

(a) LEADERSHIP COUNCIL.—

(1) IN GENERAL.—In order to receive a grant under this title Portland State University shall ensure that the Institute operates under the direction of a Leadership Council (in this title referred to as the "Leadership Council") that—

"(A) consists of 15 individuals appointed by the President of Portland State University; and

"(B) is established in accordance with this section.

(2) APPOINTMENTS.—Of the individuals appointed under paragraph (1)(A)—

(A) Portland State University, Willamette University, the Constitution Project, George Fox University, Warner Pacific University, and Oregon Health Sciences University shall each have a representative;

(B) at least 1 shall represent Mark O. Hatfield, his family, or a designee thereof;

(C) at least 1 shall have expertise in elementary and secondary school social sciences or governmental studies;

(D) at least 2 shall be representative of business or government and reside outside of Oregon;

(E) at least 1 shall be an elected official; and

(F) at least 3 shall be leaders in the private sector.

(3) EX-OFFICIO MEMBER.—The Director of the Mark O. Hatfield School of Government at Portland State University shall serve as an ex-officio member of the Leadership Council.

(b) CHAIRPERSON.—

(1) IN GENERAL.—The President of Portland State University shall designate 1 of the individuals first appointed to the Leadership Council under subsection (a) as the Chairperson of the Leadership Council. The individual so designated shall serve as Chairperson for 1 year.

(2) REQUIREMENT.—Upon the expiration of the term of the Chairperson of the individual designated as Chairperson under paragraph (1), or the term of the Chairperson elected under this paragraph, the members of the Leadership Council shall elect a Chairperson of the Leadership Council from among the members of the Leadership Council.

SEC. 05. ENDOWMENT FUND.

(a) MANAGEMENT.—The endowment fund shall be managed in accordance with the standard endowment policies established by the Oregon University System.

(b) USE OF INTEREST AND INVESTMENT INCOME.—Interest and other investment income earned (on or after the date of enactment of this subsection) from the endowment fund may be used to carry out the duties of the Institute under section 03.

(c) DISTRIBUTION OF INTEREST AND INVESTMENT INCOME.—Funds realized from interest and other investment income earned (on or after the date of enactment of this subsection) shall be spent by Portland State University in collaboration with Willamette University, George Fox University, the Constitution Project, Warner Pacific University, Oregon Health Sciences University, and other appropriate educational institutions or community-based organizations. In expending such funds, the Leadership Council shall encourage programs to establish partnerships, to leverage private funds, and to match expenditures from the endowment fund.

SEC. 06. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $3,000,000 for fiscal year 1999.

TITLE —PAUL SIMON PUBLIC POLICY INSTITUTE

SEC. 01. DEFINITIONS.

In this title:

(1) ENDOWMENT FUND.—The term "endowment fund" means a fund established by the University for the purpose of generating income for the support of the Institute.

(2) ENDOWMENT FUND CORPUS.—The term "endowment fund corpus" means an amount equal to the grant or grants awarded under this title plus an amount equal to the matching funds required under section 02(d).

(3) ENDOWMENT FUND INCOME.—The term "endowment fund income" means an amount equal to the total value of the endowment fund minus the endowment fund corpus.

(4) INSTITUTE.—The term "Institute" means the Paul Simon Public Policy Institute described in section 02.

(5) SECRETARY.—The term "Secretary" means the Secretary of Education.

(6) UNIVERSITY.—The term "University" means Southern Illinois University at Carbondale, Illinois.

SEC. 02. PROGRAM AUTHORIZED.

(a) GRANTS.—From the funds appropriated under section 06, the Secretary is authorized to award a grant to Southern Illinois University for the establishment of an endowment fund to support the Paul Simon Public Policy Institute. The Secretary may enter into agreements with the University and include in any agreement made pursuant to this title such provisions as are determined necessary by the Secretary to carry out this title.

(b) DUTIES.—In order to receive a grant under this title, the University shall establish the Institute. The Institute, in addition to recognizing more than 40 years of public service to Illinois, to the Nation, and to the world, shall engage in research, analysis, debate, and policy recommendations affecting world hunger, mass media, foreign policy, education, and employment.

(c) DEPOSIT INTO ENDOWMENT FUND.—The University shall deposit the proceeds of any grant received under this section into the endowment fund.

(d) MATCHING FUNDS REQUIREMENT.—The University may receive a grant under this section only if the University has deposited in the endowment fund established under this title an amount equal to one-third of such grant and has provided adequate assurances to the Secretary that the University will administer the endowment fund in accordance with the requirements of this title. The source of the funds for the University match shall be derived from State, private foundation, corporate, or individual gifts or bequests, but may not include Federal funds or funds derived from any other federally supported fund.

(e) DURATION; CORPUS RULE.—The period of any grant awarded under this section shall not exceed 20 years, and during such period the University shall not withdraw or expend any of the endowment fund corpus. Upon expiration of the grant period, the University may use the endowment fund corpus, plus any endowment fund income for any educational purpose of the University.

SEC. 03. INVESTMENTS.

(a) IN GENERAL.—The University shall invest the endowment fund corpus and endowment fund income in those low-risk instruments and securities in which a regulated insurance company may invest under the laws of the State of Illinois, such as federally insured bank savings accounts or comparable interest bearing accounts, certificates of deposit, money market funds, or obligations of the United States.

(b) JUDGMENT AND CARE.—The University, in investing the endowment fund corpus and endowment fund income, shall exercise the judgment and care, under circumstances then prevailing, which a person of prudence, discretion, and intelligence would exercise in the management of the person's own business affairs.

SEC. 04. WITHDRAWALS AND EXPENDITURES.

(a) IN GENERAL.—The University may withdraw and expend the endowment fund income to defray any expenses necessary to the operation of the Institute, including expenses of operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, technical assistance, and research. No endowment fund income or endowment fund corpus may be used for any type of support of the executive officers of the University or for any commercial enterprise or endeavor. Except as provided in subsection (b), the University shall not, in the aggregate, withdraw or expend more than 50 percent of the total aggregate endowment fund income earned prior to the time of withdrawal or expenditure.

(b) SPECIAL RULE.—The Secretary is authorized to permit the University to withdraw or expend more than 50 percent of the total aggregate endowment fund income whenever the University demonstrates such withdrawal or expenditure is necessary because of—

(1) a financial emergency, such as a pending insolvency or temporary liquidity problem;

(2) a life-threatening situation occasioned by a natural disaster or arson; or

(3) another unusual occurrence or exigent circumstance.

(c) REPAYMENT.—

(1) INCOME.—If the University withdraws or expends more than the endowment fund income authorized by this section, the University shall repay the Secretary an amount equal to one-third of the amount improperly expended (representing the Federal share thereof).

(2) CORPUS.—Except as provided in section 02(e)—

(A) the University shall not withdraw or expend any endowment fund corpus; and

(B) if the University withdraws or expends any endowment fund corpus, the University shall repay the Secretary an amount equal to one-third of the amount withdrawn or expended (representing the Federal share thereof) plus any endowment fund income earned thereon.

SEC. 05. ENFORCEMENT.

(a) IN GENERAL.—After notice and an opportunity for a hearing, the Secretary is authorized to terminate a grant and recover any grant funds awarded under this section if the University—

(1) withdraws or expends any endowment fund corpus, or any endowment fund income in excess of the amount authorized by section 04, except as provided in section 02(e);

(2) fails to invest the endowment fund corpus or endowment fund income in accordance with the investment requirements described in section 03; or

(3) fails to account properly to the Secretary, or the General Accounting Office if properly designated by the Secretary to conduct an audit of funds made available under this title, pursuant to such rules and regulations as may be proscribed by the Comptroller General of the United States, concerning investments and expenditures of the endowment fund corpus or endowment fund income.

(b) TERMINATION.—If the Secretary terminates a grant under subsection (a), the University shall return to the Treasury of the United States an amount equal to the sum of the original grant or grants under this title, plus any endowment fund income earned thereon. The Secretary may direct the University to take such other appropriate measures to remedy any violation of this title and to protect the financial interest of the United States.

SEC. 06. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $3,000,000 for fiscal year 1999. Funds appropriated under this section shall remain available until expended.

TITLE —HOWARD BAKER SCHOOL OF GOVERNMENT

SEC. 01. DEFINITIONS.

In this title:

(1) BOARD.—The term "Board" means the Board of Advisors established under section ___04.

(2) ENDOWMENT FUND.—The term "endowment fund" means a fund established by the University of Tennessee in Knoxville, Tennessee, for the purpose of generating income for the support of the School.

(3) SCHOOL.—The term "School" means the Howard Baker School of Government established under this title.

(4) SECRETARY.—The term "Secretary" means the Secretary of Education.

(5) UNIVERSITY.—The term "University" means the University of Tennessee in Knoxville, Tennessee.

SEC. ___02. HOWARD BAKER SCHOOL OF GOVERNMENT.

From the funds authorized to be appropriated under section ___06, the Secretary is authorized to award a grant to the University for the establishment of an endowment fund to support the Howard Baker School of Government at the University of Tennessee in Knoxville, Tennessee.

SEC. ___03. DUTIES.

In order to receive a grant under this title, the University shall establish the School. The School shall have the following duties:

(1) To establish a professorship to improve teaching and research related to, enhance the curriculum of, and further the knowledge and understanding of, the study of democratic institutions, including aspects of regional planning, public administration, and public policy.

(2) To establish a lecture series to increase the knowledge and awareness of the major public issues of the day in order to enhance informed citizen participation in public affairs.

(3) To establish a fellowship program for students of government, planning, public administration, or public policy who have demonstrated a commitment and an interest in pursuing a career in public affairs.

(4) To provide appropriate library materials and appropriate research and instructional equipment for use in carrying out academic and public service programs, and to enhance the existing United States Presidential and public official manuscript collections.

(5) To support the professional development of elected officials at all levels of government.

SEC. ___04. ADMINISTRATION.

(a) BOARD OF ADVISORS.—

(1) IN GENERAL.—The School shall operate with the advice and guidance of a Board of Advisors consisting of 13 individuals appointed by the Vice Chancellor for Academic Affairs of the University.

(2) APPOINTMENTS.—Of the individuals appointed under paragraph (1)—

(A) 5 shall represent the University;

(B) 2 shall represent Howard Baker, his family, or a designee thereof;

(C) 5 shall be representative of business or government; and

(D) 1 shall be the Governor of Tennessee, or the Governor's designee.

(3) EX OFFICIO MEMBERS.—The Vice Chancellor for Academic Affairs and the Dean of the College of Arts and Sciences at the University shall serve as an ex officio member of the Board.

(b) CHAIRPERSON.—

(1) IN GENERAL.—The Chancellor, with the concurrence of the Vice Chancellor for Academic Affairs, of the University shall designate 1 of the individuals first appointed to the Board under subsection (a) as the Chairperson of the Board. The individual so designated shall serve as Chairperson for 1 year.

(2) REQUIREMENTS.—Upon the expiration of the term of the Chairperson of the individual designated as Chairperson under paragraph (1) or the term of the Chairperson elected under this paragraph, the members of the Board shall elect a Chairperson of the Board from among the members of the Board.

SEC. ___05. ENDOWMENT FUND.

(a) MANAGEMENT.—The endowment fund shall be managed in accordance with the standard endowment policies established by the University of Tennessee System.

(b) USE OF INTEREST AND INVESTMENT INCOME.—Interest and other investment income earned (on or after the date of enactment of this subsection) from the endowment fund may be used to carry out the duties of the School under section ___03.

(c) DISTRIBUTION OF INTEREST AND INVESTMENT INCOME.—Funds realized from interest and other investment income earned (on or after the date of enactment of this subsection) shall be available for expenditure by the University for purposes consistent with section ___03, as recommended by the Board. The Board shall encourage programs to establish partnerships, to leverage private funds, and to match expenditures from the endowment fund.

SEC. ___06. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $10,000,000 for fiscal year 2000.

TITLE ___—JOHN GLENN INSTITUTE FOR PUBLIC SERVICE AND PUBLIC POLICY

SEC. ___01. DEFINITIONS.

In this title:

(1) ENDOWMENT FUND.—The term "endowment fund" means a fund established by the University for the purpose of generating income for the support of the Institute.

(2) ENDOWMENT FUND CORPUS.—The term "endowment fund corpus" means an amount equal to the grant or grants awarded under this title plus an amount equal to the matching funds required under section ___02(d).

(3) ENDOWMENT FUND INCOME.—The term "endowment fund income" means an amount equal to the total value of the endowment fund minus the endowment fund corpus.

(4) INSTITUTE.—The term "Institute" means the John Glenn Institute for Public Service and Public Policy described in section ___02.

(5) SECRETARY.—The term "Secretary" means the Secretary of Education.

(6) UNIVERSITY.—The term "University" means the Ohio State University at Columbus, Ohio.

SEC. ___02. PROGRAM AUTHORIZED.

(a) GRANTS.—From the funds appropriated under section ___06, the Secretary is authorized to award a grant to the Ohio State University for the establishment of an endowment fund to support the John Glenn Institute for Public Service and Public Policy. The Secretary may enter into agreements with the University and include in any agreement made pursuant to this title such provisions as are determined necessary by the Secretary to carry out this title.

(b) PURPOSES.—The Institute shall have the following purposes:

(1) To sponsor classes, internships, community service activities, and research projects to stimulate student participation in public service, in order to foster America's next generation of leaders.

(2) To conduct scholarly research in conjunction with public officials on significant issues facing society and to share the results of such research with decisionmakers and legislators as the decisionmakers and legislators address such issues.

(3) To offer opportunities to attend seminars on such topics as budgeting and finance, ethics, personnel management, policy evaluations, and regulatory issues that are designed to assist public officials in learning more about the political process and to expand the organizational skills and policymaking abilities of such officials.

(4) To educate the general public by sponsoring national conferences, seminars, publications, and forums on important public issues.

(5) To provide access to Senator John Glenn's extensive collection of papers, policy decisions, and memorabilia, enabling scholars at all levels to study the Senator's work.

(c) DEPOSIT INTO ENDOWMENT FUND.—The University shall deposit the proceeds of any grant received under this section into the endowment fund.

(d) MATCHING FUNDS REQUIREMENT.—The University may receive a grant under this section only if the University has deposited in the endowment fund established under this title an amount equal to one-third of such grant and has provided adequate assurances to the Secretary that the University will administer the endowment fund in accordance with the requirements of this title. The source of the funds for the University match shall be derived from State, private foundation, corporate, or individual gifts or bequests, but may not include Federal funds or funds derived from any other federally supported fund.

(e) DURATION; CORPUS RULE.—The period of any grant awarded under this section shall not exceed 20 years, and during such period the University shall not withdraw or expend any of the endowment fund corpus. Upon expiration of the grant period, the University may use the endowment fund corpus, plus any endowment fund income for any educational purpose of the University.

SEC. ___03. INVESTMENTS.

(a) IN GENERAL.—The University shall invest the endowment fund corpus and endowment fund income in accordance with the University's investment policy approved by the Ohio State University Board of Trustees.

(b) JUDGMENT AND CARE.—The University, in investing the endowment fund corpus and endowment fund income, shall exercise the judgment and care, under circumstances then prevailing, which a person of prudence, discretion, and intelligence would exercise in the management of the person's own business affairs.

SEC. ___04. WITHDRAWALS AND EXPENDITURES.

(a) IN GENERAL.—The University may withdraw and expend the endowment fund income to defray any expenses necessary to the operation of the Institute, including expenses of operations and maintenance, administration, academic and support personnel, construction and renovation, community and student services programs, technical assistance, and research. No endowment fund income or endowment fund corpus may be used for any type of support of the executive officers of the University or for any commercial enterprise or endeavor. Except as provided in subsection (b), the University shall not, in the aggregate, withdraw or expend more than 50 percent of the total aggregate endowment fund income earned prior to the time of withdrawal or expenditure.

(b) SPECIAL RULE.—The Secretary is authorized to permit the University to withdraw or expend more than 50 percent of the total aggregate endowment fund income whenever the University demonstrates such withdrawal or expenditure is necessary because of—

(1) a financial emergency, such as a pending insolvency or temporary liquidity problem;

(2) a life-threatening situation occasioned by a natural disaster or arson; or

(3) another unusual occurrence or exigent circumstance.

(c) REPAYMENT.—

(1) INCOME.—If the University withdraws or expends more than the endowment fund income authorized by this section, the University shall repay the Secretary an amount equal to one-third of the amount improperly expended (representing the Federal share thereof).

(2) CORPUS.—Except as provided in section ___02(e)—

(A) the University shall not withdraw or expend any endowment fund corpus; and

(B) if the University withdraws or expends any endowment fund corpus, the University shall repay the Secretary an amount equal to one-third of the amount withdrawn or expended (representing the Federal share thereof) plus any endowment fund income earned thereon.

SEC. ___05. ENFORCEMENT.

(a) IN GENERAL.—After notice and an opportunity for a hearing, the Secretary is authorized to terminate a grant and recover any grant funds awarded under this section if the University—

(1) withdraws or expends any endowment fund corpus, or any endowment fund income in excess of the amount authorized by section ___04, except as provided in section ___02(e);

(2) fails to invest the endowment fund corpus or endowment fund income in accordance with the investment requirements described in section ___03; or

(3) fails to account properly to the Secretary, or the General Accounting Office if properly designated by the Secretary to conduct an audit of funds made available under this title, pursuant to such rules and regulations as may be prescribed by the Comptroller General of the United States, concerning investments and expenditures of the endowment fund corpus or endowment fund income.

(b) TERMINATION.—If the Secretary terminates a grant under subsection (a), the University shall return to the Treasury of the United States an amount equal to the sum of the original grant or grants under this title, plus any endowment fund income earned thereon. The Secretary may direct the University to take such other appropriate measures to remedy any violation of this title and to protect the financial interest of the United States.

SEC. ___06. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $6,000,000 for fiscal year 2000. Funds appropriated under this section shall remain available until expended.

AFRICA: SEEDS OF HOPE ACT OF 1998

DEWINE AMENDMENT NO. 3744

(Ordered to lie on the table.)

Mr. DEWINE submitted an amendment intended to be proposed by him to the bill (H.R. 4283) to support sustainable and broad-based agricultural and rural development in sub-Saharan Africa, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Africa: Seeds of Hope Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings and declaration of policy.

TITLE I—ASSISTANCE FOR SUB-SAHARAN AFRICA

Sec. 101. Africa Food Security Initiative.
Sec. 102. Microenterprise assistance.
Sec. 103. Support for producer-owned cooperative marketing associations.
Sec. 104. Agricultural and rural development activities of the Overseas Private Investment Corporation.
Sec. 105. Agricultural research and extension activities.

TITLE II—WORLDWIDE FOOD ASSISTANCE AND AGRICULTURAL PROGRAMS

Subtitle A—Nonemergency Food Assistance Programs

Sec. 201. Nonemergency food assistance programs.

Subtitle B—Bill Emerson Humanitarian Trust Act of 1998

Sec. 211. Short title.
Sec. 212. Amendments to the Food Security Commodity Reserve Act of 1996.

Subtitle C—International Fund for Agricultural Development

Sec. 221. Review of the International Fund for Agricultural Development.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Report.

SEC. 2. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds the following:

(1) The economic, security, and humanitarian interests of the United States and the nations of sub-Saharan Africa would be enhanced by sustainable, broad-based agricultural and rural development in each of the African nations.

(2) According to the Food and Agriculture Organization, the number of undernourished people in Africa has more than doubled, from approximately 100,000,000 in the late 1960s to 215,000,000 in 1998, and is projected to increase to 265,000,000 by the year 2010. According to the Food and Agriculture Organization, the term "under nutrition" means inadequate consumption of nutrients, often adversely affecting children's physical and mental development, undermining their future as productive and creative members of their communities.

(3) Currently, agricultural production in Africa employs about two-thirds of the workforce but produces less than one-fourth of the gross domestic product in sub-Saharan Africa, according to the World Bank Group.

(4) African women produce up to 80 percent of the total food supply in Africa according to the International Food Policy Research Institute.

(5) An effective way to improve conditions of the poor is to increase the productivity of the agricultural sector. Productivity increases can be fostered by increasing research and education in agriculture and rural development.

(6) In November 1996, the World Food Summit set a goal of reducing hunger worldwide by 50 percent by the year 2015 and encouraged national governments to develop domestic food plans and to support international aid efforts.

(7) Although the World Bank Group recently has launched a major initiative to support agricultural and rural development, only 10 percent, or $1,200,000,000, of its total lending to sub-Saharan Africa for fiscal years 1993 to 1997 was devoted to agriculture.

(8)(A) United States food processing and agricultural sectors benefit greatly from the liberalization of global trade and increased exports.

(B) Africa represents a growing market for United States food and agricultural products. Africa's food imports are projected to rise from less than 8,000,000 metric tons in 1990 to more than 25,000,000 metric tons by the 2020.

(9)(A) Increased private sector investment in African countries and expanded trade between the United States and Africa can greatly help African countries achieve food self-sufficiency and graduate from dependency on international assistance.

(B) Development assistance, technical assistance, and training can facilitate and encourage commercial development in Africa, such as improving rural roads, agricultural research and extension, and providing access to credit and other resources.

(10)(A) Several United States private voluntary organizations have demonstrated success in empowering Africans through direct business ownership and helping African agricultural producers more efficiently and directly market their products.

(B) Rural business associations, owned and controlled by farmer shareholders, also greatly help agricultural producers to increase their household incomes.

(b) DECLARATION OF POLICY.—It is the policy of the United States, consistent with title XII of part I of the Foreign Assistance Act of 1961, to support governments of sub-Saharan African countries, United States and African nongovernmental organizations, universities, businesses, and international agencies, to help ensure the availability of basic nutrition and economic opportunities for individuals in sub-Saharan Africa, through sustainable agriculture and rural development.

TITLE I—ASSISTANCE FOR SUB-SAHARAN AFRICA

SEC. 101. AFRICA FOOD SECURITY INITIATIVE.

(a) ADDITIONAL REQUIREMENTS IN CARRYING OUT THE INITIATIVE.—In providing development assistance under the Africa Food Security Initiative, or any comparable or successor program, the Administrator of the United States Agency for International Development—

(1) shall emphasize programs and projects that improve the food security of infants, young children, school-age children, women and food-insecure households, or that improve the agricultural productivity, incomes, and marketing of the rural poor in Africa;

(2) shall solicit and take into consideration the views and needs of intended beneficiaries and program participants during the selection, planning, implementation, and evaluation phases of projects;

(3) shall favor countries that are implementing reforms of their trade and investment laws and regulations in order to enhance free market development in the food processing and agricultural sectors; and

(4) shall ensure that programs are designed and conducted in cooperation with African

and United States organizations and institutions, such as private and voluntary organizations, cooperatives, land-grant and other appropriate universities, and local producer-owned cooperative marketing and buying associations, that have expertise in addressing the needs of the poor, small-scale farmers, entrepreneurs, and rural workers, including women.

(b) Sense of Congress.—It is the sense of Congress that, if there is an increase in funding for sub-Saharan programs, the Administrator of the United States Agency for International Development should proportionately increase resources to the Africa Food Security Initiative, or any comparable or successor program, for fiscal year 2000 and subsequent fiscal years in order to meet the needs of the countries participating in such Initiative.

SEC. 102. MICROENTERPRISE ASSISTANCE.

(a) Bilateral Assistance.—In providing microenterprise assistance for sub-Saharan Africa, the Administrator of the United States Agency for International Development shall, to the extent practicable, use credit and microcredit assistance to improve the capacity and efficiency of agriculture production in sub-Saharan Africa of small-scale farmers and small rural entrepreneurs. In providing assistance, the Administrator should use the applied research and technical assistance capabilities of United States land-grant universities.

(b) Multilateral Assistance.—

(1) In general.—The Administrator of the United States Agency for International Development shall continue to work with other countries, international organizations (including multilateral development institutions), and entities assisting microenterprises and shall develop a comprehensive and coordinated strategy for providing microenterprise assistance for sub-Saharan Africa.

(2) Additional requirement.—In carrying out paragraph (1), the Administrator should encourage the World Bank Consultative Group to Assist the Poorest to coordinate the strategy described in such paragraph.

SEC. 103. SUPPORT FOR PRODUCER-OWNED COOPERATIVE MARKETING ASSOCIATIONS.

(a) Purposes.—The purposes of this section are—

(1) to support producer-owned cooperative purchasing and marketing associations in sub-Saharan Africa;

(2) to strengthen the capacity of farmers in sub-Saharan Africa to participate in national and international private markets and to promote rural development in sub-Saharan Africa;

(3) to encourage the efforts of farmers in sub-Saharan Africa to increase their productivity and income through improved access to farm supplies, seasonal credit, technical expertise; and

(4) to support small businesses in sub-Saharan Africa as they grow beyond microenterprises.

(b) Support for Producer-Owned Cooperative Marketing Associations.—

(1) Activities.—

(A) In general.—The Administrator of the United States Agency for International Development is authorized to utilize relevant foreign assistance programs and initiatives for sub-Saharan Africa to support private producer-owned cooperative marketing associations in sub-Saharan Africa, including rural business associations that are owned and controlled by farmer shareholders.

(B) Additional requirements.—In carrying out subparagraph (A), the Administrator—

(i) shall take into account small-scale farmers, small rural entrepreneurs, and rural workers and communities; and

(ii) shall take into account the local-level perspectives of the rural and urban poor through close consultation with these groups, consistent with section 496(e)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2293(e)(1)).

(2) Other activities.—In addition to carrying out paragraph (1), the Administrator is encouraged—

(A) to cooperate with governments of foreign countries, including governments of political subdivisions of such countries, their agricultural research universities, and particularly with United States nongovernmental organizations and United States land-grant universities, that have demonstrated expertise in the development and promotion of successful private producer-owned cooperative marketing associations; and

(B) to facilitate partnerships between United States and African cooperatives and private businesses to enhance the capacity and technical and marketing expertise of business associations in sub-Saharan Africa.

SEC. 104. AGRICULTURAL AND RURAL DEVELOPMENT ACTIVITIES OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) Purpose.—The purpose of this section is to encourage the Overseas Private Investment Corporation to work with United States businesses and other United States entities to invest in rural sub-Saharan Africa, particularly in ways that will develop the capacities of small-scale farmers and small rural entrepreneurs, including women, in sub-Saharan Africa.

(b) Sense of Congress.—It is the sense of Congress that—

(1) the Overseas Private Investment Corporation should exercise its authority under law to undertake an initiative to support private agricultural and rural development in sub-Saharan Africa, including issuing loans, guaranties, and insurance, to support rural development in sub-Saharan Africa, particularly to support intermediary organizations that—

(A) directly serve the needs of small-scale farmers, small rural entrepreneurs, and rural producer-owned cooperative purchasing and marketing associations;

(B) have a clear track-record of support for sound business management practices; and

(C) have demonstrated experience with participatory development methods; and

(2) the Overseas Private Investment Corporation should utilize existing equity funds, loan and insurance funds, to the extent feasible and in accordance with existing contractual obligations, to support agriculture and rural development in sub-Saharan Africa.

SEC. 105. AGRICULTURAL RESEARCH AND EXTENSION ACTIVITIES.

(a) Development of Plan.—The Administrator of the United States Agency for International Development, in consultation with the Secretary of Agriculture and appropriate Department of Agriculture agencies, especially the Cooperative State, Research, Education and Extension Service (CSREES), shall develop a comprehensive plan to coordinate and build on the research and extension activities of United States land-grant universities, international agricultural research centers, and national agricultural research and extension centers in sub-Saharan Africa.

(b) Additional Requirements.—Such plan shall seek to ensure that—

(1) research and extension activities will respond to the needs of small-scale farmers while developing the potential and skills of researchers, extension agents, farmers, and agribusiness persons in sub-Saharan Africa;

(2) sustainable agricultural methods of farming will be considered together with new technologies in increasing agricultural productivity in sub-Saharan Africa; and

(3) research and extension efforts will focus on sustainable agricultural practices and will be adapted to widely varying climates within sub-Saharan Africa.

TITLE II—WORLDWIDE FOOD ASSISTANCE AND AGRICULTURAL PROGRAMS

Subtitle A—Nonemergency Food Assistance Programs

SEC. 201. NONEMERGENCY FOOD ASSISTANCE PROGRAMS.

(a) In General.—In providing nonemergency assistance under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.), the Administrator of the United States Agency for International Development shall ensure that—

(1) in planning, decisionmaking, and implementation in providing such assistance, the Administrator takes into consideration local input and participation directly and through United States and indigenous private and voluntary organizations;

(2) each of the nonemergency activities described in paragraphs (2) through (6) of section 201 of such Act (7 U.S.C. 1721), including programs that provide assistance to people of any age group who are otherwise unable to meet their basic food needs (including feeding programs for the disabled, orphaned, elderly, sick and dying), are carried out; and

(3) greater flexibility is provided for program and evaluation plans so that such assistance may be developed to meet local needs, as provided for in section 202(f) of such Act (7 U.S.C. 1722(f)).

(b) Other Requirements.—In providing assistance under the Agriculture Trade Development and Assistance Act of 1954, the Secretary of Agriculture and the Administrator of United States Agency for International Development shall ensure that commodities are provided in a manner that is consistent with sections 403 (a) and (b) of such Act (7 U.S.C. 1733 (a) and (b)).

Subtitle B—Bill Emerson Humanitarian Trust Act of 1998

SEC. 211. SHORT TITLE.

This subtitle may be cited as the "Bill Emerson Humanitarian Trust Act of 1998".

SEC. 212. BILL EMERSON HUMANITARIAN TRUST ACT.

(a) In General.—Section 302 of the Agricultural Act of 1980 (7 U.S.C. 1736f-1) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting "or Funds" after "Commodities";

(B) in paragraph (1)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following:

"(D) funds made available under paragraph (2)(B)."; and

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "Subject to subsection (h), commodities" and inserting "Commodities"; and

(ii) by striking subparagraph (B) and inserting the following:

"(B) Funds.—Any funds used to acquire eligible commodities through purchases from producers or in the market to replenish the trust shall be derived—

“(i) with respect to fiscal year 2000 and subsequent fiscal years, from funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) that are used to repay or reimburse the Commodity Credit Corporation for the release of eligible commodities under subsections (c)(2) and (f)(2), except that, of such funds, not more than $20,000,000 may be expended for this purpose in each of the fiscal years 2000 through 2003 and any such funds not expended in any of such fiscal years shall be available for expenditure in subsequent fiscal years; and

“(ii) from funds authorized for that use by an appropriations Act.”;

(2) in subsection (c)(2)—

(A) by striking “ASSISTANCE.—Notwithstanding” and inserting the following: “ASSISTANCE.—

“(A) IN GENERAL.—Notwithstanding”; and

(B) by adding at the end the following:

“(B) LIMITATION.—The Secretary may release eligible commodities under subparagraph (A) only to the extent such release is consistent with maintaining the long-term value of the trust.”;

(3) in subsection (d)—

(A) in paragraph (1), by striking “and” at the end;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(3) subject to the need for release of commodities from the trust under subsection (c)(1), for the management of the trust to preserve the value of the trust through acquisitions under subsection (b)(2).”;

(4) in subsection (f)—

(A) in paragraph (2), by inserting “OF THE TRUST” after “REIMBURSEMENT” in the heading; and

(B) in paragraph (2)(A), by inserting “and the funds shall be available to replenish the trust under subsection (b)” before the end period; and

(5) by striking subsection (h).

(b) CONFORMING AMENDMENTS.—

(1) Title III of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 et seq.) is amended by striking the title heading and inserting the following:

“TITLE III—BILL EMERSON HUMANITARIAN TRUST”.

(2) Section 301 of the Agricultural Act of 1980 (7 U.S.C. 1736f–1 note) is amended to read as follows:

“SEC. 301. SHORT TITLE.

“This title may be cited as the ‘Bill Emerson Humanitarian Trust Act’.”.

(3) Section 302 of the Agricultural Act of 1980 (7 U.S.C. 1736f–1) is amended—

(A) in the section heading, by striking “**reserve**” and inserting “**trust**”;

(B) by striking “reserve” each place it appears (other than in subparagraphs (A) and (B) of subsection (b)(1)) and inserting “trust”;

(C) in subsection (b)—

(i) in the subsection heading, by striking “RESERVE” and inserting “TRUST”;

(ii) in paragraph (1)(B), by striking “reserve,” and inserting “trust,”; and

(iii) in the paragraph heading of paragraph (2), by striking “RESERVE” and inserting “TRUST”; and

(D) in the subsection heading of subsection (e), by striking “RESERVE” and inserting “TRUST”.

(4) Section 208(d)(2) of the Agricultural Trade Suspension Adjustment Act of 1980 (7 U.S.C. 4001(d)(2)) is amended by striking “Food Security Commodity Reserve Act of 1996” and inserting “Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1 et seq.)”.

(5) Section 901b(b)(3) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(b)(3)), is amended by striking “Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f–1)” and inserting “Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1 et seq.)”.

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. REPORT.

Not later than 6 months after the date of enactment of this Act, the Administrator of the United States Agency for International Development, in consultation with the heads of other appropriate agencies, shall prepare and submit to Congress a report on how the Agency plans to implement sections 101, 102, 103, 105, and 201 of this Act, the steps that have been taken toward such implementation, and an estimate of all amounts expended or to be expended on related activities during the current and previous 4 fiscal years.

INTERNET TAX FREEDOM ACT

SHELBY AMENDMENTS NOS. 3745–3746

(Ordered to lie on the table.)

Mr. SHELBY submitted two amendments intended to be proposed by him to amendment No. 3685 submitted by him to the bill, S. 442, supra; as follows:

AMENDMENT NO. 3745

In lieu of the language to be inserted, insert the following,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Internet Tax Freedom Act”.

TITLE I—MORATORIUM ON CERTAIN TAXES

SEC. 101. MORATORIUM.

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes on transactions occurring during the period beginning on July 29, 1998, and ending 2 years after the date of the enactment of this Act:

(1) Taxes on Internet access.

(2) Bit taxes.

(3) Multiple or discriminatory taxes on electronic commerce.

(b) APPLICATION OF MORATORIUM.—Subsection (a) shall not apply with respect to the provision of Internet access that is offered for sale as part of a package of services that includes services other than Internet access, unless the service provider separately states that portion of the billing that applies to such services on the user's bill.

SEC. 102. ADVISORY COMMISSION ON ELECTRONIC COMMERCE.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the “Commission”). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

AMENDMENT NO. 3746

In lieu of the language to be inserted, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Internet Tax Freedom Act".

TITLE I—MORATORIUM ON CERTAIN TAXES

SEC. 101. MORATORIUM.

(a) MORATORIUM.—No State or political subdivision thereof shall impose any of the following taxes on transactions occurring during the period beginning on July 29, 1998, and ending 3 years after the date of the enactment of this Act:

(1) Taxes on Internet access.

(2) Bit taxes.

(3) Multiple or discriminatory taxes on electronic commerce.

(b) APPLICATION OF MORATORIUM.—Subsection (a) shall not apply with respect to the provision of Internet access that is offered for sale as part of a package of services that includes services other than Internet access, unless the service provider separately states that portion of the billing that applies to such services on the user's bill.

SEC. 102. ADVISORY COMMISSION ON ELECTRONIC COMMERCE.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the Advisory Commission on Electronic Commerce (in this title referred to as the "Commission"). The Commission shall—

(1) be composed of 16 members appointed in accordance with subsection (b), including the

chairperson who shall be selected by the members of the Commission from among themselves; and

(2) conduct its business in accordance with the provisions of this title.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall serve for the life of the Commission. The membership of the Commission shall be as follows:

(A) Four representatives from the Federal Government comprised of the Secretary of Commerce, the Secretary of State, the Secretary of the Treasury, and the United States Trade Representative, or their respective representatives.

(B) Six representatives from State and local governments comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(C) Six representatives of the electronic industry and consumer groups comprised of—

(i) two representatives appointed by the Majority Leader of the Senate;

(ii) one representative appointed by the Minority Leader of the Senate;

(iii) two representatives appointed by the Speaker of the House of Representatives; and

(iv) one representative appointed by the Minority Leader of the House of Representatives.

(2) APPOINTMENTS.—Appointments to the Commission shall be made not later than 45 days after the date of the enactment of this Act. The chairperson shall be selected not later than 60 days after the date of the enactment of this Act.

(3) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(c) ACCEPTANCE OF GIFTS AND GRANTS.—The Commission may accept, use, and dispose of gifts or grants of services or property, both real and personal, for purposes of aiding or facilitating the work of the Commission. Gifts or grants not used at the expiration of the Commission shall be returned to the donor or grantor.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, data, and other information from the Department of Justice, the Department of Commerce, the Department of State, the Department of the Treasury, and the Office of the United States Trade Representative. The Commission shall also have reasonable access to use the facilities of any such Department or Office for purposes of conducting meetings.

(e) SUNSET.—The Commission shall terminate 18 months after the date of the enactment of this Act.

(f) RULES OF THE COMMISSION.—

(1) QUORUM.—Nine members of the Commission shall constitute a quorum for conducting the business of the Commission.

(2) MEETINGS.—Any meetings held by the Commission shall be duly noticed at least 14 days in advance and shall be open to the public.

(3) OPPORTUNITIES TO TESTIFY.—The Commission shall provide opportunities for representatives of the general public, taxpayer groups, consumer groups, and State and local government officials to testify.

(4) ADDITIONAL RULES.—The Commission may adopt other rules as needed.

(g) DUTIES OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall conduct a thorough study of Federal, State and local, and international taxation and tariff treatment of transactions using the Internet and Internet access and other comparable interstate or international sales activities.

(2) ISSUES TO BE STUDIED.—The Commission may include in the study under subsection (a)—

(A) an examination of—

(i) barriers imposed in foreign markets on United States providers of property, goods, services, or information engaged in electronic commerce and on United States providers of telecommunications services; and

(ii) how the imposition of such barriers will affect United States consumers, the competitiveness of United States citizens providing property, goods, services, or information in foreign markets, and the growth and maturing of the Internet;

(B) an examination of the collection and administration of consumption taxes on interstate commerce in other countries and the United States, and the impact of such collection on the global economy, including an examination of the relationship between the collection and administration of such taxes when the transaction uses the Internet and when it does not;

(C) an examination of the impact of the Internet and Internet access (particularly voice transmission) on the revenue base for taxes imposed under section 4251 of the Internal Revenue Code of 1986;

(D) an examination of—

(i) the efforts of State and local governments to collect sales and use taxes owed on purchases from interstate sellers, the advantages and disadvantages of authorizing State and local governments to require such sellers to collect and remit such taxes, particularly with respect to electronic commerce, and the level of contacts sufficient to permit a State or local government to impose such taxes on such interstate commerce;

(ii) model State legislation relating to taxation of transactions using the Internet and Internet access, including uniform terminology, definitions of the transactions, services, and other activities that may be subject to State and local taxation, procedural structures and mechanisms applicable to such taxation, and a mechanism for the resolution of disputes between States regarding matters of multiple taxation; and

(iii) ways to simplify the interstate administration of sales and use taxes on interstate commerce, including a review of the need for a single or uniform tax registration, single or uniform tax returns, simplified remittance requirements, simplified administrative procedures, or the need for an independent third party collection system; and

(E) the examination of ways to simplify Federal and State and local taxes imposed on the provision of telecommunications services.

SEC. 103. REPORT.

Not later than 18 months after the date of the enactment of this Act, the Commission shall transmit to Congress a report reflecting the results of the Commission's study under this title. No finding or recommendation shall be included in the report unless agreed to by at least two-thirds of the members of the Commission serving at the time the finding or recommendation is made.

SEC. 104. DEFINITIONS.

For the purposes of this title:

(1) BIT TAX.—The term "bit tax" means any tax on electronic commerce expressly imposed on or measured by the volume of digital information transmitted electronically, or the volume of digital information per unit of time transmitted electronically, but does not include taxes imposed on the provision of telecommunications services.

(2) DISCRIMINATORY TAX.—The term "discriminatory tax" means any tax imposed by a State or political subdivision thereof on electronic commerce that—

(A) is not generally imposed and legally collectible by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means;

(B) is not generally imposed and legally collectible at the same rate by such State or such political subdivision on transactions involving the same or similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period; or

(C) imposes an obligation to collect or pay the tax on a different person or entity than in the case of transactions involving the same or similar property, goods, services, or information accomplished through other means.

(3) ELECTRONIC COMMERCE.—The term "electronic commerce" means any transaction conducted over the Internet or through Internet access, comprising the sale, lease, license, offer, or delivery of property, goods, services, or information, whether or not for consideration, and includes the provision of Internet access.

(4) INTERNET.—The term "Internet" means the combination of computer facilities and electromagnetic transmission media, and related equipment and software, comprising the interconnected worldwide network of computer networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocol, to transmit information.

(5) INTERNET ACCESS.—The term "Internet access" means a service that enables users to access content, information, electronic mail, or other services offered over the Internet, and may also include access to proprietary content, information, and other services as part of a package of services offered to consumers. Such term does not include telecommunications services.

(6) MULTIPLE TAX.—

(A) IN GENERAL.—The term "multiple tax" means any tax that is imposed by one State or political subdivision thereof on the same or essentially the same electronic commerce that is also subject to another tax imposed by another State or political subdivision thereof (whether or not at the same rate or on the same basis), without a credit (for example, a resale exemption certificate) for taxes paid in other jurisdictions.

(B) EXCEPTION.—Such term shall not include a sales or use tax imposed by a State and 1 or more political subdivisions thereof on the same electronic commerce or a tax on persons engaged in electronic commerce which also may have been subject to a sales or use tax thereon.

(C) SALES OR USE TAX.—For purposes of subparagraph (B), the term "sales or use tax" means a tax that is imposed on or incident to the sale, purchase, storage, consumption, distribution, or other use of tangible personal property or services as may be defined by laws imposing such tax and which is measured by the amount of the sales price or other charge for such property or service.

(7) STATE.—The term "State" means any of the several States, the District of Columbia,

or any commonwealth, territory, or possession of the United States.

(8) TAX.—

(A) IN GENERAL.—The term "tax" means—

(i) any levy, fee, or charge imposed under governmental authority by any governmental entity; or

(ii) the imposition of or obligation to collect and to remit to a governmental entity any such levy, fee, or charge imposed by a governmental entity.

(B) EXCEPTION.—Such term shall not include any franchise fees or similar fees imposed by a State or local franchising authority, pursuant to section 622 or 653 of the Communications Act of 1934 (47 U.S.C. 542, 573).

(9) TELECOMMUNICATIONS SERVICES.—The term "telecommunications services" has the meaning given such term in section 3(46) of the Communications Act of 1934 (47 U.S.C. 153(46)) and includes communications services (as defined in section 4251 of the Internal Revenue Code of 1986).

TITLE II—OTHER PROVISIONS

SEC. 201. DECLARATION THAT INTERNET SHOULD BE FREE OF NEW FEDERAL TAXES.

It is the sense of Congress that no new Federal taxes similar to the taxes described in section 101(a) should be enacted with respect to the Internet and Internet access during the moratorium provided in such section.

SEC. 202. NATIONAL TRADE ESTIMATE.

Section 181 of the Trade Act of 1974 (19 U.S.C. 2241) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii); and

(iii) by inserting after clause (ii) the following new clause:

"(iii) United States electronic commerce,"; and

(B) in subparagraph (C)—

(i) by striking "and" at the end of clause (i);

(ii) by inserting "and" at the end of clause (ii);

(iii) by inserting after clause (ii) the following new clause:

"(iii) the value of additional United States electronic commerce,"; and

(iv) by inserting "or transacted with," after "or invested in";

(2) in subsection (a)(2)(E)—

(A) by striking "and" at the end of clause (i);

(B) by inserting "and" at the end of clause (ii); and

(C) by inserting after clause (ii) the following new clause:

"(iii) the value of electronic commerce transacted with,"; and

(3) by adding at the end the following new subsection:

"(d) ELECTRONIC COMMERCE.—For purposes of this section, the term 'electronic commerce' has the meaning given that term in section 104(3) of the Internet Tax Freedom Act.".

SEC. 203. DECLARATION THAT THE INTERNET SHOULD BE FREE OF FOREIGN TARIFFS, TRADE BARRIERS, AND OTHER RESTRICTIONS.

(a) IN GENERAL.—It is the sense of Congress that the President should seek bilateral, regional, and multilateral agreements to remove barriers to global electronic commerce through the World Trade Organization, the Organization for Economic Cooperation and Development, the Trans-Atlantic Economic Partnership, the Asia Pacific Economic Cooperation forum, the Free Trade Area of the America, the North American Free Trade Agreement, and other appropriate venues.

(b) NEGOTIATING OBJECTIVES.—The negotiating objectives of the United States shall be—

(1) to assure that electronic commerce is free from—

(A) tariff and nontariff barriers;

(B) burdensome and discriminatory regulation and standards; and

(C) discriminatory taxation; and

(2) to accelerate the growth of electronic commerce by expanding market access opportunities for—

(A) the development of telecommunications infrastructure;

(B) the procurement of telecommunications equipment;

(C) the provision of Internet access and telecommunications services; and

(D) the exchange of goods, services, and digitalized information.

(c) ELECTRONIC COMMERCE.—For purposes of this section, the term "electronic commerce" has the meaning given that term in section 104(3).

SEC. 204. NO EXPANSION OF TAX AUTHORITY.

Nothing in this Act shall be construed to expand the duty of any person to collect or pay taxes beyond that which existed immediately before the date of the enactment of this Act.

SEC. 205. PRESERVATION OF AUTHORITY.

Nothing in this Act shall limit or otherwise affect the implementation of the Telecommunications Act of 1996 (Public Law 104–104) or the amendments made by such Act.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Paperwork Elimination Act."

SEC. 2. DIRECTION AND OVERSIGHT OF INFORMATION TECHNOLOGY.

Section 3504(a)(1)(B)(vi) of title 44, United States Code, is amended to read as follows:

"(vi) the acquisition and use of information technology, including the use of alternative information technologies (such as the use of electronic submission, maintenance, or disclosure of information) to substitute for paper, and the use and acceptance of electronic signatures.".

SEC. 3. PROCEDURES.

(a) Within 18 months after enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use.

(1) The procedures shall be compatible with standards and technology for electronic signatures as may be generally used in commerce and industry and by State governments, based upon consultation with appropriate private sector and State government standard setting bodies.

(2) Such procedures shall not inappropriately favor one industry or technology.

(3) An electronic signature shall be as reliable as is appropriate for the purpose, and efforts shall be made to keep the information submitted intact.

(4) Successful submission of an electronic form shall be electronically acknowledged.

(5) In accordance with all other sections of the Act, to the extent feasible and appropriate, and described in a written finding, an agency, when it expects to receive electronically 50,000 or more submittals of a particular form, shall take all steps necessary to ensure that multiple formats of electronic signatures are made available for submitting such forms.

SEC. 4. AUTHORITY AND FUNCTIONS OF THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall ensure that, within five years of the date of enactment of this Act, executive agencies provide for the optional use of electronic maintenance, submission, or disclosure of information where practicable, as an alternative information technology to substitute for paper, and the use and acceptance of electronic signatures where practicable.

SEC. 5. ELECTRONIC STORAGE OF FORMS.

Within 18 months of enactment of this Act, in order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget shall develop procedures and guidelines for executive agency use to permit employer electronic storage and filing of forms containing information pertaining to employees.

SEC. 6. STUDY.

In order to fulfill the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Clinger-Cohen Act of 1996 (P.L. 104–106), and the provisions of this Act, the Director of the Office of Management and Budget, shall conduct an ongoing study of paperwork reduction and electronic commerce, the impact on individual privacy, and the security and authenticity of transactions due to the use of electronic signatures pursuant to this Act, and shall report the findings to Congress.

SEC. 7. ENFORCEABILITY AND LEGAL EFFECT OF ELECTRONIC RECORDS.

Electronic records submitted or maintained in accordance with agency procedures and guidelines established pursuant to this title, or electronic signatures or other forms of electronic authentication used in accordance with such procedures and guidelines, shall not be denied legal effect, validity or enforceability because they are in electronic form.

SEC. 8. DISCLOSURE OF INFORMATION.

Except as provided by law, information collected in the provision of electronic signature services for communications with an agency, as provided by this Act, shall only be used or disclosed by persons who obtain, collect, or maintain such information as a business or government practice, for the purpose of facilitating such communications, or with the prior affirmative consent of the person about whom the information pertains.

SEC. 9. APPLICATION WITH OTHER LAWS.

Nothing in this title shall apply to the Department of the Treasury or the Internal Revenue Service, to the extent that—

(1) it involves the administration of the internal revenue laws; and

(2) it conflicts with any provision of the Internal Revenue Service Restructuring and Reform Act of 1998 or the Internal Revenue Code of 1986.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given that

term in section 105 of title 5, United States Code.

(2) ELECTRONIC SIGNATURE.—The term "electronic signature" means a method of signing an electronic message that—

(A) identifies and authenticates a particular person as the source of such electronic message; and

(B) indicates such person's approval of the information contained in such electronic message.

(3) FORM, QUESTIONNAIRE, OR SURVEY.—The terms "form", "questionnaire", and "survey" include documents produced by an agency to facilitate interaction between an agency and non-government persons.

TITLE II—CHILDREN'S ONLINE PRIVACY PROTECTION

SEC. 201. SHORT TITLE.

This title may be cited as the "Children's Online Privacy Protection Act of 1999".

SEC. 202. DEFINITIONS.

In this title:

(1) CHILD.—the term "child" means an individual under the age of 13.

(2) OPERATOR.—The term "operator"—

(A) means any person who operates a website located on the Internet or an online service and who collects or maintains personal information from or about the users of or visitors to such website or online service, or on whose behalf such information is collected or maintained, where such website or online service is operated for commercial purposes, including any person offering products or services for sale through that website or online service, involving commerce—

(i) among the several States or with 1 or more foreign nations;

(ii) in any territory of the United States or in the District of Columbia, or between any such territory and—

(I) another such territory; or

(II) any State or foreign nation; or

(iii) between the District of Columbia and any State, territory, or foreign nation; but

(B) does not include any non-profit entity that would otherwise be exempt from coverage under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) COMMISSION.—The term "Commission" means the Federal Trade Commission.

(4) DISCLOSURE.—The term "disclosure" means, with respect to personal information—

(A) the release of personal information collected from a child in identifiable form by an operator for any purpose, except where such information is provided to a person other than the operator who provides support for the internal operations of the website and does not disclose or use that information for any other purpose; and

(B) making personal information collected from a child by a website or online service directed to children or with actual knowledge that such information was collected from a child, publicly available in identifiable form, by any means including by a public posting, through the Internet, or through—

(i) a home page of a website;

(ii) a pen pal service;

(iii) an electronic mail service;

(iv) a message board; or

(v) a chat room.

(5) FEDERAL AGENCY.—The term "Federal agency" means an agency, as that term is defined in section 551(1) of title 5, United States Code.

(6) INTERNET.—The term "Internet" means collectively the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected world-wide network of networks that employ the Transmission Control Protocol/Internet Protocol, or any predecessor or successor protocols to such protocol, to communicate information of all kinds by wire or radio.

(7) PARENT.—The term "parent" includes a legal guardian.

(8) PERSONAL INFORMATION.—The term "personal information" means individually identifiable information about an individual collected online, including—

(A) a first and last name;

(B) a home or other physical address including street name and name of a city or town;

(C) an e-mail address;

(D) a telephone number;

(E) a Social Security number;

(F) any other identifier that the Commission determines permits the physical or online contracting of a specific individual; or

(G) information concerning the child or the parents of that child that the website collects online from the child and combines with an identifier described in this paragraph.

(9) VERIFIABLE PARENTAL CONSENT.—The term "verifiable parental consent" means any reasonable effort (taking into consideration available technology), including a request for authorization for future collection use, and disclosure described in the notice, to ensure that a parent of a child receives notice of the operator's personal information collection, use, and disclosure practices, and authorizes the collection, use, and disclosure, as applicable, of personal information and the subsequent use of that information before that information is collected from that child.

(10) WEBSITE OR ONLINE SERVICE DIRECTED TO CHILDREN.—

(A) IN GENERAL.—The term "website or online service directed to children" means—

(i) A commercial website or online service that is targeted to children; or

(ii) that portion of a commercial website or online service that is targeted to children.

(B) LIMITATION.—A commercial website or online service, or a portion of a commercial website or online service, shall not be deemed directed to children solely for referring or linking to a commercial website or online service directed to children by using information location tools, including a directory, index, reference, pointer, or hypertext link.

(11) PERSON.—The term "person" means any individual, partnership, corporation, trust, estate, cooperative, association, or other entity.

(12) ONLINE CONTACT INFORMATION.—The term "online contact information" means an e-mail address or another substantially similar identifier that permits direct contact with a person online.

SEC. 203. REGULATION OF UNFAIR AND DECEPTIVE ACTS AND PRACTICES IN CONNECTION WITH THE COLLECTION AND USE OF PERSONAL INFORMATION FROM AND ABOUT CHILDREN ON THE INTERNET.

(A) ACTS PROHIBITED.—

(1) IN GENERAL.—It is unlawful for an operator of a website or online service directed to children, or any operator that has actual knowledge that it is collecting personal information from a child, to collect personal information from a child in a manner that violates the regulations prescribed under subsection (b).

(2) DISCLOSURE TO PARENT PROTECTED.—Notwithstanding paragraph (1), neither an operator of such a website or online service nor the operator's agent shall be held to be liable under any Federal or State law for any disclosure made in good faith and following reasonable procedures in responding to a request for disclosure of personal information under subsection (b)(1)(B)(iii) to the parent of a child.

(b) REGULATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Commission shall promulgate under section 553 of title 5, United States Code, regulations that—

(A) require the operator of any website or online service directed to children that collects personal information from children or the operator of a website or online service that has actual knowledge that it is collecting personal information from a child—

(i) to provide notice on the website of what information is collected from children by the operator, how the operator uses such information, and the operator's disclosure practices for such information; and

(ii) to obtain verifiable parental consent for the collection, use, or disclosure of personal information from children;

(B) require the operator to provide, upon request of a parent under this subparagraph whose child has provided personal information to that website or online service, upon proper identification of that parent, to such parent—

(i) a description of the specific types of personal information collected from the child by that operator;

(ii) the opportunity at any time to refuse to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child; and

(iii) notwithstanding any other provision of law, a means that is reasonable under the circumstances for the parent to obtain any personal information collected from that child;

(C) prohibit conditioning a child's participation in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and

(D) require the operator of such a website or online service to establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

(2) WHEN CONSENT NOT REQUIRED.—The regulations shall provide that verifiable parental consent under paragraph (1)(A)(ii) is not required in the case of—

(A) online contact information collected from a child that is used only to respond directly on a one-time basis to a specific request from the child and is not used to recontact the child and is not maintained in retrievable form by the operator;

(B) a request for the name or online contact information of a parent or child that is used for the sole purpose of obtaining parental consent or providing notice under this section and where such information is not maintained in retrievable form by the operator if parental consent is not obtained after a reasonable time;

(C) online contact information collected from a child that is used only to respond more than once directly to a specific request from the child and is not used to recontact the child beyond the scope of that request—

(i) if, before any additional response after the initial response to the child, the operator uses reasonable efforts to provide a parent notice of the online contact information collected from the child, the purposes for which

it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(ii) without notice to the parent in such circumstances as the Commission may determine are appropriate, taking into consideration the benefits to the child of access to information and services, and risks to the security and privacy of the child, in regulations promulgated under this subsection;

(D) the name of the child and online contact information (to the extent reasonably necessary to protect the safety of a child participant on the site)—

(i) used only for the purpose of protecting such safety;

(ii) not used to recontact the child or for any other purpose; and

(iii) not disclosed on the site,

if the operator uses reasonable efforts to provide a parent notice of the name and online contact information collected from the child, the purposes for which it is to be used, and an opportunity for the parent to request that the operator make no further use of the information and that it not be maintained in retrievable form; or

(E) the collection, use, or dissemination of such information by the operator of such a website or online service necessary—

(i) to protect the security or integrity of its website;

(ii) to take precautions against liability;

(iii) to respond to judicial process; or

(iv) to the extent permitted under other provisions of law, to provide information to law enforcement agencies or for an investigation on a matter related to public safety.

(3) TERMINATION OF SERVICE.—The regulations shall permit the operator of a website or an online service to terminate service provided to a child whose parent has refused, under the regulations prescribed under paragraph (1)(B)(ii), to permit the operator's further use or maintenance in retrievable form, or future online collection, of personal information from that child.

(c) ENFORCEMENT.—Subject to sections 204 and 206, a violation of a regulation prescribed under subsection (a) shall be treated as a violation of a rule defining an unfair or deceptive act or practice prescribed under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

(d) INCONSISTENT STATE LAW.—No State or local government may impose any liability for commercial activities or actions by operators in interstate or foreign commerce in connection with an activity or action described in this title that is inconsistent with the treatment of those activities or actions under this section.

SEC. 204. SAFE HARBORS.

(a) GUIDELINES.—An operator may satisfy the requirements of regulations issued under section 203(b) by following a set of self-regulatory guidelines, issued by representatives of the marketing or online industries, or by other persons, approved under subsection (b).

(b) INCENTIVES.—

(1) SELF-REGULATORY INCENTIVES.—In prescribing regulations under section 203, the Commission shall provide incentives for self-regulation by operators to implement the protections afforded children under the regulatory requirements described in subsection (b) of that section.

(2) DEEMED COMPLIANCE.—Such incentives shall include provisions for ensuring that a person will be deemed to be in compliance with the requirements of the regulations under section 203 if that person complies with guidelines that, after notice and comment, are approved by the Commission upon making a determination that the guidelines meet the requirements of the regulations issued under section 203.

(3) EXPEDITED RESPONSE TO REQUESTS.—The Commission shall act upon requests for safe harbor treatment within 180 days of the filing of the request, and shall set forth in writing its conclusions with regard to such requests.

(c) APPEALS.—Final action by the Commission on a request for approval of guidelines, or the failure to act within 180 days on a request for approval of guidelines, submitted under subsection (b) may be appealed to a district court of the United States of appropriate jurisdiction as provided for in section 706 of title 5, United States Code.

SEC. 205. ACTIONS BY STATES.

(a) IN GENERAL.—

(1) CIVIL ACTIONS.—In any case in which the attorney general of a State has reason to believe that an interest of the residents of that State has been or is threatened or adversely affected by the engagement of any person in a practice that violates any regulation of the Commission prescribed under section 203(b), the State, as parens patriae, may bring a civil action on behalf of the residents of the State in a district court of the United States of appropriate jurisdiction to—

(A) enjoin that practice;

(B) enforce compliance with the regulation;

(C) obtain damage, restitution, or other compensation on behalf of residents of the State; or

(D) obtain such other relief as the court may consider to be appropriate.

(2) NOTICE.—

(A) IN GENERAL.—Before filing an action under paragraph (1), the attorney general of the State involved shall provide to the Commission—

(i) written notice of that action; and

(ii) a copy of the complaint for that action.

(B) EXEMPTION.—

(i) IN GENERAL.—Subparagraph (A) shall not apply with respect to the filing of an action by an attorney general of a State under this subsection, if the attorney general determines that it is not feasible to provide the notice described in that subparagraph before the filing of the action.

(ii) NOTIFICATION.—In an action described in clause (i), the attorney general of a State shall provide notice and a copy of the complaint to the Commission at the same time as the attorney general files the action.

(b) INTERVENTION.—

(1) IN GENERAL.—On receiving notice under subsection (a)(2), the Commission shall have the right to intervene in the action that is the subject of the notice.

(2) EFFECT OF INTERVENTION.—If the Commission intervenes in an action under subsection (a), it shall have the right—

(A) to be heard with respect to any matter that arises in that action; and

(B) to file a petition for appeal.

(3) AMICUS CURIAE.—Upon application to the court, a person whose self-regulatory guidelines have been approved by the Commission and are relied upon as a defense by any defendant to a proceeding under this section may file amicus curiae in that proceeding.

(c) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this title shall be construed to prevent an attorney general of a State from exercising the powers conferred on the attorney general by the laws of that State to—

(1) conduct investigations;

(2) administer oaths or affirmations; or

(3) compel the attendance of witnesses or the production of documentary and other evidence.

(d) ACTIONS BY THE COMMISSION.—In any case in which an action is instituted by or on behalf of the Commission for violation of any regulation prescribed under section 293, no State may, during the pendency of that action, institute an action under subsection (a) against any defendant named in the complaint in that action for violation of that regulation.

(e) VENUE; SERVICE OF PROCESS.—

(1) VENUE.—Any action brought under subsection (a) may be brought in the district court of the United States that meets applicable requirements relating to venue under section 1391 of title 28, United States Code.

(2) SERVICE OF PROCESS.—In an action brought under subsection (a), process may be served in any district in which the defendant—

(A) is an inhabitant; or

(B) may be found.

SEC. 206. ADMINISTRATION AND APPLICABILITY OF ACT.

(a) IN GENERAL.—Except as otherwise provided, this title shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) PROVISIONS.—Compliance with the requirements imposed under this title shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), in the case of—

(A) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

(B) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq. and 611 et. seq.), by the Board; and

(C) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation;

(2) section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), by the Director of the Office of Thrift Supervision, in the case of a savings association the deposits of which are insured by the Federal Deposit Insurance Corporation;

(3) the Federal Credit Union Act (12 U.S.C. 1751 et seq.) by the National Credit Union Administration Board with respect to any Federal credit union;

(4) part A of subtitle VII of title 49, United States Code, by the Secretary of Transportation with respect to any air carrier or foreign air carrier subject to that part;

(5) the Packers and Stockyards Act, 1921 (7 U.S.C. 181 et. seq.) (except as provided in section 406 of that Act (7 U.S.C. 226, 227)), by the Secretary of Agriculture with respect to any activities subject to that Act; and

(6) the Farm Credit Act of 1971 (12 U.S.C. (2001 et seq.) by the Farm Credit Administration with respect to any Federal land bank, Federal land bank association, Federal intermediate credit bank, or production credit association.

(c) EXERCISE OF CERTAIN POWERS.—For the purpose of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in that subsection, a violation of any requirement imposed under

this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in subsection (a), each of the agencies referred to in that subsection may exercise, for the purpose of enforcing compliance with any requirement imposed under this title, any other authority conferred on it by law.

(d) ACTIONS BY THE COMMISSION.—The Commission shall prevent any person from violating a rule of the Commission under section 203 in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this title. Any entity that violates such rule shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this title.

(e) EFFECT ON OTHER LAWS.—Nothing contained in the Act shall be construed to limit the authority of the Commission under any other provisions of law.

SEC. 207. REVIEW.

(a) IN GENERAL.—Not later than 5 years after the effective date of the regulations initially issued under section 203, the Commission shall—

(1) review the implementation of this title, including the effect of the implementation of this title on practices relating to the collection and disclosure of information relating to children, children's ability to obtain access to information of their choice online, and on the availability of websites directed to children; and

(2) prepare and submit to Congress a report on the results of the review under paragraph (1).

SEC. 208. EFFECTIVE DATE.

Sections 203(a), 205, and 206 of this title take effect on the later of—

(1) the date that is 18 months after the date of enactment of this Act; or

(2) the date on which the Commission rules on the first application for safe harbor treatment under section 204 if the Commission does not rule on the first such application within one year after the date of enactment of this Act, but in no case later than the date that is 30 months after the date of enactment of this Act.

TAXPAYER RELIEF ACT OF 1998

LAUTENBERG AMENDMENT NO. 3747

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill (H.R. 4579) to provide tax relief for individuals, families, and farming and other small businesses, to provide tax incentives for education, to extend certain provisions, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert:

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Cut Act of 1998".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title, etc.

TITLE I—FAMILY TAX RELIEF PROVISIONS

Subtitle A—General Provisions

Sec. 101. Elimination of marriage penalty in standard deduction.
Sec. 102. Exemption of certain interest and dividend income from tax.
Sec. 103. Nonrefundable personal credits allowed against alternative minimum tax.

Subtitle B—Affordable Child Care

Sec. 111. Expanding the dependent care tax credit.
Sec. 112. Minimum credit allowed for stay-at-home parents.
Sec. 113. Credit made refundable.
Sec. 114. Allowance of credit for employer expenses for child care assistance.

TITLE II—EDUCATION AND INFRASTRUCTURE

Subtitle A—General Provisions

Sec. 201. Eligible educational institutions permitted to maintain qualified tuition programs.
Sec. 202. Increase in volume cap on private activity bonds.

Subtitle B—American Community Renewal Act of 1998

Sec. 211. Short title.
Sec. 212. Designation of and tax incentives for renewal communities.
Sec. 213. Extension of expensing of environmental remediation costs to renewal communities.
Sec. 214. Extension of work opportunity tax credit for renewal communities
Sec. 215. Conforming and clerical amendments.
Sec. 216. Evaluation and reporting requirements.

Subtitle C—Tax Incentives for Education

Sec. 221. Expansion of incentives for public schools.

TITLE III—SMALL BUSINESS AND FARMER TAX RELIEF

Sec. 301. Acceleration of unified estate and gift tax credit increase.
Sec. 302. 100 percent deduction for health insurance costs of self-employed individuals.
Sec. 303. Income averaging for farmers made permanent.
Sec. 304. 5-year net operating loss carryback for farming losses.
Sec. 305. Increase in expense treatment for small businesses.
Sec. 306. Research credit.
Sec. 307. Work opportunity credit.
Sec. 308. Welfare-to-work credit.
Sec. 309. Contributions of stock to private foundations; expanded public inspection of private foundations' annual returns.

TITLE IV—SOCIAL SECURITY EARNINGS LIMIT

Sec. 401. Increases in the social security earnings limit for individuals who have attained retirement age.

TITLE V—REVENUE OFFSET

Sec. 501. Treatment of certain deductible liquidating distributions of regulated investment companies and real estate investment trusts.

TITLE VI—SAVING SOCIAL SECURITY FIRST

Sec. 601. Effective date of provisions contingent on saving social security first.

TITLE I—FAMILY TAX RELIEF PROVISIONS

Subtitle A—General Provisions

SEC. 101. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking "$5,000" in subparagraph (A) and inserting "twice the dollar amount in effect under subparagraph (C) for the taxable year",

(2) by adding "or" at the end of subparagraph (B),

(3) by striking "in the case of" and all that follows in subparagraph (C) and inserting "in any other case.", and

(4) by striking subparagraph (D).

(b) ADDITIONAL STANDARD DEDUCTION FOR AGED AND BLIND TO BE THE SAME FOR MARRIED AND UNMARRIED INDIVIDUALS.—

(1) Paragraphs (1) and (2) of section 63(f) are each amended by striking "$600" and inserting "$750".

(2) Subsection (f) of section 63 is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking "(other than with" and all that follows through "shall be applied" and inserting "(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied".

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

"The preceding sentence shall not apply to the amount referred to in paragraph (2)(A)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 102. EXEMPTION OF CERTAIN INTEREST AND DIVIDEND INCOME FROM TAX.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to amounts specifically excluded from gross income) is amended by inserting after section 115 the following new section:

"SEC. 116. PARTIAL EXCLUSION OF DIVIDENDS AND INTEREST RECEIVED BY INDIVIDUALS.

"(a) EXCLUSION FROM GROSS INCOME.—Gross income does not include dividends and interest received during the taxable year by an individual.

"(b) LIMITATIONS.—

"(1) MAXIMUM AMOUNT.—The aggregate amount excluded under subsection (a) for any taxable year shall not exceed $200 ($400 in the case of a joint return).

"(2) CERTAIN DIVIDENDS EXCLUDED.—Subsection (a) shall not apply to any dividend from a corporation which, for the taxable year of the corporation in which the distribution is made, or for the next preceding taxable year of the corporation, is a corporation exempt from tax under section 501 (relating to certain charitable, etc., organization) or section 521 (relating to farmers' cooperative associations).

"(c) SPECIAL RULES.—For purposes of this section—

"(1) Exclusion not to apply to capital gain dividends from regulated investment companies and real estate investment trusts.—

"For treatment of capital gain dividends, see sections 854(a) and 857(c).

"(2) Certain nonresident aliens ineligible for exclusion.—In the case of a nonresident alien individual, subsection (a) shall apply only—

"(A) in determining the tax imposed for the taxable year pursuant to section 871(b)(1) and only in respect of dividends and interest which are effectively connected with the conduct of a trade or business within the United States, or

"(B) in determining the tax imposed for the taxable year pursuant to section 877(b).

"(3) Dividends from employee stock ownership plans.—Subsection (a) shall not apply to any dividend described in section 404(k)."

(b) Conforming Amendments.—

(1)(A) Subparagraph (A) of section 135(c)(4) is amended by inserting "116," before "137".

(B) Subsection (d) of section 135 is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) Coordination with section 116.—This section shall be applied before section 116."

(2) Paragraph (2) of section 265(a) is amended by inserting before the period ", or to purchase or carry obligations or shares, or to make deposits, to the extent the interest thereon is excludable from gross income under section 116".

(3) Subsection (c) of section 584 is amended by adding at the end thereof the following new flush sentence:

"The proportionate share of each participant in the amount of dividends or interest received by the common trust fund and to which section 116 applies shall be considered for purposes of such section as having been received by such participant."

(4) Subsection (a) of section 643 is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following new paragraph:

"(7) Dividends or interest.—There shall be included the amount of any dividends or interest excluded from gross income pursuant to section 116."

(5) Section 854(a) is amended by inserting "section 116 (relating to partial exclusion of dividends and interest received by individuals) and" after "For purposes of".

(6) Section 857(c) is amended to read as follows:

"(c) Restrictions Applicable to Dividends Received From Real Estate Investment Trusts.—

"(1) Treatment for section 116.—For purposes of section 116 (relating to partial exclusion of dividends and interest received by individuals), a capital gain dividend (as defined in subsection (b)(3)(C)) received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend.

"(2) Treatment for section 243.—For purposes of section 243 (relating to deductions for dividends received by corporations), a dividend received from a real estate investment trust which meets the requirements of this part shall not be considered as a dividend."

(7) The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 115 the following new item:

"Sec. 116. Partial exclusion of dividends and interest received by individuals."

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 103. NONREFUNDABLE PERSONAL CREDITS ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.

(a) In General.—Subsection (a) of section 26 is amended to read as follows:

"(a) Limitation Based on Amount of Tax.—The aggregate amount of credits allowed by this subpart for the taxable year shall not exceed the sum of—

"(1) the taxpayer's regular tax liability for the taxable year, and

"(2) the tax imposed for the taxable year by section 55(a).

For purposes of applying the preceding sentence, paragraph (2) shall be treated as being zero for any taxable year beginning during 1998.".

(b) Conforming Amendments.—

(1) Subsection (d) of section 24 is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(2) Section 32 is amended by striking subsection (h).

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

Subtitle B—Affordable Child Care

SEC. 111. EXPANDING THE DEPENDENT CARE TAX CREDIT.

(a) Percentage of Employment-Related Expenses Determined by Taxpayer Status.—Section 21(a)(2) (defining applicable percentage) is amended to read as follows:

"(2) Applicable percentage defined.—For purposes of paragraph (1), the term 'applicable percentage' means—

"(A) except as provided in subparagraph (B), 50 percent reduced (but not below 20 percent) by 1 percentage point for each $1,000, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000, and

"(B) in the case of employment-related expenses described in subsection (e)(11), 50 percent reduced (but not below zero) by 1 percentage point for each $800, or fraction thereof, by which the taxpayers's adjusted gross income for the taxable year exceeds $30,000.".

(b) Inflation Adjustment for Allowable Expenses.—Section 21(c) (relating to dollar limit on amount creditable) is amended by striking "The amount determined" and inserting "In the case of any taxable year beginning after 1998, each dollar amount referred to in paragraphs (1) and (2) shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof. If any dollar amount after being increased under the preceding sentence is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10. The amount determined".

(c) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1998.

SEC. 112. MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.

(a) In General.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

"(11) Minimum credit allowed for stay-at-home parents.—Notwithstanding subsection (d), in the case of any taxpayer with one or more qualifying individuals described in subsection (b)(1)(A) under the age of 1 at any time during the taxable year, such taxpayer shall be deemed to have employment-related expenses with respect to such qualifying individuals in an amount equal to the sum of—

"(A) $90 for each month in such taxable year during which at least one of such qualifying individuals is under the age of 1, and

"(B) the amount of employment-related expenses otherwise incurred for such qualifying individuals for the taxable year (determined under this section without regard to this paragraph).".

(b) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1998.

SEC. 113. CREDIT MADE REFUNDABLE.

(a) In General.—Part IV of subchapter A of chapter 1 (relating to credits against tax) is amended—

(1) by redesignating section 35 as section 36, and

(2) by redesignating section 21 as section 35.

(b) Advance Payment of Credit.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

"SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

"(a) General Rule.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

"(b) Dependent Care Eligibility Certificate.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

"(1) certifies that the employee will be eligible to receive the credit provided by section 35 for the taxable year,

"(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

"(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

"(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

"(5) states the number of qualifying individuals in the household maintained by the employee, and

"(6) estimates the amount of employment-related expenses for the calendar year.

"(c) Dependent Care Advance Amount.—

"(1) In general.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

"(A) on the basis of the employee's wages from the employer for such period,

"(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

"(C) in accordance with tables provided by the Secretary.

"(2) Advance amount tables.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

"(d) Other Rules.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

"(e) Definitions.—For purposes of this section, terms used in this section which are defined in section 35 shall have the respective meanings given such terms by section 35.".

(c) Conforming Amendments.—

(1) Section 35(a)(1), as redesignated by paragraph (1), is amended by striking "chapter" and inserting "subtitle".

(2) Section 35(e), as so redesignated and amended by subsection (c), is amended by adding at the end the following:

"(12) Coordination with advance payments and minimum tax.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply for purposes of this section.".

(3) Sections 23(f)(1) and 129(a)(2)(C) are each amended by striking "section 21(e)" and inserting "section 35(e)".

(4) Section 129(b)(2) is amended by striking "section 21(d)(2)" and inserting "section 35(d)(2)".

(5) Section 129(e)(1) is amended by striking "section 21(b)(2)" and inserting "section 35(b)(2)".

(6) Section 213(e) is amended by striking "section 21" and inserting "section 35".

(7) Section 995(f)(2)(C) is amended by striking "and 34" and inserting "34, and 35".

(8) Section 6211(b)(4)(A) is amended by striking "and 34" and inserting ", 34, and 35".

(9) Section 6213(g)(2)(H) is amended by striking "section 21" and inserting "section 35".

(10) The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Dependent care services.

"Sec. 36. Overpayments of tax.".

(11) The table of sections for subpart A of such part IV is amended by striking the item relating to section 21.

(12) The table of sections for chapter 25 is amended by adding after the item relating to section 3507 the following:

"Sec. 3507A. Advance payment of dependent care credit.".

(13) Section 1324(b)(2) of title 31, United States Code, is amended by inserting before the period ", or enacted by the Tax Cut Act of 1998".

(d) Effective Date.—The amendments made by this section apply to taxable years beginning after December 31, 1998.

SEC. 114. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) In General.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following:

"SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

"(a) Allowance of Credit.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 25 percent of the qualified child care expenditures of the taxpayer for such taxable year.

"(b) Dollar Limitation.—The credit allowable under subsection (a) for any taxable year shall not exceed $150,000.

"(c) Definitions.—For purposes of this section—

"(1) Qualified child care expenditure.—

"(A) In general.—The term 'qualified child care expenditure' means any amount paid or incurred—

"(i) to acquire, construct, rehabilitate, or expand property—

"(I) which is to be used as part of a qualified child care facility of the taxpayer,

"(II) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(III) which does not constitute part of the principal residence (within the meaning of section 1034) of the taxpayer or any employee of the taxpayer,

"(ii) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees of the child care facility, to scholarship programs, to the providing of differential compensation to employees based on level of child care training, and to expenses associated with achieving accreditation,

"(iii) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

"(iv) under a contract to provide child care resource and referral services to employees of the taxpayer.

"(B) Exclusion for amounts funded by grants, etc.—The term 'qualified child care expenditure' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

"(C) Limitation on allowable operating costs.—The term 'qualified child care expenditure' shall not include any amount described in subparagraph (A)(ii) if such amount is paid or incurred after the third taxable year in which a credit under this section is taken by the taxpayer, unless the qualified child care facility of the taxpayer has received accreditation from a nationally recognized accrediting body before the end of such third taxable year.

"(2) Qualified child care facility.—

"(A) In general.—The term 'qualified child care facility' means a facility—

"(i) the principal use of which is to provide child care assistance, and

"(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 1034) of the operator of the facility.

"(B) Special rules with respect to a taxpayer.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

"(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

"(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

"(iii) the costs to employees of child care services at such facility are determined on a sliding fee scale.

"(d) Recapture of Acquisition and Construction Credit.—

"(1) In general.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) Applicable recapture percentage.—

"(A) In general.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	**The applicable recapture percentage is:**
Years 1–3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) Years.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) Recapture event defined.—For purposes of this subsection, the term 'recapture event' means—

"(A) Cessation of operation.—The cessation of the operation of the facility as a qualified child care facility.

"(B) Change in ownership.—

"(i) In general.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) Agreement to assume recapture liability.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) Special rules.—

"(A) Tax benefit rule.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) No credits against tax.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) No recapture by reason of casualty loss.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) Special Rules.—For purposes of this section—

"(1) Aggregation rules.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) Pass-thru in the case of estates and trusts.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) Allocation in the case of partnerships.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) No Double Benefit.—

"(1) Reduction in basis.—For purposes of this subtitle—

"(A) In general.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

"(B) Certain dispositions.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

"(2) Other deductions and credits.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.".

(b) Conforming Amendments.—

(1) Section 38(b) is amended—

(A) by striking out "plus" at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12), and inserting a comma and "plus", and

(C) by adding at the end the following new paragraph:

"(13) the employer-provided child care credit determined under section 45D.".

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45D. Employer-provided child care credit.".

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

TITLE II—EDUCATION AND INFRASTRUCTURE

Subtitle A—General Provisions

SEC. 201. ELIGIBLE EDUCATIONAL INSTITUTIONS PERMITTED TO MAINTAIN QUALIFIED TUITION PROGRAMS.

(a) In General.—Paragraph (1) of section 529(b) (defining qualified State tuition program) is amended by inserting "or by 1 or more eligible educational institutions" after "maintained by a State or agency or instrumentality thereof".

(b) Technical Amendments.—

(1) The texts of sections 72(e)(9), 135(c)(2)(C), 135(d)(1)(D), 529, 530, and 4973(e)(1)(B) are each amended by striking "qualified State tuition program" each place it appears and inserting "qualified tuition program".

(2) The paragraph heading for paragraph (9) of section 72(e) and the subparagraph heading for subparagraph (B) of section 530(b)(2) are each amended by striking "STATE".

(3) The subparagraph heading for subparagraph (C) of section 135(c)(2) is amended by striking "QUALIFIED STATE TUITION PROGRAM" and inserting "QUALIFIED TUITION PROGRAMS".

(4) Sections 529(c)(3)(D)(i) and 6693(a)(2)(C) are each amended by striking "qualified State tuition programs" and inserting "qualified tuition programs".

(5)(A) The section heading of section 529 is amended to read as follows:

"SEC. 529. QUALIFIED TUITION PROGRAMS.".

(B) The item relating to section 529 in the table of sections for part VIII of subchapter F of chapter 1 is amended by striking "State".

(c) Effective Date.—The amendments made by this section shall take effect on January 1, 1999.

SEC. 202. INCREASE IN VOLUME CAP ON PRIVATE ACTIVITY BONDS.

(a) In General.—Subsection (d) of section 146 (relating to volume cap) is amended by striking paragraph (2), by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively, and by striking paragraph (1) and inserting the following new paragraph:

"(1) In general.—The State ceiling applicable to any State for any calendar year shall be the greater of—

"(A) an amount equal to $75 multiplied by the State population, or

"(B) $225,000,000.

Subparagraph (B) shall not apply to any possession of the United States."

(b) Conforming Amendment.—Sections 25(f)(3) and 42(h)(3)(E)(iii) are each amended by striking "section 146(d)(3)(C)" and inserting "section 146(d)(2)(C)".

(c) Effective Date.—The amendments made by this section shall apply to calendar years after 1998.

Subtitle B—American Community Renewal Act of 1998

SEC. 211. SHORT TITLE.

This subtitle may be cited as the "American Community Renewal Act of 1998".

SEC. 212. DESIGNATION OF AND TAX INCENTIVES FOR RENEWAL COMMUNITIES.

(a) In General.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter X—Renewal Communities

"Part I. Designation.
"Part II. Renewal community capital gain; renewal community business.
"Part III. Family development accounts.
"Part IV. Additional incentives.

"PART I—DESIGNATION

"Sec. 1400E. Designation of renewal communities.

"SEC. 1400E. DESIGNATION OF RENEWAL COMMUNITIES.

"(a) Designation.—

"(1) Definitions.—For purposes of this title, the term 'renewal community' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as a renewal community (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development designates as a renewal community, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior.

"(2) Number of designations.—

"(A) In general.—The Secretary of Housing and Urban Development may designate not more than 20 nominated areas as renewal communities.

"(B) Minimum designation in rural areas.—Of the areas designated under paragraph (1), at least 4 must be areas—

"(i) which are within a local government jurisdiction or jurisdictions with a population of less than 50,000,

"(ii) which are outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)), or

"(iii) which are determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(3) Areas designated based on degree of poverty, etc.—

"(A) In general.—Except as otherwise provided in this section, the nominated areas designated as renewal communities under this subsection shall be those nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (B), (C), and (D) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area which exceeds such criterion by the greatest amount given the highest ranking.

"(B) Exception where inadequate course of action, etc.—An area shall not be designated under subparagraph (A) if the Secretary of Housing and Urban Development determines that the course of action described in subsection (d)(2) with respect to such area is inadequate.

"(C) Priority for empowerment zones and enterprise communities with respect to first half of designations.—With respect to the first 10 designations made under this section—

"(i) 10 shall be chosen from nominated areas which are empowerment zones or enterprise communities (and are otherwise eligible for designation under this section), and

"(ii) of such 10, 2 shall be areas described in paragraph (2)(B).

"(4) Limitation on designations.—

"(A) Publication of regulations.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area under paragraph (1)(A),

"(ii) the parameters relating to the size and population characteristics of a renewal community, and

"(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

"(B) Time limitations.—The Secretary of Housing and Urban Development may designate nominated areas as renewal communities only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(C) Procedural rules.—The Secretary of Housing and Urban Development shall not make any designation of a nominated area as a renewal community under paragraph (2) unless—

"(i) the local governments and the States in which the nominated area is located have the authority—

"(I) to nominate such area for designation as a renewal community,

"(II) to make the State and local commitments described in subsection (d), and

"(III) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(ii) a nomination regarding such area is submitted in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall by regulation prescribe, and

"(iii) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate.

"(5) Nomination process for Indian reservations.—For purposes of this subchapter, in the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be treated as being both the State and local governments with respect to such area.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as a renewal community shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31, 2006,

"(B) the termination date designated by the State and local governments in their nomination, or

"(C) the date the Secretary of Housing and Urban Development revokes such designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development may revoke the designation under this section of an area if such Secretary determines that the local government or the State in which the area is located—

"(A) has modified the boundaries of the area, or

"(B) is not complying substantially with, or fails to make progress in achieving, the State or local commitments, respectively, described in subsection (d).

"(c) AREA AND ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as a renewal community under subsection (a) only if the area meets the requirements of paragraphs (2) and (3) of this subsection.

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of one or more local governments,

"(B) the boundary of the area is continuous, and

"(C) the area—

"(i) has a population, of at least—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (within the meaning of section 143(k)(2)(B)) which has a population of 50,000 or greater, or

"(II) 1,000 in any other case, or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—A nominated area meets the requirements of this paragraph if the State and the local governments in which it is located certify (and the Secretary of Housing and Urban Development, after such review of supporting data as he deems appropriate, accepts such certification) that—

"(A) the area is one of pervasive poverty, unemployment, and general distress,

"(B) the unemployment rate in the area, as determined by the most recent available data, was at least 1½ times the national unemployment rate for the period to which such data relate,

"(C) the poverty rate for each population census tract within the nominated area is at least 20 percent, and

"(D) in the case of an urban area, at least 70 percent of the households living in the area have incomes below 80 percent of the median income of households within the jurisdiction of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(4) CONSIDERATION OF HIGH INCIDENCE OF CRIME.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, the extent to which such areas have a high incidence of crime.

"(5) CONSIDERATION OF COMMUNITIES IDENTIFIED IN GAO STUDY.—The Secretary of Housing and Urban Development shall take into account, in selecting nominated areas for designation as renewal communities under this section, if the area has census tracts identified in the May 12, 1998, report of the Government Accounting Office regarding the identification of economically distressed areas.

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate any nominated area as a renewal community under subsection (a) only if—

"(A) the local government and the State in which the area is located agree in writing that, during any period during which the area is a renewal community, such governments will follow a specified course of action which meets the requirements of paragraph (2) and is designed to reduce the various burdens borne by employers or employees in such area, and

"(B) the economic growth promotion requirements of paragraph (3) are met.

"(2) COURSE OF ACTION.—

"(A) IN GENERAL.—A course of action meets the requirements of this paragraph if such course of action is a written document, signed by a State (or local government) and neighborhood organizations, which evidences a partnership between such State or government and community-based organizations and which commits each signatory to specific and measurable goals, actions, and timetables. Such course of action shall include at least five of the following:

"(i) A reduction of tax rates or fees applying within the renewal community.

"(ii) An increase in the level of efficiency of local services within the renewal community.

"(iii) Crime reduction strategies, such as crime prevention (including the provision of such services by nongovernmental entities).

"(iv) Actions to reduce, remove, simplify, or streamline governmental requirements applying within the renewal community.

"(v) Involvement in the program by private entities, organizations, neighborhood organizations, and community groups, particularly those in the renewal community, including a commitment from such private entities to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents from the renewal community.

"(vi) State or local income tax benefits for fees paid for services performed by a nongovernmental entity which were formerly performed by a governmental entity.

"(vii) The gift (or sale at below fair market value) of surplus real property (such as land, homes, and commercial or industrial structures) in the renewal community to neighborhood organizations, community development corporations, or private companies.

"(B) RECOGNITION OF PAST EFFORTS.—For purposes of this section, in evaluating the course of action agreed to by any State or local government, the Secretary of Housing and Urban Development shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

"(3) ECONOMIC GROWTH PROMOTION REQUIREMENTS.—The economic growth promotion requirements of this paragraph are met with respect to a nominated area if the local government and the State in which such area is located certify in writing that such government and State, respectively, have repealed or otherwise will not enforce within the area, if such area is designated as a renewal community—

"(A) licensing requirements for occupations that do not ordinarily require a professional degree,

"(B) zoning restrictions on home-based businesses which do not create a public nuisance,

"(C) permit requirements for street vendors who do not create a public nuisance,

"(D) zoning or other restrictions that impede the formation of schools or child care centers, and

"(E) franchises or other restrictions on competition for businesses providing public services, including but not limited to taxicabs, jitneys, cable television, or trash hauling,

except to the extent that such regulation of businesses and occupations is necessary for and well-tailored to the protection of health and safety.

"(e) COORDINATION WITH TREATMENT OF EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES.—For purposes of this title, if there are in effect with respect to the same area both—

"(1) a designation as a renewal community, and

"(2) a designation as an empowerment zone or enterprise community,

both of such designations shall be given full effect with respect to such area.

"(f) DEFINITIONS AND SPECIAL RULES.—For purposes of this subchapter—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as a renewal community, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' includes Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.

"(4) APPLICATION OF RULES RELATING TO CENSUS TRACTS AND CENSUS DATA.—The rules of sections 1392(b)(4) and 1393(a)(9) shall apply.

"PART II—RENEWAL COMMUNITY CAPITAL GAIN; RENEWAL COMMUNITY BUSINESS

"Sec. 1400F. Renewal community capital gain.

"Sec. 1400G. Renewal community business defined.

"SEC. 1400F. RENEWAL COMMUNITY CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include any qualified capital gain recognized on the sale or exchange of a qualified community asset held for more than 5 years.

"(b) QUALIFIED COMMUNITY ASSET.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified community asset' means—

“(A) any qualified community stock,

“(B) any qualified community partnership interest, and

“(C) any qualified community business property.

“(2) QUALIFIED COMMUNITY STOCK.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘qualified community stock’ means any stock in a domestic corporation if—

“(i) such stock is acquired by the taxpayer after December 31, 1999, and before January 1, 2007, at its original issue (directly or through an underwriter) from the corporation solely in exchange for cash,

“(ii) as of the time such stock was issued, such corporation was a renewal community business (or, in the case of a new corporation, such corporation was being organized for purposes of being a renewal community business), and

“(iii) during substantially all of the taxpayer's holding period for such stock, such corporation qualified as a renewal community business.

“(B) REDEMPTIONS.—A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this paragraph.

“(3) QUALIFIED COMMUNITY PARTNERSHIP INTEREST.—The term ‘qualified community partnership interest’ means any interest in a partnership if—

“(A) such interest is acquired by the taxpayer after December 31, 1999, and before January 1, 2007,

“(B) as of the time such interest was acquired, such partnership was a renewal community business (or, in the case of a new partnership, such partnership was being organized for purposes of being a renewal community business), and

“(C) during substantially all of the taxpayer's holding period for such interest, such partnership qualified as a renewal community business.

A rule similar to the rule of paragraph (2)(B) shall apply for purposes of this paragraph.

“(4) QUALIFIED COMMUNITY BUSINESS PROPERTY.—

“(A) IN GENERAL.—The term ‘qualified community business property’ means tangible property if—

“(i) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007,

“(ii) the original use of such property in the renewal community commences with the taxpayer, and

“(iii) during substantially all of the taxpayer's holding period for such property, substantially all of the use of such property was in a renewal community business of the taxpayer.

“(B) SPECIAL RULE FOR SUBSTANTIAL IMPROVEMENTS.—The requirements of clauses (i) and (ii) of subparagraph (A) shall be treated as satisfied with respect to—

“(i) property which is substantially improved (within the meaning of section 1400B(b)(4)(B)(ii)) by the taxpayer before January 1, 2007, and

“(ii) any land on which such property is located.

“(c) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (5), (6), and (7) of subsection (b), and subsections (e), (f), and (g), of section 1400B shall apply for purposes of this section.

“SEC. 1400G. RENEWAL COMMUNITY BUSINESS DEFINED.

“For purposes of this part, the term ‘renewal community business’ means any entity or proprietorship which would be a qualified business entity or qualified proprietorship under section 1397B if—

“(1) references to renewal communities were substituted for references to empowerment zones in such section; and

“(2) ‘80 percent’ were substituted for ‘50 percent’ in subsections (b)(2) and (c)(1) of such section.

“PART III—FAMILY DEVELOPMENT ACCOUNTS

“Sec. 1400H. Family development accounts for renewal community EITC recipients.

“Sec. 1400I. Demonstration program to provide matching contributions to family development accounts in certain renewal communities.

“Sec. 1400J. Designation of earned income tax credit payments for deposit to family development account.

“SEC. 1400H. FAMILY DEVELOPMENT ACCOUNTS FOR RENEWAL COMMUNITY EITC RECIPIENTS.

“(a) ALLOWANCE OF DEDUCTION.—

“(1) IN GENERAL.—There shall be allowed as a deduction—

“(A) in the case of a qualified individual, the amount paid in cash for the taxable year by such individual to any family development account for such individual's benefit, and

“(B) in the case of any person other than a qualified individual, the amount paid in cash for the taxable year by such person to any family development account for the benefit of a qualified individual but only if the amount so paid is designated for purposes of this section by such individual.

No deduction shall be allowed under this paragraph for any amount deposited in a family development account under section 1400I (relating to demonstration program to provide matching amounts in renewal communities).

“(2) LIMITATION.—

“(A) IN GENERAL.—The amount allowable as a deduction to any individual for any taxable year by reason of paragraph (1)(A) shall not exceed the lesser of—

“(i) $2,000, or

“(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

“(B) PERSONS DONATING TO FAMILY DEVELOPMENT ACCOUNTS OF OTHERS.—The amount which may be designated under paragraph (1)(B) by any qualified individual for any taxable year of such individual shall not exceed $1,000.

“(3) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—Rules similar to rules of section 219(c) shall apply to the limitation in paragraph (2)(A).

“(4) COORDINATION WITH IRA'S.—No deduction shall be allowed under this section to any person by reason of a payment to an account for the benefit of a qualified individual if any amount is paid into an individual retirement account (including a Roth IRA) for the benefit of such individual.

“(5) ROLLOVERS.—No deduction shall be allowed under this section with respect to any rollover contribution.

“(b) TAX TREATMENT OF DISTRIBUTIONS.—

“(1) INCLUSION OF AMOUNTS IN GROSS INCOME.—Except as otherwise provided in this subsection, any amount paid or distributed out of a family development account shall be included in gross income by the payee or distributee, as the case may be.

“(2) EXCLUSION OF QUALIFIED FAMILY DEVELOPMENT DISTRIBUTIONS.—Paragraph (1) shall not apply to any qualified family development distribution.

“(c) QUALIFIED FAMILY DEVELOPMENT DISTRIBUTION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified family development distribution’ means any amount paid or distributed out of a family development account which would otherwise be includible in gross income, to the extent that such payment or distribution is used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder.

“(2) QUALIFIED FAMILY DEVELOPMENT EXPENSES.—The term ‘qualified family development expenses’ means any of the following:

“(A) Qualified higher education expenses.

“(B) Qualified first-time homebuyer costs.

“(C) Qualified business capitalization costs.

“(D) Qualified medical expenses.

“(E) Qualified rollovers.

“(3) QUALIFIED HIGHER EDUCATION EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified higher education expenses’ has the meaning given such term by section 72(t)(7), determined by treating postsecondary vocational educational schools as eligible educational institutions.

“(B) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—The term ‘postsecondary vocational educational school’ means an area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this section.

“(C) COORDINATION WITH OTHER BENEFITS.—The amount of qualified higher education expenses for any taxable year shall be reduced as provided in section 25A(g)(2).

“(4) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ‘qualified first-time homebuyer costs’ means qualified acquisition costs (as defined in section 72(t)(8) without regard to subparagraph (B) thereof) with respect to a principal residence (within the meaning of section 121) for a qualified first-time homebuyer (as defined in such section).

“(5) QUALIFIED BUSINESS CAPITALIZATION COSTS.—

“(A) IN GENERAL.—The term ‘qualified business capitalization costs’ means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

“(B) QUALIFIED EXPENDITURES.—The term ‘qualified expenditures’ means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

“(C) QUALIFIED BUSINESS.—The term ‘qualified business’ means any business that does not contravene any law.

“(D) QUALIFIED PLAN.—The term ‘qualified plan’ means a business plan which meets such requirements as the Secretary may specify.

“(6) QUALIFIED MEDICAL EXPENSES.—The term ‘qualified medical expenses’ means any amount paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or his dependent (as defined in section 152).

“(7) QUALIFIED ROLLOVERS.—The term ‘qualified rollover’ means any amount paid from a family development account of a taxpayer into another such account established for the benefit of—

“(A) such taxpayer, or

"(B) any qualified individual who is—

"(i) the spouse of such taxpayer, or

"(ii) any dependent (as defined in section 152) of the taxpayer.

Rules similar to the rules of section 408(d)(3) shall apply for purposes of this paragraph.

"(d) TAX TREATMENT OF ACCOUNTS.—

"(1) IN GENERAL.—Any family development account is exempt from taxation under this subtitle unless such account has ceased to be a family development account by reason of paragraph (2). Notwithstanding the preceding sentence, any such account is subject to the taxes imposed by section 511 (relating to imposition of tax on unrelated business income of charitable, etc., organizations). Notwithstanding any other provision of this title (including chapters 11 and 12), the basis of any person in such an account is zero.

"(2) LOSS OF EXEMPTION IN CASE OF PROHIBITED TRANSACTIONS.—For purposes of this section, rules similar to the rules of section 408(e) shall apply.

"(3) OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (6) of section 408(d) shall apply for purposes of this section.

"(e) FAMILY DEVELOPMENT ACCOUNT.—For purposes of this title, the term 'family development account' means a trust created or organized in the United States for the exclusive benefit of a qualified individual or his beneficiaries, but only if the written governing instrument creating the trust meets the following requirements:

"(1) Except in the case of a qualified rollover (as defined in subsection (c)(7))—

"(A) no contribution will be accepted unless it is in cash, and

"(B) contributions will not be accepted for the taxable year in excess of $3,000 (determined without regard to any contribution made under section 1400I (relating to demonstration program to provide matching amounts in renewal communities)).

"(2) The requirements of paragraphs (2) through (6) of section 408(a) are met.

"(f) QUALIFIED INDIVIDUAL.—For purposes of this section, the term 'qualified individual' means, for any taxable year, an individual—

"(1) who is a bona fide resident of a renewal community throughout the taxable year, and

"(2) to whom a credit was allowed under section 32 for the preceding taxable year.

"(g) OTHER DEFINITIONS AND SPECIAL RULES.—

"(1) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f)(1).

"(2) MARRIED INDIVIDUALS.—The maximum deduction under subsection (a) shall be computed separately for each individual, and this section shall be applied without regard to any community property laws.

"(3) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to a family development account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).

"(4) EMPLOYER PAYMENTS; CUSTODIAL ACCOUNTS.—Rules similar to the rules of sections 219(f)(5) and 408(h) shall apply for purposes of this section.

"(5) REPORTS.—The trustee of a family development account shall make such reports regarding such account to the Secretary and to the individual for whom the account is maintained with respect to contributions (and the years to which they relate), distributions, and such other matters as the Secretary may require under regulations. The reports required by this paragraph—

"(A) shall be filed at such time and in such manner as the Secretary prescribes in such regulations, and

"(B) shall be furnished to individuals—

"(i) not later than January 31 of the calendar year following the calendar year to which such reports relate, and

"(ii) in such manner as the Secretary prescribes in such regulations.

"(6) INVESTMENT IN COLLECTIBLES TREATED AS DISTRIBUTIONS.—Rules similar to the rules of section 408(m) shall apply for purposes of this section.

"(h) PENALTY FOR DISTRIBUTIONS NOT USED FOR QUALIFIED FAMILY DEVELOPMENT EXPENSES.—

"(1) IN GENERAL.—If any amount is distributed from a family development account and is not used exclusively to pay qualified family development expenses for the holder of the account or the spouse or dependent (as defined in section 152) of such holder, the tax imposed by this chapter for the taxable year of such distribution shall be increased by the sum of—

"(A) 100 percent of the portion of such amount which is includible in gross income and is attributable to amounts contributed under section 1400I (relating to demonstration program to provide matching amounts in renewal communities), and

"(B) 10 percent of the portion of such amount which is includible in gross income and is not described in subparagraph (A).

For purposes of this subsection, distributions which are includable in gross income shall be treated as attributable to amounts contributed under section 1400I to the extent thereof. For purposes of the preceding sentence, all family development accounts of an individual shall be treated as one account.

"(2) EXCEPTION FOR CERTAIN DISTRIBUTIONS.—Paragraph (1) shall not apply to distributions which are—

"(A) made on or after the date on which the account holder attains age 59½,

"(B) made to a beneficiary (or the estate of the account holder) on or after the death of the account holder, or

"(C) attributable to the account holder's being disabled within the meaning of section 72(m)(7).

"(i) TERMINATION.—No deduction shall be allowed under this section for any amount paid to a family development account for any taxable year beginning after December 31, 2006.

"SEC. 1400I. DEMONSTRATION PROGRAM TO PROVIDE MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS IN CERTAIN RENEWAL COMMUNITIES.

"(a) DESIGNATION.—

"(1) DEFINITIONS.—For purposes of this section, the term 'FDA matching demonstration area' means any renewal community—

"(A) which is nominated under this section by each of the local governments and States which nominated such community for designation as a renewal community under section 1400E(a)(1)(A), and

"(B) which the Secretary of Housing and Urban Development designates as an FDA matching demonstration area after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration, and

"(ii) in the case of a community on an Indian reservation, the Secretary of the Interior.

"(2) NUMBER OF DESIGNATIONS.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 5 communities as FDA matching demonstration areas.

"(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under subparagraph (A), at least 2 must be areas described in section 1400E(a)(2)(B).

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—The Secretary of Housing and Urban Development shall prescribe by regulation no later than 4 months after the date of the enactment of this section, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating a renewal community under paragraph (1)(A) (including procedures for coordinating such nomination with the nomination of an area for designation as a renewal community under section 1400E), and

"(ii) the manner in which nominated renewal communities will be evaluated for purposes of this section.

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development may designate renewal communities as FDA matching demonstration areas only during the 24-month period beginning on the first day of the first month following the month in which the regulations described in subparagraph (A) are prescribed.

"(4) DESIGNATION BASED ON DEGREE OF POVERTY, ETC.—The rules of section 1400E(a)(3) shall apply for purposes of designations of FDA matching demonstration areas under this section.

"(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—Any designation of a renewal community as an FDA matching demonstration area shall remain in effect during the period beginning on the date of such designation and ending on the date on which such area ceases to be a renewal community.

"(c) MATCHING CONTRIBUTIONS TO FAMILY DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—Not less than once each taxable year, the Secretary shall deposit (to the extent provided in appropriation Acts) into a family development account of each qualified individual (as defined in section 1400H(f))—

"(A) who is a resident throughout the taxable year of an FDA matching demonstration area, and

"(B) who requests (in such form and manner as the Secretary prescribes) such deposit for the taxable year,

an amount equal to the sum of the amounts deposited into all of the family development accounts of such individual during such taxable year (determined without regard to any amount contributed under this section).

"(2) LIMITATIONS.—

"(A) ANNUAL LIMIT.—The Secretary shall not deposit more than $1000 under paragraph (1) with respect to any individual for any taxable year.

"(B) AGGREGATE LIMIT.—The Secretary shall not deposit more than $2000 under paragraph (1) with respect to any individual for all taxable years.

"(3) EXCLUSION FROM INCOME.—Except as provided in section 1400H, gross income shall not include any amount deposited into a family development account under paragraph (1).

"(d) NOTICE OF PROGRAM.—The Secretary shall provide appropriate notice to residents of FDA matching demonstration areas of the availability of the benefits under this section.

“(e) TERMINATION.—No amount may be deposited under this section for any taxable year beginning after December 31, 2006.

“SEC. 1400J. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO FAMILY DEVELOPMENT ACCOUNT.

“(a) IN GENERAL.—With respect to the return of any qualified individual (as defined in section 1400H(f)) for the taxable year of the tax imposed by this chapter, such individual may designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the earned income tax credit shall be deposited by the Secretary into a family development account of such individual. The Secretary shall so deposit such portion designated under this subsection.

“(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year—

“(1) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

“(2) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

“(c) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of subsection (a), an overpayment for any taxable year shall be treated as attributable to the earned income tax credit to the extent that such overpayment does not exceed the credit allowed to the taxpayer under section 32 for such taxable year.

“(d) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under subsection (a) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

“(e) TERMINATION.—This section shall not apply to any taxable year beginning after December 31, 2006.

“PART IV—ADDITIONAL INCENTIVES

“Sec. 1400K. Commercial revitalization credit.

“Sec. 1400L. Increase in expensing under section 179.

“SEC. 1400K. COMMERCIAL REVITALIZATION CREDIT.

“(a) GENERAL RULE.—For purposes of section 46, except as provided in subsection (e), the commercial revitalization credit for any taxable year is an amount equal to the applicable percentage of the qualified revitalization expenditures with respect to any qualified revitalization building.

“(b) APPLICABLE PERCENTAGE.—For purposes of this section—

“(1) IN GENERAL.—The term ‘applicable percentage’ means—

“(A) 20 percent for the taxable year in which a qualified revitalization building is placed in service, or

“(B) at the election of the taxpayer, 5 percent for each taxable year in the credit period.

The election under subparagraph (B), once made, shall be irrevocable.

“(2) CREDIT PERIOD.—

“(A) IN GENERAL.—The term ‘credit period’ means, with respect to any building, the period of 10 taxable years beginning with the taxable year in which the building is placed in service.

“(B) APPLICABLE RULES.—Rules similar to the rules under paragraphs (2) and (4) of section 42(f) shall apply.

“(c) QUALIFIED REVITALIZATION BUILDINGS AND EXPENDITURES.—For purposes of this section—

“(1) QUALIFIED REVITALIZATION BUILDING.—The term ‘qualified revitalization building’ means any building (and its structural components) if—

“(A) such building is located in a renewal community and is placed in service after December 31, 1999,

“(B) a commercial revitalization credit amount is allocated to the building under subsection (e), and

“(C) depreciation (or amortization in lieu of depreciation) is allowable with respect to the building.

“(2) QUALIFIED REVITALIZATION EXPENDITURE.—

“(A) IN GENERAL.—The term ‘qualified revitalization expenditure’ means any amount properly chargeable to capital account—

“(i) for property for which depreciation is allowable under section 168 and which is—

“(I) nonresidential real property, or

“(II) an addition or improvement to property described in subclause (I), and

“(ii) in connection with the construction of any qualified revitalization building which was not previously placed in service or in connection with the substantial rehabilitation (within the meaning of section 47(c)(1)(C)) of a building which was placed in service before the beginning of such rehabilitation.

“(B) DOLLAR LIMITATION.—The aggregate amount which may be treated as qualified revitalization expenditures with respect to any qualified revitalization building for any taxable year shall not exceed the excess of—

“(i) $10,000,000, reduced by

“(ii) any such expenditures with respect to the building taken into account by the taxpayer or any predecessor in determining the amount of the credit under this section for all preceding taxable years.

“(C) CERTAIN EXPENDITURES NOT INCLUDED.—The term ‘qualified revitalization expenditure’ does not include—

“(i) STRAIGHT LINE DEPRECIATION MUST BE USED.—Any expenditure (other than with respect to land acquisitions) with respect to which the taxpayer does not use the straight line method over a recovery period determined under subsection (c) or (g) of section 168. The preceding sentence shall not apply to any expenditure to the extent the alternative depreciation system of section 168(g) applies to such expenditure by reason of subparagraph (B) or (C) of section 168(g)(1).

“(ii) ACQUISITION COSTS.—The costs of acquiring any building or interest therein and any land in connection with such building to the extent that such costs exceed 30 percent of the qualified revitalization expenditures determined without regard to this clause.

“(iii) OTHER CREDITS.—Any expenditure which the taxpayer may take into account in computing any other credit allowable under this title unless the taxpayer elects to take the expenditure into account only for purposes of this section.

“(d) WHEN EXPENDITURES TAKEN INTO ACCOUNT.—

“(1) IN GENERAL.—Qualified revitalization expenditures with respect to any qualified revitalization building shall be taken into account for the taxable year in which the qualified revitalization building is placed in service. For purposes of the preceding sentence, a substantial rehabilitation of a building shall be treated as a separate building.

“(2) PROGRESS EXPENDITURE PAYMENTS.—Rules similar to the rules of subsections (b)(2) and (d) of section 47 shall apply for purposes of this section.

“(e) LIMITATION ON AGGREGATE CREDITS ALLOWABLE WITH RESPECT TO BUILDINGS LOCATED IN A STATE.—

“(1) IN GENERAL.—The amount of the credit determined under this section for any taxable year with respect to any building shall not exceed the commercial revitalization credit amount (in the case of an amount determined under subsection (b)(1)(B), the present value of such amount as determined under the rules of section 42(b)(2)(C)) allocated to such building under this subsection by the commercial revitalization credit agency. Such allocation shall be made at the same time and in the same manner as under paragraphs (1) and (7) of section 42(h).

“(2) COMMERCIAL REVITALIZATION CREDIT AMOUNT FOR AGENCIES.—

“(A) IN GENERAL.—The aggregate commercial revitalization credit amount which a commercial revitalization credit agency may allocate for any calendar year is the amount of the State commercial revitalization credit ceiling determined under this paragraph for such calendar year for such agency.

“(B) STATE COMMERCIAL REVITALIZATION CREDIT CEILING.—The State commercial revitalization credit ceiling applicable to any State—

“(i) for each calendar year after 1999 and before 2007 is $2,000,000 for each renewal community in the State, and

“(ii) zero for each calendar year thereafter.

“(C) COMMERCIAL REVITALIZATION CREDIT AGENCY.—For purposes of this section, the term ‘commercial revitalization credit agency’ means any agency authorized by a State to carry out this section.

“(f) RESPONSIBILITIES OF COMMERCIAL REVITALIZATION CREDIT AGENCIES.—

“(1) PLANS FOR ALLOCATION.—Notwithstanding any other provision of this section, the commercial revitalization credit amount with respect to any building shall be zero unless—

“(A) such amount was allocated pursuant to a qualified allocation plan of the commercial revitalization credit agency which is approved (in accordance with rules similar to the rules of section 147(f)(2) (other than subparagraph (B)(ii) thereof)) by the governmental unit of which such agency is a part, and

“(B) such agency notifies the chief executive officer (or its equivalent) of the local jurisdiction within which the building is located of such allocation and provides such individual a reasonable opportunity to comment on the allocation.

“(2) QUALIFIED ALLOCATION PLAN.—For purposes of this subsection, the term ‘qualified allocation plan’ means any plan—

“(A) which sets forth selection criteria to be used to determine priorities of the commercial revitalization credit agency which are appropriate to local conditions,

“(B) which considers—

“(i) the degree to which a project contributes to the implementation of a strategic plan that is devised for a renewal community through a citizen participation process,

“(ii) the amount of any increase in permanent, full-time employment by reason of any project, and

“(iii) the active involvement of residents and nonprofit groups within the renewal community, and

"(C) which provides a procedure that the agency (or its agent) will follow in monitoring compliance with this section.

"(g) Termination.—This section shall not apply to any building placed in service after December 31, 2006.

"SEC. 1400L. INCREASE IN EXPENSING UNDER SECTION 179.

"(a) General Rule.—In the case of a renewal community business (as defined in section 1400G), for purposes of section 179—

"(1) the limitation under section 179(b)(1) shall be increased by the lesser of—

"(A) $35,000, or

"(B) the cost of section 179 property which is qualified renewal property placed in service during the taxable year, and

"(2) the amount taken into account under section 179(b)(2) with respect to any section 179 property which is qualified renewal property shall be 50 percent of the cost thereof.

"(b) Recapture.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified renewal property which ceases to be used in a renewal community by a renewal community business.

"(c) Qualified Renewal Property.—For purposes of this section—

"(1) In general.—The term 'qualified renewal property' means any property to which section 168 applies (or would apply but for section 179) if—

"(A) such property was acquired by the taxpayer by purchase (as defined in section 179(d)(2)) after December 31, 1999, and before January 1, 2007, and

"(B) such property would be qualified zone property (as defined in section 1397C) if references to renewal communities were substituted for references to empowerment zones in section 1397C.

"(2) Certain rules to apply.—The rules of subsections (a)(2) and (b) of section 1397C shall apply for purposes of this section."

SEC. 213. EXTENSION OF EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS TO RENEWAL COMMUNITIES.

(a) Extension.—Paragraph (2) of section 198(c) (defining targeted area) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) Renewal communities included.—Except as provided in subparagraph (B), such term shall include a renewal community (as defined in section 1400E)."

(b) Extension of Termination Date for Renewal Communities.—Subsection (h) of section 198 is amended by inserting before the period "(December 31, 2006, in the case of a renewal community, as defined in section 1400E)."

SEC. 214. EXTENSION OF WORK OPPORTUNITY TAX CREDIT FOR RENEWAL COMMUNITIES.

(a) Extension.—Subsection (c) of section 51 (relating to termination) is amended by adding at the end the following new paragraph:

"(5) Extension of credit for renewal communities.—

"(A) In general.—In the case of an individual who begins work for the employer after the date contained in paragraph (4)(B), for purposes of section 38—

"(i) in lieu of applying subsection (a), the amount of the work opportunity credit determined under this section for the taxable year shall be equal to—

"(I) 15 percent of the qualified first-year wages for such year, and

"(II) 30 percent of the qualified second-year wages for such year,

"(ii) subsection (b)(3) shall be applied by substituting '$10,000' for '$6,000',

"(iii) paragraph (4)(B) shall be applied by substituting for the date contained therein the last day for which the designation under section 1400E of the renewal community referred to in subparagraph (B)(i) is in effect, and

"(iv) rules similar to the rules of section 51A(b)(5)(C) shall apply.

"(B) Qualified first- and second-year wages.—For purposes of subparagraph (A)—

"(i) In general.—The term 'qualified wages' means, with respect to each 1-year period referred to in clause (ii) or (iii), as the case may be, the wages paid or incurred by the employer during the taxable year to any individual but only if—

"(I) the employer is engaged in a trade or business in a renewal community throughout such 1-year period,

"(II) the principal place of abode of such individual is in such renewal community throughout such 1-year period, and

"(III) substantially all of the services which such individual performs for the employer during such 1-year period are performed in such renewal community.

"(ii) Qualified first-year wages.—The term 'qualified first-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

"(iii) Qualified second-year wages.—The term 'qualified second-year wages' means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under clause (ii)."

(b) Congruent Treatment of Renewal Communities and Enterprise Zones for Purposes of Youth Residence Requirements.—

(1) High-risk youth.—Subparagraphs (A)(ii) and (B) of section 51(d)(5) are each amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(2) Qualified summer youth employee.—Clause (iv) of section 51(d)(7)(A) is amended by striking "empowerment zone or enterprise community" and inserting "empowerment zone, enterprise community, or renewal community".

(3) Headings.—Paragraphs (5)(B) and (7)(C) of section 51(d) are each amended by inserting "OR COMMUNITY" in the heading after "ZONE".

SEC. 215. CONFORMING AND CLERICAL AMENDMENTS.

(a) Deduction for Contributions to Family Development Accounts Allowable Whether or Not Taxpayer Itemizes.—Subsection (a) of section 62 (relating to adjusted gross income defined) is amended by inserting after paragraph (17) the following new paragraph:

"(18) Family development accounts.—The deduction allowed by section 1400H(a)(1)(A)."

(b) Tax on Excess Contributions.—

(1) Tax imposed.—Subsection (a) of section 4973 is amended by striking "or" at the end of paragraph (3), adding "or" at the end of paragraph (4), and inserting after paragraph (4) the following new paragraph:

"(5) a family development account (within the meaning of section 1400H(e)),".

(2) Excess contributions.—Section 4973 is amended by adding at the end the following new subsection:

"(g) Family Development Accounts.—For purposes of this section, in the case of a family development account, the term 'excess contributions' means the sum of—

"(1) the excess (if any) of—

"(A) the amount contributed for the taxable year to the account (other than a qualified rollover, as defined in section 1400H(c)(7), or a contribution under section 1400I), over

"(B) the amount allowable as a deduction under section 1400H for such contributions, and

"(2) the amount determined under this subsection for the preceding taxable year reduced by the sum of—

"(A) the distributions out of the account for the taxable year which were included in the gross income of the payee under section 1400H(b)(1),

"(B) the distributions out of the account for the taxable year to which rules similar to the rules of section 408(d)(5) apply by reason of section 1400H(d)(3), and

"(C) the excess (if any) of the maximum amount allowable as a deduction under section 1400H for the taxable year over the amount contributed to the account for the taxable year (other than a contribution under section 1400I).

For purposes of this subsection, any contribution which is distributed from the family development account in a distribution to which rules similar to the rules of section 408(d)(4) apply by reason of section 1400H(d)(3) shall be treated as an amount not contributed."

(c) Tax on Prohibited Transactions.—Section 4975 is amended—

(1) by adding at the end of subsection (c) the following new paragraph:

"(6) Special rule for family development accounts.—An individual for whose benefit a family development account is established and any contributor to such account shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a family development account by reason of the application of section 1400H(d)(2) to such account.", and

(2) in subsection (e)(1), by striking "or" at the end of subparagraph (E), by redesignating subparagraph (F) as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

"(F) a family development account described in section 1400H(e), or".

(d) Information Relating to Certain Trusts and Annuity Plans.—Subsection (c) of section 6047 is amended—

(1) by inserting "or section 1400H" after "section 219", and

(2) by inserting ", of any family development account described in section 1400H(e),", after "section 408(a)".

(e) Inspection of Applications for Tax Exemption.—Clause (i) of section 6104(a)(1)(B) is amended by inserting "a family development account described in section 1400H(e)," after "section 408(a),".

(f) Failure To Provide Reports on Family Development Accounts.—Paragraph (2) of section 6693(a) is amended by striking "and" at the end of subparagraph (C), by striking the period and inserting ", and" at the end of subparagraph (D), and by adding at the end the following new subparagraph:

"(E) section 1400H(g)(6) (relating to family development accounts)."

(g) Conforming Amendments Regarding Commercial Revitalization Credit.—

(1) Section 46 (relating to investment credit) is amended by striking "and" at the end

of paragraph (2), by striking the period at the end of paragraph (3) and inserting ", and", and by adding at the end the following new paragraph:

"(4) the commercial revitalization credit provided under section 1400K."

(2) Section 39(d) is amended by adding at the end the following new paragraph:

"(9) NO CARRYBACK OF SECTION 1400K CREDIT BEFORE DATE OF ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to any commercial revitalization credit determined under section 1400K may be carried back to a taxable year ending before the date of the enactment of section 1400K."

(3) Subparagraph (B) of section 48(a)(2) is amended by inserting "or commercial revitalization" after "rehabilitation" each place it appears in the text and heading.

(4) Subparagraph (C) of section 49(a)(1) is amended by striking "and" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", and", and by adding at the end the following new clause:

"(iv) the portion of the basis of any qualified revitalization building attributable to qualified revitalization expenditures."

(5) Paragraph (2) of section 50(a) is amended by inserting "or 1400K(d)(2)" after "section 47(d)" each place it appears.

(6) Subparagraph (A) of section 50(a)(2) is amended by inserting "or qualified revitalization building (respectively)" after "qualified rehabilitated building".

(7) Subparagraph (B) of section 50(a)(2) is amended by adding at the end the following new sentence: "A similar rule shall apply for purposes of section 1400K."

(8) Paragraph (2) of section 50(b) is amended by striking "and" at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting "; and", and by adding at the end the following new subparagraph:

"(E) a qualified revitalization building (as defined in section 1400K) to the extent of the portion of the basis which is attributable to qualified revitalization expenditures (as defined in section 1400K)."

(9) The last sentence of section 50(b)(3) is amended to read as follows: "If any qualified rehabilitated building or qualified revitalization building is used by the tax-exempt organization pursuant to a lease, this paragraph shall not apply for purposes of determining the amount of the rehabilitation credit or the commercial revitalization credit."

(10) Subparagraph (C) of section 50(b)(4) is amended—

(A) by inserting "or commercial revitalization" after "rehabilitated" in the text and heading, and

(B) by inserting "or commercial revitalization" after "rehabilitation".

(11) Subparagraph (C) of section 469(i)(3) is amended—

(A) by inserting "or section 1400K" after "section 42"; and

(B) by striking "CREDIT" in the heading and inserting "AND COMMERCIAL REVITALIZATION CREDITS".

(h) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

"Subchapter X. Renewal Communities."

SEC. 216. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the fourth calendar year after the year in which the Secretary of Housing and Urban Development first designates an area as a renewal community under section 1400E of the Internal Revenue Code of 1986, and at the close of each fourth calendar year thereafter, such Secretary shall prepare and submit to the Congress a report on the effects of such designations in stimulating the creation of new jobs, particularly for disadvantaged workers and long-term unemployed individuals, and promoting the revitalization of economically distressed areas.

Subtitle C—Tax Incentives for Education

SEC. 221. EXPANSION OF INCENTIVES FOR PUBLIC SCHOOLS.

(a) IN GENERAL.—Part IV of subchapter U of chapter 1 (relating to incentives for education zones) is amended to read as follows:

"PART IV—INCENTIVES FOR QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS

"Sec. 1397E. Credit to holders of qualified public school modernization bonds.

"Sec. 1397F. Qualified zone academy bonds.

"Sec. 1397G. Qualified school construction bonds.

"SEC. 1397E. CREDIT TO HOLDERS OF QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.

"(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified public school modernization bond on the credit allowance date of such bond which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

"(b) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any qualified public school modernization bond is the amount equal to the product of—

"(A) the credit rate determined by the Secretary under paragraph (2) for the month in which such bond was issued, multiplied by

"(B) the face amount of the bond held by the taxpayer on the credit allowance date.

"(2) DETERMINATION.—During each calendar month, the Secretary shall determine a credit rate which shall apply to bonds issued during the following calendar month. The credit rate for any month is the percentage which the Secretary estimates will on average permit the issuance of qualified public school modernization bonds without discount and without interest cost to the issuer.

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"(1) IN GENERAL.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under part IV of subchapter A (other than subpart C thereof, relating to refundable credits).

"(2) CARRYOVER OF UNUSED CREDIT.—If the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year.

"(d) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND; CREDIT ALLOWANCE DATE.—For purposes of this section—

"(1) QUALIFIED PUBLIC SCHOOL MODERNIZATION BOND.—The term 'qualified public school modernization bond' means—

"(A) a qualified zone academy bond, and

"(B) a qualified school construction bond.

"(2) CREDIT ALLOWANCE DATE.—The term 'credit allowance date' means, with respect to any issue, the last day of the 1-year period beginning on the date of issuance of such issue and the last day of each successive 1-year period thereafter.

"(e) OTHER DEFINITIONS.—For purposes of this part—

"(1) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965. Such term includes the local educational agency that serves the District of Columbia but does not include any other State agency.

"(2) BOND.—The term 'bond' includes any obligation.

"(3) STATE.—The term 'State' includes the District of Columbia and any possession of the United States.

"(4) PUBLIC SCHOOL FACILITY.—The term 'public school facility' shall not include any stadium or other facility primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

"(f) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section and the amount so included shall be treated as interest income.

"(g) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified public school modernization bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

"SEC. 1397F. QUALIFIED ZONE ACADEMY BONDS.

"(a) QUALIFIED ZONE ACADEMY BOND.—For purposes of this part—

"(1) IN GENERAL.—The term 'qualified zone academy bond' means any bond issued as part of an issue if—

"(A) 95 percent or more of the proceeds of such issue are to be used for a qualified purpose with respect to a qualified zone academy established by a local educational agency,

"(B) the bond is issued by a State or local government within the jurisdiction of which such academy is located,

"(C) the issuer—

"(i) designates such bond for purposes of this section,

"(ii) certifies that it has written assurances that the private business contribution requirement of paragraph (2) will be met with respect to such academy, and

"(iii) certifies that it has the written approval of the local educational agency for such bond issuance, and

"(D) the term of each bond which is part of such issue does not exceed 15 years.

"(2) PRIVATE BUSINESS CONTRIBUTION REQUIREMENT.—

"(A) IN GENERAL.—For purposes of paragraph (1), the private business contribution requirement of this paragraph is met with respect to any issue if the local educational agency that established the qualified zone academy has written commitments from private entities to make qualified contributions having a present value (as of the date of issuance of the issue) of not less than 10 percent of the proceeds of the issue.

"(B) QUALIFIED CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the local educational agency) of—

"(i) equipment for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

"(ii) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

"(iii) services of employees as volunteer mentors,

"(iv) internships, field trips, or other educational opportunities outside the academy for students, or

"(v) any other property or service specified by the local educational agency.

"(3) QUALIFIED ZONE ACADEMY.—The term 'qualified zone academy' means any public school (or academic program within a public school) which is established by and operated under the supervision of a local educational agency to provide education or training below the postsecondary level if—

"(A) such public school or program (as the case may be) is designed in cooperation with business to enhance the academic curriculum, increase graduation and employment rates, and better prepare students for the rigors of college and the increasingly complex workforce,

"(B) students in such public school or program (as the case may be) will be subject to the same academic standards and assessments as other students educated by the local educational agency,

"(D) the comprehensive education plan of such public school or program is approved by the local educational agency, and

"(E)(i) such public school is located in an empowerment zone or enterprise community (including any such zone or community designated after the date of the enactment of this section), or

"(ii) there is a reasonable expectation (as of the date of issuance of the bonds) that at least 35 percent of the students attending such school or participating in such program (as the case may be) will be eligible for free or reduced-cost lunches under the school lunch program established under the National School Lunch Act.

"(4) QUALIFIED PURPOSE.—The term 'qualified purpose' means, with respect to any qualified zone academy—

"(A) constructing, rehabilitating, or repairing the public school facility in which the academy is established,

"(B) providing equipment for use at such academy,

"(C) developing course materials for education to be provided at such academy, and

"(D) training teachers and other school personnel in such academy.

"(5) TEMPORARY PERIOD EXCEPTION.—A bond shall not be treated as failing to meet the requirement of paragraph (1)(A) solely by reason of the fact that the proceeds of the issue of which such bond is a part are invested for a reasonable temporary period (but not more than 36 months) until such proceeds are needed for the purpose for which such issue was issued. Any earnings on such proceeds during such period shall be treated as proceeds of the issue for purposes of applying paragraph (1)(A).

"(b) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a national zone academy bond limitation for each calendar year. Such limitation is—

"(A) $400,000,000 for 1998,

"(B) $700,000,000 for 1999,

"(C) $700,000,000 for 2000,

"(D) $700,000,000 for 2001,

"(C) $700,000,000 for 2002, and

"(D) except as provided in paragraph (3), zero after 2002.

"(2) ALLOCATION OF LIMITATION.—

"(A) ALLOCATION AMONG STATES.—

"(i) 1998 LIMITATION.—The national zone academy bond limitation for calendar year 1998 shall be allocated by the Secretary among the States on the basis of their respective populations of individuals below the poverty line (as defined by the Office of Management and Budget).

"(ii) LIMITATION AFTER 1998.—The national zone academy bond limitation for any calendar year after 1998 shall be allocated by the Secretary among the States in the manner prescribed by section 1397G(d); except that, in making the allocation under this clause, the Secretary shall take into account Basic Grants attributable to large local educational agencies (as defined in section 1397G(e)).

"(B) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—The limitation amount allocated to a State under subparagraph (A) shall be allocated by the State education agency to qualified zone academies within such State.

"(C) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) with respect to any qualified zone academy shall not exceed the limitation amount allocated to such academy under subparagraph (B) for such calendar year.

"(3) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

"(A) the limitation amount under this subsection for any State, exceeds

"(B) the amount of bonds issued during such year which are designated under subsection (a) with respect to qualified zone academies within such State,

the limitation amount under this subsection for such State for the following calendar year shall be increased by the amount of such excess. The preceding sentence shall not apply if such following calendar year is after 2004.

"SEC. 1397G. QUALIFIED SCHOOL CONSTRUCTION BONDS.

"(a) QUALIFIED SCHOOL CONSTRUCTION BOND.—For purposes of this part, the term 'qualified school construction bond' means any bond issued as part of an issue if—

"(1) 95 percent or more of the proceeds of such issue are to be used for the construction, rehabilitation, or repair of a public school facility,

"(2) the bond is issued by a State or local government within the jurisdiction of which such school is located,

"(3) the issuer designates such bond for purposes of this section, and

"(4) the term of each bond which is part of such issue does not exceed 15 years.

Rules similar to the rules of section 1397F(a)(5) shall apply for purposes of paragraph (1).

"(b) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (a) by any issuer shall not exceed the sum of—

"(1) the limitation amount allocated under subsection (d) for such calendar year to such issuer, and

"(2) if such issuer is a large local educational agency (as defined in subsection (e)) or is issuing on behalf of such an agency, the limitation amount allocated under subsection (e) for such calendar year to such agency.

"(c) NATIONAL LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

"(1) IN GENERAL.—There is a national qualified school construction bond limitation for each calendar year equal to the dollar amount specified in paragraph (2) for such year, reduced, in the case of calendar years 1999 and 2000, by 1.5 percent of such amount.

"(2) DOLLAR AMOUNT SPECIFIED.—The dollar amount specified in this paragraph is—

"(A) $9,700,000,000 for 1999,

"(B) $9,700,000,000 for 2000, and

"(C) except as provided in subsection (f), zero after 2000.

"(d) 65-PERCENT OF LIMITATION ALLOCATED AMONG STATES.—

"(1) IN GENERAL.—Sixty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated among the States under paragraph (2) by the Secretary. The limitation amount allocated to a State under the preceding sentence shall be allocated by the State education agency to issuers within such State and such allocations may be made only if there is an approved State application.

"(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among the States in proportion to the respective amounts each such State received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year. For purposes of the preceding sentence, Basic Grants attributable to large local educational agencies (as defined in subsection (e)) shall be disregarded.

"(3) MINIMUM ALLOCATIONS TO STATES.—

"(A) IN GENERAL.—The Secretary shall adjust the allocations under this subsection for any calendar year for each State to the extent necessary to ensure that the sum of—

"(i) the amount allocated to such State under this subsection for such year, and

"(ii) the aggregate amounts allocated under subsection (e) to large local educational agencies in such State for such year,

is not less than an amount equal to such State's minimum percentage of 65 percent of the national qualified school construction bond limitation under subsection (c) for the calendar year.

"(B) MINIMUM PERCENTAGE.—A State's minimum percentage for any calendar year is the minimum percentage described in section 1124(d) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6334(d)) for such State for the most recent fiscal year ending before such calendar year.

"(4) ALLOCATIONS TO CERTAIN POSSESSIONS.—The amount to be allocated under paragraph (1) to any possession of the United States other than Puerto Rico shall be the amount which would have been allocated if all allocations under paragraph (1) were made on the basis of respective populations of individuals below the poverty line (as defined by the Office of Management and Budget). In making other allocations, the amount to be allocated under paragraph (1) shall be reduced by the aggregate amount allocated under this paragraph to possessions of the United States.

"(5) APPROVED STATE APPLICATION.—For purposes of paragraph (1), the term 'approved State application' means an application which is approved by the Secretary of Education and which includes—

"(A) the results of a recent publicly-available survey (undertaken by the State with the involvement of local education officials, members of the public, and experts in school construction and management) of such State's needs for public school facilities, including descriptions of—

"(i) health and safety problems at such facilities, "(ii) the capacity of public schools in the State to house projected enrollments, and

"(iii) the extent to which the public schools in the State offer the physical infrastructure needed to provide a high-quality education to all students, and

"(B) a description of how the State will allocate to local educational agencies, or otherwise use, its allocation under this subsection to address the needs identified under subparagraph (A), including a description of how it will—

"(i) give highest priority to localities with the greatest needs, as demonstrated by inadequate school facilities coupled with a low level of resources to meet those needs,

"(ii) use its allocation under this subsection to assist localities that lack the fiscal capacity to issue bonds on their own, including the issuance of bonds by the State on behalf of such localities, and

"(iii) ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair in the State that would have occurred in the absence of such allocation.

Any allocation under paragraph (1) by a State education agency shall be binding if such agency reasonably determined that the allocation was in accordance with the plan approved under this paragraph.

"(e) 35-PERCENT OF LIMITATION ALLOCATED AMONG LARGEST SCHOOL DISTRICTS.—

"(1) IN GENERAL.—Thirty-five percent of the limitation applicable under subsection (c) for any calendar year shall be allocated under paragraph (2) by the Secretary among local educational agencies which are large local educational agencies for such year. No qualified school construction bond may be issued by reason of an allocation to a large local educational agency under the preceding sentence unless such agency has an approved local application.

"(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among large local educational agencies in proportion to the respective amounts each such agency received for Basic Grants under subpart 2 of part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6331 et seq.) for the most recent fiscal year ending before such calendar year.

"(3) LARGE LOCAL EDUCATIONAL AGENCY.—For purposes of this section, the term 'large local educational agency' means, with respect to a calendar year, any local educational agency if such agency is—

"(A) among the 100 local educational agencies with the largest numbers of children aged 5 through 17 from families living below the poverty level, as determined by the Secretary using the most recent data available from the Department of Commerce that are satisfactory to the Secretary, or

"(B) 1 of not more than 25 local educational agencies (other than those described in clause (i)) that the Secretary of Education determines (based on the most recent data available satisfactory to the Secretary) are in particular need of assistance, based on a low level of resources for school construction, a high level of enrollment growth, or such other factors as the Secretary deems appropriate.

"(4) APPROVED LOCAL APPLICATION.—For purposes of paragraph (1), the term 'approved local application' means an application which is approved by the Secretary of Education and which includes—

"(A) the results of a recent publicly-available survey (undertaken by the local educational agency with the involvement of school officials, members of the public, and experts in school construction and management) of such agency's needs for public school facilities, including descriptions of—

"(i) the overall condition of the local educational agency's school facilities, including health and safety problems,

"(ii) the capacity of the agency's schools to house projected enrollments, and

"(iii) the extent to which the agency's schools offer the physical infrastructure needed to provide a high-quality education to all students,

"(B) a description of how the local educational agency will use its allocation under this subsection to address the needs identified under subparagraph (A), and

"(C) a description of how the local educational agency will ensure that its allocation under this subsection is used only to supplement, and not supplant, the amount of school construction, rehabilitation, or repair in the locality that would have occurred in the absence of such allocation.

A rule similar to the rule of the last sentence of subsection (d)(5) shall apply for purposes of this paragraph.

"(f) CARRYOVER OF UNUSED LIMITATION.—If for any calendar year—

"(1) the amount allocated under subsection (d) to any State, exceeds

"(2) the amount of bonds issued during such year which are designated under subsection (a) pursuant to such allocation,

the limitation amount under such subsection for such State for the following calendar year shall be increased by the amount of such excess. A similar rule shall apply to the amounts allocated under subsection (e). The subsection shall not apply if such following calendar year is after 2002.

"(g) SET-ASIDE ALLOCATED AMONG INDIAN TRIBES.—

"(1) IN GENERAL.—The 1.5 percent set-aside applicable under subsection (c)(1) for any calendar year shall be allocated under paragraph (2) among Indian tribes for the construction, rehabilitation, or repair of tribal schools. No allocation may be made under the preceding sentence unless the Indian tribe has an approved application.

"(2) ALLOCATION FORMULA.—The amount to be allocated under paragraph (1) for any calendar year shall be allocated among Indian tribes on a competitive basis by the Secretary of Education, in consultation with the Secretary of the Interior—

"(A) through a negotiated rulemaking procedure with the tribes in the same manner as the procedure described in section 106(b)(2) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4116(b)(2)), and

"(B) based on criteria described in paragraphs (1), (3), (4), (5), and (6) of section 12005(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8505(a)).

"(3) APPROVED APPLICATION.—For purposes of paragraph (1), the term 'approved application' means an application submitted by an Indian tribe which is approved by the Secretary of Education and which includes—

"(A) the basis upon which the applicable tribal school meets the criteria described in paragraph (2)(B), and

"(B) an assurance by the Indian tribe that such tribal school will not receive funds pursuant to allocations described in subsection (d) or (e).

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given such term by section 45A(c)(6).

"(B) TRIBAL SCHOOL.—The term 'tribal school' means a school that is operated by an Indian tribe for the education of Indian children with financial assistance under grant under the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) or a contract with the Bureau of Indian Affairs under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f et seq.)."

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

"(8) REPORTING OF CREDIT ON QUALIFIED PUBLIC SCHOOL MODERNIZATION BONDS.—

"(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 1397E(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 1397E(d)(2)).

"(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A) of this paragraph, subsection (b)(4) of this section shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i).

"(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting."

(c) CLERICAL AMENDMENTS.—

(1) The table of parts for subchapter U of chapter 1 is amended by striking the item relating to part IV and inserting the following new item:

"Part IV. Incentives for qualified public school modernization bonds."

(2) Part V of subchapter U of chapter 1 is amended by redesignating both section 1397F and the item relating thereto in the table of sections for such part as section 1397H.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to obligations issued after December 31, 1998.

(2) REPEAL OF RESTRICTION ON ZONE ACADEMY BOND HOLDERS.—The repeal of the limitation of section 1397E of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of this Act) to eligible taxpayers (as defined in subsection (d)(6) of such section) shall apply to obligations issued after December 31, 1997.

TITLE III—SMALL BUSINESS AND FARMER TAX RELIEF

SEC. 301. ACCELERATION OF UNIFIED ESTATE AND GIFT TAX CREDIT INCREASE.

The table in section 2010(c) (relating to applicable credit amount) is amended by striking the item relating to calendar year 1999 and by striking "2000 and 2001" and inserting "1999, 2000, and 2001".

SEC. 302. 100 PERCENT DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS.

(a) IN GENERAL.—Paragraph (1) of section 162(l) (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to 100 percent of the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 303. INCOME AVERAGING FOR FARMERS MADE PERMANENT.

Subsection (c) of section 933 of the Taxpayer Relief Act of 1997 is amended by striking ", and before January 1, 2001".

SEC. 304. 5-YEAR NET OPERATING LOSS CARRYBACK FOR FARMING LOSSES.

(a) IN GENERAL.—Paragraph (1) of section 172(b) (relating to net operating loss deduction) is amended by adding at the end the following new subparagraph:

"(G) FARMING LOSSES.—In the case of a taxpayer which has a farming loss (as defined in subsection (i)) for a taxable year, such farming loss shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss."

(b) FARMING LOSS.—Section 172 is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) RULES RELATING TO FARMING LOSSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'farming loss' means the lesser of—

"(A) the amount which would be the net operating loss for the taxable year if only income and deductions attributable to farming businesses (as defined in section 263A(e)(4)) are taken into account, or

"(B) the amount of the net operating loss for such taxable year.

"(2) COORDINATION WITH SUBSECTION (b)(2).—For purposes of applying subsection (b)(2), a farming loss for any taxable year shall be treated in a manner similar to the manner in which a specified liability loss is treated.

"(3) ELECTION.—Any taxpayer entitled to a 5-year carryback under subsection (b)(1)(G) from any loss year may elect to have the carryback period with respect to such loss year determined without regard to subsection (b)(1)(G). Such election shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the net operating loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year."

(c) COORDINATION WITH FARM DISASTER LOSSES.—Clause (ii) of section 172(b)(1)(F) is amended by adding at the end the following flush sentence:

"Such term shall not include any farming loss (as defined in subsection (i))."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to net operating losses for taxable years beginning after December 31, 1997.

SEC. 305. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

"(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed $25,000."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1998.

SEC. 306. RESEARCH CREDIT.

(a) TEMPORARY EXTENSION.—

(1) IN GENERAL.—Paragraph (1) of section 41(h) (relating to termination) is amended—

(A) by striking "June 30, 1998" and inserting "February 29, 2000",

(B) by striking "24-month" and inserting "44-month", and

(C) by striking "24 months" and inserting "44 months".

(2) TECHNICAL AMENDMENT.—Subparagraph (D) of section 45C(b)(1) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to amounts paid or incurred after June 30, 1998.

(b) INCREASE IN PERCENTAGES UNDER ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) is amended—

(A) by striking "1.65 percent" and inserting "2.65 percent",

(B) by striking "2.2 percent" and inserting "3.2 percent", and

(C) by striking "2.75 percent" and inserting "3.75 percent".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after June 30, 1998.

SEC. 307. WORK OPPORTUNITY CREDIT.

(a) TEMPORARY EXTENSION.—Subparagraph (B) of section 51(c)(4) (relating to termination) is amended by striking "June 30, 1998" and inserting "February 29, 2000".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to individuals who begin work for the employer after June 30, 1998.

SEC. 308. WELFARE-TO-WORK CREDIT.

Subsection (f) of section 51A (relating to termination) is amended by striking "April 30, 1999" and inserting "February 29, 2000".

SEC. 309. CONTRIBUTIONS OF STOCK TO PRIVATE FOUNDATIONS; EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS.

(a) SPECIAL RULE FOR CONTRIBUTIONS OF STOCK MADE PERMANENT.—

(1) IN GENERAL.—Paragraph (5) of section 170(e) is amended by striking subparagraph (D) (relating to termination).

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to contributions made after June 30, 1998.

(b) EXPANDED PUBLIC INSPECTION OF PRIVATE FOUNDATIONS' ANNUAL RETURNS, ETC.—

(1) IN GENERAL.—Section 6104 (relating to publicity of information required from certain exempt organizations and certain trusts) is amended by striking subsections (d) and (e) and inserting after subsection (c) the following new subsection:

"(d) PUBLIC INSPECTION OF CERTAIN ANNUAL RETURNS AND APPLICATIONS FOR EXEMPTION.—

"(1) IN GENERAL.—In the case of an organization described in subsection (c) or (d) of section 501 and exempt from taxation under section 501(a)—

"(A) a copy of—

"(i) the annual return filed under section 6033 (relating to returns by exempt organizations) by such organization, and

"(ii) if the organization filed an application for recognition of exemption under section 501, the exempt status application materials of such organization,

shall be made available by such organization for inspection during regular business hours by any individual at the principal office of such organization and, if such organization regularly maintains 1 or more regional or district offices having 3 or more employees, at each such regional or district office, and

"(B) upon request of an individual made at such principal office or such a regional or district office, a copy of such annual return and exempt status application materials shall be provided to such individual without charge other than a reasonable fee for any reproduction and mailing costs.

The request described in subparagraph (B) must be made in person or in writing. If such request is made in person, such copy shall be provided immediately and, if made in writing, shall be provided within 30 days.

"(2) 3-YEAR LIMITATION ON INSPECTION OF RETURNS.—Paragraph (1) shall apply to an annual return filed under section 6033 only during the 3-year period beginning on the last day prescribed for filing such return (determined with regard to any extension of time for filing).

"(3) EXCEPTIONS FROM DISCLOSURE REQUIREMENT.—

"(A) NONDISCLOSURE OF CONTRIBUTORS, ETC.—Paragraph (1) shall not require the disclosure of the name or address of any contributor to the organization. In the case of an organization described in section 501(d), subparagraph (A) shall not require the disclosure of the copies referred to in section 6031(b) with respect to such organization.

"(B) NONDISCLOSURE OF CERTAIN OTHER INFORMATION.—Paragraph (1) shall not require the disclosure of any information if the Secretary withheld such information from public inspection under subsection (a)(1)(D).

"(4) LIMITATION ON PROVIDING COPIES.—Paragraph (1)(B) shall not apply to any request if, in accordance with regulations promulgated by the Secretary, the organization has made the requested documents widely available, or the Secretary determines, upon application by an organization, that such request is part of a harassment campaign and that compliance with such request is not in the public interest.

"(5) EXEMPT STATUS APPLICATION MATERIALS.—For purposes of paragraph (1), the term 'exempt status applicable materials' means the application for recognition of exemption under section 501 and any papers submitted in support of such application and any letter or other document issued by the Internal Revenue Service with respect to such application."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of section 6033 is amended by adding "and" at the end of paragraph (1), by striking paragraph (2), and by redesignating paragraph (3) as paragraph (2).

(B) Subparagraph (C) of section 6652(c)(1) is amended by striking "subsection (d) or (e)(1) of section 6104 (relating to public inspection of annual returns)" and inserting "section 6104(d) with respect to any annual return".

(C) Subparagraph (D) of section 6652(c)(1) is amended by striking "section 6104(e)(2) (relating to public inspection of applications for exemption)" and inserting "section 6104(d) with respect to any exempt status application materials (as defined in such section)".

(D) Section 6685 is amended by striking "or (e)".

(E) Section 7207 is amended by striking "or (e)".

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall apply to requests made after the later of December 31, 1998, or the 60th day after the Secretary of the Treasury first issues the regulations referred to such section 6104(d)(4) of the Internal Revenue Code of 1986, as amended by this section.

(B) PUBLICATION OF ANNUAL RETURNS.—Section 6104(d) of such Code, as in effect before the amendments made by this subsection, shall not apply to any return the due date for which is after the date such amendments take effect under subparagraph (A).

TITLE IV—SOCIAL SECURITY EARNINGS LIMIT

SEC. 401. INCREASES IN THE SOCIAL SECURITY EARNINGS LIMIT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) In General.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended by striking clauses (iv) through (vii) and inserting the following new clauses:

"(iv) for each month of any taxable year ending after 1998 and before 2000, $1,416.66⅔,

"(v) for each month of any taxable year ending after 1999 and before 2001, $1,541.66⅔,

"(vi) for each month of any taxable year ending after 2000 and before 2002, $2,166.66⅔,

"(vii) for each month of any taxable year ending after 2001 and before 2003, $2,500.00,

"(viii) for each month of any taxable year ending after 2002 and before 2004, $2,608.33⅓,

"(ix) for each month of any taxable year ending after 2003 and before 2005, $2,833.33⅓,

"(x) for each month of any taxable year ending after 2004 and before 2006, $2,950.00,

"(xi) for each month of any taxable year ending after 2005 and before 2007, $3,066.66⅔,

"(xii) for each month of any taxable year ending after 2006 and before 2008, $3,195.83⅓, and

"(xiii) for each month of any taxable year ending after 2007 and before 2009, $3,312.50.".

(b) Conforming Amendments.—

(1) Section 203(f)(8)(B)(ii) of such Act (42 U.S.C. 403(f)(8)(B)(ii)) is amended—

(A) by striking "after 2001 and before 2003" and inserting "after 2007 and before 2009"; and

(B) in subclause (II), by striking "2000" and inserting "2006".

(2) The second sentence of section 223(d)(4)(A) of such Act (42 U.S.C. 423(d)(4)(A)) is amended by inserting "and section 121 of the Taxpayer Relief Act of 1998" after "1996".

(c) Effective Date.—The amendments made by this section shall apply with respect to taxable years ending after 1998.

TITLE V—REVENUE OFFSET

SEC. 501. TREATMENT OF CERTAIN DEDUCTIBLE LIQUIDATING DISTRIBUTIONS OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

(a) In General.—Section 332 (relating to complete liquidations of subsidiaries) is amended by adding at the end the following new subsection:

"(c) Deductible Liquidating Distributions of Regulated Investment Companies and Real Estate Investment Trusts.—If a corporation receives a distribution from a regulated investment company or a real estate investment trust which is considered under subsection (b) as being in complete liquidation of such company or trust, then, notwithstanding any other provision of this chapter, such corporation shall recognize and treat as a dividend from such company or trust an amount equal to the deduction for dividends paid allowable to such company or trust by reason of such distribution.".

(b) Conforming Amendments.—

(1) The material preceding paragraph (1) of section 332(b) is amended by striking "subsection (a)" and inserting "this section".

(2) Paragraph (1) of section 334(b) is amended by striking "section 332(a)" and inserting "section 332".

(c) Effective Date.—The amendments made by this section shall apply to distributions after May 21, 1998.

(d) Transfer of Increased Revenues to Social Security Trust Funds.—

(1) Estimate by Secretary.—The Secretary of the Treasury shall periodically estimate the increase in Federal revenues for each fiscal year beginning after September 30, 1997, by reason of the amendments made by this section. The Secretary shall adjust any estimate to the extent necessary to correct any error in a prior estimate.

(2) Transfer of Funds.—The Secretary of the Treasury shall, not less frequently than quarterly, transfer to the trust funds established under section 201 of the Social Security Act (42 U.S.C. 401) from the general fund of the Treasury an amount equal to the increase in Federal revenues estimated under paragraph (1) for the period covered by the transfer. Such transfer shall be allocated among the trust funds in the same manner as other revenues.

TITLE VI—SAVING SOCIAL SECURITY FIRST

SEC. 601. EFFECTIVE DATE OF PROVISIONS CONTINGENT ON SAVING SOCIAL SECURITY FIRST.

(a) Findings.—The Senate finds that—

(1) the social security program, created in 1935 to provide old-age, survivors, and disability insurance benefits, is one the most successful and important social insurance programs in the United States, and has played an essential role in reducing poverty among seniors;

(2) the social security program will face significant pressures when the baby boom generation retires, which could threaten the long-term viability of the program;

(3) Congress needs to act promptly to ensure that social security benefits will be available when today's younger Americans retire; and

(4) current budget law and rules that were established to ensure fiscal discipline, including the pay-as-you-go system (which requires tax cuts to be fully offset), prevent Congress from using projected budget surpluses to pay for tax cuts, except by a supermajority vote by three-fifths of the membership of the Senate.

(b) Requirement for Social Security Solvency.—Notwithstanding any other provision of, or amendment made by, this Act, no such provision or amendment shall take effect before the first January 1 after the date of enactment of this Act that follows a calendar year for which there is a social security solvency designation pursuant to subsection (c).

(c) Social Security Solvency Designation.—For purposes of subsection (b), there is a social security solvency designation for a calendar year if, during such year—

(1) the Board of Trustees of the social security trust funds certifies in its annual report that both the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are in long-range actuarial balance pursuant to section 201(c)(2) of the Social Security Act (42 U.S.C. 401(c)(2)); and

(2) Congress, upon review of the Board of Trustees' determination that the trust funds are in long-range actuarial balance, so certifies by statute.

• Mr. LAUTENBERG. Mr. President, today I am submitting an amendment to the House-passed tax bill on the calendar. This amendment would improve the House bill by directing more of its tax relief to middle income taxpayers, and by protecting Social Security.

The amendment would provide relief from the marriage penalty, help parents afford child care, promote the modernization of our schools, allow self-employed individuals to deduct the costs of health insurance, encourage savings and investment by establishing new exclusions for interest and dividends for all Americans, promote research by reinstating the research and experimentation tax credit, provide relief from the estate and gift tax, promote the revitalization of depressed areas, expand support for small businesses, and modify rules that discourage seniors from working.

The amendment differs from the House bill in two primary respects. First, it would target tax relief to middle income families, largely by providing additional relief for families with children in child care, and by promoting the modernization of our nation's schools. Second, the bill protects Social Security, by deferring the effective date of the tax cuts until the Social Security Trust Fund is actuarially sound.

Mr. President, let me briefly review the items that are included in my proposal.

First, the amendment would provide relief from the marriage penalty. As proposed in the House-passed bill, the amendment would increase the standard deduction for married couples so that each spouse would have the same deduction as a single filer.

Second, the amendment would help families handle the costs of child care. It would increase the child care and dependent tax credit to a maximum allowable expense for inflation. It would make the credit refundable, so that it benefits those with lower incomes. And it would provide a new tax credit worth $90 per month for stay-at-home parents of children under one year of age.

Third, the amendment would promote education, by supporting the modernization of our schools, and allowing schools of higher education to establish prepaid tuition programs.

Fourth, the amendment would allow self-employed individuals to fully deduct the costs of health insurance.

Fifth, the amendment would promote savings and investment, by establishing a new exclusion for dividends and interest. Individuals could exclude up to $200, and couples could exclude up to $400 in dividends and interest.

Sixth, the amendment would extend several provisions of the tax code that expired this year or would expire next year. These include the credits for research, work opportunity and welfare-to-work, would be extended through Feb. 29, 2000. The credit for contributions of stock to private foundations would be extended permanently.

Seventh, the amendment would provide immediate relief from the estate and gift tax. Under the legislation, an additional $25,000 of estates would, in effect, be excludable from this tax in 1999. This would increase the total credit against this tax to $675,000.

Eighth, the amendment would encourage the revitalization of depressed areas, by providing a variety of tax incentives to businesses and individuals in 20 so-called renewal communities. These low-income areas would be designated by the Secretary of Housing and Urban Development.

Ninth, the amendment includes various provisions to assist small businesses. For example, the legislation would allow small-business owners to deduct up to $25,000 of the cost of business-related equipment.

Finally, the amendment would allow seniors to work more without suffering a reduction in their Social Security benefits. Under the proposal, seniors would be able to earn up to $17,000 in 1999 without losing a portion of their Social Security benefits. That limit would increase to $39,750 in 2008.

Mr. President, there also are other provisions in this amendment, and I will not detail each one. Suffice it to say that, to a very large extent, this proposal tracks the tax cuts included in legislation approved by the House. However, as I have noted, the amendment is more targeted to middle income taxpayers, largely because it includes support for child care and school modernization. Also, its estate tax provisions are somewhat modified from the House version, to help us afford these other provisions, and to ensure that the bulk of the relief provided in the bill goes to middle class and moderate-income Americans.

The second key difference from the House Mr. President, it that this proposal includes significant tax relief while fully protecting Social Security. Under the proposal, all tax cuts would become effective when the Social Security Trust Fund is in long-range actuarial balance. This ensures that we will not squander our opportunity to reform Social Security next year, and that we will not force unnecessary cuts in Social Security benefits for today's younger Americans. It also reflects a commitment to abide by the Balanced Budget Agreement and to maintain fiscal discipline.

I hope my colleagues will support this proposal, and I ask unanimous consent that a summary of the amendment be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

The Lautenberg Amendment includes approximately $85 billion in tax relief that would be available when the Social Security Trust Fund is actuarially sound. The tax cuts are largely the same as those proposed in the House-passed tax bill (though the Amendment also includes tax cuts for child care and school modernization so that its benefits are more targeted to the middle class). Unlike the House-passed bill, the Amendment would not reduce any budget surplus before Congress saves Social Security first.

The main elements of the proposal (and cost in $ billions/5 years) are:

From House bill: (1) Marriage penalty relief, 28; (2) Interest and dividends exclusion, 15; (3) Self-employed health deduction, 5; (4) Expiring provisions (e.g., R&E credit), 6; (5) Social Security earnings test, 0.5.

Items not in House bill: (1) Child care, 17; (2) School modernization, 5.

Item modified from House bill: Estate tax relief, 2 (House: 18).

AMENDMENT SUMMARY

1. Family Tax Relief Provisions

A. *Marriage Penalty Relief*—Increase the standard deduction for married couples so that each spouse would have the same deduction as a single filer. The deduction for married couples would increase from $7200 to $8600 in 1999, reducing their taxes by an average of $243 per return. Cost: $28 billion (House tax bill)

B. *Interest and Dividends*—Individuals, regardless of income, would be able to exclude up to $200 of combined interest and dividends from taxes. Married couples could exclude $400. Cost: $15 billion (House tax bill)

C. *AMT Relief*—Individuals would not have to pay the alternative minimum tax as a result of claiming certain tax credits, such as the dependent care credit, the adoption credit, and the child tax credit. Cost: $8.1 billion (House tax bill)

D. *Affordable Child Care*—Increase the maximum credit rate to 50% from the current 30%, index the maximum allowable expense for inflation, and make the current dependent care tax credit refundable. Provides a new tax credit worth $90 per month for stay-at-home parents of children under 1. Creates an employer tax credit for child care services. Cost: $17.0 billion. (From S. 1610, Sen. Dodd's Affordable Child Care for Early Success and Security Act)

2. Education and Infrastructure

A. *Permit Schools of Higher Education to Establish Qualified Prepaid Tuition Programs*—These programs allow parents to make contributions which are held for use when their children attend college. Contributions accumulate on a tax-deferred basis. Cost: $572 million (House tax bill)

B. *Government Bonds*—States would be able to issue more private activity tax-exempt bonds, which typically finance privately owned transportation facilities, municipal services, economic development projects and social programs. The current annual limits of $50 per resident or $150 million (whichever is greater) would be increased to $75 per resident or $225 million. Cost $1.1 billion (House tax bill)

C. *Renewal Communities*—To promote the revitalization of depressed areas, the bill would provide a variety of tax incentives in 20 "removal communities."—Cost: $1 billion (House tax bill)

D. *School Modernization*—Bond holders would receive tax credits (a standard amount for all bonds) worth the full interest cost on the bonds, allowing localities to construct or renovate schools without paying any interest. Cost $5 billion (President's budget proposal)

3. Small Business and Farmer Tax Relief

A. *Estate and Gift Tax Unified Credit*—The proposal would accelerate from 2000 to 1999 an increase in the Estate and Gift tax credit (increasing the credit from $650,000 to $675,000). Cost: $1.8 billion (Revised provision from House tax bill)

B. *Deduction for Health Insurance Premiums of the Self-Employed.*—Full deductibility is now scheduled to be phased in by 2007. The bill would make the change effective in 1999. Cost: $5.1 billion (House tax bill)

C. *Agriculture*—The bill would permanently extend "income averaging" for farmers, which is scheduled to expire in 2000. Rather than pay high taxes in good years, a farmer would have the option of paying taxes based on a three year average. Farmers also could reduce their tax burden by applying an operating loss in one year to their taxable income in any one of five past years, or to a future year. Under current law, they can apply it to two past years or to a future year. Cost $126 million. (House tax bill)

D. *Business Expensing*—Starting in 1999, small-business owners and farmers would be able to deduct up to $25,000 of the cost of business-related equipment. Under current law, the deduction is limited to $18,500 and is slated to rise to $25,000 in 2003. Cost $1.1 billion. (House tax bill)

E. *Expired Credits.* Several tax credits that expired this year or would expire next year, including credits for research, work opportunity and welfare-to-work, would be extended through Feb. 29, 2000. The credit for contributions of stock to private foundations would be extended permanently. Cost: $6.2 billion (House tax bill)

4. Social Security Earnings Test

Senior citizens ages 65 to 69 would be able to earn up to $17,000 in 1999 without losing a portion of their Social Security benefits. The earnings limit would gradually rise to $30,000 in 2002 and $39,750 in 2008. Current law permits the earnings limit to increase to $37,948 in 2008, but at a slower pace. Cost: $550 million (House tax bill)

5. House Loophole Closer

The amendment retains a provision in the House bill that closes tax loopholes related to certain liquidations of real estate investment trusts and regulated investment companies.

6. Tax Reductions Effective When Social Security is Saved

The bill's provisions would become effective when the Social Security Trust Fund achieves long-range actuarial balance.●

INTERNET TAX FREEDOM ACT

HUTCHINSON AMENDMENT NO. 3748

(Ordered to lie on the table.)

Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill, S. 442, supra; as follows:

At the end of the amendment, add the following:

On page 24, strike line 5 and insert the following:

communications services; and

(F) an examination of the effects of taxation, including the absence of taxation, on all interstate sales transactions, including transactions using the Internet, on local retail businesses and on State and local governments, which examination may include a review of the efforts of State and local governments to collect sales and use taxes owed on in-State purchases from out-of-State sellers.

NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT AMENDMENTS OF 1998

CHAFEE AMENDMENT NO. 3749

Ms. SNOWE (for Mr. CHAFEE) proposed an amendment to the bill (S.

2095) to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Fish and Wildlife Foundation Establishment Act Amendments of 1998".

SEC. 2. PURPOSES.

Section 2(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701(b)) is amended by striking paragraph (1) and inserting the following:

"(1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the Department of the Interior or the Department of Commerce, particularly the United States Fish and Wildlife Service and the National Oceanic and Atmospheric Administration, to further the conservation and management of fish, wildlife, and plant resources;".

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

(a) Establishment and Membership.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (a) and inserting the following:

"(a) Establishment and Membership.—

"(1) In general.—The Foundation shall have a governing Board of Directors (referred to in this Act as the 'Board'), which shall consist of 25 Directors appointed in accordance with subsection (b), each of whom shall be a United States citizen.

"(2) Representation of diverse points of view.—To the maximum extent practicable, the membership of the Board shall represent diverse points of view relating to conservation and management of fish, wildlife, and plants.

"(3) Not federal employees.—Appointment as a Director of the Foundation shall not constitute employment by, or the holding of an office of, the United States for the purpose of any Federal law.".

(b) Appointment and Terms.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (b) and inserting the following:

"(b) Appointment and Terms.—

"(1) Agency heads.—The Director of the United States Fish and Wildlife Service and the Under Secretary of Commerce for Oceans and Atmosphere shall be Directors of the Foundation.

"(2) Appointments by the Secretary of the Interior.—

"(A) In general.—Subject to subparagraph (B), after consulting with the Secretary of Commerce and considering the recommendations submitted by the Board, the Secretary of the Interior shall appoint 23 Directors who meet the criteria established by subsection (a), of whom—

"(i) at least 6 shall be knowledgeable or experienced in fish and wildlife conservation;

"(ii) at least 4 shall be educated or experienced in the principles of fish and wildlife management; and

"(iii) at least 4 shall be knowledgeable or experienced in ocean and coastal resource conservation.

"(B) Transition provision.—

"(i) Continuation of terms.—The 15 Directors serving on the Board as of the date of enactment of this paragraph shall continue to serve until the expiration of their terms.

"(ii) New directors.—The Secretary of the Interior shall appoint 8 new Directors; to the maximum extent practicable those appointments shall be made not later than 45 calendar days after the date of enactment of this paragraph.

"(3) Terms.—

"(A) In general.—Subject to subparagraph (B), each Director (other than a Director described in paragraph (1)) shall be appointed for a term of 6 years.

"(B) Initial appointments to new member positions.—Of the Directors appointed by the Secretary of the Interior under paragraph (2)(B)(ii), the Secretary shall appoint—

"(i) 2 Directors for a term of 2 years;

"(ii) 3 Directors for a term of 4 years; and

"(iii) 3 Directors for a term of 6 years.

"(4) Vacancies.—

"(A) In general.—The Secretary of the Interior shall fill a vacancy on the Board; to the maximum extent practicable the vacancy shall be filled not later than 45 calendar days after the occurrence of the vacancy.

"(B) Term of appointments to fill unexpired terms.—An individual appointed to fill a vacancy that occurs before the expiration of the term of a Director shall be appointed for the remainder of the term.

"(5) Reappointment.—An individual (other than an individual described in paragraph (1)) shall not serve more than 2 consecutive terms as a Director, excluding any term of less than 6 years.".

(c) Procedural Matters.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by adding at the end the following:

"(h) Procedural Matters.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Foundation.".

(d) Technical Amendments.—

(1) Section 4(c)(5) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)(5)) is amended by striking "Directors of the Board" and inserting "Directors of the Foundation".

(2) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by striking "Secretary" and inserting "Secretary of the Interior or the Secretary of Commerce".

(3) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by inserting "or the Department of Commerce" after "Department of the Interior".

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION.

(a) Principal Office of the Foundation.—Section 4(a)(3) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(a)(3)) is amended by inserting after "the District of Columbia" the following: "or in a county in the State of Maryland or Virginia that borders on the District of Columbia".

(b) Investment and Deposit of Federal Funds.—Section 4(c) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (7) through (11), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) to invest any funds provided to the Foundation by the Federal Government in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States;

"(4) to deposit any funds provided to the Foundation by the Federal Government into accounts that are insured by an agency or instrumentality of the United States;

"(5) to make use of any interest or investment income that accrues as a consequence of actions taken under paragraph (3) or (4) to carry out the purposes of the Foundation;

"(6) to use Federal funds to make payments under cooperative agreements entered into with willing private landowners to provide substantial long-term benefits for the restoration or enhancement of fish, wildlife, and plant resources on private land;".

(c) Agency Approval of Acquisitions of Property.—Section 4(e)(1) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) the Foundation notifies the Federal agency that administers the program under which the funds were provided of the proposed acquisition, and the agency does not object in writing to the proposed acquisition within 45 calendar days after the date of the notification.".

(d) Repeal.—Section 304 of Public Law 102-440 (16 U.S.C. 3703 note) is repealed.

(e) Agency Approval of Conveyances and Grants.—Section 4(e)(3)(B) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(3)(B)) is amended by striking clause (ii) and inserting the following:

"(ii) the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided of the proposed conveyance or provision of Federal funds, and the agency does not object in writing to the proposed conveyance or provision of Federal funds within 45 calendar days after the date of the notification.".

(f) Reconveyance of Real Property.—Section 4(e) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)) is amended by striking paragraph (5) and inserting the following:

"(5) Reconveyance of real property.—The Foundation shall convey at not less than fair market value any real property acquired by the Foundation in whole or in part with Federal funds if the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided, and the agency does not disagree within 45 calendar days after the date of the notification, that—

"(A) the property is no longer valuable for the purpose of conservation or management of fish, wildlife, and plants; and

"(B) the purposes of the Foundation would be better served by use of the proceeds of the conveyance for other authorized activities of the Foundation.".

(g) Termination of Condemnation Limitation.—Section 4 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703) is amended by striking subsection (d).

(h) Expenditures for Printing Services or Capital Equipment.—Section 4 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703) (as amended by subsection (g)) is amended by inserting after subsection (c) the following:

"(d) Expenditures for Printing Services or Capital Equipment.—The Foundation shall not make any expenditure of Federal funds in connection with any 1 transaction for printing services or capital equipment that is greater than $10,000 unless the expenditure is approved by the Federal agency that administers the Federal program under which the funds were provided.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709) is amended by striking subsections (a), (b), and (c) and inserting the following:

"(a) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There are authorized to be appropriated to carry out this Act for each of fiscal years 1999 through 2003—

"(A) $25,000,000 to the Department of the Interior; and

"(B) $5,000,000 to the Department of Commerce.

"(2) REQUIREMENT OF ADVANCE PAYMENT.—The amount made available for a fiscal year under paragraph (1) shall be provided to the Foundation in an advance payment of the entire amount on October 1, or as soon as practicable thereafter, of the fiscal year.

"(3) USE OF APPROPRIATED FUNDS.—Subject to paragraph (4), amounts made available under paragraph (1) shall be provided to the Foundation for use for matching, on a 1-to-1 basis, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(4) PROHIBITION ON USE FOR ADMINISTRATIVE EXPENSES.—No Federal funds made available under paragraph (1) shall be used by the Foundation for administrative expenses of the Foundation, including for salaries, travel and transportation expenses, and other overhead expenses.

"(b) ADDITIONAL AUTHORIZATION.—

"(1) IN GENERAL.—In addition to the amounts authorized to be appropriated under subsection (a), the Foundation may accept Federal funds from a Federal agency under any other Federal law for use by the Foundation to further the conservation and management of fish, wildlife, and plant resources in accordance with the requirements of this Act.

"(2) USE OF FUNDS ACCEPTED FROM FEDERAL AGENCIES.—Federal funds provided to the Foundation under paragraph (1) shall be used by the Foundation for matching, in whole or in part, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(c) PROHIBITION ON USE OF GRANT AMOUNTS FOR LITIGATION AND LOBBYING EXPENSES.—Amounts provided as a grant by the Foundation shall not be used for—

"(1) any expense related to litigation; or

"(2) any activity the purpose of which is to influence legislation pending before Congress.".

SEC. 6. LIMITATION ON AUTHORITY.

The National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.) is amended by adding at the end the following:

"SEC. 11. LIMITATION ON AUTHORITY.

"Nothing in this Act authorizes the Foundation to perform any function the authority for which is provided to the National Park Foundation by Public Law 90-209 (16 U.S.C. 19e et seq.).".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, October 6, 1998, at 9 a.m. in open session, to receive testimony on the worldwide threats facing the United States and potential U.S. operational and contingency requirements.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, October 6, 1998, to conduct a hearing on S. 2178, the "Children's Development Commission Act".

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, October 6, for purposes of conducting a Full Committee business meeting which is scheduled to begin at 9:30 a.m. The purpose of this business meeting is to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, October 6, 1998 at 2:15 p.m. to hold a hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, October 6, 1998, at 10:30 a.m. for a hearing on the nomination of Sylvia Mathews to be Deputy Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, October 6, 1998 at 9 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: "Judicial Nominations."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a joint hearing with the House Committee on Veterans' Affairs to receive the legislative presentation of the American Legion. The hearing will be held on October 6, 1998, at 9:30 a.m., in room 345 of the Cannon House Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. Mr. President, the Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on the following nominations:

(1) Leigh Bradley, Esq., to be General Counsel, Department of Veterans Affairs;

(2) Eligah Dane Clark to be Chairman, Board of Veterans Appeals, Department of Veterans Affairs;

(3) Edward A. Powell, Jr. to be Assistant Secretary for Management, Department of Veterans Affairs; and

(4) Kenneth W. Kizer, M.D., M.P.H., to be Under Secretary for Health, Department of Veterans Affairs.

The markup will take place in S-216, of the Capitol Building, after the first scheduled vote in the Senate on Tuesday afternoon, October 6, 1998.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CLEAN AIR

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety be granted permission to conduct a hearing on S. 1097, the Acid Deposition Control Act Tuesday, October 6, 9:30 a.m., Hearing Room (SD-406).

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT, RESTRUCTURING AND THE DISTRICT OF COLUMBIA

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia to meet on Tuesday, October 6, 1998, at 2 p.m. for a hearing on "Agency Management of the Implementation of the Coal Act."

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO THE UNITED STATES NAVY

• Mr. GRAMS. Mr President, I rise today to pay tribute to the courageous men and women who serve in the United States Navy.

The origins of the Navy can be traced back to October 13, 1775, when the Continental Congress ordered the construction of ships for use in the War of Independence. It was at this time that the Continental Navy was formed, nine months before America declared itself independent. However, it wasn't until later, on April 30, 1798, that the Department of the Navy was established and Benjamin Stoddert was appointed its first Secretary. This past spring we celebrated the 200th anniversary of the Department of the Navy.

Today, the United States Navy has grown to a force of nearly 400,000 active duty and 96,000 Reserves. During times of war, these brave individuals join with the other Armed Forces and valiantly risk their lives to defend America's freedom and national interests. During times of peace, the Navy is engaged in promoting regional economic and political stability by maintaining a global presence both above and beneath the surface of the seas.

The Navy is organized into three main components. The first component, the Navy Department, consists of the Washington, D.C. executive offices and the Secretary of Defense. The second component, the operating forces, includes the Marine Corps, the reserve components and during times of war, the U.S. Coast Guard. The operating component trains and equips naval forces. The third component, the shore establishment, provides intelligence support, medical and dental facilities, training areas, communications centers, and facilities for the repair of machinery and electronics. Together these components form a strong force ready to defend the seas whenever freedom is threatened.

An important division of the Navy is the Naval Reserve. Today, the Naval Reserve comprises 20 percent of the Navy's total assets. These dedicated men and women have provided assistance as medical personnel and offered fleet intelligence support in operations such as Desert Shield and Desert Storm. At other times, the Naval Reserve has helped provide humanitarian assistance and has engaged in maritime patrol. Over the years, the Naval Reserve has evolved from a reactive to a proactive force ready to meet the challenges of the next century.

Minnesota is home to 282 active duty Navy servicepeople, of which 35 are officers and 247 are enlisted. In addition, Minnesota has 1,540 Navy reservists, of which 340 are officers and 1,200 are enlisted.

Mr. President, since its founding over 200 years ago, the Navy has shown the utmost dedication and service while protecting our national interests. I truly appreciate its commitment to defending this nation and am honored today to pay tribute to the men and women of the United States Navy.•

HONORING JOSEPH C. AND LUCILLE PARISI

• Mr. TORRICELLI. Mr. President, I rise today to join the Holy Name Healthcare Foundation in honoring Joseph C. Parisi and Lucille his wife as they receive the Lifetime Achievement Award. The Parisi's record of community activism and involvement has been extensive, and I am pleased to recognize them on this occasion.

Joseph C. Parisi has served as Mayor of Englewood Cliffs since 1976. Prior to that he served on the town council for four years and was also the Englewood Cliffs Police Commissioner. His involvement in the Englewood Cliffs community for over twenty-five years has made Englewood Cliffs one of the finest towns in the North Jersey area. Mayor Parisi has worked on behalf of a diverse pool of charitable and civic organizations that include the Witte Scholarship Fund, the Quincentennial Columbus Day Celebration, Veterans of Foreign Wars, and the Knights of Columbus. The Englewood Chamber of Commerce, UNICO, and the New Jersey Insurance Agents, have all honored Mayor Parisi as their "Man of the Year" in the past.

Lucille Parisi has equaled her husband's accomplishments in a number of civic organizations. As President of the Hudson County Independent Insurance Agents, President of the Englewood Cliffs Democratic Club, and Director of the Fort Lee Savings and Loan, Lucille has been an active member of the community. For the past 16 years, she has also served on the Board of Trustees and the Foundation of the Holy Name Hospital.

As a native of Bergen County, I have known the Parisis well for many years. I have seen their dedication to the Englewood Cliffs Community firsthand, and I have consistently been impressed by their level of commitment. They truly embody the activism and dedication to community that is so vital.

I know they will inspire others to take an interest in improving their communities. They have earned a place in the hearts of Englewood Cliffs residents, and it is my pleasure to be able to honor them and their family on this occasion.•

RETIREMENT OF DARLENE GARCIA

• Mr. DOMENICI. Mr. President, as United States Senators, we are often fortunate to have people of exceptional ability work for us. It is, however, unusual to have someone of unlimited compassion helping the people in the State we represent. Darlene Garcia is a person of unlimited compassion and I have been very lucky to have her on my staff for the last 20 years.

Darline is the Director of my Las Cruces office. This is one of the fastest growing areas in New Mexico, and Darlene has her finger on the pulse on it all. She has helped hundreds of New Mexicans with their veterans benefits, social security, food stamps, and immigration problems. Darlene knows how to make the Federal Government do what it is supposed to do for its citizens. In fact, Darlene knows how to make U.S. Senators do what is right by their constituents.

I sometimes say, there isn't any kind of care that Darlene hasn't championed be it health care, child care, or elder care. She has always worked for more and better care for the people of Southern New Mexico because it is Darlene who rally cares. Darlene is the doer of good deeds. If good deed were dollars, she would have surpassed Bill Gates years ago.

Darlene always has a smile for everyone who walks into my office. She always knows who to call to solve a problem. She has been a mother figure and an inspiration to all of the young people who have interned in my Las Cruces office.

Darlene has been my representative to the business community, worked extensively with county and municipal government officials and of course, the Hispanic community. She has worked on border issues and has helped keep the Texans under control The latter is no small feat.

I want to thank Darlene for all of her hard work, and wish her the best in retirement. God bless you, Darlene, for all that you have done for me and for the people of New Mexico.•

HONORING RODRIGO d'ESCOTO

• Ms. MOSELEY-BRAUN. Mr. President, it is my honor to rise today to recognize a distinguished resident and successful businessman from my home state of Illinois, Mr. Rodrigo d'Escoto. Last month, Mr. d'Escoto was named the National Minority Male Entrepreneur of the Year by the U.S. Department of Commerce's Minority Development Agency. This award recognizes Mr. d'Escoto's Hispanic heritage, his success as an entrepreneur, and his service and dedication to the community.

Mr. d'Escoto is the founder and chairman of d'Escoto, Inc., a Chicago-based architectural engineering firm. Established in 1972, d'Escoto, Inc. is one of the largest Hispanic-owned firms of its kind in the Midwest. Over the last twenty five years, the firm has participated in some of the most ambitious and important design/construction projects in the Chicago area. These projects include the Northwestern Memorial Hospital Expansion project, the expansion of the McCormick Place Convention Center and Hotel, the construction of the new Cook County Hospital, the ongoing expansion of O'Hare International Airport and the construction of the airport's new international terminal. Certainly, Rodrigo d'Escoto and d'Escoto Inc. have contributed greatly to the look and structure of Chicago, one of the world's great architectural cities.

As is often the case with someone who has achieved so much professionally, Rodrigo d'Escoto is a committed community member. Among the many boards and organizations that Mr. d'Escoto has given his time and expertise to are: the Harold Washington Foundation, the Urban League, the United Way, the United States Hispanic Chamber of Commerce, the Pilsen Resurrection Development Corporation, the National Association of

Latino Elected and Appointed Officials, the Centro Hispano Americano, the City of Chicago Planning Commission, the Alliance of Latinos and Jews, and the Hispanic American Construction Industry Association. It is important to note that this is only a partial list of the many worthwhile and important enterprises that Rodrigo d'Escoto has touched over the years.

Mr. President, as one can see, the dimensions of Rodrigo d'Escoto's professional and civic accomplishments are of breathtaking proportions. Indeed, he is quite deserving of being named the National Minority Male Entrepreneur of the Year. I am confident that my Senate colleagues will join me in congratulating Mr. d'Escoto and d'Escoto, Inc. for this prestigious award, and in wishing them much continued success in the future.•

HIGHER EDUCATION REAUTHORIZATION ACT

• Mr. ABRAHAM. Mr. President, I rise today to express my strong support for the Higher Education Reauthorization Act that passed the Senate by a 96–0 vote last week.

Mr. President, this legislation illustrates this Congress' strong support for education, particularly higher education. This bill will make strong investments in our future by increasing the availability of financial aid to students in need, thereby allowing more students to benefit from our higher education system. Specifically, the bill lowers students' five-year loan rate to the lowest it has been for 17 years. Congress was able to strike a balance of lowering the rates students pay on their loans to 7.46 percent while keeping commercial lenders in the market. This reduction in interest rates will result in a savings of $700 on the average debt of $13,000 and savings of more than $1,000 on a $20,000 debt. By striking this balance, the long-term stability of the student loan program will continue.

The Higher Education Reauthorization Act also increases the maximum Pell Grant available to low-income students. Beginning in 1999, the maximum student Pell Grant authorization level will increase gradually each year from the current level of $3,000 to $5,800 in 2003. This change will enable low-income students to afford college and accumulate less debt.

The bill also includes an important change to the State Student Incentive Grant (SSIG) program that is of particular importance to me. Under this legislation, the SSIG program was reformed and changed to the Special Leveraging Education Assistance Partnership (LEAP) Program. Working with Senators JEFFORDS, COLLINS, and REED, I was able to have language included under the LEAP Program to provide scholarships for low-income students studying mathematics, computer science, or engineering. I believe this language is particularly important given the current shortage of high-tech workers. Through the LEAP program, States are provided matching money from the Federal Government to provide grants for students entering various fields of study.

The Higher Education Reauthorization Act makes a strong commitment to pre-K and K–12 education by creating a loan forgiveness program for students who earn a degree and obtain employment in the child care industry, as well as for students who gain teaching jobs in school districts serving large populations of low-income children. The loan forgiveness program will provide an important incentive for teachers to go into underserved areas and fields. Coupled with this provision, the Higher Education Act strengthens and promotes greater accountability within current teacher preparation programs. The legislation provides State and local partnerships with incentives to place a greater focus on academics and strong teaching skills for teacher certification programs. By focusing on teacher preparation, this bill increases the likelihood that students will be adequately prepared and able to succeed in our higher education system.

In all, this legislation demonstrates the bipartisan nature of this Congress' commitment to education. This bill will impact thousands of college-bound students each year and will prepare thousands of school-age children for higher education in the years to come.•

THE TRUE STORY OF HYDROGEN AND THE "HINDENBURG" DISASTER

• Mr. HARKIN. Mr. President, for many years I have spoken of the promise of hydrogen energy as our best hope for an environmentally safe sustainable energy future. My vision, and the vision of many of our top scientists is simple. Hydrogen, which is produced by renewable energy with absolutely no pollution and no resource depletion of any kind, will prove a truly sustainable energy option.

I recognize that hydrogen is not yet a form of energy widely known to the American public. In fact, hydrogen has an unfortunate association. I would like to spend a few minutes dispelling one unfortunate myth of hydrogen energy.

Mr. President, mention the word "hydrogen" and many people remember the *Hindenburg*—the dirigible that caught fire back in May of 1937, killing 36 of the 97 people on board. Now, thanks to the scientific sleuthing of Addison Bain, a retired NASA scientist with 30 years experience with hydrogen, we can state with a fair degree of certainty that the *Hindenburg* would have caught fire even without any hydrogen on board.

This detective story was reported in a recent issue of Popular Science. I ask that the Popular Science article be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

Addison Bain collected actual samples from the *Hindenburg*—the cloth bags that contained the hydrogen—which were saved as souvenirs by the crowd awaiting the *Hindenburg* at Lakehurst, New Jersey on May 6, 1937. When these samples were analyzed by modern techniques, Bain discovered that the bags had been coated with cellulose nitrate or cellulose acetate—both flammable materials. Furthermore, the cellulose material was impregnated with aluminum flakes to reflect sunlight, and aluminum powder is used in rocket fuel. Essentially the outside of the *Hindenburg* was coated with rocket fuel!

Addison now believes that the *Hindenburg* probably caught fire from an electrical discharge igniting the cellulose-coated gas bags. Remember, the ship docked at Lakehurst with electrical storms in the area, which was against regulations.

I would like to personally thank Addison Bain for his valuable contribution to the history of the *Hindenburg*, and to lessening the public's concerns over the safety of hydrogen. Hydrogen, in my judgment, will become a premier fuel in the 21st century, since burning hydrogen produces no pollution of any kind, just pure, clean water. And hydrogen can be produced by using sunlight or wind electricity to split water.

Hydrogen energy has been used safely in the Nation's space program for many decades, and I believe it can be used safely for many other applications here on Earth. For example, hydrogen could be a safe alternative fuel for cars. It would be much less dangerous than gasoline in an accident. Hydrogen gas disperses rapidly, while gasoline lingers in the vicinity of the accident, increasing the risks to survivors of the crash. I believe there are also countless other uses for hydrogen. We can pursue those options without fear because of Addison Bain's efforts. Thanks to Addison Bain, we can continue down the path toward a renewable hydrogen future without the undue fear of a singular event from 60 years ago.

The article follows:

WHAT REALLY DOWNED THE HINDENBURG

(By Mariette DiChristina)

May 6, 1937. The sky still appears moody after a stormy day. A stately, silvery marvel, the 240-ton *Hindenburg* airship glides 200 feet above Lakehurst, New Jersey, at around 7:21 p.m. In a 6-knot wind, the Zeppelin is attempting its first "high landing": The crew throws the spider lines out, preparing for mooring. The gigantic ship, nearly three football fields in length, would be slowly winched down.

If you think you know exactly what happened next, Adison Bain has a surprise for you. Six decades after the infamous *Hindenburg* disaster, when 36 of 97 aboard died during the horrific blaze that halted rigid-airship travel, Bain has revealed a stunning new explanation for what started the fire. Bain, a recently retired engineer and manager of hydrogen programs who spent more than 30 years at NASA, has recently concluded several years of scientific sleuthing work in search of the culprit behind the conflagration. He combed through thousands of pages of original testimony and materials at four archives in the United States and one in Germany, interviewed survivors and airship experts, and ultimately tested original materials from the model LZ–129 *Hindenburg* and its contemporaries. Contrary to what the investigators ruled at the time, asserts Bain, the fire did not start with free hydrogen lit by natural electrical discharge or sabotage.

The hunt for the truth about the *Hindenburg* began in the late 1960s for Bain, a genial man with slicked-backed dark hair and a face lined by many smiles. He was working on a hydrogen safety manual for NASA. Sitting in a "Florida room" of mint and mauve tiled floors and furniture in a Cocoa Beach apartment, Bain recalls how he paged through the literature on hydrogen. "Invariably," he says, "the topic of the *Hindenburg* would come up. At the time, I didn't think a lot about it."

Over the years, however, as he continued his NASA work in hydrogen systems, the reference began to accumulate in his mind. "What I was starting to notice is that the authors were inconsistent," he says. Hydrogen detractors said the gas was so flammable it killed everyone on the *Hindenburg*, which wasn't true—about one-third of those aboard had died. On the other hand, hydrogen promoters pooh-poohed safety concerns and claimed that those who perished did so only because they jumped from the burning airship, which also wasn't true. Says Bain: "I thought, wait a minute! Where are they getting their information?" He has also seen the famous photos of the *Hindenburg's* bright, blistering hot fire and knew that hydrogen doesn't burn in that way. A hydrogen fire radiates little heat and is barely visible to the unaided eye.

By 1990, Bain pulled a one-year assignment in Washington, D.C., at NASA headquarters, then across the street from the National Air & Space Museum. "I like airplanes, so I went over there. Lo and behold, there's this 25-foot-long model of the *Hindenburg* used in the 1975 movie with George C. Scott," he recalls. "I'm looking at that model and a plaque on the wall. The plaque says something about how the hydrogen exploded," As a hydrogen expert, he knew that the pure gas doesn't just explode. That was enough: He made an appointment with the archivists upstairs, dooned a pair of protective gloves, and lost himself in decades-old original documents in the museum's *Hindenburg* files for the rest of the day.

His research soon became something of a part-time obsession. Over the next few years. Bain would steal away to the archive and travel to others in College Park and Suitland, Maryland, poring through thousands of pages and copying documents in search of answers. He even traveled to the Fires Sciences Lab in Missoula, Montana. He speculated that, perhaps, some of the airship's materials had played a role in the ignition. Maddeningly, however, he couldn't find the exact formulations used. "I had the idea of the problem, but needed enough evidence to back my story up," he says.

That was as far as he got until 1994, when he ran into Richard van Treuren, a space shuttle technician, at a conference on hydrogen. Van Treuren, a self-avowed "helium head" and member of the airship aficionados called the Lighter-Than-Air Society in Akron, Ohio, was seeking Bain to talk about hydrogen. Van Treuren had a book about airships. Bain spotted the book in the crook of van Treuren's arm and bought it from him on the spot.

"The rain still spatters the wet ground in starts and stops. The air is highly charged from the thunderstorms, investigators would rule later. Six and three-quarter acres of *Hindenburg* fabrics is kiting in the breeze. A witness later would recall a bluish electrical phenomenon that dances over the aft starboard side of the *Hindenburg* for more than a minute."

Through van Treuren, Bain learned that pieces of the *Hindenburg's* skin still existed. Bain traveled around the country to procure them, spending hundreds of dollars buying original materials, books, and papers from collectors. "What I was trying to find out is, what did they use specifically in the coating?" he says.

Hepburn Walker, who had been stationed in Lakehurst in the early '40s, was among those in possession of pieces of the *Hindenburg*, Walker had found them in the soil. Another sample, a part of the swastika painted on the *Hindenburg*'s side, was kept in a safe by Cheryl Gantz, head of the Zeppelin Collectors Club in Chicago.

Bain remembers meeting Gantz. "May I have a little clipping, just anything to take to the lab?" he begged. Gantz was willing, but wanted to impress upon Bain the fabric's value to her: "How much do you value your firstborn?" she asked. Bain laughs: "I got the message!" Bain also located fabric samples in Germany that were representative of the top of the *Hindenburg*, where the fire started.

Materials in hand, Bain headed to NASA's Materials Science Laboratory at the nearby Kennedy Space Center. Over the next 14 months, he carefully laid out a systematic testing protocol involving some 14 researchers who would volunteer their spare time to assist in what became known as Project H.

"A jagged fire licks along the aft starboard side of the *Hindenburg*, another witness later recalls. Crewman Helmut Lau, on the lower left of the craft, looks up through the translucent gas cells and sees a red glow. In moments, cells begin to melt before his eyes. The fire crests the top of the *Hindenburg* and spreads outward and downward, toward lau and the others. Girders start cracking and wires snap. With hydrogen still in the cells, the giant airship maintains level trim."

What was in that fabric? Work to create a chemical and physical analysis included using an infrared stectrograph and a scanning electron microscope, which provided, respectively, the chemical signatures of the organic compounds and elements present.

A startling variety of highly flammable compounds proved to have been added to the cotton fabric base. "They used a cellulose acetate or nitrate as a typical doping compound, which is flammable to begin with—a forest fire is cellulose fire," says Bain. "OK, you coat that with cellulose nitrate—nitrate is used to make gunpowder. And then you put [on] aluminum powder. Now, aluminum powder is a fuel used on the solid rocket boosters on the space shuttle." The wood spacers and ramie cord used to bind the structure together, along with the silk and other fabrics in the ship, would also have added to the fuel-rich inferno. Even the duralumin support framework of the *Hindenburg*'s, rigid skeleton was coated with lacquer, ostensibly to protect it from moisture.

In a flame test, a fabric section ignited and burned readily. The arc test, in which 30,000 volts were zapped across a piece of fabric several inches long, was even more revealing: "Poof, it disappeared. The whole thing happened faster than I can explain it," Bain says. "I guess the moral of the story is, don't paint your airship with rocket fuel."

Bain is quick to point out, however, that it's not that the Germans and other airship and aircraft makers of the era were simply foolish in doping the fabric the way they did. They had a number of technical problems to solve using the materials of the time. Today's synthetic fabrics, with their range of properties, did not yet exist. The cotton or linen fabric skin was swabbed with the chemicals to make it taut and reduce flutter for aerodynamics, and then painted with the reflective red iron oxide and aluminum so the sun's heat wouldn't expand the gas in the cells, to help prevent gas from escaping. The skin had to be protected from deterioration from sunlight and rot from moisture. When engineers changed one part of the formulation to address flammability concerns, the mixture might not have adhered well or other problems would crop up.

"And I'm not saying hydrogen didn't contribute to the fire," adds Bain. It is after all a fuel, he notes—and one he is hoping will develop into a replacement or supplement to natural gas. "But it was a fuel-rich fire already; the hydrogen just added to it." Bain figures that maybe half of the 5 million cubic feet of hydrogen remaining aboard the *Hindenburg* after the Atlantic crossing burned in the fire. "But so what? It's academic."

Also made academic, perhaps, are decades of speculation over the causes behind the start of the Zeppelin fire. All have blamed hydrogen, with various ideas about how the gas became free and ignited. One popular theory has it that a wire punctured a gas cell. Bain, obviously, finds this doubtful. "If that happened, it should have occurred during one of the final maneuvers." But, "The ship was stationary for 4 minutes before the first fire was indicated." If cells were leaking gas that long, "The ship should really start going like this," Bain says as he tilts a handheld *Hindenburg* model nose upward. "And it's not. [At the start of the fire,] it's still in trim."

What about the possibility of loose hydrogen from the vents? Hydrogen was released to help maintain level flight, and others have theorized that a valve may have stuck open. "The *Hindenberg* had an excellent venting system" says Bain, with vents between cells that measured some 2 feet high and 7 feet across. If hydrogen accumulated—difficult to imagine for the lightest element, which has the greatest dispersal rate in the universe—how come, he asks, none of the fires were observed at the vent sites atop the ship?

"In seconds, the rear half of the *Hindenburg* is engulfed in bright, writhing flames. Gas cells one and two expand and burst with explosive force; the released hydrogen adds fuel to the conflagration. The ship lurches forward, breaking off water tanks attached by light-release connectors near the bow of the craft. Having lost ballast, the airship's nose heads upward and people start jumping to escape the flames, some too far from the ground to survive the fall."

What is perhaps most stunning about Bain's research is that what he has discovered comes 60 years after some German airship experts already knew it. While visiting an archive in Germany, he copied two 1937 letters handwritten in German that had not been seen by earlier investigators. Their shocking contents were revealed to Bain only after he returned to Florida and had them translated. They were written by an electrical engineer named Otto Beyerstock, who had incinerated pieces of *Hindenburg* fabric during electrical tests conducted at the behest of the Zeppelin Co. In the notes, Beyerstock testily dismissed the idea that hydrogen could have started the fire, stating with certitude that it could only have been caused by the fabric's flammability in a charged atmosphere. In a similar craft flying under the same atmospheric conditions that the *Hindenburg* faced in Lakehurst, the same sort of conflagration would occur, even if noncombustible helium were used as the lifting gas. (In fact, notes Bain, such a fire did take place in 1935, when a helium-filled airship with an acetate-aluminum skin burned near Point Sur, California.)

"I beg you to kindly inform me about the corrective measures to be taken or that have already been taken," Beyerstock wrote to Zeppelin. Some modifications were made in a subsequent airship plan, such as the addition of a fire retardant. "They knew," Bain says simply. But shortly after the *Hindenburg* disaster, and probably because of it, the great Zeppelins were removed from service.

Some detractors are still not ready to put aside the idea of hydrogen as fire-starter. "Addison Bain's hydrogen background carries some weight," says Eric Brothers, the editor of Buoyant Flight, the Lighter-Than-Air Society's bulletin, but not everyone at the society is convinced. The bulletin this year ran three articles detailing the skin-ignition research, coauthored by van Treuren and Bain. As for Brothers: "I would like to see more independent verification of the tests, though I recognize that that's difficult to do," he says. Still, "I'm 90 percent convinced that the fabric had some role."

One of the Buoyant Flight articles' most stringent critics is Donald E. Overs, a retired engineer and pilot who worked on Goodyear blimp construction and engineering for more than 20 years. "Based on the authors' cover burn rate tests, it would have taken anywhere from 15 minutes to probably an hour or more for the cover alone to burn off. The entire ship, on the other hand, was consumed in less than 60 seconds," he says. Overs' detailed e-mail challenges to Bain's theory—and the various defenses supporters—would occupy some 50 printed pages. "Bain can at most demonstrate or argue that the cover was a brief link in the early ignition of the hydrogen, but he cannot prove even that," concludes Overs.

"Like the mythical Icarus who ventured too close to the sun, the *Hindenburg* goes down in flames. As it touches the ground, the ship bounces lightly, perhaps still buoyant with remaining hydrogen."

None of what Bain has learned has diminished his admiration for the engineering achievement in creating the great airships. "With all due respect," he says, "the Germans did a fantastic job. I admire their technology.

"It was just an unfortunate little flaw, just like the flaw on the *Titanic* and the flaw in the *Challenger*," he says, referring to the "unsinkable" ship's sulfurous, brittle steel and the space shuttle's O-ring—both of which failed under the prevailing weather conditions. "You never know what Mother Nature is going to do to you."•

HIGH-INTENSITY DRUG TRAFFICKING AREA

• Mr. SMITH of Oregon. Mr. President, I rise today to speak for a High-Intensity Drug Trafficking Area (HIDTA) designation for the State of Oregon. On October 1, 1998 Senator WYDEN and I sent letters to the Director of the Office of the National Drug Control Policy, General Barry McCaffrey and Attorney General Janet Reno requesting the designation.

High-Intensity Drug Trafficking Areas (also known as HIDTAs) were authorized in 1988 by the Anti-Drug Abuse Act of 1988 and are administered by the Office of National Drug Control Policy. HIDTA designations are granted to regions that are centers of illegal drug production, manufacturing, importation or distribution and have harmful impacts on the entire country. Once a HIDTA has been designated, increased funding is granted to the State, design strategies to combat drug threats are adopted and these designs are then strategically implemented. The Office of National Drug Control Policy's HIDTA Program has been profoundly successful in those regions where it has been implemented.

Mr. President, the State of Oregon is in desperate need of this designation. Western States—California, Washington, Arizona, New Mexico, and regions in the Rocky Mountains—have received designations to help them combat tremendous drug trafficking challenges. Oregon has been too long without assistance, fighting national and international traffickers.

This request is not idly made. It comes following more than a year of work with local and federal law enforcement agencies, and the U.S. Attorney's Office. There experience, dedication and tireless commitment to eliminating drug production, trafficking, and use is to be commended. Unfortunately, they have insufficient resources to combat this scourge in Oregon or the country. I appreciate their coordinated efforts and have learned through meetings with them and extensive work in my State that we must act—and act now.

I am proud to report that in our first meeting of the HIDTA steering committee, of which I am a member, the Department of Defense announced it was sending Joint Task Force Six to Oregon to engage in a drug threat assessment. As we speak, Task Force Six is conducting its study in our state and will present its report to us at our next steering committee meeting on October 29, 1998. Having requested a copy of the threat assessment for Washington State's HIDTA Program in the Seattle-Tacoma areas and met with Washington State Drug Enforcement Administration (DEA) specialists, I am confident our request will be accepted. The obstacles we face in fighting drug production and trafficking are similar.

Oregon's central location along the Interstate 5, and its proximity to the coast, render it particularly vulnerable to those who move heroine, cocaine and marijuana. For many years traffickers have moved large quantities of illegal drugs along interstate 5, highway 101, highway 97 and interstate 84. Crackdowns along interstate 5 have been successful, but the insufficiency of resources has produced an unbalanced, under-powered drug defense. Drug shipments from Central America moving along these routes continue to increase, while Pacific Rim countries feed the problem through Oregon ports. These drug shipments are then trafficked throughout the continental United States.

This flow, from sources outside Oregon, has introduced a criminal element into the fabric of Oregon society. They came to produce and sell drugs, and stayed to enjoy the climate, the abundance of space and breathtaking beauty, as well as the serenity and tranquility of our fields and forests. These very qualities that make Oregon unique are also the qualities that drug traffickers found beneficial to their trade.

The facts are indisputable. In 1991, only 7 years ago, there were 39 drug-related deaths in Oregon. There were 221 such deaths in 1997. Methamphetamine use among incarcerated adults increased from 30 percent in 1991–1992 to 49 percent in 1996–1997.

Children are the most victimized. There were 629 juvenile arrests for drug offenses in 1991, and 2,392 in 1997. The number of juveniles treated in drug treatment centers increased from 1,742 in 1991 to 4,028 in 1996. The Oregon Public School Drug Use Survey Key Findings Report states that since 1990, marijuana use by eighth graders—eighth graders—mind you!, has tripled, while marijuana use by eleventh graders has increased 68 percent. General illicit drug use by eighth graders has doubled since 1992, and over the same time period increased in eleventh graders by 21 percent.

I have given this problem much thought in the past few months. While I am confident that a HIDTA designation is vital to our ability to deter drug trafficking and production, this problem has been further exacerbated by the current Administration's failure to focus and its diminished emphasis on the international component to the war on drugs. That is why I am proud to be an original cosponsor of the Western Hemisphere Drug Elimination Act of 1998 (S. 2522) which calls for an additional $2.6 billion investment in international counter narcotics efforts over the next three years. This bi-partisan legislation restores funding to international interdiction and eradication efforts that were all but abandoned in 1993. Without decreasing domestic funding or effort, this legislation recommits the nation to fighting drugs with a comprehensive international approach.

We, Oregonians, are committed to the welfare of our State. We will drive the criminal elements from our borders. Finally, Mr. President, we have no choice but to fight. We have no alternative but to win. I thank the chair.•

TRIBUTE TO JOSEPH MORGART

• Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to a very special young man, one who is close to my heart and certainly close to my daughter's. He is my son-in-law Joe Morgart.

I rise to congratulate him not simply for being a terrific husband to my daughter Nan and a loving father to my grandsons, Alexander and Jonathan, but also to recognize some of his personal achievements. Today, I commend him for becoming a leader in the Jewish community in Boston. He was honored there recently with the 1998 Young Leadership Award given by the Combined Jewish Philanthropies (CJP) of Greater Boston.

CJP now raises nearly $25 million annually to support educational, humanitarian and cultural causes, as well as providing funding for health care and social service programs in Israel and other Jewish communities around the world. The Young Leadership Division of CJP gives young Jewish people in the Boston area the opportunity to get involved in community service, as well as to participate in discussions about Jewish issues from religious, ethical, social, political and economic perspectives.

For Joe to receive this award is especially noteworthy, coming from one of the oldest philanthropies in the country and one so dedicated to educating others about Jewish issues. That is so, Mr. President, because Joe has not always been a member of the Jewish faith.

Maybe Joe was attracted to Judaism to impress Nan when they were dating. Maybe he was attracted to Judaism to impress me! Or, knowing Joe and his thirst for knowledge when learning about Judaism, he found that the Jewish religion fulfilled him spiritually and invited him into the community. Joe then decided to convert, and he has become a most valuable participant in the community.

Joe Morgart has served on CJP's Board of Directors, has been an active fundraising campaigner and started a successful outreach and educational services program that drew in many new members for CJP. He has participated in CJP's leadership development program, and has been deeply involved in community service programs for the organization. Beyond his involvement in CJP, Joe is a leader of the Jewish Big Brother & Big Sister Association, part of the American Israel Public Affairs Committee, and is a member of the United Jewish Appeal's Young Leadership Cabinet.

Mr. President, I am proud that a well-regarded organization like CJP recognized Joe Morgart's ability and contributions by honoring him with this award. I know that his entire family is proud as well of his accomplishments and the love and respect that he has earned from all of those who know him.•

ASSISTIVE TECHNOLOGY ACT OF 1998

• Mr. JEFFORDS. Mr. President, I am very pleased that last night we passed S. 2432, the Assistive Technology Act of 1998, the ATA. In the spring of 1988, I made a commitment to individuals with disabilities. I said that I would, with their help, and that of my colleagues, develop and pass legislation that would provide greater access to assistive technology for people with disabilities. Between April and August of that year, we did just that. The Technology-Related Assistance for Individuals with Disabilities, commonly referred to as the Tech Act, became P. L. 100–407 and received its first appropriation. That legislation has had a successful 10 year run. It sunsets on September 30, 1998.

This spring I made another commitment. I said I would, with the help of my friends in the disability community, my partners Senators HARKIN and BOND, develop new technology legislation that would promote greater access to technology for people with disabilities, promote greater interest in and investment by the Federal Government and public and private entities in addressing the unmet technology needs of individuals with disabilities, and create expanded means by which individuals with disabilities could purchase assistive technology. We were joined in our efforts by Senators KERRY, MCCONNELL, COLLINS, KENNEDY, REED, FRIST, DEWINE, BINGAMAN, WELLSTONE, WARNER, DODD, FAIRCLOTH, FORD, MIKULSKI, SARBANES, D'AMATO, REID, COCHRAN, and JOHNSON. This legislation will equip individuals with disabilities through technology, to sustain their functioning, to expand their range of abilities, to be more independent, and to contribute at home, in school, at work, and in the community.

S. 2432 builds on the success of the Tech Act. In recognition of the accomplishments of State Tech Projects, State protection and advocacy systems, and technical assistance provided by the Rehabilitation Engineering and Assistive Technology Society of North America (RESNA) and United Cerebral Palsy Associations, Inc., the bill continues federal support for activities proven to be effective in promoting access to assistive technology. It also sets policies and authorizes federal support for new challenges related to technology and its impact on individuals with disabilities. It encourages states, the Federal Government, public and private entities, individuals with disabilities and their families and advocates, to form new partnerships, to stretch expectations and to build consensus through common goals, to promote and to endorse meaningful accountability by measuring progress on common goals, and generally work together to make the environments and the technology of tomorrow accessible to and usable by individuals with disabilities.

The specific purposes of the bill are to: support states in sustaining and strengthening their capacity to address the assistive technology needs of individuals with disabilities; focus the federal investment in technology that could benefit individuals with disabilities; and support micro-loan programs to provide assistance to individuals who desire to purchase assistive technology devices or services.

S. 2432 reaffirms the federal role of promoting access to assistive technology devices and services for individuals with disabilities. The bill allows states flexibility in responding to the assistive technology needs of their citizens with disabilities, and does not disrupt the accomplishments of states over the last decade through the state assistive technology programs funded under the Tech Act.

Title I of the ATA authorizes funding for multiple grant programs from fiscal years 1999 through 2004: continuity grants, challenge grants, millennium grants, and grants to protection and advocacy systems, as well as funding for a technical assistance program. The bill streamlines and clarifies expectations, including expectations related to accountability, associated with continuing federal support for state assistive technology programs. The bill targets specific, proven activities, as priorities, referred to as "mandatory activities". All State grantees must set measurable goals in connection to their use of ATA funds, and both the goals and the approach to measuring the goals must be based on input from individuals with disabilities in the State.

If a State has received less than 10 years of Federal funding under the Tech Act for its assistive technology program, title I of S. 2432 allows a State, which submits a supplement (a continuity grant) to its current grant for Federal funds, to use ATA funds for mandatory activities related to a public awareness program, policy development and interagency coordination, technical assistance and training, and outreach, especially to elderly and rural populations with disabilities. Such a State also may use ATA funds for optional grant activities: alternative State-financed systems for assistance technology devices and services, technology demonstrations, distribution of information about how to finance assistive technology devices and services, and operation of a technology-related information system, or participation in interstate activities or public-private partnerships pertaining to assistive technology.

If a state has had 10 years of funding for its assistive technology program, the State may submit an application for a noncompetitive challenge grant. Grant funds must be spent on specific activities—interagency coordination, an assistive technology information system, a public awareness program, technical assistance and training, and outreach activities.

In fiscal year 2000 through 2004, if funding for title I exceeds $40 million, States operating under challenge grants may apply for additional ATA funding, provided through competitive millennium grants. These grants are to focus on specific statewide or local level capacity building activities in an area or areas related to access to technology for individuals with disabilities.

Title I of the bill also authorizes funding for protection and advocacy systems in each State to assist individuals with disabilities to access assistive technology devices and services, and funding for a technical assistance program, and specifies administrative procedures with regard to monitoring of entities funded under title I of the bill. The bill contains an authorization for a National Public Internet Site on assistive technology as part of the technical assistance program. This site will have two distinct functions. First, once developed and operating, the site will have the capacity, through interaction with an individual, both to identify a profile of the individual's specific assistive technology needs and to recommend alternatives for addressing those needs. Second, once information is identified and links established, the site will be a location on the Internet through which individuals may access information about assistive technology devices and services and be linked to state Tech Projects and other sites to access additional information.

S. 2432 treats year 1999 as a transition year for current grantees of federal funds for assistive technology. The bill provides the Secretary of Education with discretion to treat grantees who have completed 10 years of Federal funding in that year as if those states were in their tenth year of federal funding. In addition, grantees who have received less than 10 years of funding for assistive technology programs may elect in fiscal year 2000 only to transition from continuity grant status to challenge grant status by submitting a grant application for a challenge grant.

The authorization level for title I of the bill is $36 million for fiscal year 1999, and such sums for fiscal years 2000 through 2004.

Title II of S. 2432 provides for increased coordination of Federal efforts related to assistive technology and universal design, and authorizes funding for multiple grant programs from fiscal years 1999 through 2004. Title II strengthens the mandate of the Interagency Committee on Disability Research (ICDR) to include assistive technology and universal design research, and authorizes funding the joint research projects by ICDR members. Title II also provides for increased cooperation between the National Institute on Disability and Rehabilitation Research (NIDRR), which oversees the State Tech Projects, and the Federal Laboratories Consortium.

Title II of the bill also authorizes increased funding for Small Business Innovative Research grants (an existing program under the Small Business Act) related to assistive technology and funding to commercial or other organizations for research and development related to how to incorporate the principles of universal design into the design of products and buildings so they can be used without alteration by all people. This title also authorizes funding for grants or other mechanisms to address the unique assistive technology needs of urban and rural areas, of children and the elderly, and to improve training of rehabilitation engineers and technicians.

Finally, title II of S. 2432 authorizes funding for the President's Commission on the Employment of People with Disabilities to work with the private sector to promote the development of accessible information technologies.

The authorization of appropriations for title II is $15 million for fiscal year 1999, and such sums for fiscal years 2000 through 2004.

Title II of the bill provides for alternative financing mechanisms for people with disabilities to purchase assistive technology devices and services from fiscal years 1999 through 2004. These funds are to be used to establish specified types of loan programs for individuals with disabilities, and not to be used simply to purchase assistive technology for individuals with disabilities. The authorization of appropriations for title III of S. 2432 is $25 million for fiscal year 1999, and such sums for fiscal years 2000 through 2004.

We would not have been successful in passing S. 2432 without the technical assistance and cooperation from the U.S. Department of Education, the state Tech Projects, particularly, Lynne Cleveland, Director of the Vermont state Tech Project, the National Association of Protection and Advocacy Systems, and the Technology Task Force of the Consortium for Individuals with Disabilities, especially Jennifer Dexter, Jim Gelecka, Glen Sutcliffe, Sally Rhodes, and Ellin Nolan. I would also like to recognize the efforts of Senate staff, Lloyd Horwich with Senator HARKIN, Dreama Towe with Senator BOND, and Pat Morrissey, Heidi Mohlman, and Carolyn Dupree of my staff.

In addition to being supported by the disability community, S. 2432 has been endorsed by the Administration and the Chamber of Commerce and supported by the Administration. Moreover, the National Governors Association, and individual governors have urged the passage of assistive technology legislation this year.

Everyone has worked especially hard to help us meet our ambitious, compressed time table. Along the way, every Senate office now has a better understanding and appreciation of assistive technology—what it means to an individual with a disability who has it and what it means to an individual with a disability who needs it, but can't get it.

Technology has become commonplace and thus, is often taken for granted. Yet, the power of technology is, in many ways, our last frontier. As we push technology to do more for us, S. 2432 offers us the tools to ensure that individuals with disabilities also benefit.

I appreciate the support of my colleagues in passing S. 2432.•

EUGENE L. MCCABE

• Mr. MOYNIHAN. Mr. President, many years ago Eugene L. McCabe came to Washington seeking financial support for his new North General Hospital in Harlem. By then people living in Harlem, like many in our cities, suffered from hospital cutbacks and closings. They were in desperate need of affordable and reliable medical care. The AIDS and crack epidemics overburdened what few local facilities there were. But where others saw despair, Eugene saw hope and opportunity. He founded North General as a community hospital specializing in the treatment of diabetes, cancer, and hypertension—common afflictions in urban areas. Still, North General did not become overnight what Kenneth Raske, president of the Greater New York Hospital Association, called a wonderful hospital. It took Eugene's dedication, vision, and compassion to see it through. When told his hospital would fail because there was no money to be made, he worked harder. The hospital became his life's passion. He appealed to banks, businesses, and political leaders for support. And he made good on his promise. North General became a thriving hospital that has never lost touch with its community. It remains the only minority-run hospital in New York State. Located at 121st Street and Madison Avenue, North General Hospital stands as a memorial to Eugene McCabe and his dedication to improving the lives of others.

With his passing much will be said of him. Those who worked with him remember a leader—self-assured and inspiring—who, despite popular motivations and trends, compelled himself and others to make affordable and quality health care a reality for many who might otherwise have gone without it. Those who loved him remember his smile, his helpfulness, and his gracious presence. Eugene McCabe's life was a blessing and we are grateful to have been touched by it.

I ask that the obituary from The New York Times be printed in the RECORD.

The obituary follows:

[From the New York Times, Oct. 1, 1998]

EUGENE L. MCCABE, 61, FOUNDER OF HARLEM COMMUNITY HOSPITAL

(By Barbara Stewart)

Eugene L. McCabe, a management consultant who founded and was president of North General Hospital, a thriving, minority-operated community hospital in Harlem, died there yesterday. He was 61.

The cause was breast cancer, his family said.

"He was indefatigable in putting it together," said Mario M. Cuomo, who, as Governor, approved many of the grants and loans to build North General. "His strength was his will and his total commitment."

North General, a 200-bed hospital on 121st Street and Madison Avenue, is the only minority-operated hospital in the state. Most of its trustees are black. The hospital specializes in treatment for diabetes, cancer and hypertension, which occur widely among low-income blacks. It recently built 300 units of condominium housing for low- and middle-income residents of Harlem.

"It is a wonderful hospital," said Kenneth Raske, president of the Greater New York Hospital Association. "And Gene did it through sheer dogged persistence and sharp business acumen."

When another specialized hospital moved out of Harlem in the late 1970's, Mr. McCabe, along with Randolph Guggenheimer, a lawyer, developed the idea for North General: a community hospital to serve the impoverished, medically deprived area.

"It became his passion, his life work," said Livingston S. Francis, chairman of the board of North General.

Mr. Cuomo, who described the hospital's creation as "a miracle," said it took all of Mr. McCabe's persuasive powers to talk him and others into approving the necessary loans. At the time, many small community hospitals, overwhelmed with the unexpected demands of AIDS patients and crack addicts, were being closed. "It didn't make financial sense," Mr. Cuomo said. "But he made a case for that hospital. He was always entreating. He was never offensively pushy, but he was insistent."

As a result of Mr. McCabe's entreaties in Albany, Washington and New York City, the state appropriated $150 million to build the hospital. From the start, it was rooted in the community. At one early point, the union asked the hospital workers to continue working despite a missed pay period, Mrs. Guggenheimer said. With the help of banks, local businesses and politicians, it pulled through several financial crises.

As president of the new hospital, Mr. McCabe drew on the resources of the staff in unexpected ways, Mr. Francis said. Nurses helped choose color schemes, and engineers installed lighting and laid floors—tasks that would ordinarily be done by outside workers. The process was repeated seven years ago, when North General moved into its current facility, a modern brick building on 121st Street and Madison Avenue, with a bright interior decorated with art selected by staff members.

"The hospital," Mr. Cuomo said, "was his."

Mr. McCabe, who grew up in New Haven, graduated from Southern Connecticut State University.

He is survived by this wife, the former Elsie Crum, who is the president of the Museum for African Art in SoHo; their 1-year-old twins, Eugene and Erin, and a son, Kevin, from a previous marriage.•

GOVERNOR RACICOT ON COMMUNITY SERVICE

• Mr. BURNS. Mr. President, Governor Marc Racicot of my home State of Montana recently wrote an op-ed on community service which appeared in the Washington Times and The Hill newspapers. For the benefit of those who haven't seen it, I ask to have the op-ed inserted into the CONGRESSIONAL RECORD.

[From The Washington, Times, Aug. 31, 1998]

COMMUNITY SERVICE THAT WORKS

(By Marc Racicot)

Governors meet together and routinely stake out areas of broad bipartisan agreement that transcend the partisan struggles that have become synonymous with election-year politics. One issue that enjoys strong support from governors of both parties is national and community service. The support for service is based on a simple conviction that I share with many other governors: that every generation of young people needs to accept responsibility for its country and its community.

As a first-term Republican governor in January, 1993, I asked, and our legislature approved, a proposal to create a Governor's Office of Community Service intended to enhance the ethic of service and elevate the importance of "community," particularly among our young people. Meaningful service, we believed, would nurture productive young citizens committed to the future of our state because they had invested their sweat and labor in that future. Here in Montana, we sought to encourage service as a life-long "habit of the heart."

When the National Community Service Act of 1993 was passed, Montana was in an ideal position to move forward with the opportunity offered through AmeriCorps. The Office of Community Service's mission and the mission of AmeriCorps was one and the same: to develop opportunities for young people to provide meaningful, direct and demonstrable service to their communities. It was our hope that AmeriCorps would help us to build unique partnerships with public and private agencies by engaging young people in productive and meaningful service to their communities. These partnerships would serve as clear examples of how we could work together in Montana to improve how we, as fellow citizens, respond to pressing needs.

Now in its fourth year, AmeriCorps offers a creative, effective, and non-bureaucratic means of addressing the unmet education, human, public safety and environmental needs of our state—and our country. Indeed, AmeriCorps has become a model of devolution, where real authority and ownership for a federal initiative is delegated to the states. Through governor-appointed bipartisan state commissions, priorities are established and projects are selected to receive AmeriCorps funding.

The results are impressive. Last year alone, our locally-run AmeriCorps programs generated nearly $1,000 hours of service to Montana communities. Their service directly benefits 50,000 children and families in Montana, and indirectly almost one-third of our state population. Nationally, similar results abound. This year, some 40,000 AmeriCorps members will get things done for more than 1,200 communities across the country.

When AmeriCorps was created, some feared it might replay the worst of the welfare state—an entrenched, expensive, Washington run program. Many feared, even more, that it would undermine traditional volunteers with yet another federal program. I can say from experience that the fears were misplaced. As a governor who tries very hard to be careful with tax dollars, I have witnessed time and again the fruits of this prudent investment in Montana.

Now, after more than five years, we have seen a tremendous rekindling of a sense of public service and civic duty, in many ways, through the programs and opportunities generated through the National Community Service Act. I am convinced national and community service promotes core values—hard work, self-discipline, civic duty, personal responsibility, the cherishing of human life—that we too often sadly find lacking. If the era of big government is finally over, certainly the era of big citizenship must begin.

I have joined twelve of my fellow governors in urging not only continued federal funding of AmeriCorps, but also reauthorization of the Act, increasing the partnership with states and the authority of directing these programs at the state level. We join with our peers from the New England Governors' Conference in urging Congress to support reauthorizing the National Community Service Amendments Act, in order to improve the laws's current language. As their resolution notes, we support the bill's "devolution provisions that add authority and flexibility to states . . . [to] provide Governor-appointed state commissions more control over program selection."

Community service is a vital element in the chemistry of our existence as a society, renewing our sense of community and civic initiative. It is the glue that bonds free peoples together. We in Montana have seen how vitally important this is, recently having completed our state Governors' Summit on Youth, and witnessing the real necessity of promoting opportunities for young people to give back to others. Through community service they learn what it's like to belong to something good and solid and decent. AmeriCorps helps provide that opportunity and truly puts the states in the driver's seat, which translates into meaningful ownership, and impact, at the state and local level.•

ONE GUN A MONTH FORUM

• Mr. LAUTENBERG. Mr. President, on September 2, I convened a forum on gun trafficking. Across America, it is simply too easy for criminals, particularly gangs, to purchase and distribute large numbers of guns. And more guns in the wrong hands means more murder and mayhem on our streets.

Because we must move more aggressively to stop this deadly crime, I introduced S. 466, the Anti-Gun Trafficking Act. The testimony I heard at the forum has made me even more determined to pass this sensible legislation and help stop gun traffickers.

In order to share the insights of the witnesses at the forum with my colleagues and the public, I am submitting the testimony presented for inclusion in the CONGRESSIONAL RECORD. Previously, I submitted the testimony of Mayor Edward Rendell, James and Sarah Brady from the Center to Prevent Handgun Violence and Handgun Control, and John Schuler, Kenisha Green and Quanita Favorite, three young people from the D.C. area.

Today, I would like to submit a statement from Captain R. Lewis Vass, Commander of the Criminal Justice Information Services Division of the Virginia Department of State Police. His testimony bears witness to the success of Virginia's one-gun-in-thirty-day law which was enacted in 1993. Since 1993, the number of crime guns traced back to Virginia from the Northeast dropped by nearly 40 percent. Prior to one-gun-a-month, Virginia had been among the leading suppliers of weapons to the so-called "Iron Pipeline" that fed the arms race on the streets of Northeastern cities.

Mr. President, I ask that the testimony of Captain R. Lewis Vass be printed in the RECORD.

The testimony follows:

TESTIMONY OF CAPTAIN R. LEWIS VASS,
SEPTEMBER 2, 1998

Senator Lautenberg, I am Captain Lewis Vass, Commander of the Criminal Justice Information Services (CJIS) Division of the Virginia Department of State Police. I have been a sworn police officer with the Virginia State Police for the past 32 years. Since the enactment and implementation of Virginia's instant check firearms purchase approval program in 1989, I have been responsible for the administration and operation of the Firearms Transaction Center. One of the functions of the center is the tracking of multiple handgun sales and issuance of multiple handgun purchase certificates approving or denying the application to purchase more than one handgun within a thirty-day period.

I appear here today to speak with regard to Virginia's one-gun-in thirty-day law and the impact the law has had on gun trafficking in Virginia.

Prior to the enactment of Virginia's one handgun in thirty day law, Virginia was described as one of the major source states for illegal handguns being seized on the east coast. Information provided by the Bureau of Alcohol, Tobacco and Firearms regarding firearms seized from March to August of 1991 ranked Virginia as follows: New York Project Lead—(108 Firearms), Ranked Number One; District of Columbia Project Lead)—(244 Firearms), Ranked Number One; Boston Project Lead)—(14 Firearms) Ranked Number Three; Total Firearms—366 Firearms.

In 1989, the Virginia General Assembly enacted legislation which created Virginia's instant background system to address the flow of firearms going to prohibited persons. This system, even though it prevents prohibited persons from purchasing firearms from federally licensed firearms dealers, does not eliminate the flow of Virginia handguns being seized in other states. The Virginia General Assembly studied this issue and amended the law to reduce the flow of Virginia handguns to other states. The law was revised in 1993, to limit the number of handguns to one that a person could purchased during any thirty day period. The law went into effect on July 1, 1993, to address the growing problem of handguns being purchased from Virginia's firearms dealers and being seized by law enforcement authorities in other states namely New York, New Jersey, Massachusetts and the District of Columbia. Another issue that was addressed by enactment of this legislation was the influx of narcotics into Virginia as payment for the firearms being sold in other states. Even when cash was used to purchase the firearms from the trafficker, the trafficker in turn purchased narcotics for sale on Virginia's streets.

An example of illegal gun trafficking from Virginia to states in the north eastern corridor involved a gun shop located directly across the street from the Virginia State Police headquarters. This was a mom-and-pop gun shop favored by gun runners because of the ease in which firearms could be obtained. During an investigation into illegal gun trafficking, it was found that gun purchasers from New York would come to Virginia and solicit the help of either street people or college students possessing a valid Virginia drivers license to purchase firearms for them for a small fee. These "straw purchasers" would go into the gun shop and purchase a box of guns, a box contains ten handguns. The firearms would be turned over to the gun trafficker in the parking lot of the store. Videos captured by ATF agents during the investigation revealed that these types of illegal transactions were conducted numerous times a day almost every day of the week that the store was open.

During February 1992, the owner of the gunshop cut to five the maximum number of firearms transferred per purchase to five at the conclusion of a case in which a trafficking group moved 240 firearms from Virginia to New York, 85 percent or approximately 204 of them from this gun shop.

The investigation concluded with the arrest of the store owners and closing of the firearms outlet.

A Project Lead report released by ATF in 1992 reporting the results of firearms traced to New York from January 1, 1992 through June 16, 1992 revealed that for 501 of 805 firearms traces received the leading source states were as follows: 1. Virginia—108 firearms, 20%; 2. Florida—92 firearms, 18%; 3. Texas—39 firearms, 8%; 4. Connecticut—37 firearms, 7%; 5. Ohio—34 firearms, 7%.

A 1997 trace report released by ATF shows that the percentage of firearms from Virginia seized in New York has dropped to 12.5 percent as compared to 20 percent in 1992. While Virginia remains the leading source state for firearms seized in Washington, D.C., the percentage of firearms recovered in D.C. has dropped from 35.1 percent in 1991 to 26.8 percent in 1997. Additionally, Virginia has dropped from the number two source state in 1990 to number eight in 1997 for guns seized in Boston.

The law was designed to stop the flow of handguns being purchased for illegal purposes and transported out of state, but not to impede the law-abiding citizens from purchasing more than one handgun in thirty days. The statute was designed with provisions for the purchase of multiple handguns for collections by collectors, business use, personal use and estate sales. An individual desiring to purchase more than one handgun in thirty days is required to complete a multiple handgun purchase application. The application is submitted to the State Police and processed by the Firearms Transaction Center (FTC). The FTC conducts an enhanced background check on the applicant. If the applicant is approved, he/she is issued a multiple handgun purchase certificate which permits him to purchase the number and type of handguns requested in the application. The FTC has issued 2,245 multiple handgun purchase certificates from July 1, 1993 to July 30, 1998 while denying 164 applications because the applicant did not meet the multiple purchase requirements or had already exceeded the limit for the thirty-day period.

The one handgun in thirty days was studied by the Virginia Crime Commission in 1995; copy attached. The results of that study concluded that most gun control policies currently being advocated in the United States (e.g., licensing, registration, and one-gun-a-month) could, most fairly, be described as efforts to limit the supply of guns available in the illegal market. In other words, these are policies crafted to keep guns from prescribed individuals. Once enacted; however, it is important to demonstrate that they are effective. This study, which is attached, looks at the impact of Virginia's one-gun-a-month law, provides persuasive evidence that a prohibition on the acquisition of more than one handgun per month by an individual is an effective means of disrupting the illegal interstate transfer of firearms.

As a follow-up to this previous study, the Bureau of Alcohol, Tobacco and Firearms provided this Department with information on firearms seized on the east coast regarding Virginia firearms. The information revealed that of the firearms seized in 1997, 184 originated from Virginia. Of that number, 87 of these firearms were obtained after the law was enacted in July 1993. This demonstrates a significant reduction from 366 firearms for six months in 1991 to 87 firearms in 12 months of 1997.

We believe that Virginia's one handgun in thirty day law has had its intended effect of reducing Virginia's status as a source state for gun trafficking. At the same time, the law does not appear to create an onerous burden for the law-abiding gun purchaser who apply for and are granted multiple handgun purchase certificates. Even though there is not conclusive evidence that the one-gun-in-thirty-days reduced the number of violent criminal offenses occurring with firearms, the number of Murders, Robberies and Aggravated Assaults occurring with the use of a firearm has significantly dropped since 1993 the year the one-gun-in-thirty-days was enacted.•

DOUGLAS FONTAINE

• Mr. COCHRAN. Mr. President, I am very pleased to learn that the Mississippi Hotel and Motel Association will honor my good friend, Douglas Fontaine, on October 23, 1998, by establishing a scholarship in his name. The scholarship will provide education assistance to future entrepreneurs in the hospitality industry.

Doug literally grew up in the hotel business watching both his parents and grandparents manage the historic "Allison's Wells Spa" in Way, MS. After returning from a tour of duty in Germany where he managed a R & R hotel, he took his turn managing

Allison's Wells. Doug eventually moved to Pascagoula, MS, where he has owned and operated the La Font Inn for over 35 years.

As the only Mississippian to have been President and Chairman of the Board of the American Hotel and Motel Association, his program, "Quest for Quality" has been his lasting legacy for hotels around the United States, Europe and the Caribbean.

Doug has been President of such organizations as the Jackson County Heart Fund, Rotary Club, the Pas-Point Navy League, United Way of Jackson County, the Mississippi Hotel and Motel Association, the Gulf Coast Hotel and Motel Association, the Gulf Coast Economic Development Council, the Jackson County Economic Development Council, and the Jackson County Chamber of Commerce.

Doug was also on the committee that worked to bring Naval Station Pascagoula to Mississippi, and he has chaired the committee to "Save the Homeport" for many years.

Currently, Doug serves as a lifetime Director of the American Hotel and Motel Association and as a member of the National Restaurant Association. He also serves on the Board of Director's of the Hancock Bank, a position he has held for over 27 years.

We are very proud of the leadership and example of Doug Fontaine. Our Nation is strong because of people like him. I congratulate him, his wife Lou, and the Mississippi Hotel and Motel Association for making this tribute a lasting legacy that will offer opportunities to younger members of this industry.●

THE REMARKABLE NEW YORK YANKEES

● Mr. MOYNIHAN. Mr. President, I rise today to add my voice to the growing chorus of people proclaiming, "Thank God for baseball!" In this otherwise tumultuous year, the national pastime is back. Mark McGwire and Sammy Sosa broke Ruthian *(and Marisian!)* records, Cal Ripken voluntarily ended his heroic streak of 2,632 consecutive games played (a record which may never be broken) and, most importantly, the New York Yankees and the incomparable Joe Torre are back on top. Well done!

While New Yorkers have grown accustomed to the success of the Bronx Bombers, 1998 is truly a departure from anything we've witnessed of late. The numbers astound. Their 114 regular season victories are the most in baseball since the 1906 Chicago Cubs. Bernie Williams took the batting title, and on May 17 David Wells hurled the first perfect game by a Yankee pitcher since Don Larsen's masterpiece in game five of the 1956 World Series. (I was an aide to Governor Harriman at the time.) On Friday night, after a three-hour rain delay, the Yankees swept the prodigiously talented Texas Rangers 3-0 in their first-round American League playoff series.

Sadly, the season is not without its concerns. Darryl Strawberry, the embattled talent who so bravely and admirably turned his life and career around these past few years, was diagnosed last week with colon cancer. The Yankees outfielder/designated hitter underwent surgery Saturday and the prognosis of a full recovery is excellent. Our prayers are with him.

Tonight, in the Bronx, the Yankees will host the Cleveland Indians in the first game of the American League Championship Series, the winner to face the Atlanta Braves or San Diego Padres in the World Series. No doubt Darryl Strawberry will be in the hearts and minds of the entire team and city, as the Yankees continue their most remarkable season. Just two years ago, the Yankees won the World Series, and I was honored to ride in a motorcade down Broadway with Joe DiMaggio, the original Yankee Clipper. In all likelihood another parade is in the offing.●

RECOGNIZING THE ACCOMPLISHMENTS OF INSPECTORS GENERAL

● Mr. THOMPSON. Mr. President, I applaud the Senate's action in passing a joint resolution, S. J. Res. 58, recognizing the accomplishments of Inspectors General during the last 20 years.

Inspectors General came into being in 1978, when with the leadership of the Senate Governmental Affairs Committee, Congress passed the act creating these vital positions. The initial legislation was modified and expanded in 1988, and today there are IGs at nearly 60 Federal departments, agencies, and other entities. IGs are a unique institution. By design, they are independent voices that owe duties to both Congress and their agency heads. Their job, which is not easy, is to identify and report on waste, fraud, and abuse, and other problems in Federal Government and then recommend solutions.

IGs have served the taxpayers of this country well. Every year, they make recommendations totaling billions of dollars on how our government should spend money more wisely. They return hundreds of millions of dollars to the Federal treasury annually through investigative recoveries. And they help protect the integrity of Federal Government operations by successfully prosecuting thousands of criminal cases and suspending or disbarring thousands of individuals and entities who have taken advantage of the government.

Naturally, IGs are not always popular at their agencies. No official likes to hear that a policy proposal is going to cost too much money or that a favored program suffers from waste, fraud, or abuse. But delivering news about problems, while sometimes unpopular or unwelcome by an agency, is vital to responsive and wise government management.

Thus, we did well to pass this resolution recognizing the achievements of the IGs and thanking them for their services. The Governmental Affairs Committee looks forward to working with the IGs in the future, including considering possible improvements to the IG act to ensure that they are afforded the necessary independence and authority.●

COMMEMORATION OF THE BICENTENNIAL OF THE LIBRARY OF CONGRESS

Ms. SNOWE. Mr. President, I ask unanimous consent the Banking Committee be discharged in further consideration of H.R. 3790, and further that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 3790) to require the Secretary of the Treasury to mint coins in commemoration of the Bicentennial of the Library of Congress.

There being no objection, the Senate proceeded to consider the bill.

Ms. SNOWE. I ask unanimous consent that the bill be deemed read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3790) was deemed read a third time and passed.

CONSUMER REPORTING EMPLOYMENT CLARIFICATION ACT OF 1998

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 2561 introduced earlier today by Senators NICKLES and BRYAN.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The bill clerk read as follows:

A bill (S. 2561) to amend the Fair Credit Reporting Act with respect to furnishing and using consumer reports for employment purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. NICKLES. Mr. President, Senator BRYAN and I have been working for nearly a year to address concerns within the motor carrier industry with respect to the Fair Credit Reporting Act. I would like to thank Senator BYRAN for his leadership on this important legislation. We have been working to ensure all involved parties are in agreement with the changes to the Fair Credit Reporting Act in this bill.

The Consumer Credit Reporting Reform Act of 1996, which passed as part of the Omnibus Conciliation Appropriations Act of 1997, contained reforms to the Fair Credit Reporting Act which are in conflict with the reality of how the motor carrier industry hires safe, responsible drivers.

We have reached an agreement with consumer groups, including U.S. PIRG, the chairman and ranking member of the Banking Committee, the Federal Trade Commission, and the credit industry which will not reduce consumer protections but will ensure a fair process for the regulated community. I would like to thank everyone for their help throughout this process on this important legislation.

This legislation will more appropriately address the manner in which the trucking industry hires safe, responsible drivers. If an individual applies for employment by mail, telephone, or electronic means, the employer can notify the potential employee orally, in writing, or electronically, that a consumer report may be obtained for employment purposes. The applicant must then consent to the procurement of that report.

This legislation will also allow an employer within the trucking industry, if the potential employee has applied for employment by mail, telephone, or electronically, to take adverse action based on the report and then notify the consumer within three business days that adverse action has been taken.

In addition, this bill also includes a provision that will allow criminal convictions to be reported past 7 years. This information is critical to employers in the areas of child care, education, and household services.

And finally we have included technical amendments to the Fair Credit Reporting Act that, again, the Federal Trade Commission and the regulated community are in agreement with.

It is essential that this commonsense legislation pass the Senate this year and I encourage my colleagues to support this bill. I want to again thank everyone for their support on this issue and I thank my colleagues Senator Sarbanes, Senator Bryan, Senator Mack, and others on the Banking Committee for their leadership on the Fair Credit Reporting Act.

Ms. SNOWE. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2561) was considered read the third time and passed.

(The text of the bill will be printed in a future edition of the Record.)

MIGRATORY BIRD HUNTING AND CONSERVATION STAMPS

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.R. 4248 which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (H.R. 4248) to authorize the use of receipts from the sale of the Migratory Bird Hunting and Conservation Stamp to promote additional stamp purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. CHAFEE. Mr. President, I am pleased to offer my support for the Migratory Bird Hunting and Conservation Stamp Promotion Act of 1998, or the Duck Stamp Act as it is more commonly known.

In 1934 President Roosevelt signed into law the Migratory Bird Hunting Stamp Act (Act). The Act required that all waterfowl hunters 16 years of age and over must annually purchase and carry a Federal Duck Stamp. The revenue generated from duck stamp sales is earmarked for the Migratory Bird Conservation Fund to buy or lease waterfowl sanctuaries. As a result, many of the nation's wildlife refuges have been purchased in whole or part with duck stamp funds.

Although the Duck Stamp program has been extremely successful, the Act does not provide funds to market and advertise duck stamps. This legislation authorizes the Secretary of the Interior to use up to $1 million a year in duck stamp receipts until 2003 for marketing purposes. To ensure that this program is a success the marketing plan has to be approved by the Migratory Bird Conservation Commission prior to implementation.

Duck stamp sales could increase substantially if funds were available to market the stamp, and I urge my colleagues in the Senate to support H.R. 4248.

Ms. SNOWE. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4248) was considered read the third time and passed.

NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT AMENDMENTS OF 1998

Ms. SNOWE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 434, S. 2095.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

A bill (S. 2059) to reauthorize and amend the National Fish and Wildlife Foundation Establishment Act.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Environment and Public Works, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Fish and Wildlife Foundation Establishment Act Amendments of 1998".

SEC. 2. PURPOSES.

Section 2(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701(b)) is amended by striking paragraph (1) and inserting the following:

"(1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the Department of the Interior or the Department of Commerce, particularly the United States Fish and Wildlife Service and the National Oceanic and Atmospheric Administration, to further the conservation and management of fish, wildlife, and plant resources;".

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

(a) Establishment and Membership.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (a) and inserting the following:

"(a) Establishment and Membership.—

"(1) In general.—The Foundation shall have a governing Board of Directors (referred to in this Act as the 'Board'), which shall consist of 25 Directors appointed in accordance with subsection (b), each of whom shall be a United States citizen.

"(2) Representation of diverse points of view.—To the maximum extent practicable, the membership of the Board shall represent diverse points of view relating to conservation and management of fish, wildlife, and plants.

"(3) Not federal employees.—Appointment as a Director of the Foundation shall not constitute employment by, or the holding of an office of, the United States for the purpose of any Federal law.".

(b) Appointment and Terms.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (b) and inserting the following:

"(b) Appointment and Terms.—

"(1) Agency heads.—The Director of the United States Fish and Wildlife Service and the Under Secretary of Commerce for Oceans and Atmosphere shall be Directors of the Foundation.

"(2) Appointments by the Secretary of the Interior.—

"(A) In general.—Subject to subparagraph (B), after consulting with the Secretary of Commerce and considering the recommendations submitted by the Board, the Secretary of the Interior shall appoint 23 Directors who meet the criteria established by subsection (a), of whom—

"(i) at least 6 shall be knowledgeable or experienced in fish and wildlife conservation;

"(ii) at least 4 shall be educated or experienced in the principles of fish and wildlife management; and "(iii) at least 4 shall be knowledgeable or experienced in ocean and coastal resource conservation.

"(B) Transition provision.—

"(i) Continuation of terms.—The 15 Directors serving on the Board as of the date of enactment of this paragraph shall continue to serve until the expiration of their terms.

"(ii) New directors.—The Secretary of the Interior shall appoint 8 new Directors; to the maximum extent practicable those appointments shall be made not later than 45 calendar days after the date of enactment of this paragraph.

"(3) Terms.—

"(A) In general.—Subject to subparagraph (B), each Director (other than a Director described in paragraph (1)) shall be appointed for a term of 6 years.

"(B) Initial appointments to new member positions.—Of the Directors appointed by the Secretary of the Interior under paragraph (2)(B)(ii), the Secretary shall appoint—

"(i) 2 Directors for a term of 2 years;

"(ii) 3 Directors for a term of 4 years; and

"(iii) 3 Directors for a term of 6 years.

"(4) Vacancies.—

"(A) In general.—The Secretary of the Interior shall fill a vacancy on the Board; to the maximum extent practicable the vacancy shall be filled not later than 45 calendar days after the occurrence of the vacancy.

"(B) Term of appointments to fill unexpired terms.—An individual appointed to fill a vacancy that occurs before the expiration of the term of a Director shall be appointed for the remainder of the term.

"(5) Reappointment.—An individual (other than an individual described in paragraph (1)) shall not serve more than 2 consecutive terms as a Director, excluding any term of less than 6 years.".

(c) Procedural Matters.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by adding at the end the following:

"(h) Procedural Matters.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Foundation.".

(d) Technical Amendments.—

(1) Section 4(c)(5) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)(5)) is amended by striking "Directors of the Board" and inserting "Directors of the Foundation".

(2) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by striking "Secretary" and inserting "Secretary of the Interior or the Secretary of Commerce".

(3) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by inserting "or the Department of Commerce" after "Department of the Interior".

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION.

(a) Principal Office of the Foundation.—Section 4(a)(3) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(a)(3)) is amended by inserting after "the District of Columbia" the following: "or in a county in the State of Maryland or Virginia that borders on the District of Columbia".

(b) Investment and Deposit of Federal Funds.—Section 4(c) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs [(8)] *(7)* through [(12)] *(11)*, respectively; and

(2) by inserting after paragraph (2) the following:

"(3) to invest any funds provided to the Foundation by the Federal Government in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States;

"(4) to deposit any funds provided to the Foundation by the Federal Government into accounts that are insured by an agency or instrumentality of the United States;

"(5) to make use of any interest or investment income that accrues as a consequence of actions taken under paragraph (3) or (4) to carry out the purposes of the Foundation;

"(6) to use Federal funds to make payments under cooperative agreements entered into with willing private landowners to provide substantial long-term benefits for the restoration or enhancement of fish, wildlife, and plant resources on private land;".

(c) Agency Approval of Acquisitions of Property.—Section 4(e)(1) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) the Foundation notifies the Federal agency that administers the program under which the funds were provided of the proposed acquisition, and the agency does not object in writing to the proposed acquisition within 45 calendar days after the date of the notification.".

(d) Repeal.—Section 304 of Public Law 102-440 (16 U.S.C. 3703 note) is repealed.

(e) Agency Approval of Conveyances and Grants.—Section 4(e)(3)(B) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(3)(B)) is amended by striking clause (ii) and inserting the following:

"(ii) the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided of the proposed conveyance or provision of Federal funds, and the agency does not object in writing to the proposed conveyance or provision of Federal funds within 45 calendar days after the date of the notification.".

(f) Reconveyance of Real Property.—Section 4(e) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)) is amended by striking paragraph (5) and inserting the following:

"(5) Reconveyance of real property.—The Foundation shall convey at not less than fair market value any real property acquired by the Foundation in whole or in part with Federal funds if the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided, and the agency does not disagree within 45 calendar days after the date of the notification, that—

"(A) the property is no longer valuable for the purpose of conservation or management of fish, wildlife, and plants; and

"(B) the purposes of the Foundation would be better served by use of the proceeds of the conveyance for other authorized activities of the Foundation.".

(g) Expenditures for Printing Services or Capital Equipment.—Section 4 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703) is amended by adding at the end the following:

"(f) Expenditures for Printing Services or Capital Equipment.—The Foundation shall not make any expenditure of Federal funds in connection with any 1 transaction for printing services or capital equipment that is greater than $10,000 unless the expenditure is approved by the Federal agency that administers the Federal program under which the funds were provided.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709) is amended by striking subsections (a), (b), and (c) and inserting the following:

"(a) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated to carry out this Act for each of fiscal years 1999 through 2003—

"(A) $30,000,000 to the Department of the Interior; and

"(B) $5,000,000 to the Department of Commerce.

"(2) Requirement of advance payment.—The amount made available for a fiscal year under paragraph (1) shall be provided to the Foundation in an advance payment of the entire amount on October 1, or as soon as practicable thereafter, of the fiscal year.

"(b) Additional Authorization.—In addition to the amounts authorized to be appropriated under subsection (a), the Foundation may accept Federal funds from a Federal agency under any other Federal law for use by the Foundation to further the conservation and management of fish, wildlife, and plant resources in accordance with the requirements of this Act.

"(c) Use of Federal Funds.—

"(1) In general.—Subject to paragraphs (2) and (3), Federal funds provided to the Foundation under this section shall be used by the Foundation for matching, in whole or in part, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(2) Prohibition on use for administrative expenses.—No Federal funds provided to the Foundation under this section shall be used by the Foundation to pay for administrative expenses of the Foundation, including for salaries, travel and transportation expenses, and other overhead expenses.

"(3) Requirement of non-federal match.—No Federal funds provided to the Foundation under this section shall be used by the Foundation to carry out a cooperative agreement under section 4(c)(6) unless the funds are matched on at least a 1-for-1 basis by non-Federal contributions to the [Foundation.".] *Foundation.*

"(4) Limitation on use of funds.—No Federal funds appropriated under the authority granted by this Act shall be used to support lobbying or litigation by any recipient of a Foundation grant.".

Ms. SNOWE. I ask unanimous consent that the committee amendments be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendments were withdrawn.

AMENDMENT NO. 3749

(Purpose: To provide a complete substitute)

Ms. SNOWE. Mr. President, Senator Chafee has a substitute amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Maine [Ms. Snowe], for Mr. Chafee, proposes an amendment numbered 3749.

(The text of the amendment is printed in today's Record under "Amendments Submitted.")

Mr. CHAFEE. Mr. President, I am pleased to offer my support today for

S. 2095, legislation to reauthorize the National Fish and Wildlife Foundation Establishment Act of 1984. This legislation makes important changes in the Foundation's charter, changes that I believe will allow the Foundation to build on its fine record of providing funding for conservation of our nation's fish, wildlife and plant resources.

The National Fish and Wildlife Foundation was established in 1984, to bring together diverse groups to engage in conservation projects across America and, in some cases, around the world. Since its inception, the Foundation has made more than 2,300 grants totaling over $270 million. This is an impressive record of accomplishment. The Foundation has pioneered some notable conservation programs, including implementing the North American Waterfowl Management plan, Partners in Flight for neotropical birds, Bring Back the Natives Program, the Exxon Save the Tiger Fund, and the establishment of the Conservation Plan for Sterling Forest in New York and New Jersey, to name just a few.

Mr. President, the Foundation has funded these programs by raising private funds to match federal appropriations on at least a 2 to 1 basis. During this time of fiscal constraint this is an impressive record of leveraging federal dollars. Moreover, all of the Foundation's operating costs are raised privately, which means that federal and private dollars given for conservation is spent only on conservation projects.

Mr. President, this legislation is quite simple. It makes three key changes to current law. First, the bill would expand the Foundation's governing Board of Directors from 15 members to 25 members. This will allow a greater number of those with a strong interest in conservation to actively participate in, and contribute to, the Foundation's activities.

The bill's second key feature authorizes the Foundation to work with other agencies within the Department of the Interior and the Department of Commerce, in addition to the Fish and Wildlife Service and the National Oceanic and Atmospheric Administration. Mr. President, it is my view that the Foundation should continue to provide valuable assistance to government agencies within the Departments of the Interior and Commerce that may be faced with conservation issues. Finally, it would reauthorize appropriations to the Department of the Interior and the Department of Commerce through 2003.

Mr. President, I believe that this legislation will produce real conservation benefits, and I strongly urge my colleagues to give the bill their support.

Ms. SNOWE. Mr. President, I ask unanimous consent that the substitute be agreed to, the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 3749) was agreed to.

The bill (S. 2095), as amended, was considered read a third time and passed, as follows.

S. 2095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Fish and Wildlife Foundation Establishment Act Amendments of 1998".

SEC. 2. PURPOSES.

Section 2(b) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701(b)) is amended by striking paragraph (1) and inserting the following:

"(1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and services of the Department of the Interior or the Department of Commerce, particularly the United States Fish and Wildlife Service and the National Oceanic and Atmospheric Administration, to further the conservation and management of fish, wildlife, and plant resources;".

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

(a) ESTABLISHMENT AND MEMBERSHIP.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (a) and inserting the following:

"(a) ESTABLISHMENT AND MEMBERSHIP.—

"(1) IN GENERAL.—The Foundation shall have a governing Board of Directors (referred to in this Act as the 'Board'), which shall consist of 25 Directors appointed in accordance with subsection (b), each of whom shall be a United States citizen.

"(2) REPRESENTATION OF DIVERSE POINTS OF VIEW.—To the maximum extent practicable, the membership of the Board shall represent diverse points of view relating to conservation and management of fish, wildlife, and plants.

"(3) NOT FEDERAL EMPLOYEES.—Appointment as a Director of the Foundation shall not constitute employment by, or the holding of an office of, the United States for the purpose of any Federal law.".

(b) APPOINTMENT AND TERMS.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by striking subsection (b) and inserting the following:

"(b) APPOINTMENT AND TERMS.—

"(1) AGENCY HEADS.—The Director of the United States Fish and Wildlife Service and the Under Secretary of Commerce for Oceans and Atmosphere shall be Directors of the Foundation.

"(2) APPOINTMENTS BY THE SECRETARY OF THE INTERIOR.—

"(A) IN GENERAL.—Subject to subparagraph (B), after consulting with the Secretary of Commerce and considering the recommendations submitted by the Board, the Secretary of the Interior shall appoint 23 Directors who meet the criteria established by subsection (a), of whom—

"(i) at least 6 shall be knowledgeable or experienced in fish and wildlife conservation;

"(ii) at least 4 shall be educated or experienced in the principles of fish and wildlife management; and

"(iii) at least 4 shall be knowledgeable or experienced in ocean and coastal resource conservation.

"(B) TRANSITION PROVISION.—

"(i) CONTINUATION OF TERMS.—The 15 Directors serving on the Board as of the date of enactment of this paragraph shall continue to serve until the expiration of their terms.

"(ii) NEW DIRECTORS.—The Secretary of the Interior shall appoint 8 new Directors; to the maximum extent practicable those appointments shall be made not later than 45 calendar days after the date of enactment of this paragraph.

"(3) TERMS.—

"(A) IN GENERAL.—Subject to subparagraph (B), each Director (other than a Director described in paragraph (1)) shall be appointed for a term of 6 years.

"(B) INITIAL APPOINTMENTS TO NEW MEMBER POSITIONS.—Of the Directors appointed by the Secretary of the Interior under paragraph (2)(B)(ii), the Secretary shall appoint—

"(i) 2 Directors for a term of 2 years;

"(ii) 3 Directors for a term of 4 years; and

"(iii) 3 Directors for a term of 6 years.

"(4) VACANCIES.—

"(A) IN GENERAL.—The Secretary of the Interior shall fill a vacancy on the Board; to the maximum extent practicable the vacancy shall be filled not later than 45 calendar days after the occurrence of the vacancy.

"(B) TERM OF APPOINTMENTS TO FILL UNEXPIRED TERMS.—An individual appointed to fill a vacancy that occurs before the expiration of the term of a Director shall be appointed for the remainder of the term.

"(5) REAPPOINTMENT.—An individual (other than an individual described in paragraph (1)) shall not serve more than 2 consecutive terms as a Director, excluding any term of less than 6 years.".

(c) PROCEDURAL MATTERS.—Section 3 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3702) is amended by adding at the end the following:

"(h) PROCEDURAL MATTERS.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Foundation.".

(d) TECHNICAL AMENDMENTS.—

(1) Section 4(c)(5) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)(5)) is amended by striking "Directors of the Board" and inserting "Directors of the Foundation".

(2) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by striking "Secretary" and inserting "Secretary of the Interior or the Secretary of Commerce".

(3) Section 6 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3705) is amended by inserting "or the Department of Commerce" after "Department of the Interior".

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION.

(a) PRINCIPAL OFFICE OF THE FOUNDATION.—Section 4(a)(3) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(a)(3)) is amended by inserting after "the District of Columbia" the following: "or in a county in the State of Maryland or Virginia that borders on the District of Columbia".

(b) INVESTMENT AND DEPOSIT OF FEDERAL FUNDS.—Section 4(c) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(c)) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (7) through (11), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) to invest any funds provided to the Foundation by the Federal Government in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States;

"(4) to deposit any funds provided to the Foundation by the Federal Government into accounts that are insured by an agency or instrumentality of the United States;

"(5) to make use of any interest or investment income that accrues as a consequence of actions taken under paragraph (3) or (4) to carry out the purposes of the Foundation;

"(6) to use Federal funds to make payments under cooperative agreements entered into with willing private landowners to provide substantial long-term benefits for the restoration or enhancement of fish, wildlife, and plant resources on private land;".

(c) Agency Approval of Acquisitions of Property.—Section 4(e)(1) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) the Foundation notifies the Federal agency that administers the program under which the funds were provided of the proposed acquisition, and the agency does not object in writing to the proposed acquisition within 45 calendar days after the date of the notification.".

(d) Repeal.—Section 304 of Public Law 102–440 (16 U.S.C. 3703 note) is repealed.

(e) Agency Approval of Conveyances and Grants.—Section 4(e)(3)(B) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)(3)(B)) is amended by striking clause (ii) and inserting the following:

"(ii) the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided of the proposed conveyance or provision of Federal funds, and the agency does not object in writing to the proposed conveyance or provision of Federal funds within 45 calendar days after the date of the notification.".

(f) Reconveyance of Real Property.—Section 4(e) of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703(e)) is amended by striking paragraph (5) and inserting the following:

"(5) Reconveyance of real property.—The Foundation shall convey at not less than fair market value any real property acquired by the Foundation in whole or in part with Federal funds if the Foundation notifies the Federal agency that administers the Federal program under which the funds were provided, and the agency does not disagree within 45 calendar days after the date of the notification, that—

"(A) the property is no longer valuable for the purpose of conservation or management of fish, wildlife, and plants; and

"(B) the purposes of the Foundation would be better served by use of the proceeds of the conveyance for other authorized activities of the Foundation.".

(g) Termination of Condemnation Limitation.—Section 4 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703) is amended by striking subsection (d).

(h) Expenditures for Printing Services or Capital Equipment.—Section 4 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3703) (as amended by subsection (g)) is amended by inserting after subsection (c) the following:

"(d) Expenditures for Printing Services or Capital Equipment.—The Foundation shall not make any expenditure of Federal funds in connection with any 1 transaction for printing services or capital equipment that is greater than $10,000 unless the expenditure is approved by the Federal agency that administers the Federal program under which the funds were provided.".

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 10 of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3709) is amended by striking subsections (a), (b), and (c) and inserting the following:

"(a) Authorization of Appropriations.—

"(1) In general.—There are authorized to be appropriated to carry out this Act for each of fiscal years 1999 through 2003—

"(A) $25,000,000 to the Department of the Interior; and

"(B) $5,000,000 to the Department of Commerce.

"(2) Requirement of advance payment.—The amount made available for a fiscal year under paragraph (1) shall be provided to the Foundation in an advance payment of the entire amount on October 1, or as soon as practicable thereafter, of the fiscal year.

"(3) Use of appropriated funds.—Subject to paragraph (4), amounts made available under paragraph (1) shall be provided to the Foundation for use for matching, on a 1-to-1 basis, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(4) Prohibition on use for administrative expenses.—No Federal funds made available under paragraph (1) shall be used by the Foundation for administrative expenses of the Foundation, including for salaries, travel and transportation expenses, and other overhead expenses.

"(b) Additional Authorization.—

"(1) In general.—In addition to the amounts authorized to be appropriated under subsection (a), the Foundation may accept Federal funds from a Federal agency under any other Federal law for use by the Foundation to further the conservation and management of fish, wildlife, and plant resources in accordance with the requirements of this Act.

"(2) Use of funds accepted from federal agencies.—Federal funds provided to the Foundation under paragraph (1) shall be used by the Foundation for matching, in whole or in part, contributions (whether in currency, services, or property) made to the Foundation by private persons and State and local government agencies.

"(c) Prohibition on Use of Grant Amounts for Litigation and Lobbying Expenses.—Amounts provided as a grant by the Foundation shall not be used for—

"(1) any expense related to litigation; or

"(2) any activity the purpose of which is to influence legislation pending before Congress.".

SEC. 6. LIMITATION ON AUTHORITY.

The National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.) is amended by adding at the end the following:

"SEC. 11. LIMITATION ON AUTHORITY.

"Nothing in this Act authorizes the Foundation to perform any function the authority for which is provided to the National Park Foundation by Public Law 90–209 (16 U.S.C. 19e et seq.).".

UNANIMOUS CONSENT AGREEMENT—H.R. 4194

Ms. SNOWE. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Democratic leader, may proceed to the consideration of the conference report to accompany H.R. 4194, the VA/HUD appropriations bill, and, further, that the conference report be considered as read. I further ask consent that there be 40 minutes for debate on the conference report equally divided and, at the conclusion or yielding back of time, the Senate proceed to vote on adoption of the report.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY, OCTOBER 7, 1998

Ms. SNOWE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9:30 a.m. on Wednesday, October 7. I further ask the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. SNOWE. Mr. President, I further ask consent that there be a period for the transaction of morning business until 10 a.m., with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Ms. SNOWE. Mr. President, for the information of all Senators, on Wednesday there will be a period of morning business until 10 a.m. Following morning business, under a previous order the Senate will proceed to two stacked rollcall votes. The first vote will be on the adoption of the motion to proceed to H.R. 10, the financial services reform bill. The second vote will be on the motion to invoke cloture on S. 442, the Internet tax bill. Assuming cloture is invoked, the Senate will remain on the Internet tax bill with amendments being offered and debated throughout Wednesday's session.

In addition to the Internet tax bill, the Senate may also consider any available appropriations conference reports, executive nominations, or any other legislative items cleared for action. The leader would like to remind all Members that there are only a few days left in which to consider remaining appropriations bills and other important legislation. Members are encouraged to plan their schedules accordingly to accommodate a busy week with votes occurring early in the morning and extending late into the evening.

RECESS UNTIL 9:30 A.M. TOMORROW

Ms. SNOWE. If there is no further business to come before the Senate, I ask the Senate stand in recess under the previous order.

There being no objection, the Senate, at 7:14 p.m., recessed until Wednesday, October 7, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate October 6, 1998:

INTER-AMERICAN FOUNDATION

KAY KELLEY ARNOLD, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE INTER-AMERICAN FOUNDATION FOR A TERM EXPIRING OCTOBER 6, 2004, VICE NEIL H. OFFEN, TERM EXPIRED.

DEPARTMENT OF JUSTICE

DONNIE R. MARSHALL, OF TEXAS, TO BE DEPUTY ADMINISTRATOR OF DRUG ENFORCEMENT, VICE STEPHEN H. GREENE.

JOSE ANTONIO PEREZ, OF CALIFORNIA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF CALIFORNIA FOR THE TERM OF FOUR YEARS VICE STEPHEN SIMPSON GREGG.

HOUSE OF REPRESENTATIVES—*Tuesday, October 6, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. BASS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
October 6, 1998.

I hereby designate the Honorable CHARLES F. BASS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8. An act to amend the Clean Air Act to deny entry into the United States of certain foreign motor vehicles that do not comply with State laws governing motor vehicle emissions, and for other purposes.

H.R. 2675. An act to require that the Office of Personnel Management submit proposed legislation under which group universal life insurance and group variable universal life insurance would be available under chapter 87 of title 5, United States Code, and for other purposes.

The message also announced that the Senate has passed bills of the following titles in which concurrence of the House is requested:

S. 1021. An act to amend title 5, United States Code, to provide that consideration may not be denied to preference eligibles applying for certain positions in the competitive service, and for other purposes.

S. 2432. An act to support programs of grants to States to address the assistive technology needs of individuals with disabilities, and for other purposes.

S. 2505. An act to direct the Secretary of the Interior to convey title to the Tunnison Lab Hagerman Field Station in Gooding County, Idaho, to the University of Idaho.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Illinois (Mr. WELLER) for 5 minutes.

SAVING SOCIAL SECURITY WHILE PROVIDING THE AMERICAN PEOPLE WITH TAX CUTS

Mr. WELLER. Mr. Speaker, I thought I would take a few minutes and talk about an issue that is so important to the folks back home on the south side of Chicago in the south suburbs, that I have the privilege of representing.

We have had a big achievement in the last few years, doing something that Washington failed to do for 28 years, and that is we balanced the budget, something that families back home in Illinois do every day.

As a result of that balanced budget, we have an opportunity, because for the first time in 28 years we actually have more tax revenue going into the Treasury than we are spending. It is something new, something new, a new experience in Washington, and I am proud to be a part of this Congress which balanced the budget for the first time in 28 years.

It is projected by the Congressional Budget Office that this opportunity over the next 10 years is $1.6 trillion or 1 trillion 600 billion dollars in extra tax revenue that is coming to Washington. One thing the folks back home have often told me, and that is if we do not prevent them, those politicians in Washington will spend that extra money on government spending and new government programs, when it is really the hard-earned dollars of the folks back home in Illinois that are the surplus tax revenue that we have here in Washington.

I am proud to say that this House in the last 2 weeks has taken action to preserve this extra tax revenue, this extra tax surplus, and to use it to save Social Security and eliminate the marriage tax penalty and to help family farmers and small businesspeople and those who want to send their kids off to college.

We adopted what is called the 90–10 plan, and under the 90–10 plan we set aside 90 percent of projected tax revenue surplus, which is $1.4 trillion, for Social Security, priority number one. What is left we give back to the American people in tax relief, addressing what I consider to be the most unfair provision and the consequence of our Tax Code, which is the marriage tax penalty, eliminating it for the majority of those who suffer it.

I think it is important to point out that we set aside $1.4 trillion in surplus tax revenue to save Social Security, and the remainder we use to eliminate the marriage tax penalty and other consequences of our Tax Code. That is a big victory for the folks back home because when one thinks about it, back last January when the President gave his State of the Union speech, I was one of those who stood up and applauded when the President said, let us take the surplus and use it to save Social Security, because at that time the surplus was about $600 billion.

Well, we have set aside, just 2 weeks ago, more than two times what the President asked for to save Social Security, $1.4 trillion.

Of course, the centerpiece of this effort to eliminate the marriage tax penalty and to help family farmers and small businesspeople was the effort to eliminate the marriage tax penalty. I have often raised the question here in the well of this House, is it right, is it fair, that under our Tax Code, that average married working couples with two incomes pay higher taxes than an identical working couple with an identical income who lives together outside of marriage? That is just wrong that under our Tax Code that married couples pay more in taxes than couples who live together outside of marriage. That is wrong, and that is unfair.

I am proud that the centerpiece of the tax cut provision of the 90–10 plan eliminates the marriage tax penalty. In fact, as I point out here in this worksheet, for 28 million married working couples, they will see an extra $240 in higher take-home pay as a result of our effort to save Social Security and eliminate the marriage tax penalty.

Back home in Joliet, $240 is a car payment; it is a month or two child care at a local day care center, for parents who are working and struggling to make ends meet.

It is kind of interesting, though. The President just the other day, he talks about the Republican efforts to eliminate the marriage tax penalty, and he says, a tax cut, that is squandering the surplus. He wants to spend it, and he says he wants to save Social Security and spend the surplus tax revenue. Of course, Republicans want to save Social Security and eliminate the marriage tax penalty and help family farmers and small businesspeople and those who want to send their kids off to college.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I just thought I would make a little chart here, because I thought I would figure out what is the difference here? With politicians, one always has to kind of not necessarily listen to what they say, one needs to watch what they do. The President says we are squandering the surplus if we are going to use it to eliminate the marriage tax penalty.

What is interesting is in the 90–10 plan, our effort to save Social Security, eliminate the marriage tax penalty and help family farmers and small businesspeople, our net tax cut next year will be $7 billion.

The President says that is $7 billion that is squandered, but he turns right around and says we need to spend $14 billion of that surplus on the State Department and military spending and computers for government bureaucrats, but that is okay.

We cannot have it both ways. Republicans want to save Social Security. We want to eliminate the marriage tax penalty. My hope is the Senate will join us and the President will join us in a bipartisan effort to save Social Security, eliminate the marriage tax penalty, to help family farmers and small businesspeople, truly help those who want to send their kids off to college.

RECESS

The SPEAKER pro tempore. There being no further requests for morning hour debates, pursuant to clause 12, rule I, the House will stand in recess until 10 a.m.

Accordingly (at 9 o'clock and 7 minutes a.m.) the House stood in recess until 10 a.m.

□ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. UPTON) at 10 a.m.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

As the ancient scriptures proclaim: "For everything there is a season, and a time for every matter under heaven." We know, O God, that we have our moods and our moments, our highs and lows. We have weariness and exaltation. We pray this day, O loving God, that at any time of great testing we will see more clearly the responsibilities of doing justice, loving mercy and walking humbly with You. May our vision of Your good creation inspire us, whatever our task, to serve the people of the Nation with honor, with righteousness, with nobility, with respect, so that in all things, we will be Your people and do those good things that honor You and serve the common good. In Your name we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nebraska (Mr. BARRETT) come forward and lead the House in the Pledge of Allegiance.

Mr. BARRETT of Nebraska led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

BELINDA McGREGOR

The Clerk called the Senate bill (S. 1304) for the relief of Belinda McGregor.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MAI HOA "JASMIN" SALEHI

The Clerk called the bill (H.R. 1794) for the relief of Mai Hoa "Jasmin" Salehi.

There being no objection, the Clerk read the bill as follows:

H.R. 1794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT RESIDENT STATUS FOR MAI HOA "JASMIN" SALEHI.

(a) IN GENERAL.—Notwithstanding subsections (a) and (b) of section 201 of the Immigration and Nationality Act, Mai Hoa "Jasmin" Salehi shall be eligible for issuance of an immigrant visa or for adjustment of status to that of an alien lawfully admitted for permanent residence upon filing an application for issuance of an immigrant visa under section 204 of such Act or for adjustment of status to lawful permanent resident.

(b) ADJUSTMENT OF STATUS.—If Mai Hoa "Jasmin" Salehi enters the United States before the filing deadline specified in subsection (c), she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the application for issuance of an immigrant visa or the application for adjustment of status is filed with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Mai Hoa "Jasmin" Salehi, the Secretary of State shall instruct the proper officer to reduce by 1, during the current or next following fiscal year, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, the total number of immigrant visas that are made available to natives of the country of the alien's birth under section 202(e) of such Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MERCEDES DEL CARMEN QUIROZ MARTINEZ CRUZ

The Clerk called the bill (H.R. 1834) for the relief of Mercedes Del Carmen Quiroz Martinez Cruz.

There being no objection, the Clerk read the bill as follows:

H.R. 1834

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. IMMEDIATE RELATIVE STATUS FOR MERCEDES DEL CARMEN QUIROZ MARTINEZ CRUZ.

(a) IN GENERAL.—Mercedes Del Carmen Quiroz Martinez Cruz shall be classified as an immediate relative within the meaning of section 201(b)(2)(A)(i) of the Immigration and Nationality Act for purposes of approval of a relative visa petition filed under section 204 of such Act by Mercedes Del Carmen Quiroz Martinez Cruz and the filing of an application for an immigrant visa or for adjustment of status.

(b) ADJUSTMENT OF STATUS.—If Mercedes Del Carmen Quiroz Martinez Cruz enters the United States before the filing deadline specified in subsection (c), she shall be considered to have entered and remained lawfully and shall, if otherwise eligible, be eligible for adjustment of status under section 245 of the Immigration and Nationality Act as of the date of the enactment of this Act.

(c) DEADLINE FOR APPLICATION AND PAYMENT OF FEES.—Subsections (a) and (b) shall apply only if the petition and the application for issuance of an immigrant visa or the application for adjustment of status are filed by Mercedes Del Carmen Quiroz Martinez Cruz with appropriate fees within 2 years after the date of the enactment of this Act.

(d) REDUCTION OF IMMIGRANT VISA NUMBER.—Upon the granting of an immigrant visa or permanent residence to Mercedes Del Carmen Quiroz Martinez Cruz, the Secretary of State shall instruct the proper officer to reduce by 1, for the following fiscal year, the total number of immigrant visas available under section 201(c)(1)(A) of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes on both sides.

DO DEMOCRATS HAVE AGENDA?

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, over the weekend I had the great pleasure of spending time with some of my constituents to let them know about our future agenda in the Republican Party. We discussed future surpluses in our Federal budget, we discussed the recently passed tax cuts targeting working, middle-class income American families. We discussed the benefits of the recently passed Patient Protection Act that makes health care more accessible, accountable and affordable.

But then I got back to Washington and read in yesterday's Roll Call newspaper that Democrats do not even have an agenda. As a matter of fact, the argument cited a Democratic source who said that their party, quote, "needs something to campaign on, and if the President doesn't use his veto pen, we (the Democrats) are in trouble."

Actually maybe I am reading this wrong. Perhaps the Democrats do have an agenda, an agenda to shut down the government. While this Republican-led Congress has delivered on its promises to balance the budget, provide meaningful tax cuts and to save Social Security, my liberal colleagues have no better agenda than to shut the government down.

PRESIDENT'S BEHAVIOR DOES NOT CONSTITUTE IMPEACHABLE OFFENSE

(Mr. CLEMENT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CLEMENT. Mr. Speaker, I do not claim to be a great constitutional scholar, but I have read the Constitution and considered carefully what scholars have written about the document, about what its framers had in mind, about our common law tradition and about the history of impeachment of government officials.

A careful reading of constitutional history leads one to conclude the information we have before the Congress concerning the behavior of the President does not constitute a constitutionally impeachable offense. Were certain of the President's actions shocking? Yes, clearly. Distasteful? Yes, clearly. Shameful? Yes. Morally reprehensible? Yes. Deserving of punishment and censure? Clearly, yes.

But do the President's actions meet the test for impeachment envisioned by the Founding Fathers? Just as clearly the answer must be a resounding no. Punish the President, not impeach; punish the President, not the American people.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The gentleman will be reminded that he is not to make personal references to the President.

THE ABORTION/BREAST CANCER LINK

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, this month is National Breast Cancer Awareness Month. I am concerned that the National Cancer Institute, our Federal agency charged with leading the war on cancer, refuses to tell American women the truth about one of the most avoidable risk factors for breast cancer; that is, abortion.

Eleven out of twelve studies, most done by or funded by the National Cancer Institute, show higher breast cancer incidence among American women who have had an abortion. Meanwhile, the NCI claims on its website there is no convincing evidence of the abortion/breast cancer link.

An exhaustive review of the evidence published 2 years ago by Penn State College of Medicine estimated that almost 5,000 American women get breast cancer every year because they chose to have an abortion; 5,000.

Mr. Speaker, covering up the truth about possible cancer risk is a serious matter and must be addressed. I urge the House to hold hearings on this matter of importance to all women.

GOOD THINGS ARE HAPPENING IN WASHINGTON

(Mrs. LINDA SMITH of Washington asked and was given permission to address the House for 1 minute.)

Mrs. LINDA SMITH of Washington. Mr. Speaker, I want to stand today and talk about something good. In the midst of all the scandals that are going on, there are good things happening. Around the Nation people need to know about that, as we need to remind ourselves in this body.

The good thing is we are returning power to the American people. We just passed a bill that returned money to the classrooms. Instead of billions of dollars in bureaucracies, it just says it is time to go back and give the money to the teachers and the families.

Today we are going to pass a bill that returns billions of dollars to the communities to start housing for those that need housing, to have housing for the elderly and those beginning young families that are trying to build their own homes.

Yes, there are good things happening here in Washington, D.C., and it is not all scandal. We need to call the Senate and ask them individually to pass Dollars to the Classroom. Get the dollars out of the bureaucracy and back in the classroom. Get the dollars out of the bureaucracy and back into housing for our citizens. Good things are happening.

CUBA

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, for 15 months Cuban dissidents Vladimiro Roca, Martha Beatriz Roque, Felix Bonne and Rene Gomez Manzano have been imprisoned by the Castro dictatorship for publishing a document critical of Cuba's Communist totalitarian system. Last week they were charged with a trumped-up crime of sedition, causing the outrage of international human rights organizations.

This oppression of the voices for freedom in Cuba is routine practice by the Castro dictatorship. Any individual who attempts to exercise his or her right to free speech to help create a democratic opening on the island is harassed, arrested and ultimately imprisoned.

This is more evidence that Castro will not change his totalitarian politics. Yet the Clinton administration insists on appeasing the Castro dictatorship by failing to implement the Helms-Burton law and waiving important parts of this legislation. It is time for the White House to wake up and realize that flirting with Castro will not help bring freedom to Cuba's oppressed people.

FISCAL YEAR 1999 AGRICULTURE APPROPRIATIONS

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Speaker, I rise to strongly encourage the President to sign the 1999 agriculture appropriations bill. This bill contains much needed assistance for farmers and ranchers who are facing severe drought, farmers trying to hold together their operations in the face of several years of floods and disease, and farmers seeing their incomes decline significantly due to circumstances beyond their control.

I want to emphasize to my colleagues the assistance provided in this bill is not an implicit acknowledgment that agriculture policy needs to change direction. It is simply a recognition of the great need that we have in rural America.

The calls for additional funds for farmers are not about money, they are about policy. Some believe that they can seize on today's problems to change the course of the 1996 farm bill. My question is, why return to the old, failed farm policies of the past? Let us work through these international trade problems and continue to free agriculture to achieve great success in the 21st century. A good first step would be for the President to sign this bill. Do not play shut down the government with our farmers.

THE PRESIDENT IN HIS OWN WORDS

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, guess who made the following quotes. In 1974: "If a President of the United States ever lied to the American people, he should resign."

Again in 1974: "I think it's plain that the President should resign and spare the country the agony of this impeachment and removal proceeding. I think the country would be spared a lot of agony and the government could worry about inflation and a lot of other problems if he'd resign."

Again in 1974: "I think the definition of impeachment should include any criminal act plus willful failure of the President to fulfill his duty to uphold and execute the laws of the United States. And another factor that I think constitutes an impeachable offense would be willful, reckless behavior in office."

In 1992: "I think trust and trustworthiness is an issue in this campaign, and I think I've demonstrated it in my life."

Again in 1992: "I'm concerned by any action which sends a signal that if you work for the government, you're above the law, or not telling the truth to Congress, under oath, is somehow less serious than not telling the truth to some other body, under oath."

THE RULE OF LAW

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute.)

Mr. BARR of Georgia. Mr. Speaker, on November 5, 1997, I introduced a resolution calling for an inquiry into the impeachment of President Clinton. Yesterday the House Judiciary Committee, 11 months to the day thereafter, voted to begin that inquiry, having before it at least 15 possible impeachable offenses. By the end of this week, the full House will have the opportunity to begin to find the truth by supporting this resolution.

If we accept that this inquiry is merely about sex and politics, we have already failed in our constitutional responsibility. This is about the rule of law. It is about accountability. It is about American citizens being free from fear that a high government official can tap them on the shoulder, escort them into a room, force them to succumb to the official's wishes and then obstruct that citizen's right to seek justice in our courts.

We must stand firm for the law, the Constitution, and the American people by supporting the inquiry of impeachment.

THE NEED FOR A NATIONAL BALLISTIC MISSILE DEFENSE SYSTEM TODAY

(Mr. PETERSON of Pennsylvania asked and was given permission to address the House for 1 minute.)

Mr. PETERSON of Pennsylvania. Mr. Speaker, I want my colleagues to ask themselves a question. That question is, how long will it be before rogue nations are able to reach American soil with ballistic missiles? In 1995, some said 15 years. President Clinton used this information to justify his veto of the 1996 defense authorization bill which called for the deployment of a national missile defense system by the year 2003. Mr. Speaker, as our esteemed chairman of the House Committee on National Security, the gentleman from South Carolina (Mr. SPENCE), said, the missile threat is not 15 years away, it is here now.

Recently we found out that North Korea fired its Taepo Dong 1 missile over the Sea of Japan. This missile has a maximum range of 1,250 miles. If anyone thinks that North Korea and other nations do not have the technological ability to hit American soil, we could all be dead wrong.

The U.S. must be able to defend itself from ballistic missile attacks. Efforts not unlike those to make the U.S. first to the moon are needed to protect the American way of life. The President must agree to put a ballistic missile defense system in place today because the American citizens need to be secure that they are safe.

ACCOMPLISHMENTS

(Mr. GUTKNECHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GUTKNECHT. Mr. Speaker, there is an expression around this town that "people are entitled to their own opinions, but they are not entitled to their own facts." We have heard a lot in the last couple of weeks about this Congress and how little it has accomplished, but let us look at the facts.

For the first time since I was in high school, we have a balanced budget. We have more than that. We have a surplus this year. And for the first time since Tiger Woods was 5 years old, American families are actually going to get some tax relief. Let us talk about some of those tax cuts and what they mean to American families.

We are allowing for a $500-per-child tax credit. We are making it easier for families to send their kids to school and to college, and we are also making it easier for them to save and invest for their future through capital gains tax relief and estate tax relief.

IRS reform. We are now saying that the IRS has to prove that you are guilty rather than the other way around.

In the area of agriculture, we have made significant progress in terms of helping our farmers get through these tough times.

In health care, we have made it much more portable so if you lose your job or change jobs, you can take your health insurance with you.

In the area of education, this Congress is saying that 90 percent of the funds ought to go to the classroom rather than be consumed by the bureaucracy.

☐ 1015

On all the areas people are entitled to their own opinions, but they are not entitled to their own facts.

WHAT A DIFFERENCE IT MAKES HAVING REPUBLICANS IN CHARGE OF THE HOUSE AND SENATE

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, after 2 years of being stricken and terrified with a Democrat House of Representatives, a Democrat Senate and a Democrat White House, the American people in 1994 changed horses. We put Republicans in charge of the House and the Senate, and what a difference it made as compared to when the Democrats were running the show, pushing for socialized medicine, and pushing and passing the largest tax increase in the history of the country, pushing for all kinds of new regulations on the American families and businesses.

Republicans got in there, worked for balancing the budget. Now for the first time since 1969 the budget is balanced.

Medicare reform. 1995, when the trustees said Medicare was going broke, went in and on a bipartisan basis saved and protected Medicare.

And on the economy, by slowing down the rate of growth in government the economy has moved, and here is an indication of it where the Dow Jones industrial average in 1994 was at 3800. By 1998 it had gone towards the 9,000 level. That means lots of new jobs for American workers, and that shows what kind of a difference the ballot box can make.

DISCRIMINATION AGAINST AFRICAN AMERICAN AND MINORITY FARMERS ACKNOWLEDGED BY DEPARTMENT OF AGRICULTURE

(Ms. McKINNEY asked and was given permission to address the House for 1 minute.)

Ms. McKINNEY. Mr. Speaker, I rise on behalf of a forgotten component of today's farm debate, the African American and other minority farmers.

Mr. Speaker, this Congress is working at revealing speed to fashion a package of disaster assistance for our Nation's farmers, only some of our most needy farmers do not qualify, and more do not even know about it. The President has requested $7.1 billion in emergency relief for Congress to consider, and we have heard the moving testimonials about low prices and devastating drought.

However, African American and minority farmers have borne a weight even more severe than heavy debt and poor harvesting, that of discrimination and racism. This discrimination has been acknowledged by the U.S. Department of Agriculture, and Secretary Glickman personally told me that this issue was a priority for his office. Now unfortunately even the Inspector General of USDA indicts Secretary Glickman as the culprit in the lack of relief for America's minority farmers.

I say no farm relief unless minority farmers and African American farmers are included.

REPUBLICANS HAVE WON THE WAR OF IDEAS

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, balancing the budget, cutting taxes and reforming the welfare system, those are things of which both Democrats and Republicans are very proud. I remember that in speech after speech over the last several months people have said, "Gosh, why do you all let Bill Clinton take credit for balancing the budget, cutting taxes and reforming welfare?" And I am reminded of that great, great sign that appeared on President Ronald Reagan's desk in which said:

"There is no limit to what you can do as long as you don't care who gets the credit."

Mr. Speaker, it is very clear that we as Republicans have, in fact, won the war of ideas. We, in fact, have been the ones who for years have been advocating balancing the federal budget, cutting taxes and reforming our welfare system.

So while Democrats and Republicans alike can take credit for it, I am particularly proud that it was our party, the Republicans, who consistently argued that for years, and we are today enjoying the benefits of those very important policies.

CONFERENCE REPORT ON H.R. 4194, DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1999

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 574 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 574

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. UPTON). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my very dear friend from South Boston, Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, this rule waives points of order against the conference report to accompany H.R. 4194, the VA, HUD and independent agencies appropriations bill for fiscal year 1999. A key element of this rule is that it permits the inclusion in the conference report of the public housing reform bill that the House passed last year with substantial bipartisan support. That legislation will provide more flexibility for local housing authorities and greater housing opportunities for the working poor. Mr. Speaker, I want to commend the chairman of the Subcommittee on Housing, the gentleman from New York (Mr. LAZIO), for his successful efforts in moving this good government reform bill forward.

I would also note that the conference report provides nearly three-quarters of a billion dollars more than the President requested for various veterans assistance programs such as medical care and research, and at this point, Mr. Speaker, having said that, I am going to move into a very, very important issue here, and I am going to take time and encourage my colleagues to join me as we pay tribute to the guy who has done more than almost anyone for veterans in those areas of medical care and research, and I am referring of course to my great pal from Glens Falls, New York, the distinguished chairman who will be retiring: JERRY SOLOMON.

Nobody has worked as aggressively and as tirelessly on behalf of our nation's veterans and for all those programs that benefit them than JERRY SOLOMON.

Mr. Speaker, as you know, the gentleman from New York (Mr. SOLOMON), as I said, will retire this year after two long decades of very distinguished service here in the House of Representatives. During the last 8 years he served as the top Republican on the House Committee on Rules, and during the last 4, as we all know, and especially the gentleman from Massachusetts (Mr. MOAKLEY) knows this, JERRY SOLOMON has served as chairman of the committee. I know I speak for many of his colleagues in Congress, his constituents in the Adirondacks and other parts of New York, our men and women in uniform and the millions of veterans who bravely serve their country when I say that we will all miss the gentleman from New York (Mr. SOLOMON).

Jerry was first elected to Congress as part of the very distinguished class of 1978, which includes, of course the gentleman from Georgia (Mr. GINGRICH), my colleagues from California, JERRY LEWIS and BILL THOMAS and a number of others. But the legacy he will leave behind is as impressive as some who have served in this institution for generations.

Inspired, as I was, by President Ronald Reagan, JERRY SOLOMON has worked to strengthen the morale and preparedness of our military and to make the government fiscally responsible by rooting out waste and inefficiency. He is a principal author of the line item veto legislation that was enacted in the Congress in 1996. He fought tirelessly for the defense build up of the 1980s that led to the end of the Cold War. At a time when the all volunteer Army is serving our Nation well, JERRY reminds us every year of the pending dangers that loom on the international horizon by his spirited advocacy of the Selective Service program. His unquestioned patriotism and love of country have been a source of leadership and inspiration to those who have been fortunate enough to spend their entire lives in a world free from global conflict.

But if there is one legacy that JERRY SOLOMON can be most proud of Mr. Speaker, it can be found in the veterans programs and their funding levels contained in the appropriations bill that this rule makes in order.

As a veteran of the United States Marine Corps, as my late father was, he served during the Korean war and was a former Member of the House Committee on Veterans' Affairs. There, as I said, there was no better advocate for our brave men and women who have made sacrifices for our country and for the freedoms that we enjoy, and there is no one more committed to the long-term success of our military. Serving with JERRY SOLOMON on the Committee on Rules and on the front lines to implement the policies of Ronald Reagan has been one of the most rewarding experiences of my years here.

Mr. Speaker, I want to offer my very best wishes to JERRY and his wonderful wife, Frieda, and their great family as he pursues what I am sure will be another long and very distinguished career in the years ahead.

With that, Mr. Speaker, I will urge adoption of this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank my colleague, my dear friend from California (Mr. DREIER), for yielding me the customary half hour, and, Mr. Speaker, I rise in strong support of this rule, and I rise to pay tribute to my dear friend and for a few weeks remaining my chairman, JERRY SOLOMON. I think the VA, HUD and independent agencies rule is really the perfect place to pay tribute to JERRY.

Mr. Speaker, during his 20 years in the Congress, JERRY SOLOMON has been a tireless defender of the American veterans. Many fights up in that Committee on Rules, I saw him put people in their place because they did not feel that the veterans role was still important. He has worked harder than just about anybody to make sure that the men and women who gave themselves in defense of this country are treated with the honor and gratitude that they deserve. And he is so proud of his beloved Marine Corps that he still gets the Marine Corps hair cut, and I do not think anything has touched him more than receiving the Marine's Iron Mike award.

At a time when our national security is threatened by more regional unrest and threats of terrorism than large global conflicts, many people overlook the contributions made by America's fighting men and women, but not JERRY SOLOMON. JERRY has been at the forefront of nearly every debate on veterans' health, veterans' pensions, the POWs, the MIAs and also defense spending. In fact he will find any way to sneak his military service into about any conversation.

I have sat next to JERRY SOLOMON for many years, and I have to say that I preferred having him on my right. But he has been a very dedicated chairman, and, believe it or not, Mr. Speaker, he has even granted a few open rules.

Alongside his favorite President, Ronald Reagan, JERRY fought the spread of communists all over the world. From insisting on a balanced budget to a shrinking Federal Government, JERRY has been a dedicated soldier of the conservative movement.

As chairman of the Committee on Rules, JERRY filled those shoes as well as anybody that handled that committee before him. He served with distinction, and he has done his party a great service. It has been a great pleasure for me to be working with JERRY. Even though our ideologies are 180 degrees apart, we still have a fond friendship for each other which shows that opposites really do attract.

But his district has been very fortunate to call him Representative, and I have been fortunate to call him my friend.

So JERRY, semper fi.

I rise in support of this rule and congratulate my colleagues JERRY LEWIS from California and LOUIS STOKES from Ohio for their good work on this bill.

Although at one point the VA/HUD conference report contained some pretty awful Housing language, it has been removed and the bill is much better for it.

This bill funds Americorps, boosts veterans medical programs, and fully funds clean water action. It provides $3.7 billion for the National Science Foundation which I completely support. In this high-tech era we cannot devote too much time or energy to advancing scientific research or training our children to take that research over.

This bill provides housing for the elderly and the disadvantaged. It fully funds section 8 and public housing modernization which I can say, as a former resident of public housing, is tremendously important.

I urge my colleagues to support this rule and support this conferences report.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Bakersfield, California (Mr. THOMAS) with whom, as I mentioned in my opening remarks, the gentleman from New York (Mr. SOLOMON) came to the Congress.

□ 1030

Mr. THOMAS. Mr. Speaker, apparently there is a long list of people who want to get their licks in, so we apparently have only a brief period of time.

The one thing that I enjoy almost as much as anything since I came to Congress with JERRY was to indicate that he is leaving with my ability to say Mr. Chairman. When we first came, we were not completely believing that we would ever, ever be able to be in the majority. It was a long difficult haul. But JERRY was key to making it happen.

There are a lot of people around here who hold a lot of opinions and we never really know where they stand. Neither of those are a problem with JERRY. He believes certain things. He believes them very strongly. He will let us know exactly where he is on those issues. That means that it is a joy to work with him—if we are on the same side. If we are not, it is full combat. Since we are almost always on the same side, it has been an absolute pleasure to work with him.

Just one short vignette to give my colleagues the feeling of how wonderful it has been over these last 2 decades. We were freshmen, and there were 35 of us meeting out at the Marriott for our orientation. I came late actually. I replaced a Member who had died after the primary in 1978.

On my left was Dan Lundgren as a freshman Member now running for Governor of California. On my right was JERRY SOLOMON. JERRY leaned over and talked to Dan and said, "Dan, I really admire you. You ought to run for freshman president." Dan felt pretty good, so he stood up and said I am announcing for freshman president. I did not say anything and moved to JERRY, and JERRY stood up and said "I am announcing for freshman president."

With JERRY, we know exactly what we get; and the saddest thing of all is we are not going to get him anymore.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, are there no Democrats on the other side who want to talk either about this spectacular conference report or the gentleman from New York (Mr. SOLOMON)?

Mr. MOAKLEY. I do not think so.

Mr. DREIER. Mr. Speaker, the gentleman just spun around. I am sure they will be breaking down the doors to come in here.

Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from Charlotte, North Carolina (Mrs. MYRICK), a member from the Committee on Rules and my friend.

Mrs. MYRICK. Mr. Speaker, I do rise today in honor of our chairman, the gentleman from New York (Mr. SOLOMON), and to say that our committee is a small one, but it is definitely dominated by the humor and the kindness and actually the temper of our chairman.

There is no better place than today in VA-HUD to honor him, too, because no one has worked harder for the veterans of this country than Jerry has. I know New York State is going to name a veterans' cemetery after him.

He is a true hero in the likes of Ronald Reagan whom I know very much that JERRY totally supported and is very pleased to be cut out of that same mold.

My first impression of the chairman was actually when I was here my first year and in the leadership, and Mr. SOLOMON challenged somebody to step outside. I thought, gee, that is really different. Fortunately, I was never challenged myself personally to step outside, thank goodness.

But his humor is interjected in everything we do, and we very much appreciate that. Sometimes in serious moments in committee meetings or leadership or other places, why, JERRY will come up with something that just totally breaks the ice and makes everybody laugh.

One of those times was, very recently, we were discussing the very serious problem of the year 2000 and what is going to happen to all of our computers. JERRY sat down and was talking about it, and he said, you know, that TY2 thing. Everybody just broke up, which I thought was really great.

Anyway, we are going to truly miss him, and I want to say that he is very much a great patriot of our country.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to my dear friend, the gentleman from Florida (Mr. DIAZ-BALART).

Mr. DIAZ-BALART. Mr. Speaker, for many years, I used to go to lunch in a little restaurant in Little Havana in that section of Miami. The restaurant was called La Hacienda. It was near the courthouse. Other assistant State attorneys would go to lunch there as well as public defenders and police officers.

Very often, also having lunch at La Hacienda was an accountant and businessman named Oliver Martinez. Now just imagine someone as pleasant and charming as JERRY SOLOMON. It was impossible not to like Oliver, and we became very good friends.

Oliver Martinez is a cousin by marriage to JERRY and to his lovely wife Freda. Oliver would always say "My cousin Jerry is a very important Member of Congress." He would talk about how proud he was of his cousin JERRY.

Well, years later, it was my privilege and my honor to be elected to this Congress in this miracle of freedom and human dignity known as the United States of America, and I met Oliver Martinez's cousin JERRY. I learned that, indeed, he was an important Member of Congress. I also learned that he was much more than that.

JERRY SOLOMON is the personification of what is greatest about America. If one had to use only one word to describe JERRY SOLOMON, and many other words accurately describe him, such as integrity and patriotism and decency and talent and loyalty and friendship and courage and energy, but if I had to use one word with which to describe JERRY SOLOMON, I could do it. That word is character.

When you are able to spend 4 years working in the Committee on Rules day in and day out under the leadership of JERRY SOLOMON, Mr. Speaker, you understand what the word character is all about. You also learn what hard work means in the context of teamwork.

It has been my immense privilege to become a friend of this extraordinary American patriot, an extraordinary American patriot devoted to his family and to his colleagues, generous in spirit, gracious to all, but unyielding in his defense of America, its people, and their freedom.

I will truly miss his daily counsel and guidance. I will never be able to fully reciprocate his graciousness. To my leader and chairman and to Freda and the entire family, may you enjoy many, many more years of health and happiness, and may God's grace be forever with you.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when my dear friend the gentleman from California (Mr. DREIER) asked me if I had any speakers, the reason there are no people, we have a very important Democratic caucus going on right now. I know there would be teams and teams of Democrats ready and willing to say something nice about JERRY, but they are tied up in a very important caucus.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, tell them to cancel that meeting and get over here.

Mr. MOAKLEY. Maybe if JERRY would change the rule to increase the time.

Mr. DREIER. Where are your priorities?

Mr. Speaker, I yield a minute and a half to the very distinguished gentleman from Texas (Mr. ARMEY), our majority leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding. And certainly the gentleman from Massachusetts (Mr. MOAKLEY) is correct, we have no doubt about it, if, in fact, the democratic Members of the House of Representatives did not, in fact, have things far more pressing to do they would be here, JERRY, in large numbers to celebrate your leaving. I would say to the gentleman from Massachusetts (Mr. MOAKLEY), we understand that and we appreciate it; there is no doubt about it.

JERRY SOLOMON is one of the fortunate ones. Those of us that have the great privilege of coming to Washington and working on behalf of our friends and neighbors back home also often come to the House of Representatives as our first stop, and those of us that I think that are fortunate enough to perceive early that the House of Representatives is a unique place in the history of the world, I think of it as the most unique institution of freedom in the history of the world, soon fall in love with this institution. I think JERRY SOLOMON has clearly done that, and I tell people often, and I think, JERRY, you, must, too, say I love the House of Representatives; I love its procedures; I love its camaraderie. I even like some of the partisan fights we have here because we are all working here in this House for things in which we invest so much of our life's heartfelt belief, and JERRY has done that.

He is an intense man. He is a colorful man. He is a funny man on occasion. On occasion, he is an angry man. He can be a stubborn man, but he is also a joyful man.

JERRY, congratulations to you to have come to this town to begin your service in Washington. To spend your time in this wonderful place, until your retirement, I think is an extraordinary privilege.

I laugh when I think back. I am sure it was for you, JERRY, like it was for me and for all of us when we first came to town, we were the new kids on the block. There was not a lot of fanfare. There was not a great deal of notice and, to a large extent, when in fact we were noticed at all it was only to ask, who is that guy?

Then we worked and we did our job and we made our associations and we made our mark and we tried this legislation and we tried that legislation. We fought against legislation. We worked with our colleagues. We invited them outside. We even talked about horse whipping on occasion.

After all of these years, to look back, JERRY, on that anonymity, where you must have felt like all of us do, a little insecure, a little worried, will I fit in here, to think that now after all of these years you are retiring, the amount of time and attention that goes to the celebration of your retirement, what a mark you have made. People that hardly noticed you when you came here have their hearts filled with joy that you are leaving.

There can be no doubt, there can be no doubt, that JERRY SOLOMON will be a memory to those of us who have had the privilege of serving with you, Jerry, and you will be a part of these halls forever and ever, as I hope we will all have a chance to earn; just a little bit of a time where our ghost might be welcome back here. Sometime way off into the future when there is a heated debate on this floor, in the middle of that debate we will all hear a voice come out, ringing through the floor, saying, "step outside." I look forward to seeing the wonderment on the faces of the Members as they ask, who was that guy? Where did it come from? But we will know.

Thank you, JERRY, for the privilege of being a colleague.

Mr. DREIER. Mr. Speaker, having spent more time in the woodshed than probably any of my colleagues, thanks to the gentleman from New York (Mr. SOLOMON), I know the feeling that was just mentioned by the distinguished majority leader.

Mr. Speaker, I yield a minute and a half to the gentleman from Lincoln, Nebraska (Mr. BEREUTER), a classmate of the gentleman from New York (Mr. SOLOMON).

Mr. BEREUTER. Mr. Speaker, as a classmate, as a friend, as a long-term colleague of the distinguished gentleman from New York (Mr. SOLOMON), I am pleased to say a few words about him. There is much that could be said about his many very positive contributions to this Congress and to the governance of this Nation.

Our colleague from New York and I have worked together on so many issues. Of course, we have had our policy disagreements from time to time but they are few. Our wives also have become very good friends. Sweet, long-suffering, patient Freda and my wife Louise, are good friends, and JERRY SOLOMON since you are a marine, and I dare not say former marine, in addition to his public service, after retirement from the House, can now devote more attention to trying to bring to order that moving mountain he calls his dog before it chews up all of his wife's carpets and tears up the entire lawn.

Quite seriously I would like to focus on just one aspect of this gentleman's very distinguished service and that is his service and contributions in the North Atlantic Assembly and his focus on NATO issues. JERRY SOLOMON has served as a House delegate to the North Atlantic Assembly since 1982 and he has served there for us with great distinction. He is currently one of the two longest serving members of the House delegation. In that capacity, he served with distinction as the chairman of one of the five committees there, the Political Committee, for the entire maximum length of time for that position. He currently is the North American vice president for the North Atlantic Assembly.

That parliamentary group of NATO countries has had a dramatic effect, I might say, in helping the delegates of the countries of the former Warsaw Pact to understand their parliamentary role in a functioning democracy. Additional, Representative SOLOMON, among other things, has been in the leadership of that NAA effort to help our colleagues from the associated member nations of Eastern and Central Europe.

I also would say that the time he spent here in this House preparing the entire Congress, including our Senate colleagues, for the upcoming vote on NATO expansion, and his strong, and I think correct views, on the necessity of NATO expansion, were a major contribution to the success of the recent enlargement round for NATO and for the enlargement rounds yet to come.

Beyond that, our distinguished colleague from New York (Mr. SOLOMON) has focused necessary congressional attention on the nations of the Caucasus region and on the Central Asian republics and for that we are very grateful and benefitted as Americans. So, JERRY SOLOMON, my colleague, friend, and classmate of 20 years, I say for the American delegates to the World Atlantic Assembly and for so many of us in this Congress, well done. We do not expect you have completed your public service but this part of your career is approaching an end and we thank you.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. HALL), a dear friend, a man who served with JERRY on the Committee on Rules for many years.

Mr. HALL of Ohio. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for introducing me.

Mr. Speaker, I rise to honor my friend and colleague from the Committee on Rules, the gentleman from New York (Mr. SOLOMON). He is a very distinguished chairman of the Committee on Rules, who will be retiring at the end of this Congress and we will miss him.

□ 1045

Being chairman of the Committee on Rules is a difficult job. It is by design one of the most partisan positions in the House, yet the gentleman from New York (Mr. SOLOMON) has succeeded in winning the respect of committee members on both sides of the aisle. Being in the minority sometimes is not a lot of fun, and oftentimes when we get run over by JERRY he does do it with style, I will say that.

Despite the strong differences of opinion in the Committee on Rules, he has maintained an atmosphere of collegiality that is too rare in the House these days. JERRY and I both share a passion for people that are hurting and certainly for reducing the suffering of oppressed people the world over, and he has been very generous with me in support of my efforts to aid the victims of dictators and totalitarian regimes, and I thank him for that.

JERRY is a man of sincerity and integrity. He is committed to his causes. He is one of the giants in the House, and his expertise, drive, and dedication have been an enormous influence in shaping the legislation that has passed through here.

Good luck, JERRY. We will miss you.

Mr. DREIER. Mr. Speaker, I am happy to yield 1½ minutes to my friend from Metairie, Louisiana (Mr. LIVINGSTON), the very distinguished chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Speaker, to my friend JERRY SOLOMON, let me say that our friend, the gentleman from Ohio (Mr. HALL) just said being in the minority is not very fun. We know that, but we also know that being in the majority is fun. And my colleagues on the other side of the aisle knew it for so long: 40 years. We had an opportunity, and it has been a wonderful opportunity for me, to share that change of life from minority to majority with my friend, a former Marine and longtime Congressman, the Chairman of the Committee on Rules, and a public servant par excellence, JERRY SOLOMON.

He is a great American. He is a patriot. He is a man who means what he says and says what he means. If you do not like it, he will step outside with you. The fact is, though, that everyone respects him. People always wonder when Members retire about who will be missed and who won't be. I happen to think that he will be one of the most missed Members. He is one of the most colorful, one of the most dedicated, and one of the most hard-working. The Washingtonian magazine did say he was one of the most hard-working, and I think it was on the money there.

I am going to miss that big file folder with "Solomon" written on it being carried to and fro. I am going to miss our conversations about the dairy farmers, and I know that as soon as that subject comes up next year I will be hearing from him. But we want to wish you and Freda, bon voyage.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to say that I know that JERRY is listening to all of these accolades, and I know last week some people had some nice things to say about him. They were talking about how warm JERRY SOLOMON was, what a warm fellow he was, so JERRY went back and looked up "warm" in the dictionary. It says, "not so hot." Only kidding, JERRY.

Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. GILMAN), my dear friend, just to show how bipartisan this is, the chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, along with my colleagues from the State of New York and throughout the Congress, we find it hard to believe that our distinguished colleague, the chairman of the Committee on Rules, is not going to be with us following adjournment of this session.

As senior Republican of the New York Congressional Delegation, I express my regrets on behalf of our entire delegation that our dear colleague, the gentleman from New York (Mr. SOLOMON) has chosen to step down after 20 years of distinguished service in this body.

I came to know and admire JERRY soon after he came to Congress in 1978. His experience as a Marine, as a town supervisor, a county legislator and member of the New York State Assembly, as well as his experience in the insurance business, brought to this

Chamber an outstanding combination of experience, balance, public service, and most of all, common sense. JERRY's ability to forcibly, and I underscore forcibly, articulate an issue, his energy and, most importantly, his integrity, personified the Congress to many of us.

JERRY, like myself, is a graduate of the New York State Assembly, a superb training ground for legislators, and he worked well there. JERRY acquitted himself meritoriously in that body, his constituents having promoted him to the Congress and keeping him here for some 20 years. I especially appreciate JERRY's leadership role in helping to champion our cause of POWs and MIAs in Southeast Asia, one of our major priorities.

It is well-known that JERRY has had a deep interest in foreign policy and was a strong defender of our United States national security interests. Thus, it was no surprise when he joined us on the House Committee on Foreign Affairs in the 98th Congress in 1983, and I was privileged to serve with him on the Subcommittee on Asia and the Pacific under the tutelage of our Ranking Republican, Joel Pritchard of Washington. That was the only Congress during which we served together on a subcommittee.

JERRY went on to become the Ranking Republican on the Subcommittee on International Operations and Human Rights in the 99th Congress. Even after leaving our committee in 1989 and joining the Committee on Rules, JERRY has continued his strong interest on issues that affect U.S. economic and national security interests. JERRY has been a battler for human rights and against oppression wherever it has reared its ugly head in the world.

My nickname for JERRY is "the battler," because he battles so ardently for his views, but he also enjoys a well deserved reputation for always being willing to listen to the other side.

The job of chairman of the Committee on Rules, a chief legislative traffic cop for this institution, is not an easy task, and JERRY has met those challenges in balancing the many diverse views that have come his way, like so many cars at a busy intersection during rush hour, with aplomb, fairness to all, and good humor, and with his good partner, the gentleman from Massachusetts (Mr. MOAKLEY).

JERRY has also been a true and loyal friend of the veteran. His support for their well-being has made him one of the most beloved of all of our colleagues to them. It was of great comfort to our entire New York Delegation to know that JERRY was there to help when it was learned that the VA was shortchanging our New York veterans' hospitals.

In other areas, especially the efforts to prohibit the desecration of our flag, as well as to bring jobs to New York with a good working wage, JERRY has been a dedicated foot soldier.

So in closing, let me say that when JERRY leaves us, I, regrettably, will be the only committee chairman left in our New York Delegation. JERRY's sage advice and friendship is going to be missed by all. To JERRY, to Freda, to their 5 children, I extend my best wishes for their health and happiness in the days ahead and remind them that they will always be welcome and always have a home here in the Congress.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to my very good friend, the gentleman from Atlanta, Georgia (Mr. LINDER), a valued member of the Committee on Rules.

Mr. LINDER. Mr. Speaker, it is a treat for me to be able to be here on this Tribute to JERRY SOLOMON Day.

About 3 years ago a huge battle over an amendment broke out on the floor of this House and it created quite a stir, and people came running to the floor of the House to see what the problem was, and I figured and discovered that JERRY SOLOMON was right in the middle of it. A senior leadership aide, those are the ones who are quoted more often in Roll Call than leadership, a senior leadership aide walked over to me and said, what is JERRY doing? I said, you need to understand something. JERRY is a Marine, and he is going to take that hill whether you like it or not.

He has been since he was a Marine a public servant, both to his neighborhood and his community, his State and his Nation. And he has been an inspiration to all of us.

I have been privileged for 4 years to serve on the Committee on Rules with him, and he is a fighter, but a fair fighter. Always insisting that the minority have an opportunity to be heard too, always insisting that all sides of an important issue get aired on this floor in terms of an amendment or an opportunity for debate.

I do not know that I have ever seen anyone enter into more fights and scraps and battles than the chairman of the Committee on Rules, but I do not believe he ever has left behind an enemy. Adversaries, yes; enemies, no. This is a great tribute to a public man, and I am honored to have served with him.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. MCNULTY), who is a fellow New Yorker with the person we are honoring here today.

Mr. MCNULTY. Mr. Speaker, I thank my colleague from Massachusetts for yielding me this time.

Mr. Speaker, when I get up in the morning, the first 2 things I do are to thank God for my life and thank veterans for my way of life, because if it had not been for the men and women who wore the uniform of the United States military through the years, I would not have the privilege as a citizen of the United States of America of going around bragging about how we live in the freest and most open democracy on the face of the earth. Freedom is not free. We have paid a tremendous price for it.

I shall always be grateful to those who, like my brother, Bill, made the supreme sacrifice, and to people like that man right there, JERRY SOLOMON, who served with distinction in the United States military and then came back to our home region in upstate New York, was a successful businessman, but more importantly in my eyes, who entered a career in public service. From the local government roles to his national role today, he has rendered such outstanding service.

I have been in the United States Congress for half of JERRY SOLOMON's tenure, and what a privilege it has been, JERRY, over these past 10 years to serve with you, as a team, because together we have accomplished a great deal for the capital region of the State of New York, and I will not go into those items right now. But one day on the steps, I think I was in my first or second term, we were having pictures taken with our respective constituents and JERRY grabbed me and asked the photographer to take a picture of the 2 of us. He later inscribed that photo and sent it over to my office and it is on my office wall today and it will stay there, and it says, "Mike, thank you for being part of the 1-2 punch for the capital region of New York." Let me acknowledge, there was never any doubt about who was number 1 and who was number 2.

But I want to say to my friend, JERRY, what a great honor it was, and it has been, to be number 2 on that team with you. And today I want to look you in the eye and say thank you for your service to our country, number 1, for the tremendous service you gave to your constituents throughout your long and distinguished career; and most importantly, thank you for what you gave to me. You have been a true and loyal friend, and while you are leaving here, and I regret that deeply, the one thing I take comfort in knowing is that that wonderful friendship will continue.

Mr. DREIER. Mr. Speaker, I am happy to yield 1½ minutes to the gentleman from Redlands, California (Mr. LEWIS), my very good friend, and the man who will be managing the conference report when we finally get to that point.

Mr. LEWIS of California. Mr. Speaker, I very much appreciate my colleague, the gentleman from California (Mr. DREIER) yielding me this time.

I simply wanted to rise to let the House try to remember the good old days of the House of Representatives. It was just after the election of 1978 that the real bomb-throwers came to the Congress. I mean there were the likes of NEWT GINGRICH, JERRY LEWIS, JERRY SOLOMON. I remember saying to JERRY one time, I do not sell life insurance, I help people buy it. We were the only 2 insurance agents in our class. He said, my, God, I wish I had thought about that.

☐ 1100

JERRY kids me a lot about the fact that he has mellowed over the years. Many of us, JERRY, have mellowed. But also in this business, while we come with preestablished notions about the way the world should work in the toughest business in public affairs, you do not understand that working with other people and recognizing that most issues have little to do with partisanship, per se, compromises, the way you move towards your objective in terms of the future of the country, not a Member in the House has done more of that kind of growing than JERRY SOLOMON.

He has made a tremendous contribution to the House. He has told us all time and time again that we can work together if we will. And while he pounds his hand on the table, at the same time with a soft velvet glove he gets an awful lot of work done that very few people will understand.

His district will have great difficulty ever replacing the quality and mix that has been JERRY SOLOMON in this House. I am proud to be his friend.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. STOKES), the ranking member on the Subcommittee on VA, HUD and Independent Agencies Appropriations, who is also retiring, my dear friend.

Mr. STOKES. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY), for yielding me this time.

Mr. Speaker, I want to associate myself with the remarks of my other colleagues and the tributes paid here today to chairman of the Committee on Rules, JERRY SOLOMON. As a Member of the Subcommittee on VA, HUD and Independent Agencies Appropriations, I can personally attest to the great respect that I have for the gentleman from New York and the manner in which he has represented the citizens the New York and the veterans of this country.

All of us on that subcommittee became used to JERRY monitoring everything we did for veterans. We also knew that if we did not do what he felt should be done in any particular bill, that we would hear from him either when we went before the Committee on Rules or on the floor of this House.

I had the opportunity to appear before JERRY SOLOMON on several occasions when I chaired the VA-HUD Subcommittee on Appropriations. I have also appeared before him on numerous occasions as the ranking member of the subcommittee. I have to say that I did not always get what I wanted from him, but I was always accorded a full hearing and a patient understanding of my concerns. JERRY was always courteous and considerate.

I have always enjoyed watching JERRY in action on the floor. He is animated, passionate, and a real showman. No matter how much one may disagree with him, you must also always admire him.

All of us, also, JERRY, admire your fierce patriotism and your love of this country. You have had a great career in the House. You have been a credit to this institution and to our Nation. As we both end our careers here at the end of this term, I just want you to know that it has indeed been a great honor for me to have served with you.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Clarks Summit, Pennsylvania (Mr. MCDADE) the distinguished chairman of the Subcommittee on Energy and Water Development, who also is joining that very distinguished group with Mr. SOLOMON and will be, unfortunately, retiring at the end of this term.

Mr. McDADE. Mr. Speaker, I thank the distinguished gentleman from California (Mr. DREIER), the able gentleman and next chairman of the Committee on Rules for yielding me this time. I am grateful for the opportunity to join in this tribute to the distinguished gentleman from New York, my good friend, JERRY SOLOMON, chairman of the Committee on Rules.

JERRY SOLOMON showed himself to be a patriotic champion for conservative causes as well as a masterful legislator. He has done yeoman's work. We have all benefited from the "wisdom of Solomon," and so has the Nation. As the Marine, Semper Fi became more than a model for JERRY SOLOMON. It is his creed. He is genuinely always faithful, and it is part of what makes the gentleman from New York such a tenacious advocate for our Nation's citizens, veterans, workers, GIs and the list goes on and on.

Throughout his career, the gentleman from New York has worked to protect our Nation's proud ensign and promote the fiscal prudence that has led to the elimination of the deficit.

Mr. Speaker, I know that JERRY is not going to retire, so I will not use that word. He is much too active to do what retirement often means to people. And I wish to you and your wife, Freda, much success and happiness in your new life.

I was looking forward, JERRY, to perhaps playing a game of golf with you. I thought maybe he does not golf. Maybe we could go fishing. I found out that JERRY does not fish much. What JERRY did is work, work with that huge envelope of material in front of him. You have been a great, great credit to the House, and we appreciate it.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Pasco, Washington (Mr. HASTINGS), a very valued member of the Committee on Rules and my good friend.

Mr. HASTINGS of Washington. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding me this time. It is my pleasure to be here to pay tribute to the chairman of the Committee on Rules, the gentleman from New York (Mr. SOLOMON).

Mr. Speaker, I have been using this first time on the committee to observe how really a master runs a very political committee, and I think the gentleman from New York (Mr. SOLOMON) has done a remarkable job.

I first was aware of JERRY SOLOMON when I ran for office in 1994. I think on a weekly basis I would get faxes from his campaign office on various issues that JERRY SOLOMON felt very strongly about. I have to say, I agreed with a vast majority of what he said, which I think is a compliment to him. There are some things I disagreed on. But there was one thing that came to my mind about JERRY SOLOMON and that is this: He is very, very opinionated in his positions, as people have mentioned before, and yet here he is a chairman of a committee that is probably the most political committee in the Congress.

Mr. Speaker, I think the way that the gentleman has chaired that committee over the 2 years that I have been on it, and the 2 years prior to that time, has been very commendable. Probably the greatest measure of how well he has carried that out is that everybody on both sides, we hear today on the Democrat side, on the Republican side, that the gentleman has been very, very fair in carrying out his duties as chairman of that committee. That is probably the best measure of success.

One last question I would like to ask. What really is in that folder that you carry around?

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I can recall being at a committee hearing when JERRY was presiding and after we recessed, an elderly gentleman came up and said, "Mr. SOLOMON, I have been watching the way you move here in the Rules Committee." He said, "could you give me a copy of the rules by which you run the committee?" JERRY took out a picture and just autographed it and said, "Here it is."

Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding me this time.

Mr. Speaker, I would just like to say to JERRY, I really hate to see you leave. I seem to have a strong affinity with the older yet really good men in the Congress, JERRY.

Everyone keeps addressing JERRY as a New Yorker. But many should know that he is also a Floridian. And he is sort of a little enigmatic to me at times in that he always tells me, "Carrie, you get exactly what you want when you come before the Committee on Rules." But you know what, I do not. But I do not feel badly about it because JERRY has a way of turning you down with a smile. He shows no animosity. He shows no partisanship. He just tells you "no" when he does not agree with you. I appreciate that about you, JERRY.

I think you can be identified with several identifiers as I see you. Number one, you are very tenacious. There is a bulldog in him and he does not give up very easily. He makes his point on issues that are important to him. He smiles, he listens, but he never agrees, but he is fair.

He is determined to represent the best in this Congress, and that is fairness. And even in his conservative nature, he is able many times to express issues from both sides of the point.

I like JERRY also because he loves his wife. Some never mention their significant others in this Congress, but JERRY does. He talks about his wife. He talks about his family. He believes in the things that he comes to this well and purports to be.

I like him because he is a clever strategist, a good politician, but he is not hypocritical. That is, he espouses his point of view, and, of course, he is able to do that in a very, very intelligent manner. He is funny. He is honest.

JERRY, I want to thank you for your dedication to the veterans of this country and the way you have expressed your concerns before this Congress. We are going to miss you, JERRY. Thanks for serving with us this time.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Wood Dale, Illinois (Mr. HYDE), my very, very dear friend, the distinguished chairman of the Committee on the Judiciary, which has gotten a little attention in the last 24 hours or so.

Mr. HYDE. Mr. Speaker, saying goodbye is one of life's least pleasant tasks, especially when it is people you love, people you have grown to respect and count on. This year, and at the end of every Congress, we say good-bye to so many wonderful people. But JERRY SOLOMON is quite special.

I could describe him as a perfect blue-white diamond in a sea of zircons, but that makes the rest us zircons and that might not be the most apt description.

JERRY, they have talked about your fierce patriotism, about your loyalty to the party, about your energy, your activism. I just want to say two things about you.

One, I know of your personal physical courage, spiritual courage. It is rare and it is marvelous. But most of all in a time of overpowering cynicism, you have proven by your 20 years here in Congress that politics can be a noble profession, because you have brought real nobility to it. We will miss you.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentlewoman from Florida (Mrs. MEEK) just alluded to Mr. SOLOMON's wife. When I first heard about Mr. SOLOMON's wife, I pictured a big, burly woman with a submachine gun guarding his premises in New York, as he brought up in one of the debates on gun control. Then I saw this beautiful, petite young lady in the Committee on Rules and I said, "Are you still sitting at the window with that rifle?" She denied it.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I was over in my office listening to the proceedings here. I did not realize that this tribute to JERRY was going on, but I wanted to come over and participate in it. And while I was walking over here, of course, I was reminiscing about my relationship with JERRY over the years, if one could call it that.

I first met JERRY almost a quarter of a century ago. I had just been elected to the New York State Legislature, and it was late in the year, 1974, I think December. And I was going through the legislative office building, and the place was pretty dark and empty. I walked down the hall, and all the offices were dark. There was no one there, except I came upon this one office with the door opened. I looked inside, and there was someone working assiduously at a desk. It turned out to be JERRY SOLOMON.

Mr. Speaker, that is the first time I met him. He made an impression on me that particular occasion, only because I remember it after all of these years. And that impression was not a false one. It was a very accurate one. The impression was simply this: that this was a man who was dedicated to his work; this was a man dedicated to his profession and to the people who elected him; this was a man dedicated to his work.

He has lived up to that impression every single day that I have known him in the intervening 24 years. I served with JERRY for a short time in the State Assembly and then he was elected to the Congress, and then I knew about him only from time to time, and we would run across each other, reading about him in the newspapers.

Then when I came here a few years later to begin to serve with him, I could witness again that same kind of energy, that same kind of enthusiasm, that same kind of dedication to his profession, to his work, to his constituents, and to his beliefs.

JERRY and I differ on issues, and we have from time to time from the very beginning, and we continue to differ on some issues and will for the rest of our lives, I feel safe in saying. Nevertheless, I bear for him the greatest respect and admiration because he is an example of the total absence of ambivalence.

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He believes in things. He believes in them fully, firmly and devoutly. You never have to question yourself with regard to where JERRY stands on any of the issues. He is very happy to tell you, and to tell you in the most direct and forthright way.

So it is with a sense of sadness that I see him leave this chamber, but also with a sense of joy for him and for his family, because I know that he is going on to a new and productive life. And whatever it is to which JERRY dedicates himself, that will have the full devotion of a very competent man, indeed.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Corning, New York (Mr. HOUGHTON).

Mr. HOUGHTON. Mr. Speaker, the gentleman from Massachusetts said something about referring to a dictionary and trying to find out the definition of the word warm. I tried to do the same thing. I was thinking of JERRY as a great marine, a model marine, and I looked up model and it said miniature replica of the real thing. So I decided I would not use that.

However, I do think of an article I read many years ago written by Bob McNamara, when he left Ford Motor Company and he joined the Defense Department, and he described people in positions of importance, of leadership. And he said there were two types of people; people who were sort of judicious and passive and sat back and made their judgments; and the others, who were active and pushing and doers and enablers. JERRY, you represent the finest of that, and I am honored to have served in this body with you.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. TORRES), a fellow Member who is also retiring.

Mr. TORRES. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, it gives me a great honor to stand here with so many of my colleagues and pay tribute to a great American, JERRY SOLOMON. And as has been just mentioned, he and I will exit here together. We will not be here next term. But I feel a good feeling leaving with a person like JERRY SOLOMON from these hallowed chambers.

I have watched him over the years perform his job, as many of my colleagues here have mentioned, with great diligence and great dedication. Tough, but with well meaning in his heart. Honorably. We talk about an ex-marine, a model marine. That he is.

I had the distinct privilege to travel with him to South Korea recently where we visited the DMZ, and I was so proud to stand with him on that line where he described his negotiations with the North Koreans, along with former Representative Sonny Montgomery, as they negotiated to bring back American bodies from that war-torn land. It was, indeed, an inspiration to be there with him.

I would say to the gentleman from New York (Mr. GILMAN) that he would have been proud of JERRY. I saw JERRY act as a statesman in the way he handled discussions in the Middle East, in central Asia, and in the Far East on many questions that are so close to the people in this body; peace negotiations, the discussion on the financial markets, the discussion on NATO questions. He, indeed, epitomizes a great statesman, here in the House and abroad, and we were all so proud of him.

We hate to see you leave, JERRY, I know, but I am going with you. So I hope that on some occasions we will come back here to meet again. I wish your wife Freda, an elegant lady, the best, and you and your daughter the best ever. Thank you so much. It has been a pleasure to serve with you.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Sanibel, Florida (Mr. GOSS). We are all very gratified that our colleague from Sanibel has returned and that his wife is recovering well.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Speaker, I thank my distinguished friend from California (Mr. DREIER) for his words and the well wishes, as does my wife, and I thank the gentleman from Massachusetts for yielding me the time.

Mr. Speaker, I am happy to be here for this occasion to speak about the distinguished gentleman from Glens Falls, New York. He is a very unique Floridian. He is the one who went the wrong way. He was born in Florida and went to New York. Most of New York is coming to Florida, as we know, and we welcome him and we hope to get JERRY back, and Freda and others, back to Florida. We would be proud to have you.

I think of a lot of things when I think about JERRY SOLOMON and my years of service with him. I started out being one of four on the Committee on Rules when he was the minority leader for us. I learned an awful lot. Then he did something magic and suddenly we were nine and the majority, and I have learned even more having him as our chairman.

I think of energy. I think of vitality. Every time I think of JERRY, I think of a marine. Just find me a hill to charge up. He has got nonstop energy and will take on anything.

And in this town particularly, I think of forthrightness. With JERRY SOLOMON, I do not think it is a question of having to read the tea leaves. If you have not figured out where he stands, listen to him for a minute, he will tell you very clearly. I think of integrity, professionalism, knowledgeability.

I know, from my travels with Mr. SOLOMON around the world, from the love of his family, the love of his friends for him here and abroad, that he will not be forgotten. The wisdom of SOLOMON will endure very definitely, the reputation of SOLOMON will endure, and we all hope that SOLOMON will endure, and we look forward to working with him now and forever.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Glenwood Springs, Colorado (Mr. MCINNIS), another valued member of the Committee on Rules.

Mr. MCINNIS. Mr. Speaker, the chairman of the Committee on Rules has ably served our country, and I can tell him that I have always looked at him with a great deal of respect not only as chairman but like a big brother.

As I hear the stories, I first of all want to affirm that Freda is a wonderful, wonderful person. I wish she could be on the House floor. I wish our rules allowed her to be here to receive some of these tributes as well.

But I do want to very quickly relate a story about how dedicated, in the marine type of environment, that our chairman is. Tragically, he lost a constituent in my district, in a river. And as my colleagues know, the Rocky Mountains can be terribly unforgiving. So the chairman called me up and said, look, we have this body, a constituent, and the family is grief stricken. I want that body recovered.

I said, Mr. Chairman, you do not just recover these bodies that easily. It is somewhat of a difficult task. He said, I will bring in the Navy. I said, no, do not bring in the Navy. It will take a while for this thing to come up.

The next day we had Navy helicopters in my district, we had Navy frogmen in my district. And the worst editorials I have ever gotten from my newspapers were because I knew JERRY SOLOMON and he brought in the military into the wilderness of Colorado.

At any rate, you did succeed in your mission. You are dedicated to your constituents, you are dedicated to this country, and you are also dedicated to your colleagues. You have helped us a lot. So I want to confirm all those compliments and that we are going to miss you, Mr. Chairman.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. QUINN).

Mr. QUINN. Mr. Speaker, I appreciate the gentleman yielding me this time. There are too many people on that side, JERRY, so I had to come over to my good friends on this side of the aisle to get some time for you.

I want to say, on behalf of all of us in New York, and I just left the American Legion's conference over in the Cannon Building, to come over and thank you on behalf of all veterans and all American Legion members and all citizens for your work on the flag amendment. We appreciate that deeply.

Also, as a New Yorker, when we first came here, now three terms ago, a bunch of us were just dropped into the U.S. Congress and then they told us about something they called the committee on committees. We could not believe there was such a thing, but it was you who helped and guided us.

I guess what I want to say on behalf of a lot of us, JERRY, as a former schoolteacher for many years up in Buffalo, New York, you have probably served, without even knowing it, because of your example and your discipline, as a teacher to many of us. And I am not talking about staff members, and not about the pages, I am talking about other Members of Congress. And for that, and all the other things you have heard here this morning, we thank you very much.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Richmond, Virginia (Mr. BLILEY), one of my classmates, and the very distinguished chairman of the Committee on Commerce.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding me this time. Like the gentleman from Illinois (Mr. HENRY HYDE) said so eloquently, it is always hard to say goodbye.

JERRY is everything, but especially a patriot. We know about his efforts to create the Department of Veterans Affairs, about his efforts to pass a law that says if you do not register for the draft, you do not get any Federal funds or aid; if you are a college or university, and you do not allow military recruiters on your campus, you do not get any aid. His tireless work for Taiwan and the relationships between Taiwan and the United States. His tireless work to not forget Latvia, Lithuania and Estonia; that they should be members of NATO. And I know he will continue to work on that when he leaves this great body.

But I would like to remember some of our travels with the North Atlantic Assembly. I remember particularly one time going with him to Maras, Turkey. We went on a boat up a river. It kind of reminded you of Moses and the papyrus and the reeds along the Nile. We got a terrible rain but we got up there.

Another time we were in Brussels and we had a meeting with Sir Leon Britton, who represents very ably the European Community and the European Union on trade, and he really took on Sir Leon, so much so that, and these meetings with the Europeans always start late and finish later, but this one finished early. They were dumbfounded. And his great debates with the liberal labor member from Great Britain on defense, Bruce George.

Mary Virginia and I loved being with JERRY and Freda. We will sorely miss you, Mr. Chairman. You have been a great friend. We have not always agreed, but you have always been helpful and a great inspiration to all of us. Godspeed.

JERRY SOLOMON is a true American patriot. He is an ardent anti-communist who supported the policies of Ronald Reagan. These policies brought down the Berlin Wall and won the Cold War. JERRY was only in his second term when Reagan entered office but Reagan knew he could count on JERRY to lead the charge on his anti-communist policies.

Love of God, love of family, and duty, honor, country best describe JERRY. As a Marine, JERRY know peace did not come cheaply. JERRY fought strenuously for causes he cared about as our colleague. His love of God and country guided him in his legislative accomplishments on Capitol Hill.

His most significant accomplishment was the creation of the Department of Veterans Affairs. During the bill signing, President Reagan paid tribute to JERRY. President Reagan remarked, "We have it this year because Marine veteran Congressman JERRY SOLOMON worked to make sure the job would be completed before Congress adjourned."

In JERRY's unabashed style, he passed legislation which barred federal aid to those who refuse to register for the Selective Service; he also championed legislation that halts federal aid to colleges and universities that bar military recruiters from campus. And next year, JERRY, it will be the year a Constitutional Amendment banning flag burning passes both the House and the Senate and is sent to the States for ratification.

JERRY, my friend you have a lot to celebrate in your retirement. In 1978, when you were first elected to Congress, the Soviet Union and the spread of communism was running rampant. America was told by its President we were in a great malaise. Well, JERRY did not believe America's best days were behind us, and neither did a former Governor of California.

Ronald Reagan believed in a Shining City on the Hill when he entered the White House. So did JERRY and I. We worked to strengthen the military because peace through strength is the only guarantee that America's freedom will be secured. We worked to pass President Reagan's tax cut that led to the longest peacetime expansion of the economy. JERRY was a leader on the war against drugs.

Your leadership will be missed by many of us in Congress. JERRY, thank you for your friendship and camaraderie for the last 18 years. I have enjoyed traveling with you on our important North Atlantic Assembly missions.

I wish you and Freda well in your retirement. You fought the good fight for the country you have loved. We owe you a debt of gratitude for your service to our country. The country is in better shape since you entered Congress 20 years ago. America's best days lie ahead and I know JERRY will never stop fighting for his country and his beliefs.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Ocala, Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, JERRY, it is with joy but also with sadness that I come down here in this short amount of time to tell you what a great guy you are and how much we are going to miss you.

I think a lot of people do not realize JERRY was an entrepreneur, an insurance agent. He was making a lot of money. And for him to come here, he gave up a lot of his business. It has been quite a sacrifice. In fact, I imagine he would be a multi-millionaire by now if he had still kept his business.

Many of my colleagues talked about his experience in the Marine Corps. He also has served with distinction as an active member of the Disabled American Veterans, the American Legion and the Marine Corps League. So I think his patriotism is there for all of us to see.

This gentleman also served with distinction on the Foreign Affairs Committee and on the House Committee on Veterans' Affairs. And we talk about his great distinction as chairman of the Committee on Rules, but those committees also were his forte. In addition, he is a former chairman of the Prisoners of War, Missing in Action Task Force, and is still an active participant in this task force.

He has been identified with various issues, but the issue that I really identify with him is the second amendment and the fourth amendment. I will never forget on the House floor, in the evening, when Mr. SOLOMON stood up to argue for the right to bear arms, in which he talked about his wife alone in upstate New York. There was silence and quiet, stillness on the House floor, when he said, she is alone tonight, and I want to ensure that my wife, who is alone, should have the right to protect herself against unwanted intruders. I know his debate and his expression carried the day.

So we all know of JERRY SOLOMON'S patriotism. We know he has the wisdom of Solomon, and we are going to miss him. He certainly lives up to the Marine Corps motto: Semper fidelis. Always faithful. God bless you, JERRY SOLOMON, and God bless America.

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Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. I want to look you right in the eye, Mr. Chairman, because this is a special day.

When I first came to this Congress just a few years ago, I was looking for this "Mr. Chairman," Mr. SOLOMON. He was described to me as a shy and retiring person, someone whom you might not often know what his opinion was; quite the contrary JERRY SOLOMON did let you know where he stood. After a few times on the floor, someone came to me and said, "You know, you are just as shy and retiring as Chairman SOLOMON." That was a compliment.

Mr. SOLOMON, our experiences together were quite interesting. I came frequently to the Rules Committee, and I would like to thank you, for even though disagreeing with me, you treated me fairly and gave me the opportunity to express my views and to come to the gateway committee and say that I think this particular legislation should be done this way or that way.

This is an appropriate time to give you honor and appreciation, for you helped us understand the ultimate sacrifice made by veterans, those living today as well as those in the military who gave their lives for our country. We thank you for that.

One of my fondest memories since I see Chairman GILMAN sitting next to you, was that I was able to join you along with Chairman GILMAN when we honored the fallen men in World War II and honored them by placing wreaths on their graves in Europe. That was a particularly special occasion for those of us who claim birth after World War II, for it helped us understand fully what this country's freedom truly means.

I applaud you also for the love that you express for your family, your wife, your daughter, and that great New York community that has a lot of apples in it which you represent. Finally, I just simply wanted to thank you for teaching me a thing or two about the Rules Committee, however, I also want to let your colleagues know and the gentleman from Massachusetts (Mr. MOAKLEY), whose service I appreciate, I will be back. We look forward to being with you in the future. Mr. SOLOMON, Godspeed!

Mr. DREIER. Mr. Speaker, it is a great tribute to the gentleman from New York that more than a couple of people want to talk about him; as some said celebrate his planned departure.

Mr. Speaker, I ask unanimous consent that we extend the allotted time 5 minutes for the gentleman from Massachusetts (Mr. MOAKLEY) and 5 minutes for our side.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. DREIER) is allocated an extra 5 minutes as is the gentleman from Massachusetts (Mr. MOAKLEY).

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to my very good friend, who also is retiring, the gentleman from Naperville, IL (Mr. FAWELL).

Mr. FAWELL. Mr. Speaker, I thank the gentleman very much for yielding time. JERRY, I want you to know that I am not going to miss you in the 106th because I am not going to be here, either. But I know that Congress will miss you very much.

You are the leader of the Rules Committee. You are a leader in many ways. I would describe you simply as a leader of men and people in general. There are two kinds of people I have been told in this world when faced with a problem and they ask either how can I help or what is in it for me. In politics sometimes it is the latter, where the ego takes control. I have never found that to be the case with you. I have found that what you see is what you get in JERRY SOLOMON. You know exactly where you do stand and basically that means that here is a man who is very interested in serving people because he is empathetic and concerned about people. Time and again I can say as one who did not serve in any committee with you, that when I was in trouble on the floor, many times I was in trouble, you were there. Many times when I did not even ask you, you would come down here, when I was a pork-buster, for instance, and time and time again you did give me so much help.

You are a man that believes in giving. You know that by giving, that is how you receive. You know that by loving, that is how you really are loved. That is why the people in this Congress, I think, think so very much of you. You got a big file, but you do not need that. You are a big man, anyway.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. RANGEL) the ranking member of the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, let me thank my colleagues for extending the time. I never would have forgiven myself if I had not been here to join with my colleagues to say thank you for the friendship that JERRY has extended to all of us in this Congress. It is great being an American. It is great being a Member of this august body. It is even better being a New Yorker type of an American, but for those people that have never been able to serve in the past, it was a different atmosphere than we have today, and the friendships that we made then have proven that no matter how testy the issue, no matter how partisan the House, it has never really affected the friendships that we have had over the years.

In the Rules Committee, whether in the minority or as the chairman, the courtesy, the professionalism that has been extended even when you know that you are not going to get what you want, you leave knowing that you have been treated fairly. Certainly as the dean of the New York State delegation where we have political views from the left and the right, you have been the hub, JERRY, for all of us, because no matter how contentious the issue, you have always maintained a friendship, your smile, and your personality.

I would just like to say in closing, however, that once you came to me and indicated that I had been in combat in Korea with the Marines and you were semper fi-ing and everything to me, and I wondered whether or not you really had the right guy and whether you were so friendly because you thought I was in the Marines and I had to tell you, that, no, it was my son that was in the Marines and I was in the Army, and I often wondered as to whether or not it made a difference. But I value your friendship. You have made a great contribution to this House, but more importantly in the lives of those of us who have been fortunate enough to serve, you have made a difference.

Mr. DREIER. Mr. Speaker, my friend from New York (Mr. RANGEL) has just touted the greatness of being from New York. I think it is great to be from California.

Mr. Speaker, I yield 1½ minutes to my fellow Californian, the gentleman from Newport Beach (Mr. COX).

Mr. COX of California. Mr. Speaker, I thank my colleague from California for yielding time. It is fitting that we are here on the floor giving tribute to JERRY SOLOMON under a structured rule that limits the time for debate. Most of us would like to take an hour at least to say what we have on our minds and in our hearts.

When 48 years ago JERRY SOLOMON left college to volunteer for the Marine Corps, to deal with the Communist invasion of South Korea, he started a lifetime of service to his country. As I look on the floor and see the portraits of George Washington and the Marquis de Lafayette, I see two men whom we can see in JERRY SOLOMON, soldier statesmen who loved their country even when for them it was just an idea, the idea of freedom to which JERRY has committed his life.

There was somebody else that I met and had a chance to work for that I thought was unique, President Ronald Reagan. I worked for him in the White House. I was quite sure that I should have given up my job in California and come to work for Ronald Reagan because there would never be another one like him, but I found here in the House of Representatives one like him, one very much like him, JERRY SOLOMON, the chairman of the Rules Committee, who is tough as nails on issues, just like Ronald Reagan was, but who interpersonally is friendly and courteous and respectful of his colleagues and of his constituents. He smiles a lot. Because just as much as he loves his country, he loves life. He loves his family, he loves this institution, and I daresay in our better moments all of us. Your way, JERRY, your sense of patriotism, your love of everything in which you have involved yourself is contagious. You have brightened this institution for a generation. You have brightened my life. Even when you are not here, when you come back as maybe a Supreme Court Justice to give us shorter, more to the point opinions, we will always know that we are your friends and you ours. Thank you so much for the opportunity to serve with you.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. JERRY, you have been such a great friend and a neighbor of mine ever since I came to this body and really before I got here in 1994, 1995. But mostly you have been a mentor to me. You have been a true leader of this House. You have built support for various legislative initiatives over the course of so many years. The experience you have brought here to this body has made the body a better place. It has brought more of New York common sense to Washington than many of the others of us. You have stood, you have fought not only for the Nation but you fought for our State and our Nation as a whole. I think that is a wonderful attribute, JERRY. So many people are here that do not speak with quite as loud a voice as you have, JERRY, and I have to tell you, that strong, loud voice is something we New Yorkers love and appreciate and are going to miss tremendously. The House is going to seem less next year. That is because the very large role that you, JERRY SOLOMON, have crafted here in Congress is going to be empty. So those of us from New York will continue to build consensus and make the bills we pass good for New York and this Nation we will try to make as good as possible, but we will do that with you in our hearts, JERRY.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to my very good friend, the gentleman from Winter Park, FL (Mr. MICA).

Mr. MICA. Mr. Speaker, and my good colleague Mr. SOLOMON, I am really sad that JERRY is leaving us now. He served 10 years with my brother Dan Mica and the truly sad part about his leaving is after 6 years, he no longer calls me Dan.

All kidding aside, Mr. Speaker and Mr. SOLOMON, at a time when our country is really cynical about its leadership in Congress and politicians in general, I cannot think of anyone who has set a better example by his life and his conduct than JERRY SOLOMON. JERRY SOLOMON has been in all instances a national leader, someone who typifies what people want of their individuals who serve in politics. He came from business, gave up his fortune, time with his family to dedicate it here to his country.

JERRY SOLOMON, I tell you this from the bottom of my heart, I know is a true patriot and his top priority has been those who wear the uniform and his daily concern has been to strengthen our national security. No one exemplifies true patriotism more than JERRY SOLOMON.

Lastly, JERRY SOLOMON, if you do not know him or have not known him, is a family man. No one greater sets an example for this country or for this Congress than JERRY SOLOMON and the example he has set as a family man. I salute everyone and particularly JERRY as my friend and will miss him, but he has a special place in all of our hearts and our memories.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. FOX).

Mr. FOX of Pennsylvania. I thank the gentleman from Massachusetts (Mr. MOAKLEY) for yielding time.

Mr. Speaker, I rise today to salute a great individual, a role model Congressman, JERRY SOLOMON from New York. He has showed in every way he has worked, whether as an advocate on the floor, whether in committee work, the perseverance for the people.

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His high character shows about what he is all about, a proud veteran, a Marine's Marine, someone who fights for not only people from New York but all across America, for veterans matters, for military matters, for anything that matters to the people of this country. He has been fair, he has been compassionate, he has been our great friend, and I look forward to seeing him be back on the floor, and hopefully maybe some day in the Senate, maybe some day President.

Mr. Speaker, I know he wants to retire from this body, but we need him back for this country because he has been a fighter for the people, he has done a great job, and we could not be more proud of him.

God love you and your family, may God's blessing be on you from every day here forward.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Kennedyville, Maryland (Mr. GILCHREST), fellow Marine with the gentleman from New York, Mr. SOLOMON.

Mr. GILCHREST. JERRY, I guess some decades ago when you occasionally were barely able to hold up your M-1 rifle because you were holding it for hours in the rain with sand fleas on that glorious place called Paris Island you did not really dream of serving your Nation in this capacity as an U.S. Member of Congress. But those early days on Paris Island gave you a sense of pride, not pride in yourself, but pride in America, and your presence here on the House floor has lifted us up with your pride because your pride comes from your love of your country, your love of your colleagues, and so that gift that you have given to us has been enormous.

I heard one time, JERRY, from a Marine that there are five words that make up a person's life, and you really are the epitome of those things when someone gets to know you personally, and that is humility, commitment, compassion, faith and love. And that is being American, JERRY, and you have given us quite a gift.

So we salute you. Semper fi.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from Staten Island, New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding this time to me, and I have been listening to this tribute to an American original. The gentleman from upstate New York is the essence of what this country really is all about, the notions of liberty and freedom. But more important, the willingness to die for those things.

I have only been here about a year, and I have not had the privilege of serving for the 20 years that so many other Members of this body have had to serve with JERRY SOLOMON. But in less than a year I have come to respect the man who is the benchmark for integrity, and in days when there are so many relatives around in terms of, well, it is relatively okay or it is okay for now, JERRY SOLOMON represents the notions that there are absolutes: truth and integrity.

The people of upstate New York are some wonderful, wonderful people, and they represent the best of this great country, and they have exercised their great judgment for the last 20 years in sending us an American original. Mr. SOLOMON, as the gentlewoman from New York (Mrs. Kelly) said, you are a mentor to many of us. I salute you.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to another great gentleman from New York (Mr. FORBES).

Mr. FORBES. Mr. Speaker, I thank my friend from California for yielding this time to me, and it is with great emotion frankly and eternal respect for my good friend, JERRY SOLOMON, who served not only this Nation so ably, but the people of the 22nd district, and I remember almost 23 years ago when I first met JERRY SOLOMON, and at the time he was a member of the Assembly of the State of New York and distinguished himself there as a champion for the Empire State and took that great leadership role that he had in New York and brought it to Washington when he was elected in 1978. And for me it has been a wonderful ride with JERRY.

JERRY, you are truly, as my friend from Staten Island noted, you have been a mentor to many of us. I remember as a young staffer in the State Assembly how you at that time became a role model and, even more so, when I was distinguished and allowed to represent the first district of New York.

I have to tell you that it is with great sadness that we watch as you prepare to accept new challenges at the end of the year. You have served this Nation so ably.

And when I think of terms like "a man of the people," I mean, my colleagues, you must know that JERRY SOLOMON treated the 22nd district and worked so hard every day as if it was a cliff hanger for him. He would drive up and down the Northway and the Thruway and Route 9, and at a moments notice he would stop in on a community and meet with constituents, any group of constituents, and he did that, and he never took the people for granted, he worked very, very hard. And frankly when I think of terms like "patriotism" JERRY SOLOMON to me embodies all the best attributes of patriotism. He has been not just a role model, but a dedicated patriot, and God love you JERRY, and Godspeed.

Mr. DREIER. Mr. Speaker, I ask unanimous consent to extend the debate for 5 minutes on each side.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the distinguished ranking member for yielding this time to me and thank him also for giving me this opportunity to speak about our mutual friend and colleague, Mr. SOLOMON of New York.

Mr. SOLOMON and I have nothing in common politically; is that not correct? However I have enjoyed following his leadership on human rights issues throughout the world where he has been an unsurpassed champion. It speaks, I think, to how the House used to be that people so far a part on the political spectrum could come together and work on an issue.

I first became acquainted with Mr. SOLOMON and his magnificent wife, Frieda, in the North Atlantic Assembly proceedings and saw his leadership on behalf of our country there, and, yes, his patriotism there. When he became Chair of the Committee on Rules, although that meant the Democrats were no longer in power, he always with a smile either granted an amendment on those rare occasions or with a smile turned down an amendment or even admonished us, but always with a smile.

But the one overriding observation I would like to make is how devoted Mr. SOLOMON was and is to the district he represents. Every time he spoke on the floor he spoke from the perspective of his constituents and certainly his conscience and the Constitution, but never forgetting his constituents. How many times you took off that jacket and showed us that shirt that used to be made in his district demonstrating his concern for the workers in his district, and in that way workers throughout America who are caught up in this change of globalization.

So on behalf of my own constituents, Mr. SOLOMON, I want to thank you for your leadership on human rights issues throughout the world, I want to thank you for your leadership on behalf of American workers, I want to thank you for your cooperation from time to time, but even when not cooperating, always with a smile. And I want to wish you and Frieda all the best as you go forward.

Thank you for your service. Congratulations on your decision. We will miss you. It is hard to imagine the House of Representatives here without Mr. SOLOMON and without the famous Solomon folder.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Jacksonville, Florida (Mrs. FOWLER), my good friend.

Mrs. FOWLER. Mr. Speaker, I rise today to express my appreciation to a good friend for his leadership and his service to the American people. As my colleagues know, in addition to being an advocate, strong advocate, of conservative ideals, JERRY has always been concerned about our issues of national security. As has been mentioned here several times today, he is a former Marine, fought during the Korean war, and he has always remained semper fi to his country and the duty of protecting its military interests.

It has been said that the test of a vocation is the love of the drudgery that it involves, and I do not know for sure if JERRY loves that aspect of serving as a chairman of the Committee on Rules, but he certainly deserves all of our heartfelt thanks for his service in this difficult and sometimes very thankless job.

So as we approach the final days of the 105th Congress, I wish JERRY and his wife, Frieda, the best of luck. I know they are going to enjoy the time they can now spend with their family, including their six grandchildren, but I will say I am going to miss a good friend, a good adviser. I went to him so many times for advice, and it was always good.

So, JERRY, we wish you well, and we will truly miss you.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Somerset, Kentucky (Mr. ROGERS), my good friend.

Mr. ROGERS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I do not know what we will do around here for opinions when JERRY SOLOMON leaves. I suspect we will find a way to give opinions, but certainly the opinionated Mr. SOLOMON, the Marine that is still a Marine in this body is someone we are going to miss, all of us.

You always knew where JERRY SOLOMON stood. He was not hesitant to let you know what his feelings were about a given topic, and that continues to this day. We need more of that around here, but certainly JERRY SOLOMON gave us during his tenure here his ideas and his passionate feelings about every issue that hit this floor, and that is what we admire about him. We admire his honesty and his truthfulness and his integrity because you knew exactly what he was telling you came from directly in the heart, and that heart was of course made of solid gold, molded during some of our Nation's most tumultuous times in Korea in combat and otherwise.

So, JERRY, we are going to miss you. Your service, especially these last few years as the traffic cop of all legislation coming to the floor of the House, Chairman of the Committee on Rules, is a service that is a pretty thankless job, but we are all here to say thank you.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Enterprise, Alabama (Mr. EVERETT) my good friend.

Mr. EVERETT. Mr. Speaker, I want to associate myself with all these great things that have been said about Jerry Solomon, but I also like to tell the Members something that is going to surprise them.

I got here in the 103rd Congress, and there were two Members from a little place called Midland City, Alabama, population 400, myself and my friend Earl Hutto, the gentleman from Florida. We found that we lived in the same house in this small Dale County, Alabama town. Well, also my good friend, the gentleman from Georgia (Mr. JOHN LEWIS) is from about 18 miles up the road, just over the Dale County line in Pike County, Alabama. Being very proud of that, I told JERRY SOLOMON the story one day, and he started laughing.

I said, "What are you laughing at?"

He said, "You don't know where I'm from?"

I said, "Well, I guess you're from New York. You've represented them now for 18 years."

He said, "No, I'm from Echo."

Mr. Speaker, Echo is 7 miles from Midland City, Alabama, and then had a population of about 40 people. We had in the 103rd Congress 4 U.S. Congressmen from a rural southeast county of Alabama.

I recently, last week, gave JERRY a note from a relative of his who stated how much his Dale County family they loved and admired him. JERRY, I think you have heard here today we love you, and we admire you, and we are going to miss you.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. HALL).

Mr. HALL of Texas. Mr. Speaker, I am honored to get to rise and say a few words for JERRY SOLOMON.

I served as a Judge for 12 years in Texas. I was 10 years in the Texas Senate. I have been up here 18 years. As my colleagues know, part of the compensation we get for public service is getting to know people like JERRY SOLOMON. I know of no one in the years whom I have met all through the years, anyone that has influenced me more or that I have been more impressed by or that I would rather be a role model for my sons than this man we are honoring here today.

□ 1200

I know there is a tombstone in Blairsville, Pennsylvania that says "Stop here my friend and cast an eye. You are now; so was I. As I am now, you will be. Prepare for death and follow me." And, JERRY, somebody added later, "To follow you, I am not content until I know which way you went."

Let me tell you we know which way you are going. You are going home to a family that loves you. You are going home to a district that respects you. You are going home to a country that you served well. You lit the fire to the Reagan revolution here. You are my kind of guy.

God bless you. And how lucky I am to have known you and how lucky the people are to have come home.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Pleasantville, Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Speaker, I rise to share my admiration for a Member of Congress who I think is unique. If I had a list of top 10 effective Members of Congress to affect this country, JERRY, you would be in it and near the top.

JERRY, I admire your tenacity, your toughness, your intensity, but your soft and gentle kindness and good spirit. Now those yet good spirits may change when people cheat you or lie to you or are unfair. But that is the way it should be.

I admire that you fear nobody, that it does not seem to matter what the issue is. You do not show fear. You do what is right.

I admire how you fought for our veterans and how you fought for the defense and sovereignty of America as much as anyone in this country ever has.

JERRY, you are the kind of Congressman I hope to be. You are the kind of person I want my son to be like. You are a model to us all, and you have made a huge difference as you have served us here, and I thank you.

Mr. DREIER. Mr. Speaker, I ask unanimous consent again that we extend the debate for 5 minutes on each side.

The SPEAKER pro tempore (Mr. BLUNT). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Reno, Nevada (Mr. GIBBONS).

Mr. GIBBONS. Mr. Speaker, I thank my colleague, the gentleman from California, for yielding to me. I find it a true honor as a freshman to be here standing and addressing my good friend, the gentleman from New York (Mr. SOLOMON), because you do not have to be here 20 years, as I have been only 1 year, to find him to be a true friend and a man that we all look up to.

I say, as we look out today among our colleagues here, we are approaching the end of an era at the end of the 105th, the era of Solomon in this Congress. The gentleman from New York will be truly missed as a gentleman who fought for veterans, fought for the flag, fought for this country.

I think of General MacArthur when he said, and I will paraphrase, "Duty, honor, country." Those three hallowed words mean and reflect all that you can be, all that you should be, all that you will be. I think those of us who admire JERRY SOLOMON believe those three words are indeed the reflection of JERRY.

JERRY, as you go home to your family and a loving constituency, I want to wish you the very best and to your wife and family as well. I salute you for your hard work, your dedication, and your friendship in this body.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from New Hartford, New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Speaker, it is indeed a special pleasure for me to be here in this well to talk about a man with whom I have had some of my fiercest battles with in my service in these 16 years in the Congress and some of the most pleasant satisfying victories.

I know of no individual who is a better friend of the veteran, of the farmer, of the working men and women in America than JERRY SOLOMON. He will be missed for all the right reasons.

He is as conservative as any Member of this House; but underneath that hard veneer, he has got a heart as big as all outdoors. There are a lot of people who have benefited from the service of JERRY SOLOMON in the Congress of the United States. So it is a privilege for me to be here in this well saluting this very distinguished American.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Syracuse, New York (Mr. WALSH), one of our distinguished cardinals.

Mr. WALSH. Mr. Speaker, I thank the gentleman from California (Mr. DREIER) for yielding me time to come here and say some nice things about my friend, JERRY SOLOMON, as so many others are.

You are rich in friends, Mr. Chairman, and it is deservedly so. You are truly one of the leaders of our country. You are truly the leader of the New York State delegation. I owe you my position that was just mentioned on the Committee on Appropriations. Without your strong support, fiery support, I probably would not be there. So I am indebted to you for that.

You are a gentleman, a soldier, a Congressman, and a true defender of this country, its flag, and its veterans and all its marvelous institutions. We thank you for your sense of humor and, more importantly, we thank you for your sense of honor.

Mr. DREIER. Mr. Speaker, I yield 1 minute to my good friend, the gentleman from Huntington Beach, California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, JERRY SOLOMON has given a new meaning to the words "the wisdom of Solomon." All of us who have served with him, and I have served with him for the last 10 years, understand what that means.

JERRY SOLOMON, first and foremost, and this is, I think, the word that best describes JERRY, is that JERRY SOLOMON is a patriot. That is what America has always depended on, the likes of JERRY SOLOMON. I am very proud to have served at your side, JERRY. JERRY SOLOMON is a patriot. JERRY SOLOMON is courageous. He is a man of integrity.

To all of us who you are leaving behind, you are leaving behind friends. You are a good friend. We respect you. We admire you. We wish you luck, JERRY. Thank you very much for the service you have done for the United States of America. You have done a good job for our country.

Mr. DREIER. Mr. Speaker, I yield 1 minute to my friend, the gentleman from Saint Joseph, Michigan (Mr. UPTON).

Mr. UPTON. Mr. Speaker, it has been a great delight for me to serve as Speaker pro tempore during part of this great tribute to a wonderful man who loves this House, JERRY SOLOMON.

I have had the opportunity to know the gentleman from New York (Mr. SOLOMON) for a long time from my days when I served for Ronald Reagan and now as a Member of this House. We all love this House. No greater love comes from a man with terrific respect, JERRY SOLOMON.

It is a great tribute to you that, as you finish this year, we have a balanced budget; and now we can, in fact, use that surplus to reduce the debt. That is the next battle.

I can remember the days and the issues where we met together on so many different times moving the Solomon budget. Yes, it was bipartisan. We got one Democrat, we got 19 Republicans, and we fell far short of getting the battle won. But somehow, some way, today we prevailed.

It is because of your great efforts in so many different ways that we do love this House and we love the men and women who serve it. Thanks to people like you, a man with courage, with heart, thoughtfulness and compassion, a great man that we look forward to seeing again. Thank you, JERRY.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to close this debate by saying that this was clearly one of the most moving testimonials, to a Member who is going to retirement, that I have seen in the 18 years that I have been privileged to serve here.

Many people have talked about great things but one of the things that struck me is this issue of sacrifice. It is a privilege for all of us to serve here, and most everyone enjoys their service, but, in fact, there is sacrifice that goes with service as a Member of the United States Congress.

Those of us who sit on the Committee on Rules have had the opportunity on many occasions to hear JERRY SOLOMON refer to the fact that when he came to the Congress he had to sell his real estate, his securities and his insurance businesses, and, it, in fact, has been a sacrifice for him.

We often hear of our Founders who gave their lives, their fortunes and their sacred honor. We are glad that JERRY has not given his life and we know that he has not given up his sacred honor, but we know that he did have to give up much of his fortune to do that. So he has made a great sacrifice.

His book, The Balanced Budget, has been a dream that he has had for many, many years, long before he came here. I am very gratified that we have been able to pass the first balanced budget in a quarter of a century while JERRY was here serving as a member of that committee.

God and the voters willing, I will have the chance in the 106th Congress to keep the gentleman from Massachusetts (Mr. MOAKLEY) sitting at my right as the ranking member, and to try to fill JERRY's shoes as chairman of the Committee on Rules.

It will be an impossible task, but I have been privileged to enjoy his encouragement and support for the many years that I have served there.

Mr. Speaker, while I know the time is rapidly coming to a close, I yield one minute to my very, very dear friend, the gentleman from Glens Falls, New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from California for yielding.

Mr. Speaker, I will not take but a minute because there are a lot of things I like to brag about that I am good at but I am not good at this. I am afraid of what might happen if I stood up here and talked too much because I am an emotional person. In 20 years, I have had some emotional events on this floor. Some that I'm proud of, some that I might not be so proud of.

I can recall something a couple of years ago. I was raised by my grandmother and my grandfather. They were of Scottish descent and they always taught me first and foremost that you always respect and honor women. And I remember I got into a debate late one night with the gentlewoman from New York (Ms. SLAUGHTER), on that side of the aisle, and I did something that I was always ashamed of because I was rude to a woman. I was rude to a Member of this body, and that is something we should never, never do.

I would just tell the Members that we can be emotional, we can be opinionated, as I am, but we should always be respectful of each other.

Ron Dellums, like the gentlewoman from California (Ms. PELOSI), is on the opposite end of the political and philosophical spectrum from me. Ron Dellums and I had some tremendous battles on this floor but we always walked off the floor and we were friends afterwards. That is what will make this place a success, and I would just thank all of the Members for their remarks. It means a great deal to me.

I better not talk any longer, but I will say this rignt now, I am going to invite all of the Members, men and women, the Members of this body, to step outside so that I can hug the women and shake hands with the men and tell them how much I love and respect this great institution. It has been a great honor and privilege to serve here for two decades and I have cherished every minute of it. I thank all of you for your generous remarks. I love you all.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is a large group of people who are unable to speak here on the House floor. They sit here regularly; they work upstairs in the Committee on Rules, on many occasions around-the-clock, and I would like to, on behalf of those members of the staff of the Committee on Rules, say how much they will miss the gentleman from New York (Mr. SOLOMON) and how much they have appreciated their great time of service with him.

Mr. Speaker, I will say that there are many other Members who have indicated to me that they would like to have had the chance to participate in this tribute to the gentleman from New York (Mr. SOLOMON), but because of the exigencies of their schedule they were unable to.

GENERAL LEAVE

Mr. DREIER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this tribute to the gentleman from New York (Mr. SOLOMON) that surrounds House Resolution 574.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CRANE. Mr. Speaker, I rise with my many colleagues on both sides of the aisle to offer a many-gun salute to one of the clearly most vigorous, admired, and truly respected leaders ever to come to these Halls of Congress.

My colleagues, this courageous and dynamic Marine veteran who arrived on the Hill twenty years ago has not only been a credit to the Marine Corps in terms of the vitality and drive with which he discharged his duties, but also to this House to which he has for so long given so much of his energy and good judgment. These Halls will remain desolate for a long time after our very good friend GERALD SOLOMON has departed.

As the Chairman of the Rules Committee, one of the most important and difficult tasks on Capitol Hill, JERRY attacked his work with a spirited dedication rarely seen on the Hill. Involved in every serious piece of legislation, his ability to control the flow of business and determine which alternatives should be brought up for a vote has been close to legendary.

The 22nd District of New York, which includes much of Hudson Valley, has been a Republican area since the birth of the Republican Party, and JERRY SOLOMON has aggressively supported most of the conservative programs of the Party, reflecting his own convictions and those of his loyal constituents. Year after year the voters have returned him to office by wide margins because they could see that GERALD SOLOMON was no sleeping Rip van Winkle, the legendary figure which Washington Irving placed historically in JERRY's district high up on the Hudson River. According to the story, Rip van Winkle slept for twenty years. No one can accuse JERRY SOLOMON of sleeping during the twenty years he has been the two-fisted Representative of the 22nd District of New York.

My colleagues, we will not soon again see the likes of this genial and industrious Marine veteran who has easily earned the warm friendship of so many of his colleagues in this maelstrom of legislative activity.

May he find real solace in retirement on the quiet banks of the Hudson and in the hollows and the hills of upper New York area of his youth. We are sure that JERRY will not be satisfied with just an occasional short emulation of Rip van Winkle, because we really expect that he will father a memoir or two, giving his perspective on his many years of generous and cheerful jousting on the Floor of this House.

We will sorely miss this good man, a friend of so many and a model for every new member to emulate. We would be most unhappy if JERRY did not come back to the Floor often to reacquaint us all with the cordiality and enthusiasm with which he so often greeted us these many years. God bless, JERRY, and Godspeed!

Mr. PORTMAN. Mr. Speaker, I am pleased to speak in tribute to JERRY SOLOMON and his many years of service and leadership to this country.

Chairman SOLOMON is a strong, effective and passionate chairman of the Rules Committee. He is a true Leatherneck—no-nonsense, patriotic and capable of getting the job done.

I had the pleasure of working closely with JERRY SOLOMON on the Unfunded Mandates Reform Act—which has effectively ended the irresponsible practice of Congress passing the bill to state and local governments and the taxpayers they represent. JERRY's commitment to unfunded mandates relief—and his tireless advocacy were key to passage of this landmark legislation.

JERRY has also been one of the most vocal Members of Congress in the vital fight to reduce drug abuse in this country. I've been pleased to work with him on a number of issues—the Drug Free Communities Act and the recently passed Drug Demand Reduction Act. There is no member of this body more committed to reducing substance abuse than JERRY SOLOMON. The issue burns in his heart.

The U.S. House of Representatives is losing a real fighter in JERRY SOLOMON. Happily, he is leaving the Rules Committee's gavel in capable hands, but we'll miss his drive, energy and determination.

I know Chairman SOLOMON will be watching C–SPAN in upstate New York to keep an eye on us, and I hope and expect to continue to hear his firm and passionate voice on issues of concern to our country.

Mr. GIBBONS. Mr. Speaker, what can I say, at the end of this Congress America is going to truly miss one of it's great Conservative leaders.

The powerful Chairman of the House Rules Committee, JERRY SOLOMON will be retiring to pursue new opportunities.

This former Marine, serving the United States House of Representatives since 1978, has been known for defending the American flag, fighting the war against drugs, protecting our nations veterans, the interests of our nations military, and running a committee that is fair to this body and fair to the American people.

Not only has Congressman SOLOMON been known for his policy, he is also know for his great sense of humor, his devotion to his family, and his pride in his work.

Congressman SOLOMON, it has truly been an honor serving this great nation together, and you will be greatly missed. I wish you, your wife Freda, and your entire family all the best.

As a veteran, and man who loves this country, as I know you do, today sir I salute you for your hard work, honesty, integrity, and devotion to this country.

Mr. ORTIZ. Mr. Speaker, I rise to speak about a great friend of mine who throughout his congressional career has been a strong and passionate leader whom I am personally proud to have served alongside of in the House of Representatives.

He is a loyal patriot to his country and devoted husband and father to his family. No one can doubt his allegiance to the Marine Corps and no one can doubt his sincerity nor his passion to serve his country.

I have had the privilege of traveling with him as members of the National Security Committee and throughout our travels have gotten to know him on a personal basis. His strong devotion to our country and military has been an inspiration to me. Every place we traveled, he was always interested in the issues of that country and how the United States could act on those issues and provide leadership.

I wish him happiness and a long productive life in his retirement. We will greatly miss his presence in this House.

Mrs. MCCARTHY of New York. Mr. Speaker, although I am one of the newer Members of this body and have had the privilege to serve with Mr. SOLOMON for only one term, I am very sorry to see him leave us. When I first came to Congress, Mr. SOLOMON asked me to call him JERRY, but I have never been able to do that. Not because I didn't feel close to him but because I have such a deep respect for him both as a person and as a public servant that I felt that he deserved a title reflecting that respect.

Sometimes as Members of Congress, we don't always treat each other or this institution with the respect that it deserves. We let partisanship cloud our better judgment and we aren't very civil in our debates. Although Mr. SOLOMON and I couldn't have held more opposite points of view on certain issues, I always felt that we could be open and honest in our disagreement. And we would always part ways, maybe disagreeing but with a mutual respect for each other and our differences. He is a true gentleman, one that will be greatly missed by this body and the New York delegation in particular. God's speed, Mr. SOLOMON, and thank you for your years of service to this country and to New York.

Mr. KIM. Mr. Speaker, I rise to pay tribute to the Chairman of the Rules Committee, my friend JERRY SOLOMON.

JERRY SOLOMON was one of the first members I met when I came to Congress six years ago as a freshman. I had never served in a legislature before and the challenges of Washington seemed overwhelming. He was a cool veteran with many years of experience. From his initial hello and genuine interest in making sure I got off to a good start, I knew JERRY SOLOMON was a colleague I could respect and trust. I'm proud to call him a friend.

As a little boy growing up in Seoul, Korea during the war, my family and I were rescued by the U.S. Marines from the living hell of communist North Korean occupation. I will never forget the sacrifices these brave Americans made to save a little soul like mine far, far away from the comfort and safety of their own homes. Their caring attitude, determination and patriotism made me want to be an American right then and there. Now, I don't think JERRY SOLOMON was one of the Marines who came down my street, but he very well could have been. Even today, many years after his service in the Marines, JERRY still embodies those same qualities and that same Marine can-do spirit. He's what America is all about.

As a faithful and effective Representative, I know that his constituents in upstate New York will miss his service in the House as much as the rest of us will. After 20 years in Congress, Chairman SOLOMON can retire, though, knowing that he has left a very positive and enduring legacy for others to follow. Good luck, JERRY.

Mr. DREIER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. LEWIS of California. Mr. Speaker, pursuant to House Resolution 574, I call up the conference report on the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 574, the conference report is considered as having been read.

(For conference report and statement see proceedings of the House of Monday, October 5, 1998, at page 23385.)

The SPEAKER pro tempore. The gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. LEWIS).

GENERAL LEAVE

Mr. LEWIS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report to accompany H.R. 4194, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1215

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume.

As this bill went off the floor not so long ago, we may all recall that we spent much of half a day discussing my colleague, my chairman, and now the ranking member of this subcommittee of appropriations, the gentleman from Cleveland, Ohio (Mr. STOKES). We are not going to repeat that extended period this go-round, but it certainly should be brought to the attention of Members and his friends that the gentleman is in the process of presenting his last bill on the floor of the House of Representatives.

This conference report involves all of the funding for programs that are very important to the American public, those that relate to veterans' medical care, for example; all of the many public housing programs, the funding for the Environmental Protection Agency, the funding for NASA and the like.

The gentleman from Ohio (Mr. STOKES) we all know is an appropriator's appropriator, but the gentleman has done another thing during this legislative year. He wanted to make sure that each of us remember that before appropriations there was authorization. And so just to make a demonstration of that fact, this year he has accomplished that which is almost unbelievable to those of us who have watched this process for some time. He has snuck into this little package just about 60 pages of minor legislation that deals with his favorite field, and that is the field of housing. For working with our colleague on the banking subcommittee, the gentleman from New York (Mr. LAZIO) on this side and the gentleman from Massachusetts (Mr. KENNEDY) on the other, the gentleman from Ohio has proceeded to include what was the Housing Reauthorization Act within this appropriations bill, a bill that is called a "must-pass bill."

Now, frankly, those who really know the gentleman know that he actually went about this because his friend and the ranking member of that same subcommittee of the Committee on Banking has his last bill on the floor today as well, and that is the bill that was tucked away here, and I was quite surprised when the gentleman brought this to my attention, and he was going to such an extent to recognize the years of the very capable work of our friend, the gentleman from Massachusetts (Mr. KENNEDY).

So there are many details that I might go over with my colleagues regarding this bill, such as the fact that within VA medical care we are some $300 million over the President's budget in that category of funding. We are responding to the crisis that is ahead of us that deals with NASA's funding because of problems in Russia and some changes of government in the European space agencies.

In the meantime, I will spare my colleagues those details, for we all have heard this bill discussed in great detail before.

So I look forward to further conversation with my friend from Cleveland (Mr. STOKES).

Mr. Speaker, I reserve the balance of my time.

Mr. STOKES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is not without a certain bittersweet feeling that I rise today in support of this conference agreement. This is the final appropriations bill that I will help bring to the House, along with the chairman of the subcommittee, the distinguished gentleman from California (Mr. LEWIS). Thanks to his leadership and patience, we present today a balanced, bipartisan conference report that is worthy of the Members' support.

In many ways the bill we present today is better than the House-passed version. I will mention several instances that demonstrate this point. First, while the House bill included no funding for Americorps, the conference provides the Senate amount of $425 million. Given the President's personal interest and commitment to this program, I think we all realize there would be no bill without this funding.

Several environmental provisions that were of great concern have been modified, including the ones dealing with the Kyoto protocol, Mercury, and contaminated sediment dredging.

The House provision regarding domestic partners that would have restricted funds available to the City of San Francisco has been dropped. One-half of the reduction to the housing opportunities for persons with AIDS program imposed by a floor amendment has been restored. More than one-half of the House-recommended increase for veterans' medical care has been retained without any adverse impact on the Federal housing administration. Mr. Speaker, 50,000 new housing vouchers have been included to help families make the transition from welfare to work. This is a significant increase above the levels originally recommended by both the House and the Senate.

The Housing Authorization bill, which my chairman, the gentleman from California (Mr. LEWIS) has just made reference to, H.R. 2, has been included. Now, this version has been crafted by a bipartisan group from both bodies and has the support of the ranking Democrats involved in the negotiations. I want to take a moment too to say, as did my chairman, that we really owe a debt of gratitude to the gentleman from Massachusetts (Mr. KENNEDY) for the excellent work he did, along with the gentleman from New York (Mr. LAZIO) in giving leadership to the bill that we now include in H.R. 2 as a part of the Committee on Appropriations.

I want to take a moment too, Mr. Speaker, just to say that one of the things I have enjoyed so much working from the appropriations aspect has been the great work that has been done over on the Subcommittee on Housing and Community Opportunity by its ranking member, the gentleman from Massachusetts (Mr. KENNEDY). I do not know of anyone in the House that has any greater knowledge or greater commitment to those who live in public housing and who has been the kind of an expert he has been in trying to get the kind of legislative reforms that would help those people who are relegated to public housing have the kind of decent housing that they are entitled to live in. I just want to take a moment to commend him for the great work he has done as he too prepares to leave this body.

I might say also I have talked with the Secretary of Housing and Urban Development, and he supports H.R. 2 that has been included in this bill.

Although I have not seen a formal statement of administration policy on the conference agreement, I believe this compromise should be endorsed by them. I am hopeful this measure will soon be signed into law so that the departments and agencies funded in the bill can have the benefit of congressional guidance and drop out of the continuing resolution.

Now, although we have not been able to do everything in this bill that I would like to see or that the administration would like to see, I feel that given the constraints under which we had to operate, the conferees have done a very credible job, and no small part of the credit belongs to the gentleman from California (Mr. LEWIS), our chairman.

Rather than go into detail about the specific provisions of the conference agreement, I would like to take just a moment or 2 to tell the House what a pleasure it has been to serve on this subcommittee with the gentleman from California. He has been patient, courteous to the extreme, always willing to listen and try to accommodate opposing views, but all the while nudging and cajoling and moving the process forward.

This is a very large and complex bill with many diverse elements that are sometimes pitted against one another. It is a difficult task to navigate this legislation through the minefields and the shoals that could easily torpedo it. It is a testament to the gentleman's legislative skills that once again he has been able to bring to the House a free-standing bill deserving of the support of all of us. I count the gentleman not only as a valued colleague, but also as my personal friend. Along with my wife, Jay, I look forward to many more years of friendly association with you, JERRY, and with your lovely wife, Arlene.

Mr. Speaker, I also want to take a moment to express my personal appreciation to the subcommittee staff director, Frank Cushing, for his professionalism and for the manner in which he has worked with me and the other members of the minority. I also want to express my appreciation to Paul Thomson, Tim Peterson, Valerie Baldwin, Dena Baron, who is a detailee to our subcommittee, along with Jeff Shockey and Alex Heslop on the chairman's personal staff. My special thanks also to 2 members of the Minority staff whom I have grown to be very close to and who have both been invaluable to me, Del Davis and David Reich, along with Fredette West of my own congressional staff.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Speaker, I rise in strong support of the VA-HUD conference report. I extend congratulations to the gentleman from California (Mr. LEWIS) and the ranking member, the gentleman from Ohio (Mr. STOKES).

Mr. Speaker, I rise in strong support of the VA–HUD Conference Report. I want to commend Chairman LEWIS and Ranking Member STOKES for their leadership on this bill. This is a good bill that contains many important provisions, one of which I would like to highlight this morning.

During the VA–HUD Conference last Thursday, I worked with my colleague, the senior Senator from West Virginia, on a provision to protect workers, manufacturers, farmers, and every citizen in this country from the devastating impact of mandated greenhouse gas reductions required under the Kyoto Protocol. The product of this carefully crafted agreement will prohibit the Environmental Protection Agency from implementing the Kyoto treaty through "back door" regulatory actions.

Specifically, the Conference Report language reads as follows: "none of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation" of the Kyoto treaty until it has been ratified by the Senate.

The Kyoto Protocol is a bad deal for the American people. It would exempt the developing world from having to reduce its greenhouse gas emissions, placing the entire burden on the United States and other industrial nations. This exemption creates an enormous loophole for nations like China, India, Mexico, and Brazil which are estimated to be the largest emitters of greenhouse gases in the next century.

This gross inequity will have a chilling effect on the U.S. economy. Those who can least afford it would be hardest hit by increases in the cost of electricity, gasoline, food, and other goods.

Mr. Speaker, the language included in this Conference Report is critical to stop the implementation of a fatally flawed treaty. I urge every member of the House of Representatives to support the VA–HUD Conference Report and this vital funding limitation.

Mr. LEWIS of California. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SOLOMON), the chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I am only going to take a minute just to, more than anything else, praise and commend the gentleman from California (Mr. LEWIS) and the gentleman from Ohio (Mr. STOKES) for the outstanding job that they have done, not just on this bill but on the bills that they have brought to this body every single year for so many years under the chairmanship of the gentleman from California (Mr. LEWIS) and before that, the chairmanship of my very good friend, the gentleman from Ohio (Mr. STOKES).

When we look at this particular appropriation bill, to think that the Veterans' Administration is getting $42.6 billion out of a total allocation of $70 billion, and that is outstanding. I know we will have Members that say it is not enough, and maybe even I think it may not be enough, but my colleagues have such a difficult situation as they deal with not only the Veterans' Administration, but the Department of Housing, which is extremely important and very costly; when they are dealing with the Environmental Protection Agency; when they are dealing with the National Aeronautics and Space Administration; and just dozens and dozens of all of the other independent agencies.

I do not know how my colleagues do it with the allocation that they get, but they have done a tremendous job, and I just want to sing the praises of both of my colleagues and their staffs on both sides of the aisle. Because they are good, but they would not be as good if they did not have the great staff to go with them. So I salute all of my colleagues, they have done a great job. And I thank the gentleman from Ohio (Mr. STOKES) for all of his service.

Mr. STOKES. Mr. Speaker, I mentioned a few moments ago in my remarks the outstanding job that the gentleman from Massachusetts (Mr. KENNEDY) has done with reference to the inclusion of H.R. 2 in this bill, and it is indeed a pleasure for me to yield 5 minutes to the distinguished gentleman from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY of Massachusetts. Mr. Speaker, first of all, let me thank my good friend, the gentleman from Cleveland, Ohio (Mr. STOKES) for the tremendous job that he has done, not only in this particular bill, but in so many other bills over the years of making sure that the poorest people in our country are provided the basic protections that I think all Americans believe in. I also want to thank the gentleman from Ohio for the tremendous years of service that he has provided all of the people across this country, not just in his own home district, but any poor American who feels that they can look to their government for a helping hand from time to time ought to recognize that behind the helping hand of the government was always LOU STOKES' long shadow. I am just so honored to be able to have worked with him in this process on bringing this bill to the House floor this afternoon.

I also want to thank the chairman of the subcommittee, the gentleman from California (Mr. LEWIS) for the fine work that he continues to do and will continue to do into the future in terms of looking out after the Nation's housing needs, in particular.

It is important that we understand that we have a major commitment to housing our poor and our senior citizens, our elderly people across our country, and it is only through the generosity and the willingness of people like LOU STOKES and Chairman LEWIS to take stands to protect those people that we are able to bring this bill to the floor.

I also want to pay particular thanks to my good friend, the gentleman from New York (Mr. LAZIO) who I crashed with more than once over this piece of legislation, but I am glad to say that we both found ways of working together and coming up with what I believe is a very, very good compromise.

I said to the gentleman from Ohio (Mr. STOKES), I have never heard more nice things said about he and the gentleman from New York (Mr. SOLOMON), and even the Boston Herald wrote a nice story about me yesterday.

□ 1230

I was figuring that I would highly recommend quitting, if Members want to get good press around here. Maybe I should recommend that to a few more guys on the other side. But nevertheless, I do want to say a brief word about this legislation, because I do think it is important.

We have a basic principle in America that we are going to look out after the poor. We are going to make sure that they get protected when they need a helping hand in terms of housing. And what we have done is seen this country, over the course of the last several years, house over 3 million families in our country. What we have not done, however, is provided them the necessary subsidies to keep those housing units in good shape.

As a result, every American is now familiar with the sight of some monstrosity that is called public housing that is deteriorating, that is full of very poor people and full of violence and crime and drugs. And people say look at public housing, it simply does not work.

Mr. Speaker, the fact of the matter is that if we continue to have policies where we just concentrate the poorest of the poor in large public housing units and do not provide them with the subsidies they need to keep those housing units in decent shape, we are going to see further deterioration. If we do not, in fact, provide the funding levels to make sure that the apartments are kept up and what we end up doing is just concentrating the poor, then we see the deterioration.

If, in fact, on the other hand, as the Republican chairman of the Subcommittee on Housing and Community Opportunity, the gentleman from New York (Mr. LAZIO) had proposed, that all we do is simply bring in more moderate-income people into public housing, that might solve the issue of looking at buildings and saying, well, they are in much better shape. The problem is what it does do is it leaves the very poor without shelter.

So, what we found is a way of making certain that we provide protections for the very poor, and that is a great tribute to the gentleman from Ohio (Mr. STOKES) and the gentleman from California (Mr. LEWIS) in terms of their capability of finding us an additional 50,000 vouchers to make certain that any poor person that is going to be displaced by the basic provisions of this bill are, in fact, going to find their housing needs met by our country in any event.

There are also some other protections that come in the form of the Brook amendment, which continues to be in place, but we do make certain that other kinds of requirements making certain that there are not work disincentives in the bill are eliminated.

I am happy to say in working with Secretary Cuomo that we have been able to raise the FHA loan limits, which will open up home ownership opportunities for millions and millions of families all across this country. And I think that HUD today is an agency that has come back a long way from the days of an agency that was full of difficulties, of bureaucratic anomalies and all sorts of issues pertaining to how public housing and assisted housing was getting built. It is now an agency that is well-run, and I think that people on both sides of the aisle have recognized the fact that there has been professionalism brought back to HUD, and we now see the Congress of the United States being willing to pump billions of dollars worth of increased funding into this agency and into the housing units that it provides to the poor.

So, I want to very much thank my friend, the gentleman from New York (Chairman LAZIO), for the great leadership he has shown and tell him what a great pleasure it has been to work with him over the course of the last few years, and I look forward to working with him for at least a few more days.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. LAZIO), the chairman of the subcommittee of the Committee on Banking and Financial Services that deals with housing, as I thank him for his cooperation and fine work this year.

Mr. LAZIO of New York. Mr. Speaker, I want to begin with a few "thank yous" of my own. First of all, I would like to thank the gentleman from California (Mr. LEWIS), and the gentleman from Ohio (Mr. STOKES) for their assistance and for their leadership in helping to bring this bill to the floor and for allowing us on the authorizing side to carry almost 400 pages of authorizing provisions that comprise the Quality Housing and Work Responsibility Act to this floor.

I would be remiss if I did not also at this time thank another important person, the gentleman from New York (Mr. SOLOMON), who was responsible for helping to craft the rule, not just this time, but on three earlier occasions that helped bring this to the floor.

JERRY SOLOMON is a great New Yorker. People say JERRY is three things. He is a marine, he is a Republican, and he is an insurance agent, not necessarily in that order. He has always been a man who has done great service to this body, who has brought honor on this institution, and so it is my pleasure to tip my hat as I say to JERRY, "Good luck as you just 'step outside.'"

Let me thank also my staff who have been very important to this. This process began over 3 years ago, Mr. Speaker, in my office when we got out a chalk board and started developing policy about what we needed to do after visiting a number of different public housing authorities that were just devastating in their impact on tenants.

I want to thank Paul Callen from the Legislative Counsel's Office, who worked countless long hours when we knew there was going to be final legislation and kept on redrafting and redrafting. He was enormously helpful, and personifying the very best of the staff work in this House. Aquiles Suarez, Clinton Jones, Sarah Chapman, Richard Scott, the staff director, Joseph Ventrone and David Horne, who as counsel to the committee literally bled and sweated through this process. I want to thank all of them for their extraordinary hard work.

I want to thank the House leadership. As I mentioned earlier, Mr. Speaker, this is the third incarnation of this bill. Three times this bill was passed on the House floor, once in the last Congress in a bipartisan fashion with over 100 Democrats supporting, once this Congress with over 70 Democrats supporting and virtually every Republican supporting this monumental reform of public welfare, and a third time as part of VA-HUD. This legislation really is the second step of reforming the welfare system by reforming public housing. And I want to acknowledge the work of my friend and colleague, the gentleman from Massachusetts (Mr. KENNEDY). And as I bid him a farewell after this week, I want to say it has been a pleasure to work with him, and I compliment him for his very good work.

This Quality Housing and Work Responsibility Act speaks to the concepts that we hold dear as Americans of family, of accountability, of responsibility, of working, of stronger communities, of safer communities, of empowerment of the individual and of neighborhoods over Washington institutions.

We have in this bill made significant changes that remove the disincentives to work.

There are more tenant choices in this bill, giving tenants the incentive to go to work and to have a family without being punished by the perverse rules that have punished work and punished family.

We allow tenants to use vouchers for home ownership, giving them an opportunity of the American dream.

This is a victory of one, dynamic vision of public housing over a static vision. One is to defend the status quo, which we reject here and which we have rejected in the past, and the second, which we embrace today, which is to create a dynamic environment in public housing where the working poor and the people who are not employed can live together; where people can fulfill their greatest ambitions, including going to work or creating a family; where we remove the sense of despair and loss and a sense of failure with success, with a sense of opportunity, with a sense of progress, with a sense of growth.

We embrace in this bill a policy that encourages an American work ethic. We say that community service is very important to build our own communities. People in public housing deserve to live in peaceful enjoyment in their own apartments just like other Americans. We screen out people who are violent criminals. They will not even get a first strike. They will not get into public housing. For people who disrupt other tenants in the halls, they will be removed from public housing.

We say to public housing authorities that work well and to the successful public housing authorities that they will be rewarded with more flexibility. We are going to trust them. We are going to reject the immorality of rewarding failure and penalizing success. We will look at public housing authorities that have been doing a poor job year after year after year and say, "No more." No more are we going to throw good money after bad. And, in fact, we are going to expect performance. We are going to expect that our dollars are going to be used effectively. We are going to expect that people will have a chance to be transformed. We are going to expect that good tenants and good neighbors are going to be embraced and celebrated.

This bill is every principle that we say as Americans we support. I have had the opportunity to visit many housing authorities in many urban areas. In New Orleans I spoke with a cabdriver who came from the very housing authority that I was going to visit and refused to take me there because he said it was too dangerous for me. Yet children are expected to grow up there. Families are expected to be formed there. Lives are expected to be nurtured there.

That is not right, Mr. Speaker. This bill marks a pivotal point in transforming those housing authorities. In Chicago, which I visited 4 years ago, there are the Robert Taylor Homes, with broken windows and garbage in the hallways and drug addicts controlling hallways, broken playgrounds, abysmal maintenance, money wasted, nobody working. Four years later, that reality is still the same.

This bill marks the turning point. This bill embraces a sense of change, of transformation, of expecting success, of not tolerating family deterioration, of embracing accountability and responsibility.

Mr. Speaker, I feel passionately about this. I feel passionately about the House success in making this happen, because I know in my heart that without this bill, the Quality Housing and Work Responsibility Act being on this VA-HUD bill, we would not be at this point. We would not have the parties at the table. We would not have agreement, and we would not be able to promise the change and improvement and opportunity that we are going to promise to public housing residents throughout America.

So, I urge passage. I thank my colleagues. I thank the House leadership for their extraordinary efforts on our behalf. I thank the gentleman from New York (Mr. LEACH), chairman of the full Committee on Banking and Financial Services, for his trusting me and his help throughout the process. And again, I want to thank Mr. LEWIS (of California) my colleagues on the Committee on Appropriations for their patience and for their leadership.

TITLE V OF THE FY99 VA/HUD APPROPRIATIONS CONFERENCE REPORT, "THE QUALITY HOUSING AND WORK RESPONSIBILITY ACT OF 1998" SUBTITLE SUMMARY OF MAJOR PROVISIONS

The short title of the bill is the Quality Housing and Work Responsibility Act of 1998. The bill removes disincentives for residents to work and become self-sufficient, provides rental protections for low-income residents, deregulates the operation of public housing authorities, authorizes the creation of mixed-finance public housing projects, and gives more power and flexibility to local governments and communities to operate housing programs.

Generally provisions are effective for Fiscal Year 1999. Specific provisions are made effective for Fiscal Year 2000 primarily due to budgetary impact.

SUBTITLE A—GENERAL PROVISIONS

Declaration of Policy and Public Housing Agency Organization. States that it is the policy of the United States to assist States and political subdivisions of States to remedy unsafe housing conditions and housing shortages and to vest in public housing agencies (PHAs) the maximum amount of responsibility and flexibility in program administration. Recognizes that the Federal Government cannot through direct action alone provide for the housing of every citizen, but must promote the independent and collective actions of private citizens to develop housing and strengthen neighborhoods.

Requires that the board of directors of a PHA include at least one resident of assisted housing (who may be elected by the residents, if provided in the PHA plan). Exceptions to the requirement are (1) where the PHA is required by State law to have a salaried, full-time Board of Directors, or (2) where a PHA oversees less than 300 public housing dwelling units and no resident has agreed to serve on the Board.

Minimum Rent. Provides that a public housing authority may establish minimum rental contributions of not more than $50 per month. Establishes certain mandatory financial hardship exemptions from the requirement.

Determination of Adjusted Income and Median Income. Defines "adjusted income" for purposes of this Act to mean the difference between the income of the members of the family residing in a dwelling unit or the person on a lease and the amount of any income exclusions—some of which are mandatory—for the family as determined by HUD. Mandatory exclusions are for: (1) elderly and disabled families ($400); (2) medical expenses; (3) child care expenses; (4) allowance for minors residing in the household; (5) certain child support payments; (6) spousal support expenses, (7) earned income of minors. PHAs may establish other permissive exclusions, such as for excessive travel expenses, for example.

A twelve-month mandatory income disregard is established for persons who have been unemployed for 1 or more years and who obtain employment, whose income increases as a result of participation in a family self-sufficiency or job training program, or who was within six months assisted under any State program for temporary assistance for needy families (TANF).

Family Self-Sufficiency Program. Transition provisions which maintain the Family Self-Sufficiency requirements for vouchers currently used by PHAs in such programs, maintaining current obligations but eliminating program requirements prospectively.

Public Housing Agency Plans. Requires each PHA to submit a plan, composed of an initial five-year plan showing the PHA's statement of needs and goals for that period (updated every five years), and a moral detailed operating plan, which shall be submitted annually. The contents of the annual plan (which may be submitted as part of a comprehensive housing affordability strategy) much include, among other things, information on the housing needs of the locality, population served, method of rent determination, operations, capital improvements, unmet housing needs of families with incomes less than 30 percent of median, homeownership efforts, and efforts to coordinate the program with local welfare agencies and providers and other items. One or more resident advisory boards must be established by the PHA, and the plan must be developed in consultation with the resident advisory boards. The Secretary may grant waivers from some of these requirements for PHAs managing less than 250 units.

Discusses the standards by which the Secretary may review PHA plans, notice of approval or disapproval, treatment of existing plans, and authority of a public housing authority to amend plans. Enhanced rulemaking procedures are required to ensure sufficient participation by public housing agencies and other appropriate parties in developing HUD regulations governing the plan.

Community service and family self-sufficiency requirements. Requires adult residents of public housing to contribute no less than 8 hours of work per month within the community in which the adult resides, or to participate on an ongoing basis in an economic self sufficiency or job-training program. Annual leases are required in public housing. Annual compliance reviews are required for the work requirement, and leases shall not renewed unless a resident is in compliance with the work requirements. Exceptions from community work are provided for working families, senior citizens, disabled families, persons attending school or vocational training, or physically impaired persons. PHAs may administer work requirements through resident groups or third-party nonprofit organizations.

Income Targeting. Forty percent (40%) of public housing units are reserved for families whose income do not exceed 30 percent of area median income ("AMI"). Seventy-five percent (75%) of Section 8 vouchers shall be reserved for those whose income does not exceed 30% AMI. A PHA shall be able to reduce targeting requirements in its public housing program, with regard to specific projects that are located in poverty census tracts, by offsetting increases (on a one-for-one basis) in Section 8 targeting ("fungibility"). A floor of 30% is established in public housing, so that reductions in public housing targeting levels will not result in less than 30% of public housing being reserved for those at or below 30% of area median income. Current law requirements are maintained for Section 8 Project-Based projects, but targeting is reduced to the same as in public housing (40%) of those under 30% of AMI). Targeting changes are effective upon enactment of the Act.

PHAs are prohibited from concentrating the poorest families only in certain developments. A PHA is required to submit with its annual plan an admissions policy, for review by HUD, designed to encourage income-mixing of residents. PHAs may offer incentives in connection with such admissions plans. Certain income and eligibility restrictions may be waived by an authority that provides units to police officers, law enforcement and security personnel.

Repeal of Federal Preferences. Permanently repeals imposition of federal preferences. Appropriations acts have repealed such provisions annually.

Joint Ventures and Consortia of Public Housing Agencies. Authorizes PHAs to enter into consortia with other PHAs, or into joint ventures with third parties, to administer public housing programs or the provision of supportive or social services to public housing residents.

Public Housing Agency Mortgages and Security Interests. Authorizes PHAs to mortgage or grant security interests in any public housing project or property of the PHA, subject to terms and conditions prescribed by the Secretary. No action taken may result in any liability to the Federal Government.

SUBTITLE B—PUBLIC HOUSING

Public Housing Capital and Operating Funds. Provides general parameters for developing capital and operating funds for distribution of funding to PHAs. Funding for the Capital Fund is $3 billion for FY 99 and such sums as may be appropriated annually thereafter through FY 2003. Funding for the Operating Fund is $2.818 billion for FY 99 and such sums as may be appropriated annually thereafter through FY 2003. Mandates that such formulas include a factor that would reward superior performance by PHAs.

Beginning in FY 2000 and thereafter, PHAs shall have the ability to use up to 20 percent of their capital grants for PHA operations. Beginning in FY 99 and thereafter, PHAs with less than 250 units are afforded full flexibility between operating and capital funds.

PHAs that receive income from non-rental sources may retain and use such amounts for the benefit of low-income housing purposes without any decrease in the amounts otherwise received by the PHAs under this section.

Total Development Costs. Deletes from the calculation of total development costs the costs associated with demolition of public housing projects, or the costs of remediation of environmental hazards associated with public housing units. Excludes HOME and CDBG funding from total development cost limitations.

Family Choice of Rental Payment. Families residing in public housing will have a choice as to whether they would rather pay a flat rent for a unit, to be established by the public housing authority for each unit in its inventory, or to pay no more than 30% of the family's adjusted income as rent. The purpose is to allow public housing authorities to create rental structures that would reflect the asset value of the unit, similar to the private rental market and which would remove disincentives to families obtaining employment and achieving self-sufficiency, while maintaining income protections for the residents.

Site-Based Waiting Lists. A PHA is given authority to establish site-based waiting lists notwithstanding any other HUD handbook or regulation, provided such site-based waiting list is in compliance with civil rights laws.

Pet Ownership. Residents of public housing may own one or more common household pets subject to the reasonable requirements of the public housing agency and in accordance with state and local laws and regulations.

Conversion of Public Housing to Vouchers. Permits public housing authorities, in accordance with the PHA plan, to move toward a voucher program for certain buildings after a cost-benefit analysis of maintaining and modernizing the building as well as an evaluation of the available affordable housing. Mandates that a one-time cost assessment be done of every public housing project within two years of the date of enactment of the Act to determine the relative costs of converting the project to vouchers versus maintaining it as public housing.

Transfer of Management of Certain Developments to Residents. Allows residents or non-profit resident management corporations to assume the responsibility of managing or purchasing a development. Allows a public housing authority to contract with a resident management corporations to manage one or more developments.

Homeownership. Authorizes PHAs to design homeownership programs for sale of public housing units to public housing residents, to entities for resale to residents or other low-income persons, or directly to low-income persons. There is a downpayment requirement, the amount of which is determined by the PHA, for the purchase of any unit to be provided by the purchasing family. Resale restrictions are imposed on purchasers for five years after sale to prevent purely speculative purchases. Homeownership programs under this section are not subject to the demolition or disposition requirements. Allows high-performing PHAs to use proceeds from disposition of scatter-site public housing to purchase replacement scattered-site housing which will be considered public housing.

Required Conversion to Tenant-Based Assistance. Contains a mandatory conversion provision requiring PHAs to provide housing assistance in the form of vouchers in lieu of continuing to subsidize certain distressed developments. Requires notification of tenants in public housing developments subject to conversion and provides them tenant-based housing assistance or occupancy in a unit operated or assisted by the PHA. Authorizes the Secretary to determine whether a PHA has failed to comply with this subsection and, in such case, to withdraw funding from the development.

Mixed-Finance Public Housing. Provides authority for PHAs to develop mixed-financed projects, which may include projects containing some public housing units with non-assisted market rate units. PHAs may provide assistance to such developments from operating or capital funds, in accordance with regulations established by the Secretary of HUD, in the form of grants, loans, guarantees, or other forms of investment in the project. Allows PHAs to deposit certain grant funds in escrow accounts for use as collateral in connection with certain tax credit development financing.

SUBTITLE C—SECTION 8 RENTAL AND HOMEOWNERSHIP ASSISTANCE

Merger of Certificate and Voucher Programs. Merges and consolidates the Section 8 certificate and voucher programs. Allows PHAs to establish a set of local preferences based on local housing needs and priorities. The screening and selection of tenants shall be the responsibility of the owner. PHAs are given the power to terminate contracts with owners who fail to evict tenants that engage in activity which threatens the health, safety or peaceful enjoyment of the premises of other tenants or that is drug-related or violent criminal activity.

Administrative Fees. For FY99, sets administrative fees for public housing authorities at 7.65 percent of grant amount for the first 600 units at fair market rent for a two bedroom and 7.0 percent of the grant amount for all units in excess of 600. The Secretary may increase this fee in certain circumstances.

Advance Notice to Tenants of Expiration, Termination or Owner Non-renewal of Assistance Contracts. Authorizes a Section 8 owner and HUD to enter into a five-year renewal agreement, whereby the owner agrees to continue in the program each year for five years provided funds are appropriated. Owners who enter into five-year agreements with HUD are not required to provide annual notice to tenants. For owners who have not entered into five-year renewal agreements with HUD, they shall provide notice to tenants which shall include certain required information.

Homeownership Option. Allows public housing authorities to use funds under this title to assist a low-income families trying to attain homeownership through lease-purchase programs. HUD is authorized to establish a demonstration homeownership program.

Authorizations. Contains a specific authorizes for FY 2000 and 2001 of an amount sufficient to fund 100,000 incremental vouchers under this section for each of those years; authorizes such sums for FY 99 through FY 2003 for relocation and replacement housing, witness relocation, and other uses.

SUBTITLE D—HOME RULE FLEXIBLE GRANT DEMONSTRATION

Flexible Grant Program. Provides localities with substandard PHAs a "home-rule flexibility option" that would allow them great latitude to design and implement creative solutions to local problems. Jurisdictions with PHAs that rank in the lower 40% of HUD assessment scores are eligible to develop alternative housing programs and apply for waivers from certain existing program rules. PHAs classified as "high performers" under HUD assessment scores would be excluded from eligibility. HUD has discretion to approve programs from up 100 jurisdictions over four years (throughout 2002). HUD would enter into "performance agreements" with the jurisdictions setting forth specific performance goals.

SUBTITLE E—ACCOUNTABILITY AND OVERSIGHT OF PUBLIC HOUSING AGENCIES

Study of Alternative Methods for Evaluating Public Housing Agencies. Requires that a study be conducted of alternative methods to evaluate the performance of public housing agencies. HUD is to contract if possible with the National Academy of Public Administration (NAPA) to conduct the study. The findings are to be reported to Congress 12 months after execution of the contract.

Expansion of Powers for Dealing with PHAs in Substantial Default. Authorizes the Secretary to (a) solicit competitive proposals from other entities to manage all or part of the authority's assets, (b) take possession of all or part of the authority's assets, (c) require the authority to make other arrangements to manage its assets, or (d) petition for the appointment of a receiver for the authority, upon a substantial default by a housing authority of certain obligations. Mandates that after two years of being designated as a "troubled" PHA, the Secretary shall take one of the prescribed actions unless HUD determines that the PHA has improved its performance by more than 50% as measured by HUD assessment scores. The Secretary may provide emergency assistance to a successor entity of an authority. Allows an apponted receiver to abrogate contracts that impede correction of the default or improvement of the authorities classification, demolish and dispose of assets in accordance with this title, and create new public housing authorities in consultation with the Secretary.

Audits. Provides that the Secretary may withhold amounts from assistance otherwise payable to a PHS for purposes of paying the reasonable costs of conducting an independent audit of the PHA.

SUBTITLE F—SAFETY AND SECURITY IN PUBLIC HOUSING

Provisions Applicable to Public Housing and Section 8 Assistance. Provides that the National Crime Center, police departments, state law enforcement agencies designated as registration agencies under a state registration program, or other law enforcement agencies shall provide to the PHA upon its request information regarding the criminal background of an adult applicant for housing assistance. An applicant must be given an opportunity to dispute any such information. PHAs may be charged a reasonable fee for provision of the information.

Screening of Applicants. Provides that a family is ineligible for federally-assisted housing for three years if evicted by reason of drug-related criminal activity or for a reasonable time (as may be determined by the PHA) for other criminal activity. A PHA or owner of federally-assisted housing shall establish standards prohibiting admission of persons or families who the PHA reasonably determines to be using an illegal substance or whose use of illegal substances or alcohol would interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

A PHA or owner of federally-assisted housing may deny admission to any applicant household that, during a reasonable period prior to applying for housing assistance, had engaged in any criminal activity. A PHA or federally-assisted housing owner may require that an applicant household prior to admission authorize the PHA to obtain any relevant criminal records from the National Crime Information Center, police departments, and other law enforcement agencies.

Termination of Tenancy and Assistance for Illegal Drugs Users and Alcohol Abusers. Requires a PHA or owner or federally-assisted housing to establish safeguards and lease provisions allowing termination of assistance to residents who the PHA or owner determines to be engaging in the use of a controlled substance or whose illegal use of a controlled substance interfers with the health, safety, or right to peaceful enjoyment of the premises by other residents.

Ineligibility of Dangerous Sex Offenders. Requires that owners prohibit admission to federally assisted housing to any household that includes any individual who is subject to a lifetime registration requirement under a State sex offender registration program.

SUBTITLE G—REPEALS AND RELATED PROVISIONS

Repeals Relating to Public Housing and Section 8 Programs. Repeals numerous obsolete individual public housing grant programs and authorities.

Amendments to Public and Assisted Housing Drug Elimination Act of 1990. Amends certain provisions of the Anti-Drug Abuse Act of 1988, which allows the Secretary of HUD to make grants for use in eliminating crime in and around public housing and other federally assisted low-income housing projects. An authorization of $310 million is provided for FY 1999, and such sums as may be appropriated through FY 2003.

Treatment of Occupancy Standards. Prohibits HUD from Establishing a national occupancy standard. Mandates that HUD publish by Notice in the Federal Register the contents of a HUD memo (the "Keating Memorandum") setting forth HUD's standards for enforcement with respect to discrimination complaints involving familial status.

Income Eligibility for HOME and CDBG Programs. The HUD Secretary shall within 90 days of enactment of the Act grant for not less than 10 jurisdictions exceptions to the limitations based on percentage of median income applicable to those jurisdictions under the HOME and CDBG programs.

Use of Assisted Housing by Aliens. Makes certain technical drafting corrections to the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (the Immigration Reform Act). The corrections are necessary to prevent a PHA from having the option not to enforce the provisions of the Immigration Reform Act contrary to the intent of Congress.

Protection of Senior Homeowners Under Reverse Mortgage Program. Permanently authorizes HUD's reverse mortgage program and establishes a limit of 150,000 mortgages. Requires that the Secretary consult with consumer groups to identify alternative approaches to providing consumer information regarding home equity conversation mortgages. Provides that HUD shall develop restrictions to prevent the elderly from being defrauded by third-party financial advisors. The Secretary is required to issue rules that would ensure that the mortgagor does not fund any unnecessary or excessive costs of obtaining the mortgage, including costs for estate planning, financial advice, or other related services.

Native American Housing Assistance. Makes technical amendments to the Native American Housing Act of 1996.

Amendments to Rural Housing Programs. Simplifies and expands Single Family Loan Guarantee Homeownership Program by basing homeownership opportunity solely on individual income, up to 115 of Area Median Income rather than area loan limits. Authorizes a permanent extension of undeserved areas program that requires a 5% set aside of rural housing programs for undeserved areas. Preference [current law] for these area will be given to projects where poverty is 28% or greater and where 13% of the housing is substandard.

Authorizes permanent extension of Section 515 program (Rural Multifamily Direct Loan Program) of rental housing for very low, low and moderate income families, the elderly and disabled in rural areas through direct government loans to eligible borrowers to construct or to acquire and rehabilitate rental housing.

Authorizes permanent extension of non-profit entities that requires that 9% of Sec. 515 funds be allocated to non-profit groups.

Authorizes permanent extension of Sec. 538 program (Rural Multifamily Loan Guarantee Program) to allow the USDA Secretary to guarantee eligible loans for the development of rural rental housing.

Requires the USDA Secretary to guarantee rural multifamily loans (Sec. 538) where funds from tax-exempt bond financing are involved and therefore expands the base of funds a group may use to leverage funding for rural multifamily housing.

Expands non-profit participation in Sec. 514—Farm Labor Housing by making limited dividend partnerships, controlled by non-profit corporations, eligible for farmworker housing loans and therefore expands the base of funds a group may use to provide farmworker housing.

Eases rules on Farm-Labor Housing and Rental Assistance by permitting seasonally operated farmworker housing projects to be funded on an operating basis and therefore eases paperwork burden by permitting project rents to be based on the area income of farmworkers rather than individual income.

Reauthorization of National Flood Insurance Program. Authorizes homeowner's flood insurance by extending authorization of the National Flood Insurance Program (NFIP) for homeowners through FY 2001.

Extends emergency implementation of NFIP to the end of 2001 by allowing certain communities lower flood premiums while in the middle of implementing mitigation and other flood control plans that ultimately reduce the community's risk for flooding.

Assistance for Self-Help Housing Providers. Expands competition of Self-Help Housing Program (SHOP) by requiring HUD to make self-help housing program nationally and regionally competitive. [Program provides funds for infrastructure and land acquisition to groups who sponsor self-help housing programs. Program started in FY 1996 with $40 million, assisting over 4,000 homes at an average government cost of $10,000 to provide homeownership.]

Extends time to complete FY96 SHOP projects by extending from 24 months to a total of 36 months the time grantees may use funds under this program to build housing. Extends SHOP program for FY 1999 and FY 2000 by granting two year extension.

Special Mortgage Insurance Assistance. Updates underutilized FHA program for high-risk borrowers by providing limited mortgage insurance for high-risk borrowers who participate in CDFI led pre- and post-purchasing counseling for mortgages under $70,000 and requires participation through a certificed CDFI who will share in any losses incurred.

Mr. STOKES. Mr. Speaker, I yield 15 seconds to the gentleman from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY of Massachusetts. Mr. Speaker, I just wanted to acknowledge the tremendous work, and one of the great aspects of working in the Congress is to see the tremendous diligence and dedication of the staff,. I particularly want to thank Angie Garcia and Rick Maurano from the Committee on Banking and Financial Services for their hard work on the housing bill. Also, Scott Olson from my own staff, who has really worked very, very hard on this bill, and also Del Davis and David Reich for the hard work that they have done to continue to protect the interest of the poor who occupy our housing units.

Mr. STOKES. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LAFALCE), the ranking member on the Committee on Banking and Financial Services.

Mr. LAFALCE. Mr. Speaker, I thank the gentleman for yielding me this time very much.

Mr. Speaker, I rise in support of the conference report providing appropriations to VA–HUD and Independent Agencies for fiscal year 1999. First of all, I, too, want to join in the plaudits of the gentleman from Massachusetts (Mr. KENNEDY) for the tremendous staff work that we have received on this bill from both sides of the aisle, and he has enumerated the individuals.

As on every bill, there are some individuals in the Congress who are deserving of special attention. Certainly the gentleman from California (Chairman LEWIS), the gentleman from Ohio (Mr. STOKES) the ranking member, certainly also the gentleman from New York (Mr. LAZIO) and the gentleman from Massachusetts (Mr. KENNEDY).

I point out in particular the work of the gentleman from Ohio (Mr. STOKES) and the gentleman from Massachusetts (Mr. KENNEDY), not because they are partisans on my side of the aisle, but because they will be leaving Congress this year, and this legislation can stand as one of the most significant hallmarks of their work here, something of which they can be very, very proud.

We would also be remiss if we did not acknowledge the tremendous impact and influence and tenacity of the Secretary of Housing and Urban Development, Secretary Cuomo, in attempting to come up with a bill that everyone could support. If it were not for that tenacity, that doggedness, that perseverance, we would not be standing here today as we are. So I applaud him, too.

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There are many reasons to support this bill. Core HUD programs, such as the modernization program for public housing; the Section 8 incremental account; the McKinney homeless programs, all receive needed increases. $42.6 billion is provided to veterans programs in benefits, $439 million more than requested by the administration. And the AmeriCorps program receives $22 million more than provided last year.

Most notably, however, the VA-HUD conference report includes landmark public and assisted housing reform legislation. The legislation, which was a product of months of bipartisan negotiations between Members of the House Committee on Banking and Financial Services and the Senate Committee on Banking, Housing, and urban Affairs, represents a balance between the need to reduce the concentration of very poor families living in public housing and the necessity to preserve adequate housing assistance for the very poor. I think that balance was achieved, in part because the authorizers agreed to establish targeting requirements that far exceed the provision in the original House-passed bill, H.R. 2, which I had to oppose. That balance, however, was enhanced by the work of the appropriators to fund new units of Section 8 assistance for those with families working to move from welfare to work. I do not think we would have had an adequate balance without those additional units of Section 8 housing.

Today, I rise in support of the conference report providing appropriations to VA–HUD and Independent Agencies for fiscal year 1999. As Ranking Member of the Banking Committee, there are many reasons to support this bill. Core HUD programs, such as the modernization program for public housing, the section 8 incremental account, and the McKinney homeless program, receive needed increases. $42.6 billion is provided to veterans programs and benefits—$439 million more than requested by the Administration. The Americorp program receives $22 million more than provided last year.

Most notably, however, the VA–HUD conference report includes landmark public and assisted housing reform legislation. The legislation—a product of weeks of bi-partisan negotiations between the House and Senate Banking Committees—represents a balance between the need to reduce the concentration of very poor families living in public housing and the necessity to preserve adequate housing assistance for the very poor. That balance was achieved, in part, because the authorizers agreed to establish targting requirements that far exceed the provision in the House-passed bill, HR 2, which I opposed. The balance, however, was further enhanced by the work of the Appropriators to fund new units of section 8 assistance for those with families working to move from welfare-to-work.

This balance, however, did not come easy. For years, the Congress has deliberated upon dramatic reforms to the public and assisted housing programs which serve over 4 million low-income, American families today. But today, I believe the four-year campaign of Congressional Democrats , the Administration, and tenant advocates against onerous rent reforms and irresponsible targeting levels has finally brought positive results. Policy issues of most concern to me and my Democratic colleagues—including maintaining affordable rents for tenants; reserving an adequate number of units of public and assisted housing for the poor; streamlining the administrative burdens on Public Housing Authorities (PHAs);

and replacing dilapidated housing with sustainable, mixed income communities—have been resolved fairly and appropriately in this conference report.

For instance, the report targets 75 percent of section 8 tenant based housing and 40 percent of public housing for "very poor" families, those with incomes at and below 30 percent of the area median income. If a PHA has housing developments located in areas where there are high concentrations of very poor families, it may reserve up to 10 percent fewer units of public housing for the very poor as long as it increases the number of section 8 assistance reserved for the very poor from 75 percent to 85 percent. The conference report also provides that tenants may choose either an income-based rent of up to 30 percent of the tenant's adjusted income or a market-based rent. Protections for tenants who choose to pay a market-rate rent but then suffer a change in income making the market rent unaffordable, or who choose to pay an income-based rent and benefit from an increase in income, are also provided.

I do want to point out, however, that I would have preferred a less punitive resolution to the "community work" requirements promoted by my Republican colleagues. The conference report goes too far in making the requirement a condition of occupancy and authorizing a PHA to evict a tenant found in non-compliance. Certainly, I support encouraging all Americans to contribute to their community. But I cannot support an approach that could result in evicting families from public housing for failing to volunteer in their community.

I am also concerned that the conference report includes the Home Rule block grant that permits localities to apply to HUD to administer their public and assisted housing programs. Despite the fact that this provision was strongly opposed by PHA and without vocal support from the mayors or cities, the conference report permits 55 localities served by a troubled PHA and 45 localities served by a non-troubled, non-high performing PHA to apply to receive public housing operating and capital funds and section 8 funds directly and to administer comparable housing programs with such funds. I intend to closely monitor the implementation of this program to ensure that localities continue to serve as many families in need as possible and preserve the public and assisted housing stock as affordable housing.

Again, I want to express my appreciation to Secretary Andrew Cuomo and my colleagues on the Banking Committee—Chairmen LEACH and LAZIO, Ranking Member KENNEDY, Chairmen D'AMATO and MACK, Ranking Members SARBANES and KERRY—for working with me to develop a thoughtful and progressive public and assisted housing reform bill which I am proud to support.

Mr. LEWIS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. LEACH), chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Speaker, I thank my distinguished colleague for yielding me this time, and let me just echo the comments of so many about the distinguished service of the gentleman from Ohio (Mr. LOU STOKES), whose friendship is much appreciated; as well as that of the gentleman from New York, (Mr. SOLOMON), who, through the Committee on Rules, has truly shaped the agenda of the last two Congresses.

Second, I would like to thank my good friend, the gentleman from California (Mr. JERRY LEWIS), for working with the authorizing committee in such a forthright way, in an appropriations context, which is a rather unusual circumstance but much appreciated.

Second, I would like to underscore, as the gentleman from Massachusetts (Mr. KENNEDY), the gentleman from New York (Mr. LAFALCE), and most of all, the gentleman from New York (Mr. LAZIO) have, that included in this appropriations bill is the Quality Housing and Work Responsibility Act of 1998, which represents the first major updating of our public housing laws since the depression.

This landmark legislation is one of the two or three most important issues before this session of this Congress. Outdated laws and programs are replaced with a new empowering approach for people in our smaller communities as well as our larger cities. There is much to be proud of in this bill, home ownership, local control, volunteerism, and empowerment, to name a few.

On a philosophical note, I am reminded of a speech given last year by the British Prime Minister Tony Blair. He stated: "In the 1960s, people thought government was always the solution. In the 1980s, people said that government was the problem. In the 1990s, we know that we cannot solve . . . problems . . . without government, but that government itself must change if it is to be part of the solution."

Mr. Speaker, both the majority and minority members of the Senate and the House committees of jurisdiction, and as has been mentioned here, our extraordinary staffs, as well as the administration, led by Secretary Cuomo, worked tirelessly to craft a reasonable and responsible approach to reform public housing programs in a manner that I believe will achieve efficiencies at the Federal level and advantages at the local level, and empower some of the most needy in our society with the resources to become self-sufficient and to make decisions based on responsible choices.

The Quality Housing and Work Responsibility Act of 1998 makes necessary changes to be part of the solution. It symbolizes many things, not the least of which is that serious legislation can be considered during times of difficulties between the administration and the Congress.

Finally, let me just conclude by stressing again the extraordinary work of the gentleman from New York (Mr. LAZIO) in putting this bill together; the extraordinary thoughtfulness and cooperation of the ranking member, the gentleman from Massachusetts (Mr. KENNEDY); as well as the ranking member of the full committee, the gentleman from New York (Mr. LAFALCE); and, of course, the thoughtfulness of the gentleman from California (Mr. LEWIS); as well as the full committee chairman, the gentleman from Louisiana (Mr. LIVINGSTON).

I strongly urge support for this legislation. And I would be remiss if I did not say that I am very proud of this particular work product of this Congress.

Mr. STOKES. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. BROWN), the distinguished ranking member of the Committee on Science.

Mr. BROWN of California. Mr. Speaker, I thank the gentleman very much for yielding me this time, and I will try to be brief.

I believe that we have before us an excellent bill, H.R. 4194, which, while not perfect, and no bill can be, goes a long way toward dealing with a lot of the problems which I have, particularly in my role as the ranking member of the Committee on Science. These problems involve NASA, the National Science Foundation, EPA research, and other related matters. Overall, the bill deals positively with all of these agencies, and I am proud to support the bill and acknowledge the fine work of my two good friends, the gentleman from California (Mr. LEWIS), and our ranking member, the gentleman from Ohio (Mr. STOKES).

I think perhaps more important than the matters that I have mentioned relating to the jurisdiction of the Committee on Science is the precedent set in this bill for approving authorizing legislation dealing with the housing problems that are the subject of this bill. This probably represents a greater degree of cooperation between authorizers and appropriators than we have seen in the history of this Congress. And by sheer coincidence, I spent part of my time in the last week drafting a revision to the rules of the House which would facilitate exactly what has been done in this bill, and it requires only rather minor changes in the wording of the rules. This will, of course, if appropriate, be brought up for discussion when we reorganize in the next Congress.

In addition to what I have already said, praising the overall impact of this bill, let me make special mention of the cooperation that I received from the committee in dealing with a small but I think significant program involving cooperative research between the U.S. and Mexico.

We have been working for a number of years establishing a joint U.S.-Mexico research foundation. And, of course, any time we try to do something new, we run into lots of problems. I would say that the work of the gentleman from California and the gentleman from Ohio has been critical to solving these problems, which are procedural in large part. The amount of money involved is not all that great. But I want to express my deep appreciation to them for their willingness to assist on this matter, and I am sure that the results will bear fruit that they will be proud of in improving our relationships with our neighbor to the south in future years. I look forward to continuing to work with them, assuming I am fortunate enough to be reelected in the years ahead.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I want to just take a few seconds to pay tribute. I missed an opportunity to pay tribute to a great American, a great marine, the gentleman from New York (Mr. SOLOMON), chairman of our Committee on Rules. And Godspeed. He is one of our greatest.

I want to pay tribute also to the chairman of this committee, and thank him for all the help that he has given my community and the Nation.

And I want to pay a special tribute to an individual who I consider to be one of the strongest legislators in the history of our Nation, the gentleman from Ohio (Mr. LOU STOKES), the first African American to be a cardinal in the Congress of the United States. Absolutely amazing. He is certainly one of the best.

Now, the business. I want to thank the committee for including the language of my bill, which will extend housing counseling services to veterans who are in danger of losing their homes. In addition to that, I want to thank them for the money for my community, hard-pressed, that will turn an old abandoned hospital into a community asset.

I also want to thank them once again for including "buy American" language, so that when these funds are spent, these agencies will keep in mind the fact that American taxpayers are American wage earners, and American wage earners are those who have American jobs. People have American jobs because Americans, as consumers, buy American products. And when our government buys, they should consider buying American.

So with that, in closing, I do want to make this last tribute on this appropriation bill to be handled by the distinguished Member, the gentleman from Ohio (Mr. STOKES). My community wants to thank the gentleman for all he has done for the Nation, for the State of Ohio, and for the 17th Congressional District of Ohio. Without a doubt, his legacy will long be remembered and felt here and he will be deeply missed.

I thank the chairman for all his help.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Speaker, as the representative of one of this country's largest public housing populations, I strongly oppose this conference report. The public housing provisions in the agreement will only ensure that the difficult lives of the extremely poor become a nightmare.

Over the years, the nature of public housing has changed. Clearly, reform has become necessary. But the provisions in this report represent a significant departure from our national commitment to helping those most in need. This report simply gives up on housing the very poor.

A year ago, when the Republican leadership brought these provisions to the floor, they left little hope of a bright future for public housing tenants. Democrats fought hard and won on some points of basic fairness. Although this conference report eliminates some of the worst provisions in that bill, it still does not pass the compassion test.

Decent and affordable housing will remain out of reach for millions of the neediest families. People affected by this legislation are some of the most vulnerable members of society. Many of these families are working to become self-sufficient. We should be addressing those issues instead of unraveling one of our most vital safety nets.

My colleagues, if we are going to reform public housing, we must do so in a reasonable and compassionate way. Preserving rent limits and improved targeting are only a small step. The question we must ask ourselves is whether the poorest families are going to be better off. The answer is clearly no.

I urge all of my colleagues to oppose this conference report.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. SHEILA JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for his kindness and for yielding me this time.

Let me pay special tribute to the gentleman from Ohio (Mr. STOKES) for the leadership that he has shown in Congress, and over this particular legislation that impacts so many Americans. We thank him for his leadership. And the gentleman from California (Mr. LEWIS), we thank him for cooperatively working with the gentleman from Ohio. They have been a dynamic team.

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I somewhat disagree with my good friend from New York on the pain of those living in public housing. Might I say that although there are some points of this bill that I certainly appreciate in this appropriations bill and agree with, but I do want to acknowledge that there are hardworking Americans in public housing, those who want to live at a higher level, and I am concerned that some of these elements may not do that. Frankly, I think the forced volunteerism certainly begs a lot of concern about putting something on one group of people because they happen to be in public housing.

I do applaud the fact of the reinstatement of the 1937 act which allows public housing residents to be hired. It is important, however, that we look to improve their working and living conditions. I am glad, however, of the $283 million for 50,000 new Section 8 vouchers. I encourage our community, the City of Houston, to use those vouchers. We have 10,000 families living on Section 8.

I also am glad that NASA is funded and particularly the Space Station. I think it is extremely important that we have continued research in support of the Space Station, the money tagged for minority research and education programs, and I am delighted that we are moving in that direction.

The National Science Foundation also will continue to be able to do its research and work extensively on teaching our children math and science and helping those teachers who need professional development.

For once we have recognized the value of the AmeriCorps Service. I thank the gentleman from Ohio and the House committee and this conference committee for understanding that young people are out there working to improve the lives of Americans. AmeriCorps has been finally funded so that those young people can go to college and help child care.

Lastly, Mr. Speaker, I say thank you for the veterans' support and thank you for the money for Covenant House that will help young people be housed in Texas. The runaways will now have a place to live because of the support of Covenant House in Texas.

I would ask the gentleman from Ohio to continue his good work and continue his good service.

Mr. Speaker, I rise today to voice my opinion on H.R. 4194, the VA–HUD–Independent Agencies Appropriations for FY 1999. Although the measure has some redeeming elements, I am still unhappy with some of the provisions.

First, this is a VA–HUD Appropriations bill, not a public housing authorizing bill. For the life of me I cannot figure out the why of the provision requiring unemployed public housing tenants to contribute eight hours of community serve each month to remain in public housing. The 13th Amendment of the Constitution states that "Neither slavery not involuntary servitude will be permitted except for a punishment of crime where the party shall have been duly convicted." Forcing people into mandatory community service so that they can remain in public housing amounts to nothing less than slavery. This mandate would thrust this country back into the dark ages of slavery by encouraging forced labor of individuals who are down on their luck.

However, I am very relieved that as part of a deal with the Clinton Administration, we now have 50,000 new vouchers for Section 8 housing residents. In the city of Houston, there are approximately 10,000 families living on Section 8 assistance and approximately 15,000 families on the waiting list for Section 8 assistance. These additional vouchers in this bill are sorely needed to provide housing assistance to Americans with low incomes. This definitely makes this bill a lot more viable, especially for the Members who represent large urban areas where these needs are vast.

Although this bill continues our current trend of reducing NASA funding, I do appreciate the appropriations provided for this very important and very vital agency. By funding NASA at $13.7 billion, we will continue to viability of several important minority and gender-oriented programs. Also, $55,900,000 is tagged to fund minority research and education programs, $10,000,000 above the requested amount. Such appropriations are necessary and will insure the successful development of minorities and women in the fields of science and engineering.

The Appropriations Committee graciously raised the level of funding for other space-related programs. For instance, the funding for the Near-Earth-Asteroid budget was increased by $1,600,000. It is equally important that grater funds are provided for the Mars 2001 program, and the Life and Microgravity Science Department.

I also thank the Committee for providing funding for the National Science Foundation (NSF). We should always strive to continue advances in scientific research and development. The Committee has funded the NSF at $3.4 billion. Although the levels is $146 million below the Administration's request, it is good that we continue to support this significant Foundation. More specifically, appropriations for necessary upgrades and overhauls of important research and regulatory equipment are continued. Other provisions aptly address the NSF educational budget, which assists K–12 schools to teach their children about math and science. Funding for this budget is $10 million over last year's budget. However, I am concerned at the refusal of support of the Kyoto Global Warming Treaty. There are also some other research on the EPA that we must fix. The preservation of our environment is very important.

Finally, the budget for the Corporation for National and Community Service, better known as Americorps, was zeroed out in the House version of the bill. I was astonished at this move. Americorps has valiantly served our country during its short existence, and I hope that we will continue to support it. I believe that any program as positive as this, which highlights the American virtue of volunteerism and altruism, should be continued indefinitely. I am very pleased that the other body added the $426 million back in for 1999—equal to the 1998 funding.

I am also grateful that the Conference bill includes $42 billion in VA programs and benefits. This Report includes much needed funding for medical and prosthetic research, service connected compensation benefits and pensions, and major construction of veterans' facilities. I love our veterans, and I am glad that the Congress remains vigilant in taking care of those who have served our country through military service.

Lastly, I am very pleased that the funding for Covenant House has been added to the bill and $300,000 for the city of Houston. Covenant House Texas, located in Houston, is a non-profit agency which provides shelter and comprehensive service to homeless and runaway youths under the age of 21. There is a tremendous need for these programs in Texas, to serve at risk, young people who have had little in their lives in the way of basic education, career training, and independent living education. I thank both the chairman, Mr. LEWIS, and the ranking member, Mr. STOKES, and to all of the conferees for ensuring that this much needed program was included in the Conference Report.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. WAXMAN), the distinguished ranking member of the Committee on Government Reform and Oversight.

Mr. WAXMAN. Mr. Speaker, I thank the gentleman for yielding time.

When the VA–HUD appropriations bill was passed by the House in July, it contained numerous provisions in the accompanying report that were intended to interfere with the implementation of our environmental laws. In the legislation now before us, I see that the conferees have improved most of these anti-environmental riders. However, there is still some potentially damaging language in the bill and I want to mention some of these specific provisions.

The report urges EPA to start over in their efforts to clean up air pollution in our national parks. I understand this language was included by the Republicans at the request of coal-burning utilities in Colorado.

In the mid 1970s, there was growing public concern regarding air pollution clouding the beautiful vistas of our national parks. As a result, Congress directed EPA to address the problem in the Clean Air Act Amendments of 1977. After a stalled effort, the program was improved and strengthened in 1990. Unfortunately, just as this program was finally beginning to be implemented, the program was stalled for 9 years by an anti-environmental rider attached to this year's highway bill. The language in the VA–HUD appropriations bill now adds insult to injury by urging EPA to start over and not encourage the States to even plan or think about addressing this serious issue.

There is language in this bill which is intended to prevent the reduction of mercury emissions from power plants until after the turn of the century. There is language which is intended to slant implementation of our pesticide safety laws in favor of pesticide chemical companies at the risk of public health. Additionally, there is language designed to interfere with the dredging of PCB contaminated sediments in our rivers and our lakes.

Mr. Speaker, I am somewhat comforted by the chairman's past assurances that this is all report language and is not binding on the agency. However, it is now up to Carol Browner, the Administrator of the EPA, to take the chairman at his word and to deal with or to ignore some of these harmful provisions. I am pleased that the bill before us is better than the one we passed through the House. I wanted to put in the RECORD some of my concerns.

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume just by way of a brief reaction. I could not help but pay close attention to the comments of the gentleman from California, for he was expressing concern about report language in the bill, and we have discussed this before. He knows the relative impact of report language. But what he may not know is that for the riders he is really concerned about, we had serious discussions and negotiations and work with the Senator from West Virginia (Mr. BYRD) who was the key player involved in all of this and want to make sure we understand that he is a Democrat, that we recall that.

Mr. Speaker, I reserve the balance of my time.

Mr. STOKES. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I rise to commend the conferees, especially the gentleman from California (Mr. LEWIS), the gentleman from Ohio (Mr. STOKES), the gentleman from Massachusetts (Mr. KENNEDY) and the gentleman from New York (Mr. LAZIO) for the outstanding work that they did on the housing report. Gone are the heavy-handed provisions that would have mandated community service for unemployed residents of public housing. In its place this bill requires either 8 hours of community service or 8 hours a month of participation in an economic self-sufficiency program. This is real problem-solving without the insensitive and stoic responsibilities to existing circumstances in public housing that we witnessed earlier in the process.

When I look at my congressional district in Chicago, where only 18 percent of the residents of Dearborn Homes are employed, where only 9 percent of the residents of Robert Taylor A are working; where only 9 percent of the residents of Stateway Gardens are working, there is clearly a need for job training. I believe that this is where we need to direct our focus. This is a most welcome undertaking and is proof positive of the type of agreements this body can reach. I thank the conferees for an outstanding piece of work.

Mr. STOKES. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. MEEK), a hardworking and very dedicated member of the VA-HUD subcommittee.

Mrs. MEEK of Florida. Mr. Speaker, I thank our leader LOU STOKES who is retiring from Congress. I thank Chairman LEWIS. The two of them have what I have always described as a dynamic duo. With the fact that they work so well together as a member of that conference committee, the work was sometimes strenuous and caused us to have to make hard decisions, but they were good decisions.

At first I was a little bit dissatisfied with H.R. 2, but after the many compromises that were made, particularly those compromises that had to do with additional Section 8, also additional public service for the people who are in such distressed conditions, I want to give my full support to this conference report and hoping that the volunteerism that perhaps is forced on some of the residents will cause them to make this a virtue and work this into what they will give to society.

Mr. STOKES. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Speaker, I rise in support of the conference report and to pay tribute to the leadership of this giant LOU STOKES, this gentleman and giant. The gentleman from Ohio deserves special praise for helping to produce today what will be his final VA-HUD appropriations bill. He was able to work with both the administration and his very able and amiable friend and chairman of the committee the gentleman from California to produce and craft a bill that includes a landmark housing reform package that provides opportunities, responsibilities, is less onerous and gives more autonomy to local public housing authorities.

The gentleman from Ohio is leaving a great legacy to this Congress. He has done so much to honor our veterans, to improve the lives of millions of Americans by expanding affordable housing, cleaning up our environment and advancing medical research in my district and districts around the Nation.

On a personal note, Mr. STOKES and Mr. CLAY and Mr. Dellums and Mr. RANGEL are like fathers to me. I have known them since I was a child. Aunt Jay and certainly Judge Stokes, and Chuck and Shelley and Lorie are like cousins. He will be missed not only by those of us in this House but those throughout this Nation. He is one that has provided me with great counsel and advice since being in the Congress and just on a very personal note, I want to say to my friend and uncle and father figure Mr. LOU STOKES, thank you for what you have meant to me, thank you for what you have meant to this Congress and thank you for what you have meant to this Nation. You are indeed a true patriot and you will be missed.

Mr. LEWIS of California. Mr. Speaker, I yield 1 minute to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I know there have been wonderful accolades given to the chairman and other members of the committee, the ranking member, and I want to join in that. I particularly want to commend the gentleman from New York (Mr. LAZIO) and the public housing provisions in this bill. Having been a member of the Banking Committee for a good number of years and the ranking member on the Subcommittee on Housing, I know what a giant step of reform this is. I want to commend them. But I especially want to reference the fact that the money was put in to deal with the veterans' needs in States like New Jersey and other States. After all, when our veterans served, they did not serve one region of the country or another. They served all Americans.

I just want to congratulate the committee for doing what is fair and right for all the veterans no matter what States they live in, and particularly for our veterans' hospitals in New Jersey.

Mr. Speaker, I rise today in strong support of the Conference Report for H.R. 4194, the VA, HUD Appropriations Act for FY 1999. This is a very good Conference Report with many strong aspects.

Public Housing.—This Conference Report includes H.R. 2, the Public Housing bill. I want to commend Chairman LAZIO for his strong leadership on this effort.

Our public housing programs have been a failure. For years I served as the Ranking Minority Member on the Banking Housing Subcommittee. While we made repeated attempts to address the waste, fraud and abuse inherent to our public housing system, this is the first time we have had a comprehensive plan offering effective solutions.

We have made great strides in reforming our welfare system in an effort to give people the hand up they need rather than a hand out. With the passage of this Conference Report, we move a step closer to completing the job of reforming our welfare system. These reforms are real and help people by giving public housing families the tools they need to achieve financial independence.

Ramapo.—In addition, I would like to thank the Chairman for his hard work and dedication. I would like to thank him and the Committee for including a grant to Ramapo College. This grant will help to offset the cost of constructing a Center for the Performing and Visual Arts that will serve all the people of northern New Jersey.

Moderate Rehabilitation.—I would also like to thank the Chairman and the Committee for including language on Moderate Rehabilitation contracts. Moderate Rehabilitation properties are vital neighborhood assets in many lower income communities that hold neighborhoods together.

Veterans.—But, I would like to take the rest of my time to speak on an issue that is vital to the veterans of New Jersey and the Northeast. This Conference Report contains language that urges the Veterans Administration to provide for a one time credit of $20 million to the Veterans Integrated Service Network (VISN) Three, which serves veterans of New Jersey and the Northeast. This language is right and fair. The veterans served their country, and there should be no difference on their care and treatment according to state or regional locations. This Conference report puts the money back and brought equity for all our veterans.

A General Accounting Office (GAO) study revealed that the Network 3 returned $20 million for the Fiscal Year 1997 budget to the Veterans Administration national offices in Washington. According to the GAO, the Network 3 Director found "no prudent use" for these funds.

At the same time this money was returned to Washington, my office had numerous complaints from the East Orange and Lyons facilities. Most recently, a patient at Lyons Veterans Affairs Medical Center, which mainly serves psychiatric patients, was found dead after wandering off site unsupervised. He was missing for three days and found only 150 feet from the Hospital's administration building. It is also interesting to note that due to funding restraints, New Jersey's VA hospitals have eliminated over 240 jobs. It is obvious to me that the $20 million could have been spent in many prudent ways.

The crisis facing our veterans, brought about by implementation of the VA's new funding formula known as Veterans Equitable Resource Allocation (VERA), has negatively impacted funding of veterans' health care in New Jersey and the northeastern United States. New Jersey and the Northeast will lose millions of dollars over the next several years.

To save money, the VA has cut back on numerous services for veterans and instituted various managed care procedures that have the impact of destroying the quality of care the veterans receive. For instance, the VA has reduced the amount of treatment offered to those who suffer from Post Traumatic Stress Disorder (PTSD) and reduced the number of medical personnel at various health centers.

As a result of these cutbacks on top of the $20 million give away, there has been an erosion of confidence between veterans and the VA. This erosion threatens to destroy the solemn commitment that this nation made to its veterans when they were called to duty.

This credit of the $20 million will help to restore the confidence of our veterans in the VA. I call on the Secretary of the VA to act immediately on the Committee's direction after this bill is signed into law.

I thank the Chairman and urge adoption of this Conference Report.

Mr. STOKES. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I rise in support of the Conference Agreement on H.R. 4194, the VA, HUD and Independent Agencies Appropriations for FY 1999.

Overall, I am supportive of the funding levels for the Veterans programs and for the Department of Housing and Urban Development. I have concerns about the wisdom of limiting the implementation of the Kyoto global warming treaty in the manner prescribed. It is short sighted to ignore the facts that are building on global warming and it is more short sighted for the United States not to be taking a lead role in the international community on these efforts to control greenhouse gases. So, although this bill has been tempered from what was in the House bill it is still overreaching. It is also regrettable that this bill contains hundreds of millions of dollars of earmarks among housing and environmental programs, continuing a usual pattern for this bill that I find less than appealing, with the limited funds available, the report picks winners and losers for such funds based on nonobjective criteria.

There is always too much to say about appropriations bills that cover the whole range of issues and programs that we have before us. That task has been multiplied by the inclusion of the authorizing legislation, H.R. 2, which has many provisions that I have worked on over the past few Congresses.

I do support the agreement brought together in this bill on H.R. 2. Because I have not had adequate time to study the nuances of all the language, I cannot unequivocally endorse the entire product. I remain concerned about the community work requirements and the inclusion of the Home Rule Flexible Grants Demonstration program in the agreement and have some concerns about the potential negative effect of public housing operating subsidy and modernization formulas that are as of yet, not created and therefore, untested. The final provisions are limited in scope and time and attempts to avoid duplication with other Federal requirements.

Nonetheless, I must praise those who came to this agreement for moderating the House bill which was extreme in its so-called reforms. From not repealing the 1937 Housing Act to providing much better targeting of scarce housing resources to the very poor, this agreement is a significant improvement and a reasonable compromise. The inclusion of this agreement today shows that Public Housing Authorities (PHAs) can be given flexibility without destroying the underlying protections for those in need of housing assistance: the Brooke amendment which limits families' rent contributions, and targeting of 75 percent of Section 8 assistance vouchers and 40 percent of public housing units to the very poor.

I am pleased that some form of the changes I had worked on for several years in Housing Authorization bills in the past three Congresses have been included in the agreement. In particular, I refer to the expansion of the Public Housing Drug Elimination Program (PHDEP) to a more comprehensive crime oriented program which had been called COMPAC. Section 586 of the bill does make amendments to PHDEP to assure that this program, already effective in many cities across the country, can be improved to include the eradication of drug-related and violent crimes, primarily in and around public housing buildings with severe crime problems. While not entirely including my COMPAC provisions that were in the House-passed bill, these changes will link community policing efforts and local anti-crime efforts with public and assisted housing security and crime reduction initiatives. I am concerned, however, that in lieu of an actual formula for distribution of the crime and drug elimination program funds to PHAs that apply and demonstrate security and crime reduction needs, there is only a preference for PHAs that have previously received funds under PHDEP with a small, undefined "set-aside" of funds for a "class of public housing agencies that have urgent or serious crime problems." I believe the latter is an attempt to assure medium- to small-sized PHAs have an opportunity to receive funds even if they have not to date, and thus would not be subject to the preference for funds over the next four years. I would also hope that either in developing the preferenced set of PHAs and the special class of PHAs, that HUD will fairly allocate these funds across the country to PHAs like St. Paul that have received funding in the past, and to others that have needs that have not received PHDEP monies.

Thankfully, the agreement does not create the ill-advised Housing Accreditation Board that the House bill was to have foisted upon the system, regardless of whether it is necessary. The creation of a commission to study the effectiveness of current public housing performance assessment is a much better outcome and should be more useful and cost effective in the long-run than super-imposing a new government bureaucracy.

As the work of the appropriators, I wish to thank and commend the Conferees for including some relief, though not all that we hoped for, on the matter of tenant notification of the prepayment of a mortgage on the apartment building in which they live. As Members may recall, I offered an amendment to provide for 12-month of notice to affected tenants based on a Senate amendment accepted in the VA–HUD bill. However, the amendment was out of order at that time as it was legislating on an appropriations bill. Thankfully, we are over that hurdle by a long shot in this bill with extensive authorization to say the least. Since then, I have been working with my Minnesota colleague from St. Paul's sister city, Minneapolis, to ensure that tenants, state and local governments, and advocates have advance knowledge of prepayment, in part to enable them to the degree it is possible, to preserve the existing assisted housing. Without Preservation funding requests from the Administration and without the appropriations of funds for preservation, the real heavy lifting to keep affordable housing units isn't likely to be possible. I hope this policy path will change in the future. Until then, this notice is a small step forward to give tenants in states like Minnesota which has developed its own funding program for preservation the opporutnity to preserve a few buildings. I will continue to work to see that the federal government pulls its share of the weight on preservation and provides adequate funding by whatever means are available so that it is a true partner to the states and our citizens in this endeavor.

I am also very pleased that the Conference agreement has included an increase of the FHA loan limits: an increase in the floor to 48% of the Freddie/Fannie conforming loan limit that is almost as much as the 50% of the conforming loan amendment that I had offered successfully in the 1994 housing bill that died in the other body, and, an increase to $197,620 for the FHA ceiling that will help many middle income and first time home buyers in high cost areas. Both of these increases should be helpful to keep this program relevant in the market place and making it more responsive to the actual cost of building and buying a home in large and small, rural and suburban, urban and ex-urban real estate markets across the country. The five years delay in responding to the changes in the market speak to a need for autonomy for the FHA, administration so that the program is not hobbled by political limits. It is good to note, as well, the permanent authorization of the popular and proven FHA HECM program, better known as the Reverse Mortgage program for Seniors.

I do note that the Conference Agreement provides almost a billion dollars, or $975 million, for homeless assistance, thirty percent of which is targeted to permanent housing assistance. While I am pleased with that funding level for the HUD McKinney programs, I do regretfully note that the FEMA Emergency Food and Shelter Grant program has remained level funded at $100 million and would point out that the matching requirements have been diluted. Hopefully those who receive such funds will maintain their current efforts.

The Appropriations Conferees should be praised as well for the 50,000 incremental, or new, vouchers that this bill providing funding for. Democrats in the House have long been fighting for additional section 8 assistance, so it is indeed a good bill that can bring those new Section 8 vouchers to fruition. I would only note that I am a little concerned that many of those vouchers are earmarked for certain cities in a way that may not be what is reflected by actual need for the vouchers. Furthermore, the one-year commitment for the redefined vouchers continues to snowball into a larger commitment each year. Without a multiyear commitment the public and assisted housing sponsors have no clear long term policy from the Federal Government.

I would be remiss not to note the inclusion of $426 million of funding for the AmeriCorp program and $80 million for the Community Development Financial Institutions Fund, two Administration programs of which I am very supportive. As a supporter of the effective Neighborhood Reinvestment Corporation and its Neighborhood Housing Services, I am pleased at the $90 million allocation of which $25 million could be used for a pilot home ownership initative.

Mr. Speaker, it has been six long years since we have openly wrote a comprehensive housing policy measure for our nation into law. This product on balance is positive, but a weak substitute for what needs to be done our nation is on the CUSP of a Housing Crisis our Budget priorities and the agenda doesn't effectively deal with it. The Congress has been reduced to reacting to the crisis and while this measure is a positive step it is not the answer to the issue.

Nevertheless, I ask my Colleagues to support this Conference Agreement which has been tempered in many ways from the House-passed VA, HUD, and Independent Agencies appropriations bill that I could not support when it was considered earlier this year. Hopefully, we will see this kind of balanced and fair compromising as we continue to wrap up the appropriations bills this Congress, in the week ahead and beyond.

Mr. STOKES. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a good bill. It has been a tough bill to craft. This bill is always a very tough bill to craft. Thanks to the leadership of the gentleman from California, we have crafted a bill that I can commend to all of the Members as being a good bill.

In closing, I want to take once again just a moment to say, we could not bring a better bill to the floor than this bill, the last bill on which I will be the ranking member of the committee.

JERRY, I want you to know, I am proud of this bill, I am proud of my association, of my friendship with you. It has been a great honor to serve with you. I am very proud to commend this bill to all the Members of the House.

Mr. Speaker, I yield back the balance of my time.

Mr. LEWIS of California. Mr. Speaker, I yield myself such time as I may consume. By way of closing the discussion on this bill, I first want to take a moment myself to express the same level of appreciation and respect to our very fine staff that was expressed by my colleague LOUIS STOKES earlier: Frank Cushing and Del Davis, Paul Thompson and David Reich, Valerie Baldwin, Fredette West; Jeff Shockey of my personal staff and Alex Heslop who have helped so extensively with this work. Tim Peterson and Dena Baron. And, of course, LOUIS, Arlene Willis had something to do with all this.

An item that may or may not be known by the gentleman from Ohio because in this world that we work in, there are no secrets, but you never can tell, we might have preserved one. Mr. Speaker, there is one matter that I do want to bring to the House's attention. It concerns my good friend LOUIS STOKES. For 24 years, the gentleman from Ohio has served on this subcommittee, what is now called the VA, HUD and Independent Agencies appropriations subcommittee, first as a member and then as chairman. While he is now ranking member, he will always be my chairman.

During that time, he has always been a strong supporter of veterans, and that is especially true for minority veterans. Among other things, LOUIS STOKES has worked to get the VA to reach out to minority veterans. He has worked to get VA to increase the number of minority employees in higher grades. He has worked to get the VA to make certain that more contract funds were available to minority firms.

LOUIS STOKES served honorably in the U.S. Army from 1943 to 1946. To honor and to recognize Congressman STOKES' long and distinguished career in support of veterans and veterans programs, the conferees on the VA-HUD appropriations measure have, I would say discreetly, my staff wants me to say secretly, agreed to rename the Cleveland VA Medical Center at Wade Park as the Louis Stokes Cleveland Department of Veterans Affairs Medical Center.

Mr. Speaker, I believe that all Members will agree that it is both fitting and proper to name the Cleveland Medical Center for our friend and colleague LOUIS STOKES.

Mr. FAZIO of California. Mr. Speaker, I rise in support of the conference agreement. I especially want to congratulate the gentleman from California, Chairman LEWIS, and the gentleman from Ohio, Mr. STOKES, the ranking member, for their evenhanded bipartisan work in putting together this difficult piece of legislation.

The bill has broad support from both parties and in both Chambers. In numerous ways this conference report addresses our nation's critical priorities and gives support to areas in need. This bill includes funding for the construction of a Greater Sacramento Urban League office on Marysville Boulevard in Del Paso Heights, California. This project will symbolize the renewal of hope and revitalization of one of northern California's most depressed areas.

According to the Sacramento Housing and Redevelopment Agency (SHRA), the area where this project will be suffers from an unemployment rate of 22% and a per capita income of only $5,551. Del Paso Heights is extremely economically depressed and suffers from a decaying infrastructure. The SHRA has also found that 31% of the residents receive AFDC and 40% live below the poverty line.

This earmark to help move the Greater Sacramento Urban League offices to this area can help turn these numbers around. Last year alone, 100 young people earned their G.E.D. from their Project SUCCESS program. 150 people graduated from their office technology program and 25 students earned certification as nursing assistants/health aides. Over 2,700 people have learned about HIV/AIDS prevention and personal responsibility. They have also helped over 1,000 people develop job readiness skills and placed 300 people in jobs.

I was also pleased to find that funding was made available for the new City of Citrus Heights, California. These needed funds will go towards the transitional costs that are associated when an area of this size becomes its own city.

In particular, these funds will be used for the continuation of the efforts of Citrus Heights to address and mitigate long term solutions to the problems that are priorities to the city and may not have been priorities to the county that they belonged to last year.

The County of Sacramento also received another year of funding for the Sacramento River Toxic Pollutant Control Program and the Combined Sewer System in the EPA section of the bill. These are vital multi-year projects that will help ensure the health and well-being of Sacramento's residents. Both projects are part of Sacramento County's long-range pollutant control plans, and I am pleased to have been able to support these projects over the past several years.

In short, this is a bill that is of benefit to my congressional district, my state and the entire nation. I ask my colleagues to join me in supporting it.

Mr. DOYLE. Mr. Speaker, I rise today in support of H.R. 4194, the FY1999 VA/HUD/Independent Agencies Conference Report.

While there are many parts of this bill that I am proud to support, I am especially pleased that the Housing Opportunity and Responsibility Act, H.R. 2, was included in this Conference Report.

Mr. Speaker, it was not too long ago that the House considered and passed H.R. 2, which represents the first significant reform of public housing in several years. Among other substantial improvements, the bill eliminates many current obstacles that local housing authorities face in receiving funding. During the consideration of H.R. 2, I worked diligently with my fellow colleague from Pennsylvania Representative RON KLINK to successfully include the text of a bill we crafted, the Community Right To Know Act, as part of H.R. 2.

The Community Right to Know Act, H.R. 212, requires local public housing authorities to notify, and consult with, potentially impacted local governments when negotiating any settlement of, or consent decree for, significant litigation regarding public housing assistance from the Department of Housing and Urban Development (HUD). Thanks to our hard work and persistence, the House passed our bill in the form of an amendment unanimously, by voice vote last year.

When the House considers this Conference Report today, we will be requiring HUD to consult with local communities before they attempt to implement any housing program. This is especially important to my constituents in Allegheny County, Pennsylvania, where they have been working hard to implement the Sanders Consent Decree, a housing desegregation class-action lawsuit which involves HUD and the Allegheny County Housing Authority (ACHA).

The Consent Decree states that HUD, ACHA, and the plaintiff's attorney's will work to end alleged discriminatory housing policies in the County and distribute 100 public housing units throughout the County rather than concentrating them in blighted areas. Disputes stemming from the consent decree began early in the implementation process when HUD, ACHA, and the plaintiff's attorney's, as members of the Sanders Task Force, decided to schedule closed door meetings in which the general public was not invited.

To make matters worse, the Task Force does not include community leaders, private citizens, local officials or any Congressional Representatives and has made little or no effort to consult with citizens in developing their plans. As a result, the Task Force's initiatives are often ill-advised and poorly managed.

The Klink-Doyle "Community Right To Know" initiative would prohibit closed-door meetings and allow the public at-large to voice their concerns, comments and make suggestions as to how to implement consent decrees, and other HUD programs in the best possible manner. I am especially pleased that the House and Senate Conferees included this bill in this Conference Report.

This Conference Report is the product of a compromise between the Administration, the

House and the Senate. I am proud to support this Conference Report and urge my colleagues to vote yes on H.R. 4194.

Mr. MORAN of Virginia. Mr. Speaker, I rise in support of the VA, HUD and Independent Agencies Appropriations bill.

I urge my colleagues to support this measure and I would like to express my appreciation to Chairman LEWIS and Mr. STOKES for crafting a bill that is both equitable and fair to veterans, homeowners and renters and supporters of cleaner environment.

It is never an easy task to establish the right priorities and funding levels for the Veterans Administration, the Environmental Protection Agency and the Department of Housing and Urban Development, but the conferees appear to have done so once again.

I would also like to express my appreciation for the spirit of compromise that was reached between the Administration, the authorizing committee and the appropriations committee on legislation that will substantially rewrite public housing programs.

Last year the House of Representatives passed H.R. 2, the Housing Opportunity and Responsibility Act, by a vote of 293 to 132. The public housing reforms contain key elements of H.R. 2, but are responsive to concerns raised by the administration and many low income housing groups.

I am especially pleased to see that all parties agreed to retain tough screening and eviction procedures that cover not just public housing but privately-owned publicly assisted housing.

As you know, I have a personal interest in the expedited eviction procedure.

Unfortunately, it took the tragic death of Alexandria police officer Charlie Hill before HUD began to explore procedures to expedite the eviction of drug dealers from public housing projects. The police and the community knew who the drug dealers were, but every time they attempted to do something, they were stymied by the legal aid advocates. Fortunately, Alexandria was successful and the city's subsidized housing units are a far different place to live in today.

The expedited eviction procedure works but it needed to be strengthened further.

Today's legislation builds on past efforts by permitting housing authorities to access criminal records for screening and evicting tenants. It also extends these useful tools to private owners and managers of Section 8 housing.

Mr. Speaker, this is a good bill, it deserves strong bipartisan support.

Ms. DELAURO. Mr. Speaker, I rise in support of this conference report. I am pleased that it increases funding for veterans health, public housing, and services for some of our most needy citizens. I remain concerned that under the VERA formula, Connecticut veterans may face additional cuts in their health services, and I look forward to working with the VA and the rest of the Connecticut delegation to address this problem.

I am pleased that the report includes language which directs the Consumer Product Safety Commission to revisit its flammability standards for children's sleepwear.

In 1996 the CPSC voted to weaken the standards for children's sleepwear which protect children from being burned. Those standards, which had been in place for more than 20 years, required children's pajamas to be made from material which self-extinguishes if it catches on fire. The standards are credited with saving tens of thousands of children from injury and death.

The language in the conference report gives the CPSC the opportunity to examine all the data and revoke, modify or retain its weakened standard without waiting for the numbers of children burned to rise.

I am proud to join Congressmen WELDON and ANDREWS, Fire Marshalls, Chiefs, and fire safety organizations from around the country in supporting this language and calling on the CPSC to return to its original, protective standard. This is truly a matter of life or death for many children, and I appreciate the assistance of Chairman LEWIS, Ranking Member STOKES, and all of the conferees in addressing this important issue.

Mr. CALVERT. Mr. Speaker, first, let me thank Chairman LEWIS and Ranking Member STOKES for their leadership in crafting this Conference Report.

As always, my good friend from California has presented this House with a bill that will improve the livelihood of our nation's veterans, preserve housing programs and maintain our commitment to scientific excellence at NASA, the National Science Foundation, and the EPA.

We are all aware of the Chairman's dedication to a healthy environment. By authoring the California Clean Air Act, Mr. LEWIS made possible the environmental advancements our region in southern California has experienced in recent years.

I share his dedication to clean air and a healthy environment. And I stand in strong support of the language in the Conference Report regarding the Administration's misguided Kyoto Protocol.

I went to Kyoto last December and talked to many of the international key players there. I was interested to hear from Chinese representatives that they had no intention of adhering to this international agreement.

Because China will become the number one emitter of Carbon Dioxide sometime in the next two decades, the treaty doesn't work.

I also held three hearings in my Science Subcommittee on Energy and the Environment before attending the conference. At those hearings, top climatologists told us that no clear scientific evidence exists indicating that there is human-induced global warming.

So, the treaty will not work and the science doesn't show that we need it. But that is not the only reason to support the language in the Conference Report.

I also support the language because it stops this Administration from implementing the Kyoto Treaty without Senate ratification. If they were able to do so they would be ignoring the sanctity of the Constitution.

If the President believes this treaty is good for America, let him send it to the Senate so it can be weighed on its merits in a full and open debate. That is what the Constitution demands.

Again, I thank Chairman LEWIS and Ranking Member STOKES for their excellent work on this Conference Report and urge a yes vote.

Mr. MCINTOSH. Mr. Speaker, the Kyoto Protocol is a bad deal for America. In the face of inconclusive science, this treaty goes too far, too fast, and involves too few countries. The fact is that, even if we stopped operating every car, truck, boat, train, and airplane in this country, the energy savings still would not be enough to meet the U.S. commitments under the Protocol.

Moreover, under this treaty, all of the burdens are imposed on the industrialized countries, while the developing countries enjoy all the benefits. Huge emissions producers like China, India, South Korea, Brazil, and Mexico are totally excluded from any commitments. As a result, even if every developed country were to achieve its emissions reduction obligations, there still would be not net reduction in greenhouse gas emissions.

Without global participation, this country could well face crippling economic consequences: the elimination of millions of American jobs, significant increases in our energy prices, and deterioration of our standard of living. Given the scientific uncertainties, we don't need a Kyoto Protocol that hamstrings our future and leaves this country incapable of coping with real crises. Needless to say we cannot countenance any Administration attempts to make this treaty a reality before it is submitted to the Senate for advice and consent and before Congress can agree upon any necessary implementing legislation and regulations.

The Clinton/Gore Administration has recognized the Protocol's deficiencies and promised that it will not submit this treaty for ratification until there is "meaningful participation" by developing countries. Under Secretary of State Elizenstat also has repeatedly disavowed any intention of the Administration to implement the Protocol before it is submitted to the Senate.

But these assurances notwithstanding, EPA has taken actions that strongly suggest that the Administration may be trying to jump the gun on Congress and issue rules and regulations through the back-door. Take for example, EPA's attempt to cap carbon emissions in the Administration's electric utility restructuring plan. An internal Agency memorandum that was provided to my Subcommittee revealed that EPA saw this proposal as a "concrete step to move forward domestically on global warming while continuing to work for progress internationally in follow-up to Kyoto."

In a hearing before my Subcommittee, an EPA official also testified that the agency has the authority to regulate the carbon dioxide that we exhale every day as an air pollutant under the Clean Air Act, as if it were the same as other air pollutants, such as sulfur dioxide, nitrogen oxide, or mercury, that are already regulated.

We have to pass the bipartisan funding limitation in H.R. 4194 to put the breaks on back-door regulatory actions. We cannot allow EPA to make an end-run around fundamental democratic procedures to advance the Administration's social engineering.

The Kyoto Protocol is a fundamentally flawed treaty. Our only safeguard against this bad deal is our constitutional process of Senate advice and consent. The Clinton/Gore Administration must be held to its promises to Congress and the American public, while the treaty remains a "work-in-progress," and while the Clinton/Gore Administration continues to "explore" ways to achieve "meaningful participation." This is a global issue. "Meaningful participation" must mean global participation by all countries. We will settle for nothing less.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise in support of this conference report and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, I first would like to thank Chairman LEWIS, Congressman STOKES and the Subcommittee staff for their guidance throughout the year. As all of know this is the final VA, HUD Conference Report for LOU STOKES. Having served with LOU on this Subcommittee for four years I know that he will missed for his insight and knowledge of the vast array of issues that face this Subcommittee each year. LOU, you have made serving on this subcommittee a educational experience and I wish you all the best in your retirement.

Mr. Speaker, this conference report is a balanced one. It provides funding for many vital programs for our nation's veterans, for protection and preservation of our environment, for meeting the housing needs for our elderly and disabled and for scientific research and discovery.

In total this report provides over $93 billion for the Departments of Veteran Affairs, Housing and Urban Development and 17 independent agencies and offices. Nearly half of the bill's funding supports the Department of Veterans Affairs' efforts to provide health care, housing and benefits.

As a member of this subcommittee I am pleased that this bill provides increased funding for the VA Health Care System. However, I remain concerned over the way the VA has chosen to implement the Veterans Integretated Network System (VISN) and intend to continue to follow this implementation very closely. Funding has increased each year for the last three years yet some area networks are not seeing any increases and in fact are receiving cuts in funding and services. As implementation continues, I intend to make sure that the quality of care for our veterans continue at a very high level.

During subcommittee mark-up I offered report language, accepted by the Conference Committee, which would require the Veterans Administration to give back $20 million to VISN 3. These funds were wrongly given back to the VA Headquarters any my report language will rectify this situation. There is no doubt that VISN 3 can use this funding and I will continue to monitor this situation to see that the VA uses this funding to provide services to my state's veterans and does not divert this funding for administrative needs.

In addition to veterans funding, H.R. 4194 provides funding for the Section 811 program, housing for people with disabilities, at $194 million, $20 million more than the President requested and the Section 202 program, housing for older Americans, at $660 million, $501 million more than the President's request. Both of these programs are working extremely well at the Department of Housing and Urban Development and I am pleased that the Committee provided increased funding for them.

The conference report also continues a set-aside program that the Committee started two years ago to meet housing needs for people with disabilities. The Committee has included $40 million for tenant-based rental assistance to ensure decent, safe, and affordable housing in communities for low income people with disabilities. I am also pleased that the Conference Committee has included language to direct the Secretary of HUD to use his waiver authority to allow non-profit organizations to apply directly for these funds instead of through a Public Housing Authority. It is my belief that this change will provide better access to housing for more individuals with disabilities. I sincerely hope that Secretary Cuomo and I can continue our mutual goal of giving more individuals with disabilities the opportunity to live independently.

On another issue, this report includes an increase for the National Science Foundation. Specifically, the bill includes $3.7 billion for NSF, $242 million over last years funding level. This increase will go along way towards moving scientific research forward. Scientific research has been a high priority of mine since being named to the Appropriations Committee and I am pleased that the FY99 Conference Report continues to emphasis the importance of basic science research.

Finally, there continues to be a desperate need for Superfund reform and change. The program needs to be re-authorized and it needs to promote actual clean-ups based on sound science, not the rhetoric of political science. Polluters need to pay and steps need to taken to assure that public or private funds are used for environmental clean-up, not to sustain endless litigation. Comprehensive reform is needed in order to continue a strong viable program.

Mr. Speaker, this is a balanced conference report and it deserves our support. I urge my colleagues to adopt this conference report.

Mr. PAYNE. Mr. Speaker, I appreciate the opportunity to rise and say a few words to my friend and colleague, HARRIS FALWELL. In the short time that I have served as Ranking Democrat on the Education and the Workforce Subcommittee on Employer-Employee Relations, I have found him to be thoughtful in pursuit of bipartisan agreement and compromise. When I first assumed the ranking position on that Subcommittee, HARRIS extended himself to me as a gesture of his trademark comity and friendship. Although we come from ideologically different perspectives, I appreciated the fact that he was open to debate and discussion on many issues. In fact, he encouraged it.

One of the most rewarding experiences I had while working with Chairman FAWELL was when we collaborated to introduce the Savings Are Vital to Everyone's Retirement (SAVER) Act, which was enacted into law last December. He solicited and encouraged input from all of our colleagues with an interest in this issue. As a result of the bipartisan participation, this effort was successful in creating a number of initiatives, both public and private, aimed at increasing public awareness about the importance of preparing for retirement. This project culminated in the first White House Summit on Retirement Savings.

Because of his leadership and legislative achievements, he served the 13th Congressional District of Illinois with distinction. I wish Chairman FAWELL continued success in his next endeavor and look forward to working with him again.

Mr. KUCINICH. Mr. Speaker, I rise in support today for the NASA funding provided in this bill. Last year at this time, there were rumors floating that NASA's proposed budget was going to be cut by $1 billion in 1999. This would have seriously damaged NASA's programs. Mr. WELDON and I rallied support for NASA. 201 Members of Congress signed a letter to the Speaker arguing for stabilization of NASA's budget. The $1 billion dollar cut was avoided in the President's budget as a result of the overwhelming bipartisan support which NASA enjoys in the House.

Today, I am very happy to see an increase in NASA's budget to $13.7 billion. This is more than the President's request and more than the House and Senate in the VA–HUD Conference Report. NASA is a government agency that looks to the future. For every dollar we invest in the space program, we receive a return of at least $2 in direct and indirect benefits. With the International Space Station program close to launch and assembly, it is crucial that NASA receives no further cuts. I am especially pleased to see that more money is included for aeronautics research and for life and microgravity sciences, research areas at NASA Lewis Research Center in my district.

NASA Lewis is NASA's Lead Center for Aeropropulsion and also a NASA Center for Excellence in Turbomachinery. Microgravity research in combustion and fluids is also performed at Lewis.

Mr. LEWIS of California. Mr. Speaker, I yield back the balance of my time, as I congratulate LOUIS STOKES on his fantastic career.

□ 1315

The SPEAKER pro tempore (Mr. BLUNT). All time having expired, without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to clause 7, rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 409, nays 14, not voting 11, as follows:

[Roll No. 483]

YEAS—409

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble

Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill

Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald

Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sánchez
Sanders
Sandlin
Sawyer
Saxton
Schaefer, Dan
Schumer
Scott
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder

Solomon
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)

Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Towns
Traficant
Turner
Upton
Vento
Visclosky
Walsh
Wamp
Waters
Watkins

Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Young (FL)

NAYS—14

Conyers
Crane
DeFazio
English
Hostettler

Lipinski
Paul
Petri
Roemer
Sanford

Scarborough
Schaffer, Bob
Sensenbrenner
Velázquez

NOT VOTING—11

Brown (CA)
Fawell
Kennelly
Linder

McHale
Moran (VA)
Poshard
Pryce (OH)

Riggs
Torres
Wilson

□ 1334

Mr. LARGENT changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BROWN of California. Mr. Speaker, during rollcall vote No. 483 on H.R. 4194 I was unavoidably detained. Had I been present, I would have voted "aye."

PERSONAL EXPLANATION

Mr. MORAN of Virginia. Mr. Speaker, during rollcall vote No. 483 on October 6, 1998 I was unavoidably detained. Had I been present, I would have voted "aye."

APPOINTMENT OF CONFEREES ON H.R. 4276, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1999

Mr. ROGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4276) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1999, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore (Mr. BLUNT). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. MOLLOHAN

Mr. MOLLOHAN. Mr. Speaker, I offer a motion to instruct.

The Clerk read as follows:

Mr. MOLLOHAN moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill, H.R. 4276 making appropriations for the Departments of Commerce, Justice, State, the Judiciary, and related agencies, be instructed to not concur in any Senate legislative provisions or any extraneous legislative provisions, which are outside the scope of Conference, which could have the effect of causing a Government shutdown.

The SPEAKER pro tempore. The gentleman from West Virginia (Mr. MOLLOHAN) and the gentleman from Kentucky (Mr. ROGERS) each will control 30 minutes.

The Chair recognizes the gentleman from West Virginia (Mr. MOLLOHAN).

Mr. MOLLOHAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I have made the motion to instruct conferees on the Commerce, Justice, State appropriations bill. In order to make clear that on one this side of the aisle is interested in shutting down the government and to point out that there are several major legislative provisions being discussed in the context of the conference on this bill, they could, if not resolved to the satisfaction of the President, cause a government shutdown.

I am confident that the gentleman from Kentucky (Mr. ROGERS), the most capable manager of this bill, does not intend in any way to cause such a shutdown. In fact, I have heard the gentleman from Louisiana (Mr. LIVINGSTON) and members of the Republican leadership in both Houses make similar statements.

The purpose of taking the time of the House today is to simply point out some of the hurdles that exist in getting this bill into signable form.

The Senate bill contained major new legislation addressing numerous legislative issues. There are other potential extraneous issues we have heard about which are currently not contained in either the House or the Senate bills.

It may be that necessary solutions can be found on all of these issues so that the President can sign this bill. However, in several instances, the administration has indicated its strong opposition to these provisions and at the moment I am not aware of any direct negotiations with them which could lead to a solution of these difficulties.

I do not make this motion myself to speak for or against any of these provisions. However, I am aware of strong opposition on the Democratic side to several of these matters. I have done it to make clear that this bill already has several difficult issues, such as census funding and funding for the Legal Services Corporation, that will be difficult to resolve.

The bill also funds critical law enforcement and international security related matters that should continue without the interruption inherent in a government shutdown. So let us agree on this motion and get to conference and work out our differences so that a government shutdown can be avoided.

Mr. Speaker, I reserve the balance of my time.

Mr. ROGERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I read the motion, it indicates that the conferees should not take certain actions outside the scope of the conference which could have the effect of causing a government shutdown.

As far as I know, no one, Mr. Speaker, has the intention to take any action to cause a government shutdown; certainly not on this side. We are determined to do our dead level best to keep this government operating.

The Congress is not going to abdicate its responsibilities to legislate on behalf of the American people, but we will send bills to the President. If he chooses to shut the government down, that is his business. We are not going to precipitate that, so no one on this side is in favor of a government shutdown, and if additional time is needed to work out remaining issues, continuing resolutions will be proposed to assure that there is no government shutdown.

Mr. Speaker, with that understanding, I have no objections to the motion. In fact, I would join in the making of the motion and ask for an immediate vote.

Mr. Speaker, I yield back the balance of my time.

Mr. MOLLOHAN. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the motion to instruct.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from West Virginia (Mr. MOLLOHAN).

The motion was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. ROGERS, KOLBE, TAYLOR of North Carolina, REGULA, LATHAM, LIVINGSTON, YOUNG of Florida, MOLLOHAN, SKAGGS, DIXON and OBEY.

There was no objection.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the motion to instruct, and that I may include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

WAIVING REQUIREMENT OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 575 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 575

Resolved, That the requirement of clause 4(b) of rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is waived with respect to any resolution reported from that committee before the legislative day of October 11, 1998, providing for consideration or disposition of any of the following:

(1) A bill or joint resolution making general appropriations for the fiscal year ending September 30, 1999, any amendment thereto, any conference report thereon, or any amendment reported in disagreement from a conference thereon.

(2) A bill or joint resolution that includes provisions making continuing appropriations for fiscal year 1999, any amendment thereto, any conference report thereon, or any amendment reported in disagreement from a conference thereon.

SEC. 2. It shall be in order at any time before October 11, 1998, for the Speaker to entertain motions to suspend the rules, provided that the object of any such motion is announced from the floor at least two hours before the motion is offered. In scheduling the consideration of legislation under this authority, the Speaker or his designee shall consult with the Minority Leader or his designee.

☐ 1345

The SPEAKER pro tempore (Mr. BLUNT). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), pending which I yield myself such time as I may consume. During consideration of this resolution, all time is yielded for the purpose of debate only.

Mr. Speaker, yesterday the Committee on Rules met and reported H. Res. 575 providing for expedited procedures in the House. The resolution waives clause 4(b) of Rule XI, requiring a two-thirds vote to consider a rule on the same day it is reported from the Committee on Rules.

The resolution applies the waiver to any special rule reported before October 11, 1998, providing for a consideration or disposition of a bill or joint resolution, making general appropriations for the fiscal year ending September 30, 1999, any amendment thereto, any conference report thereon, and any amendment reported in disagreement from a conference thereon.

The resolution also applies a waiver to any special rule reported before October 11, 1998, providing for consideration or disposition of a bill or joint resolution, making continuing appropriations for the fiscal year ending September 30, 1999, any amendment thereto, any conference report thereon, and any amendment reported in disagreement from a conference thereon.

Finally, the resolution allows at any time before October 11, 1998, for the Speaker to entertain motions to suspend the rules, provided that the object of any such motion is announced from the floor at least 2 hours before the motion is offered, and that in the scheduling of legislation under this authority, the Speaker or his designee shall consult with the minority leader or his designee.

Mr. Speaker, as we all know, we are in the last days of the legislative session. House Resolution 575, short and simple, allows the House to complete its work for the year in a timely manner.

House rule 27 normally limits House consideration of suspension bills to Mondays and Tuesdays. But now, in the final weeks of the session, there is no reason to put off noncontroversial legislation until next year.

In addition, H. Res. 575 allows for the same-day consideration of urgent appropriations bills. Without congressional action, the funding for many Federal agencies will expire on October 9. While the House and Senate continue to negotiate spending priorities, it is important that the House be able to act immediately to pass any measure that keeps the government working for the taxpayers.

H. Res. 575 is a reasonable measure that will allow us to finish our work for the year on time.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I thank my dear friend, the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the customary half-hour.

Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the fiscal year started just 6 days ago and my Republican colleagues have not finished, have not finished, 9 of the 13 appropriations bills. So unless this Congress gets to work on something other than investigating, the Federal Government may end up closing up for business.

This rule will enable them to bring up appropriations conference bills and continuing resolutions more quickly, but it could reduce the amount of time that Members have to read through these bills before they go to a vote. But, Mr. Speaker, without martial law, conference reports have to be available for at least 3 days before they are considered on the House floor. Otherwise, we may have only moments to look over very important appropriations conference reports as they come up for votes, and as members of the minority party, that is just unacceptable.

Mr. Speaker, the rule we are considering today is limited to the appropriations conference reports and it is further limited to the end of this week. This rule will also enable my Republican colleagues to bring up suspension bills with 2 hours notice. Mr. Speaker, they asked for this authority last week and they promised 2 hours notice, and they kept their promise, and I feel that they will keep their promise this time.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. MCINTOSH).

Mr. MCINTOSH. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I rise today with some serious questions about this rule, chiefly focusing not on the question of suspensions which I think many Members would like to have in this what is hopefully our final week here; not on the question of most of the bills that will be coming out, but a question on what is being labeled the omnibus appropriations bill, the final, large bill that will supposedly wrap all of those that we have not been able to pass in this House and the Senate and have signed by the President into one large spending package.

In previous years, that bill has been used to negotiate a lot of different issues, some of them having to do with spending, some of them having to do with totally extraneous matters, some of them having to do with tax cuts, which this House passed a little over a week ago. Unfortunately, it appears to me that right now, the likelihood of that bill coming out in a way that Republicans, conservative Republicans in particular, can be proud about is very nil, because the President has already indicated he is looking for a veto fight. He is hoping to veto that large spending bill, as he has indicated he will do with the agriculture appropriations bill that was passed in this House last Friday, simply to have more spending and to have his priorities in the way this government is operated. Many of us fear that that may be only part of the motive for why he would veto that and possibly engage in a strategy where he might shut down parts of the government in order to have that type of disagreement over priorities in that bill.

Mr. Speaker, conservatives want to avoid that type of shutdown. We also want to avoid a bill that would give away many of the priorities that this Republican Congress has laid out in the last 8 months.

Let me mention for the body some of those priorities that are at stake in this bill. The reason I talk about this bill and the rule is this rule would waive the 24-hour notice for consideration of that bill. So I think it is important that we know what we may be waiving notice about in order to allow us in a rush to leave town to give up on some of these important policy issues.

The first would have to do with the spending caps that were negotiated last year in the budget agreement. There is already on the table proposals from somewhere between $9 billion to $15 billion additional spending beyond those caps. In the agriculture bill, we in this Congress spend $4 billion above those caps. The President in his veto message indicates he wants to spend an additional $3 billion or $4 billion. So the total will be somewhere between $15 billion and $25 billion in one year above the budget deal that was agreed to just one year ago.

The second issue is on IMF spending, whether we will provide funds for the IMF to the full $18 billion. These are technically loans, but many of us realize that they may never be paid back, and so therefore, the American taxpayer will be paying the bill.

Another key issue is what we do on the so-called Mexico City policy, the question of whether this government will spend United States taxpayer funds in order to support lobbying for abortions around the world.

A fourth issue that is of importance to us is whether we will have a policy of national testing in our schools or whether we will continue the policy that says, we cannot spend taxpayer dollars to develop that national test here in Washington; we see testing as better done by the States and local community schools.

Other issues of importance will be the choice provision in the D.C. bill that allows scholarships to go to parents here in the District of Columbia so that they can afford to send their children to a good school; the ban on needle exchanges in drug programs that this House has passed; the ban on adoptions by 2 unmarried individuals for the District of Columbia. The question of whether there will be parental notification, which this House has not yet been able to address because we have not been able to bring the Labor-HHS Appropriations bill to the floor, and we hear rumors that perhaps that will never come to the floor, it will be part of this omnibus bill, presumably without that parental notification provision that the committee put into its draft of that bill.

So there are many weighty issues that will be resolved in these final days in negotiations between the White House, the Senate, and the House leadership, and there are many of us who have grave concerns about how those issues will be resolved.

One of the things that we have as a concern about this rule is whether we will have sufficient time to know what it is we will be voting on in this final day of this session. How will those issues be resolved? Will we bust the budget caps? Will we give $18 billion to the IMF of American taxpayer dollars? Will we allow needle exchanges in this country? Those are issues that we need to know about before we can make our decisions on how to vote on that final bill.

So, Mr. Speaker, I have grave reservations about that provision in this rule that governs our processes for the remaining days of this session. As I say, the other provisions in it, particularly allowing suspensions to occur, I fully support, and those of us on the Conservative Action Team fully support. But I think we need to have answers on how we as a body will be notified about these contentious issues with enough time to make our decisions on how we would vote in the final days of this session.

Mrs. MYRICK. Mr. Speaker, I yield myself such time as I may consume to tell the gentleman that I share his concerns and very much hope that we can deal with those issues in a way that is satisfactory to all of us.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 218, nays 206, not voting 10, as follows:

[Roll No. 484]

YEAS—218

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons

Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

NAYS—206

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—10

Calvert
Clement
Davis (VA)
Kennelly
Kilpatrick
Linder
Poshard
Pryce (OH)
Riggs
Stearns

☐ 1418

Messrs. EVANS, HEFNER, and STRICKLAND, and Ms. WOOLSEY changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. WILSON. Mr. Speaker, on rollcall No. 483, I was inadvertently detained. Had I been present, I would have voted "yes."

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. RES. 483

Mr. HASTINGS of Washington. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H. Res. 483.

The SPEAKER pro tempore (Mr. QUINN). Is there objection to the request of the gentleman from Washington?

There was no objection.

HASKELL INDIAN NATIONS UNIVERSITY AND SOUTHWESTERN INDIAN POLYTECHNIC INSTITUTE ADMINISTRATIVE SYSTEMS ACT OF 1998

Mr. HASTINGS of Washington. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 576 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 576

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Government Reform and Oversight. After general debate the bill shall be considered for amendment under the five-minute rule. Each section of the bill shall be considered as read. During consideration of the bill for amendment, the chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington State (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 576 is an open rule which waives points of order against consideration of the bill.

The rule provides 1 hour of general debate equally divided between the chairman and ranking member of the Committee on Government Reform and Oversight.

The bill shall be considered by section and each section shall be considered as read. The rule authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

The rule also allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce votes to 5 minutes on a postponed question, if the vote follows a 15-minute vote.

Finally, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, this bill would authorize a 5-year demonstration project for Haskell Indian Nations University in Lawrence, Kansas, and Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico, to exempt them from the majority of service civil law and allow them to develop alternative personnel systems. Also, the bill allows current employees who have at least 1 year of government service to maintain their Federal retirement, life insurance and health benefits.

The Committee on Rules has reported an open rule for this bill, Mr. Speaker, and I encourage my colleagues to support both the rule and the underlying bill, H.R. 4259.

Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, to date, the major accomplishment of the 105th Congress has been to rename Washington National Airport for former President Ronald Reagan. Now, 5 or 6 days away from adjournment, after this trailblazing session, we have sent only 2 of the 13 necessary appropriations acts to the President. Yet today, Mr. Speaker, we are going to consider a bill which was not subjected to hearings and which has virtually no chance of passing the entire Congress, much less gaining the signature of the President. But, at the very least, Mr. Speaker, we will be able to consider this bill under an open rule.

Mr. Speaker, H.R. 4259 was opposed by the Democratic members of the Committee on Government Reform and Oversight and deserves to be opposed when it is considered by the full House. The bill mandates that the only two federally-owned, federally-funded, and federally-operated institutions of higher education in the country, Haskell and Southwestern Indian Universities, establish demonstration projects to develop new personnel procedures. The demonstration projects would be entitled to exempt Haskell and Southwestern Universities from civil service laws covering leave and benefits, and would reduce the role of the Office of Personnel Management in the development of these demonstration projects to that of a consultant.

Mr. Speaker, because there were no hearings on this legislation, the proponents did not have the opportunity to establish a record to support the need for these special authorities. Nor was there an opportunity for the proponents to establish a record that might refute claims that this legislation would severely weaken the rights and protections currently available to the Federal employees of these two universities. Given the late date in our session, Mr. Speaker, I think the lack of a record on these points is reason enough to reject this legislation.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to House Resolution 576 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4259.

□ 1429

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4259) to allow Haskell Indian Nations University and Southwestern Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes, with Mr. QUINN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Kansas (Mr. SNOWBARGER) and the gentleman from Maryland (Mr. CUMMINGS) each will control 30 minutes.

The Chair recognizes the gentleman from Kansas (Mr. SNOWBARGER).

Mr. SNOWBARGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I introduced H.R. 4259, the Native American Higher Education Improvement Act, in July.

□ 1430

This legislation is the final product of over 2 years of work that started with my predecessor, Congresswoman Jan Meyers, along with Senator Nancy Kassebaum Baker and Haskell Indian Nations University, which is located in my district.

Haskell Indian Nations University, or Haskell, and Southwestern Indian Polytechnic Institute, or SIPI, are owned and operated by the Federal Government. Because of this, the institutions must currently participate in the Federal civil service system. As Members know, the civil service system is very rigid and does not allow the schools to tailor their employee positions to more adequately serve the needs of their students. Unfortunately, this rigidity has stifled the growth of these two institutions. The Federal Government's position classification system does not address job classifications unique to colleges and universities, such as academic dean, professor and associate or assistant professor.

Haskell and SIPI have already begun to feel the effects of the confines of this civil service system. For example, highly qualified faculty from other universities and colleges who have inquired about vacancies at Haskell have refused to apply after learning that Haskell has no teaching positions above the rank of instructor.

Efforts by SIPI to properly staff their recruitment office have been stifled by these civil service classifications. Due to this, SIPI's efforts to attract students to its new high-tech programs, such as Environmental Science and Agricultural Technologies, have been hindered. Unfortunately, students without ties to SIPI alumni never learn of the opportunities available there.

Over the past few years, Haskell and SIPI have made great strides in increasing the educational opportunities available to Native American and Alaskan Indian students. In 1993, SIPI was granted community college status and began offering associate degrees, in addition to offering advanced technical training. Haskell conferred its first baccalaureate degree in elementary education in the spring of 1996 and has since received accreditation to offer degrees in environmental education and Indian studies.

Congress saw the need for this type of fix several years ago. The Improving America's School Act passed by the 103d Congress included a provision directing the Secretary of the Interior to conduct a study to evaluate the need for alternative institutional and administrative systems at Haskell and to provide draft legislation. The Department of Interior provided draft legislation, which was then revised by Congresswoman Meyers and Senator Kassebaum and introduced in the 104th Congress. At the beginning of this Congress, I introduced similar legislation in the House with the late Congressman Steve Schiff. Companion legislation was introduced by Senator ROBERTS of Kansas. Additionally the Senate legislation was cosponsored by Senators BROWNBACK, BINGAMAN, DOMENICI and the chairman and ranking member of the Senate Indian Affairs Committee, Senators CAMPBELL and INOUYE.

The product under consideration today is the culmination of over 8 years of planning, input and compromise between all of the parties involved. In 1990, Haskell created a long-term planning task force to specifically address their concerns about faculty recruitment. This task force was succeeded by a Personnel Quality Improvement Team appointed in 1993. Both of these task forces have included representatives from the local union, the faculty and the student body. At every single step in the process, employees from Haskell have been involved in the creation of this legislation.

Mr. Chairman, Haskell has been educating Native American students for over a century. In 1884, Haskell was founded as the United States Indian Industrial Training School to provide agricultural education for Native American and Alaskan Indian students grades 1 through 5. From this humble beginning, Haskell has grown throughout the 20th century from an elementary school to a 4-year institution of higher learning. Throughout this process, Haskell has struggled to ensure that they provide an excellent education for their students while continuing to be an integral part of the Bureau of Indian Affairs. This legislation seeks to continue that fine tradition while assuring that Haskell and SIPI have the necessary tools to increase the quality of the education they provide for the more than 1,500 students who attend each year.

Mr. Chairman, I would like to insert into the RECORD letters of support from the National Haskell Board of Regents, the Southwestern Indian Polytechnic Board of Regents and the American Indian Higher Education Consortium. In addition, I would like to submit resolutions from more than 32 tribes and the Congress of American Indians supporting legislation that would allow Haskell to successfully complete its transition into a 4-year institution.

The documents referred to are as follows:

HASKELL INDIAN NATIONS UNIVERSITY,
Lawrence, KS, September 24, 1998.

RE: H. R. 4259: "Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998."

Thank you for your support of Southwestern Indian Polytechnic Institute (SIPI) and Haskell Indian Nations University (Haskell). As the only two post-second schools within the Department of Interior, these schools provide baccalaureate and associate degree programs for all members of federally recognized tribes.

The intent of H. R. 4259 is to give Haskell and SIPI demonstration project authority to move the personnel functions to campus and to design personnel systems that meet the needs of institutions of higher education.

BACKGROUND OF H. R. 4259

In October of 1994, Congress mandated (section 365 of the "Improving America's Schools Act") that "the Secretary of the Interior shall conduct a study [of administrative systems], in consultation with the Board of Regents of Haskell . . . [And] if the study's conclusions require legislation to be implemented, the study shall be accompanied by appropriate draft legislation." The study found that compliance with certain laws and regulations impedes Haskell's ability to effectively manage its transition to a high quality four-year institution. A report with draft legislation was forwarded to the Secretary and to Congress.

By September 1996, Senator Nancy Kassebaum and Representative Jan Meyers introduced the first legislation in the 104th Congress, entitled "Haskell Indian Nations University Administrative Systems Act of 1996."

By July 1998, the Act has been revised to include SIPI and to be first conducted as a demonstration project. This Act is currently known as H. R. 4259 "Haskell Indian National University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998."

DEVELOPMENT OF PLAN FOR HASKELL

The Development of an alternative personnel systems at Haskell has always been seen as a "Work in progress." In 1993 and 1995 two teams composed of faulty, staff and students identified concerns with Haskell's current personnel system and to make recommendations for improvement. These recommendations were forwarded to the Board of Regents for review. By October 1995, the Haskell Board of Regents passed Resolution 96–03 directing the President of Haskell to work with the Board Advisor and the Kansas Congressional Delegation to develop and implement any regulatory processes legislation necessary for the evolution of Haskell as a University. Again, the first legislation was introduced to Congress in September 1996.

In July 1997 a Haskell Implementation Team review previous findings and recommended "a personnel management system appropriate for a university." These recommendations were also forwarded to the board. By October 1997, the Board incorporated the values established by this team into the Institutional Values and Code now contained in Haskell's Vision 2005.

Further development occurred in May 1998 when the Board passed the enclosed Resolution 98–10 stating that the alternative systems be developed in a spirit of cooperation and input from administration, faculty, staff, and students.

Haskell is now ready to develop the plan for submission to Congress as required in H. R. 4259. Haskell looks forward to you continued support in providing high quality education to the American Indian/Alaska Native peoples.

If you have any other questions, please feel free to call me at 785–749–8495.

Respectfully yours,

BOB MARTIN,
President.

AMERICAN INDIAN
HIGHER EDUCATION CONSORTIUM,
Alexandria, VA, August 10, 1998.

Hon. VINCE SNOWBARGER,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN SNOWBARGER: I am writing on behalf of the American Indian Higher Education Consortium (AIHEC), to express our support for the passage of H.R. 4259 the "Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998".

The Civil Service personnel system is not designed to serve the needs of institutions of higher education. Yet, Haskell Indian Nations University and Southwest Indian Polytechnic Institute are the only two BIA institutions, which are still required to follow the current Civil Service Personnel system. All of the other Bureau of Indian Affairs schools are elementary and secondary schools, and are no longer required to follow the Civil Service system. These schools have already been authorized through legislation to establish alternative personnel methods appropriate for educational systems.

The ability to recruit and retain qualified university-level faculty and staff is one of the more critical concerns in higher education. This is of particular importance for Haskell's continuing transition from junior college to university status. This transition includes three new baccalaureate degree programs to begin in the fall of this year.

Again, thank you for all of your support of American Indian education and reiterate our support for H.R. 4259.

Sincerely,

VERONICA N. GONZALES,
Executive Director.

SOUTHWESTERN INDIAN
POLYTECHNIC INSTITUTE,
Albuquerque, NM, October 5, 1998.

Congressman VINCENT SNOWBARGER,
Cannon HOB, Washington, DC.

DEAR CONGRESSMAN SNOWBARGER: The Board of Regents of the Southwestern Indian Polytechnic Institute wishes to thank you for introducing H.R. 4259: "The Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998."

As representatives of federally recognized tribes, we see this bill as essential to improving educational programs for the hundreds of American Indians/Alaska Natives that attend SIPI each trimester. We have received similar indications of support from members of New Mexico's Congressional delegation.

We see H.R. 4259 as bringing to SIPI a personnel system that truly meets the needs of a post-secondary educational institution, while unburdening the college from the current unwieldy and ineffective personnel routine that really was not designed for college hiring. The end results of these improvements will be better instructors and administrators working to support quality education of American Indians/Alaska Natives.

Your efforts to include SIPI for the 105th Congress' consideration of these possible administrative changes under Section 365 of the "Improving America's Schools Act (10/20/94) is appreciated.

Be sure of our continued support in behalf of your bill.

Sincerely,

LORENE WILLIS,
Chairwoman, SIPI Board of Regents.

LOS COYOTES RESERVATION, WARNER SPRINGS, CA.

RESOLUTION SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996; RESOLUTION NUMBER 1196–2

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives, and

Whereas, Haskell has identified the need to properly administer a quality education and student life program for American Indian and Alaska native students attending Haskell, and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems, and

Whereas, the lack of control affect the quality of higher education offered to American Indian students, and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now therefore be it resolved, that the Los Coyotes Reservation supports Haskell's

Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4 year university.

CERTIFICATION

At a duly called meeting of the Los Coyotes Reservation on November 10, 1996 of the general membership this resolution was passed with a vote of For, 25; Against, 0; Abstaining, 0.

Adult members present; 27.
Spokesman; Frank Taylor.
Committee: Ruth Cassell et al.

LAC COURTE OREILLES TRIBAL GOVERNING BOARD, HAYWARD, WI

RESOLUTION NO. 96–102

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives, and

Whereas, Haskell has identified the need to properly administer a quality education and student life program for American Indian and Alaska Native students attending Haskell, and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems, and

Whereas, the lack of control affect the quality of higher education offered to American Indian students, and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now therefore be it resolved, that the Lac Courte Oreilles Band of Lake Superior Chippewa nation supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

I, the undersigned, as Secretary/Treasurer of the Lac Courte Oreilles Tribal Governing Board, hereby certify that the Governing Board is composed of seven members, of whom 4 being present, constituted a quorum at a meeting duly called, convened and held on this 20 day of November, 1996; that the foregoing resolution was duly adopted at said meeting by an affirmative vote of 3 members, 0 against, 0 abstaining and that said resolution has not been rescinded or amended in any way.

DON CARLEY,
Secretary/Treasurer.

COLORADO RIVER INDIAN TRIBES,
Parker, AZ, November 20, 1996.

BOB G. MARTIN,
President, Haskell Indian Nations University, Lawrence, KS.

DEAR MR. MARTIN: The Colorado River Indian Tribes' Tribal Council recently addressed Haskell Indian Nations University's request for support to increase its control over its administrative system in an effort to undergo a smooth transition to become a four-year university.

The Tribal Council took action to support this effort, in the form of the attached resolution. The Colorado River Indian Tribes would like to express gratitude to your university as far as the educational studies that have been provided to members of our Tribe; many of whom have graduated from your university. The passage of this resolution, therefore, enables our Tribe to assist in providing continued education to our members as well as to students from other Tribes.

We wish your University success in your endeavor.

Sincerely,

RUSSELL WELSH,
Acting Tribal Chairman.

DELAWARE TRIBE OF WESTERN OKLAHOMA, ANADARKO, OK

RESOLUTION NUMBER 97–01: A RESOLUTION OF THE DELAWARE TRIBE OF WESTERN OKLAHOMA SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEM ACT OF 1996"

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now therefore be it resolved, that the Delaware Tribe of Western Oklahoma supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

This is to certify that the foregoing resolution was adopted at a meeting of the Delaware Executive Committee in a meeting held on October 11, 1996 at Anadarko, Oklahoma by a vote of 5 for 0 against, and 0 abstaining, a quorum of the committee being present.

Attest: Linda Poolaw, Secretary.
Approve: Lawrence F. Snake, President.

DUCKWATER SHOSHONE TRIBE,
Duckwater, NV, October 30, 1996.

BOB G. MARTIN, Ed.D.,
President, Haskell Indian Nations University Lawrence, KS.

DEAR MR. MARTIN: Enclosed please find Resolution No. 96–D–21 enacted by the Duckwater Shoshone Tribal Council during their Regular Meeting duly held the 21st day of October 1996. The Resolution is self explanatory.

If you should have any questions, please contact Jerry Millett, Tribal Manager. Thank you.

Sincerely,

LORINDA SAM,
Executive Secretary,
Duckwater Shoshone Tribe.

RESOLUTION NO. 96–D–21

Whereas, the Duckwater Shoshone Tribe is organized under the provisions of the Indian Reorganization Act of June 18, 1934, as amended to exercise certain rights of homerule and be responsible for the general welfare of its membership; and

Whereas, the Duckwater Shoshone Tribe is in support of the Haskell Indian Nations University in Lawrence, Kansas; and

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation; Now, therefore be it

Resolved, That the Duckwater Shoshone Tribe supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

THE EASTERN BAND OF CHEROKEE INDIANS,
Cherokee, NC, December 4, 1996.

Mr. BOB G. MARTIN,
President, Haskell Indian Nations University, Lawrence, KS.

DEAR PRESIDENT MARTIN: As Principal Chief of the Eastern Band of Cherokee Indians, I am happy to lend the unanimous support of our tribe to Haskell Indian Nations University.

Attached please find a copy of Resolution 440 which was passed on November 21, 1996 with the full support of Tribal Council.

We too believe that self determination begins at the local level and in order to make improvements must be controlled by those who are most affected.

Please call upon me if I can be of further assistance.

With regards, I am

Sincerely,

JOYCE C. DUGAN,
Principal Chief.

Attachment.

RESOLUTION 440—"HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996"

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation: Now, therefore, be it resolved, That the Eastern Band of Cherokee Indians supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

FORT INDEPENDENCE RESERVATION,
Independence, CA, November 7, 1998.

RESOLUTION 96-026—SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996"

Whereas: Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas: Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas: Haskell's ability to make a successful transition form a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas: the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas: the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation: Now, therefore be it

Resolved, That the Fort Independence Paiute Tribe supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

GRAND PORTAGE
RESERVATION TRIBAL COUNCIL,
Grand Portage, MN, October 24, 1998.

RESOLUTION 49-96

The Grand Portage Reservation on behalf of the Grand Portage Band of Chippewa enacts the following resolution:

Whereas, the Grand Portage Reservation Tribal Council, under the terms of the Treaty of 1854 and P.L. 93-638, the Indian Self-Determination Act, is the duly recognized governing body of the Grand Portage Reservation, and

Whereas, the Grand Portage Reservation Tribal Council supports legislation granting administrative oversight to Haskell Indian Nations University to be known as Haskell Indian Nations University Administrative Systems Act of 1996.

Whereas, Haskell's vision is to become a National Center for Indian Education, Research and Cultural Programs that increase knowledge and support the Educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell, and

Whereas, Haskell's ability to make a successful transition from a Junior College to a University vision is being compromised by not having control of their Administrative Systems, and

Whereas, the lack of control affects the quality of Higher Education offered to American Indian students, and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the University with the passage of appropriate legislation: Now, therefore be it

Resolved, That the Grand Portage Reservation Tribal Council supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year University.

IOWA TRIBE OF
KANSAS AND NEBRASKA,
White Cloud, KS, October 17, 1996.

BOB G. MARTIN,
President, Haskell Indian Nation School, Lawrence, KS.

DEAR MR. MARTIN: Enclosed please find the Iowa Tribal Resolution 96-R-16, supporting the University in its transition to a 4-year University.

Sincerely,

LEON CAMPBELL,
Chairman, Iowa Tribe of Kansas and Nebraska.

RESOLUTION 96-R-16

Whereas, the Iowa Executive Committee being duly organized met in Regular Session this 16th day of October, 1996; and,

Whereas, the Iowa Executive Committee has authority to act for the Iowa Tribe under the present Constitutional authority as provided in Sec. 2, Article IV, Governing Bodies; and,

Whereas, the Iowa Tribe of Kansas and Nebraska being organized and empowered by their Constitution and Bylaws (approved November 6, 1978); and,

Whereas, the Haskell Indian Nations Universities vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, The lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, The Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation; and,

Now therefore be it resolved, That the Iowa Tribe of Kansas and Nebraska supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

Be it further resolved, That the foregoing Resolution was duly adopted this date.

MIAMI TRIBE OF OKLAHOMA,
Miami, OK.

RESOLUTION 97-03

SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996"

Whereas: the Miami Tribe of Oklahoma is a federally recognized Tribe, organized under the Oklahoma Indian Welfare Act of 1936, with a Constitution and By-Laws approved by the Secretary of the Interior on February 22, 1996; and,

Whereas: the Business Committee of the Miami Tribe of Oklahoma is empowered to act on behalf of the Tribe, under Article VI of the Constitution and By-Laws; and,

Whereas: Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas: Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas: Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas: the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas: the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation.

Now therefore be it resolved, That the Miami Tribe of Oklahoma supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

PEORIA TRIBE OF
INDIANS OF OKLAHOMA,
Miami, OK.

RESOLUTION # R-11-05-96

SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996"

Whereas, the Peoria Tribe of Indians of Oklahoma is a federally recognized Indian Tribe organized under the Oklahoma Indian Welfare Act of June 26, 1936, and is governed by its Constitution approved by the Commissioner of Indian Affairs on May 29, 1980; and

Whereas, the Business Committee of the Peoria Tribe of Indians of Oklahoma is authorized to enact resolutions and act on behalf of the Peoria Tribe under Article VIII, Section I, of the Constitution; and

Whereas, Haskell Indian Nations University has a vision to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation.

Now therefore be it resolved, The Peoria Tribe of Indians of Oklahoma supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a four-year university.

PUEBLO OF ISLETA,
Isleta, NM, November 12, 1996.

BOB G. MARTIN, Ed.D.,
President, Haskell Indian Nations University, Bureau of Indian Affairs, Lawrence, KS.

DEAR MR. MARTIN: Enclosed please find Pueblo of Isleta Resolution 96-096 supporting your efforts for the transition of Haskell to become a four-year university. I wish you much success in your endeavors.

Sincerely,

ALVINO LUCERO,
Governor.

RESOLUTION NO. 96–096

SUPPORTING LEGISLATION GRANTING ADMINISTRATIVE OVERSIGHT TO HASKELL INDIAN NATIONS UNIVERSITY TO BE KNOWN AS "HASKELL INDIAN NATIONS UNIVERSITY ADMINISTRATIVE SYSTEMS ACT OF 1996"

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell's has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now therefore be it Resolved, That the Isleta Tribal Council supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

RESOLUTION TLS–96–008

Whereas, we, the members of the National Congress of American Indians of the United States, invoking the divine blessing of the Creator upon our efforts and purposes, in order to preserve for ourselves and our descendants rights secured under Indian treaties and agreements with the United States, and all other rights and benefits to which we are entitled under the laws and Constitution of the United States to enlighten the public toward a better understanding of the Indian people, to preserve Indian cultural values, and otherwise promote the welfare of the Indian people, do hereby establish and submit the following resolution; and

Whereas, the National Congress of American Indians (NCAI) is the oldest and largest national organization established in 1944 and comprised of representatives of and advocates for national, regional, and local Tribal concerns; and

Whereas, the health, safety, welfare, education, economic and employment opportunity and preservation of cultural and natural resources are primary goals and objectives of NCAI; and

Whereas, Haskell Indian Nations University's vision is to become a national center for Indian education, research, and cultural programs that increase knowledge and support the educational needs of American Indians and Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Indian and Alaska Native students in attendance; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian and Alaska Native students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with passage of appropriate legislation; now therefore be it

Resolved, That the National Congress of American Indians does hereby support legislation granting Haskell's Board of Regents the authority to administer the administration services for Haskell Indian Nations University, providing a greater degree of autonomy for Haskell in its transition to a four-year university.

CERTIFICATION

The foregoing resolution was adopted at the 1996 Mid-Year session of the National Congress of American Indians, held at the Adam's Mark Hotel at Williams Center in Tulsa, Oklahoma, on June 3–5, 1996 with a quorum present.

PRARIE BAND POTAWATOMI NATION,
Mayetta, KS, August 4, 1998.

Hon. VINCE SNOWBARGER,
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSMAN SNOWBARGER: I am writing to ask your strong support of H.R. 4259—"Native American Higher Education Improvement Act."

A vote for this legislation is a vote for improving the delivery of higher education to American Indians and Alaska Natives.

This legislation provides the authority for Haskell Indian Nations University ("Haskell") and Southwestern Indian Polytechnic Institute ("SIPI") to initiate demonstration projects for the development of personnel systems suitable for each school. The main purpose of each demonstration project is to develop classification and hiring systems that are more appropriate and more effective in providing the education programs that meet the needs of American Indians and Alaska Natives.

At present, Haskell and SIPI are the only two Bureau of Indian Affairs institutions which still are required to follow the current Civil Service personnel system, a system not designed to serve the needs of institutions of higher education. The other twenty-eight members of the American Indian Higher Education Consortium (AIHEC) have established personnel systems appropriate to college systems and thus are not required to adhere to the Civil Service system. Likewise, the other 200 other BIA schools (elementary and secondary schools) are not required to follow the Civil Service system, having already been authorized through legislation to establish alternative personnel systems appropriate for educational institutions.

National Haskell Board of Regents "Resolution 98–10," approved unanimously on May 6th, 1998 reflects strong support for this legislation developed through input from not only from Board of Regents members, but also from faculty, staff, NFFE local #45, and tribal members and leaders. There is no provision within this legislation which would alter employee rights. Please note this important fact in responding to opposition from federal employee unions.

Your strong support is needed on behalf of H.R. 4259. This legislation effectively addresses one of the most critical concerns in higher education, namely, having a personnel system that facilitates the recruitment and retention of qualified university-level faculty and staff. This is a particularly critical concern for Haskell's continuing transition from junior college to university status and the beginning of three new baccalaureate degree programs by fall, 1998.

Thank you for your support of American Indian and Alaska Native higher education.

Sincerely,

MAMIE RUPNICKI,
Chairwoman.

ALL INDIAN PUEBLO COUNCIL,
Albuquerque, NM, July 29, 1998.

Hon. VINCE SNOWBARGER,
Cannon House Office Building,
Washington, DC.

DEAR CONGRESSMAN SNOWBARGER: I am writing to ask for your strong support of HR 4259—"Native American Higher Education Improvement Act." A vote for this legislation is a vote for improving the delivery of higher education to American Indians and Alaska Natives.

This legislation provides the authority for Haskell Indian Nations University (Haskell) and Southwestern Indian Polytechnic Institute (SIPI) to initiate demonstration projects for the development of personnel systems suitable for each school. The main purpose of each demonstration project is to develop classification and hiring systems that are more appropriate and more efficient in providing the education programs that meet the needs of American Indians and Alaska Natives.

At present, Haskell and SIPI are the only two Bureau of Indian Affairs institutions which still are required to follow the current Civil Service personnel system, a system not designed to serve the needs of institutions of higher education. The other twenty-eight members of the American Indian Higher Education Consortium (AIHEC) have established personnel systems appropriate to college systems and thus are not required to adhere to the Civil Service system. Likewise, the over 200 other BIA schools (elementary and secondary schools) are not required to follow the Civil Service systems, having already been authorized through legislation to establish alternative personnel systems appropriated for educational institutions.

National Haskell Board of Regents "Resolution 98–10," approved unanimously on May 6, 1998, reflects strong support for this legislation developed through input from not only the members of the Board of Regents, but also from faculty, staff, NFFE local #45, and tribal members and leaders. There is no provision within this legislation which would alter employee rights. Please note this important fact in responding to opposition from federal employee unions.

Your strong support is needed on behalf of HR 4259. This legislation effectively addresses one of the most critical concerns in higher education, namely having a personnel system that facilitates the recruitment and retention of qualified university-level faculty and staff. This is a particularly critical concern for Haskell's continuing transition from junior college to university status and the beginning of three new baccalaureate degree programs by fall, 1998.

Thank you for your support of American Indian/Alaska Native higher education.

Sincerely,

ROY W. BERNAL,
Chairman.

RESOLUTION 98–10

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indians and Alaska Natives; and, Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, The Board of Regents of Haskell Indian Nations University has by prior Resolutions No. 96-03 and No. 96-09 authorized the development of legislation to increase local control necessary for Haskell to evolve as a university; and,

Whereas, Legislation has been drafted and is ready for introduction in the United States Congress that would allow Haskell Indian Nations University to provide culturally sensitive curricula for higher education to members of Indian tribes and improve education for American Indian/Alaska Native students as Haskell continues to make the transition to a four-year university; not therefore be it

Resolved, That the Haskell Indian Nations Board of Regents supports the efforts of the Kansas Congressional delegation in introducing and pursuing passage of legislation presently titled at the "Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998"; and be it further

Resolved, That Haskell develop its alternative administrative systems in a spirit of cooperation and input from administration, faculty, staff, and students, that its newly developed pay, leave and benefit packages emphasize comparable support for current employees, and that implementation of these alternative systems will not eliminate the right of federal employees to engage in collective bargaining.

We hereby certify that Resolution No. 98-10 was duly considered, voted upon, and passed unanimously on this 6th day of May, 1998, during the annual spring meeting of the National Haskell Board of Regents, held on the campus of Haskell Indian Nations University at which a quorum was present.

SENECA NATION OF INDIANS,
COMMUNITY PLANNING AND DEVELOPMENT DEPARTMENT,
Irving, NY and Salamanca, NY, July 24, 1998.
Hon. VINCE SNOWBARGER,
Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN SNOWBARGER: I am writing to ask for your strong support of H.R. 4259—"Native American Higher Education Improvement Act."

A vote for this legislation is a vote for improving the delivery of higher education to American Indians and Alaska Natives.

This legislation provides the authority for Haskell Indian Nations University ("Haskell") and Southwestern Indian Polytechnic Institute ("SIPI") to initiate demonstration projects for the development of personnel systems suitable for each school. The main purpose of each demonstration project is to develop classification and hiring systems that are more appropriate and more efficient in providing the education programs that meet the needs of American Indians and Alaska Natives.

At present, Haskell and SIPI are the only two Bureau of Indian Affairs institutions which are still required to follow the current Civil Service personnel system, a system not designed to serve the needs of institutions of higher education. The other twenty-eight members of the American Indian Higher Education Consortium (AIHEC) have established personnel systems appropriate to college systems and thus are not required to adhere to the Civil Service system. Likewise, the over 200 other BIA schools (elementary and secondary schools) are not required to follow the Civil Service system, having already been authorized through legislation to establish alternative personnel systems appropriate for education institutions.

National Haskell Board of Regents "Resolution 98-10," approved unanimously on May 6th, 1998, reflects strong support for this legislation developed through input from not only the Board of Regents members, but also from faculty, staff, NFFE local #45, and tribal members and leaders. There is no provision within this legislation which would alter employee rights. Please note this important fact in responding to opposition from federal employee unions.

Your strong support is needed on behalf of H.R. 4259. This legislation effectively addresses one of the most critical concerns in higher education, namely, having a personnel system that facilitates the recruitment and retention of qualified university-level faculty and staff. This is a particularly critical concern for Haskell's continuing transition from junior college to university status and the beginning of three new baccalaureate degree by fall, 1998.

The Board of Regents of Haskell Indian Nation University is comprised of 15 Indian people who represent all of the Bureau of Indian Affair's Services Areas, as well as the Student Senate President of Haskell and the President of the National Haskell Alumni Association.

Attached please find resolution #98-10 which the Haskell Board of Regents approved on May 6, 1998. This resolution gives full support to H.R. 4259: National American Higher Education Improvement Act.

Thank you for your support of American Indian/Alaska Native higher education.

Sincerely,
LANA REDEYE,
Member, Haskell Board of Regents, United Southern and Eastern Tribes Representative.

NATIONAL HASKELL BOARD OF REGENTS,
Lawrence, KS, October 2, 1998.

DEAR CONGRESSMAN SNOWBARGER: Thank you for introducing H. R. 4259, the "Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998."

The effort to secure congressional action to further Haskell's transition to a 4-year university has had long-standing support from the Kansas Congressional delegation, the National Haskell Board of Regents, the federally recognized tribes, and the employees of Haskell.

Section 365 of the "Improving America's Schools Act" (10/20/94) mandated that "the Secretary of the Interior shall conduct a study [of administrative systems], in consultation with the Board of Regents of Haskell . . . [And] if the study's conclusions require legislation to be implemented, the study shall be accompanied by appropriate draft legislation." That legislation was first introduced in the 104th Congress. Your continued support is appreciated.

I understand that the intent of H. R. 4259 is to give Haskell the authority to have the personnel function moved on campus and to design the personnel system in a way that meets the needs of an institution of higher education. These improvements will be a great support to the quality of education being provided to the American Indian/Alaska Native people.

Respectfully yours,
JEAN WAGNER,
Student Senate President and Member, National Haskell Board of Regents.

TABLE BLUFF RESERVATION WIYOT TRIBE

RESOLUTION #66

Haskell Indian Nations University Administrative System Act of 1996

Whereas Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university of the passage of appropriate legislation: Now therefore be it

Resolved, That the Table Bluff Wiyot Nation supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

I, the undersigned, as the Tribal Chairperson of the Table Bluff Wiyot Nation, hereby certify this resolution on this 12th day of November, 1996.

CHERYL A. SEIDNER,
Tribal Chairperson.

PINOLEVILLE INDIAN RESERVATION

RESOLUTION #10-15-96-01

Haskell Indian Nations University Administrative Systems Act of 1996

Whereas Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indians/Alaska Natives; and

Whereas Haskell has identified the need to properly administer a quality educational and student life program for American Indian/Alaska Native students attending Haskell; and

Whereas Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas the lack of control affects the quality of higher education offered to American Indian students; and

Whereas the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation: Now therefore be it

Resolved, That the Pinoleville Band of Pomo Indians of the Pinoleville Indian Reservation supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

The Tribal Council of the Pinoleville Indian Reservation does hereby certify at a meeting duly called, noticed, and convened on the 15th day of October, 1996 where a quorum was present, this action was duly adopted by a vote of 4 for, 0 against, and 1 abstaining.

LEONA L. WILLIAM,
Tribal Chairperson.
LENORA BROWN,
Secretary.

ELK VALLEY RANCHERIA

RESOLUTION 96–14

Haskell Indian Nations University Administrative Systems Act of 1996

Whereas: the Elk Valley Rancheria is a Federally recognized Indian Tribe, pursuant to Tillie Hardwick et al vs United States, Civil No. C–79–171–SW, as having Tribal sovereignty status: and

Whereas: the Elk Valley Rancheris has been fully authorized to exercise full governmental powers and responsibilities through the Elk Valley Rancheria Tribal Council: and

Whereas: Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives: and

Whereas: Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas: Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas: the lack of control affects the quality of higher education offered to American Indian students; and

Whereas: the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation; then

Therefore Be It *Resolved*: that the Tribal Council of Elk Valley Rancheria supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

We the unresigned officers of the Elk Valley Rancheria Tribal Council do hereby certify that the Elk Valley Rancheria Tribal Council adopted this Resolution Number 96–14 on November 20, 1996. This Resolution has not been amended in anyway nor rescinded.

JOHN D. GREEN,
Tribal Chairman, Elk Valley Rancheria Tribal Council.
Attested: BRENDA GREEN,
Council Secretary.

RESOLUTION NO. 58–96

Haskell Indian Nations University Administrative Systems Act of 1996

Whereas, The Agua Caliente Band of Cahuilla Indians (the "Tribe") is a federally-recognized Indian Tribe governing itself according to a Constitution and By-laws and exercising sovereign authority over the lands of the Agua Caliente Indian Reservation; and

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation.

Now, Therefore Be It *Resolved*, that the Tribal Council of the Agua Caliente Band of Cahuilla Indians supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in this transition to a 4-Year university.

RICHARD M. MILANOVICH,
Chairman.

CERTIFICATION

I, the undersigned, the Secretary of the Agua Caliente Band of Cahuilla Indians, hereby certify that the Tribal Council is composed of five members of whom 5, constituting a quorum, were present at a meeting whereof, duly called, and noticed, convened and held this 5th day of November 1996; that the foregoing resolution was duly adopted at such meeting by the affirmative vote of 4–0–0 members and that said Resolution has not been rescinded or amended in any way.

MARCUS J. PETE,
Secretary/Treasurer.

AKUTAN TRADITIONAL COUNCIL

RESOLUTION 96–21

Haskell Indian Nations University Administrative Systems Act of 1996

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell's has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now Therefore Be It *Resolved*, that the Akutan Traditional Council supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university

CERTIFICATION

I, the undersigned, as President of the Akutan Traditional Council hereby certify this resolution on this 29th day of October, 1996.

———————,
President.

CABAZON BAND OF MISSION INDIANS,
84–245 INDIO SPRINGS DRIVE,
Indio, CA, October 22, 1996.

BOB G. MARTIN,
President, Haskell Indian Nations University, U.S. Department of the Interior, Bureau of Indian Affairs, Lawrence, KS.

DEAR DR. MARTIN: The tribal business committee has reviewed your letter regarding transition to a four year university, and we believe this is an effort worth tribal support. We have enclosed a tribal resolution to that effect.

Sincerely,

MARK NICHOLS,
Chief Executive Officer.

RESOLUTION NO. 10–9–96–3

Re: Legislation to Support Granting Administrative Oversight to Haskell Indian Nations University

Whereas, Cabazon Band of Mission Indians is a federally recognized Indian Tribe with powers of self-government pursuant to its articles of association; and

Whereas, Cabazon Band of Mission Indians Business Committee is fully aware of its options relative to role, functions, authorities and responsibilities, and

Whereas, Cabazon Band of Mission Indians General Council understands that Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the education needs of American Indian/Alaska Natives; and,

Whereas, Cabazon Band of Mission Indians recognizes that Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, Cabazon Band of Mission Indians has determined that this lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, The Board of Regents of Haskell Indians Nations University seeks to increase local control of the university with the passage of appropriate legislation; now Therefore Be It

Resolved that the Cabazon Band of Mission Indians supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

This is to certify that the above resolution was adopted by the Cabazon Band of Mission Indians Business Committee by a vote of 5 for, 0 against 0 abstaining at a duly called meeting on October 9, 1996.

JOHN JAMES.
CHARLES WELMAS.
ELISA WELMAS.
BRENDA SOULLIERE.
VIRGINIA NICHOLS.
JOHN WELMAS.

SOBOBA BAND OF MISSION INDIANS

RES. NO. CR96–HIC–55

Re: Supporting legislation granting administrative oversight to Haskell Indian Nations University

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation.

Now Therefore Be It *Resolved*, that the Soboba Band of Mission Indians supports Haskell's Board of Regents effort to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

We the elected members of the Tribal Council of the Soboba Band of Mission Indians do hereby certify that the foregoing Resolution was adopted by the Soboba Tribal Council at a duly held meeting convened on the Soboba Indian Reservation on October 15, 1996 by a vote 5 "FOR", 0 "Against", and 0 "ABSTAINING" and such Resolution has not been rescinded or amended in any way.

CARL LOPEZ,
Chairman.

TORRES MARTINEZ DESERT CAHUILLA INDIANS

RESOLUTION #10–96–02

Haskell Indian Nations University Administrative Systems Act of 1996

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now Therefore Be It *Resolved*, that the Torres Martinez Desert Cahuilla Indians nation supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university

CERTIFICATION

We the undersigned, as the elected tribal council of the Torres Martinez Desert Cahuilla Indians Nation, hereby certify this resolution on this 12th day of October, 1996, and was ratified by our General Council on 12th day of October, 1996.

MARY E. BELARDO,
Chairperson.
PAULINE DURO,
Vice Chairperson.
HELEN L. JOSE,
Treasurer.
CINDY SIBOLE,
Secretary.
MARY L. RESVALOSO,
Council Member.

UPPER SIOUX COMMUNITY
BOARD OF TRUSTEES,
Granite Falls, MN, October 17, 1996.

Mr. BOB MARTIN,
President, Haskell Indian Junior College,
Lawrence, KS.

DEAR MR. MARTIN: On behalf of the Upper Sioux Board of Trustees, I am pleased to enclose our Resolution of support for Haskell to become a 4-year University.

We wish your organization well in this endeavor.

Sincerely,

BRAD LERSCHEN,
Executive Secretary.

UPPER SIOUX COMMUNITY BOARD OF TRUSTEES, USC RESOLUTION NO. 50–96

Whereas, the Upper Sioux Community of Granite Falls, MN is a federally recognized Indian Community possessing the powers of self-government and self-determination, and is governed by the Constitution of the Upper Sioux Community; and

Whereas, the Upper Sioux Community has an elected governing body called the Upper Sioux Board of Trustees which is empowered by the Tribal constitution to act on behalf of the members of the Upper Sioux Community; and

Whereas, Haskell Indian Nations University's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being comprised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation.

Therefore be it resolved, That the Upper Sioux Indian Community of Granite Falls, Minnesota supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

ONEIDA TRIBE OF INDIANS OF WISCONSIN, RESOLUTION 6–12–96–B

Whereas, the Oneida Tribe of Indians of Wisconsin is a federally recognized Indian government and a treaty tribe recognized by the laws of the United States, and

Whereas, the Oneida General Tribal Council is the governing body of the Oneida Tribe of Indians of Wisconsin, and

Whereas, the Oneida Business Committee has been delegate the authority of Article IV, Section 1 of the Oneida Tribal Constitution by the Oneida General Tribal Council, and

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives, and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now therefore be it resolved, That the Oneida Nation supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

Be it Further Resolved this nation encourages Congressperson Toby Roth to vote approval of this legislation.

CERTIFICATION

I, the undersigned, as Secretary of the Oneida Business Committee, hereby certify that the Oneida Business Committee is composed of 9 members of whom 5 members constitute a quorum. 9 members were present at a meeting duly called, noticed and held on the 12th day of June, 1996; that the foregoing resolution was duly adopted at such a meeting by a vote of 8 members for; 0 members against; and 0 members not voting; and that said resolution has not been rescinded or amended in any way.

JULIE BARTON,
Secretary, Oneida Business Committee.

STOCKBRIDGE-MUNSEE COMMUNITY, RESOLUTION NO. 087–96

Whereas, the Stockbridge-Munsee Community, Band of Mohican Indians, is a federally recognized Indian Tribe, exercising its sovereign duties and responsibilities under a Constitution approved November 18, 1937; and

Whereas, the Stockbridge-Munsee Band of Mohican Indians has always given education a high priority among its people, and several tribal members have attended Haskell Institute over the years; and

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaskan Natives; and

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems, which control affects the quality of higher education offered to American Indian students; and

Whereas, The Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation; now

Therefore Be It Resolved, That the Stockbridge-Munsee Band of Mohicans supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

I, the undersigned, as Secretary of the Stockbridge-Munsee Tribal Council, do hereby certify that the Tribal Council is comprised of seven members of whom 7, constituting a quorum were present at a meeting duly called, noticed, and convened on the 17th day of October, 1996, and that the foregoing resolution was adopted at such meeting by a vote of 6 members for, 0 members against, and 0 members abstaining, and that said resolution was not rescinded or amended in any way.

VIRGIL MURPHY,
President.
CAROL GOSS,
Council Secretary.

QUILEUTE TRIBAL COUNCIL, RESOLUTION NUMBER 96–A–87

Whereas, the Quileute Indian Tribe is an organized Indian Tribe under the Indian Reorganization Act; and the Quileute Tribal Council is the duly constituted governing body of the Quileute Indian Tribe; by authority of Article III of the Constitution and By-Laws of the Quileute Indian Tribe approved by the Secretary of the Interior on November 11, 1936; and,

Whereas, the Quileute Indian Tribe enjoys rights reserved to it by the Treaty of Olympia of 1855 and the Quileute Tribe Council has the responsibility under the Constitution to "promulgate and enforce ordinances. . . ."; and,

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and

Whereas, Haskell's has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now Therefore Be It Resolved, That the Quileute Nation supports Haskell's Board of Regents' efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

DOUGLAS WOODRUFF,
Chairman, Quileute Tribal Council.

CERTIFICATION

I certify that Resolution Number ____ was adopted at the regular meeting of the Quileute Tribal Council at LaPush, Washington, on the 31st day of October, 1996 at a time a quorum was present and the Resolution was adopted by a vote of 3 for and 0 against on the 31st day of October, 1996.

PUYALLUP TRIBAL COUNCIL RESOLUTION NO. 221096

Supporting legislation granting administrative oversight to Haskell Indian Nations University to be known as: "Haskell Indian Nations University Administrative Systems Act of 1996"

Whereas, the Puyallup Tribe has existed since creation as the aboriginal people who are the owners and guardians of their lands and waters; and

Whereas, the Puyallup Tribe is an independent sovereign nation, having historically negotiated with several foreign nations, including the United States in the Medicine Creek Treaty; and

Whereas; the Puyallup Tribal Council is the governing body of the Puyallup Tribe in accordance with the authority of its sovereign rights as the aboriginal owners and guardians of their lands and waters, reaffirmed in the Medicine Creek Treaty, and their Constitution and By-Laws, as amended; and

Whereas, Haskell's vision is to become a national center for Indian education, research and cultural programs that increase knowledge and support the educational needs of American Indian/Alaska Natives; and,

Whereas, Haskell has identified the need to properly administer a quality educational and student life program for American Indian and Alaska Native students attending Haskell; and,

Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by now having control of their administrative systems; and,

Whereas, the lack of control affects the quality of higher education offered to American Indian students; and,

Whereas, the Board of Regents of Haskell Indian Nations University seeks to increase local control of the university with the passage of appropriate legislation;

Now Therefore Be It Resolved, That the Puyallup Tribe of Indians supports Haskell's Board of Regents efforts to gain legislation that provides a greater degree of autonomy for Haskell Indian Nations University in its transition to a 4-year university.

CERTIFICATION

I, Michelle Hamilton, Secretary of the Puyallup Tribal Council of the Puyallup Tribe of the Puyallup Reservation, in Tacoma, Washington, do hereby certify that the proceeding resolution was duly adopted by the Puyallup Tribal Council, at a meeting held on the 22nd day of OCTOBER, 1996, a quorum being present and approving the resolution by a vote of 4 FOR, 0 AGAINST, 0 ABSTAINING, 1 NOT VOTING ITS ADOPTION.

MICHELLE HAMILTON,
Secretary, Puyallup Tribal Council.
BILL STERUD,
Chairman, Puyallup Tribal Council.

Mr. SNOWBARGER. Mr. Chairman, I believe that passage of this legislation is critical to provide Haskell Indian Nations University and Southwestern Indian Polytechnic Institute the opportunity to provide the best possible education for our Native American and Alaskan Indian students.

Mr. Chairman, I reserve the balance of my time.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I strongly oppose H.R. 4259, because the bill would allow Haskell and Southwestern Indian Universities to undertake personnel demonstration projects that would exempt them from civil service laws covering labor-management relations. That is a very, very important exemption. Employee organizations would as a result no longer have any input into the development of personnel policies and procedures.

I do believe that the gentleman's intentions are good, but at the same time we have a bill which would eliminate the Office of Personnel Management's authority to oversee this demonstration project. OPM would be reduced to the role of a consultant. We simply cannot have that. It would not be able to exercise the scrutiny and ensure the accountability as it is required to do under current law.

During full committee consideration of H.R. 4259, I offered an amendment that would have allowed these institutions to participate in a personnel demonstration project under current law which would have allowed OPM to maintain control and oversight over the process which they are mandated to do and maintain the right of the employees and their unions to negotiate over the terms of the project. No hearings on the issue were held by the Subcommittee on Civil Service, and there is nothing in the record that supports the proponents' view that these universities need special authority to explore new personnel practices.

In May of 1998, the National Haskell Board of Regents resolved that an alternative personnel system be developed, but that, and I quote, implementation not eliminate the right of Federal employees to engage in collective bargaining. Haskell Indian University's Faculty Senate expressed strong support for the resolution in a letter to the Board dated June 30, 1998.

Despite passage of the Board's resolution and attempts by the National Federation of Federal Employees Local 45 to negotiate an agreement providing for the demonstration projects with the universities, the author of this bill included language that would grant sole authority, and I emphasize that, sole authority, to the universities' presidents to determine the methods of involving employees, labor organizations and employee organizations in personnel decisions. This provision eliminates the rights and protections currently available to the employees and their union. It is unwarranted, unfair and a terminal flaw in this bill.

Mr. Chairman, I oppose the bill as introduced, and I will offer an amendment in the nature of a substitute at the appropriate time.

Mr. Chairman, I reserve the balance of my time.

Mr. SNOWBARGER. Mr. Chairman, just real briefly, the Board of Regents is the entity that is instructed to work with the president in consultation, and also the Secretary of Interior has veto authority over any plan. He can shut it down at any point in time.

With that, Mr. Chairman, I yield 4 minutes to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Chairman, I thank my colleague from Kansas for introducing this resolution, and I rise in strong support of the legislation. I would like to also thank my friend from Maryland for whom I have a great deal of personal respect for offering his perspective on this issue and on this debate.

Mr. Chairman, it is a fairly simple question we are here to decide today, and I appreciate the intellectual candor of my colleague from Maryland, because in essence what he is asking us to do is to make a choice. Are we in favor of educating the first Americans, and do we owe our first allegiance to the education of the first Americans, or do we instead owe our allegiance to the unions? That is the question here.

I represent more Native Americans than anyone else in the contiguous United States. The Sixth District of Arizona in square mileage is roughly the size of the Commonwealth of Pennsylvania. Within the Sixth District of Arizona are several schools under the control of the Bureau of Indian Affairs. Mr. Chairman, we should make this point: When it comes to education, the Bureau of Indian Affairs, in controlling schools grades K through 12, has already been authorized through legislation to establish these alternative personnel methods appropriate for educational systems. That has happened for grades K through 12. But now we have a situation where we come to two institutions of higher learning and the status quo is saying, "No, whatever you do, don't change the personnel methods. Make sure that civil service rules and, more importantly, that unions control the educational process."

I noticed with interest the criticism came because the university presidents would be given control of personnel decisions pertaining to education. Horrors. The school presidents in charge of personnel and curricula at the schools? To me, far from being a foreboding step, that is a commonsense approach.

An elder on the Navajo Nation, Mr. Chairman, put it quite succinctly and clearly to me during a town hall meeting there when he said to me, "Congressman, as far as I'm concerned, BIA, those letters stand for three things: Bossing Indians around."

Now, I know there are a lot of dedicated workers in the BIA, and I appreciate the BIA's foresight in elementary schools and other controlled schools to say education is more important than union bargaining. I would simply say that we should follow the example not to have anyone outside the educational institution presume to boss around or dictate or somehow dilute the primary mission of the institution, to educate the first Americans, the first Americans who are too often the forgotten Americans.

As my colleague from Kansas pointed out, during the period of time this legislation was being worked on, union representatives were involved. They have a place at the table. But the question becomes, who should control institutions of higher learning, educators or union bosses?

This is not a very difficult question to answer. Educators should control this. It should follow the blueprint offered for other schools within the BIA framework as these two institutions have that unique status as institutions of higher learning overseen by the BIA. I call for those better instincts and those efforts of many dedicated employees by the BIA not to boss Indians around, but to preserve education.

I gladly and strongly support the legislation.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

In response to what the gentleman from Arizona (Mr. HAYWORTH) just said, there are two points that I would like to make. At any university, Mr. Chairman, a very important part of that university, of course, are your students. But it is also the faculty that plays a very significant role, too, and those people that make the university work; that is, the employees of the school. Back on June 30, 1998, a memo was sent to the members of the Board of Regents from the Faculty Senate, and they expressly stated, and I quote, that they did not want to, quote, eliminate the right of Federal employees to engage in collective bargaining.

□ 1445

Another thing that was stated by the gentleman from Arizona (Mr. HAYWORTH) with regard to employees saying that they had an opportunity to be at the table, whatever. In a letter dated July 23, 1998, a letter from Michael Tossi, President of Local 45, the National Federation of Federal Employees, addressed to the gentleman from Kansas (Mr. SNOWBARGER), and I quote part of it because it is quite a long letter, it says:

> The employees, the majority of whom are American Indians, feel we have not been given sufficient time or given reasonable opportunity to be involved in the development of this concept. That is the demonstration project. It is our desire to be involved.

They go on to say:

> You persist in pushing without asking the people at Haskell Indian Nations University what their views are and what we feel about this legislation.

Again, keep in mind this legislation was never presented before the Subcommittee on Civil Service. We could have had all of these views, we could have had an opportunity to flesh all of this out and come up with a reasonable solution to my colleague's concerns, but we did not do that, and so we are here today.

And let me just go on to just quote just a bit more from that letter from Michael Tossi, the President of the Local 45 union there at the university. He said, and I quote:

> We resent what you are doing and the manner you are doing it. It is unscrupulous, unprincipled and discriminatory.

That is what he said, and a university is not just students. A university is the faculty, the university is students, and the university is employees.

Mr. Chairman, I reserve the balance of my time.

Mr. SNOWBARGER. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Chairman, I appreciate the gentleman from Kansas and also have great respect for the gentleman from Maryland who he and I sit on the subcommittee together, and I will tell my colleagues, Mr. Chairman, that the bottom line is that what this is all about is whether we are going to help two schools in Kansas, the Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, be able to compete in the marketplace to be able to get the kinds of teachers and professors that the marketplace regularly has, but that they will be unable to attract directly related to rules of the Federal Government.

This is a marketplace issue. It is an issue about the things, the way to hire employees and the way to keep employees.

One of the bottom line employment problems is always the portability of a retirement plan. The wisdom of this plan that my colleague from Kansas presents today is one that would allow these two universities the opportunity to have a portability of a retirement plan. The way the law exists today is that someone would have to stay employed in a job literally for the rest of their working career before they were able to get back that retirement that they had saved all these years.

The bottom line is the marketplace in academics does not work that way. Professors come and go. Professors have new callings that perhaps they want to leave and have a sabbatical or write a book or teach at another university.

I believe what we have got to do is to recognize that the work that is being done today through this bill would allow these two universities to attract and keep through their recruitment opportunities that they have the chance for a marketplace answer, and that is why I am in full support of this bill that is before us today, and I hope that Members of the Congress are able to recognize that this would be good for these two Indian Nation universities to have.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

To the point that was just made by my distinguished colleague from Texas (Mr. SESSIONS), I am concerned because what we have in the United States is uniformity with regard to retirement plans. Different retirement and insurance programs could create undesirable inequities in the compensation programs when Federal employees move in and out of the system. That is a major problem, and that does concern me, and that is one of the very reasons why the matter should have come before the committee, so that OPM could have an opportunity to give their side of this to figure out how this matter could be worked out as opposed to us trying to push it through without the proper deliberation. And I emphasize that.

I want to go on and just emphasize some other things.

What we are trying to do, what the bill, the intent of the bill, as I understand it, is to, one of the intentions is to have certain demonstration projects. Well, demonstration projects under current law will allow the institutions to request that the professors' jobs be reclassified at a higher grade. There are other ways to provide for increased pay for instructors which does not violate civil service rules and could have been discussed if a hearing was held. OPM has expressed a willingness to work with the institutions to facilitate an alternative personnel system, and OPM is very serious about this because they want to make sure that they have the uniformity that I talked about a little bit earlier.

These institutions are funded entirely, and I emphasize that, entirely with Federal dollars and should be subject to the same civil service laws as other Federal agencies. Local employees do not support Mr. SNOWBARGER's proposal, as I stated a little bit earlier. The National Federation of Federal Employees objects to going forward with this bill as currently written and has submitted a letter documenting their objections.

Mr. Chairman, I reserve the balance of my time.

Mr. SNOWBARGER. Mr. Chairman, I yield 2 minutes to my colleague, the gentleman from Kansas (Mr. RYUN).

Mr. RYUN. Mr. Chairman, first of all I would like to thank my colleague for bringing this important issue to the floor because our Nation's education is at a crossroads. Because other countries are sending their students to our shores, we must provide our children with the best possible quality education. That is why I rise in support of H.R. 4259.

This bill does resolve some of the problems facing both of our two Indian or Native American colleges. Haskell Indian Nations University in Lawrence, Kansas, has some of the brightest students in the land, but for years Congress has required this institution to operate as a Federal bureaucracy instead of a center for learning. This is wrong. This bill will change that, and we need to be able to make sure we give the students at Haskell every opportunity and advantage they should have. And instead of making learning more difficult, we should pursue ways to help Native American Indians to achieve success in education.

Every Native American tribe in Kansas, and I want to emphasize that, every Native American tribe in Kansas, supports this legislation. Over 50 tribes across this country also support it. In fact, there is not any opposition from a single tribe with this legislation.

This legislation is not about union membership, as some of the Members from the opposite side of the aisle would like to suggest. This is about the rights of Native Americans and their rights to a quality education.

Supporting this legislation supports improved education for Native American Indians. I encourage my colleagues on both sides of the aisle to support this educational measure and vote yes on this bill.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to just quote from an internal memo from OPM with regard to this legislation because I think it is very important that the very institution, the Office of Personnel Management, whose job it is to oversee this process, we need to know what they say about all this because I think that is very, very important, and that is what basically this debate is all about.

OPM, and I quote, OPM was given authority to oversee personnel management demonstration projects by the Civil Service Reform Act. OPM's years of experience and expertise in the development, evaluation and oversight of such projects would not be used sufficiently if OPM were limited to a consulting role at the discretion of the institution's presidents.

It would be inappropriate to establish a demonstration project, and these are the people who have expertise in this. These are the folks, it is their job to do this. This is what they are saying. It would be inappropriate to establish a demonstration project which could be made permanent as provided in Section 8 of the bill without the accountability provided by independent oversight, evaluation and scrutiny under the normal section 4703 procedures. The limited role provided to OPM by this bill would be insufficient to assure adequate accountability through independent oversight, and I emphasize that, independent oversight of these demonstration projects, particularly since Section 4(h)(2)(B)(ii) would allow continuation of any alternative system of employee benefits even if the demonstration project were terminated. That is a major problem. The legislation does not require a serious evaluation of results of an alternative system prior to that system being made permanent.

And so, Mr. Chairman, I tell my colleagues I understand the intent of the gentleman from Kansas (Mr. SNOWBARGER) and those who support this bill, but at the same time we have to keep some very important things in mind. Whether we like it or not, the institutions are supported solely with Federal funds, and that is very, very significant, and it is not about a question, as the gentleman from Kansas (Mr. RYUN) said a few minutes ago, about just having union involvement.

Again, we are talking about a community. A university is a community: employees, faculty and students, and the arguments are being made as if the faculty and the employees are not American Indians. Well, they are, and what they wanted was to merely have an opportunity to participate in the process.

So I, for the life of me I understand what is being said, but at the same time I think that if we are going to fight for the rights of these presidents to make these decisions to have these demonstration projects and then allow those demonstration projects to become permanent without any kind of oversight, I am very, very concerned about that, and I think we all should be concerned about that.

Mr. Chairman, I reserve the balance of my time.

Mr. SNOWBARGER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, if I can make some quick response here to the comments my colleague made? OPM is not an expert in running colleges and universities. The regents and presidents of Haskell and SIPI are. OPM has experience in working with large Federal bureaucracies. The regents and presidents of Haskell/SIPI work day to day in the world of higher education. There is no reason to give OPM a larger role. Where OPM has expertise to offer, both Haskell and SIPI can and will ask for its help. However, it is important to remember that it is OPM's rules and regulations that have made hiring and college recruiting, just to name two examples, very difficult for these institutions.

Mr. Chairman, I yield 2 minutes to the gentleman from Kansas (Mr. TIAHRT).

Mr. TIAHRT. Mr. Chairman, I rise today to support H.R. 4259, the Native American Higher Education Improvement Act. This legislation provides much needed flexibility for these two Indian colleges, Haskell Indian Nations University and Southwestern Indian Polytechnic Institute. Both are run by the Bureau of Indian Affairs, and because these institutions are run by the Federal Government and their regulations, they must operate within the confines of the civil service system, and this has created a problem in attracting and employing qualified instructors.

Now, Haskell Indian Nations University, as my colleagues know, is located in my home State of Kansas, and over 900 students attend Haskell each year from 36 States, but the majority of those students come from Oklahoma, Arizona, New Mexico, Montana and Kansas. Over the past few years Haskell has transformed from a junior college into a 4-year institution, and in the spring of 1996, Haskell conferred its first baccalaureate degrees in elementary education. The university is now accredited to confer degrees in environmental education and Indian studies, and they are working hard to progress the educational opportunities for Native Americans.

What we are considering today in this bill gives the Native American colleges the tools they much need to compete.

□ 1500

Because without these tools, recruitment and retention of qualified faculty and staff is too difficult.

Mr. Chairman, I have taught at the college level at two institutions of higher education. The last institution I have taught at is Newman University located in Wichita, Kansas. Of the greatest challenges that face Newman right now is the challenge of attracting qualified personnel because of limitations on salary. If they are set too low, they cannot acquire the qualified personnel or compete with larger schools, larger institutions.

Haskell is facing the same problem that Newman faces because their hands are tied by these government regulations. Their efforts are restricted because the civil service system is not structured for a university system. It is not structured in a way that they can compete with salaries.

This bill simply allows these two institutions the flexibility they need to compete with the university system. That, Mr. Chairman, is why I ask my colleagues to join with me in support of this legislation.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are in a situation where we are arguing this bill, but I do not think this bill is going to go but so far anyway.

I just got a memo from the Executive Office of the President, statement of administration policy. I will read it. I think it makes the very points that I have been making.

It says,

> Although the administration believes that additional personnel management flexibility is appropriate for the Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, the administration opposes H.R. 4259. The bill would provide these Federally owned and operated universities with special authority to implement 5-year personnel management demonstration projects.
>
> In particular, the administration objects to the demonstration projects authorized under H.R. 4259 because they would do the following: exempt these universities from laws covering Federal employees' leave and benefits, which could have a very real adverse impact on the university's employees and would set a bad precedent for the development of similar initiatives for other Federal entities.
>
> Two, would reduce the Office of Personnel Management's important role in the development, management, and oversight of demonstration projects to that of a consultant.
>
> The administration will work with Congress to find a suitable means of addressing the concerns that prompted this legislation.

I think that what has been stated here is what I have been saying before. I do believe that there are ways to address the issues which are the intent of this legislation. But we must find a way to make sure that OPM keeps its oversight with regard to these issues.

Uniformity becomes very significant. We can make the arguments from now until forever more about how universities are unique, and they are unique. But there are departments that are unique, too, that have special needs and special concerns.

But when we begin to carve out a piece here and carve out a piece there, taking away from the agency which has spent years honing in the expertise; and someone said a few moments ago, one of my colleagues, said, no, they are not experts in universities. Well, the issues that we are talking about here, they are experts in. The fact is is that this is what they do.

So I would submit that the statement from the Executive Office of the President is very clear. They see it as clear as day that this thing can be worked out. The problems can be worked out. They should be worked out, not through the method that we are trying to do here, but other methods.

Mr. Chairman, I reserve the balance of my time.

Mr. SNOWBARGER. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Chairman, Southwestern Indian Polytechnic Institute is a school nestled on the banks of the Rio Grande River in my district. It is a small school, much like Haskell. It has 600 students and over 100 different tribes represented there each semester, which really gets to the problem with the criticisms of this bill.

These are two small universities operated directly by the Federal Government by the BIA that are anomalies in a system overseen by the Office of Personnel Management, which is not designed for universities. There are already special rules within the BIA for how they operate elementary schools.

But those rules do not apply to SIPI and to Haskell. As a result, they have to operate under a system which is rigid, which does not apply to them, where they have to try to make cumbersome rules fit a situation that they just do not find themselves in.

I commend my colleague the gentleman from Kansas (Mr. SNOWBARGER) for bringing this legislation forward to try to give these institutions the flexibility they need to better do their job and to educate our children.

I have been to SIPI and talked to the faculty there. I have talked to the President of SIPI, President Elgin, and they are supportive of this legislation. It takes them too long to hire professors. They cannot set out the requirements as they want to do for teachers. They need the flexibility to do this.

There is independent oversight of these two schools. It is called a board of regents. It is something that Federal Government agencies do not have, and OPM is probably not familiar with it.

Uniformity is probably, to paraphrase, the hobgoblin of small minds. We have two small institutions here that need flexibility to do their job better in a pilot program.

It is disappointing to me that the Executive Office of the President is paying more attention to its own bureaucracy and the Office of Personnel Management and not attention to the presidents, the faculty, and the students whom I represent.

I stand in support of this legislation, and I commend my colleague from Kansas for bringing it to the House.

Mr. CUMMINGS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to take a moment and read from the current law, in regard to employees' involvement. This is section 40–703. I quote, it says,

> Employees within a unit with respect to which a labor organization is accorded exclusive recognition under chapter 71 of this title shall not be included within any project under subsection A of this section, one, if the project would violate a collective bargaining agreement as defined in Section 71–038 of this title between the agency and the labor organization, unless there is another written agreement with respect to the project between the agency and the organization permitting the inclusion or, if the project is not covered by such a collective bargaining agreement, until there has been consultation or negotiation, as appropriate, by the agency with the labor organization.

It goes on to say, under letter H,

> The office shall provide for an evaluation of the results of each demonstration project and its impact on improving public management.

I would just challenge the gentleman from Kansas (Mr. SNOWBARGER) to tell us exactly what role union personnel, those people who clean up the school, the faculty, the organizations, the labor organizations, what part will they have, because, they, too, are American Indians. They will be there when the students have graduated.

They, too, have a right to see and be a part of how their institution goes forward. They, too, have an interest in making sure that many of the students, who may very well be their children or grandchildren, are treated fair, and they, too, have an interest in making sure that these universities remain the great universities that they are.

Mr. Chairman, let me just say this, that first of all, I think that we all are concerned about our young people. We are concerned that they rise to the highest levels that they possibly can. We are concerned that our universities, wherever they may be, be the best that they can be. I believe that, with all my heart, and I believe that all Members of this Congress believe the same.

At the same time, we have to look at the factors with regard to this legislation. I think the first thing we have to start off with is that members of our committee, our subcommittee, who are very, very interested in the life and the lives of our civil servants, those people who day out and day in make it possible for all of us to do our jobs and make it possible for these two universities to exist, every member of that subcommittee, every one of them is concerned about them; in addition to the very institutions that those Federal employees support and make possible.

We also are concerned about the Office of Personnel Management. That is an office which is duty bound, by legislation coming from this Congress, the Congress of the United States, saying that there are certain things that they have the authority to do and certain things that they have the responsibility to do. So we also are concerned that going back to that Subcommittee on Civil Service that we never had an opportunity to go through this legislation, to sit down and listen to the faculty of these wonderful institutions. We never had an opportunity to hear from the presidents to see what they were going to say with all of this proposed new authority that the presidents of these universities will be given; never even had the opportunity to hear from even some students that may have had some concerns or parents of students who are paying tuition; never had the opportunity. So that the committee, a very distinguished committee, never had the opportunity to hear any of that.

We find ourselves today going through this legislation. As the administration said, it is bad legislation but we have an administration which is willing to work with the Congress to resolve the issues. So we end up in a situation where on the one hand, we are told that these wonderful institutions should have certain opportunities to do certain things but at the same time, while we are giving them the opportunity to create the various retirement programs and the various personnel rules and things of that nature, at the same time this legislation would leave out another very important group of American Indians, and those are the members that so happen to be a part of the union, again, the people who support the institution.

Mr. Chairman, I just take this moment to say that I vehemently oppose this legislation. I will have an amendment in the nature of a substitute a little bit later in these proceedings.

Mr. Chairman, I yield back the balance of my time.

□ 1515

Mr. SNOWBARGER. Mr. Chairman, I yield myself the remainder of my time.

First of all, let me thank the gentleman from Indiana (Mr. BURTON), chairman of the Committee on Government Reform and Oversight; the gentleman from Florida (Mr. MICA), who is the subcommittee chairman who dealt with this issue; the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce; and the gentleman from California (Mr. MCKEON), the chairman of the subcommittee, for bringing this legislation to the floor.

I would also like to acknowledge the gentleman from New York (Mr. SOLOMON) and the Committee on Rules and thank them for this open rule that allows us to debate this fully, and I thank all of those who have help bring this to the floor and speak to it.

I want to address some of the concerns that were raised by my colleague from Maryland, and I think the first one I want to raise is the fact that he is very concerned that we have reduced the Office of Personnel Management to the role of consultants. I would show my colleague this brochure put out by the Office of Personnel Management touting their services, and what do they call themselves? Consultants, setting the standard for excellence. They consider themselves consultants, this bill allows them to act as consultants, and I think that SIPI and Haskell will take advantage of their expertise when it is actually helpful.

Mr. Chairman, I want to talk a little bit about another criticism that has been made, and that is about employee involvement. We somehow think that the employees at the school are not going to be a part of this plan, even though for the last 8 years they have been a part of this planning. Employee participation has been an integral part of the process since day one. Beginning in 1990, when Haskell established a long-range planning task force to improve the recruitment and selection process for personnel, members of the local employee union have served on every single task force, planning group and quality improvement team. In most cases, the local union president or vice president has represented the union. Furthermore, employee representatives have been involved in the development of the guiding principles for the demonstration project that the university has been preparing in anticipation of passage of this legislation.

In fact, the following employees have represented the NFFE Local 45 on these boards: 1990 Long Range Planning Task Force, Dan Wildcat and Lee Pahcoddy. 1993 Personnel Quality Improvement Team, Sally Halvorson. 1995 Personnel Quality Improvement Team that developed the legislation recommendations, Sally Halvorson. Additionally, in April of 1996, all employees at Haskell received a copy of the study commissioned by the 1995 team and a copy of the draft legislation. Finally, in the spring of 1997, Sally Halvorson was appointed by the union to represent them on the implementation team for the alternative personnel system.

Mr. Chairman, I would like to address the concern about the collective bargaining process. I am not sure which bill the gentleman from Maryland has read, but H.R. 4259 does not have any effect on current collective bargaining rights, and in addition, the legislation states that the current collective bargaining agreement will remain in effect until its completion, and I would refer the gentleman to pages 7 and 14 of the legislation.

There is also concern that this demonstration project is going to become permanent without independent scrutiny and accountability. That simply is not true. The demonstration projects can only become permanent if Congress passes legislation making them permanent.

Under section 4(D) of the bill, the demonstration projects can only last 5 years. They may be continued without congressional action only to the extent necessary to validate the results of the project. To protect employees, the bill also allows alternative benefit systems to continue for those employees covered by them.

Not only will Congress independently evaluate any proposals to make alternative personnel systems permanent, but the Secretary of the Interior will also evaluate the performance of the projects. Section 3 of the bill requires that. In addition, the Secretary or the president of the institution can also terminate any project if either determines that the project is not in the best interest of the institution, and that is in section 3(E) of the bill.

In short, there will be independent oversight of these demonstration projects, and only Congress can make the project permanent.

Mr. Chairman, I might mention again, as one of my colleagues pointed out, the K through 12 education that is governed by the Bureau of Indian Affairs has been out from under these personnel management policies since the early 1970s, and they have operated and performed very well, and we do not have complaints coming in from those employees in those institutions.

Mr. Chairman, I also want to mention that there is plenty of support for this bill outside the two institutions that we are talking about. There are 55 nations that have indicated their support to us. We will have letters of support to place in the Record from 32 of those nations.

Mr. Chairman, to understand why this bill is vital to Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, let us examine what will happen if this legislation does not pass. Without this legislation, the confines of the civil service system will prevent the schools from properly developing their academic programs, and it puts their academic accreditation into jeopardy. Resolution 98–10 from the Haskell Board of Regents says, "Whereas, Haskell's ability to make a successful transition from a junior college to a university vision is being compromised by not having control of their administrative systems; if this legislation does not pass, we compromise the quality of education for our Native American and Alaskan Indian students."

Very often we deal with extremely complex issues and lengthy bills in this body. This legislation is different. It is a short bill, only 16 pages long, and it is very straightforward. Simply, it allows two colleges with less than 400 employees to develop appropriate personnel systems. It allows Haskell Indian Nations University and Southwestern Indian Polytechnic Institute to develop portable benefits packages so that they can recruit qualified academic staff.

The bill was introduced and drafted at the behest of one group, the National Haskell Board of Regents. This Board, comprised of 15 members who are elected to represent more than 500 tribes across this Nation, asked me to help them make their institutions great.

Mr. Chairman, this legislation is important for the students of Haskell Indian Nations University and Southwestern Indian Polytechnic Institute, and I would ask my colleagues to support this legislation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. Stearns). All time for general debate has expired.

Pursuant to the rule, the bill shall be considered under the 5-minute rule by section, and each section shall be considered read.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the Congressional Record. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Haskell Indian Nations University and Southwestern Indian Polytechnic Institute Administrative Systems Act of 1998".

The CHAIRMAN pro tempore. Are there any amendments to section 1?

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. CUMMINGS OF MARYLAND

Mr. CUMMINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Cummings of Maryland:

Strike all after the enacting clause and insert the following:

SECTION 1. AUTHORITY TO CONDUCT DEMONSTRATION PROJECTS.

(a) In General.—The Haskell Indian Nations University in Lawrence, Kansas, and the Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico, are authorized to conduct, pursuant to the provisions of chapter 47 of title 5, United States Code, demonstration projects for the purpose of testing the feasibility and desirability of implementing alternative personnel policies and procedures.

(b) Limitation Inapplicable.—Any demonstration projects conducted under subsection (a) shall be conducted without regard to, and shall not be taken into account for purposes of, the limitation under section 4703(d)(2) of title 5, United States Code.

(c) Commencement and Termination Dates.—Each demonstration project under this Act—

(1) shall commence within 2 years after the date of enactment of this Act; and

(2) shall terminate by the end of the 5-year period beginning on the date on which such project commences, except that the project may continue beyond the end of such 5-year period to the extent necessary to validate the results of the project.

Mr. CUMMINGS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. CUMMINGS. Mr. Chairman, Haskell Indian University and Southwestern Indian Polytechnic Institute would establish their own alternative personnel systems which would make radical changes in employee benefits, leave programs and labor-management relations. However, they have given no satisfactory explanation as to why they need to do so with specialized demonstration project authority, loaded with exceptions to current law.

My amendment to H.R. 4259 will allow the institutions to participate in a demonstration project under current law. It retains OPM's control and oversight over the process. It would also retain the right of the employees' union to collectively bargain over the terms of the demonstration project.

Mr. Chairman, I might add that the Haskell Indian Nations University Board of Regents, when approving this legislation, said something that was very, very significant that to date has not been read. It simply says,

> Be it further resolved that Haskell develop its alternative administrative systems in a spirit of cooperation and input from administration, faculty, staff, and students; that its newly developed pay, leave and benefit packages emphasize comparable support for current employees, and that implementation of these alternative systems will not eliminate the right of Federal employees to engage in collective bargaining.

Mr. Chairman, one of my major concerns is that when I look at the legislation, and I refer to section 4(D), it says, and I quote,

> Collective bargaining agreements. Any collective bargaining agreement in effect on the day before a demonstration project under this act commences shall continue to be recognized by the institution involved until the earlier of, one, the date occurring 3 years after the commencement date of the project; 2, the date as of which the agreement is scheduled to expire; 3, such date as may be determined by mutual agreement of the parties.

Basically what that means is that we have a possibility and probability that the very Board of Regents, the very Board of Regents whose job it is and whose duty it is to uplift this great institution has said one thing, and that is that they said that they wanted the administration, faculty, staff and students to have a role in all that goes on here, and they wanted to make sure that collective bargaining went forward, but the bill itself says that it is quite possible that as soon as the agreement runs out, if the agreement runs out, and of course it is calling for, the legislation calls for a 5-year demonstration project, which means that one could literally have a situation where the very intent of the very institution, that is, the Board of Regents, their very intent is actually destroyed by this very legislation.

So my amendment, Mr. Chairman, goes to making sure that OPM maintains the type of authority that it is mandated to have over a federally funded institution.

Mr. Chairman, I urge the Members to vote in favor of my amendment.

Mr. SNOWBARGER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I found the portion of the resolution that the gentleman from Maryland just read, and it is pretty fantastic when one considers the claims he has been making over the last hour or so that employees are not going to be involved. Here we have a commitment on behalf of the Board of Haskell Indian Nations University to maintain the involvement of employees just as they have been involved in this process over the last 10, 8 to 10 years, since 1990.

The fact of the matter is this amendment is an amendment that tries to say, Washington knows best. It does not matter what one says on the local level about a spirit of cooperation and wanting to work with the employees, we know better how to make sure that happens, and that is we maintain control here in Washington.

Mr. Chairman, the college's ability to offer portable retirement benefits, which would be taken out under the amendment of the gentleman from Maryland (Mr. CUMMINGS), that opportunity, that portable retirement benefit is vital to recruiting experienced teachers from other institutions.

I taught for a couple of years at the college level, and I can tell my colleagues that most college professors participate in a retirement system called TIAA/CREF which allows them to build up pension benefits as they move from school to school in the course of their careers. But if I am an instructor who moves to Haskell or to SIPI, I cannot keep contributing to my TIAA/CREF Creft plan. I also have to enroll in FERS instead, the Federal system. If I stay less than 5 years, and that is a common occurrence for instructors of other colleges, I do not get my benefits, and I make no progress toward providing for my retirement.

This inability to offer the same portable retirement benefits as any other civilian institution of higher education in the country is an enormous handicap in trying to recruit any new teachers and attracting additional professors. This directly impacts the ability to improve the quality of education that the students of Haskell and SIPI receive.

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If Members want to improve the quality of Native American education, then reject the substitute and support H.R. 4259. The bill is necessary to permit Haskell and SIPI to compete for top quality educators. We found that candidates for those positions that were initially attracted and wanted to teach at Haskell and SIPI would lose interest when they were told they could not bring their own retirement programs with them or they would be unable to take their retirement benefits earned at Haskell to another university.

The Federal Employee's Retirement System, which would cover new faculty members, is not fully portable. It consists of three parts: Social Security, the Thrift Savings Plan and the FERS basic annuity. And while Social Security and the Thrift Savings benefits are portable, the basic annuity is not. Under FERS, an employee must stay with the government for 5 years to qualify for any retirement benefit. And employees who spend less time are only entitled to a refund of their contributions.

The Civil Service Retirement System is not portable at all. Moreover, testimony before the Subcommittee on Civil Service shows FERS and CSRS are skewed in favor of long-term employees.

The purpose of a retirement system is to attract and retain high-quality employees. A retirement system that discourages high-quality applicants is a hindrance, not a help. It would be a disservice to the students of Haskell and SIPI to force these institutions to stay in the Federal Government's general retirement systems for no other reason than bureaucratic inconvenience. One size does not fit all.

In the past, Congress has recognized this. Many Federal entities such as the TVA, the State Department, the Federal Reserve Board, have been allowed to develop their own retirement systems to meet their particular needs. It is important to note too that anyone with 1 year's Federal service who is employed at Haskell or SIPI, let me emphasize this, any current employees who have been there for 1 year when this demonstration project begins cannot be required to leave the Federal benefits system. In other words, they can choose between the benefits system that they are under or they can choose a new alternative system if that is what the plan provides for.

Mr. Chairman, to truly help these institutions provide an excellent education for their Native American students, Members should defeat the Cummings amendment, and I ask for their vote on H.R. 4259 as it is written.

Ms. NORTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Cummings substitute amendment. This bill, as much as any I have seen on the floor in recent weeks, shows how little comity we have in this body, for this is a matter that could have been worked out.

Instead, this is a bill going for a veto, apparently enthusiastically. The Cummings substitute is a good faith substitute. For example, it contains an exception to the cap on demonstration projects indicating that the gentleman from Maryland (Mr. CUMMINGS) is not against such demonstration projects on their face.

I have to say for the record that there are parts of this bill that I am personally sympathetic with. First of all, I detest bureaucracy. Do not forget, I am from the District of Columbia where I have had to live with insane rules. I am always going after my own people to break through to where the meat is.

Moreover, I am myself an academic, a tenured professor of law who teaches a seminar every other Monday at Georgetown University Law Center. So, I am sympathetic with the flexibility that I think an academic institution needs.

But I have to ask, Mr. Chairman, why would anybody want to do a demonstration project without monitoring it to see what has been demonstrated so that one could spread it or correct it?

Now, the Cummings substitute has the expert government agency monitoring and evaluating this demonstration project, the OPM. Whereas the bill itself has the Secretary of Interior who knows nothing, of course, about personnel and other issues involved in this bill.

I can just see it now, Mr. Chairman. At some point if this bill were ever passed and signed, somebody in this body would ask for the GAO to do an evaluation of this matter because an expert group had not, in fact, evaluated it.

If we want it to have any integrity, if we want it to have any credibility, why not have OPM, which has not an iron in that fire, look at it, evaluate. If we do not like what they say, we can always look at it ourselves in committee.

Moreover, leaving employee organizations out of the development of such a project is a recipe for disaster. Modern American business understands how these things have to work these days. Bring everybody in under the umbrella and make it go. Otherwise, we leave the dissenters on the outside, leave those who represent the employees on the outside, leaving dissension.

We need employee cooperation if we are serious about success. We do not have to get union cooperation on everything that we do, but sitting down and talking with them is a whole lot better way to assure success than leaving them out to throw stones. The fact is, if we had had hearings on this bill, we probably could have worked out many of these issues. I, for one, would have sought a compromise because so many parts of this bill I am sympathetic with.

Instead, we thought this bill was not going to come forward. It leaps over all of the rules of this body and appears, voila, on the floor.

Mr. Chairman, what I ask that this body do is take this piece of legislation, do not go for a veto, instead go for a bill. Send this bill back or, in the alternative, support the Cummings substitute.

Mr. TIAHRT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, all that we have been asking to do under this bill was to allow Haskell and Southwestern Indian Polytechnic Institute some flexibility to compete in the open market within the university system so that they can attract additional qualified personnel to come to these two institutions and help Native Americans expand the opportunities that they have for higher education.

That is what was progressing fine, and now we are hearing the potential veto threat that this is not going to be accepted by the administration, that they want to continue to keep these two institutions with their hands tied.

If Members have read the "Trail of Tears," they know that this government for far too long has manipulated Native Americans. I think it is time that we allow them some flexibility in order to enable them to move into a competitive market.

In Wichita, Kansas, we have Wichita State University. It is a fine institution under the Kansas Board of Regents and they have a retirement system that is competitive, so that they are competitive with other institutions across the Nation, so they can bring in qualified instructors to teach at such a fine institution. And I have no idea why someone would want to leave such a fine institute as Wichita State University, but if they were to decide to leave and go to Haskell or go to Southwestern Indian Polytechnic, then they would be risking, I think they would be risking the retirement benefits that they have been building up. This would make it very unattractive for them to move to this institution to help try to raise the level of education for Native Americans.

What this bill says that is being proposed by the gentleman from Kansas (Mr. Snowbarger) is that we allow this flexibility. Instead, now we have a substitute that we are facing offered by the gentleman from Maryland (Mr. Cummings), and essentially what he is doing is gutting the bill, eliminating the possibility of any alternate systems of retirement or any alternate benefits. What does that do? It again limits the opportunities that these two institutions have in going out and finding a solution to their problems of bringing in new faculty.

What is the issue behind this? Why are we facing this? It seems to be a conflict between giving just two schools, Haskell University and the Southwestern Indian Polytechnic Institute in Albuquerque, New Mexico, the opportunity to go out and compete. Or do we keep them restricted by civil service guidelines and by limited retirement benefits? Do we free them up to go compete or do we bind them up?

There are millions of employees under the civil service system. The government has control over all of their benefits. Here we are just asking for a little flexibility to improve these two institutions. And we did not do it in the dark. It was not done in the dark. They involved the schools. They involved the employees. They involved the unions.

The solution was: Give us a little flexibility to come up with a system so that we can attract new personnel in. Do not bind our hands. Give us the flexibility to bring in new talent so that we can raise the level of education at these two institutions.

Well, now we have this substitute that is not supported by the Indian tribes. I have a list here of the 32 tribes that are going to submit a letter in support of H.R. 4259. And rather than read those, knowing that they are part of the Record, I just would want to say that this has strong support by both these institutions, by the people that are at these institutions, even the unions that are involved, and certainly these 32 tribes who have gone out so far as to write a letter in support of this legislation.

So, I would ask my colleagues to vote against the amendment offered by the gentleman from Maryland (Mr. Cummings), and vote for H.R. 4259.

Mr. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would say to the gentleman from Maryland (Mr. Cummings) thank you for the opportunity to say a few words. And I share the same concerns that the gentleman from Kansas (Mr. Tiahrt) expressed so eloquently.

As a Member of the Subcommittee on Civil Service of the Committee on Government Reform and Oversight, there are a lot of things that we have done this year that people have complained about that the full committee has done. And I would say that a lot of things that the subcommittee has done under the leadership of the gentleman from Florida (Mr. Mica) and the gentleman from Maryland (Mr. Cummings) that we have been applauded for.

Some of the problems that have been expressed and raised by both of my dear friends probably could have been addressed and rectified and their concerns could have been assuaged at a minimum, if not altogether eliminated, had we on this committee had an opportunity to address some of those concerns.

Mr. Chairman, I would like to reemphasize three points that have been raised. Current law already provides sufficient authority for an agency to conduct a demonstration project. And the different retirement and insurance programs could create undesirable inequities in the compensation programs if Federal employees moved in and out of the system. I am certain that my colleagues on both sides of the aisle could understand that concern that not only we on this side of the aisle have, but workers would have as well.

And finally, employee organization will not have any input in the development of the demonstration project. Again, it is my hope that my colleagues will oppose H.R. 4259 and support the substitute offered by the gentleman from Maryland.

Mr. Chairman, I yield to the gentleman from Maryland (Mr. Cummings).

Mr. CUMMINGS. Mr. Chairman, I thank the gentleman from Tennessee for yielding me this time. I think that the points that the gentleman made are very significant. The gentleman from Tennessee (Mr. Ford) is a very hard-working member of our subcommittee and as he said clearly, I mean, we just want an opportunity to see this legislation come before the subcommittee so that we could effectively address it.

One thing I might also say is that we are very fortunate to have probably one of the most closely knit subcommittees in the Congress in the Committee on Government Reform and Oversight Subcommittee on Civil Service. We have done a lot of things in a bipartisan manner. I think that this is something that we could have worked out.

But be that as it may, let me just go on to say that one of the things I think we are losing focus on here is that these universities, 100 percent of their budget is coming from the Federal Government. I think that is very, very significant.

I understand and all of us, as I said a little bit earlier, understand and want our young people to rise up to be the best that they can be. We want our universities to be the best that they can be. But we also know that this is a community effort; employees, faculty, and students coming together.

Mr. Chairman, I hope that my colleagues will vote against this bill.

Mr. HORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I come at this problem with a little bit of background. Former university president for 18 years, having worked with the various schools in terms of improving the quality of their instruction. And I am sure this amendment means well. But I know from experience that it should not be applied in this situation, or any situation in which we want to attract first-rate professionals.

□ 1545

I think we need flexibility, and Indians deserve better in education than simply overregulation.

The reason I speak very strongly on this is, when what became the California State University was first authorized by the California legislature in 1961, and now one of the major series of universities in America, with probably the best deal, they made one mistake: they brought two high officials of the civil service system in Washington to California. It took us two decades to work our way out of that.

We cannot attract the best people for either faculty or support staff if we do not have freedom to reward people based on their accomplishments. And the Indians deserve no less.

When I was vice chairman of the United States Commission on Civil Rights, I spent a week on the Navajo reservation looking at the type of Indian schools that were there and what happened to these young people. As president of my own university, I built the Indian ratio up, starting with my first year. Nineteen had been there in a University of 26,000, and all had gone. We raised that to 1 percent, 2 percent of the student body of 35,000. So we had hundreds of Indian students on campus. And we brought in young high school students to give them aspirations that they too could go to college and not be treated as second-class citizens.

This is not a 2-year college. We are talking about a 4-year college. If we are to have the faculty that we should have if we have a 4-year college, or a 4-year institute, or a 4-year university, then we need flexibility, we need reward systems, we need to provide them with the kind of environment that they can hold their head up high with other faculty members throughout the United States. And we need to be able to retain faculty members. We need to have a decent salary and benefits. We cannot just be thrown into the batch of regulations that the civil service once had, and still too much of it hangs over many operations that ought to be much more professional.

The whole purpose of this legislation, and I commend its author, is to upgrade the schools and to see that they serve their communities, and that makes a lot of sense to me. But if we want to wreck it and just be so-so and say, well, Indians are not good enough to go to a university, then that is what this amendment says, and I would vote against it.

They are good enough, and they need people there that will work with them, understand them, be their faculty and support staff. I think Haskell Indian University and the Southwestern Polytechnic Institute will be a real breakthrough for Indian students in the United States.

So if we vote down the amendment and vote for the bill, we will have done the right thing.

The CHAIRMAN pro tempore (Mr. STEARNS). The question is on the amendment in the nature of a substitute offered by the gentleman from Maryland (Mr. CUMMINGS).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. CUMMINGS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 244, not voting 9, as follows:

[Roll No. 485]

AYES—181

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Bonior
Borski
Boswell
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Green
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Sabo
Sánchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Slaughter
Smith, Adam
Snyder
Stabenow
Stokes
Strickland
Stupak
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn

NOES—244

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Murtha
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Quinn
Radanovich
Ramstad
Redmond
Regula
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Yates
Young (AK)
Young (FL)

NOT VOTING—9

Boucher
Kennelly
Matsui
Parker
Poshard
Pryce (OH)
Riggs
Rush
Stark

□ 1609

Messrs. BILBRAY, FRANKS of New Jersey, MCHUGH and EHRLICH changed their vote from "aye" to "no."

Mr. HEFNER, Ms. DANNER and Mr. MORAN of Virginia changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN pro tempore (Mr. STEARNS). Without objection, the bill through section 8 will be considered read.

There was no objection.

The text of the remainder of the bill is as follows:

SEC. 2. FINDINGS.

The Congress finds that—

(1) the provision of culturally sensitive curricula for higher education programs at Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute is consistent with the commitment of the Federal Government to the fulfillment of treaty obligations to Indian tribes through the principle of self-determination and the use of Federal resources; and

(2) giving a greater degree of autonomy to those institutions, while maintaining them as an integral part of the Bureau of Indian Affairs, will facilitate—

(A) the transition of Haskell Indian Nations University to a 4-year university; and

(B) the administration and improvement of the academic program of the Southwestern Indian Polytechnic Institute.

SEC. 3. DEFINITIONS; APPLICABILITY.

(a) DEFINITIONS.—For purposes of this Act:

(1) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(2) EMPLOYEE.—The term "employee", with respect to an institution named in subsection (b), means an individual employed in or under such institution.

(3) ELIGIBLE.—The term "eligible" means an individual who has qualified for appointment in the institution involved and whose name has been entered on the appropriate register or list of eligibles.

(4) DEMONSTRATION PROJECT.—The term "demonstration project" means a project conducted by or under the supervision of an institution named in subsection (b) to determine whether specified changes in personnel management policies or procedures would result in improved personnel management.

(b) APPLICABILITY.—This Act applies to—

(1) Haskell Indian Nations University, located in Lawrence, Kansas; and

(2) Southwestern Indian Polytechnic Institute, located in Albuquerque, New Mexico.

SEC. 4. AUTHORITY.

(a) IN GENERAL.—Each institution named in section 3(b) may conduct a demonstration project in accordance with the provisions of this Act. The conducting of any such demonstration project shall not be limited by any lack of specific authority under title 5, United States Code, to take the action contemplated, or by any provision of such title or any rule or regulation prescribed under such title which is inconsistent with the action, including any provision of law, rule, or regulation relating to—

(1) the methods of establishing qualification requirements for, recruitment for, and appointment to positions;

(2) the methods of classifying positions and compensating employees;

(3) the methods of assigning, reassigning, or promoting employees;

(4) the methods of disciplining employees;

(5) the methods of providing incentives to employees, including the provision of group or individual incentive bonuses or pay;

(6) the hours of work per day or per week;

(7) the methods of involving employees, labor organizations, and employee organizations in personnel decisions; and

(8) the methods of reducing overall staff and grade levels.

(b) CONSULTATION AND OTHER REQUIREMENTS.—Before commencing a demonstration project under this Act, the president of the institution involved shall—

(1) in consultation with the board of regents of the institution and such other persons or representative bodies as the president considers appropriate, develop a plan for such project which identifies—

(A) the purposes of the project;

(B) the types of employees or eligibles to be included (categorized by occupational series, grade, or organizational unit);

(C) the number of employees or eligibles to be included (in the aggregate and by category);

(D) the methodology;

(E) the duration;

(F) the training to be provided;

(G) the anticipated costs;

(H) the methodology and criteria for evaluation, consistent with subsection (f);

(I) a specific description of any aspect of the project for which there is a lack of specific authority; and

(J) a specific citation to any provision of law, rule, or regulation which, if not waived, would prohibit the conducting of the project, or any part of the project as proposed;

(2) publish the plan in the Federal Register;

(3) submit the plan so published to public hearing;

(4) at least 180 days before the date on which the proposed project is to commence, provide notification of such project to—

(A) employees likely to be affected by the project; and

(B) each House of Congress;

(5) at least 90 days before the date on which the proposed project is to commence, provide each House of Congress with a report setting forth the final version of the plan; and

(6) at least 60 days before the date on which the proposed project is to commence, inform all employees as to the final version of the plan, including all information relevant to the making of an election under subsection (h)(2)(A).

(c) LIMITATIONS.—No demonstration project under this Act may—

(1) provide for a waiver of—

(A) any provision of law, rule, or regulation providing for—

(i) equal employment opportunity;

(ii) Indian preference; or

(iii) veterans' preference;

(B) any provision of chapter 23 of title 5, United States Code, or any other provision of such title relating to merit system principles or prohibited personnel practices, or any rule or regulation prescribed under authority of any such provision; or

(C) any provision of subchapter II or III of chapter 73 of title 5, United States Code, or any rule or regulation prescribed under authority of any such provision;

(2) impose any duty to engage in collective bargaining with respect to—

(A) classification of positions; or

(B) pay, benefits, or any other form of compensation; or

(3) provide that any employee be required to pay dues or fees of any kind to a labor organization as a condition of employment.

(d) COMMENCEMENT AND TERMINATION DATES.—Each demonstration project under this Act—

(1) shall commence within 2 years after the date of enactment of this Act; and

(2) shall terminate by the end of the 5-year period beginning on the date on which such project commences, except that the project may continue beyond the end of such 5-year period—

(A) to the extent necessary to validate the results of the project; and

(B) to the extent provided for under subsection (h)(2)(B).

(e) DISCRETIONARY AUTHORITY TO TERMINATE.—A demonstration project under this Act may be terminated by the Secretary or the president of the institution involved if either determines that the project creates a substantial hardship on, or is not in the best interests of, the institution and its educational goals.

(f) EVALUATION.—

(1) IN GENERAL.—The Secretary shall provide for an evaluation of the results of each demonstration project under this Act and its impact on improving public management.

(2) INFORMATION.—Upon request of the Secretary, an institution named in section 3(b) shall cooperate with and assist the Secretary, to the extent practicable, in any evaluation undertaken under this subsection and provide the Secretary with requested information and reports relating to the conducting of its demonstration project.

(g) ROLE OF THE OFFICE OF PERSONNEL MANAGEMENT.—Upon request of the Secretary or the president of an institution named in section 3(b), the Office of Personnel Management shall furnish information or technical advice on the design, operation, or evaluation, or any other aspect of a demonstration project under this Act.

(h) APPLICABILITY.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, all applicants for employment with, all eligibles and employees of, and all positions in or under an institution named in section 3(b) shall be subject to inclusion in a demonstration project under this Act.

(2) PROVISIONS RELATING TO CERTAIN BENEFITS.—

(A) OPTION FOR CERTAIN INDIVIDUALS TO REMAIN UNDER CURRENT LAW GOVERNING CERTAIN BENEFITS.—

(i) ELIGIBLE INDIVIDUALS.—This subparagraph applies in the case of any individual who, as of the day before the date on which a demonstration project under this Act is to commence at an institution—

(I) is an employee of such institution; and

(II) if benefits under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, are to be affected, has completed at least 1 year of Government service (whether with such institution or otherwise), but taking into account only civilian service creditable under subchapter III of chapter 83 or chapter 84 of such title.

(ii) OPTION.—If a demonstration project is to include changes to any benefits under subpart G of part III of title 5, United States Code, an employee described in clause (i) shall be afforded an election not to become subject to such demonstration project, to the extent those benefits are involved (and to instead remain subject to the provisions of such subpart G as if this Act had not been enacted).

(B) CONTINUATION OF CERTAIN ALTERNATIVE BENEFIT SYSTEMS AFTER DEMONSTRATION PROJECT TERMINATES FOR PERSONS BECOMING SUBJECT THERETO UNDER THE PROJECT.—Notwithstanding any other provision of this Act, the termination of a demonstration project shall not, in the case of an employee who becomes subject to a system of alternative benefits under this Act (in lieu of benefits that would otherwise be determined under subpart G of part III of title 5, United States Code), have the effect of terminating—

(i) any rights accrued by that individual under the system of alternative benefits involved; or

(ii) the system under which those alternative benefits are afforded, to the extent continuation of such system beyond the termination date is provided for under the terms of the demonstration project (as in effect on the termination date).

(3) TRANSITION PROVISIONS.—

(A) RETENTION OF ANNUAL AND SICK LEAVE ACCRUED BEFORE BECOMING SUBJECT TO DEMONSTRATION PROJECT.—Any individual becoming subject to a demonstration project under this Act shall, in a manner consistent with the requirements of section 6308 of title 5, United States Code, be credited with any annual leave and any sick leave standing to such individual's credit immediately before becoming subject to the project.

(B) PROVISIONS RELATING TO CREDIT FOR LEAVE UPON SEPARATING WHILE THE DEMONSTRATION PROJECT IS STILL ONGOING.—Any demonstration project under this Act shall include provisions consistent with the following:

(i) LUMP-SUM CREDIT FOR ANNUAL LEAVE.—In the case of any individual who, at the time of becoming subject to the demonstration project, has any leave for which a lump-sum payment might be paid under subchapter VI of chapter 55 of title 5, United

States Code, such individual shall, if such individual separates from service (in the circumstances described in section 5551 or 5552 of such title 5, as applicable) while the demonstration project is still ongoing, be entitled to a lump-sum payment under such section 5551 or 5552 (as applicable) based on the amount of leave standing to such individual's credit at the time such individual became subject to the demonstration project or the amount of leave standing to such individual's credit at the time of separation, whichever is less.

(ii) RETIREMENT CREDIT FOR SICK LEAVE.—In the case of any individual who, at the time of becoming subject to the demonstration project, has any sick leave which would be creditable under section 8339(m) of title 5, United States Code (had such individual then separated from service), any sick leave standing to such individual's credit at the time of separation shall, if separation occurs while the demonstration project is still ongoing, be so creditable, but only to the extent that it does not exceed the amount of creditable sick leave that stood to such individual's credit at the time such individual became subject to the demonstration project.

(C) TRANSFER OF LEAVE REMAINING UPON TRANSFER TO ANOTHER AGENCY.—In the case of any employee who becomes subject to the demonstration project and is subsequently transferred or otherwise appointed (without a break in service of 3 days or longer) to another position in the Federal Government or the government of the District of Columbia under a different leave system (whether while the project is still ongoing or otherwise), any leave remaining to the credit of that individual which was earned or credited under the demonstration project shall be transferred to such individual's credit in the new employing agency on an adjusted basis under regulations prescribed under section 6308 of title 5, United States Code. Any such regulations shall be prescribed taking into account the provisions of subparagraph (B).

(D) COLLECTIVE-BARGAINING AGREEMENTS.—Any collective-bargaining agreement in effect on the day before a demonstration project under this Act commences shall continue to be recognized by the institution involved until the earlier of—

(i) the date occurring 3 years after the commencement date of the project;

(ii) the date as of which the agreement is scheduled to expire (disregarding any option to renew); or

(iii) such date as may be determined by mutual agreement of the parties.

SEC. 5. DELEGATION OF PROCUREMENT AUTHORITY.

The Secretary shall, to the maximum extent consistent with applicable law and subject to the availability of appropriations therefor, delegate to the presidents of the respective institutions named in section 3(b) procurement and contracting authority with respect to the conduct of the administrative functions of such institution.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated, for fiscal year 1999, and each fiscal year thereafter, to each of the respective institutions named in section 3(b)—

(1) the amount of funds made available by appropriations as operations funding for the administration of such institution for fiscal year 1998; and

(2) such additional sums as may be necessary for the operation of such institution pursuant to this Act.

SEC. 7. REGULATIONS.

The president of each institution named in section 3(b) may, in consultation with the appropriate entities (referred to in section 4(b)(1)), prescribe any regulations necessary to carry out this Act.

SEC. 8. LEGISLATION TO MAKE CHANGES PERMANENT.

Not later than 6 months before the date on which a demonstration project under this Act is scheduled to expire, the institution conducting such demonstration project shall submit to each House of Congress—

(1) recommendations as to whether or not the changes under such project should be continued or made permanent; and

(2) proposed legislation for any changes in law necessary to carry out any such recommendations.

The CHAIRMAN pro tempore. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LATOURETTE) having assumed the chair, Mr. STEARNS, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4259) to allow Haskell Indian Nations University and the Southwestern Indian Polytechnic Institute each to conduct a demonstration project to test the feasibility and desirability of new personnel management policies and procedures, and for other purposes, pursuant to House Resolution 576, he reported the bill back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORTS ON H.R. 3874, CHILD NUTRITION AND WIC REAUTHORIZATION AMENDMENTS OF 1998 AND S. 2206, HUMAN SERVICES REAUTHORIZATION ACT OF 1998

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that the managers on the part of the House be permitted until midnight tonight to file a conference report accompanying the bill (H.R. 3874) to amend the Child Nutrition Act of 1966 to make improvements to the special supplemental nutrition program for women, infants, and children and to extend the authority of that program through fiscal year 2003, and to file a conference report accompanying the Senate bill (S. 2206) to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MAKING IN ORDER ON WEDNESDAY, OCTOBER 7, 1998, OR ANY DAY THEREAFTER, CONSIDERATION OF CONFERENCE REPORT ON H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. GOSS. Mr. Speaker, I ask unanimous consent that it be in order on October 7, 1998, or any day thereafter, to consider the conference report to accompany the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; that all points of order against the conference report and against its consideration be waived; and that the conference report be considered as read when called up.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT REGARDING LEGISLATION TO BE CONSIDERED UNDER SUSPENSION OF THE RULES TOMORROW, WEDNESDAY, OCTOBER 7, 1998

Mr. WELLER. Mr. Speaker, pursuant to House Resolution 575, I announce that the following bills will be considered under suspension of the rules on tomorrow:

H.R. 4679, H.R. 3783, H.R. 8, H.R. 4657, H.R. 4656, S. 2505, H.R. 2921, H.R. 4616, H.R. 2348, H. Con. Res. 331, S. 2022, S. 512, S. 1976, H.R. 804, and H.R. 4293.

Mr. Speaker, I include for the RECORD the titles of the legislation to be considered.

Suspensions for Wednesday, October 7:

1. H.R. 4679—Antimicrobial Regulation Technical Corrections Act of 1998;
2. H.R. 3783—Child Online Protection;
3. H.R. 8—Border Smog Reduction Act;
4. H.R. 4657—Clark County Land Exchange;
5. H.R. 4656—Clark County Land Exchange;
6. S. 2505—To Convey Title to the Tunnison Lab Hagerman Field Station in Gooding County, Idaho;
7. H.R. 2921—Multichannel Video Competition and Consumer Protection Act;
8. H.R. 4616—Corporal Harold Gomez Post Office;
9. H.R. 2348—Designating the Mervyn Dymally Post Office Building;
10. H. Con. Res. 331—Expressing the Sense of Congress Concerning the Inadequacy of Sewage Infrastructure Facilities in Tijuana, Mexico;
11. S. 2022—Crime Identification Technology Act of 1998;

12. S. 512—Identity Theft and Assumption Deterrence Act;
13. S. 1976—Crime Victims With Disabilities Awareness Act;
14. H.R. 804—To Ensure that Federal Funds Made Available to Hire or Rehire Law Enforcement Officers are used in a Manner that Produces a Net Gain of the Number of Law Enforcement Officers who Perform Nonadministrative Public Safety Services; and
15. H.R. 4293—To Establish a Cultural and Training Program for Disadvantaged Individuals from Northern Ireland and the Republic of Ireland.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 836

Mr. BARRETT of Wisconsin. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 836.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

☐ 1615

GENERAL LEAVE

Mr. SNOWBARGER. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to revise and extend their remarks and include extraneous material on H.R. 4259.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4101 "An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1999, and for other purposes."

PERMITTING OFFICIAL PHOTOGRAPHS OF THE HOUSE OF REPRESENTATIVES TO BE TAKEN WHILE THE HOUSE IS IN ACTUAL SESSION

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on House Oversight be discharged from further consideration of the resolution (H. Res. 577) permitting official photographs of the House of Representative to be taken while the House is in actual session, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 577

Resolved, That at a time designated by the Speaker of the House of Representatives, official photographs of the House may be taken while the House is in actual session. Payment for the costs associated with taking, preparing, and distributing such photographs may be made from the applicable accounts of the House of Representatives.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

HUMAN RIGHTS VIOLATIONS IN INDONESIA MUST STOP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. PITTS) is recognized for 5 minutes.

Mr. PITTS. Mr. Speaker, I rise today on behalf of the many people in Indonesia suffering from religious and ethnic hatred and abuse. The recent reports of riots and mass rapes of Chinese women has shocked the world. The extreme nature of these stories and the human rights abuses have made many wonder if the stories can really be true. Unfortunately they are.

Earlier this year riots broke out in major cities of Indonesia. As people stood and watched in horror rioters looted and destroyed Chinese businesses. Authorities arrested and even killed students, and assailants brutally raped and murdered Chinese women and girls.

Reports suggest that groups of unknown assailants would descend on a community, enter businesses, demand money, rape women who were present, often while uttering anti Chinese rhetoric and loot and sometimes burn the businesses. Horrifying testimonies of rapes of girls, young women and older women revealed what some believe to be a calculated attempt to humiliate and terrorize the population into becoming followers of the government and military.

The actions of the rapists and looters are cowardly, should be internationally condemned. In addition, although the Indonesia government has acknowledged that the rapes occurred, it must engage in a thorough investigation. They must be held accountable before the world community for the riots and mass rapes and bring to justice those who are responsible for these terrible atrocities.

This summer I cohosted a Congressional Human Rights Caucus briefing on human rights abuses in Indonesia. The courageous panel of witnesses put their own lives in danger by sharing their stories and experiences in Indonesia. Father Sandyawan, the leader of the team that testified is now on the run. His offices, his house, have been ransacked, his assistants have been harassed, and his wife has been threatened.

Unfortunately reports reflect that the minority Chinese ethnic and religious population has been the target of most of the riot activity. This reflects a terrible violation of human rights and raises the possibility that there could be an increase in human rights abuses and a limit to basic freedoms for the general Indonesian population as a whole.

It is an understatement to say that the economic and political situation in Indonesia has been highly unstable in these past 8 or 9 months. Indonesians have lost their life savings, they have struggled to get food for their families, they live in fear of losing their lives in the riots which occurred.

Reports suggest that the ethnic Chinese only leave their homes to go to and from work. Otherwise they stay hidden.

Despite the change in the leadership of Indonesia's government on May 21, the rapes and other human rights abuses continue. In the midst of this turmoil and even before the current chaos began another group has suffered and continues to suffer as victims of violence and arson. The Indonesian Christian population has borne tremendous difficulty as government troops have closed churches and places of worship. Further, angry mobs have ransacked and destroyed their churches.

Since independence in 1945, and especially since the inception of the Suharto regime in 1966, reports reveal that mobs have burned or otherwise destroyed 483 churches, and 228 of those churches were destroyed after January 1996. Attackers destroyed the churches with Molotov bombs, fires and mob action.

I have besides me photographs which show the devastating effects of the attacks on the churches. In addition, there is a photo of a young woman who was burned to death in East Java while in her church. Unfortunately, although the new president of Indonesia promised change, churches continue to fall under attack. Fifteen churches have been destroyed during the four months since President Habibie assumed power.

Let me show you these photographs. The top photograph is of a Catholic church in West Java while it is burning. The bottom photograph is another church in South Kalimantan. The top photograph here is this same Catholic church after it has been burned. The congregation is sitting in the shell continuing to worship, but with no roof top. Here is another Indonesian Christian church that has been burned and ransacked. Here is a Protestant church in South Kalimantan, and here is remains of the lady who was burned in that church.

Indonesia is a member of the United Nations, but it is not party to any of the U.N. agreements which protect basic human rights such as freedom of religion.

Mr. Speaker, the human rights violations in Indonesia must stop, and the world community demands that they investigate and pursue justice.

A news article from June 18 states that "Indonesia's politics is becoming more Islamic."

Although there are numerous moderate Muslims in Indonesia who would protect the right of their Christian brothers and sisters to worship and share their faith freely, there are extremists who appear intent on securing power and ruling according to Shari'a (pronounced Shar–ee–aa) law.

Recent laws have been passed which restrict freedom of speech and conversion to another religion; restrict licensing for building places of worship; restrict Muslims from marrying non-Muslims; and restrict the religious education of private schools. In addition, the government must approve of religions—certain religions are illegal in Indonesia.

There are a few other nations of the world which have extremist governments, who do not respect freedom of belief for Christians, animists, or other non-Muslim religions.

And reports from Christians in Indonesia show their fear of being ruled by extremists.

As the world works to help Indonesia recover economically, it is vital that those solutions also address underlying issues in the culture, such as ethnic and religious prejudices, and the ensuing restrictions on fundamental human rights.

The government of Indonesia should thoroughly investigate the mass rapes of Chinese women as well as the destruction of churches and bring those responsible for these organized terrorist attacks to justice.

The world community of civilized nations demands no less.

SHOULD PRESIDENT CLINTON BE IMPEACHED?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon (Ms. FURSE) is recognized for 5 minutes.

Ms. FURSE. Mr. Speaker, we have, all of us, heard the salacious and speculative words being thrown around by the press and by partisans posturing both in this House and across the country, but this is too important, far too important. This is a crisis to our constitutional government, it seems to me, and therefore I believe it is important to hear from real experts.

Mr. Speaker, I am going to quote and read from a letter 13 constitutional scholars with no political ax to grind sent to the Speaker of the House. This is signed by 13 professors of law, and I am going to read this letter.

> Dear Mr. Speaker,
>
> Did President Clinton commit high crimes and misdemeanors for which he may be properly impeached? We, the undersigned professors of law, believe that the misconduct alleged in the independent counsel's report does not cross that threshold. We write neither as Democrats nor as Republicans. Some of us believe the President has acted disgracefully, some that the independent counsel has. This letter has nothing to do with any such judgment. Rather it expresses the one judgment of which we all agree, that the independent counsel's report does not make a case for presidential impeachment. No existing judicial precedent binds congress' determination of the meaning of high crimes and misdemeanors, but it is clear that Members of Congress would violate their constitutional responsibilities if they sought to impeach and remove the President merely for conduct of which they disapproved. The President's independence from Congress is fundamental to the American structure of government. It is essential to the separation of powers. It is essential to the President's ability to discharge such constitutional duties as vetoing legislation he considers contrary to the Nation's interest.

They go on to say some of the charges laid out in the independent counsel's report fall so far short of the high standard that they strain good sense. For example, the charge that the President repeatedly declined to testify voluntarily or press a debatable privilege claim that was later judicially objected. These offenses are not remotely impeachable. With respect, however, to other allegations, the report requires careful consideration of the kind of misconduct that renders a President constitutionally unfit to stay in office.

When a President commits treason, he exercises his executive powers or uses information obtained by virtue of his executive powers deliberately to aid an enemy. When a President is bribed, he exercises or offers to exercise his executive powers in exchange for corrupt gain. Both acts involve the criminal exercise of presidential power, converting those awful powers into an instrument either of enemies' interest or purely personal gain.

We believe that the critical distinctive feature of treason and bribery is grossly derelict exercise of official power. Nonindictable conduct may rise to this level. For example, a President might be properly impeached if, as a result of drunkenness, he recklessly and repeatedly misused executive authority. The misconduct for which the President is accused does not involve the derelict exercise of executive powers. Most of this conduct does not involve the exercise of executive powers at all. If the President committed perjury regarding his sexual conduct, this perjury involves no exercise of presidential power as such. If he concealed evidence, this misdeed too involved no exercise of executive authority.

□ 1630

By contrast, if he sought wrongfully to place someone in a job at the Pentagon, or lied to subordinates hoping they would repeat his false statements, these acts could have involved a wrongful use of presidential influence, but we cannot believe the President's alleged conduct of this nature amounts to the grossly derelict exercise of executive power sufficient for impeachment.

Perjury and obstructing justice can without doubt be impeachable offenses. A President who corruptly used the Federal Bureau of Investigation to obstruct an investigation would have criminally exercised his presidential powers. Moreover, covering up a crime furthers or aids the underlying crime. Thus a President who committed perjury to cover up his subordinates' criminal exercise of executive authority would also have committed an impeachable offense.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). All Members are reminded to refrain from personal references towards the President of the United States.

EXCHANGE OF SPECIAL ORDER TIME

Ms. HOOLEY of Oregon. Mr. Speaker, I ask unanimous consent to claim the time allotted to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

SHOULD PRESIDENT CLINTON BE IMPEACHED?

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon (Ms. HOOLEY) is recognized for 5 minutes.

Ms. HOOLEY of Oregon. Mr. Speaker, I yield to the gentlewoman from Oregon (Ms. FURSE).

Ms. FURSE. Mr. Speaker, the letter goes on to say:

> "It goes without saying that lying under oath is a serious offense. But even if the House of Representatives had the constitutional authority to impeach for any instance of perjury or obstruction of justice, a responsible House would not exercise this awesome power on the facts alleged in this case. The House's power to impeach, like a prosecutor's power to indict, is discretionary. This power must be exercised not for partisan advantage, but only when circumstances genuinely justify the enormous price the nation will pay in governance and stature if its President is put through a long, public, voyeuristic trial. The American people understand this price. They demonstrate the political wisdom that has held the Constitution in place for two centuries when, even after

the publication of Mr. Starr's report, with all its extraordinary revelations, they oppose impeachment for the offenses alleged therein.

We do not say that a 'private' crime could never be so heinous as to warrant impeachment. Thus Congress might responsibly determine that a President who had committed murder must be in prison, not in office. An individual who by the law of the land cannot be permitted to remain at large, need not be permitted to remain President. But if certain crimes demand immediate removal of a President from office because of their unspeakable heinousness, the offenses alleged against the President in the Independent Counsel's referral are not among them. Short of heinous criminality, impeachment demands convincing evidence of grossly derelict exercise of official authority. In our judgment, Mr. Starr's report contains no such evidence.

Mr. Speaker, I include the following letter for the record:

OCTOBER 2, 1998.

Hon. NEWT GINGRICH,
Speaker, U.S. House of Representatives.

DEAR MR. SPEAKER: Did President Clinton commit "high Crimes and Misdemeanors" for which he may properly be impeached? We, the undersigned professors of law, believe that the misconduct alleged in the Independent Counsel's report does not cross that threshold.

We write neither as Democrats nor as Republicans. Some of us believe that the President has acted disgracefully, some that the Independent Counsel has. This letter has nothing to do with any such judgments. Rather, it expresses the one judgment on which we all agree: that the Independent Counsel's report does not make a case for presidential impeachment.

No existing judicial precedents bind Congress's determination of the meaning of "high Crimes and Misdemeanors." But it is clear that Members of Congress would violate their constitutional responsibilities if they sought to impeach and remove the President merely for conduct of which they disapproved.

The President's independence from Congress is fundamental to the American structure of government. It is essential to the separation of powers. It is essential to the President's ability to discharge such constitutional duties as vetoing legislation that he considers contrary to the nation's interests. And it is essential to governance whenever the White House belongs to a party different from that which controls the Capitol. The lower the threshold for impeachment, the weaker the President. If the President could be removed for any conduct of which Congress disapproved, this fundamental element of our democracy—the President's independence from Congress—would be destroyed.

It is not enough, therefore, that Congress strongly disapprove of the President's conduct. Under the Constitution, the President cannot be impeached unless he has committed "Treason, Bribery, or other high Crimes and Misdemeanors."

Some of the charges laid out in the Independent Counsel's report fall so far short of this high standard that they strain good sense: for example, the charge that the President repeatedly declined to testify voluntarily or pressed a debatable privilege claim that was later judicially rejected. These "offenses" are not remotely impeachable. With respect, however, to other allegations, the report requires careful consideration of the kind of misconduct that renders a President constitutionally unfit to remain in office.

Neither history nor legal definitions provide a precise list of high crimes and misdemeanors. Reasonable people have differed in interpreting these words. We believe that the proper interpretation of the Impeachment Clause must begin by recognizing treason and bribery as core or paradigmatic instances, from which the meaning of "other high Crimes and Misdemeanors" is to be extrapolated. The constitutional standard for impeachment would be very different if, instead of treason and bribery, different offenses had been specified. The clause does not read, "Arson, Larceny, or other high Crimes and Misdemeanors," implying that any significant crime might be an impeachable offense. Nor does it read, "misleading the People, Breach of Campaign Promises, or other high Crimes and Misdemeanors," implying that any serious violation of public confidence might be impeachable. Nor does it read, "Adultery, Fornication, or other high Crimes and Misdemeanors," implying that any conduct deemed to reveal serious moral lapses might be an impeachable offense.

When a President commits treason, he exercises his executive powers, or uses information obtained by virtue of his executive powers, deliberately to aid an enemy. When a President is bribed, he exercises or offers to exercise his executive powers in exchange for corrupt gain. Both acts involve the criminal exercise of presidential powers, converting those awful powers into an instrument either of enemy interests or of purely personal gain. We believe that the critical, distinctive feature of treason and bribery is grossly derelict exercise of official power (or, in the case of bribery to obtain or retain office, gross criminality in the pursuit of official power). Nonindictable conduct might rise to this level. For example, a President might be properly impeached if, as a result of drunkenness, he recklessly and repeatedly misused executive authority.

The misconduct of which the President is accused does not involve the derelict exercise of executive powers. Most of this misconduct does not involve the exercise of executive powers at all. If the President committed perjury regarding his sexual conduct, this perjury involved no exercise of presidential power as such. If he concealed evidence, this misdeed too involved no exercise of executive authority. By contrast, if he sought wrongfully to place someone in a job at the Pentagon, or lied to subordinates hoping they would repeat his false statements, these acts could have involved a wrongful due of presidential influence, but we cannot believe that the President's alleged conduct of this nature amounts to the grossly derelict exercise of executive power sufficient for impeachment.

Perjury and obstructing justice can without doubt be impeachable offenses. A President who corruptly used the Federal Bureau of Investigation to obstruct an investigation would have criminally exercised his presidential powers. Moreover, covering up a crime furthers or aids the underlying crime. Thus a President who committed perjury to cover up his subordinates' criminal exercise of executive authority would also have committed an impeachable offense. But if the underlying offense were adultery, calling the President to testify could not create an offense justifying impeachment where there was none before.

It goes without saying that lying under oath is a serious offense. But even if the House of Representatives had the constitutional authority to impeach for any instance of perjury or obstruction of justice, a responsible House would not exercise this awesome power on the facts alleged in this case. The House's power to impeach, like a prosecutor's power to indict, is discretionary. This power must be exercised not for partisan advantage, but only when circumstances genuinely justify the enormous price the nation will pay in governance and stature if its President is put through a long, public, voyeuristic trial. The American people understand this price. They demonstrate the political wisdom that has held the Constitution in place for two centuries when, even after the publication of Mr. Starr's report, with all its extraordinary revelations, they oppose impeachment for the offenses alleged therein.

We do not say that a "private" crime could never be so heinous as to warrant impeachment. Thus Congress might responsibly determine that a President who had committed murder must be in prison, not in office. An individual who by the law of the land cannot be permitted to remain at large, need not be permitted to remain President. But if certain crimes demand immediate removal of a President from office because of their unspeakable heinousness, the offenses alleged against the President in the Independent Counsel's referral are not among them. Short of heinous criminality, impeachment demands convincing evidence of grossly derelict exercise of official authority. In our judgment, Mr. Starr's report contains no such evidence.

Sincerely,

Jed Rubenfeld, Professor of Law, Yale University.

Bruce Ackerman, Sterling Professor of Law and Political Science, Yale University.

Akhil Reed Amar, Southmayd Professor of Law, Yale University.

Susan Bloch, Professor of Law, Georgetown University Law Center.

Paul D. Carrington, Harry R. Chadwick Sr. Professor of Law, Duke University School of Law.

John Hart Ely, Richard A. Hausler Professor of Law, University of Miami School of Law.

Susan Estrich, Robert Kingsley Professor of Law and Political Science, University of Southern California.

John E. Nowak, David C. Baum Professor of Law, University of Illinois College of Law.

Judith Resnik, Arthur L. Liman Professor, Yale Law School.

Christopher Schroeder, Professor of Law, Duke University School of Law.

Suzanne Sherry, Earl R. Larson Professor of Law, University of Minnesota law School.

Geoffrey R. Stone, Harry Kalven, Jr. Dist. Serv. Professor & Provost, University of Chicago Law School.

Laurence H. Tribe, Tyler Professor of Constitution Law, Harvard University Law School.

Note: Institutional affiliations for purposes of identification only.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Again the Chair would remind all Members to refrain from personal references toward the President of the United States, including references to various types of unethical behavior.

$80 BILLION TAX CUT SHOULD NOT BE VETOED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

Mr. FOSSELLA. Mr. Speaker, I rise today to speak for the millions of American taxpayers, the millions of American taxpayers who believe that they are overtaxed, millions of American taxpayers who go to work every single day, like so many that I represent on Staten Island and in Brooklyn who feel that they send too much of their hard-earned money to Washington and do not see enough of it back home where it belongs.

A couple of weeks ago, this House narrowly passed a tax relief bill to the tune of $80 billion for the American people, specifically targeted to help senior citizens, married couples, and small business owners and farmers.

The reality is, as we stand here today, it stands under the threat of a White House veto. In other words, what we have been fighting for for the last year to bring much needed tax relief to the American people, with the stroke of a pen, will be rejected by the White House.

I think I speak for most of the American people who believe that they pay too much in taxes. When we talk about pittance and sending some of that money back home to Staten Island or Brooklyn or anywhere else across this country, I do not think these folks are asking too much.

We are talking about taking money out of a surplus. Well, let us be real. Where does this surplus come from? It does not fall out of the trees here in Washington. It is generated from the hard-working Americans who go to work every single day, some of whom work 6 and 7 days a week, some of whom are struggling to pay their mortgage or make their car payments or pay a college tuition.

I think the notion comes down to a very fundamental difference between those who want to stand in the way of growth and stand in the way of opportunity and stand in the way of allowing the Americans the freedom to spend their money as they see fit and compare and contrast that to those who just want to keep that tax burden as high as possible to keep the Federal Government growing larger and larger and to allow the bureaucrats and the politicians in Washington to make the choices for the American people that the American people should be making for themselves and their family.

The battle is very clear. The battle is over the size of government. Advocates of the bigger government here want the tax burden to remain high so they can use these excess revenues to create new programs and expand existing ones. That is the facts. It is the conventional common sense of the ordinary American that seems to get lost in the cloud of rhetoric here in Washington.

I look forward every time I can split this town and go back home to Staten Island where I live and where my family is, where the real people are, those people who get up at sunup and work till sometimes 8 or 9 o'clock at night, some of whom work Monday and Tuesday of a 5-day week just to send their money here to Washington. I ask them, do they think they get the money that they deserve that they pay in taxes?

All we are asking for is an $80 billion tax cut, something that they earned for themselves. We believe, at least I believe, that we need a pro growth tax policy, one that will cut marginal income rates to provide incentives to the American people to go out and work and to get to keep more of their hard-earned money, not this typical defending big government, defending big bureaucracy, defending everything that Washington stands for that is bad, as far as I am concerned, and instead sending the money back to create opportunities back in Staten Island and Brooklyn.

If the American people back home want that money to save, if they want it to invest, if they want it to build their local churches or civic organizations and keep that money close to home, then I say let us draw the line in the sand.

Let us send that money back home, stand with the Republican majority here that really had to fight tooth and nail when we listen to that debate to pass that tax bill, and send the message to the White House once and for all that the American people deserve to keep their hard-earned money.

Let us look forward next year, this is a small step, next year come back here and try to reduce the tax burden even more, create a policy where we can reduce those marginal rates again to provide incentives to people to work and to keep more of that money. That is a very simple message, a very simple message that somehow gets lost every time we come around here in the Beltway.

But I think that when I go back home and I talk to the small business owner who is looking for 100 percent deductibility for his health insurance where now it is 40 percent, if I talk to that married couple who is paying a penalty, a penalty for being married, it is ridiculous. Mr. Speaker, let us bring much needed tax relief to the American people.

TRIBUTE TO THE HONORABLE ESTEBAN TORRES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. HINOJOSA) is recognized for 5 minutes.

Mr. HINOJOSA. Mr. Speaker, it is indeed a privilege for me to be able to participate in today's special order recognizing the service of my distinguished colleague, the gentleman from California (Mr. TORRES).

As a freshman, I have unfortunately not had the honor of serving with the gentleman from California (Mr. Torres) for very long. What I do know, though, from my brief association is that we are saluting a great individual, someone who has committed himself to improving the quality of life for all Americans and particularly America's Hispanic community.

Since being elected to Congress in 1982, the gentleman from California (Mr. TORRES) has represented his constituents and community passionately, demonstrating in his work both a fierce dedication and a keen understanding of the legislative procedures.

He has worked tirelessly to improve the American economy and to help create jobs. He has been an indispensable friend to consumers. He has successfully championed affordable housing for low and moderate income families. His environmental efforts have met with equal success, as has his work to crack down on gang crime. The list goes on and on and on.

But above all, above all, I think this is how I will remember him most, the gentleman from California (Mr. TORRES) is someone who has displayed perseverance for the people, exemplifying what voters want from their leaders in politics, and especially in Washington.

That is indeed a legacy of which to be quite proud, and the gentleman from California (Mr. TORRES) is indeed someone I am glad to call my friend.

Very shortly the gentleman from California (Mr. TORRES) will be saying farewell to this chamber. For those of us who remain behind, your good-bye will be bitter sweet, but I know how nice it will be for you to call your time your very own.

I want to join with everyone here today and wish for the gentleman that the years to come bring him good health, happiness, and time to enjoy his family. All of my best.

TRIBUTE TO GAIL BETHARD OF SOMERSET COUNTY 4-H

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PAPPAS) is recognized for 5 minutes.

Mr. PAPPAS. Mr. Speaker, today I rise to congratulate Gail Bethard upon her retirement from 18 years of service to the Somerset County, New Jersey 4-H Youth Development Program. During this week, which is National 4-H Week, it seems fitting to pay tribute to a woman who has devoted so much time, so much of her life to making the 4-H program such a success.

While working as a middle school mathematics teacher, Gail initially joined 4-H as a volunteer with her husband Wilson over 23 years ago. She then became involved with 4-H on a part-time basis until she became a full-time Program Associate. Gail has overseen the youth public speaking program, which quickly became widely-recognized and respected around New Jersey. In addition, she has been a liaison for the individual 4-H clubs, assisting them with daily operations and inter-group projects.

If these tasks were not enough, Gail's involvement with 4-H expanded as she began to coordinate the annual Somerset County 4-H fair. For the past 14 years, Gail has overseen and organized the 400 plus volunteers who assist with exhibits, demonstrations, and other highlights of the three-day fair. She has, indeed, made the 4-H fair an event for all of us to enjoy.

Gail has been described by her peers as respected, a good mentor, and someone who has always been there for all the clubs. We are all indebted to Gail for her commitment to helping all of those involved with 4-H, especially the young people.

I have enjoyed her advice and assistance in working with Somerset County's great 4-H'ers. I thank Gail Bethard for her dedication to Somerset County 4-H and wish her happiness in her retirement and happy trails during her much anticipated travels with her husband Wilson.

The Somerset County 4-H program is better because of Gail Bethard and her extra-special treatment of all those she comes in contact with. She will be missed by hundreds of people who respect and love her for not just what she has done but because of who she is.

LESSONS LEARNED

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, as we consider launching an impeachment inquiry, it is useful to contemplate the lessons we have learned about impeachment.

In 1775 Patrick Henry made this profound statement, "I know of no way of judging the future but by the past." This Nation is a model for other nations, and we function best when we follow the guiding principle that has made us a model. That principle is that the government does what is good for the many rather than what is just good for the few.

□ 1645

Some, for political gain, want to impeach the President at any cost, at all costs. That may be good for them, but it is not good for America.

There are 3 main reasons why we should approach this matter with great care. First, we have never, never impeached a President. Second, the Constitution is very specific as to what constitutes "impeachable offenses." We must not attempt to substitute our personal views for what the Constitution prescribes. Third, we are establishing precedent, dangerous patterns that will follow us for years and years to come, criterias that may govern how our citizens are treated.

Only 2 Presidents have faced impeachment: Andrew Johnson in 1868, and Richard Nixon in 1974. Johnson was acquitted, and Nixon resigned before trial. Indeed, in the 60 impeachment proceedings since 1789, no President, no President, has ever been impeached.

What are the lessons we learn from that history? One vice president faced impeachment. Spiro T. Agnew in 1973. However, the House refused to impeach him. What are the lessons we learned?

Impeachment of a President is a grave and serious undertaking for this country. It is a constitutional process, one carefully designed to allow the will of a majority of Americans to be frustrated and overturned. The President has been elected twice. We should approach this process with extreme caution, circumspection, and care. It should not be taken lightly or done frivolously.

The Constitution set out the reasons a President can be removed from office; for "Treason, bribery or other high crimes and misdemeanors." Nothing I have seen or heard to date rises to the level of treason or bribery. Those are the specific reasons set out in the Constitution. The term, "other high crimes and misdemeanors" set out general reasons.

Basic to legislative drafting and statutory interpretation is the concept that the specific governs the general. In American jurisprudence that when a listing of items include both specific and general items, the specific items will govern what the general items mean.

Surely, none would suggest that what the President is alleged to have done is the same as treason or bribery. For the few who disagree with the overwhelming majority of the American people, politics should not be confused with punishment.

Former President Ford has recommended a punishment that may be consistent with the offense in this case. He is being thoughtful and not political. What is best for the many of us is to be thoughtful and not political. All crimes are not "impeachment offenses." If so, we could impeach the President for walking his dog without a leash. That is unlawful in the District of Columbia. That is bad conduct, thus absurdly underscoring the danger of substituting our belief of what the Constitution states. The Constitution says nothing about bad conduct as an impeachable offense.

I believe the Constitution sets out a process that Congress should follow when serious allegations of wrongdoing, allegations of impeachable offenses, have been made against the President. Under the Constitutional mandates, a process is now underway to determine if the President should be impeached. When we fail to follow the constitutional process, we fail to consider the lessons we have learned.

Just ask Richard Jewel who was first accused of the Atlanta bombings, or ask anyone else or thousands of persons, innocent persons who have been wrongly accused. We should allow that process to take its course and, throughout this process, we should be very careful to insist upon fairness, the rule of law, and impartial judgment.

Mr. Speaker, we have learned many lessons. Hopefully, we have learned the lesson that an impeachment proceeding is a very serious process.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LATOURETTE). The Chair will remind Members of the House to refrain from personal references to the President.

DO-NOTHING CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. WISE) is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, while I have another matter to talk about, I also want to rise in tribute to my colleague and classmate, the gentleman from California (Mr. TORRES). We came together in the Congress of 1983. I view the gentleman as being a true renaissance person in so many ways in the best sense of the word. He has always represented our class well, and I wish him good luck from one of his fellow classmates.

Mr. Speaker, I want to talk about a couple of things: scheduling and investigations.

Now, Mr. Speaker, I think it ought to be pointed out that as we hopefully wind into the final week of this Congress, we are today at October 6. October 1 is the beginning of the Federal fiscal year, and I think it is time that the American people understand that there is no Federal budget. There was no Federal budget passed this year. This Congress, while it can find time to do all kinds of investigations, and we ought to be investigating where it is necessary, could not find time to pass a Federal budget. So we are operating under a temporary or short-term continuing resolution until October 9. Presumably, we will either have another continuing resolution or another short-term one to carry us forward or the government shuts down.

One of the basic things that the Congress ought to be able to do is to pass a budget for the next fiscal year. Incidentally, in the 13 appropriation bills that really make up the Federal budget, as of a couple of days ago, I believe one had been signed into law, several more are finally beginning to work their way through. Most of those will not be passed in a timely manner either and, once again, we will be faced with a continuing resolution.

So if we had all of this time to conduct all of these investigations, what is it we did not have time to do? Well, the investigations curiously, many of them, and I sit on the Committee on Government Reform and Oversight that has been involved in many of the investigations, many of them dealt with campaign finance reform. So it would seem logical after millions of dollars of investigations, hundreds of subpoenas and depositions and inquiries and witnesses, it would be logical that Congress would try to fix the problem, right? The problem being millions of dollars of soft money being abused by both Republicans and Democrats. That was the problem in 1996. That is what the investigation is about.

The American people will not see a campaign finance reform bill this year. It passed the House, it cannot be brought up in the other body.

One would think that with 70 percent of the American people covered by their employers in health insurance, and those 70 percent, they are in managed care plans; one would think there would be a Patients' Bill of Rights to protect those. That is one of the problems that I hear the most about. There will be no meaningful Patients' Bill of Rights for managed care plans this year.

One would think with Social Security being on everybody's lips, there would be something being done by this Congress about Social Security. Sorry, no Social Security reform this year.

One would think that with millions of Americans having lost much of their retirement in just the last 2 months because of the stock market going into the tank, one would think that that could be something that Congress could deal with. Millions of Americans are going to get a surprise this month when they go to open their quarterly statement on their 401(k) or thrift plan, retirement plan to find out how much their holdings have diminished because of the stock market decline. Sorry, this Congress is not taking that up this year.

Nor will it take up anything apparently that will deal with the Asian situation, including funding for the International Monetary Fund to stop the hemorrhage. Sorry, this Congress is too busy. But what can this Congress do? Boy, it can investigate.

That is why I find it so interesting, when there are some who want to urge the Committee on the Judiciary to be open-ended, to go beyond the matters that have been brought to it, and instead to get into Travelgate, Filegate, Whitewater, maybe even Watergate, who knows.

The irony to this is that these have been covered extensively for the last 2 years. The Senate Thompson hearings, the Committee on Government Reform and Oversight hearings on Filegate and Travelgate. The Committee on Banking and Financial Services hearings on Whitewater. Our committee alone spent 22 days of hearings on these matters, including campaign finance reform, millions of dollars spent.

So when we hear the talk about, well, we need to have the Committee on the Judiciary open all of these up, this is what this Congress, all it has done for 2 years. Where are the results?

Mr. Speaker, the reality of the situation is, this is a do-nothing Congress, and unfortunately, there is a lot of diversion going on to cover that fact up. No budget, no campaign finance reform, no Patients' Bill of Rights, no Social Security reform, nothing done about the economy, nothing done about the stock market, nothing done about the Asian economy, nothing done about South America.

Mr. Speaker, if people love investigations, they will really like this Congress. Let me just suggest one more investigation. Who is responsible for this do-nothing Congress?

ELECTRIC RESTRUCTURING—LET US GET IT RIGHT

Mr. STEARNS. Mr. Speaker, deregulation of the airlines, natural gas, railroads, telecommunications, and trucking industries yield annual savings equal to nearly 1 percent of America's gross domestic product. Next January, in the 106th Congress, we will attempt to craft a measure that will finally and successfully unleash competition and savings from the utility industry.

In recent years, competition has replaced regulation for the electric power industry in many other nations, including the United Kingdom, New Zealand, Norway, Chile and Argentina. Many took a very long term approach to this process. The United States faces a unique situation in that our electric power industry is largely already privatized. So we must focus on altering our current system and effectively fostering competition.

Now, this should not be done through a Federal mandate. Five of the 10 largest electric consumer States already have mandatory competitive restructuring. Clearly, we would be wise to make the State-mandated restructuring more efficient instead of imposing a separate, huge new Federal mandate.

I see the ideal measure as one that fosters competition, avoids Federal mandates, and lowers rates for all consumers. To create this legislation, we must eliminate outdated laws, inject fairness into the process, and delineate the proper role of the Federal Government and State governments. But do not misunderstand me. Reforming the electric industry is no simple matter. This is an enormous undertaking. Next January, in the 106th Congress, we will consider the livelihoods of entire industries, constitutional questions, and the interests of the entire rate-paying public. Accordingly, we must address these points to fully realize the benefits of energy reform:

Every customer must benefit from this deregulation, not just the large industrial users of electricity. I am concerned that any rush next year in reforming the electric utility industry could result in large industrial users seeing greater benefits, while residential users and small businesses would pay for that benefit. One must look at the State-level experiences of Massachusetts and California to see that if we do not effectively address consumer issues, we will certainly face a consumer backlash. The ballot measures in these States underscore how unique the electric power industry is: it permeates every aspect of our lives and, of course, our economy.

We must honor past regulatory schemes and commitments and allow recovery of stranded investments. Electric utilities incurred "stranded costs" under a regulatory scheme not of their own choosing. These utilities made long-term decisions based upon decades of regulation. To deny industry recovery of these costs would go against the fairness that I spoke of earlier. That being said, lower rates would be fostered by real deregulation and industrial and regulation innovation, not by just merely shifting costs. We should not merely "reshuffle the deck," so to speak, on who pays.

A significant hurdle to deregulation is the diverse nature of power generators, including public power providers, municipalities, investor-owned utilities, and Power Marketing Associations. Reconciling these disparate views will be a monumental task, no doubt, yet fairness demands that we produce a level playing field for all energy providers and transmitters.

Reforming the energy industry on a Federal level means clarifying the roles of the Federal and State governments. Where does the Federal responsibility end and the State responsibility begin? The diverse situation among the States adds to the difficulties of this reform. Some States have always supported regulation; others have taken progressive stances, while still others, like my home State of Florida, enjoy the benefits of moderately priced electricity, and, of course, they see very little need for reform.

□ 1700

Eliminating the barriers to entry into the electricity market is fundamental, of course, to this reform. We must repeal, one, the Public Utility Regulatory Policy Act, PURPA, and the Public Utilities Holding Company Act, PUHCA, to ensure that any transition to retail competition should be truly competitive.

The entire efficacy of PURPA centered on the supposition that producing electricity would become more expensive. In fact, Mr. Speaker, it has become cheaper. Thanks to PURPA, Americans will pay $38 billion in higher electricity bills over the next 10 years than they normally would have.

In conclusion, deregulation of the electric industry requires consideration of a myriad of factors. The stakes are high but so, of course, are the benefits. In the 106th Congress let us not rush. Let us work together and consider all these issues.

TRIBUTE TO CONGRESSMAN ESTEBAN TORRES

The SPEAKER pro tempore (Mr. STEARNS). Under a previous order of the House, the gentleman from Arizona (Mr. PASTOR) is recognized for 5 minutes.

Mr. PASTOR. Mr. Speaker, I just want to take a few minutes to give my appreciation to a great leader in this Congress but also a great leader in the Hispanic community. As this term ends, the gentleman from California (Mr. TORRES) will be retiring. I have had the honor of working with ESTEBAN for the past 30 years. I first met him when he was involved with Telecue, a community based organization, whose objective was to give a voice to the Hispanic community in southern California.

He was very effective in organizing that organization and today in southern California many Mexican Americans have great pride in this organization. ESTEBAN was recognized for the fine work that he did when he was named ambassador, and he served for many years in Paris, representing this great country and was called by President Carter to come back to the White House and work in his administration.

ESTEBAN was a voice for many of us. ESTEBAN was an advocate for us and again gave us great leadership. Since he has been in the Congress, he has been involved in many endeavors. Whether it be civil rights, betterment of education, ensuring that the Smithsonian Institute reflected the makeup of our country in terms of its diversity, ESTEBAN has been out there.

I know that very recently he was honored because of a scholarship program he promoted on a national basis. The people of Miami, Arizona, are very proud because ESTEBAN was born in Arizona but moved to California to continue his career.

On a personal note, Mr. Speaker, I have to tell you that ESTEBAN has been a friend, a mentor and a leader for me personally. It is with great regret that I see him retire from this great institution, but I know that he and Arcy are going to have a great time with their grandchildren and their children, but I know that he will continue to be the advocate that he has been for our community.

So I congratulate ESTEBAN for the fine work he has done. We are going to miss him, but we know that he is still going to be out there for us.

Mr. TORRES. Mr. Speaker will the gentleman yield?

Mr. PASTOR. I yield to the gentleman from California.

Mr. TORRES. Mr. Speaker, I thank the gentleman for yielding and for his tribute to me during this special order. Indeed, I am honored. He mentioned Miami, Arizona. It should be noted for my colleagues here that the gentleman from Arizona (Mr. PASTOR) and I are both natives of Miami, Arizona, a small mining town in southeastern Arizona. He comes from that stock of people who have worked hard to make this nation what it is today, and I am proud that I come from the same part of the country. Perhaps it must be something that was in the water in Miami, Arizona, but it has yielded two great sons to the House of Representatives.

Mr. Speaker, I appreciate the kind words about me from the gentleman from Arizona (Mr. PASTOR). He has been, indeed, a friend of mine throughout my period of time here and before that, as he mentioned, and I will continue seeing him in our lives as they continue on, as we continue our commitment to our communities.

INDEPENDENT AND FREE ELECTIONS IN SLOVAKIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come before the House this evening to talk very briefly about a great European leader, Alexander Dubcek, and also to talk about the Slovak elections. Recently, in Slovakia, we had the opportunity, after a thousand years, to witness free and independent elections. As some may know, Slovakia gained its freedom some 5 years ago and independence as a free nation in the Western European host of nations. In the last few weeks Slovakia has had the opportunity to elect for the first time representatives to their government that potentially will allow a true, free, honest government for that nation.

In the past years, there has been some conflict, there have been some problems in Slovakia, and in an election, which was a record by all Western democratic standards, 85 percent of the Slovaks turned out to cast their ballot. They decided to make a change in government, an important change in Slovakia, and it is very important to the Congress and to the Western world the change that took place in that free and open election. They decided that they would form a new government and, again, create an opportunity for that country, which has had a thousand years of oppression, to be free and independent. Once again Slovakia will form a Western-leaning government.

My grandfather was a Slovak American immigrant, and I know the oppression that that country has seen with domination not only by the Nazis, not only by Russia and Stalin, not only under its own communist regime. Even as part of the Czech Republic they did not have the opportunity to be a free and independent nation.

So today we celebrate a free, independent election, the potential to continue as a free and independent nation, and Western-leaning democracy. Because of its importance, Slovakia, which juts out into the west between Hungary and the Czech Republic now has an opportunity to participate as a full partner in NATO, in the European Union and as a Western partner.

The world has seen many great leaders from Slovakia, and I know great leaders will emerge from this coalition that is to be formed in the new government.

Alexander Dubcek, a Slovak, in 1968, led the revolution, the revolution that was oppressed by Soviet tanks that trampled Slovakia. Now, for the first time, that country has an opportunity to be new, to have a new "Spring" of freedom. That revolution has been known as the "Prague Spring" but it was really the "Dubcek Spring," sprung from the heart of a native Slovkian.

So we as Americans, we as Members of Congress, we as Slovak Americans, salute these free and independent elections. This bright new opportunity for freedom, the standard that was set by Alexander Dubcek, can now rise, and the Soviet domination of the past is behind us; the Nazi domination and a thousand years of oppression are behind us. A bright future for Slovakia is before us.

I come to the floor as a Slovak American, as an American, as a Member of Congress, to salute the Slovak people on their great accomplishment, their new opportunity for freedom and independence and express my hope and prayers for a new government that will work closely and participate with other Western Democracies.

TRIBUTE TO CONGRESSMAN HARRIS FAWELL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania (Mr. GOODLING) is recognized for 60 minutes as the designee of the majority leader.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in relationship to the honor we wish to pay to a remarkable Member of the Congress and of our committee, the gentleman from Illinois (Mr. FAWELL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. GOODLING. Mr. Speaker, before we honor the gentleman from Illinois (Mr. FAWELL), I just want to make sure that my good friend, the gentleman from West Virginia understands that perhaps his committee did not do everything he wanted to but he would sure be offended if he were a member of the Committee on Education and the Workforce. Just to mention a few things that we have done, the Higher Education Act, the Reading Excellence Act, the school nutrition bill, the vocational technical education bill, quality Head Start bill, a charter school bill, Individuals with Disability Education Act, prepaid college tuition plan, job training reform, bilingual education reform, emergency student loans, equitable child care resolution, juvenile justice, just to mention a few. So do not paint us all with the same brush. We have been hard at work.

It gives me great pleasure to have this special order this evening. I have served with HARRIS on the Committee on Education and the Workforce for 14 years, back when it was the Committee on Education and Labor. I have always looked to HARRIS for his expertise and his enthusiasm on labor issues to help me appreciate the finer points of labor law. As a matter of fact, I would be willing to say there is not anyone on the committee, with the exception of HARRIS, who truly understands labor law, who truly has been made it a labor love to understand it, and to try to improve it and try and get us into the 21st Century so we can survive as a great Nation.

I also know that over those years, he may have been challenged many times but he had always done his homework 100 percent better than anyone else on the committee, and I think the only other person that I can remember who really understood what they were talking about when they talked about labor law was probably John Elernborn, who I served with also.

In fact, HARRIS is so renowned in the House, among other things, for his focus on the details and for his expertise in health care and pension law. In fact, he speaks so lovingly about ERISA that I only recently found out that his wife's name is actually Ruth. I thought it was Erisa.

When he first came to the committee, we Republicans were in the minority, and he always led the fight against any excesses proposed by the other side on many issues. Because of differences in our seniority, I never had the luxury of sitting next to him and see him take all of those notes so that he was ready to fire back as soon as somebody made a statement and they did not know what they were talking about, because he knew what was in the law. He always did his homework prior to any hearing or any markup, and then fought passionately in support of his position on every issue, much to the exasperation of his adversaries.

I can remember one time when Chairman FORD became so exacerbated by HARRIS' insistence on an issue that he finally said to HARRIS if he would simply agree to drop his opposition to the amendment, BILL said he would retire from Congress. HARRIS hesitated for a few seconds and then he leaned into the microphone and simply said, "Do not tempt me."

□ 1715

And the room, of course, went up and laughter. The incident demonstrates why HARRIS was such an effective member of the committee and of the House as a whole. He always fought for what he thought was right, never compromised his principles, and he still kept his sense of humor.

In the 14 years that he has served under our committee, he has worked tirelessly to better the lives of working Americans from his leadership on health care to his efforts to improve productivity, safety, and health in the workplace, and his overall philosophy that there should be a level playing field between labor and management. He has been on the front lines of all the major work force policy debates in the Congress, and, HARRIS, we certainly are going to miss you.

Mr. Speaker, I now yield to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, HARRIS has been a true friend and fellow Illinoisan, and I will miss him.

There is some benefit to being a new Member of Congress, and that is getting a chance to meet some of the great personalities of this Republic. And I include HARRIS FAWELL in that. A real "Pork Buster" before pork busting was cool. And as we have now a conservative Congress that looks at saving money, he was in the trenches long before many of us realized the importance of that fight.

But I am really here to read a statement from your staff, HARRIS, that they have asked me to read. And it is a great honor for me to carry this message from your staff to you in this opportunity. Envision me as your staff. They are a little more efficient than I am.

"We count ourselves tremendously lucky to have worked for you. Your kindness and humility, quiet leadership, the fact that you listen to us and care what we say shows us each day what it means to be a true public servant.

"In these cynical times, it is easy for staffers to become disillusioned with government service. Working with you has shown us how an honest and caring man of integrity can still make a difference here in Washington. Our time spent with you has maintained our faith in leadership. You have forever influenced our understanding of policy with your dedication to thorough analysis and your commitment to knowing what is right, or as you sometimes put it, '20th century stuff.' We watch you earnestly and tirelessly advocating for these things.

"You inspire us to think harder, care more about each policy or person we come in contact with. We feel lucky that we have been included in the Fawell family, privy to your oatmeal recipe, popcorn lunches with stories about growing up as a "Fighting Fawell," Ruth's snickerdoodle cookies, and late-night show tunes and quotes from Broadway plays.

"Among us we do not know anyone who has worked for you, or works for you, who would not do anything for you. HARRIS, they say that the ship reflects the captain. We count ourselves lucky to have been on the Fawell ship. We can only hope that we have been a reflection of you and that we will be, even as you sail on other seas."

I think that is a great tribute, HARRIS, and I appreciate the opportunity to convey those messages from your staff.

Mr. GOODLING. Mr. Speaker, I yield to the gentleman from Chicago (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. GOODLING) for yielding me this time and giving me this opportunity to share some comments about my colleague. I rise today to pay tribute to the distinguished gentleman and my colleague from the 13th District in Illinois, Congressman HARRIS FAWELL.

Congressman FAWELL has represented the 13th District and the constituents of that district since 1984. He has been a lifelong resident of Illinois and attended law school in my district in Chicago at Chicago's Kent College of Law. Therefore, we claim some representation for his success and for all that he has been able to do.

Congressman FAWELL has distinguished himself as an efficient, effective, and professional legislator. He has served with distinction on both the House Committee on Education and the Workforce and the Committee on Science. He leaves behind a legacy of committed service to his constituents and to this Nation.

I believe that the tribute paid to him by the Members of his staff represents the kind of esteem in which he is held.

The Illinois delegation will not be the same without Congressman FAWELL. We shall miss you and wish for you all the best.

Therefore, on behalf of all the residents of the Seventh Congressional District, we salute you for your fine service and trust that in retirement you will experience peace and contentment, that your years of service serves you well, and that you so rightly deserve. Best wishes and good luck.

Mr. GOODLING. Mr. Speaker, I thank the gentleman, and I now yield to another subcommittee chair, the gentleman from North Carolina (Mr. BALLENGER).

Mr. BALLENGER. Mr. Speaker, I thank the gentleman from Pennsylvania for allowing me to speak at this time. And as an individual who has served with HARRIS, I guess I am 2 years short of his same tenure, and we have been on this committee together for 12 years, as far as I am concerned there was always one person I could count on.

He had one labor subcommittee, and I had the other labor subcommittee, and when things got rough and the Democrats, since we have been in control, had nothing else to do, so the whole right-hand side was just full of people. But on our side, HARRIS and I were alone. He was either in front, and I was standing there to second whatever he did. We had the votes, but we just did not have the people, so we had to work together on this thing.

I still remember, because I had joined his organization. He and the gentleman from Texas (Mr. STENHOLM) invented this idea of the Pork Busters. And talk about an individual who does not mind getting bruised and beat up. Anybody in those days when the Democrats had absolute control of this body here and somebody standing up trying to cut the budget, it did not make any difference how difficult it was, there was no way that we as Pork Busters were going to accomplish our purpose. And most of us had enough sense not to stand up and get beat up the way some of us did, and Harris was one. He must have enjoyed getting beat up, because in reality he would get up and fight and lose. The next day he would get up and fight and lose.

I just have nothing but absolute admiration for somebody that will stand up alone and try to reduce the budget that way.

I think the one thing that almost everybody has to admit, and anybody in this whole organization, is a thing called ERISA. It is a type of operation that protects large corporations that have plants all over the United States, different areas, and it keeps people, they have the same law, they have a Federal law that says if a company has a plant in New Jersey and a plant in Massachusetts and a plant in California, they all have the same law, Federal law, to affect their retirement and to affect their insurance and so forth. And nobody in this body understands that any better than HARRIS FAWELL.

In fact, most of us that listen to this discussion that HARRIS will sometimes have with his professionals do not even understand what he is talking about. If my colleagues have ever thought of a lawyer speaking insurance, those are two completely different languages, but he can do them both at the same time and fool us all as to what it really means.

Our chairman of our committee, the gentleman from Pennsylvania (Mr. GOODLING), mentioned a whole bunch of bills that had been passed through this committee, and most all of the ones that were mentioned were education bills. And I commend the gentleman, because our chairman is a past educator. But HARRIS and I have been on the labor end of this thing. And you cannot get them all passed, but some of the names that he has come up with are just beautiful. Any artist would have said this bill should have passed.

The first one I am looking at, "Savings Are Vital to Everyone's Retirement Act." Now, who in the world could possibly be against a bill like that? Well, the Democrats were. There is another one, "The Sales Incentive Compensation Act." Now, there is nobody that would recognize the free enterprise system existing in any better fashion than that particular method. "The Faculty Retirement Incentive Act." Harris was always full of incentives one way or another.

And I think the greatest one of all is the "Paycheck Protection Act." Now that one I would have gone down forever and ever if we could have ever passed that. Most of these bills we actually got out of the House, but somehow there is a body on the other side of the building over here that has to have 60 votes to cut off a filibuster. And once they do not have that 60 votes, a lot of HARRIS's bills and my bills just never appear again.

But with beautiful names like the "Working Family's Flexibility Act," who could ever vote against something like that? That is a fabulous idea. And the "Team Act." Anybody that recognizes the way this country operates must know that the "Team Act" is one of the most important things that we could have passed, but we did not.

And I would like to add one more thing about HARRIS as the chairman of our little subcommittee where I sat with him. For those people that do not know the way we operate up here, there is a little machine in front of the speaker. It has a red light, a green light, and a yellow light, and speakers are limited to 5 minutes. When the green light is on, your five minutes are working. The yellow light comes on, and you are just about to get turned off. And the red light comes on, and you are through, supposedly.

But Chairman FAWELL always was kind enough to say that I think I have overused my minute or so, maybe even 10 minutes or so, but he was always willing to give the Democrats the same benefit. I thought it was unbelievably kind of him, especially one day when I first got on the committee and did not realize the way HARRIS operated.

He was sitting right next to me, and he made the motion that he would be allowed to talk on the bill, and he talked, and his 5 minutes was up, and I was going to come next. HARRIS said, "Cass, will you let me have a minute of your time?" And being a very naive little freshman I said, "Sure, go ahead." And so Harris got the word, and he used up every minute of my 5 minutes. I have never been so deeply hurt.

But anyhow, he is a wonderful guy. He is the most dependable, honest, sincere individual I have ever known, and I cannot say anything good enough for him, and I hate like the dickens to see him leave. Like I told him always before when I had my hearing in my subcommittee, he was there, and we could take care of each other. We would do the same thing for each other. And now that he has run off and left me, I think my choice of words earlier was "I am dead meat now." When the time comes around and the Democrats want to get me, I will not have that white-haired gentleman there taking care of me.

Mr. GOODLING. Mr. Speaker, prior to my yielding to the gentleman from New York (Mr. SOLOMON), I wanted to say that I did not get down in time to pay tribute to him, and I certainly want to do that. I certainly have enjoyed my service with the Congressman from New York. I also enjoy visiting his district, particularly Saratoga. And he has just been a wonderful, fair chairman on the Committee on Rules.

Mr. Speaker, I yield to the gentleman from New York (Mr. SOLOMON) at this time.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for those flattering remarks. And, yes, I do represent the oldest racetrack in America and the most beautiful. It is called Saratoga, New York, and my good friend from Pennsylvania comes up there quite often, because he has a love of horses the same as I do.

But he mentioned that I am retiring, and I guess the only time that I have ever become upset with HARRIS FAWELL is when I found out that he was retiring as well. Because I had made up my decision a while ago and I figured as long as he was here, there was going to be somebody on this floor who thought like Jerry Solomon and who would look out for the taxpayers of this Nation. That is really why I am here today to pay tribute to him.

The greatest compliment we can give to any Member of this Congress is when we walk on the floor and the vote is taking place and we look up there and see how that Member voted. "This Member" being HARRIS FAWELL. You do not even have to look any further. You do not have to find out what the bill is. All you have to do is vote exactly like him.

Mr. Speaker, he was not here more than 6 months when I realized that I could walk on this floor, and we are all busy, and if HARRIS FAWELL was voting "no" on the bill, I did not have to have any other information. I voted "no," too. That is how much respect I have for him and his philosophy.

I just cannot say enough for the man. He has been one of the outstanding Members. I was doing an interview with one of his press the other day, I do not know whether it has been in the paper yet or not, and the reporter said, "What best represents Harris Fawell?" And I said, "Two words: Due diligence," because when HARRIS FAWELL, either in committee or on this floor, when he rose to speak, he knew what he was talking about. He has done his homework. He never came on this floor without being prepared, and that is a tribute to a great man.

So, HARRIS, my time is up, but I wanted to come down here and tell you, I will not be here to miss you, but I will miss your being here to represent the views of the people who are really concerned about the spending that goes on in this Congress to make sure that it is done the right way. And you certainly have done that, my friend, and I salute you and wish you the best of luck.

□ 1730

Mr. GOODLING. Mr. Speaker, I would now like to yield to another subcommittee chair, the gentleman from Michigan (Mr. HOEKSTRA).

Mr. HOEKSTRA. Mr. Speaker, I thank the chairman for yielding, and it is good to be here to pay tribute to my colleague, the gentleman from Illinois (HARRIS FAWELL).

It was in 1993 that I came to Washington for the first time, and I believe out of that class of 47 Republican freshmen I was the only one that said my first choice for committees is to serve with the gentleman from Pennsylvania (Mr. GOODLING) and with the gentleman from Illinois (Mr. FAWELL) on the Committee on Education and Labor. That was at a time when we were looking for people to serve on that committee.

And I have never regretted that decision, because it has enabled me to work on a couple of issues that I have a passion for, education and labor, but it has also enabled me to work with, I think, some very good people here in the House of Representatives, the chairman being one and Mr. FAWELL being the other.

But since Mr. FAWELL is the one who has decided that he is going to leave the rest of us here to fend for ourselves, I think now is the time to express my appreciation to the gentleman from Illinois for the work that he has done.

I came here new to the legislative process, new to the process of understanding America's labor laws, understanding the spending habits of this Congress, and Mr. FAWELL has taken the time to take many of us through that process, to outline for us what was good in Washington, areas that maybe we ought to take a closer look at, and also being very articulate in pointing out the things that were not right here in Washington.

I want to give my colleagues a couple of areas where I think HARRIS really helped us as new Members. HARRIS has been here for 14 years. We thought in 1993, the class of 1993 and 1995, that we were the real people that broke the mold; that we were going to be the ones that were going to take us to a balanced budget, and I think, in many ways, we helped do that. But to be able to get to that point, a foundation had to be laid, and a foundation had to be laid by people in the 1980s and early 1990s that highlighted the information and put out in public view the information that said the American government is too big and it spends too much and here are some examples.

HARRIS FAWELL, through his efforts in Pork Busters, laid that foundation. The rest of us were able to build off that foundation. It was, what, just 6, 7 days ago that I think we reached the objective that HARRIS has been fighting for for 14 years, where we closed our books and we will have a surplus for the time since 1969. HARRIS FAWELL has been instrumental in making that happen.

HARRIS, you can leave with the knowledge that you have created a foundation; that we have a surplus that will be somewhere in the neighborhood of $70 to $80 billion. And we now need to build off the work you have created to start paying down the debt, to start reforming Social Security to make sure we can save it, and to start to reducing taxes. But without the work that you did in the 1980s, we would not have been able to move and tackle these issues now in the 1990s.

For the last 12 months I have had the opportunity to travel around the country and take a look at reforming American labor laws; what works and what does not work. At the same time, we could talk to HARRIS FAWELL and get much of that information, because HARRIS understands the types of reforms that we need to make in America's labor law to make sure that we are the most competitive country on the planet today. He has been a champion.

He has championed not only some of the reforms that we have seen, but some of the activities that were so important in the company that I worked in in the private sector. I think the best example of that is the TEAM Act. HARRIS has taken the lead in making sure that we pass legislation that really unleashes the potential of every American worker by allowing them to be more fully engaged in their workplace and working together, and taking 1930s and 1940s era labor laws and saying there is a new way to do it, there is a better way to do it, and this is one of the things that we need to do.

So, HARRIS, you have been a champion on the TEAM Act and a number of other labor reform issues that I hope that the next Congress can move forward, and we can take the vision you have had and we can implement those types of ideas to ensure that we will be competitive into the next century.

No discussion about HARRIS FAWELL would be complete without talking about ERISA. This is the challenge that I believe the chairman feels, that I feel, that I know the gentleman from North Carolina (Mr. BALLENGER) feels, and that is who is going to take us through the world of ERISA. We always knew that whenever there was a discussion on ERISA and what the implications of a legislative or a policy change would be, as our eyes might kind of glaze over and say we do not quite understand all of this, we always knew that there was a person that we could go to who knew the ins and outs of a very important and a very complicated piece of legislation, but who could give us a very clear, not necessarily always concise, but when we had a question, we knew we could go to HARRIS and we knew we could get the right answer.

Now, the good thing here is I have had the opportunity to talk to HARRIS and ask him how we are going to get through this, and HARRIS has said he is going to be more than willing to come back and take us through that mine field and make sure that we continue doing the right thing, or at least we understand what we are doing.

But, HARRIS, you have been a wonderful colleague. You have taken the time and energy necessary to take someone new through the process. You have taken your time and energy to teach us what you have known. And I hope that you have taught us well, I hope that I have learned well, so that I can take this with me into future Congresses and we can continue to carry forward much of the visions that you have had.

Thank you very much for your 14 years, and congratulations on some great work here in the House of Representatives.

Mr. GOODLING. Mr. Speaker, I yield to the gentleman from California (Mr. DREIER), and I want to say to the gentleman from Michigan (Mr. HOEKSTRA), that I think he missed four words in his closing remarks, "as a paid consultant", I believe.

Mr. HOEKSTRA. He actually did not say that.

Mr. DREIER. Mr. Speaker, it is a great privilege for me to join in this "Farewell to Fawell."

As we listen to some of the remarks that have been made, the discussions that centered from the gentleman from Michigan (Mr. HOEKSTRA) about issues like ERISA, and I know there has been a great deal of discussion about higher education, I think I would like to move slightly beyond the higher education area to say that HARRIS FAWELL played a key role in teaching me an awful lot, and one of the most important things had to do with an issue called electrometallurgical treatment of nuclear waste.

This whole issue of nuclear waste disposal is something that came to my attention from some people that I was meeting with in California. And late one night we had the chance, with Mr. FAWELL calling me a half dozen times to make sure that I came over to speak on behalf of a very important amendment that dealt with the issue of electrometallurgical treatment. I want to congratulate him for the tremendous persistence that he has shown in dealing with these very, very important and complex issues.

One of those issues that, frankly, got a great deal of attention, something of which I am extraordinarily proud, is that Mr. FAWELL and I had the privilege a couple of years ago of both being categorized as "super heroes" by an organization known as Citizens Against Government Waste. All it meant was that the two of us were working long and hard to make sure that we would deal with the horrendous problem of government waste. And it is one that continues to go on and on and on. And that is why, as I heard earlier mentioned, HARRIS has been really at the forefront of this issue, with an organization known as Pork Busters, in trying to get rid of all of the waste in government.

That is why I am particularly saddened that HARRIS has decided to leave, not only because he has been a great friend to so many of us, but because he has really been in the vanguard of that issue of focusing on particular areas where we are able to try and reduce the size and scope of government and encourage individual initiative and responsibility.

So I would like to say that even though HARRIS told us months and months and months ago that he was going to be retiring, and many of us were very saddened then, as we head towards the waning days of the 105th Congress, I think that we will recognize that the contributions that HARRIS FAWELL has made for the years that he has served here are very, very great, and he will be sorely missed when the 106th Congress convenes in January.

Mr. GOODLING. Mr. Speaker, I yield to the gentleman from Michigan (Mr. KNOLLENBERG), a distinguished member of the committee.

Mr. KNOLLENBERG. Mr. Speaker, I thank the chairman for yielding, and I am delighted to be here this evening to take part in this tribute to HARRIS FAWELL, who I serve with on the committee.

As the gentleman from Pennsylvania (Mr. GOODLING) just mentioned, we have commonality on the Subcommittee on Employer-Employee Relations, a subcommittee that I enjoy very, very much and, in particular, I think I enjoy it because of HARRIS FAWELL.

HARRIS is someone that I am going to miss very much, his presence in this body and on that committee, and, frankly, in the cloakroom or wherever I might have caught him. Because along with his ability and capacity to deal with subjects that are beyond the realm of most of us, I say that honestly, he had a sense of humor that went well beyond that and made him into, I think, a genuine friend of this entire body and someone that we all looked up to.

I marveled at the comments of the gentleman from California (Mr. DREIER) about the Pork Busters. I recall when I first came to Congress that was one of the events I guess I looked forward to because, again, it was Congressman HARRIS FAWELL that led the way.

And, incidentally, even though he was against pork of all kinds, sometimes there were those who suggested that corporate welfare was something that he should be aware of. And HARRIS, in defense of honest cases where corporate welfare was not corporate welfare just because somebody said it was, he stood up, defended the right of some of these programs to stay in existence because they were meaningful and they did not fall into the trap of corporate welfare.

As my colleagues have already heard, HARRIS FAWELL is the only Member, I think of either the House or the Senate, who truly understands ERISA. Some would wonder why anybody would tackle that subject, but HARRIS Fawell did, and he does understand it and it shows in his work. His leadership on this issue will be sorely missed in this body.

When I think of HARRIS FAWELL, I think of three words: I think of thoughtfulness, of thoroughness and being considerate. And he is that way with committee members, he is that way with the public, and he is that way with everyone.

He has never been shy about tackling big issues while showing, as I said, an interest in everything from ERISA, to Salting, and the National Labor Relations Act. And I have to confess I do not know why anybody would be interested in the National Labor Relations Act the way HARRIS was, but he dug into it and literally assessed it, analyzed it, and scrubbed it with his own opinion.

HARRIS FAWELL is cordial to work with. He has been willing to listen, and he has conducted himself in a very friendly manner throughout all of his dealings with Members of Congress and with this body. Perhaps most importantly he has demonstrated a deep knowledge of the issues that have been before the Subcommittee on Employer-Employee Relations.

It has been, for me, a true pleasure to serve under his leadership. And his presence, as I have said, will be sorely missed in this body. I wish HARRIS FAWELL all the best in the future, and his family the best.

I presume that we have alluded to Ruth at some point along the way, because he has a very lovely wife, and she, in her own right, is a remarkable person. So to them and their family, whom I have had a chance to meet just last week, I wish them the very, very best in the future.

I suspect part of their future will be along Lake Michigan shore, my home State. You have chosen a lovely spot to at least spend part of your time. So to you, HARRIS FAWELL, and your family, all the best.

□ 1745

Mr. GOODLING. HARRIS, it is your time to fight back if you wish. I would recognize the distinguished gentleman from Illinois.

Mr. FAWELL. Mr. Speaker, I simply want to say thank you very much to my colleagues who came down this evening to say some nice words. I do very much appreciate that. I will admit that I shall miss Congress and all of you folks. It gets in your blood and after 14 years you just cannot walk away from something like that without having ambivalent emotions. The 14 years have been so very rewarding as far as I am concerned, the people I have met here in Congress. There is an old saying that everybody you meet every day of your life is your teacher. We have here a teacher who is our chairman, the gentleman from Pennsylvania, who certainly is as revered and respected as any Member in this Congress, who has given so very much to education, and labor, also, being the two subject matters of the committee that he heads. But I can say that about all of the Members who took some time to drop in here this evening, for instance. I have learned from all of them a great deal.

You hope as you get along in life you will do that more. And when I heard that letter from the staff, I have had as we all have over the years a lot of different staff, mostly very young people who come in and do not know a great deal about what is going on here in Washington, but they learn very, very fast. I would say that I have learned there from all these young people, and the committee staff of our Committee on Education and the Workforce, and especially the staff that served in the Subcommittee on Employer-Employee Relations. I have had the privilege of helping to hire some of them as they came along, brilliant attorneys, top-flight people, people who basically have a credo in life that my job is to serve and to help people, and then say thanks, too. They are that kind of people. They are people that they do like that ERISA statute, they do understand the arcane labor laws which have to be understood to be able to speak about them and do the right thing for the working people of America as well as for the small businesspeople and the businesspeople in general in America. With all the staff I have learned so very much. I think I had been to Washington twice in my life before I came here. I remember flying in the first time and saying, "Oh, there's the Capitol" and so forth and so on. But I have learned to actually love this city of Washington, D.C. Ruth and I have always lived right in D.C. We found the neighborhoods where we have lived to be peopled with just tremendous people that we have grown to like and to love, and as I have said, all the young people who come and serve in Congress.

My colleagues. My gosh, there are brilliant people in this Congress. It is a wonder, on both sides of the aisle, you figure all the talented people we have, why we do not have a better product. It is a case where the parts do not add up to the total as they should. There is a lot of political rancor at times that takes place, but I am just here to say that this body is composed of men and women that are extremely talented, they are backed up by staff that are a wonder, young people, and when I see this and I see people coming to Washington, I can remember a couple coming in just a couple of weeks ago, a mom and a dad who looked very, very young to me, and little Samantha and her sister Maria. Their eyes were just big. They loved this country, they were just ecstatic about a tour that we arrange for our constituents, going through the Capitol Building. I see so many people coming to Washington and giving so much. The SAVER bill, for instance, a lot of people from all over the country at their own cost, coming in to share their expertise and their beliefs. I guess I could sum it up by saying 99.9 percent of the people in Washington, D.C. are tremendous people, are a loving people who want to serve, who want to help. That even includes the news media out there. They are breaking their backs really to try to make sense about what all we do down here and so forth. To me, it is 14 years of a tremendous education. I never could have gotten it any other way.

I came to Congress as an accident because I was on a group that was to select John Erlenborn's successor and when we had two people fink out on us, eventually the finger pointed to me, and I ran. I just want to say thank you to all of you folks who have expressed these kind words. I shall always remember my experience in the U.S. Congress, which is winding down now to the very last days, theoretically not until January 3rd of next year, but I will not be hanging around these halls too much longer.

Thank you very, very much for being thoughtful enough to arrange this, Mr. GOODLING.

Mr. CLAY. Mr. Speaker, I rise to express good luck to our colleague, the gentleman from Illinois, Mr. FAWELL, who is retiring from the House at the end of this Congress. It has been my privilege to serve with Mr. FAWELL on the Committee on Education and the Workforce throughout Mr. FAWELL's congressional career. During that time we have more often taken opposing points of view regarding legislation, particularly legislation affecting the labor laws. However, our differences have been political, never personal. Further, though our views may have differed on most issues, those differences have not prevented us from working together when we have been able to find common ground. When we have found common ground, we have successfully enacted good legislation.

In the last Congress, I joined with Mr. FAWELL in support of legislation to provide an exemption for police and fire departments from the Age Discrimination in Employment Act. In this Congress, I supported the efforts of Mr. FAWELL, and the gentleman from New Jersey, Mr. PAYNE, to enact the Saver Act. I also participated in the national summit on retirement savings that the Saver Act created. I believe both the first summit and the subsequent summits that will occur as a result of enactment of the Saver Act will serve to better educate workers regarding the importance of retirement savings. As a result, more workers will have financially secure retirements.

I would also like to take this opportunity to commend Mr. FAWELL for his work on the Faculty Retirement Incentive Act. Recently enacted as part of the Higher Education Act, this law permits certain voluntary retirement incentive plans for college faculty. I was not initially a supporter of this legislation. However, Mr. FAWELL worked diligently to address concerns raised by myself and others and the final product is one in which we all, and especially Mr. FAWELL, may be proud.

Mr. FAWELL first came to Congress in 1985, following the retirement of John Erlenborn. Mr. Erlenborn had a substantial reputation in this body as both a leader for conservative positions on labor issues and for his role in the enactment and subsequent development of the Employee Retirement Income Security Act. Many thought Mr. Erlenborn's shoes would be difficult to fill. But let me say for the record that, from my perspective, HARRIS, you fully filled the shoes of your distinguished predecessor. I wish the best for you and your family in the years ahead.

Mr. BILIRAKIS. Mr. Speaker, I rise today to add my voice to those honoring Congressman HARRIS FAWELL.

Anyone who wants lower taxes, affordable health insurance, or retirement security can thank HARRIS FAWELL and consider themselves fortunate that he has served in Congress for the past 14 years.

Dedication to public service has marked HARRIS' life. He was elected to the Illinois State Senate at the age of 33, and he served in that body for 14 years. He has built an impressive list of legislative accomplishments since his election to Congress in 1984.

He has championed small businesses and advocated measures designed to help workers obtain affordable health insurance. Recently, he served with me on the House Working Group on Health Care Quality to develop the Patient Protection Act, legislation that expands access to health care and provides protections for people in managed care plans.

The Patient Protection Act includes HARRIS' Association Health Plan proposal which allows small businesses to band together through national trade associations to obtain affordable health insurance for their employees. The Chicago Tribune called it "the best piece" of the Patient Protection Act because it provides the best patient protection of all—insurance.

Congress also enacted the Savings Are Vital to Everyone's Retirement (SAVER) Act, legislation HARRIS introduced to educate Americans about the importance of retirement savings. It created a successful National Summit on Retirement Savings held in June.

I could go on and on about HARRIS' legislative accomplishments, but I would like to close by reading from an opinion editorial written by a congressional page I sponsored this summer, George Palaidis. He wrote: "People don't run for Congress just for the paycheck. Members run because they want to do something to help our country. Not too many people in this Nation are willing to sacrifice a sometimes higher-paying job and the normal routine of life for something they believe in."

Mr. Speaker, Congressman HARRIS FAWELL exemplifies this ideal. He has served his constituents, his state, and his country with honor, integrity, and an abiding commitment to do what is best for this Nation. I am proud to call him a colleague, and more important, a friend.

Mr. GOODLING. There are many others, Harris, who wanted to participate, but you know the scheduling around here, as I do. Again, we thank you for all you have given to the committee, to the Congress, to the country, to your constituents and wish you the best, whether you are with ERISA or whether you are with Ruth, I wish you the best both ways.

TRIBUTE TO HONORABLE ESTEBAN TORRES ON HIS RETIREMENT FROM CONGRESS

The SPEAKER pro tempore (Mr. STEARNS). Under the Speaker's announced policy of January 7, 1997, the gentlewoman from California (Ms. SÁNCHEZ) is recognized for 60 minutes as the designee of the minority leader.

Ms. SANCHEZ. Mr. Speaker, it is my distinct honor to host a special order this evening in honor of my friend and colleague Congressman ESTEBAN E.

TORRES. ESTEBAN has served the people of the 34th Congressional District of California for 16 years. Those were years in which our country lived through the administrations of President Reagan, President Bush and President Clinton. During this time, the world witnessed the fall of communism in the Soviet Union, the rise of democracy in Latin America, and the end of billion-dollar U.S. budget deficits. Through it all, ESTEBAN has been a part of that history, not only by serving here as a Member but by being an active participant in these events. He has traveled throughout the world and met with the leaders of every superpower. In these journeys he has not only learned about the problems facing other countries but he has conveyed the meaning of freedom and the significance of democratic institutions that value the integrity of individual choice. I can think of no one person whose life better illustrates the American dream than ESTEBAN TORRES. Well, maybe my mom and dad, ESTEBAN. But here is a man who truly pulled himself up by his bootstraps.

He is the son of immigrants who came to this country seeking a better way of life. How often have we heard that? He struggled as a young man to overcome some tough times, growing up in the barrio of east Los Angeles. He is a veteran of the Korean Conflict and rose through the union ranks to the international of the United Autoworkers. From there he went on to serve the Carter administration in the White House and then he ran for his seat in this House. Through it all, he and his wife Arcy raised their daughters Carmen, Rena, Selina, Camille and their son Steve, and they have been blessed with 11 grandchildren. I know that his family is as proud of what he has accomplished as the people who are privileged to call him their friend. He has distinguished himself as a subcommittee chairman and as a member of the Banking Committee and Appropriations Committee.

No one will ever forget the leadership, ESTEBAN, that you showed during the passage of NAFTA and the establishment of the North American Development Bank. Throughout your career, you have been more than a friend. You have been a role model and you have been a mentor. There are many of us serving in government and business who claim and can claim that they got their start and their learning by following the example of ESTEBAN TORRES. I can say that he not only enthusiastically supported me when I first ran for office but was always there to give me advice and support during some very difficult and dark days. For your courage and your willingness to stand by me, I want you to know, ESTEBAN, that I am eternally grateful.

ESTEBAN, you will be remembered in this House not for cutting things and stopping projects but for building, for building opportunities for people and confidence in people and yes, for the hope that people carry in their hearts because of your example and what you have done. While I for one will miss your advice and counsel, I am happy that you are moving on to do other things that interest you and that will help our community in the long run. I know you will not be idle but very active in pursuing these other concerns. I know you will not be a stranger to this institution. I look forward to seeking your guidance. On behalf of all the people whose lives you have touched in so many different ways, you have really made an impact. I know when I see young children, and they have your name on their lips, of mentor and role model.

Thank you for the service you have given to this House and thank you for the service that you have given to our country.

Mr. Speaker, I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentlewoman for yielding. I also thank the gentleman from California. Unfortunately I have some meetings going on upstairs in the Rules office. I wanted to go back up, but before anything else, I wanted to be on this floor to, Mr. Speaker, pay tribute to a really great American, and when I say that, I say that from my heart.

There was a time back in 1950 when communism was on a roll. It looked like that atheistic philosophy was going to take over the world. The United States Government with a President named Harry Truman, and I was a Democrat back in those days, ESTEBAN, when Harry Truman saw fit to send American troops to Korea, and that is where we stopped communism dead in its tracks. If it were not for that, who knows what the world would be like today.

I never had the privilege to serve in combat in Korea and, ESTEBAN, you did. You and I went there last August, as a matter of fact. We went up to the 38th parallel to the DMZ. On our way, we stopped and we saw the terrible flood damage that was done by the floods that took place there which destroyed $300 million worth of American equipment and living quarters for our soldiers. As we stood on that 38th parallel, you could see that ESTEBAN TORRES was overcome, having been there at the time. I just wanted to stand up here and tell you, ESTEBAN, that you are a great American. You have been a great Congressman. We are going to sorely miss you. I will not be here to miss you, but you and I are going to keep an eye, you from California and me from the Adirondack Mountains, we are going to keep an eye on these other two Californians here and make sure that things are going right. I am sure they will.

I just want to wish you and Arcy, you have a wonderful wife, I wish the two of you the best and hope we continue to see each other. I salute you, sir.

Ms. SANCHEZ. I thank the gentleman from New York. I yield to the gentleman from California (Mr. DREIER).

Mr. DREIER. I thank my friend for yielding. I would like to begin by thanking her for taking this time for a very important special order.

Mr. Speaker, there are a few things that every Member hopes to hear upon retirement from this institution. We want others to say that we have been effective, that we worked hard to represent the interests of our districts, and that we will be missed by our colleagues. As one who represents a neighboring district, who worked with ESTEBAN TORRES on both the Banking and the Small Business committees and who because of redistricting has had the opportunity to represent many of the same communities and the same people, I can say all of those fine things about my colleague from West Covina. I am saying that he is from West Covina by letting a secret out that he actually is a constituent of mine and I am very proud of the fact that when I got West Covina back in that reapportionment process that he chose to stay in West Covina with me as his representative.

His work was critical to the passage of the North American Free Trade Agreement which I truly believe is one of the greatest bipartisan achievements of this decade. When the House debated the NAFTA, he worked with the Clinton administration and those of us on both sides of the aisle to create the North American Development Bank which built support for the agreement and secured important votes for its passage.

□ 1800

I have also had the opportunity to work with my neighbor on important local issues such as clean up of ground water in the San Gabriel Basin where ESTEBAN led the effort to authorize the San Gabriel Basin demonstration project. This demonstration project along with the San Gabriel Basin Water Quality Authority has enabled residents and businesses in the San Gabriel Valley to pursue a locally led response to the problem of ground water pollution. The goal has been to give all stakeholders an interest in a successful clean up and to avoid the litigation nightmare that has characterized the Superfund program.

And I should also add that I worked with him on dealing with the closure of a large, what was a toxic chemical dump in west West Covina, and he was key in that, and I found working with him on that to be very, very important because we were able to work on it in a bipartisan way.

Besides the important environmental initiatives, he and I have worked together to support another issue that has been very key for the San Gabriel Valley, local transportation and getting funding for the Foothill Transit Authority. He was very, very key. He and I regularly testified before his appropriations committee in behalf of this. This is a local bus project which has repeatedly been cited by national officials as a great model of both the public and private partnership in dealing with the transit needs that exist.

I should also say, Mr. Speaker, that not everyone knows that ESTEBAN TORRES is a very accomplished artist. He often has the chance to sit down and very quickly is able to do these great drawings of people and of places and things, and it is a talent that very few of us have, and I am glad that ESTEBAN TORRES has been able to regularly utilize that when he served here in the Congress. I have seen some of the great caricatures that he has done.

Mr. Speaker, I often comment on what a pleasure it is to work on bipartisan initiatives that benefit both the American people and the constituents whom I am proud to represent in the San Gabriel Valley, and I am very pleased to say that I have such a relationship with ESTEBAN TORRES. He has created a very impressive legacy of service that is equal to that of many of our more senior colleagues. I have truly enjoyed working with ESTEBAN, and I wish him, Arcy and their wonderful family all the best as they pursue together what I am sure will be many rewarding endeavors in the future.

And I thank my friend for very generously yielding me this time, and I look forward to the other remarks, and I see my very good friend, Mr. ORTIZ, who I am sure will offer some great brilliance about our colleague, Mr. TORRES.

Ms. SANCHEZ. Mr. Speaker, I yield to Mr. ORTIZ from Texas.

Mr. ORTIZ. Mr. Speaker, ESTEBAN TORRES is not the sort of man we can say goodbye to as he retires from this body. He is really family, and we know we will see him again and again and again. Also, like family, he is hard to describe in simple terms.

You are complex, my friend. You, as my good friend, DAVID DREIER said, are an artist, a statesman, a friend of labor, an inspiration to young people, and an example of how far one can go in life and a role model to many of us.

ESTEBAN's father was sent back to Mexico when he was a very young man in Arizona. He has been through much in his life, and he has accomplished much in his life. Under his direction, the East Los Angeles Community Union grew into one of the largest anti-poverty agencies in the country. In 1976 President Carter appointed him Ambassador to the United Nations education, scientific and cultural organization, UNESCO, and later a Special Assistant to the President for Hispanic Affairs.

ESTEBAN and I came to Congress together as classmates in 1983, a few years back. As my colleagues know, we have watched the good and bad associated with this institution during our tenure. They have been decidedly that we have had some low moments, and there has been some moments of majesty that impressed the world. Together we have seen it all, and now ESTEBAN has decided that he has simply seen enough.

There are a host of stories about ESTEBAN that I would love to share with all of you, but they are probably best remembered privately between us in the cloakroom. But one of my fondest memories is to see you on the floor, in the hallway or in the cloakroom with your scratch pad and a pencil drawing the things you saw on the front row of history. I still have one of your sketches, and I will treasure it for the rest of my life.

In the first really big floor fight of my tenure I took to the floor in opposition to the use of turtle extruder devices, TEDS, in commercial shrimping. ESTEBAN knew it was an important moment for me, and he sketched the action of what was happening on the floor. Especially for me he sketched it, and I think you remember that, ESTEBAN.

And I remember walking into the cloakroom in 1997 while the Iran-Contra hearings were going on. Democratic members were being accused of not paying appropriate attention to the daily testimony before the committee. So you sketched a view of many democratic members watching the testimony on our closed-circuit TV in the cloakroom.

Thank you for capturing the moments of our lives of our service here on Capitol Hill. Your friendship is a friendship I will miss and I will always cherish since you are family, and we will not say goodbye. I will say good luck to you and Arcy, and I hope you will come back and continue to talk to us and make us laugh and continue to draw those beautiful sketches with stories about life, about those of us who serve in Congress.

May God bless you, and I know that whatever you do, ESTEBAN, God will bless you, and you will prosper and do well not only for you and your family but for your neighbors and your community. Godspeed and God bless you.

Ms. SANCHEZ. Thank you, Mr. ORTIZ.

You know, one of the great things about ESTEBAN, and I do not know if you know this, ESTEBAN, is that you are from, grown up in, I think in Arizona, from a small mining town, and the next mining town over, Kearny, is where much of my family comes from. So you are heralded not only in California where you have represented the 34th so well, but you are also known very well in Arizona, and of course we know you in California. I know you because of my family in Pico Rivera who support you and understand the important issues that you have brought forward for the people of that district; for example, when we have been taking a look at transit in Los Angeles and ensuring that our transit system, whether it be buses or a fixed rail, would come to the communities of East Los Angeles, and you have been there fighting consistently for that. I recall just this past year right before we approved the transportation bill the fact that you were out in Los Angeles fighting to ensure that moneys would be devoted for the transit for those of working class and lower income families.

And so we really appreciate that from you, ESTEBAN.

I yield to my colleague from Texas, Mr. ORTIZ.

Mr. ORTIZ. You know, ESTEBAN, even though I am from Texas, he is no stranger to my State. In fact, his daughter married a young man or two daughters from Texas, and he spent a lot of time in my State, and he has got a lot of friends not only in our great State of Texas, but in our small communities. He was there when our people were harvesting watermelons or corn or grain, and we spent a lot of time together. In fact he was my guest on several radio shows and television shows.

And as I was coming here, some of the people found out some way somehow that you were retiring, ESTEBAN, and they wanted me to relate to you that Texas is still, I guess, your second home, and they would like for you to come back and visit with us. So you will be welcome any time.

And I know that we travel to many places together as Members of Congress. ESTEBAN was somebody that was always focused on the issues, and he was able to talk to dignitaries from other countries, and since he was an ambassador we felt that he was the only guy that was able to make sense on all the stuff that we are talking about.

So, ESTEBAN, I just wanted to let you know that my friends and your friends from South Texas relay a message to you:

Come back to South Texas and visit with us soon.

Ms. SANCHEZ. Mr. Speaker, I would agree with the fact that ESTEBAN has always been a big asset in any travel that we have done. In fact, he not only knows the English and Spanish, but of course is very fluent in French and has just been an asset whenever we have traveled. So it is all of these assets that compose this that we know that it has been such a privilege to have you here in the House.

Our colleague from California.

Mr. CAMPBELL. Mr. Speaker, I appreciate the gentlewoman yielding, and I simply wanted to add my voice of high esteem to our good friend and colleague, ESTEBAN, on his graduation from this particular institution and very best wishes for the future. I particularly want to draw attention to the compassion of the man.

I have worked with him over the last year and a half, almost 2 years now, on ending a policy that is harmful to the people of Cuba, that is harmful to the compassion and sense of foreign policy which motivates so many Americans, and ESTEBAN has been the leader in this issue, that we recognize the Cold War is over, that it is time to trade, to have normal relations with the people of Cuba. And this is not still the most popular position to take on either side of the aisle, but it is the right position. It reflects a sense of where America is today and reflects a sense of caring for those persons who are most damaged by the system that we presently follow. And ESTEBAN TORRES has led this battle. It has been his leadership, it has been his dream. I regret that it has not yet been accomplished before you leave this institution, before Mr. TORRES leaves this institution. But I believe it will be and soon, and when it does happen, it is my belief that it will be because of the leadership of ESTEBAN TORRES and will be remembered in his honor.

I also note that ESTEBAN served our country in the Diplomatic Corps, and his service to our country in that capacity was prologue to his service here in the House and showed an awareness of a world community in which we participate and which is too often lost sight of.

So, Mr. Speaker, upon the departure of our good friend, ESTEBAN TORRES, I add my voice from the opposite side of the aisle but from the same great State of California to a humanitarian, to a Californian, to an American and to a citizen of the world and wish him our very best for all the years ahead.

Ms. SANCHEZ. Thank you, Mr. CAMPBELL, and next I have the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, today it gives me great pleasure to rise in honor of one of our colleagues, a true visionary and a pioneer and a fellow Californian, the honorable Esteban TORRES.

Although I am really saddened by his departure from the halls of Congress and what it means in terms of his loss to the people of California, I am truly inspired by the legacy which he has left and the way in which his actions have touched and changed the lives of so many people. Congressman TORRES, knowing you and your background, knowing that you were the son of a Mexican born miner, you know firsthand what social justice is all about.

Since you were first elected to Congress in November of 1982 as a representative of the 34th Congressional District, Congressman TORRES has worked hard to pass legislation addressing the needs of all of our communities. Throughout his almost two decades of dedicated service in this House he has been able to contribute his exceptional and unique knowledge of politics and his extraordinary life experiences to make the legislative process work for those with no voice.

☐ 1815

And long before coming to Congress, the gentleman from California (Mr. TORRES) was already a well-respected leader who worked on the assembly line as part of the automotive work force. What a history. He was a standout leader in the labor movement, traveling all over the Americas to help emerging democracies.

Congressman TORRES has been instrumental in providing humanitarian services and help to the people of Cuba. It is because of his leadership that the pastors for peace and the United States Department of Treasury have reached an accord to allow medical computers to be delivered to Cuban health care facilities where this equipment is desperately needed.

But the gentleman's commitment to the people of Cuba and to the rest of our Latin American neighbors goes far beyond humanitarian actions. Congressman TORRES has also raised his voice in the fight to close the School of the Americas, which has trained military dictators, in an effort to end this horrendous chapter in our history. I thank Congressman ESTEBAN TORRES for that and for taking lead on that. He has truly been a pioneer.

The list of your accomplishments, ESTEBAN, really inspires, not only Latinos and other people of color, but the working men and women everywhere. Congressman TORRES is a man of honor and an effective communicator and an extraordinary coalition builder which is so important for us in this day and time.

L. J. Cardinal once said, "Happy are those who dream dreams and are ready to pay the price to make them come true." Congressman TORRES is a living example of what can be done through hard work and dedication. So as we honor Congressman TORRES, we need to really recommit ourselves to work on behalf of those with no voice.

Congressman TORRES, as one of the newest Members of Congress, I promise that we are going to work to ensure that your legacy is preserved. So I just want to thank you so much for your commitment and your work on behalf of the working men and women of America. Your work and your deeds really do speak for themselves. You will be deeply missed. I wish you and your family Godspeed as you enter this next phase of your life.

Ms. SANCHEZ. Mr. Speaker, I yield to the gentleman from Guam (Mr. Underwood).

Mr. UNDERWOOD. Mr. Speaker, I just want to take a couple of minutes to express my admiration for the work of my very good friend ESTEBAN TORRES. ESTEBAN TORRES actually represents the district in which my mother-in-law and my wife are from, so I have a very strong connection to ESTEBAN. He has a very excellent reputation in the district for his constituent service and for his attention to the lives of the people that he represents.

But more than that, I have been here 6 years. When I first came, there were a number of people that I, through my membership in the Hispanic caucus, worked with, ESTEBAN and also Kika de la Garza who were a couple of people that we always look to for a little bit of extra guidance.

All those times that we have had many discussions, I remember several times in my first term that I came down to the floor and asked ESTEBAN for his help in understanding the procedures, and he graciously gave me the time and provided me that kind of extra insight into the workings of the institution.

But more than that, in almost every issue that I have seen come before the caucus or come before this body, ESTEBAN demonstrated a level of dignity and grace that befits him, his personality, his background, and also speaks to the kinds of conditions that made ESTEBAN TORRES possible in this world.

He has a very interesting personal life story. He has overcome many trials and tribulations in his life. He has been able to turn those experiences into positives, into activities that have been good for all the people who may have not had the opportunities that many of us have in life, who did not have the same kind of background and education, and especially with specific attention to the workings of the Latino community and in his help and his assistance in being an inspiration to that community.

So I just wanted to take the time to salute you, ESTEBAN, for your work in civil rights, for your work in the labor movement, for being an inspiration to the people in your district, whom I know many, and also for helping me during my first couple of years here in Congress. I know we are going to be seeing much more of you. This is just the end of one of many chapters to go.

Ms. SANCHEZ. Mr. Speaker, I yield to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, let me begin by first thanking the gentlewoman from California, my colleague from California for yielding to me and also for scheduling this time for us to have an opportunity to say a few good words about a close friend and someone who we respect dearly.

Congressman ESTEBAN TORRES is perhaps for me best described as the person who helped me learn the ropes here in Washington, D.C. This is my third term. I can recall the first time I had a chance to really come to Washington, D.C., it was because Congressman TORRES was willing to take me around. He guided me through when I was first here, not yet quite a Member. He took me around and let me sit in the gallery. He explained to me what was going on, explained the process, pointed out colleagues, made it clear what the process was in preparation for the actual opportunity to serve.

Now I have been here, this is my sixth year, and I have had an opportunity to see what it means to be a Member of Congress.

I am going to miss the gentleman from California greatly. I see him as a mentor, but more than that, I see him as a very close friend. I use him as an example of the American dream so often. Too often we forget that great things sometimes come in small packages. Sometimes they come in quiet packages.

In this case, they come in the package of a man who, at first blush, in his youth, probably was like many of our youth, not seen as someone who could achieve so many different things, yet this man is possessed with so many different talents.

He could have probably been a very wealthy artist selling paintings and making a lucrative living out of his artistic abilities. If my colleagues have ever had a chance to watch the Congressman as he sits here and watches the debate unfold, he is able to capture the essence of our colleagues in just a matter of moments on any piece of paper it might be.

He easily could have become an artist and had fame and fortune that way, but he chose to serve and serve in so many different capacities. But I look back at what he has done, and I remember that this is a gentleman who, like many Americans, probably was not singled out as the one who would lead in America.

Yet, among those who do not get singled out, he showed us what it does to continue to fight, what it means to continue to fight, and what it does to us when we do fight. You get a place like this, a place that most people would ever believe that we would ever have a chance to step foot on.

So here we are today. Congressman TORRES has decided to move on. He is still in good health, good standing. I think that is a tribute to his remarkable success as well that, on a high note, he decides to leave, when many, whether it is from sports or in other careers, decide to leave when they are already on the decline.

This is a gentleman who certainly has many good years in front of him and certainly all his colleagues believe could have many more years here in Congress; everyone would desire that he to do it that way. But he has chosen to leave. For that, I think he deserves a great deal of respect because he has left the legacy.

Let me return to what I said before. This is not someone who we were expecting to be here; someone who dropped out of school. ESTEBAN, I say that with the utmost of respect, because I know you, and I have seen so many kids who have dropped out of school, in many cases perhaps within our own families. So see where you have gotten.

I enjoy so much being able to point to you and say folks never believe that some of us would have a chance to get where we are. I am where I am because folks like you open doors. I am hoping that I can open doors for young children that I get to visit in the schools, in my district, and throughout this country.

That is perhaps the most beautiful thing about being able to come up here and speak about you. You are going to walk out of here proud, tall, and still live a fruitful life for many, many years. You will be able to recount your tales. You are not going to leave here in a state where no one will be able to share the wisdom and the creative stories that have made your future.

I am very pleased that I could come down here and speak for a few minutes. If I could just close on a couple of final notes because I know folks have said so many things about your distinguished career in UNESCO as Ambassador, when you served so ably as representative with the labor movement, with the United Auto Workers.

If I can just mention one thing that I think is perhaps most beloved to you and cherished in making your life successful, and that is of course Arcy, your wife. I know from having had an opportunity with Carolina, my wife, to share some time with you and Arcy that what makes you tick is easily spelled by just spelling Arcy's name. I know what she means to you.

I hope that a number of us have the opportunity, if we have a chance to serve the way you have, not just to emulate your political career, but also your family.

I would like to be able to say to Arcy, although she is not sitting next to you, as often she is, I know the role she has played from helping you succeed. I know the love and the goodwill that you share as partners in life.

I think perhaps, along with all the other attributes that makes you such a special person, special Member of Congress, is the fact that you have always shown Arcy how much you care about her. I think, these days, that is so very important because this is a very difficult life.

Some folks do not understand it, but you have held up the highest standards, not just as a public official but certainly as a man, as a husband, as a father. Whether or not you have ever had this career, the best role model I can ever have is someone like you when it comes to family.

So to a good friend, a mentor, and someone I hope to maintain close relationships with, I want to say to you, we will miss you. We look forward to many good years, your wisdom, your creativity. I look forward to continuing a friendship with you and Arcy that began many years ago and was very fruitful for me and has taken me a long way.

Ms. SANCHEZ. Mr. Speaker, I thank the gentleman from California that he made about how ESTEBAN is one of those people that has always opened doors for people, and I know that my colleague believes that, and I do, too.

I remember the first time I met you, ESTEBAN, it was at an event for you; and I walked away saying this guy is talking about everything that I believe in, the opportunities for people to excel. It made me want to join you here in Congress and make changes. So I think that is prevalent to almost anybody who has run across the path of ESTEBAN TORRES.

Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I listened with interest because we have a chance to come to know people on both sides of the aisle when we come here to the people's House. And the gentlewoman from California often talks about her kin folks in Kearny, Arizona, the area I am pleased and proud to represent.

I am also proud of the fact that our friend who is preparing to leave the people's House, Congressman TORRES, is from Miami, Arizona in the Cobra Valley. Now as we know, that area is rich in two ways, in copper, so vital to our Nation and the world, but the most precious resource in those areas famous for their wealth in the mines and from the precious metals, the most precious resource of course is the people who live there and who come from a place like the Cobra Valley and from Miami, Arizona.

I guess we could say today, Mr. Speaker, that one of our famous exports from Arizona is our colleague, Congressman TORRES. Let me also say that we champion our differences as well as those of a kindred philosophy in this House, in our constitutional republic. We should actually gain comfort from the multitude of voices and opinions and points of view.

☐ 1830

I am so pleased that Congressman TORRES really embodies the notion that I think General Eisenhower left for us when he talked about public life and public discourse and issues that come before us. He said, I always assume of those who oppose you politically that they want what is best for the country as well. They may have a different approach to get it done, but they, too, have something to bring to the table. And there may not always be unanimity, although I would note, I say to my colleagues, on this floor at this hour there is complete unanimity in celebrating the achievements and the congressional career of our colleague.

My friend, the gentleman from California (Mr. BECERRA), just mentioned a few minutes ago the artistic excellence which typifies Congressman TORRES. I have been after him, and I guess for purposes of full disclosure, Mr. Speaker, I should point out that I have been after him for a long time to favor us with a work of art to hang in the office that belongs to the people of the Sixth Congressional District of Arizona, because, again, he is from that district. I would hope that now, as he prepares to leave this institution, that he might take some time and on canvas convey the nature not only of his experience here in the Congress of the United States, but the proud heritage he brought from Miami, Arizona.

And to my colleagues here, and, Mr. Speaker, to those who watch us coast to coast and around the world via C-SPAN where we often see heated arguments, where the punditocracy would tell us how savage and how difficult these days are, let us say that together with one voice we celebrate many different opinions, many different routes to this chamber, and one exceptional life and person in Congressman TORRES.

My friend, thank you for your service.

Ms. SANCHEZ. Mr. Speaker, I thank the gentleman from Arizona. I yield to the gentlewoman from California (Ms. MILLENDER-MCDONALD).

Ms. MILLENDER-McDONALD. Mr. Speaker, I would like to thank my dear friend and colleague from California (Ms. SÁNCHEZ) for convening such an important night as this. While the previous speaker just spoke about the fact that this great, distinguished man was born in Arizona, we claim him in California. He has given 16 years of distinguished service in this House. He hails from California, representing the people of his district, and has done that with nobility, with conviction, with integrity, with character.

I tell my colleagues, I knew about ESTEBAN TORRES before I knew ESTEBAN TORRES, because he is a man of great a sense of character of people. He knew what he came here for, and he did the work of the people whom he was voted into office by.

ESTEBAN walks very softly. He seems to be a mild-mannered man, and yet he has carried a big stick, a big stick for justice, for opportunity, for the people of California, for jobs. Everyone knew that before he came here, he was part of a union organization where he served very well there, but he came here knowing that his job was to ensure that job opportunities were for the working-class citizens, and he has done that. He has done that with conviction, with every sense of caring and compassion.

ESTEBAN knew that when civil rights became a great issue that he was right there in the forefront on the civil rights issues. It is no wonder that people of all nationalities are coming to this well tonight from both sides of the aisle talking about this distinguished man, this man who has served Californians so well. He is one of our finest who is leaving, but he leaves a record, a record that is impeccable, a record that we must all try to emulate, a record that suggests to us that one comes to this House to do the people's business. One does not come here for shenanigans, one does not come here for partisan bickering, but one comes here with a purpose, and his purpose was to ensure that California was well represented. He is the highest ranking Hispanic Member from California who sits on the Committee on Appropriations.

I am pleased to stand before my colleagues to tell them that ESTEBAN made sure that California got its fair share of any appropriations bill that came out. California is very proud of that, I say to the gentleman, because we knew that the gentleman was behind us every step of the way. When the gentleman brought forth his crime bill knowing about the gangs in Los Angeles, east side, south central, throughout the State whereby the FBI will be working with the local police departments to ensure that we crack down on gangs, it became a very noted piece of legislation, not only in this House, but across this Nation.

The gentleman stands tall. The gentleman stands tall for the American people as well as Californians, irrespective of Latinos, African-Americans, Anglos or what have you. And to me, that is a man of courage. That is a statesman when one can stand in this well and say, thank you, thank you for the nobility that you have brought to this House, thank you for the statesmanlike position that you have brought.

I say to the gentleman, with both of us having five children, we have something in common, but enjoy your retirement, enjoy now your family that has sacrificed so much for you to be a part of this House, and above all, enjoy just some solace and silence for ESTEBAN TORRES. We congratulate you, the great Representative of California.

Ms. SANCHEZ. Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from California (Ms. SÁNCHEZ), and I thank her very much for having the wisdom to gather us together to be able to honor a man with great honor, ESTEBAN TORRES.

I am from Texas, and there has been Arizona talk on the floor today, and there has been California talk on the floor today, but let me say to my colleagues that with the enormous diverse population of the State of Texas, the gentleman has a great fan club. For people recognize merit and quality and excellence, no matter where one comes from.

I have had the pleasure and honor, albeit I might be in my sophomore years, if you will, I have had the pleasure and honor of being able to watch a genteel giant, someone who, along with his love of family and Nation, understands people.

So I came to the floor because I did not want this tribute to end without being able to acknowledge how those who may not have shared your committee assignments have watched your quiet and deliberative actions and your ability to capture the essence of issues on the floor of the House and be able to focus in: How can we help the working man and woman in America? How can we ensure that whether or not one came to this Nation in the bottom of the belly of a slave boat or one walked across our borders, or possibly one was born and then worked on various farms across this Nation, how can one stand underneath the flag and claim one's birthright, the equality for all men and women and children in this Nation?

The gentleman from California (Mr. TORRES) showed us how to do that. The gentleman simply said that if this Congress is to be the Congress to fulfill the promise of the Constitution, then there should not be one person left out of the circle of empowerment.

Mr. Speaker, I am delighted to have been able to share that with the gentleman. I must say that not knowing all of the gentleman's legislative agenda or legislative initiatives, I certainly do believe that the gentleman has been one voice who has been able to stand up for those who certainly cannot speak for themselves.

I do think that the gentleman's desire for humanitarian aid for Cuba should be recognized and appreciated, for we must understand that people are people everywhere. People need help everywhere. People who are voiceless need to have those who can speak for them.

The gentleman has always mentioned to me his grandchildren. I know the gentleman has wonderful children, but I know the gentleman for his love of his grandchildren, but that is someone who loves people. For that, ESTEBAN, if I can call you by your first name, I wish you greatness that you already have achieved. I know that California is most grateful that you will now come home to lead, maybe in the cards is the governorship or something else, and I see him waving his head, but there is much room for a man like him to be able to instruct.

So thank you so very much for allowing this Texan to rise on the floor today, claim part of your legacy, but most of all, give thanks on behalf of the Members of the 18th Congressional District, my constituents, but as well, the citizens of Texas. You are a great American, a great hero.

Ms. SANCHEZ. Mr. Speaker, I yield to the gentleman from New Mexico (Mr. REDMOND).

Mr. REDMOND. Mr. Speaker, I rise today to pay tribute and to thank a good friend, the gentleman from California (Mr. TORRES). ESTEBAN is my neighbor in the Rayburn Building, our walls adjoin each other, and we have spent many hours talking to and from on the train and the elevator. When he told me he was retiring, I had a very sad feeling in my heart, because he truly is a man of integrity and one from whom I have learned a great deal about in the Congress.

As a good neighbor, I want to thank the gentleman. He is a man who keeps his word. I want to thank him especially for the support that he personally gave me in our land grant bill for the people of New Mexico. The people of New Mexico are deeply indebted to you for your support of that. At times it may have been a difficult thing to do, but you are a man of your word, and you kept your word.

We wish you the best. We have talked a couple times about your grandchildren, and if they are like most grandchildren, I have seen the T-shirt that says, if I knew grandkids were so great, I would have had them first, and I think your grandkids, the way you talk about them and how proud you are, know that you feel that way.

I am going to miss you in the 106th Congress, but I do want to thank you for the support and the encouragement that you have been to me. Again, you are a man of your word, a man of integrity, and it has been an honor to be a colleague of yours.

Ms. SANCHEZ. Mr. Speaker, I just want to say to the gentleman that there were many of our colleagues who wanted to be here tonight to pay their respects and to let the gentleman know how important he has been to their lives, but unfortunately, because of schedules, were not able to attend. So from them I just convey the best of wishes, and I yield the rest of the time to the gentleman from California (Mr. TORRES).

Mr. TORRES. Mr. Speaker, I am deeply moved by the gentlewoman's gesture tonight of ordering this Special Order on my behalf and calling forth so many of my colleagues to come here. The greatest honor there is is to serve in this Chamber, the House of Representatives, which, as everybody has just witnessed, brings together men and women of all walks of life in a common purpose here. I am so thankful, and I cannot find the words to tell my colleagues. I am so thankful that people in the 34th Congressional District of California sent me here 16 years ago and have reelected me ever since until now, in the 105th session. It is the highest tribute I dare say that can be paid to an individual when his constituency sends him here.

But, Mr. Speaker, getting here is not my job alone. This took many people along the way to do that, the people that raised me, my mother, my grandmother, my teachers, the heroes that inspired me to seek higher office because they meant something to me. My wife, whom you have just heard about, who is my strongest partner, my working partner, a woman that has been by my side for some 44 years. I would not be here, so many of us would not be here, if it was not for our spouses. We are nothing really without them. And I would have been nothing without my Arcy.

She stood by me, allowed me to give public service, sacrificed very hard, and I am so, I am so thankful that she has done this for me. Not to speak of my children who stood with me in the picket line when they were growing up and I was a member of the labor movement, who followed me in the campaigns with their bumper stickers and their posters, who even today, my oldest daughter Carmen is my campaign manager. These are the people around me that made me what I am.

The working men and women of our country. The labor movement people, the people in my auto factory that enticed me early in the 1950s that I should seek elective office in the union by exposing me to that political process and electing me for the first time as a shop steward, a chief shop steward at the Chrysler Corporation in Los Angeles. That opened up tremendous windows of opportunity for me to seek in the future.

Yes, I have a lot of mentors that have brought me to this moment here in the people's House.

☐ 1845

I could name them, so many of them. My colleagues may not recognize all the names, but I have to call out to them. Frank Munoz, who was an early mentor; the Ruther brothers, Walter and Victor and Roy; Bobby Kennedy, Paul Schraeg, Reverend Andrew Young, Cesar Chavez, Tip O'Neill, Jim Wright, these are all people who really were my heroes.

Early in my working years some 44 years ago, when I was in the auto plant, a rising star came forth in Los Angeles, a young city councilman who had finally captured the city councilmanship. He moved my spirit because he was like a hero to me. His name was Edward Roybal. I yearned to be like Ed Roybal. I wanted to be somebody like him. He was my role model. He went on to become a member of this very chamber and served with great distinction on the Committee on Appropriations. Twenty-nine years later, I joined him as I arrived here with the freshman class of 1983. Would my colleagues believe that with the departure of Ed Roybal on his retirement that I would succeed him on the Committee on Appropriations? Well, I did.

It was that dream I was having that I could be here and join people like him, but now it is my turn, it is my turn to leave, it is my turn to turn the page on this legislative chapter of my life, but it is a bittersweet time for me and my wife Arcy.

We have enjoyed our 27 years in this area in the Nation's capital. It is difficult to leave. It is very difficult to leave tonight, to hear the adulations of all my colleagues here on both sides of the aisle. I know it is coming to an end. The other night, the gentlewoman from California (Ms. PELOSI) hosted a dinner for the California delegation and at least 20 of my colleagues were there to do what I have heard here tonight. For 2 days I walked on air, and I know that tomorrow I will do the same, having heard all of these wonderful things about me.

I think it just speaks to the kind of camaraderie, the kind of solidarity that we can have in this House chamber. We can have it. We have it on many occasions; but, yes, one must move on. There has to be change, and I want to make it possible to have that change.

California beckons me to come back, and my family to come back, to be with our children and our grandchildren. It is really a new page in my life, for I am not retiring. I am going to stay active on international forums. I am going to stay active on human rights issues. I will teach. I will write. As some of my colleagues have said, for sure I am going to be doing a lot of drawing and a lot of painting, depicting in canvas or sketch paper those scenes that depict the life of this House of Representatives and for people in Congress.

So I want to thank all of my colleagues for making this evening a momentous occasion for me and my family. I want to thank all the people in front of me here who over the 16 years have labored hard into the night, the pages, the clerks, the staffers, the policemen. Everybody has been a part of this life of mine, and I now leave and thank all the Members sincerely from the bottom of my heart for having made it possible for me.

I thank my colleague, the gentlewoman from California (Ms. SÁNCHEZ), for allowing this to take place. Good evening and good night.

Ms. SANCHEZ: Mr. Speaker, I want to thank the gentleman from California (Mr. TORRES). As we noted, he will be missed here but I know that he will keep in touch with us and we will seek his guidance.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced a bill of the following title in which concurrence of the House is requested:

S. 1892. An act to provide that a person closely related to a judge of a court exercising judicial power under article III of the United States Constitution (other than the Supreme Court) may not be appointed as a judge of the same court, and for other purposes.

UNDERFUNDING OF OUR NATIONAL MILITARY AND OUR NATIONAL SECURITY APPARATUS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes as the designee of the majority leader.

Mr. WELDON of Pennsylvania. Mr. Speaker, I will not take the full hour but I do want to take some time to discuss what I think is the real scandal in this city that we had better start to focus on a little more aggressively and coherently than we have done in the past.

It seems as though all of our colleagues on both sides of the aisle, the national media and the administration, has focused on the process currently unfolding in the Committee on the Judiciary. While I am not going to diminish the seriousness of that issue and the challenges it presents to us, I want to focus on a lesser publicized issue that I think presents for us a scandal that is going to last well into the next century. That scandal involves the underfunding of our national military and our national security apparatus.

Today, Speaker GINGRICH, along with the leadership of the defense committees in the House, held a press conference and signed the legislation that we are now sending up to the President to both authorize and appropriate our defense funds for the next fiscal year. We have completed our part of the process in laying out our defense funding strategy for the year 1999.

The problem, Mr. Speaker, is that this legislation was very tightly controlled by the budget numbers that we were given and does not really reflect the threats that we see emerging around the world and the commitments that we are involving our troops in around the world. In fact, Mr. Speaker, both bills, while the best that we could develop, were woefully inadequate in terms of funding our national security needs.

This year, Mr. Speaker, we are into our 14th consecutive year of real defense cuts. Now when our colleagues talk about cutting the size of the Federal Government, they talk to their constituents and they talk to each other about what a great job we have done; we really have controlled spending. The fact of the matter is, Mr. Speaker, that the only real cuts that have occurred in a significant way in terms of workforce and in terms of budget size is in the area of national defense.

In fact, if one compares what we are spending today versus what we spent, say, in the time of John Kennedy, it gives one a realistic view of where we are today. In the 1960s, when John Kennedy was president, it was a time of relative peace. It was after Korea and before Vietnam. We were spending 52 cents of every Federal tax dollar on the military, 9 percent of our country's gross national product. In this fiscal year, we are spending 2.8 percent of our country's gross national product and just 15 cents of the Federal tax dollar on the military. So we have gone, in this short period of time, from 52 cents of every dollar sent to Washington to 15 cents of every dollar sent to Washington to pay for national security.

We have to understand the context in which that cut has occurred, because back when John Kennedy was the President, there was the draft. We took young people out of high school, we paid them next to nothing, they served their country for 2 years, some stayed on for a longer tenure but the pay and the quality of life costs for our troops were much different than they are today.

Today we have an all-volunteer force. Our young people are well educated. Many are married. We have housing costs, health care costs. We have the cost of travel and transportation to move people around. So a much larger portion of that smaller defense spending goes for the quality of life of our troops, and we in the Congress are always going to meet their needs. In fact, in today's bill, we increased the pay raise for the military personnel by a half a percent above what the President requested in his budget.

Even beyond the quality of life differential between the sixties and today, some other things have changed. While we have cut our defense budget for the 14th consecutive year and while we are now at an all time low, very close to what we were pre-World War II, some other things have happened.

In the last 6 years, Mr. Speaker, our commander in chief, the President, has deployed our troops 26 times around the world. Currently, he is talking about another deployment over in the Balkans and in the region that is so unsettled today. Twenty-six deployments and none of these deployments were budgeted for or paid for.

If one compares that to the previous 40 years, Mr. Speaker, our troops were only committed to 10 deployments. So 10 deployments in a 40-year time period; 26 in the last 6 years, since this President has been in office. None of those 26 deployments were paid for.

Now, some might criticize my statement and say what about George Bush? He committed our troops to a very large operation in Desert Storm, which he did, to remove Saddam Hussein from the illegal occupation of Kuwait. But they must also remember that George Bush went out and convinced the allied nations of the world to help offset the costs of that deployment. In fact, we generated $53 billion in revenue to this country for an operation that cost us $52 billion.

So Operation Desert Storm, in terms of dollars, did not cost the taxpayers any additional money. The 26 deployments in the last 6 years have cost us in excess of $15 billion. None of that was budgeted for prior to that deployment, and except for the actions of the Republican Congress the costs associated with those deployments were not paid for.

So all of that money to pay for those deployments had to come out of an already decreasing defense budget. So to pay for those 26 deployments we in the Congress had to take money out of modernization, out of research, out of quality of life, so that our defense budget and our priorities were that much further hurt by the actions that this Congress was forced to take.

On top of all of that, we have to look at what has been the most rapidly increasing part of our defense funding. Back in the 1960s when John Kennedy was president we did not spend any significant amount of money on what we today call environmental mitigation. In this year's defense budget, we will spend $11 billion on environmental mitigation.

Mr. Speaker, when one takes the changes that have occurred over the past 30 years, the deployment rate that has escalated dramatically, we see that we are forced into an impossible situation of trying to meet additional threats with decreased and continuing diminishment of our resources available for national security.

The President has made the case that there are no longer the same threats that we faced when we were in the Cold War. I would argue that is not totally correct, Mr. Speaker. In fact, I would make the case that Russia is more destabilized today than at any point in time under Communism, when there was the tight control of a central government, when there was the rule of law, where there was a Soviet Army that was well paid and well cared for. Today we have economic chaos in Russia. We have generals and admirals being forced out of the military without being given their back pay, without being given housing, without being given the pensions that they have earned for all of these years; and in some cases, as General Alexander Lebed testified before my committee, are now involved in clandestine operations, selling off technology, chemical, biological, and perhaps even nuclear technology, to those rogue nations and states that will pay the right fee to get those secrets that Russia has within its control.

So I would make the case, Mr. Speaker, that while the threat may be different today, it is actually in some cases much worse than what it was during the Cold War, because we all to realize, Mr. Speaker, that while we have seen some reduction in Russia's strategic offensive nuclear forces, Russia still has tens of thousands of nuclear weapons. They still have thousands of long-range ICBMs that can be launched from submarines or from mobile launchers inside of Russia. Those long-term, long range ICBMs may, in fact, be subjected to the concerns relative to the instability in the Russian military.

It was just 3 years ago, in January of 1995, because of the degradation of Russia's internal intelligence monitoring capability, that even though Russia had been forewarned of a rocket launch by the Norwegians right next door to Russia, when that rocket launch occurred Russia mistook that for an attack by a U.S. submarine against Russia itself. As has been documented time and again, in the public media, in this country and around the world, Russia then for the first time ever, that we know of, activated its nuclear response which was aimed against the U.S., which meant that they had approximately 20 to 25 minutes to respond to a weather rocket being launched by Norway that they had been warned of earlier.

With a matter of minutes left, Boris Yeltsin overruled the two commanding officers who, along with him, control the system that controls the response of the ICBMs from Russia, at that time Defense Minister Grachev of Russia and General Klesnikov. He called off that nuclear response, which would have been an attack on our country, of a multistage rocket that was launched by Norway for weather sampling purposes.

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These are the kinds of risks that we now face, Mr. Speaker, that were not a concern back in the days of the Cold War. We face the concerns brought to us by General Alexander Lebed last year when he told me in a face-to-face meeting that as Yeltsin's chief defense advisor several years prior, when he was asked to account for 132 suitcase-sized nuclear weapons, small atomic demolition munitions, he could only account for 48. He had no idea where the other 70 or 80 devices were, whether they were safe, whether they were secure, or, in fact, whether or not these devices had been sold or maybe, in fact, were on the world market available to be sold internationally.

The point is that the instability in Russia today is cause for us in this country to be alarmed. Look at some of the evidence of what has occurred over this past year. We said last year that we thought the Russians, some of the Russian institutes that were so desperate for hard cash may, in fact, be cooperating with nations like Iran and Iraq to build next generation weapons systems. We were told by the Intelligence Community not to worry, that is not happening. That Iran, Iraq, Libya, Syria and North Korea would not have these kinds of technologies that threaten this country for decades, for years, so for us not to worry. We have time to prepare.

It was last August when the leader of Israel Mr. Netanyahu challenged the U.S. by saying publicly that Israel had evidence that Russia had entered into secret arrangements and deals with their space agency and the Iranians to help Iran build a medium-range missile.

We in the Congress responded to that. In fact, I introduced legislation which eventually passed, in spite of the administration's opposition, to give us short-term capability to protect our troops in the Middle East, to protect our allies like Israel and Kuwait, Bahrain, and the other Gulf countries, Egypt and Jordan and so forth.

As late as February of this year, the Assistant Secretary of Defense wrote me a three-page letter and said, Congressman WELDON, your fears are unfounded. We will not see the Iranians deploy a medium-range missile for at least 2 years, and probably even longer.

July 22 came, Mr. Speaker, and the world saw Iran launch a medium-range missile, the Shahab-3. This missile, which appeared years earlier than what we were told by this administration, this capability would, in fact, be within the range and capability of Iran, was tested. We now assume it is deployed, which means that today, tomorrow, and for the next 12 to 18 months, the 25,000 troops that we have stationed in the Middle East, all of Israel, and all of our allies in the Middle East are at risk because we do not have the capability to defend those individuals against that system that Iran now has which they acquired with the help of Russian agencies and entities.

That is why this Congress voted overwhelmingly in the House with 400 votes, in the Senate with 96 votes, to force the administration to impose sanctions on the Russians for cooperating with the Iranians in terms of that technology.

This was a threat that we did not see, that we did not feel, and did not realize just 1 and 2, 3 short years ago. Today it is reality.

Then we saw North Korea, Mr. Speaker, at the end of August, on August 31, take a step that none of us thought would occur, certainly not in this decade, in this century. And that action was to fire a three-stage rocket, which we were not even sure that North Korea had the technical capability to deploy, to fire a three-stage rocket across the mainland of Japan.

Now, the trouble with that three-stage rocket, known as a Taepodong 1 system, is that this capability, when one does the mathematical calculations to show the potential range of that system, now shows that North Korea has a system that can hit the outer fringes of Alaska and Hawaii.

Mr. Speaker, this is unheard of. We always knew that Russia had long-range ICBMs. We even knew that China had long-range ICBMs. Now we face the very difficult prospect that North Korea has tested a system which begins to touch the outer reaches of the 50 United States. Again, Mr. Speaker, we have no systems or capability today to defend this Nation against that threat.

We heard the statements by General Lebed about small atomic demolition munitions. We know the increasing threat being posed by weapons of mass destruction, chemical and biological weapons, nuclear weapons. We have seen, as I reported 2 months ago on the floor of this House, 37 violations of international arms control agreements by Russia and China in the last 6 years alone.

Now, this administration claims that we can cut the Fed spending because they can rely on our arms control agreements to control proliferation. The fact is, Mr. Speaker, this administration has the most abysmal record on arms control of any administration in this century. Of those 37 violations that I put in the record 2 months ago, this administration only imposed sanctions three times. In each of those three cases, they waived the sanctions.

We saw the Chinese sending M–11 missiles to Pakistan. We saw the Chinese sending ring magnets for Pakistan's nuclear program. We saw the Chinese sending special furnaces for Pakistan's nuclear program, and we did not take the appropriate steps to stop it. We saw the Russians transferring accelerometers and gyroscopes to Iraq. In fact, we saw it happen three times.

We saw the Russians transferring technology to Iran for their medium-range missile. In fact, we saw it numerous times. And we have seen evidence, Mr. Speaker, of the transfer of chemical and biological technology to rogue nations and rogue states that now threatens our security and the security of our allies around the world.

So the problem we have, Mr. Speaker, is that while this administration has cut defense spending dramatically to the point now where we are facing a situation much like the 1970s, they have also not enforced the very arms control agreements that they maintain are the heart of their ability to guarantee stability around the world. So we have been hit, in effect, by a double whammy. We have been hit by a lack of arms control enforcement, by a policy of proliferation that we have not controlled, that this Congress has acknowledged with its votes, coupled with a dramatic series of cuts in our defense spending.

Now, how serious are these cuts, Mr. Speaker? Well, we have some wings of our Air Force capability where we have up to one-third of our fighter aircraft that cannot fly. We have to use one-third of the airplanes to cannibalize the parts to keep the other two-thirds flying.

A few short months ago we had to ground our nationwide fleet of Huey helicopters because of lack of resources. We are asking our marines and our Navy personnel to fly the CH–46 helicopter until it is 55 years old. This helicopter was built during the Vietnam war, but because we had to pay for all of these deployments that this President got us into, we had to shift the money away from buying new helicopters to pay for those deployments, and more and more of our soldiers and sailors and marines are being subjected to increased threats because of the age of these aircraft, because of the age of these systems.

The Joint Chiefs now, after 4 years of telling the Republican Congress we do not need this extra funding, have finally awakened, and just last week in the Senate the Chairman of the Joint Chiefs and the service chiefs each came in and said, we were wrong, we need more money. Our backs are against the wall. The troops are hurting. Morale is down.

We have got the lowest retention rate in the last 20 years in terms of Navy pilots and Air Force pilots. We cannot pay them enough money to stay in to man these missions that this President wants to put our troops into harm's way with.

Mr. Speaker, this is the real scandal in Washington, and this is where the American people need to focus their attention. The world is not all that safe. There are attempts to move weapons of mass destruction around the world. There are nations building medium- and long-range missile systems today. In fact, we have intelligence evidence not just showing North Korea, not just Iran and Iraq, but Syria and Libya and other nations that are desperately trying to get a capability to ultimately harm the U.S. and our allies.

How could we be surprised in May of this year when India and Pakistan started to sabre rattle? One set off a nuclear detonation, and the other did. We saw that technology flowing there, and we did not stop it. But when it occurred, we raised our voices and said, how can these two nations be threatening each other in such a civilized world? Because of the insecurity that is now occurring around the world by the continual decline in our defense capability, coupled with the lack of enforcement of arms control regimes.

Now, Mr. Speaker, most of my colleagues know that I am not advocating massive increases in defense spending. In fact, I was one of the only Members on my side that continuously opposed the B–2 bomber, not because I do not like the stealth technology, but because I felt we could not afford it. I have opposed weapons systems. I have criticized this administration for trying to do too much.

But, Mr. Speaker, we are now between a rock and a hard place. As we approach the end of this century, we are facing a colossal train wreck. We have a ton of new weapons systems that need to be built to replace older systems that we cannot fund. The Navy wants a new aircraft carrier. That is a $6 billion price tag. They want new attack submarines. They want new surface ships.

The Marine Corps wants the V–22 Osprey to replace the CH–46 helicopter. The Army wants the Comanche helicopter. The Army wants to digitize its battlefield. They want the Crusader, and all four services want new tactical aviation, want new fighter planes, the F–22, the Joint Strike Fighter and the FA–18E/F.

If we take that one area alone of tactical aviation, and if we proceed, as this administration wants us to do, to buy all three systems, the General Accounting Office and the Congressional Budget Office has estimated in congressional hearings to us that it would cost us between $14 billion and $16 billion a year to fund those three programs.

Mr. Speaker, this year we are spending about $2.5 to $3 billion on tactical aviation. How in the world are we going to fund $14 billion to $16 billion 5 years down the road? The answer is we cannot.

Mr. Speaker, my prediction is that in the next century, in the first decade, we will look back on this 8-year period as the worst period of time in undermining our national security.

Mr. Speaker, we do not have a strong military to necessarily fight wars, but rather to deter aggression. No Nation in the world has ever fallen because it was too strong. When a Nation is strong, despots and tyrants do not think about challenging them. People like Saddam Hussein and the Ayatollah Khomeini, Muammar Gadhafi think twice when they know a Nation is strong and there is a price to pay for actions they take.

When a nation begins to weaken itself militarily, when we cannot handle the level of our commitments around the world, when we do not enforce arms control regimes that control proliferation, that is when security becomes a major problem. That is what we are approaching today, Mr. Speaker. We are approaching a situation today where we cannot meet the demands that are being placed on our troops.

When I traveled to Somalia a few years ago and talked to our troops, the one thing that those young Marines said to us was, you know, Congressman, we will go any place any time we are asked by our country, but we cannot keep having these back-to-back deployments. You send us from Haiti to Somalia, from Somalia to Bosnia. When do we get home to see our families? When do we get home to see our loved ones?

Mr. Speaker, morale in our services is taking a nose-dive. That is not a front page story in the Washington Post. It is not the lead editorial in The New York Times. It is not even the lead story in the L.A. Times. But, Mr. Speaker, it is real.

We are facing a situation today that we are going to pay the price for. Increasing deployments, decreasing dollars, increasing costs for quality of life, lack of commitment for the resources necessary, and a world that is increasingly more troublesome in terms of threats.

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Now, we do not just need to restrengthen our military, but that is, in fact, a top priority. We need to reinforce our commitment to enforce arms control regimes; to make sure that nations do not send their technology to rogue operatives.

Now, I am not saying we have to embarrass the Russians or embarrass the Chinese. In fact, Mr. Speaker, I have been to Russia 16 times, and last year I led two delegations to China. I formed and chair the interparliamentary relationship with the Russian Duma. I do not want to recreate the Cold War. But in dealing with Russia and China, it is not just the engagement espoused by this administration, rather it is what I call the need for us to have disciplined engagement.

When we deal with the Russians, they must understand we want to help stabilize their country economically, socially and politically, but we also want them to understand that, as a civilized nation in the 21st Century, they cannot allow technology to be sold to rogue nations, to rogue operatives. When we deal with China and engage them economically, they must understand that we are going to call into question their lack of control of sensitive technologies that they sell abroad. That is what this administration has not been doing well.

In fact, Mr. Speaker, I will be supporting this administration when they come and ask this body, as they have, to replenish the IMF with money to help Russia stabilize itself. But, Mr.

Speaker, I am going to make some clear differences between what this administration wants to do and what I think is necessary.

Many of my colleagues in this body oppose helping Russia during this time of economic turmoil. I would say we have no choice. Because if we do not help Russia stabilize itself, I can tell my colleagues where they are going to turn, they are going to turn to those middle eastern countries, those Islamic nations who have the dollars, who have the hard currency to buy the kinds of technology that Russia has to offer, whether it is chemical, biological or nuclear; to buy the weapon systems that Russia has to sell.

We need to have Russia understand that we want to constructively engage in a disciplined way our Russian friends. In fact, that is why, Mr. Speaker, I went to Moscow the first week of September. I met with the factions in the State Duma. In fact, I negotiated, with some of my friends, a series of eight principles that I think should be the conditions upon which we approve additional funding for Russia through the IMF. Those principles deal with simple facts, Mr. Speaker, and the irony is I came back to Washington with agreement on the part of the Russian Duma.

Now, Mr. Speaker, this administration has complained that the Duma in Russia has been the reason why the economic reforms have not gone forward, and that is because this administration has totally relied on a one-on-one relationship between our President and President Yeltsin. In fact, we have not established the kind of outreach to those other power centers in Russia that need to be addressed and need to be consulted. Well, that is what I did, working with my colleagues in the interparliamentary dialogue. We negotiated a series of principles that I think lay the foundation for a new relationship with Russia.

The interesting point, Mr. Speaker, is that today, while many of my colleagues in the Congress oppose IMF funding, interestingly enough, so does the Russian Duma oppose IMF funding. Now, why does the Russian Duma oppose additional American money and western money going into Russia? Because their perception is that we are reinforcing corrupt institutions, that are basically Boris Yeltsin's institutions in Moscow, that have wasted hundreds of millions and billions of dollars, as has been documented by both the IMF, by our own auditing entities in this country, and even by the internal Russian auditing agencies.

So the Duma says, why should we support more money coming into our country in the form of loans when we are going to be stuck with the bill, and when those loans are going to simply bail out corrupt institutions that have not helped create a middle class in Russia. So the Duma is not stupid. They do not want more money coming into Russia, because they have seen where the money has gone up until now. It has gone down a hole. In fact, much of it has ended up in Swiss bank accounts, in U.S. real estate investments, by corrupt Moscow-based institutions that have not been thinking about the welfare and the needs of the Russian people and the Russian middle class.

Now, there are some things the Duma has to do. They need to implement reforms. But they will not do it with Boris Yeltsin and they will not do it for President Clinton, because they see their policies as having failed. What, then, did we agree to?

Mr. Speaker, first of all, we agree, this was on the part of the Russian Duma and the U.S. Congress representatives, that any additional IMF funding, any additional World Bank funding, any additional funds from the U.S. Government must first of all be preceded by the reforms necessary and called for by the IMF and by President Clinton. That means stable tax systems, that means aggressive tax collection, that means privatization of land, that means structural reform of Russia's economy. And the Duma agrees with that principle.

The second principle, Mr. Speaker, was that the regions that have taken steps to implement reforms should be given proper recognition by the Moscow-based institutions where they, in fact, are taking steps to privatize the land, to stabilize the economy, and to make programs available for middle income people in Russia. In fact, this is one of the top priorities in Russia.

And coupled with this is their initiative to begin the first housing mortgage financing system in Russia, a program I have been working on for the last 14 months, set up by my colleague, the gentleman from North Carolina (Mr. CHARLES TAYLOR), one of our successful bankers in the Congress.

The third principle is that there should be a new commission established, made up of Members of the U.S. Congress and the Russian Duma. This commission would monitor every dollar of money going into Russia to make sure the money is going for the intended purpose for which the money was allocated. There currently does not exist that kind of oversight, where we can have access to see where these dollars are ending up. And if we had had that, perhaps we would not have seen the hundreds of millions and billions of dollars from the IMF go into corrupt hands in Russia.

Another principle, Mr. Speaker, is to force the IMF to reform itself; to suggest to the IMF board that it should convene an international blue ribbon task force to make specific recommendations to the IMF board about structural reforms that are necessary to deal with world economic problems like Russia is experiencing today, something that everyone agrees with. The IMF needs to reform itself and the way it doles out its dollars and its credits.

Another principle agreed to by the Duma, Mr. Speaker, was to have a full accounting of the IMF and World Bank dollars and U.S. dollars that have already gone into Russia; to establish an appropriate auditing mechanism to see where those dollars went. And once that auditing was done, to make sure that no additional dollars from the IMF, the World Bank, or the U.S. Government went back to those corrupt institutions that took that money previously and wasted it.

Now, that seems like it is common sense, Mr. Speaker, and that is why the Russian Duma felt this was so significant and such a high priority; that no additional dollars would go into corrupt institutions, in Moscow or anyplace else in Russia.

Another initiative, Mr. Speaker, would have American business leaders making themselves available voluntarily to work with large corporate industries in Russia to assist them with their own corporate problems, whether they be management, fiscal discipline, marketing, whatever the problems would be, as a kind of mentoring relationship between American corporate leaders and Russian corporate leaders; to give them the kind of experiences that our corporate leaders have had such success with in this country and to be able to apply them in Russia.

And, finally, Mr. Speaker, we agreed that we should establish the parameters for a new one-shot initiative to bring up to 15,000 college Russian students, undergraduate and graduate, into America to attend American business economic and finance schools; to get undergraduate and graduate degrees in the principles of our free market system so they can become the next generation of business leaders in Russia's free markets.

The stipulation that would be required of each of these students is that they would come to America, but, when completing their degree, must go back to Russia to live and to work and not be able to stay in this country; to create a new generation of business leaders to help Russia move into the 21st Century in terms of a free capitalist system.

So, Mr. Speaker, our point is a simple one. We want to stabilize Russia, just as we want to help China stabilize itself, but we must do it with no blinders on our eyes. When Russia violates agreements, we must call them on those violations. And when China does the same, we must call them. But in the end, Mr. Speaker, we must also be prepared. We must have a military capable of handling any situation.

Listening to the chiefs testify before the Senate last week troubled me greatly, because the chairman of the joint chiefs and the service chiefs, who are now beginning to write to us about their shortfalls, are saying they are desperately close to not being able to meet the needs that they may be asked to respond to by the Commander-in-Chief of this country, whoever it might be.

Mr. Speaker, that is the real scandal in America, a scandal that needs to be addressed, a scandal that needs to be looked at. It is not screaming from the front pages of our newspapers, but when we talk to those military personnel serving our country, they tell us of the seriousness of this issue.

I encourage, I implore my colleagues, Mr. Speaker, to focus on the real scandal in America, not just today but as we approach the end of this session and into a new election cycle, and as we move into the next new session of Congress; that we look at national security in the context of what is occurring today around the world.

The threats in the 21st Century are going to be different from the Cold War. Missile proliferation and missiles are the weapons of choice, followed closely by weapons of mass destruction, be they chemical, biological or nuclear, that could be brought into our homeland or into our allies' territories and set off as we saw in the World Trade Center, the Murrah bombing in Oklahoma City, or the Atlanta bombing at the Olympics.

And the threats of the 21st Century are going to involve asymmetric warfare, the use of computers, and capabilities beyond our imagination to compromise our smart systems. If I am an adversary and want to take out America in the 21st Century, I am not just going to think about missiles and weapons of mass destruction, I am going to try to find ways to compromise our smart systems. Not just our missiles, that are all controlled by computers; not just our battlefield, which will be digitized in the 21st Century; but our quality of life systems, our electric grid system for our cities, our air traffic control system for our airplanes, our subway systems for our large metro transit authorities. These are the areas that we expect to be challenged in the 21st Century. And without the resources and the commitment, Mr. Speaker, this becomes the vulnerability of America in the 21st Century.

I encourage and, again, I implore our colleagues on both sides of the aisle, because this is a bipartisan issue. And in the past our successes in plussing up defense spending have all been bipartisan. It has been Democrats and Republicans working together in fighting a White House that has decimated our military's capability.

Mr. Speaker, I yield back the balance of my time.

CONSTITUTIONAL IMPEACHMENT

The SPEAKER pro tempore (Mr. BRADY of Texas). Under the Speaker's announced policy of January 7, 1997, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 60 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, rising behind my very able colleague, I would be remiss in not joining him in saying that this is an issue of great concern. It is a bipartisan issue. It warrants the attention of the Nation and of this Congress, and it warrants a collaborative effort between the executive and the legislative branch.

It is for that very reason that I thought it was almost imperative that, 1 day after the proceedings in the House Committee on the Judiciary, I come to the floor to discuss these issues that now seem to take the majority of the time, of the thought and analysis and the conscience of America. Today, Mr. Speaker, I rise as an American, and I speak on the issue of constitutional impeachment.

I am an American who happens to be a member of the House Committee on the Judiciary and, as well, a Democrat. But as I speak about constitutional impeachment, I hope that those who may engage in this debate or listen to this debate will not be thwarted by the fact that I serve on this Nation's House Committee on the Judiciary, may not be thwarted by the fact that I am a Democrat, may not label my remarks because I am an African American or because I am a woman.

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Frankly I welcome agreement and disagreement. But I would hope in this hour we would be able to get away from what has been the characterization of this debate over the last couple of weeks, partisan, full of labels and misinformation.

Frankly, Mr. Speaker, this is a constitutional discussion. Because of that, I would like to begin by reading actually from the Constitution. First of all, I think we can all agree that the Declaration of Independence which declared us independent was actually the promise and the Constitution, working through a very difficult process, was the fulfillment.

Alexander Hamilton in 1775 said:

> The sacred rights of mankind are not to be rummaged for among old parchments or musty records. They are written as with a sunbeam in the whole volume of human nature, by the hand of the divinity itself, and can never be erased or obscured by mortal power.

Frankly, this, I think, captured the document we now call the Constitution, for obviously writing in 1775 and before, we know that now in 1998 those pages would be parched. But frankly Alexander Hamilton wanted to ensure that these rights would be sacred, that they would last until time was no more. He wrote and he joined others in collaborating and writing and debating and speaking to the Constitution so that it would be a living document. Frankly, as I have said from the very beginning of this process, the President of the United States, who also can claim the Constitution, is neither above nor beneath the law. The Constitution specifically points to us the people. You are not included because you are an elected official or excluded.

And so its beginning preamble says, "We the people of the United States, in order to form a more perfect union, establish justice, ensure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

This is a living document. It is for and by the people. Most of all, I think the Founding Fathers coming from places foreign to us that they felt were despotic, domineering, overwhelming, they wanted a country that fully respected equality. They particularly emphasized the need for the three branches of government. They wanted a strong executive but also the judiciary and the legislative. And in this discussion and in this constitutional impeachment discussion, I remind my colleagues in their debate and tone, let us not incite the American people. Let us not create hysteria. Let us not draw upon the tragedy and the unfortunate events in Philadelphia, where people lifted up in essence physically against each other. We do that, you know, in our words and how we define this.

So first of all, Mr. Speaker, I would like to be able to elaborate on how we got here. First of all, we understand we have got a Constitution. In the wisdom of the Founding Fathers, they established a provision dealing with the removal of the President and Vice President of the United States and other civil officers. In Article 2, Section 4, it reads very simply, "The President, Vice President and all civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery or other high crimes and misdemeanors." Let me emphasize "high crimes and misdemeanors." Different from the time that we are in today, our Founding Fathers knew that the word "high" meant very serious, very high, very important, very troubling, very difficult. They did not want us to entertain frivolous concerns, because they were particularly concerned about us understanding the value of preserving this sovereign Nation. And so as the debate has been played out in the eye of the American public, there are those who would claim impeachable offenses for the President's allegations, or alleged lying to the American people. I say alleged, for some would listen and say, "That's already a given," because the House Judiciary Committee's work has not been done; but yes, it is well recognized that the President's behavior was reprehensible. The President has admitted an untruth and admitted improper relations.

Mr. Speaker, even with that, the challenge for those of us who are given this high calling is frankly to abide by the Constitution and not to presume. Now, I can say tonight that from the minimal work and the minimal documentation, I am very uncomfortable with even believing that there is any premise for reaching the level of this unconstitutional allegations or unconstitutional effort, if you will, to proceed against the President for offenses that may not rise to the level of constitutional offenses.

Let me clarify what I said, for I would never want to suggest that we have reached an unconstitutional level at this point. But if we follow through in the mode in which we are now proceeding, I would think the Founding Fathers would say that we are acting unconstitutionally, because we are rushing to judgment on offenses that on their face clearly do not appear to be constitutionally based as offenses that would warrant a constitutional impeachment.

Martin Luther King, whom I call a legal scholar, trained legally, if you will, in fighting injustices, not one that had a law degree, but certainly received his scholarship from being on the front line in fighting against injustice, said in his letter from a Birmingham jail, which many of us are familiar with, "Injustice anywhere is a threat to justice everywhere. Whatever affects one directly affects all indirectly."

So it is important for me to share with the American public how we got to where we are today. Frankly, we are operating or operated under H. Res. 525. This was a resolution that came to the floor of the House September 11, 1998. It came after my appearance and several others who appeared in the Rules Committee on September 10, 1998 and argued vigorously that if we were to proceed, suggesting that we should move under Article 2, Section 4, we should move with a very fine standard in the backdrop, and that was that of the Watergate proceedings; chaired by Chairman Rodino, then the Democrats in the minority, then a Republican President, and, of course, Republicans in the minority on that committee. But even with that backdrop, Chairman Rodino, and history paints him well, provided a very fair and evenhanded process. Debating, yes. A difference of opinion, yes. Political in some sense, yes. But remember, now, in contrast to where we are today, on October 6, 1998, there had been a Senate Watergate proceedings under Sam Ervin, there had been at least 3 months of review of the materials that had been laid out before the public eye through those proceedings, even before the House Judiciary Committee considered this thing called inquiry. And so I argued September 10 not as a Democrat, not as a member of the House Judiciary Committee already predisposed, not as a defender of President William Jefferson Clinton. More importantly, I think, I hope that I was defending at that time or at least proceeding to comment both constitutionally and as an American. I argued that fairness dictated that we follow a very good track record, and that was a track record of the Watergate proceedings which moved into executive session and reviewed the documentation that might have been presented then by the special prosecutor and allowed the President's counsel to review, and argued vigorously that we were making a very serious mistake by opening the door to dissemination of materials of which no one had reviewed.

Frankly, the arguments were not wholly listened to, and a resolution came out of the Rules Committee that moved to the House on September 11, 1998. But listen to the language of this rule that would have still given us an opportunity to follow appropriately very evenhanded procedures that were utilized during the Watergate proceedings. H. Res. 525 reads in part, Section 2:

> The material transmitted to the House by the Independent Counsel shall be considered as referred to the Committee. That is the House Judiciary Committee. The portion of such material consisting of approximately 445 pages comprising an introduction, a narrative and a statement of grounds shall be printed as a document of the House. The balance of such material shall be deemed to have been received in executive session but shall be released from the status on September 28, 1998, except as otherwise determined by the Committee. Materials so released shall immediately be submitted for printing as a document of the House.

Let me point the Speaker to a very salient point. This material was deemed received in executive session and the authority was given over to the House Judiciary Committee, Mr. Speaker, to carefully, deliberatively and constitutionally to review this material and determine what the appropriate procedures might have been; trust given to representatives of both Republicans and Democrats, representatives of the American people, representatives of both sides of the aisle, trust invested in them as members of the House Judiciary Committee to appropriately review this material and, therefore, give its best judgment to the House as to how it should proceed. Unfortunately, our colleagues, Republican colleagues in that committee chose not to follow what I thought was constitutionally grounded in the very fine proceedings that were offered as a backdrop and as a study or a place of study, the Watergate proceedings, and then did nothing for a period of days but meet to release. Out of that came the hysteria and what now is a challenge to these constitutional proceedings.

The argument made by my Republican friends was that the people's right to know, America's right to know, and tragically I agreed with my earlier stance, continue to agree with that, was absolutely the wrong premise, for the premise was based upon more of the people's right to know and not the reflection of the somberness of the responsibility that the Founding Fathers gave this that you do not go easily into the day to impeach the President of the United States. This is not a discussion about the Democratic President or the Republican President. It is a discussion about the Presidency of the United States of America, one again where the Founding Fathers refused to take lightly. In fact as they defined high crimes and misdemeanors, they refused to accept the definition of maladministration, something that was done by the President, and I will get into that further, that you did not like or you did like.

So when we voted on September 11, and I voted enthusiastically against the release of these documents, including the 445 pages, we in essence gave authority to the House Judiciary Committee not to do as I believe we should have been doing, which is to deliberate, to study and to review and to move carefully into a process that may result in a very considered vote on an impeachment inquiry. But what we did is to throw into a House Judiciary Committee that seemed hell-bent, if you will, on releasing documents with minimal review. Yes, the staff has indicated that they have reviewed every single piece of paper. Review may be taken in a more general term. They have touched it, they have looked at it. Frankly, I would take great issue in that, Mr. Speaker, because I believe if people of good will had been able to review extensively all of the documents that were released, they would not have released such salacious, pornographic materials not for the Nation to see but for the world to see.

So our first error was to ignore the rule of this House, a rule that I had hoped would have, more than not, sent these materials totally in executive session and asked us to carry on our deliberative work, but the rule that was passed did actually send the materials in executive session and gave to the authority of the Judiciary Committee the right to distribute these materials and, of course, our Republican majority decided that it was more important to flutter and clutter the American airwaves, the international airwaves and to create mass hysteria around allegations by this Office of Independent Counsel, allegations rather than referrals.

□ 1945

Let me go to the next unfortunate circumstance that provides, I think, difficulty in the referral by the Office of Independent Counsel. We must realize that during Watergate there was no such Office of Independent Counsel. It was called a special prosecutor. A man that I have great respect for was that special prosecutor.

Certainly we all are aware or remember the midnight massacre. Well Leon Jaworski came after that, a special prosecutor, a Texan, a great American, a man who upheld and believed in the integrity and the ethical premise of the law. He did his job, and out of his work came enormous or a number of prosecutions or indictments. His grand jury in fact actually performed, and he presented to the House Committee on the Judiciary not a list of allegations and an indictable document or a document that was to be considered an indictment; he frankly present to the House Judiciary Committee facts and materials of which they had the responsibility to review and to assess.

Let me tell you what came about through this independent counsel, Mr. Starr. He did not receive or nor did he attempt to receive judicial assent, such as it was, sought by the independent counsel prior to sending the referral to Congress and to do anything to assure fairness.

The contrast to the Watergate experience could not be more striking. In that earlier case it will be recalled the Watergate special prosecution force did not send to Congress an argumentative or inflammatory document, but rather a simple road map which merely summarized and identified the location of relevant evidence. Moreover, this document was submitted for review by Judge Sirica, the supervising judge of the grand jury before it was sent to the House of Representatives. Counsel for President Nixon was given notice and an opportunity to be heard before the report was sent to Congress.

This is not an attempt for cover-up. This is an attempt to appreciate the basic fairness upon which we operate and the constitutional premise of due process.

Judge Sirica carefully reviewed the report explicitly finding that it constituted a fair summary of the grand jury's evidence. It draws no accusatory conclusions, it contains no recommendations, advice or statements that infringe on the prerogatives of other branches of government.

My friends, this is extremely, extremely important because the OIC, the Office of Independent Counsel, is not the judiciary, it is not the legislative branch. In fact, it is not the executive. It is almost a fourth arm of government and bears extensive review itself. It is a frightening element of which this Congress should surely review for its fairness and its properness.

It renders no moral or social judgment. I am continuing to read from Judge Sirica's report. The report is a simple and straightforward compilation of information gathered by the grand jury and no more. The special prosecutor has obviously taken care to assure that its report contains no objectionable features and has throughout acted in the interests of fairness.

In this case, on the other hand, the independent counsel went not to the supervising grand jury judge, Chief Judge Norma Holloway Johnson, but rather to the special division for the purpose of appointing independent counsels of the United States Court of Appeals for the District of Columbia which had appointed him independent counsel almost exactly 4 years earlier. There was no notice for the President, no opportunity for counsel to be heard on the propriety or fairness of any referral to Congress, nor did the independent counsel submit a report for the special division to review if it had been so, if had been so inclined. Instead, the independent counsel sought and received a blank check from the special division to include in its referral which would not be drafted and submitted to Congress until 2 months later all grand jury material that the independent counsel deems necessary to comply with the requirements of Section 595.

Against this back drop it is critical that the Committee on the Judiciary develop standards that would warrant us understanding what impeachable offenses are, and so against a very even-handed back drop that the Watergate special prosecutor, Mr. Jaworski, participated in, going to the court, allowing Mr. Nixon's counsel to review, making sure that there was an even-handed review, having the judge give credence and approval to the approach, we had a completely contrary perspective or a contrary approach used by Mr. Starr.

This strikes at the very premise of constitutionality and the basis upon which I frankly think that we should proceed.

So what we had was a document presented to us, 445 pages, a document full of allegations, an indictment document, and, by the way, a grand jury that still remains open, that has not acted in any sense, that has not indicted or not in any event made any statements about this other than to have witnesses come forward as it relates in particular to the incidents with Monica Lewinsky.

Let me share with you why I think that the backdrop or the Watergate is a standard that could be utilized. As I proceed, you will have my admit or concede the point that the Republicans now argue, that they are following the Watergate model. But you will also hear me counter that it may be a little too late at this time, too late and certainly not timely for what we needed to have been doing early on.

In the committee's report, the staff report dated February 1974, it was very clear what the staff perceived and how the Committee on the Judiciary would operate. Although staff at that time provided insight, certainly they did not have the final word. But I think this language is very helpful to us as we think about how we should proceed here and how we can get back on the right track.

Delicate issues of basic constitutional law are involved, the staff said. Those issues cannot be defined in detail in advance of a full investigation of the facts. The Supreme Court of the United States does not reach out in the abstract to rule on the constitutionality of statutes or of conduct. Cases must be brought and adjudicated on particular facts in terms of the Constitution.

Similarly, now the staff has suggesting as the House committee in 1974 was about to proceed, the House does not engage in abstract, advisory or hypothetical debates about the precise nature of conduct that calls for the exercise of its constitutional powers. Rather it must await full development of the facts and the understanding of the events to which those facts relate.

My friends and Mr. Speaker, before we can even understand the facts, before we can make any sense out of Mr. Starr's referral, these matters were thrown to the American people. There were no discussions on establishing standards and matching those standards with the facts. Rather it was to create hysteria, and here we had a model and an example of which we could very carefully study so as not to create incidences where American is rising up against American and conclusions are being made primarily because they have found no leadership in this Congress.

Interestingly enough, our own Speaker, NEWT GINGRICH, was charged with lying, and he appeared and had the opportunity to go before the House Committee on Standards of Official Conduct. That committee provided the Speaker with the opportunity to review those materials, to have counsel, to be engaged, and yet their final solution to date is still sealed. Although a fine was assessed, we have yet to throw to the public those documents that provided evidence of this Speaker lying, and in fact this speaker was re-elected to the position of Speaker.

So all I am asking for, Mr. Speaker, is simple fairness, and frankly let me share with you why it is necessary to have fairness. Among the weaknesses of the Articles of Confederation, and this is going back to the impeachment remedy as discovered or designed by those individuals who were coming together in the early part of this Nation who wanted to strengthen and ensure that this country lasted. Might I try to put a better light on this by getting my glasses to read it more clearly?

Among the weaknesses of the Articles of Confederation, and I draw again from Federalist Papers, but I am citing the February 1974 Watergate staff report, Page 8; among the weaknesses of the Articles of Confederation apparent to the delegates for the constitutional convention was that they provided for a purely legislative form of government whose ministers were subservient to Congress. One of the first decisions of the delegates was that their new plan would include a separate executive, judiciary and legislature. However the framers sought to avoid the creation of a too powerful executive. The revolution had been fought against the tyranny of a king and his counsel, and the framers sought to build in safeguards against executive abuse and usurpation of power. They explicitly rejected a plural executive despite arguments that they were creating the fetus of a monarchy because a single person would give the most responsibility to the office. For the same reason they rejected proposals for a counsel of advice or privy counsel to the executive.

Frankly our Founding Fathers were wise enough to strike a good balance. In striking a good balance they were clearly fearful of giving too much authority to any one branch because they did not want to see one branch topple the other branch. Here lies the foundation of why we must be extremely concerned about where we are with this impeachment process.

We cannot go immediately, Mr. Speaker, to jump to the conclusion that this President or a President should be impeached.

I said earlier, and I say it again. I have not determined and I see no basis, in spite of the counsel for the Republican presenting a very lengthy presentation yesterday in the committee, that we have impeachable offenses. One of the reasons why we cannot conclude there, and I have concluded to the extent of what we have done so far that there are none, is because this committee refuses to acknowledge the importance of determining constitutional standards before we vote on an impeachment inquiry.

Yesterday Mr. Schippers presented us with a document. Certainly I know that he worked very hard on this document, but added other offenses based upon staff's review of the material. In fact, Mr. Schippers presented to us new allegations that for me provide great discomfort because he is alleging conspiracy, conspiracy between the President and Miss Lewinsky, and I might say that in looking at the contacts of which he bases his premise on, I am baffled why we would have leaked to conspiracy with a minimal of contact and no evidence of the two parties now mentioned in a conspiracy that would have not shown any basis of conspiracy or coming together.

But what that adds, Mr. Speaker, is another criminal element. I am not sure if the basis or the reason for Mr. Schippers doing so is because he saw severe weaknesses in the presentation already presented by Mr. Starr.

But you know all of this would have been avoided if our committee under the House Res. 525 had taken those words in executive session and proceeded to deliberate and review materials and through that process come to the House and said we are still reviewing materials and in fact we now want to proceed and define the Constitutional standards so that, as we would come out to the public, we would have been able to match allegations, if that was the case, with Constitutional standards. But yet we found ourselves in the committee yesterday listening to presentations by counsel only; no witnesses, Mr. Speaker; coming to a conclusion that we are at a point for an impeachment inquiry.

I simply say, Mr. Speaker, we had leaked and spoken before we had thought, and as well we had made determinations before we could even rise to the occasion of being able to explain to the American people that we were constitutionally sound.

I see the ranking member has come, and before I yield to him let me share with those who frankly have maybe come to a conclusion in the direction that the President should be impeached to understand our frustration and hopefully see this not as a defense of one man, but how somber and sacred this responsibility is. We cannot even entertain the concerns about saving Social Security or dealing with the lack of preparedness that our Joint Chiefs have come to this Congress and said that they are concerned about, very troubling issues that impact national security, because we have leaked into a process a dangerous process Mr. Speaker, without rhyme or reason and guidance.

□ 2000

I cannot express the level of my frustration when Democrats who were Americans and are still Americans today gave that committee every opportunity to pull back and to not go in or move this engine in the manner in which it is going so that we can deal in a very somber manner, constitutionally sound, with the issues at hand.

Let me share with my colleagues as well additional readings from our early Founding Fathers, but might I just cite this as on page 24 of the staff report. There are a lot of people who said lying and perjury. But our Founding Fathers again, and others who have studied this issue, frankly, understood impeachment, and they understood the elements of it, or at least they understood what they thought they wanted to ensure the sanctity of this sovereign nation.

It reads, "Impeachment and the criminal law serve fundamentally different purposes. Impeachment is the first step in a remedial process, removal from office, and possible disqualification from holding future office. The purpose of impeachment is not personal punishment."

Can I say that again, Mr. Speaker, because there are people who are upset with the behavior of the President of the United States. Can I say something, Mr. Speaker, so am I. So are my colleagues. I do not want to speak for the gentleman from Michigan (Mr. Conyers), my esteemed ranking member. I have great respect for him. But I would not even imagine that he would counter what he has heard about people's disappointment and outrage.

But, frankly, Mr. Speaker, the purpose of impeachment is not personal punishment. Its function is primarily to maintain constitutional government. Furthermore, the Constitution itself provides that impeachment is no substitute for the ordinary process of criminal law since it specifies that impeachment does not immunize the officer from criminal liability for his wrongdoing.

I will yield to the gentleman from Michigan (Mr. CONYERS), my very esteemed ranking member who had the challenge, if you will, of serving on the 1974 Watergate committee. I think that he will share with us that he was not a wallflower. He was not one who did not view the proceedings vigorously, but more importantly, that he came to the conclusion that Mr. Nixon should be impeached.

I do not think that anyone who was on that committee would shy away from whatever their viewpoint may have been. But, frankly, I think that we can stand here in all honesty and say that the real crux of what we are now challenged to do in 1998 is not a pay back for 1974. This is not "I got you" or "I will get you." This is not a circumstance where we could very well say, "I have waited all these years to get me a Democratic President."

For I hope that there was no one on that committee, Mr. Speaker, my ranking member, included, that had a "get you" mentality after they finished the evenhanded process using the Constitution.

That is the only thing that we are asking today. For I can tell my colleagues, as a younger person in 1974, might I claim very young person, my heart was troubled. Fear rolls up. I did not know whether this country's sovereignty would be maintained. Even then I claimed to be a Democrat.

So, Mr. Speaker, this is not a time that we can cover ourselves from politics that are extremely partisan.

Mr. Speaker, I am happy to yield to the esteemed gentleman from Detroit, Michigan (Mr. CONYERS), the ranking member of the House Committee on the Judiciary, who has taught me the value of removing myself from partisan politics and the real crux of this matter, which is the constitutionality of this process and the preservation of a nation.

Mr. CONYERS. Mr. Speaker, I was listening to the gentlewoman from Texas (Ms. JACKSON-LEE) and felt compelled to come to the floor to join in this tremendously useful discussion that she is having with our colleagues about this very awesome event that is under consideration, the investigation of a sitting President of the United States, and how the Committee on the Judiciary, which has jurisdiction over this matter, should deal with it.

I must say that her discussion was compelling, and it is as thorough as she always is found to be as we work through the complex matters that confront the Committee on the Judiciary. There have been many, but none as towering as the one that we are burdened with at this moment.

So I say to the gentlewoman that I enjoy her discussions, and I am pleased to join in with a comment or two. I do not have any particular purpose but to share this discussion with her.

But it seems from a initial point of view that the American people are of a nearly singular accord to move this question away from the Congress and, as a matter of fact, out of their sight and hearing at the earliest possible moment.

Overwhelmingly, people have asked me, written me, called me, stopped me on the streets and said, please get rid of this matter. I explain to them that it is the objective of most of us here, and I include Republican colleagues in this, who are very concerned that we dispose of this as rapidly as possible and yet keep order.

So the question that originally confronts us is, how do we do that? Well, one way that we do not do it is to dump, I have lost track of how many, tens of thousands of pages of material from the independent counsel on to the American people and in the public, not to the Congress, in particular, and this is very much contrary to the 1974 Watergate impeachment inquiry, not to the attorneys representing the President of the United States who is being investigated so that he might prepare a decent response, but to the American people.

If there is a logic for this, I have not heard it yet. It escapes me as to why these tens of thousands of pages of salacious material that quite frankly border on the obscene, which the independent counsel has gratuitously sought to put into the public domain, in other words, through the government at taxpayers' expense, we have now had the most pornographic government document ever printed in the 209 years of our existence.

The question to Mr. Starr is why? The answer is that the Speaker of the House chose, upon receiving them, to make them public. For what purpose, I do not know. There are many suggestions that there may have been political motivation.

But the point of the fact is that we now have many citizens, many parents, and even young people themselves saying why did they do it? What are they trying to prove? What does this have to do with any inquiry on the Congress, much less an impeachment inquiry by giving all of this material to the public, and, incidentally, not giving one page to the President of the United States or his representatives.

So the referral that has been referred to and the releases that have come afterward, and we just made some more this week, another several thousand pages, all have to do with the relationship of the President with one other person.

In the fifth year of his investigation, which we are still not sure if it is concluded or not, and to that end, the gentleman from Illinois (Chairman HYDE) and I jointly sent a letter to him asking him in effect, for goodness sakes, if there are any other materials, you could not be holding them back at this date in your fifth year. This is not a game. This is not a poker escapade. This is not casino or roulette wheel.

If you had dozens of attorneys and investigators and members of the Federal Bureau of Investigation working, and you come up with nothing, nothing on Whitewater, nothing on Filegate, nothing on Travelgate, nothing on China, nothing on campaign finances, nothing about Vince Foster's suicide, only the President and one person, we must presume, contrary to the Speaker of the House, that that is all they have.

I have never heard of members of the bar releasing something that is second or third importance and not saying that they had something more significant. So it is only reasonable for us to assume that this is it. But if this is not it, would the Office of the Independent Counsel be polite enough to let the Members of Congress know that that is the case. I am sorry to report that, to this moment, we have not had a response from our letter.

Now, the question of why the Speaker chose to do it this way is after the horse has left the barn. He did it. People resent it. Now they want to know what it is the Committee on the Judiciary is going to do now that, according to the independent counsel statute, Mr. Starr has referred the matter to the Speaker who has, in turn, referred it to the Committee on the Judiciary.

So yesterday we met to discuss what it is we should do, the Committee on the Judiciary, on a vote, in which all of the Republicans voted to move forward on a resolution recommending an inquiry that is glaringly deficient in one major aspect. The resolution does not call for a threshold decision to be made that describes what the grounds and standards for impeachment should be, and this is still left to be determined.

In other words, as the gentlewoman from Texas and the gentleman from California (Mr. BERMAN) noted during the committee, and I quote him, "The majority party has an obligation to recognize that high crimes and misdemeanors has a meaning. It was not just carelessly flung into the Constitution. And at Article II Section 4, it is described that an impeachment proceeding is an appropriate act for the President, the Vice President, and other certain high officials when there is involved treason, embezzlement, and other high crimes and misdemeanors." Well, not even Mr. BARR has suggested that treason is involved.

□ 2015

No one has suggested that embezzlement is involved. So the question that gripped our full committee is, are there other high crimes and misdemeanors?

Now, note the Founding Fathers' phrasing: Treason, embezzlement, and other high crimes and misdemeanors. So treason is a high crime and misdemeanor, embezzlement is a high crime and misdemeanor. But they said there are others.

Well, the threshold question, if we look at the Starr referral, is marital infidelity, if there is any, a high crime and misdemeanor. Is personal misconduct that does not deal with the violations of the office or the abuse of the powers of the President, is that a high crime and misdemeanor?

Mr. Speaker, I must say that I have commissioned our attorneys on the Committee on the Judiciary to find out not only in American jurisprudence, and we have only had 13 cases of impeachment, most of them were with judges, and there were none that ever included or involved themselves with marital infidelity, personal conduct, or sexual relations of any kind, none of them; so the question is, perhaps in the English common law out of which this whole notion of impeachment came, maybe there is something there. We find nothing there. In other words, just as a common sense threshold inquiry, I say to my colleagues, there is nothing within the report of our distinguished former Judge Kenneth W. Starr that even touches within the parameters of Article 2, Section 4.

Ms. JACKSON-LEE of Texas. Mr. Speaker, reclaiming my time, the gentleman is making such an enormously important point, and the reason why that point is so important is because as the gentleman will recall yesterday in committee, and the gentleman eloquently challenged in a constitutional manner Mr. Shipper's presentation, for it was a recounting, of course, of the report of Mr. Starr, Mr. Shipper being the counsel for the Republicans, to be able to make such a report, and as I said, to leap from that point to conclusions when there had not been any intervening definition of constitutional offenses that would warrant impeachment, and I cite for the gentleman issues that the Republicans' counsel seemed to emphasize: Lying and conspiracy.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BRADY of Texas). The gentlewoman will suspend.

The Chair will remind Members to abstain from language that is personally offensive toward the President, including references to various types of unethical behavior and references to alleged criminal conduct.

Ms. JACKSON-LEE of Texas. Mr. Speaker, as the gentleman well knows, these issues that were being discussed, there was contravening documentation which was not presented in the report given. I think those speak, in particular, to whether or not we have been able to look at this matter in fullness. We have just noted that we cannot even discuss these matters on the floor of the House out of respect for the executive. Frankly, tragically, these matters were spread across the land, but the executive had no ability to respond.

Mr. CONYERS. Mr. Speaker, if the gentlewoman will yield, this begins to further outline the travesty. Every young person with a computer in his house has now seen the very things that the Speaker at this moment precludes us from discussing because they are pure allegations and they are, in effect, untested. There have never been any cross-examination of who may have alleged them. Mr. Starr has never been before the committee. We do not know where or how he got them. And yet, while they are common fare for citizens and young people, this material has now been served up by the Republicans in this body to everybody in America.

I know that one 2-year-old has asked his father, who is Monica Lewinsky? Mr. Speaker, 2 years old. I know another teacher who has been asked by a third grader, teacher, what is an orgasm? This is offensive to parents, teachers, mature people who realize that this being put on the Internet has absolutely no salutary purpose.

By the way, I was reminded recently from a call from Memphis, Tennessee from a person in the music industry that these are the same people, I say to the gentlewoman, that have criticized rap artists for their obscenity and for their profanity, and now, they have outdone them tenfold by spreading thousands of pages of salacious, obscene, pornographic material, for no purpose. This is not the Committee on the Judiciary's finding, these are merely allegations which were not even necessary to support whatever conclusions the Office of Independent Counsel came to.

Mr. Speaker, I go back to an observation by our friend, the gentleman from California (Mr. BERMAN) who said that whatever the Rules of Procedure are that we adopt, our first order of business should be to resolve, if the events and allegations portrayed in the Starr report, rise to the level of an impeachable offense.

Now, not only do lawyers and constitutional authorities agree, but common sense and American citizens would think that we would take that simple precaution before we rush to vote out and recommend to this House, which will vote on Friday of this week, an inquiry of impeachment without ever having one instruction about what is this great constitutional language, high crimes and misdemeanors, the only thing in which these allegations can apply. Is perjury an impeachable offense? Well, I am not sure. Is lying an impeachable offense? I doubt it seriously. Fortunately, Members of Congress are not subject to impeachment proceedings, or the whole legislative branch of government could be brought to a standstill, possibly. Is concealing a personal affair an impeachable act?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. If the gentleman will kindly suspend, again, the Chair reminds Members to abstain from references to various types of unethical behavior and alleged criminal conduct.

The gentleman is recognized.

Mr. CONYERS. Mr. Speaker, may I respectfully point out that I did not attribute that to the President of the United States.

Now, we have the report. The Starr report is not only a matter of public record, it is a matter of congressional notice.

I am a little bit at a loss as to why I cannot refer to what is in the government report that probably the gentleman voted for to have released, and now is telling me and suggesting that there is something inappropriate about me discussing it on the floor of the House.

We are not the children of America.

The SPEAKER pro tempore. If the gentleman will suspend, the Chair would remind the Members that the House rules regarding proper decorum in debate were announced to the House earlier on September 10. Both the Speaker and the minority leader, in concurrence, supported this announcement. It said:

> When an impeachment matter is not pending on the floor, a Member who feels a need to dwell on personal factual bases underlying the rationale in which he might question the fitness or competence of an incumbent president must do so in other forums, while conforming his or her remarks in debate to the more rigorous standard of decorum that must prevail in this Chamber.

With that understanding, the Chair will recognize the gentleman.

Mr. CONYERS. Mr. Speaker, may I inquire respectfully of the Speaker, may we refer to the Starr report referred to the Congress of the United States?

The SPEAKER pro tempore. In general terms, yes.

Mr. CONYERS. In general terms, yes. And may we quote from the Starr report referred to the House of Representatives?

The SPEAKER pro tempore. Sir, depending upon the exact verbiage being referenced, yes.

Mr. CONYERS. Mr. Speaker, in other words, we can talk about it in the Committee on the Judiciary, Mr. Starr can dump it into the public domain; but on the floor of the Congress it is not discussable because of what? I am sorry, I do not follow the distinguished Speaker's logic.

The SPEAKER pro tempore. If the gentleman will suspend, the difference is what the specific reference is, and whether an impeachment resolution is actually pending. The House rules regarding proper debate are well established and cooperation is expected of all Members.

The gentleman may continue.

Mr. CONYERS. I thank the Speaker, and I will not talk about the Starr report anymore, because nobody knows what is in the Starr report; nobody knows about how disgusting it has been to many Americans; nobody knows what the allegations are, and we do not want to talk about it in advance for any reason.

So I, with great reluctance, return the balance of time to the gentlewoman from Texas and thank her very much for her important contribution.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member of the Committee on the Judiciary very much, as I notice his very eloquent recounting of where we are. I see my good friend from New York on the floor of the House. I am hoping that we will be able to conclude this within a few more minutes.

But let me just speak to where we are as we started out constitutionally. I argued the case that we are attempting to frame this in a constitutional manner. The gentleman has made a very valid point. If any distinction can be made, what we are talking about is one, we have alleged facts, but we have no constitutional standards. On Friday or Thursday, we will present to this House a resolution by a chairman who has already said, the gentleman from Illinois (Mr. HYDE), that he too would like to see this end before January

1999, but yet, the resolution will now be an open-ended, anything-goes, Whitewater, Filegate, Travelgate, allegations against Mr. Foster, as well as the Monica Lewinsky-Gate, and no definitive time in which we would finish.

Mr. CONYERS. Mr. Speaker, will the gentlewoman yield?

Ms. JACKSON-LEE. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, I just want to tell the gentlewoman that the Speaker of the House has said just the opposite. He has said that this might go into the millennium. In other words, he has no intentions of working with the Committee on the Judiciary to bring this to a reasonable close within the end of the year. I thank the gentlewoman for yielding yet again.

Ms. JACKSON-LEE of Texas. Mr. Speaker, as we look at that point, and the gentleman is very right, we are faced with the dismal lacking of presentation by constitutional scholars who have said to us that high crimes and misdemeanors denote for the Founding Fathers the critical element of injury to the State. It was public and not private.

So we are leaping now to the floor of the House on Thursday to present an impeachment inquiry vote, quite contrary to Watergate, by doing so with no limitations and, of course, on the issues of a private incident.

I understand the Speaker is gaveling me. Might I turn to my good colleague, because we have much to say to conclude.

□ 2030

ISSUES SURROUNDING THE IMPEACHMENT PROCEEDINGS

The SPEAKER pro tempore (Mr. BRADY of Texas). Under the Speaker's announced policy of January 7, 1997, the gentleman from New York (Mr. OWENS) is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE) for her conclusion.

CONSTITUTIONAL ISSUES REGARDING IMPEACHMENT

Ms. JACKSON-LEE. I thank the gentleman from New York for his very fine kindness. What I wanted to emphasize is I started out this evening by offering a constitutional explanation as to where we are. And so I wanted to put into the RECORD the noted words of the legal scholar from Yale University, Professor Charles Black. And I want to pick up on what the very fine gentleman from Detroit, Michigan (Mr. CONYERS), the ranking member, has so eloquently emphasized. That Americans are asking us to get a handle on this. Republican colleagues are asking us to get a handle on this. And we can do this if we collaborate.

Charles Black says to us: In the English practice, from which the framers borrowed the phrase, "high crimes and misdemeanors" denoted political offenses, the critical element of which was injury to the state. Impeachment was meant to address public offenses committed by public officials in violation of the public trust and duties. Because Presidential impeachment invalidates the will of the American people, it was designed to be justified for the gravest wrongs, offenses against the Constitution itself. In short, only serious assaults on the integrity of the processes of government and such crimes as would so stain a President as to make his continuance in office dangerous to the public order.

Mr. Speaker, this is the reach that we should be reaching to understand whether Mr. Starr has presented anything of substance to this committee. Not the reach in 24 hours to Thursday to an impeachment inquiry with no standards and, might I say, one meeting that would warrant the determination of constitutional standards that we now understand may be set by the chairman.

As I finish, let me simply say there is much to say here about how we proceed, but I certainly hope as we engage in this debate that we engage in it not classifying people for their party affiliation, for what part of the country they may have come from, but for nothing more than preserving this Constitution.

I hope that everyone will perceive this as an American issue, attacking the very sovereignty of this Nation. And might I simply say that there were many voices on this committee that joined the gentleman from Michigan in 1974, many fine persons; Father Drinan, in fact, who has written articles to suggest that his experience shows no impeachable offenses. And he admitted that he raised the Cambodian issue and that the committee in its goodwill in 1974 refused to put that as an article of impeachment. They refused to put the tax evasion that was alleged as an article of impeachment.

Mr. Speaker, might I just offer the words of my predecessor, Barbara Jordan. Many would want to say how she would be handling these events. I would offer to say her words exactly:

> Today I am an inquisitor. I believe hyperbole would not be fictional and would not overstate the solemnness that I feel right now. My faith in the Constitution is whole, it is complete, it is total. I am not going to sit here and be an idle spectator to the diminution, the subversion, the destruction of the Constitution.

She herself noted by quoting the Federal papers that impeachment is limited to high crimes and misdemeanors, and discounted and opposed the term "maladministration." It is to be used only for great misdemeanors, as she quoted from the North Carolina Ratification Convention.

We must be reminded that we have a constitutional obligation to not be idle spectators and not to see the destruction of the Constitution and a subversion of the Constitution. If that is what my Republican friends are alleging against the President of the United States, the executive, then they must prove it. They cannot prove it unless we proceed in an orderly, fair manner, confined to what was referred; not a fishing expedition, and certainly within a reasonable time frame to understand what the Constitution says in order to match that with the allegations.

I am not sure the time has gone, but if the ranking member wants to finish, I am willing if the gentleman from New York (Mr. OWENS) would yield to him. This is wholly important. I am frightened by the prospect of what we are about to proceed with and how we are handling it.

Mr. OWENS. Mr. Speaker, I yield to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Speaker, I merely wanted to comment on the continuing brilliance of the gentlewoman from Texas. She is a respected lawyer, an experienced litigator, a proven public servant, and she makes me proud of the fact that she is currently sitting as a member of the Committee on the Judiciary of the House of Representatives. I thank the gentleman from New York for yielding.

Ms. JACKSON-LEE. Mr. Speaker, I thank the gentleman for yielding.

CONGRESS HAS MORE IMPORTANT BUSINESS TO CONSIDER

Mr. OWENS. Mr. Speaker, I thank both of my colleagues from the Committee on the Judiciary and congratulate them on the magnificent job that they are doing. I am certain they are not here tonight because they want to be here, but because they feel a sense of duty to expound and further explain this very grave matter before us.

Like the rest of my Democratic colleagues, we do not think this is the most important subject in the world. We are not anxious to be plunged into the deliberations concerning this impeachment. There are many other matters, many other priorities, many other issues that are far more important. And the talent and the time and the attention of people like my two colleagues on the Committee on the Judiciary we would like to devote to addressing those problems.

Our problem is that we are trapped by the will of the majority. The pinnacle of global leadership, the set of profound priorities which we should be addressing have been overwhelmed and smothered by a blanket of trivialities and diversions which the majority wishes to expand and continue indefinitely.

We are supposed to adjourn at the end of this week. I suppose it might be some kind of recess instead of the usual adjournment process. But as of

Sunday, we will be no longer focused on the business, the routine business of the 105th Congress.

We have the appropriations process that has been stalled, and only two appropriations bills have been taken through the entire process. We are going to have a monstrous continuing resolution which cannot do the business of the Nation and focus on the priorities as we should. We have a focus instead on the Committee on the Judiciary, which will absorb the time and attention of not only the people here in Congress, but the whole American public.

An impeachment is a serious matter. It is always serious, whether it is an impeachment that is based on sound reasons. If there really are some impeachable offenses, it would be serious then. It is serious even if we go forward with the impeachment process and we do not have reasons for impeachment. There are no impeachable offenses.

Either way, it is still serious. The time and the attention to be put into it is the same. The diversion of the decision-making powers away from more serious matters is the same. The divisions within the American public are likely to be the same. I think we have a procedure here that is without precedent. The Founding Fathers would have never dreamed of our being in this kind of predicament. We have an intensely partisan impeachment procedure going forward, an impeachment procedure based on personal blunders. The three Ps, partisan, personal. And finally we have an impeachment procedure that has been made pornographic by the release of certain kinds of information it is highly unusual for government documents to be concerned with.

So, we are going down, down, down into a bottomless pit, and it seems to me that somebody ought to seek to try to get us out of this. I hope that better judgment will prevail and prevail soon, before we go deeper into the pit.

We have a constitutional procedure being used as a camouflage for extremism. The Republican credo that "politics is war without blood" is underway here. We can see it manifest, war without blood. That means one goes all out to destroy his opponent. Go for the jugular. You want to gut the hog. That is what is driving the process here in Washington with respect to this impeachment procedure. Future generations will look back on us and really be ashamed of the kind of performance that we are setting forth here.

The procedure goes forward despite the fact that the American people and their common sense have a different opinion. Obviously, it does not agree with the intensity we feel about certain things that are being set forth here. What we are doing represents an insult to the intelligence. It is contempt for the common sense. Polls are not supposed to govern us, but I think we ought to pay attention as Members of Congress to the flood of mail, the calls, e-mail.

It is very interesting, my district is unfortunately a district where I have always had a problem of turnout for votes. The number of people who are registered never turn out more than 50, 55 percent. It is a great problem, and I have labored with it for years. And it has gotten worse really over the last few years, the number of people who bother to come out to vote. And we conclude that it is because they are so disappointed because of the fact that so much that is promised and so much that is needed never happens.

In my district, we have a large number of schools that still have coal-burning furnaces. That has been the case for years and years, and I have been in office for quite a number of years, and I have been highlighting the fact and working hard to try to make something happen. But the coal-burning furnaces are still there. We have 275 in the whole city and a hundred in the borough of Brooklyn and 20 or 25 in my congressional district. They are still there.

So I assume people are discouraged that nothing is happening. Unemployment has always been high in my district, and it is still high. It is true that as a result of the improvement in the economy, unemployment has gone down, employment has gone up, and people are grateful for that, I am sure. But I assume by that lower turnout that they have lost faith and they are not coming out because that problem was not being solved.

But, Mr. Speaker, they are, in my district, concerned about what is happening here with the process of impeachment. I have a flood of mail, unprecedented. I have a flood of phone calls. I have a great amount of e-mail. It contradicts the theory that I formulated in my own head that people have given up on government, that hope has been abandoned. Obviously, they have not given up on government. There is still some basic expectations from government that makes them concerned about what happens with the office of the Presidency, who is going to occupy the White House. They are very concerned, very intense, very angry.

I hope that they will translate that anger into some appropriate conduct, political action. People in my district want an end to the preoccupation with personal misbehavior, an end to magnifying personal blunders into high crimes and misdemeanors. They can see that there is no bribery or treason involved here. They can see that there is no conspiracy of note here.

Conspiracy occurs whenever a group of people get together to try to accomplish a particular end. We can call it a conspiracy. I looked it up in the dictionary to make certain that I was on sound ground. Any kind of action taken by a group of people, a set of plans made by a group of people to accomplish a certain end is a conspiracy.

There are good conspiracies and bad conspiracies. Unlawful conspiracies, I suppose is what is meant by the counsel for the Committee on the Judiciary majority yesterday when he added conspiracy as a charge. Yes, I suppose he can find evidence of a conspiracy. There are all kinds of conspiracies, as I said before.

When I was much younger, before I even became a teenager, I had a great love for peanut butter, and we were very poor. With a family of seven and the father is on minimum wage, you are very poor, and you have to stretch in a thousand ways to survive. Peanut butter was very important. Peanut butter was not a snack food in my house. It was the food that my mother put in our lunches. Peanut butter with crackers is good because the bread does not get soggy. And if you use graham crackers instead of regular crackers, it becomes a combination entree and dessert.

It was a big deal. She had a big jar of peanut butter that she used for our lunches, and we could not raid the jar for snacks. Well, my siblings and I, we had a great love for peanut butter, so we conspired. The peanut butter was on a shelf at the top of the cabinet, and we learned very early that if we would go in the center of the jar to get our peanut butter out and not scrape the sides, our mother could not tell that we raided the jar unless she was very observant.

So, together we could quickly get on a chair and get the jar down, scoop out a good scoop from the middle, and get away with spreading it and getting out of there. It took three of us to do it. It was a conspiracy.

The "peanut butter conspiracy" is not equal to the conspiracy that took place in the basement of the White House with respect to Iran-Contra.

□ 2045

In the basement of the White House we had a group of people who were directly involved in disobeying Congress and plotting, conspiring, to obliterate the will of Congress, to disobey it, to secretly sell guns to a power they had declared a hideous enemy. They were going to sell the guns, get the money, and use it to fund the Contras in Nicaragua against the will of Congress, after many years of deliberation had shown that Congress desired that we take that course of action. So we had a conspiracy.

And when the conspiracy was uncovered, finally exposed, there was another conspiracy to help cover it up. They were actually shredding papers in the basement of the White House, and everybody knew about it for a long time before the Attorney General bothered to secure the site and make certain that evidence was not destroyed.

And we had all kinds of other things that took place with respect to Iran-contra. It was a conspiracy. That is one kind of a conspiracy.

We had a conspiracy when Benedict Arnold betrayed his own revolutionary army forces. He was a magnificent general, who had really performed quite well in the Revolutionary War on the side of the colonies, but he was upset and bitter and, for whatever reason, he decided to sell out. That was a conspiracy, too. Probably, unlike the peanut butter conspiracy, which had no serious repercussions, it could have had the greatest of repercussions. If Benedict Arnold had succeeded and not been discovered, it could have meant the end of the Revolutionary War. It could have been a blow that changed history entirely.

So the consequences of Benedict Arnold's conspiracy were much more serious than the consequences of the peanut butter jar conspiracy, or even the consequences of the Iran-contra conspiracy. Iran-contra, if we had pursued it with vigor and had a special prosecutor who cared about what he was doing, as much as some others lately care, it would have been clearly a situation where we would have had an identification of a conspiracy.

But would that conspiracy have merited an impeachment proceeding? I do not think so. I think it would have been very embarrassing, very serious, but the country was not placed at risk. The country's policy was violated, laws were disobeyed, felonies were committed, but I still think, as serious as Iran-contra was, it probably would not have merited impeachment. It was not Benedict Arnold, engaged in an activity which could have brought the country down. It certainly was not the peanut butter conspiracy.

What happened at the White House with respect to the personal blunders there I will let others place on that continuum from the peanut conspiracy on one the hand to Benedict Arnold on the other. What happened at the White House, I will let others place it somewhere there and tell me if we have an impeachable offense.

What the problem is here, and I do not want to go on, because I am certain that most Americans are quite tired of listening to the matters which are surrounding this impeachment process, the problem is that the people in my district want an end to the preoccupation with personal misbehavior or an end to the magnifying of personal blunders into high crimes and misdemeanors. But we cannot govern the agenda. We do not set the agenda. We are compelled by the majority in control to remain on this topic. But even though we are compelled to do that, we have a duty to place it in a larger, more urgent, and more important context.

At this critical moment in history, as we approach the year 2000, the question that Americans ought to be asking is what is the overwhelming preoccupation of this indispensable Nation? What are we doing at this critical moment in history? Can we justify what we are doing in terms of what is at stake at this particular moment?

There are serious matters related to race relations, and the President had the vision to appoint a Race Relations Commission. That Commission, in the final days of its deliberations, was totally ignored. Its report came out. I have already, on this floor previously, criticized that report as being weak in spirit. It represents tiny spirit, in that the people who were there had a golden opportunity.

The President never intended for it to solve major problems, but it was a golden opportunity to make a statement about the profundity of the race relations problem in America. The race question, the race problem, racism in politics, demagogueing the race issue is a major issue in American politics. It sets up a situation where people who should have common interests are divided. It is part of a divide-and-conquer strategy which is seriously affecting the ability of the Nation to govern itself. We let race issues get in the way.

George Wallace, who recently died, and some people have sort of chosen to forget what he did in American politics, he took the race issue, the demagogueing of the race issue, and made it a fine art that many unscrupulous politicians could later never ignore. There was a time when both the Republican Party and the Democratic party, certainly at the national level, refused to tolerate on the floor of their conventions and in their deliberations open and blatant racist proposals. There was a time when they would not accept it. Even though the Democrats had to wrestle with holding together the coalition of southerners and northerners, there was a kind of respectability that prevailed; that did not go into certain areas. That all ended with George Wallace, and people started to follow in his footsteps.

Richard Nixon followed in his footsteps with his southern strategy. When Ronald Reagan got ready to run for office, he went to Philadelphia, Mississippi, the site of the killing of Schwerner, Cheney and Goodman. He wanted to send a clear message to the south by going to that awful place where that awful set of murders had taken place and launching his campaign. So race became, from then on, a major part of the strategy of the Republican Party in terms of its divide and conquer strategy, and it continues to be.

So race relations are very important, and we have sort of pushed that report of the Commission off to the side and it is like it never happened. There was no Commission; there was no report. The Commission itself did not live up to its potential. It at least could have been a scholarly pronunciation of what is at stake with respect to the problem.

At the beginning of the Commission I had said I hoped that they would conclude that here is a serious problem which a Commission, in existence for 12 months, or 18 months, cannot resolve, but the Commission could set out a series of other steps that need to be taken. And one of the steps that should be taken is that a set of scholars, made up partially of Nobel prize winners, should be convened. And with the financing of the major foundations in this country and the rest of the world, that set of scholars should do a thorough study on race relations in the United States.

And if they do not want to deal with race relations because that is too current and controversial, at least do a history of slavery and how the legacy of slavery has impacted on current race relations in this country and in some other parts of the world. Let us at least have a scholarly treatise, a scholarly encyclopedic approach to establishing what the facts are with respect to slavery and slave trade. Some of us think it is the greatest crime ever committed in the history of mankind. The obliteration of a set of people, in terms of their humanity, was at stake, and we think it deserves that kind of attention.

But the race relations report did not come out with any kind of proposal to profoundly continue the exploration of the problem. They even backed away from saying that at least the country should, the official government that exists now, should foster an effort to have an apology for slavery. That is a horrible thought. Let us not apologize in America. We have had some polls taken which shows that overwhelmingly the American people are against any apology for slavery.

It is a strange set of conduct when we consider the fact that apologies are breaking out all over. Every month there is some new apology. The Swiss apologizing over and over again for the fact that they swindled the poor refugees from Germany, Jewish refugees from Germany, out of great amounts of money. They are not only apologizing, they are compensating. They have set up some funds to restore.

That is like reparations. That is another word we do not mention in America with respect to slavery. Reparations is a terrible dirty word. How dare we ask for reparations for 232 years of labor that was not paid for. How dare we make that kind of demand on the American people today when, after all, none of us lived at that time. We are not guilty.

The Germans could say the same thing and the Swiss could say the same thing. But, recently, the Germans at Volkswagen, and Germans at another plant, without confessing that they used slave labor in their plants, the slave labor of the Jews and the other prisoners of war that resulted in an accumulation of wealth, which the allies allowed them to keep and they continued, so that wealth that was accumulated partially with the slave labor of prisoners of Jews and other prisoners during the war is still a part of that corporate set of assets. So without fully admitting it, they have started funds at Volkswagen to compensate for those prisoners and Jews and other prisoners who can be identified. They have started, I think $12 million at one plant, and since they started it there, Volkswagen followed with $12 million. So they are not only apologizing, they are compensating. They are providing reparations.

In June of last year, the Pope apologized to the Jews for the Catholic church's silence during the holocaust. Last year the Japanese apologized to the Comfort Girls in Korea. Apologies are breaking out all over. So why is it that it is such a horrible thought to have the present government of America apologize for the American government's historic involvement with slavery?

I really am trying to emphasize the fact that there is unfinished business here. We have unfinished business in several major places which we should be addressing in the year 1998 and at the close of this 105th Congress. As we go toward the next century, the year 2000, we are going to be greatly crippled as a Nation if we do not address these kind of problems.

Another set of problems that are obvious, and probably less intense emotionally, is the mushrooming set of global economic problems. They are very serious, the problems that are mushrooming around us. We still have unprecedented prosperity. We have a budget surplus that has been recently announced. But consider 10 years ago where the Japanese economy was and where it is today. We are not invulnerable, and the things that are happening around us already are having an impact.

There was a multibillion dollar investment company, long-term investment, I do not have the exact name, but a multibillion dollar hedge fund, they called it. I do not understand what hedge funds are all about, so I will not try to describe it. But the hedge fund was of no significance to me until I heard that an agency of the United States Government, the Federal Reserve Board, had helped to rescue this private bank. Now, that concerns me greatly.

We ought to be concerned about a precedent being set now, which is similar to what happened with the savings and loan swindle. Not quite exactly, because the money used to bail out the hedge fund was private money. The effort to organize it was the authority and the brainpower and the intimidation power, I guess, of the Federal Reserve. So it is not quite as bad yet as the savings and loan swindle.

In the savings and loan swindle we had the American taxpayers, through the Federal Deposit Insurance Corporation and an individual who was head of the corporation, taking the initiative to bail out big banks because they were too big to fail. Now we have an investment fund, a hedge fund, that was considered too big to fail. Americans, wake up. We need to take our eyes off the impeachment proceeding and take a look at the Federal Reserve's action with respect to this multibillion dollar hedge fund. American taxpayer money is next.

They have used taxpayer money already because we pay the salaries of the Federal Reserve Bank. The whole apparatus of the Federal Reserve is a government apparatus. So we have already used the resources of the American government to bail out these big private multibillion dollar funds. What comes next?

□ 2100

What comes next? Which hedge fund will next be in trouble and when will they start using the taxpayers' money to help bail out some of these investment companies that are too big to fail?

By the way, the reason they want to bail out the hedge fund is because the hedge fund owes the banks a lot of money. So we are right back to where we were with the savings and loan swindle. It is the banks, the banks that are private and do not want anybody to interfere with them and their private authority, they are private powers to govern themselves until they get in trouble. When they get in trouble, our banking system suddenly becomes a socialist system, where the taxpayers are commanded, without anything much to say about it, the taxpayers' representatives in Congress go forward to devise schemes to bail out the banks.

We are in a situation now where the banks have collapsed in Indonesia, Malaysia, they are in serious trouble even in Japan. There was an article that appeared in today's New York Times on the front page that said the banks of Japan are now admitting that the amount of capital they have is far less than they have represented today. So the banks all over the world are collapsing and we are concerned with focusing on an impeachment procedure related to personal blunders at the White House and an overzealous investigation by the special prosecutor. Where are we, Americans, and what will our children say when they examine our behavior at this critical point in history?

Let me just conclude by saying, there is one more set of concerns that I would like to invite you to consider. We are the indispensable Nation. We are the great global power. We have responsibilities that probably God has placed on us that no other Nation has. God has been very generous to us. Our beautiful skies and spacious plains and bountiful production of grain and food and natural resources, our long periods of peace, all the things that add up to making our Nation prosperous, we ought to be thankful to God that we have that, and try to give back something to this earth which indicates that we are grateful, we feel ourselves blessed and we want to do something for the rest of the world. We ought to be concerned.

Let me invite you, take your mind off the impeachment, take your mind off the personal lives of people here in Washington and for a moment consider a report that was done by the United Nations Human Development Fund, the United Nations Human Development Report, which every year comes out and looks for new ways to measure the lives of people throughout the world, what is happening with people.

This year the report put out by Kofi Annan puts aside faceless statistics like the per capita gross domestic product or the export-import figures and puts aside the report, those kinds of things, it burrows into the facts about such things as what are children eating across the world, who goes to school across the world, whether there is clean water to drink, how women share in the economy, who does not get vaccinations against diseases that go on killing people even though we know how to prevent diseases, even though we have vaccinations that prevent the diseases, they keep going on and killing people because the medicine is not available.

This year the report takes its first look at what people have, from how many people have simple toilets or family cars, and what proportion of the world's goods and services are consumed comparatively by the rich and what proportion are consumed by the poor. The report concludes that the pie is huge. The world's consumption bill is $24 trillion a year. Let me repeat that. The world is consuming $24 trillion a year worth of resources. But the servings that go on from one part of the world to another are radically different. Let me repeat. I am summarizing from the United Nations Human Development Report issued by the head of the United Nations Kofi Annan. I could not get the full report in time. It was supposed to get here today but it was not here, so when I get it, I certainly, probably next year, want to quote directly from it, give you the pages and tell you where you can get it. I am sure you can get it yourself from the United Nations. What I am reading from is a summary, a few highlights. It is not a summary, a few highlights from the New York Times, the

Sunday Times of September 27 of this year, 1998. The New York Times had a set of highlights with a few photographs. I am going to read a few of those so that you can come back to where we ought to be in this world, on this planet earth, where we as the indispensable Nation, the most fortunate Nation that has ever existed in the history of the world, where we ought to be contemplating what we can do about these problems and where we are here, how does it affect the future existence of our children. Are our children going to be able to survive in a world where there are such gross injustices and such great unevenness in the way resources are distributed? Are human beings, by their very nature cunning, scheming, brainy, crafty animals, are they really going to sit by in three-quarters of the world and let one-quarter of the world have everything indefinitely? Can that go on? Can you deal with that? Or should you worry about whether some future leaders of our Nation might seek some kind of final solution by getting rid of all the have-nots instead of trying to make certain that the world deals with the problems of the have-nots in a different way.

Let me just read a few of these highlights that appeared in the New York Times and think about it. Put aside the impeachment characters, the Peyton Place scenario, put it aside and consider what citizens of the indispensable Nation ought to be considering at this hour in our history.

The haves. The richest fifth of the world's people consume 86 percent of all goods and services, while the poorest fifth consumes just 1.3 percent. The richest fifth of the world's people consumes 86 percent of all goods and services while the poorest fifth consumes just 1.3 percent. Indeed, the richest fifth consumes 45 percent of all meat and fish, 58 percent of all energy used and 84 percent of all paper. The richest has 74 percent of all telephone lines, and owns 87 percent of all vehicles. The richest fifth of the world's people consume 86 percent of all goods and services. The ultrarich, the three richest people in the world have assets that exceed the combined gross domestic product of the 48 least developed countries. The ultrarich, the three richest people, three rich individuals in the world, have assets that exceed the combined gross domestic product of the 48 least developed countries.

In Africa, the average African household today consumes 20 percent less than it did 25 years ago. The average African household consumes 20 percent less than it did 25 years ago. There are more African households. There is terrible leadership. You cannot blame it all on colonialism. Twenty-five years ago colonialism's remnants were still there. People lived better. Has the leadership that has resulted after colonialism was ended decreased the standard of living? Or did resources get pulled out by the colonial powers? Whatever, the fact is that the average African household now is living much worse. They consume 20 percent less than they did 25 years ago.

Consider the fact that the world's 225 richest individuals, of whom 60 are Americans, with total assets of $311 billion, have a combined wealth of over $1 trillion, equal to the annual income of the poorest 47 percent of the entire world's population. Let me repeat that. The world's 225 richest individuals, of whom 60 are Americans, with total assets of $311 billion, have a combined wealth of over $1 trillion, equal to the annual income of the poorest 47 percent of the entire world's population. Americans alone spend $8 billion a year on cosmetics. That is $2 billion more than the estimated annual total needed to provide basic education for everyone in the world. Americans spend $8 billion a year on cosmetics, $2 billion more than the estimated annual total needed to provide basic education for everybody in the world.

The have-nots. Of the 4.4 billion people in developing countries, nearly three-fifths lack access to safe sewers, a third have no access to clean water, a quarter do not have adequate housing, and a fifth have no access to modern health services of any kind. Of the 4.4 billion people in developing countries, nearly three-fifths lack access to safe sewers, a third have no access to clean water, a quarter do not have adequate housing, and a fifth have no access to modern health services of any kind.

Smoke is an interesting topic in this set of highlights. Of the estimated 2.7 million annual deaths from air pollution, 2.2 million are from indoor pollution. 2.7 million annual deaths from air pollution. Of that total, 2.2 million are from indoor pollution, including smoke from dung and wood burned as fuel, which is more harmful than tobacco smoke. Eighty percent of the victims of this kind of death by smoke are rural poor in developing countries.

Telephone lines. Sweden and the United States have 681 and 626 lines per 1,000 people respectively. Afghanistan, Cambodia, Chad and the Democratic Republic of the Congo have one telephone line per 1,000 people.

Ice cream and water. Europeans spend $11 billion a year on ice cream—$11 billion a year on ice cream—$2 billion more than the estimated annual total needed to provide clean water and safe sewers for the world's population.

AIDS. At the end of 1997, over 30 million people were living with HIV, with about 16,000 new infections a day, 90 percent in developing countries. It is now estimated that more than 40 million people will be living with HIV in the year 2000.

Land mines. More than 110 million active land mines are still scattered in 68 countries, with an equal number stockpiled around the world. Every month more than 2,000 people are killed or maimed by mine explosions. In a world where poverty is rampant, we still are spending large amounts of money on weapons, and land mines is one of the most devastating spread throughout the entire world.

Pet food and health. Consider the fact that Americans and Europeans combined spend $17 billion a year on pet food, $4 billion more than the estimated annual total needed to provide basic health and nutrition for everyone in the world. $17 billion a year spent on pet food by Americans and Europeans. That is $4 billion more than we need to provide basic health and nutrition for everyone in the world.

I am reading from highlights of the United Nations Human Development Report. These highlights appeared in the New York Times on September 27 of this year. I will close with the last one of the highlights. I want to leave this with you to consider over again and I will repeat it, I assure you, in the next few years over and over again and update it because it sums things up in a very dramatic way. $40 billion a year, the key figure, $40 billion a year. Remember, our defense budget is more than $250 billion a year. $40 billion a year. It is estimated that the additional cost of achieving and maintaining universal access to basic education for all, basic health care for all, reproductive health care for all women, adequate food for all and clean water and safe sewers for all is roughly $40 billion a year, or less than 4 percent of the combined wealth of the 225 richest people in the world. I repeat. It is estimated that the additional cost of achieving and maintaining universal access to basic education for all, basic health care for all, reproductive health care for all women, adequate food for all and clean water and safe sewers for all is roughly $40 billion a year, less than 4 percent of the combined wealth of the 225 richest people in the world.

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Take your mind off the impeachment proceeding, the diversion away from real problems, and consider the fact that a lot of these statistics have some implication even in America where people are not getting the appropriate health care. More than 10 million people are not getting or have no health care coverage. Take your mind off and consider the fact that large amounts of children still go hungry, even in America. Take your mind off the impeachment procedures and the trivialities related to it, and consider the fact that we are not focused on problems that could be solved.

The most important thing about these highlights of the United Nations report is that they tell us that the problems of the world are soluble with the resources that we have available in the world right now. The doomsayers who said that the overpopulation of the world would guarantee that it would be impossible for everybody to survive, they are not correct. You can use $40 billion a year and provide for the survival and a decent life for all the people of the world, just $40 billion distributed in some kind of intelligent way.

Indeed, you know, never blame God for the travails of mankind. You know, God has put on this earth a bountiful supply of resources, food, energy. You know, it is all here. You know, when you consider the fact that so much is being wasted, all you have to do is take it and distribute it a different way.

God must spend many days weeping about the ingratitude of the American leadership of his Earth, of this planet. What other Nation at any time in history has enjoyed so many benefits, been so blessed by God, and yet we trivialize our role, and we ignore our destiny. We have a duty to see to it that the distribution of these resources should take place in some kind of way to relieve all this massive suffering.

One thing about God is that He is not a dictator, He is not a tyrant. God does not intervene into the affairs of mankind. What a pity that He is not setting the order and forcing the distribution. What a pity that He has so much stake in the free will of mankind. What a pity that He blesses certain nations at different times in history, and He waits for them to follow through.

The Roman Empire once commanded all the known world. China commanded the world that the Romans did not know much about. Those empires did not, the leadership did not behave in ways which spread the benefits of their empires and guaranteed that they would continue.

We are in the same position, probably more so than the Roman or the Chinese ever were. We are the indispensable Nation now abandoning our responsibilities. We have an indispensable Nation that chooses to turn away even from domestic matters which have an impact on the rest of the world.

If we were to educate our own populous, guarantee that every youngster in America had his talents fully developed, we would have a priceless resource to send out for the rest of the world. I mean we would be able to deal with these medical problems, we would be able to deal with the education problems, the sewer problems, the various problems. We alone have enough resources, human resources, if they were fully developed, if we would just use our resources to develop our own.

I often talk about computers and technology in the schools, and back in my district people say that, well, you know, we think you have become some kind of aficionado of computers. You lost your bearing in terms of the importance of technology in the schools. And my answer is that when I talk about computers, I am not an aficionado. I do not even know how to handle my E-mail well. I mean I assure you nothing personal about it, computers are the way of the future. Just as the automobile created a whole culture, computers are creating a whole culture for America and for the rest of the world.

When I talk about computers, I am not talking about a plaything or a luxury. I am talking about putting computers in schools so that every child has the exposure as early as possible to computer literacy, computer learning, because that is the way the world is going, that is where the jobs are going to be. That is definitely where the jobs are going to be.

Already we have a shortage, and we had on the floor of this House a bill which tried to solve the immediate problem of the shortage of computer information technology working by bringing in foreigners. We are going to bring in 90,000 per year and increase that up over the next few years, and yet the Department of Labor says that the shortage will be even worse. Five years from now we are talking about more than 1 million, 1.5 million vacancies that exist.

So this is not a luxury, this is not a hobby. I am talking about a culture that is being created.

You know, when the automobile was being developed, I suppose all the schools in America looked at the automobile and said, do not teach any kids about auto mechanics. I mean, you know, that is a luxury, this is a plaything. You know, the automobile has a place in our culture which provides millions of jobs from the engineers that produce them, the workers in the factory, the salesmen, the mechanics; you know, from A to Z people who have high school education, some who do not have a high school education, all kinds of people are employed in the automobile industry. The computer industry will be the same in a very few years. It is moving, mushrooming, at a much more rapid rate than the automobile industry was built, and that has implications for the whole world and all of these problems throughout the world. You can educate the whole world if you were to computerize centers across the world and you did not have to depend on them creating their own teachers, locally first, but you could have physics and science and math and literature, whatever you want, piped in by long distance learning. You could do it in a matter of 10 or 20 years using the technologies that are now placed at our disposal by the computers and the Internet. You know, you could revolutionize the way the world takes care of itself.

All of that is possible, you know, if you focus first on educating your own population.

You know, school construction makes it possible for you to have buildings that can be wired, hopefully, for computers and be wired for the Internet. The E-rate, which was a magnificent stroke by Congress requiring that the FCC come up with a plan for providing discounted services to schools, that is about to go down the drain because of the fact that some very narrow-minded, tinny-spirited people, greedy people will not go forward and let the E-rate provide the discounts to the schools that they should provide.

We are the indispensable Nation with tinny minds, major experience, and at a points where we could revolutionize and turn the world on its axis and move it in a new direction. We refuse to do it.

The present quagmire. In the present quagmire our only hope is to accelerate the timetable and move out of the mud back to a set of priorities worthy of this indispensable Nation. We either move back to a set of priorities worthy of a Nation, or we can be plunged deeper down. We go into the pit with Larry Flynt who put an advertisement in the Washington Post calling, offering a million dollars for anybody who has information about an illicit affair with a Congressman or any other member of the government. That is the direction which leads to total chaos, but that is the downhill motion that we are now in. That is the direction we are going. Let us not sink deeper into the quagmire, but instead move rapidly.

We are into an impeachment process. The committee has voted, the Committee on the Judiciary. The only way out is to accelerate the timetable, move it, get out of the mud, get back to a contemplation of the real problems that matter most to America, to most of our people. Listen to the American people and their common sense. Listen to the American people instead of having contempt for them. Their intelligence has risen to the occasion. Our democracy can be saved if you listen to the American people, their sense of balance and justice.

Get out of the quagmire and back to the business of the indispensable Nation.

CONFERENCE REPORT ON H.R. 3874

Mr. GOODLING submitted the following conference report and statement on the bill (H.R. 3874), to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes;

CONFERENCE REPORT (H. REPT. 105-786)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3874), to amend the National School Lunch Act and the Child Nutrition Act of 1966 to provide children with increased access to food and nutrition assistance, to simplify program operations and improve program management, to extend certain authorities contained in those Acts through fiscal year 2003, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "William F. Goodling Child Nutrition Reauthorization Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

Sec. 101. Provision of commodities.
Sec. 102. Nutritional and other program requirements.
Sec. 103. Special assistance.
Sec. 104. Miscellaneous provisions and definitions.
Sec. 105. Summer food service program for children.
Sec. 106. Commodity distribution program.
Sec. 107. Child and adult care food program.
Sec. 108. Meal supplements for children in afterschool care.
Sec. 109. Pilot projects.
Sec. 110. Training, technical assistance, and food service management institute.
Sec. 111. Compliance and accountability.
Sec. 112. Information clearinghouse.
Sec. 113. Accommodation of the special dietary needs of individuals with disabilities.

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

Sec. 201. School breakfast program authorization.
Sec. 202. State administrative expenses.
Sec. 203. Special supplemental nutrition program for women, infants, and children.
Sec. 204. Nutrition education and training.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

Sec. 301. Information from recipient agencies.
Sec. 302. Food distribution.

TITLE IV—EFFECTIVE DATE

Sec. 401. Effective date.

TITLE I—SCHOOL LUNCH AND RELATED PROGRAMS

SEC. 101. PROVISION OF COMMODITIES.

(a) IN GENERAL.—Section 6 of the National School Lunch Act (42 U.S.C. 1755) is amended—

(1) by striking subsections (c) and (d); and

(2) by redesignating subsections (e), (f), and (g) as subsections (c), (d), and (e), respectively.

(b) CONFORMING AMENDMENTS.—The National School Lunch Act is amended by striking "section 6(e)" each place it appears in sections 14(f), 16(a), and 17(h)(1)(B) (42 U.S.C. 1762a(f), 1765(a), 1766(h)(1)(B)) and inserting "section 6(c)".

SEC. 102. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) TECHNICAL AMENDMENTS.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended—

(1) in paragraph (2), by striking "subparagraph (A)" and inserting "paragraph (1)"; and

(2) in paragraphs (3) and (4), by striking "this paragraph" each place it appears and inserting "this subsection".

(b) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended by adding at the end the following:

"(5) WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS.—During the period ending on September 30, 2003, the Secretary shall not require the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of a meal offered or served under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).".

(c) REQUIREMENT FOR FOOD SAFETY INSPECTIONS.—Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by adding at the end the following:

"(h) FOOD SAFETY INSPECTIONS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), a school participating in the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) shall, at least once during each school year, obtain a food safety inspection conducted by a State or local governmental agency responsible for food safety inspections.

"(2) EXCEPTION.—Paragraph (1) shall not apply to a school if a food safety inspection of the school is required by a State or local governmental agency responsible for food safety inspections.".

(d) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—Section 9 of the National School Lunch Act (42 U.S.C. 1758), as amended by subsection (c), is further amended by adding at the end the following:

"(i) SINGLE PERMANENT AGREEMENT BETWEEN STATE AGENCY AND SCHOOL FOOD AUTHORITY; COMMON CLAIMS FORM.—

"(1) IN GENERAL.—If a single State agency administers any combination of the school lunch program under this Act, the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773), the summer food service program for children under section 13 of this Act, or the child and adult care food program under section 17 of this Act, the agency shall—

"(A) require each school food authority to submit to the State agency a single agreement with respect to the operation by the authority of the programs administered by the State agency; and

"(B) use a common claims form with respect to meals and supplements served under the programs administered by the State agency.

"(2) ADDITIONAL REQUIREMENT.—The agreement described in paragraph (1)(A) shall be a permanent agreement that may be amended as necessary.".

SEC. 103. SPECIAL ASSISTANCE.

(a) SCHOOL ELIGIBILITY REQUIREMENTS FOR PAYMENTS.—Section 11(a)(1) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)) is amended—

(1) in subparagraph (C)—

(A) in clause (i)(I), by striking "3 successive school years" each place it appears and inserting "4 successive school years"; and

(B) in clauses (ii) and (iii), by striking "3-school-year period" each place it appears and inserting "4-school-year period";

(2) in subparagraph (D)—

(A) in clause (i)—

(i) by striking "3-school-year period" each place it appears and inserting "4-school-year period"; and

(ii) by striking "2 school years" and inserting "4 school years";

(B) in clause (ii)—

(i) by striking the first sentence;

(ii) by striking "The school" and inserting "A school described in clause (i)"; and

(iii) by striking "5-school-year period" each place it appears and inserting "4-school-year period"; and

(C) in clause (iii), by striking "5-school-year period" and inserting "4-school-year period"; and

(3) in subparagraph (E), by striking clause (iii).

(b) ADJUSTMENTS TO PAYMENT RATES.—

(1) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(A) by striking "(B) The annual" and inserting the following:

"(B) COMPUTATION OF ADJUSTMENT.—

"(i) IN GENERAL.—The annual";

(B) by striking "Each annual" and inserting the following:

"(ii) BASIS.—Each annual";

(C) by striking "The adjustments" and inserting the following:

"(iii) ROUNDING.—

"(I) THROUGH JUNE 30, 1999.—For the period ending June 30, 1999, the adjustments"; and

(D) by adding at the end the following:

"(II) JULY 1, 1999, AND THEREAFTER.—On July 1, 1999, and on each subsequent July 1, the national average payment rates for meals and supplements shall be adjusted to the nearest lower cent increment and shall be based on the unrounded amounts for the preceding 12-month period.".

(2) CONFORMING AMENDMENTS.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(A) in the second sentence of paragraph (1)(B), by striking "adjusted to the nearest one-fourth cent,"; and

(B) in paragraph (2)(B)(ii), by striking ", which shall be adjusted" and all that follows and inserting "(as adjusted pursuant to section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C 1759a(a)(3)(B)))".

(c) INFORMATION AND ASSISTANCE CONCERNING REIMBURSEMENT OPTIONS.—

(1) IN GENERAL.—Section 11 of the National School Lunch Act (42 U.S.C. 1759a) is amended by adding at the end the following:

"(f) INFORMATION AND ASSISTANCE CONCERNING REIMBURSEMENT OPTIONS.—

"(1) IN GENERAL.—From funds made available under paragraph (3), the Secretary shall provide grants to not more than 10 State agencies in each of fiscal years 2000 and 2001 to enable the agencies, in accordance with criteria established by the Secretary, to—

"(A) identify separately in a list—

"(i) schools that are most likely to benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1); and

"(ii) schools that may benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(B) make the list of schools identified under this subsection available to each school district within the State and to the public;

"(C) provide technical assistance to schools, or school districts containing the schools, to enable the schools to evaluate and receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(D) take any other actions the Secretary determines are consistent with receiving special assistance under subparagraph (C) or (E) of subsection (a)(1) and receiving a grant under this subsection; and

"(E) as soon as practicable after receipt of the grant, but not later than September 30, 2001,

take the actions described in subparagraphs (A) through (D).

"(2) REPORT.—

"(A) IN GENERAL.—Not later than January 1, 2002, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report on the activities of the State agencies receiving grants under this subsection.

"(B) CONTENTS.—In the report, the Secretary shall specify—

"(i) the number of schools identified as likely to benefit from electing to receive special assistance under subparagraph (C) or (E) of subsection (a)(1);

"(ii) the number of schools identified under this subsection that have elected to receive special assistance under subparagraph (C) or (E) of subsection (a)(1); and

"(iii) a description of how the funds and technical assistance made available under this subsection have been used.

"(3) FUNDING.—Out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $2,250,000 for each of fiscal years 2000 and 2001 to carry out this subsection. The Secretary shall be entitled to receive the funds and shall accept the funds, without further appropriation.".

(2) TECHNICAL AMENDMENTS.—The National School Lunch Act is amended in the second sentence of each of sections 21(e)(2)(A) and 26(d) (42 U.S.C. 1769b–1(e)(2)(A), 1769g(d)) by inserting at the end before the period ", without further appropriation".

SEC. 104. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ADJUSTMENTS TO REIMBURSEMENT RATES.—Section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) is amended—

(1) by striking "school breakfasts and lunches" and inserting "breakfasts, lunches, suppers, and supplements";

(2) by striking "sections 4 and 11" and inserting "sections 4, 11, 13, and 17"; and

(3) by striking "lunches and breakfasts" each place it appears and inserting "meals and supplements".

(b) CRIMINAL PENALTIES.—Section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)) is amended by striking "$10,000" and inserting "$25,000".

(c) FOOD AND NUTRITION PROJECTS.—Section 12(m) of the National School Lunch Act (42 U.S.C. 1760(m)) is amended by striking "1998" each place it appears and inserting "2003".

(d) BUY AMERICAN.—Section 12 of the National School Lunch Act (42 U.S.C. 1760) is amended by adding at the end the following:

"(n) BUY AMERICAN.—

"(1) DEFINITION OF DOMESTIC COMMODITY OR PRODUCT.—In this subsection, the term 'domestic commodity or product' means—

"(A) an agricultural commodity that is produced in the United States; and

"(B) a food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

"(2) REQUIREMENT.—

"(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall require that a school food authority purchase, to the maximum extent practicable, domestic commodities or products.

"(B) LIMITATIONS.—Subparagraph (A) shall apply only to—

"(i) a school food authority located in the contiguous United States; and

"(ii) a purchase of a domestic commodity or product for the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).

"(3) APPLICABILITY TO HAWAII.—Paragraph (2)(A) shall apply to a school food authority in Hawaii with respect to domestic commodities or products that are produced in Hawaii in sufficient quantities to meet the needs of meals provided under the school lunch program under this Act or the school breakfast program under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773).".

(e) PROCUREMENT CONTRACTS.—Section 12 of the National School Lunch Act (42 U.S.C. 1760), as amended by subsection (d), is further amended by adding at the end the following:

"(o) PROCUREMENT CONTRACTS.—In acquiring a good or service for programs under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) (other than section 17 of that Act (42 U.S.C. 1786)), a State, State agency, school, or school food authority may enter into a contract with a person that has provided specification information to the State, State agency, school, or school food authority for use in developing contract specifications for acquiring such good or service.".

SEC. 105. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF SITE LIMITATION.—Section 13(a)(7)(B) of the National School Lunch Act (42 U.S.C. 1761(a)(7)(B)) is amended by striking clause (i) and inserting the following:

"(i) operate—

"(I) not more than 25 sites, with not more than 300 children being served at any 1 site; or

"(II) with a waiver granted by the State agency under standards developed by the Secretary, with not more than 500 children being served at any 1 site;".

(b) ELIMINATION OF MEAL CONTRACTING RESTRICTIONS, INDICATION OF INTEREST REQUIREMENT, AND VENDOR REGISTRATION REQUIREMENTS.—Section 13 of the National School Lunch Act (42 U.S.C. 1761) is amended—

(1) in subsection (a)(7)(B)—

(A) by striking clauses (ii) and (iii); and

(B) by redesignating clauses (iv) through (vii) as clauses (ii) through (v) respectively; and

(2) in subsection (l)—

(A) in paragraph (1)—

(i) in the first sentence—

(I) by striking "(other than private nonprofit organizations eligible under subsection (a)(7))"; and

(II) by striking "only with food service management companies registered with the State in which they operate" and inserting "with food service management companies"; and

(ii) by striking the last sentence;

(B) in paragraph (2)—

(i) in the first sentence, by striking "shall" and inserting "may"; and

(ii) by striking the second and third sentences;

(C) by striking paragraph (3); and

(D) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(c) OFFER VERSUS SERVE.—Section 13(f)(7) of the National School Lunch Act (42 U.S.C. 1761(f)(7)) is amended in the first sentence by striking "attending a site on school premises operated directly by the authority".

(d) REAUTHORIZATION OF PROGRAM.—Section 13(q) of the National School Lunch Act (42 U.S.C. 1761(q)) is amended by striking "1998" and inserting "2003".

(e) TECHNICAL AMENDMENT.—

(1) IN GENERAL.—Section 706(j)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2293) is amended by striking "methods of assessing" and inserting "methods for assessing".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 1997.

SEC. 106. COMMODITY DISTRIBUTION PROGRAM.

Section 14(a) of the National School Lunch Act (42 U.S.C. 1762a(a)) is amended in the matter preceding paragraph (1) by striking "1998" and inserting "2003".

SEC. 107. CHILD AND ADULT CARE FOOD PROGRAM.

(a) ELIGIBILITY OF INSTITUTIONS.—Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) in the fourth sentence, by striking "Reimbursement" and inserting "Except as provided in subsection (r), reimbursement"; and

(2) in the sixth sentence, by striking paragraph (1) and inserting the following:

"(1) an institution (except a school or family or group day care home sponsoring organization) or family or group day care home shall—

"(A)(i) be licensed, or otherwise have approval, by the appropriate Federal, State, or local licensing authority; or

"(ii) be in compliance with appropriate procedures for renewing participation in the program, as prescribed by the Secretary, and not be the subject of information possessed by the State indicating that the license of the institution or home will not be renewed;

"(B) if Federal, State, or local licensing or approval is not available—

"(i) meet any alternate approval standards established by the appropriate State or local governmental agency; or

"(ii) meet any alternate approval standards established by the Secretary after consultation with the Secretary of Health and Human Services; or

"(C) if the institution provides care to school children outside of school hours and Federal, State, or local licensing or approval is not required for the institution, meet State or local health and safety standards; and".

(b) AUTOMATIC ELIGIBILITY FOR EVEN START PROGRAM PARTICIPANTS.—Section 17(c)(6) of the National School Lunch Act (42 U.S.C. 1766(c)(6)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(c) PERIODIC SITE VISITS.—Section 17(d) of the National School Lunch Act (42 U.S.C. 1766(d)) is amended—

(1) in the second sentence of paragraph (1), by inserting after "if it" the following: "has been visited by a State agency prior to approval and it"; and

(2) in paragraph (2)(A)—

(A) by striking "that allows" and inserting "that—

"(i) allows";

(B) by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(ii) requires periodic site visits to private institutions that the State agency determines have a high probability of program abuse.".

(d) TAX EXEMPT STATUS AND REMOVAL OF NOTIFICATION REQUIREMENT FOR INCOMPLETE APPLICATIONS.—Section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended—

(1) by inserting after the third sentence the following: "An institution moving toward compliance with the requirement for tax exempt status shall be allowed to participate in the child and adult care food program for a period of not more than 180 days, except that a State agency may grant a single extension of not to exceed an additional 90 days if the institution demonstrates, to the satisfaction of the State agency, that the inability of the institution to obtain tax exempt status within the 180-day period is due to circumstances beyond the control of the institution."; and

(2) by striking the last sentence.

(e) USE OF FUNDS FOR AUDITS.—Section 17(i) of the National School Lunch Act (42 U.S.C. 1766(i)) is amended by striking "2 percent" and inserting "1.5 percent (except, in the case of each of fiscal years 2005 through 2007, 1 percent)".

(f) PERMANENT AUTHORIZATION OF DEMONSTRATION PROJECT.—Section 17(p) of the National School Lunch Act (42 U.S.C. 1766(p)) is amended by striking paragraphs (4) and (5).

(g) MANAGEMENT SUPPORT.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by adding at the end the following:

"(q) MANAGEMENT SUPPORT.—

"(1) TECHNICAL AND TRAINING ASSISTANCE.—In addition to the training and technical assistance that is provided to State agencies under other provisions of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), the Secretary shall provide training and technical assistance in order to assist the State agencies in improving their program management and oversight under this section.

"(2) FUNDING.—For each of fiscal years 1999 through 2003, the Secretary shall reserve to carry out paragraph (1) $1,000,000 of the amounts made available to carry out this section.".

(h) PARTICIPATION BY AT-RISK CHILD CARE PROGRAMS.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended by subsection (g), is further amended by adding at the end the following:

"(r) PROGRAM FOR AT-RISK SCHOOL CHILDREN.—

"(1) DEFINITION OF AT-RISK SCHOOL CHILD.—In this subsection, the term 'at-risk school child' means a school child who—

"(A) is not more than 18 years of age, except that the age limitation provided by this subparagraph shall not apply to a child described in section 12(d)(1)(A); and

"(B) participates in a program authorized under this section operated at a site located in a geographical area served by a school in which at least 50 percent of the children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

"(2) PARTICIPATION IN CHILD AND ADULT CARE FOOD PROGRAM.—An institution may participate in the program authorized under this section only if the institution provides supplements under a program—

"(A) organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year; and

"(B) with an educational or enrichment purpose.

"(3) ADMINISTRATION.—Except as otherwise provided in this subsection, the other provisions of this section apply to an institution described in paragraph (2).

"(4) SUPPLEMENT REIMBURSEMENT.—

"(A) LIMITATIONS.—An institution may claim reimbursement under this subsection only for—

"(i) a supplement served under a program organized primarily to provide care to at-risk school children during after-school hours, weekends, or holidays during the regular school year; and

"(ii) 1 supplement per child per day.

"(B) RATE.—A supplement shall be reimbursed under this subsection at the rate established for a free supplement under subsection (c)(3).

"(C) NO CHARGE.—A supplement claimed for reimbursement under this subsection shall be served without charge.".

(i) WIC INFORMATION.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended by subsection (h), is further amended by adding at the end the following:

"(s) INFORMATION CONCERNING THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.—

"(1) IN GENERAL.—The Secretary shall provide each State agency administering a child and adult care food program under this section with information concerning the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786).

"(2) REQUIREMENTS FOR STATE AGENCIES.—Each State agency shall ensure that each participating family and group day care home and child care center (other than an institution providing care to school children outside school hours)—

"(A) receives materials that include—

"(i) a basic explanation of the importance and benefits of the special supplemental nutrition program for women, infants, and children;

"(ii) the maximum State income eligibility standards, according to family size, for the program; and

"(iii) information concerning how benefits under the program may be obtained;

"(B) receives periodic updates of the information described in subparagraph (A); and

"(C) provides the information described in subparagraph (A) to parents of enrolled children at enrollment.".

(j) TRANSFER OF HOMELESS PROGRAMS.—

(1) IN GENERAL.—Section 17 of the National School Lunch Act (42 U.S.C. 1766), as amended by subsection (i), is further amended by adding at the end the following:

"(t) PARTICIPATION BY EMERGENCY SHELTERS.—

"(1) DEFINITION OF EMERGENCY SHELTER.—In this subsection, the term 'emergency shelter' means—

"(A) an emergency shelter (as defined in section 321 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11351)); or

"(B) a site operated by the shelter.

"(2) ADMINISTRATION.—Except as otherwise provided in this subsection, an emergency shelter shall be eligible to participate in the program authorized under this section in accordance with the terms and conditions applicable to eligible institutions described in subsection (a).

"(3) LICENSING REQUIREMENTS.—The licensing requirements contained in subsection (a)(1) shall not apply to an emergency shelter.

"(4) HEALTH AND SAFETY STANDARDS.—To be eligible to participate in the program authorized under this section, an emergency shelter shall comply with applicable State or local health and safety standards.

"(5) MEAL OR SUPPLEMENT REIMBURSEMENT.—

"(A) LIMITATIONS.—An emergency shelter may claim reimbursement under this subsection—

"(i) only for a meal or supplement served to children residing at an emergency shelter, if the children are—

"(I) not more than 12 years of age;

"(II) children of migrant workers, if the children are not more than 15 years of age; or

"(III) children with disabilities; and

"(ii) for not more than 3 meals, or 2 meals and a supplement, per child per day.

"(B) RATE.—A meal or supplement eligible for reimbursement shall be reimbursed at the rate at which free meals and supplements are reimbursed under subsection (c).

"(C) NO CHARGE.—A meal or supplement claimed for reimbursement shall be served without charge.".

(2) CONFORMING AMENDMENTS.—

(A) Section 13(a)(3)(C) of the National School Lunch Act (42 U.S.C. 1761(a)(3)(C)) is amended—

(i) in clause (i), by adding "or" at the end;

(ii) by striking clause (ii); and

(iii) by redesignating clause (iii) as clause (ii).

(B) Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended in the third sentence—

(i) by striking "and public" and inserting "public"; and

(ii) by inserting before the period at the end the following: ", and emergency shelters (as provided in subsection (t))".

(C)(i) Section 17B of the National School Lunch Act (42 U.S.C. 1766b) is repealed.

(ii) Section 25(b)(1) of the National School Lunch Act (42 U.S.C. 1769f(b)(1) is amended—

(I) by striking subparagraph (D); and

(II) by redesignating subparagraphs (E) through (G) as subparagraphs (D) through (F), respectively.

(3) TECHNICAL AMENDMENTS.—

(A) Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended—

(i) in paragraph (1)(A), by striking "mental or physical" each place it appears; and

(ii) by adding at the end the following:

"(8) DISABILITY.—The term 'disability' has the meaning given the term in the Rehabilitation Act of 1973 for purposes of title II of that Act (29 U.S.C. 760 et seq.).".

(B) Section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended in subparagraph (D) of the second sentence—

(i) in clause (i), by striking "to be mentally or physically handicapped" and inserting "to have a disability"; and

(ii) in clause (ii), by striking "the mentally or physically handicapped" and inserting "individuals who have a disability".

(C) Section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended by striking "handicaps" each place it appears and inserting "disabilities".

(D) Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(i) in paragraph (6), by striking "mental or physical handicaps" each place it appears and inserting "disabilities"; and

(ii) by adding at the end the following:

"(7) DISABILITY.—The term 'disability' has the meaning given the term in the Rehabilitation Act of 1973 for purposes of title II of that Act (29 U.S.C. 760 et seq.).".

(4) EFFECTIVE DATE.—The amendments made by paragraphs (1) and (2) take effect on July 1, 1999.

SEC. 108. MEAL SUPPLEMENTS FOR CHILDREN IN AFTERSCHOOL CARE.

(a) GENERAL AUTHORITY.—Section 17A(a) of the National School Lunch Act (42 U.S.C. 1766a(a)) is amended—

(1) in paragraph (1), by striking "supplements to" and inserting "supplements under a program organized primarily to provide care for"; and

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) operate afterschool programs with an educational or enrichment purpose.".

(b) ELIGIBLE CHILDREN.—Section 17A(b) of the National School Lunch Act (42 U.S.C. 1766a(b)) is amended by striking "served to children" and all that follows and inserting "served to school children who are not more than 18 years of age, except that the age limitation provided by this subsection shall not apply to a child described in section 12(d)(1)(A).".

(c) REIMBURSEMENT.—Section 17A(c) of the National School Lunch Act (42 U.S.C. 1766a(c)) is amended by striking "(c) REIMBURSEMENT.—For" and inserting the following:

"(c) REIMBURSEMENT.—

"(1) AT-RISK SCHOOL CHILDREN.—In the case of an eligible child who is participating in a program authorized under this section operated at a site located in a geographical area served by a school in which at least 50 percent of the children enrolled are certified as eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), a supplement provided under this section to the child shall be—

"(A) reimbursed at the rate at which free supplements are reimbursed under section 17(c)(3); and

"(B) served without charge.

"(2) OTHER SCHOOL CHILDREN.—In the case of an eligible child who is participating in a program authorized under this section at a site that is not described in paragraph (1), for".

SEC. 109. PILOT PROJECTS.

(a) IN GENERAL.—Section 18 of the National School Lunch Act (42 U.S.C. 1769) is amended by striking subsections (c), (e), (g), and (h).

(b) BREAKFAST PILOT PROJECTS.—Section 18(i) of the National School Lunch Act (42 U.S.C. 1769(i)) is amended to read as follows:

"(i) BREAKFAST PILOT PROJECTS.—

"(1) IN GENERAL.—Subject to the availability of funds made available under paragraph (10), for a period of 3 successive school years, the Secretary shall make grants to State agencies to conduct pilot projects in elementary schools under the jurisdiction of not more than 6 school food authorities approved by the Secretary to—

"(A) reduce paperwork, simplify meal counting requirements, and make changes that will increase participation in the school breakfast program; and

"(B) evaluate the effect of providing free breakfasts to elementary school children, without regard to family income, on participation, academic achievement, attendance and tardiness, and dietary intake over the course of a day.

"(2) NOMINATIONS.—A State agency that seeks a grant under this subsection shall submit to the Secretary nominations of school food authorities to participate in a pilot project under this subsection

"(3) APPROVAL.—The Secretary shall approve for participation in pilot projects under this subsection elementary schools under the jurisdiction of not more than 6 nominated school food authorities selected so as to—

"(A) provide for an equitable distribution of pilot projects among urban and rural elementary schools;

"(B) provide for an equitable distribution of pilot projects among elementary schools of varying family income levels; and

"(C) permit the evaluation of pilot projects to distinguish the effects of the pilot projects from other factors, such as changes or differences in educational policies or program.

"(4) GRANTS TO SCHOOL FOOD AUTHORITIES.—A State agency receiving a grant under paragraph (1) shall make grants to school food authorities to conduct the pilot projects described in paragraph (1).

"(5) DURATION OF PILOT PROJECTS.—Subject to the availability of funds made available to carry out this subsection, a school food authority receiving amounts under a grant to conduct a pilot project described in paragraph (1) shall conduct the project during a period of 3 successive school years.

"(6) WAIVER AUTHORITY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary may waive the requirements of this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) relating to counting of meals, applications for eligibility, and related requirements that would preclude the Secretary from making a grant to conduct a pilot project under paragraph (1).

"(B) NONWAIVABLE REQUIREMENTS.—The Secretary may not waive a requirement under subparagraph (A) if the waiver would prevent a program participant, a potential program participant, or a school from receiving all of the benefits and protections of this Act, the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.), or a Federal law (including a regulation) that protects an individual constitutional right or a statutory civil right.

"(7) REQUIREMENTS FOR PARTICIPATION IN PILOT PROJECT.—To be eligible to participate in a pilot project under this subsection—

"(A) a State agency—

"(i) shall submit an application to the Secretary at such time and in such manner as the Secretary shall establish to meet criteria the Secretary has established to enable a valid evaluation to be conducted; and

"(ii) shall provide such information relating to the operation and results of the pilot project as the Secretary may reasonably require; and

"(B) a school food authority—

"(i) shall agree to serve all breakfasts at no charge to all children enrolled in participating elementary schools;

"(ii) shall not have a history of violations of this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(iii) shall have, under the jurisdiction of the school food authority, a sufficient number of elementary schools that are not participating in the pilot projects to permit a valid evaluation of the effects of the pilot projects; and

"(iv) shall meet all other requirements that the Secretary may reasonably require.

"(8) EVALUATION OF PILOT PROJECTS.—

"(A) IN GENERAL.—The Secretary, acting through the Administrator of the Food and Nutrition Service, shall conduct an evaluation of the pilot projects conducted by the school food authorities selected for participation.

"(B) CONTENT.—The evaluation shall include—

"(i) a determination of the effect of participation in the pilot project on the academic achievement, attendance and tardiness, and dietary intake over the course of a day of participating children that is not attributable to changes in educational policies and practices; and

"(ii) a determination of the effect that participation by elementary schools in the pilot project has on the proportion of students who eat breakfast and on the paperwork required to be completed by the schools.

"(C) REPORT.—On completion of the pilot projects and the evaluation, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation of the pilot projects required under subparagraph (A).

"(9) REIMBURSEMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a school conducting a pilot project under this subsection shall receive a total Federal reimbursement under the school breakfast program in an amount that is equal to the total Federal reimbursement for the school for the prior year under the program (adjusted to reflect changes in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor and adjusted for fluctuations in enrollment).

"(B) EXCESS NEEDS.—Funds required for the pilot project in excess of the level of reimbursement received by the school for the prior year (adjusted to reflect changes described in subparagraph (A) and adjusted for fluctuations in enrollment) may be taken from any non-Federal source or from amounts provided under this subsection.

"(10) AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.

"(B) REQUIREMENT.—No amounts may be provided under this subsection unless specifically provided in appropriations Acts.".

(c) CONFORMING AMENDMENTS.—

(1) Section 18 of the National School Lunch Act (42 U.S.C. 1769), as amended by subsections (a) and (b), is further amended by redesignating subsections (d), (f), and (i) as subsections (c), (d), and (e), respectively.

(2) Section 101(b) of the Child Nutrition Amendments of 1992 (42 U.S.C. 1769 note; Public Law 102–342) is amended—

(A) in paragraph (1)—

(i) by striking "(1)"; and

(ii) by striking "other than those required under section 18(c) of the National School Lunch Act (42 U.S.C 1769(c)) to identify other" and inserting "to identify"; and

(B) by striking paragraph (2).

SEC. 110. TRAINING, TECHNICAL ASSISTANCE, AND FOOD SERVICE MANAGEMENT INSTITUTE.

(a) TECHNICAL AMENDMENTS.—Section 21(c)(2) of the National School Lunch Act (42 U.S.C. 1769b–1(c)(2)) is amended by striking "of section 24" each place it appears in subparagraphs (F) and (H) and inserting "established by the Secretary".

(b) TRAINING AND TECHNICAL ASSISTANCE.—Section 21(e)(1) of the National School Lunch Act (42 U.S.C. 1769b–1(e)(1)) is amended by striking "1998" and inserting "2003".

(c) FOOD SERVICE MANAGEMENT INSTITUTE.—Section 21(e)(2)(A) of the National School Lunch Act (42 U.S.C. 1769b–1(e)(2)(A)) is amended in the first sentence by striking "and $2,000,000 for fiscal year 1996 and each subsequent fiscal year," and inserting "$2,000,000 for each of fiscal years 1996 through 1998, and $3,000,000 for fiscal year 1999 and each subsequent fiscal year,".

SEC. 111. COMPLIANCE AND ACCOUNTABILITY.

Section 22(d) of the National School Lunch Act (42 U.S.C. 1769c(d)) is amended by striking "1996" and inserting "2003".

SEC. 112. INFORMATION CLEARINGHOUSE.

Section 26(d) of the National School Lunch Act (42 U.S.C. 1769g(d)) is amended in the first sentence by striking "and $100,000 for fiscal year 1998" and inserting "$100,000 for fiscal year 1998, and $166,000 for each of fiscal years 1999 through 2003".

SEC. 113. ACCOMMODATION OF THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

Section 27 of the National School Lunch Act (42 U.S.C. 1769h) is amended to read as follows:

"SEC. 27. ACCOMMODATION OF THE SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES.

"(a) DEFINITIONS.—In this section:

"(1) COVERED PROGRAM.—The term 'covered program' means—

"(A) the school lunch program authorized under this Act;

"(B) the school breakfast program authorized under section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773); and

"(C) any other program authorized under this Act or the Child Nutrition Act of 1966 (except for section 17) that the Secretary determines is appropriate.

"(2) ELIGIBLE ENTITY.—The term 'eligible entity' means a school food authority, institution, or service institution that participates in a covered program.

"(b) ACTIVITIES.—The Secretary may carry out activities to help accommodate the special dietary needs of individuals with disabilities who are participating in a covered program. The activities may include—

"(1) developing and disseminating to State agencies guidance and technical assistance materials;

"(2) conducting training of State agencies and eligible entities; and

"(3) providing grants to State agencies and eligible entities.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1999 through 2003.".

TITLE II—SCHOOL BREAKFAST AND RELATED PROGRAMS

SEC. 201. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

Section 4(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(a)) is amended in the first sentence by striking "and to carry out the provisions of subsection (g)".

SEC. 202. STATE ADMINISTRATIVE EXPENSES.

(a) Homeless Shelters.—Section 7(a)(5)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(5)(B)) is amended to read as follows:

"(B) Reallocation of funds.—

"(i) Return to secretary.—For each fiscal year, any amounts appropriated that are not obligated or expended during the fiscal year and are not carried over for the succeeding fiscal year under subparagraph (A) shall be returned to the Secretary.

"(ii) Reallocation by secretary.—The Secretary shall allocate, for purposes of administrative costs, any remaining amounts among States that demonstrate a need for the amounts.".

(b) Elimination of 10 Percent Transfer Limitation.—Section 7(a)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(a)(6)) is amended to read as follows:

"(6) Use of administrative funds.—Funds available to a State under this subsection and under section 13(k)(1) of the National School Lunch Act (42 U.S.C. 1761(k)(1)) may be used by the State for the costs of administration of the programs authorized under this Act (except for the programs authorized under sections 17 and 21) and the National School Lunch Act (42 U.S.C. 1751 et seq.) without regard to the basis on which the funds were earned and allocated.".

(c) Reauthorization of Program.—Section 7(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(g)) is amended by striking "1998" and inserting "2003".

SEC. 203. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) Additional Requirements for Applicants.—

(1) Physical presence requirement.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)) is amended by adding at the end the following:

"(C) Physical presence.—

"(i) In general.—Except as provided in clause (ii) and subject to the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), each individual seeking certification or recertification for participation in the program shall be physically present at each certification or recertification determination in order to determine eligibility under the program.

"(ii) Waivers.—If the agency determines that the requirement of clause (i) would present an unreasonable barrier to participation, a local agency may waive the requirement of clause (i) with respect to—

"(I) an infant or child who—

"(aa) was present at the initial certification visit; and

"(bb) is receiving ongoing health care from a provider other than the local agency; or

"(II) an infant or child who—

"(aa) was present at the initial certification visit;

"(bb) was present at a certification or recertification determination within the 1-year period ending on the date of the certification or recertification determination described in clause (i); and

"(cc) has 1 or more parents who work.".

(2) Income documentation requirement.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)), as amended by paragraph (1), is further amended by adding at the end the following:

"(D) Income documentation.—

"(i) In general.—Except as provided in clause (ii), in order to participate in the program pursuant to clause (i) of paragraph (2)(A), an individual seeking certification or recertification for participation in the program shall provide documentation of family income.

"(ii) Waivers.—A State agency may waive the documentation requirement of clause (i), in accordance with criteria established by the Secretary, with respect to—

"(I) an individual for whom the necessary documentation is not available; or

"(II) an individual, such as a homeless woman or child, for whom the agency determines the requirement of clause (i) would present an unreasonable barrier to participation.".

(3) Adjunct documentation requirement.—Section 17(d)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(3)), as amended by paragraph (2), is further amended by adding at the end the following:

"(E) Adjunct documentation.—In order to participate in the program pursuant to clause (ii) or (iii) of paragraph (2)(A), an individual seeking certification or recertification for participation in the program shall provide documentation of receipt of assistance described in that clause.".

(b) Education and Educational Materials Relating to Effects of Drug and Alcohol Use.—Section 17(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(1)) is amended by adding at the end the following: "A local agency participating in the program shall provide education or educational materials relating to the effects of drug and alcohol use by a pregnant, postpartum, or breastfeeding woman on the developing child of the woman.".

(c) Distribution of Nutrition Education Materials.—Section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)) is amended—

(1) by striking "(3) The" and inserting the following:

"(3) Nutrition education materials.—

"(A) In general.—The"; and

(2) by adding at the end the following:

"(B) Sharing of materials.—The Secretary may provide, in bulk quantity, nutrition education materials (including materials promoting breastfeeding) developed with funds made available for the program authorized under this section to State agencies administering the commodity supplemental food program authorized under sections 4(a) and 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) at no cost to that program.".

(d) Use of Claims From Vendors and Participants.—Section 17(f)(21) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(21)) is amended to read as follows:

"(21) Use of claims from vendors and participants.—A State agency may use funds recovered from vendors and participants, as a result of a claim arising under the program, to carry out the program during—

"(A) the fiscal year in which the claim arises;

"(B) the fiscal year in which the funds are collected; and

"(C) the fiscal year following the fiscal year in which the funds are collected.".

(e) Individuals Participating at More Than 1 Site.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

"(23) Individuals participating at more than 1 site.—Each State agency shall implement a system designed by the State agency to identify individuals who are participating at more than 1 site under the program.".

(f) Identification of High Risk Vendors; Compliance Investigations.—

(1) In general.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)), as amended by subsection (e), is further amended by adding at the end the following:

"(24) High risk vendors.—Each State agency shall—

"(A) identify vendors that have a high probability of program abuse; and

"(B) conduct compliance investigations of the vendors.".

(2) Regulations.—The Secretary of Agriculture shall promulgate—

(A) not later than March 1, 1999, proposed regulations to carry out section 17(f)(24) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)(24)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(f)(24) of that Act.

(g) Reauthorization of Program.—Section 17(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)(1)) is amended in the first sentence by striking "1998" and inserting "2003".

(h) Purchase of Breast Pumps.—Section 17(h)(1)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(1)(C)) is amended—

(1) by striking "(C) In" and inserting the following:

"(C) Remaining amounts.—

"(i) In general.—Except as provided in clause (ii), in"; and

(2) by adding at the end the following:

"(ii) Breast pumps.—A State agency may use amounts made available under clause (i) for the purchase of breast pumps.".

(i) Nutrition Services and Administration.—

(1) Allocation of amounts.—Section 17(h)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)) is amended in the first sentence by striking "1998" and inserting "2003".

(2) Technical amendment.—Section 17(h)(2)(A)(iv) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(A)(iv)) is amended by striking ", to the extent funds are not already provided under subparagraph (I)(v) for the same purpose,".

(3) Level of per-participant expenditure for nutrition services and administration.—Section 17(h)(2)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(2)(B)(ii)) is amended by striking "15 percent" and inserting "10 percent (except that the Secretary may establish a higher percentage for State agencies that are small)".

(4) Technical amendments.—Section 17(h)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(3)) is amended—

(A) in subparagraph (E), by striking "In the case" and all that follows through "subsequent fiscal year," and inserting "For each fiscal year,"; and

(B) by striking subparagraphs (F) and (G).

(5) Conversion of amounts for supplemental foods to amounts for nutrition services and administration.—Section 17(h)(5)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(5)(A)) is amended in the matter preceding clause (i) by striking "achieves" and all that follows through "such State agency may" and inserting "submits a plan to reduce average food costs per participant and to increase participation above the level estimated for the State agency, the State agency may, with the approval of the Secretary,".

(j) Infant Formula Procurement.—Section 17(h)(8)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)(A)) is amended by adding at the end the following:

"(iii) Competitive bidding system.—A State agency using a competitive bidding system for infant formula shall award contracts to bidders offering the lowest net price unless the State *agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than 5 percent.''.*

(k) Infrastructure and Breastfeeding Promotion and Support Activities.—Section 17(h)(10)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(10)(A)) is amended by striking ''1998'' and inserting ''2003''.

(l) Consideration of Price Levels of Retail Stores for Participation in Program.—

(1) In general.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended by adding at the end the following:

''(11) Consideration of price levels of retail stores for participation in program.—

''(A) In general.—For the purpose of promoting efficiency and to contain costs under the program, a State agency shall, in selecting a retail store for participation in the program, take into consideration the prices that the store charges for foods under the program as compared to the prices that other stores charge for the foods.

''(B) Subsequent price increases.—The State agency shall establish procedures to ensure that a retail store selected for participation in the program does not subsequently raise prices to levels that would otherwise make the store ineligible for participation in the program.''.

(2) Regulations.—The Secretary of Agriculture shall promulgate—

(A) not later than March 1, 1999, proposed regulations to carry out section 17(h)(11) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(11)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(h)(11) of that Act.

(m) Management Information System Plan.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)), as amended by subsection (l)(1), is further amended by adding at the end the following:

''(12) Management information system plan.—

''(A) In general.—In consultation with State agencies, vendors, and other interested persons, the Secretary shall establish a long-range plan for the development and implementation of management information systems (including electronic benefit transfers) to be used in carrying out the program.

''(B) Report.—Not later than 2 years after the date of enactment of this paragraph, the Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on actions taken to carry out subparagraph (A).

''(C) Interim period.—Prior to the date of submission of the report of the Secretary required under subparagraph (B), a State agency may not require retail stores to pay the cost of systems or equipment that may be required to test electronic benefit transfer systems.''.

(n) Use of Funds in Preceding and Subsequent Fiscal Years.—

(1) In general.—Section 17(i)(3)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(i)(3)(A)) is amended—

(A) by striking ''subparagraphs (B) and (C)'' and inserting ''subparagraph (B)''; and

(B) by striking clauses (i) and (ii) and inserting the following:

''(i)(I) not more than 1 percent (except as provided in subparagraph (C)) of the amount of funds allocated to a State agency under this section for supplemental foods for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods during the preceding fiscal year; and

''(II) not more than 1 percent of the amount of funds allocated to a State agency under this section for nutrition services and administration for a fiscal year may be expended by the State agency for allowable expenses incurred under this section for supplemental foods and nutrition services and administration during the preceding fiscal year; and

''(ii)(I) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amount equal to not more than 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency for allowable expenses incurred under this section for nutrition services and administration during the subsequent fiscal year; and

''(II) for each fiscal year, of the amounts allocated to a State agency for nutrition services and administration, an amount equal to not more than ½ of 1 percent of the amount allocated to the State agency under this section for the fiscal year may be expended by the State agency, with the prior approval of the Secretary, for the development of a management information system, including an electronic benefit transfer system, during the subsequent fiscal year.''.

(2) Conforming amendments.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(A) in subsection (h)(10)(A), by inserting after ''nutrition services and administration funds'' the following: ''and supplemental foods funds''; and

(B) in subsection (i)(3)—

(i) by striking subparagraphs (C) through (G); and

(ii) by redesignating subparagraph (H) as subparagraph (C).

(o) Farmers' Market Nutrition Program.—

(1) Matching requirement.—Section 17(m)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(3)) is amended in the first sentence by inserting ''program income or'' after ''satisfied from''.

(2) Criteria for additional funds.—Section 17(m)(6)(C) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)(C)) is amended—

(A) by striking ''serve additional recipients in'';

(B) by striking clause (ii) and inserting the following:

''(ii) documentation that demonstrates that—

''(I) there is a need for an increase in funds; and

''(II) the use of the increased funding will be consistent with serving nutritionally at-risk persons and expanding the awareness and use of farmers' markets;'';

(C) in clause (iii), by striking the period at the end and inserting ''; and''; and

(D) by adding at the end the following:

''(iv) whether, in the case of a State that intends to use any funding provided under subparagraph (G)(i) to increase the value of the Federal share of the benefits received by a recipient, the funding provided under subparagraph (G)(i) will increase the rate of coupon redemption.''.

(3) Ranking criteria for state plans.—Section 17(m)(6) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)) is amended—

(A) by striking subparagraph (F); and

(B) by redesignating subparagraph (G) as subparagraph (F).

(4) Funding for current and new states.—Section 17(m)(6)(F) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(6)(F)), as redesignated by paragraph (3)(B), is amended—

(A) in clause (i)—

(i) in the first sentence, by striking ''that wish'' and all follows through ''to do so'' and inserting ''whose State plan''; and

(ii) in the second sentence, by striking ''for additional recipients'';

(B) in the second sentence of clause (ii), by striking ''that desire to serve additional recipients, and''.

(5) Reauthorization of program.—Section 17(m)(9)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(m)(9)(A)) is amended by striking ''1998'' and inserting ''2003''.

(p) Disqualification of Certain Vendors.—

(1) In general.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by adding at the end the following:

''(o) Disqualification of Vendors Convicted of Trafficking or Illegal Sales.—

''(1) In general.—Except as provided in paragraph (4), a State agency shall permanently disqualify from participation in the program authorized under this section a vendor convicted of—

''(A) trafficking in food instruments (including any voucher, draft, check, or access device (including an electronic benefit transfer card or personal identification number) issued in lieu of a food instrument under this section); or

''(B) selling firearms, ammunition, explosives, or controlled substances (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)) in exchange for food instruments (including any item described in subparagraph (A) issued in lieu of a food instrument under this section).

''(2) Notice of disqualification.—The State agency shall—

''(A) provide the vendor with notification of the disqualification; and

''(B) make the disqualification effective on the date of receipt of the notice of disqualification.

''(3) Prohibition of receipt of lost revenues.—A vendor shall not be entitled to receive any compensation for revenues lost as a result of disqualification under this subsection.

''(4) Exceptions in lieu of disqualification.—

''(A) In general.—A State agency may permit a vendor that, but for this paragraph, would be disqualified under paragraph (1), to continue to participate in the program if the State agency determines, in its sole discretion according to criteria established by the Secretary, that—

''(i) disqualification of the vendor would cause hardship to participants in the program authorized under this section; or

''(ii)(I) the vendor had, at the time of the violation under paragraph (1), an effective policy and program in effect to prevent violations described in paragraph (1); and

''(II) the ownership of the vendor was not aware of, did not approve of, and was not involved in the conduct of the violation.

''(B) Civil penalty.—If a State agency under subparagraph (A) permits a vendor to continue to participate in the program in lieu of disqualification, the State agency shall assess the vendor a civil penalty in an amount determined by the State agency, in accordance with criteria established by the Secretary, except that—

''(i) the amount of the civil penalty shall not exceed $10,000 for each violation; and

''(ii) the amount of civil penalties imposed for violations investigated as part of a single investigation may not exceed $40,000.''.

(2) Regulations.—The Secretary of Agriculture shall promulgate—

(A) not later than March 1, 1999, proposed regulations to carry out section 17(o) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(o)), as added by paragraph (1); and

(B) not later than March 1, 2000, final regulations to carry out section 17(o) of that Act.

(q) Criminal Forfeiture.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by subsection (p)(1), is amended by adding at the end the following:

''(p) Criminal Forfeiture.—

''(1) In general.—Notwithstanding any provision of State law and in addition to any other

penalty authorized by law, a court may order a person that is convicted of a violation of a provision of law described in paragraph (2), with respect to food instruments (including any item described in subsection (o)(1)(A) issued in lieu of a food instrument under this section), funds, assets, or property that have a value of $100 or more and that are the subject of a grant or other form of assistance under this section, to forfeit to the United States all property described in paragraph (3).

"(2) APPLICABLE LAWS.—A provision of law described in this paragraph is—

"(A) section 12(g) of the National School Lunch Act (42 U.S.C. 1760(g)); and

"(B) any other Federal law imposing a penalty for embezzlement, willful misapplication, stealing, obtaining by fraud, or trafficking in food instruments (including any item described in subsection (o)(1)(A) issued in lieu of a food instrument under this section), funds, assets, or property.

"(3) PROPERTY SUBJECT TO FORFEITURE.—The following property shall be subject to forfeiture under paragraph (1):

"(A) All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation described in paragraph (1).

"(B) All property, real and personal, constituting, derived from, or traceable to any proceeds a person obtained directly or indirectly as a result of a violation described in paragraph (1).

"(4) PROCEDURES; INTEREST OF OWNER.—Except as provided in paragraph (5), all property subject to forfeiture under this subsection, any seizure or disposition of the property, and any proceeding relating to the forfeiture, seizure, or disposition shall be subject to section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), other than subsection (d) of that section.

"(5) PROCEEDS.—The proceeds from any sale of forfeited property and any amounts forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice, the Department of the Treasury, and the United States Postal Service for the costs incurred by the Departments or Service to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Office of Inspector General of the Department of Agriculture for any costs incurred by the Office in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal, State, or local law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the State agency to carry out approval, reauthorization, and compliance investigations of vendors.".

(r) STUDY OF COST CONTAINMENT PRACTICES.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study on the effect of cost containment practices established by States under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) for the selection of vendors and approved food items (other than infant formula) on—

(A) program participation;

(B) access and availability of prescribed foods;

(C) voucher redemption rates and actual food selections by participants;

(D) participants on special diets or with specific food allergies;

(E) participant use and satisfaction of prescribed foods;

(F) achievement of positive health outcomes; and

(G) program costs.

(2) REPORT.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate—

(A) not later than 2 years after the date of enactment of this Act, an interim report describing the results of the study conducted under paragraph (1); and

(B) not later than 3 years after the date of enactment of this Act, a final report describing the results of the study conducted under paragraph (1).

(s) STUDY OF WIC SERVICES.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study that assesses—

(A) the cost of delivering services under the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), including the costs of implementing and administering cost containment efforts;

(B) the fixed and variable costs incurred by State and local governments for delivering the services and the extent to which those costs are charged to State agencies;

(C) the quality of the services delivered, taking into account the effect of the services on the health of participants; and

(D) the costs incurred for personnel, automation, central support, and other activities to deliver the services and whether the costs meet Federal audit standards for allowable costs under the program.

(2) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General shall submit to the Secretary of Agriculture, the Committee on Education and the Workforce of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the results of the study conducted under paragraph (1).

SEC. 204. NUTRITION EDUCATION AND TRAINING.

Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) by striking the subsection heading and all that follows through paragraph (3)(A) and inserting the following:

"(i) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—

"(A) FUNDING.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 1997 through 2003."; and

(2) by redesignating paragraphs (4) and (5) as paragraphs (2) and (3), respectively.

TITLE III—COMMODITY DISTRIBUTION PROGRAMS

SEC. 301. INFORMATION FROM RECIPIENT AGENCIES.

Section 3(f)(2) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended to read as follows:

"(2) INFORMATION FROM RECIPIENT AGENCIES.—

"(A) IN GENERAL.—The Secretary shall ensure that information with respect to the types and forms of commodities that are most useful to persons participating in programs described in subsection (a)(2) is collected from recipient agencies operating the programs.

"(B) FREQUENCY.—The information shall be collected at least once every 2 years.

"(C) ADDITIONAL SUBMISSIONS.—The Secretary shall provide the recipient agencies a means for voluntarily submitting customer acceptability information.".

SEC. 302. FOOD DISTRIBUTION.

The Commodity Distribution Reform Act and WIC Amendments of 1987 (7 U.S.C. 612c note; Public Law 100–237) is amended—

(1) by redesignating sections 13 and 14 as sections 17 and 18, respectively; and

(2) by inserting after section 12 the following:

"SEC. 13. AUTHORITY TO TRANSFER COMMODITIES BETWEEN PROGRAMS.

"(a) TRANSFER.—Subject to subsection (b), the Secretary may transfer any commodities purchased with appropriated funds for a domestic food assistance program administered by the Secretary to any other domestic food assistance program administered by the Secretary if the transfer is necessary to ensure that the commodities will be used while the commodities are still suitable for human consumption.

"(b) REIMBURSEMENT.—The Secretary shall, to the maximum extent practicable, provide reimbursement for the value of the commodities transferred under subsection (a) from accounts available for the purchase of commodities under the program receiving the commodities.

"(c) CREDITING.—Any reimbursement made under subsection (b) shall—

"(1) be credited to the accounts that incurred the costs when the transferred commodities were originally purchased; and

"(2) be available for the purchase of commodities with the same limitations as are provided for appropriated funds for the reimbursed accounts for the fiscal year in which the transfer takes place.

"SEC. 14. AUTHORITY TO RESOLVE CLAIMS.

"(a) IN GENERAL.—The Secretary may determine the amount of, settle, and adjust all or part of a claim arising under a domestic food assistance program administered by the Secretary.

"(b) WAIVER.—The Secretary may waive a claim described in subsection (a) if the Secretary determines that a waiver would serve the purposes of the program.

"(c) AUTHORITY OF THE ATTORNEY GENERAL.—Nothing in this section diminishes the authority of the Attorney General under section 516 of title 28, United States Code, or any other provision of law, to supervise and conduct litigation on behalf of the United States.

"SEC. 15. PAYMENT OF COSTS ASSOCIATED WITH REMOVAL OF COMMODITIES THAT POSE A HEALTH OR SAFETY RISK.

"(a) IN GENERAL.—The Secretary may use funds available to carry out section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), that are not otherwise committed, for the purpose of reimbursing States for State and local costs associated with the removal of commodities distributed under any domestic food assistance program administered by the Secretary if the Secretary determines that the commodities pose a health or safety risk.

"(b) ALLOWABLE COSTS.—The costs—

"(1) may include costs for storage, transportation, processing, and destruction of the commodities described in subsection (a); and

"(2) shall be subject to the approval of the Secretary.

"(c) REPLACEMENT COMMODITIES.—

"(1) IN GENERAL.—The Secretary may use funds described in subsection (a) for the purpose of purchasing additional commodities if the purchase will expedite replacement of the commodities described in subsection (a).

"(2) RECOVERY.—Use of funds under paragraph (1) shall not restrict the Secretary from recovering funds or services from a supplier or other entity regarding the commodities described in subsection (a).

"(d) CREDITING OF RECOVERED FUNDS.—Funds recovered from a supplier or other entity regarding the commodities described in subsection (a) shall—

"(1) be credited to the account available to carry out section 32 of the Act of August 24, 1935 (49 Stat. 774, chapter 641; 7 U.S.C. 612c), to the extent the funds represent expenditures from that account under subsections (a) and (c); and

"(2) remain available to carry out the purposes of section 32 of that Act until expended.

"(e) TERMINATION DATE.—The authority provided by this section terminates effective October 1, 2000.

"SEC. 16. AUTHORITY TO ACCEPT COMMODITIES DONATED BY FEDERAL SOURCES.

"(a) IN GENERAL.—The Secretary may accept donations of commodities from any Federal agency, including commodities of another Federal agency determined to be excess personal property pursuant to section 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)).

"(b) USE.—The Secretary may donate the commodities received under subsection (a) to States for distribution through any domestic food assistance program administered by the Secretary.

"(c) PAYMENT.—Notwithstanding section 202(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d)), the Secretary shall not be required to make any payment in connection with the commodities received under subsection (a).".

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on October 1, 1998.

And the Senate agree to the same.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

BILL GOODLING,
FRANK RIGGS,
MIKE CASTLE,
W. L. CLAY,
M. G. MARTINEZ,

From the Committee on Agriculture, for consideration of secs. 2, 101, 104(b), 106, 202(c), and 202(o) of the House bill, and secs. 101, 111, 114, 203(c), 203(r), and titles III and IV of the Senate amendment, and modifications committed to conference:

BOB SMITH,
BOB GOODLATTE,
CHARLIE STENHOLM,
Managers on the Part of the House.

RICHARD G. LUGAR,
THAD COCHRAN,
MITCH MCCONNELL,
TOM HARKIN,
PATRICK J. LEAHY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two House on the amendment of the Senate to the bill (H.R. 3874) to reauthorize the Child Nutrition and Special Supplemental Feeding program for Women, Infants and Children programs, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment that is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clerical changes.

EXPLANATION OF THE CONFERENCE AGREEMENT

1. PROVISION OF COMMODITIES

Present law

Permanently appropriated "Section 32" funds are required to be used to pay, in cash, for any shortfall in states' commodity entitlement, and this money is exempt from state matching requirements. [Sec. 6(c) & (d) of the NSLA]

House bill

Deletes out-of-date provisions of current law regarding payments for commodity entitlement shortfalls and the related exemption from state matching requirements. [Sec. 101]

Senate amendment

Same as the House bill, with technical differences. [Sec. 101]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

2. WAIVER OF REQUIREMENT FOR WEIGHTED AVERAGES FOR NUTRIENT ANALYSIS

Present law

No provision.

House bill

No provision.

Senate amendment

Bars the Secretary from requiring the use of weighted averages for nutrient analysis of menu items and foods offered or served as part of reimbursable meals in school meal programs—through September 2003. [Sec. 102]

Conference agreement

The conference agreement adopts the Senate provision.

3. HEALTH AND SAFETY INSPECTIONS

Present law

No provision.

House bill

Requires schools, twice during each school year, to obtain state or local health and safety inspections to ensure that meals provided under school meal programs are prepared and served in a healthful and safe environment—if the school's food service operations are not required by state or local law to undergo health and safety inspections. [Sec. 102(a)]

Senate amendment

Requires schools, at least once during each school year, to obtain a food safety inspection conducted by a state or local government agency responsible for food safety inspections—if a food safety inspection of the school is not required by a state or local authority. [Sec. 103]

Conference agreement

The conference agreement adopts the Senate provision with an amendment.

It is the intent of the Conference Committee that schools which have a requirement for food safety inspections, regardless of the time frame, are in compliance with this provision.

The Committee also understands that, in certain localities, local offices of the State Health Department conduct voluntary health and safety inspections in schools. It is the Committee's interpretation of this provision that any such voluntary inspection performed at least once a year fulfills the school's obligation to complete annual health and safety inspections.

4. SINGLE PERMANENT AGREEMENTS BETWEEN STATE AGENCIES AND SCHOOL FOOD AUTHORITIES

Present law

No provision.

House bill

Requires single agreements between state agencies and school food authorities operating multiple child nutrition programs (school meal programs, summer programs, and child care food programs)—to the extent that a single state agency administers the programs involved. The agreements are to be permanent, but may be amended as necessary. [Sec. 102(b)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision, with a technical amendment.

The conferees agreement would require the use of a single claim form that incorporates sections for claims for all meals served. At its simplest, this would mean adding sections from each current form to a single form.

The conferees believe that the consolidated agreements and single claim forms in the bill allow additional flexibility for States and school districts. States may consolidate program accountability reviews where schools also operate the Child and Adult Care Food Program. Further, where a schools's food service operations, including its Summer Food Service Program operations, are managed by the same personnel, States need not conduct a review of the school's summer program in the same year in which its school food service operations have been reviewed and determined to be satisfactory. This will result in savings at the State level in that State agency staff will be able to coordinate reviews among programs. States may conduct additional reviews as necessary where there is a concern about compliance or for new sponsors, as current law provides.

School districts could operate all programs under the same meal pattern requirements. Schools would also have the same menu planning options for the Summer Food Service Program that school meals enjoy. This simplifies the menu planning process and maintains consistency among programs. It also simplifies program oversight at the State level.

5. COMMON CLAIMING PROCEDURES

Present law

No provision.

House bill

Requires common reimbursement claiming procedures for meals and supplements served in school meal programs, summer programs, and child and adult care food programs—to the extent that a single state agency administers the programs involved. [Sec. 102(b)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision with a technical amendment.

6. ADMINISTRATION OF CHILD NUTRITION PROGRAMS BY FEDERAL REGIONAL OFFICES

Present law

The Secretary is required to administer NSLA and CNA programs, other than the WIC program—i.e., withhold and administer funds due a state for federally administered programs—to the extent the Secretary has done so continuously since October 1980. If a state education agency is not permitted to pay funds to nonpublic schools, the Secretary must take over administration and payment for nonpublic schools. [Sec. 10 of the NSLA & Sec. 5 of the CNA.]

House bill

No provision.

Senate amendment

Ends the requirement that the Secretary administer NSLA and CNA programs—effective September 30, 2001. However, the Secretary may extend federal administration for up to 2 years if a state (1) demonstrates that it will not be able to take responsibility for the program involved and (2) submits a plan describing when and how it will assume administrative responsibility. Deletes the requirement that the Secretary take over administration for nonpublic schools. Requires the provision of training and technical assistance to states assuming administrative responsibility for NSLA/CNA programs. [Sec. 104 and Sec. 201]

Conference agreement

The conference agreement adopts the House position.

7. SCHOOLS' ELIGIBILITY UNDER "PROVISION 2"

Present law

"Provision 2" schools opt to serve free meals to all students for a 3-year period (without the normally required annual family income eligibility determinations) and are responsible for any extra costs. State agencies may extend this term by 2 years if socio-economic data show that the school's family income profile has remained stable. After a 2-year extension, subsequent extensions of 5 years each may be allowed if the school's family income profile has remained stable. [Sec. 11(a)(1) of the NSLA]

House bill

Requires that "provision 2" schools be eligible for an initial 4-year period, with added 4-year extensions if socio-economic data show that the school's family income profile has remained stable. [Sec. 103(a)]

Senate amendment

Same as the House bill. [Sec. 105]

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with an amendment directing the provision of grants to states to help schools seeking to apply for provision 2 or provision 3 status.

The conferees change the initial and extension periods to 4 years each for "provision 2 schools." The new time frames are applicable for schools upon initial application and, for those schools already utilizing this provision, upon application for extension.

8. ROUNDING ADJUSTMENTS TO FEDERAL PAYMENT RATES

Present law

When annual inflation adjustments are made to federal payment rates for meals and snacks served under school meal programs and by day care centers under the CACFP, the resultant rates for free and reduced-price meals/snacks served to lower-income children are rounded to the nearest quarter cent. Inflation-adjusted rates for "full-price" meals/snacks are rounded down to the nearest whole cent. [Sec. 11(a)(3) of the NSLA]

House bill

Requires that, when annual inflation adjustments are made to federal payment rates for meals and snacks served under school meal programs and by day care centers under the CACFP, all resultant rates be rounded down to the nearest whole cent. This new rounding rule would affect rates paid beginning May 1, 1999. [Sec. 103(b)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 106]

Conference agreement

The conference agreement follows the House bill with an amendment to change the effective date to July 1, 1999.

The Conference Committee intends that, under this section, reimbursements for all breakfasts, including severe need breakfasts, will, when adjusted for inflation, be rounded down to the nearest whole cent.

9. FEDERAL PAYMENT RATES UNDER THE SUMMER FOOD SERVICE PROGRAM FOR ALASKA, HAWAII, AND OUTLYING AREAS

Present law

Federal payment rates for meals/snacks served under the Summer Food Service program may not be varied for Alaska, Hawaii, and outlying areas. Rates for meals/snacks served under other child nutrition programs may be varied for Alaska, Hawaii, and outlying areas to reflect cost differences. [Sec. 12(f) of the NSLA]

House bill

Permits the Secretary to vary payment rates under the Summer Food Service program for Alaska, Hawaii, and outlying areas to reflect cost differences. [Sec. 104(a)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 107]

Conference agreement

The conference agreement adopts the Senate provision with technical amendments.

10. CRIMINAL PENALTIES

Present law

Federal fines that may be imposed on those found to have embezzled, willfully misapplied, stolen, or obtained by fraud funds, assets, or property subject to a grant or other form of assistance under the NSLA or the CNA are limited to $10,000 (where the value is $100 or more). [Sec. 12(g) of the NSLA]

House bill

Increases the limit on fines imposed for WIC program violations to $25,000. [Sec. 202(s)]

Senate amendment

Increases the limit on fines for all NSLA and CNA violations to $25,000. [Sec. 108]

Conference agreement

The conference agreement adopts the Senate provision.

11. GRANTS FOR FOOD AND NUTRITION CURRICULA INTEGRATION PROJECTS

Present law

Grants in support of projects that integrate food and nutrition education into elementary school curricula are authorized through FY1998. [Sec. 12(m) of the NSLA]

House bill

No provision.

Senate amendment

Extends authority for grants for food and nutrition curricula integration projects through FY2003. [Sec. 109]

Conference agreement

The conference agreement adopts the Senate provision.

12. ADEQUATE MEAL SERVICE PERIODS

Present law

No provision.

House bill

No provision.

Senate amendment

Provides that schools participating in federal school meal programs are encouraged to establish meal service periods that provide children with adequate time to fully consume meals in a conducive environment. [Sec. 110]

Conference agreement

The conference agreement adopts the House position.

The Conference Committee believes that the benefits derived from meals provided in schools depend to a considerable extent on the environment in which they are provided and consumed, and that school administrators and the entire school community play an essential role in assuring that children receive the full benefit of such meals. Accordingly, the conferees call on the Secretary to encourage schools to make every effort to establish meal service periods that provide children adequate time to fully consume their meals and to provide an environment conducive to eating those meals.

13. BUY AMERICAN PROVISION

Present law

No provision.

House bill

Requires that schools located in the contiguous U.S. and participating in school meal programs purchase—to the extent practicable—only "food products that are produced in the United States." "Food products that are produced in the United States" are defined as: (1) unmanufactured food products grown or produced in the U.S. and (2) food products that are manufactured in the U.S. substantially from agricultural products grown or produced in the U.S. Also requires that "recipient agencies" in Hawaii purchase food products grown in Hawaii in sufficient quantities to meet school meal program needs. [Sec. 104(b)]

Senate amendment

Same as the House bill—except for (1) technical differences and (2) the House provision requiring purchases of foods grown in Hawaii. [Sec. 111]

Conference Agreement

The conference agreement adopts the House provision with a technical amendment.

The conferees bill incorporates language similar to that proposed by the U.S. Department of Agriculture which requires schools in the contiguous States participating in the National School Lunch and Breakfast Programs to purchase, whenever possible, only food products that are produced in the United States for those programs.

Although Hawaii is exempt from "Buy American" provisions, the bill eliminates this exemption with respect to food products that are produced in Hawaii in sufficient quantities to meet the needs of meals provided under the school lunch and breakfast programs.

Finally, the bill includes a definition of "food products that are produced in the United States." The conferees included this definition for a variety of reasons. First, the conferees determined it was important to assist local schools in determining which products qualify under this new requirement. Second, the conferees believe it is important to make sure that "food products that are produced in the United States" means products are produced "substantially" from agricultural products grown in the United States. Under the "Buy American Act" substantially means over 51 percent from American products. However, the Department of Agriculture has been using a definition of "food products that are produced in the United States" that includes products which are canned and labeled in the United States, but may have 100 percent foreign ingredients. By adding this definition, the bill serves both the needs of schools that purchase these products and American agriculture.

The conferees do not intend to specify how this provision will be implemented by individual schools nor do the conferees expect the Secretary to issue regulations or guidance to schools specifying how this provision will be implemented.

14. PROCUREMENT CONTRACTS

Present law

No provision.

House bill

No provision.

Senate amendment

When acquiring goods/services using NSLA/CNA funds, allows states, state agencies, and schools to contract with those who have provided assistance in drafting the contract specifications. [Sec. 112]

Conference agreement

The conference agreement adopts the Senate provision with an amendment to limit permission to award contracts to persons who have provided specification information and to clarify that this provision does not apply to the WIC program.

The Conference Committee intends for this provision to encourage Child Nutrition program administrators to obtain information from as many sources as possible. This provision is not intended to prevent a program from participating in group purchasing arrangements or prevent program administrators from, where permitted, forming purchasing cooperatives. This provision is not intended to allow a potential contractor or other interested party to participate in the procurement process through drafting the procurement specification, procedures or documents.

In addressing the procurement actions by a school food service authorities or other subgrantees, the conferees expect the Department to implement its responsibilities, in its pending rulemaking and administration of program authorities with generous deference to the discretion of State and local authorities especially when dealing with State and local procurement laws and regulations. State and local authorities, not the federal government bear responsibility for the cost of such subgrantee procurements. The conferees expect the Secretary to implement procurement rules to allow purchase of locally produced products to the extent practicable.

The Conferees are especially concerned that no situation arise in which federal authorities require State or local school food service authorities to issue Requests for Proposals in such a prescriptive form as to inhibit innovation that might improve service or reduce costs for the local school food service authority. Similarly, the Conferees expect the Department to assure that it exercises all the flexibility available to it in order to avoid unnecessary expense to school districts when they implement federal requirements.

The great success of the National School Lunch and Breakfast Programs is primarily due to the interwoven responsibilities for, and commitment to, the mission of those programs by federal, State, and local authorities. Through its oversight functions, Congress intends to assure that federal program responsibilities are executed in a manner that respects the role of State and local food service authorities. The Department should be prepared to promptly and fully account to the Committees of jurisdiction for each instance in which federal authorities address a matter of a subgrantee procurement.

15. SUMMER FOOD SERVICE PROGRAM: LIMITS ON THE NUMBER OF SITES AND CHILDREN SERVED BY PRIVATE NONPROFIT ORGANIZATIONS

Present law

Private nonprofit Summer Food Service program sponsors are limited to five urban sites and 20 rural sites. They also are limited to serving not more than a total of 2,500 children (with not more than 300 at any one site, unless a waiver is granted to serve up to 500 children). [Sec. 13(a)(7)(B) of the NSLA]

House bill

Increases the limit on sites operated by private nonprofit sponsors to 25 (with no variation between urban and rural sites). Eliminates the limit (2,500) on the total number of children served by a private nonprofit sponsor. Retains per-site limits on the number of children served by a private nonprofit sponsor (300, or 500 if a waiver is granted). [Sec. 105(a)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 113(a)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

16. SUMMER FOOD SERVICE PROGRAM: MEAL PREPARATION BY PRIVATE NONPROFIT ORGANIZATIONS

ORGANIZATIONS

Present law

Private nonprofit Summer Food Service program sponsors must prepare their own meals/snacks or obtain meals/snacks from a public facility (e.g., a school). [Sec. 13(a)(7)(B) of the NSLA]

House bill

Eliminates the requirement that private nonprofit sponsors prepare their own meals/snacks or obtain meals/snacks from a public facility. [Sec. 105(a)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 113(b)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

17. SUMMER FOOD SERVICE PROGRAM: "INDICATION OF INTEREST" REQUIREMENT FOR PRIVATE NONPROFIT ORGANIZATIONS

Present law

Private nonprofit Summer Food Service program sponsors are only allowed to participate in areas where school or other public sponsors have not indicated an interest in running a summer program by March 1st of each year. [Sec. 13(a)(7)(B) of the NSLA]

House bill

Eliminates the March 1st "indication of interest" requirement for private nonprofit sponsors. [Sec. 105(a)]

Senate amendment

Same as the House bill. [Sec. 113(b)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

18. SUMMER FOOD SERVICE PROGRAM: "OFFER VS. SERVE" RESTRICTIONS

Present law

School food authorities participating in the Summer Food Service program may permit children *attending a site on school premises operated directly by the authority* to refuse one or more meal items without affecting federal payments made for the meal. [Sec. 13(f)(7) of the NSLA]

House bill

Allows school food authorities sponsoring summer programs to permit children to refuse one or more meal items without affecting federal payment—without regard to whether they are attending a site on school premises operated directly by the authority. [Sec. 105(b)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision.

19. SUMMER FOOD SERVICE PROGRAM: USE OF FOOD SERVICE MANAGEMENT COMPANIES

Present law

Private nonprofit Summer Food Service program sponsors may not contract with food service management companies. [Sec. 13(l) of the NSLA]

House bill

Eliminates the bar against private nonprofit sponsors contracting with food service management companies. [Sec. 105(c)]

Senate amendment

Same as the House bill. [Sec. 113(b)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

20. SUMMER FOOD SERVICE PROGRAM: REGISTRATION OF FOOD SERVICE MANAGEMENT COMPANIES

Present law

States are *required* to register food service management companies that wish to contract with Summer Food Service program sponsors. Registration must include: (1) certification that the company meets health, safety, and sanitation standards, (2) disclosure of past and present owners, (3) records of contract terminations or disallowances and sanitary code violations, and (4) addresses of the company's food preparation sites. Companies cannot be registered if they lack administrative/financial capability or have been seriously deficient in their participation in the program. The Secretary is required to maintain a record of all registered companies. [Sec. 13(l) of the NSLA]

House bill

Allows states to register food service management companies. Eliminates current-law stipulations as to what registration must include. Eliminates the current-law requirement that the Secretary maintain a list of registered companies. [Sec. 105(c)]

Senate amendment

Same as the House bill. [Sec. 113(b)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

21. SUMMER FOOD SERVICE PROGRAM: REAUTHORIZATION

Present law

Appropriations for the Summer Food Service program are authorized through FY1998. [Sec. 13(q) of the NSLA]

House bill

Extends the appropriations authorization through FY2003. [Sec. 105(d)]

Senate amendment

Same as the House bill. [Sec. 113(c)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

The conferees intend that the removal of barriers to participation by private non-profit sponsors will increase access of low income children to nutritious meals during the summer months when they are not in school. However, because of past problems, the Committees of jurisdiction will closely monitor the performance of private non-profit sponsors once these restrictions have been removed. Should past abuses be repeated, the Committees will move swiftly to reinstate these barriers.

22. COMMODITY DISTRIBUTION: REAUTHORIZATION

Present law

The Secretary is required to use permanently appropriated funds available under "Section 32" of the Act of August 24, 1935, and funds available to the Commodity Credit Corporation (CCC) to purchase agricultural commodities needed to maintain annually programmed levels of commodity assistance for programs under the NSLA, the CNA, and the Older Americans Act. This requirement expires at the end of FY1998. [Sec. 14(a) of the NSLA]

House bill

Extends the requirement to use Section 32 and CCC funds to maintain commodity assistance levels through FY2003. [Sec. 108]

Senate amendment

Same as the House bill. [Sec. 114]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

23. CHILD AND ADULT CARE FOOD PROGRAM: LICENSING OF CENTERS

Present law

CACFP centers must have federal, state, or local licensing or approval (or be complying with appropriate licensing/approval renewal procedures). Where federal, state, or local licensing/ approval is not available, centers may participate in the CACFP if they receive funds under Title XX of the Social Security Act or otherwise demonstrate that they meet alternate licensing/approval standards. [Sec. 17(a)(1) of the NSLA]

House bill

Revises licensing/approval conditions for CACFP centers by (1) removing requirements that schools operating programs under the CACFP meet any child care licensing/approval standards, (2) allowing institutions that—are (a) located where federal, state, or local licensing/approval is not required and (b) provide care to school children outside of school hours—to participate in the CACFP as long as the institution meets state and local health and safety standards. Also deletes permission to participate in the CACFP under licensing/approval requirements if the center receives Title XX funds. [Sec. 107(a)]

Senate amendment

Same as the House bill, except that the permission to participate if a center receives Title XX funds is retained. [Sec. 115(b)]

Conference agreement

The conference agreement adopts the House provision.

The Conference Committee does not intend to disqualify any institution which originally qualified under Title XX of the Social Security Act.

24. CHILD AND ADULT CARE FOOD PROGRAM: ELIGIBILITY OF EVEN START PARTICIPANTS

Present law

Children who have not entered kindergarten and are enrolled as participants in the Even Start program must be considered automatically ("categorically") eligible for "benefits" under the CACFP. This requirement expired September 30, 1997. [Sec. 17(c)(6) of the NSLA]

House bill

Extends automatic CACFP eligibility for Even Start participants through FY2003. [Sec. 107(b)]

Senate amendment

Deletes provisions for automatic CACFP eligibility for Even Start participants. [Sec. 115(c)]

Conference agreement

The conference agreement adopts the House provision with an amendment to make the automatic eligibility of Even Start participants permanent.

The conferees note that participants in the Even Start family literacy program generally have lower family incomes than those families participating in the Head Start program. Providing automatic eligibility for the children of these families places them on an equal footing with Head Start participants.

25. CHILD AND ADULT CARE FOOD PROGRAM: SITE VISITS

Present law

No provision.

House bill

No provision.

Senate amendment

Requires state agencies to perform a site visit to private institutions prior to approval for the CACFP. Also requires state agencies to conduct periodic site visits to private institutions in the CACFP that the agency determines to have a high probability of program abuse. [Sec. 115(d)]

Conference agreement

The conference agreement adopts the Senate provision.

26. CHILD AND ADULT CARE FOOD PROGRAM: TAX EXEMPT STATUS

Present law

Private institutions that are "moving toward compliance" with requirements for tax exempt status may participate in the CACFP. No time limit is placed on how long the institution can be "moving toward compliance." [Sec. 17(d)(1) of the NSLA]

House bill

Permits a private institution moving toward compliance with requirements for tax exempt status to participate in the CACFP for not more than 6 months, unless it can demonstrate that its inability to obtain tax exempt status is beyond its control—in which case the state agency may grant a single extension not to exceed 90 days. [Sec. 107(c)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 115(e)]

Conference agreement

The conference agreement adopts the Senate provision.

27. CHILD AND ADULT CARE FOOD PROGRAM: INCOMPLETE APPLICATION NOTICE

Present law

If an institution wishing to participate in the CACFP submits an incomplete application, the state agency must notify it within 15 days of receipt of the application. [Sec. 17(d)(1) of the NSLA]

House bill

Deletes the incomplete application notification requirement. [Sec. 107(c)]

Senate amendment

Same as the House bill. [Sec. 115(e)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

The conferees understand that an institution must have feedback from the State as to whether the application is complete. Therefore, the conferees encourage State agencies to respond to institutions, in a timely fashion, as to the completeness of an application.

28. CHILD AND ADULT CARE FOOD PROGRAM: SET-ASIDE OF FUNDING FOR AUDITS

Present law

The Secretary is required to make available to states 2% of CACFP funds for the purpose of conducting audits of participating institutions. [Sec. 17(i) of the NSLA]

House bill

Reduces the set-aside of CACFP funding for audits from 2% to 1%. [Sec. 107(d)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision with an amendment to reduce the set-aside for audit to 1.5%, and to 1% in 2005 through 2007 only.

The Conference Committee included the 2005 through 2007 change in the set aside only for the purpose of complying with budget rules. It is the intention of the conferees that the audit funds be restored before the 2005 deadline.

29. CHILD AND ADULT CARE FOOD PROGRAM: FOR-PROFIT CENTER DEMONSTRATION PROJECTS

Present law

Two statewide demonstration projects are authorized under which for-profit organizations may participate in the CACFP if at least 25% of the children enrolled (or 25% of licensed capacity) meet eligibility requirements for free or reduced-price meals. These projects operate in Iowa and Kentucky, and authorization expires at the end of FY1998. [Sec. 17(p) of the NSLA]

House bill

Makes permanent (and clarifies that funding is mandatory for) the two-state, for-profit CACFP demonstration project. [Sec. 107(e)]

Senate amendment

Extends the two-state, for-profit CACFP demonstration project through FY 2003, and clarifies that funding for the project is mandatory. [Sec. 115(f)]

Conference agreement

The conference agreement adopts the House provision.

30. CHILD AND ADULT CARE FOOD PROGRAM: PROGRAMS FOR HOMELESS CHILDREN

Present law

Under the Homeless Children Nutrition program, public and private nonprofit entities selected by the Secretary receive payments for free food service provided to children under age 6 in emergency shelters. In addition, eligible summer program sponsors can include those conducting regularly scheduled food service primarily for homeless children (age 18 or under or who are handicapped of any age). [Sec. 17B and sec. 13(a)(3) of the NSLA]

House bill

Deletes current-law provisions for payments for food service to homeless children. Replaces current-law provisions with authority for public and private nonprofit emergency homeless shelters meeting state or local health and safety standards to participate in the CACFP. Free meals and snacks would be provided to homeless children residing in participating shelters—through age 12. Payments (at free meal/snack rates) would be provided for three meals or two meals and a snack per child per day. [Sec. 107(f) & sec. 201(a)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 116 and Sec. 202(a)]

Conference agreement

The conference adopts the Senate bill with an amendment to include children older than 12 if they are migrants or disabled.

31. CHILD AND ADULT CARE FOOD PROGRAM: MANAGEMENT SUPPORT

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the Secretary to provide training and technical assistance to help state agencies improve CACFP program management and oversight. To carry out this provision, requires that, for FY 1999 through FY 2003, the Secretary reserve $1 million a year from amounts made available for the CACFP. [Sec. 115(g)]

Conference agreement

The conference agreement adopts the Senate provision.

The Department is to use the training and technical assistance funding provided under the Child and Adult Care Food Program in support of its current effort to improve program integrity and quality and to deal with the increasing incidence of mismanagement and fraud identified in the program. In addition, it is to be used to help ensure proper implementation of the family day care home tiering requirements. It is critical that this most significant change in Program structure is fully understood and properly implemented at all levels of Program administration and that barriers to implementation are identified and rectified. Specific uses of the funding are to include development of technical assistance materials for program cooperators and training of State agencies.

32. CHILD AND ADULT CARE FOOD PROGRAM: INFORMATION ABOUT THE WIC PROGRAM

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the Secretary to provide state CACFP agencies with information about the WIC program. States agencies must ensure that participating day care centers and homes receive the materials, that they are provided periodic updates, and that parents are provided the information at enrollment. [Sec. 115(g)]

Conference agreement

The conference agreement adopts the Senate provision.

33. CHILD AND ADULT CARE FOOD PROGRAM: PROGRAMS FOR "AT-RISK" CHILDREN

Present law

No provision.

House bill

Allows institutions (schools and other public or private nonprofit organizations) that provide care to "at-risk" schoolchildren during after-school hours, weekends, or holidays in the regular school year to receive CACFP payments for snacks (one per child per day) served free to participating children. "At-risk" schoolchildren are defined as those ages 12 through 18 living in an area served by a school enrolling elementary students in which at least 50% are certified eligible for free or reduced-price school meals. [Sec. 107(g)]

Senate amendment

Same as the House bill, except for technical differences and: (1) participating institutions must be "organized primarily to provide care to at-risk schoolchildren"; (2) "at-risk" schoolchildren are defined so as to include those below age 12. [Sec. 115 (a) & (g)]

Conference agreement

The conference agreement adopts the Senate provision with an amendment requiring that assisted programs serve an educational or enrichment purpose.

The conferees include language requiring the after-school programs to provide education and enrichment for children. The inclusion of this language is meant to ensure that children receiving this benefit are participating in a program that provides the types of activities known to help reduce or prevent involvement in juvenile crime. It is not expected that support would be provided to members of athletic teams and others who are not participating in such activities.

The Conference Committee intends that children who turn age 19 during the school year be eligible for reimbursement. The Committee encourages the Department to give guidance to states on this issue.

34. CHILDREN IN AFTER-SCHOOL CARE

Present law

Schools operating school lunch programs and sponsoring after-school care programs may receive payments (varied by family income) for snacks served to children through age 12 (or age 15 in the case of migrant or handicapped children). Only schools participating in the CACFP on May 15, 1989 are eligible. [Sec. 17A of the NSLA]

House bill

Removes the May 1989 participation requirement for schools' eligibility. Requires that eligible schools' after-school programs have an "educational or enrichment purpose." Allows payments (varied by family income) for snacks served to children through age 18. [Sec. 108]

Senate amendment

Same as the House bill, except: (1) requires that eligible programs be "organized primarily to provide care" for children in after-school settings; (2) retains current-law provisions (age limits and payments varied by family income) for children not living in a lower-income area; (3) provides payments for free snacks served to children (through age 18) who live in a lower-income area (i.e., served by a school enrolling elementary school students in which at least 50% are certified eligible for free or reduced-price school meals. [Sec. 117]

Conference agreement

The conference agreement adopts the Senate provision with an amendment to raise the age to 18 for means-tested snacks.

The inclusion of this language is meant to ensure that children receiving this benefit are participating in a program that provides the types of activities known to help reduce or prevent involvement in juvenile crime. It is not expected that support would be provided to members of athletic teams and others who are not participating in such activities.

The Conference Committee intends that children who turn age 19 during the school year continue to be eligible for reimbursement. The Committee encourages the Department to give guidance to states on this issue.

35. PILOT PROJECTS

Present law

A "boarder baby" pilot project for food and nutrition services to homeless pregnant women and homeless mothers or guardians of infants is required through FY1998. A pilot project to provide meals and snacks to adolescents participating in programs outside of school hours is authorized through FY1998. A pilot project to offer students additional choices of fruits, vegetables, cereals, and grain-based products (including organically produced products) was authorized through FY1997. A pilot project to offer students additional choices of low-fat dairy products and lean meat and poultry products (including organically produced products) was authorized through FY1997. [Sec. 18(c), (e), (h), & (i) of the NSLA]

House bill

No provisions.

Senate amendment

Extends the requirement to operate a "boarder baby" pilot project through FY2003. Deletes authority for a pilot project for adolescents in after-school programs. Deletes authority for a pilot project involving additional choices of fruits, vegetables, cereals, and grain-based products. Deletes authority for a pilot project involving additional choices of low-fat dairy products and lean meat and poultry products. [Sec. 118]

Conference agreement

The conference agreement adopts the Senate provision with an amendment to delete authority for the boarder baby pilot project.

36. SCHOOL BREAKFAST PILOT PROJECTS

Present law

Pilot projects are authorized to reduce paperwork and application and meal counting requirements in school meal programs and to make changes that will increase participation in school meal programs. This authority expired July 31, 1998. [Sec. 18(i) of the NSLA]

House bill

Replaces current-law authority for pilot projects to reduce paperwork and application and meal counting requirements and increase participation in school meal programs.

Establishes discretionary authority for pilot projects for free breakfasts served to all elementary school students in participating schools.

Subject to the availability of advance appropriations, requires the Secretary to make grants, to up to five states, to conduct pilot projects in elementary schools that would reduce paperwork, simplify meal counting requirements, and make changes that increase participation in the School Breakfast program.

On their application, the Secretary would select states for pilot project grants and could waive NSLA & CNA requirements that would preclude making grants to conduct projects.

The Secretary would be responsible, through the FNS, for an evaluation of the projects—including determining their effect on academic achievement, attendance, and dietary intake and the proportion of children who eat breakfast. An evaluation report is required on completion of the projects.

States would apply for pilot project grants and provide information relative to the operation and results of the pilots. States receiving a pilot project grant would select and make grants to school food authorities. In the selection of school food authorities, states would be required, to the extent practicable, to provide for an equitable distribution among urban and rural schools and schools with varying family income levels.

Participating school food authorities would (1) conduct a pilot project for 3 years, (2) ensure that some schools in their jurisdiction do not participate (for evaluation purposes), (3) agree to serve all breakfasts free to participating children, and (4) meet any other requirements established by the Secretary. School food authorities with a history of NSLA or CNA violations would be barred from participation.

Participating school food authorities would receive payments for each breakfast at the basic free rate, and also would receive commodities valued at 5 cents a meal (deducted from their cash payments).

The total amount received by a participating school would be funded with payments under the regular School Breakfast program equal to that in the prior year, adjusted for inflation and enrollment changes, plus amounts derived from any appropriations made to carry out the pilot project.

Such sums as are necessary are authorized to carry out the pilot projects, and amounts must be specifically provided in appropriations Acts. [Sec. 109]

Senate amendment

Deletes current-law authority for pilot projects to reduce paperwork and application and meal counting requirements and increase participation in school meal programs.

Requires the Secretary to make grants for pilot projects for free breakfasts served to all elementary school students in participating schools.

For school years 1999-2000, 2000-2001, and 2001-2002, requires the Secretary to make grants to state agencies to conduct pilot projects in elementary schools in up to six school food authorities that would reduce paperwork, simplify meal counting requirements, and evaluate the effect of providing free breakfasts (without regard to family income) on participation, academic achievement, attendance, and dietary intake.

State agencies would nominate school food authorities for the Secretary's approval as pilot projects.

The Secretary would approve school food authorities for participation and could waive NSLA & CNA requirements that would preclude making grants to conduct projects. Projects would be selected so as to provide (1) an equitable distribution of projects among urban and rural schools, (2) an equitable distribution of projects among schools with varying family income levels, and (3) evaluation of projects to distinguish the effects of the projects from other factors (e.g., changes or differences in educational policies or programs).

The Secretary would be responsible, through the FNS, for an evaluation of the projects—including determining their effect on academic achievement, attendance, dietary intake, the proportion of children students who eat breakfast, and the paperwork required of schools. An evaluation report is required on completion of the projects.

States would apply for pilot project grants, distribute the grants, and provide information relative to the operation and results of the pilots.

Participating school food authorities would (1) conduct a pilot project for 3 years, (2) have under their jurisdiction a sufficient number of schools that are not participating in the project to permit evaluation, (3) agree to serve all breakfasts free to participating children, and (4) meet any other requirements established by the Secretary. School food authorities with a history of NSLA or CNA violations would be barred from participation.

Participating school food authorities would receive payments for each breakfast at the basic (or "severe-need") rate for free breakfasts. The total amount received by a participating school would be funded with payments under the regular School Breakfast program equal to that in the prior year, adjusted for inflation and enrollment changes, plus amounts derived from the added mandatory funding provided for the pilot projects.

Funding of $20 million is required to be provided for the pilot projects—not more than $12 million of which would be available for evaluation purposes. [Sec. 119]

Conference agreement

The conference agreement adopts the Senate provision with technical difference and an amendment to fund the pilot out of discretionary funds.

37. TRAINING AND TECHNICAL ASSISTANCE

Present law

Appropriations of $1 million a year are authorized for training activities and technical assistance to improve skills of those employed in food service programs under the NSLA and the CNA. This authorization expires at the end of FY1998. [Sec. 21(e)(1) of the NSLA]

House bill

Extends the appropriations authority for training and technical assistance through FY2003. [Sec. 110]

Senate amendment

Same as the House bill. [Sec. 120]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

38. FOOD SERVICE MANAGEMENT INSTITUTE

Present law

Annual funding ($2 million a year) is required to be provided for a national Food Service Management Institute. [Sec. 21(e)(2) of the NSLA]

House bill

No provision.

Senate amendment

Increases the mandatory annual funding for the Food Service Management Institute to $3 million a year. [Sec. 121]

Conference agreement

The conference agreement adopts the Senate provision.

39. COMPLIANCE AND ACCOUNTABILITY

Present law

Appropriations of $3 million a year are authorized for a "unified accountability system" (also called the "coordinated review effort," or CRE) for ensuring compliance with the NSLA. This authorization expired at the end of FY1996. [Sec. 22 of the NSLA]

House bill

Extends the appropriations authorization for the unified accountability system (CRE) through FY2003. [Sec. 111]

Senate amendment

Same as the House bill. [Sec. 122]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

40. INFORMATION CLEARINGHOUSE

Present law

The Secretary is required to contract with a non-governmental organization to establish and maintain an information clearinghouse for non-governmental groups that assist low-income persons and communities with regard to food assistance and self-help activities to improve the lives of low-income persons and reduce reliance on government agencies for food and other aid. Mandatory funding ($100,000) ends with FY1998. [Sec. 26 of the NSLA]

House bill

Allows the Secretary to contract with any organization previously contracted with without competition, if the organization has performed satisfactorily under the prior contract. Allows the Secretary to provide a contracting organization up to $150,000 a year through FY2003. Changes the requirement for mandatory funding to an authorization of appropriations. [Sec. 112]

Senate amendment

Increases and extends mandatory funding for the information clearinghouse contract to $166,000 a year through FY2003. [Sec. 123]

Conference agreement

The conference agreement adopts the Senate provision.

41. SPECIAL DIETARY NEEDS OF INDIVIDUALS WITH DISABILITIES

Present law

The Secretary (in consultation with the Attorney General and the Secretary of Education) is required to develop and approve guidance for accommodating the medical and special dietary needs of disabled children in programs under the NSLA and the CNA. Subject to the availability of appropriations, the Secretary is required to make competitive grants to state agencies to assist with nonrecurring expenses incurred in accommodating the medical and special dietary needs of disabled children. Annual appropriations of $1 million are authorized through FY1998. [Sec. 27 of the NSLA]

House bill

Replaces expiring current-law provisions with authority for the Secretary to carry out activities to help accommodate the special dietary needs of individuals with disabilities participating in programs under the NSLA and the CNA. The activities may include developing and disseminating guidance and technical assistance materials, conducting training, and providing grants. Authorizes appropriations (such sums as necessary) through FY2003. [Sec. 113]

Senate amendment

Same as the House bill, except for technical differences. No specific provision authorizing appropriations is included. [Sec. 124]

Conference agreement

The conference agreement adopts the House provision with technical amendments.

42. STATE ADMINISTRATIVE EXPENSE FUNDS: 10% TRANSFER LIMITATION

Present law

Funds made available for state administrative expenses (including state administrative expense funding related to the Summer Food

Service program) must be used for the cost of administering the programs for which the money was allocated. However, state agencies may transfer up to 10% of an allocation to other programs. [Sec. 7(a)(6) of the CNA]

House bill

Removes the 10% limit on transferring administrative expense funding among programs. State agencies would be able to use administrative expense funds without regard to the basis on which they were allocated. [Sec. 201(b)]

Senate amendment

Same as the House bill. [Sec. 202(b)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

43. STATE ADMINISTRATIVE EXPENSE FUNDS: REAUTHORIZATION

Present law

Appropriations for state administrative expenses are authorized through FY1998. [Sec. 7(g) of the CNA]

House bill

Extends the authorization of appropriations for state administrative expenses through FY2003. [Sec. 201(c)]

Senate amendment

Same as the House bill. [Sec. 202(c)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

44. THE WIC PROGRAM: CERTIFICATION PERIOD FOR INFANTS

Present law

No provision.

House bill

No provision.

Senate amendment

Requires that infants be certified, relative to income only, every 180 days. This requirement would not apply to those who are "presumptively" eligible because of receipt of public assistance benefits (e.g., food stamps, Medicaid). [Sec. 203(a)]

Conference agreement

The conference agreement adopts the House position.

45. THE WIC PROGRAM: PHYSICAL PRESENCE REQUIREMENT

Present law

No provision.

House bill

Requires that all applicants be physically present at each certification determination. Local agencies could waive this requirement: (1) where there is a conflict with the Americans with Disabilities Act, (2) if it would present a barrier to participation by a child who was present at the initial certification and is receiving ongoing health care from a non-WIC provider, or (3) if it would present a barrier to participation by a child who was present at the initial certification, was present at a certification determination in the last year, and has working parents. [Sec. 202(a)(1)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 203(b)]

Conference agreement

The conference agreement adopts the House provision with a technical amendment.

Regarding the physical presence requirement, the Committee acknowledges that physical presence at the WIC clinic allows participants to fully take advantage of all the benefits offered through WIC. The WIC Program has played a critical role in increasing immunization rates among young children, primarily due to its role as a gateway to health services. Notwithstanding the importance of physical presence, the Committee wishes to stress that in the implementing this provision, WIC agencies must develop flexible policies. Such policies should assure that medically fragile individuals are not required to come in to the clinic if doing so would exacerbate their illness. In addition, WIC agencies are encouraged to continue offering early morning and late evening appointments to accommodate the schedules of working parents. The conferees do not intend the waiver authority authorized in this section to be applied to two parent families with only one working parent.

46. THE WIC PROGRAM: INCOME DOCUMENTATION AND VERIFICATION

Present law

No provision.

House bill

Requires that all applicants provide documentation of household income or participation in a public assistance program. State agencies could waive this requirement: (1) for applicants for whom the necessary documentation is not available and (2) for applicants (such as homeless persons) for whom it would present a barrier to participation. The Secretary would be required to prescribe regulations to carry out the income documentation requirement. [Sec. 202(a)(2)]

Senate amendment

Same as the House bill except for technical differences and an added requirement that the Secretary issue regulations prescribing when and how verification of income will be required. [Sec. 203(b)]

Conference agreement

The conference agreement adopts the House provision with a technical amendment.

47. THE WIC PROGRAM: EDUCATION AND MATERIALS RELATING TO DRUG AND ALCOHOL USE

Present law

State agencies must ensure that nutrition education and drug abuse education is provided to all pregnant, postpartum, and breast-feeding women and to parents and caretakers of infants and child participants. [Sec. 17(e)(1) of the CNA]

House bill

Adds a requirement that local agencies provide education or education materials relating to the effects of drug and alcohol use by pregnant, postpartum, or breast-feeding women on developing children. [Sec. 202(b)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision.

48. THE WIC PROGRAM: DISTRIBUTION OF NUTRITION EDUCATION MATERIALS

Present law

No provision.

House bill

Permits the Secretary to provide, in bulk quantity, nutrition education materials developed under the WIC program to state agencies administering the Commodity Supplemental Food program—at no cost to that program. [Sec. 202(c)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 203(c)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

The Committee intends that these materials come from already existing materials.

49. THE WIC PROGRAM: VARIETY OF FOODS REQUIREMENT

Present law

No provision.

House bill

No provision.

Senate amendment

Requires states using a retail purchase system to develop a plan to limit participation by stores to those that offer a variety of foods (as determined by the Secretary). [Sec. 203(d)]

Conference agreement

The conference agreement adopts the House position.

50. THE WIC PROGRAM: PARTICIPANTS AT MORE THAN ONE SITE

Present law

No provision.

House bill

Requires each state agency to implement a system designed to identify recipients who are participating at more than one site. [Sec. 202(d)]

Senate amendment

Same as the House bill with technical differences. [Sec. 203(f)]

Conference agreement

The conference agreement adopts Senate provision.

51. THE WIC PROGRAM: HIGH RISK VENDORS

Present law

No provision.

House bill

Requires each state agency to identify vendors that have a high probability of program abuse and conduct compliance investigations of these vendors. Final regulations implementing this requirement would be due by March 1, 1999. [Sec. 202(e)]

Senate amendment

Same as the House bill, but does not include a deadline for final regulations. [Sec. 203(g)]

Conference agreement

The conference agreement adopts the House provision with an amendment to promulgate proposed rules by March 1, 1999 and final rules by March 1, 2000.

52. THE WIC PROGRAM: REAUTHORIZATION

Present law

Appropriations for the WIC program are authorized through FY1998. Funding for nutrition services and administration (NSA) must be allocated on the basis of a formula prescribed by the Secretary—through FY1998. [Sec. 17(g)(1) and Sec. 17(h)(2)(A) of the CNA]

House bill

Extends the appropriations authorization and the requirement for allocating NSA funds through FY2003. [Sec. 202(f) and Sec. 202(h)(1)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 203(h)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

The Conference Committee recognizes that WIC helps to assure normal growth in children, reduces levels of anemia, increases immunization rates, provides better access to regular health care and improves diets. WIC blood work testing is an important factor in determining the health progress of children in the WIC program. WIC blood work testing is currently required at certification, which generally does not coincide with the usual schedule of well-child pediatric care visits. This results in enrollment and re-certification delays, duplicated testing and extra physical visits.

The Committee is concerned over the delay in publishing final regulations on the coordination of blood work requirements between the WIC schedule and the Center for Disease Control and Prevention's periodicity schedule. The Committee expects a final rule to be published no later than 6 months after the amendments made to the Child Nutrition Act of 1966 are enacted.

The Committee understands that the Department of Agriculture's Food and Nutrition Service, the WIC directors, the Center for Disease Control and Prevention's National Immunization Program and others have been working to collaboratively promote and support a coordinated strategic approach for linking pre-school immunization and WIC services on the Federal, State and local level. The Committee urges the Department, working with WIC directors, the CDC's National Immunization Program and others, to move expeditiously to complete this effort which should address certain areas of concern including: funding, methodologies, and valid measurements of process and outcome.

The Committee also recognizes the importance of addressing the ethnic and cultural eating patterns of WIC participants and strongly endorses the Department's current effort to provide guidelines to local agencies regarding food substitutions to accommodate ethnic and cultural eating patterns. Such guidelines should assure that the food substitutions will accommodate the supplemental nutritional needs of WIC participants. The Committee urges the Department to proceed expeditiously to complete its final guidelines regarding this matter.

The conferees are aware of the increasing amount of scientific evidence indicating the positive health benefits of fresh fruit and vegetable consumption. These benefits are already enjoyed by participants in the WIC Farmer's Market Nutrition program. Accordingly, the conferees encourage the Secretary to consider carefully, including fresh fruits and vegetables in the WIC food package.

53. THE WIC PROGRAM: PURCHASE OF BREAST PUMPS

Present Law

State agencies may use nutrition services and administration (NSA) funding to purchase breast-feeding aids, including breast pumps. [Sec. 17(h) of the CNA]

House bill

Beginning with FY2000, allows state agencies to use funding provided for food to purchase breast pumps. Includes a maintenance of effort provision requiring state agencies exercising the authority to purchase breast pumps with food funding to continue to spend, from NSA funds, at least the amount spent on breast pumps in the prior fiscal year. [Sec. 202(g)]

Senate amendment

Same as the House bill, with technical differences. [Sec. 203(l)]

Conference agreement

The Conference agreement adopts the House provision with an amendment to delete the maintenance of effort provision.

54. THE WIC PROGRAM: TECHNICAL AMENDMENTS

Present Law

Current law includes a cross-reference to "subparagraph (I)(v)," which no longer exists. Current law includes provisions relating to payments for breast-feeding support activities that were effective only for FY1995 and FY1996. [Sec. 17(h)(2)(A)(iv) and Sec. 17(h)(3) of the CNA]

House bill

No provision.

Senate amendment

Deletes out-of-date references and provisions. [Sec. 203(j) and Sec. 203(l)]

Conference agreement

The conference agreement adopts the Senate provision.

55. THE WIC PROGRAM: LEVEL OF PER-PARTICIPANT EXPENDITURES ON NUTRITION SERVICES AND ADMINISTRATION

Present Law

The Secretary may reduce a state agency's nutrition services and administration (NSA) funding if its actual NSA expenditures exceed its per-participant NSA grant by more than 15%. [Sec. 17(h)(2)(B)(ii) of the CNA]

House bill

Reduces the threshold above which the Secretary may reduce a state agency's NSA funding from 15% to 10% (except that the Secretary may establish a higher percentage for small agencies). [Sec. 202(h)(2)]

Senate amendment

Same as the House bill. [Sec. 203(k)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

Among the factors which influence small state agency levels of per participant expenditures are a much smaller caseload base affecting a small state's ability to absorb unanticipated changes such as the impact of welfare reform and other public policies, changes in infant formula rebates and other cost-containment initiatives, and retail industry food price wars. Staffing resources in small states are limited such that small states agencies cannot proportionately reduce administrative costs to the same extent as larger state agencies in the event of fluctuations in the participant base.

When considering criteria for the establishment of a higher percentage for small state agencies for the level of per participant expenditures, the conferees direct the Secretary to consider the special and unique circumstances affecting the delivery of services to participants in programs administered by small State WIC Agencies and Indian and Native American State WIC agencies. The Secretary should work closely with these agencies in establishing a percentage for the level of per participant expenditures.

56. THE WIC PROGRAM: CONVERSION OF FOOD FUNDING TO NUTRITION SERVICES AND ADMINISTRATION

Present Law

State agencies that achieve, through acceptable measures, participation that exceeds the Secretary's estimate may convert funding provided for food to use for nutrition services and administration (NSA). [Sec. 17(h)(5)]

House bill

Allows state agencies that submit a plan to reduce average food costs per recipient and increase participation above the level estimated for the state agency by the Secretary to convert funding provided for food to use for NSA—with the Secretary's approval. This removes the requirement that the state agency achieve a participation increase above the estimated level in order to earn the right to convert funds. [Sec 202(i)]

Senate amendment

Same as the House bill. [Sec. 203(m)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

57. THE WIC PROGRAM: INFANT FORMULA PROCUREMENT

Present law

No provision.

House bill

Requires state agencies to offer infant formula rebate contracts to the bidder offering the lowest net price, unless the state agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of formula in the state does not vary by more than 5%. [Sec. 202(j)]

Senate amendment

Same as the House bill, except for an added provision that requires the Secretary, prior to the issuance of infant formula contract solicitations, to (1) review the solicitation to ensure that it does not contain any anti-competitive provisions and (2) approve the solicitation only if it contains no anti-competitive provisions. [Sec. 203(n)]

Conference agreement

The conference agreement adopts the House provision.

The conferees are greatly concerned over the recent spate of protests and lawsuits that have been initiated following the award by the States of the competitively bid infant formula contracts. These protests threaten the substantial savings the WIC program has realized through infant formula rebates and can impose unwarranted litigation costs on the states. These added costs and increased resource burdens on the States reportedly have caused a number of States to avoid requesting new competitive bids for infant formula and simply renew existing contracts even though substantial savings could be achieved by requesting new bids. Although the Senate bill language was not included in the conference report, the conferees expect that the Department will continue to fully utilize its existing authority to review infant formula bid solicitations for the purpose of avoiding inclusion of anti-competitive provisions in solicitations.

58. THE WIC PROGRAM: INFRA-STRUCTURE AND BREAST-FEEDING SUPPORT AND PROMOTION FUNDING

Present law

The Secretary is required to use up to $10 million a year of nutrition services and administration (NSA) funding that was not obligated in the prior year for special infrastructure and breast-feeding support and promotion projects. The requirement expires after FY1998. [Sec. 17(h)(10) of the CNA]

House bill

Extends the requirement to use up to $10 million a year in unobligated NSA money for special infrastructure and breast-feeding support and promotion projects through FY2003. [Sec. 202(k)]

Senate amendment

Same as the House bill. [Sec. 203(o)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

59. THE WIC PROGRAM: CONSIDERATION OF PRICE LEVELS

Present law

No provision.

House bill

Requires state agencies to consider, in selecting approved retail stores, the prices the store charges for WIC items compared to other stores' prices. Also requires state agencies to establish procedures to ensure that selected stores do not subsequently raise prices to levels that would make them ineligible. Final regulations to carry out this new requirement would be due by March 1, 1999. [Sec. 202(l)]

Senate amendment

No provision.

Conference agreement

The conference agreement adopts the House provision with an amendment to promulgate proposed rules by March 1, 1999 and final rules by March 1, 2000.

60. THE WIC PROGRAM: MANAGEMENT INFORMATION SYSTEMS

Present law

No provision.

House bill

Requires the Secretary to establish a long-range plan for developing and implementing management information systems (including electronic benefit transfer systems)—in consultation with state agencies, retailers, and other interested parties. A report to Congress on actions taken to carry out this requirement would be due not later than 2 years from enactment. Prior to submission of the report to Congress, the cost of systems or equipment required to test systems (including electronic benefit transfer systems) could not be imposed on retail food stores. [Sec. 202(m)]

Senate amendment

Same as the House bill. [Sec. 203(p)]

Conference agreement

The conference agreement adopts the Senate provision with a technical amendment.

The Conference Committee understands that many WIC participants live on the border between two states and may shop in both States. It is the intent of the Committee that the Secretary, in consultation with other interested parties, develop operating rules that permit interoperability among states.

61. THE WIC PROGRAM: USE OF FUNDS IN PRECEDING AND SUBSEQUENT FISCAL YEARS

Present law

State agencies may retain and "spend back" up to 1% of a given year's food grant to cover food costs incurred in the preceding fiscal year.

State agencies may retain and "spend forward" up to 1% of a given year's total grant for costs incurred in the subsequent fiscal year. In addition, States achieving cost containment savings may retain and spend forward up to 5% of the amount of their food grant in the year the savings were achieved and 3% for the second year. [Sec. 17(i)(3) of the CNA]

The Secretary is required to use up to $10 million a year of unobligated NSA funding for special infrastructure and breast-feeding support and promotion projects. [Sec. 17(h)(10) of the CNA]

House bill

Increases state agencies' authority to spend back funding by allowing them to spend back up to 1% of their nutrition services and administration (NSA) grant to cover NSA costs incurred in the preceding fiscal year.

Replaces current spend-forward provisions. Allows state agencies to retain and spend forward NSA funding (for NSA costs incurred in the subsequent fiscal year) up to an amount equal to 1% of their total grant. In addition, state agencies could spend forward, from NSA funding, up to an amount equal to 1/2% of their total grant for development of management information systems (including electronic benefit transfer systems) in the subsequent fiscal year.

Allows the Secretary to use unobligated food funds to meet the spending requirement for infrastructure and breast-feeding projects—in addition to unobligated NSA funds. [Sec. 202(n)]

Senate amendment

Same as the House bill, except that NSA money spent back could be used to cover either food or NSA costs. [Sec. 203(q)]

Conference agreement

The conference agreement adopts the Senate provision.

The Committee understands that States are anxious to begin implementing these provisions and therefore, directs the Secretary to issue interim rules within 120 days of the enactment of this Act.

62. THE WIC PROGRAM: DISQUALIFICATION OF VENDORS

Present law

No provision.

House bill

Requires state agencies to permanently disqualify WIC vendors convicted of trafficking in food instruments or selling firearms, ammunition, explosives, or controlled substances for food instruments.

The disqualification would be effective on receipt of the notice of disqualification, and the vendor would not be entitled to compensation lost as a result of the disqualification. A state agency would be permitted to waive disqualification if it determines (according to criteria set by the Secretary) that disqualification would cause a hardship for WIC participants. In the case of a waiver, the agency would be required to assess a civil money penalty on the vendor—in an amount determined according to criteria set by the Secretary.

Final regulations implementing these new requirements (including hardship and money penalty criteria) would be due by March 1, 1999. Sec. 202(p)]

Senate amendment

Same as the House bill, except: (1) state agencies could waive disqualification if—the vendor had an "effective policy and program" to prevent violations and the ownership was not aware of, did not approve of, did not benefit from, and was not involved in the conduct of the violation. (2) civil money penalties imposed in lieu of dis-qualification would be limited to $20,000 per violation ($40,000 for all violations investigated as part of a single investigation). The new vendor disqualification requirements would take effect on the date the Secretary issues final regulations that include criteria for making hardship determinations and determining civil money penalties. [Sec. 203(s)]

Conference agreement

The conference agreement adopts the Senate provision with technical amendments and amendments to lower the per violation penalty, and to require the promulgation of proposed rules by March 1, 1999 and final rules by March 1, 2000.

Regarding the exception in lieu of disqualification of a WIC vendor, the Committee wishes to stress that it is not the intent of this provision to permit a vendor who has had repeated convictions for WIC offenses to receive a waiver simply because the ownership of the vendor was not aware of, did not approve of, or was not involved in the offenses. The Committee expects the State agency to take the strongest possible action against each vendor who has been repeatedly convicted of trafficking or illegal sales of WIC food instruments.

63. THE WIC PROGRAM: USE OF RECOVERIES FROM VENDORS AND PARTICIPANTS

Present law

State agencies may use funds, for program purposes, recovered as the result of violations in the food delivery system of the program in the year in which the funds are collected. [Sec. 17(f)(21) of the CNA]

House bill

Adds a provision allowing state agencies to use amounts collected from vendors and recipients relating to fraud and abuse violations of the program to be used for program purposes during the 1 year period beginning on the date the amount is received. [Sec. 202(s)]

Senate amendment

Replaces the current-law provision with a provision allowing state agencies to use funds recovered from vendors and participants as the result of a claim arising under the program during: the fiscal year in which the claim arises, the fiscal year in which funds are collected, or the fiscal year following the fiscal year the funds were collected. [Sec. 203(e)]

Conference agreement

The conference agreement adopts the Senate provision with a technical amendment.

64. THE WIC PROGRAM: CRIMINAL FORFEITURE

Present law

No provision.

House bill

Requires a court to order a person convicted of an offense in violation of any provision of WIC law or regulations to forfeit to the United States all real and personal property used in the transaction. No interest in property would be forfeited where the owner establishes lack of knowledge or consent. Proceeds from any sale of forfeited property and any money forfeited would be used to first reimburse the Justice Department for costs incurred, second reimburse the Agriculture Department's Office of Inspector General for costs incurred, third reimburse any federal or state law enforcement agency for costs incurred, and fourth by the state agency to carry out approval, reauthorization, and compliance investigations of vendors. [Sec. 202(t)]

Senate amendment

Same as the House bill, except: (1) allows a court to order forfeiture, (2) describes in more detail the scope of violations that could bring on a forfeiture order, and (3) adds the Treasury Department and Postal Service to the first category of agencies to which proceeds would be distributed. [Sec. 203(t)]

Conference agreement

The conference agreement adopts the Senate provision with technical amendments.

65. THE WIC PROGRAM: STUDY OF COST CONTAINMENT PRACTICES

Present law

No provision.

House bill

Requires the Secretary, acting through the Economic Research Service, to conduct a study of the effect of states' cost containment practices in selecting vendors and approved food items on: (1) program participation, (2) access to and availability of prescribed foods, (3) voucher redemption rates and food selections by participants, (4) participants with special diets or specific food allergies, (5) participant use of and satisfaction with prescribed foods, (6) achievement of positive health outcomes, and (7) program costs. A report to Congress would be due not later than 3 years after enactment. [Sec. 202(q)]

Senate amendment

Same as the House bill, except for technical differences and: (1) requires the GAO to conduct the study, and (2) a report to Congress would be due no later than 2 years after enactment. [Sec. 203(u)]

Conference agreement

The conference agreement adopts the House provision with an amendment deleting the requirement that the Economic Research Service conduct the study and to require an interim report.

66. THE WIC PROGRAM: STUDY OF COST AND QUALITY OF SERVICES

Present law

No provision.

House bill

No provision.

Senate amendment

Requires the GAO to conduct a study that assesses: (1) the cost of delivering WIC services (including the cost of cost containment efforts), (2) the fixed and variable costs incurred by state and local government for delivering WIC services, (3) the quality of WIC services delivered, and (4) costs incurred for personnel, automation, central support, and other activities to deliver services, and whether the costs meet federal audit standards for allowable costs. A report to Congress would be due no later than 3 years after enactment. [Sec. 203(v)]

Conference agreement

The conference agreement adopts the Senate provision with a technical amendment.

67. NUTRITION EDUCATION AND TRAINING PROGRAM: AUTHORIZATION

Present law

Appropriations for the Nutrition Education and Training (NET) program are authorized at $10 million a year through FY2002. [Sec. 19(i) of the CNA]

House bill

Authorizes appropriations at such sums as are necessary through FY2003. [Sec. 203]

Senate amendment

Same as the House bill, with technical differences. [Sec. 204]

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

68. EFFECTIVE DATE

House bill

Provisions to take effect on October 1, 1998 or the date of enactment, whichever is later. [Sec. 2]

Senate amendment

Provisions to take effect on October 1, 1998. [Sec. 401]

Conference agreement

The conference agreement adopts the Senate provision.

69. FARMER'S MARKET NUTRITION PROGRAM: MATCHING REQUIREMENT

Present law

Requires that states receiving grants provide state, local, or private funds for the program in an amount that is equal to at least 30% of the total cost of the program. States may count funds they use for other similar programs toward the matching requirement. [Section 17(m)(3) CNA]

House bill

Revises existing law to require that the matching fund requirement apply only to the administrative cost of the program instead of the entire costs [Sec.202(n)(1)]

Senate amendment

Permits states to use "program income" to meet the 30% matching requirement. This change uses the term "program income" as defined in the Uniform Federal Assistance Regulations (Sec.3016.25) to permit donations by companies and vendor fines for violations to be used toward the matching requirement. [Sec.203(r)(1)]

Conference agreement

The conference agreement adopts the Senate provision

70. FARMER'S MARKET NUTRITION PROGRAM: CRITERIA FOR ADDITIONAL FUNDS

Present law

Establishes criteria for the Secretary to use when allocating funds to serve additional recipients in a state that received assistance in the previous fiscal year. Among the criteria to be considered is documentation that justifies the need for a participation increase. [Sec.17(m)(6)(C) of the CNA]

House bill

Maintains current law.

Senate amendment

Eliminates service to additional recipients from the criteria for providing funds to states. Also replaces requirement for documentation to justify the need for an increase in participation with language requiring the Secretary to consider the state's need for an increase, use of increased funding consistent with serving nutritionally at-risk persons, and expanding program awareness. Also, adds a requirement that the Secretary consider whether a state that has been operating a program and wants to increase the value of benefits to individual recipients will increase the rate of coupon redemption. [Section 203 (r)(2)(A)]

Conference agreement

The conference agreement adopts the Senate provision.

71. FARMER'S MARKET NUTRITION PROGRAM: APPROVING AND RANKING STATE PLANS

Present law

Establishes a ranking for the Secretary to use in approving state plans for operation of a program to include: favorable consideration of a state's prior experience, use of state or local funds for similar programs, and maintenance of effort by states or localities previously operating programs. Preference is to be given to plans that have the highest concentration of eligible persons, greatest access to farmers' markets, broad geographical areas, and other characteristics the Secretary determines will maximize the availability of benefits to eligible persons. [Section 17(m)(6)(F)]

House bill

Eliminates the ranking criteria and preferences for consideration that the Secretary must use, and makes conforming changes in paragraph designation. [Section 202(n)(2)]

Senate amendment

Same as the House bill. [Section 203(r)(2)(B)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment with technical differences.

72. FARMER'S MARKET NUTRITION PROGRAM: FUNDING FOR CURRENT AND NEW STATES

Present law

Requires that 75% of the funds appropriated for the program be made available to states participating in the program that wish to serve additional participants. Requires the Secretary to reallocate to states that have never participated in the program but have approved state plans any funds not needed to serve additional participants in states that have been operating programs. Requires 25% of funds to be allocated to states with approved plans that have never participated in the program. Requires the Secretary to reallocate funds not needed for these states to states already operating programs that want to serve additional recipients.[Section 17(m)(6)(g)]

House bill

Maintains current law.

Senate amendment

Maintains current law 75-25% split between states operating programs in a previous year and states operating new programs, but eliminates references to serving additional recipients. [Section 203(r)(2)(C)]

Conference agreement

The conference agreement adopts the Senate provision.

73. AUTHORIZATION

Present law

Authorizes such sums as may be necessary for each of fiscal years 1996 through 1998. (Section 17(m)(9)]

House bill

Authorizes such sums as may be necessary for each of fiscal years 1999 through 2003. [Section 202(n)(3)]

Senate amendment

Authorizes such sums as may be necessary for each of fiscal years 1996 through 2003. [Section 203(r)(3)]

Conference agreement

The conference agreement follows the House bill and the Senate amendment with technical differences.

74. COMMODITY SPECIFICATIONS

Present law

Requires the Secretary to apply the requirements for developing specifications for commodity acquisitions and donations to: the commodity supplemental food (CSFP), the food distribution program on Indian Reservations, the school lunch, commodity distribution, child care and adult care food, and school breakfast programs, the elderly commodity program, and the emergency food assistance program.[Sec.3(a)(2)]

House bill

No provision.

Senate amendment

Removes requirement that the Secretary apply requirements for the development of commodity specifications to the child and adult care food program, school breakfast program, elderly commodity program, and emergency food assistance program. [Sec.301(a)]

Conference agreement

The Conference agreement adopts the House position.

75. INFORMATION FROM RECIPIENT AGENCIES

Present law

Requires the Secretary to establish procedures for ensuring that information is received from recipient agencies at least annually regarding the types and forms of commodities that are most useful to them and their participants. [Sec.3(f)(2)]

House bill

No provision.

Senate amendment

Replaces current law annual requirement with a requirement that the Secretary collect such information from these recipient agencies at least once every two years. Also adds a provision permitting the Secretary to require this type of information from recipient agencies participating in other domestic food assistance programs, and to provide these agencies with a means for voluntarily submitting customer acceptability information. [Sec. 301(b)]

Conference agreement

The Conference agreement adopts the Senate provision with technical changes.

76. AUTHORITY TO TRANSFER COMMODITIES

Present law

No current provision.

House bill

No provision.

Senate amendment

Permits the Secretary of Agriculture to transfer commodities purchased for one domestic food program to another if necessary to ensure suitable use for human consumption; permits the Secretary to provide reimbursement from the account of the receiving program to the donating program for the value of commodities transferred; and requires that any reimbursement be credited to the accounts that incurred the costs when the transferred commodities were originally purchased, and be available for the purchase of replacement commodities. [Sec.302(a)]

Conference agreement

The conference agreement adopts the Senate provision.

77. AUTHORITY TO RESOLVE CLAIMS

Present law

No current provisions.

House bill

No provision.

Senate amendment

Gives the Secretary authority to waive or determine the amount of, and settle or adjust all or parts of claims arising under domestic food assistance programs. [Sec. 302(a)]

Conference agreement

The conference agreement adopts the Senate provision.

78. REMOVAL OF COMMODITIES POSING A HEALTH OR SAFETY RISK

Present law

No current provision.

House bill

No provision.

Senate amendment

Permits the Secretary to use uncommitted Section 32 funds to reimburse states for state and local costs of removing commodities distributed to domestic food programs that are determined to pose a health or safety hazard. Allows such funds to be used to cover the costs of storage, transport, processing and destroying hazardous commodities, subject to Secretarial approval. Does not permit the use of section 32 funds for this purpose to restrict the Secretary from recovering funds or services from a supplier or other entity regarding the hazardous commodities, and requires that funds so recovered be credited to the section 32 account and remain available until expended. [Section 302 (a)]

Conference agreement

The conference agreement adopts the Senate provision with a clarifying amendment, and an amendment limiting the authority to two years.

79. AUTHORITY TO ACCEPT DONATED COMMODITIES

Present law

No current provision.

House bill

No provision.

Senate amendment

Permits the Secretary to accept commodities donated by other Federal agencies and to donate such commodities to states for distribution through any domestic food administration program administered by the Secretary. [Section 302 (a)]

Conference agreement

The conference agreement adopts the Senate provision.

80. EFFECT OF PRIOR AMENDMENTS

Present law

Refers to the amendments made by the Commodity Distribution Reform and WIC Amendments of 1987 to the Child Nutrition Act of 1966.

House bill

No provision.

Senate amendment

Makes clear that striking the amendments made by the Commodity Distribution Reform and WIC Amendments Act of 1987 to the Child Nutrition Act (see above) do not affect the amendments as in effect on September 30, 1998. [Sec.302(b)]

Conference agreement

The conference agreement adopts the Senate provision with technical differences.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment, and modifications committed to conference:

BILL GOODLING,
FRANK RIGGS,
MIKE CASTLE,
W.L. CLAY,
M.G. MARTINEZ,

From the Committee on Agriculture, for consideration of secs. 2, 101, 104(b), 106, 202(c) and 202(o) of the House bill, and secs. 101, 111, 114, 203(c), 203(r), and titles III and IV of the Senate amendment, and modifications committed to conference:

BOB SMITH,
BOB GOODLATTE,
CHARLIE STENHOLM,
Managers on the Part of the House.

RICHARD G. LUGAR,
THAD COCHRAN,
MITCH MCCONNELL,
TOM HARKIN,
PATRICK J. LEAHY,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 2206

Mr. GOODLING, submitted the following conference report and statement on the bill (S. 2206), to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes:

CONFERENCE REPORT (H. REPT. 105–788)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2206), to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Community Opportunities, Accountability, and Training and Educational Services Act of 1998" or the "Coats Human Services Reauthorization Act of 1998".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—HEAD START PROGRAMS

Sec. 101. Short title.
Sec. 102. Statement of purpose.
Sec. 103. Definitions.
Sec. 104. Financial assistance for Head Start programs.
Sec. 105. Authorization of appropriations.
Sec. 106. Allotment of funds.
Sec. 107. Designation of Head Start agencies.
Sec. 108. Quality standards.
Sec. 109. Powers and functions of Head Start agencies.
Sec. 110. Head Start transition.
Sec. 111. Submission of plans to Governors.
Sec. 112. Participation in Head Start programs.
Sec. 113. Early Head Start programs for families with infants and toddlers.
Sec. 114. Technical assistance and training.
Sec. 115. Professional requirements.
Sec. 116. Research and evaluation.
Sec. 117. Reports.
Sec. 118. Repeal of consultation requirement.
Sec. 119. Repeal of Head Start Transition Project Act.

TITLE II—COMMUNITY SERVICES BLOCK GRANT PROGRAM

Sec. 201. Reauthorization.
Sec. 202. Conforming amendments.

TITLE III—LOW-INCOME HOME ENERGY ASSISTANCE

Sec. 301. Short title.
Sec. 302. Authorization.
Sec. 303. Definitions.
Sec. 304. Natural disasters and other emergencies.
Sec. 305. State allotments.
Sec. 306. Administration.
Sec. 307. Payments to States.
Sec. 308. Residential Energy Assistance Challenge option.

Sec. 309. Technical assistance, training, and compliance reviews.
TITLE IV—ASSETS FOR INDEPENDENCE
Sec. 401. Short title.
Sec. 402. Findings.
Sec. 403. Purposes.
Sec. 404. Definitions.
Sec. 405. Applications.
Sec. 406. Demonstration authority; annual grants.
Sec. 407. Reserve Fund.
Sec. 408. Eligibility for participation.
Sec. 409. Selection of individuals to participate.
Sec. 410. Deposits by qualified entities.
Sec. 411. Local control over demonstration projects.
Sec. 412. Annual progress reports.
Sec. 413. Sanctions.
Sec. 414. Evaluations.
Sec. 415. Treatment of funds.
Sec. 416. Authorization of appropriations.

TITLE I—HEAD START PROGRAMS

SEC. 101. SHORT TITLE.

This title may be cited as the "Head Start Amendments of 1998".

SEC. 102. STATEMENT OF PURPOSE.

Section 636 of the Head Start Act (42 U.S.C. 9831) is amended to read as follows:

"SEC. 636. STATEMENT OF PURPOSE.

"It is the purpose of this subchapter to promote school readiness by enhancing the social and cognitive development of low-income children through the provision, to low-income children and their families, of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary.".

SEC. 103. DEFINITIONS.

Section 637 of the Head Start Act (42 U.S.C. 9832) is amended—

(1) by redesignating paragraphs (1) and (2) as paragraphs (16) and (17) and inserting the paragraphs at the end of the section;

(2) by inserting before paragraph (3) the following:

"(1) The term 'child with a disability' means—

"(A) a child with a disability, as defined in section 602(3) of the Individuals with Disabilities Education Act; and

"(B) an infant or toddler with a disability, as defined in section 632(5) of such Act.

"(2) The term 'delegate agency' means a public, private nonprofit, or for-profit organization or agency to which a grantee has delegated all or part of the responsibility of the grantee for operating a Head Start program.";

(3) by striking paragraph (4);

(4) by redesignating paragraph (3) as paragraph (4);

(5) by inserting after paragraph (2) the following:

"(3) The term 'family literacy services' means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

"(A) Interactive literacy activities between parents and their children.

"(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

"(C) Parent literacy training that leads to economic self-sufficiency.

"(D) An age-appropriate education to prepare children for success in school and life experiences.";

(6) in paragraph (6), by adding at the end the following: "Nothing in this paragraph shall be construed to require an agency to provide services to a child who has not reached the age of compulsory school attendance for more than the number of hours per day permitted by State law (including regulation) for the provision of services to such a child.";

(7) by striking paragraph (12) and inserting the following:

"(12) The term 'migrant and seasonal Head Start program' means—

"(A) with respect to services for migrant farmworkers, a Head Start program that serves families who are engaged in agricultural labor and who have changed their residence from one geographic location to another in the preceding 2-year period; and

"(B) with respect to services for seasonal farmworkers, a Head Start program that serves families who are engaged primarily in seasonal agricultural labor and who have not changed their residence to another geographic location in the preceding 2-year period.";

(8) by inserting after paragraph (14) the following:

"(15) The term 'scientifically based reading research'—

"(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

"(B) shall include research that—

"(i) employs systematic, empirical methods that draw on observation or experiment;

"(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

"(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

"(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review."; and

(9) in paragraph (17) (as redesignated in paragraph (1))—

(A) by striking "Term" and inserting "term";

(B) by striking "Virgin Islands," and inserting "Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands, but for fiscal years ending before October 1, 2001 (and fiscal year 2002, if the legislation described in section 640(a)(2)(B)(iii) has not been enacted before September 30, 2001), also means"; and

(C) by striking "Palau, and the Commonwealth of the Northern Mariana Islands." and inserting "and the Republic of Palau.".

SEC. 104. FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS.

Section 638(1) of the Head Start Act (42 U.S.C. 9833(1)) is amended—

(1) by striking "aid the" and inserting "enable the"; and

(2) by striking the semicolon and inserting "and attain school readiness;".

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended—

(1) in subsection (a), by striking "1995 through 1998" and inserting "1999 through 2003"; and

(2) in subsection (b), by striking paragraphs (1) and (2) and inserting the following:

"(1) for each of fiscal years 1999 through 2003 to carry out activities authorized under section 642A, not more than $35,000,000 but not less than the amount that was made available for such activities for fiscal year 1998;

"(2) not more than $5,000,000 for each of fiscal years 1999 through 2003 to carry out impact studies under section 649(g); and

"(3) not more than $12,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000 through 2003, to carry out other research, demonstration, and evaluation activities, including longitudinal studies, under section 649.".

SEC. 106. ALLOTMENT OF FUNDS.

(a) ALLOTMENTS.—Section 640(a) of the Head Start Act (42 U.S.C. 9835(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and migrant" the first place it appears and all that follows through "handicapped children", and inserting "Head Start programs, services for children with disabilities, and migrant and seasonal Head Start programs";

(ii) by striking "and migrant" each other place it appears and inserting "Head Start programs and by migrant and seasonal"; and

(iii) by striking "1994" and inserting "1998";

(B) in subparagraph (B), by striking "(B) payments" and all that follows through "Virgin Islands according" and inserting the following:

"(B) payments, subject to paragraph (7)—

"(i) to Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Virgin Islands of the United States;

"(ii) for fiscal years ending before October 1, 2001, to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau; and

"(iii) if legislation approving renegotiated Compacts of Free Association for the jurisdictions described in clause (ii) has not been enacted before September 30, 2001, for fiscal year 2002 to those jurisdictions;

according";

(C) in subparagraph (C), by striking "; and" and inserting ", of which not less than $3,000,000 of the amount appropriated for such fiscal year shall be made available to carry out activities described in section 648(c)(4);";

(D) in subparagraph (D), by striking "related to the development and implementation of quality improvement plans under section 641A(d)(2)." and inserting "carried out under paragraph (1), (2), or (3) of section 641A(d) related to correcting deficiencies and conducting proceedings to terminate the designation of Head Start agencies; and";

(E) by inserting after subparagraph (D) the following:

"(E) payments for research, demonstration, and evaluation activities under section 649."; and

(F) by adding at the end the following: "No Freely Associated State may receive financial assistance under this subchapter after fiscal year 2002.";

(2) in paragraph (3)—

(A) in subparagraph (A)(i), by striking "equal" and all that follows through "amount;" and inserting "equal to the sum of—

"(I) 60 percent of such excess amount for fiscal year 1999, 50 percent of such excess amount for fiscal year 2000, 47.5 percent of such excess amount for fiscal year 2001, 35 percent of such excess amount for fiscal year 2002, and 25 percent of such excess amount for fiscal year 2003;";

(B) in subparagraph (B)—

(i) in clause (ii)—

(I) by striking "adequate qualified staff" and inserting "adequate numbers of qualified staff"; and

(II) by inserting "and children with disabilities" before ", when";

(ii) in clause (iv), by inserting before the period the following: ", and to encourage the staff to continually improve their skills and expertise by informing the staff of the availability of Federal and State incentive and loan forgiveness programs for professional development";

(iii) in clause (v), by inserting "and collaboration efforts for such programs" before the period;

(iv) in clause (vi), by striking the period and inserting ", and are accessible to children with disabilities and their parents.";

(v) by redesignating clause (vii) as clause (viii); and

(vi) by inserting after clause (vi) the following:

"(vii) Ensuring that such programs have qualified staff that can promote language skills and literacy growth of children and that can provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.";

(C) in subparagraph (C)—

(i) in clause (i)—

(I) in subclause (I)—

(aa) by striking "this subparagraph" and inserting "this paragraph";

(bb) by striking "of staff" and inserting "of classroom teachers and other staff";

(cc) by striking "such staff" and inserting "qualified staff, including recruitment and retention pursuant to achieving the requirements set forth in section 648A(a)"; and

(dd) by adding at the end the following: "Preferences in awarding salary increases, in excess of cost-of-living allowances, with such funds shall be granted to classroom teachers and staff who obtain additional training or education related to their responsibilities as employees of a Head Start program.";

(II) in subclause (II), by striking "the subparagraph" and inserting "this subparagraph"; and

(III) by adding at the end the following:

"(III) From the remainder of the amount reserved under this paragraph (after the Secretary carries out subclause (I)), the Secretary shall carry out any or all of the activities described in clauses (ii) through (vii), placing the highest priority on the activities described in clause (ii).";

(ii) by amending clause (ii) to read as follows:

"(ii) To train classroom teachers and other staff to meet the education performance standards described in section 641A(a)(1)(B), through activities—

"(I) to promote children's language and literacy growth, through techniques identified through scientifically based reading research;

"(II) to promote the acquisition of the English language for non-English background children and families;

"(III) to foster children's school readiness skills through activities described in section 648A(a)(1); and

"(IV) to provide training necessary to improve the qualifications of the staff of the Head Start agencies and to support staff training, child counseling, and other services necessary to address the problems of children participating in Head Start programs, including children from dysfunctional families, children who experience chronic violence in their communities, and children who experience substance abuse in their families.";

(iii) by striking clause (v); and

(iv) by redesignating clauses (vi) and (vii) as clauses (v) and (vi), respectively; and

(D) in subparagraph (D)(i)(II), by striking "and migrant" and inserting "Head Start programs and migrant and seasonal";

(3) in paragraph (4)—

(A) in subparagraph (A), by striking "1981" and inserting "1998";

(B) by amending subparagraph (B) to read as follows:

"(B) any amount available after all allotments are made under subparagraph (A) for such fiscal year shall be distributed proportionately on the basis of the number of children less than 5 years of age from families whose income is below the poverty line."; and

(C) by adding at the end the following:

"For purposes of this paragraph, for each fiscal year the Secretary shall use the most recent data available on the number of children less than 5 years of age from families whose income is below the poverty line, as published by the Department of Commerce, unless the Secretary and the Secretary of Commerce determine that use of the most recent data available would be inappropriate or unreliable. If the Secretary and the Secretary of Commerce determine that some or all of the data referred to in this paragraph are inappropriate or unreliable, the Secretaries shall issue a report setting forth their reasons in detail.";

(4) in paragraph (5)—

(A) in subparagraph (A), by striking "subparagraph (B)" and inserting "subparagraphs (B) and (D)";

(B) in subparagraph (B), by inserting before the period the following: "and to encourage Head Start agencies to collaborate with entities involved in State and local planning processes (including the State lead agency administering the financial assistance received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and the entities providing resource and referral services in the State) in order to better meet the needs of low-income children and families";

(C) in subparagraph (C)—

(i) in clause (i)(I), by inserting "the appropriate regional office of the Administration for Children and Families and" before "agencies";

(ii) in clause (iii), by striking "and" at the end;

(iii) in clause (iv)—

(I) by striking "education, and national service activities," and inserting "education, and community service activities,";

(II) by striking "and activities" and inserting "activities"; and

(III) by striking the period and inserting "(including coordination of services with those State officials who are responsible for administering part C and section 619 of the Individuals with Disabilities Education Act (20 U.S.C. 1431–1445, 1419)), and services for homeless children;"; and

(iv) by adding at the end the following:

"(v) include representatives of the State Head Start Association and local Head Start agencies in unified planning regarding early care and education services at both the State and local levels, including collaborative efforts to plan for the provision of full-working-day, full calendar year early care and education services for children; and

"(vi) encourage local Head Start agencies to appoint a State level representative to represent Head Start agencies within the State in conducting collaborative efforts described in subparagraphs (B) and (D), and in clause (v).";

(D) by redesignating subparagraph (D) as subparagraph (F); and

(E) by inserting after subparagraph (C) the following:

"(D) Following the award of collaboration grants described in subparagraph (B), the Secretary shall provide, from the reserved sums, supplemental funding for collaboration grants—

"(i) to States that (in consultation with their State Head Start Associations) develop statewide, regional, or local unified plans for early childhood education and child care that include the participation of Head Start agencies; and

"(ii) to States that engage in other innovative collaborative initiatives, including plans for collaborative training and professional development initiatives for child care, early childhood education and Head Start service managers, providers, and staff.

"(E)(i) The Secretary shall—

"(I) review on an ongoing basis evidence of barriers to effective collaboration between Head Start programs and other Federal, State, and local child care and early childhood education programs and resources;

"(II) develop initiatives, including providing additional training and technical assistance and making regulatory changes, in necessary cases, to eliminate barriers to the collaboration; and

"(III) develop a mechanism to resolve administrative and programmatic conflicts between programs described in subclause (I) that would be a barrier to service providers, parents, or children related to the provision of unified services and the consolidation of funding for child care services.

"(ii) In the case of a collaborative activity funded under this subchapter and another provision of law providing for Federal child care or early childhood education, the use of equipment and nonconsumable supplies purchased with funds made available under this subchapter or such provision shall not be restricted to children enrolled or otherwise participating in the program carried out under that subchapter or provision, during a period in which the activity is predominantly funded under this subchapter or such provision."; and

(5) in paragraph (6)—

(A) by inserting "(A)" before "From";

(B) by striking "3 percent" and all that follows and inserting the following: "7.5 percent for fiscal year 1999, 8 percent for fiscal year 2000, 9 percent for fiscal year 2001, 10 percent for fiscal year 2002, and 10 percent for fiscal year 2003, of the amount appropriated pursuant to section 639(a), except as provided in subparagraph (B); and

(C) by adding at the end the following:

"(B)(i) If the Secretary does not submit an interim report on the preliminary findings of the Early Head Start impact study currently being conducted by the Secretary (as of the date of enactment of the Head Start Amendments of 1998) to the appropriate committees by June 1, 2001, the amount of the reserved portion for fiscal year 2002 that exceeds the reserved portion for fiscal year 2001, if any, shall be used for quality improvement activities described in section 640(a)(3) and shall not be used to serve an increased number of eligible children under section 645A.

"(ii) If the Secretary does not submit a final report on the Early Head Start impact study to the appropriate committees by June 1, 2002, or if the Secretary finds in the report that there are substantial deficiencies in the programs carried out under section 645A, the amount of the reserved portion for fiscal year 2003 that exceeds the reserved portion for fiscal year 2002, if any, shall be used for quality improvement activities described in section 640(a)(3) and shall not be used to serve an increased number of eligible children under section 645A.

"(iii) In this subparagraph:

"(I) The term 'appropriate committees' means the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives and the Committee on Labor and Human Resources and the Committee on Appropriations of the Senate.

"(II) The term 'reserved portion', used with respect to a fiscal year, means the amount required to be used in accordance with subparagraph (A) for that fiscal year.

"(C)(i) For any fiscal year for which the Secretary determines that the amount appropriated under section 639(a) is not sufficient to permit the Secretary to reserve the portion described in subparagraph (A) without reducing the number of children served by Head Start programs or adversely affecting the quality of Head Start services, relative to the number of children served and the quality of the services during the preceding fiscal year, the Secretary may reduce the percentage of funds required to be reserved for the portion described in subparagraph (A) for the fiscal year for which the determination is made, but not below the percentage required to be so reserved for the preceding fiscal year.

"(ii) For any fiscal year for which the amount appropriated under section 639(a) is reduced to a level that requires a lower amount to be made

available under this subchapter to Head Start agencies and entities described in section 645A, relative to the amount made available to the agencies and entities for the preceding fiscal year, adjusted as described in paragraph (3)(A)(ii), the Secretary shall proportionately reduce—

"(I) the amounts made available to the entities for programs carried out under section 645A; and

"(II) the amounts made available to Head Start agencies for Head Start programs.".

(b) CHILDREN WITH DISABILITIES.—Section 640(d) of the Head Start Act (42 U.S.C. 9835(d)) is amended—

(1) by striking "1982" and inserting "1999";

(2) by striking "(as defined in section 602(a) of the Individuals with Disabilities Education Act)"; and

(3) by adding at the end the following: "Such policies and procedures shall require Head Start agencies to coordinate programmatic efforts with efforts to implement part C and section 619 of the Individuals with Disabilities Education Act (20 U.S.C 1431–1445, 1419).".

(c) INCREASED APPROPRIATIONS.—Section 640(g) of the Head Start Act (42 U.S.C. 9835(g)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking the semicolon and inserting ", and the performance history of the applicant in providing services under other Federal programs (other than the program carried out under this subchapter);";

(B) in subparagraph (C), by striking the semicolon and inserting ", and organizations and public entities serving children with disabilities;";

(C) in subparagraph (D), by striking the semicolon and inserting "and the extent to which, and manner in which, the applicant demonstrates the ability to collaborate and participate with other local community providers of child care or preschool services to provide full-working-day full calendar year services;";

(D) in subparagraph (E), by striking "program; and" and inserting "program or any other early childhood program;";

(E) in subparagraph (F), by striking the period and inserting a semicolon; and

(F) by adding at the end the following:

"(G) the extent to which the applicant proposes to foster partnerships with other service providers in a manner that will enhance the resource capacity of the applicant; and

"(H) the extent to which the applicant, in providing services, plans to coordinate with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, regarding such services and the education services provided by such local educational agency."; and

(2) by adding at the end the following:

"(4) Notwithstanding subsection (a)(2), after taking into account paragraph (1), the Secretary may allocate a portion of the remaining additional funds under subsection (a)(2)(A) for the purpose of increasing funds available for activities described in such subsection.".

(d) MIGRANT AND SEASONAL HEAD START PROGRAMS.—Section 640(l) (42 U.S.C. 9835(l)) is amended—

(1) by striking"(l)" and inserting "(l)(1)";

(2) by striking "migrant Head Start programs" each place it appears and inserting "migrant and seasonal Head Start programs";

(3) by striking "migrant families" and inserting "migrant and seasonal farmworker families"; and

(4) by adding at the end the following:

"(2) For purposes of subsection (a)(2)(A), in determining the need and demand for migrant and seasonal Head Start programs (and services provided through such programs), the Secretary shall consult with appropriate entities, including providers of services for migrant and seasonal Head Start programs. The Secretary shall, after taking into consideration the need and demand for migrant and seasonal Head Start programs (and such services), ensure that there is an adequate level of such services for eligible children of migrant farmworkers before approving an increase in the allocation of funds provided under such subsection for unserved eligible children of seasonal farmworkers. In serving the eligible children of seasonal farmworkers, the Secretary shall ensure that services provided by migrant and seasonal Head Start programs do not duplicate or overlap with other Head Start services available to eligible children of such farmworkers.

"(3) In carrying out this subchapter, the Secretary shall continue the administrative arrangement responsible for meeting the needs of children of migrant and seasonal farmworkers and Indian children and shall ensure that appropriate funding is provided to meet such needs.".

(e) CONFORMING AMENDMENT.—Section 644(f)(2) of the Head Start Act (42 U.S.C. 9839(f)(2)) is amended by striking "Except" and all that follows through "financial" and inserting "Financial".

SEC. 107. DESIGNATION OF HEAD START AGENCIES.

Section 641 of the Head Start Act (42 U.S.C. 9836) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting "or for-profit" after "nonprofit"; and

(B) by inserting "(in consultation with the chief executive officer of the State involved, if such State expends non-Federal funds to carry out Head Start programs)" after "Secretary" the last place it appears;

(2) in subsection (b), by striking "area designated by the Bureau of Indian Affairs as near-reservation" and inserting "off-reservation area designated by an appropriate tribal government in consultation with the Secretary";

(3) in subsection (c)—

(A) in paragraph (1)—

(i) by inserting ", in consultation with the chief executive officer of the State involved if such State expends non-Federal funds to carry out Head Start programs," after "shall";

(ii) by inserting "or for-profit" after "nonprofit"; and

(iii) by striking "makes a finding" and all that follows through the period at the end, and inserting the following: "determines that the agency involved fails to meet program and financial management requirements, performance standards described in section 641A(a)(1), results-based performance measures developed by the Secretary under section 641A(b), or other requirements established by the Secretary.";

(B) in paragraph (2), by inserting ", in consultation with the chief executive officer of the State if such State expends non-Federal funds to carry out Head Start programs," after "shall"; and

(C) by aligning the margins of paragraphs (2) and (3) with the margins of paragraph (1);

(4) in subsection (d)—

(A) in the matter preceding paragraph (1), by inserting after the first sentence the following: "In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall give priority to any qualified agency that functioned as a Head Start delegate agency in the community and carried out a Head Start program that the Secretary determines met or exceeded such performance standards and such results-based performance measures.";

(B) in paragraph (3), by inserting "and programs under part C and section 619 of the Individuals with Disabilities Education Act (20 U.S.C 1431–1445, 1419)" after "(20 U.S.C. 2741 et seq.)";

(C) in paragraph (4)—

(i) in subparagraph (A), by inserting "(at home and in the center involved where practicable)" after "activities";

(ii) in subparagraph (D)—

(I) in clause (iii), by adding "or" at the end;

(II) by striking clause (iv); and

(III) by redesignating clause (v) as clause (iv);

(iii) in subparagraph (E), by striking "and (D)" and inserting ", (D), and (E)";

(iv) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(v) by inserting after subparagraph (C) the following:

"(D) to offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), including information on drug-exposed infants and fetal alcohol syndrome;";

(D) by amending paragraph (7) to read as follows:

"(7) the plan of such applicant to meet the needs of non-English background children and their families, including needs related to the acquisition of the English language;";

(E) in paragraph (8)—

(i) by striking the period at the end and inserting "; and"; and

(ii) by redesignating such paragraph as paragraph (9);

(F) by inserting after paragraph (7) the following:

"(8) the plan of such applicant to meet the needs of children with disabilities;"; and

(G) by adding at the end the following:

"(10) the plan of such applicant to collaborate with other entities carrying out early childhood education and child care programs in the community.";

(5) by striking subsection (e) and inserting the following:

"(e) If no agency in the community receives priority designation under subsection (c), and there is no qualified applicant in the community, the Secretary shall designate a qualified agency to carry out the Head Start program in the community on an interim basis until a qualified applicant from the community is so designated."; and

(6) by adding at the end the following:

"(g) If the Secretary determines that a nonprofit agency and a for-profit agency have submitted applications for designation of equivalent quality under subsection (d), the Secretary may give priority to the nonprofit agency. In selecting from among qualified applicants for designation as a Head Start agency under subsection (d), the Secretary shall give priority to applicants that have demonstrated capacity in providing comprehensive early childhood services to children and their families.".

SEC. 108. QUALITY STANDARDS.

(a) QUALITY STANDARDS.—Section 641A(a) of the Head Start Act (42 U.S.C. 9836a(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ", including minimum levels of overall accomplishment," after "regulation standards";

(B) in subparagraph (A), by striking "education,";

(C) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively; and

(D) by inserting after subparagraph (A) the following:

"(B)(i) education performance standards to ensure the school readiness of children participating in a Head Start program, on completion of the Head Start program and prior to entering school; and

"(ii) additional education performance standards to ensure that the children participating in the program, at a minimum—

"(I) develop phonemic, print, and numeracy awareness;

"(II) understand and use language to communicate for various purposes;

"(III) understand and use increasingly complex and varied vocabulary;

"(IV) develop and demonstrate an appreciation of books; and

"(V) in the case of non-English background children, progress toward acquisition of the English language.";

(2) by striking paragraph (2);

(3) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(4) in paragraph (2) (as redesignated in paragraph (3))—

(A) in subparagraph (B)(iii), by striking "child" and inserting "early childhood education and"; and

(B) in subparagraph (C)—

(i) in clause (i)—

(I) by striking "not later than 1 year after the date of enactment of this section,"; and

(II) by striking "section 651(b)" and all that follows and inserting "this subsection; and"; and

(ii) in subclause (ii), by striking "November 2, 1978" and inserting "the date of enactment of the Coats Human Services Reauthorization Act of 1998"; and

(5) in paragraph (3) (as redesignated in paragraph (3)), by striking "to an agency (referred to in this subchapter as the 'delegate agency')" and inserting "to a delegate agency".

(b) PERFORMANCE MEASURES.—Section 641A(b) of the Head Start Act (42 U.S.C. 9836a(b)) is amended—

(1) in the heading, by inserting "RESULTS-BASED" before "PERFORMANCE";

(2) in paragraph (1)—

(A) by striking "Not later than 1 year after the date of enactment of this section, the" and inserting "The";

(B) by striking "child" and inserting "early childhood education and";

(C) by inserting before "(referred" the following: ", and the impact of the services provided through the programs to children and their families"; and

(D) by striking "performance measures" and inserting "results-based performance measures"; and

(3) in paragraph (2)—

(A) in the paragraph heading, by striking "DESIGN" and inserting "CHARACTERISTICS";

(B) in the matter preceding subparagraph (A), by striking "shall be designed—" and inserting "shall—";

(C) in subparagraph (A), by striking "to assess" and inserting "be used to assess the impact of";

(D) in subparagraph (B)—

(i) by striking "to";

(ii) by striking "and peer review" and inserting ", peer review, and program evaluation"; and

(iii) by inserting ", not later than July 1, 1999" before the semicolon;

(E) in subparagraph (C), by inserting "be developed" before "for other"; and

(F) by adding at the end the following: "The performance measures shall include the performance standards described in subsection (a)(1)(B)(ii).";

(4) in paragraph (3)(A), by striking "and by region" and inserting ", regionally, and locally"; and

(5) by adding at the end the following:

"(4) EDUCATIONAL PERFORMANCE MEASURES.—Such results-based performance measures shall include educational performance measures that ensure that children participating in Head Start programs—

"(A) know that letters of the alphabet are a special category of visual graphics that can be individually named;

"(B) recognize a word as a unit of print;

"(C) identify at least 10 letters of the alphabet; and

"(D) associate sounds with written words.

"(5) ADDITIONAL LOCAL RESULTS-BASED PERFORMANCE MEASURES.—In addition to other applicable results-based performance measures, Head Start agencies may establish local results-based educational performance measures.".

(c) MONITORING.—Section 641A(c) of the Head Start Act (42 U.S.C. 9836a(c)) is amended—

(1) in paragraph (1), by inserting "and results-based performance measures developed by the Secretary under subsection (b)" after "standards established under this subchapter"; and

(2) in paragraph (2)—

(A) in subparagraph (B), by striking "and" at the end;

(B) in subparagraph (C)—

(i) by inserting "(including children with disabilities)" after "eligible children"; and

(ii) by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

"(D) include as part of the reviews of the programs, a review and assessment of program effectiveness, as measured in accordance with the results-based performance measures developed by the Secretary pursuant to subsection (b) and with the performance standards established pursuant to subparagraphs (A) and (B) of subsection (a)(1); and

"(E) seek information from the communities and the States involved about the performance of the programs and the efforts of the Head Start agencies to collaborate with other entities carrying out early childhood education and child care programs in the community.".

(d) TERMINATION.—Section 641A(d) of the Head Start Act (42 U.S.C. 9836a(d)) is amended—

(1) in paragraph (1)—

(A) by inserting "or results-based performance measures developed by the Secretary under subsection (b)" after "subsection (a)"; and

(B) by amending subparagraph (B) to read as follows:

"(B) with respect to each identified deficiency, require the agency—

"(i) to correct the deficiency immediately, if the Secretary finds that the deficiency threatens the health or safety of staff or program participants or poses a threat to the integrity of Federal funds;

"(ii) to correct the deficiency not later than 90 days after the identification of the deficiency if the Secretary finds, in the discretion of the Secretary, that such a 90-day period is reasonable, in light of the nature and magnitude of the deficiency; or

"(iii) in the discretion of the Secretary (taking into consideration the seriousness of the deficiency and the time reasonably required to correct the deficiency), to comply with the requirements of paragraph (2) concerning a quality improvement plan; and"; and

(2) in paragraph (2)(A), in the matter preceding clause (i), by striking "able to correct a deficiency immediately" and inserting "required to correct a deficiency immediately or during a 90-day period under clause (i) or (ii) of paragraph (1)(B)".

(e) REPORT.—Section 641A(e) of the Head Start Act (42 U.S.C. 9836a(e)) is amended by adding at the end the following: "Such report shall be widely disseminated and available for public review in both written and electronic formats.".

SEC. 109. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 642 of the Head Start Act (42 U.S.C. 9837) is amended—

(1) in subsection (a), by inserting "or for-profit" after "nonprofit";

(2) in subsection (b)—

(A) in paragraph (6)—

(i) by striking subparagraph (D); and

(ii) by redesignating subparagraphs (E) and (F) and subparagraphs (D) and (E), respectively;

(B) in paragraph (8), by striking "and" at the end;

(C) in paragraph (9), by striking the period at the end and inserting "; and";

(D) by redesignating paragraphs (6) through (9) as paragraphs (7) through (10), respectively;

(E) by inserting after paragraph (5) the following:

"(6) offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), including information on drug-exposed infants and fetal alcohol syndrome;";

(F) in paragraph (8) (as redesignated in subparagraph (D)), by striking "paragraphs (4) through (6)" and inserting "paragraphs (4) through (7)"; and

(G) by adding at the end the following:

"(11)(A) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subchapter about the availability of child support services for purposes of establishing paternity and acquiring child support; and

"(B) refer eligible parents to the child support offices of State and local governments.";

(3) in subsection (c)—

(A) by inserting "and collaborate" after "coordinate";

(B) by striking "section 402(g) of the Social Security Act, and other" and inserting "the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), and other early childhood education and development"; and

(C) by inserting "and programs under part C and section 619 of the Individuals with Disabilities Education Act (20 U.S.C 1431–1445, 1419)" after "(20 U.S.C. 2741 et seq.)";

(4) in subsection (d)—

(A) in paragraph (1)—

(i) by striking "carry out" and all that follows through "maintain" and inserting "take steps to ensure, to the maximum extent possible, that children maintain";

(ii) by inserting "and educational" after "developmental"; and

(iii) by striking "to build" and inserting "build";

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively; and

(D) in subparagraph (A) of paragraph (4) (as redesignated in subparagraph (C)), by striking "the Head Start Transition Project Act (42 U.S.C. 9855 et seq.)" and inserting "section 642A"; and

(5) by adding at the end the following:

"(e) Head Start agencies shall adopt, in consultation with experts in child development and with classroom teachers, an assessment to be used when hiring or evaluating any classroom teacher in a center-based Head Start program. Such assessment shall measure whether such teacher has mastered the functions described in section 648A(a)(1).".

SEC. 110. HEAD START TRANSITION.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by inserting after section 642 the following:

"SEC. 642A. HEAD START TRANSITION.

"Each Head Start agency shall take steps to coordinate with the local educational agency *serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, including—*

"(1) developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which such child will enroll;

"(2) establishing channels of communication between Head Start staff and their counterparts in the schools (including teachers, social workers, and health staff) to facilitate coordination of programs;

"(3) conducting meetings involving parents, kindergarten or elementary school teachers, and Head Start program teachers to discuss the educational, developmental, and other needs of individual children;

"(4) organizing and participating in joint transition-related training of school staff and Head Start staff;

"(5) developing and implementing a family outreach and support program in cooperation with entities carrying out parental involvement efforts under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.);

"(6) assisting families, administrators, and teachers in enhancing educational and developmental continuity between Head Start services and elementary school classes; and

"(7) linking the services provided in such Head Start program with the education services provided by such local educational agency.".

SEC. 111. SUBMISSION OF PLANS TO GOVERNORS.

The first sentence of section 643 of the Head Start Act (42 U.S.C. 9838) is amended—

(1) by striking "30 days" and inserting "45 days";

(2) by striking "so disapproved" and inserting "disapproved (for reasons other than failure of the program to comply with State health, safety, and child care laws, including regulations applicable to comparable child care programs in the State)"; and

(3) by inserting before the period ", as evidenced by a written statement of the Secretary's findings that is transmitted to such officer".

SEC. 112. PARTICIPATION IN HEAD START PROGRAMS.

(a) REGULATIONS.—Section 645(a)(1) of the Head Start Act (42 U.S.C. 9840(a)(1)) is amended—

(1) by striking "provide (A) that" and inserting the following: "provide—

"(A) that";

(2) by striking "assistance; and (B) pursuant" and inserting the following: "assistance; and

"(B) pursuant";

(3) in subparagraph (B), by striking "that programs" and inserting "that—

"(i) programs"; and

(4) by striking "clause (A)." and inserting the following: "subparagraph (A); and

"(ii) a child who has been determined to meet the low-income criteria and who is participating in a Head Start program in a program year shall be considered to continue to meet the low-income criteria through the end of the succeeding program year.

In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the low-income criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application.".

(b) SLIDING FEE SCALE.—Section 645(b) of the Head Start Act (42 U.S.C. 9840(b)) is amended by adding at the end the following: "A Head Start agency that provides a Head Start program with full-working-day services in collaboration with other agencies or entities may collect a family copayment to support extended day services if a copayment is required in conjunction with the collaborative. The copayment charged to families receiving services through the Head Start program shall not exceed the copayment charged to families with similar incomes and circumstances who are receiving the services through participation in a program carried out by another agency or entity.".

(c) CONTINUOUS RECRUITMENT AND ACCEPTANCE OF APPLICATIONS.—Section 645(c) of the Head Start Act (42 U.S.C. 9840(c)) is amended by adding at the end the following: "Each Head Start program operated in a community shall be permitted to recruit and accept applications for enrollment of children throughout the year.".

(d) OFF-RESERVATION AREA.—Section 645(d)(1)(B) of the Head Start Act (42 U.S.C. 9840(d)(1)(B)) is amended by striking "a community with" and all that follows through "Indian Affairs" and inserting "a community that is an off-reservation area, designated by an appropriate tribal government, in consultation with the Secretary".

SEC. 113. EARLY HEAD START PROGRAMS FOR FAMILIES WITH INFANTS AND TODDLERS.

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) in the section heading, by inserting "***EARLY HEAD START***" *before* "***PROGRAMS FOR***";

(2) in subsection (a)—

(A) in paragraph (1), by striking "; and" and inserting a period;

(B) by striking paragraph (2); and

(C) by striking "for—" and all that follows through "(1)" and inserting "for";

(3) in subsection (b)—

(A) in paragraph (5), by inserting "(including programs for infants and toddlers with disabilities)" after "community";

(B) in paragraph (7), by striking "and" at the end;

(C) by redesignating paragraph (8) as paragraph (9); and

(D) by inserting after paragraph (7) the following:

"(8) ensure formal linkages with the agencies and entities described in section 644(b) of the Individuals with Disabilities Education Act (20 U.S.C. 1444(b)) and providers of early intervention services for infants and toddlers with disabilities under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.); and";

(4) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)"; and

(B) in paragraph (2), by striking "3 (or under" and all that follows and inserting "3;";

(5) in subsection (d)—

(A) in paragraph (1), by adding "and" at the end;

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) in paragraph (2), as redesignated in subparagraph (C), by inserting "or for-profit" after "nonprofit";

(6) by striking subsection (e);

(7) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively;

(8) in subsection (e) (as redesignated in paragraph (7))—

(A) in the subsection heading, by striking "OTHER"; and

(B) by striking "From the balance remaining of the portion specified in section 640(a)(6), after making grants to the eligible entities specified in subsection (e)," and inserting "From the portion specified in section 640(a)(6),";

(9) by striking subsection (h); and

(10) by adding at the end the following:

"(g) MONITORING, TRAINING, TECHNICAL ASSISTANCE, AND EVALUATION.—

"(1) REQUIREMENT.—In order to ensure the successful operation of programs assisted under this section, the Secretary shall use funds from the portion specified in section 640(a)(6) to monitor the operation of such programs, evaluate their effectiveness, and provide training and technical assistance tailored to the particular needs of such programs.

"(2) TRAINING AND TECHNICAL ASSISTANCE ACCOUNT.—

"(A) IN GENERAL.—Of the amount made available to carry out this section for any fiscal year, not less than 5 percent and not more than 10 percent shall be reserved to fund a training and technical assistance account.

"(B) ACTIVITIES.—Funds in the account may be used by the Secretary for purposes including—

"(i) making grants to, and entering into contracts with, organizations with specialized expertise relating to infants, toddlers, and families and the capacity needed to provide direction and support to a national training and technical assistance system, in order to provide such direction and support;

"(ii) providing ongoing training and technical assistance for regional and program staff charged with monitoring and overseeing the administration of the program carried out under this section;

"(iii) providing ongoing training and technical assistance for existing recipients (as of the date of such training or assistance) of grants under subsection (a) and support and program planning and implementation assistance for new recipients of such grants; and

"(iv) providing professional development and personnel enhancement activities, including the provision of funds to recipients of grants under subsection (a) for the recruitment and retention of qualified staff with an appropriate level of education and experience.".

SEC. 114. TECHNICAL ASSISTANCE AND TRAINING.

(a) IN GENERAL.—Section 648 of the Head Start Act (42 U.S.C. 9843) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "and" at the end;

(B) in paragraph (2), by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(3) ensure the provision of technical assistance to assist Head Start agencies, entities carrying out other child care and early childhood programs, communities, and States in collaborative efforts to provide quality full-working-day, full calendar year services, including technical assistance related to identifying and assisting in resolving barriers to collaboration."; and

(2) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

"(1) give priority consideration to—

"(A) activities to correct program and management deficiencies identified through reviews carried out pursuant to section 641A(c) (including the provision of assistance to local programs in the development of quality improvement plans under section 641A(d)(2)); and

"(B) assisting Head Start agencies in—

"(i) ensuring the school readiness of children; and

"(ii) meeting the educational performance measures described in section 641A(b)(4);";

(B) in paragraph (2), by inserting "supplement amounts provided under section 640(a)(3)(C)(ii) in order to" after "(2)";

(C) in paragraph (4)—

(i) by inserting "and implementing" after "developing"; and

(ii) by striking "a longer day" and inserting the following: "the day, and assist the agencies and programs in expediting the sharing of information about innovative models for providing full-working-day, full calendar year services for children";

(D) in paragraph (7), by striking "; and" and inserting a semicolon;

(E) in paragraph (8), by striking the period and inserting "; and";

(F) by redesignating paragraphs (3) through (8) as paragraphs (5) through (10), respectively;

(G) by inserting after paragraph (2) the following:

"(3) assist Head Start agencies in the development of collaborative initiatives with States and other entities within the States, to foster effective early childhood professional development systems;

"(4) provide technical assistance and training, either directly or through a grant, contract, or cooperative agreement with an entity that has experience in the development and operation of successful family literacy services programs, for the purpose of—

"(A) assisting Head Start agencies providing family literacy services, in order to improve the quality of such family literacy services; and

"(B) enabling those Head Start agencies that demonstrate effective provision of family literacy services, based on improved outcomes for children and their parents, to provide technical assistance and training to other Head Start agencies and to service providers that work in collaboration with such agencies to provide family literacy services;"; and

(H) by adding at the end the following:

"(11) provide support for Head Start agencies (including policy councils and policy committees, as defined in regulation) that meet the standards described in section 641A(a) but that have, as documented by the Secretary through reviews conducted pursuant to section 641A(c), significant programmatic, quality, and fiscal issues to address.".

(b) SERVICES.—Section 648(e) of the Head Start Act (42 U.S.C. 9843(e)) is amended by inserting "(including services to promote the acquisition of the English language)" after "non-English language background children".

SEC. 115. PROFESSIONAL REQUIREMENTS.

Section 648A of the Head Start Act (42 U.S.C. 9843a) is amended—

(1) by amending subsection (a) to read as follows:

"(a) CLASSROOM TEACHERS.—

"(1) PROFESSIONAL REQUIREMENTS.—The Secretary shall ensure that each Head Start classroom in a center-based program is assigned one teacher who has demonstrated competency to perform functions that include—

"(A) planning and implementing learning experiences that advance the intellectual and physical development of children, including improving the readiness of children for school by developing their literacy and phonemic, print, and numeracy awareness, their understanding and use of language, their understanding and use of increasingly complex and varied vocabulary, their appreciation of books, and their problem solving abilities;

"(B) establishing and maintaining a safe, healthy learning environment;

"(C) supporting the social and emotional development of children; and

"(D) encouraging the involvement of the families of the children in a Head Start program and supporting the development of relationships between children and their families.

"(2) DEGREE REQUIREMENTS.—

"(A) IN GENERAL.—The Secretary shall ensure that not later than September 30, 2003, at least 50 percent of all Head Start teachers nationwide in center-based programs have—

"(i) an associate, baccalaureate, or advanced degree in early childhood education; or

"(ii) an associate, baccalaureate, or advanced degree in a field related to early childhood education, with experience in teaching preschool children.

"(B) PROGRESS.—The Secretary shall require Head Start agencies to demonstrate continuing progress each year to reach the result described in subparagraph (A).

"(3) ALTERNATIVE CREDENTIALING REQUIREMENTS.—The Secretary shall ensure that, for center-based programs, each Head Start classroom that does not have a teacher that meets the requirements of clause (i) or (ii) of paragraph (2)(A) is assigned one teacher who has—

"(A) a child development associate credential that is appropriate to the age of the children being served in center-based programs;

"(B) a State-awarded certificate for preschool teachers that meets or exceeds the requirements for a child development associate credential; or

"(C) a degree in a field related to early childhood education with experience in teaching preschool children and a State-awarded certificate to teach in a preschool program.

"(4) WAIVER.—

"(A) IN GENERAL.—On request, the Secretary shall grant a 180-day waiver of the requirements of paragraph (3), for a Head Start agency that can demonstrate that the agency has unsuccessfully attempted to recruit an individual who has a credential, certificate, or degree described in paragraph (3), with respect to an individual who—

"(i) is enrolled in a program that grants any such credential, certificate, or degree; and

"(ii) will receive such credential, certificate, or degree under the terms of such program not later than 180 days after beginning employment as a teacher with such agency.

"(B) LIMITATION.—The Secretary may not grant more than one such waiver with respect to such individual."; and

(2) in subsection (b)(2)(B)—

(A) by striking "staff," and inserting "staff or"; and

(B) by striking ", or that" and all that follows through "families".

SEC. 116. RESEARCH AND EVALUATION.

Section 649 of the Head Start Act (42 U.S.C. 9844) is amended—

(1) in subsection (d)—

(A) in paragraph (6), by striking "and" at the end;

(B) in paragraph (7), by striking the period at the end and inserting a semicolon;

(C) by redesignating paragraphs (2) through (7) as paragraphs (3) through (8), respectively;

(D) by inserting after paragraph (1) the following:

"(2) establish evaluation methods that measure the effectiveness and impact of family literacy services program models, including models for the integration of family literacy services with Head Start services;"; and

(E) by adding at the end the following:

"(9) study the experiences of small, medium, and large States with Head Start programs in order to permit comparisons of children participating in the programs with eligible children who did not participate in the programs, which study—

"(A) may include the use of a data set that existed prior to the initiation of the study; and

"(B) shall compare the educational achievement, social adaptation, and health status of the participating children and the eligible nonparticipating children; and

"(10) provide for—

"(A) using the Survey of Income and Program Participation to conduct an analysis of the different income levels of Head Start participants compared to comparable persons who did not attend Head Start programs;

"(B) using the National Longitudinal Survey of Youth, which began gathering data in 1988 on children who attended Head Start programs, to examine the wide range of outcomes measured within the Survey, including outcomes related to cognitive, socio-emotional, behavioral, and academic development;

"(C) using the Survey of Program Dynamics, the new longitudinal survey required by section 414 of the Social Security Act (42 U.S.C. 614), to begin annual reporting, through the duration of the Survey, on Head Start program attendees' academic readiness performance and improvements;

"(D) ensuring that the Survey of Program Dynamics is linked with the National Longitudinal Survey of Youth at least once by the use of a common performance test, to be determined by the expert panel, for the greater national usefulness of the National Longitudinal Survey of Youth database; and

"(E) disseminating the results of the analysis, examination, reporting, and linkage described in subparagraphs (A) through (D) to persons conducting other studies under this subchapter.

The Secretary shall ensure that an appropriate entity carries out a study described in paragraph (9), and prepares and submits to the appropriate committees of Congress a report containing the results of the study, not later than September 30, 2002."; and

(2) by adding at the end the following:

"(g) NATIONAL HEAD START IMPACT RESEARCH.—

"(1) EXPERT PANEL.—

"(A) IN GENERAL.—The Secretary shall appoint an independent panel consisting of experts in program evaluation and research, education, and early childhood programs—

"(i) to review, and make recommendations on, the design and plan for the research (whether conducted as a single assessment or as a series of assessments) described in paragraph (2), within 1 year after the date of enactment of the Coats Human Services Reauthorization Act of 1998;

"(ii) to maintain and advise the Secretary regarding the progress of the research; and

"(iii) to comment, if the panel so desires, on the interim and final research reports submitted under paragraph (7).

"(B) TRAVEL EXPENSES.—The members of the panel shall not receive compensation for the performance of services for the panel, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel. Notwithstanding section 1342 of title 31, United States Code, the Secretary may accept the voluntary and uncompensated services of members of the panel.

"(2) GENERAL AUTHORITY.—After reviewing the recommendations of the expert panel, the Secretary shall make a grant to, or enter into a contract or cooperative agreement with, an organization to conduct independent research that provides a national analysis of the impact of Head Start programs. The Secretary shall ensure that the organization shall have expertise in program evaluation, and research, education, and early childhood programs.

"(3) DESIGNS AND TECHNIQUES.—The Secretary shall ensure that the research uses rigorous methodological designs and techniques (based on the recommendations of the expert panel), including longitudinal designs, control groups, nationally recognized standardized measures,

and random selection and assignment, as appropriate. The Secretary may provide that the research shall be conducted as a single comprehensive assessment or as a group of coordinated assessments designed to provide, when taken together, a national analysis of the impact of Head Start programs.

"(4) PROGRAMS.—The Secretary shall ensure that the research focuses primarily on Head Start programs that operate in the 50 States, the Commonwealth of Puerto Rico, or the District of Columbia and that do not specifically target special populations.

"(5) ANALYSIS.—The Secretary shall ensure that the organization conducting the research—

"(A)(i) determines if, overall, the Head Start programs have impacts consistent with their primary goal of increasing the social competence of children, by increasing the everyday effectiveness of the children in dealing with their present environments and future responsibilities, and increasing their school readiness;

"(ii) considers whether the Head Start programs—

"(I) enhance the growth and development of children in cognitive, emotional, and physical health areas;

"(II) strengthen families as the primary nurturers of their children; and

"(III) ensure that children attain school readiness; and

"(iii) examines—

"(I) the impact of the Head Start programs on increasing access of children to such services as educational, health, and nutritional services, and linking children and families to needed community services; and

"(II) how receipt of services described in subclause (I) enriches the lives of children and families participating in Head Start programs;

"(B) examines the impact of Head Start programs on participants on the date the participants leave Head Start programs, at the end of kindergarten and at the end of first grade (whether in public or private school), by examining a variety of factors, including educational achievement, referrals for special education or remedial course work, and absenteeism;

"(C) makes use of random selection from the population of all Head Start programs described in paragraph (4) in selecting programs for inclusion in the research; and

"(D) includes comparisons of individuals who participate in Head Start programs with control groups (including comparison groups) composed of—

"(i) individuals who participate in other early childhood programs (such as public or private preschool programs and day care); and

"(ii) individuals who do not participate in any other early childhood program.

"(6) CONSIDERATION OF SOURCES OF VARIATION.—In designing the research, the Secretary shall, to the extent practicable, consider addressing possible sources of variation in impact of Head Start programs, including variations in impact related to such factors as—

"(A) Head Start program operations;

"(B) Head Start program quality;

"(C) the length of time a child attends a Head Start program;

"(D) the age of the child on entering the Head Start program;

"(E) the type of organization (such as a local educational agency or a community action agency) providing services for the Head Start program;

"(F) the number of hours and days of program operation of the Head Start program (such as whether the program is a full-working-day, full calendar year program, a part-day program, or a part-year program); and

"(G) other characteristics and features of the Head Start program (such as geographic location, location in an urban or a rural service area, or participant characteristics), as appropriate.

"(7) REPORTS.—

"(A) SUBMISSION OF INTERIM REPORTS.—The organization shall prepare and submit to the Secretary two interim reports on the research. The first interim report shall describe the design of the research, and the rationale for the design, including a description of how potential sources of variation in impact of Head Start programs have been considered in designing the research. The second interim report shall describe the status of the research and preliminary findings of the research, as appropriate.

"(B) SUBMISSION OF FINAL REPORT.—The organization shall prepare and submit to the Secretary a final report containing the findings of the research.

"(C) TRANSMITTAL OF REPORTS TO CONGRESS.—

"(i) IN GENERAL.—The Secretary shall transmit, to the committees described in clause (ii), the first interim report by September 30, 1999, the second interim report by September 30, 2001, and the final report by September 30, 2003.

"(ii) COMMITTEES.—The committees referred to in clause (i) are the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

"(8) DEFINITION.—In this subsection, the term 'impact', used with respect to a Head Start program, means a difference in an outcome for a participant in the program that would not have occurred without the participation in the program.

"(h) QUALITY IMPROVEMENT STUDY.—

"(1) STUDY.—The Secretary shall conduct a study regarding the use and effects of use of the quality improvement funds made available under section 640(a)(3) since fiscal year 1991.

"(2) REPORT.—The Secretary shall prepare and submit to Congress not later than September 2000 a report containing the results of the study, including information on—

"(A) the types of activities funded with the quality improvement funds;

"(B) the extent to which the use of the quality improvement funds has accomplished the goals of section 640(a)(3)(B);

"(C) the effect of use of the quality improvement funds on teacher training, salaries, benefits, recruitment, and retention; and

"(D) the effect of use of the quality improvement funds on the development of children receiving services under this subchapter.".

SEC. 117. REPORTS.

Section 650 of the Head Start Act (42 U.S.C. 9846) is amended—

(1) by inserting "(a) STATUS OF CHILDREN.—" before "At";

(2) by striking "and Labor" each place it appears and inserting "and the Workforce"; and

(3) by adding at the end the following:

"(b) FACILITIES.—At least once during every 5-year period, the Secretary shall prepare and submit, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the condition, location, and ownership of facilities used, or available to be used, by Indian Head Start agencies (including Native Alaskan Head Start agencies) and Native Hawaiian Head Start agencies.".

SEC. 118. REPEAL OF CONSULTATION REQUIREMENT.

Section 657A of the Head Start Act (42 U.S.C. 9852a) is repealed.

SEC. 119. REPEAL OF HEAD START TRANSITION PROJECT ACT.

The Head Start Transition Project Act (42 U.S.C. 9855–9855g) is repealed.

TITLE II—COMMUNITY SERVICES BLOCK GRANT PROGRAM

SEC. 201. REAUTHORIZATION.

The Community Services Block Grant Act (42 U.S.C. 9901 et seq.) is amended to read as follows:

"Subtitle B—Community Services Block Grant Program

"SEC. 671. SHORT TITLE.

"This subtitle may be cited as the 'Community Services Block Grant Act'.

"SEC. 672. PURPOSES AND GOALS.

"The purposes of this subtitle are—

"(1) to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient (particularly families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(2) to accomplish the goals described in paragraph (1) through—

"(A) the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;

"(B) the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;

"(C) the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;

"(D) the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and

"(E) the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—

"(i) private, religious, charitable, and neighborhood-based organizations; and

"(ii) individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.

"SEC. 673. DEFINITIONS.

"In this subtitle:

"(1) ELIGIBLE ENTITY; FAMILY LITERACY SERVICES.—

"(A) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity—

"(i) that is an eligible entity described in section 673(1) (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998) as of the day before such date of enactment or is designated by the process described in section 676A (including an organization serving migrant or seasonal farmworkers that is so described or designated); and

"(ii) that has a tripartite board or other mechanism described in subsection (a) or (b), as appropriate, of section 676B.

"(B) FAMILY LITERACY SERVICES.—The term 'family literacy services' has the meaning given the term in section 637 of the Head Start Act (42 U.S.C. 9832).

"(2) POVERTY LINE.—The term 'poverty line' means the official poverty line defined by the Office of Management and Budget based on the most recent data available from the Bureau of the Census. The Secretary shall revise annually (or at any shorter interval the Secretary determines to be feasible and desirable) the poverty line, which shall be used as a criterion of eligibility in the community services block grant program established under this subtitle. The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made. Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph.

"(3) PRIVATE, NONPROFIT ORGANIZATION.—The term 'private, nonprofit organization' includes a religious organization, to which the provisions of section 679 shall apply.

"(4) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(5) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 674. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 1999 through 2003 to carry out the provisions of this subtitle (other than sections 681 and 682).

"(b) RESERVATIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, the Secretary shall reserve—

"(1) ½ of 1 percent for carrying out section 675A (relating to payments for territories);

"(2) 1 ½ percent for activities authorized in sections 678A through 678F, of which—

"(A) not less than ½ of the amount reserved by the Secretary under this paragraph shall be distributed directly to eligible entities, organizations, or associations described in section 678A(c)(2) for the purpose of carrying out activities described in section 678A(c); and

"(B) ½ of the remainder of the amount reserved by the Secretary under this paragraph shall be used by the Secretary to carry out evaluation and to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), as described in sections 678B(c) and 678A; and

"(3) 9 percent for carrying out section 680 (relating to discretionary activities) and section 678E(b)(2).

"SEC. 675. ESTABLISHMENT OF BLOCK GRANT PROGRAM.

"The Secretary is authorized to establish a community services block grant program and make grants through the program to States to ameliorate the causes of poverty in communities within the States.

"SEC. 675A. DISTRIBUTION TO TERRITORIES.

"(a) APPORTIONMENT.—The Secretary shall apportion the amount reserved under section 674(b)(1) for each fiscal year on the basis of need among Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"(b) APPLICATION.—Each jurisdiction to which subsection (a) applies may receive a grant under this section for the amount apportioned under subsection (a) on submitting to the Secretary, and obtaining approval of, an application, containing provisions that describe the programs for which assistance is sought under this section, that is prepared in accordance with, and contains the information described in, section 676.

"SEC. 675B. ALLOTMENTS AND PAYMENTS TO STATES.

"(a) ALLOTMENTS IN GENERAL.—The Secretary shall, from the amount appropriated under section 674(a) for each fiscal year that remains after the Secretary makes the reservations required in section 674(b), allot to each State (subject to section 677) an amount that bears the same ratio to such remaining amount as the amount received by the State for fiscal year 1981 under section 221 of the Economic Opportunity Act of 1964 bore to the total amount received by all States for fiscal year 1981 under such section, except—

"(1) that no State shall receive less than ¼ of 1 percent of the amount appropriated under section 674(a) for such fiscal year; and

"(2) as provided in subsection (b).

"(b) ALLOTMENTS IN YEARS WITH GREATER AVAILABLE FUNDS.—

"(1) MINIMUM ALLOTMENTS.—Subject to paragraphs (2) and (3), if the amount appropriated under section 674(a) for a fiscal year that remains after the Secretary makes the reservations required in section 674(b) exceeds $345,000,000, the Secretary shall allot to each State not less than ½ of 1 percent of the amount appropriated under section 674(a) for such fiscal year.

"(2) MAINTENANCE OF FISCAL YEAR 1990 LEVELS.—Paragraph (1) shall not apply with respect to a fiscal year if the amount allotted under subsection (a) to any State for that year is less than the amount allotted under section 674(a)(1) (as in effect on September 30, 1989) to such State for fiscal year 1990.

"(3) MAXIMUM ALLOTMENTS.—The amount allotted under paragraph (1) to a State for a fiscal year shall be reduced, if necessary, so that the aggregate amount allotted to such State under such paragraph and subsection (a) does not exceed 140 percent of the aggregate amount allotted to such State under the corresponding provisions of this subtitle for the preceding fiscal year.

"(c) PAYMENTS.—The Secretary shall make grants to eligible States for the allotments described in subsections (a) and (b). The Secretary shall make payments for the grants in accordance with section 6503(a) of title 31, United States Code.

"(d) DEFINITION.—In this section, the term 'State' does not include Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands.

"SEC. 675C. USES OF FUNDS.

"(a) GRANTS TO ELIGIBLE ENTITIES AND OTHER ORGANIZATIONS.—

"(1) IN GENERAL.—Not less than 90 percent of the funds made available to a State under section 675A or 675B shall be used by the State to make grants for the purposes described in section 672 to eligible entities.

"(2) OBLIGATIONAL AUTHORITY.—Funds distributed to eligible entities through grants made in accordance with paragraph (1) for a fiscal year shall be available for obligation during that fiscal year and the succeeding fiscal year, subject to paragraph (3).

"(3) RECAPTURE AND REDISTRIBUTION OF UNOBLIGATED FUNDS.—

"(A) AMOUNT.—Beginning on October 1, 2000, a State may recapture and redistribute funds distributed to an eligible entity through a grant made under paragraph (1) that are unobligated at the end of a fiscal year if such unobligated funds exceed 20 percent of the amount so distributed to such eligible entity for such fiscal year.

"(B) REDISTRIBUTION.—In redistributing funds recaptured in accordance with this paragraph, States shall redistribute such funds to an eligible entity, or require the original recipient of the funds to redistribute the funds to a private, nonprofit organization, located within the community served by the original recipient of the funds, for activities consistent with the purposes of this subtitle.

"(b) STATEWIDE ACTIVITIES.—

"(1) USE OF REMAINDER.—If a State uses less than 100 percent of the grant or allotment received under section 675A or 675B to make grants under subsection (a), the State shall use the remainder of the grant or allotment under section 675A or 675B (subject to paragraph (2)) for activities that may include—

"(A) providing training and technical assistance to those entities in need of such training and assistance;

"(B) coordinating State-operated programs and services, and at the option of the State, locally-operated programs and services, targeted to low-income children and families with services provided by eligible entities and other organizations funded under this subtitle, including detailing appropriate employees of State or local agencies to entities funded under this subtitle, to ensure increased access to services provided by such State or local agencies;

"(C) supporting statewide coordination and communication among eligible entities;

"(D) analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;

"(E) supporting asset-building programs for low-income individuals, such as programs supporting individual development accounts;

"(F) supporting innovative programs and activities conducted by community action agencies or other neighborhood-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization;

"(G) supporting State charity tax credits as described in subsection (c); and

"(H) supporting other activities, consistent with the purposes of this subtitle.

"(2) ADMINISTRATIVE CAP.—No State may spend more than the greater of $55,000, or 5 percent, of the grant received under section 675A or State allotment received under section 675B for administrative expenses, including monitoring activities. Funds to be spent for such expenses shall be taken from the portion of the grant under section 675A or State allotment that remains after the State makes grants to eligible entities under subsection (a). The cost of activities conducted under paragraph (1)(A) shall not be considered to be administrative expenses. The startup cost and cost of administrative activities conducted under subsection (c) shall be considered to be administrative expenses.

"(c) CHARITY TAX CREDIT.—

"(1) IN GENERAL.—Subject to paragraph (2), if there is in effect under State law a charity tax credit, the State may use for any purpose the amount of the allotment that is available for expenditure under subsection (b).

"(2) LIMIT.—The aggregate amount a State may use under paragraph (1) during a fiscal year shall not exceed 100 percent of the revenue loss of the State during the fiscal year that is attributable to the charity tax credit, as determined by the Secretary of the Treasury without regard to any such revenue loss occurring before January 1, 1999.

"(3) DEFINITIONS AND RULES.—In this subsection:

"(A) CHARITY TAX CREDIT.—The term 'charity tax credit' means a nonrefundable credit against State income tax (or, in the case of a State that does not impose an income tax, a comparable benefit) that is allowable for contributions, in cash or in kind, to qualified charities.

"(B) QUALIFIED CHARITY.—

"(i) IN GENERAL.—The term 'qualified charity' means any organization—

"(I) that is—

"(aa) described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

"(bb) an eligible entity; or

"(cc) a public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6));

"(II) that is certified by the appropriate State authority as meeting the requirements of clauses (iii) and (iv); and

"(III) if such organization is otherwise required to file a return under section 6033 of such Code, that elects to treat the information required to be furnished by clause (v) as being specified in section 6033(b) of such Code.

"(ii) CERTAIN CONTRIBUTIONS TO COLLECTION ORGANIZATIONS TREATED AS CONTRIBUTIONS TO QUALIFIED CHARITY.—

"(I) IN GENERAL.—A contribution to a collection organization shall be treated as a contribution to a qualified charity if the donor designates in writing that the contribution is for the qualified charity.

"(II) COLLECTION ORGANIZATION.—The term 'collection organization' means an organization described in section 501(c)(3) of such Code and exempt from tax under section 501(a) of such Code—

"(aa) that solicits and collects gifts and grants that, by agreement, are distributed to qualified charities;

"(bb) that distributes to qualified charities at least 90 percent of the gifts and grants the organization receives that are designated for such qualified charities; and

"(cc) that meets the requirements of clause (vi).

"(iii) CHARITY MUST PRIMARILY ASSIST POOR INDIVIDUALS.—

"(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the predominant activity of such organization will be the provision of direct services within the United States to individuals and families whose annual incomes generally do not exceed 185 percent of the poverty line in order to prevent or alleviate poverty among such individuals and families.

"(II) NO RECORDKEEPING IN CERTAIN CASES.—An organization shall not be required to establish or maintain records with respect to the incomes of individuals and families for purposes of subclause (I) if such individuals or families are members of groups that are generally recognized as including substantially only individuals and families described in subclause (I).

"(III) FOOD AID AND HOMELESS SHELTERS.—Except as otherwise provided by the appropriate State authority, for purposes of subclause (I), services to individuals in the form of—

"(aa) donations of food or meals; or

"(bb) temporary shelter to homeless individuals;

shall be treated as provided to individuals described in subclause (I) if the location and provision of such services are such that the service provider may reasonably conclude that the beneficiaries of such services are predominantly individuals described in subclause (I).

"(iv) MINIMUM EXPENSE REQUIREMENT.—

"(I) IN GENERAL.—An organization meets the requirements of this clause only if the appropriate State authority reasonably expects that the annual poverty program expenses of such organization will not be less than 75 percent of the annual aggregate expenses of such organization.

"(II) POVERTY PROGRAM EXPENSE.—For purposes of subclause (I)—

"(aa) IN GENERAL.—The term 'poverty program expense' means any expense in providing direct services referred to in clause (iii).

"(bb) EXCEPTIONS.—Such term shall not include any management or general expense, any expense for the purpose of influencing legislation (as defined in section 4911(d) of the Internal Revenue Code of 1986), any expense for the purpose of fundraising, any expense for a legal service provided on behalf of any individual referred to in clause (iii), any expense for providing tuition assistance relating to compulsory school attendance, and any expense that consists of a payment to an affiliate of the organization.

"(v) REPORTING REQUIREMENT.—The information required to be furnished under this clause about an organization is—

"(I) the percentages determined by dividing the following categories of the organization's expenses for the year by the total expenses of the organization for the year: expenses for direct services, management expenses, general expenses, fundraising expenses, and payments to affiliates; and

"(II) the category or categories (including food, shelter, education, substance abuse prevention or treatment, job training, or other) of services that constitute predominant activities of the organization.

"(vi) ADDITIONAL REQUIREMENTS FOR COLLECTION ORGANIZATIONS.—The requirements of this clause are met if the organization—

"(I) maintains separate accounting for revenues and expenses; and

"(II) makes available to the public information on the administrative and fundraising costs of the organization, and information as to the organizations receiving funds from the organization and the amount of such funds.

"(vii) SPECIAL RULE FOR STATES REQUIRING TAX UNIFORMITY.—In the case of a State—

"(I) that has a constitutional requirement of tax uniformity; and

"(II) that, as of December 31, 1997, imposed a tax on personal income with—

"(aa) a single flat rate applicable to all earned and unearned income (except insofar as any amount is not taxed pursuant to tax forgiveness provisions); and

"(bb) no generally available exemptions or deductions to individuals;

the requirement of paragraph (2) shall be treated as met if the amount of the credit described in paragraph (2) is limited to a uniform percentage (but not greater than 25 percent) of State personal income tax liability (determined without regard to credits).

"(4) LIMITATION ON USE OF FUNDS FOR STARTUP AND ADMINISTRATIVE ACTIVITIES.—Except to the extent provided in subsection (b)(2), no part of the aggregate amount a State uses under paragraph (1) may be used to pay for the cost of the startup and administrative activities conducted under this subsection.

"(5) PROHIBITION ON USE OF FUNDS FOR LEGAL SERVICES OR TUITION ASSISTANCE.—No part of the aggregate amount a State uses under paragraph (1) may be used to provide legal services or to provide tuition assistance related to compulsory education requirements (not including tuition assistance for tutoring, camps, skills development, or other supplemental services or training).

"(6) PROHIBITION ON SUPPLANTING FUNDS.—No part of the aggregate amount a State uses under paragraph (1) may be used to supplant non-Federal funds that would be available, in the absence of Federal funds, to offset a revenue loss of the State attributable to a charity tax credit.

"SEC. 676. APPLICATION AND PLAN.

"(a) DESIGNATION OF LEAD AGENCY.—

"(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant or allotment under section 675A or 675B shall designate, in an application submitted to the Secretary under subsection (b), an appropriate State agency that complies with the requirements of paragraph (2) to act as a lead agency for purposes of carrying out State activities under this subtitle.

"(2) DUTIES.—The lead agency shall—

"(A) develop the State plan to be submitted to the Secretary under subsection (b);

"(B) in conjunction with the development of the State plan as required under subsection (b), hold at least one hearing in the State with sufficient time and statewide distribution of notice of such hearing, to provide to the public an opportunity to comment on the proposed use and distribution of funds to be provided through the grant or allotment under section 675A or 675B for the period covered by the State plan; and

"(C) conduct reviews of eligible entities under section 678B.

"(3) LEGISLATIVE HEARING.—In order to be eligible to receive a grant or allotment under section 675A or 675B, the State shall hold at least one legislative hearing every 3 years in conjunction with the development of the State plan.

"(b) STATE APPLICATION AND PLAN.—Beginning with fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan covering a period of not less than 1 fiscal year and not more than 2 fiscal years. The plan shall be submitted not later than 30 days prior to the beginning of the first fiscal year covered by the plan, and shall contain such information as the Secretary shall require, including—

"(1) an assurance that funds made available through the grant or allotment will be used—

"(A) to support activities that are designed to assist low-income families and individuals, including families and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals—

"(i) to remove obstacles and solve problems that block the achievement of self-sufficiency (including self-sufficiency for families and individuals who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act);

"(ii) to secure and retain meaningful employment;

"(iii) to attain an adequate education, with particular attention toward improving literacy skills of the low-income families in the communities involved, which may include carrying out family literacy initiatives;

"(iv) to make better use of available income;

"(v) to obtain and maintain adequate housing and a suitable living environment;

"(vi) to obtain emergency assistance through loans, grants, or other means to meet immediate and urgent family and individual needs; and

"(vii) to achieve greater participation in the affairs of the communities involved, including the development of public and private grassroots partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners to—

"(I) document best practices based on successful grassroots intervention in urban areas, to develop methodologies for widespread replication; and

"(II) strengthen and improve relationships with local law enforcement agencies, which may include participation in activities such as neighborhood or community policing efforts;

"(B) to address the needs of youth in low-income communities through youth development programs that support the primary role of the family, give priority to the prevention of youth

problems and crime, and promote increased community coordination and collaboration in meeting the needs of youth, and support development and expansion of innovative community-based youth development programs that have demonstrated success in preventing or reducing youth crime, such as—

"(i) programs for the establishment of violence-free zones that would involve youth development and intervention models (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs); and

"(ii) after-school child care programs; and

"(C) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts);

"(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;

"(3) information provided by eligible entities in the State, containing—

"(A) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;

"(B) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations;

"(C) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and

"(D) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle, which may include fatherhood initiatives and other initiatives with the goal of strengthening families and encouraging effective parenting;

"(4) an assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

"(5) an assurance that the State and the eligible entities in the State will coordinate, and establish linkages between, governmental and other social services programs to assure the effective delivery of such services to low-income individuals and to avoid duplication of such services, and a description of how the State and the eligible entities will coordinate the provision of employment and training activities, as defined in section 101 of such Act, in the State and in communities with entities providing activities through statewide and local workforce investment systems under the Workforce Investment Act of 1998;

"(6) an assurance that the State will ensure coordination between antipoverty programs in each community in the State, and ensure, where appropriate, that emergency energy crisis intervention programs under title XXVI (relating to low-income home energy assistance) are conducted in such community;

"(7) an assurance that the State will permit and cooperate with Federal investigations undertaken in accordance with section 678D;

"(8) an assurance that any eligible entity in the State that received funding in the previous fiscal year through a community services block grant made under this subtitle will not have its funding terminated under this subtitle, or reduced below the proportional share of funding the entity received in the previous fiscal year unless, after providing notice and an opportunity for a hearing on the record, the State determines that cause exists for such termination or such reduction, subject to review by the Secretary as provided in section 678C(b);

"(9) an assurance that the State and eligible entities in the State will, to the maximum extent possible, coordinate programs with and form partnerships with other organizations serving low-income residents of the communities and members of the groups served by the State, including religious organizations, charitable groups, and community organizations;

"(10) an assurance that the State will require each eligible entity in the State to establish procedures under which a low-income individual, community organization, or religious organization, or representative of low-income individuals that considers its organization, or low-income individuals, to be inadequately represented on the board (or other mechanism) of the eligible entity to petition for adequate representation;

"(11) an assurance that the State will secure from each eligible entity in the State, as a condition to receipt of funding by the entity through a community services block grant made under this subtitle for a program, a community action plan (which shall be submitted to the Secretary, at the request of the Secretary, with the State plan) that includes a community-needs assessment for the community served, which may be coordinated with community-needs assessments conducted for other programs;

"(12) an assurance that the State and all eligible entities in the State will, not later than fiscal year 2001, participate in the Results Oriented Management and Accountability System, another performance measure system for which the Secretary facilitated development pursuant to section 678E(b), or an alternative system for measuring performance and results that meets the requirements of that section, and a description of outcome measures to be used to measure eligible entity performance in promoting self-sufficiency, family stability, and community revitalization; and

"(13) information describing how the State will carry out the assurances described in this subsection.

"(c) Funding Termination or Reductions.—For purposes of making a determination in accordance with subsection (b)(8) with respect to—

"(1) a funding reduction, the term 'cause' includes—

"(A) a statewide redistribution of funds provided through a community services block grant under this subtitle to respond to—

"(i) the results of the most recently available census or other appropriate data;

"(ii) the designation of a new eligible entity; or

"(iii) severe economic dislocation; or

"(B) the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a); and

"(2) a termination, the term 'cause' includes the failure of an eligible entity to comply with the terms of an agreement or a State plan, or to meet a State requirement, as described in section 678C(a).

"(d) Procedures and Information.—The Secretary may prescribe procedures for the purpose of assessing the effectiveness of eligible entities in carrying out the purposes of this subtitle.

"(e) Revisions and Inspection.—

"(1) Revisions.—The chief executive officer of each State may revise any plan prepared under this section and shall submit the revised plan to the Secretary.

"(2) Public inspection.—Each plan or revised plan prepared under this section shall be made available for public inspection within the State in such a manner as will facilitate review of, and comment on, the plan.

"(f) Transition.—For fiscal year 2000, to be eligible to receive a grant or allotment under section 675A or 675B, a State shall prepare and submit to the Secretary an application and State plan in accordance with the provisions of this subtitle (as in effect on the day before the date of enactment of the Coats Human Services Reauthorization Act of 1998), rather than the provisions of subsections (a) through (c) relating to applications and plans.

"SEC. 676A. DESIGNATION AND REDESIGNATION OF ELIGIBLE ENTITIES IN UNSERVED AREAS.

"(a) Qualified Organization In or Near Area.—

"(1) In general.—If any geographic area of a State is not, or ceases to be, served by an eligible entity under this subtitle, and if the chief executive officer of the State decides to serve such area, the chief executive officer may solicit applications from, and designate as an eligible entity—

"(A) a private nonprofit organization (which may include an eligible entity) that is geographically located in the unserved area, that is capable of providing a broad range of services designed to eliminate poverty and foster self-sufficiency, and that meets the requirements of this subtitle; and

"(B) a private nonprofit eligible entity that is geographically located in an area contiguous to or within reasonable proximity of the unserved area and that is already providing related services in the unserved area.

"(2) Requirement.—In order to serve as the eligible entity for the area, an entity described in paragraph (1)(B) shall agree to add additional members to the board of the entity to ensure adequate representation—

"(A) in each of the three required categories described in subparagraphs (A), (B), and (C) of section 676B(a)(2), by members that reside in the community comprised by the unserved area; and

"(B) in the category described in section 676B(a)(2)(B), by members that reside in the neighborhood to be served.

"(b) Special Consideration.—In designating an eligible entity under subsection (a), the chief executive officer shall grant the designation to an organization of demonstrated effectiveness in meeting the goals and purposes of this subtitle and may give priority, in granting the designation, to eligible entities that are providing related services in the unserved area, consistent with the needs identified by a community-needs assessment.

"(c) No Qualified Organization in or Near Area.—If no private, nonprofit organization is identified or determined to be qualified under subsection (a) to serve the unserved area as an eligible entity the chief executive officer may designate an appropriate political subdivision of the State to serve as an eligible entity for the area. In order to serve as the eligible entity for that area, the political subdivision shall have a board or other mechanism as required in section 676B(b).

"SEC. 676B. TRIPARTITE BOARDS.

"(a) Private Nonprofit Entities.—

"(1) Board.—In order for a private, nonprofit entity to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through a tripartite board described in paragraph (2) that fully participates in the development, planning, implementation, and evaluation of the program to serve low-income communities.

"(2) SELECTION AND COMPOSITION OF BOARD.—The members of the board referred to in paragraph (1) shall be selected by the entity and the board shall be composed so as to assure that—

"(A) ⅓ of the members of the board are elected public officials, holding office on the date of selection, or their representatives, except that if the number of such elected officials reasonably available and willing to serve on the board is less than ⅓ of the membership of the board, membership on the board of appointive public officials or their representatives may be counted in meeting such ⅓ requirement;

"(B)(i) not fewer than ⅓ of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members are representative of low-income individuals and families in the neighborhood served; and

"(ii) each representative of low-income individuals and families selected to represent a specific neighborhood within a community under clause (i) resides in the neighborhood represented by the member; and

"(C) the remainder of the members are officials or members of business, industry, labor, religious, law enforcement, education, or other major groups and interests in the community served.

"(b) PUBLIC ORGANIZATIONS.—In order for a public organization to be considered to be an eligible entity for purposes of section 673(1), the entity shall administer the community services block grant program through—

"(1) a tripartite board, which shall have members selected by the organization and shall be composed so as to assure that not fewer than ⅓ of the members are persons chosen in accordance with democratic selection procedures adequate to assure that these members—

"(A) are representative of low-income individuals and families in the neighborhood served;

"(B) reside in the neighborhood served; and

"(C) are able to participate actively in the development, planning, implementation, and evaluation of programs funded under this subtitle; or

"(2) another mechanism specified by the State to assure decisionmaking and participation by low-income individuals in the development, planning, implementation, and evaluation of programs funded under this subtitle.

"SEC. 677. PAYMENTS TO INDIAN TRIBES.

"(a) RESERVATION.—If, with respect to any State, the Secretary—

"(1) receives a request from the governing body of an Indian tribe or tribal organization within the State that assistance under this subtitle be made directly to such tribe or organization; and

"(2) determines that the members of such tribe or tribal organization would be better served by means of grants made directly to provide benefits under this subtitle,

the Secretary shall reserve from amounts that would otherwise be allotted to such State under section 675B for the fiscal year the amount determined under subsection (b).

"(b) DETERMINATION OF RESERVED AMOUNT.—The Secretary shall reserve for the purpose of subsection (a) from amounts that would otherwise be allotted to such State, not less than 100 percent of an amount that bears the same ratio to the State allotment for the fiscal year involved as the population of all eligible Indians for whom a determination has been made under subsection (a) bears to the population of all individuals eligible for assistance through a community services block grant made under this subtitle in such State.

"(c) AWARDS.—The sums reserved by the Secretary on the basis of a determination made under subsection (a) shall be made available by grant to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(d) PLAN.—In order for an Indian tribe or tribal organization to be eligible for a grant award for a fiscal year under this section, the tribe or organization shall submit to the Secretary a plan for such fiscal year that meets such criteria as the Secretary may prescribe by regulation.

"(e) DEFINITIONS.—In this section:

"(1) INDIAN TRIBE; TRIBAL ORGANIZATION.—The terms 'Indian tribe' and 'tribal organization' mean a tribe, band, or other organized group recognized in the State in which the tribe, band, or group resides, or considered by the Secretary of the Interior, to be an Indian tribe or an Indian organization for any purpose.

"(2) INDIAN.—The term 'Indian' means a member of an Indian tribe or of a tribal organization.

"SEC. 678. OFFICE OF COMMUNITY SERVICES.

"(a) OFFICE.—The Secretary shall carry out the functions of this subtitle through an Office of Community Services, which shall be established in the Department of Health and Human Services. The Office shall be headed by a Director.

"(b) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The Secretary shall carry out functions of this subtitle through grants, contracts, or cooperative agreements.

"SEC. 678A. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.

"(a) ACTIVITIES.—

"(1) IN GENERAL.—The Secretary shall use amounts reserved in section 674(b)(2)—

"(A) for training, technical assistance, planning, evaluation, and performance measurement, to assist States in carrying out corrective action activities and monitoring (to correct programmatic deficiencies of eligible entities), and for reporting and data collection activities, related to programs carried out under this subtitle; and

"(B) to distribute amounts in accordance with subsection (c).

"(2) GRANTS, CONTRACTS, AND COOPERATIVE AGREEMENTS.—The activities described in paragraph (1)(A) may be carried out by the Secretary through grants, contracts, or cooperative agreements with appropriate entities.

"(b) TERMS AND TECHNICAL ASSISTANCE PROCESS.—The process for determining the training and technical assistance to be carried out under this section shall—

"(1) ensure that the needs of eligible entities and programs relating to improving program quality (including quality of financial management practices) are addressed to the maximum extent feasible; and

"(2) incorporate mechanisms to ensure responsiveness to local needs, including an ongoing procedure for obtaining input from the national and State networks of eligible entities.

"(c) DISTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—The amounts reserved under section 674(b)(2)(A) for activities to be carried out under this subsection shall be distributed directly to eligible entities, organizations, or associations described in paragraph (2) for the purpose of improving program quality (including quality of financial management practices), management information and reporting systems, and measurement of program results, and for the purpose of ensuring responsiveness to identified local needs.

"(2) ELIGIBLE ENTITIES, ORGANIZATIONS, OR ASSOCIATIONS.—Eligible entities, organizations, or associations described in this paragraph shall be eligible entities, or statewide or local organizations or associations, with demonstrated expertise in providing training to individuals and organizations on methods of effectively addressing the needs of low-income families and communities.

"SEC. 678B. MONITORING OF ELIGIBLE ENTITIES.

"(a) IN GENERAL.—In order to determine whether eligible entities meet the performance goals, administrative standards, financial management requirements, and other requirements of a State, the State shall conduct the following reviews of eligible entities:

"(1) A full onsite review of each such entity at least once during each 3-year period.

"(2) An onsite review of each newly designated entity immediately after the completion of the first year in which such entity receives funds through the community services block grant program.

"(3) Followup reviews including prompt return visits to eligible entities, and their programs, that fail to meet the goals, standards, and requirements established by the State.

"(4) Other reviews as appropriate, including reviews of entities with programs that have had other Federal, State, or local grants (other than assistance provided under this subtitle) terminated for cause.

"(b) REQUESTS.—The State may request training and technical assistance from the Secretary as needed to comply with the requirements of this section.

"(c) EVALUATIONS BY THE SECRETARY.—The Secretary shall conduct in several States in each fiscal year evaluations (including investigations) of the use of funds received by the States under this subtitle in order to evaluate compliance with the provisions of this subtitle, and especially with respect to compliance with section 676(b). The Secretary shall submit, to each State evaluated, a report containing the results of such evaluations, and recommendations of improvements designed to enhance the benefit and impact of the activities carried out with such funds for people in need. On receiving the report, the State shall submit to the Secretary a plan of action in response to the recommendations contained in the report. The results of the evaluations shall be submitted annually to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate as part of the report submitted by the Secretary in accordance with section 678E(b)(2).

"SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.

"(a) DETERMINATION.—If the State determines, on the basis of a final decision in a review pursuant to section 678B, that an eligible entity fails to comply with the terms of an agreement, or the State plan, to provide services under this subtitle or to meet appropriate standards, goals, and other requirements established by the State (including performance objectives), the State shall—

"(1) inform the entity of the deficiency to be corrected;

"(2) require the entity to correct the deficiency;

"(3)(A) offer training and technical assistance, if appropriate, to help correct the deficiency, and prepare and submit to the Secretary a report describing the training and technical assistance offered; or

"(B) if the State determines that such training and technical assistance are not appropriate, prepare and submit to the Secretary a report stating the reasons for the determination;

"(4)(A) at the discretion of the State (taking into account the seriousness of the deficiency and the time reasonably required to correct the deficiency), allow the entity to develop and implement, within 60 days after being informed of the deficiency, a quality improvement plan to correct such deficiency within a reasonable period of time, as determined by the State; and

"(B) not later than 30 days after receiving from an eligible entity a proposed quality improvement plan pursuant to subparagraph (A), either approve such proposed plan or specify the reasons why the proposed plan cannot be approved; and

"(5) after providing adequate notice and an opportunity for a hearing, initiate proceedings to terminate the designation of or reduce the funding under this subtitle of the eligible entity unless the entity corrects the deficiency.

"(b) Review.—A determination to terminate the designation or reduce the funding of an eligible entity is reviewable by the Secretary. The Secretary shall, upon request, review such a determination. The review shall be completed not later than 90 days after the Secretary receives from the State all necessary documentation relating to the determination to terminate the designation or reduce the funding. If the review is not completed within 90 days, the determination of the State shall become final at the end of the 90th day.

"(c) Direct Assistance.—Whenever a State violates the assurances contained in section 676(b)(8) and terminates or reduces the funding of an eligible entity prior to the completion of the State hearing described in that section and the Secretary's review as required in subsection (b), the Secretary is authorized to provide financial assistance under this subtitle to the eligible entity affected until the violation is corrected. In such a case, the grant or allotment for the State under section 675A or 675B for the earliest appropriate fiscal year shall be reduced by an amount equal to the funds provided under this subsection to such eligible entity.

"SEC. 678D. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.

"(a) Fiscal Controls, Procedures, Audits, and Inspections.—

"(1) In general.—A State that receives funds under this subtitle shall—

"(A) establish fiscal control and fund accounting procedures necessary to assure the proper disbursal of and accounting for Federal funds paid to the State under this subtitle, including procedures for monitoring the funds provided under this subtitle;

"(B) ensure that cost and accounting standards of the Office of Management and Budget apply to a recipient of the funds under this subtitle;

"(C) subject to paragraph (2), prepare, at least every year, an audit of the expenditures of the State of amounts received under this subtitle and amounts transferred to carry out the purposes of this subtitle; and

"(D) make appropriate books, documents, papers, and records available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of the appropriate entity upon a reasonable request for the items.

"(2) Audits.—

"(A) In general.—Subject to subparagraph (B), each audit required by subsection (a)(1)(C) shall be conducted by an entity independent of any agency administering activities or services carried out under this subtitle and shall be conducted in accordance with generally accepted accounting principles.

"(B) Single audit requirements.—Audits shall be conducted under this paragraph in the manner and to the extent provided in chapter 75 of title 31, United States Code (commonly known as the 'Single Audit Act Amendments of 1996').

"(C) Submission of copies.—Within 30 days after the completion of each such audit in a State, the chief executive officer of the State shall submit a copy of such audit to any eligible entity that was the subject of the audit at no charge, to the legislature of the State, and to the Secretary.

"(3) Repayments.—The State shall repay to the United States amounts found not to have been expended in accordance with this subtitle or the Secretary may offset such amounts against any other amount to which the State is or may become entitled under this subtitle.

"(b) Withholding.—

"(1) In general.—The Secretary shall, after providing adequate notice and an opportunity for a hearing conducted within the affected State, withhold funds from any State that does not utilize the grant or allotment under section 675A or 675B in accordance with the provisions of this subtitle, including the assurances such State provided under section 676.

"(2) Response to complaints.—The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a State has failed to use funds in accordance with the provisions of this subtitle, including the assurances provided by the State under section 676. For purposes of this paragraph, a complaint of a failure to meet any one of the assurances provided under section 676 that constitutes disregarding that assurance shall be considered to be a complaint of a serious nature.

"(3) Investigations.—Whenever the Secretary determines that there is a pattern of complaints of failures described in paragraph (2) from any State in any fiscal year, the Secretary shall conduct an investigation of the use of funds received under this subtitle by such State in order to ensure compliance with the provisions of this subtitle.

"SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.

"(a) State Accountability and Reporting Requirements.—

"(1) Performance measurement.—

"(A) In general.—By October 1, 2001, each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

"(B) Local agencies.—The State may elect to have local agencies that are subcontractors of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local agencies.

"(2) Annual report.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. Prior to the participation of the State in the performance measurement system, the State shall include in the report any information collected by the State relating to such performance. Each State shall also include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative costs by the State and the eligible entities, and funds spent by eligible entities on the direct delivery of local services, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

"(b) Secretary's Accountability and Reporting Requirements.—

"(1) Performance measurement.—The Secretary, in collaboration with the States and with eligible entities throughout the Nation, shall facilitate the development of one or more model performance measurement systems, which may be used by the States and by eligible entities to measure their performance in carrying out the requirements of this subtitle and in achieving the goals of their community action plans. The Secretary shall provide technical assistance, including support for the enhancement of electronic data systems, to States and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

"(2) Reporting requirements.—At the end of each fiscal year beginning after September 30, 1999, the Secretary shall, directly or by grant or contract, prepare a report containing—

"(A) a summary of the planned use of funds by each State, and the eligible entities in the State, under the community services block grant program, as contained in each State plan submitted pursuant to section 676;

"(B) a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative costs and on the direct delivery of local services by eligible entities;

"(C) information on the number of entities eligible for funds under this subtitle, the number of low-income persons served under this subtitle, and such demographic data on the low-income populations served by eligible entities as is determined by the Secretary to be feasible;

"(D) a comparison of the planned uses of funds for each State and the actual uses of the funds;

"(E) a summary of each State's performance results, and the results for the eligible entities, as collected and submitted by the States in accordance with subsection (a)(2); and

"(F) any additional information that the Secretary considers to be appropriate to carry out this subtitle, if the Secretary informs the States of the need for such additional information and allows a reasonable period of time for the States to collect and provide the information.

"(3) Submission.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

"(4) Costs.—Of the funds reserved under section 674(b)(3), not more than $350,000 shall be available to carry out the reporting requirements contained in paragraph (2).

"SEC. 678F. LIMITATIONS ON USE OF FUNDS.

"(a) Construction of Facilities.—

"(1) Limitations.—Except as provided in paragraph (2), grants made under this subtitle (other than amounts reserved under section 674(b)(3)) may not be used by the State, or by any other person with which the State makes arrangements to carry out the purposes of this subtitle, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than low-cost residential weatherization or other energy-related home repairs) of any building or other facility.

"(2) Waiver.—The Secretary may waive the limitation contained in paragraph (1) upon a State request for such a waiver, if the Secretary finds that the request describes extraordinary circumstances to justify the purchase of land or the construction of facilities (or the making of permanent improvements) and that permitting the waiver will contribute to the ability of the State to carry out the purposes of this subtitle.

"(b) Political Activities.—

"(1) Treatment as a state or local agency.—For purposes of chapter 15 of title 5, United

States Code, any entity that assumes responsibility for planning, developing, and coordinating activities under this subtitle and receives assistance under this subtitle shall be deemed to be a State or local agency. For purposes of paragraphs (1) and (2) of section 1502(a) of such title, any entity receiving assistance under this subtitle shall be deemed to be a State or local agency.

"(2) PROHIBITIONS.—Programs assisted under this subtitle shall not be carried on in a manner involving the use of program funds, the provision of services, or the employment or assignment of personnel, in a manner supporting or resulting in the identification of such programs with—

"(A) any partisan or nonpartisan political activity or any political activity associated with a candidate, or contending faction or group, in an election for public or party office;

"(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

"(C) any voter registration activity.

"(3) RULES AND REGULATIONS.—The Secretary, after consultation with the Office of Personnel Management, shall issue rules and regulations to provide for the enforcement of this subsection, which shall include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.

"(c) NONDISCRIMINATION.—

"(1) IN GENERAL.—No person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

"(2) ACTION OF SECRETARY.—Whenever the Secretary determines that a State that has received a payment under this subtitle has failed to comply with paragraph (1) or an applicable regulation, the Secretary shall notify the chief executive officer of the State and shall request that the officer secure compliance. If within a reasonable period of time, not to exceed 60 days, the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to—

"(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(B) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.), as may be applicable; or

"(C) take such other action as may be provided by law.

"(3) ACTION OF ATTORNEY GENERAL.—When a matter is referred to the Attorney General pursuant to paragraph (2), or whenever the Attorney General has reason to believe that the State is engaged in a pattern or practice of discrimination in violation of the provisions of this subsection, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"SEC. 678G. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.

"(a) DRUG TESTING AND REHABILITATION.—

"(1) IN GENERAL.—Nothing in this subtitle shall be construed to prohibit a State from testing participants in programs, activities, or services carried out or provided under this subtitle for controlled substances. A State that conducts such testing shall inform the participants who test positive for any of such substances about the availability of treatment or rehabilitation services and refer such participants for appropriate treatment or rehabilitation services.

"(2) ADMINISTRATIVE EXPENSES.—Any funds provided under this subtitle expended for such testing shall be considered to be expended for administrative expenses and shall be subject to the limitation specified in section 675C(b)(2).

"(3) DEFINITION.—In this subsection, the term 'controlled substance' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"(b) CHILD SUPPORT SERVICES AND REFERRALS.—During each fiscal year for which an eligible entity receives a grant under section 675C, such entity shall—

"(1) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subtitle about the availability of child support services; and

"(2) refer eligible parents to the child support offices of State and local governments.

"SEC. 679. OPERATIONAL RULE.

"(a) RELIGIOUS ORGANIZATIONS INCLUDED AS NONGOVERNMENTAL PROVIDERS.—For any program carried out by the Federal Government, or by a State or local government under this subtitle, the government shall consider, on the same basis as other nongovernmental organizations, religious organizations to provide the assistance under the program, so long as the program is implemented in a manner consistent with the Establishment Clause of the first amendment to the Constitution. Neither the Federal Government nor a State or local government receiving funds under this subtitle shall discriminate against an organization that provides assistance under, or applies to provide assistance under, this subtitle, on the basis that the organization has a religious character.

"(b) RELIGIOUS CHARACTER AND INDEPENDENCE.—

"(1) IN GENERAL.—A religious organization that provides assistance under a program described in subsection (a) shall retain its religious character and control over the definition, development, practice, and expression of its religious beliefs.

"(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State or local government shall require a religious organization—

"(A) to alter its form of internal governance, except (for purposes of administration of the community services block grant program) as provided in section 676B; or

"(B) to remove religious art, icons, scripture, or other symbols;

in order to be eligible to provide assistance under a program described in subsection (a).

"(3) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a).

"(c) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to a religious organization to provide assistance under any program described in subsection (a) shall be expended for sectarian worship, instruction, or proselytization.

"(d) FISCAL ACCOUNTABILITY.—

"(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization providing assistance under any program described in subsection (a) shall be subject to the same regulations as other nongovernmental organizations to account in accord with generally accepted accounting principles for the use of such funds provided under such program.

"(2) LIMITED AUDIT.—Such organization shall segregate government funds provided under such program into a separate account. Only the government funds shall be subject to audit by the government.

"(e) TREATMENT OF ELIGIBLE ENTITIES AND OTHER INTERMEDIATE ORGANIZATIONS.—If an eligible entity or other organization (referred to in this subsection as an 'intermediate organization'), acting under a contract, or grant or other agreement, with the Federal Government or a State or local government, is given the authority under the contract or agreement to select nongovernmental organizations to provide assistance under the programs described in subsection (a), the intermediate organization shall have the same duties under this section as the government.

"SEC. 680. DISCRETIONARY AUTHORITY OF THE SECRETARY.

"(a) GRANTS, CONTRACTS, ARRANGEMENTS, LOANS, AND GUARANTEES.—

"(1) IN GENERAL.—The Secretary shall, from funds reserved under section 674(b)(3), make grants, loans, or guarantees to States and public agencies and private, nonprofit organizations, or enter into contracts or jointly financed cooperative arrangements with States and public agencies and private, nonprofit organizations (and for-profit organizations, to the extent specified in paragraph (2)(E)) for each of the objectives described in paragraphs (2) through (4).

"(2) COMMUNITY ECONOMIC DEVELOPMENT.—

"(A) ECONOMIC DEVELOPMENT ACTIVITIES.—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities.

"(B) CONSULTATION.—The Secretary shall exercise the authority provided under subparagraph (A) after consultation with other relevant Federal officials.

"(C) GOVERNING BOARDS.—For a community development corporation to receive funds to carry out this paragraph, the corporation shall be governed by a board that shall consist of residents of the community and business and civic leaders and shall have as a principal purpose planning, developing, or managing low-income housing or community development projects.

"(D) GEOGRAPHIC DISTRIBUTION.—In making grants to carry out this paragraph, the Secretary shall take into consideration the geographic distribution of funding among States and the relative proportion of funding among rural and urban areas.

"(E) RESERVATION.—Of the amounts made available to carry out this paragraph, the Secretary may reserve not more than 1 percent for each fiscal year to make grants to private, nonprofit organizations or to enter into contracts with private, nonprofit or for-profit organizations to provide technical assistance to aid community development corporations in developing or implementing activities funded to carry out this paragraph and to evaluate activities funded to carry out this paragraph.

"(3) RURAL COMMUNITY DEVELOPMENT ACTIVITIES.—The Secretary shall provide the assistance described in paragraph (1) for rural community development activities, which shall include providing—

"(A) grants to private, nonprofit corporations to enable the corporations to provide assistance concerning home repair to rural low-income families and concerning planning and developing low-income rural rental housing units; and

"(B) grants to multistate, regional, private, nonprofit organizations to enable the organizations to provide training and technical assistance to small, rural communities concerning meeting their community facility needs.

"(4) NEIGHBORHOOD INNOVATION PROJECTS.—The Secretary shall provide the assistance described in paragraph (1) for neighborhood innovation projects, which shall include providing grants to neighborhood-based private, nonprofit organizations to test or assist in the development of new approaches or methods that will aid in overcoming special problems identified by communities or neighborhoods or otherwise assist in furthering the purposes of this subtitle, and which may include providing assistance for projects that are designed to serve low-income individuals and families who are not being effectively served by other programs.

"(b) EVALUATION.—The Secretary shall require all activities receiving assistance under this section to be evaluated for their effectiveness. Funding for such evaluations shall be provided as a stated percentage of the assistance or through a separate grant awarded by the Secretary specifically for the purpose of evaluation of a particular activity or group of activities.

"(c) ANNUAL REPORT.—The Secretary shall compile an annual report containing a summary of the evaluations required in subsection (b) and a listing of all activities assisted under this section. The Secretary shall annually submit the report to the Chairperson of the Committee on Education and the Workforce of the House of Representatives and the Chairperson of the Committee on Labor and Human Resources of the Senate.

"SEC. 681. COMMUNITY FOOD AND NUTRITION PROGRAMS.

"(a) GRANTS.—The Secretary may, through grants to public and private, nonprofit agencies, provide for community-based, local, statewide, and national programs—

"(1) to coordinate private and public food assistance resources, wherever the grant recipient involved determines such coordination to be inadequate, to better serve low-income populations;

"(2) to assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas; and

"(3) to develop innovative approaches at the State and local level to meet the nutrition needs of low-income individuals.

"(b) ALLOTMENTS AND DISTRIBUTION OF FUNDS.—

"(1) NOT TO EXCEED $6,000,000 IN APPROPRIATIONS.—Of the amount appropriated for a fiscal year to carry out this section (but not to exceed $6,000,000), the Secretary shall distribute funds for grants under subsection (a) as follows:

"(A) ALLOTMENTS.—From a portion equal to 60 percent of such amount (but not to exceed $3,600,000), the Secretary shall allot for grants to eligible agencies for statewide programs in each State the amount that bears the same ratio to such portion as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

"(B) COMPETITIVE GRANTS.—From a portion equal to 40 percent of such amount (but not to exceed $2,400,000), the Secretary shall make grants on a competitive basis to eligible agencies for local and statewide programs.

"(2) GREATER AVAILABLE APPROPRIATIONS.—Any amounts appropriated for a fiscal year to carry out this section in excess of $6,000,000 shall be allotted as follows:

"(A) ALLOTMENTS.—The Secretary shall use 40 percent of such excess to allot for grants under subsection (a) to eligible agencies for statewide programs in each State an amount that bears the same ratio to 40 percent of such excess as the low-income and unemployed population of such State bears to the low-income and unemployed population of all the States.

"(B) COMPETITIVE GRANTS FOR LOCAL AND STATEWIDE PROGRAMS.—The Secretary shall use 40 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for local and statewide programs.

"(C) COMPETITIVE GRANTS FOR NATIONWIDE PROGRAMS.—The Secretary shall use the remaining 20 percent of such excess to make grants under subsection (a) on a competitive basis to eligible agencies for nationwide programs, including programs benefiting Indians, as defined in section 677, and migrant or seasonal farmworkers.

"(3) ELIGIBILITY FOR ALLOTMENTS FOR STATEWIDE PROGRAMS.—To be eligible to receive an allotment under paragraph (1)(A) or (2)(A), an eligible agency shall demonstrate that the proposed program is statewide in scope and represents a comprehensive and coordinated effort to alleviate hunger within the State.

"(4) MINIMUM ALLOTMENTS FOR STATEWIDE PROGRAMS.—

"(A) IN GENERAL.—From the amounts allotted under paragraphs (1)(A) and (2)(A), the minimum total allotment for each State for each fiscal year shall be—

"(i) $15,000 if the total amount appropriated to carry out this section is not less than $7,000,000 but less than $10,000,000;

"(ii) $20,000 if the total amount appropriated to carry out this section is not less than $10,000,000 but less than $15,000,000; or

"(iii) $30,000 if the total amount appropriated to carry out this section is not less than $15,000,000.

"(B) DEFINITION.—In this paragraph, the term 'State' does not include Guam, American Samoa, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands.

"(5) MAXIMUM GRANTS.—From funds made available under paragraphs (1)(B) and (2)(B) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding $50,000. From funds made available under paragraph (2)(C) for any fiscal year, the Secretary may not make grants under subsection (a) to an eligible agency in an aggregate amount exceeding $300,000.

"(c) REPORT.—For each fiscal year, the Secretary shall prepare and submit, to the Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report concerning the grants made under this section. Such report shall include—

"(1) a list of grant recipients;

"(2) information on the amount of funding awarded to each grant recipient; and

"(3) a summary of the activities performed by the grant recipients with funding awarded under this section and a description of the manner in which such activities meet the objectives described in subsection (a).

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

"SEC. 682. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.

"(a) GENERAL AUTHORITY.—The Secretary is authorized to make a grant to an eligible service provider to administer national or regional programs to provide instructional activities for low-income youth. In making such a grant, the Secretary shall give priority to eligible service providers that have a demonstrated ability to operate such a program.

"(b) PROGRAM REQUIREMENTS.—Any instructional activity carried out by an eligible service provider receiving a grant under this section shall be carried out on the campus of an institution of higher education (as defined in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a))) and shall include—

"(1) access to the facilities and resources of such an institution;

"(2) an initial medical examination and follow-up referral or treatment, without charge, for youth during their participation in such activity;

"(3) at least one nutritious meal daily, without charge, for participating youth during each day of participation;

"(4) high quality instruction in a variety of sports (that shall include swimming and that may include dance and any other high quality recreational activity) provided by coaches and teachers from institutions of higher education and from elementary and secondary schools (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)); and

"(5) enrichment instruction and information on matters relating to the well-being of youth, to include educational opportunities and information on study practices, education for the prevention of drug and alcohol abuse, and information on health and nutrition, career opportunities, and family and job responsibilities.

"(c) ADVISORY COMMITTEE; PARTNERSHIPS.—The eligible service provider shall, in each community in which a program is funded under this section—

"(1) ensure that—

"(A) a community-based advisory committee is established, with representatives from local youth, family, and social service organizations, schools, entities providing park and recreation services, and other community-based organizations serving high-risk youth; or

"(B) an existing community-based advisory board, commission, or committee with similar membership is utilized to serve as the committee described in subparagraph (A); and

"(2) enter into formal partnerships with youth-serving organizations or other appropriate social service entities in order to link program participants with year-round services in their home communities that support and continue the objectives of this subtitle.

"(d) ELIGIBLE PROVIDERS.—A service provider that is a national private, nonprofit organization, a coalition of such organizations, or a private, nonprofit organization applying jointly with a business concern shall be eligible to apply for a grant under this section if—

"(1) the applicant has demonstrated experience in operating a program providing instruction to low-income youth;

"(2) the applicant agrees to contribute an amount (in cash or in kind, fairly evaluated) of not less than 25 percent of the amount requested, for the program funded through the grant;

"(3) the applicant agrees to use no funds from a grant authorized under this section for administrative expenses; and

"(4) the applicant agrees to comply with the regulations or program guidelines promulgated by the Secretary for use of funds made available through the grant.

"(e) APPLICATION PROCESS.—To be eligible to receive a grant under this section, a service provider shall submit to the Secretary, for approval, an application at such time, in such manner, and containing such information as the Secretary may require.

"(f) PROMULGATION OF REGULATIONS OR PROGRAM GUIDELINES.—The Secretary shall promulgate regulations or program guidelines to ensure *funds made available through a grant made under this section are used in accordance with the objectives of this subtitle.*

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $15,000,000 for each of fiscal years 1999 through 2003 for grants to carry out this section.

"SEC. 683. REFERENCES.

"Any reference in any provision of law to the poverty line set forth in section 624 or 625 of the Economic Opportunity Act of 1964 shall be construed to be a reference to the poverty line defined in section 673. Except as otherwise provided, any reference in any provision of law to any community action agency designated under title II of the Economic Opportunity Act of 1964 shall be construed to be a reference to an entity eligible to receive funds under the community services block grant program.".

SEC. 202. CONFORMING AMENDMENTS.

(a) OLDER AMERICANS ACT OF 1965.—Section 306(a)(6)(E)(ii) of the Older Americans Act of 1965 (42 U.S.C. 3026(a)(6)(E)(ii)) is amended by striking "section 675(c)(3) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(3))" and inserting "section 676B of the Community Services Block Grant Act".

(b) COMMUNITY ECONOMIC DEVELOPMENT ACT OF 1981.—

(1) SOURCE OF FUNDS.—Section 614 of the Community Economic Development Act of 1981 (42 U.S.C. 9803) is repealed.

(2) ADVISORY COMMUNITY INVESTMENT BOARD.—Section 615(a)(2) of the Community Economic Development Act of 1981 (42 U.S.C. 9804(a)(2)) is amended by striking "through the Office" and all that follows and inserting "through an appropriate office.".

(c) HUMAN SERVICES REAUTHORIZATION ACT OF 1986.—Section 407 of the Human Services Reauthorization Act of 1986 (42 U.S.C. 9812a) is amended—

(1) in subsection (a)—

(A) by inserting after "funds available" the following: "(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)"; and

(B) by inserting after "9910(a))" the following: "(as in effect before such date)"; and

(2) in subsection (b)(2)—

(A) by inserting after "funds available" the following: "(before the date of enactment of the Coats Human Services Reauthorization Act of 1998)"; and

(B) by inserting after "9910(a))" the following: "(as in effect before such date)".

(d) ANTI-DRUG ABUSE ACT OF 1988.—Section 3521(c)(2) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11841(c)(2)) is amended by striking ", such as activities authorized by section 681(a)(2)(F) of the Community Services Block Grant Act (42 U.S.C. section 9910(a)(2)(F)),".

TITLE III—LOW-INCOME HOME ENERGY ASSISTANCE

SEC. 301. SHORT TITLE.

This title may be cited as the "Low-Income Home Energy Assistance Amendments of 1998".

SEC. 302. AUTHORIZATION.

(a) IN GENERAL.—Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by inserting ", such sums as may be necessary for each of fiscal years 2000 and 2001, and $2,000,000,000 for each of fiscal years 2002 through 2004" after "1995 through 1999".

(b) PROGRAM YEAR.—Section 2602(c) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(c)) is amended to read as follows:

"(c) Amounts appropriated under this section for any fiscal year for programs and activities under this title shall be made available for obligation in the succeeding fiscal year.".

(c) INCENTIVE PROGRAM FOR LEVERAGING NON-FEDERAL RESOURCES.—Section 2602(d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(d)) is amended—

(1) by striking "(d)" and inserting "(d)(1)";

(2) by striking "are authorized" and inserting "is authorized";

(3) by striking "$50,000,000" and all that follows and inserting the following: "$30,000,000 for each of fiscal years 1999 through 2004, except as provided in paragraph (2)."; and

(4) by adding at the end the following:

"(2) For any of fiscal years 1999 through 2004 for which the amount appropriated under subsection (b) is not less than $1,400,000,000, there is authorized to be appropriated $50,000,000 to carry out section 2607A.".

(d) TECHNICAL AMENDMENTS.—Section 2602(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(e)) is amended—

(1) by striking "are authorized" and inserting "is authorized"; and

(2) by striking "subsection (g)" and inserting "subsection (e) of such section".

SEC. 303. DEFINITIONS.

Section 2603(4) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8622(4)) is amended—

(1) by striking "the term" and inserting "The term"; and

(2) by striking the semicolon and inserting a period.

SEC. 304. NATURAL DISASTERS AND OTHER EMERGENCIES.

(a) DEFINITIONS.—Section 2603 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8622) is amended—

(1) by redesignating paragraphs (6) through (9) as paragraphs (8) through (11), respectively;

(2) by inserting before paragraph (8) (as redesignated in paragraph (1)) the following:

"(7) The term 'natural disaster' means a weather event (relating to cold or hot weather), flood, earthquake, tornado, hurricane, or ice storm, or an event meeting such other criteria as the Secretary, in the discretion of the Secretary, may determine to be appropriate.";

(3) by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively; and

(4) by inserting before paragraph (2) (as redesignated in paragraph (3)) the following:

"(1) The term 'emergency' means—

"(A) a natural disaster;

"(B) a significant home energy supply shortage or disruption;

"(C) a significant increase in the cost of home energy, as determined by the Secretary;

"(D) a significant increase in home energy disconnections reported by a utility, a State regulatory agency, or another agency with necessary data;

"(E) a significant increase in participation in a public benefit program such as the food stamp program carried out under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), the national program to provide supplemental security income carried out under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), or the State temporary assistance for needy families program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), as determined by the head of the appropriate Federal agency;

"(F) a significant increase in unemployment, layoffs, or the number of households with an individual applying for unemployment benefits, as determined by the Secretary of Labor; or

"(G) an event meeting such criteria as the Secretary, in the discretion of the Secretary, may determine to be appropriate.".

(b) CONSIDERATIONS.—Section 2604(g) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(g)) is amended by striking the last two sentences and inserting the following: "In determining whether to make such an allotment to a State, the Secretary shall take into account the extent to which the State was affected by the natural disaster or other emergency involved, the availability to the State of other resources under the program carried out under this title or any other program, and such other factors as the Secretary may find to be relevant. Not later than 30 days after making the determination, but prior to releasing an allotted amount to a State, the Secretary shall notify Congress of the allotments made pursuant to this subsection.".

SEC. 305. STATE ALLOTMENTS.

Section 2604 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623) is amended—

(1) in subsection (b)(1), by striking "the Northern Mariana Islands, and the Trust Territory of the Pacific Islands." and inserting "and the Commonwealth of the Northern Mariana Islands.";

(2) in subsection (c)(3)(B)(ii), by striking "application" and inserting "applications";

(3) by striking subsection (f);

(4) in the first sentence of subsection (g), by striking "(a) through (f)" and inserting "(a) through (d)"; and

(5) by redesignating subsection (g) as subsection (e).

SEC. 306. ADMINISTRATION.

Section 2605 of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624) is amended—

(1) in subsection (b)—

(A) in paragraph (9)(A), by striking "and not transferred pursuant to section 2604(f) for use under another block grant";

(B) in paragraph (14), by striking "; and" and inserting a semicolon;

(C) in the matter following paragraph (14), by striking "The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection."; and

(D) in the matter following paragraph (16), by inserting before "The Secretary shall issue" the following: "The Secretary may not prescribe the manner in which the States will comply with the provisions of this subsection.";

(2) in subsection (c)(1)—

(A) in subparagraph (B), by striking "States" and inserting "State"; and

(B) in subparagraph (G)(i), by striking "has" and inserting "had"; and

(3) in paragraphs (1) and (2)(A) of subsection (k) by inserting ", particularly those low-income households with the lowest incomes that pay a high proportion of household income for home energy" before the period.

SEC. 307. PAYMENTS TO STATES.

Section 2607(b)(2)(B) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626(b)(2)(B)) is amended—

(1) in the first sentence, by striking "and not transferred pursuant to section 2604(f)"; and

(2) in the second sentence, by striking "but not transferred by the State".

SEC. 308. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE OPTION.

(a) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the Residential Energy Assistance Challenge program described in section 2607B of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b).

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit to Congress a report containing—

(1) the findings resulting from the evaluation described in subsection (a); and

(2) the State evaluations described in paragraphs (1) and (2) of subsection (b) of such section 2607B.

(c) INCENTIVE GRANTS.—Section 2607B(b)(1) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b(b)(1)) is amended by striking "For each of the fiscal years 1996 through 1999" and inserting "For each fiscal year".

(d) TECHNICAL AMENDMENTS.—Section 2607B of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b) is amended—

(1) in subsection (e)(2)—

(A) by redesignating subparagraphs (F) through (N) as subparagraphs (E) through (M), respectively; and

(B) in clause (i) of subparagraph (I) (as redesignated in subparagraph (A)), by striking "on" and inserting "of"; and

(2) by redesignating subsection (g) as subsection (f).

SEC. 309. TECHNICAL ASSISTANCE, TRAINING, AND COMPLIANCE REVIEWS.

(a) IN GENERAL.—Section 2609A(a) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8628a(a)) is amended—

(1) in the matter preceding paragraph (1), by striking "$250,000" and inserting "$300,000";

(2) by striking "Secretary—" and all that follows through "(1) to make" and inserting the following: "Secretary—

"(1) to—

"(A) make";

(3) by striking "organizations; or" and all that follows through "(2) to enter" and inserting the following: "organizations; or

"(B) enter";

(4) by striking the following:

"to provide" and inserting the following:

"to provide";

(5) by striking "title." and inserting the following: "title; or

"(2) to conduct onsite compliance reviews of programs supported under this title."; and

(6) in paragraph (1)(B) (as redesignated in paragraphs (2) and (3))—

(A) by inserting "or interagency agreements" after "cooperative arrangements"; and

(B) by inserting "(including Federal agencies)" after "public agencies".

(b) CONFORMING AMENDMENT.—The section heading of section 2609A of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8628a) is amended to read as follows:

"TECHNICAL ASSISTANCE, TRAINING, AND COMPLIANCE REVIEWS".

TITLE IV—ASSETS FOR INDEPENDENCE

SEC. 401. SHORT TITLE.

This title may be cited as the "Assets for Independence Act".

SEC. 402. FINDINGS.

Congress makes the following findings:

(1) Economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets because assets can improve economic independence and stability, connect individuals with a viable and hopeful future, stimulate development of human and other capital, and enhance the welfare of offspring.

(2) Fully ½ of all Americans have either no, negligible, or negative assets available for investment, just as the price of entry to the economic mainstream, the cost of a house, an adequate education, and starting a business, is increasing. Further, the household savings rate of the United States lags far behind other industrial nations, presenting a barrier to economic growth.

(3) In the current tight fiscal environment, the United States should invest existing resources in high-yield initiatives. There is reason to believe that the financial returns, including increased income, tax revenue, and decreased welfare cash assistance, resulting from individual development accounts will far exceed the cost of investment in those accounts.

(4) Traditional public assistance programs concentrating on income and consumption have rarely been successful in promoting and supporting the transition to increased economic self-sufficiency. Income-based domestic policy should be complemented with asset-based policy because, while income-based policies ensure that consumption needs (including food, child care, rent, clothing, and health care) are met, asset-based policies provide the means to achieve greater independence and economic well-being.

SEC. 403. PURPOSES.

The purposes of this title are to provide for the establishment of demonstration projects designed to determine—

(1) the social, civic, psychological, and economic effects of providing to individuals and families with limited means an incentive to accumulate assets by saving a portion of their earned income;

(2) the extent to which an asset-based policy that promotes saving for postsecondary education, homeownership, and microenterprise development may be used to enable individuals and families with limited means to increase their economic self-sufficiency; and

(3) the extent to which an asset-based policy stabilizes and improves families and the community in which the families live.

SEC. 404. DEFINITIONS.

In this title:

(1) APPLICABLE PERIOD.—The term "applicable period" means, with respect to amounts to be paid from a grant made for a project year, the calendar year immediately preceding the calendar year in which the grant is made.

(2) ELIGIBLE INDIVIDUAL.—The term "eligible individual" means an individual who is selected to participate in a demonstration project by a qualified entity under section 409.

(3) EMERGENCY WITHDRAWAL.—The term "emergency withdrawal" means a withdrawal by an eligible individual that—

(A) is a withdrawal of only those funds, or a portion of those funds, deposited by the individual in the individual development account of the individual;

(B) is permitted by a qualified entity on a case-by-case basis; and

(C) is made for—

(i) expenses for medical care or necessary to obtain medical care, for the individual or a spouse or dependent of the individual described in paragraph (8)(D);

(ii) payments necessary to prevent the eviction of the individual from the residence of the individual, or foreclosure on the mortgage for the principal residence of the individual, as defined in paragraph (8)(B); or

(iii) payments necessary to enable the individual to meet necessary living expenses following loss of employment.

(4) HOUSEHOLD.—The term "household" means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(5) INDIVIDUAL DEVELOPMENT ACCOUNT.—

(A) IN GENERAL.—The term "individual development account" means a trust created or organized in the United States exclusively for the purpose of paying the qualified expenses of an eligible individual, or enabling the eligible individual to make an emergency withdrawal, but only if the written governing instrument creating the trust contains the following requirements:

(i) No contribution will be accepted unless the contribution is in cash or by check.

(ii) The trustee is a federally insured financial institution, or a State insured financial institution if no federally insured financial institution is available.

(iii) The assets of the trust will be invested in accordance with the direction of the eligible individual after consultation with the qualified entity providing deposits for the individual under section 410.

(iv) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

(v) Except as provided in clause (vi), any amount in the trust that is attributable to a deposit provided under section 410 may be paid or distributed out of the trust only for the purpose of paying the qualified expenses of the eligible individual, or enabling the eligible individual to make an emergency withdrawal.

(vi) Any balance in the trust on the day after the date on which the individual for whose benefit the trust is established dies shall be distributed within 30 days of that date as directed by that individual to another individual development account established for the benefit of an eligible individual.

(B) CUSTODIAL ACCOUNTS.—For purposes of subparagraph (A), a custodial account shall be treated as a trust if the assets of the custodial account are held by a bank (as defined in section 408(n) of the Internal Revenue Code of 1986) or another person who demonstrates, to the satisfaction of the Secretary, that the manner in which such person will administer the custodial account will be consistent with the requirements of this title, and if the custodial account would, except for the fact that it is not a trust, constitute an individual development account described in subparagraph (A). For purposes of this title, in the case of a custodial account treated as a trust by reason of the preceding sentence, the custodian of that custodial account shall be treated as the trustee of the account.

(6) PROJECT YEAR.—The term "project year" means, with respect to a demonstration project, any of the 5 consecutive 12-month periods beginning on the date the project is originally authorized to be conducted.

(7) QUALIFIED ENTITY.—

(A) IN GENERAL.—The term "qualified entity" means—

(i) one or more not-for-profit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

(ii) a State or local government agency, or a tribal government, submitting an application under section 405 jointly with an organization described in clause (i).

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing an organization described in subparagraph (A)(i) from collaborating with a financial institution or for-profit community development corporation to carry out the purposes of this title.

(8) QUALIFIED EXPENSES.—The term "qualified expenses" means one or more of the following, as provided by a qualified entity:

(A) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution. In this subparagraph:

(i) POSTSECONDARY EDUCATIONAL EXPENSES.—The term "postsecondary educational expenses" means the following:

(I) TUITION AND FEES.—Tuition and fees required for the enrollment or attendance of a student at an eligible educational institution.

(II) FEES, BOOKS, SUPPLIES, AND EQUIPMENT.—Fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

(ii) ELIGIBLE EDUCATIONAL INSTITUTION.—The term "eligible educational institution" means the following:

(I) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 101 or 102 of the Higher Education Act of 1965.

(II) POSTSECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of enactment of this title.

(B) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due. In this subparagraph:

(i) PRINCIPAL RESIDENCE.—The term "principal residence" means a main residence, the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence.

(ii) QUALIFIED ACQUISITION COSTS.—The term "qualified acquisition costs" means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

(iii) QUALIFIED FIRST-TIME HOMEBUYER.—

(I) IN GENERAL.—The term "qualified first-time homebuyer" means an individual participating in the project involved (and, if married, the individual's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

(II) DATE OF ACQUISITION.—The term "date of acquisition" means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

(C) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account that is established in a federally insured financial institution (or in a State insured financial institution if no federally insured financial institution is available) and is restricted to use solely for qualified business capitalization expenses. In this subparagraph:

(i) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term "qualified business capitalization expenses" means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

(ii) QUALIFIED EXPENDITURES.—The term "qualified expenditures" means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

(iii) QUALIFIED BUSINESS.—The term "qualified business" means any business that does not contravene any law or public policy (as determined by the Secretary).

(iv) QUALIFIED PLAN.—The term "qualified plan" means a business plan, or a plan to use a business asset purchased, which—

(I) is approved by a financial institution, a microenterprise development organization, or a nonprofit loan fund having demonstrated fiduciary integrity;

(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial adviser.

(D) TRANSFERS TO IDAS OF FAMILY MEMBERS.—Amounts paid from an individual development account directly into another such account established for the benefit of an eligible individual who is—

(i) the individual's spouse; or

(ii) any dependent of the individual with respect to whom the individual is allowed a deduction under section 151 of the Internal Revenue Code of 1986.

(9) QUALIFIED SAVINGS OF THE INDIVIDUAL FOR THE PERIOD.—The term "qualified savings of the individual for the period" means the aggregate of the amounts contributed by an individual to the individual development account of the individual during the period.

(10) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services, acting through the Director of Community Services.

(11) TRIBAL GOVERNMENT.—The term "tribal government" means a tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b) or a Native Hawaiian organization, as defined in section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

SEC. 405. APPLICATIONS.

(a) ANNOUNCEMENT OF DEMONSTRATION PROJECTS.—Not later than 3 months after the date of enactment of this title, the Secretary shall publicly announce the availability of funding under this title for demonstration projects and shall ensure that applications to conduct the demonstration projects are widely available to qualified entities.

(b) SUBMISSION.—Not later than 6 months after the date of enactment of this title, a qualified entity may submit to the Secretary an application to conduct a demonstration project under this title.

(c) CRITERIA.—In considering whether to approve an application to conduct a demonstration project under this title, the Secretary shall assess the following:

(1) SUFFICIENCY OF PROJECT.—The degree to which the project described in the application appears likely to aid project participants in achieving economic self-sufficiency through activities requiring one or more qualified expenses.

(2) ADMINISTRATIVE ABILITY.—The experience and ability of the applicant to responsibly administer the project.

(3) ABILITY TO ASSIST PARTICIPANTS.—The experience and ability of the applicant in recruiting, educating, and assisting project participants to increase their economic independence and general well-being through the development of assets.

(4) COMMITMENT OF NON-FEDERAL FUNDS.—The aggregate amount of direct funds from non-Federal public sector and from private sources that are formally committed to the project as matching contributions.

(5) ADEQUACY OF PLAN FOR PROVIDING INFORMATION FOR EVALUATION.—The adequacy of the plan for providing information relevant to an evaluation of the project.

(6) OTHER FACTORS.—Such other factors relevant to the purposes of this title as the Secretary may specify.

(d) PREFERENCES.—In considering an application to conduct a demonstration project under this title, the Secretary shall give preference to an application that—

(1) demonstrates the willingness and ability to select individuals described in section 408 who are predominantly from households in which a child (or children) is living with the child's biological or adoptive mother or father, or with the child's legal guardian;

(2) provides a commitment of non-Federal funds with a proportionately greater amount of such funds committed from private sector sources; and

(3) targets such individuals residing within one or more relatively well-defined neighborhoods or communities (including rural communities) that experience high rates of poverty or unemployment.

(e) APPROVAL.—Not later than 9 months after the date of enactment of this title, the Secretary shall, on a competitive basis, approve such applications to conduct demonstration projects under this title as the Secretary considers to be appropriate, taking into account the assessments required by subsections (c) and (d). The Secretary shall ensure, to the maximum extent practicable, that the applications that are approved involve a range of communities (both rural and urban) and diverse populations.

(f) CONTRACTS WITH NONPROFIT ENTITIES.—The Secretary may contract with an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code to carry out any responsibility of the Secretary under this section or section 412 if—

(1) such entity demonstrates the ability to carry out such responsibility; and

(2) the Secretary can demonstrate that such responsibility would not be carried out by the Secretary at a lower cost.

(g) GRANDFATHERING OF EXISTING STATEWIDE PROGRAMS.—Any statewide individual asset-building program that is carried out in a manner consistent with the purposes of this title, that is established under State law as of the date of enactment of this Act, and that as of such date is operating with an annual State appropriation of not less than $1,000,000 in non-Federal funds, shall be deemed to meet the eligibility requirements of this subtitle, and the entity carrying out the program shall be deemed to be a qualified entity. The Secretary shall consider funding the statewide program as a demonstration project described in this subtitle. In considering the statewide program for funding, the Secretary shall review an application submitted by the entity carrying out such statewide program under this section, notwithstanding the preference requirements listed in subsection (d). Any program requirements under sections 407 through 411 that are inconsistent with State statutory requirements in effect on the date of enactment of this Act, governing such statewide program, shall not apply to the program.

SEC. 406. DEMONSTRATION AUTHORITY; ANNUAL GRANTS.

(a) DEMONSTRATION AUTHORITY.—If the Secretary approves an application to conduct a demonstration project under this title, the Secretary shall, not later than 10 months after the date of enactment of this title, authorize the applicant to conduct the project for 5 project years in accordance with the approved application and the requirements of this title.

(b) GRANT AUTHORITY.—For each project year of a demonstration project conducted under this title, the Secretary may make a grant to the qualified entity authorized to conduct the project. In making such a grant, the Secretary shall make the grant on the first day of the project year in an amount not to exceed the lesser of—

(1) the aggregate amount of funds committed as matching contributions from non-Federal public or private sector sources; or

(2) $1,000,000.

SEC. 407. RESERVE FUND.

(a) ESTABLISHMENT.—A qualified entity under this title, other than a State or local government agency or a tribal government, shall establish a Reserve Fund that shall be maintained in accordance with this section.

(b) AMOUNTS IN RESERVE FUND.—

(1) IN GENERAL.—As soon after receipt as is practicable, a qualified entity shall deposit in the Reserve Fund established under subsection (a)—

(A) all funds provided to the qualified entity from any public or private source in connection with the demonstration project; and

(B) the proceeds from any investment made under subsection (c)(2).

(2) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for amounts in the Reserve Fund established under subsection (a).

(c) USE OF AMOUNTS IN THE RESERVE FUND.—

(1) IN GENERAL.—A qualified entity shall use the amounts in the Reserve Fund established under subsection (a) to—

(A) assist participants in the demonstration project in obtaining the skills (including economic literacy, budgeting, credit, and counseling skills) and information necessary to achieve economic self-sufficiency through activities requiring qualified expenses;

(B) provide deposits in accordance with section 410 for individuals selected by the qualified entity to participate in the demonstration project;

(C) administer the demonstration project; and

(D) provide the research organization evaluating the demonstration project under section 414 with such information with respect to the demonstration project as may be required for the evaluation.

(2) AUTHORITY TO INVEST FUNDS.—

(A) GUIDELINES.—The Secretary shall establish guidelines for investing amounts in the Reserve Fund established under subsection (a) in a manner that provides an appropriate balance between return, liquidity, and risk.

(B) INVESTMENT.—A qualified entity shall invest the amounts in its Reserve Fund that are not immediately needed to carry out the provisions of paragraph (1), in accordance with the guidelines established under subparagraph (A).

(3) LIMITATION ON USES.—Not more than 9.5 percent of the amounts provided to a qualified entity under section 406(b) shall be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1), of which not less than 2 percent of the amounts shall be used by the qualified entity for the purposes described in paragraph (1)(D). If two or more qualified entities are jointly administering a project, no qualified entity shall use more than its proportional share for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1).

(d) UNUSED FEDERAL GRANT FUNDS TRANSFERRED TO THE SECRETARY WHEN PROJECT TERMINATES.—Notwithstanding subsection (c), upon the termination of any demonstration project authorized under this section, the qualified entity conducting the project shall transfer to the Secretary an amount equal to—

(1) the amounts in its Reserve Fund at the time of the termination; multiplied by

(2) a percentage equal to—

(A) the aggregate amount of grants made to the qualified entity under section 406(b); divided by

(B) the aggregate amount of all funds provided to the qualified entity from all sources to conduct the project.

SEC. 408. ELIGIBILITY FOR PARTICIPATION.

(a) IN GENERAL.—Any individual who is a member of a household that is eligible for assistance under the State temporary assistance for needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), or that meets each of the following requirements shall be eligible to participate in a demonstration project conducted under this title:

(1) INCOME TEST.—The adjusted gross income of the household does not exceed the earned income amount described in section 32 of the Internal Revenue Code of 1986 (taking into account the size of the household).

(2) NET WORTH TEST.—

(A) IN GENERAL.—The net worth of the household, as of the end of the calendar year preceding the determination of eligibility, does not exceed $10,000.

(B) DETERMINATION OF NET WORTH.—For purposes of subparagraph (A), the net worth of a household is the amount equal to—

(i) the aggregate market value of all assets that are owned in whole or in part by any member of the household; minus

(ii) the obligations or debts of any member of the household.

(C) EXCLUSIONS.—For purposes of determining the net worth of a household, a household's assets shall not be considered to include the primary dwelling unit and one motor vehicle owned by a member of the household.

(b) INDIVIDUALS UNABLE TO COMPLETE THE PROJECT.—The Secretary shall establish such regulations as are necessary to ensure compliance with this title if an individual participating in the demonstration project moves from the community in which the project is conducted or is otherwise unable to continue participating in that project, including regulations prohibiting future eligibility to participate in any other demonstration project conducted under this title.

SEC. 409. SELECTION OF INDIVIDUALS TO PARTICIPATE.

From among the individuals eligible to participate in a demonstration project conducted under this title, each qualified entity shall select the individuals—

(1) that the qualified entity determines to be best suited to participate; and

(2) to whom the qualified entity will provide deposits in accordance with section 410.

SEC. 410. DEPOSITS BY QUALIFIED ENTITIES.

(a) IN GENERAL.—Not less than once every 3 months during each project year, each qualified entity under this title shall deposit in the individual development account of each individual participating in the project, or into a parallel account maintained by the qualified entity—

(1) from the non-Federal funds described in section 405(c)(4), a matching contribution of not less than $0.50 and not more than $4 for every $1 of earned income (as defined in section 911(d)(2) of the Internal Revenue Code of 1986) deposited in the account by a project participant during that period;

(2) from the grant made under section 406(b), an amount equal to the matching contribution made under paragraph (1); and

(3) any interest that has accrued on amounts deposited under paragraph (1) or (2) on behalf of that individual into the individual development account of the individual or into a parallel account maintained by the qualified entity.

(b) LIMITATION ON DEPOSITS FOR AN INDIVIDUAL.—Not more than $2,000 from a grant made under section 406(b) shall be provided to any one individual over the course of the demonstration project.

(c) LIMITATION ON DEPOSITS FOR A HOUSEHOLD.—Not more than $4,000 from a grant made under section 406(b) shall be provided to any one household over the course of the demonstration project.

(d) WITHDRAWAL OF FUNDS.—The Secretary shall establish such guidelines as may be necessary to ensure that funds held in an individual development account are not withdrawn, except for one or more qualified expenses, or for an emergency withdrawal. Such guidelines shall include a requirement that a responsible official of the qualified entity conducting a project approve a withdrawal from such an account in writing. The guidelines shall provide that no individual may withdraw funds from an individual development account earlier than 6 months after the date on which the individual first deposits funds in the account.

(e) REIMBURSEMENT.—An individual shall reimburse an individual development account for any funds withdrawn from the account for an emergency withdrawal, not later than 12 months after the date of the withdrawal. If the individual fails to make the reimbursement, the qualified entity administering the account shall transfer the funds deposited into the account or a parallel account under this section to the Reserve Fund of the qualified entity, and use the funds to benefit other individuals participating in the demonstration project involved.

SEC. 411. LOCAL CONTROL OVER DEMONSTRATION PROJECTS.

A qualified entity under this title, other than a State or local government agency or a tribal government, shall, subject to the provisions of section 413, have sole authority over the administration of the project. The Secretary may prescribe only such regulations or guidelines with respect to demonstration projects conducted under this title as are necessary to ensure compliance with the approved applications and the requirements of this title.

SEC. 412. ANNUAL PROGRESS REPORTS.

(a) IN GENERAL.—Each qualified entity under this title shall prepare an annual report on the progress of the demonstration project. Each report shall include both program and participant information and shall specify for the period covered by the report the following information:

(1) The number and characteristics of individuals making a deposit into an individual development account.

(2) The amounts in the Reserve Fund established with respect to the project.

(3) The amounts deposited in the individual development accounts.

(4) The amounts withdrawn from the individual development accounts and the purposes for which such amounts were withdrawn.

(5) The balances remaining in the individual development accounts.

(6) The savings account characteristics (such as threshold amounts and match rates) required to stimulate participation in the demonstration project, and how such characteristics vary among different populations or communities.

(7) What service configurations of the qualified entity (such as configurations relating to peer support, structured planning exercises, mentoring, and case management) increased the rate and consistency of participation in the demonstration project and how such configurations varied among different populations or communities.

(8) Such other information as the Secretary may require to evaluate the demonstration project.

(b) SUBMISSION OF REPORTS.—The qualified entity shall submit each report required to be prepared under subsection (a) to—

(1) the Secretary; and

(2) the Treasurer (or equivalent official) of the State in which the project is conducted, if the State or a local government or a tribal government committed funds to the demonstration project.

(c) TIMING.—The first report required by subsection (a) shall be submitted not later than 60 days after the end of the calendar year in which the Secretary authorized the qualified entity to conduct the demonstration project, and subsequent reports shall be submitted every 12 months thereafter, until the conclusion of the project.

SEC. 413. SANCTIONS.

(a) AUTHORITY TO TERMINATE DEMONSTRATION PROJECT.—If the Secretary determines that a qualified entity under this title is not operating a demonstration project in accordance with the entity's approved application under section 405 or the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such entity's authority to conduct the demonstration project.

(b) ACTIONS REQUIRED UPON TERMINATION.—If the Secretary terminates the authority to conduct a demonstration project, the Secretary—

(1) shall suspend the demonstration project;

(2) shall take control of the Reserve Fund established pursuant to section 407;

(3) shall make every effort to identify another qualified entity (or entities) willing and able to conduct the project in accordance with the approved application (or, if modification is necessary to incorporate the recommendations, the application as modified) and the requirements of this title;

(4) shall, if the Secretary identifies an entity (or entities) described in paragraph (3)—

(A) authorize the entity (or entities) to conduct the project in accordance with the approved application (or, if modification is necessary to incorporate the recommendations, the application as modified) and the requirements of this title;

(B) transfer to the entity (or entities) control over the Reserve Fund established pursuant to section 407; and

(C) consider, for purposes of this title—

(i) such other entity (or entities) to be the qualified entity (or entities) originally authorized to conduct the demonstration project; and

(ii) the date of such authorization to be the date of the original authorization; and

(5) if, by the end of the 1-year period beginning on the date of the termination, the Secretary has not found a qualified entity (or entities) described in paragraph (3), shall—

(A) terminate the project; and

(B) from the amount remaining in the Reserve Fund established as part of the project, remit to each source that provided funds under section 405(c)(4) to the entity originally authorized to conduct the project, an amount that bears the same ratio to the amount so remaining as the amount provided from the source under section 405(c)(4) bears to the amount provided from all such sources under that section.

SEC. 414. EVALUATIONS.

(a) IN GENERAL.—Not later than 10 months after the date of enactment of this title, the Secretary shall enter into a contract with an independent research organization to evaluate, the demonstration projects conducted under this title, individually and as a group, including evaluating all qualified entities participating in and sources providing funds for the demonstration projects conducted under this title.

(b) FACTORS TO EVALUATE.—In evaluating any demonstration project conducted under this title, the research organization shall address the following factors:

(1) The effects of incentives and organizational or institutional support on savings behavior in the demonstration project.

(2) The savings rates of individuals in the demonstration project based on demographic characteristics including gender, age, family size, race or ethnic background, and income.

(3) The economic, civic, psychological, and social effects of asset accumulation, and how such effects vary among different populations or communities.

(4) The effects of individual development accounts on savings rates, homeownership, level of postsecondary education attained, and self-employment, and how such effects vary among different populations or communities.

(5) The potential financial returns to the Federal Government and to other public sector and private sector investors in individual development accounts over a 5-year and 10-year period of time.

(6) The lessons to be learned from the demonstration projects conducted under this title and if a permanent program of individual development accounts should be established.

(7) Such other factors as may be prescribed by the Secretary.

(c) METHODOLOGICAL REQUIREMENTS.—In evaluating any demonstration project conducted under this title, the research organization shall—

(1) for at least one site, use control groups to compare participants with nonparticipants;

(2) before, during, and after the project, obtain such quantitative data as are necessary to evaluate the project thoroughly; and

(3) develop a qualitative assessment, derived from sources such as in-depth interviews, of how asset accumulation affects individuals and families.

(d) REPORTS BY THE SECRETARY.—

(1) INTERIM REPORTS.—Not later than 90 days after the end of the calendar year in which the Secretary first authorizes a qualified entity to conduct a demonstration project under this title, and every 12 months thereafter until all demonstration projects conducted under this title are completed, the Secretary shall submit to Congress an interim report setting forth the results of the reports submitted pursuant to section 412(b).

(2) FINAL REPORTS.—Not later than 12 months after the conclusion of all demonstration projects conducted under this title, the Secretary shall submit to Congress a final report setting forth the results and findings of all reports and evaluations conducted pursuant to this title.

(e) EVALUATION EXPENSES.—The Secretary shall expend 2 percent of the amount appropriated under section 416 for a fiscal year, to carry out the objectives of this section.

SEC. 415. TREATMENT OF FUNDS.

Of the funds deposited in individual development accounts for eligible individuals, only the funds deposited by the individuals (including interest accruing on those funds) may be considered to be the income, assets, or resources of the individuals, for purposes of determining eligibility for, or the amount of assistance furnished under, any Federal or federally assisted program based on need.

SEC. 416. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title, $25,000,000 for each of fiscal years 1999, 2000, 2001, 2002, and 2003, to remain available until expended.

And the House agree to the same.

BILL GOODLING,
MIKE CASTLE,
MARK SOUDER,
BILL CLAY,
MATTHEW G. MARTINEZ,
Managers on the Part of the House.

JIM JEFFORDS,
DAN COATS,
JUDD GREGG,
TED KENNEDY,
CHRIS DODD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2206) to amend the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, and the Community Services Block Grant Act to reauthorize and make improvements to those Acts, to establish demonstration projects that provide an opportunity for persons with limited means to accumulate assets, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—HEAD START

AUTHORIZATION LEVELS

The Senate bill authorizes Head Start at such sums as may be necessary for FY 1999 through FY 2003.

The House amendment authorizes Head Start at $4.6 billion in FY 1999 and such sums as may be necessary for FY 2000 through FY 2003.

The Conference Agreement maintains the Senate language.

FREELY ASSOCIATED STATES

The Senate bill continues eligibility for the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau).

The House amendment requires that payments to the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau) be made on a competitive basis based on recommendations by the Pacific Region Educational Laboratory to the Freely Associated States, Guam, American Samoa, and the Northern Mariana Islands and terminates these funds on September 30, 2001.

The Conference Agreement continues eligibility for the Freely Associated States (the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau) through FY 2001. If the legislation implementing the Compact of Free Association has not been enacted, the conference agreement extends eligibility for the Freely Associated States for an additional year until September 30, 2002. Eligibility for the Freely Associated States terminates on September 30, 2002.

FAMILY LITERACY DEMONSTRATION

The Senate bill does not contain a family literacy demonstration.

The House amendment sets aside $5 million for up to 100 Head Start family literacy demonstration projects across the country. Under the House amendment, 100 Head Start grantees would receive intensive training and technical assistance so that they might become models for replication, in the area of family literacy, for other Head Start programs. The House amendment also requires the Secretary to conduct research and evaluate successful family literacy models.

The Conference Agreement requires the Secretary to use at least $3 million of the technical assistance set-aside to provide technical assistance to Head Start grantees currently providing family literacy services, in order to improve the quality of family literacy services and for those grantees to serve as family literacy resources to other grantees and service providers who wish to implement family literacy programs. The agreement also requires the Secretary to evaluate the effectiveness and impact of family literacy services in Head Start.

QUALITY AND EXPANSION RATIO

The Senate bill maintains current law on the use of new funds, money appropriated over the prior year's appropriation. The Senate bill directs the Secretary to reserve 75% of all new funds to be used for expansion purposes and 25% of all new money to be used for quality purposes (increasing salaries and training).

The House amendment increases the percentage of new funds reserved for quality in the initial years of the authorization and directs the Secretary to reserve 10% of new funds to be used either for quality or expansion purposes. Specifically, the amendment provides 65% for quality, 25% for expansion and 10% for quality or expansion in the first 2 years of the authorization; 45% for quality, 45% for expansion and 10% for quality or expansion in FY 2001 and FY 2002; and 25% for quality, 65% for expansion and 10% for quality or expansion in the final year of the authorization.

The Conference Agreement provides the following quality/expansion ratios: in FY 1999, 60% for quality, 40% for expansion; in FY 2000, 50% for quality, 50% for expansion, in FY 2001, 47.5% for quality, 52.5% for expansion; in FY 2002 35% for quality, 65% for expansion; and in FY 2003, 25% for quality, 75% for expansion. The Conferees believe it is prudent to dedicate additional resources to quality to improve the services to children. Furthermore, the Conferees believe that an initial increase in quality dollars is necessary to assist grantees in meeting the new educational performance standards and professional development requirements.

CONSTRUCTION

The Senate bill permits quality money to be used for minor construction and renovation for the purposes of improving facilities necessary to expand the availability or to enhance the quality of Head Start programs.

The House amendment specifically prohibits quality dollars from being used for construction or renovation, but permits expansion dollars to be used for such purposes.

The Conference Agreement generally follows the House language. The agreement deletes the reference to minor construction and renovation under both quality and expansion. The Conferees believe grantees should use funds provided under the basic grant to fund minor renovations and construction, rather than using quality or expansion dollars for such purposes. The Conferees encourage the grantees to use funds provided under the basic grant for minor renovations and construction and to reserve quality dollars to increase salaries and training. However,the Conferees recognize that there may be very limited circumstances when local grantees may need to use quality funds for minor renovations and construction in order to comply with health and safety standards. In such cases, the Conferees recognize the Secretary has authority to authorize the use of quality funds for such purposes.

TRANSPORTATION

The Senate bill deletes the reference to transportation under the quality section.

The House amendment is identical to the Senate bill.

The Conference Agreement follows both the House and Senate language. The Conferees believe that grantees should use their basic grant funds to cover transportation costs. However, the Conferees recognize that under very limited circumstances local grantees may need to use quality dollars to cover transportation in order to enable children to participate in a Head Start program or to ensure that the transportation provided by the Head Start grantees meet safety standards. In such cases, the Conferees recognize the Secretary has authority to authorize the use of quality funds for such purposes.

FORMULA CHANGE

The Senate bill maintains the current law formula, which has a 1981 hold harmless with any money above the 1981 appropriation allocated to the States based ⅔ on the number of poor children under the age of 6 and ⅓ on the number of children under age 18 from Aid for Families with Dependent Children (AFDC) families.

The House amendment puts in place a 1998 hold harmless. All new money will be allocated to States based on the State's share of children under the age of 5 from families below the poverty line. The Department of Health and Human Services is directed to use the most recent data available on the number of poor children.

The Conference Agreement adopts the House formula.

EARLY HEAD START

The Senate bill authorizes the following set-aside levels for Early head Start: 7.5% in FY 1999, 8% in FY 2000, 9% in FY 2001, 10% in FY 2002, and 10% in FY 2003.

The House amendment authorizes the following set-aside levels for Early Head Start: 7.5% in FY 1999, 8% in FY 2000, 8.5% in FY 2001, and not less than 8.5% but not more than 10% in FY 2002 and FY 2003. The increased authorizations in FY 2002 and FY 2003 are dependent on receipt by the House Committee on Education and the Workforce and the Senate Committee on Labor and Human Resources of a report from the Department of Health and Human Services on the quality and impact of Early Head Start. The House amendment also stipulates that if the Department fails to provide the Committees with a report on Early Head Start, then the authorization levels for FY 2002 and FY 2003 shall remain at 8.5%.

The Conference Agreement authorizes the following set-aside levels for Early Head Start: 7.5% in FY 1999, 8% in FY 2000, 9% in FY 2001, 10% in FY 2002, and 10% in FY 2003. The Conference Agreement stipulates that the Secretary is required to use the portion of FY 2002 Early Head Start funding, in excess of that set-aside in FY 2001, to make necessary quality improvements, if Congress has not received an interim report on the preliminary findings of the Early Head Start impact study in 2001. If the final report contains substantial deficiencies in quality or if the final report is not released in 2002, the Secretary is required to use the portion of FY 2003 Early Head Start funding, in excess of that set-aside in FY 2002, to make necessary quality improvements. The Conference report sets-aside 5–10% of Early Head Start spending to create a training and technical assistance fund to expand and enhance program support at the Federal, regional, and local levels, as delineated in the Senate report.

GOVERNORS CONSULTATION AND DESIGNATION OF AGENCIES

The Senate bill requires the Secretary to consult with Governors in the designation of Head Start agencies.

The House amendment requires the Secretary to consult only with Governors of those States that contribute State dollars to Head Start.

The Conference Agreement maintains the House language.

PERFORMANCE MEASURES

The Senate bill does not contain education performance measures.

The House amendment contains 4 education performance measures to measure local grantee performance. The measures require grantees to ensure that children: (1) know that letters of the alphabet are a special category of visual graphics that can be individually named; (2) recognize a word as a unit of print; (3) identify at least ten letters of the alphabet; and (4) associate sounds with written words. The House amendment also requires the Secretary to develop and implement additional performance measures by January 1, 1999 and permits local grantees to develop their own performance measures.

The Conference Agreement follows the House amendment, but changes the date by which the Secretary must implement additional performance measures from January 1 to July 1, 1999.

CHILD SUPPORT REFERRAL

The Senate bill contains no comparable provision.

The House amendment requires Head Start grantees to inform custodial parents in single-parent families that participate in Head Start about the availability of child support services, and to refer such individuals to State and local government child support offices.

The Conference Agreement includes the House provision on child support referral.

COORDINATION WITH ELEMENTARY SCHOOLS

The Senate bill has no comparable language.

The House amendment requires Head Start programs to coordinate and link its services to the educational services provided by local educational agencies in which Head Start children will enroll.

The Conference Agreement maintains the House language. The Conferees believe that it is important for a Head Start program to link and coordinate its services with those educational services that will be provided to children once they graduate and enter elementary school. The Conferees believe that the positive educational experiences gained by children in Head Start programs can be built upon when such children enter elementary school and such coordination between Head Start and local educational agencies is essential to accomplishing this goal.

DESIGNATION OF HEAD START AGENCIES

The Senate bill permits for-profit entities to be designated as Head Start grantees. The Senate bill also permits the Secretary (only in cases where the for-profit agency and nonprofit agency submit applications of equivalent quality) to give a priority to the nonprofit agency.

The House amendment has no comparable language.

The Conference Agreement follows the Senate bill but also adds the following language: "In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall give preference to applicants which have demonstrated capacity in providing comprehensive early childhood services to children and their families." The Conferees hope that expanding the universe of organizations eligible to compete to run Head Start programs will result in stronger applications and higher quality services to children and their families.

As a result of the new educational performance standards and measures, the Conferees expect the Secretary will defund poor performing grantees—those grantees that fail to meet the performance standards or measures. Given that the Secretary will have to designate new agencies, in cases where a Head Start grantee has been defunded or in cases where an area is undeserved, the Conferees urge the Secretary, to place the highest priority on those applicants who have experience in providing quality comprehensive early childhood services.

DRUG COUNSELING

The Senate bill has no comparable language.

The House amendment requires Head Start agencies to offer parents of participating children substance abuse counseling (either directly or through referral to local entities) the moon and light the match." That courage explains why an American flag, and only a American flag, flies on the moon today, as a testament to our courage and spirit, the same spirit that pioneers showed when they crossed an unmapped desert, leaving farmland in their wake.

Americanism is in the diversity that makes us whole, in the integrity of our promises, in the justice of our courts, and in the honor of our souls.

But it does not come for free. No, just ask the colonists; ask the soldiers and their families what its price is. It is not automatic. Americanism is not in the air we breath or the water we drink, but in each and every American. In the parent and the artist, in the teacher and the plumber, in the police officers, lawyers, politicians . . . everyone.

And you do not find it in a dictionary, nor in a speech, but in each of us. Not only on the battlefield, but the operating room and the classroom. Americanism is that which makes us Americans . . . and that which Americans make it. It implores us to act an not just sit idly by as children starve and marijuana clouds rise. No, Americanism is not in History books, but alive in us, calling out to keep her great, to keep America great! Thank you.

Erich Almonte
May 30, 1998—Memorial Day.

INDIAN FEDERAL RECOGNITION ADMINISTRATIVE PROCEDURES ACT OF 1998

SPEECH OF

HON. JOHN B. SHADEGG

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 5, 1998

Mr. SHADEGG. Mr. Speaker, I rise today in opposition to H.R. 1154, the Indian Federal Recognition Administrative Procedures Act of 1998. The bill would overturn the fair and thorough process which is currently used to determine whether a Native American group should be formally recognized as a tribe by the federal government. It would replace this process with one which is politicized and would lower the criteria for recognition to the point where tribal recognition would have minimal bearing on whether the group is a legitimate tribe.

H.R. 1154 takes the recognition process away from the non-partisan Bureau of Indian Affairs (BIA) and places it in the hands of a commission of individuals appointed by the Administration. This commission will be handpicked by the Secretary of the Interior without the advice and consent of the Senate. These are radical and troubling changes. The BIA will not longer be in charge of a process which requires professional expertise and clearly falls within the purview of the Bureau. Furthermore, the failure of the bill to require that the Senate provide its advice and consent to the appointment of commissioners circumvents the system of checks and balances imposed on the Executive Branch by Article II, Section 2 of the Constitution.

Furthermore, this bill lowers the criteria for recognizing a tribe. Currently, a candidate group must be able to trace its lineage back to the point that it was first contacted by settler. The group must further prove that they have been identified as an American Indian entity on a substantially continuous basis since 1900. These are important criteria: recognition as a tribe, and the significant benefits which come from such recognition, must be given only to groups which truly qualify as tribes.

The effects of bestowing federal recognition on a tribe are substantial. A federally recognized tribe is granted special rights including the status of a legally sovereign entity. This means that the tribe may no longer be sued by individuals without the tribe's consent and thus takes away the individual's right to obtain legal redress from the tribe. Sovereign status also allows tribes to avoid collecting state sales taxes on gasoline and other goods: a problem faced by my state of Arizona and many other states. Furthermore, federally recognized tribes are entitled to benefits which are not available to non-Indians including increased funding for medical care and education.

The most troubling effect of federal recognition is that it allows the tribe to apply to conduct gambling on tribal lands under the Indian Gaming Regulatory Act (IGRA). Congress has chosen, through IGRA and other laws, to tightly control gambling because we recognize that it often leads to problems with gambling addiction, increased crime, and disfunction within families. Few of us want to see a proliferation of new casinos, yet this is a likely result of recognizing new tribes since few tribes can resist the lure of the quick and easy profits to be made from casino ownership. While IGRA does act as a safeguard, the most effective way of limiting the number is to limit the number of new, unqualified tribes.

TRIBUTE TO THE HONORABLE JOSEPH M. McDADE, MEMBER OF CONGRESS

SPEECH OF

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 1, 1998

Mr. REGULA. Mr. Speaker, it is with much regret that I bid farewell to my good colleague Joe McDade. Having served with Joe during my entire tenure in Congress, I will miss his friendship, his advice, and his experience counsel on many challenging issues.

Joe unfailingly served the 10th district of Pennsylvania with sincerity and dedication. His constituents always knew this and kept returning him to office by ever greater margins. Even when critics were vocal, the people of the 10th district understood Joe's basic goodness and refused to withdraw their support. He has always understood the importance of maintaining and promoting job growth in the hard pressed coal-producing areas of his state.

And if Joe taught us anything, it would be the principle of perseverance. Winston Churchill said in 1941, "Never give in, never give in, never, never, never, never—in nothing, great or small, large or petty—never give in except to convictions of honour and good sense." Joe never gave in and in the end success was the outcome.

I have valued Joe's role on the Appropriations Committee and his ability to guide complicated and controversial legislation through the House. He understands the need to exercise good oversight of government programs.

Joe brought a thoughtfulness to government which is not always plentiful here, nor even in high demand at times. But it was this thoughtfulness which endeared him to many of us. I wish him well in his future outside of Congress. may he enjoy all that life has to offer—good health, firm friends, a loving family, and the joy of watching grandchildren grow.

I will always cherish the friendship we have shared as colleagues in one of life's greatest opportunities to leave a legacy of value for future generations.

HONORING THE SHILOH MISSIONARY BAPTIST CHURCH

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. BENTSEN. Mr. Speaker, I rise to congratulate the Shiloh Missionary Baptist Church in Barrett Station, Texas, on the occasion of its 122nd anniversary. The church's long history of providing spiritual nourishment and community service will be remembered during a week-long celebration culminating in a special service on Sunday, October 18, 1998.

The Shiloh Missionary Baptist Church was founded in 1876, 12 years after the end of the Civil War, by the late Reverend L.J. Lankford. The first church services were held in a brush arbor. While the church's initial membership was small, Reverend Lankford was not discouraged and often reminded the church's members that "God said, where there is two or three gathered in his name, he would be in the midst." Under the leadership of several dedicated pastors, the church has grown and developed into an invaluable community institution in Barrett Station.

The next leaders of Shiloh were Reverends Lewis Chillis Allen, S.J. Sanders, and then P.H. Brown. One of the church's longest-serving pastors was the Reverend Wyatt Gamble, who quickly became a role model to many in the community. He was loved for his meek and humble ways and for his devotion to the church and its members. Reverend Gamble traveled back and forth to Barrett Station from Houston by bus or was driven by his son to church. He was never deterred by even the worst types of weather or other hardships. After work, he would always find time to visit the sick. He was especially known for baptizing many church members of all ages in the river and later in the canal in Barrett Station. Marked by spirit-filled singing and shouting, these celebrations attracted many passers-by who would slow down and even stop to witness the baptizing.

Reverend Gambel pastored for more than 23 years until he, unfortunately, fell ill. During his illness, Reverend G.S. Matthews was given the opportunity to preach one Sunday. This temporary substitution turned into 41 years of service as pastor of Shiloh. During that time, more property was purchased and a new church was built. Pastor Mathews service also included becoming First Vice President of the American Baptist Convention of Texas and the Moderator of the Christian Benevolent District Association. On July 18, 1996, Reverend G.S. Mathews passed away.

The new pastor, Reverend Israel E. Holmes, has proved just as inspiring as his predecessors. In fact, 22 members joined Shiloh after listening to Pastor Holmes' powerful message "One Church, One Body," taken from 1 Corinthians 12: 1–12. He emphasized that every person in the Church has a spiritual gift from God. Pastor Holmes has also encouraged church members to use their spiritual gifts in service to the community.

Mr. Speaker, I congratulate Pastor Holmes and all the members of Shiloh Missionary Baptist Church as they celebrate their 122nd anniversary. I wish them continued success as they build on the strong sense of community they have helped establish in Barrett Station, Texas.

BUILDING AWARENESS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. BARCIA. Mr. Speaker, it is deplorable when a woman or child is abused, especially if it is by a person they know such as a relative or friend. One family in three will experience some form of domestic violence in the United States. Every minute a woman is sexually abused in our country, and every day three to four women are killed by their spouses. Twenty three years ago, twelve woman in an effort to help people in a crisis situation, established the Bay County Women's Center. These women have helped spread the message that people do not have to stay in abusive relationships and there is hope of a new start.

October is National Domestic Violence Awareness Month. The Bay County Women's Center is remembering individuals whose lives have been taken by domestic violence. More importantly, they are also remembering the survivors of these crimes and the strength they show to achieve a healthy non-violent lifestyle.

The Bay County Women's Center believes that everyone has the right to live without fear and violence. Their goal is to provide support to people in a life threatening, or unstable situation in their home or family. The Center provides an encouraging environment in the hope that people can assess their needs and examine other alternatives, while supporting any decision made by a person about their future.

While domestic violence and sexual assault is the main emphasis, the Center also provides support to anyone in need. For example, the Center holds a children's support group, parenting classes, and community education. It is very important to educate the younger generation so that they will know that violence does not solve problems. Instead it only adds to them.

Mr. Speaker, the Bay County Women's Center has been a strong foundation for individuals and families in the community. I urge you and our colleagues to join me in recognizing Director Barbara Rajewski and her staff for their outstanding contributions to the community, and support their continued efforts to build awareness of acts of violence and a brighter future for families of Bay City.

A TRIBUTE TO HOWARD S. ANDERSON

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today to pay tribute to a great man and a pillar of the community—my good friend and former high school athletics coach, Mr. Howard S. Anderson.

For forty-two years, Howie Anderson served as a role model and mentor for generations of students at Summit High School in Summit, New Jersey. As coach of three varsity level sports and Director of Athletics, his efforts earned Summit High School the distinction of having one of the finest athletic programs in the state of New Jersey.

During Coach Anderson's extraordinary career, he led the Summit High School football team to nine Suburban Conference Championships, four State Championships and two State Sectional Championships. He was twice named New Jersey Football Coach of the Year. In 1972, the Newark Star Ledger named him Baseball Coach of the Year for leading the baseball team to three conference championships and one state championship.

But to those who know Howie Anderson best, he is extraordinary not because of his numerous awards and honors, but because he is a hardworking individual and a devoted friend. I know I speak for everyone in the Summit community when I say thank you for your dedicated service. Best wishes for a prosperous and healthy retirement.

PERSONAL EXPLANATION

HON. RUBÉN HINOJOSA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. HINOJOSA. Mr. Speaker, yesterday in my Congressional District I was hosting a jobs fair. Due to returning to Washington later than I had anticipated I missed three Suspension votes on the following bills: H.R. 4614, Conveyance of Federal Land in New Hampshire; H.R. 1154, Indian Federal Recognition Administrative Procedures Act of 1997; and H.R. 4655, Establishing a Program to Support a Transition to Democracy in Iraq.

Had I been present I would have voted "nay" on H.R. 4614, "yea" on H.R. 1154, and "yea" on H.R. 4655.

MEDICARE ANTI-DUPLICATION AMENDMENT

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. LAZIO of New York. Mr. Speaker, I rise today to introduce legislation that would correct an unintended result of the Medicare anti-duplication statute. This very narrow legislative change would allow chronically ill New York residents to take control of their own lives by guaranteeing them access to a variety of health care options in New York State at lower prices.

A combination of Federal and state laws have unintentionally "locked in" about 400 Medicare-eligible, disabled New Yorkers into an expensive, fee-for-service health plan. They cannot leave the plan because they require needed medical coverage and, because of Federal laws, they actually are prohibited from changing plans. They literally are trapped in a health plan and my legislation allows them to leave the expensive policy and give them the quality health care they want at the prices they can afford.

This legislation is predicted not to cost anything and actually could save Federal dollars. By allowing disabled citizens to purchase private insurance with their own money, this legislation ensures that these citizens will have access to the benefits that will keep them healthier longer. The longer these individuals stay healthy, the longer they will be able to avoid using hospitalization covered by Medicare. This will save the taxpayer money. Also, by allowing them to purchase less expensive insurance, they will not be forced to "spend down" their resources in order to qualify for Medicaid.

If this proposal becomes law, these New Yorkers will be free to choose from more than 30 state-mandated managed care or point of service plans. Wherever they choose to go, they will be guaranteed identical benefits to the ones they currently have at much cheaper costs.

This initiative is strongly supported in New York by the New York State Department of Insurance, the Long Island Breast Cancer Action Coalition (1 in 9), the National Alliance of Breast Cancer Organizations, Gay Men's Health Crisis, Medicare Rights Center, and New Yorkers for Accessible Health Coverage, among many others. These are the consumer groups that represent the individuals locked into the fee-for-service plan and each fully supports giving consumers options and lowering their health care costs.

Americans should be able to choose their health care. We should give them the tools they need to stay independent for as long as possible and give them access to affordable, quality health care. This will allow them to have more money to buy other important things and keep them in control of their lives and their future. They will worry less about whether they can afford their health insurance premiums and give them the financial security to take care of their families. I urge all my colleagues to support this legislation because it will provide health care security to these individuals who need it the most.

IN RECOGNITION OF JAMES F. McCONNELL UPON HIS RETIREMENT AS PRESIDENT AND CEO OF THE FLUSHING SAVINGS BANK

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. ACKERMAN. Mr. Speaker, I rise today to join with my constituents of the Fifth Congressional District of the State of New York and the staff of the Flushing Savings Bank as they honor James F. McConnell upon his retirement as the bank's president and CEO.

Mr. McConnell's background is both diverse and effective. Prior to his election as president of the Flushing Savings Bank he held prominent management positions with AMBAC Industries of Garden City, New York and the EDO Corporation of College Point. He joined the Flushing Savings Bank in 1974 as Vice-president and Treasurer. Realizing his keen sense of leadership and a most effective approach to getting things done, the bank appointed him president in 1981, appointed him to its board of directors in 1983 and elected him Chief Executive Officer in 1990.

Mr. McConnell's multiple leadership talents reach far beyond the Flushing Savings Bank. He has served on the Board of Directors of the Community Bankers Association of New York State from 1987 to 1997 and served as the Association's Chairman from 1990–1991. He was highly instrumental in negotiations which led to the successful merger of the Savings Bank Association of New York State with the New York League of Savings Institutions, thereby creating the Community Bankers Association.

Mr. Speaker, I ask my colleagues in the House of Representatives to join with me and rise in honor of James F. McConnell, who has imparted a sense of professionalism, leadership and community responsibility. His record is one of dynamism and productivity which readily emerges as a yardstick by which all such future efforts are measured.

HONORING GENIE EIDE

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. HAYWORTH. Mr. Speaker, I want to take this opportunity to say a few words about Ms. Genie Eide, a fellow Arizonan, who is receiving national recognition for her contribution to home health and hospice nursing. Today, in Atlanta, Georgia, Genie is being inducted as a Fellow in Home Care and Hospice at Home Care University. Only five leaders, nationwide, in home care and hospice are being so honored.

Genie always says that she has been in nursing for "about a hundred years," which is a remarkable achievement for someone who also claims to be thirty-nine years old. How she accomplished so much in so little time is truly a mystery. Genie has been a nurse for over 50 years. She is a graduate of Arizona State University and has served on the faculty of ASU. She has held management positions in a number of Arizona hospitals, home care agencies, and hospices. She has published numerous works, presented workshops and seminars in Arizona and other states and has received many awards. She has been listed in Who's Who in Nursing.

The reason, however, that I am rising to speak about Genie Eide is that, in my mind, Genie is a great example of what's right about America. Genie has made a life and a career out of her commitment to public health and public service. She has worked with the American Red Cross and spent two years in India with The World Health Organization as a nursing consultant. When Maricopa County Health Services made its initial commitment to provide home health services to the county's disadvantaged elderly population, Genie was called on to develop the program. When a number of hospitals in the Phoenix area recognized the need for the development of a hospice program to provide care and comfort for dying patients, Genie was involved. Throughout her entire career, Genie has been there to help.

Genie Eide represents one sterling example of hundreds of thousands of dedicated care providers who live each day to provide health care when and where it is needed. Genie is unusual in the energy that she devotes to her calling and the broad scope of her vision. But she is a leader and a representative of a large group of Americans who still believe that individuals can make a difference.

TRIBUTE TO MR. NAPOLEON FERNÁNDEZ GREGORY

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mr. Napoleon Fernández, an outstanding individual who has devoted his life to his family and to serving the community. Mr. Fernández celebrated his 80th birthday in the company of his family and friends on Saturday, August 22, 1998 at the Holy Cross Church Hall in the Bronx.

Mr. Fernández was born in the Dominican Republic. When he was in the 6th grade, he had to quit school to get a job in order to support is mother and two sisters. With the desire and absolute resolution to provide for his family, he became a barber at the age of 14 and 1 year later owned his own barbershop. Known as "Salon Figaro," the barbershop soon became the most famous in the Dominican Republic. He later entered show business and became an artistic entrepreneur who brought to the Dominican Republic famous musicians, such as Bobby Capo and Daniel Santos from Puerto Rico and Libertad Lamarque from Mexico. With his success blooming, he published a magazine called "Revistas Figaro."

In 1952, Mr. Fernández immigrated to the United States and obtained a barber's license within a year. He opened a shop on 112th Street and Broadway in Manhattan while still pursuing his musical career. He brought Armando Manzanero to the U.S. for the first time. He also went into the real state business and owned many buildings before losing them.

After his real state business failed because of the discrimination and the difficulties immigrants and minorities faced those days, he became a music teacher and gave music lessons in public schools in New York and in New Jersey. He was the first Hispanic PTA President from Brandeis High School and PS 145. He also played music with various artists such as the legendary Maestro Marco Rizzo and various bands such as Orchestas de Dominica, Chaparro and Alfredo Munar. Today, Mr. Fernández sings gospel music with the choir at Holy Cross Church and owns a baseball team, "The Boys of Figaro".

Mr. Speaker, Mr. Fernández was very involved in politics and clearly believes that electoral politics is honorable public service. He was very active in campaigns for former Representative Herman Badillo, the first Puerto Rican to be elected to the U.S. House of Representatives. Mr. Fernández could have been the first Dominican elected to the New York State Assembly but he chose not to run.

Mr. Fernández has been married to Carmen for 36 years. They have 8 children and 19 grandchildren who are all doing very well.

His life of courage and his contributions to our country make all of us, the immigrant community and his family, truly proud.

Mr. Speaker, I ask my colleagues to join me and the family of Mr. Napoleon Fernández Gregory in wishing him a happy 80th birthday.

TRIBUTE TO LARRY ELDER

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. DREIER. Mr. Speaker, Larry Elder is the top radio personality in Los Angeles. His drive-time radio show is heard by about 400,000 people per day, and an average of 72,000 people tune in at any given time. In overall audience, he trails only a few of the nation's best-known, nationally-syndicated hosts. Why is Larry Elder so popular? Because he thoughtfully espouses a message which stresses the importance of accountability, individual responsibility, and hard-work as keys to success.

Larry grew up in South Central Los Angeles, and he is now the self-proclaimed "Sage of South Central." He attended law school at the University of Michigan, and later worked as an executive headhunter in Cleveland before his radio talents were discovered. Cleveland's loss has become Los Angeles's gain. Larry has appeared on KABC radio for nearly 5 years, and his popularity has consistently grown.

One of the reasons for Larry's devoted following is that his views are often contrary to those espoused by other nationally-recognized African-American leaders. He argues that big government and excessive regulation inhibit economic growth. He supports school choice as a way to ensure that the children of lower-income families have access to good schools. Larry argues that the biggest problem for minorities in America is not white racism, but illegitimacy, which is fostered by a welfare state that liberal leaders have fought to preserve and expand.

Larry has survived and thrived in America's second-largest radio market despite a lengthy boycott aimed at depriving his show of important advertisers and forcing him off the air. This experience prompted Forbes magazine recently to note that "Larry Elder is one of a group of black dissenters who are winning public attention. Nevertheless, the business community is nervous of them: They fear arousing the wrath of pressure groups that can muster street boycotts." Despite concerns among sponsors about the shopping habits of those who want Larry off the air, the boycott seems only to have increased his popularity, and he is now looking toward a syndicated radio show, and possibly a book and television contract. Soon, the rest of the United States will benefit from the insight and humor of my friend, Larry Elder.

Mr. Speaker, Larry Elder is thoughtful and entertaining, and even his staunchest critics concede that his ideas merit serious debate. I believe that if more Americans took to heart his message of self-reliance, accountability and equal treatment, we would make great strides toward empowering the weakest in our society to improve their own lives through better education, safer neighborhoods, and enhanced economic opportunity. In turn, it would allow us to focus public resources on those who truly need assistance.

IN HONOR OF THE CITIZENS OF TERRELL COUNTY ON THE OCCASION OF THE PRICKLY PEAR PACHANGA IN SANDERSON, TEXAS

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. BONILLA. Mr. Speaker, I proudly represent the "Cactus Capital of Texas." The Cactus Capital is located in Sanderson. The residents of Sanderson and Terrell County are equally proud of this designation as they come together on October 10, 1998 to celebrate the first Prickly Pear Pachanga.

Just ask any Texan and they will tell you that Texas is a unique state with a rich culture and heritage. Each region has special characteristics and for Terrell County this would be the cacti.

More than 100 species of cacti grow in Texas, more than any other state. The cacti is known for growing in extreme drought and heat conditions. It is a tough plant that grows in a tough region and I believe it is only fitting that this plant is honored by West Texans.

The citizens of Terrell County should be commended for hosting the Prickly Pear Pachanga. There is nothing that represents Texas better than friends, neighbors and a community coming together to celebrate. I encourage all Americans to come to Sanderson to attend the festival so they will be able to partake of good fellowship, food and family fun.

A TRIBUTE TO THE TOWN OF EAST HAMPTON, LONG ISLAND ON ITS 350TH ANNIVERSARY

HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. FORBES. Mr. Speaker, I rise today in this hallowed chamber to ask my colleagues in the U.S. House of Representatives to join me and my family, friends and neighbors in East Hampton, New York, as we celebrate the 350th anniversary celebration of this historic, seaside Long Island town.

Located at the eastern tip of Long Island's South Fork, East Hampton possesses a rich and storied history as one of this nation's earliest settlements, its 350-year legacy intertwined with the history of this great nation and the rest of Long Island as well.

East Hampton boasts the United States' first public works project, the Montauk Lighthouse commissioned by George Washington. Sag Harbor, on the town's western border with Southampton, served as home port for many great whaling ships during the heyday of that long since faded industry. Because it still possesses much of the natural beauty and idyllic scenery as it did in the 17th century, the Village of East Hampton has served as America's preeminent resort community for the wealthy for the past 120 years, a summertime magnet for the world's artistic, business and social elite.

The story begins in 1648, when a small band of Puritan settlers from Lynn, Massachusetts pushed through the woods of the South Fork to settle East Hampton. The town was founded on April 29 with the purchase of 31,000 acres from the Montaukett Indians. The settlers built their huts and cottages along what is now Main Street, and named their new home Maidstone after the English village they left behind. Within a few years, 37 families called Maidstone home.

Like other pioneer towns of the Colonial era, East Hampton grew quickly, attracting many artisans, fishermen, craftsmen and farmers who were overwhelmed by the area's bountiful waters and rich farmland. Soon, the town branched out to the grazing lands of Wainscott, the meadows of Acobonac, the fishing port of Montauk and the harbor at Northwest.

My colleagues, the spirit and handiwork of the original East Hampton residents still lives in the many venerable homes and schools that today stand in the village. Built in 1650, Home Sweet Home is the childhood residence of actor-playwright John Howard Payne, who wrote the famous song the house is named after. Next door is the Mulford House, built in 1680 and also one of Long Island's oldest structures. The Huntting Inn encloses the home built in 1699 for the town's second minister, and the Clinton Academy became New York State's first college prep school when it was established in 1784.

The Main Street home of artist Thomas Moran, whose large canvasses of Yellowstone and Yosemite that helped create the National Park System, is on the National Register of Historic Places. Adjacent to the Moran home is the "Summer White House" used by President John Tyler and his wife, the former Julia Gardiner of East Hampton.

While America's westward expansion continued unabated for the first century, East Hampton grew slowly over its first 200 years. That changed dramatically in the 1870's, when well-to-do New Yorkers looking to escape the city in summer, and artists and writers who were just looking to escape the city, simultaneously discovered East Hampton's bucolic ambience. By the 1880's, East Hampton was a flourishing resort for the financially and artistically gifted. When the Long Island Railroad was extended to East Hampton in 1895, the village's population was fully into its annual summer explosion.

Comprised of the incorporated Village of East Hampton and several smaller hamlets, each of East Hampton's communities has its own district history. The fishing village of Amagansett was home to many great whaling captains of centuries past, including the legendary Captain Josh Edwards. In 1942, an alert U.S. Coast Guardsman spotted four German spies, launched in a rubber boat by a Nazi sub, landing at Amagansett. After a 15-day manhunt, all four would-be saboteurs were captured, and two more subsequently executed for their crimes.

Springs is considered by many the artistic heart of the Hamptons. It most famour resident was the sublime American artist Jackson Pollock. Located on Acobonac Harbor, the denizens of Springs were the original "Bonackers," formerly a derisive term, like calling some one a hick. Today, all East Hamptonites proudly call themselves Bonackers. Few of Long Island's many hamlets have retained their historical charm as well as Wainscott, in the southwest corner of East Hampton. Where else do students still go to school in a one-room schoolhouse.

There is no area of Long Island that has changed less since English settlers first landed here nearly 400 years ago than Gardiners Island. Located in Gardiner's Bay between the North and South Fork of Long Island, the Island was purchased by Lion Gardiner from Wyandanch, the sachem or chief of the Montaukett Indians, in 1639. Today, the crescent shaped isle remains in the Gardiner family's possession, in the same pristine condition as when Lion acquired it.

Mr. Speaker, it is with great pride and emotion that I stand here today and share East Hampton's 350-year annivesarty with my Congressional colleagues. Though still just a small, seaside town on the East End of Long Island, Eash Hamption boasts a proud legacy of achievement and fame that places it among the world well-known communities. I congratulate everyone of my friends and neighbors as they celebrate this historic anniversary.

PRESIDENTIAL LEADERSHIP: CHARACTER, THE ESSENTIAL ELEMENT

HON. PAUL McHALE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 6, 1998

Mr. McHALE. Mr. Speaker, I rise to insert the following speech, which I gave before the Bethlehem Rotary Club on September 2, into the CONGRESSIONAL RECORD.

PRESIDENTIAL LEADERSHIP: CHARACTER, THE ESSENTIAL ELEMENT

My friends, neighbors and today considering the message I'm going to deliver in just a couple of moments, most especially, my fellow citizens—

I began preparing this speech focusing on character and politics about a month ago. I was watching TV one day when a respected journalist began to discuss the challenges and allegations confronting the President. She said with a note of frustration in her voice, I'm paraphrasing slightly, "We hire public officials like plumbers—to get the job done. We don't expect them to be role models or moral icons." "Character," she finally said, "is largely irrelevant."

I listened to that statement and realized that I disagreed with it so profoundly, so deeply, that it was so contrary to everything that had brought me to public service two decades ago, I knew that at some point in some forum, I wanted to respond—not merely to rebut her statement, certainly not to challenge her personally, but to present a very different point of view. Her opinion, in my judgement, is directly at odds with the most important lessons of American history. We *do* expect our public officials to be role models and moral leaders. That expectation is neither naive nor unrealistic.

Theodore Roosevelt was one of the truly great presidents of the United States, a man whom I admire tremendously, a man normally considered one of the five greatest presidents in American history. In some ways it's unfortunate that President Theodore Roosevelt has become almost a caricature because he was a man of extraordinary substance. That caricature often misleads us in terms of the lessons that he had to teach. Let me read to you, if I may, a quote from Theodore Roosevelt on the subject of character and politics: "Sometimes, I hear our countrymen abroad saying, 'Oh you mustn't judge us by our politicians.' I always wanted to interrupt and answer, "But you *must* judge us by our politicians, not merely by their ability, but by their ideals and the measure in which they realize these ideals, by their attitude in private life and much more by their attitude in public life both as regards their conception of their duties toward their country and their conception of the duty of that country embodied in its government towards its own people and toward foreign nations.'"

He continued: "Each community has the kind of politicians it deserves. . . . The most important thing for you to know is how the man you choose will conduct himself in the office to which he is elected. Now to know this, you must not only know his views and his principles, but you must also know how well he practices and corresponds to those principles. This is the all important fact. Far more important than the candidate's words is the estimate you are able to put upon the closeness with which his deeds will correspond to his words."

Roosevelt spoke in the language of his time. He is gender specific to "men" and I would, if I could, edit his transcript and insert "men and women" but the basic lesson remains true. He continued: "What you need in a man who represents you is that he shall show the same qualities of honesty, courage and common sense that in private life make the type of man you are willing to have as a neighbor, that you are willing to work for, or to have work for you. While the private life of a public man is of secondary importance, it is certainly a mistake to assume that it is of no importance. Of course excellence in private conduct, that is domestic morality, punctuality in the payment of debts, being a good husband and father, being a good neighbor, do not, taken together, furnish adequate reason for reposing confidence in a man as a public servant. But lack of these qualities certainly does establish a presumption against any public man. One function of a great public leader should be to exert an influence upon the community at large, especially upon the young men of a community. And therefore, it is idle to say that those interested in the perpetuity of good government should not take into account the fact of a public man's example being something to follow or to avoid, even in matters not connected with his direct public services. No man can be of any service to his state, no man can amount to anything from the standpoint of usefulness to the community at large unless first and foremost, he is a decent man in the close relations of life. . . . Jefferson said that the whole art of government consists in being honest. . . . You cannot be unilaterally honest. The minute that a man is dishonest along certain lines, even though he pretends to be honest along other lines, you can be sure that it is only a pretense, it is only expediency. And you cannot trust to the mere sense of expediency to hold a man straight under heavy pressure." (emphasis added)

That was a lengthy quote. It consumed a significant amount of time, but it also reflected a significant lesson in history. We can't separate a president's character from his performance in office. Indeed, what he does in office finds its initial motivation in the wellspring of his character. There is no such thing as character "compartmentalization."

The Constitutional powers that were assigned to the Presidency were shaped, in part, by the expectation of what type of person would be elected Chief Executive. Let me quote from a book by William Peters, A More Perfect Union: the Story of the Constitutional Convention. Fifty-five delegates at various times over the summer of 1787 gathered in Philadelphia (not very far from where we meet today) in order to define the Constitution, the structure of government under which we today remain privileged to live. When it came time to define the Presidency under Article II of the Constitution, political power was assigned to the executive office with a clear-cut expectation of the personal moral decency, the integrity, the kind of character that each president would bring to the decision-making process.

This is from A More Perfect Union: "[At the Constitutional Convention,] Dr. Franklin rose to express his agreement, and in doing so made clear his belief that Washington would be the Country's first executive. 'The first man put at the helm will be a good one,' he said, 'nobody knows what sort may come afterwards.' This expectation that Washington would be the first at the helm was in fact shared by most if not all of the delegates and it influenced not only the way they envisioned the future presidency but the powers they were willing to assign to that office. As Pierce Butler, one of the delegates, would write to a relative in England a year later, the powers of the President 'are full, great and greater than I was disposed to make them, nor do I believe that they would have been so great had not many of the members cast their eyes toward George Washington, who was the presiding officer, as president and shape their ideas of the powers to be given a president by their opinions of his virtue.'" (emphasis added)

When the Constitution was written, those who gathered to draft Article II realized full well what an extraordinary man George Washington was. And while I doubt that they expected every subsequent president of the United States to have the character of our first, they did, indeed, have an expectation—one that we must realize in succeeding generations—that presidents of the United States would certainly possess "virtue" perhaps not of the magnitude possessed by George Washington, but that, at a minimum, there would be decent men and women who would later occupy that office and bring to it at least a sense of integrity paralleling that of our first President. And clearly when they defined the powers of the office, powers that would exist long after the presidency of George Washington, they had the expectation of "character" as a permanent element of leadership resident within the office of the president of the United States.

Let me read to you briefly two other quotes from presidential scholars who speak far more eloquently than I can about these subjects. The first is James Barber, who has written extensively on presidential character: "When a citizen votes for a presidential candidate, he makes in effect a prediction. He chooses from among the contenders the one he thinks, or feels, or guesses would be the best president. He operates in a situation of immense uncertainty. . . . He must choose in the midst of a cloud of confusion, a rain of phony advertising, a storm of sermons, a hail of complex issues, a fog of charisma and boredom and a thunder of accusation and defense . . . to understand what actual presidents do and what potential presidents might do, the first need is to see the man whole . . . as a human being like the rest of us a person trying to cope with a difficult environment. To that task he brings his own character, his own view of the world, his own political style. . . . If we can see the pattern he has set for his political life, we can, I contend, estimate much better his pattern as he confronts the stresses and the chances of the presidency."

"The presidency," he went on to say, "is a peculiar office." James Barber continued: "The Founding Fathers left it extraordinarily loose in definition partly because they trusted George Washington to invest a tradition as he went along . . . The Presidency is the focus for the most intense and persistent emotions of the American polity. The president is a symbolic leader, the one figure who draws together the people's hopes and fears for the political future. On top of all of his routine duties, he has to carry that off or fail." (emphasis added)

Richard Neustadt is probably the most highly acclaimed, perhaps the best respected presidential scholar in the United States. He was writing of the president's professional reputation when he drafted the following words in his classic work, On Presidential Power: "The professional reputation of a president in Washington is made or altered by the man himself. No one can guard it for him, no one saves him from himself. Everything he personally says and does (or fails to say, omits to do), becomes significant in everyone's appraisal regardless of the claims of his officialdom for his words. His own actions provide clues not only to his personal proclivities, but to forecast an asserted influence of those around him. . . . A president runs the risk by being personally responsible for his own reputation." (emphasis added)

Let me make it clear, in my judgment no candidate for president should be required to pass through a star-chamber of inquisition concerning matters of genuine privacy, most especially in areas of past sexual activity; but to respect privacy does not require that we abandon character, rationalize misconduct, or accept an imaginary compartmentalization of a president's moral judgement and his stated public policies.

We have, I think at most times, a healthy understanding of privacy even with regard to the presidency. Herbert Hoover, with some sense of frustration and certainly with a sense of humor, said in May 1947, "there are only two occasions when Americans respect privacy, especially the president's—those are prayer and fishing." Now I suspect that the scope of privacy is a little bit broader than that. I like to believe that it is. Biographical profiles sufficient to evaluate a candidate's character need not contain salacious detail. A legitimate requirement that we evaluate the whole candidate—his temperament, honesty, demonstrated decency and public policy positions need not and ought not be used to rationalize the journalists' equivalent of a "Peeping Tom." Responsible reporters and a tolerant citizenry usually know where to draw the line.

Unfortunately, by claiming the right of privacy to shield an immoral predatory relationship, a relationship between the president and a twenty-two-year-old intern conducted in the Oval Office and subsequently denied under oath, President Clinton has damaged the genuine right of privacy which many of us defend, the right to be let alone as defined one hundred years ago by Louis Brandeis.

The demand for character is not constant in a president or in any other office-holder. I have had the privilege to serve in public office for about a decade and a half. I have been involved in political activity for almost two decades. There are some days when there are not a lot of pressures upon you in public life. There are days when you simply go about the business of serving the people and you don't have to struggle on that particular day with your conscience, you don't have to reach for moral courage. Those are the routine days of political life for a Member of Congress—a public servant and ordinary citizen.

However, there are other days which prove to be much more challenging for a Member of Congress, and similarly, for the president of the United States. During periods of relative tranquility and prosperity, such as we have enjoyed during most of this decade in no small part thanks to the efforts of President Clinton, you need only administer and command. There are certain powers granted to a president under Article II of the Constitution. Those powers have been enhanced by subsequent legislation enacted by the Congress. Those are the levers of authority that are the president's by virtue of his elected position. But during a period of national crisis, a president can't merely administer and command, he must lead and inspire. The Civil War, World War I, World War II, The Great Depression and the 20th Century Civil Rights Movement all demanded a substantial level of applied, not merely rhetorical presidential character. None of these challenges could possibly have been met merely by a series of dry presidential position papers. That is why Franklin Roosevelt stated that "(the presidency) is preeminently a place of moral leadership."

We don't expect sainthood from our presidents. I know very few saints in public life. I suppose there are a few, but I have not met many of them. We expect ordinary people in times of crisis to rise to the challenge of superior leadership based on patriotism and moral decency, where the contribution they make may even be beyond their own expectations. Perfection is not the standard, but neither should we abandon the fundamental test of character in determining who shall lead us as a people and as a nation.

During the past few minutes, I have spoken on presidential character and the vital role it plays in the process of shaping and implementing our nation's public policies. In the closing minutes of my presentation, I want to apply the concept of presidential character to the troubling, genuinely disheartening presidential misconduct which will soon be brought before the Congress of the United States.

I want my strong criticism of President Clinton to be placed in context. I voted for President Clinton in 1992 and 1996. I believed him to be the "Man from Hope" as he was depicted in 1992. As a member of Congress, I voted for more than three-fourths of the President's legislative agenda and would do so again. I have strongly supported President Clinton's proposals in such areas as Social Security reform, child care, environmental protection, campaign finance and the continuing effort to curb the tobacco industry and discourage teenage smoking. My blunt criticism of the President has nothing to do with policy. The President has always treated me with courtesy and respect and he has been more than responsive to the concerns of my constituents. I do not feel a shred of animosity toward the president of the United States. Unfortunately, he is an exceptionally bright man who is now guilty of extraordinary misconduct.

I must tell you, in complete candor, that I am saddened and dismayed by his actions. I now have an obligation as a member of the United States Congress to evaluate that conduct not as a puritan, but as an elected representative with duties of my own under Article I of the Constitution, to hold this president accountable, as I would hope every Congress would hold any president accountable for misconduct of this nature. Finally, I also want to note that in my judgment Kenneth Starr was wrongly appointed as independent counsel, possessing a background far too partisan and demonstrating personal political ambition inconsistent with the neutral role of a special prosecutor. Nonetheless, only the President is ultimately responsible for his own reprehensible and tragic misbehavior.

Unfortunately, the President's proven misconduct has now made immaterial my past support or my agreement with him on issues. Last January 17th, the president of the United States attempted to cover-up a sordid and irresponsible relationship by repeated deceit under oath. Contrary to his later public statement, his answers were not "legally accurate," they were intentionally and blatantly false. President Clinton was untruthful at length and untruthful in detail. He allowed his lawyer to make arguments to the court based upon an affidavit that the President knew to be false. The President was present in the room at the time when his lawyer made those unethical arguments to a federal judge who was also physically present. The President later lied to the American people and belatedly admitted the truth only when confronted, some seven months later, by a mountain of irrefutable, conflicting evidence. I am convinced that the President would otherwise have allowed his false testimony to stand in perpetuity. Judge Susan Weber Wright may yet hold the President in contempt of court. If the President avoids a perjury conviction he will be lucky, not innocent.

What is at stake, my fellow citizens, is really the rule of law. When the President took an oath to tell the truth, he was no different at that point from any other citizen, both as a matter of morality and as a matter of legal obligation. We cannot excuse that kind of misconduct because we happen to belong to the same party as the president or agree with him on issues or feel tragically that the removal of the president from office would be enormously painful for the United States of America. The question is whether or not we will stand true to the rule of law. The question is whether or not we will say to all our citizens, including the president of the United States, when you take an oath you must keep it. It was four centuries ago that Sir Thomas More gave up his life rather than swear to a false oath. Now perhaps that's the saintly ideal, but we ought not abandon our nation's historic commitment to the sanctity of the judicial oath, based upon the dangerous rationale that we are all less than perfect.

As we gather here today, eight blocks from where I live, my wife is on jury duty in Philadelphia. Kathy was called to jury duty in federal court. She, right now, is sitting in a courtroom in Philadelphia hearing a sexual harassment case. She and her fellow jurors will have the legitimate expectation that every witness who comes before the court will, to the best of his or her ability, tell the truth. There may indeed be mistakes in recollection; nobody's memory is perfect. But Kathy and every other juror will necessarily conclude, in the absence of conflicting evidence, that the facts presented by witnesses in testimony under oath will be truthful. That is the linchpin of our legal system's search for justice.

I have had the privilege to serve in public life at the local, state and federal level. I started out on the Planning Commission of the Borough of Fountain Hill, served in the state legislature and have now represented you for three terms in the Congress of the United States. I have voted thousands and thousands of times over the last twenty years, but I tell you from personal experience that the venue where the law really takes on meaning is in the courtroom. We can vote for magnificent pieces of legislation in the Congress of the United States, but it is only when that law enters the courtroom that it takes on true meaning for the individual citizen. Whether it's a custody matter, a domestic relations conflict, a contract dispute, an accusation of criminal misconduct, it is in the courtroom that life enters the law. I see Tom Murphy seated in the audience, one of our District Justices. Tom is a former police officer and, I'm confident, fully understands what I am saying. You can pass a great bill in Washington, but if you are unable to equitably enforce it because individual witnesses are untruthful under oath, then the courtroom becomes a sham.

Nothing is more important to our democratic system of government than the obligation of citizens to tell the truth when the law is applied to a given set of facts.

Having deliberately provided false testimony under oath the President, in my judgment, forfeited his right to office. It was with a deep sense of sadness that I called for his resignation. By his own misconduct, the President displayed his character and defined it badly. His actions were not "inappropriate." They were predatory, reckless, breathtakingly arrogant for a man already a defendant in a sexual harassment suit, whether or not that suit was politically motivated. In light of his own misconduct, how can this President now speak with moral authority on issues such as teenage pregnancy, male responsibility for children born out of wedlock and the duty to treat women with dignity, equality and not merely as objects for male gratification? How can he lead, not merely command, our men and women in uniform, knowing that his actions would in a military environment result in a court martial? How could I defend the President knowing that I would fire an employee under similar circumstances?

And if in disgust or dismay, we were to sweep aside the President's immoral and illegal conduct, what dangerous precedent would we set for the abuse of power by some future president of the United States? And are we really prepared to substitute polling data for the rule of law? For our country's sake, I hope not. But if we sweep this aside, that is the precedent that we will inevitably establish. All of us, I think, have been repelled by the detail of reporting in terms of the President's specific activity. I have heard all that I need to hear.

But if we are so repelled by the facts as they have now become known that we push this presidential misconduct aside, I assure you that twenty-five, fifty, one hundred years from now there may well be some other temporarily popular president of the United States who will choose to violate his oath of office and perhaps provide false testimony to a court believing and relying on the precedent that if you are popular enough, somehow you are different from and superior to your fellow citizens, that somehow you too may be excused when you lie under oath. That is a dangerous precedent we can ill afford to set as a nation. It is a precedent that would ominously outlive every person in this room.

We cannot define the President's character—he correctly noted that reality a few weeks ago. He alone has that power and that responsibility. But we *must* define our nation's. That is the challenge that we face today.

I have had the opportunity on many occasions, particularly during this presidency, but also on a few occasions beforehand to visit the White House. I would encourage you to do that. If you can enter the White House and not be inspired, you have a tougher set of emotions that I do. Every time I enter that building and the one where I work, the Capitol, I am overwhelmed by the sense of history and the obligation that that history imposes on us, we who serve today.

On many occasions, I have spent time in the White House State Dining Room. I think it was on my first visit to that dining room, probably on the public tour, that I noticed that there is in that room a wonderful fireplace and carved into the mantle of that fireplace, a prayer. The prayer goes back to the days of John Adams who first voiced it on November 2, 1800, nearly two hundred years ago. His prayer remains centrally relevant to the issue of character and politics today. John Adams' prayer for those who would later occupy the White House may be read upon the mantle as follows: "I pray Heaven bestow the best of blessings on this House and all that shall hereafter inhabit it. May none but honest and wise men ever rule under this roof."

John Adams was wrong in his gender limitation, but he was unquestionably right in his eternal hope.

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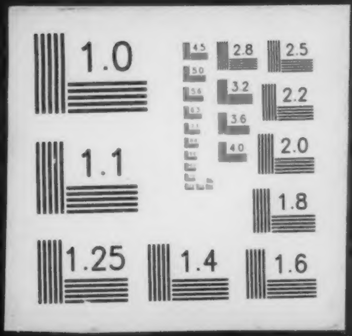
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